

BUSINESS BLUEPRINT

SAP MATERIAL MANAGEMENT



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Icon	Meaning
	Caution
	Example
	Note
	Recommendation
	Syntax
	External Process
	Business Process Alternative/Decision Choice
	Information
	Warning

Abbreviation	Meaning
SAP	Systems, Applications, & Products in Data Processing
S/4 HANA	Business Suite 4 High-Performance Analytic Appliance
FI	Financials
CO	Controlling
MM	Materials Management
PP	Production Planning
PS	Project System
QM	Quality Management
SD	Sales & Distribution
HCM	Human Capital Management
COA	Chart of Accounts
CO Area	Controlling Area
OPC	Operating Concern
GL	General Ledger
SP GL	Special General Ledger
AR	Accounts Receivable
AP	Accounts Payable
AA	Asset Accounting
BA	Bank Accounting
CA	Cash
CE	Cost Element
CCA	Cost Center Accounting
CCtr.	Cost Center
IO	Internal Order
PCA	Profit Center Accounting
PCtr.	Profit Center
CO-PA	Controlling-Profitability Analysis
WRICEF	Workflow, Reports, Interfaces, Customizations, Enhancements, and Forms

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1 Introduction

This document states all of the conceptual results of the project— SAP Implementation. These project results were devised and decided on by the project team and the department experts from JAL Company during the Business Blueprint project phase. This is the main concept document of the project.

The content of this document forms the basis and the guidelines for the subsequent realization phase.

This document aims to describe the future business solution based on SAP software. Both, IT subjects and organizational issues that are required to understand the situation, are described in it.

Any additional explanations that are only relevant when the project is in progress are given in the various project management plan documents, which the project management team will provide on request.

Authors and contributors can be referred to in section Document History.

2 SAP Organizational Structure

Organizational Structure			
ID	Relevant Organizational unit SAP	Corresponding organization (Customer...)	Explanation if necessary (e.g. Mandatory)
1	Company code	Finance & Accounting Company	Smallest organizational unit of external accounting for which a complete, self-contained set of accounts can be created.
2	Plant	Factory	Physical site where valuation done on this level
3	Storage location	Location to store the items	The place where stock is physically kept within a plant
4	Purchasing Organization	Purchasing Department one for each company	The unit which is responsible for purchasing activities.
5	Purchasing Group	Buyer or Department	Code for a buyer or group buyers responsible for a certain activity.

2.1 Introduction “Organizational Unit”

This section will introduce the Organizational Structure Unit, its purpose and major characteristics for the business.

2.2 Company Code

Company Code is the smallest organizational unit of external accounting for which a complete, self-contained set of accounts can be created.

This includes the entry of all transactions that must be posted and the creation of all items for legal individual financial statements, such as the balance sheet and the profit and loss statement.

A company code represents an independent unit producing its own balance sheet, for example, a company within a corporate group (client).

2.2.1 Naming Convention

A company code is defined in the system by means of a four-character alphanumeric key that is unique in the client. Naming Convention for Company Codes with step 100 (1100, 1200, 1300 ...)

2.2.2 Global Design Decisions

JAL will have two company codes in SAP as follows:

Company codes	
Company code	English Name
1000	JAL Holding
1100	JAL International
1200	JAL Human Resource
1300	Trans East

2.3 Plant

This is an entity within Logistics, serving to subdivide an enterprise according to procurement. It is a place where material is procured, stocked, valued and sold.

A Plant has its own material master data. If the company has several plants, it can maintain data at plant level for the following views on a material master record in particular:

- Purchasing.
- Accounting.
- Storage.
- MRP.

2.3.1 Naming Convention

A Plant is defined in the system by means of a four-character alphanumeric key that is unique in the client.

2.3.2 Global Design Decisions

JAL will have the following plant codes in SAP:

Plant	
Plant code	English Name
DM01	Dammam
JB01	Jubail
JHR1	JAHR HQ
TE01	TE Factory

2.4 Storage Location

The storage location is an organizational unit that facilitates the differentiation of stocks of materials within a plant. A storage location has the following attributes:

- There may be one or more storage locations within a Plant.
- Stocks are managed only on a quantity basis and not on a value basis at storage location level.
- Physical inventories are carried out at storage location level.
- Storage locations are always created for a Plant.

2.4.1 Naming Convention

Storage location is defined in SAP by means of a four-character alphanumeric key.

2.4.2 Global Design Decisions

JAL will have the following storage locations.

Plant		Storage location	
code	Description (EN)	Code	Description
DM01	Dammam	GEN1	Main S.Loc
		WP01	WIP
		FG01	Finished Product
		PJ01	Projects
		MN01	Maintenance
JB01	Jubail	GEN1	Main S.Loc 1
		GEN2	Main S.Loc 2 (RC)
		WP01	WIP
		FG01	Finished Product
		PJ01	Projects
JHR1	JAHR HQ	MN01	Maintenance
		GEN1	JAHR HQ.Loc
TE01	TE Factory	GEN1	Main S.Loc
		WP01	WIP
		FG01	Finished Product
		MN01	Maintenance

2.5 Purchasing Organization

A Purchase Organization is an organizational unit within logistics which subdivides an enterprise to facilitate efficient and effective Purchasing. A Purchase Organization procures materials and services, negotiates conditions of purchase with vendors, and bears responsibility for such transactions representing as a legal entity.

Each purchase transaction is processed within a Purchasing Organization and hence it must be specified in all purchase documents.

2.5.1 Naming Convention

A Purchasing organization is defined in the system by means of a four-character alphanumeric key that is unique in the client.

2.5.2 Global Design Decisions

JAL has two purchasing departments (Foreign and Local) for each company as follows:

Purchase Organization	
Purchase Organization	English Name
ZLIN	JAL Int Local PORG
ZFIN	JAL Int Foreign PORG
ZLHR	JAHR Local PORG
ZFHR	JAHR Foreign PORG
ZLTE	TE Local PORG
ZFTE	TE Foreign PORG

2.6 Purchasing Group

A purchasing group is a key for a buyer or a group of buyers who is/are responsible for certain purchasing activities. Internally, the purchasing group is responsible for the procurement of a material or class of materials. Externally, it is the principal channel for an enterprise's dealings with its vendors. The purchasing group is not aligned to other units in the company structure.

2.6.1 Naming Convention

A Purchasing Group is defined in the system by means of a three-character alphanumeric key that is unique in the client.

2.6.2 Global Design Decisions

JAL will have the following purchasing groups.

Purchase Group	
Purchase Group	Description
FIN	Finance
HRD	Human resources
REC	Recruitment
SUP	Supply chain
ITM	IT & SAP
ADS	Admin & services
ENP	Energy projects
FCM	Facility MGMT
FBS	Fabrication SERV
CLS	Client service
COM	Commercial
ENS	Energy service
FRP	Fire protection
HVA	HVAC
MAA	MANUF & Automation
TRD	Trading
ISD	Industrial service
INP	Industrial project
ANS	Analytical service
ICS	INSTR & CALIB
SHS	Shutdown service
CIP	Civil project

2.6.3 Changes to Enterprise Structure

N/A.

3 Master Data Concept

Master data comprises data records that are stored in the database for a long period of time. These data records are stored centrally and are used and processed on a cross-application basis. In this way, the multiple storage redundancy of data is avoided.

The vendor master record, the material master record, material group and the purchasing info record belong to the most important master data in the procurement process.

3.1 Business Partner

The supplier master record contains information on an enterprise's suppliers. This information is stored in individual supplier master records. In addition to the supplier's name and address, a supplier master record contains data such as the following:

- 1 Currency used in transactions with the supplier.
- 2 Terms of payment.
- 3 Names of important contacts (e.g., salespersons).

Since, for accounting purposes, the supplier is also a creditor of the enterprise; the supplier master record also contains accounting data such as the reconciliation account from the general ledger. The supplier master record is therefore maintained by both purchasing and accounting. This is also the reason for the subdivision of the data in the supplier master record into different categories.

The data in the supplier master record is subdivided into the following categories:

- **General data:**

This data is valid for the whole client. It includes the supplier's address and bank details, for example.

- **Accounting data:**

This is maintained at company code level. It comprises data such as the number of the reconciliation account and the payment methods for automatic payment transactions.

- **Purchasing data:**

This data is maintained for each purchasing organization. It includes the purchase order currency, incoterms, and various control data pertaining to the supplier. You can also maintain different data for specific plants or for supplier sub ranges.

3.1.1 Configuration Considerations

3.1.1.1 Supplier Account Groups

When creating a vendor master record, you must decide which account group you are going to assign to this vendor. The account group has control functions. When you maintain the vendor master record, for example, only the screens and fields that are needed for the relevant role of your business partner appear and are ready to accept user input. This is controlled by the account group.

Among other things, the account group determines:

- The type of number assignment (internal or external) and the number area from which the account number that the system uses to identify the vendor is to be assigned
- The field selection - which fields are ready for user input, which fields must be maintained, and which fields are hidden

- The status whether the vendor is a one-time vendor.

When you create a vendor master record, you need a unique number for the vendor (creditor). This is assigned automatically by the system. You need this number to display or change the supplier's master record and to post to the supplier account. Each type of the supplier account groups will have different number range.

JAL will use the following Supplier Account Groups:

Supplier Account Groups				
Code	Description (EN)	Number Ranges		NR Type
FK01	Local Vendors	31000000	31999999	Internal
FK02	Foreign Vendors	32000000	32999999	Internal
FK03	Other Vendors	33000000	33999999	Internal
FKXX	One-Time Vendor	93000000	93999999	Internal
RP	Sister Companies	C1000	C9999	Internal
EM	Employees	1	999999	Internal

Further details about the supplier account groups and their link and integration to the financial accounting module can be found in FICO module Blueprint - Master data – Business Partner topic.

3.1.2 Maintenance

Vendor master data maintenance will be the responsibility of the centralized master data team whose members are selected by JAL.

3.1.3 Data Migration

Vendor master data from the legacy system will be extracted, translated, and loaded to SAP using standard SAP tools for data migration as part of the realization and cutover activities. Extraction and translation are the responsibility of JAL business users and support team. Loading will be done by SOLEX Functional team. The suitable tool according to the type and data format will be defined during the realization phase.

3.2 Material Master

The material master record is an enterprise's main source of material-specific data. It is used by all areas of logistics.

The integration of all material data in a single database object eliminates the problem of data redundancy. All areas, such as purchasing, inventory management, materials planning, and invoice verification, can jointly use the data stored.

The data stored in the material master record is required for many purposes, including the following:

- Purchasing data is required for ordering purposes.
- Inventory management data is needed to post goods movements and carryout physical inventories.
- Accounting data is required for material valuation.
- Materials planning data is needed for material requirements planning.

Since different user departments within an enterprise work with one material, and each department enters different information relating to it, the data in a material master record is subdivided according to area of use. Each user department thus has its own view of a material master record and is responsible for maintaining the data covered by this view.

3.2.1 Configuration Considerations

3.2.1.1 Material Types

Materials with the same basic attributes are grouped together and assigned to a material type. This allows the company to manage different materials in a uniform manner in accordance with the company's requirements.

- Whenever a material master record is created, it must be assigned to a material type. The material type selected determines:
- Whether the material is intended for a specific purpose, for example, as raw material, semi-finished material, and finished material.
- Whether the material number can be assigned internally or externally.
- The number range from which the material number is taken.
- Which screens appear and in what sequence.
- Which departmental data maybe entered.
- What procurement type the material has; that is, whether it is manufactured in-house or procured externally, or both.

Together with the plant, the material type determines the material's inventory management requirement; that is:

- Whether changes in quantity are updated in the material master record.
- Whether changes in value are also updated in the stock accounts in financial accounting.

In addition, the accounts affected by a material entering or leaving the Warehouse depend on the material type.

JAL will use the following material types:

3.2.1.2 Material Groups

Several materials with the same attributes grouped together and assigned them with a key, which is “Material Group” You can use material groups to:

- Restrict the scope of analysis
 - Search specifically for material master records via search helps

Material Group		
Material Group code	Name 1 (EN)	Material group 2 description

3.2.1.3 Material Valuation

Material valuation is the determination of the value of a stock of materials. The valuation relevant data for a material include:

- a) Valuation price.
- b) Valuation class, which is used to determine the G/L account during the material movement.
- c) Valuation method using the price control indicator:
 - S – Standard Price
 - V – Moving Average Price

Material valuation data is maintained at plant level. Also, material valuation data shall be collected and maintained in SAP system as part of master data collection process during realize and deploy phase.

3.2.1.4 Account Determination

This includes the preparation needed for setting up Inventory Management and Invoice Verification transactions for automatic postings to G/L accounts.

Standard price will be the price control that will be used to evaluate the stock in JAL for the below Material Types:

Material Type	
Code	Description (EN)

Average price will be the price control that will be used to evaluate the stock in JAL for the below Material Types:

Material Type	
Code	Description (EN)

- Fixed Assets & Mat prov. by cust will be non-valuated Material Types.

JAL will use the following assignment between material types, account category references and valuation classes

Further details about the link and integration of the Assignment of valuation classes with GLs can be in JAL chart of account.

3.2.1.5 Batch Management (BLF)

Batch management functionality enables identification and traceability of inventories. Every batch of material in stock can be assigned with unique batch numbers and related information can be stored and retrieved for reporting purposes.

For JAL, batch classification data shall be collected and maintained in SAP system as part of master data collection process during realize and deploy phase.

Batch Classification			
Class	Desc. (EN)	Characteristic	Desc. (EN)

The Material Master will contain the total Shelf life; Period for which the material will keep in total, that is, from the date of production to the shelf-life expiration date.

3.2.1.6 Material Requirements Planning

The central role of MRP is to monitor stocks and in particular, to automatically create procurement proposals for purchasing and production (planned orders, purchase requisitions). This target is achieved by using various materials planning methods which each cover different procedures.

Several planning parameters are required to be maintained in material master data (at plant level/Storage location level) for MRP in order to run as expected, and these parameters may vary according to the MRP type selected. For example:

- Reorder point
- Safety stock
- In-house production time
- Planned delivery time
- GR processing time
- Lot Size
- Maximum stock level

Spare parts materials will be procured externally with manual re-order point with several replenishment alternatives available in SAP, e.g., replenishment up to maximum stock level, fixed lot size or lot to lot size. Material planning data shall be collected and maintained in SAP system as part of master data collection process during realize and deploy phase.

3.2.1.7 MRP Area

The MRP area represents an organizational unit which carries out materials requirements planning independently. The results of the planning run are displayed specifically for each MRP area. An MRP area can include one or several storage locations of a plant or stock with a subcontractor.

You can assign a material to various MRP areas.

MRP Areas for Storage Locations

You can define an MRP area that consists of a particular storage location by creating an MRP area and assigning the storage location to it. Material requirements for this storage location are then planned separately from the rest of the plant. You can also group several storage locations into one MRP area by creating an MRP area and assigning the storage locations. These storage locations are then planned together.

JAL will have One MRP Area as the below:

MRP Area	Desc.	Storage loc.

Further details about material requirements planning and its link and integration to production planning module can be found in PP BBP – MRP topic.

3.2.2 Maintenance

Material master data maintenance will be the responsibility of the centralized master data team whose members are selected by JAL.

3.2.3 Data Migration

Material master data from the legacy system will be extracted, translated, and loaded to SAP using standard SAP tools for data migration as part of the realization and cutover activities. Extraction and translation are the responsibility of JAL business users and support team. Loading will be done by SOLEX Functional team. The suitable tool according to the type and data format will be defined during the realization phase.

3.3 Lean Service Master

The Lean service master record is one of the master records and serves as source for data that you can use when creating service specifications as well as in the procurement transactions. refers to applying **Lean principles** to optimize processes and improve efficiency in service-oriented business areas supported by SAP software solutions. Lean principles aim to minimize waste, streamline workflows, and deliver value to the customer with minimal resource use.

3.3.1 Configuration Considerations

3.3.1.1 Lean Service Types

Key used to differentiate between services according to their usage.

The Lean service Types defines certain attributes of the service and has a control function.

3.3.1.2 Material/Service Groups

3.3.1.3 Account Determination

This includes the preparation needed for setting up Inventory Management and Invoice Verification transactions for automatic postings to G/L accounts.

JAL will use the following assignment between Lean Service Types, account category references and valuation classes

Further details about the link and integration of the Assignment of valuation classes with GLs can be in JAL chart of account.

3.3.2 Maintenance

Service master data maintenance will be the responsibility of the centralized master data team whose members are selected by JAL.

3.3.3 Data Migration

Service master data from the legacy system will be extracted, translated, and loaded to SAP using standard SAP tools for data migration as part of the realization and cutover activities. Extraction and translation are the responsibility of JAL business users and support team. Loading will be done by SOLEX Functional team. The suitable tool according to the type and data format will be defined during the realization phase.

3.4 Service Master

The service master record is one of the master records and serves as source for data that you can use when creating service specifications as well as in the procurement transactions. A service master record contains the following main information to uniquely identify a service:

Service number, service category, descriptive texts (short and long text), base unit of measure, Service group, valuation class.

3.4.1 Configuration Considerations

3.4.1.1 Service Categories

Key used to differentiate between services according to their usage.

The service Categories defines certain attributes of the service and has a control function.

3.4.1.2 Service Groups

3.4.1.3 Account Determination

This includes the preparation needed for setting up Inventory Management and Invoice Verification transactions for automatic postings to G/L accounts.

JAL will use the following assignment between service categories, account category references and valuation classes

Further details about the link and integration of the Assignment of valuation classes with GLs can be in JAL chart of account.

3.4.2 Maintenance

Service master data maintenance will be the responsibility of the centralized master data team whose members are selected by JAL.

3.4.3 Data Migration

Service master data from the legacy system will be extracted, translated, and loaded to SAP using standard SAP tools for data migration as part of the realization and cutover activities. Extraction and translation are the responsibility of JAL business users and support team. Loading will be done by SOLEX Functional team. The suitable tool according to the type and data format will be defined during the realization phase.

3.5 Purchasing Info Record

The purchasing info record (info record) provides the option of storing information about a vendor and a material as the master data at purchasing organization and plant level. You can define the following information in info records:

- Current and future prices and conditions (for example, freight and discounts)
- Delivery data (for example, planned delivery time and over delivery and under delivery tolerances)
- Vendor data (for example, contact person) and vendor-specific data about the material (such as the vendor sub range, to which the material belongs, description of material at vendor)
- Number of the last purchase order
- Texts.

The purchasing info record is an important source of information for the buyer. When creating the purchasing documents, the data from the info record is copied into the document as default values.

You can also use the list displays for the info records to determine which vendors offer a material, or which materials can be procured from a particular vendor.

When you create an info record, data is pulled from the material and vendor master records and inserted in the info record as default values.

An info record contains information such as:

- The current prices and delivery costs for the responsible purchasing organization or plant
- Vendor material number
- Delivery options (from date or to date)
- Source data
- The number of the last purchase order
- The number of the quotation, if the info record has been generated automatically
- Price control indicator
- Tolerance limits for over- or under deliveries
- The vendor's planned delivery time for the material

3.5.1 Maintenance

The maintenance of the purchasing info records will be assigned to the authorized members in the purchasing team in JAL. Mass maintenance is also applicable as needed and will be the responsibility of the centralized master data team whose members are selected by JAL.

3.5.2 Data Migration

N/A

3.6 Source List

The purpose of the source determination process is to automatically assign a source of supply to a purchase requisition. If the person entering the requisition has set the Source Determination indicator in the requisition header, the system searches for possible sources of supply for all the items of the requisition. If the system finds several valid sources for an item ; you use the source list to administer your sources of supply. The source list contains a list of sources for a material in a particular plant and for particular time periods. Each source is defined by a source list record. The source list has the following purposes:

- Restricting the selection of sources during the source determination process
- Defining a source as a fixed source
- Blocking a source

Each source list record consists of the following data:

- Validity period

Period within which the settings made in the source list are valid. The time period always makes reference to the delivery date for a requirement.

- Key source data

Number of the vendor and the responsible purchasing organization (info records) or number and item of the outline agreement (scheduling agreement or contract) representing the source of supply for the material.

