Akash Agrawal

Customizing Materials Management Processes in SAP® ERP Operations

Galileo Press
Bonn • Boston
## Contents at a Glance

1. **Introduction** ................................................................. 21
2. **SAP Organizational Structure** ........................................ 33
3. **Master Data** ...................................................................... 55
4. **Procurement Processes** ................................................. 95
5. **Inventory Management Processes** ................................... 171
6. **Invoice Verification** ....................................................... 209
7. **Inventory Valuation** ....................................................... 271
8. **Key Configurations in SAP Materials Management** ........ 295
9. **Material Classification** .................................................... 361
10. **Conclusion** ................................................................. 369

A. **The Author** ................................................................. 375

B. **List of Important Transaction Codes** ............................. 377
C. **List of Important Tables** .................................................. 383
# Contents

Acknowledgments ........................................................................................................... 15
Preface .......................................................................................................................... 17
Who Needs This Book ................................................................................................. 17
How to Use This Book ................................................................................................. 17

## 1 Introduction ........................................................................................................... 21

1.1 Overview of SAP ERP .......................................................................................... 21
1.2 Overview of Materials Management ................................................................... 24
1.3 SAP System Environment: Development, Quality, and Production Clients ........ 26
  1.3.1 Client Descriptions .................................................................................. 29
  1.3.2 Transport Requests ................................................................................ 30
1.4 Summary .............................................................................................................. 32

## 2 SAP Organizational Structure .............................................................................. 33

2.1 Introduction to Organizational Structures .......................................................... 33
  2.1.1 Levels of an Organizational Structure .................................................... 34
  2.1.2 Business Scenarios and Organizational Structure ................................. 37
2.2 Setting Up Organizational Structures in an SAP System ................................. 42
  2.2.1 Creating Company Codes ...................................................................... 42
  2.2.2 Defining Valuation Levels ...................................................................... 43
  2.2.3 Creating Plants ....................................................................................... 44
  2.2.4 Assigning Plants to Company Codes ....................................................... 46
  2.2.5 Creating Storage Locations for Plants ..................................................... 46
  2.2.6 Creating Purchasing Organizations ......................................................... 47
  2.2.7 Assigning Purchasing Organizations to Company Codes and Plants .... 48
  2.2.8 Assigning Standard Purchasing Organizations to Plants ..................... 50
  2.2.9 Assigning Purchasing Organizations to Reference Purchase Organizations 51
  2.2.10 Creating Purchase Groups .................................................................... 52
2.3 Summary .............................................................................................................. 53
## Contents

### 3 Master Data

3.1 Vendor Master Records .......................................................... 56  
3.1.1 Vendor Account Group ...................................................... 57  
3.1.2 Field Selection ................................................................ 59  
3.1.3 Number Interval ............................................................ 61  
3.1.4 Vendor Status (One-Time Vendor) ...................................... 64  
3.1.5 Reconciliation Accounts for Vendor Master Records ........ 64  
3.1.6 Partner Schemas ........................................................... 65  
3.2 Material Master Records .......................................................... 70  
3.2.1 Main Attributes ............................................................... 72  
3.2.2 Configuring a New Material Type ..................................... 74  
3.2.3 Defining a Number Range for a Material Type .................. 77  
3.2.4 Defining Field Selections .................................................. 79  
3.2.5 Defining Material Groups ............................................... 80  
3.3 Purchasing Info Records ......................................................... 81  
3.3.1 Structure ......................................................................... 82  
3.3.2 Creation .......................................................................... 85  
3.3.3 Configuration ............................................................... 86  
3.4 Source List ........................................................................... 87  
3.4.1 Structure ......................................................................... 87  
3.4.2 Creation .......................................................................... 89  
3.4.3 Configuration ............................................................... 89  
3.5 Quota Arrangement ................................................................ 90  
3.5.1 Elements ........................................................................ 90  
3.6 Summary ............................................................................ 93

### 4 Procurement Processes

4.1 Item Category ...................................................................... 96  
4.2 Procure to Pay ................................................................... 98  
4.2.1 Business Scenario ........................................................ 99  
4.2.2 P2P Documents ........................................................... 99  
4.3 Direct Material Procurement ............................................... 105  
4.3.1 Business Scenario ........................................................ 105  
4.3.2 Process Steps ............................................................... 106  
4.3.3 Configuration Steps ..................................................... 107  
4.4 Indirect Materials Procurement ........................................... 107
4.4.1 Business Scenario ........................................................... 108
4.4.2 Process Steps ................................................................. 110
4.4.3 Configuration Steps ........................................................ 110
4.5 Blanket Purchase Orders for Consumable Materials ................. 113
4.5.1 Business Scenario ........................................................... 113
4.5.2 Process Steps ................................................................. 114
4.5.3 Configuration Steps ........................................................ 115
4.6 Service Procurement ........................................................... 116
4.6.1 Business Scenario ........................................................... 116
4.6.2 Service Master Record .................................................... 117
4.6.3 Documents and Price Conditions in Service
    Procurement ...................................................................... 118
4.6.4 Process Steps ................................................................. 119
4.6.5 Configuration Steps ........................................................ 121
4.7 Consignment Procurement ......................................................... 126
4.7.1 Business Scenario ........................................................... 126
4.7.2 Process Steps ................................................................. 129
4.7.3 Configuration Steps ........................................................ 132
4.8 Subcontract Procurement .......................................................... 132
4.8.1 Business Scenario ........................................................... 132
4.8.2 Process Steps ................................................................. 136
4.8.3 Configuration Steps ........................................................ 140
4.9 Third-Party Procurement .......................................................... 140
4.9.1 Business Scenario ........................................................... 140
4.9.2 Process Steps ................................................................. 141
4.9.3 Configuration Steps ........................................................ 143
4.10 Outline Agreements .................................................................. 143
4.10.1 Contract Agreements ...................................................... 144
4.10.2 Scheduling Agreements .................................................. 150
4.11 Stock Transfer ............................................................................. 154
4.11.1 Business Scenario ........................................................... 154
4.11.2 One Step Stock Transfer .................................................. 155
4.11.3 Two Step Stock Transfer .................................................. 157
4.11.4 Stock Transport Orders ................................................... 158
4.11.5 Stock Transfer from One Company Code Plant to
    Another Company Code Plant ........................................ 159
4.12 Inter-Company Purchases .......................................................... 160
4.12.1 Business Scenario ........................................................... 160
4.12.2 Stock Transport Order with Delivery via Shipping .......... 161
Contents

