

- # Outline Agreement
- Quantity and Value Contract
 - Scheduling Agreement

SAP S/4HANA Sourcing and Procurement (Configuration and End-User)



Business Scenario

- Your Company has now made a one-year contract with the Supplier to provide the Raw Materials as per the agreed quantity and value



Outline Agreement in SAP S/4HANA Sourcing & Procurement

- An Outline agreement in SAP is a longer-term purchase agreement with a Supplier
- The agreement is valid for a certain period of time and cover a pre-defined total purchase quantity or value
- Delivery dates are not specific in outline agreements because this information is provided separately in release orders or rolling delivery schedules, depending on the type of agreement
- There are two types of Outline agreements into SAP S/4HANA Sourcing and Procurement:
 - **Contract (Quantity contract or Value contract)**
 - **Scheduling agreement (Delivery schedule)**
- Contracts can also be created for a specific plant or for multiple plants belonging to the same purchasing organization. This is known as a Centrally agreed contact. It also allows you to stipulate separate prices and conditions for each receiving plant



Quantity and Value Contract in Outline Agreement

- **Create Contract**

- **Transaction code:** ME31K
- **Menu path:** SAP Easy Access -> Logistics -> Materials Management -> Purchasing -> Outline Agreement -> Contract
- Agreement Type: MK – Quantity Contract; WK – Value Contract
- Special Item Category: M (Material Unknown) can be used in both Quantity and Value contract
- Special Item Category: W (Material Group) can be used only in Value contract

- **Create Release Order**

- **Transaction code:** ME21N
- **Menu path:** SAP Easy Access -> Logistics -> Materials Management -> Purchasing -> Purchase Order -> Create -> Vendor/Supplying Plant Known

- # Outline Agreement
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Scheduling Agreement in Outline Agreement

- A scheduling agreement is an outline agreement where a Vendor supplies the materials according to the agreed delivery dates and quantities
- There are two types of scheduling agreement releases:
 - **Just-in-time (JIT) delivery schedules** are used to inform your vendor of a near-future requirement. Such schedules may comprise a daily or hourly breakdown of your requirements over the next few days or weeks
 - **Forecast (FRC) delivery schedules** are used to give the vendor a medium-term overview of your requirement. They're based on the forecast demand
- Scheduling agreement delivery schedule can be created manually or automatically through Material requirements planning (MRP)
- It reduces the processing time and replaces the creation of Purchase order
- It also reduces the inventory cost as most of the stocks is fulfilled by the Vendors as per the scheduling agreement



Scheduling Agreement in Outline Agreement

- **Create Scheduling Agreement**

- **Transaction code:** ME31L
- **Menu path:** SAP Easy Access -> Logistics -> Materials Management -> Purchasing -> Outline Agreement -> Scheduling Agreement
- Agreement Type: LP (Scheduling Agreement)
- Agreement Type: LPA (Scheduling Agreement with Release Documentation) – Allows the use of both JIT and Forecast delivery schedules

- **Maintain the Delivery Schedule**

- **Transaction code:** ME38
- **Menu path:** SAP Easy Access -> Logistics -> Materials Management -> Purchasing -> Outline Agreement -> Scheduling Agreement -> Delivery Schedule