- Fixed source

Select the Fixed field to define a source as a fixed source for the purpose of source determination. The fixed source is determined in all cases except the planning run.

- Procurement plant

If the material can be procured from a plant or another point within your firm, enter the plant number in the Plant field and leave the field for the vendor number and/or contract number empty. The plant is only determined as part of source determination for an item with the stock transfer item type.

- Blocked source

Select the Blocked field to define a source of supply as blocked. The info record or outline agreement is not suggested in the course of the source determination process and no PO or requisition can be created with this source.

3.6.1 Maintenance

The maintenance of the source list will be assigned to the authorized members in the purchasing team in JAL. Mass maintenance is also applicable as needed and will be the responsibility of the centralized master data team whose members are selected by JAL.

3.6.2 Data Migration

N/A

4 Business Process Master List

Business Scenario (Business Area/Process Group) scope				
ID	Process Name	Description	In Scope	SAP Solution
18J	Requisitioning	A purchase requisition is a request or instruction to procure a certain quantity of a material, a service or asset so that it is available at a certain point in time.	Yes	MM, PP, PM, SD
1XF	Request for Price	In this process a purchasing employee requests quotation for the supply of a specific material from different vendors. A quotation comparison list enables him to select the best source of supply by evaluating the responses/quotations of the relevant vendors.	Yes	MM
BMD	Purchase Contract	Contracts are agreements with the vendor to supply materials or services under negotiated conditions and within a certain period.	Yes	MM
J45	Procurement of Direct Materials	Procurement process will generate the requisition and handle all procurement process till the invoice verification.	Yes	MM, QM, FI
BNX	Consumable Purchasing	Consumable items (goods or services) are entered with material number or without material number, but rather a short text description as the main identifiable characteristic. The purchase order is subject to approval based on predefined parameters prior to being issued to a vendor.	Yes	MM, FI
J62-00	Asset Procurement from Purchase Order	This scenario deals with the purchasing of Assets	Yes	MM, FI
22Z	Procurement of Services	Procurement of Services enables an efficient steering and monitoring process for the procurement of Services. The lean process flow guarantees a fast processing and significantly reduces the manual effort.	Yes	MM, PM, FI

BMY	Subcontracting	Subcontracting involves providing your vendor (that is, the subcontractor) with components from which he manufactures a finished product	Yes	MM, PP, PM, FI
BMK	Return to Supplier	The return process begins with the creation of a return purchase order and is followed by the return delivery. Subsequently the items are picked and shipped to the supplier. Alternatively, it is possible to directly post a goods issue. The process is closed with the creation of a credit memo, which transfers the liability to the corresponding supplier.	Yes	MM, FI
BMH	Stock Transfer without Delivery	The stock transfer process begins with a requirement to transfer material from one plant to another within the same company code	Yes	MM, FI
BMC-01	Stock Handling: Goods Receipt	A goods receipt is a process to acknowledge delivery of goods from vendor.	Yes	MM, QM, FI
BMC-02	Stock Handling: Stock Transfer (1-Step – 2-Steps)	The stock transfer process begins with a requirement to transfer material from one storage location to another in the same plant	Yes	MM
BMC-03	Stock Handling: Goods Issue	The goods issue process begins with a requirement to reserve the stock inside storage location for future consumption for the reserving department.	Yes	MM, FI
BMC-04	Stock Handling: Scrap	The inventory scrapping when there is unused goods or expired products	Yes	MM, FI
BML	Physical Inventory /Inventory Count & Adjustment	This inventory-taking checks the stocks of material to establish the Current assets that are to be listed in the company balance sheet.	Yes	MM, FI

5 Business Process and Solution Design

5.1 Requisitioning (18J)

5.1.1 Business Process Description

This section captures the purchase requisition process. A purchase requisition is a request or instruction to procure a certain quantity of a material, a service or asset so that it is available at a certain point in time.

Requisitions can be created either directly or indirectly; "Directly" means that someone from the requesting department enters a purchase requisition manually. While creating the purchase requisition; The requester should insert the required material/service, its quantity and the expected delivery date. "Indirectly" means that the purchase requisition is initiated via another SAP component e.g., Materials Planning Component (MRP), Project System or Plant Maintenance. Once created, purchase requisitions can be subjected to a release (Approval, or rejection) procedure.

A purchase requisition consists of a number of items; each line item may have a different procurement type based on the suitable scenario. The following are the procurement types which can be used while requesting:

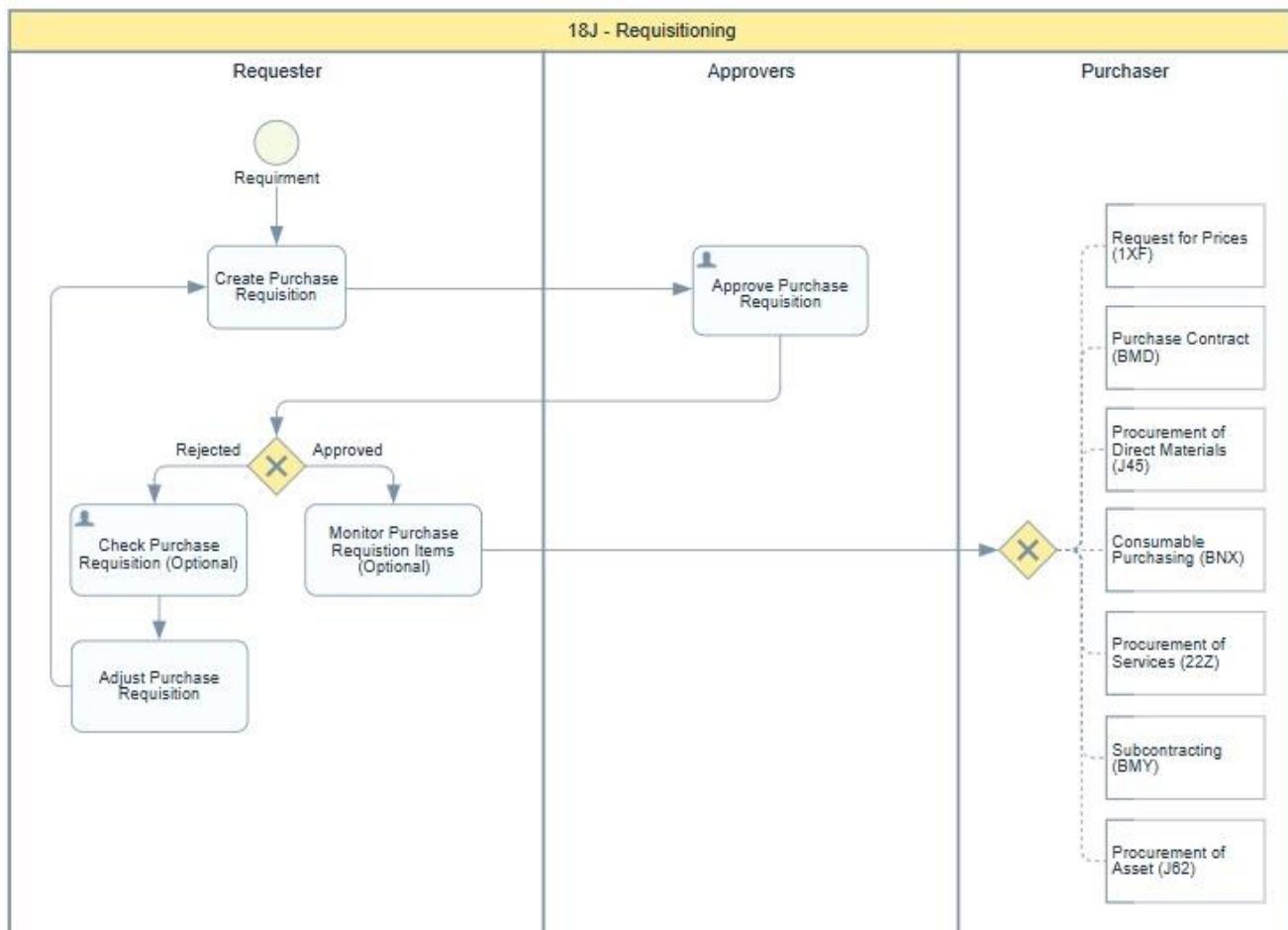
- Stock items
- Consumable items
- Fixed assets
- Stock transfers
- External services
- Subcontracting PR

This is the process in which the purchase requisitions are created either by the system automatically or by the user manually.

These purchase requisitions are the trigger for the procurement processes.

Process Characteristics	
Process Trigger	MRP, Maintenance order, Projects & manual requisitions
Process Input	Goods/Services requirement.
Process Output	Purchase requisition
Process Owner	Planner or any department
Process Frequencies	Daily

5.1.2 Business Process Diagrams



5.1.3 Business Requirement

Business Requirement (High Level)

Req. ID	Requirement Description	Requirement Type (Standard/Gap)
18J-01	<p>Requisitioning cycle will follow the same standard SAP cycle. The Purchase Requisition can be created from the below resources:</p> <ol style="list-style-type: none"> 1- Created manually by a requested user from any department. 2- MRP - Material Requirement Planning. 3- Automatic PR from maintenance department. 4- Automatic PR with reference to sales Order. 5- Automatic PR from projects department. <p>Any of these PRs after being created could be applied on Approval via Flexible Workflow based on the PR Approval matrix.</p> <p>The Purchase Requisition will be blocked for any further purchasing transaction (RFQ/PO) until it's totally released.</p> <p>Once PR is totally approved and released it should be unchangeable.</p>	Standard

5.1.4 Locations where this Business Process is performed

- Purchasing Organization
- Plant
- Purchase Group

5.1.5 Key Policies/Operational Decisions or Logic within the Process

- Purchase Requisition Approval Via Flexible Workflow

It is a component which can be used if you wish to set up approval procedures for purchase Requisition (PR). Under such a procedure, if a purchase Requisition fulfills certain conditions, it has to be approved before it can be processed further. This approval procedure automatically blocks the relevant documents for further processing (like RFQ or PO) if it's not totally approved yet. Blocked PRs don't appear for purchasers to do further processing. Purchase Requisitions are released at line-item and header level.

5.1.6 Process Step Detailed Requirements & Solution

Process Step Description			
ID	Process Step Description	Measure of successful delivery	Solution Description
18J-001	Manually or automatically created purchase requisition	PR created	You perform this activity when you want to create purchase requisition manually or automatically.
18J-002	Approve purchase requisition	PR is approved	You perform this activity when you want to create request for quotation for several vendors, or direct convert PR into purchase order.

5.1.7 Standard SAP Reports/Forms

Reporting		
Report Title	Transaction Code/Fiori Apps	Comment
List Display of Purchase Requisitions	ME5A	A list of all selected purchase requisitions is displayed.
Manage Purchase Requisitions	F1048	With this app, you can display purchase requisitions. In addition, you can use this app to assign sources of supply to the purchase requisition items and to create follow-on documents.
Monitor Purchase Requisition Items	F2424	With this app, you can monitor purchase requisition items.

5.1.8 Standard SAP Authorization

Process Step Description			
ID	Process Step Description	FIORI APP	User Role
18J-001	Create Purchase Requisition	Create Purchase Requisition-Advanced	Employee
18J-002	Approve Purchase Requisition	MY INBOX	PR Approvers
18J-003	Assign Buyers to the Approved PRs	Redistribute Workload	Procurement Manager
18J-004	Monitor Purchase Requisition Items (Optional)	Monitor Purchase Requisition	Purchaser

5.1.9 Integration Points

Integration Points		
Step ID	Integration Point	SAP Component
18J-001	Creating automatic PR from maintenance team (Output from PM module)	MM-PUR-REQ
18J-001	Creating automatic PR from planning/ production team (Output from PP module)	MM-PUR-REQ
18J-001	Creating automatic PR from sales order (Output from SD module)	MM-PUR-REQ
18J-001	Creating automatic PR from projects (Output from PS module)	MM-PUR-REQ

5.1.10 Functional Solution for Process “Requisitioning (18J)”

5.1.10.1 Organization Structure Considerations

- Plant.
- Purchasing Organization.
- Purchasing Group.

5.1.10.2 Master Data Considerations

- Material.
- Vendor.
- Purchasing Info Record.
- Service.

5.1.10.3 System Configuration Considerations

5.1.10.3.1 Purchase Requisition Document Types

Purchase Requisition Types			
Document Type	Name (EN)	Number Range From	Number Range To
ZMNL	Manual	1000000000	1099999999
ZAST	Assets	1100000000	1199999999
ZTRD	Trading	1200000000	1299999999
ZMRP	MRP	1300000000	1399999999
ZPRJ	Projects	1400000000	1499999999
ZSAL	Sales	1500000000	1599999999
ZPRD	Production	1600000000	1699999999
ZPLM	Plant maintenance	1700000000	1799999999
ZCSH	Cash	1800000000	1899999999

5.1.10.3.2 Purchase Requisition Approvals

Using the standard conditions in the flexible workflow scenarios will be maintained.

5.1.11 Technical/Development Related Items (WRICEF) for Process “Requisitioning (18J)”

5.1.11.1 Workflows

N/A

5.1.11.2 Reports

N/A

5.1.11.3 Interfaces

N/A

5.1.11.4 Conversion / Historical Data

N/A

5.1.11.5 Enhancements

N/A

5.1.11.6 Forms

Output / Forms				
WRICEF-ID	Description	Data Object	Output Type	Frequency
18J-F001	Purchase Requisition Form	Purchase Requisition	Form	Daily

5.2 Request for Price (1XF)

5.2.1 Business Process Description

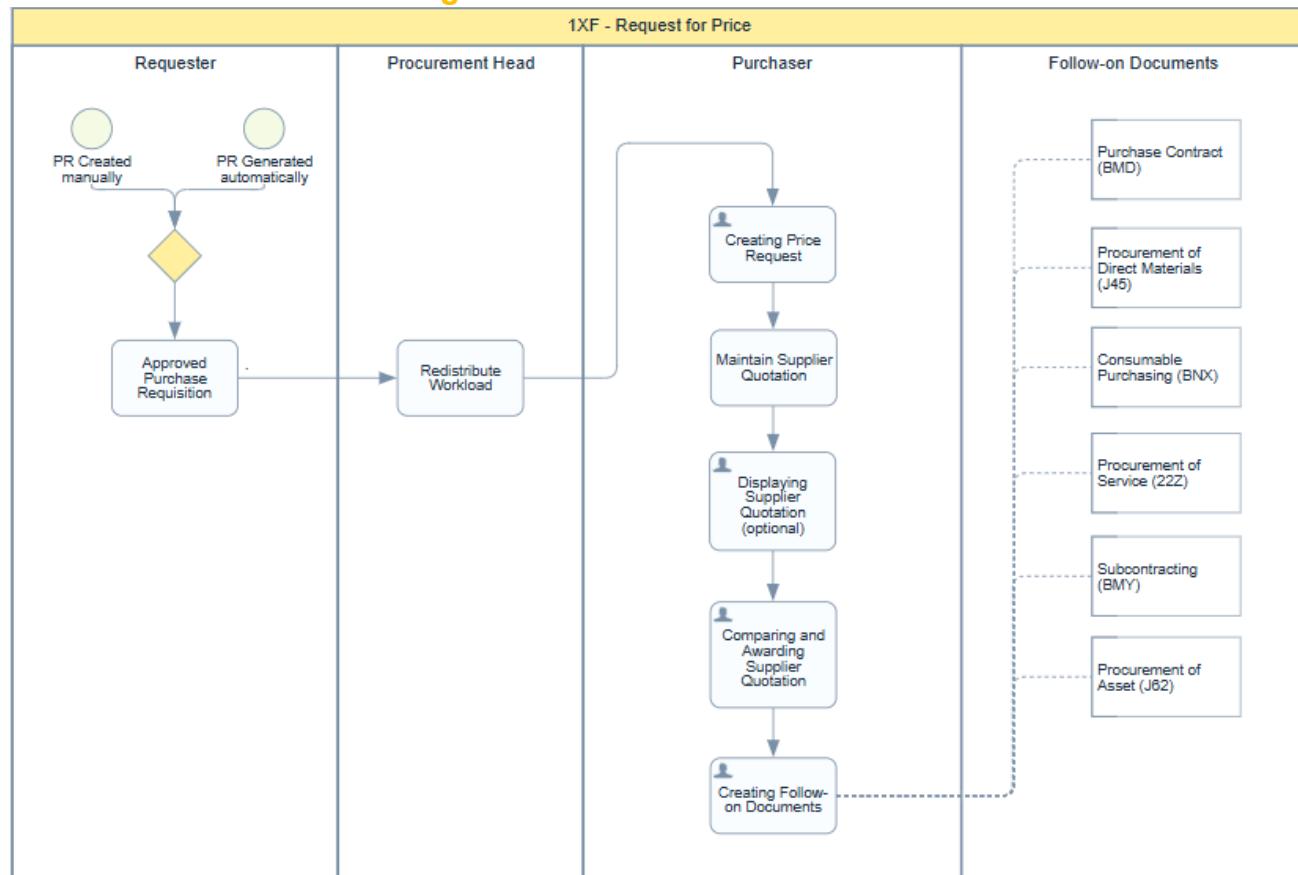
In this purchasing process, a purchasing employee requests quotation for the supply of a specific material from different vendors. A quotation comparison list enables the purchasing employee to select the best source of supply by evaluating the quotations of the relevant vendors. The accepted quotation is later converted into a purchase order and a rejection is set to the vendors whose quotations were rejected.

Material-specific information including vendor pricing and lead-time from the quotation is captured within master data records.

The RFQ process is a semi-optional process. You can purchase materials and services directly by converting a purchase requisition into a PO directly without the RFQ process.

Process Characteristics	
Process Trigger	Quotations needed from vendor
Process Input	Created Request for Quotation
Process Output	Vendor Selected
Process Owner	Purchasing Employee
Process Frequencies	On need

5.2.2 Business Process Diagrams



5.2.3 Business Requirement

Business Requirement (High Level)

Req. ID	Requirement Description	Requirement Type (Standard/Gap)
1FX-01	<p>Request for Price will follow the same standard SAP cycle.</p> <p>After the Purchase Requisition has been totally approved from the managers, then the procurement head assign buyer to start the process, the buyer can send request for quotations to many vendors.</p> <p>After vendors submit their quotations, the Buyer will maintain the quotations and record the actual data received from the vendors.</p> <p>The Buyer will compare the quotations to either accept or reject.</p> <p>The buyer also can run RFQ process without reference to keep updated with the market prices as a part of purchasing department duties.</p>	Standard

5.2.4 Locations where this Business Process is performed

- Company code.
- Purchasing Organization.
- Plant.
- Purchase Group.

5.2.5 Key Policies/Operational Decisions or Logic within the Process

N/A.

5.2.6 Process Step Detailed Requirements & Solution

Process Step Description			
ID	Process Step Description	Measure of successful delivery	Solution Description
1XF-001	Request for Quotation	RFQ is created	You perform this activity when you want to create request for quotation for several vendors.
1XF-002	Print Request for Quotation	Quotation is printed	This activity is performed to print the Request for Quotation document
1XF-003	List Quotations	RFQs are listed	This activity is performed to display request for quotation in the system
1XF-004	Quotation processing	Quotations are maintained; prices entered	You perform this activity to maintain quotation by entering the prices sent by the vendor
1XF-005	Comparison, rejection and	Info Records Created for approved quotations and other	This activity is performed to select vendor by comparing vendor's prices and send rejection letters to undesired vendors with

	selection of vendors	quotations were rejected	mentioning internally the reason of rejection as a reference to all departments
1XF-006	Procurement process	Continue to the procurement process	Perform the rest of the process

5.2.7 Standard SAP Reports/Forms

Reporting		
Report Title	Transaction Code/Fiori Apps	Comment
List Display of Purchase Requisitions	ME5A	A list of all selected purchase requisitions is displayed.
General Analysis Evaluation	ME80AN	Certain Purchasing Documents General Evaluations.
Purchase Order by document number	ME4N	List of Quotations.

