

# Reading Sample

*This excerpt from Chapter 4 discusses the ordering and receiving of goods and services (also known as purchasing), which is a subset of the wider procurement process. Learn how to work with different functionalities within the Purchasing submodule in Materials Management. This sample explores a few standard purchasing tasks: quotations and outline agreements.*

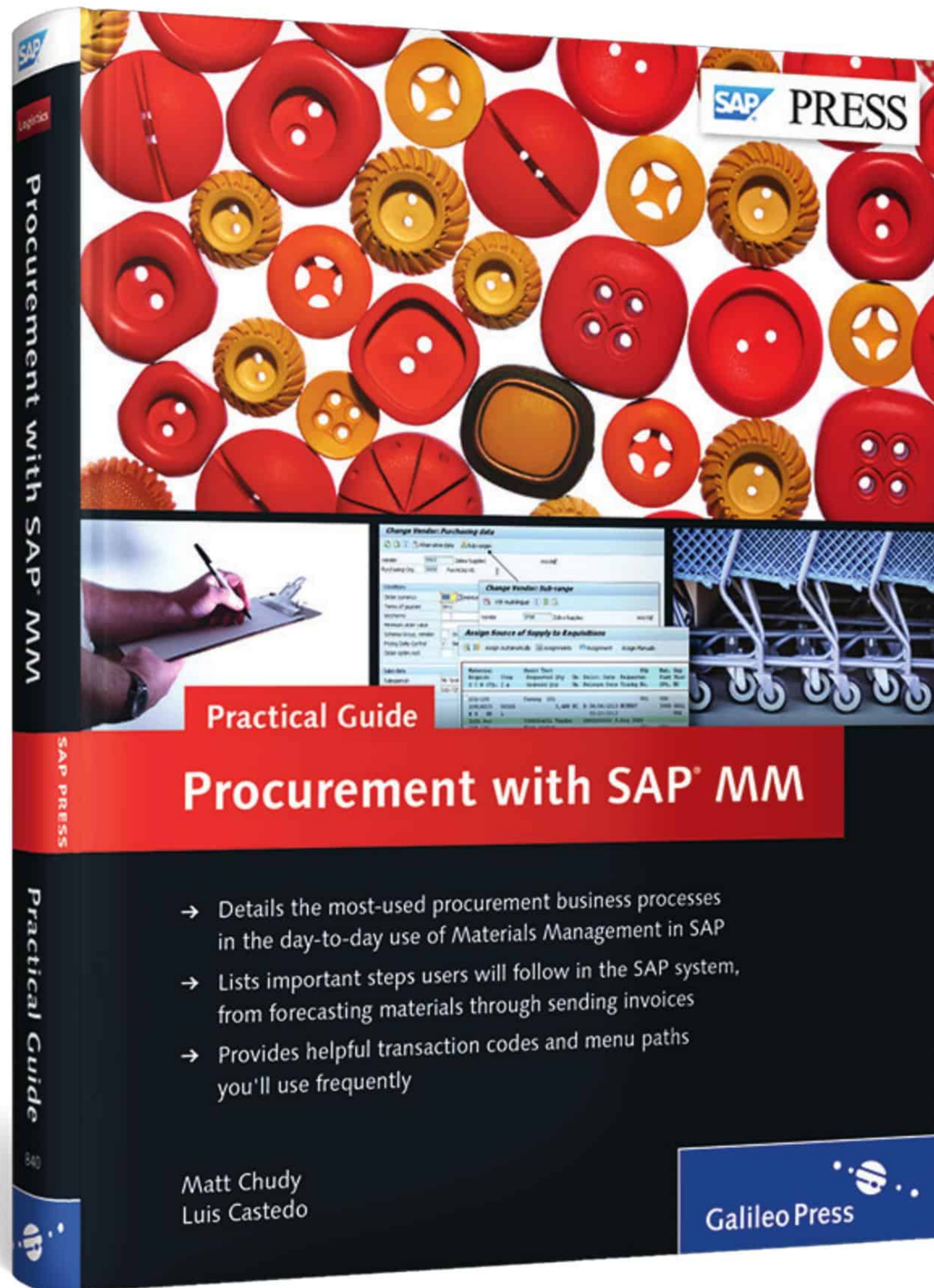
-  **"Introduction"**  
**"Purchasing"**
-  **Contents**
-  **Index**
-  **The Authors**

Matt Chudy, Luis Castedo

## Purchasing with SAP MM—Practical Guide

496 Pages, 2014, \$69.95  
ISBN 978-1-59229-840-2

 [www.sap-press.com/H3292](http://www.sap-press.com/H3292)



## Introduction

When deciding to write this book, we started by reviewing the basics. First, any company that procures products or services must be able to efficiently place, track, and receive orders for products and services. Second, SAP has an integrated Materials Management system, which includes sophisticated procurement processes that enable companies to create contracts and agreements, acknowledge order receipts, and process incoming invoices. In today's competitive environment, a tool that can effectively handle the cost of these processes is vital. Procurement in the Materials Management (MM) component of SAP ERP is such a tool. Furthermore, MM is one of the most important and most often implemented SAP logistics functionalities for managing the different stages of the procure-to-pay process, making the information more manageable and accessible.

This book is a practical guide to the key processes in procurement; it provides you with practical, detailed guidance for the day-to-day use of procurement in MM, including troubleshooting and problem-solving information. It covers typical functionality such as master data, sourcing, purchasing, material requirements planning (MRP) and forecasting, special procurement functions (e.g., third-party, subcontracting, cross-company), inbound logistics, inventory management, warehouse management, and invoice processing. This book will help you make use of SAP ERP MM more effectively.

### Who This Book Is For

There are many books on the market that cover a lot of SAP ground, from the basics to technical details, configuration, optimization, and more. This book addresses the needs of a wide spectrum of users—from end users learning to crawl in SAP, to a group of firmly walking procurement team members already using SAP transactions, to the runners at

the front lines supporting the systems and implementing new processes and functionality.

New SAP family members getting their implementation projects started can use this book as a guide bringing a wealth of knowledge to the table from the start. Experienced SAP professionals will find it handy as a memory refresher when needed. This book will also be useful for the SAP business user community craving to learn what SAP can offer and stretch its capabilities to the limit. The IT side of the world can use the book as a guide to close the gap between process and SAP functionality. Although it's never easy to address so many different readers at once, we hope to bring as much interesting material as possible to satisfy the hungriest of appetites for procurement knowledge in SAP.

## Chapter Breakdown

The book begins by providing an overview of the SAP components and organizational structures that build a foundation for procurement activities. We briefly talk about other tools in the SAP arsenal that can help build further on the core. In a chapter on master data that covers the building blocks needed to perform the procurement functions, we touch on material masters, service masters, business partners, sourcing master data, pricing, taxes, routes, batch records, and manufacturer part numbers, just to mention a few major ones.

We then move to a planning and forecasting chapter that describes the beginning steps of procurement—identification of requirements—where we focus on MRP, forecasting, planning, and evaluation methods.

**Chapter 1** introduces the SAP ERP system and the organizational structure as it applies to the MM component, an overview of the same MM component, and a brief description of other procurement tools within the SAP Business Suite.

**Chapter 2** covers the master data used in procurement by explaining the different master catalogs (e.g., material master and the vendor master) and all of the specific purchasing master data (e.g., info records and source lists).

**Chapter 3** is all about planning, how the MRP subsystem generates requirements, the relationship with the master data, and how to evaluate the data produced by MRP.

**Chapter 4** covers how purchasing documents are created and maintained, including requisitions, purchase orders, RFQs, and outline agreements. We also discuss vendor evaluation, including how it is structured and executed.

**Chapter 5** covers special procurement functions. We step outside of common procurement functionality and talk about subcontracting, third-party procurement, cross-company transactions, Kanban, and retail-specific load builder transactions.

**Chapter 6** discusses the procurement of external services, including processing service requirements and service agreements, purchasing services, recording service entries, and integrating with other processes.

**Chapter 7** dives into inbound logistics, inbound shipments, appointments, and shipment cost document processing, along with its integration with purchasing and reporting.

**Chapter 8** covers Inventory Management, including receiving, managing of special stocks such as sales order stock and consignment, transfer postings, and stock transfers.

**Chapter 9** talks about Logistics Invoice Verification, along with how to handle taxes and delivery costs; how to block and park invoices; how to handle progress payments, down payments, and reversals; and how to use accounts payable everyday reports.

And finally in the **appendices**, additional charts and tips are provided that cover everything from the most-used MM tables to some quick tricks and tips that can save you a few minutes when performing day-to-day procurement tasks.

We'll start off with the overview of SAP ERP components and the system's integrated architecture. We'll review the foundations that procurement is built on—organizational structures—and how they influence the functionality of your organization and material master overview, which we'll discuss in detail in the next chapter. As we mentioned at the beginning,

SAP's offering does not stop with the core SAP ERP. We'll introduce you to some of the other tools from the SAP Business Suite that are available if your organization needs to close some gaps between standard SAP ERP and your business processes. We'll also briefly focus on SAP HANA, a new SAP initiative. Let's begin our introduction journey through SAP ERP procurement with an overview of SAP ERP components and integration.

*All of the items used in a company in its productive or operating processes are acquired through the action of purchasing. This action happens in different ways, depending on what is being purchased.*

## 4 Purchasing

*Purchasing* is the process through which a company buys materials that are essential to its business processes. A manufacturing company buys raw materials that will be transformed or assembled to produce a finished product that will later be sold. A trading company buys finished products in large quantities from different manufacturers and later sells them in smaller lots to its clients.

Today, these materials are being bought all around the world from companies in different countries. Buyers need tools to make sure they are buying the right material at the right price and that will show up in the warehouse dock at the right time. In this chapter, we'll describe how the SAP ERP system, and specifically the Materials Management (MM) component, supports the whole purchasing cycle as shown in Figure 4.1. We'll explain each of the tools the system has and take a practical approach to show you how to use each of them.

The Purchasing submodule is part of Materials Management in SAP ERP and supports every step of the purchasing process. You can use Purchasing to do the following:

- ▶ Invite vendors to submit quotes.
- ▶ Create contracts to guarantee the conditions of the purchase.
- ▶ Create scheduling agreements to guarantee on-time delivery upon requirements.

Purchasing  
activities

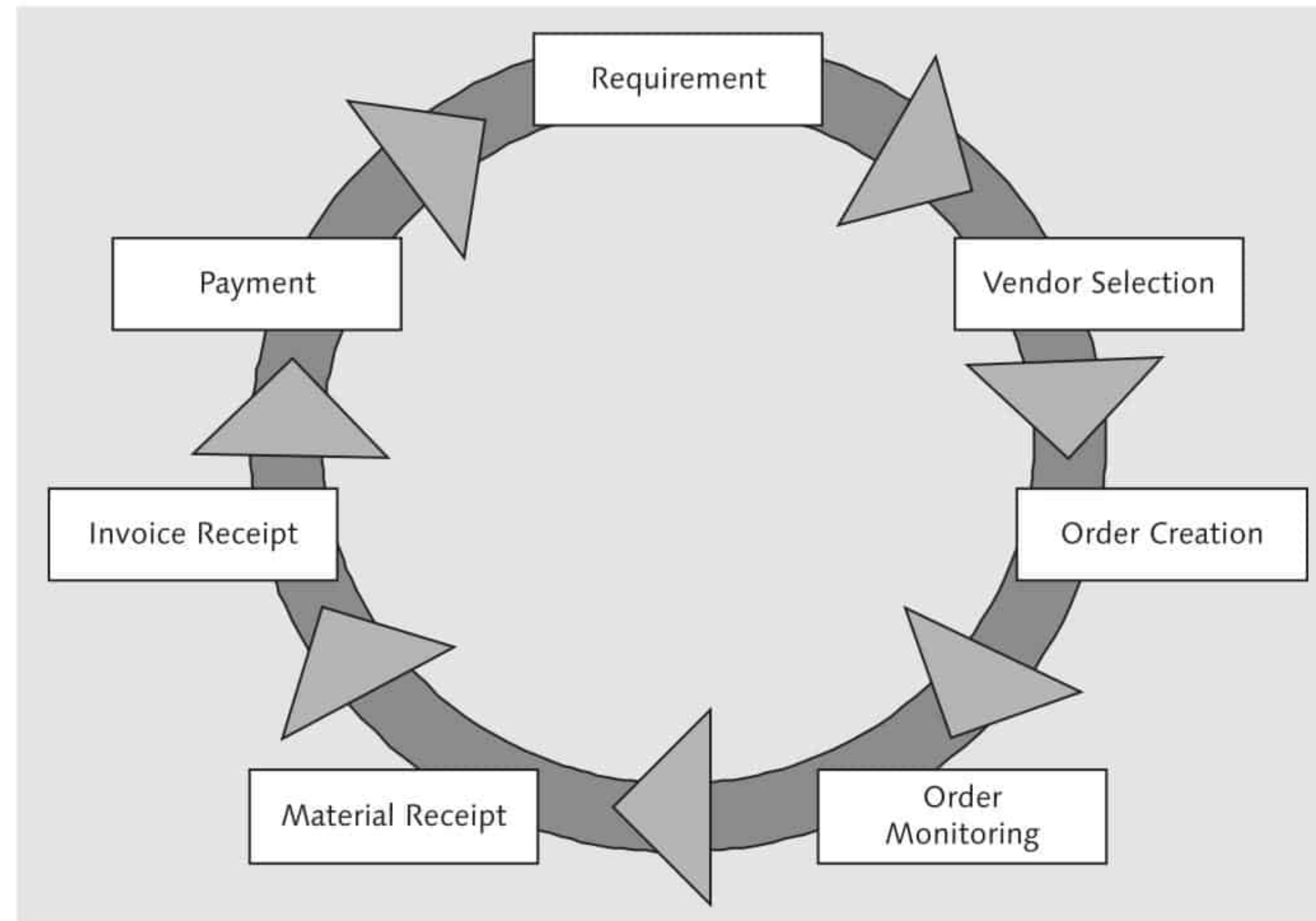


Figure 4.1 The Continuous Process of Purchasing

- ▶ Create purchase requisitions either manually or based on material requirements, and optionally submit them to an approval process.
- ▶ Create purchase orders (POs) either manually or based on purchase requisitions, and also submit them to an approval process.
- ▶ Evaluate a vendor's performance based on its timely deliveries and accuracy to deliver orders.

In this chapter, we'll discuss each of these activities in turn. We'll start with the first activity: working with quotations from vendors.

### 4.1 Requests for Quotation (RFQ)

Requests for quotations (RFQs) are created in the SAP ERP system to invite vendors to submit quotes for materials the company needs to buy. These requests can be sent to either existing vendors or to vendors that haven't yet been created in the system through the use of the one-time vendor functionality. In this section, we'll explain how to create and maintain

an RFQ, as well as how to process the RFQ when the vendor returns it with prices and conditions.

#### 4.1.1 Creating an RFQ

When you create an RFQ, you're creating a document that will be sent to different vendors with a list of materials you need them to quote (see Figure 4.2 and Figure 4.3). This list contains the estimated quantity you'll be buying from them, a date when the material is required to be delivered to your company, and a deadline for the vendor to submit a response. The vendors in return will send price and conditions for each of the materials included in the document. With this information, you'll update the same RFQ document, and then those prices and conditions can be compared with the ones sent by other vendors using a price comparison list. The best bid can be saved to an info record, and you can send rejection letters to the rest of the vendors.

