Material Classification

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

Business Scenario

- The Procurement Team wants to classify some of the materials with their characteristics or variation such as Colour, Size, Style, Weight, Coverage, Viscosity etc. so that the classification of the materials can be used to search for a specific material number in the list of hundreds of materials

Material Classification

- Material Classification is a powerful tool that organizes the material master data with characteristics such as Colour, Size, Style, Weight, Coverage, Voltage, Viscosity etc and those are used to search for a specific material number
- The process flow to search for a material master data via the classification functionality, illustrates the search options via both class and characteristic values
- For example, if you do not know the material number that you want to use in a purchasing document, then you can search it by using the classification system such as a Hammer that is of Black **Colour** and has a **Style** of Claw Hammer with **Weight** of 500 grams

Batch Management in Material Master

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

Business Scenario

- The Procurement Team wants to set up batch management to their Finished products and Trading goods along with their classification

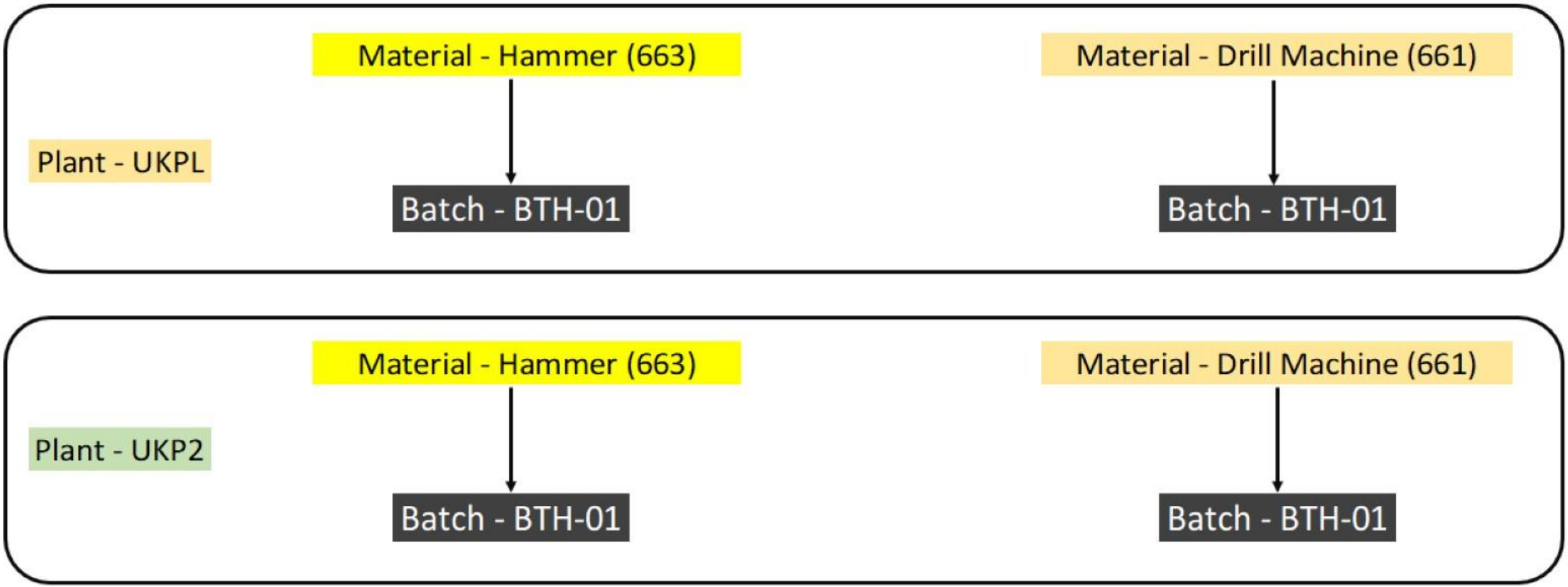
Batch Management in Material Master

- A batch is a consistent unit of a material identified by an alphanumeric key that's defined in your SAP system with unique specifications
- A batch represents a single subset of the total quantity of material that is held and produced during a production run
- Many production runs can be used to produce a production lot
- Batch management is a legal requirement that's used to track materials in your system
- Batch management increases production, improves quality, reduces cycle times, and facilitates compliance for your company to meet most industry standards, such as ISO, FDA 21, CFR Part 11, and GAMP-5
- Using a batch is also useful to recall the products from the market when the products are found to be faulty