5.2.8 Standard SAP Authorization

Authorization			
ID	Process Step Description	Transaction Code/Fiori Apps	User Role
1XF-001	Request for Quotation	Manage RFQ	Purchaser
1XF-002	Maintain Quotations	Manage RFQ	Purchaser
1XF-003	Comparison, selection and rejection of vendors	Compare supplier Quotations	Purchaser

5.2.9 Integration Points

N/A.

5.2.10 Functional Solution for Process “Request for Price (1XF)”

5.2.10.1 Organization Structure Considerations

- Plant.
- Purchasing Organization.
- Purchasing Group.

5.2.10.2 Master Data Considerations

- Material.
- Vendor.
- Purchasing Info Record.
- Service.
-

5.2.10.3 System Configuration Considerations

5.2.10.3.1 Request for Quotation Document Types

Request for Quotation Document types			
Document type	Name	NR From	NR To
ZRFQ	JAL RFQ	2000000000	2999999999

5.2.10.3.2 Request for Quotation Approvals

Automatically approved.

5.2.11 Technical/Development Related Items (WRICEF) for Process “Request for Price (1XF)”

5.2.11.1 Workflows

N/A

5.2.11.2 Reports

N/A

5.2.11.3 Interfaces

N/A

5.2.11.4 Conversion / Historical Data

N/A

5.2.11.5 Enhancements

N/A

5.2.11.6 Forms

Output / Forms				
WRICEF-ID	Description	Data Object	Output Type	Frequency
1FX-F001	RFQ Form	Request for Price	Form	On Need

5.3 Purchase Contract (BMD)

5.3.1 Business Process Description

This scenario deals with the use of contracts in procurement activities. Contracts are agreements with the vendor to supply materials or services under negotiated conditions and within a certain period.

Contracts are differentiated as follows:

- Quantity contracts: An agreement that a company will order a certain quantity of a product during a specified period.
- Value contracts: A contract in which the purchase of goods or services up to a total value is agreed.

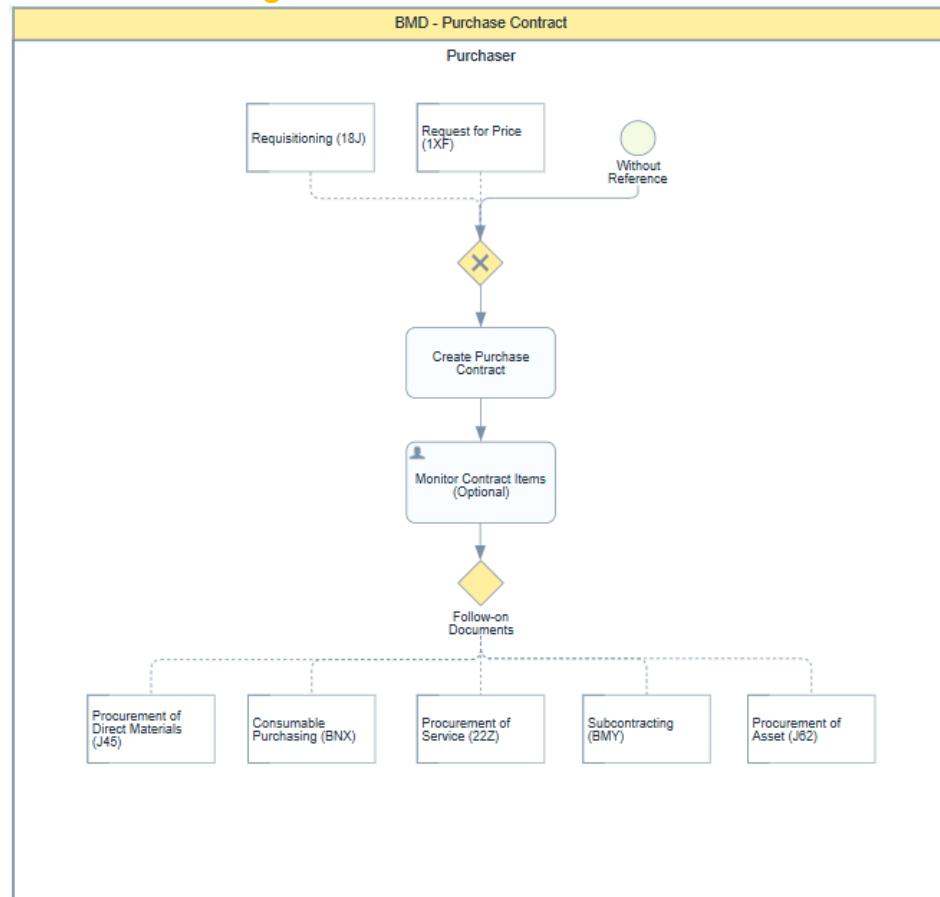
In source determination, contracts replace the purchasing info records and can be assigned in the source list as the fixed source for MRP.

Target groups are purchasing managers as well as buyers.

Purchase requisitions and purchase orders are created after the contract, if they don't exist yet.

Process Characteristics	
Process Trigger	Need for Contract
Process Input	Created Value or Quantity Contract
Process Output	Invoice Verified
Process Owner	Purchasing
Process Frequencies	On need

5.3.2 Business Process Diagram



5.3.3 Business Requirement

Business Requirement (High Level)		
Req. ID	Requirement Description	Requirement Type (Standard/Gap)
BMD-01	<p>Purchase contract will follow the same standard SAP cycle.</p> <p>JAL will apply the quantity and value contracts, which is an agreement with a certain quantity of a product or certain value during a specified period.</p> <p>The buyer can create contract with reference to PR or Quotation or without reference, then he will release a purchase order with reference to the created contract, in order to make goods receipt or service entry sheet.</p>	Standard

5.3.4 Locations where this Business Process is performed

- Purchasing Organization.
- Plant.
- Purchase Group.
- Storage locations.

5.3.5 Key Policies/Operational Decisions or Logic within the Process

- JAL decided will not use the purchase contracts in the current project phase. However, it was recommended to create two general purchase contract document types quantity contracts and value contracts for future use.
- The contracts created out of the system and the cycle will start with purchase order directly on the system.

5.3.6 Process Step Detailed Requirements & Solution

Process Step Description			
ID	Process Step Description	Measure of successful delivery	Solution Description
BMD-001	Creating a basic agreement (value or quantity contract)	Contract created	You perform this activity when you want to create contracts with agreements with the vendor to supply materials or services under negotiated conditions and within a certain period.
BMD-002	Release contract	Contract released	You perform this activity when you want to work on the contract for internal reviewing based on JAL approval policy.
BMD-003	Creating contract release order	PO created	This activity is performed to create purchase orders for material or service.
BMD-004	Contract monitoring	Contract monitored	You perform this activity to monitor purchase orders for contracts.
BMD-005	Goods receipt	Document posted	Goods receipt and will enter inspection process.
BMD-006	Invoice receipt by line item	Document posted	Verify the invoice comes from vendor with quantity received and purchasing price.

5.3.7 Standard SAP Reports/Forms

Reporting		
Report Title	Transaction Code/Fiori Apps	Comment
Contract by agreement number	ME3N	Display contract by document number
Contract monitoring	ME80RN	Monitor a list of purchase orders for contracts
Manage purchase contracts	F1600A	With this app, you can get an overview of all existing contracts.

		You can create new contracts with a specific validity time frame and a target quantity or a target value.
Monitor purchase contract items	F2423	With this app, you can monitor purchase contract items.
Value contract consumption	F2013	You can use this app to identify the consumption percentage of value type contracts over the last 365 days from the current date. You can also find the target and released amount of the contracts.
Quantity contract consumption	F2012	You can use this app to identify the consumption percentage of quantity type contracts in the last 365 days, from the current date. You can also find the target and released quantity of the contracts.

5.3.8 Standard SAP Authorization

Authorization			
ID	Process Step Description	Transaction Code/Fiori Apps	User Role
BMD-001	Creating a basic agreement (Value or quantity contract)	ME31K/Manage purchase contract	Purchaser
BMD-002	Approval of contract	ME35K/Manage purchase contract	Automatically approved
BMD-003	Print contract	ME9K/Manage purchase contract	Purchaser
BMD-004	Creating a purchase order with reference to the contract	ME21N/Manage purchase order	Purchaser
BMD-005	Contract monitoring	Monitor purchase contract	Purchaser, Section head and Procurement manager
BMD-006	Goods receipt	MIGO	Warehouse clerk
BMD-007	Invoice receipt by line item	MIRO	Accounts payable accountant

5.3.9 Integration Points

Integration Points		
ID	Integration Point	SAP Component
BMD-007	Accounting entry is posted after goods receipt (Input for FI)	MM-IM
BMD-007	Materials entered the quality stock after goods receipt (Input for QM)	MM-IM
BMD-008	A step done after Goods receipt to invoice receipt by line item	MM-IV

5.3.10 Functional Solution for Process “Purchase Contract (BMD)”

5.3.10.1 Organization Structure Considerations

- Company Code.
- Plant.
- Purchasing Organization.
- Purchasing Group.

5.3.10.2 Master Data Considerations

- Material.
- Vendor.
- Purchasing Info Record.

5.3.10.3 System Configuration Considerations

5.3.10.3.1 Outline Agreement Document Types

Outline Agreement Types			
Document Type	Name (EN)	NR From	NR To
ZQTC	JAL QTY Contract	3000000000	3099999999
ZVLC	JAL VAL Contract	3100000000	3199999999

5.3.10.3.2 Outline Agreement Approvals

Automatically approved.

5.3.11 Technical/Development Related Items (WRICEF) for Process “Purchase Contract (BMD)”

5.3.11.1 Workflows

N/A.

5.3.11.2 Reports

N/A.

5.3.11.3 Interfaces

N/A.

5.3.11.4 Conversions / Historical Data

N/A.

5.3.11.5 Enhancements

N/A.

5.3.11.6 Forms

N/A.

5.4 Procurement of Direct Materials (J45)

5.4.1 Business Process Description

This purchasing process uses purchase requisitions which are either generated automatically or manually by a requestor. A Purchasing Administrator validates the accuracy of the purchase requisition and converts the purchase requisition into a purchase order. As an alternative; Purchase orders can be generated manually or with reference to an accepted quotation.

When creating the purchase requisition, the requester can choose a source for the item. As a rule, however, the purchasing department is responsible for assigning sources. In the source selection step, you can have the system supporting you by suggesting a list of existing sources.

The purchase order is subject to approval based on predefined values. Once the Purchase order is totally approved the Purchaser can print it to be sent to the vendor.

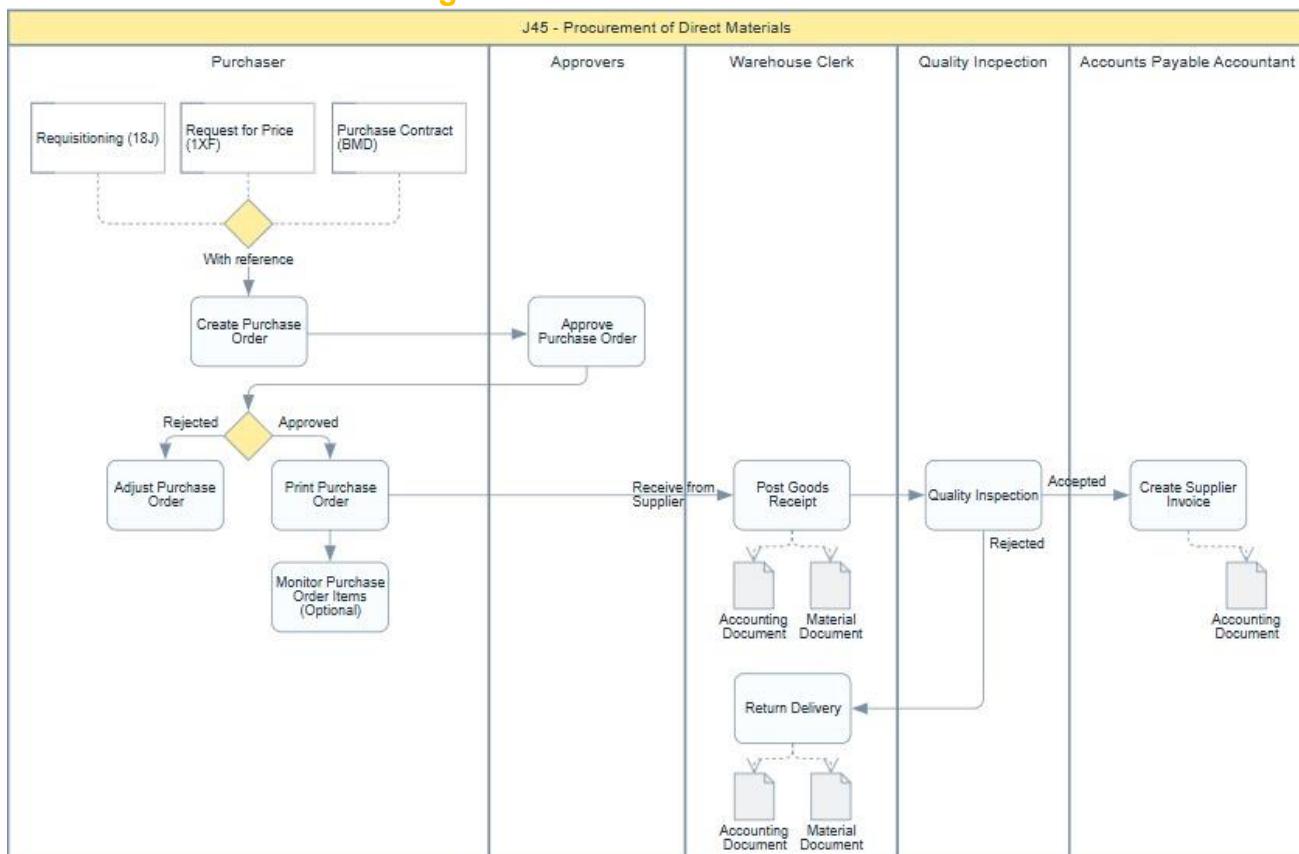
the goods receipt is done with reference to the attached purchase order number by the warehouse clerk.

The invoice is received from the vendor. Invoices are entered with reference to a purchase order.

Process Characteristics

Process Trigger	Purchase requisition or Quotation
Process Input	Created Purchase Order
Process Output	Goods receipt, Invoice Verified
Process Owner	Purchasing and Warehouse Clerk
Process Frequencies	Daily

5.4.2 Business Process Diagrams



5.4.3 Business Requirement

Business Requirement (High Level)

Req. ID	Requirement Description	Requirement Type (Standard/Gap)
J45-01	<p>JAL will follow the standard procure to pay cycle by creating a purchase order can be created with reference to:</p> <ul style="list-style-type: none"> 1- Approved PR as detailed in section 5.1.3 Requisitioning. 2- Awarded Quotation as detailed in section 5.2.3 Request for Price. 3- Approved Contract as detailed in section 5.3.3 Purchase Contract. <p>No creation without reference will be allowed for the buyers.</p> <p>The process starts with purchase requisition created manually by a requester in any department or automatically, it will be applied to approval cycles based specific criteria as mentioned on section 5.1.10.3.2 PR approvals, then it will be directed to the purchasing head to assign the responsible buyer that will proceed the procurement process.</p> <p>Two cases depend on the business scenario:</p> <p>Case 1: The buyer will run a request for price process as mentioned in section 5.2 by create a request for quotation (RFQ) and at the end the award quotation the buyer will manually convert it into a purchase order</p> <p>Case 2: The buyer will create a direct purchase order with reference to the purchase requisition.</p> <p>All the data will be copied from the purchase requisition or awarded quotation to the purchase order automatically the Buyer can insert or change any additional data such as any extra fees (like Freight, Transportation, ...) as condition types.</p> <p>Foreign Purchasing:</p> <p>The Purchaser doesn't exactly know the cost of some of conditions specially in the foreign purchasing such as the (Customs, Clearance, ...), these values are triggered at the goods receipt step not on the order process.</p> <p>In this case the purchaser must maintain the closer estimated price and while the invoicing the account payable will insert the actual price for them.</p> <p>PO custody (Petty Cash):</p> <p>Case 1: "Products purchased and stored"</p> <p>To facilitate the procurement of certain products from the local market or in emergency situations, purchasers may utilize petty cash funds provided by the Finance team off the system.</p> <p>Following the procurement process in SAP, the buyer will create a Purchase Order with the document type "Cash" This specific</p>	Standard

	<p>purchase order document type will be exempt from the standard approval workflow.</p> <p>Case 2: “Products purchased and consumed directly” This will be settled directly with the finance team.</p>	
J45-02	Goods Receipt is done with reference to the Purchase order	Standard
J45-03	Goods are subjected to Quality inspection process with two phases to decide either the material will be accepted or rejected. And the invoice will be blocked until the acceptance of the Quality team. If the Material is rejected, it will be returned to vendor.	Standard
J45-04	Purchase order invoice by the Finance team	Standard

5.4.4 Locations where this Business Process is performed

- Company Code.
- Purchasing Organization.
- Purchasing Group.
- Plant.
- Storage Location.

5.4.5 Key Policies/Operational Decisions or Logic within the Process

- Purchase Order Approval Via Flexible Workflow.

It is a component which can be used if you wish to set up approval procedures for purchase order (PO). Under such a procedure, if a purchase order fulfills certain conditions, it has to be approved before it can be processed further. This process of approving (Clearance, or giving the “green light”) to a proposed item of expenditure is replicated in the SAP System by the “release procedure”. This release procedure automatically blocks the relevant documents for further processing (like goods receipt) if it's not totally approved yet. If any changes happened to any data in the purchase order. The system will reset the release strategy to be approved from the beginning.

Blocked purchase orders cannot be output. Purchase Orders are released at header level.

- Version Management on Purchase Order.

It is a component which can be used to track and manage changes made to a purchase order over its lifecycle. This functionality is especially useful in complex procurement processes where modifications to POs occur frequently due to changes in requirements, budgets, or other factors. Each modification to a purchase order creates a new version. Changes are logged, showing what was updated (such as quantity or delivery date).

5.4.6 Process Step Detailed Requirements & Solution

Process Step Description			
ID	Process Step Description	Measure of successful delivery	Solution Description
J45-001	Manually or MRP automatically created purchase requisition	PR created	You perform this activity when you want to create purchase requisition for material manually or by MRP run.
J45-002	Perform request for price (1XF) cycle	Select the suitable supplier	You perform this cycle when you want to want to request for quotations from several vendors.
J45-003	Creating purchase order reference to RFQ or PR	PO created	This activity creates a purchase order with reference to request for quotation.
J45-004	Approval of purchase orders	PO released	Purchase orders which require an authorization can be approved in this step.
J45-005	Print purchase order	PO printed	This activity is performed to print the approved purchase order.
J45-006	Receiving goods from vendor	Document posted	Count the material quantity provided from the vendor
J45-008	Invoice receipt by line item	Document posted	Verify the invoice comes from vendor with quantity received and purchasing price

5.4.7 Standard SAP Reports/Forms

Reporting		
Report Title	Transaction Code/Fiori Apps	Comment
Purchase Order by document number	ME2N	A list of purchase orders
Material Document List	MB51	Display material document.
Stock Overview	MMBE	Stock Overview for Company Code/Plant/Storage Location for a specific material.

Warehouse Stock	MB52	Display warehouse stocks of materials.
Manage Purchase Orders	F0842A	With this app you can create, manage, and search purchase orders to ensure that you get the ordered items on time, at the correct location, and in the required quantity. As a purchaser, you can manually order materials as well as services.
Monitor Purchase Order Items	F2358	With this app, you can display purchase order items and monitor their status, using filter criteria such as purchase order, material group, material, supplier, plant, and delivery forecast.
Material Documents Overview	F1077	With this app you can display a list of material document items and display the material document details of a selected material document item.
Stock - Single Material	F1076	With this app you can get an overview of your material stock. You can review your stock by the plants and storage locations for which you are responsible. The app can display the stock information as a table or a diagram.
Stock - Multiple Materials	F1595	With this app, you can get an overview of your material stocks. You can review your stock by the plants and storage locations for which you are responsible.
Procurement Overview Page	F1990	The Procurement Overview app shows you, at a glance, the most important information and tasks relevant for you right now. The information is displayed on set of actionable cards.
Overdue Purchase Order Items	F0343	With the Overdue Purchase Order Items app, the number of purchase order items with delivery dates in the past and those yet to be delivered are calculated.
Purchasing Group Activities	F1660	This app displays all the purchase order, contracts, requisitions, goods receipt, scheduling agreements against a particular purchasing group

		and category for a given time frame. Only those business documents that are completed, not deleted, and items not released are considered.
Overview Inventory Management	F2769	The overview page Overview Inventory Management shows you, at a glance, the most important information and tasks relevant for you right now. The information is displayed on a set of actionable cards. You can therefore focus on the most important tasks, enabling faster decisions and immediate action.
Overview Inventory Processing	F2416	This overview page displays KPIs and relevant information for warehouse clerks and other related roles.
Goods Movement Analysis	W0055	With this feature, you can analyze the goods movements in your company.

