

# Stock Types

## in Inventory Management Process

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



# Stock Types in Inventory Management

- In SAP, there are various types of stock in Inventory management for a specific material that specifies its usability, whether it is valuated or non-valuated, its availability for MRP etc.
- The main three types of stock are:
  - Standard stock (i.e., Unrestricted-use, Quality-inspection, and Blocked)
  - Goods receipt blocked stock
  - Special stock (i.e., Subcontract stock, Vendor consignment stock etc.)

# Standard Stock Types

## in Inventory Management

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## Business Scenario

- The Procurement Team requires that some of the Trading stock needs to be inspected for quality first before moving it into unrestricted-use stock
- Further, if any Trading stock is damaged, or poor quality, then it should be moved to the blocked stock





# Standard Stock Types in Inventory Management

- There are three Standard stock types:
  - **Unrestricted-use stock**
  - **Quality-inspection stock**
  - **Blocked stock**
- At the time of creating a Purchase order, or Goods receipt, you can select the stock type where the stock needs to go first within a storage location
- A **Transfer posting** can be made to change a material's stock type by using the relevant Movement types but this transfer posting is different from a stock transfer
- Transfer posting always creates a material document, and if a change in valuation is involved, then an accounting document is also created
- T-code: MMBE is used to display the stock availability for each stock type



# Standard Stock Types in Inventory Management

- **Unrestricted-use stock**

- Unrestricted-use stock is company stock that is physically located in a storage location
- It is valuated, and there is no restriction for usage
- Unrestricted-use stock can be issued to production or customers

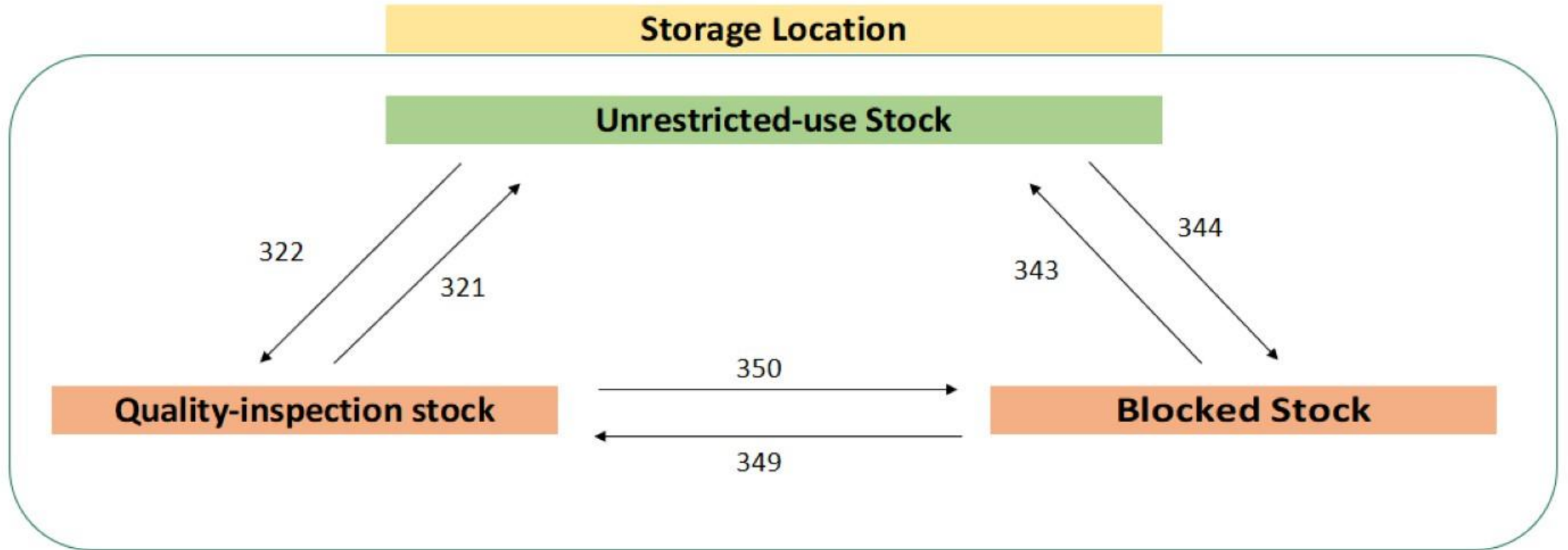
- **Quality-inspection stock**

- Quality-inspection stock is valuated and cannot be issued to production or to a customer because it is under quality inspection
- Based on the results of the inspection, quality-inspection stock can be changed to unrestricted-use stock or blocked stock

- **Blocked stock**

- Blocked stock is company stock that cannot be used because the status is blocked
- The materials that are under dispute, of poor quality, or damaged are kept as blocked stock
- If you want to issue these materials to production or to a customer, you need to transfer them to unrestricted-use stock

# Stock Types Transfer Postings



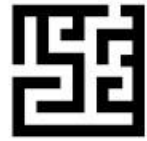


# Goods Receipt Blocked Stock

in Inventory Management

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





## Business Scenario

- The Procurement Team requires that some of the damaged Trading goods should not be the part of the inventory yet, so should not be valuated, when arrive at the warehouse from the Supplier
- They want to know the procedure for recording the conditional goods receipt (GR)



## Goods Receipt Blocked Stock in Inventory Management

- The SAP system includes a goods receipt blocked stock functionality that allows the damaged materials to be received but not valuated
- The transaction is updated in the PO history
- The company needs to discuss the situation with the Vendor and decides whether to use this material or send it back
- If the material is sent back to the Vendor, the system will create a material document and update the PO history
- If it's transferred to the company's own stock, it becomes valuated and creates a material document and an accounting document
- You can release goods receipt blocked stock to any other type of stock, such as unrestricted-use, quality-inspection, or blocked stock



