

Account Assignment Categories

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

Account Assignment Categories (Configuration)

- **Transaction Code:** OME9
- **Menu Path:** Display IMG -> Materials Management -> Purchasing -> **Account Assignment** -> Maintain Account Assignment Categories

Indirect Material Procurement Process with Account Assignment Category – K (Cost Center)

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



SAP S/4HANA Sourcing & Procurement (MM)

- Posting into Cost Center with Materials Management

- **Purchase Order**

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

- **Goods Receipt -> Accounting Documents**

- **Transaction code:** MIGO
- **Menu path:** SAP Easy Access -> Logistics -> Materials Management -> Inventory Management -> Goods Movement -> Goods Movement

- **Logistics Invoice Verification -> Accounting Documents**

- **Transaction code:** MIRO
- **Menu path:** SAP Easy Access -> Logistics -> Materials Management -> Logistics Invoice Verification -> Document Entry -> Enter Invoice
- Display Cost Centers: Actual/Plan/Variance – **T-code: S_ALR_87013611**



SAP S/4HANA Sourcing & Procurement (MM)

- Asset Acquisition with Materials Management

- **Purchase Order**

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

- **Goods Receipt**

- **Transaction code:** MIGO
- **Menu path:** SAP Easy Access -> Logistics -> Materials Management -> Inventory Management -> Goods Movement -> Goods Movement

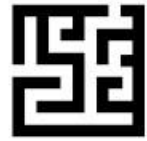
- **Logistics Invoice Verification → Accounting Documents**

- **Transaction code:** MIRO
- **Menu path:** SAP Easy Access -> Logistics -> Materials Management -> Logistics Invoice Verification -> Document Entry -> Enter Invoice
- Display Asset Explorer: **T-code: AW01N**

Blanket Purchase Order for Consumable Materials

Indirect Material Procurement Process

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



Business Scenario

- The Procurement Users want to procure low-value materials which are frequently ordered such as Office Cleaning Supplies, Office Stationery etc. over a certain period of time up to a specific amount and are keen to know if there is any quick and time-reducing method to process this on SAP system



Blanket POs for Consumable Materials in SAP S/4HANA Sourcing & Procurement

- Blanket POs are used to procure low-value consumable materials and services that are frequently ordered from the same Supplier over a specific period of time such as for a year or two and with a value limit
- The examples can be:
 - Office Cleaning
 - General Cleaning Supplies
 - Stationery etc.
- The supplies and services are normally ordered on a bi-weekly or monthly basis
- Blanket POs are valid for the long term, so you do not need to create them again and again to re-order supplies or services
- The material master and goods receipt are not required for Blanket POs



- **Framework Order - FO**

- **Transaction code:** ME21N
- **Menu path:** SAP Easy Access -> Logistics -> Materials Management -> Purchasing -> Purchase Order -> Create -> Vendor/Supplying Plant Known
- **Account Assignment Category** – K (Cost Center)
- **Item Category** – B (Limit)

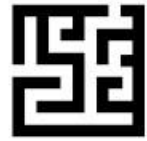
- **Logistics Invoice Verification –> Accounting Documents**

- **Transaction code:** MIRO
- **Menu path:** SAP Easy Access -> Logistics -> Materials Management -> Logistics Invoice Verification -> Document Entry -> Enter Invoice

Service Procurement

Indirect Material Procurement Process

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



Business Scenario

- The Procurement Users want to know if there is any method to procure external services such as Office Paint, Office Electric cables fitting, Office Cleaning etc. by hiring an external contractor



Service Procurement in SAP S/4HANA Sourcing & Procurement

- Service Procurement is used when a company hires a Contractor for external services such as Office Paint, Office Cleaning, Electric fittings, Plumbing job, Gas repairing etc.
- External service procurement is similar to consumable materials procurement because services are also procured for consumption
- There are no goods receipt in Service procurement but you have to maintain a service entry sheet for the services performed by the external Contractor or Supplier



- **Creation of Service Master**

- **Transaction code:** AC03
- **Menu path:** SAP Easy Access -> Logistics -> Materials Management -> Service Master -> Service

- **Creation of Service Pricing Condition (PRS)**

- **Transaction code:** ML45 or ML33 or ML39
- **Menu path:** SAP Easy Access -> Logistics -> Materials Management -> Service Master -> Service -> **Service Conditions:**

- **Creation of Service Purchase Order**

- **Transaction code:** ME21N
- **Menu path:** SAP Easy Access -> Logistics -> Materials Management -> Purchasing -> Purchase Order -> Create -> Vendor/Supplying Plant Known
- **Account Assignment Category** – K (Cost Center) or U (Unknown)
- **Item Category** – D (Service)

- **Maintain Service Entry Sheet – Material Document and Accounting Document**

- **Transaction code:** ML81N
- **Menu path:** SAP Easy Access -> Logistics -> Materials Management -> Service Entry Sheet -> Maintain

- **Logistics Invoice Verification –> Accounting Document**

- **Transaction code:** MIRO
- **Menu path:** SAP Easy Access -> Logistics -> Materials Management -> Logistics Invoice Verification -> Document Entry -> Enter Invoice

Consignment Procurement

Indirect Material Procurement Process

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



Business Scenario

- The Procurement Team wants to know the process through which they can process the consignment stocks as one of their Suppliers keeps its stocks into their Company's warehouse location