5.4.8 Standard SAP Authorization

Authorization			
ID	Process Step Description	Transaction Code/Fiori Apps	User Role
J45-001	Manually or automatically created purchase requisition	Create purchase requisition-Advanced & Manage PRs	Purchaser
J45-002	Perform request for price (1XF) cycle	Manage RFQ	Purchaser
J45-003	Creating purchase order reference to RFQ or PR	Create purchase order-Advanced & Manage purchase orders	Purchaser
J45-004	Approval of purchase orders	My Inbox	Purchasing manager
J45-005	Print purchase order	Manage purchase order	Purchaser
J45-006	Receiving goods from vendor	MIGO	Warehouse clerk
J45-007	Invoice receipt by line item	MIRO	Accounts payable accountant

5.4.9 Integration Points

Integration Points		
ID	Integration Point	SAP Component
J45-006	Accounting entry is posted after goods receipt (Input for FI)	MM-IM
J45-006	Materials entered the quality stock after goods receipt (Input for QM)	MM-IM
J45-007	A step done after Goods receipt to invoice receipt by line item	MM-IV

5.4.10 Functional Solution for Process “Procurement of Direct Materials (J45)”

5.4.10.1 Organization Structure Considerations

- Company Code.
- Purchasing Organization.
- Purchasing Group.
- Plant.
- Storage Location.

5.4.10.2 Master Data Considerations

- Material.
- Vendor.
- Purchasing Info Record.

5.4.10.3 System Configuration Considerations

5.4.10.3.1 Purchase Order Document Types

Purchase Order Types			
Document Type	Name (EN)	NR From	NR To
ZMAT	Material	4000000000	4099999999
ZMAS	Mat & Serv	4200000000	4299999999
ZCSH	Cash	4400000000	4499999999
ZTRD	Trading	4500000000	4599999999

5.4.10.3.2 Purchase Order Approvals

Using the standard conditions in the flexible workflow scenarios will be maintained.

5.4.10.3.3 Pricing Condition Types

Conditions are agreements with vendors about prices, surcharges and discounts, and so on. Conditions can be maintained when entering contract, quotations, info records, and purchase orders.

JAL will apply the following conditions:

Pricing Schema				
Condition Type	Description (EN)	Type	Condition Level	Effect on inventory
ZRC0	Vendor Discount (%)	Percentage	Header/Item	Yes
ZRC1	Vendor Discount (Value)	Fixed Amount	Header/Item	Yes
ZVAT	Taxes on the PO	Fixed Amount - Automatic	Item	NO
ZTR1	Transportation	Fixed Amount	Header/Item	Yes
ZFR1	Freight	Fixed Amount	Header/Item	Yes
ZCL1	Clearance	Fixed Amount	Header/Item	Yes
ZCT1	Customs	Fixed Amount	Header/Item	Yes
ZBC1	Bank charges	Fixed Amount	Header/Item	Yes
ZSBR	SABER	Fixed Amount	Header/Item	Yes
ZINS	Insurance	Fixed Amount	Header/Item	Yes
ZDAC	Doc & Certificate	Fixed Amount	Header/Item	Yes
ZINP	3rd party inspection	Fixed Amount	Header/Item	Yes
ZOTH	Other charges	Fixed Amount	Header/Item	Yes

5.4.11 Technical/Development Related Items (WRICEF) for Process “Procurement of Direct Materials (J45)”

5.4.11.1 Workflows

N/A

5.4.11.2 Reports

N/A

5.4.11.3 Interfaces

N/A

5.4.11.4 Conversions / Historical Data

N/A

5.4.11.5 Enhancements

N/A

5.4.11.6 Forms

Output / Forms				
WRICEF-ID	Description	Data Object	Output Type	Frequency
J45-F001	Draft PO Form	Purchase Order	Form	Daily
J45-F002	Unpriced PO Form	Purchase Order	Form	Daily
J45-F003	Purchase Order Form	Purchase Order	Form	Daily
J45-F004	Return PO	Purchase Order	Form	Daily

5.5 Consumable Purchasing (BNX)

5.5.1 Business Process Description

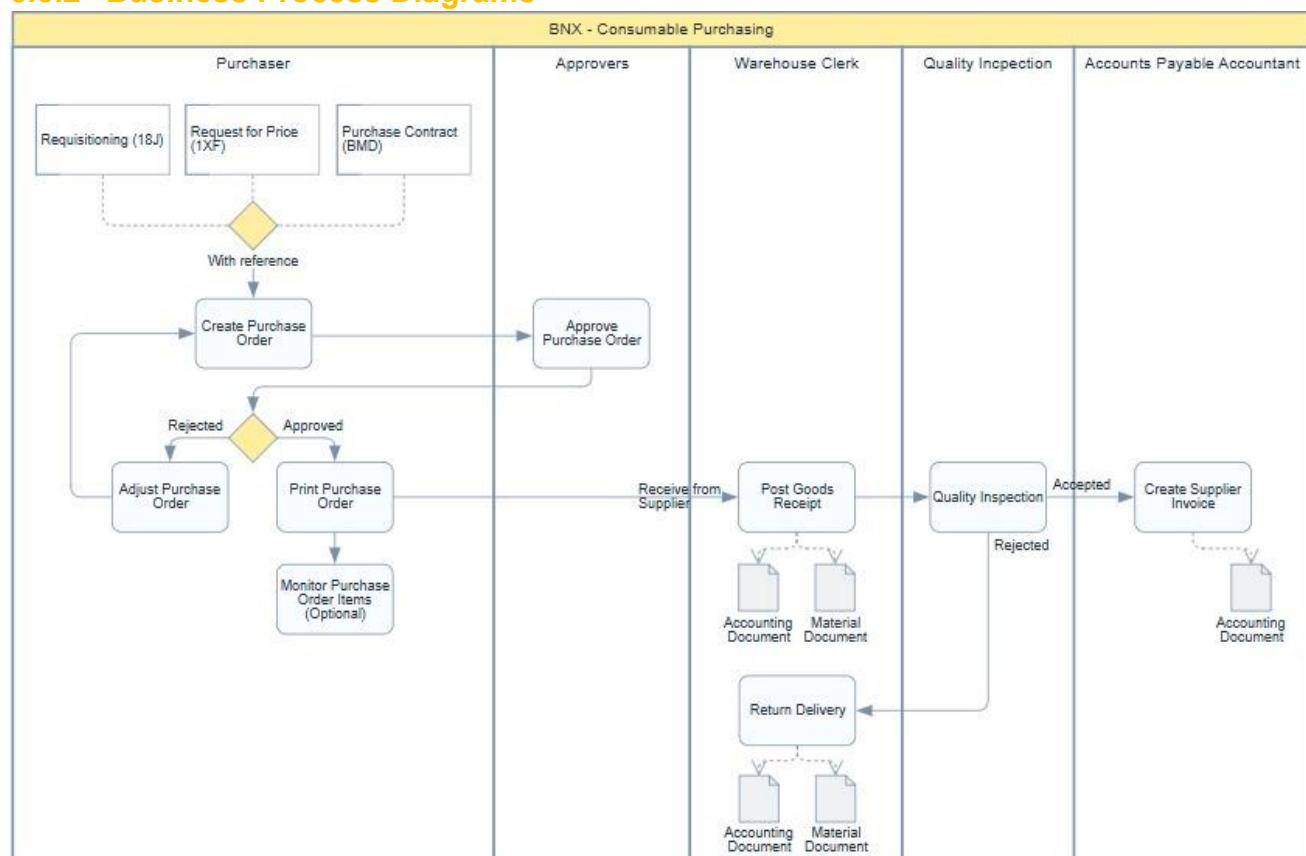
This scenario deals with purchase order creation activities during the procurement process. Furthermore, it describes the additional process steps of a purchase order approval, goods receipt of consumables and invoice receipts by line item.

For consumable goods, there is no inventory in the system. By posting a goods receipt the value of the goods is expensed to a cost center or another cost element (Asset, Capex projects).

Procurement of a consumable service follows the same general process. The difference is that the consumable service is not posted by means of a goods receipt, but with a service entry sheet. The invoice follows the same rules in both cases.

Process Characteristics	
Process Trigger	Request for consumable goods
Process Input	Created Purchase Requisition
Process Output	Invoice Verified
Process Owner	Purchasing Department and Requesting Department
Process Frequencies	Daily

5.5.2 Business Process Diagrams



5.5.3 Business Requirement

Business Requirement (High Level)		
Req. ID	Requirement Description	Requirement Type (Standard/Gap)
BNX - 01	<p>Procurement of Consumables cycle will follow the same standard SAP cycle.</p> <p>The requester will create purchase requisition to request a consumable material adding the cost center of his department so it will be consumed directly as an expense value on his cost center at the goods receipt step.</p> <p>Or request from projects so the products will directly consumed as a cost on the WBS element at the goods receipt step.</p>	Standard

5.5.4 Locations where this Business Process is performed

- Company Code.
- Purchasing Organization.
- Plant.
- Purchase Group.

5.5.5 Key Policies/Operational Decisions or Logic within the Process

- Purchase Order Approval Via Flexible Workflow.

It is a component can be used if you wish to set up approval procedures for purchase order (PO). Under such a procedure, if a purchase order fulfills certain conditions, it must be approved before it can be processed further. This process of approving (giving the “green light”) to a proposed item of expenditure is replicated in the SAP System by the “release procedure”. This release procedure automatically blocks the relevant documents for further processing. Blocked purchase orders cannot be output.

- Version Management on Purchase Order.

It is a component which can be used to track and manage changes made to a purchase order over its lifecycle. This functionality is especially useful in complex procurement processes where modifications to POs occur frequently due to changes in requirements, budgets, or other factors. Each modification to a purchase order creates a new version. Changes are logged, showing what was updated (e.g., quantity, or delivery date).

5.5.6 Process Step Detailed Requirements & Solution

Process Step Description			
ID	Process Step Description	Measure of successful delivery	Solution Description
BNX -001	Purchase Requisition creation for consumable goods	PR Created	You perform this activity when you want to create Purchase requisition for consumable goods.
BNX -002	Request for Price (1XF) Cycle	RFQ is created and printed and Supplier is selected	You perform this activity when you want to create request for quotation for several vendors.
BNX -003	Creating Purchase Order for Consumable Goods reference to RFQ	PO Created	This activity creates a purchase order with reference to request for quotation.
BNX -004	Approval of Purchase Orders consumables	PO Released	Purchase orders which require an authorization can be approved in this step.
BNX -005	Print Purchase Order	PO Printed	This activity is performed to print the approved Purchase Order.
BNX -006	Goods receipt of consumables	Inventory of received vendor goods	Goods receipt will be on two steps the first by the warehouse clerk and the second step will be by the requested department.
BNX -007	Invoice receipt by line item	Payables and expenses are updated	Verify the invoice comes from vendor with quantity received and purchasing price for consumable materials, and all accepted service entry sheets.

5.5.7 Standard SAP Reports/Forms

Reporting		
Report Title	Transaction Code/Fiori Apps	Comment
Purchase Order by document number	ME2N	A list of purchase orders.
Material Document List	MB51	Display material document.
Stock Overview	MMBE	Stock Overview for Company Code/Plant/Storage Location for a specific material.
Warehouse Stock	MB52	Display warehouse stocks of materials.
Manage Purchase Orders	F0842A	With this app you can create, manage, and search purchase orders to ensure that you get the ordered items on time, at the correct location, and in the required quantity. As a purchaser, you can manually order materials as well as services.
Monitor Purchase Order Items	F2358	With this app, you can display purchase order items and monitor their status, using filter criteria such as purchase order, material group, material, supplier, plant, and delivery forecast.
Material Documents Overview	F1077	With this app you can display a list of material document items and display the material document details of a selected material document item.
Stock - Single Material	F1076	With this app you can get an overview of your material stock. You can review your stock by the plants and storage locations for which you are responsible. The app can display the stock information as a table or a diagram.
Stock - Multiple Materials	F1595	With this app, you can get an overview of your material stocks. You can review your stock by the plants and storage locations for which you are responsible.
Procurement Overview Page	F1990	The Procurement Overview app shows you, at a glance, the most

		important information and tasks relevant for you right now. The information is displayed on set of actionable cards.
Overdue Purchase Order Items	F0343	With the Overdue Purchase Order Items app, the number of purchase order items with delivery dates in the past and those yet to be delivered are calculated.
Purchasing Group Activities	F1660	This app displays all the purchase order, contracts, requisitions, goods receipt, scheduling agreements against a particular purchasing group and category for a given time frame. Only those business documents that are completed, not deleted, and items not released are considered.
Overview Inventory Management	F2769	The overview page Overview Inventory Management shows you, at a glance, the most important information and tasks relevant for you right now. The information is displayed on a set of actionable cards. You can therefore focus on the most important tasks, enabling faster decisions and immediate action.
Overview Inventory Processing	F2416	This overview page displays KPIs and relevant information for warehouse clerks and other related roles.
Goods Movement Analysis	W0055	With this feature, you can analyze the goods movements in your company.

5.5.8 Standard SAP Authorization

Authorization			
ID	Process Step Description	Transaction Code/Fiori Apps	User Role
BNX-001	Purchase Requisition creation for consumable goods	Create purchase requisition-Advanced/ Manage purchase requisition	Requester
BNX-002	Request for Price (1XF) Cycle	Manage RFQ	Purchaser
BNX-003	Creating Purchase Order for Consumable Goods reference to RFQ	Create purchase order- Advanced/ Manage RFQ/ Process purchase requisitions	Purchaser
BNX-004	Approval of Purchase Orders consumables	ME29N	Purchasing Manager
BNX-005	Goods receipt of consumables	MIGO	Warehouse clerk
BNX-006	Invoice receipt by line item	MIRO	Accounts Payable Accountant

5.5.9 Integration Points

Integration Points		
ID	Integration Point	SAP Component
BNX-005	Accounting entry is posted after goods receipt (Input for FI)	MM-IM
BNX-006	A step done after Goods receipt to invoice receipt by line item	MM-IV

5.5.10 Functional Solution for Process “Consumable Purchasing (BNX)”

5.5.10.1 Organization Structure Considerations

- Company Code.
- Plant.
- Purchasing Organization.
- Purchasing Group.

5.5.10.2 Master Data Considerations

- Material Master.
- Vendor Master.

5.5.10.3 System Configuration Considerations

5.5.10.3.1 Purchase Order Document Types

Same as 5.4.10.3.1

5.5.10.3.2 Purchase Order Approvals

Same as 5.4.10.3.2

5.5.11 Technical/Development Related Items (WRICEF) for Process “Consumable Purchasing (BNX)”

5.5.11.1 Workflows

N/A

5.5.11.2 Reports

N/A

5.5.11.3 Interfaces

N/A

5.5.11.4 Conversions / Historical Data

N/A

5.5.11.5 Enhancements

N/A

5.5.11.6 Forms

N/A

5.6 Asset Procurement from Purchase Order (J62-00)

5.6.1 Business Process Description

This process deals with fixed asset acquisition within the framework of the ordering process in purchasing.

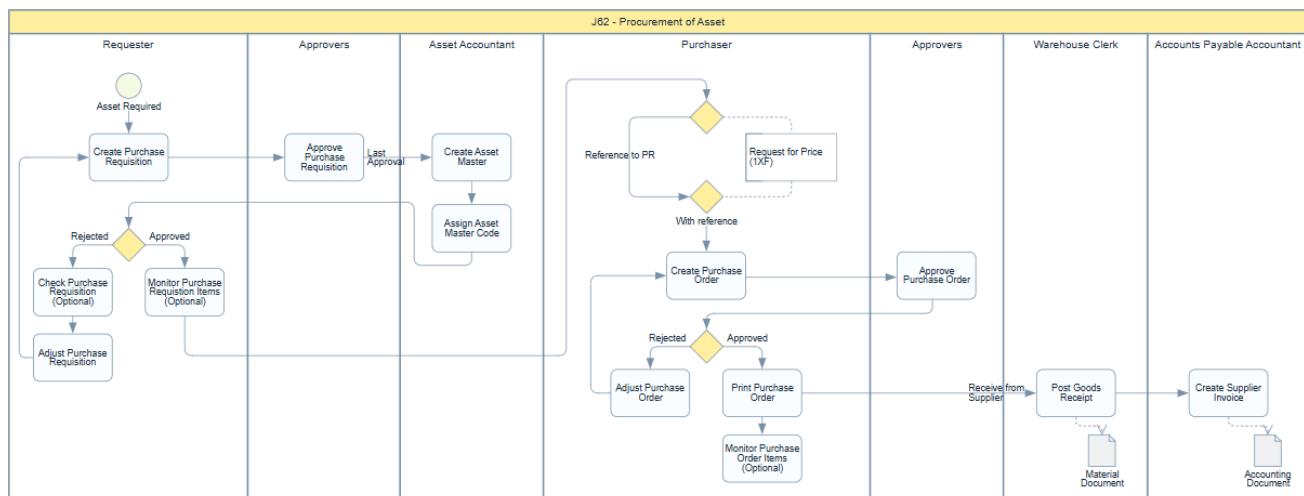
The process of external acquisition using a purchase order requires a sequence of steps to be performed at separate times as follows:

- Creating the purchase requisition.
- Creating the purchase order.
- Posting the goods receipt.
- Posting the invoice receipt.

When you use this integrated ordering process, you first have to create an asset master record. You can then post the purchase order with account assignment to the asset. It is also possible to create fixed assets from within the transaction for creating the purchase order. When you post the goods receipt or the invoice receipt, the system automatically capitalizes the asset. From an organizational perspective, it may be difficult to create an asset master record with the purchase requisition. There is therefore the option of creating a purchase requisition first, without account assignment. Then you enter the asset in the purchase order that results from the purchase requisition.

Process Characteristics	
Process Trigger	Request for Asset Acquisition
Process Input	Created Purchase Requisition
Process Output	Invoice Verified
Process Owner	Purchasing Department and Requesting Department
Process Frequencies	Daily

5.6.2 Business Process Diagrams



5.6.3 Business Requirement

Business Requirement (High Level)

Req. ID	Requirement Description	Requirement Type (Standard/Gap)
J62-00-01	<p>Asset purchasing cycle will follow the same standard SAP cycle.</p> <p>The requester will create a purchase requisition with inserting a material code under material type (Assets; non-valuated Materials only description)</p> <p>The requester will select Account Assignment “U” (unknown), triggering the PR asset approval workflow.</p> <p>The accounting manager will serve as the final approver, ensuring all prior approvals are completed.</p> <p>the accounting manager will generate an asset code for the item and include it in the PR. This step prepares the PR with the necessary account assignment data to proceed with creating the RFQ and PO.</p>	Standard

5.6.4 Locations where this Business Process is performed

- Company Code.
- Purchasing Organization.
- Purchasing Group.
- Plant.

5.6.5 Key Policies/Operational Decisions or Logic within the Process

- Purchase Order Approval Via Flexible Workflow.

It is a component can be used if you wish to set up approval procedures for purchase order (PO). Under such a procedure, if a purchase order fulfills certain conditions, it must be approved before it can be processed further. This process of approving (giving the “green light”) to a proposed item of expenditure is replicated in the SAP System by the “release procedure”. This release procedure automatically blocks the relevant documents for further processing. Blocked purchase orders cannot be output.

- Version Management on Purchase Order.

