

↑ Node SPR0

MM → org. structure :- SAP Imbrpath → menu path - Tools → customizing → Imbr → Execute Project.

Enterprise struct :- client → comp. code → plant → storage location → pur. org → P01. hsp

c. org. struct :- To create comp → Imbr → Enterprise struct → financial acc → Def comp [OX15]

To create contract → " → " → def → " → Iukt, mkt, p01 [OX02]

To create plant → Imbr → ES → def → log. general → refine comp → [OX10]

Create storage location → F1 → S → def → MM → maintain storage location [OX09]

Create pur. org → " → " → " → " → pur. org → [OX08].

Create purchase → Imbr → MM → Purchasing → Create pur. grp -

SAP → MM ORG. UNIT

Plant to comp. code = Imbr → ES = Assignment → assign plant to comp. code [OX17]

Pur. org to comp. code = Imbr → ES = Assignment → MM → assign purchasing org to comp. code [OX10]

Purchasing to plant = " → " → " → " → " → assign pur. org to plant = [OX17]

Standard pur. org to plant = " → " → " → " → " → MM → Assign standard org [OX17]

MASTER DATA

Vendor is a type of Master data that is used for creating proj. and contracts.

→ Transaction data → It data is associated with processing of business transaction
Master data → Material master → Info.

Vendor master

Total master → Info of material, comp. ram procure, produce, store, sell.

↳ Material → basic unit of measure, weight, quantity over-underrate.
A crit. data, standard price, moving average.

↳ Additional data → It's like a short description about material, category etc.

Material master & characteristics :-

Raw material & finished goods are some of material type

→ To create material type :- Log → Material master → Basic settings → material type → define.
↳ OM S2

Material types :- Imbr → Log general → mat. mast → defining number → define

Number Range :- " → " → " → Basic settings → material type → define (range)

Segment of Number Range :- (Same)

Material master creation :- Log → MM → mat. mat → material → create (MM01)

we can select the view → BSEG CO 01, PLG MRP 1234 → P0.

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VENDOR MASTER DATA

Vendor specific data → Information on vendors from which company can procure or sell
Information of Name, address

Data are 3 types:-

- * General data :- It is maintained by client level & it is valid for organization level.
- * Accounting data :- " " " " company level & it is valid if plant belongs to the company.
- * Peri. data :- " " " " at peri. organization level.

Characteristics are 3 types:-

All local vendors ^{can be} placed under one account G0P.

① To create vendor Account G0P :- Imbr → Log-General → Business partner = vendors → control → ref. Acct. G0P. After selection vendor → OBPS

② Number Range :- When we create a vendor master record, every vendor is recognised by a number will be unique and known as Vendor Number.
To create Number range:-

(XDN) Imbr → Log-General → business partner = vendors → control → ref. No range → select interval → ref. Number range. after that
Same screen select Number range → (because No. range is assigned to No. 100).

Creation of vendor master :- [XK01]

Vendor Master contains list of vendors from which a company can procure or it can sell. [Log → MM → purchasing → master data → vendor → centrally create]

Purchase Info Record :-

Material master & vendor are separate data records for keeping information of materials & vendor from which material is procured. (The combining of both information if kept in a record we call as pur. info record)

- * Standard
- * Subcontracting
- * Pipeline
- * Consignment

Creation of Purchase Info Record:-

$\text{Log} \rightarrow \text{MM} \rightarrow \text{Purchasing} \rightarrow \text{Master Data + Info Record} \Rightarrow \text{Create} = [M E 11]$

Source - determination List \rightarrow create \rightarrow automatically
 material master, vendor master are kept in altogether is kept in a record
 manually.
 this is known as pur-info record.