4.12.3 Stock Transport Order with Delivery and Billing
    Document/Invoice ........................................................  162
4.12.4 Configuration Steps ........................................................  164
4.13 Summary ....................................................................................  168

5 Inventory Management Processes .............................................. 169

5.1 Movement Types .................................................................  171
5.2 Inbound and Outbound Processes ........................................  175
5.2.1 Inbound/Outbound Process Definitions .................................  176
5.2.2 Inventory Management Configurations ................................  178
5.3 Stock Types in Inventory Management ......................................  183
5.3.1 Standard Stock Types .....................................................  183
5.3.2 Goods Receipt Blocked Stock ............................................  186
5.3.3 Special Stock Types .........................................................  188
5.4 Physical Inventory Management Processes .............................  190
5.4.1 Process Steps .................................................................  191
5.4.2 Cycle Counting Method ....................................................  193
5.5 Vendor Return Process ..........................................................  198
5.5.1 Return without Return Purchase Order ............................  199
5.5.2 Return with Return Purchase Order ..................................  200
5.5.3 Return with Return Purchase Order and Outbound Delivery ........................................  202
5.6 Summary ....................................................................................  205

6 Invoice Verification .................................................................. 207

6.1 Basics of Invoice Verification ..................................................  209
6.2 Purchase Order-Based Invoice Verification ..............................  212
6.3 Goods Receipt-Based Invoice Verification ................................  213
6.4 Invoices for Account-Assigned Purchase Orders ......................  213
6.4.1 Account Postings ............................................................  214
6.4.2 Process Steps .................................................................  215
6.5 Invoices for Blanket Purchase Orders .....................................  216
6.6 Evaluated Receipt Settlements ................................................  217
6.6.1 Business Scenario ...........................................................  217
6.6.2 Prerequisites in Master Data .............................................  218
6.6.3 Process Steps .................................................................  220

10
6.7 Invoicing Plans ................................................................................................. 222
  6.7.1 Business Scenario ......................................................................................... 222
  6.7.2 Periodic Invoicing Plan .................................................................................. 222
  6.7.3 Partial Invoicing Plan ...................................................................................... 223
  6.7.4 Customization ................................................................................................. 224
  6.7.5 Process Steps .................................................................................................. 227
6.8 Subsequent Debit/Credit .................................................................................... 229
  6.8.1 Business Scenario ......................................................................................... 229
  6.8.2 Account Postings ............................................................................................ 229
  6.8.3 Process Steps .................................................................................................. 231
6.9 Credit Memos and Reversals ........................................................................... 232
  6.9.1 Business Scenario ........................................................................................... 232
  6.9.2 Process Steps .................................................................................................. 233
6.10 Invoice Verification in Background Processing ............................................... 234
  6.10.1 Business Scenario ......................................................................................... 234
  6.10.2 Process Steps .................................................................................................. 235
6.11 Invoice Reductions .......................................................................................... 237
  6.11.1 Business Scenario ......................................................................................... 237
  6.11.2 Account Posting ............................................................................................ 238
  6.11.3 Process Steps .................................................................................................. 238
6.12 Invoices with Variances .................................................................................. 240
  6.12.1 Business Scenario ......................................................................................... 241
  6.12.2 Account Posting ............................................................................................ 241
  6.12.3 Process Steps .................................................................................................. 243
  6.12.4 Configuration Steps ....................................................................................... 243
6.13 Taxes in Invoice Verification ........................................................................... 245
  6.13.1 Entering Tax Data in an Invoice ..................................................................... 246
  6.13.2 Configuration .................................................................................................. 246
6.14 Discounts in Invoice Verification ..................................................................... 247
  6.14.1 Account Postings ............................................................................................ 248
  6.14.2 Configuration of Gross/Net Posting ............................................................... 250
  6.14.3 Configuration of Payment Terms ................................................................. 251
6.15 Invoice Blocking ............................................................................................ 252
  6.15.1 Business Scenario ......................................................................................... 252
  6.15.2 Quantity Variance ........................................................................................ 254
  6.15.3 Price Variance ............................................................................................... 255
  6.15.4 Stochastic Blocking ....................................................................................... 256
  6.15.5 Manual Blocking .......................................................................................... 258
7 Inventory Valuation ................................................................. 269
7.1 Valuation Area ................................................................. 269
7.2 Valuation Methods: Moving Average Price and Standard Price 271
7.2.1 Moving Average Price “V” .............................................. 272
7.2.2 Standard Price “S” ....................................................... 273
7.2.3 Configuration Steps ..................................................... 274
7.2.4 Process Steps ............................................................. 276
7.3 Material Price Changes ..................................................... 277
7.3.1 Business Scenario ....................................................... 277
7.3.2 Process Steps ............................................................. 281
7.3.3 Configuration Steps for Price Changes in the Previous Period/Year ...................................................... 282
7.4 Split Valuation ............................................................... 283
7.4.1 Business Scenario ....................................................... 283
7.4.2 Configuration Steps ..................................................... 285
7.4.3 Process Steps ............................................................. 289
7.5 Summary ................................................................. 292

8 Key Configurations in SAP Materials Management ............... 293
8.1 Release Strategy ............................................................. 294
8.1.1 Business Scenario ....................................................... 294
8.1.2 Basic Concepts of Release Strategy ............................... 295
8.1.3 Configuration Steps for Release Procedure without Classification ...................................................... 297
8.1.4 Configuration Steps for the Release Procedure with Classification .............................................. 302
8.1.5 Process Steps ............................................................. 310
8.2 Pricing Procedure .......................................................... 311
8.2.1 Business Scenario ....................................................... 312
Contents