Consignment Procurement in SAP S/4HANA Sourcing & Procurement

- In Consignment procurement process, a supplier keeps its materials to your Company's warehouse as per the arrangement your company has with that Supplier; however, your company is only obliged to pay that supplier once the material is issued to your Company's production or stock
- In the SAP system, you can settle your consignment liabilities with the Supplier on a monthly basis



- **Activate Consignment Prices via Info Records (Configuration)**
- **Creation of Info Record for Consignment Stocks**
 - **Transaction code:** ME11
 - **Menu path:** SAP Easy Access -> Logistics -> Materials Management -> Purchasing -> Master Data -> Info Record -> Create
- **Creation of Purchase Order with Item Category – K (Consignment)**
 - **Transaction code:** ME21N
 - **Menu path:** SAP Easy Access -> Logistics -> Materials Management -> Purchasing -> Purchase Order -> Create -> Vendor/Supplying Plant Known
- **Display Stock Overview: Consignment – TC: MMBE**
- **Post Goods Receipt for Consignment Stocks with Movement Type – 101 K**
 - **Transaction code:** MIGO
 - **Menu path:** SAP Easy Access -> Logistics -> Materials Management -> Inventory Management -> Goods Movement -> Goods Movement
- **Display Stock Overview: Unrestricted use – TC: MMBE**

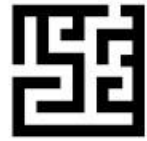


- **Transfer Posting for Consignment Stocks with Movement Type – 411 K**
 - **Transaction code:** MIGO
 - **Menu path:** SAP Easy Access -> Logistics -> Materials Management -> Inventory Management -> Goods Movement -> Goods Movement
 - Display Material Document and Accounting Document
- **Display Consignment Stocks**
 - **Transaction code:** MB54
 - **Menu path:** SAP Easy Access -> Logistics -> Materials Management -> Inventory Management -> Environment -> Consignment -> Consignment Supplier -> Stock
 - **Create Condition Records for Output Type: KONS – T-code: MRM1**
- **Settle Consignment Liability**
 - **Transaction code:** MRKO
 - **Menu path:** SAP Easy Access -> Logistics -> Materials Management -> Inventory Management -> Environment -> Consignment -> Consignment Supplier -> Liability
 - Display Accounting Document

Subcontract Procurement

Indirect Material Procurement Process

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



Business Scenario

- The Procurement Team wants to know the process in which they issue raw materials i.e., Steel Sheets to one of their Vendors, and the Vendor makes Hammer Heads i.e., a Semi-finished product from those Steel sheets as raw materials and then supplied back to them



Subcontract Procurement in SAP S/4HANA Sourcing & Procurement

- In Subcontract procurement process, a manufacturing company issues the raw materials such as steel sheets or iron sheets to the Vendor, who then manufactures the semi-finished or finished products as per the design and quality standards given by the manufacturing company
- Once the semi-finished or finished products are produced by the Vendor, then those are sent back to the manufacturing company and the Vendor is paid for the labour or production charges



Subcontract Procurement in SAP S/4HANA Sourcing & Procurement

- **Pre-requisites:**

- 2 Raw Materials and 1 Semi-Finished Product
- Raw Materials should have available quantities into storage location
- BOM (Bills of Material) for Semi-Finished Product
- Creation of Info Record for Subcontracting – TC: ME11
- **Issuing the stock to the Supplier:**
 - Creation of Purchase Order with Item Category – L (Subcontracting) – TC: ME21N
 - Subcontracting Stocks per Vendor – TC: ME2O (Post Goods Issue) or through Fiori app: Display Subcontracting Stocks by Supplier

- **Receiving Back:**

- Post Goods Receipt – TC: MIGO
- Logistics Invoice Verification – T-code: MIRO

- **Stock Adjustment:**

- Subcontracting Subsequent Adjustment - TC: MIGO

Bill of Material for Subcontract Procurement

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



Bill of Material (End-User)

- A Bill of Material is a master data that is comprised of a structured list of materials or components or parts etc. that makes up a semi-finished or finished or full product or assembly
- It can be single level or multi-level



Bill of Material (End-User)

- **Creation of BOM (Bill of Material) for Semi-Finished Material**
 - **Transaction code: CS01**
 - **Menu path:** SAP Easy Access -> Logistics -> Production -> Master Data -> Bills of Material -> Bill of Material -> Material BOM -> Create

Third-Party Procurement

Indirect Material Procurement Process

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



Business Scenario

- The Procurement Team has 2 different Business Scenarios for Third-Party Procurement:
 - To send the materials to a Subcontract Vendor from another Vendor
 - To send the materials to a Customer directly through the Vendor in order to reduce the transportation costs



Third-Party Procurement in SAP S/4HANA Sourcing & Procurement

- In Third-Party procurement process, your company does not directly send the materials to the Subcontract Vendor or Customer, rather places an Order to another third-party Vendor and that Vendor ships the materials directly to the Subcontract Vendor or Customer
- The Goods Receipt is still be posted but this will be statistical in order to confirm the goods shipped to the third party
- The third-party Vendor sends the invoice to your company and it makes the payment accordingly
- Your company does not have to pick, pack and ship the materials to the SC Vendor and customer, so this also reduces the delivery cost