It is a component which can be used to track and manage changes made to a purchase order over its lifecycle. This functionality is especially useful in complex procurement processes where modifications to POs occur frequently due to changes in requirements, budgets, or other factors. Each modification to a purchase order creates a new version. Changes are logged, showing what was updated (e.g., quantity, or delivery date).

5.6.6 Process Step Detailed Requirements & Solution

Process Step Description			
ID	Process Step Description	Measure of successful delivery	Solution Description
J62-00-001	Create Purchase Requisition	Purchase requisition with asset description and price is in the system.	Business needs a new asset to be acquired to meet a business requirement.
J62-00-002	Create Asset Master	The asset master record is created under the number you specified.	Approved asset is added to the system to allow the purchase order to be created.
J62-00-003	Create Purchase Order	Purchase order is saved.	You perform this activity when you want to review your Purchase Requisitions and assign them to source of supply.
J62-00-004	Approve Purchase Order (Optional)	The PO is now released. But the PO may need to be released by multiple people depending on customizing.	All the purchase orders that require release by Release Authorization person are listed and need to be approved.
J62-00-005	Print Purchase Order	PO Printed	This activity is performed to print the approved contract.
J62-00-006	Post Goods Receipt	Material Document Created	Asset that has been received is recorded in material document.
J62-00-007	Create Supplier Invoice with PO/GR relation	The invoice verification is done here.	The invoice is verified.

5.6.7 Standard SAP Reports/Forms

Reporting		
Report Title	Transaction Code/Fiori Apps	Comment
Purchase Order by document number	ME2N	A list of purchase orders
Material Document List	MB51	Display material document.
Manage Purchase Orders	F0842A	With this app you can create, manage, and search purchase orders to ensure that you get the ordered items on time, at the correct

		location, and in the required quantity. As a purchaser, you can manually order materials as well as services.
Monitor Purchase Order Items	F2358	With this app, you can display purchase order items and monitor their status, using filter criteria such as purchase order, material group, material, supplier, plant, and delivery forecast.
Material Documents Overview	F1077	With this app you can display a list of material document items and display the material document details of a selected material document item.
Procurement Overview Page	F1990	The Procurement Overview app shows you, at a glance, the most important information and tasks relevant for you right now. The information is displayed on set of actionable cards.
Overdue Purchase Order Items	F0343	With the Overdue Purchase Order Items app, the number of purchase order items with delivery dates in the past and those yet to be delivered are calculated.
Purchasing Group Activities	F1660	This app displays all the purchase order, contracts, requisitions, goods receipt, scheduling agreements against a particular purchasing group and category for a given time frame. Only those business documents that are completed, not deleted, and items not released are considered.

5.6.8 Standard SAP Authorization

Process Step Description			
ID	Process Step Description	Transaction Code/Fiori Apps	User Role
J62-00-001	Create Purchase Requisition	Create purchase requisition-Advanced/ Manage purchase requisition	Purchaser
J62-00-002	Create Asset Master	AS01	Accountant
J62-00-003	Create Purchase Order	Create purchase order- Advanced/ Manage purchase order	Purchaser
J62-00-004	Approve Purchase Order	ME29N	Based on PO Approval Workflow
J62-00-005	Print Purchase Order	ME9F/Manage purchase order	Purchaser
J62-00-006	Post Goods Receipt	MIGO	Warehouse Clerk
J62-00-007	Create Supplier Invoice with PO/GR relation	MIRO	AP Accountant - Procurement

5.6.9 Integration Points

Integration Points		
ID	Integration Point	SAP Component
J62-00-002	Asset code is created to be inserted in Asset Purchase Order (Output from FI)	Output from FI
J62-00-006	Accounting entry is posted after goods receipt (Input for FI)	MM-IM
J62-00-007	A step done after Goods receipt to invoice receipt by line item	MM-IV

5.6.10 Functional Solution for Process “Asset Procurement from Purchase Order (J62-00)”

5.6.10.1 Organization Structure Considerations

- Company Code.
- Plant.
- Purchasing Organization.
- Purchasing Group.

5.6.10.2 Master Data Considerations

- Vendor Master.
- Asset Master.

5.6.10.3 System Configuration Considerations

5.6.10.3.1 Purchase Order Document Types

Purchase Order Types			
Document Type	Name (EN)	NR From	NR To
ZAST	Asset	4300000000	4399999999

5.6.10.3.2 Purchase Order Approvals

Same as 5.4.10.3.2.

5.6.11 Technical/Development Related Items (WRICEF) for Process “Asset Procurement from Purchase Order (J62-00)”

5.6.11.1 Workflows

N/A.

5.6.11.2 Reports

N/A.

5.6.11.3 Interfaces

N/A.

5.6.11.4 Data Conversion / Historical Data

N/A.

5.6.11.5 Enhancements

N/A.

5.6.11.6 Forms

N/A.

5.7 Procurement of Services (22Z)

5.7.1 Business Process Description

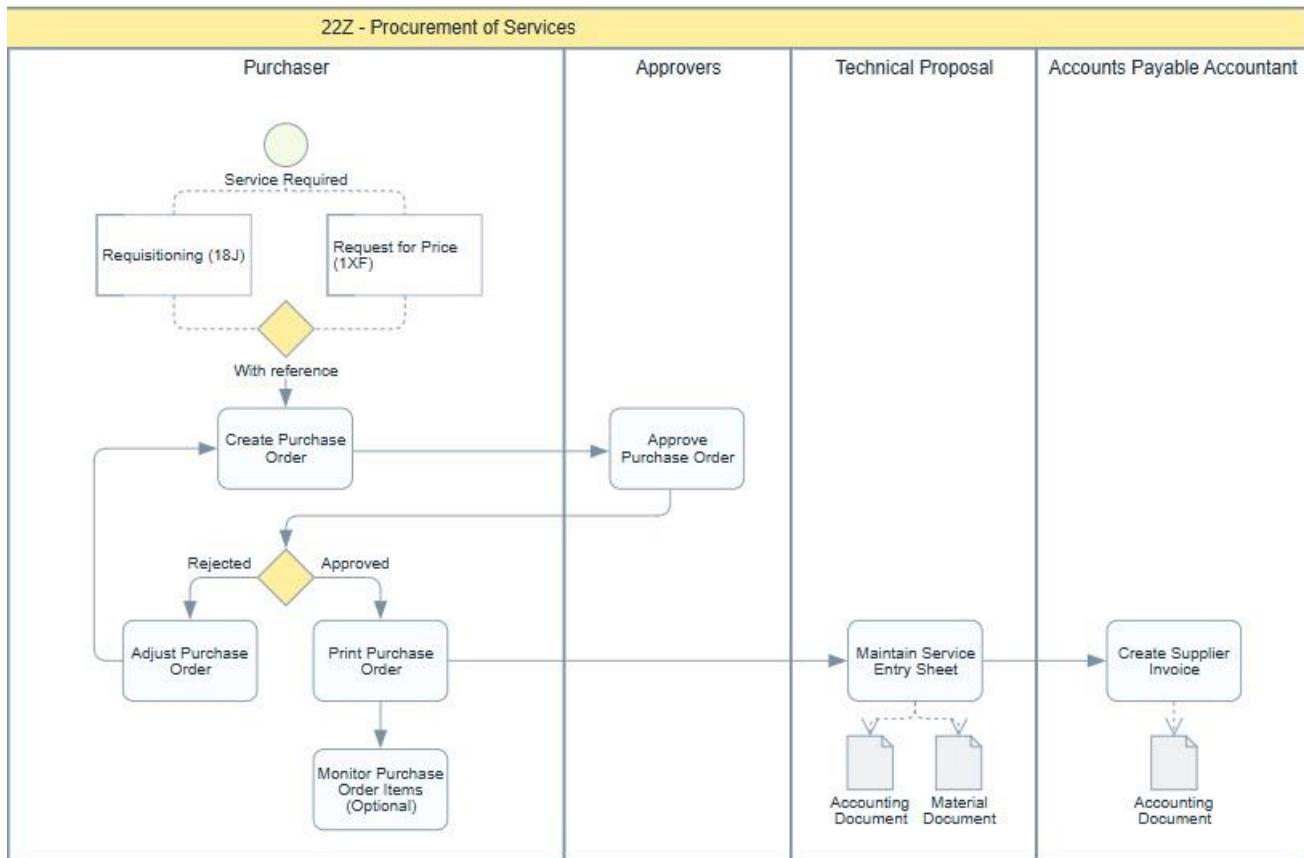
External Lean services management provides a basic process for the procurement of externally performed services.

External services management offers two basic ways of specifying services:

- As **planned services** with description, quantity, and price. By planned services we mean services whose nature and scope are known to you at the start of a procurement project or transaction. At the time the services are requested, the individual specifications are entered either with the aid of a service master record or directly as short and long texts. Price and quantity are specified in both cases.
- As **unplanned services** with the setting of a value limit only. By unplanned services, we mean services that cannot be specified in detail because their precise nature and scope are not initially known, or services which - for various reasons - you do not wish to plan. Unplanned services therefore have no descriptions. They are entered in the form of monetary limits. Services may be performed up to a value not exceeding these value limits. This allows you to exercise a degree of cost control in such situations.

Process Characteristics	
Process Trigger	PR generated manually or automatic.
Process Input	Created Purchase Requisition.
Process Output	Service Entry Sheet, Invoice Verified.
Process Owner	Purchasing.
Process Frequencies	When needed.

5.7.2 Business Process Diagrams



5.7.3 Business Requirement

Business Requirement (High Level)

Req. ID	Requirement Description	Requirement Type (Standard/Gap)
22Z-01	<p>Procurement of services will follow the same standard SAP cycle.</p> <p>Manual Service PR: A service Purchase Requisition (PR) can be manually created by a requester from any department selecting the relevant PR Document type. The requester must specify the required service to be provided and indicate the cost center associated with their department to facilitate proper financial allocation.</p> <p>The Created PR will be subjected to an approval cycle as per section <u>5.1.10.3.2 PR approval</u>.</p> <p>Special Case: To accommodate a specific agreement with a supplier, where a service is valued as a total rather than by individual units, we've established the following approach:</p>	Standard

	<ul style="list-style-type: none"> Purchase Order: The quantity field on the purchase order will represent the total value of the service, while the value field will be fixed at "1." Service Entry Sheet: When recording the service entry, the receiver will enter the total value of the received service in the quantity field. <p>This method allows us to accurately reflect the total service value while adhering to the agreed-upon terms with the supplier.</p> <p>Automatic Service PR:</p> <p>An automated process will generate service purchase requisitions with reference to the Maintenance order. The service cost allocation will be attributed to this respective order.</p> <p>The created PR will not be subjected to an approval cycle.</p> <p>Once a purchase order is created based on the referenced PR, and the supplier has fulfilled the service.</p> <p>The requester will then proceed to create the Service Entry Sheet, enabling the finance team to subsequently invoice the supplier.</p>	
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5.7.4 Locations where this Business Process is performed

- Company Code.
- Purchasing Organization.
- Plant.
- Purchase Group.

5.7.5 Key Policies/Operational Decisions or Logic within the Process

- Purchase Order Approval Via Flexible Workflow.

It is a component can be used if you wish to set up approval procedures for purchase order (PO). Under such a procedure, if a purchase order fulfills certain conditions, it must be approved before it can be processed further. This process of approving (giving the “green light”) to a proposed item of expenditure is replicated in the SAP System by the “release procedure”. This release procedure automatically blocks the relevant documents for further processing. Blocked purchase orders cannot be output.

- Version Management on Purchase Order.

It is a component which can be used to track and manage changes made to a purchase order over its lifecycle. This functionality is especially useful in complex procurement processes where modifications to POs occur frequently due to changes in requirements, budgets, or other factors. Each modification to a purchase order creates a new version. Changes are logged, showing what was updated (e.g., quantity, or delivery date).

5.7.6 Process Step Detailed Requirements & Solution

Process Step Description			
ID	Process Step Description	Measure of successful delivery	Solution Description
22Z-001	Create PR	PR is Created	You perform this activity when you want to create purchase requisition for services.
22Z-002	Request for Price cycle (Optional)	Select a supplier	You perform this cycle when you want to request for quotations from several vendors.
22Z-003	Create Purchase order	PO Created	This activity creates a purchase order with reference to RFQ or PR.
22Z-003	Purchase order approval (if required)	PO released	Purchase orders which require an authorization can be approved in this step.
22Z-004	Print purchase order	PO printed	This activity is performed to print the approved purchase order.
22Z-005	Create service entry sheet	Service receipt	Entering data for the received service.
22Z-006	Invoice verification	Posting invoice	Enter the PO number and the correct amount

5.7.7 SAP Standard Reports/Forms

Reports		
Report Title	Transaction Code/Fiori Apps	Description
Purchase Order by Vendor	ME2L	Listing of purchase orders created for a particular vendor.
Purchase Order by Material	ME2M	Items in purchasing documents that contain certain materials.
Purchase Order by document number	ME2N	A list of purchase orders
List of Service Entry Sheets	ML84	List of Service Entry Sheets

Services per Purchase Order	ME2S	Services per Purchase Order
Service List for Requisition	MSRV2	Service List for Requisition
Service List for Purchase Order	MSRV3	Service List for Purchase Order
Service List for Contract	MSRV5	Service List for Contract
Service List for Entry Sheet	MSRV6	Service List for Entry Sheet

5.7.8 Standard SAP Authorization

Authorization			
ID	Process Step Description	Transaction code/FIORI Apps	User Role
22Z-001	Create PR	Create purchase requisition-Advanced & Manage PRs	Requester
22Z-002	Request for Price cycle (Optional)	Manage RFQ	Purchaser
22Z-003	Create Purchase order	Create purchase order-Advanced & Manage purchase orders	Purchaser
22Z-004	Purchase order approval (if required)	My Inbox	According to Approval Workflow
22Z-005	Print purchase order	ME9F/ Manage purchase order	Purchaser
22Z-006	Create service entry sheet	Manage service entry sheet – Lean service	Requester
22Z-007	Invoice verification	MIRO	Accountant

5.7.9 Integration Points

Integration Points		
ID	Integration Point	SAP Component
22Z-006	Accounting entry is posted after service entry sheet (Input for FI)	MM-PUR-SVC-SES
22Z-007	A step done after service entry sheet receipt to invoice receipt by line item	MM-IV

5.7.10 Functional Solution for Process “Procurement of Services (22Z)”

5.7.10.1 Organization Structure Considerations

- Company Code.
- Plant.
- Purchasing Organization.
- Purchasing Group.

5.7.10.2 Master Data Considerations

- Business partner.
- Service.
- Cost Centers.

5.7.10.3 System Configuration Considerations

5.7.10.3.1 Purchase Order Document Types

Purchase Order Types			
Document Type	Name (EN)	NR From	NR To
ZSRV	Service	4100000000	4199999999
ZMAS	Mat & Serv	4200000000	4299999999

5.7.10.3.2 Purchase Order Approvals

Same as 5.4.10.3.2

5.7.11 Technical/Development Related Items (WRICEF) for Process “Procurement of Services (22Z)”

5.7.11.1 Workflows

N/A

5.7.11.2 Reports

N/A

5.7.11.3 Interfaces

N/A

5.7.11.4 Conversions / Historical Data

N/A

5.7.11.5 Enhancements

N/A

5.7.11.6 Forms

N/A

5.8 Subcontracting Process (BMY)

5.8.1 Business Process Description

A requestor generates a subcontract purchase requisition manually or it can also be generated automatically via MRP. A buyer validates the accuracy of the purchase requisition and converts it into a purchase order. The purchase order is subject to approval based on predefined parameters prior to being issued to a vendor.

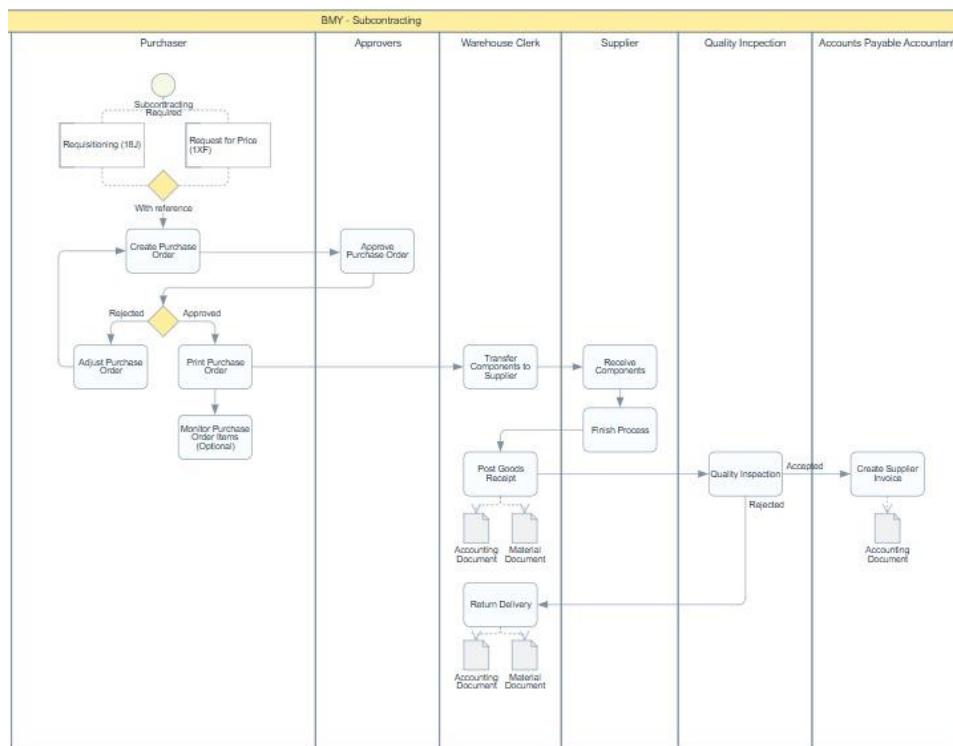
The consumption of sent components is recorded upon receipt of the value-added finished material. The vendor sends the invoice for the services provided which is paid during the normal payment cycle.