Bid invitation to vendors

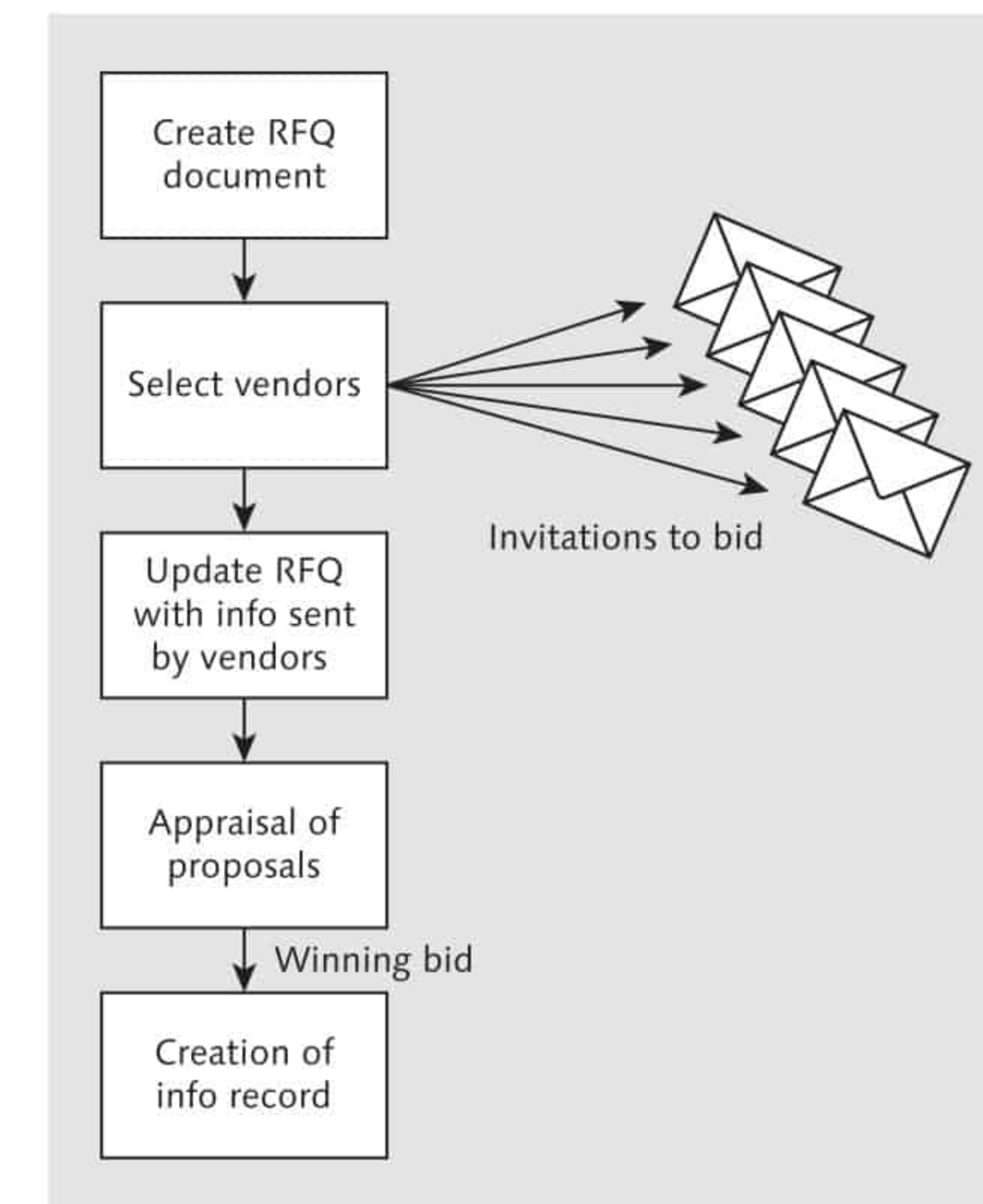


Figure 4.2 RFQ Cycle

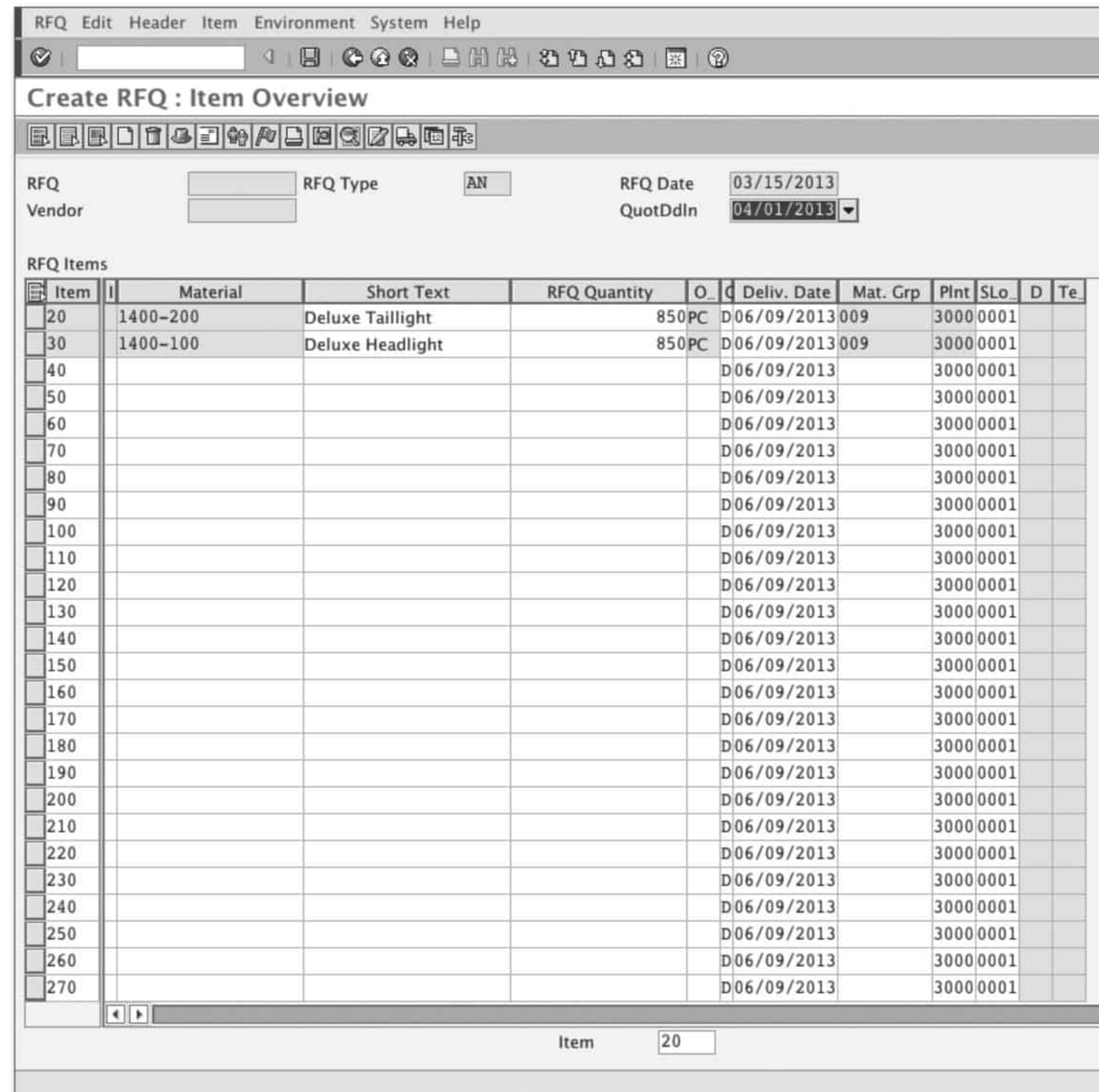


Figure 4.3 Required Delivery Date in RFQ

**RFQ references** RFQs can be created with reference to other RFQs, which is useful if you bid the same items periodically, and also to send the same request to several different vendors. You can also create RFQs with reference to an existing purchase requisition or with reference to an existing purchasing agreement. This way, you can quote items that are requested by members of the organization or get a new quote at the end of the validity of a contract.

When the vendors send back their proposals, you have to maintain quotations in the SAP ERP system. In a quotation, you can enter all of the conditions that make up the total price such as the unit price, and any

discounts or surcharges that may apply. You can also capture the delivery lead time and the country of origin. All of this data will be used to create the purchasing info records when the winning bid is selected.

When you create an RFQ, you need to create a different document number for each vendor (see Figure 4.4). To create an RFQ, follow these steps:

1. Use Transaction ME41, and in the ITEM section, enter the material number, quantity, and delivery date. Repeat this step as many times as materials are needed.

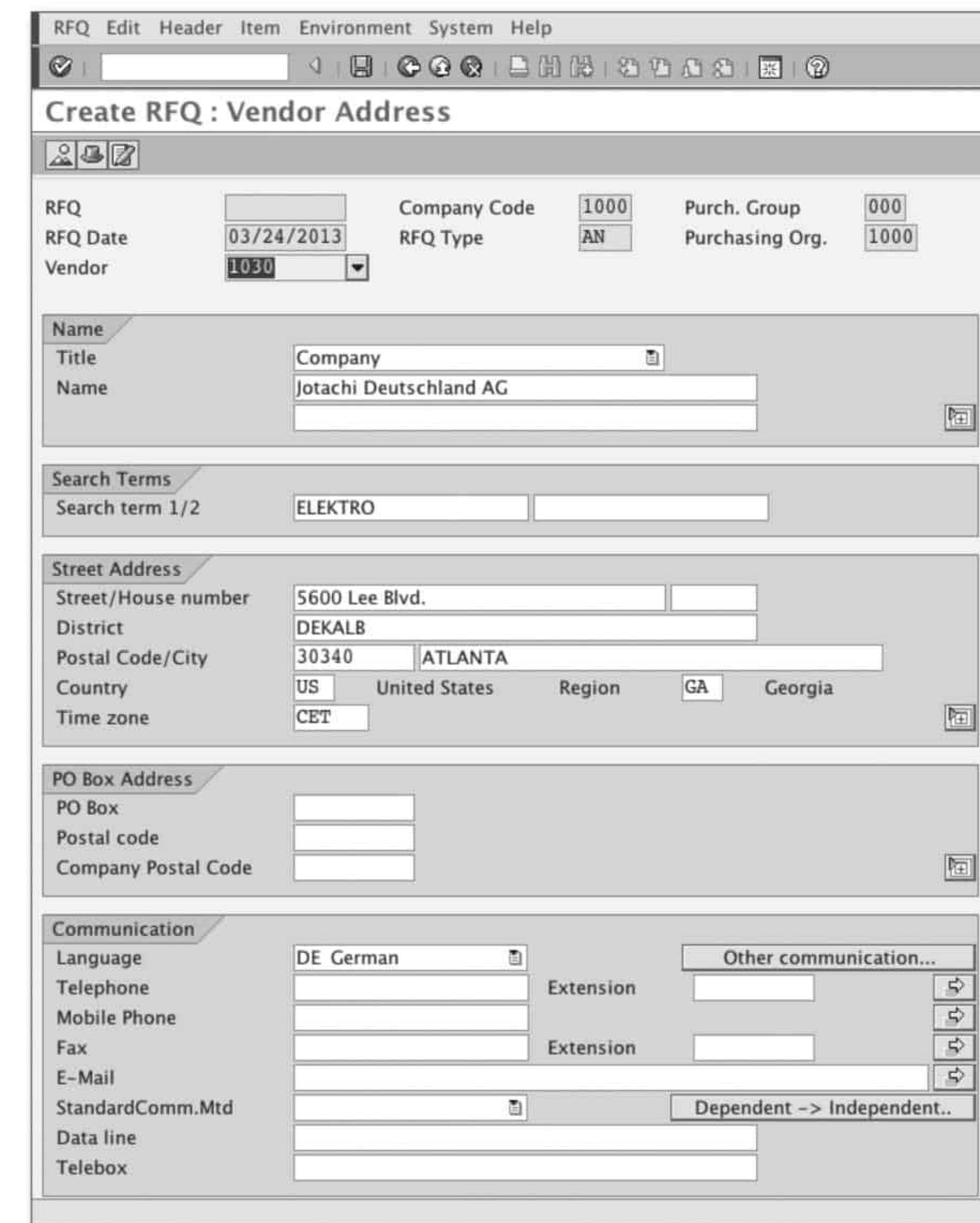


Figure 4.4 Adding Vendor Address Information for the RFQ

2. Go to the VENDOR ADDRESS screen by choosing HEADER • VENDOR ADDRESS, by clicking the little envelope icon on the button bar, or by pressing **F7**.
3. Enter a vendor number, and make sure the address and contact information is correct.
4. Save the document. Repeat this step for as many vendors as you want to invite.

#### 4.1.2 Processing the Quotation

When the vendors send you back their quotes, you can enter their pricing conditions and delivery times by maintaining the quotation. This is done in Transaction ME47 or by following the path LOGISTICS • MATERIALS MANAGEMENT • PURCHASING • RFQ/QUOTATION • QUOTATION • MAINTAIN. In the initial screen, you enter the price and delivery date. You can also set comments chosen from a previously configured list, and even set a rejection indicator if needed, triggering the printout of a rejection letter to the vendor (see Figure 4.5).

##### Saving the Quote to an Info Record

One very important step is the selection of a value in the INFOUPDATE field. With the right value, an info record is created automatically for that material and that vendor upon saving the quotation.

InfoUpdate options There are four options to select for this field:

- ▶ Blank: No updating.
- ▶ A: Update with or without plant.
- ▶ B: Update with plant (if no plant ban).
- ▶ C: Update without plant (if no plant requirement).

When you select the winning bid, you have to maintain the quote and update the value of this field using any of those three values. All of the conditions from the quotation are written to an info record. The quotation number and item are also written to the info record.

The screenshot displays the SAP 'Maintain Quotation: Item 00010' interface. The main window contains several data entry sections:
 

- Item Data:** Item 600000019 10, Material 1400-200, Short Text 'Deluxe Taillight'.
- Quantity and Date:** RFQ Quantity 850, Delivery Date 06/09/2013.
- Deadline Monitoring:** Fields for 1st, 2nd, and 3rd Rem./Exped. and No. Exped. (0).
- Quotation Data:** Net Order Price 47.25 USD, Qty Conv. 1 PC, and a Rejection Indicator (Rej. Ind.) checkbox.

 A pop-up window titled 'Internal Comment on Quotation 4 Entries' is overlaid on the main window, showing a table of rejection codes:
 

| QuCo | Internal comment: Descr. text |
|------|-------------------------------|
| AB1  | Rejection for price reasons   |
| AB2  | Rejection for quality reasons |
| OK1  | OK for price reasons          |
| OK2  | OK on quality grounds         |

Figure 4.5 Entering Comments and Rejections

When you change a quotation, the conditions are also changed in the info record.

##### Comparing the Quotes

After you've captured all of the offers, you can compare them using the price comparison report to look at how individual prices compare to each other. To reach this report, go to Transaction ME49, or follow the path LOGISTICS • MATERIALS MANAGEMENT • PURCHASING • RFQ/QUOTATION • QUOTATION • PRICE COMPARISON. The price comparison report gives you a visual comparison of the total value of the order for each item, ranking the price of each vendor for each item, and a percentage of how far off the average is for each of the items (see Figure 4.6).

| Material                               | Quot.:  | 6000000021   | 6000000020        | 6000000022     |
|--|---------|--------------|-------------------|----------------|
| Sh. Text                               | Bidder: | 1011         | 1030              | 1111           |
| Qty. in Base Unit                      | Name:   | SKF Americas | Jotachi Deutschla | Suppliers Inc. |
| 1400-100<br>Deluxe Headlight<br>850 PC | Val.:   | 42,500.00    | 43,350.00         | 62,262.50      |
|  | Price:  | 50.00        | 51.00             | 73.25          |
|  | Rank:   | 1 86 %       | 2 88 %            | 3 126 %        |
| 1400-200<br>Deluxe Taillight<br>850 PC | Val.:   | 39,950.00    | 43,562.50         | 54,187.50      |
|  | Price:  | 47.00        | 51.25             | 63.75          |
|  | Rank:   | 1 87 %       | 2 95 %            | 3 118 %        |
| Total Quot.                            | Val.:   | 82,450.00    | 86,912.50         | 116,450.00     |
|  | Rank:   | 1 87 %       | 2 91 %            | 3 122 %        |

Figure 4.6 Price Comparison Report Showing Ranking and Comparison to the Average Price of Each Item

Ranked comparison

This report should help you make a decision on which vendor to select. To do this, the report shows you a ranked comparison of the prices of each vendor based on the quantity entered in the RFQ document. It shows you the unit price and total value for the whole lot. It also shows you the variance from the mean price among the different vendors. In Figure 4.6, you can see that the vendor with the best quote for material 1400-100, quoted 24% (86% of the mean price) below the mean price, while the worst quoted 26% above it.

If you selected to create an info record when you created the PO, all of the conditions contained in it are automatically copied. If you selected not to create an info record when you updated the quotation, you can still create the PO based on the quotation, and all of the conditions will be copied at that point.

Table 4.1 provides a list of transactions for RFQ and quotation maintenance.

| Transaction        | Menu Path  |
|--------------------|--|
| ME41: Create (RFQ) | LOGISTICS • MATERIALS MANAGEMENT • PURCHASING • RFQ/QUOTATION • REQUEST FOR QUOTATION • CREATE |

Table 4.1 RFQ and Quotation Maintenance Transaction Codes

| Transaction                          | Menu Path  |
|--------------------------------------|--|
| ME42: Change (RFQ)                   | LOGISTICS • MATERIALS MANAGEMENT • PURCHASING • RFQ/QUOTATION • REQUEST FOR QUOTATION • CHANGE                               |
| ME43: Display (RFQ)                  | LOGISTICS • MATERIALS MANAGEMENT • PURCHASING • RFQ/QUOTATION • REQUEST FOR QUOTATION • CHANGE                               |
| ME45: By Collective Number (Display) | LOGISTICS • MATERIALS MANAGEMENT • PURCHASING • RFQ/QUOTATION • REQUEST FOR QUOTATION • LIST DISPLAYS • BY COLLECTIVE NUMBER |
| ME47: Maintain (Quotation)           | LOGISTICS • MATERIALS MANAGEMENT • PURCHASING • RFQ/QUOTATION • QUOTATION • MAINTAIN   |
| ME48: Display (Quotation)            | LOGISTICS • MATERIALS MANAGEMENT • PURCHASING • RFQ/QUOTATION • QUOTATION • DISPLAY  |
| ME49: Price Comparison               | LOGISTICS • MATERIALS MANAGEMENT • PURCHASING • RFQ/QUOTATION • QUOTATION • PRICE COMPARISON                                 |

Table 4.1 RFQ and Quotation Maintenance Transaction Codes (Cont.)

## 4.2 Outline Agreements

In the SAP ERP system, contracts or other binding agreements between two companies to supply goods or services on a long-term basis are represented by *outline agreements*. After a company realizes that it's going to enter one of these relationships, the company can set up an outline agreement in the SAP ERP system to control and monitor its execution. Different types of agreements can be set up depending on their reach inside the system, on how they will be measured, or on the triggering mechanism for releasing partial quantities.

In the SAP ERP system, outline agreements are divided into two basic types: contracts and scheduling agreements. On both of them, you have to set a target value or a target quantity that you've negotiated with your

Contracts/binding

vendor and based upon which that vendor is giving you specific benefits. We'll discuss each type in greater detail in the following sections.

### 4.2.1 Contracts

Several types of contracts exist in the SAP ERP system, as detailed in Table 4.2.

| Document Type | Contract Type         | Description   |
|---------------|-----------------------|---|
| CCTR          | Central contract      | Valid for several different plants                          |
| DC            | Distributed contracts | Available across different SAP instances                    |
| MK            | Quantity contracts    | Belong to a specific plant and have a target quantity       |
| WK            | Value Contracts       | Belong to a specific plant and have a target currency value |

**Table 4.2** Document Types

The two most used types of contracts are value contracts and quantity contracts (we'll discuss how to create them later in the "Creating a Contract" section). You can create a contract within your purchasing organization or create a central contract for a reference purchasing organization that is valid for all associated purchasing organizations. By using plant-based pricing conditions, each plant can determine individual pricing, which allows for different transportation costs to different places. Also, vendor partner roles can be determined at the plant level so that the right member of the vendor organization can deliver the materials.

A central contract is useful when a central purchasing organization is buying for the entire corporate group, and it's necessary that all of the associated purchasing organizations are set up in the same SAP ERP system.

Distributed contracts

Similarly, there is another type of contract that helps you buy for an entire corporate group, but the contract is distributed among independent distributed SAP ERP systems. The prerequisite to use this type of contract is that all of the purchase organizations and purchasing groups exist in all of the systems.

There are other communications prerequisites that have to be met before the contracts can be distributed by Application Link Enabling (ALE).

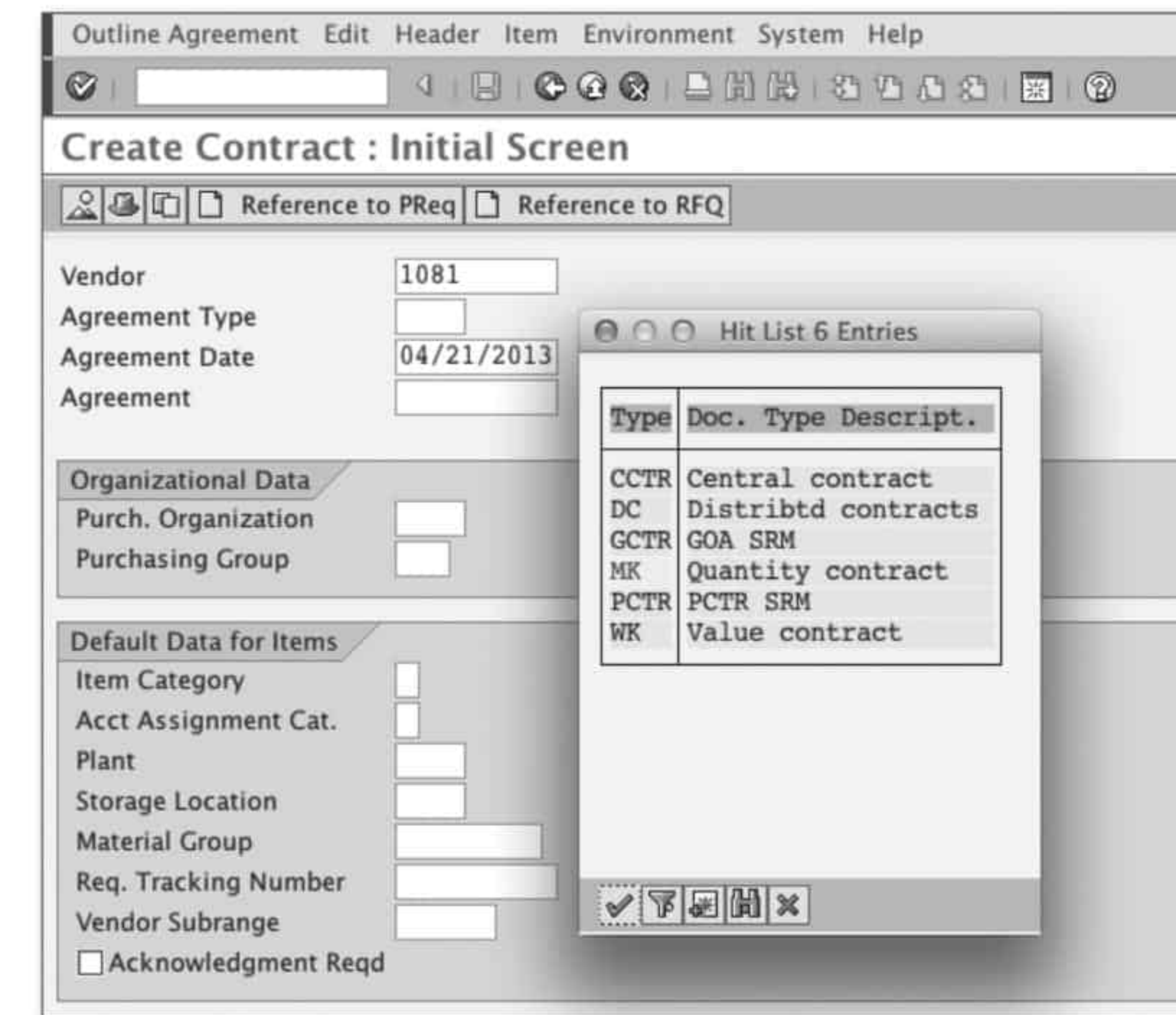
### Creating a Contract

In this section, we focus on how to create a contract for stock material; however, contracts can also be created for account assigned items or for services.