8.2.2 Process Steps ................................................................. 312
8.2.3 Configuration Steps ....................................................... 314
8.3 Automatic Account Determination ....................................... 323
  8.3.1 Business Scenario ....................................................... 323
  8.3.2 Configuration with the Automatic Account
      Determination Wizard ..................................................... 325
  8.3.3 Configuration without the Automatic Account
      Determination Wizard ..................................................... 325
  8.3.4 Process Steps ............................................................. 332
8.4 Document Type ............................................................... 335
  8.4.1 Business Scenario ....................................................... 336
  8.4.2 Configuration Steps ..................................................... 337
  8.4.3 Process Steps ............................................................. 340
8.5 Version Management ......................................................... 340
  8.5.1 Business Scenario ....................................................... 340
  8.5.2 Configuration Steps ..................................................... 341
  8.5.3 Process Steps ............................................................. 345
8.6 Message Determination ..................................................... 346
  8.6.1 Business Scenario ....................................................... 347
  8.6.2 How Message Determination Works .............................. 348
  8.6.3 Configuration Steps ..................................................... 349
  8.6.4 Process Steps ............................................................. 355
8.7 Summary ............................................................................. 356

9 Material Classification ......................................................... 357
  9.1 Introduction to Material Classification ................................. 357
  9.2 Key Terms of the Classification System ............................... 360
  9.3 Configuration Steps ......................................................... 361
    9.3.1 Step 1: Define Characteristics ...................................... 362
    9.3.2 Step 2: Define Class ................................................... 365
    9.3.3 Step 3: Assign Objects to Classes ................................... 366
  9.4 Summary ............................................................................. 368

10 Conclusion ............................................................................. 369
Contents

Appendices ........................................................................................................ 373
A The Author ........................................................................................................ 375
B List of Important Transaction Codes ............................................................. 377
  B.1 Material Master & Service Master .......................................................... 377
  B.2 Vendor Master ......................................................................................... 377
  B.3 Other Master Records ............................................................................ 378
  B.4 Inventory Management .......................................................................... 378
  B.5 Physical Inventory .................................................................................. 379
  B.6 Purchasing & Invoicing Transactions .................................................... 379
  B.7 Configuration ......................................................................................... 381
C List of Important Tables ................................................................................ 383
  C.1 Material Master Tables .......................................................................... 383
  C.2 Other Important Tables .......................................................................... 383
Index .................................................................................................................. 385
You can define different partner schemas at different data retention levels within the vendor master record. For example, you can have a different ordering address at the purchasing organization level than you do at the plant level.

2. **Assign Partner Schemas to Account Groups**

In this step, you assign partner schemas to account groups. Go to SAP IMG • Materials Management • Purchasing • Partner Determination • Partner Roles • Assign Partner Schemas to Account Groups, as shown in Figure 3.14.

![Figure 3.14 Assign Partner Schema to Vendor Account Group](image)

In this section, you’ve learned about the essential characteristics and functions in vendor master records. In the next section, we’ll move on to discussing material master records.

### 3.2 Material Master Records

Material master records are the key element of MM. In this section, we’ll discuss how material master records are created at different organizational levels and how
different department-specific data is maintained in different views. We'll also discuss the main controlling elements of material master records such as material type.

Material master records are a company's main source for material-specific data. The transaction codes for material master records are as follows:

- Create material: MM01
- Change material: MM02
- Display material: MM03

Material master data has different views for each department, which are the same as tab pages. For example, the purchasing view is used for ordering, the accounting view is used for material valuation, and the MRP view is used for planning (Figure 3.15).

---

**Figure 3.15** Material Master Views for Different Department Data
The material master code is created centrally, and each department can maintain department-specific data in the material master record (just as with the vendor master record). This concept is illustrated in Figure 3.16.

General data that’s valid enterprise-wide is stored at the client level, and plant-relevant data is maintained at the plant level. Similarly, data that’s valid for a particular storage location is maintained at the storage location level.

In the following sections, you’ll learn about the main attributes and configurations of material master data.

### 3.2.1 Main Attributes

The main attributes of material master data are the material number, industry sector, and material type, as shown in Figure 3.17.
The material number is a unique 18 character field. It can be entered manually, or be created automatically by the system, based on the type of number assignment. For external number assignment, you can enter the material number manually, and for internal number assignment, the system will create the material number automatically when you save the material master record.

The industry sector, as shown in Figure 3.17, controls the screen setup and screen sequence. The SAP system includes predefined industry sectors, but if any specific requirement doesn’t match with these predefined sectors, you can create your own.

Material types have many controlling functions, including the following:

- Number assignment
- Number range
- Procurement type
- Screen setup (i.e., allowed views, field selection, and screen sequence)
- Price control
- Account determination
- Quantity and value updating in plants
SAP provides preconfigured material types, but you can also create your own by copying the standard material types and making the required changes. Some of the SAP-provided material types are:

- ROH: raw material
- HALB: semi-finished material
- FERT: finished material

### 3.2.2 Configuring a New Material Type

To configure a new material type, go to SAP IMG • LOGISTICS-GENERAL • MATERIAL MASTER • BASIC SETTINGS • MATERIAL TYPES • DEFINE ATTRIBUTES OF MATERIAL TYPES (Figure 3.18).

**Figure 3.18** Material Types
Here, you can either make changes to an SAP-provided material type (such as DIEN, HALB, or FERT), or you can create a new one. To do the latter, either click on the New Entries button, or copy an existing material type and make the required changes.

**Note**

If you want to create a new material type, we recommend copying a SAP-provided material type and then making changes, instead of starting from scratch. Otherwise, you need to maintain multiple settings and screens, which can be very time consuming.

For additional settings, select the Material type and click on the Details button. You will see the details of the selected material type as shown in Figure 3.19.

![Figure 3.19 Material Type Creation](image)
The following are the key settings in material types (Figure 3.19):

- **Field Reference Key**
  This determines the field status such as Required, Hidden, Display, and Optional.

- **Views (User Departments)**
  User departments such as purchasing, sales, and production are referred to as views in the material master. This determines which views can be selected for the material type. For example, a sales view is essential for finished goods because you need to maintain sales department-specific data to sell the materials.

- **Pipeline Allowed/Mandatory**
  This determines whether pipeline handling is possible or mandatory. It also determines whether it’s possible to set external and internal purchase orders, as well as quantity and value updates.

- **Type of Procurement**
  This determines whether internal procurement, external procurement, or both are allowed.

- **Price Control**
  You can select Standard Price or Moving Average Price for a material type, as shown in Figure 3.19. The selected price control is copied (defaulted) when you create a material master record, but you can change price control from Standard Price to Moving Average Price and vice versa. If the checkbox Price Ctrl Mandatory is activated, the price control method selected in the material type cannot be changed while creating a material master record.