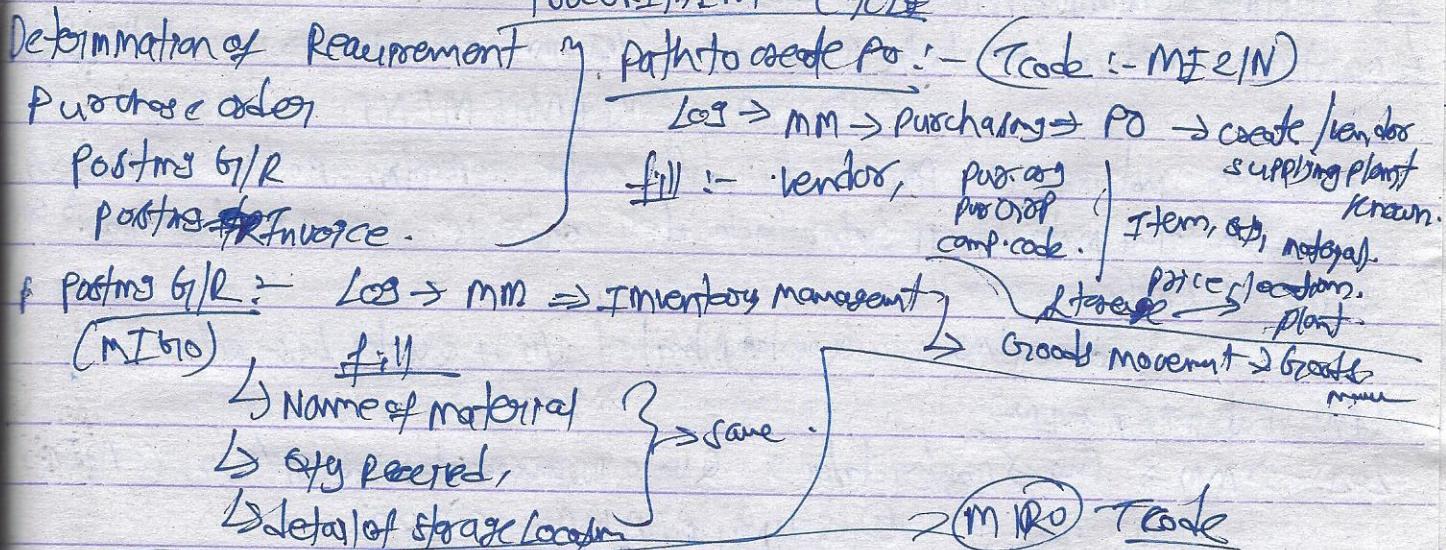
But a particular material can be ordered from diff. vendor
 in diff time interval - this info can be maintained in Source List
 & automatic creation of Source List:-

(MM02) \rightarrow select all the items - save it.

& manually creation of Source List - (MFO1) - maintain (meas display)
 (meas changes)

$\text{Log} \rightarrow \text{MM} \rightarrow \text{Purchasing} \rightarrow \text{Master Data} \rightarrow \text{Source List} \rightarrow \text{maintain}.$

PROCUREMENT CYCLE



posting Invoice :- $\text{Log} \rightarrow \text{MM} \rightarrow \text{Logistic I/V verification} \rightarrow \text{Document}$
 Pre-dental

fill \rightarrow I/V posting date, \rightarrow I/V date.

amount that paid to vendor \rightarrow I/V date.

cancel with I/V.

PR
 \rightarrow MM \rightarrow Purchase \rightarrow PR - create
 M E 2 / N

PURCHASE REQUISITION

Standard - getting finished material from vendor

Subcontracting \rightarrow providing raw material to vendor \rightarrow getting finished material

Consignment \rightarrow procure material that is kept in company premises
 & paying to vendor for that

Stock transfer \rightarrow getting material from within organization.

External source \rightarrow getting services like maintenance from third party vendor.

create PR from PR (M E 2 / N)

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track PO from PR -- (ME21N) RFQ :- (Request for quotation)

Log → MM → PUR → RFQ → quotation → quote → To create manually → ME41
 (on the home screen select ← → automatically from PR
 Reference to PR) tab.

OUTLINE AGREEMENT: ^{Contract} ^{Scheduling Agreement}

Contract :- It is a long term outline agreement b/w vendor & customer party.
 → equality contract. → contract overall value specified in terms of total amount paid to vendor.
 → value contract. " " " " " in that material vendor

Log → MM → PUR → outline agreement → contract → ME31K.