To create a contract, follow the path LOGISTICS • MATERIALS MANAGEMENT • PURCHASING • OUTLINE AGREEMENT • CONTRACT • CREATE, or go directly to Transaction ME31K.

You can create a contract either manually by typing all of the required data or by referencing other purchasing documents such as purchase requisitions, or RFQ/quotations. If you want to use a reference document, either click the REFERENCE TO PREQ button for a purchase requisition, or click the REFERENCE TO RFQ button for an RFQ (see Figure 4.7).

Reference document

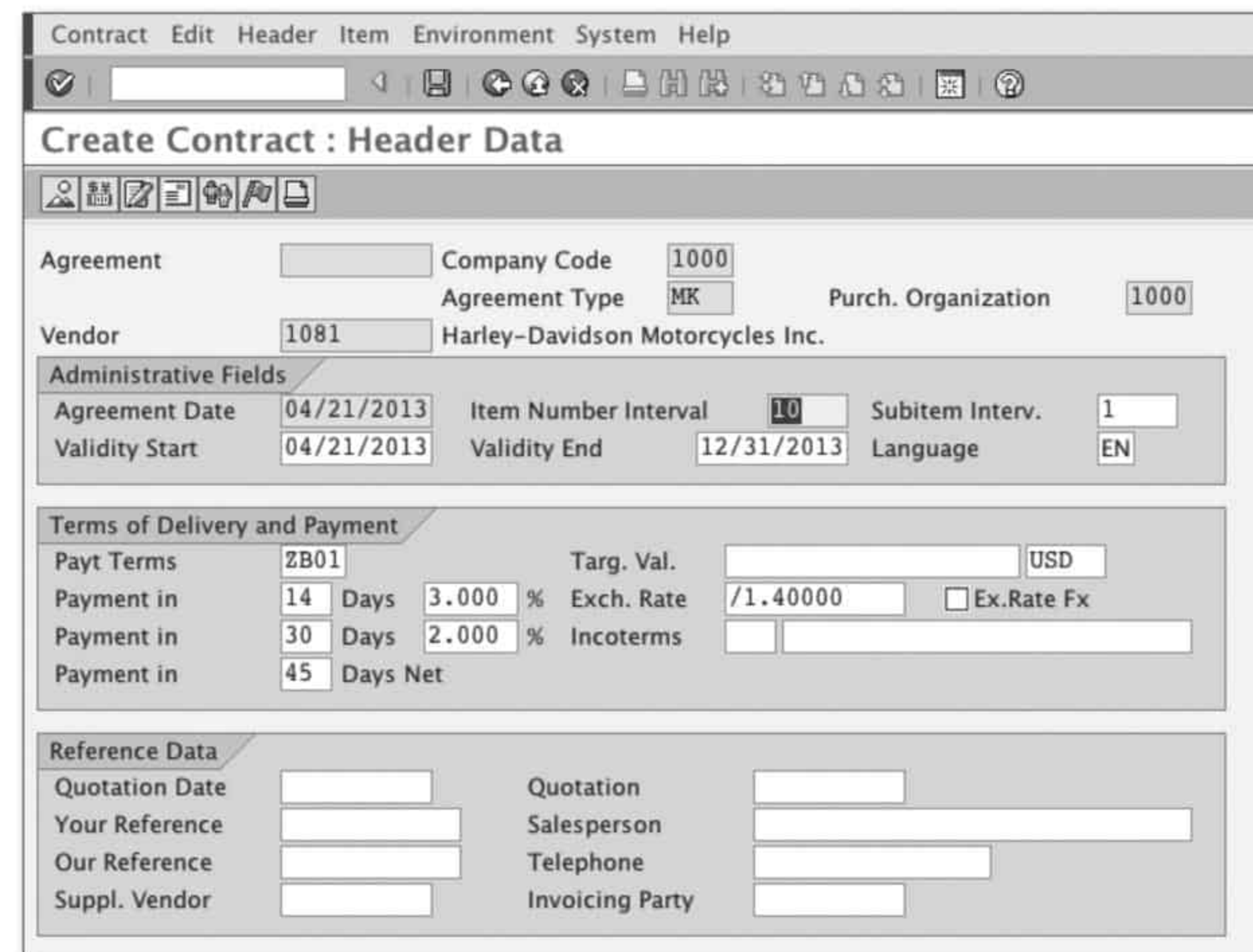


**Figure 4.7** Selecting the Contract Type

If you create the contract manually, you need to follow these steps:

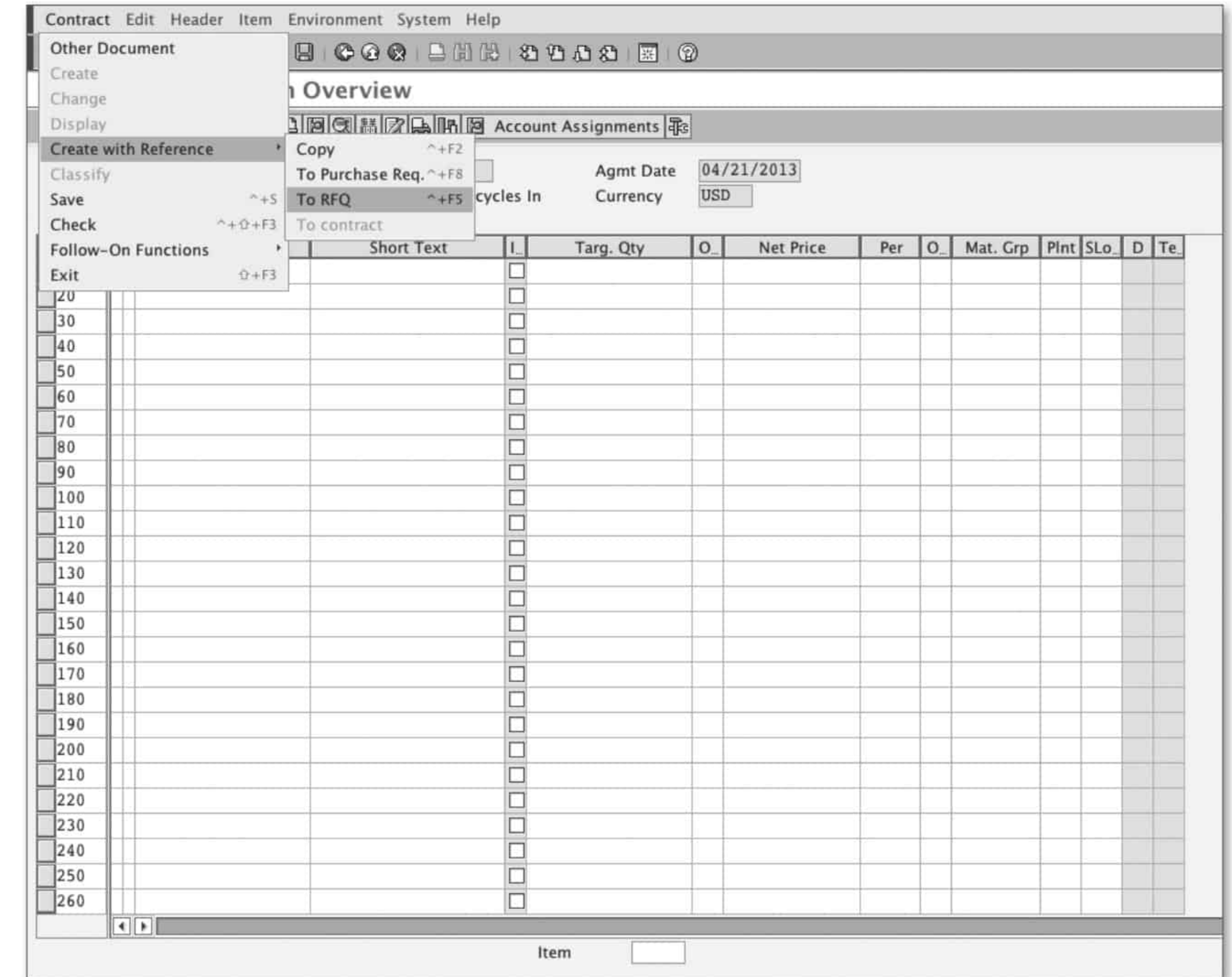
Manual creation

1. In the first screen of Transaction ME31K, select a vendor number, agreement type, purchase organization, and purchasing group at a minimum (see Figure 4.7). Press **Enter** to proceed to the header screen.
2. In the next screen, enter the header data, such as the contract's validity end date and the maximum contract value, if applicable. The header copies information from the vendor about the terms of payment and cash discounts, which you can edit if they don't apply for the contract (see Figure 4.8). Press **Enter** to continue to the ITEM OVERVIEW screen.



**Figure 4.8** Header Data Copied from the Vendor Master Record

3. In the ITEM OVERVIEW screen, enter the materials and quantities that will be committed for purchase from the vendor (see Figure 4.9). At this point, you can still choose to copy from a reference document or proceed to enter the materials manually.



**Figure 4.9** Option to Copy the Items from an Existing Document

- If you copy the items from a reference document by selecting **CONTRACT • CREATE WITH REFERENCE • TO PURCHASE REQ** or **TO RFQ**, then all of the pricing conditions are copied along with the materials and quantities; if you're entering the contract manually, you have to enter the pricing conditions at both the header and item level.
4. By selecting the menu entry **ITEM • CONDITIONS**, you can enter all of the conditions you've negotiated with the vendor, including all of the discounts and all of the surcharges (see Figure 4.10).

Referencing method

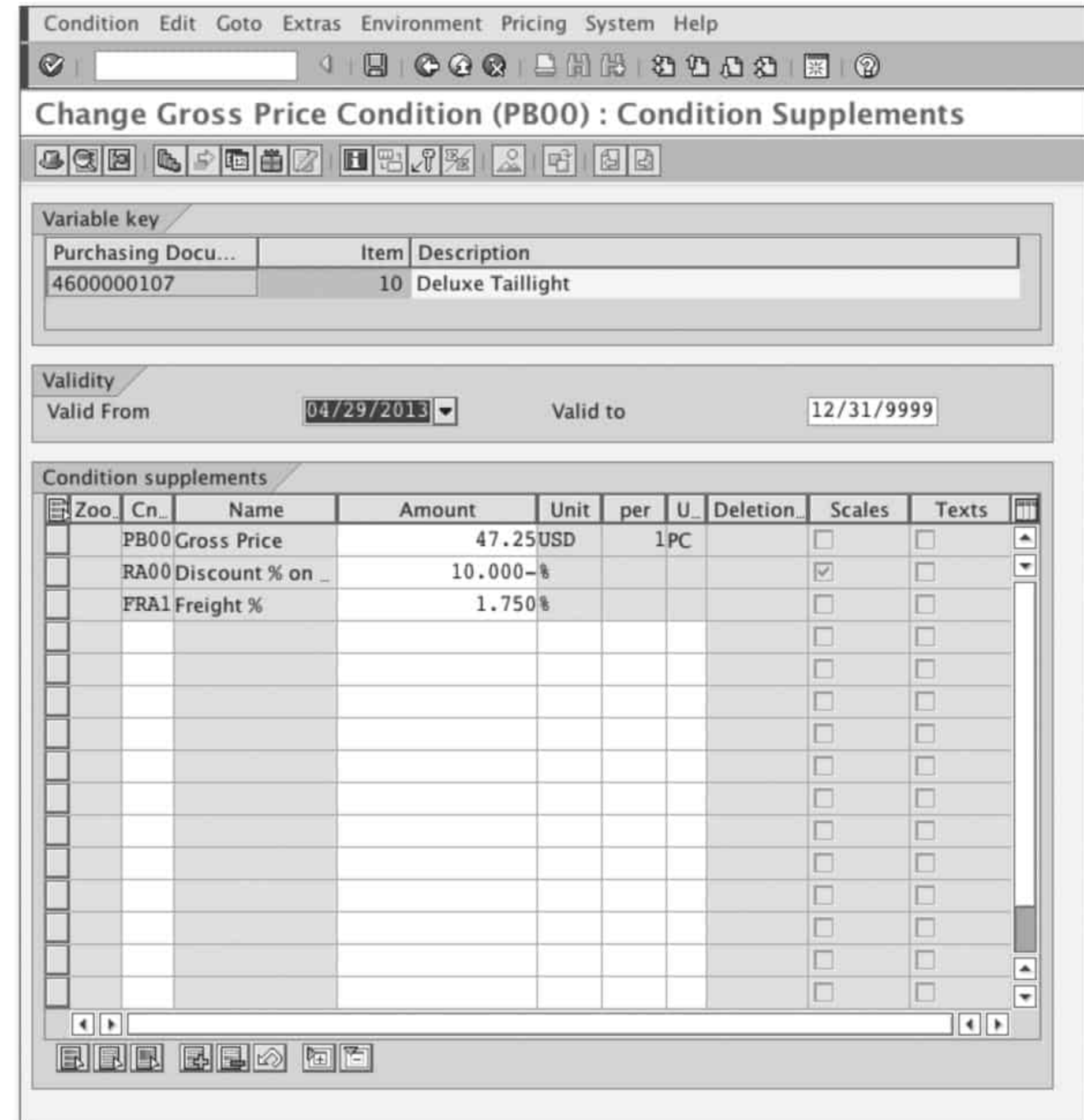


Figure 4.10 Item Conditions Copied from a Reference Document or Entered Manually

**Value contracts** As we discussed previously, you can either create a contract based on value or based on quantity. Value contracts (agreement type WK) are based on a fixed target monetary value on purchases of a set of materials that you enter in the contract. You enter a target contract value in the document's header (refer back to Figure 4.8) as you start creating the document. After completing the header's data, you can proceed to entering the materials that will be part of the contract. When the materials are entered in the contract, you can enter a quantity for each one, but it's not required; remember these contracts depend on a global value and not on individual quantities (see Figure 4.11).

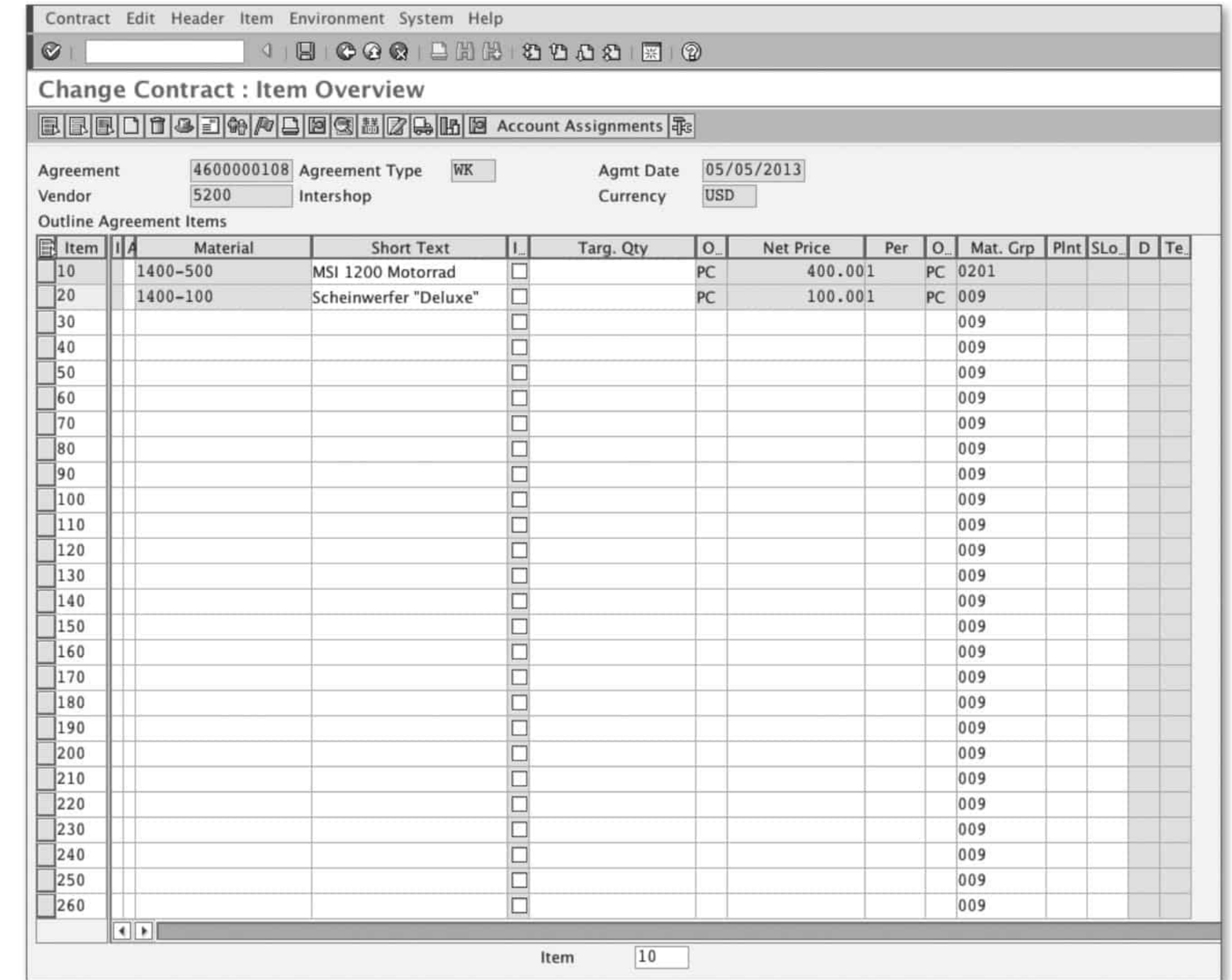


Figure 4.11 Materials Entered in a Value Contract: No Individual Quantity Needed

Quantity contracts (agreement type MK), on the other hand, don't require you to enter a target value in the header, but they do require that you enter a target quantity for each of them in the item details. **Quantity contracts**

Both types of contracts, value (WK) and quantity (MK) allow you to create an item without entering a plant. You can then use these same documents in several different plants, as long as they belong to the same purchasing organization.

### Referencing and Updating the Contract

Contracts are reference documents that need to be updated constantly with either the quantities or the values of the POs created for the materials they contain. Fortunately, you don't have to worry about updating them manually.

**Source lists** After you create the contract document, it's a good practice to create or update the source list (see Figure 4.12) for that material with the contract number, so that when you create a PO, it's automatically referenced, and all of the conditions are copied into it. Otherwise, you have to reference it manually every time you create a PO. Source lists are discussed in detail in Chapter 2.