After you’ve selected the material type, click on the Quantity/Value Updating folder (on the left side of the screen). As Figure 3.20 illustrates, you need to select Quantity Update and Value Update in each valuation area. The significance of these fields is as follows:

- **Quantity Update**
  Specifies that the material is managed on a quantity basis in the material master record for the relevant valuation area.

- **Value Update**
  Specifies that the material is managed on a value basis in the material master record for the valuation area concerned. The values are updated in the respective G/L accounts at the same time.
3.2.3 Defining a Number Range for a Material Type

In this step, you define the type of number assignments and the number of range intervals for material master records. When creating a material master record, you must assign it a unique number. There are two ways of doing this:

1. **Internal number assignment**
   - In this case, a number within the defined number range is assigned by the SAP system.

2. **External number assignment**
   - In this case, you can assign a number within the defined number range interval. You can define the intervals for external number assignments numerically as well as alphanumerically.

You can also define both an internal and an external number range interval for the material type.

To configure a number range for material types, go to the menu path SAP IMG • LOGISTICS-GENERAL • MATERIAL MASTER • BASIC SETTINGS • MATERIAL TYPES • DEFINE NUMBER RANGE FOR EACH MATERIAL TYPE. (Figure 3.21).

Click on Maintain Group to maintain a new group for the new number range, as shown in Figure 3.21. In the top screen menu, go to GROUP • INSERT (shown in Figure 3.21), the result of which is shown in Figure 3.22. Enter the group Text (the group name) and a new number range in the From Number and To Number fields, and then click Save.
Figure 3.21  Number Range for Material Types

Figure 3.22  Number Range and Number Range Groups for Material Type
3.2.4 Defining Field Selections

The field status of a field in material master data is controlled by the following:

- Material type
- Transaction code
- Industry sector
- Plant
- Procurement type (internal/external)

Similar fields are organized under different groups called field selection groups. For example, Field Selection Group 1 contains two fields, Base Unit of Measure, and Unit of Measurement Text, as shown in Figure 3.23.

A field reference key is assigned to each of the different controlling units such as material types, transaction codes, industry sectors, plants, and procurement types. For example, Field Reference keys DIEN and MM03 are assigned to the Service material type and the Display Material transaction, respectively.

Maintain the field status for the combination of Field Selection Group and Field Reference Key, as shown in Figure 3.23.

![Figure 3.23](#) Field Selection in Material Master
It's important to know that SAP recommends the following:

- The field status of a field selection group for the field reference key prefixed with “SAP” must not be changed.
- The field reference key for transaction codes and procurement type (E – internal procurement, and F – external procurement) are already configured and cannot be changed.
- New field reference keys must begin with Y or Z.
- New field selection groups, if required, can be taken from those that aren’t pre-configured. For example, 206 through 240 are available.
- The system determines how the field status should be set, as follows:
  - The field status “Hidden” has the highest priority, followed by “Display,” “Mandatory,” and “Optional,” in that order.
  - As shown in Figure 3.23, while in Transaction code “Display Material (MM03)”, all fields in field selection group “1” have a status of “Display.”

### 3.2.5 Defining Material Groups

You can define different material groups to distinguish various materials. For example, an enterprise that manufactures computers can classify computers as desktops, laptops, and servers; each of these would be its own group. To define material groups, go to SAP IMG • LOGISTICS – GENERAL • MATERIAL MASTER • SETTINGS FOR KEY FIELDS • DEFINE MATERIAL GROUPS, as shown in Figure 3.24.
Index

A

ABC analysis, 197
Absolute value, 223, 260
   Limits, 244
Access sequence, 312, 314, 317, 349
Account-assigned, 213
Account Assignment, 97
   Category, 109, 111, 143, 214, 302
Account category reference, 286, 326
Account determination without the wizard, 325
Account group, 58, 60, 64
Account grouping, 174, 330
Accounting, 56
   Data, 57
   Department, 57, 102, 137, 138, 155, 157, 161, 169, 186, 190, 240, 241, 264, 332
   View, 71
Accounting view, 273, 275, 281, 324
Account posting, 134, 214, 255
Accounts Payable, 131
Activity, 60
Agent, 309
Agreement Type MK, 147
ALE, 305
Allowed partner roles, 68
Allowed transactions, 52
Amount, 210, 235, 253
APO system, 343
Approval, 294
Approver, 294
Asset, 109
Assign number range, 340
Attributes, 72
Authorization, 294
Automatic account determination, 171, 293, 323
Automatic blocking, 259
Automatic creation, 85
Automatic invoice reduction, 244
Automatic PO, 174
Automatic postings, 325
Automatic storage location creation, 174
Auxiliary account, 109
Availability check, 165, 166

B

Background processing, 234
Balance, 211
Balance field, 243
Balance quantity, 254
Balance sheet, 36, 193
Bank account, 56
BAPI, 343
Basic data, 210
Basic Data Status, 122
Basis, 30
Batch job, 132, 221, 229, 234, 263
Batch numbers, 186
Best Practices, 95
Billing date, 224
Billing Document, 160, 162
Billing status, 228
Bill of Material, 134
Blanket purchase order, 216, 113
Blocked, 254
Blocked for payment, 258
Blocked indicator, 88
Blocked stock, 128, 183
Blocking, 88
Blocking reason, 253
BOM, 134
   Usage, 134
Book of accounts, 269
Building rent, 222
Business partner, 56, 65, 188
Business process, 168
Buyer, 34, 37