Scheduling Agreement :-
 → over predefined material cost service which are procured on predetermined dates over a framework of time.
 → creating scheduling agreement (ME31K) Log → MM → PUR → outline agreement → scheduling → contract.
 → maintaining scheduling (me31k) for the agreement → Log → MM → PUR → outline → delivery schedule maintenance.

QUOTA ARRANGEMENT : (MEQ1)

A particular material can procure from diff. vendor depending upon the requirement to total material is distribute to diff. vendor i.e. :- Quota is assigned to each source of supply.

$$\text{Quotating} = \frac{\text{Quota Allocated qty}}{\text{Quota}} + \text{Quota base qty}$$

(fill) → material & plant no.

Log → MM → PUR → master data → Quota arrangement → maintain (MEQ1)

POSTING PERIOD : (OB29)

① → maintain fiscal year variant → financial account → FA Global settings → Ledger → fiscal year & posting period → maintain fiscal year variant.

② Assign comp. code to fiscal year variant : - FA → FA Global settings → ledger → financial accounting → assign company code fiscal year variant (OB37)

③ Def. variant for open posting periods : (OB80)

FA → FA Global settings → ledger → financial reporting periods → variants for open posting periods.

④ Assign variant to company code : (OB80)

FA → FA Global settings → ledger → financial reporting periods → posting period → Assign variant to company code.

⑤ Open & close posting periods : - FA → FA Global settings → ledger → fiscal year & posting periods → open & close posting periods → open & close posting periods (OB52)

PURCHASE ORDER TYPES

TEXT FROM ITEM CATEGORY

- Easy Standard
- B Limit
- X Consignment - ME21N
- L Subcontracting - ME21N
- S Third party
- T Text
- U Stock transfer
- D Service

Types of P.O. :- 4 types

- ① Subcontracting PO
- ② Consignment PO
- ③ Stock Transfer PO
- ④ Service PO.

④ Subcontracting :- The vendor receives comp ^{order} from manufacturer or delivery party. End product is ordering by a company through PO.

② Consignment :- It available at company premises. It still belongs to vendor - if a customer takes the material u have to pay to the vendor

Stock Transfer:- Goods are procured with in a company, one plant order the goods internally from the other plant or central/issuing plant with a specialty of po.

SOURCE PO:- 3rd party will provide the services, these service include maintenance like electricity, oiling of machines.

INVENTORY MANAGEMENT

- procurement starts with gathering requirements & ends with purchasing goods from vendor in correct place. Goods are stored in company premises so they consumed when required.
- + If deals with placing & handling stock received from vendors in correct place planning entry keeps record of all stock movements (Inventory management).
- + Stock movement will create a doc. that will update all stock qty & value in Inventory, that is known as material doc. (It requires doc. Number & doc. year)

<u>I) deals with</u>	<u>① Mov. type:-</u> It describes settle of stock posting in inventory. Stock is which type of order, whether stock is posted against goods receipt or goods issue.
Movement type	<u>Imp. mov. types:-</u> 101 → GR for PO order 103 → GR for PO into GR blocked stock
Goods Receipt	201 → GR issued for cost centre 261 → GR issued for an order
Reservation	311 → from & placing storage location to storage location In one step.
Goods Issue	313 → " . " . " . " . " . " . In two step.

Path to reach Mout-type: - Log \rightarrow MN \rightarrow Inventory mgmt \rightarrow Good mow \Rightarrow Good ^{removal from storage.}

Goods Receipt :- material received after checking the condition & quality are verified
 GR will show increase in warehouse stock. GR Entries :- ① creation of GR
 ② cancellation of DR.
Creation of GR :- ~~DR~~ $L01 \rightarrow M01 \rightarrow INV. INVENTORY$ Goods movement \rightarrow Goods $\rightarrow M/GR$.
Cancellation of DR :- $L01 \rightarrow M01 \rightarrow INV. M01 \rightarrow " \rightarrow " \rightarrow M/GR$.