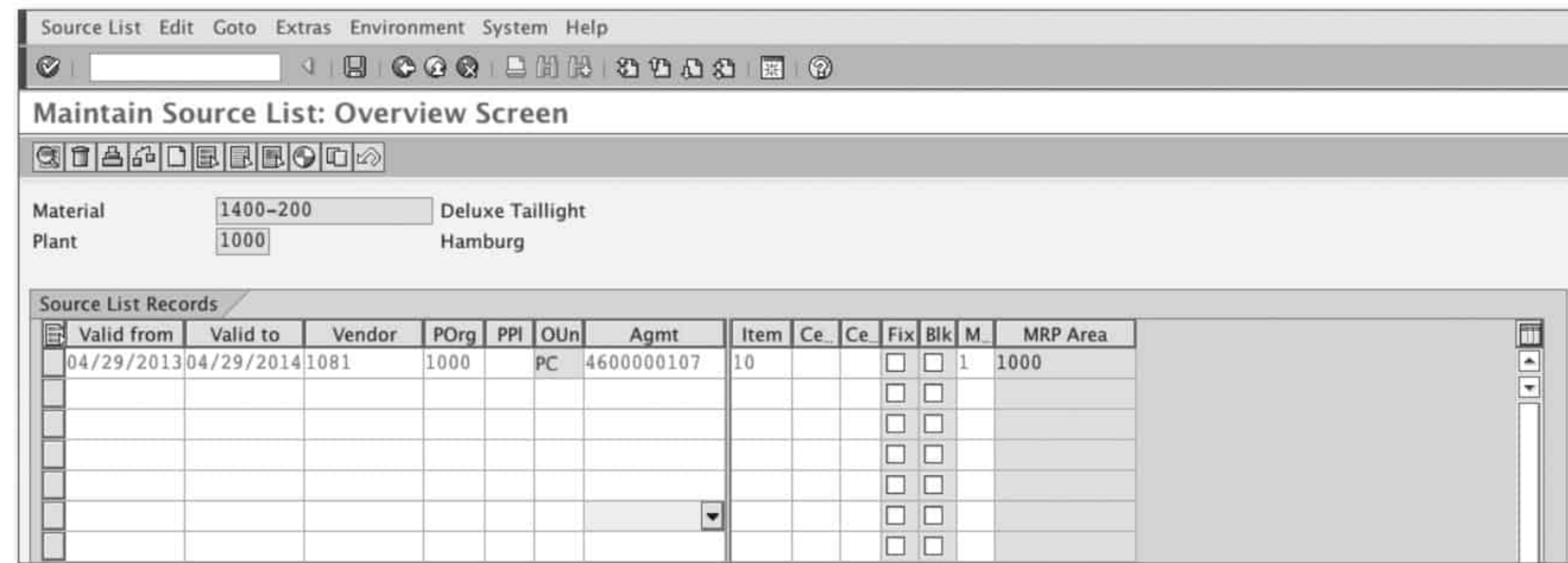


Figure 4.12 Source List

**Contract release order** Each PO that is created with reference to the contract, known as a *contract release order*, is registered in the contract's history, and the item quantities and values entered in the PO are discounted from the contract's target value or quantity. To reach the statistics for the contract (see Figure 4.13), select the menu option **HEADER • STATISTICS • GENERAL**. After you get to the target quantity or value of the contract, you'll see a warning message or an error, depending on the configuration of your system, telling you that the maximum quantity or the maximum amount of the agreement has been reached.

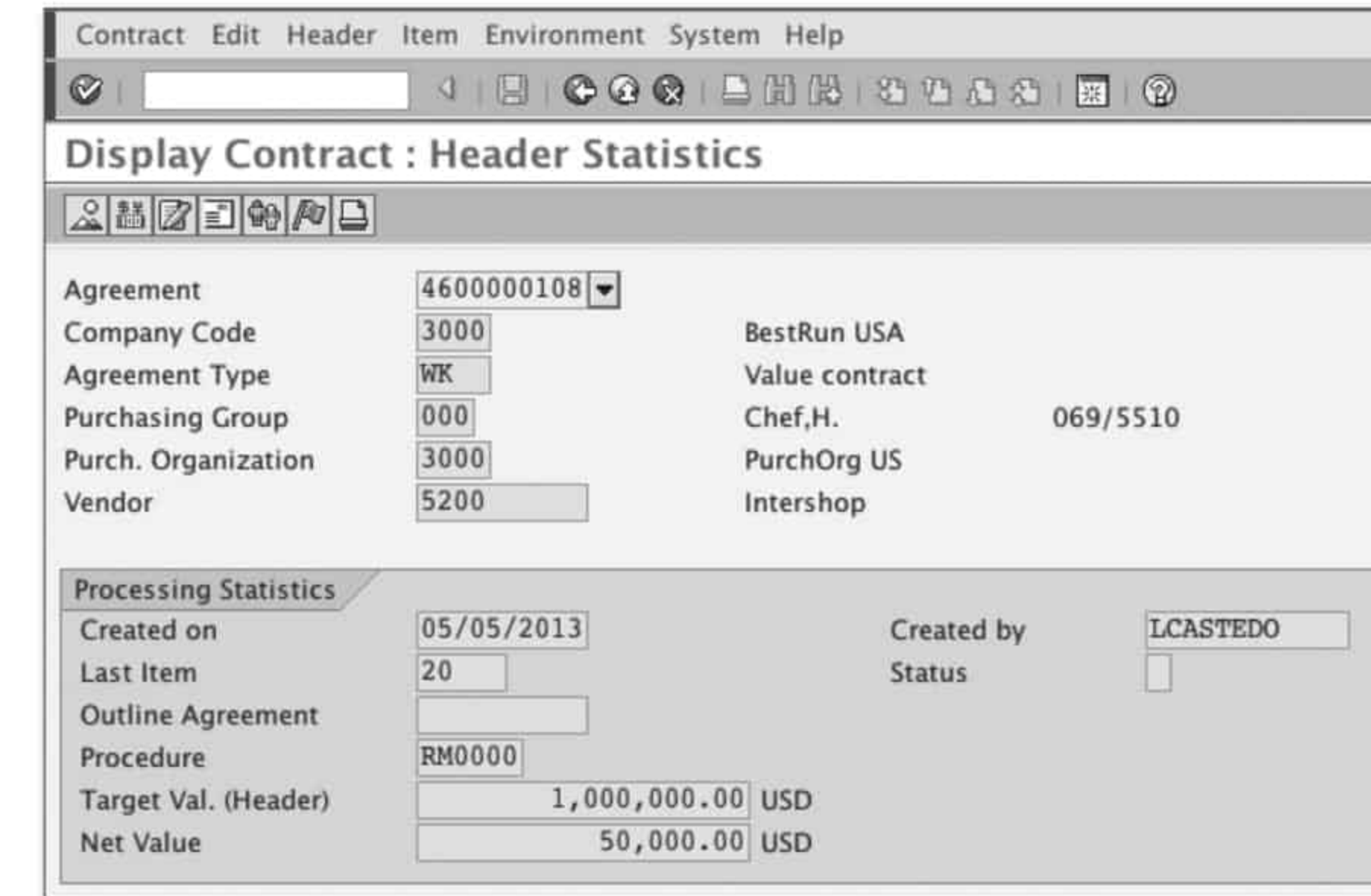


Figure 4.13 Contract Header Statistics Showing the Net Value and Total Target Value

Value contracts have the statistic of how much of the target value has been released at the header level, and the quantity contracts can be reviewed at the item level. The documentation can be displayed in the release documentation in the item statistics (see Figure 4.14) by choosing **ITEM • STATISTICS**.

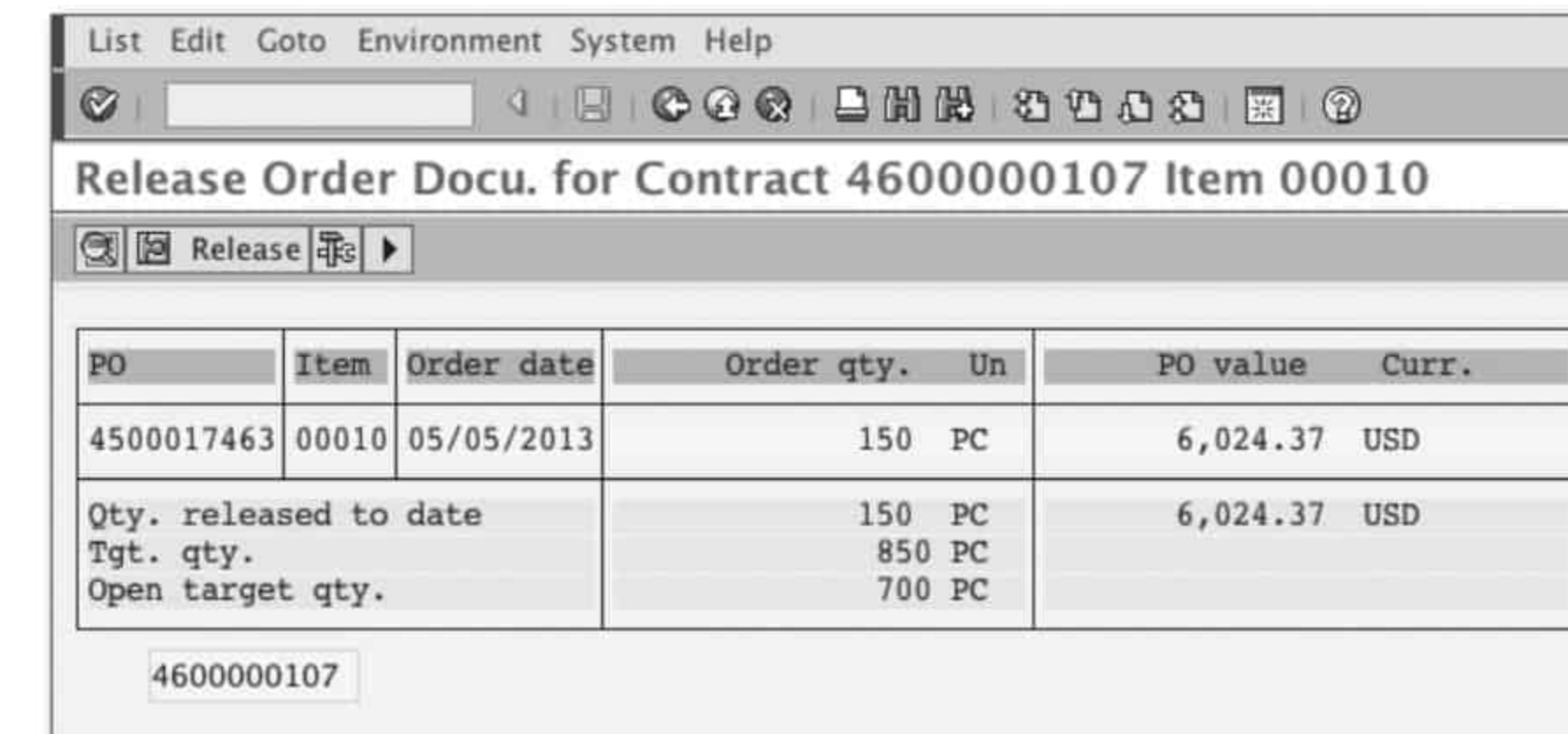


Figure 4.14 Item Statistics for Released Documentation

Table 4.3 lists some useful transactions for working with contracts.

| Transaction    | Path  |
|----------------|---|
| ME31K: Create  | LOGISTICS • MATERIALS MANAGEMENT • PURCHASING • OUTLINE AGREEMENT • CREATE  |
| ME32K: Change  | LOGISTICS • MATERIALS MANAGEMENT • PURCHASING • OUTLINE AGREEMENT • CHANGE  |
| ME33K: Display | LOGISTICS • MATERIALS MANAGEMENT • PURCHASING • OUTLINE AGREEMENT • DISPLAY |

**Table 4.3** Contracts Transactions

### 4.2.2 Scheduling Agreements

Scheduling agreements are another type of outline agreement, and they are a very powerful purchasing tool that can be used to plan the delivery and create a very integrated relationship with your vendor. The scheduling agreement can take forecasting information for a given material and send it over to the vendor to provide full visibility of your material requirements so that the vendor can take that information and also plan purchases from its vendors, production, and transportation schedules.

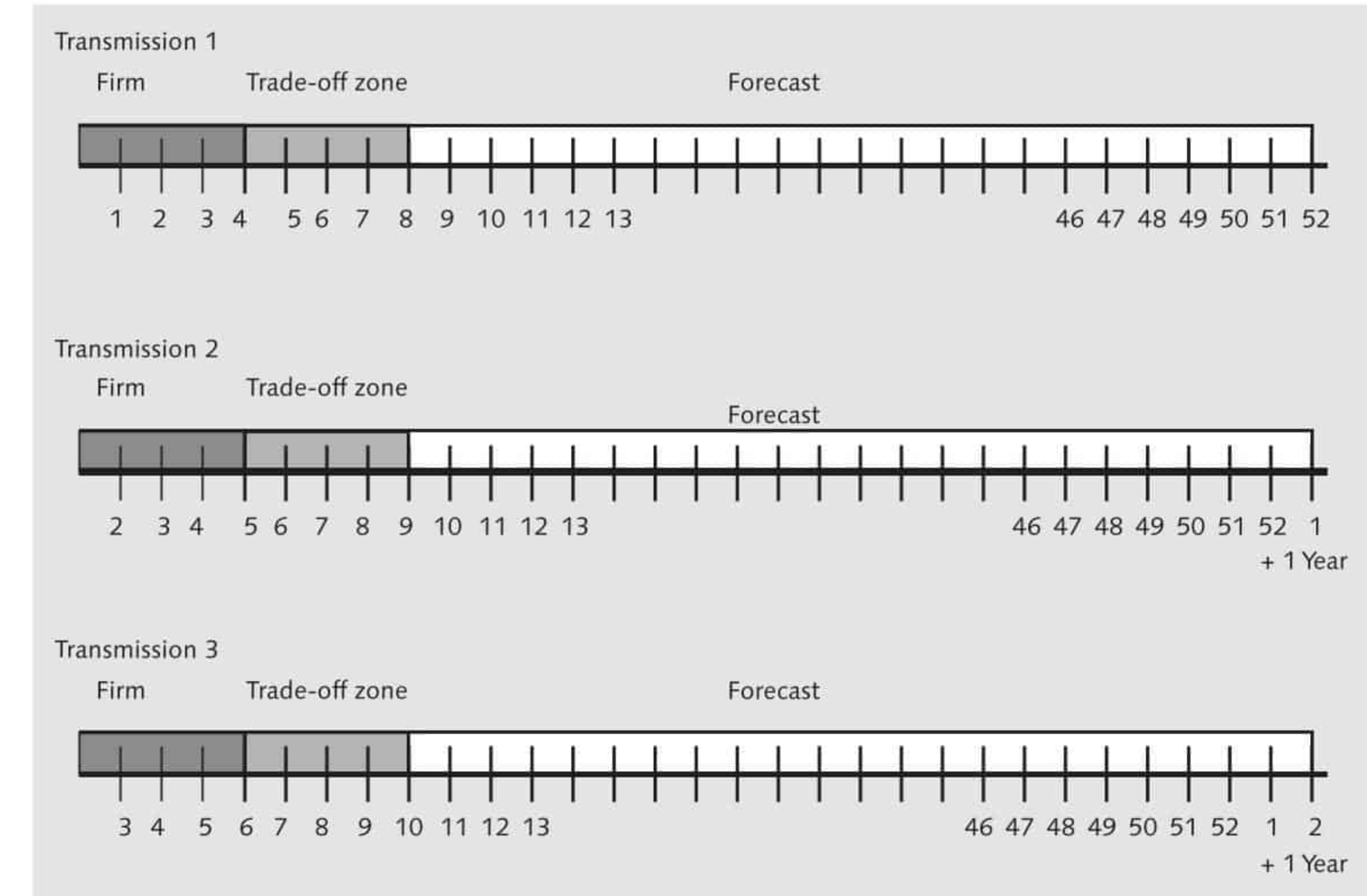
Visible planning and horizon

Scheduling agreements cover the entire planning horizon and mark a date range as firm, or go ahead for build and ship; transition, representing the next firm zone where changes to requirements are still acceptable; and forecast, where changes may occur more freely.

When working with scheduling agreements, you send releases or transmissions to your vendor with information that covers the whole planning horizon. As shown in Figure 4.15, you can send 52 weeks of requirements every week in a rolling schedule format so your vendor knows exactly what to ship, how much to commit with its own vendors, and how much to plan ahead.

The information that is sent in each release to the vendor can use different periods, or time buckets, for each of the zones. For example, if the vendor can deliver to you daily, you can send daily requirements in the firm zone, weekly requirements in the trade-off zone, and monthly

requirements in the forecast zone. This is set in from the item detail screen; follow the menu ITEM • MORE FUNCTIONS • ADDITIONAL DATA.



**Figure 4.15** Weekly Demand Becoming Firm Requirements

**Note**

Be very mindful about the timing for sending releases to your vendors. When working with daily buckets, there is a risk of duplicating order quantities or leaving "orphan" requirements that won't be covered. If the release is sent before the specified day, the vendor may duplicate orders for the first days included in the trade-off zone, and if it's sent after the specified day, the number of days you skip will also be skipped by the vendor during order creation.

Weekly buckets, as shown in Figure 4.16, won't present the same problem; if the release is late, the impact is shown in the current week, where the quantity is reduced by the requirements of the skipped days. Any open quantities from previous days are still shown and still marked as FIRM.

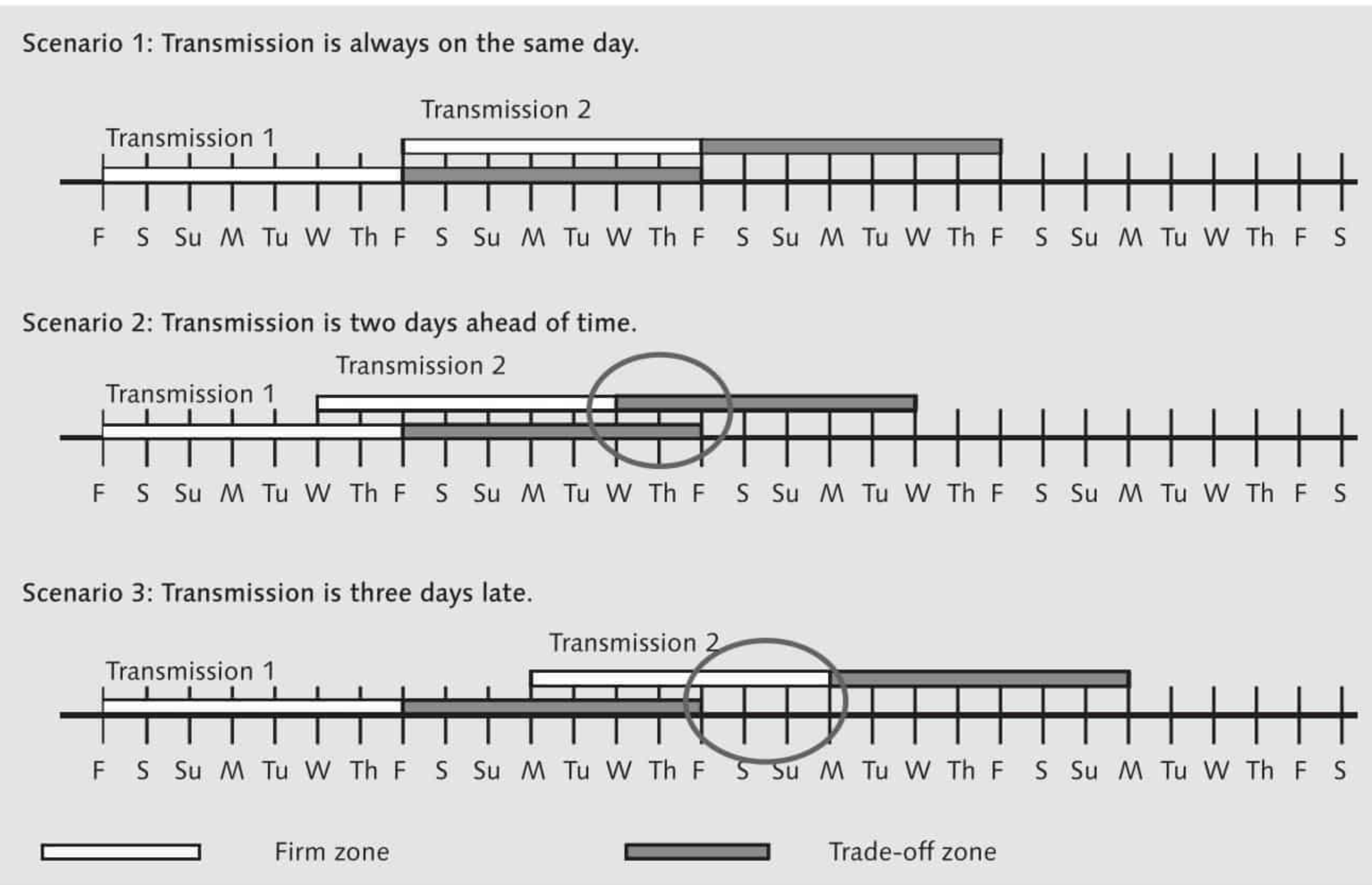


Figure 4.16 Weekly Buckets for Late or Early Releases

Combination of daily/weekly buckets

Working with weeks along the overall scheduling agreement horizon creates one problem for purchasing: the delivery date is always on the Monday of the specified week. To solve this problem, use a combination of daily and weekly buckets so that as time goes by, a requirement that was marked for a specific calendar week becomes a shipping instruction for a specific day (see Figure 4.17).