Process Characteristics

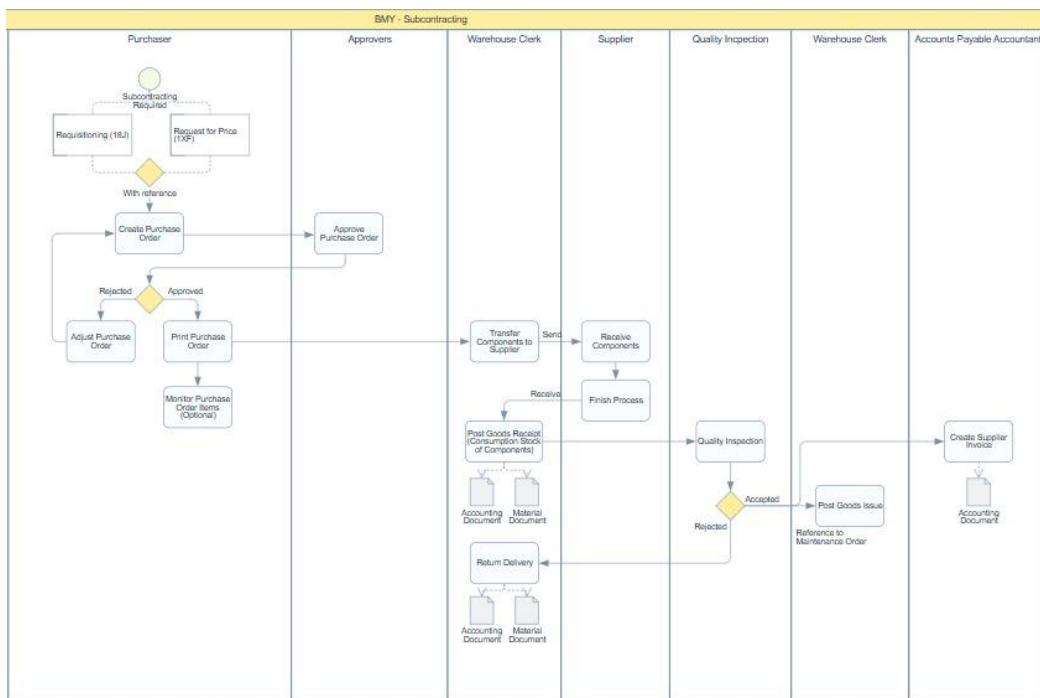
Process Trigger	Requirement of Subcontracting Materials
Process Input	Purchase requisition
Process Output	Invoice Verified
Process Owner	Purchasing and Warehouse Clerk
Process Frequencies	Daily

5.8.2 Business Process Diagrams

Case 1



Case 2



5.8.3 Business Requirement

Business Requirement (High Level)

Req. ID	Requirement Description	Requirement Type (Standard/Gap)
BMY-01	<p>Subcontracting Process will follow the same standard SAP cycle.</p> <p>Case 1:</p> <ul style="list-style-type: none"> 1- The purchasing team will create a subcontracting purchase order. 2- The warehouse clerk will transfer the semifinished products code from his own stock to the supplier's stock. 3- After the supplier finish his work he will deliver the finished product, the warehouse clerk will make goods receipt with reference to the Subcontracting PO. 4- The invoice will be done with subcontractor service price only. <p>Case 2:</p> <p>JAL can send its own product (defined as asset) to external supplier to make an external maintenance repair.</p> <ul style="list-style-type: none"> 1- Product will be defined as material code under asset material Type. (non – valued) 2- Product will be defined as asset code. 3- Product will be defined as Equipment with its serial number 4- Maintenance team will link material with asset code with Equipment. 	Standard

	<p>5- Maintenance team will create a maintenance order to return the product as a material in the storage location with zero value with its serial number.</p> <p>6- A purchase requisition will be created automatically from the maintenance order with a subcontracting request.</p> <p>7- The purchasing team will create the subcontracting PO with reference to the created PR inserting only the maintenance price.</p> <p>8- The warehouse clerk will transfer the product material code from his own stock to the supplier's stock.</p> <p>9- After the product is repaired and the supplier sent it back, the warehouse clerk will make goods receipt with reference to the subcontracting PO.</p> <p>10- The maintenance team will issue the repaired product to same maintenance order.</p> <p>11- The invoice will be done with maintenance price only.</p>	
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5.8.4 Locations where this Business Process is performed

- Company Code.
- Purchasing Organization.
- Purchasing Group.
- Plant.
- Storage Location.
- Stock at Subcontractor.

5.8.5 Key Policies/Operational Decisions or Logic within the Process

- Purchase Order Approval Via Flexible Workflow.

It is a component can be used if you wish to set up approval procedures for purchase order (PO). Under such a procedure, if a purchase order fulfills certain conditions, it must be approved before it can be processed further. This process of approving (giving the “green light”) to a proposed item of expenditure is replicated in the SAP System by the “release procedure”. This release procedure automatically blocks the relevant documents for further processing. Blocked purchase orders cannot be output.

- Version Management on Purchase Order.

It is a component which can be used to track and manage changes made to a purchase order over its lifecycle. This functionality is especially useful in complex procurement processes where modifications to POs occur frequently due to changes in requirements, budgets, or other factors. Each modification to a purchase order creates a new version. Changes are logged, showing what was updated (e.g., quantity, or delivery date).

5.8.6 Process Step Detailed Requirements & Solution

Process Step Description			
ID	Process Step Description	Measure of successful delivery	Solution Description
BMY-001	Purchase order creation manually based on a scheduled purchase requisition created by last MRP run or manually	PO Created	You perform this activity when you want to review your purchase requisitions and assign them to source of supply.
BMY-002	Purchase order approval (if required)	PO Released	Purchase orders which require an authorization can be approved in this step
BMY-003	Print purchase order	PO Printed	This activity is performed to print the approved purchase order.
BMY-004	Providing components for existing purchase orders	Components are provided to vendor	You perform this activity to provide the components to the vendor reference to the purchase order created where the components stock will appear as a special stock.
BMY-005	Monitoring stocks of material provided to vendor	Stocks of material provided to vendors are monitored	This activity is performed to monitor the stocks of material provided to the vendors.
BMY-006	Goods receipt for purchase order delivered by subcontractor	Document Posted	Material document and accounting document showing receipt of purchased material and consumption of components.
BMY-007	Invoice receipt by line item	Document posted	Verify the invoice comes from vendor with quantity received and purchasing price (service price)

5.8.7 Standard SAP Reports/Forms

Reporting		
Report Title	Transaction Code/Fiori Apps	Comment
Purchase Order by document number	ME2N	A list of purchase orders
Material Document List	MB51	Display material document.
Stock Overview	MMBE	Stock Overview for Company Code/Plant/Storage Location for a specific material.
Warehouse Stock	MB52	Display warehouse stocks of materials.
Stock with Subcontractor	MLBL	Display subcontractor stocks of materials.
Subcontracting Cockpit	ME2ON	The Subcontracting Cockpit provides a comprehensive overview of all relevant information about your subcontracting process.
Manage Purchase Orders	F0842A	With this app you can create, manage, and search purchase orders to ensure that you get the ordered items on time, at the correct location, and in the required quantity. As a purchaser, you can manually order materials as well as services.
Monitor Purchase Order Items	F2358	With this app, you can display purchase order items and monitor their status, using filter criteria such as purchase order, material group, material, supplier, plant, and delivery forecast.
Material Documents Overview	F1077	With this app you can display a list of material document items and display the material document details of a selected material document item.
Stock - Single Material	F1076	With this app you can get an overview of your material stock. You can review your stock by the plants and storage locations for which you are responsible. The app can display the stock information as a table or a diagram.

Stock - Multiple Materials	F1595	With this app, you can get an overview of your material stocks. You can review your stock by the plants and storage locations for which you are responsible.
Procurement Overview Page	F1990	The Procurement Overview app shows you, at a glance, the most important information and tasks relevant for you right now. The information is displayed on set of actionable cards.
Overdue Purchase Order Items	F0343	With the Overdue Purchase Order Items app, the number of purchase order items with delivery dates in the past and those yet to be delivered are calculated.
Purchasing Group Activities	F1660	This app displays all the purchase order, contracts, requisitions, goods receipt, scheduling agreements against a particular purchasing group and category for a given time frame. Only those business documents that are completed, not deleted, and items not released are considered.
Overview Inventory Management	F2769	The overview page Overview Inventory Management shows you, at a glance, the most important information and tasks relevant for you right now. The information is displayed on a set of actionable cards. You can therefore focus on the most important tasks, enabling faster decisions and immediate action.
Overview Inventory Processing	F2416	This overview page displays KPIs and relevant information for warehouse clerks and other related roles.
Goods Movement Analysis	W0055	With this feature, you can analyze the goods movements in your company.

5.8.8 Standard SAP Authorization

Authorization			
ID	Process Step Description	Transaction code/FIORI APP	User Role
BMY -001	Automatic PR from maintenance team	Create purchase requisition- Advanced & Manage PRs (Display)	Maintenance Team
BMY -002	Approve PR	MY INBOX	Based on PR workflow
BMY -003	Convert the PR to RFQ	Process purchase requisition	Purchaser
BMY -004	Convert RFQ to PO	Manage RFQ/Manage purchase order	Purchaser
BMY -005	Goods receipt with ref. to maintenance order with the asset material number	MIGO	Maintenance team
BMY -006	Providing components to supplier	MIGO	Warehouse clerk
BMY -007	Monitoring stocks of material provided to vendor	ME2ON	Warehouse clerk
BMY -008	Goods receipt for purchase order delivered by provided supplier	MIGO	Warehouse clerk
BMY -009	Goods issue of the asset material number to maintenance order	MIGO	Maintenance team
BMY -010	Invoice receipt by line item	MIRO	Accounts payable accountant

5.8.9 Integration Points

Integration Points		
ID	Integration Point	SAP Component
BMY-001	Automatic PR from Maintenance team (Output from PM to MM)	MM-PUR
BMY-005	Goods receipt with ref. to maintenance order with the asset material number (Input from PM)	MM-IM
BMY-006	Goods issue of the material to the supplier	MM-IM
BMY-008	Goods receipt for purchase order delivered by provided supplier (Output for FI)	MM-IM
BMY-009	Goods issue of the asset material number to maintenance order (Input for PM)	MM-IM
BMY-010	Invoice receipt by line item (Input for FI)	MM-IV

5.8.10 Functional Solution for Process “Subcontracting Process (BMY)”

5.8.10.1 Organization Structure Considerations

- Company Code.
- Plant.
- Storage Location.
- Purchasing Organization.
- Purchasing Group.

5.8.10.2 Master Data Considerations

- Material.
- Vendor.

5.8.10.3 System Configuration Considerations

5.8.10.3.1 Purchase Order Document Types

Mentioned in section 5.4.10.3.1.

5.8.10.3.2 Purchase Order Approvals

Mentioned in section 5.4.10.3.2.

5.8.11 Technical/Development Related Items (WRICEF) for Process “Subcontracting Process (BMY)”**5.8.11.1 Workflows**

N/A

5.8.11.2 Reports

N/A

5.8.11.3 Interfaces

N/A

5.8.11.4 Conversions / Historical Data

N/A

5.8.11.5 Enhancements

N/A

5.8.11.6 Forms

N/A

5.9 Return to Vendor (BMK)

5.9.1 Business Process Description

This scenario is used when you want to return materials via a return PO. This scenario is required when you don't have a record of the PO or goods receipt number against which the material was received. This may happen when you have multiple POs and goods receipts from the same vendor. In this case, the return to vendor process begins with a requirement to return an item to a vendor. The initial activity is to communicate this request with the vendor. Then, a return PO is created, and materials are issued to the vendor via return delivery with reference to the return PO. A credit memo is issued to the vendor with reference to the return PO.

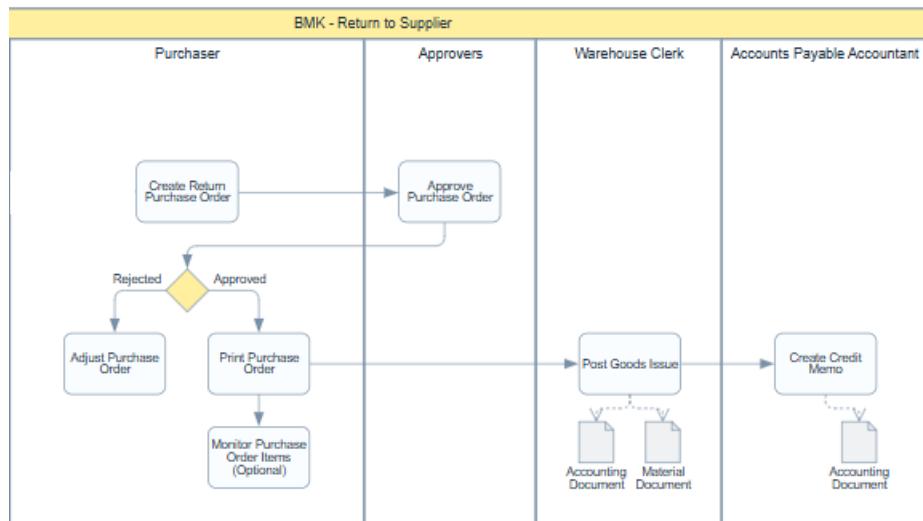
The following steps are involved:

- Create a return PO.
- Post a goods issue with reference to the return PO.
- Post a credit memo.

Process Characteristics	
Process Trigger	Quality check
Process Input	Created Purchase Order
Process Output	Create Memo
Process Owner	Purchasing
Process Frequencies	When needed

5.9.2 Business Process Diagrams

Case 1:



5.9.3 Business Requirement

Business Requirement (High Level)

Req. ID	Requirement Description	Requirement Type (Standard/Gap)
BMK-01	<p>Return to Vendor Process will follow the same standard SAP cycle.</p> <p>Case 1:</p> <p>After we received the materials and close the main PO; the quality team/warehouse clerk found some defects in the goods and deciding to return it back to the supplier.</p> <p>The return process begins with the creation of a return purchase order with a return price after receipt the products and is followed by posting a goods issue with reference to the return PO. The process is closed with the creation of a credit memo, which transfers the liability to the corresponding supplier.</p> <p>Case 2:</p> <p>After receiving the goods, the quality team start their inspection process at the end they decide if these products will enter the unrestricted stock or some products will return back to the supplier.</p> <p>After submitting the inspection results a material document posted in the background submit the returned products and the PO status changed to still to be delivered the returned quantity.</p>	Standard

5.9.4 Locations where this Business Process is performed

- Purchasing Organization.
- Plant.
- Purchase Group.
- Storage locations.

5.9.5 Key Policies/Operational Decisions or Logic within the Process

- Purchase Order Approval Via Flexible Workflow.

It is a component can be used if you wish to set up approval procedures for purchase order (PO). Under such a procedure, if a purchase order fulfills certain conditions, it must be approved before it can be processed further. This process of approving (giving the “green light”) to a proposed item of expenditure is replicated in the SAP System by the “release procedure”. This release procedure automatically blocks the relevant documents for further processing. Blocked purchase orders cannot be output.

- Version Management on Purchase Order.

It is a component which can be used to track and manage changes made to a purchase order over its lifecycle. This functionality is especially useful in complex procurement processes where modifications to POs occur frequently due to changes in requirements, budgets, or other factors. Each modification to a purchase order creates a new version. Changes are logged, showing what was updated (e.g., quantity, or delivery date).

5.9.6 Process Step Detailed Requirements & Solution

Process Step Description			
ID	Process Step Description	Measure of successful delivery	Solution Description
BMK -001	Create return order	Return Purchase Order is created	The admin creates a return order specifying the items to be returned to vendor, with quantities
BMK -002	Print purchase order	PO Printed	This activity is performed to print the approved Purchase order.
BMK -003	Goods issue	The Material Document is Posted	A Material Document is post with reference to the return order
BMK -004	Create credit memo	Credit Memo Invoice Receipt is posted	Then the finance department will create a credit memo for the vendor

5.9.7 Standard SAP Reports/Forms

Reporting		
Report Title	Transaction Code/Fiori Apps	Comment
Purchase Order by document number	ME2N	A list of purchase orders
Material Document List	MB51	Display material document.
Stock Overview	MMBE	Stock Overview for Company Code/Plant/Storage Location for a specific material.
Warehouse Stock	MB52	Display warehouse stocks of materials.
Material Documents with Reason for Movement	MBGR	A list of goods movements.
Manage Purchase Orders	F0842A	With this app you can create, manage, and search purchase orders to ensure that you get the ordered items on time, at the correct location, and in the required quantity. As a purchaser, you can manually order materials as well as services.
Monitor Purchase Order Items	F2358	With this app, you can display purchase order items and monitor

		their status, using filter criteria such as purchase order, material group, material, supplier, plant, and delivery forecast.
Material Documents Overview	F1077	With this app you can display a list of material document items and display the material document details of a selected material document item.
Stock - Single Material	F1076	With this app you can get an overview of your material stock. You can review your stock by the plants and storage locations for which you are responsible. The app can display the stock information as a table or a diagram.
Stock - Multiple Materials	F1595	With this app, you can get an overview of your material stocks. You can review your stock by the plants and storage locations for which you are responsible.
Procurement Overview Page	F1990	The Procurement Overview app shows you, at a glance, the most important information and tasks relevant for you right now. The information is displayed on set of actionable cards.
Overview Inventory Management	F2769	The overview page Overview Inventory Management shows you, at a glance, the most important information and tasks relevant for you right now. The information is displayed on a set of actionable cards. You can therefore focus on the most important tasks, enabling faster decisions and immediate action.
Overview Inventory Processing	F2416	This overview page displays KPIs and relevant information for warehouse clerks and other related roles.
Goods Movement Analysis	W0055	With this feature, you can analyze the goods movements in your company.

5.9.8 Standard SAP Authorization

Authorization			
ID	Process Step Description	Transaction code/FIORI APP	User Role
BMK-001	Return order	Create purchase order- Advanced/Manage purchase order	Purchaser/Warehouse clerk
BMK-002	Post goods issue	MIGO	Warehouse clerk
BMK-003	Credit memo	MIRO	Accounts Payable Accountant

5.9.9 Integration Points

Integration Points		
ID	Integration Point	SAP Component
BMK-002	Goods issue return material to supplier (Input for FI)	MM-IM
BMK-003	Credit memo	MM-IV

5.9.10 Functional Solution for Process “Return to Vendor (BMK)”

5.9.10.1 Organization Structure Considerations

- Company Code.
- Plant.
- Storage Location.
- Purchase organization.

5.9.10.2 Master Data Considerations

- Material.
- Business partner

5.9.10.3 System Configuration Considerations

5.9.10.3.1 Purchase Order Document Types

Purchase Order Types			
Document Type	Name (EN)	NR From	NR To
ZRTN	Returns	4600000000	4699999999

5.9.10.3.2 Purchase Order Approvals

Mentioned in section 5.4.10.3.2

5.9.11 Technical/Development Related Items (WRICEF) for Process “Return to Vendor (BMK)”**5.9.11.1 Workflows**

N/A.

5.9.11.2 Reports

N/A.

5.9.11.3 Interfaces

N/A.

5.9.11.4 Conversions / Historical Data

N/A.

5.9.11.5 Enhancements

N/A.

5.9.11.6 Forms

N/A.

5.10 Stock Transfer without Delivery (BMH)

5.10.1 Business Process Description

The process begins with a requirement to transfer material from one plant to another within the same company code or from one storage location to another within the same plant. The stock transfer without delivery can be performed in two different ways.

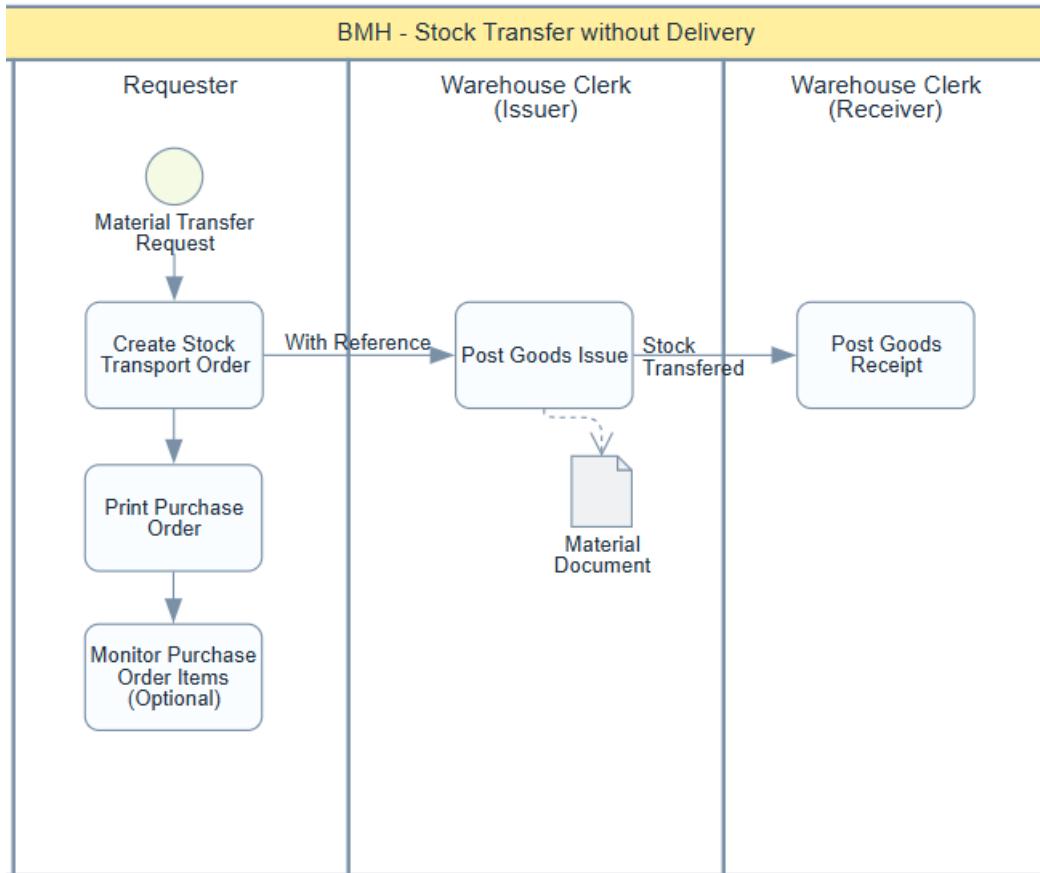
A one-step transfer posting at the issuing plant moves the stock immediately from the issuing plant to the receiving plant. This is useful if the distance between the two plants is short and there is no need for stock-in-transit stock overview.