C
Calculate tax, 211
Calculation schema, 313, 318, 321
Calculation type, 316
Cancellation, 233
Cash discount, 249
  Amounts, 248
  Clearing account, 249
CBP, 25
Centrally, 55, 72
Centrally-agreed contract, 146
Change material, 71
Change mode, 61
Character format, 363
Characteristic, 303, 305, 357, 360
Chart of accounts, 324, 326
Checking Rules, 165, 166
Class, 304, 305, 357, 360
Classification, 357
Classification system, 357
Class type, 360
Client, 33, 34, 55
Client-independent, 27
Client level, 56, 57, 72, 82
Collective release, 311
Communication structures, 303
Company code, 33, 35, 36, 39, 42, 46, 55, 60, 154, 159
  Data, 59
  Level, 269
  Specific purchasing organization, 49
Company-owned special stock, 188
Components, 134, 137
Conditional acceptance, 186
Condition class, 316
Condition control, 86
Condition record, 312, 314, 349
Conditions, 52, 82, 117, 119, 124, 127, 136, 143, 162
Condition table, 314, 349, 350
Condition techniques, 348
Condition type, 312, 313, 314, 349
Configurations, 293
Consignment, 126, 207
Consignment info record, 84, 127, 132
Consignment liabilities, 126, 131
Consignment Price, 127
Consignment Process, 127
Consignment Procurement, 97
Consignment Purchase Order, 127
Consignment Stock, 128, 131
Consumable materials, 84, 107, 113, 216, 231
Consumption Account, 138, 108
Consumption G/L account, 214
Continuous inventory, 194
Contract, 126, 144
Controlling indicators, 298
Controlling parameters, 174
Controlling Status, 122
Co-products, 135
Copying function, 43
Corporate group, 160, 170
Cost account, 231
Cost Center, 108, 109
Costing, 44
Cost of Goods Manufactured, 138
Count, 190
Created automatically, 85
Created manually, 85
Create material, 71
Credit memo, 201, 203, 209, 229, 232, 234, 237, 238, 240, 241
CRM, 23
Cross-client, 27, 317
Cross-company code, 39
Cross-company stock transport, 164
Index

Cross-plant purchasing, 38
Currency, 102
Currency format, 364
Current period, 278
Customer consignment stock, 188
Customer master, 55
Customer number, 165
Customer premises, 189
Customizable, 24
Cycle counting, 194, 195

Method, 193

Display material, 71
Distribution channel, 165
Division, 165
Document category, 340, 345, 349
Document type, 96, 100, 115, 140, 148, 150, 153, 163, 166, 167, 202, 293, 294, 335, 340, 342, 345

UB, 158, 159
Document type FO, 227
Double invoice check, 207
Due date, 222
Duplicate invoice check, 266

Damage, 157, 185, 186
Damaged goods, 198
Data type, 363
Date category, 226
Date format, 363
Date proposal, 227
Defining valuation levels, 43
Deliveries, 221
Delivery, 160
Delivery address, 142
Delivery Costs, 158, 161
Delivery Dates, 143
Delivery document, 221
Delivery Schedules, 143
Delivery tab, 289
Delivery Time, 140
Delivery Type, 166

NL, 167
NLCC, 167
Delivery via shipping, 161
Department, 71
Department-specific data, 72
Development client, 29
Direct Material, 105, 110

Procurement, 105, 152
Discount, 102, 314, 217, 247
Display, 59, 80, 111, 343

Electronic data interchange (EDI), 207, 346
Email, 82, 294, 346
Employees, 309
End product, 135
Enterprise, 21, 95
Enterprise resource planning (ERP), 21
ERP systems, 21
Error log, 237
ERS, 207

Indicator, 218
Evaluated receipt settlement, 209, 217
Excess consumption, 134
Excess delivery, 198
External documents, 99, 101, 302, 309
External Labor Account, 138
External labor price, 138
Externally-owned special stock, 188, 189
External number assignment, 61, 73, 77
External number range, 122
External numbers, 337
External procurement, 80, 99
External purchase order, 286
External representations, 97
External service, 116

Procurement, 116
Index

**F**
- Factory calendar, 46
- Fax, 82, 294, 346
- Field, 350
- Field reference key, 76, 79
- Field selection, 59, 79, 343
- Field selection group, 79, 80
- Field selection key, 298, 337
- Field selection priority, 61
- Field status, 60, 80
- Finance and accounting department, 207
- Financial Accounting, 171
  - Invoice documents, 211
- Financial reports, 64
- Finished components, 133
- Finished material, 74
- Fiscal year, 194
- Fixed indicator, 88
- Fixed source, 88
- Follow-on documents, 240, 337
- Forecast, 150
- Foreign currencies, 127
- For purchasing documents, 353
- Framework Requisition, 115
- FRC, 150
- Freight, 102
- Functional department, 22, 56

**G**
- General data, 57, 59, 72, 82
- General ledger (G/L) account, 36, 55, 64, 200, 210, 232, 323
- G/L account posting, 211, 324
- GL accounts, 102, 138, 139
- Global agreements, 40
- Global categories, 285
- Global Outline Agreements, 41
- Global types, 285
- Golden Client, 30
- Goods issue, 169, 175
- Goods movement, 169, 171
- Goods receipt, 98, 102, 114, 134, 152, 169, 175, 214, 332
  - Blocked stock, 183, 186
  - Quantity, 254
- Goods receipt-based invoice, 209
  - Verification, 212, 218
  - Verification indicator, 218
- GR/IR account, 138, 143, 263
- GR/IR account maintenance, 263
- GR/IR clearing account, 263
- Gross posting, 248, 249
- Gross price, 102, 314
- Group of characteristics, 361