Creating a Scheduling Agreement

Now let's discuss how to create a scheduling agreement. These documents are always created for stock materials because their intention is take the material requirements planning (MRP) requirements and send them to the vendor.

Follow the path LOGISTICS • MATERIALS MANAGEMENT • PURCHASING • OUTLINE AGREEMENT • SCHEDULING AGREEMENT • CREATE • VENDOR KNOWN, or use Transaction ME31L.

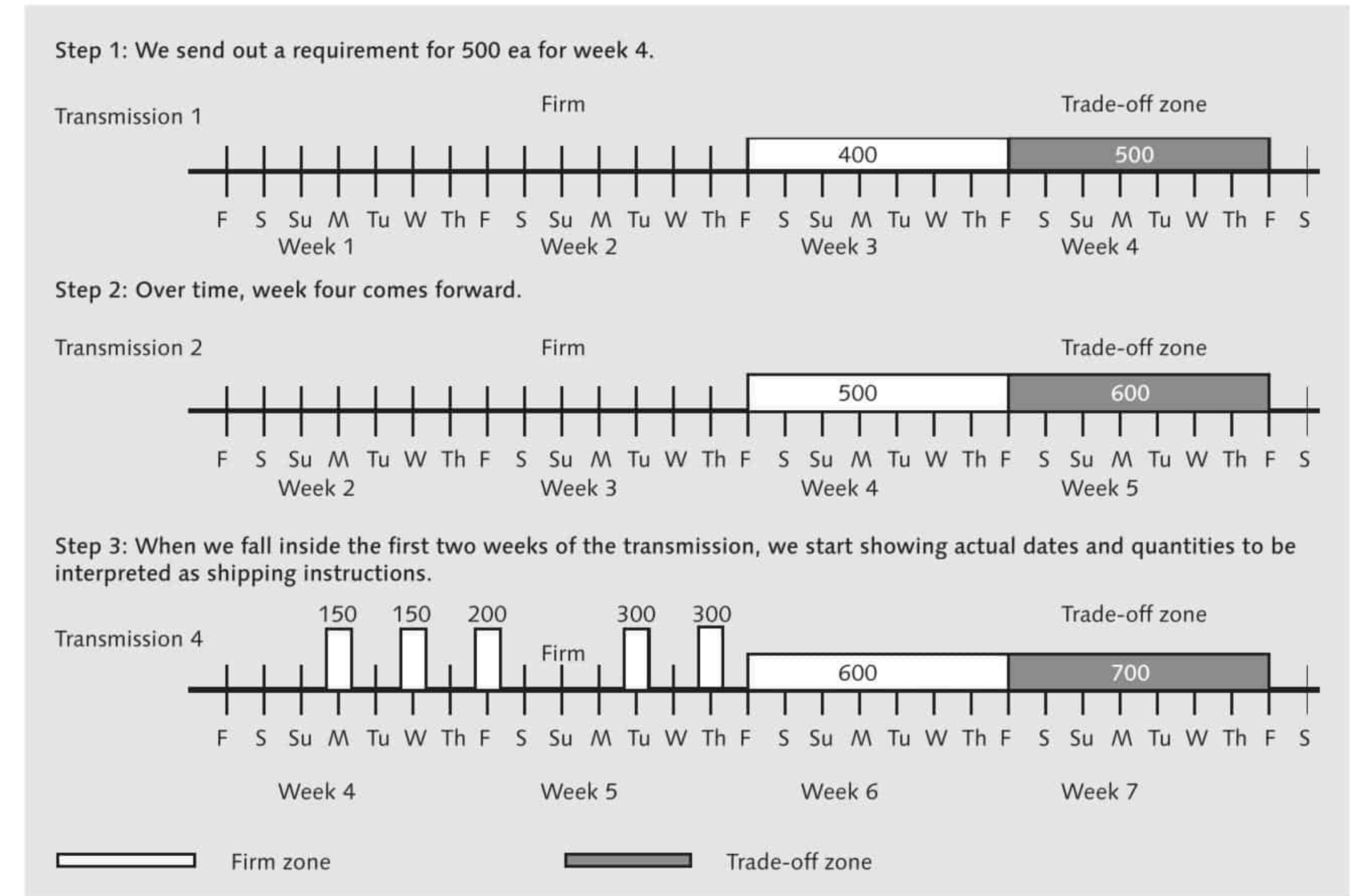


Figure 4.17 A Combination of Weekly and Daily Requirements for Specific Shipping Instructions

You can create a scheduling agreement either manually by typing all of the required data, or by referencing other purchasing documents such as purchase requisitions, RFQ/quotations, or a contract. If you want to use a reference document, click REFERENCE TO PREQ for a purchase requisition, click REFERENCE TO RFQ for an RFQ, or click REFERENCE TO CONTRACT for a contract.

If you create the contract manually, you need to follow these steps:

Create contract manually

1. In the first screen of Transaction ME31L, select a VENDOR number, the AGREEMENT TYPE LP, PURCH. ORGANIZATION, and PURCHASING GROUP at a minimum (see Figure 4.18). Press  to proceed to the header screen.

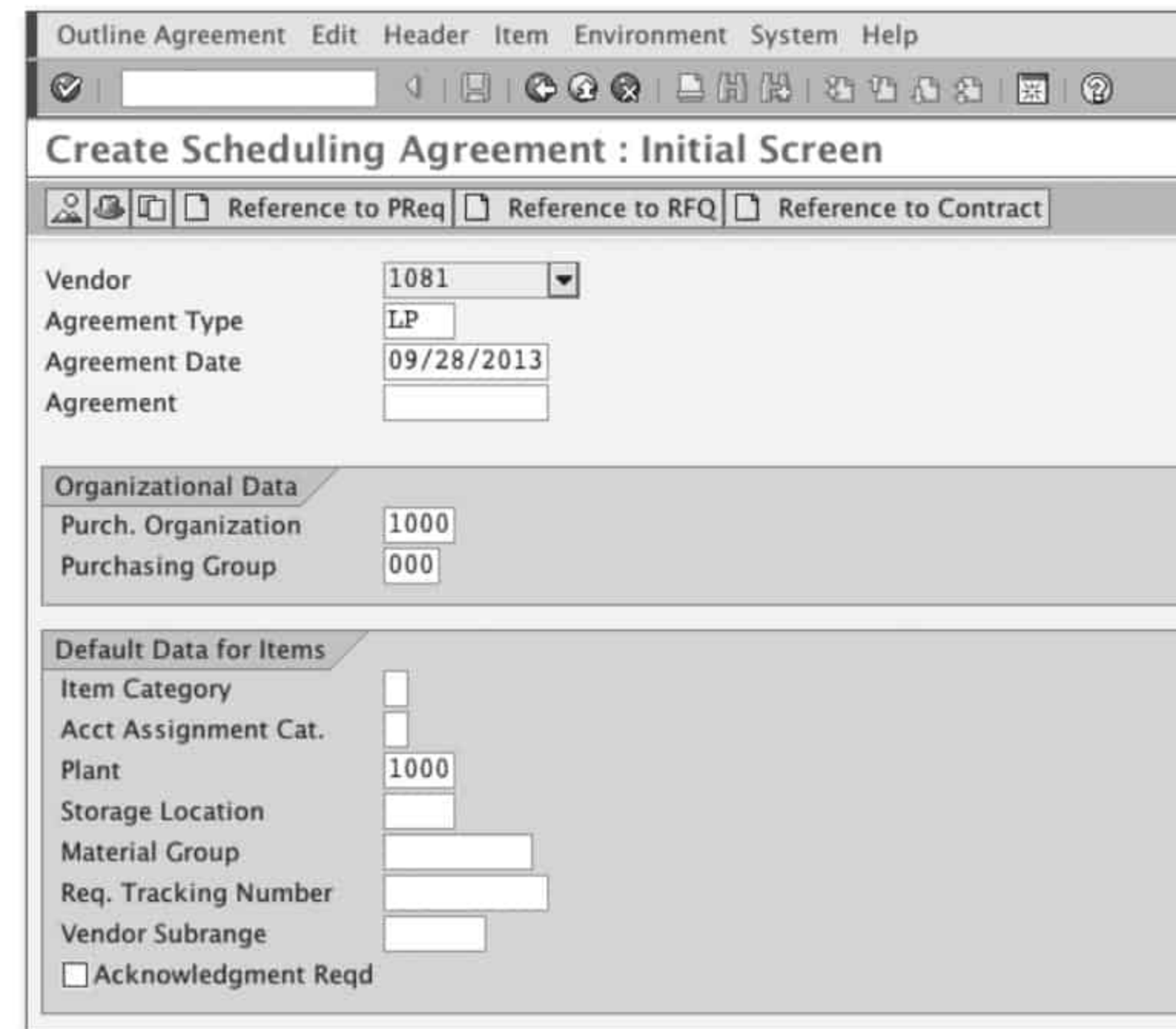


Figure 4.18 Initial Screen to Create a Scheduling Agreement

2. Enter the header data, such as the contract's VALIDITY END date and the maximum contract value, if applicable. The header copies information from the vendor about the terms of payment and cash discounts, which you can edit if they don't apply for the contract (see Figure 4.19).

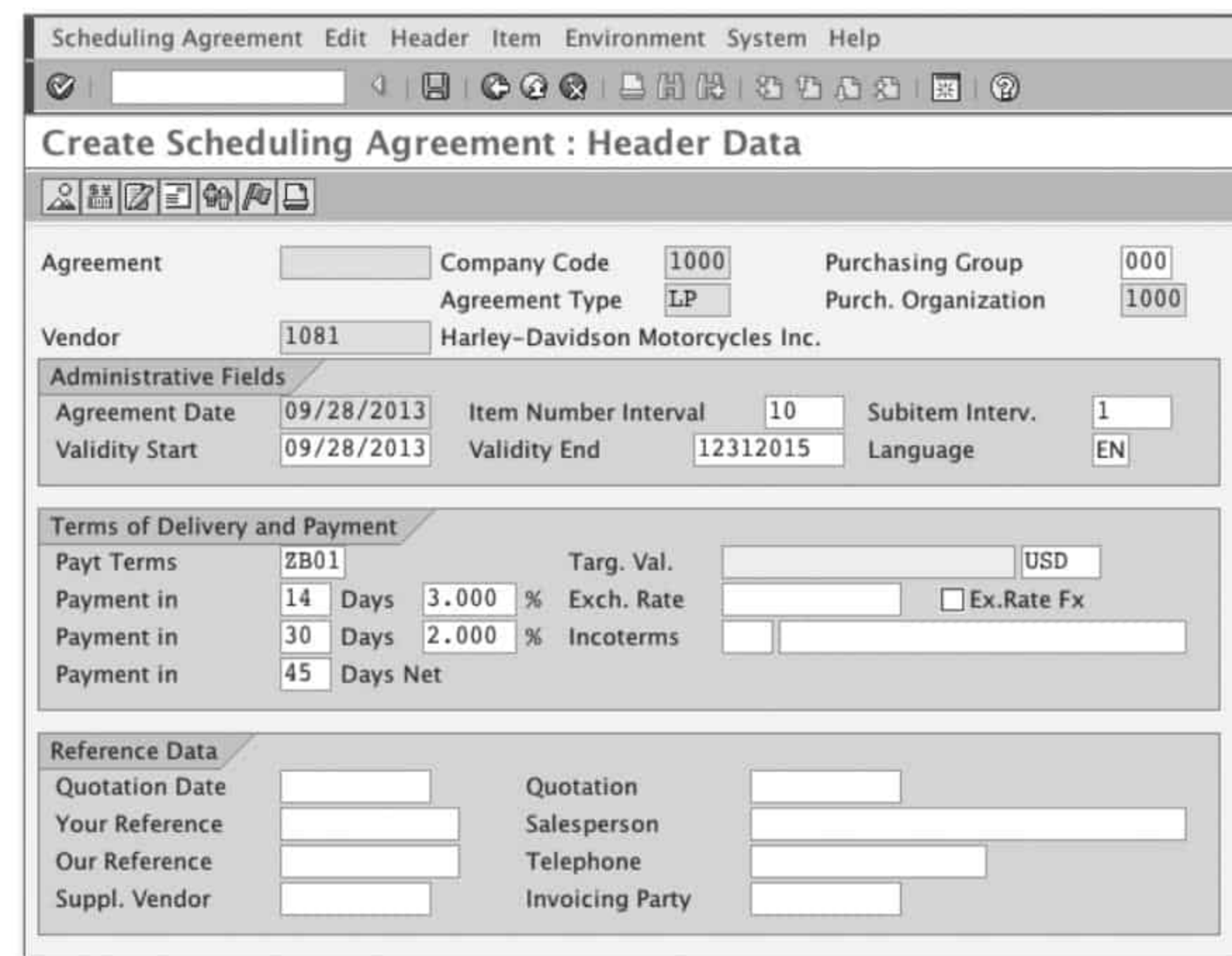


Figure 4.19 Entering the Validity Date for the Contract Target Value

3. Press **[Enter]** to continue to the ITEM OVERVIEW screen.
4. Enter the materials and quantities that will be committed for purchase from the vendor (see Figure 4.20). At this point, you can still choose to copy from a reference document or proceed to enter the materials manually.

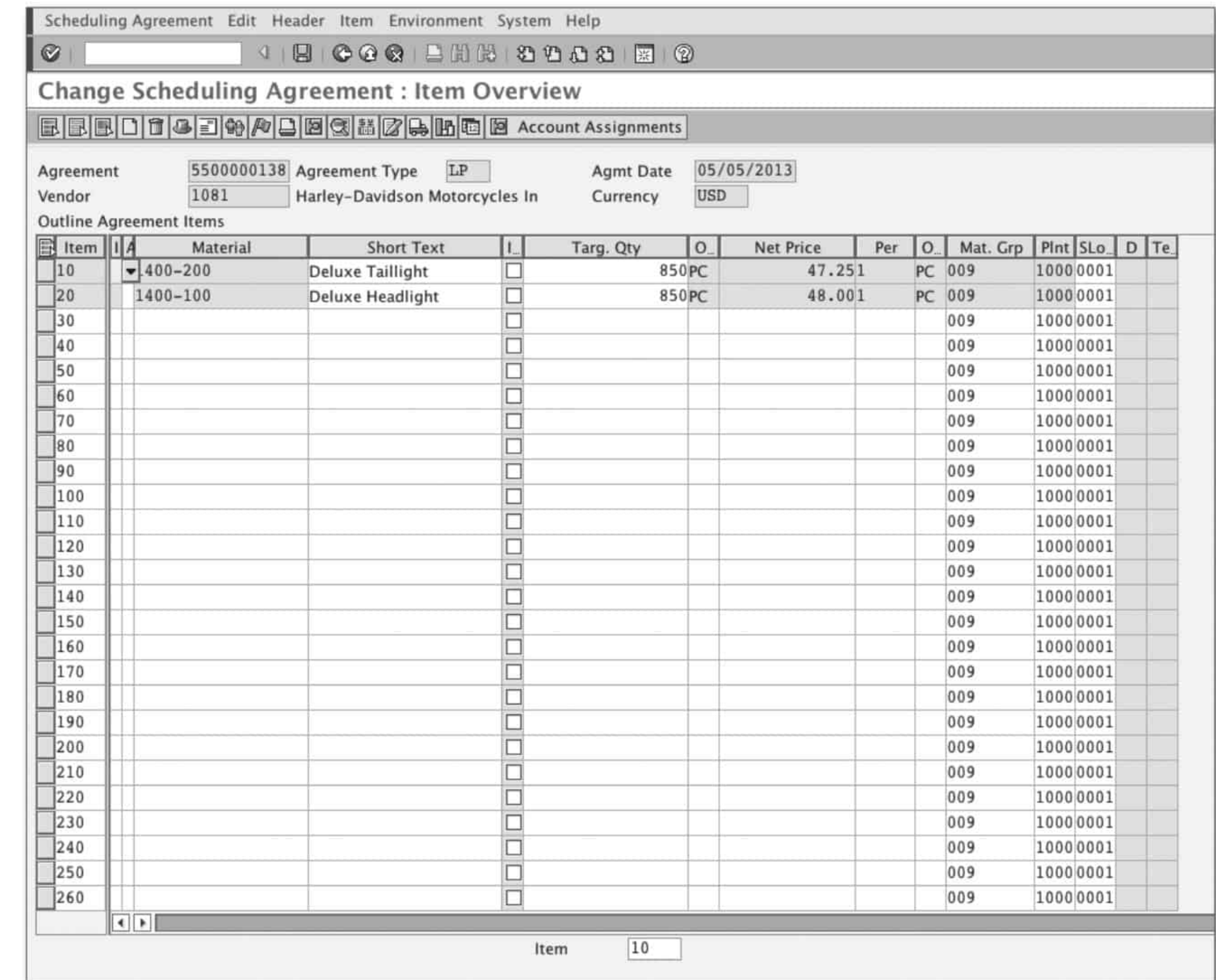


Figure 4.20 Overview Screen: Materials and Estimated Target Quantity

If you copy the items from a reference document by selecting the menu entry SCHEDULING AGREEMENT • CREATE WITH REFERENCE • PURCHASE REQ or RFQ, then all of the pricing conditions are copied along with the **Copy from reference**

materials and quantities. If you're entering the contract manually, you have to enter the pricing conditions at both the header level and item level.

1. By selecting the menu entry ITEM • CONDITIONS, you can enter all of the conditions you've negotiated with the vendor, including all of the discounts and surcharges (see Figure 4.21).