## Goods Receipt Blocked Stock in Inventory Management

- **Purchase Order** – T-code: ME21N
- **Goods Receipt**– T-code: MIGO
  - Movement type: 103
  - Material document is created
  - **Display Stock Overview**: T-code: MMBE
  - **Display PO History**: T-code: ME23N
- **Release the Goods Receipt Blocked stock to Company's own stock** – T-code: MIGO
  - Movement type: 105
  - Material and Accounting documents are created
  - **Display Stock Overview**: T-code: MMBE
- **OR Return the Goods Receipt Blocked stock to the Vendor** – T-code: MIGO
  - Movement type: 124
  - **Display Stock Overview**: T-code: MMBE

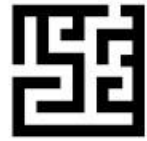


# Special Stock Types

## in Inventory Management

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





## Business Scenario

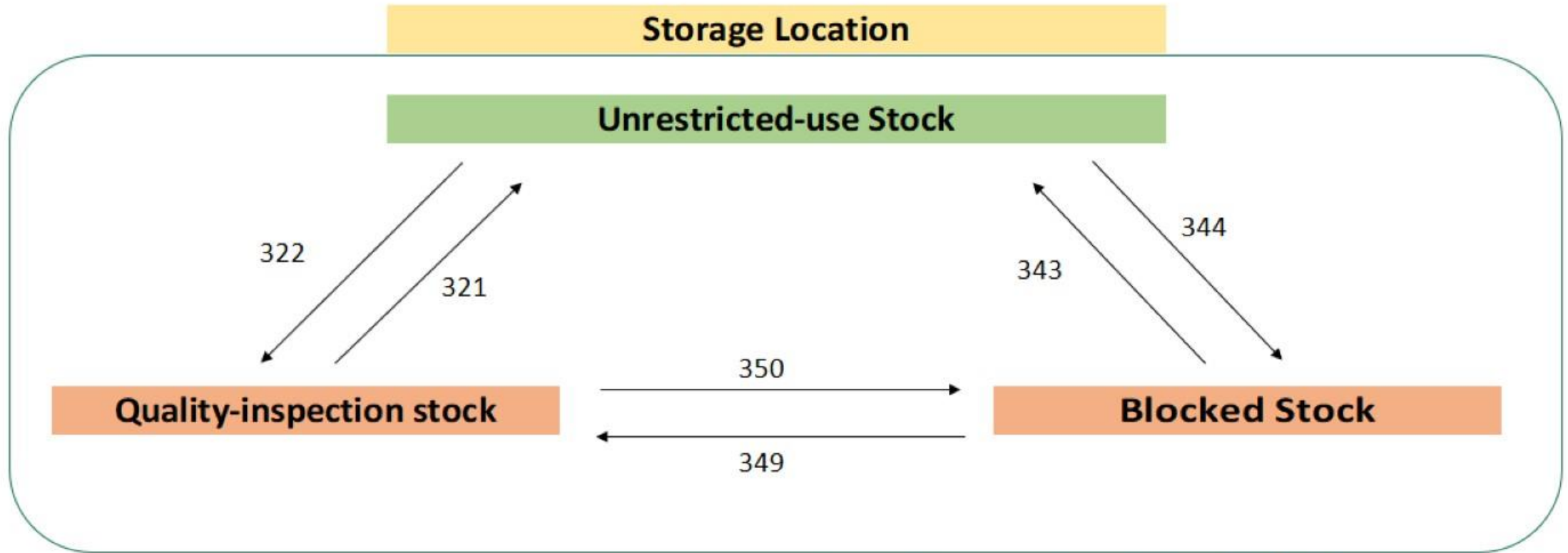
- The Procurement Team requires that some of the Special stock needs to be inspected for quality first before moving it into unrestricted-use stock such as a Subcontract stock
- Further, if any Special stock is damaged, or poor quality, then it should be moved to the blocked stock



# Special Stock Types in Inventory Management

- The special stock types are split into two groups:
- **Company-owned special stock (Only Unrestricted-use stock and Quality-inspection stock)**
  - Subcontract stock (O)
  - Customer consignment stock (W)
  - Returnable transport packaging stock to customer (V)
- **Externally owned special stock (All three Standard stock types are possible)**
  - Vendor consignment stock (K)
  - Returnable transport packaging stock to vendor (M)
  - Sales order stock (E)
  - Project stock (Q)
  - Pipeline material (P)

# Special Stock Types Transfer Postings



## Company-owned special stock (Only Unrestricted-use stock and Quality-inspection stock)

- Subcontract stock (O)
- Customer consignment stock (W)
- Returnable transport packaging stock to customer (V)

## Externally owned special stock (All three Standard stock types are possible)

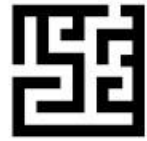
- Vendor consignment stock (K)
- Returnable transport packaging stock to vendor (M)
- Sales order stock (E)
- Project stock (Q)
- Pipeline material (P)

# Material-to-Material Transfer Posting

in Inventory Management

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## Business Scenario

- Sometimes, the state of a material changes over time e.g., the properties of the original material defined in the material master record has changed over the period, and now these properties correspond to another material number, so a material-to-material transfer becomes necessary
- This is often the case in the chemical and pharmaceutical industries
- A material-to-material transfer posting is possible only if both materials are managed in the same base unit of management



# Material-to-Material Transfer Posting in Inventory Management

- **Goods Receipt**– T-code: MIGO
  - Movement type: 309
  - **Display Stock Overview**: T-code: MMBE