**H**
- Hidden, 80, 111
- Hold, 211

**I**
- Implementation, 26, 33
- Inbound process, 170, 175
- Incoming invoice, 211
- Indirect Material Procurement, 107
- Individual release, 311
- Industry sector, 72, 73, 79
- Industry type, 367
- Info category, 82
- Info record, 218
  - Category, 127, 135
- Info update indicator, 85, 101
- Inherited, 56
- Insert, 63
- Integrated, 23
- Inter Company Purchases, 160
- Inter Company Stock Transfer, 160
- Intermediate account, 263
- Internal documents, 99, 302
- Internal inventory management, 170
<table>
<thead>
<tr>
<th>Index</th>
</tr>
</thead>
<tbody>
<tr>
<td>Internal number, 63, 337</td>
</tr>
<tr>
<td>Internal number assignment, 61, 73, 77</td>
</tr>
<tr>
<td>Internal procurement, 80</td>
</tr>
<tr>
<td>Internal purchase order, 286</td>
</tr>
<tr>
<td>Internal representation, 97</td>
</tr>
<tr>
<td>Inventory, 25</td>
</tr>
<tr>
<td>Inventory count, 190</td>
</tr>
<tr>
<td>Inventory management, 169, 183</td>
</tr>
<tr>
<td>Inventory posting, 330</td>
</tr>
<tr>
<td>Inventory sampling, 194</td>
</tr>
<tr>
<td>Inventory valuation, 269, 324</td>
</tr>
<tr>
<td>Invoice, 98, 103, 121, 127, 131, 134, 139, 140, 207, 229, 232, 234</td>
</tr>
<tr>
<td>Invoice blocking, 252, 253</td>
</tr>
<tr>
<td>Invoice date, 210, 235</td>
</tr>
<tr>
<td>Invoice document, 207, 220</td>
</tr>
<tr>
<td>Invoice due date, 223</td>
</tr>
<tr>
<td>Invoice number, 209</td>
</tr>
<tr>
<td>Invoice price, 255</td>
</tr>
<tr>
<td>Invoice quantity, 254</td>
</tr>
<tr>
<td>Invoice receipt, 148, 152, 214</td>
</tr>
<tr>
<td>Invoice reduction, 211, 237, 238</td>
</tr>
<tr>
<td>Invoice settlement, 131</td>
</tr>
<tr>
<td>Invoice status, 228</td>
</tr>
<tr>
<td>Invoices with reduction, 209</td>
</tr>
<tr>
<td>Invoices with variances, 240</td>
</tr>
<tr>
<td>Invoice value, 257</td>
</tr>
<tr>
<td>Invoice Verification, 103, 207</td>
</tr>
<tr>
<td>Background processing, 209, 234</td>
</tr>
<tr>
<td>Services, 118</td>
</tr>
<tr>
<td>Invoicing party, 65, 68</td>
</tr>
<tr>
<td>Invoicing plan, 207, 209, 222</td>
</tr>
<tr>
<td>Settlement, 228</td>
</tr>
<tr>
<td>Type, 226</td>
</tr>
<tr>
<td>Issue goods, 334</td>
</tr>
<tr>
<td>Issuing company code, 161</td>
</tr>
<tr>
<td>Issuing plant, 158, 162</td>
</tr>
<tr>
<td>Item Category, 95, 96, 115, 129, 158, 336</td>
</tr>
<tr>
<td>Item Category D, 119</td>
</tr>
<tr>
<td>Item Category L, 136</td>
</tr>
<tr>
<td>Item Category M, 145</td>
</tr>
<tr>
<td>Item Category S, 143</td>
</tr>
<tr>
<td>Item Category U, 159</td>
</tr>
<tr>
<td>Item Category W, 146</td>
</tr>
<tr>
<td>Item conditions, 145</td>
</tr>
<tr>
<td>Item-level release, 309</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>J</th>
</tr>
</thead>
<tbody>
<tr>
<td>Just-in-time (JIT), 150</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>L</th>
</tr>
</thead>
<tbody>
<tr>
<td>Labor charges, 138</td>
</tr>
<tr>
<td>Landscape, 29</td>
</tr>
<tr>
<td>Layout, 211</td>
</tr>
<tr>
<td>Legal document, 207</td>
</tr>
<tr>
<td>Liabilities, 64</td>
</tr>
<tr>
<td>Limits, 216</td>
</tr>
<tr>
<td>Limit values, 244</td>
</tr>
<tr>
<td>Loading, 140</td>
</tr>
<tr>
<td>Local currency, 43</td>
</tr>
<tr>
<td>Logistics, 24, 25</td>
</tr>
<tr>
<td>Low price, 233</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>M</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mandatory, 80, 111, 172</td>
</tr>
<tr>
<td>Manual approval, 294</td>
</tr>
<tr>
<td>Manual blocking, 258, 259</td>
</tr>
<tr>
<td>Manual creation, 85</td>
</tr>
<tr>
<td>Market price, 277</td>
</tr>
<tr>
<td>Master Conditions, 118</td>
</tr>
<tr>
<td>Master data, 26, 55, 87, 305</td>
</tr>
<tr>
<td>Master data objects, 357</td>
</tr>
<tr>
<td>Material classification, 357, 361</td>
</tr>
<tr>
<td>Material document, 102, 176, 180, 186, 190</td>
</tr>
<tr>
<td>Material group, 80, 84, 102, 124, 126, 145, 302</td>
</tr>
<tr>
<td>Material master record, 70, 73, 102, 114, 273, 277, 324</td>
</tr>
</tbody>
</table>

389
Material number, 73, 357, 367
Material price, 127, 277, 314
Material price changes, 277
Materials Management (MM), 357
Materials movement, 193
Material type, 72, 73, 74, 79, 112, 326, 367
Material Unknown, 145
Material valuation, 71
Material Withdrawals, 126
Message determination, 293, 346
Messages, 211
Message schema, 349, 353
Message types, 354
Model invoicing plan, 223
Modifiable, 30
Movement type, 137, 140, 142, 158, 162, 171, 185, 187, 193, 199, 202, 205, 325
Moving average price, 76, 229, 255, 256, 269
MRP, 183, 298
MRP indicator, 88
Multiple values, 364

N
Negative differences, 244
Negative stock, 179
Net posting, 248, 249
Net price, 311
New dimensional, 23
New entry, 47
Non-operating expense, 242
Non-stock material, 112
Non-valuated material, 112
Number assignment, 61, 73, 337
Number interval, 61
Number Range, 61, 77, 122, 124, 148, 178, 180, 337, 339
  Groups, 78, 122
Numeric format, 363

O
Objects, 357, 360, 366
Office supplies, 107
Offsetting entry, 214, 231, 330
One Step Stock Transfer, 155, 156
One-time account, 64
One-time vendor, 57, 64
Optional, 59, 80, 111, 172, 343
Ordering address, 65, 70, 102
Ordering party, 68
Organizational level, 70, 82, 269
Organizational structure, 33, 37, 42, 55
Organizational unit, 33, 34, 324
Origins, 283
Outbound delivery, 177, 198, 202, 203
Outbound process, 170, 175
Outline agreement, 85, 89, 100, 143
Output, 345
Output devices, 354
Output media, 346
Over-consumption, 139
Own stock, 131

P
Pack, 202
Packaging materials, 189
Partial invoicing plan, 223
Partial stock, 285
Partner determination schema, 68
Partner role, 66, 68, 354
Partner schema, 65, 69
Payment, 103, 106, 126, 211, 253
Payment settlement dates, 247
Payment tab, 247, 258
Payment terms, 56, 248
Payment transaction, 244
Percentage, 223
Percentage limits, 244, 260
Periodic inventory, 193
Periodic invoicing plan, 222
Index