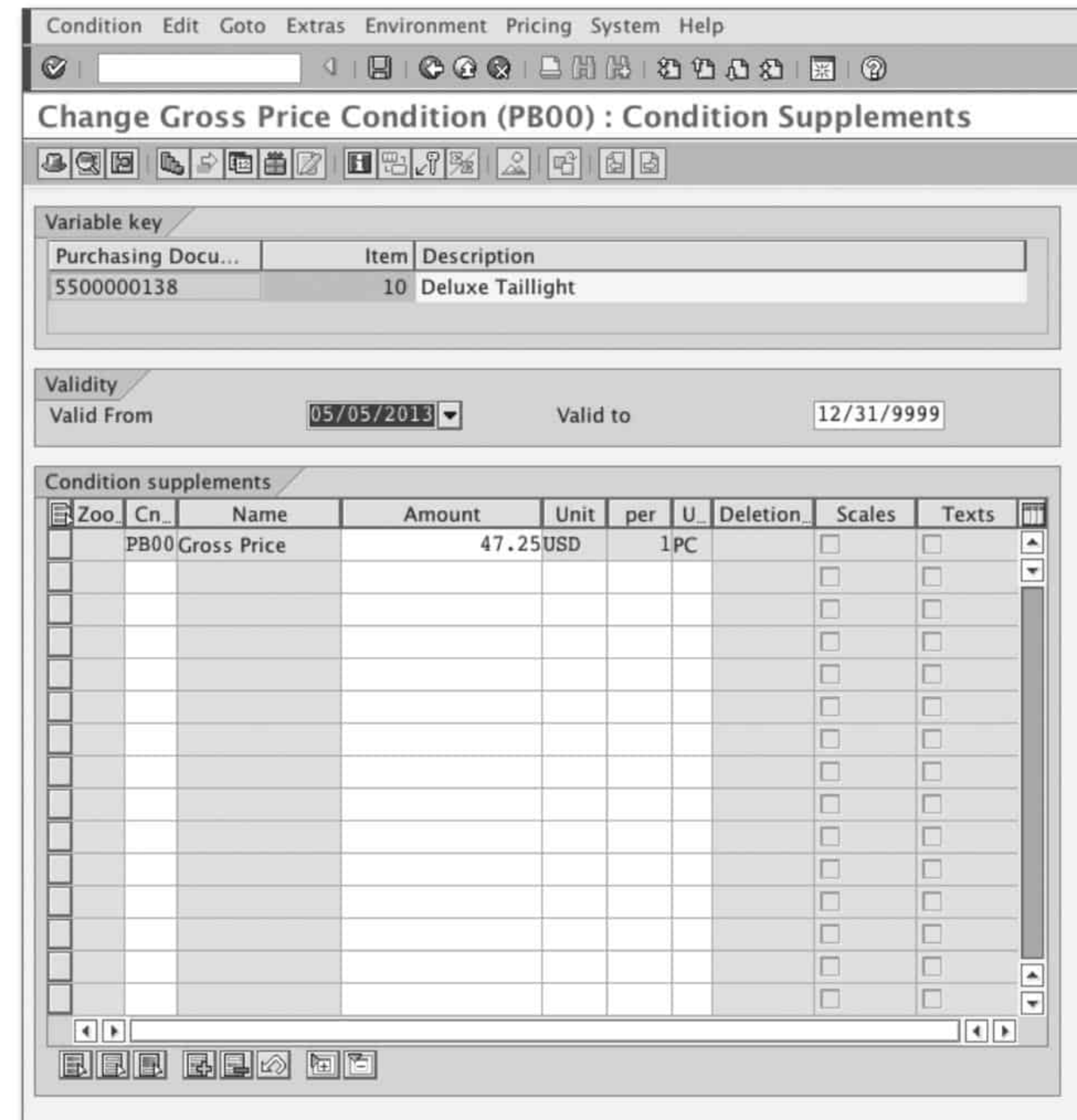


Figure 4.21 Entering Discounts and Surcharges in the Conditions Screen

2. Select the menu option ITEM • MORE FUNCTIONS • ADDITIONAL DATA, and enter the duration for the FIRM ZONE and the TRADE-OFF ZONE. Everything after the trade-off zone is considered the forecast zone (see Figure 4.22).

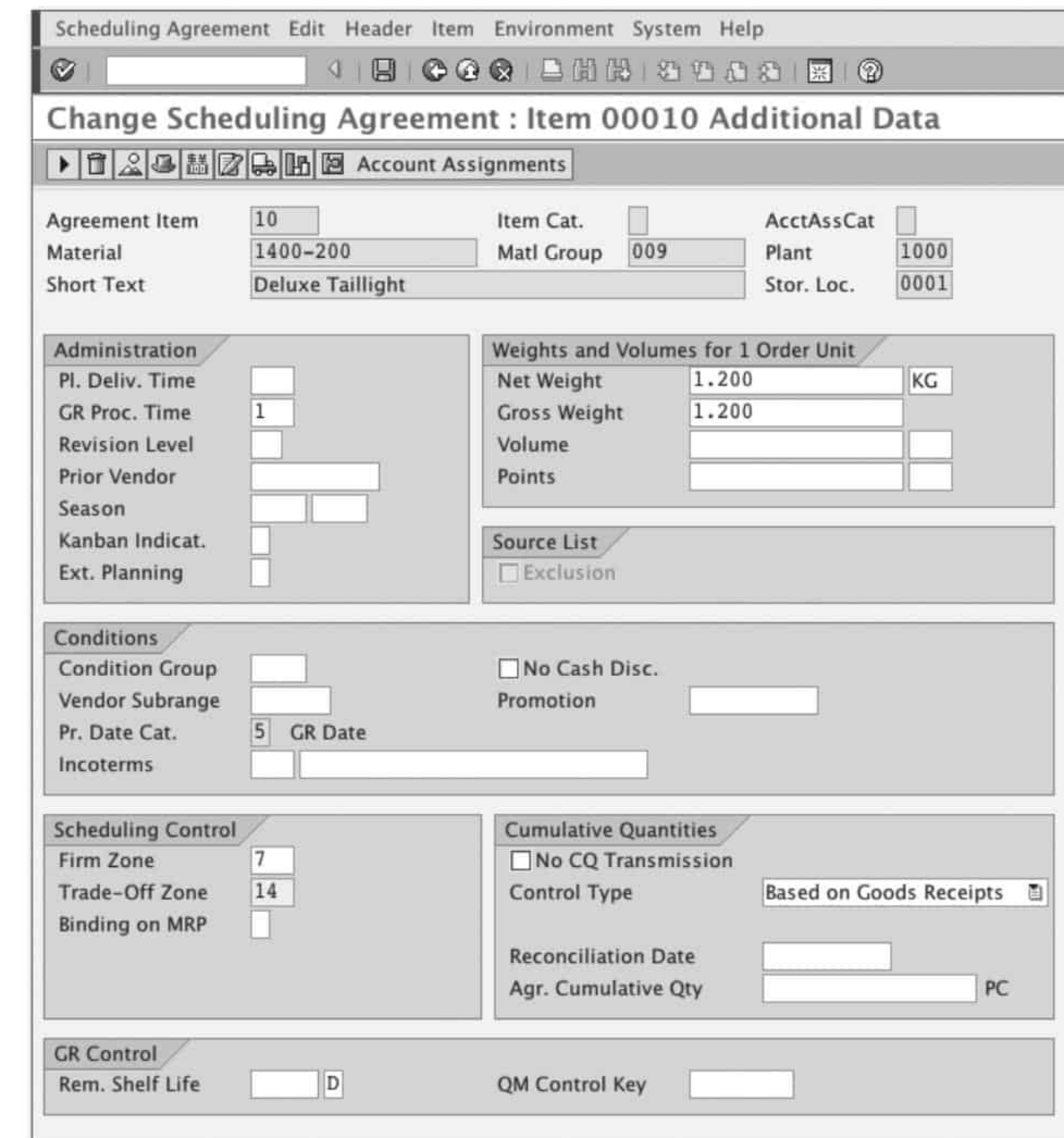


Figure 4.22 Entering the Duration for the Firm Zone and Trade-Off Zone

### Generating Schedule Lines

To have the MRP system generate the schedule lines in the scheduling agreement, you need to make sure that every material that is included in a scheduling agreement has a source list that is relevant for MRP and that automatically generates schedule lines. These schedule lines are included in the scheduling agreement for the complete planning horizon. To generate the schedule lines automatically, make sure the SOURCE LIST USAGE IN MRP is set to 2 (see Figure 4.23). Source lists are described in detail in Chapter 2.

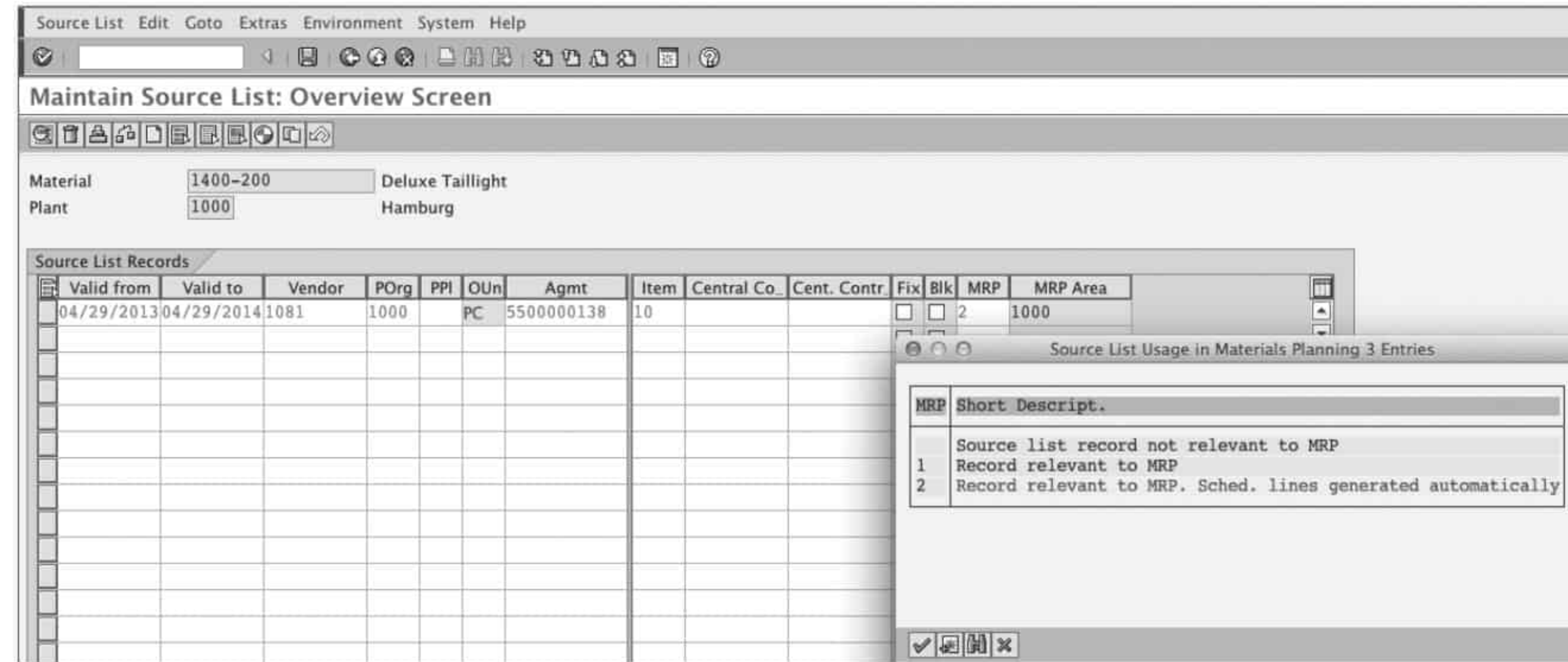


Figure 4.23 Generating Schedule Lines Automatically

### Generating Output

After MRP runs, the schedule lines are generated and passed to the scheduling agreement. From there, you can generate an output to send them to your partner. Of course, when you have to send out releases for hundreds or maybe even thousands of parts, manual isn't the way to go. The best way to guarantee that the releases are sent in a timely manner, especially in a high-volume environment, is to use electronic communications in which the releases are sent automatically every time they are produced by the MRP system.

#### Electronic communication

Electronic communications out of the SAP ERP system vary from emails to direct interfaces with your vendors, but the most widely adopted form of communications is through Electronic Data Interchange (EDI). EDI has been the international standard for many years, and it's based on international standards set by ANSI and EDIFACT.

**EDI** To get an output from the scheduling agreement, use Transaction NACR to create a condition record for output type LPH1 for the scheduling agreement. This output type generates a DELFOR01 IDoc, which can be sent to your vendor according to its EDI setup.

In return, the vendor sends back a shipping notification DESADV01, which is recorded in the scheduling agreement.

The outbound DELFOR01 IDoc contains the header and item information for the scheduling agreement, including the forecast information for each of the items for the whole planning horizon.

The IDoc indicates the firm and trade-off zones with an end date for each of them according to the settings of the scheduling control data in the scheduling agreement's item additional data. For firm, it sends the end date as "End of material go-ahead," and for trade-off, it sends an end date as "End of production go-ahead." This way, the vendor is always kept informed of all of the document details. The rest of the schedule lines are considered forecast information (see Figure 4.24).

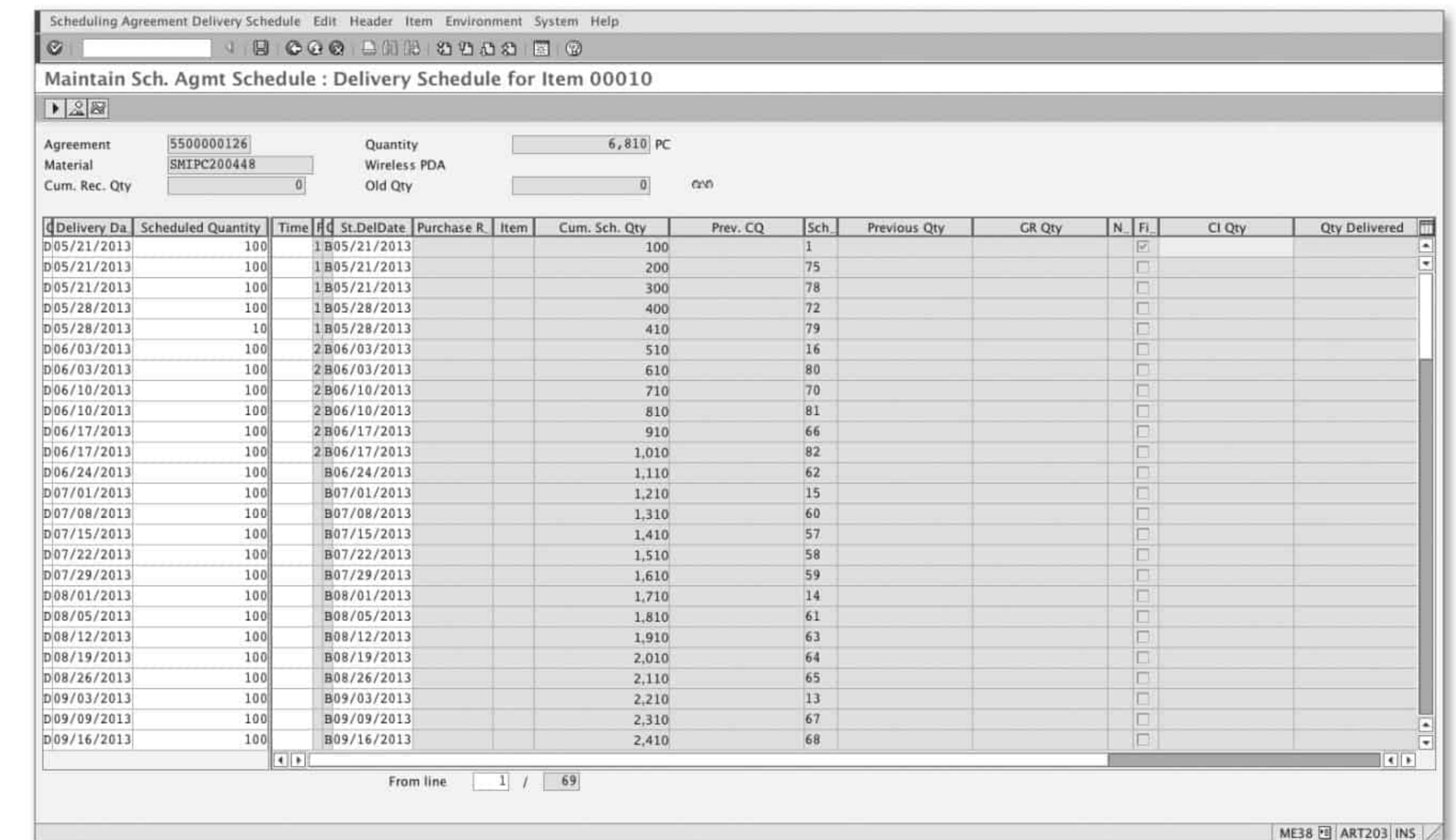


Figure 4.24 Schedule Lines Produced by MRP and Passed to the Scheduling Agreement

#### Note

Starting EDI communications with vendors isn't an easy undertaking and is a big project by itself; normally a team formed of buyers, functional analysts, and basis analysts take on this challenge.

Table 4.4 lists some useful transactions for working with scheduling agreements.

| Transaction                     | Menu Path   |
|---------------------------------|---|
| ME31L: Create from Known Vendor | LOGISTICS • MATERIALS MANAGEMENT • PURCHASING • SCHEDULING AGREEMENT • CREATE • VENDOR KNOWN              |
| ME32L: Change                   | LOGISTICS • MATERIALS MANAGEMENT • PURCHASING • SCHEDULING AGREEMENT • CHANGE                             |
| ME33L: Display                  | LOGISTICS • MATERIALS MANAGEMENT • PURCHASING • SCHEDULING AGREEMENT • DISPLAY                            |
| ME38: Maintain                  | LOGISTICS • MATERIALS MANAGEMENT • PURCHASING • SCHEDULING AGREEMENT • DELIVERY SCHEDULE • MAINTAIN       |
| ME9E: Print/Transmit            | LOGISTICS • MATERIALS MANAGEMENT • PURCHASING • SCHEDULING AGREEMENT • DELIVERY SCHEDULE • PRINT/TRANSMIT |

**Table 4.4** Scheduling Agreements Transactions

# Contents

|   |           |
|---|-----------|
| Introduction .....  | 15        |
| <b>1 Introduction to SAP ERP and the SAP Business Suite .....</b> | <b>19</b> |
| 1.1 SAP ERP Components .....                                      | 20        |
| 1.1.1 Financial Accounting (FI) .....                             | 20        |
| 1.1.2 Controlling (CO) .....                                      | 21        |
| 1.1.3 SAP Project System (PS) .....                               | 21        |
| 1.1.4 Sales and Distribution (SD) .....                           | 21        |
| 1.1.5 Materials Management (MM) .....                             | 22        |
| 1.1.6 Logistics Execution (LE) .....                              | 22        |
| 1.1.7 Quality Management (QM) .....                               | 22        |
| 1.1.8 Plant Maintenance (PM) .....                                | 22        |
| 1.1.9 Production Planning and Control (PP) .....                  | 22        |
| 1.1.10 Human Resources (HR) .....                                 | 23        |
| 1.2 Materials Management Organizational Structures .....          | 23        |
| 1.2.1 Client .....  | 24        |
| 1.2.2 Company Code .....  | 24        |
| 1.2.3 Plant .....   | 24        |
| 1.2.4 Purchasing Organization .....                               | 25        |
| 1.2.5 Purchasing Groups .....                                     | 29        |
| 1.3 Materials Management Overview .....                           | 29        |
| 1.3.1 Material Requirements Planning .....                        | 30        |
| 1.3.2 Purchasing .....  | 30        |
| 1.3.3 Inventory Valuation and Control .....                       | 31        |
| 1.3.4 Master Data .....   | 31        |
| 1.4 SAP Business Suite: Other Procurement Tools .....             | 32        |
| 1.4.1 SAP Sourcing .....  | 32        |
| 1.4.2 SAP Supplier Lifecycle Management .....                     | 33        |
| 1.4.3 SAP Supplier Relationship Management .....                  | 34        |
| 1.4.4 SAP Supply Chain Management .....                           | 37        |
| 1.4.5 SAP Transportation Management .....                         | 38        |
| 1.4.6 SAP HANA .....  | 38        |
| 1.5 Summary .....   | 39        |