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③ Reservation:- Some times stock need to be blocked in advance so that it can be available at a particular point of time. This is known as reservation, it will be seen in reservation tab.
 $\log \rightarrow MM \rightarrow INV. Mgmt \rightarrow Reservation \rightarrow Create (MB21)$

④ Goods Issue:- It means moving stock out of inventory, it results decreasing in qty in warehouse.

$\log \rightarrow MM \rightarrow IM \rightarrow Goods Mov \rightarrow Goods movement (M/GI)$

INVOICE VERIFICATION

The process of verifying invoice & paying to vendor is known as Invoice verification
 * It marks the end of procurement after pos GR. ^{* Blocked Inv} that vary from actual Inv can be processed through
 * It will update all related doc. in financial & accounting. ^{Invoice verification}
 * It deals with :- ① posting of I/V → It's done after good receive from vendor
 ② Blocked Inv

③ Evaluated Receipt Settlement (ERS)

① Posting I/V:- verifying cost, qty, quality by ordering party. If it is posted against the po.
 $\log \rightarrow MM \rightarrow Logistic I/V \rightarrow Document entry \rightarrow Enter I/V (MIR0)$

② Blocked I/V:- Sometimes accounting department unable to pay the I/V to vendor, may happens try to post an I/V. (system default value against po) (or) G/R & posted I/V different. This may lead to I/V blocking, ^{default case} ^(Variance limit exceeded) ^(Variance limit exceeded) ^(Release blocked Inv.)
 manually unblocking I/V :- $\log \rightarrow MM \rightarrow Log. I/V. verification$ further processing ^{release blocked Inv.}

③ Evaluated Receipt Settlement (ERS) :- (MRRL)

It is a method of settling G/R automatically, If ordering party agreed all financial terms and then ordering party need not to verify the I/V posted automatically from the information present in pos GR.

Advantages :-

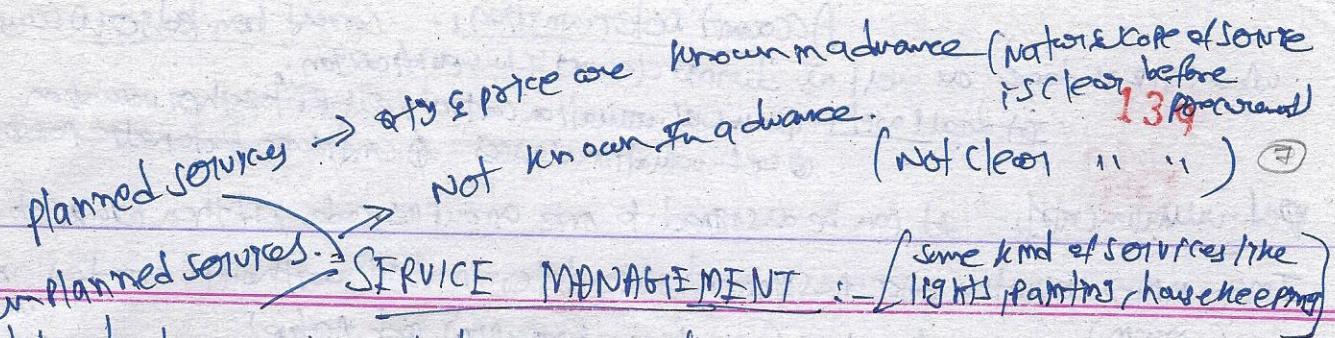
- ① PO can be settled & posted quickly
- ② Reduces the human efforts No need to verify I/V.
- ③ Amount & Qty variance in I/V can be avoided with the help of (ERS)

Vendor master & Process

(X) (Change mode after vendor master & select & check (Auto Eval/Inv. Settmt)
 Auto Eval & set mt Red box click save.

$\log \rightarrow MM \rightarrow Logistic I/V verification \rightarrow Automatic settlement (ERS)$

T code :- (MRRL)



- * It meant by direct consuming instead of keeping them in inventory.
- * It description along with unit of measured is stored as master data that is Service master record.
- + System stores the services that have been procured as a record in a sheet called Service entry sheet.
It deals with:- ① Service master Record ② Service PO ③ Service Entry sheet.