PGI, 177
Physical inventory, 36, 170
   Documents, 190
   Indicator, 195
   Management, 190
Physical stock, 25, 190
Pick, 202
Pipeline, 76
Pipeline info record, 84
Pipeline material, 188
P&L account, 36
Plant, 36, 44, 55, 79, 154, 269, 302
Plant assignments, 46
Plant code, 42
Plant conditions, 146
Plant creation, 45
   Copy, 45
Plant data, 82
Plant info record, 314
Plant level, 70, 72, 119, 189, 269
Plant locations, 35
Plant parameters, 178
Plant-specific condition, 148
Plant-specific purchasing, 37, 38, 50
PO-based invoice, 209
PO-based invoice verification, 212
Poor quality, 185, 198
PO reference, 211
Positive difference, 244
Post Goods Issue, 137
Posting block, 191
Posting date, 210, 235
Posting keys, 324
Prerequisites, 301
Previous period, 278
Price components, 318
Price control, 76, 229, 230, 255, 271
Price control S, 271
Price control V, 271
Price determination, 162
Price difference, 240
Price difference G/L account, 255
Prices, 82, 217
Price variance, 253, 255
Pricing elements, 314
Pricing procedure, 293, 311, 318
Primary key, 26
Print, 82
Printer, 346
Printouts, 294
Probability, 257
Procurement, 96, 283
   Cycle, 95
   Plant, 90
   Process, 207
   Processes, 95, 97, 168
   Type, 79, 90
Procure to Pay (P2P), 95, 97, 98
Product cost accounting, 269
Production client, 29
Production planning, 269, 357
Project, 109, 223
Project stock, 188
Purchase accounts, 325
Purchase order, 98, 100, 101, 131, 133, 134, 289, 296
   History, 102, 186, 207, 231, 232
   Price, 255
Purchase requisition, 98, 99, 133, 296, 299
Purchase, 56, 162
Purchasing data, 57, 59
Purchasing Data Status, 122
Purchasing department, 22, 36, 57, 99
Purchasing document, 96, 110, 124
Purchasing document category, 335
Purchasing group, 34, 37, 52, 294, 348, 354
Purchasing info record, 81, 84
Purchasing organization, 36, 47, 48, 49, 55, 70
   Data, 82
   Level, 124
   Schema group, 313
Purchasing transaction, 347
Purchasing view, 71
Index

Q

Quality, 283
Quality inspection, 184, 253
Quality-inspection stock, 183, 185
Quality inspector, 184
Quality Stock, 128
Quantity contract, 145, 147
Quantity or price variance, 252
Quantity update, 76
Quantity variance, 253, 254
Quota, 90
Quota allocated quantity, 90
Quota arrangement, 90
Quota base quantity, 90
Quota rating, 91
Quotation, 100
Quotation Comparison, 101

R

Raw material, 43, 47, 74, 105, 112, 132, 138, 324
Reason field, 172
Reason key, 172
Receiving company code, 161
Receiving plant, 158, 161, 167
Reconciliation accounts, 64
Reduced amount, 237
Reference purchasing organization, 40, 51
Regular vendor, 84, 87
Release, 32, 262
Release automatically, 262
Release code, 296
Release conditions, 296
Release creation profile, 151
Released, 30
Release groups, 305
Release indicator, 306
Release manually, 262
Release orders, 52, 143, 144, 148
Release point, 300
Release prerequisite, 296
Release procedure, 294, 310
Release procedures
  With classification, 295
  Without classification, 295
Release status, 297, 308
Release strategy, 293, 294, 296
Releasing blocked invoices, 262
Replenishment delivery, 163
Required, 59, 343
Retail system, 269
Returnable transport packaging, 188
  Stock, 188
Return delivery, 200
Return purchase order, 198, 200
Revenue account, 242
Reversals, 233
Reverse, 234
RFQ, 100, 299
Roles, 65