**2 Master Data ..... 41**

- 2.1 Importance of Master Data in Procurement ..... 41
- 2.2 Material Master ..... 42
  - 2.2.1 Basic Data View ..... 45
  - 2.2.2 Purchasing View ..... 46
- 2.3 Service Master ..... 51
  - 2.3.1 Service Master Sections ..... 53
  - 2.3.2 Creating a New Service ..... 56
- 2.4 Business Partners ..... 57
  - 2.4.1 Number Ranges, Account Group, and Field Status ..... 58
  - 2.4.2 Vendor Master Data Structure ..... 59
  - 2.4.3 Maintaining Vendor Master Data ..... 69
- 2.5 Vendor Hierarchies ..... 71
- 2.6 Source Lists ..... 73
- 2.7 Quota Arrangement ..... 76
- 2.8 Purchasing Info Records ..... 81
  - 2.8.1 General Data ..... 82
  - 2.8.2 Purchasing Organization Data 1 ..... 83
  - 2.8.3 Purchasing Organization Data 2 ..... 85
  - 2.8.4 Transactions ..... 86
- 2.9 Pricing ..... 87
  - 2.9.1 Using Conditions in Purchasing Documents ..... 89
  - 2.9.2 Condition Records ..... 91
- 2.10 Taxes ..... 93
  - 2.10.1 Adding Tax Relevance ..... 94
  - 2.10.2 Adding the Tax Code ..... 96
  - 2.10.3 Creating Condition Records ..... 98
- 2.11 Other Master Data ..... 101
  - 2.11.1 Routes ..... 101
  - 2.11.2 Batches ..... 102
- 2.12 Summary ..... 103

**3 Planning and Forecasting ..... 105**

- 3.1 Material Requirements Planning Procedures ..... 106
  - 3.1.1 Material Requirements Planning ..... 107
  - 3.1.2 Consumption-Based Planning ..... 109

- 3.2 Master Data in Planning ..... 113
  - 3.2.1 MRP Type ..... 113
  - 3.2.2 MRP Areas ..... 116
  - 3.2.3 MRP Groups ..... 121
  - 3.2.4 Planning Calendar ..... 122
- 3.3 Forecasting ..... 124
  - 3.3.1 Forecast Models ..... 125
  - 3.3.2 Forecast Control Data ..... 127
  - 3.3.3 Material Forecast Profile ..... 130
  - 3.3.4 Executing a Forecast ..... 132
- 3.4 Sales and Operations Planning and Flexible Planning .... 137
  - 3.4.1 Defining an Infostructure ..... 139
  - 3.4.2 Maintaining a Planning Hierarchy ..... 140
  - 3.4.3 Product Group ..... 140
  - 3.4.4 Setting Up a Forecast Profile ..... 142
  - 3.4.5 SOP Process Steps ..... 144
- 3.5 Planning Execution ..... 145
  - 3.5.1 Total Planning ..... 146
  - 3.5.2 Single-Item Planning ..... 147
- 3.6 Evaluation and Analysis ..... 149
  - 3.6.1 MRP List ..... 149
  - 3.6.2 Stock Requirements List ..... 151
- 3.7 Summary ..... 152

**4 Purchasing ..... 153**

- 4.1 Requests for Quotation (RFQ) ..... 154
  - 4.1.1 Creating an RFQ ..... 155
  - 4.1.2 Processing the Quotation ..... 158
- 4.2 Outline Agreements ..... 161
  - 4.2.1 Contracts ..... 162
  - 4.2.2 Scheduling Agreements ..... 170
- 4.3 Purchase Requisition ..... 180
  - 4.3.1 Creating a Purchase Requisition Manually ..... 181
  - 4.3.2 Assigning Source of Supply ..... 182
- 4.4 Purchase Orders ..... 184
  - 4.4.1 Creating Purchase Orders Automatically ..... 187
  - 4.4.2 Converting Purchase Requisitions to POs ..... 188

- 4.4.3 Creating a Purchase Order Manually ..... 188
- 4.4.4 Printing or Emailing a Purchase Order ..... 191
- 4.5 Release Strategies ..... 195
  - 4.5.1 Release Strategy without Classification ..... 196
  - 4.5.2 Release Strategy with Classification ..... 198
- 4.6 Return Materials to Vendor ..... 204
  - 4.6.1 Returns in Inventory Management ..... 204
  - 4.6.2 Returns to Vendor in Purchasing ..... 205
- 4.7 Vendor Evaluation ..... 208
  - 4.7.1 Performance Criteria ..... 208
  - 4.7.2 Scoring ..... 212
  - 4.7.3 Understanding How the Evaluation is Calculated ..... 213
  - 4.7.4 Performing Vendor Evaluation ..... 215
  - 4.7.5 Comparing Performance ..... 216
- 4.8 Reporting ..... 218
  - 4.8.1 List Displays ..... 220
  - 4.8.2 Analyses ..... 228
- 4.9 Summary ..... 231

**5 Special Procurement Functions ..... 233**

- 5.1 Subcontracting ..... 233
  - 5.1.1 Master Data ..... 234
  - 5.1.2 Subcontracting Process Flow Overview ..... 239
- 5.2 Third-Party Order ..... 256
  - 5.2.1 Configuration Prerequisites ..... 257
  - 5.2.2 Master Data ..... 260
  - 5.2.3 Third-Party Process Flow Overview ..... 261
- 5.3 Stock Transport Orders ..... 269
  - 5.3.1 Configuration Prerequisites ..... 271
  - 5.3.2 Master Data ..... 274
  - 5.3.3 Two-Step Stock Transport Order without Outbound Delivery ..... 277
  - 5.3.4 One-Step Stock Transport Order with Outbound Delivery ..... 283
  - 5.3.5 Two-Step Stock Transport Order with Outbound Delivery ..... 289

- 5.4 Cross-Company Code Stock Transport Order ..... 295
  - 5.4.1 Configuration Prerequisites ..... 296
  - 5.4.2 Master Data ..... 299
  - 5.4.3 Cross-Company Code Purchase Order Process Flow Overview ..... 301
- 5.5 Kanban ..... 308
  - 5.5.1 Kanban Procedures and Categories ..... 310
  - 5.5.2 Master Data ..... 311
  - 5.5.3 Kanban Board and Signals ..... 316
- 5.6 Order Optimizing ..... 317
  - 5.6.1 Investment Buying ..... 319
  - 5.6.2 Quantity Optimizing ..... 322
  - 5.6.3 Load Building ..... 325
- 5.7 Summary ..... 335

**6 Procurement of Services ..... 337**

- 6.1 Processing Requirements ..... 338
  - 6.1.1 Creating a Purchase Requisition ..... 339
  - 6.1.2 Creating an RFQ ..... 342
  - 6.1.3 Creating a Reference Document from a Purchase Requisition ..... 348
- 6.2 Service Entry and Acceptance ..... 349
  - 6.2.1 Entering a New Service Entry Sheet ..... 350
  - 6.2.2 Accepting a Service ..... 352
- 6.3 Using Outline Agreements for Services ..... 355
  - 6.3.1 Creating Contracts for Services ..... 355
  - 6.3.2 Releasing Contracts for Services ..... 357
- 6.4 Summary ..... 358

**7 Inbound Logistics ..... 359**

- 7.1 Confirmation Controls ..... 360
  - 7.1.1 Master Data ..... 361
  - 7.1.2 Purchasing Info Record ..... 362
- 7.2 Order Acknowledgement ..... 364
  - 7.2.1 Automatic and Manual Confirmation ..... 365
  - 7.2.2 Monitor Confirmations ..... 366

- 7.3 Rough Goods Receipt ..... 367
  - 7.3.1 Create PO ..... 368
  - 7.3.2 Create Rough Goods Receipt Document ..... 368
- 7.4 Inbound Delivery: Shipping Notification ..... 370
  - 7.4.1 Collective Processing of Purchase Orders ..... 374
  - 7.4.2 Individual Processing of Purchase Orders ..... 375
  - 7.4.3 Monitoring ..... 378
- 7.5 Inbound Shipment ..... 384
  - 7.5.1 Grouping Shipments ..... 386
  - 7.5.2 Individual Shipment Processing ..... 388
  - 7.5.3 Collective Shipment Processing ..... 392
  - 7.5.4 Create Shipment Using Extended Inbound Delivery Processing ..... 395
- 7.6 Shipment Cost Document ..... 397
- 7.7 Summary ..... 403

**8 Inventory Management ..... 405**

- 8.1 Overview ..... 405
- 8.2 Receiving ..... 408
  - 8.2.1 Automatic Postings Role ..... 410
  - 8.2.2 Posting Goods Receipt with Transaction MIGO ..... 411
  - 8.2.3 Accounting Documents as a Result of Inventory Change ..... 416
- 8.3 Managing Special Stocks ..... 417
  - 8.3.1 Consignment ..... 417
  - 8.3.2 Subcontracting ..... 418
  - 8.3.3 Customer Order Stock ..... 419
  - 8.3.4 Stock in Transit ..... 419
- 8.4 Transfer Postings ..... 422
- 8.5 Summary ..... 425

**9 Logistics Invoice Verification ..... 427**

- 9.1 Invoice Processing ..... 428
  - 9.1.1 Create Invoice: Manual Entry ..... 428
  - 9.1.2 Create Invoice: Automatically ..... 432
  - 9.1.3 Blocking and Releasing Invoices ..... 436

- 9.1.4 Parking Invoices ..... 438
- 9.2 Automatic Settlement ..... 442
  - 9.2.1 Evaluated Receipt Settlement ..... 443
  - 9.2.2 EDI Processing ..... 447
- 9.3 Processing Subsequent Debits and Credits ..... 448
- 9.4 Cancelling Invoice Document ..... 451
- 9.5 Summary ..... 452

**Appendices ..... 453**

- A Procurement Tables ..... 455
  - A.1 Material Master ..... 455
  - A.2 Vendor Master ..... 456
  - A.3 Purchasing Sourcing Information ..... 457
  - A.4 Planning and Forecasting ..... 457
  - A.5 Investment Buy and Load Building ..... 458
  - A.6 Purchasing Documents ..... 458
  - A.7 Shipping ..... 459
  - A.8 Transportation ..... 461
  - A.9 External Services ..... 462
  - A.10 Inventory Management ..... 462
  - A.11 Invoice Verification ..... 463
- B Working with Procurement Documents: Quick Reference Guide ..... 465
  - B.1 Create Info Record ..... 465
  - B.2 Create Source List ..... 466
  - B.3 Convert Purchase Requisition into Purchase Order ..... 467
  - B.4 Create Purchase Order (Stock Material) ..... 469
  - B.5 Create Purchase Order (Subcontracting) ..... 470
  - B.6 Create Purchase Order (Consignment) ..... 471
  - B.7 Create Purchase Order (Expensed Items) ..... 472
- C Additional Resources ..... 475
- D The Authors ..... 477

- Index ..... 479

# Index

## A

---

AC03, 57  
AC06, 57  
Account Assignment, 265  
    *category, 196*  
Account group, 58  
Accounting, 409  
    *codes, 410*  
    *document, 415, 416, 425*  
    *key, 410*  
    *view, 410*  
Account management, 61  
Accounts payable, 51  
Acknowledgement, 363, 83  
    *confirmation, 364*  
    *required, 365*  
Activate a strategy, 196  
Activity number, 54  
Actual goods receipt matching, 367  
Address, 60  
Advanced shipping notification, 360  
ALE, 163  
Allocation, 430  
    *criteria, 433*  
Alpha factor, 129  
Alternative purchasing data, 122  
Amount, 431  
    *to be posted, 410*  
Analyses, 213, 219, 228  
ANSI, 178  
Application  
    *EF, 191*  
Application Link Enabling, 163  
ASN, 360  
Assign Delivery Type and Checking Rule  
    node, 271  
Assign workflow, 202  
Auditable, 406  
Automatic calculation  
    *of reorder point, 116*  
    *of safety stock, 116*

Automatic load building, 329  
Automatic model selection, 128  
Automatic PO field, 48  
Automatic posting, 410, 416  
    *configuration, 416*  
    *to a vendor account, 307*  
Automatic reorder point planning, 110  
Automatic settlement, 442  
Availability check, 303  
Available materials, 31  
Average daily requirements, 111

## B

---

Background verification process, 434  
Balance, 431  
Base unit of measure, 45  
    *field, 55*  
Basic data  
    *section, 55*  
    *view, 45*  
Batch, 102  
    *management, 84, 406*  
Beta factor, 130  
Billing document, 262, 267  
Bill of lading, 287, 413, 432  
Bill of materials, 30  
Blocked, 407  
    *invoice, 428, 436, 450*  
Blocking reasons, 438  
    *delete, 438*  
BOM, 78, 234, 236  
    *explosion, 236*  
    *maintenance transaction codes, 238*  
    *re-explode, 244*  
    *selection method, 236*  
    *usage type, 237*  
Business partner, 57  
Buying side, 34

**C**

- Cancelling invoice document, 451
- Cash discount, 164, 174
- CEBAN, 198
- CEKKO, 198
- Centralized purchasing, 25
- Central purchasing organization, 162
- Certificate of origin, 83
- Change in stock type, 425
- Change in the stock levels, 425
- Change Invoice icon, 435
- Change ownership, 417
- Characteristic, 198
  - values, 140
- Characteristics field catalog, 139
- Check-in, 391
- Class, 199
- Classic Kanban, 310, 313
- Classic scenario, 35, 37
- Client, 24
- Collective release, 352
- Collective shipment, 385
  - processing, 392
- Company code, 24, 407
- Compare performance, 216
- Competitive products, 43
- Component, 20, 30, 234
  - Controlling (CO), 21
  - Financial Accounting (FI), 20
  - Human Resources (HR), 23
  - Logistics Execution (LE), 22
  - Materials Management (MM), 22
  - Plant Maintenance (PM), 22
  - Production Planning and Control (PP), 22
  - Quality Management (QM), 22
  - Sales and Distribution (SD), 21
  - SAP Project System (PS), 21
- Compute the scores, 209
- Condition, 85, 88, 168
  - determination, 93
  - fulfilled, 92, 99
  - section, 62
- Condition record, 89, 98, 398
  - create new, 91, 98
- Condition record (Cont.)
  - for domestic purchases, 98
  - for imports, 98
- Condition type, 91
  - RL01, 91
- Confirmation, 84
  - control, 84
  - date, 213
  - manual, 366
  - monitor, 366
  - order acknowledgements, 365
  - rough receipt, 367
- Confirmation control, 360
  - assignment, 363
  - define for vendor in purchasing org., 361
  - key, 361
  - options, 360
  - shipping notification, 370
- Consignment, 78, 184, 407, 417
  - agreement, 407
  - automated settlement procedures, 447
  - item, 409
  - PO, 417
- Consistent planning, 138
- Constant model, 125
- Consumption, 29, 111
  - indicator of forecast, 115
  - requirements, 109
  - values, 137
- Consumption-based planning, 105, 109, 112
- Contact person, 58, 60
- Contract, 73, 79, 153
  - create, 163
  - release order, 168
  - validity end date, 164, 174
- Contract Management, 32
- Contract manufacturer, 234
  - collaboration, 38
- Control cycle, 310, 312
- Control data, 60
  - section, 63
- Control section, 83
- Control view, 95
- Conversion field, 56

- Correspondence, 61
  - Cost center, 415
  - Cost-effective size, 325
  - Country of origin, 83
  - Create delivery, 249
  - Create invoice
    - automatically, 432
    - manual entry, 428
  - Creation profile, 68
  - Credit memo, 207, 427
    - park, 439
  - Credits
    - process, 448
  - Cross-company code, 295
    - STO, 270
    - stock transport order, 295
  - Cross-company purchase order, 303
  - Cross-company stock transport, 301
  - Cross-company vendor, 300
  - Cross plant material status, 45
  - Currency, 186
  - Customer, 58, 205
    - collaboration, 38
    - order stock, 419
  - Customer master, 274, 299
    - change, 69, 70, 72, 75
    - create, 69, 70
    - display, 69
  - Customs costs, 87
- D**
- 
- Daily buckets, 172
  - Daily requirements, 170
  - Debits
    - process, 448
  - Decentralized/localized purchasing, 25
  - Decentralized warehouse management, 378
  - Default Data Material section, 63
  - Define Schedule Line Categories node, 273
  - Delays in deliveries, 219
  - Deletion Indicator field, 55
  - DELFOR01 IDoc, 178
  - Delivery, 213
    - cycle, 68
    - date, 172, 208
    - due list, 291
    - note, 432
    - note number, 413
    - to customer, 266
  - Delivery document, 248
    - copy control, 298
    - type assignment, 273
  - Delta factor, 130
  - Delta planning, 138
  - Demand planning and forecasting, 38
  - Dependent requirements, 116
  - Differential Invoicing, 85
  - Different prices in each plant, 410
  - Direct procurement, 36
  - Discounts, 42
  - Distributed SAP ERP systems, 162
  - Distribution channel, 205
  - Distribution planning, 38
  - Division, 205
    - field, 55
  - Document flow, 270
  - Document type, 195
    - CCTR, 162
    - DC, 162
    - MK, 162
    - MK contracts, 167
    - quantity contract, 169
    - value contracts, 169
    - WK, 162
    - WK contract, 167
  - Drilldown levels, 230
- E**
- 
- EAN, 44
  - EDI, 178, 184, 191, 360
  - EDIFACT, 178
  - EDI invoice, 447
    - processing, 447
  - Electronic communications, 178
  - Emails, 178
  - Enhancement M61X0001, 146

Enjoy initiative, 412  
 Enterprise structure, 23  
 ERS, 85  
   *procedure*, 437  
   *relevancy*, 442  
 E-sourcing, 35  
 Evaluated Receipt Settlement, 85, 443  
 Evaluation, 149  
   *calculation*, 214  
 Event-driven Kanban, 311, 313  
 Execute forecast, 137  
 Execute picking, 287, 292, 304  
 Execute planning, 145  
 Expeditors, 82  
 Expenditure analysis, 32  
 Extended classic scenario, 37  
 Extended inbound delivery cockpit, 382  
 Extended inbound delivery processing  
   *create shipment*, 395  
 External deliveries, 248  
 External document, 184  
 External number range, 58  
 External procurement, 118  
 External send, 191  
 External service, 184  
   *provider*, 209  
   *tables*, 462

## F

---

Fax output, 191  
 Field status, 58, 59  
 FI invoice document, 428  
 Finished, 408  
   *assemblies*, 254  
   *good*, 30, 43, 234  
 Firming type option, 114  
 Firm zone, 170, 179  
 Fixed source, 73  
 Fixed vendor, 83  
 Flexible planning, 105, 137  
 Follow-On Docs icon, 435  
 Forecast, 31, 241  
   *control data*, 127  
   *execute*, 132

Forecast (Cont.)  
   *indicator*, 115  
   *optional parameters*, 129  
 Forecast-based planning, 111  
 Forecasting, 124, 170, 452  
   *model*, 124, 125, 128  
   *tables*, 458  
   *transaction codes*, 133  
   *view*, 118  
 Forecast profile, 142, 143  
   *in SOP*, 143  
   *requirements*, 111  
   *zone*, 171  
 Foreign trade data, 83  
 Forwarding agent, 391  
 Freight cost, 401  
 Future requirements, 135