A buyer at the receiving plant requests material with a stock transport order. This is useful if the issuing plant/storage location needs a formal request to send material to the receiving plant/storage location or the distance between the two plants/storage locations is longer.

There are no master data requirements beyond the material master to support the stock transfer process. The material master must exist in both the procuring (receiving) plant and the providing (issuing) plant.

Process Characteristics	
Process Trigger	Stock transfer Needed
Process Input	Created Stock Transport Order Document
Process Output	Posting Goods Receipt at the receiving plant
Process Owner	Purchaser, Warehouse Clerk
Process Frequencies	On need

5.10.2 Business Process Diagram



5.10.3 Business Requirement

Business Requirement (High Level)		
Req. ID	Requirement Description	Requirement Type (Standard/Gap)
BMH-01	<p>STO cycle will follow the same standard SAP cycle.</p> <p>A requester can create a stock transport order document to request needed stock from another location (Issuing storage location) to his storage location (Receiving storage location) at the same plant.</p> <p>The Issuing storage location will issue the goods reference to the STO a material document will be posted (Stock deducted from the issuing storage location and the stock will appear in stock in transit type).</p> <p>The requester will receive the goods reference to the STO (Stock increased in the receiving storage location and deducted from the stock in transit type).</p>	Standard

5.10.4 Locations where this Business Process is performed

- Company Code.
- Purchasing Organization.
- Purchasing Group.
- Plant.
- Storage Location.

5.10.5 Key Policies/Operational Decisions or Logic within the Process

The stock transfer process starts with the requirement of transferring material from one plant to another plant. Both plants belong to the same company code, or transferring material from one storage location to another storage location. Both storage locations belong to the same plant.

5.10.6 Process Step Detailed Requirements & Solution

Process Step Description			
ID	Process Step Description	Measure of successful delivery	Solution Description
BMH -001	Create Stock Transport Order	Stock transport order documents are created	You perform this activity when you want to create stock transport order for transferring goods from one plant to another within same company code, or from one storage location to another within same plant.
BMH -002	Approve Stock Transport Order (Optional)	Stock transfer order is approved	You perform this activity to approve stock transport order.
BMH -003	Print Stock Transport Order (Optional)	Stock transfer order is printed	You perform this activity when you want to print stock transport order.
BMH -004	Goods Issue	Goods issue for the stock transfer order quantity	You perform this activity when you physically make goods issue for the transported goods at Issuing plant/storage location.
BMH -005	Post Goods Receipt	Goods receipt with reference to the stock transport order	This activity receives the transferred goods at the receiving plant/storage location with reference to the stock transport order

5.10.7 Standard SAP Reports/Forms

Reporting		
Report Title	Transaction Code/Fiori Apps	Comment
Material Document List	MB51	Display material document.
Stock Overview	MMBE	Stock Overview for Company Code/Plant/Storage Location/Batch for a specific material.
Warehouse Stock	MB52	A List of the warehouse stock is displayed
Material Documents Overview	F1077	With this app you can display a list of material document items and display the material document details of a selected material document item.
Stock - Single Material	F1076	With this app you can get an overview of your material stock. You can review your stock by the plants and storage locations for which you are responsible. The app can display the stock information as a table or a diagram.
Stock - Multiple Materials	F1595	With this app, you can get an overview of your material stocks. You can review your stock by the plants and storage locations for which you are responsible.
Overview Inventory Management	F2769	The overview page Overview Inventory Management shows you, at a glance, the most important information and tasks relevant for you right now. The information is displayed on a set of actionable cards. You can therefore focus on the most important tasks, enabling faster decisions and immediate action.
Overview Inventory Processing	F2416	This overview page displays KPIs and relevant information for warehouse clerks and other related roles.

Goods Movement Analysis	W0055	With this feature, you can analyze the goods movements in your company.
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5.10.8 Standard SAP Authorization

Authorization			
ID	Process Step Description	Transaction code/FIORI APP	User Role
BMH-001	Create Purchase Order (Process)	ME21N	Purchaser
BMH-002	Approve Stock Transfer Order	My Inbox	Warehouse Manager
BMH-003	Post Goods Issue with reference to the Stock Transfer Order	MIGO	Warehouse Clerk
BMH-004	Post Goods Receipt for Stock Transport Order (Process)	MIGO	Warehouse Clerk

5.10.9 Integration Points

N/A.

5.10.10 Functional Solution for Process “Stock Transfer without Delivery (BMH)”

5.10.10.1 Organization Structure Considerations

- Company Code.
- Purchasing Organization.
- Purchasing Group.
- Plant.
- Storage Location.

5.10.10.2 Master Data Considerations

- Material.

5.10.10.3 System Configuration Considerations

5.10.10.3.1 Purchase Order Document Types

Purchase Order Types			
Document Type	Name (EN)	NR From	NR To
ZSTO	STO	4700000000	4799999999

5.10.10.3.2 Purchase Order Approval

N/A

5.10.10.3.3 Pricing Condition Types

N/A

5.10.11 Technical/Development Related Items (WRICEF) for Process “Stock Transfer without Delivery (BMH)”**5.10.11.1 Workflows**

N/A

5.10.11.2 Reports

N/A

5.10.11.3 Interfaces

N/A

5.10.11.4 Conversions / Historical Data

N/A

5.10.11.5 Enhancements

N/A

5.10.11.6 Forms

N/A

5.11 Stock Handling: Goods Receipt (BMC-01)

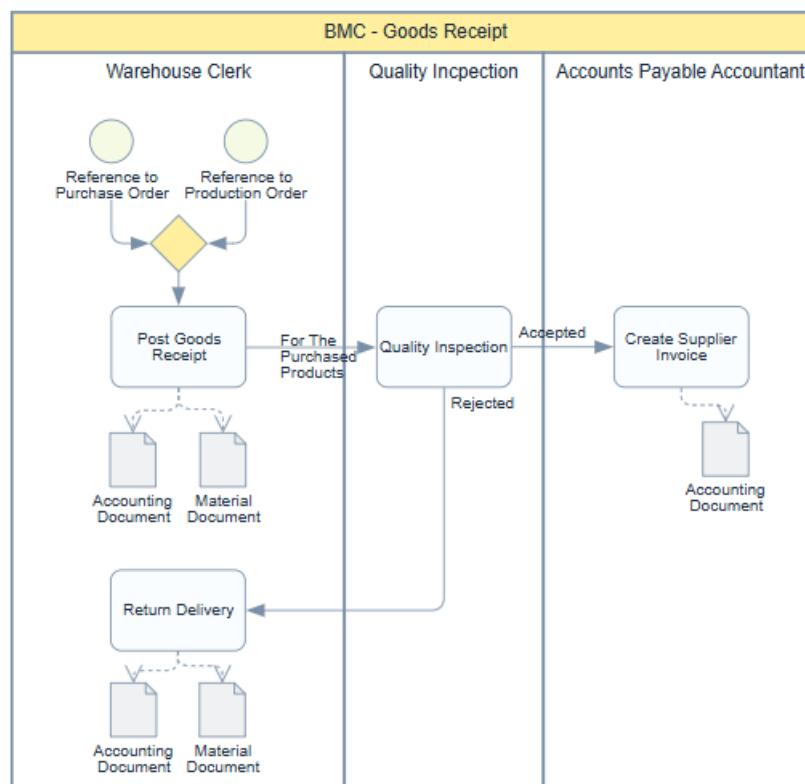
5.11.1 Business Process Description

A goods receipt is a process to acknowledge delivery of goods from purchase order/production order. Good Receipt leads to increase of material stocks. Material shall be received at the plants identified in the purchase order/production order. Any changes to the purchase order/production order shall be reflected before preparation of GR.

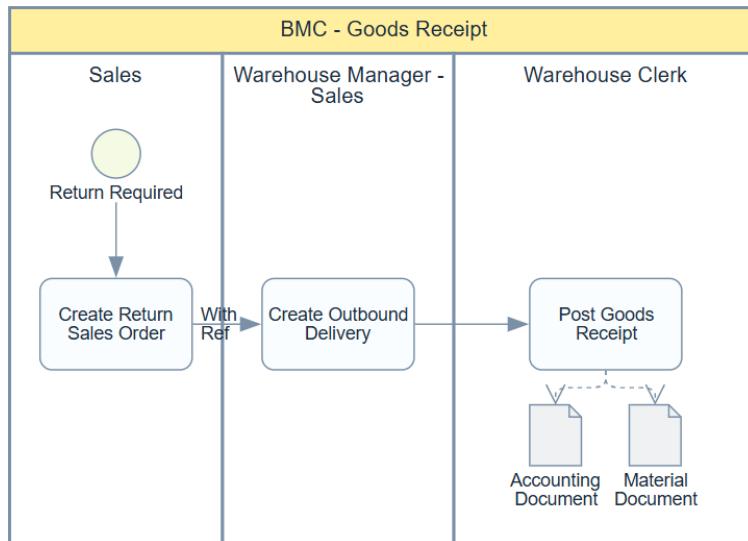
PROCESS CHARACTERISTICS	
Process Trigger	Requirement of goods receipt for purchase order and production order
Process Input	Material number, quantity
Process Output	Stock level Increased
Process Owner	Inventory Manager/Production Team
Process Frequencies	On need

5.11.2 Business Process Diagram

Case 1 & 2:



Case 3:



5.11.3 Business Requirements

BUSINESS REQUIREMENT (HIGH LEVEL)		
Req. ID	Requirement Description	Requirement Type (Standard/Gap)
1	<p>Goods receipt cycle will follow the same standard SAP cycle.</p> <p>Case 1: Reference to purchase order Stock items that are purchased, the warehouses clerk will receive them initially then it will go through quality inspection process.</p> <p>Case 2: Reference to production order Stock items that are Produced, the warehouses clerk will receive them.</p> <p>Case 3: Reference to sales return outbound delivery After the created return sales order an outbound delivery will be created and the Wearhouse clerk will enter the outbound delivery to post goods receipt the returned goods.</p> <p>All the previous cases will generate a material and accounting documents after finishing the process.</p>	Standard

5.11.4 Locations where this Business Process is Performed

- Company Code.
- Purchasing Organization
- Plant
- Storage Location

5.11.5 Key Policies/Operational Decisions or Logic within the Process

One Step Goods Receipt Procedure

Under this process, the goods can be received directly to the storage location using the movement type 101 (for purchase order & production order) the quantity and value will be updated. The material can be managed in the stock, unless the purchasing transaction has been initiated directly to consumption.

5.11.6 Process Step Detailed Requirements & Solution

PROCESS STEP DESCRIPTION			
ID	Process Step Description	Measure of successful delivery	Solution Description
BMC-001	Post Goods Receipt for Purchase Order/Production Order	Stock is received physically and logically in the system into a unrestricted stock of the GR area	This activity is performed to increase the quantity and the value of the stock
BMC-002	Quality Inspection is applied	Stock is accepted and released from the QI area to unrestricted	This activity is performed to check the products quality.

5.11.7 Standard SAP Reports/Forms

REPORTING		
Report title	Transaction Code/Fiori Apps	Comment
Material Documents	MB51	A list of the material documents which were posted for one or more materials.
Stock Overview	MMBE	A list of stock is displayed.
Warehouse Stock	MB52	A list of warehouse stock on hand.
Accounting Document for Material	MR51	A list of accounting documents for material.
Cancelled Material Documents	MBSM	A list of cancelled material documents.

5.11.8 Standard SAP Authorization

AUTHORIZATION			
ID	Process Step Description	Transaction code	User Role
BMC-001	Post Goods Receipt for Purchase Order	MIGO	Warehouse Clerk
BMC-002	Post Goods Receipt for Production Order	MIGO	Production Team/ Warehouse Clerk

5.11.9 Integration Points

INTEGRATION POINTS		
ID	Integration Point	SAP Component
BMC-001	Quality Inspection is applied (Input for QM)	MM-IM
BMC-001/002	Accounting entry is posted reference to the material document (Output for FI)	MM-IM

5.11.10 Functional Solution for Process “Stock Handling: Goods Receipt”

5.11.10.1 Organization Structure Considerations

- Company Code.
- Plants.
- Storage Location.

5.11.10.2 Master Data Considerations

- Material.
- Vendor.

5.11.10.3 System Configuration Considerations

N/A.

5.11.11 Technical/Development Related Items (WRICEF) for Process “Stock Handling: Goods Receipt”**5.11.11.1 Workflows**

N/A.

5.11.11.2 Reports

N/A.

5.11.11.3 Interfaces

N/A.

5.11.11.4 Data Conversion / Historical Data

N/A.

5.11.11.5 Enhancements

N/A.

5.11.11.6 Forms

N/A.

5.12 Stock Handling: Transfer Posting (BMC-02)

5.12.1 Business Process Description

Stock Transfer Procedures

There are three different procedures for carrying out a stock transfer:

- Stock transfer via stock transfer posting using the one-step procedure
- Stock transfer via stock transfer posting using the two-step procedure
- Stock transfer using a stock transport order as on section 5.10

One-Step Procedure

One-step stock transfer is required to be used to transfer materials between two different storage locations and the supervision of one warehouse clerk. Once the goods are issued, the stock transferred into the receiving storage location.

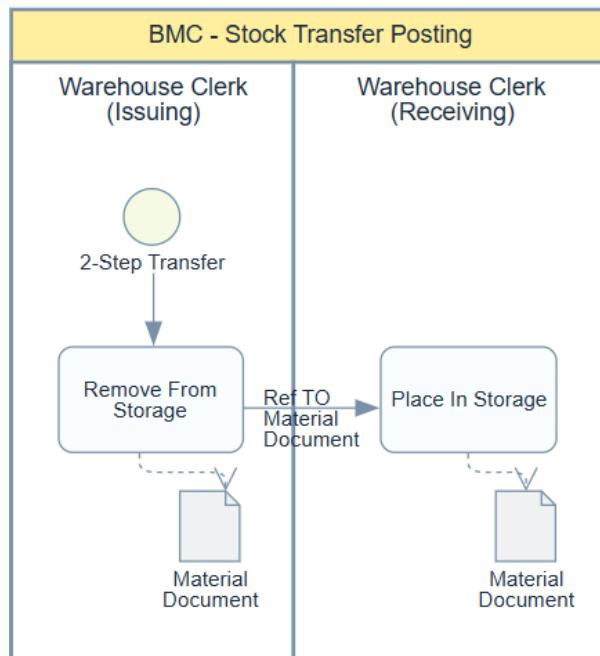
Two-Step Procedure

Transfer postings consist of a “goods issue” from an issuing point and a “goods receipt” at a receiving point, the stock will be in transit until the receiving storage location post goods receipt. You can post a stock transfer from storage location to storage location or from plant to plant either in one step or in two steps.

PROCESS CHARACTERISTICS

Process Trigger	Stock transfer needed
Process Input	Transfer Posting Material Document/STO
Process Output	Posting Goods Receipt at the receiving plant
Process Owner	Warehouse Clerk
Process Frequencies	On need

5.12.2 Business Process Diagram



5.12.3 Business Requirements

BUSINESS REQUIREMENT (HIGH LEVEL)		
Req. ID	Requirement Description	Requirement Type (Standard/Gap)
1	<p>Transfer Posting cycle will follow the same standard SAP cycle.</p> <p>Case 1: One-step Procedure</p> <p>The warehouse clerk will issue and receive (Transfer) the goods in one step from a storage location to another one (Transfer posting action) with movement type 311 (stock will decrease from the issuing storage location and increase in the stock receiving storage location)</p> <p>Case 2: Two-step Procedure</p> <p>The warehouse clerk will issue goods from a storage location (Remove from storage action) with movement type 313 (stock will decrease from the issuing storage location and increase in the stock in transit type)</p> <p>The warehouse clerk of the receiving storage location will receive with reference to the issuing material document (Place in storage action) with movement type 315 (stock will decrease from the stock in transit type and increase in the receiving storage location).</p> <p>Case 3: STO Procedure</p> <p>For further details about the STO process related to JAL Glass plant can be found in section 5.10 Business Process.</p>	Standard

5.12.4 Locations where this Business Process is Performed

- Plant.
- Storage Location.

5.12.5 Key Policies/Operational Decisions or Logic within the Process

The advantage of the one-step procedure is that you enter a single transaction in the system. The two-step procedure, on the other hand, allows you to monitor the stocks in transit. After the goods issue is posted at the issuing point, the stock appears "in stock transfer" at the receiving point and is managed as such in the system.

The two-step procedure is also required if users have authorizations only for their own plants/storage locations.

Material Documents for Stock Transfers

- **One-Step Procedure**

During a one-step stock transfer, the system creates two-line items at the same material document for every item you enter:

1. An item for the removal from storage at the issuing point
2. An item for placement into storage at the receiving point

- **Two-Step Procedure**

During a two-step stock transfer, the system creates two material documents:

- Upon the removal from storage at the issuing point, the system creates a material document. For every item you enter, two material document items are created, namely:
 1. An item for the removal from storage at the issuing point
 2. An item for the placement into stock in transfer at the receiving point
- Upon placement into storage at the receiving point, the system again creates a material document. For every item you enter, only one material document item is created, because the quantity is only transferred from stock in transfer into unrestricted-use stock at the receiving point.

5.12.6 Process Step Detailed Requirements & Solution

PROCESS STEP DESCRIPTION			
ID	Process Step Description	Measure of successful delivery	Solution Description
BMC-001	Transfer Posting / Remove from Storage	Stock is re-moved physically and logically in the system from the issuing location to either receiving location (in case of one-step procedure) or receiving location in transfer (in case of two-step procedure)	You perform this activity when you want to transfer materials
BMC-002	Place in Storage	Goods receipt with reference to the material document	This activity is performed to receive the quantity in the receiving location (in case of two-step procedure)

5.12.7 Standard SAP Reports/Forms

REPORTING		
Report title	Transaction code/FIORI APP	Comment
Material Documents	MB51	A list of the material documents which were posted for one or more materials.
Stock Overview	MMBE	A list of stock is displayed.
Material Documents Overview	F1077	With this app you can display a list of material document items and display the material document details of a selected material document item.
Stock - Single Material	F1076	With this app you can get an overview of your material stock. You can review your stock by the plants and storage locations for which you are responsible. The

		app can display the stock information as a table or a diagram.
Stock - Multiple Materials	F1595	With this app, you can get an overview of your material stocks. You can review your stock by the plants and storage locations for which you are responsible.
Overview Inventory Management	F2769	The overview page Overview Inventory Management shows you, at a glance, the most important information and tasks relevant for you right now. The information is displayed on a set of actionable cards. You can therefore focus on the most important tasks, enabling faster decisions and immediate action.
Overview Inventory Processing	F2416	This overview page displays KPIs and relevant information for warehouse clerks and other related roles.
Goods Movement Analysis	W0055	With this feature, you can analyse the goods movements in your company.
Slow or Non-Moving Materials	F2137	With this app, you can monitor and make time-dependent investigations of the slow or non-moving materials in your stock. Based on these results you can react immediately with follow-on activities such as scrapping or stock transfers.
Inventory Turnover Analysis	F1956	You can use this app to analyze the turnover of materials in a selected plant for which you are responsible. The app provides you with detailed information about materials that have turnover issues according to your turnover definition, depending on a specified time horizon.

5.12.8 Standard SAP Authorization

AUTHORIZATION			
ID	Process Step Description	Transaction code/Fiori APP	User Role
BMC-001	One-step stock transfer	MIGO	Warehouse Clerk
BMC-002	Two-step stock transfer	MIGO	Warehouse Clerk

5.12.9 Integration Points

N/A.

5.12.10 Functional Solution for Process “Stock Handling: Transfer Posting”

5.12.10.1 Organization Structure Considerations

- Company Code.
- Plants.
- Storage Location.