S

Sales and Distribution (SD), 357
  Function, 160
  Status, 122
Sales and distribution department, 22
Sales billing, 162
Sales order stock, 188
Sales organization, 165
Sales price, 245
Sandbox client, 30
SAP Production Planning, 44
SAP for Retail, 44
SAP server, 26
Scheduling Agreements, 150
Schema determination, 323
Schema group, 321
Scrap material, 47
Screen layout, 60
SC Stock per Vendor, 136
<table>
<thead>
<tr>
<th>Term</th>
<th>Page(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Search strategy</td>
<td>351</td>
</tr>
<tr>
<td>Selection key</td>
<td>355</td>
</tr>
<tr>
<td>Semi-finished</td>
<td>132, 133, 138</td>
</tr>
<tr>
<td>Semi-finished material</td>
<td>74</td>
</tr>
<tr>
<td>Semi-finished product</td>
<td>139</td>
</tr>
<tr>
<td>Service Category</td>
<td>121, 122</td>
</tr>
<tr>
<td>Service conditions</td>
<td>126</td>
</tr>
<tr>
<td>Service Entry Sheet</td>
<td>116, 118, 124, 221</td>
</tr>
<tr>
<td>Service level</td>
<td>118</td>
</tr>
<tr>
<td>Service Master Record</td>
<td>93, 117, 122</td>
</tr>
<tr>
<td>Services</td>
<td>113, 216</td>
</tr>
<tr>
<td>Services Procurement</td>
<td>116</td>
</tr>
<tr>
<td>Settlement</td>
<td>139</td>
</tr>
<tr>
<td>Settlement information</td>
<td>217</td>
</tr>
<tr>
<td>Settlement program</td>
<td>220</td>
</tr>
<tr>
<td>Shipping</td>
<td>160, 162</td>
</tr>
<tr>
<td>Ship-to party</td>
<td>165</td>
</tr>
<tr>
<td>Simulate</td>
<td>211</td>
</tr>
<tr>
<td>Simulate release</td>
<td>301</td>
</tr>
<tr>
<td>Single step</td>
<td>155</td>
</tr>
<tr>
<td>Single value</td>
<td>364</td>
</tr>
<tr>
<td>Source Determination</td>
<td>84, 124, 125</td>
</tr>
<tr>
<td>Source list</td>
<td>87, 88, 89</td>
</tr>
<tr>
<td>Sources of supply</td>
<td>87, 88, 90</td>
</tr>
<tr>
<td>Spare parts</td>
<td>107</td>
</tr>
<tr>
<td>Special Item Categories</td>
<td>146</td>
</tr>
<tr>
<td>Special procurement type</td>
<td>90</td>
</tr>
<tr>
<td>Special stock</td>
<td>183</td>
</tr>
<tr>
<td>Special stock types</td>
<td>188</td>
</tr>
<tr>
<td>Split valuation</td>
<td>283</td>
</tr>
<tr>
<td>SRM, 23</td>
<td></td>
</tr>
<tr>
<td>Standard document types</td>
<td>338</td>
</tr>
<tr>
<td>Standard info record</td>
<td>83</td>
</tr>
<tr>
<td>Standard price</td>
<td>76, 230, 255, 269</td>
</tr>
<tr>
<td>Standard purchase orders</td>
<td>323</td>
</tr>
<tr>
<td>Standard purchasing organization</td>
<td>42</td>
</tr>
<tr>
<td>Standard stock</td>
<td>183</td>
</tr>
<tr>
<td>Statistical goods receipt</td>
<td>140</td>
</tr>
<tr>
<td>Stochastic blocking</td>
<td>253, 256</td>
</tr>
<tr>
<td>Stock Account</td>
<td>131, 138, 249, 256</td>
</tr>
<tr>
<td>Stock G/L account</td>
<td>193</td>
</tr>
<tr>
<td>Stock in transit</td>
<td>155</td>
</tr>
<tr>
<td>Stock material procurement</td>
<td>135</td>
</tr>
<tr>
<td>Stock Overview</td>
<td>130, 134, 170</td>
</tr>
<tr>
<td>Report</td>
<td>156</td>
</tr>
<tr>
<td>Stock quantity</td>
<td>169, 190</td>
</tr>
<tr>
<td>Stock Transfer</td>
<td>154, 159</td>
</tr>
<tr>
<td>Scenarios</td>
<td>154</td>
</tr>
<tr>
<td>Stock transport order</td>
<td>158, 159, 165, 169, 184</td>
</tr>
<tr>
<td>Stock location</td>
<td>35, 36, 46, 47, 154, 169, 184</td>
</tr>
<tr>
<td>Stock location level</td>
<td>189</td>
</tr>
<tr>
<td>Stock transport order level</td>
<td></td>
</tr>
<tr>
<td>Subcontract info records</td>
<td>135</td>
</tr>
<tr>
<td>Subcontracting</td>
<td>135</td>
</tr>
<tr>
<td>Subcontracting info record</td>
<td>83</td>
</tr>
<tr>
<td>Subcontractor</td>
<td>134</td>
</tr>
<tr>
<td>Stock</td>
<td>140</td>
</tr>
<tr>
<td>Subcontract orders</td>
<td>136</td>
</tr>
<tr>
<td>Subcontract Procurement</td>
<td>132</td>
</tr>
<tr>
<td>Subcontract purchase order</td>
<td>137</td>
</tr>
<tr>
<td>Subcontract stock</td>
<td>188</td>
</tr>
<tr>
<td>Subcontract vendor</td>
<td>141</td>
</tr>
<tr>
<td>Subledger</td>
<td>64</td>
</tr>
<tr>
<td>Subsequent debit/credit</td>
<td>209, 229</td>
</tr>
<tr>
<td>Sub-stocks</td>
<td>283</td>
</tr>
<tr>
<td>Supplier</td>
<td>98, 103</td>
</tr>
<tr>
<td>Supplying plant</td>
<td>166</td>
</tr>
<tr>
<td>Suppress</td>
<td>59, 343</td>
</tr>
<tr>
<td>Suppressed</td>
<td>172</td>
</tr>
<tr>
<td>Surcharges</td>
<td>314</td>
</tr>
<tr>
<td>System environment</td>
<td>26</td>
</tr>
<tr>
<td>System stock</td>
<td>190</td>
</tr>
<tr>
<td>Target quantity</td>
<td>145, 150</td>
</tr>
<tr>
<td>Tax</td>
<td>235, 245</td>
</tr>
<tr>
<td>Tax authorities</td>
<td>245</td>
</tr>
<tr>
<td>Tax code</td>
<td>218, 246</td>
</tr>
<tr>
<td>Tax jurisdiction code</td>
<td>46</td>
</tr>
<tr>
<td>Tax procedure</td>
<td>245, 246</td>
</tr>
</tbody>
</table>
Index

Terms of payment, 102
Testing client, 29
Texts, 82
Third Party, 140
Third-Party Procurement, 140
Threshold value, 256, 257
Time-dependent conditions, 86
Time format, 363
Tolerance groups, 244
Tolerance keys, 260
Tolerance limits, 216, 243, 253
Tolerances, 82, 167, 216, 243, 260
Total-based, 242
Total-based invoice acceptance, 241
Total-based invoice reduction, 241
Total stock, 272
Total value, 272
Track changes, 340
Transaction, 210
Transactional, 26
Transaction codes, 79
Transaction key, 324
Transfer posting, 128, 158, 162, 185
Transfer Stock Removal, 158
Transit, 157, 158
Transportation, 140
Transport request, 29, 30, 305
Two-step, 158
Two-Step Stock Transfer, 155, 157
Type of procurement, 96

V

Validity date, 150, 216
Validity period, 88, 90, 145
Valuated, 183
Valuated goods receipt, 215, 228
Valuated material, 269
Valuation
  Area, 44, 76, 155, 156, 157, 179, 269, 277, 324, 325, 326
  Category, 285
  Class, 122, 324, 325, 326, 328
  Control, 325
  Grouping code, 326
  Level, 44
  Method, 271, 275
  Price, 138, 162, 207, 269, 281
  Type, 285
Value, 302
Value-added tax, 245
Value basis, 108
Value contract, 145, 147
Value limit, 294
Values, 360, 361
Value update, 76
Variance, 240
Variance type, 253
Variant, 229
VAT amounts, 245
Vendor account group, 57, 62
Vendor consignment stock, 188
Vendor data, 64
Vendor error, 237
Vendor master, 55, 64
Vendor master record, 102, 244
Vendor premises, 188
Vendor return, 170, 198
Vendor schema group, 313
Vendor sub range, 69

U

Under-consumption, 134, 139
Unloading costs, 140
Unrestricted Use Stock, 128, 183
UOM, 102
Usage decisions, 184
User parameter, 348
Version management, 293, 340, 341, 345
View, 71, 76

Wizard, 325
Work breakdown structure, 189
Workflow, 309

Warehouse, 179
Warehouse management, 21
Weighted average price, 272

XML, 207