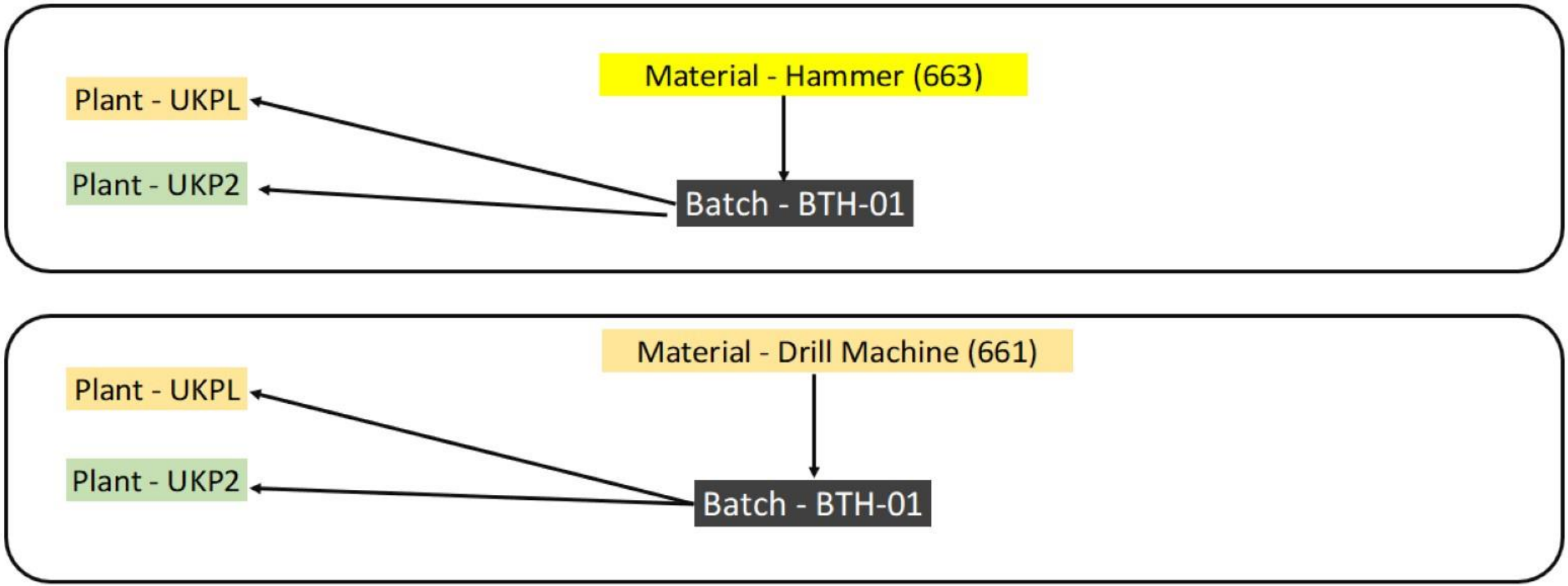
Batch Management in Material Master

- So, the main reasons why batch management is useful for companies to implement are:
  - To be able to recall history in case of a problem
  - To search by expiration date
  - To follow compliance requirements of industry standards
  - To manage the batch characteristics to suit a specific requirement for every industry—retail, aerospace, cosmetics, health, auto, food, pharmaceuticals, and so on—that can benefit from batch management

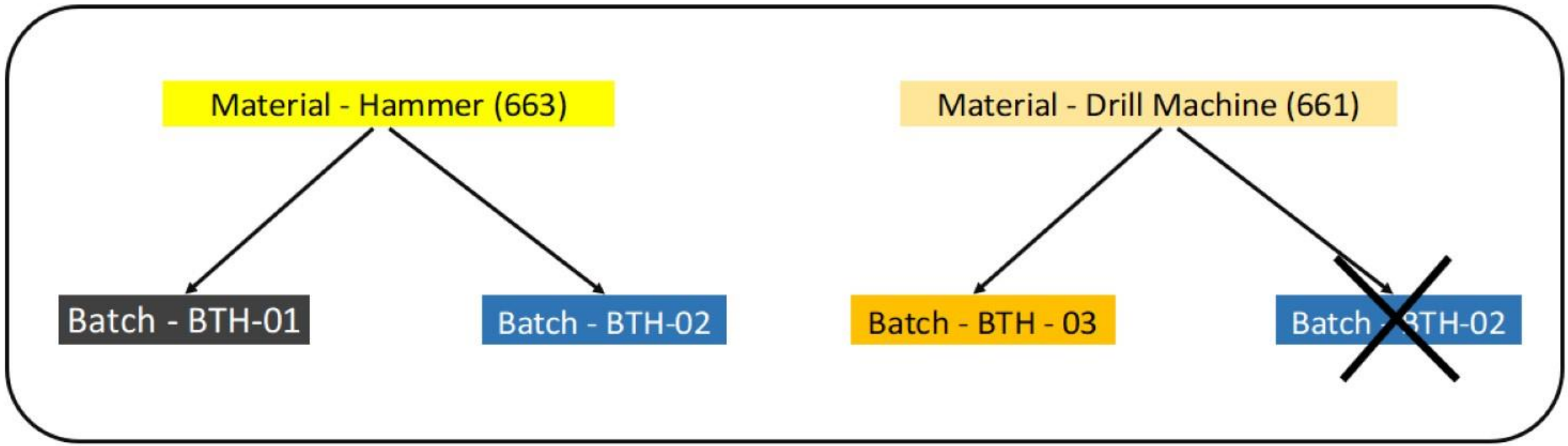
Batch Number Based on Plant Level



Batch Number Based on Material Level



Batch Number Based on Client Level



Batch Management in Material Master

- In the SAP system, batches are posted *for* a material, so the batch master records are always dependent on material master records
- If there is a mismatch of subjected material and batch requirement, all stocks need to be posted out from the previous fiscal year, the previous period, and the current period
- To do this, reset the indicator for batch requirement and repost the stock in batches into the system
- Similarly, you can cancel batch requirement for any material you don't want to be batch managed
- If you have to reorganize the batch master records, you must reset the indicator to blank, post the required batch requirement, and then post the stock back into the SAP system by using Transaction MIGO

Batch Management in Material Master

- A Batch master data is directly created by using the **T-code: MSC1N**
  - Menu path: **SAP Easy Access - > Logistics -> Materials Management -> Material Master -> Batch -> Create**
- Otherwise, the system automatically generates the master record after you specify the batch number with the first goods movement for a batch
- You can assign alternative number ranges to batch numbers externally or internally

Batch Classification

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

Batch Classification

- In order to differentiate batches of material depending on their individual properties, characteristics can be used to define the properties such as Colour, Size, Weight, Style, Voltage, Coverage, Viscosity etc.
- The same classification concept as in materials classification, is applied in defining batch classification