5.12.10.2 Master Data Considerations

- Material.

5.12.10.3 System Configuration Considerations

N/A.

5.12.11 Technical/Development Related Items (WRICEF) for Process “Stock Handling: Transfer Posting”

5.12.11.1 Workflows

N/A

5.12.11.2 Reports

N/A

5.12.11.3 Interfaces

N/A

5.12.11.4 Data Conversion / Historical Data

N/A

5.12.11.5 Enhancements

N/A

5.12.11.6 Forms

N/A

5.13 Stock Handling: Goods Issue (BMC-03)

5.13.1 Business Process Description

List of goods issues scenario handled:

1. Issue against Cost Center.
2. Issue against Asset.
3. Issue against Production Order.
4. Issue against Maintenance Order.
5. Issue against Project.
6. Issue against Sales Order.
7. Issue against Subcontractor Stock / Employee Custody.

Issue against Cost Center

Materials which are procured to be stored and can be issued for cost center with reference reservation created by the requester.

Issue against Asset/Model

Materials which are procured to be stored and can be issued for Assets/Model when required.

Issue against Production Order

By using reservation document, the production will request materials which trigger the warehouse clerk in Inventory warehouse to run report using the reservation number which will get the exact required quantity by the production order to be transferred from warehouse clerk or issued by the production team.

Issue against Maintenance Order

By using reservation document, the maintenance will request materials which trigger the warehouse clerk in Inventory warehouse to run report using the reservation number which will get the exact required quantity by the maintenance order.

Issue against Project

By using reservation document, the project will request materials from the site location which trigger the warehouse clerk in Inventory warehouse to run report using the reservation number which will get the exact required quantity by the project.

Issue against Sales Order

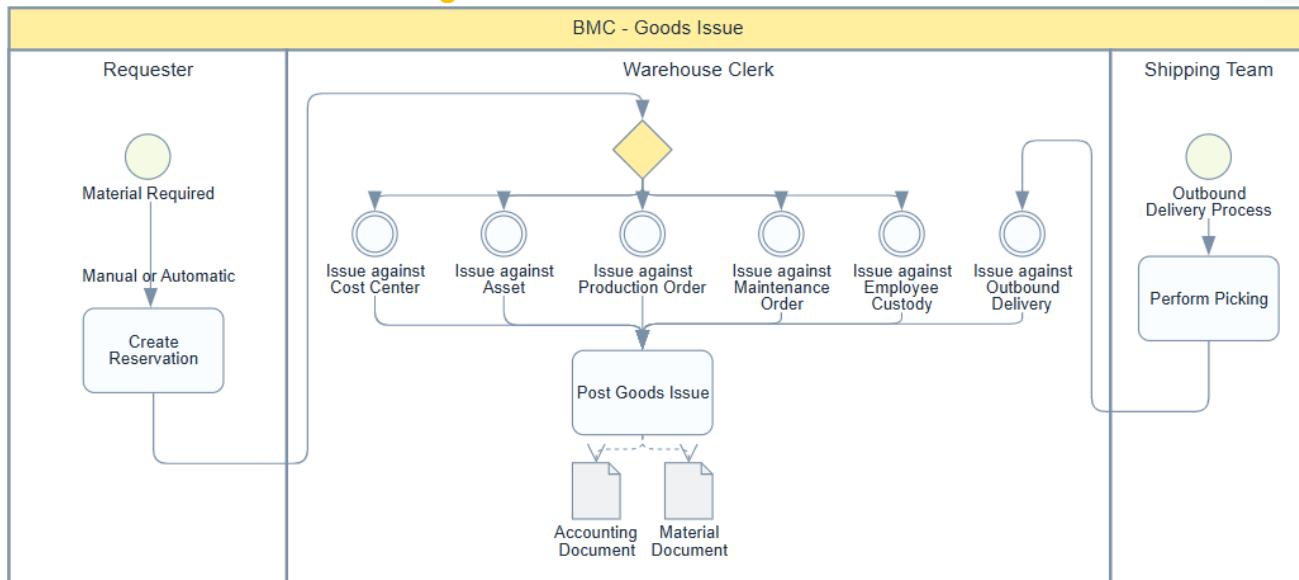
By using delivery document, the sales will request materials which trigger the warehouse clerk in Inventory warehouse to run report using the delivery number which will get the exact required quantity by the sales order.

Issue against Subcontractor / Employee Custody

Materials which are procured to be stored and can be issued for subcontractors or employees when required.

PROCESS CHARACTERISTICS	
Process Trigger	Requirement of issuing material
Process Input	Material number, quantity
Process Output	Stock level reduced
Process Owner	Warehouse Manager
Process Frequencies	On need

5.13.2 Business Process Diagram



5.13.3 Business Requirements

BUSINESS REQUIREMENT (HIGH LEVEL)

Req. ID	Requirement Description	Requirement Type (Standard/Gap)
1	<p>Goods issue cycle will follow the same standard SAP cycle.</p> <p>The warehouse clerk will goods issue from the storage locations with reference to the below reservations:</p> <ul style="list-style-type: none"> • Production Order. • Maintenance Order. • Project. • Cost Center. • Asset. <p>The employee custody process will be handled by the following steps:</p> <ol style="list-style-type: none"> 1. Each employee will be created as a supplier. 2. The employee could create a reservation to request a goods as a custody mentioning in the goods recipient field his own supplier code. 3. With reference to the created reservation in step (2), the warehouse clerk will transfer the stock from the available stock to the employee custody without any financial impact. <p>With reference to sales order:</p> <p>After the created sales order an outbound delivery will be created and Wearhouse clerk will enter the outbound delivery to post goods issue, this will generate a material and accounting documents.</p>	Standard

5.13.4 Locations where this Business Process is Performed

- Company Code.
- Purchasing Organization.
- Plant.
- Storage Location.

5.13.5 Key Policies/Operational Decisions or Logic within the Process

NA.

5.13.6 Process Step Detailed Requirements & Solution

PROCESS STEP DESCRIPTION			
ID	Process Step Description	Measure of successful delivery	Solution Description
BMC -001	Create Reservation	Stock quantity is reserved for the specified purpose.	You perform this activity when you want to scrape materials.
BMC -002	Post Goods Issue for Reservation		This activity is performed to reduce the quantity and the value from the stock.

5.13.7 Standard SAP Reports/Forms

REPORTING		
Report title	Transaction Code/Fiori Apps	Comment
Material Documents	MB51	A list of the material documents which were posted for one or more materials.
Stock Overview	MMBE	A list of stock is displayed.
Reservation List	MB25	A list of reservations.
Material Documents Overview	F1077	With this app you can display a list of material document items and display the material document details of a selected material document item.
Stock - Single Material	F1076	With this app you can get an overview of your material stock. You can review your stock by the plants and storage locations for which you are responsible. The app can display the stock information as a table or a diagram.
Stock - Multiple Materials	F1595	With this app, you can get an overview of your material stocks.

		You can review your stock by the plants and storage locations for which you are responsible.
Overview Inventory Management	F2769	The overview page Overview Inventory Management shows you, at a glance, the most important information and tasks relevant for you right now. The information is displayed on a set of actionable cards. You can therefore focus on the most important tasks, enabling faster decisions and immediate action.
Overview Inventory Processing	F2416	This overview page displays KPIs and relevant information for warehouse clerks and other related roles.
Goods Movement Analysis	W0055	With this feature, you can analyze the goods movements in your company.
Slow or Non-Moving Materials	F2137	With this app, you can monitor and make time-dependent investigations of the slow or non-moving materials in your stock. Based on these results you can react immediately with follow-on activities such as scrapping or stock transfers.
Inventory Turnover Analysis	F1956	You can use this app to analyze the turnover of materials in a selected plant for which you are responsible. The app provides you with detailed information about materials that have turnover issues according to your turnover definition, depending on a specified time horizon.

5.13.8 Standard SAP Authorization

AUTHORIZATION			
ID	Process Step Description	Transaction code/Fiori APP	User Role
BMC-001	Create Reservation	MB21/Manage reservation	Requester
BMC-002	Goods Issue for Reservation	MIGO	Warehouse Clerk

5.13.9 Integration Points

INTEGRATION POINTS		
ID	Integration Point	SAP Component
BMC-002	Goods Issue for Reservation, Accounting entry is posted (Output for FI)	MM-IM

5.13.10 Functional Solution for Process “Stock Handling: Goods Issue”

5.13.10.1 Organization Structure Considerations

- Company Code.
- Plants.
- Storage Location.

5.13.10.2 Master Data Considerations

- Material.
- Vendor.

5.13.10.3 System Configuration Considerations

Movement type			
Copied MVT	Description	Source MVT	Description
Z41	TR to EMP Custody	541	GI whse to subc.stck
Z42	RE/TR to EMP Custody	542	RE GI whse to subc.stck

5.13.11 Technical/Development Related Items (WRICEF) for Process “Stock Handling: Goods Issue”

5.13.11.1 Workflows

N/A

5.13.11.2 Reports

N/A

5.13.11.3 Interfaces

N/A

5.13.11.4 Data Conversion / Historical Data

N/A

5.13.11.5 Enhancements

N/A

5.13.11.6 Forms

N/A

5.14 Stock Handling: Scrap (BMC-04)

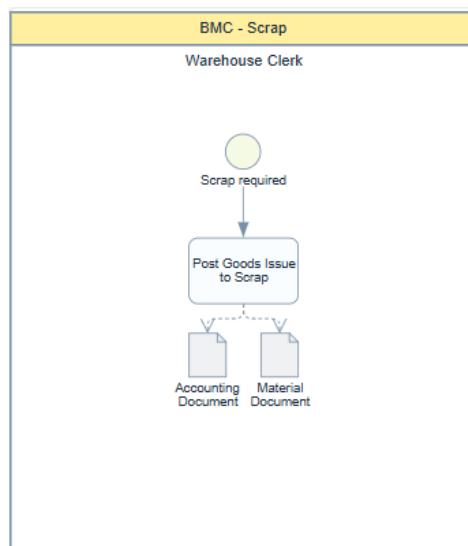
5.14.1 Business Process Description

Materials need to be scrapped due to damage or for other reasons. Therefore, the goods movement financial posting is done via cost center.

- Issue is posted. The stock posting is offset against a company code clearing account.

PROCESS CHARACTERISTICS	
Process Trigger	Requirement of scrapping material
Process Input	Material number, quantity
Process Output	Stock level reduced
Process Owner	Warehouse Manager
Process Frequencies	On need

5.14.2 Business Process Diagram



5.14.3 Business Requirements

BUSINESS REQUIREMENT (HIGH LEVEL)		
Req. ID	Requirement Description	Requirement Type (Standard/Gap)
1	<p>Scrap cycle will follow the same standard SAP cycle.</p> <p>When the warehouse clerk notices any damaged items needs to be scrapped, the warehouse controller will scrap those items, selecting the cost center to post the scrapped items.</p>	Standard

5.14.4 Locations where this Business Process is Performed

- Company Code.
- Plant.
- Storage Location.

5.14.5 Key Policies/Operational Decisions or Logic within the Process

- General stock scrapping – goods issue to cost center.

5.14.6 Process Step Detailed Requirements & Solution

PROCESS STEP DESCRIPTION			
ID	Process Step Description	Measure of successful delivery	Solution Description
BMC -001	Goods issue for scrap	Stock is moved physically and logically in the system	This activity is performed to reduce the quantity and the value from the stock

5.14.7 Standard SAP Reports/Forms

REPORTING		
Report title	Transaction code/Fiori APP	Comment
Material Documents	MB51	A list of the material documents which were posted for one or more materials.
Stock Overview	MMBE	A list of stock is displayed.
Warehouse Stock	MB52	A list of the warehouse stock is displayed.
Plant Analysis	MCBA	Direct access to plant-related data.
Material Documents Overview	F1077	With this app you can display a list of material document items and display the material document details of a selected material document item.
Stock - Single Material	F1076	With this app you can get an overview of your material stock. You can review your stock by the plants and storage locations for which you are responsible. The app can display the stock information as a table or a diagram.
Stock - Multiple Materials	F1595	With this app, you can get an overview of your material stocks. You can review your stock by the plants and storage locations for which you are responsible.
Overview Inventory Management	F2769	The overview page Overview Inventory Management shows you, at a glance, the most important information and tasks relevant for you right now. The information is displayed on a set of actionable cards. You can therefore focus on the most important tasks, enabling faster decisions and immediate action.
Overview Inventory Processing	F2416	This overview page displays KPIs and relevant information for warehouse clerks and other related roles.
Goods Movement Analysis	W0055	With this feature, you can analyze the goods movements in your company.
Slow or Non-Moving Materials	F2137	With this app, you can monitor and make time-dependent investigations of the slow or non-moving

		materials in your stock. Based on these results you can react immediately with follow-on activities such as scrapping or stock transfers.
Inventory Turnover Analysis	F1956	You can use this app to analyze the turnover of materials in a selected plant for which you are responsible. The app provides you with detailed information about materials that have turnover issues according to your turnover definition, depending on a specified time horizon.

5.14.8 Standard SAP Authorization

AUTHORIZATION			
ID	Process Step Description	Transaction code/Fiori App	User Role
BMC-001	Goods issue for Scrap	MIGO	Finance warehouse controller

5.14.9 Integration Points

INTEGRATION POINTS		
ID	Integration Point	SAP Component
BMC-001	Goods issue for Scrap, Accounting entry is posted (Output for FI)	MM-IM

5.14.10 Functional Solution for Process “Stock Handling: Scrap”

5.14.10.1 Organization Structure Considerations

- Company Code.
- Plants.
- Storage Location.

5.14.10.2 Master Data Considerations

- Material.

5.14.10.3 System Configuration Considerations

N/A

5.14.11 Technical/Development Related Items (WRICEF) for Process “Stock Handling: Scrap”**5.14.11.1 Workflows**

N/A

5.14.11.2 Reports

N/A

5.14.11.3 Interfaces

N/A

5.14.11.4 Data Conversion / Historical Data

N/A

5.14.11.5 Enhancements

N/A

5.14.11.6 Forms

N/A

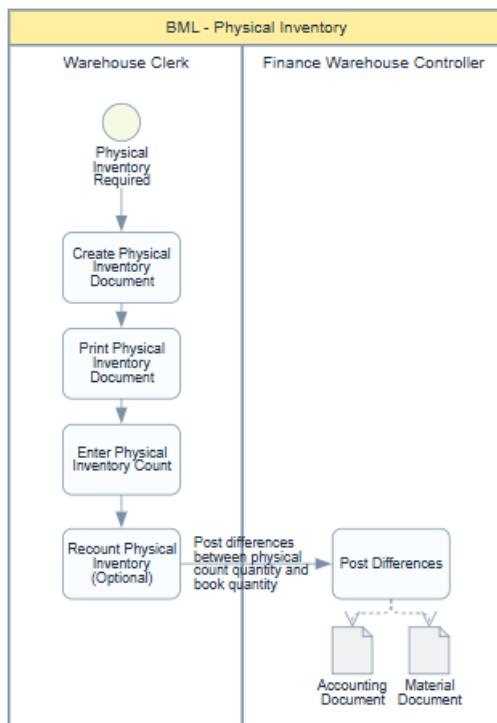
5.15 Physical Inventory / Inventory Count & Adjustment (BML)

5.15.1 Business Process Description

The process begins with the generation of the required inventory count sheets. Materials can be blocked here for posting during the physical inventory. Once the inventory sheets are printed out, the actual physical inventory count is realized for the given materials. Afterwards, the count result is entered in the system and then any discrepancies against the system quantities are reviewed. The inventory may be recounted until final counts are accepted and inventory differences are posted.

PROCESS CHARACTERISTICS	
Process Trigger	Periodic Physical Count Needed
Process Input	Created Physical Inventory Document
Process Output	Posting Difference
Process Owner	Finance and Warehouse Clerk
Process Frequencies	Periodically

5.15.2 Business Process Diagram



5.15.3 Business Requirements

BUSINESS REQUIREMENT (HIGH LEVEL)		
Req. ID	Requirement Description	Requirement Type (Standard/Gap)
1	<p>Physical Inventory cycle will follow the same standard SAP cycle.</p> <p>The physical inventory process:</p> <ol style="list-style-type: none"> 1- Create physical inventory document. 2- Enter physical counting. 3- Recount process (Optional) 4- Post differences between physical count quantity and book quantity (This will generate a material and accounting documents). <p>The finance team will be responsible to do step 4 on the cycle.</p>	Standard

5.15.4 Locations where this Business Process is Performed

- Plant.
- Storage Location.

5.15.5 Key Policies/Operational Decisions or Logic within the Process

According to the nature of the business there are stocks differences appear for the stock materials in the inventory, this difference can be handled in the system by posting inventory differences through physical inventory process. By posting the inventory differences in the system Material Document & Financial Document are generated for this transaction.

Movement Type 701 is caused by the actual amount inventoried being greater than the book (SAP) inventory. System generates a Goods Receipt adding the difference to the book inventory.

Movement Type 702 is caused by the actual amount inventoried being less than the book (SAP) inventory. System generates a Goods Issue deducting the difference from the book inventory.

5.15.6 Process Step Detailed Requirements & Solution

PROCESS STEP DESCRIPTION			
ID	Process Step Description	Measure of successful delivery	Solution Description
BML-001	Creating physical inventory documents	Physical inventory documents are created	You perform this activity when you want to create physical inventory for the storage location
BML-002	Printing Physical Inventory documents	Physical inventory documents are printed	This activity is performed to print the physical inventory document for physical counting.
BML-003	Executing count and entering the count result in the system	Count results entered in the system	You perform this activity when you physically count the inventory stock and this count is entered in the system.

BML-004	Listing count differences	List of difference count	This activity displays the stock differences in the inventory
BML-005	Posting count differences	Differences posted	You perform this activity to post the stock differences in the system where material and account documents are generated and this posting through account controller.

5.15.7 Standard SAP Reports/Forms

REPORTING		
Report title	Transaction code/Fiori APP	Comment
Material Document List	MB51	A list of the material documents which were posted for one or more materials.
Accounting Documents for Material	MR51	A list of accounting documents.
Stock Overview	MMBE	Stock Overview for Company Code/Plant/Storage Location/Batch for a specific material.
Warehouse Stock	MB52	A List of the warehouse stock is displayed
Material Documents with Reason for Movement	MBGR	A list of goods movements.
Physical Inventory Document Overview	F0379A	You can use this app to get an overview of physical inventory documents.
Physical Inventory Analysis	W0058	With this feature you can perform analytical queries on the physical inventory results in your company.

5.15.8 Standard SAP Authorization

AUTHORIZATION			
ID	Process Step Description	Transaction code/ Fiori APP	User Role
BML-001	Creating physical inventory documents	MI01/MI31/ Create Physical Inventory Documents	Warehouse Manager
BML-002	Printing Physical Inventory documents	MI21	Warehouse Manager
BML-003	Executing count and entering the count result in the system	MI04	Warehouse Manager

BML-004	Listing count differences	MI20	Warehouse Manager
BML-005	Posting count differences	MI20/MI07	Finance Warehouse Controller

5.15.9 Integration Points

INTEGRATION POINTS		
ID	Integration Point	SAP Component
BML-005	Posting count differences, accounting entry is posted (Output for FI)	MM-IM

5.15.10 Functional Solution for Process “Physical Inventory / Inventory Count & Adjustment”

5.15.10.1 Organization Structure Considerations

- Company Code.
- Plant.
- Storage Location.

5.15.10.2 Master Data Considerations

- Material.

5.15.10.3 System Configuration Considerations

N/A.

5.15.11 Technical/Development Related Items (WRICEF) for Process “Physical Inventory /Inventory Count & Adjustment”

5.15.11.1 Workflows

N/A.

5.15.11.2 Reports

N/A.

5.15.11.3 Interfaces

N/A.

5.15.11.4 Data Conversion / Historical Data

N/A.

5.15.11.5 Enhancements

N/A.

5.15.11.6 Forms

N/A.

6 Appendix

6.1 Related/Referenced Documents

Related/Referenced Documents		
Document Name	Version	Brief Description

6.2 Attachments

Attachments		
Document Name	Version	Brief Description