① Service master record :- procured from External vendor with many org. & certain description of services along with unit of measure.

Log → MM → Service master → service → service master. (AC03) (PS)

② Service PO :- Services are accomplished with the help of service (PO). & if the procurement is done by 3rd party in form of service (PO) :- Log → MM → purchase → PO → create (Vendor/delivery plant known). (ME21N) (Category D)

③ Service entry sheet :- Services procured that as a record in a sheet. In case of services create G/R doc. we will create service entry sheet will accumulate the charge that we need to pay to the vendor.

Log → MM → Service entry sheet → maintain (ML81N).

VALUATION : - Procurement starts with create PO and ends with F.I.

In the whole process one of the imp. parts is material valuation.

* In procurement process while creating PO material price & mandatory field entries automatically determined because material valuation is maintained. In sales or material master it is material valuation represents Integration b/w MM & FI. (Financial Accounting) it updates the financial ledger accounts in (FA) \Rightarrow It happens at company code level (plant level).

SPLIT valuation :-

It enables you to value stock of material in the same valuation area (Company code/ plant) differently.

- * Stock procured externally from vendor diff. val. price in stock of house production
- * one vendor is value at a diff. price the stock obtained from another vendor
- * Some material having diff. batch may have diff. valuation price. (Company code/ plant).

JMB → MM → valuation & account assignment \Rightarrow split valuation \Rightarrow activate split valuation.

Imp. term :- valuation area \rightarrow material valued at plant level (or) at company level. the level which material is valued known as valuation area.

Valuation category :- It is the criteria on which material is split valued.

Valuation type :- It specifies the features of valuation category.

(JMB → MM → valuation & acc. assignment \Rightarrow split valuation \Rightarrow config. split valuation)

(code- CommC)

Account determination: - correct from ledger account is posted

when bill is done as well as during clearing & u verification.

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(3) Valuation classes & (4) Configure automatic posting. (8)

Def. valuation cont: - It can be assigned to one grouping code, if they belongs to same G/L

IMB → MM → Valuation & Acc. Assignment → Acc. determination without wizard → define valuation control (com) code. Select = (valuation type & G/L code active)

② Grouped together valuation areas: - It is assigned to company code.

(com) IMB → MM → Valuation & Acc. Assignment → Acc. set = Acc. set without wizard = group together areas

③ Valuation classes = GL account based on material type. (com) H

Ex: raw material diff & GL Acc & finished material of the cost different in both case

(com) H = IMB → MM → Valuation & Acc. Assignment → Acc. set = Acc. set without wizard = def. val. classes.

④ Configure automatic posting: - G/L Acc. is automatically determined.

(com) IMB → MM → Valuation & Acc. Assignment → Acc. set = Acc. set (without wizard) → configure automatic posting

For hollow you make some fields CONF / DURATION: - Some settings are done by back ground according to business needs as optional, (a) hidden (b) same as mandatory in master record (com) SK

(com) IMB → Logistic General → mat. material master → field selection → maintain field selection for data screen

Maintain field selection for data screen = in master data hidden (W/O optional).

(com) IMB → Log-item → material master → field selection = maintain field selection for data screen

Maintain comp. code for MM = with period along with fiscal year.

IMB → Log-Gen → material master → basic setting → maintain comp. code for MM (com) JY.

Def. attributes for system msg - If info. is incomplete in any doc. system will not allow you to save (system shows some error) (com) T4

Def. Number Range PR: - Every requisition is created by a number, that number is unique known as RPR (com) HZ

IMB → MM → Purchasing → PR → ref. number Range (com) HZ.

Def. Doc-type PR: - diff types of PR (IMB → MM → PUR → PR → ref. doc-type)

Def. Number Range - RFQ / quotation: - when create RFQ / quotation every quotation is recognised by number, that NO. is unique & known as quotation number.

(com) IMB → MM → PUR → RFQ / quotation → Def. No. Range.

(Def. doc-type - RFQ / quotation): - diff types of doc. type for RFQ / quote

IMB → MM → PUR → RFQ / quotation → def. doc. Type.

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THE END