## G

---

Gamma factor, 130  
 General data, 54  
 General Ledger, 406  
   *account*, 427  
   *posting*, 421  
   *post to*, 415  
   *post to accounts*, 416  
 Generating schedule lines, 177  
 Global value, 166  
 Goods delivered for purchase orders,  
   219  
 Goods from production, 408  
 Goods issue, 280, 416  
   *for an STO*, 419  
   *to STO delivery*, 304  
 Goods issued, 207  
 Goods receipt, 84, 250, 252, 266, 282,  
   304, 411, 416, 427  
   *capacity check*, 319  
   *for stock transfers*, 411  
   *Invoice Verification*, 84  
   *option*, 294  
   *post in receiving plant*, 281  
   *processing time*, 49

Goods receipt-based Invoice  
   Verification, 443  
   *document*, 352  
 Gross price, 86

## H

---

Handling, 87  
 Handling unit management, 396  
 Header and items, 415  
 Header conditions, 92  
 Help, 429  
 Hierarchy, 345  
   *node*, 71  
 Historical consumption values, 135  
 Hub-spoke, 269  
 Hybrid purchasing organizations, 27

## I

---

IDoc, 191  
   *ORDERS01*, 365  
 IMG, 203  
   *configuration*, 118  
   *customization*, 121  
   *customizing*, 113  
 Inbound delivery, 253, 359, 360, 364,  
   381, 385  
   *create*, 376  
   *create en masse*, 374  
   *create manually*, 375  
   *display in cockpit mode*, 382  
   *group shipments*, 386  
 Inbound delivery cockpit  
   *process document*, 382  
 Inbound Delivery Monitor, 378  
   *reporting tools*, 381  
 Inbound logistics, 359  
 Inbound shipment, 384, 385, 387  
 Incoming inspection, 208  
 Incoming invoice, 447, 255, 267, 241  
   *receipt*, 308  
 Incoterms, 85  
 Indirect procurement, 35  
 Individual forecast, 132

Individual shipment, 385  
 Info category, 238  
 Info record, 155  
   *create*, 465  
 Infostructure, 139, 140  
   *maintenance transaction codes*, 139  
 Info system, 228  
 Initial stock entry, 411  
 Insurance, 61  
 Interactive check, 148  
 Intercompany AP invoicing, 295  
 Intercompany billing, 305  
   *document*, 295, 305, 307  
 Internal Work section, 56  
 Inventory account, 409  
 Inventory adjustment, 29  
 Inventory document, 415  
 Inventory Management, 19, 270, 405  
   *tables*, 462, 463  
 Inventory valuation, 405  
 Inventory Valuation and Control, 30  
 Investment buying, 319, 458  
   *simulation*, 320  
 Invoice, 213, 262, 430  
   *allocation*, 430  
   *amount*, 255  
   *balance*, 430  
   *block*, 436  
   *cancel*, 451  
   *create automatically*, 432  
   *create via EDI message*, 307  
   *date*, 255, 430  
   *enter manually*, 307  
   *header*, 430  
   *Help*, 429  
   *items*, 430  
   *link to shipment*, 398  
   *park*, 438  
   *PO Structure*, 429  
   *processing*, 428  
   *process subsequent debit/credit*, 448  
   *receipt*, 51, 427  
   *receipt for cross-company purchase  
     order*, 307  
   *release*, 436  
   *reversal*, 427, 428  
   *save incomplete*, 439

Invoice (Cont.)  
*transaction, 429*  
*vendor data, 430*  
*verification, 428*  
*worklist, 429*

Invoice overview  
*batch run records, 434*

Invoice posting  
*automatic settlement, 428*  
*background processing, 427*  
*manual entry, 427*

Invoice Verification, 52, 354  
*in the background, 435*  
*process, 435*  
*tables, 463*  
*transaction codes, 455, 456*

Item category, 75, 259, 263, 265  
*determination, 261, 297*  
*L-subcontracting, 244*  
*TAS, 259, 260, 261*  
*U, 279*

Item conditions, 92

Item overview, 413

Items for services, 344

Item texts, 186

Item view, 381

## K

---

Kanban, 308  
*board and signals, 316*  
*Calculation tab, 315*  
*control cycle categories, 310*  
*master data, 311*  
*one-card, 310*  
*print card, 315*  
*procedures, 310*  
*quantities, 317*  
*set to EMPTY, 315*  
*set to FULL, 315*  
*set to WAIT, 315*  
*with quantity signals, 311*

Key fields, 98

Key figures, 230

## L

---

Layouts option, 383

Lead times, 101

Lean production, 308

Level-by-level planning, 138

List displays, 219

List price, 88

Lists of shipment costs, 401

Load builder, 68, 319  
*analysis results, 328*

Load building, 318, 325, 329, 458  
*configuration check for, 326*  
*parameters, 334*  
*process overview, 326*  
*results list for, 333*

Loading end, 391

Loading group, 274, 276

Loading start, 391

Logistics, 29, 270  
*controlling, 229*  
*outbound delivery, 283*  
*structure, 407*

Logistics Invoice Verification (LIV), 427

Logistics Service Parts Management, 373

Long Text section, 56

LO-SPM, 382

Lot size, 123

Lot-sizing procedure, 108, 110, 111, 112

LSMW, 412

## M

---

Main criterion, 211

Maintain forecast, 137

Maintaining vendor master data, 69

Manual model selection, 128

Manual payment block, 436

Manual reorder point planning, 110

Manufactured item, 409

Manufacturer field, 50

Manufacturer part number field, 50

Manufacturing, 38  
*date, 413*

Master data, 31, 234, 361  
*confirmation controls, 361*  
*planning, 113*  
*Transportation Management, 101*

Master production scheduling, 19, 115

Material, 230  
*account, 427*  
*demand, 106*  
*document, 283, 289, 425*  
*forecast profile, 130*  
*group, 44, 82, 196, 409*  
*loading group, 285*  
*movement, 406*  
*number, 45*  
*status, 251, 407*  
*type, 409*

Material master, 31, 41, 42, 187, 276, 299, 410  
*Forecasting view, 137*  
*record, 123, 410*  
*tables, 455, 456*  
*views, 44*

Material requirements planning → see  
 MRP, 30, 107, 115

Materials document, 415

Material/service group field, 55

Materials exclusions indicator, 75

Materials Management, 208  
*invoice document, 428*  
*LIV, 427*

Maximum amount, 168

Maximum order quantity, 83

Maximum quantity, 168

MBXX transactions, 412

MEDRUCK, 191

Message  
*create, 191*

Message Log icon, 435

Microsoft Project, 347

Minimum order quantity, 83

Minimum remaining shelf life, 84

MM organizational structures, 23

Model initialization, 128

Model selection, 127

Monitor confirmations, 366

Monitor stock levels, 110

Monthly requirements, 171

Movement type, 410, 421, 422  
 101, 290  
 122, 205  
 641, 289  
 643, 304

Movement type determination, 297

Moving average, 127

MRP, 105, 109, 112  
*area, 113, 116, 119, 120, 130*  
*controller, 113, 146*  
*customize list, 152*  
*group, 121*  
*indicator of forecast, 115*  
*list, 149*  
*list transaction codes, 150, 151*  
*procedure, 105, 106, 109, 114*  
*run, 235*  
*system, 29, 177*  
*type, 113, 123, 124*  
*view, 118, 234*

MRP 1 view, 120, 121

MRP 1 View, 123, 131

MRP 2 view, 235

MRP 2 View, 123

MRP 4 view, 236

MRP List field, 148

MTexts, 86

Multicurrency, 21

Multilevel product group, 140

## N

---

NAVS, 98

Net requirement, 107, 110, 111, 112  
*calculation, 107*

Net Weight, Gross Weight, and Volume fields, 46

Non-stock materials, 43

Number of packages, 413

Number range, 58

**O**

- Object List menu, 383
- One-step stock transport order with
  - outbound delivery, 283
- On-hand inventory, 254, 282
- On-time delivery, 213
- Opened item, 414
- Optimized purchasing, 81
- Oracle Primavera, 347
- Order acknowledgement, 364
  - confirmation controls*, 361
- Order fulfillment, 38
- Order optimizing, 317, 325
- ORDERS/ORDCHG, 191
- Order Unit field, 48
- Origin Data section, 83
- Orphan requirements, 171
- Other forecast models, 127
- Other goods receipts, 411
- Outbound delivery, 249, 269, 274, 295, 306
  - create*, 285, 291, 303
  - monitor*, 379
- Outbound delivery type
  - NLCC, 296
- Outline agreement, 161
  - services*, 355
- Outline level, 345
- Outline subgroup, 346
- Output, 178
  - NEU, 191
- Output condition, 370
  - RD04, 307
- Output condition record, 191
- Output type, 178
  - LPH1, 178
- Overall score, 213
- Overall value limit, 343
- Overdelivery tolerance, 84

**P**

- Packaging materials, 43
- Palletize the quantities, 413

- Parallel processing, 146
- Parent-child relationship, 345
- Park
  - credit memos*, 439
  - functionality*, 439
  - invoices*, 428, 438, 439
- Partner function determination schema, 64
- Partner functions, 63
- Partner role, 63
- Payment transactions, 60, 61
- Periods per seasonal cycle, 129
- Permissible partner roles, 64
- Person responsible, 312
- Physical inventory count, 416
- Pipeline materials
  - automated settlement*, 447
- PIR, 30, 107, 116, 144
- Planned delivery time, 81, 83
- Planned order, 79, 235
- Planning, 270
  - at the storage location level*, 116
  - cycle*, 68, 115
  - horizon*, 170
  - procedures*, 105
  - requirements*, 140
  - run*, 241
  - tables*, 457, 458
  - with MRP areas*, 118
- Planning calendar, 112, 113, 122
  - maintenance transactions*, 123
- Planning hierarchy, 140
  - maintenance*, 140
  - maintenance transaction codes*, 140
- Planning Mode field, 148
- Planning table entry maintenance transactions, 146
- Plan regularly, 115
- Plant, 24, 196, 230, 311, 407, 410
  - level*, 407
- Plant-based pricing conditions, 162
- Plant MRP area, 118
- Plant-specific material status field, 48
- Plant-specific purchasing, 27
- Plant-to-plant transfer postings, 270

**PO**

- cross-company code*, 301
- header*, 185
- history*, 270
- reference*, 255
- PO create
  - automatically*, 186
  - manually*, 187
  - manually from requisition*, 187
  - semi-automatically*, 187
- Post goods issue, 249, 292, 304
  - in issuing plant*, 280
- Post goods movement, 287
- Post goods receipt, 294, 306, 410, 415
- Posting rules by movement type, 410
- Post into inspection, 49
- Post invoices, 446
- PO structure, 429
  - pane*, 430
- Price, 42, 208
  - history*, 212
  - level*, 212
  - variance*, 213
- Pricing condition, 86, 165, 175, 267, 398
  - types*, 88
- Pricing scales, 323
- Pricing schema, 88
- Print output, 191
- Process control parameters, 148
- Process-dependent requirements, 108
- Processing Key field, 147
- Processing log, 393
- Processing requirements, 338
- Processing section, 437
- Process Runner, 412
- Procurement, 38, 270, 18
  - main criteria*, 208
  - proposal*, 107, 138, 235, 319
  - service*, 337
  - tools*, 29, 475
- Procurement services
  - requirement*, 338
- Product group, 140
- Product hierarchy, 44
- Product Hierarchy and Material Group
  - fields*, 46
- Production of goods, 408
- Production order, 29, 411
- Production Planning, 19
- Production scheduling, 19
- Production supply area, 311
- Production version, 78, 236
- Program
  - RM08RELEASE, 437
  - RMBABG00, 434
  - RMBABG00, 432
- Project management system, 347
- Proportional factors, 140
- Providing components from another vendor, 250
- Purchase document, 87
- Purchase of services, 337
- Purchase order, 29, 41, 163, 79, 81, 85, 93, 243, 248, 173, 184, 208, 411, 415, 252, 260, 265, 279, 280, 282, 287, 306, 445, 449, 73, 154, 430, 241
  - acknowledgement confirmation category*, 364
  - apply defined confirmation processes*, 361
  - collective processing of*, 374
  - create*, 265
  - create automatically*, 187
  - create for expensed item*, 472
  - create for stock material*, 469
  - create for subcontracting*, 470, 471
  - create from requisition*, 467
  - create from requisition for service*, 348
  - create manually*, 188
  - create output*, 190
  - individual processing of*, 375
  - multiple order acknowledgements*, 365
  - option*, 295
  - text*, 83
  - type UB*, 284
  - unit of measure*, 83
- Purchase order history
  - adjustments*, 450

Purchase Order/Scheduling Agreement  
option, 430

Purchase requisition, 73, 75, 154, 156,  
163, 173, 176, 241, 243, 260, 264  
*convert*, 302  
*converting to purchase orders*, 325  
*convert to PO*, 188, 467  
*create for unplanned service*, 339

Purchasing, 19, 30, 208, 405  
*agreement*, 156  
*component*, 153  
*contract*, 93  
*group*, 230  
*information*, 219  
*info system*, 228  
*organization*, 162, 167, 230  
*process*, 153

Purchasing Data section, 56

Purchasing document, 92, 93  
*for services*, 348

Purchasing document order type  
*UB*, 278

Purchasing documents  
*tables*, 458, 459

Purchasing group, 29, 83  
*field*, 47

Purchasing info record, 73, 81, 85, 86,  
96, 238, 323, 361, 362, 428, 442  
*conditions*, 86  
*confirmation control*, 362  
*general data*, 82  
*maintain data*, 362  
*maintenance transaction codes*, 87  
*organization*, 25, 26, 88  
*Purchasing Organization Data 1*, 83  
*Purchasing Organization Data 2*, 85  
*texts*, 86

Purchasing sourcing data  
*tables*, 457

Purchasing Status field, 56

Purchasing value key field, 49  
*view*, 46, 47

PURCHIS, 228

Putaway, 378

## Q

---

Quality, 212  
*audit*, 208  
*control*, 407  
*inspection*, 42  
*inspection stock*, 247  
*requirements*, 408

Quality Management, 208

Quantity, 236, 413  
*contract*, 162, 167, 169  
*optimizing*, 322  
*reliability*, 213  
*variance*, 213

Quota, 76

Quota arrangement, 73, 76  
*allocated quantity*, 79  
*maintenance transactions*, 80, 81  
*maximum lot size*, 79  
*maximum quantity*, 79  
*minimum lot size*, 79  
*once-only indicator*, 80  
*procurement plant*, 78  
*procurement type*, 78  
*production version*, 78  
*quota*, 79  
*quota in %*, 79  
*rounding profile*, 80  
*special procurement type*, 78  
*usage*, 79  
*usage field*, 49

Quota base quantity, 79

Quotation, 85

## R

---

Ranking list, 213

Raw materials, 25, 43, 408

Receipt, 234  
*without PO*, 411

Receive a purchased item, 409

Receiving, 408  
*plant*, 419

Reduce forecast option, 116

Reference document, 85, 164, 175, 377

Reference purchase order, 447

Reference purchasing organization, 27

Regenerative planning, 146

Region of origin, 83

Regular vendor, 83

Release, 170  
*code*, 200  
*group*, 199  
*indicator*, 195, 197, 200  
*point*, 197

Release blocked invoices manually, 437

Release code  
*create*, 197  
*procedure*, 243

Release strategy, 195, 200, 352  
*determine*, 197  
*with classification*, 198  
*without classification*, 196

Releasing invoices, 436, 450

Relevant for tax determination  
*material*, 93  
*plant*, 93  
*vendor*, 93

Remaining shelf life, 102

Reminders, 82

Reorder point planning, 109

Repetitive services, 355

Replenishment lead time, 109, 315

Replenishment signal, 311

Reporting, 218

Reports, 218  
*conditions/prices*, 223  
*MIR6*, 435  
*MIR6*, 433  
*outline agreements*, 227  
*purchase orders*, 227  
*purchase requisitions*, 225  
*PURCHIS*, 232  
*quota arrangements*, 222  
*source lists*, 221  
*vendor*, 222  
*vendor evaluation*, 223

Request for proposal, 32

Request for quotation  
*RFQ*, 154

Requirement, 338

Requisition, 79  
*create without specification*, 341

Requisitions for service  
*create contract/PO*, 348

Return material authorization, 85

Returns in Inventory Management, 204

Returns Items field, 205

Returns to vendor, 204  
*in Purchasing*, 205

Revaluation, 448

Reversal Reason field, 451

Reverse, 451  
*auctions*, 32  
*button*, 451

Revoke acceptance, 352

RFQ, 234  
*create for unplanned service*, 342  
*price comparison report*, 159  
*process*, 187  
*quotation*, 156, 173  
*saving the quote to an Info Record*,  
158  
*submit quotes*, 154

RFQ/quotations, 163

Roll forward option, 115

Rolling schedule, 170

Rough goods receipt, 84, 361  
*document*, 368

Rough receipt, 367

Rounding profile, 322, 83

Rounding rule, 323

Rounding value, 324

Route, 101, 387

## S

---

Safety stock, 107, 110  
*planning*, 38

Sales and Operations Planning (SOP),  
105

Sales area, 276  
*data*, 274

Sales Data section, 63  
 Sales document type, 259  
 Sales forecasts, 19  
 Sales organization, 205  
 Sales/pur.tax field, 95  
 Sales requirements, 116  
 Sales views, 205  
 SAP AG, 19  
 SAP BusinessObjects, 35  
 SAP Business Suite, 32  
 SAP Contract Lifecycle Management, 35  
 SAP-delivered subcriteria, 211  
 SAP ERP, 18  
 SAP E-Sourcing, 32  
 SAP General Ledger, 21  
 SAP HANA, 18, 38  
 SAP Plant Maintenance, 337  
 SAP Project System, 337  
 SAP Retail, 317, 370  
   *rough receipt*, 367  
 SAP SCM, 37  
 SAP Sourcing, 32  
 SAP SRM, 33, 34  
   *deployment scenarios*, 35  
 SAP Supplier Lifecycle Management, 33  
 SAP Supplier Relationship Management, 33  
 SAP Supply Chain Management, 37  
 SAP Transportation Management, 38, 385  
 SAP Warehouse Management, 287, 371  
   *managed location*, 413  
 Scales, 86  
 Schedule Background Job icon, 435  
 Schedule line, 260, 264  
 Scheduling, 108, 110, 111, 112  
 Scheduling agreement, 73, 79, 93, 153, 170  
   *horizon*, 172  
 Schema group for purchasing organization, 88  
 Schema group for vendor, 88  
 Scope of planning, 147  
 Scrapping, 416  
 Seasonal model, 126  
 Seasonal trend model, 126  
   *smoothing factors*, 129

Sell side, 33  
 Semifinished, 408  
 Service, 230  
   *agreement*, 355  
   *confirmations*, 349  
 Service Category field, 54  
 Service Data section, 63  
 Service entry, 427  
 Service entry sheet, 51, 346, 349, 402, 432  
   *collective release*, 353  
   *create new*, 350  
   *document*, 398  
   *GR/IR clearing*, 354  
 Service master, 339, 344  
   *services*, 348  
 Service master record  
   *purchase service*, 348  
 Service Parts Management, 382, 395  
 Service procurement, 37  
 Services, 43  
   *accept*, 352  
   *confirm*, 349  
   *create contracts*, 355  
   *document items*, 344  
   *full screen*, 345  
   *multiple*, 349  
   *one-time*, 341  
   *outline*, 345  
   *procurement*, 337  
   *release contracts*, 357  
   *revoke acceptance*, 352  
   *specifications*, 344  
   *subitem level*, 344  
   *unplanned*, 338  
 Service short text, 54  
 Service Type field, 55  
 Set up a strategy, 196  
 Ship goods directly, 256  
 Shipment, 385  
   *collective processing*, 392  
   *completion*, 391  
   *create with extended inbound delivery processing*, 395  
   *process individual*, 388  
   *tracking*, 392

Shipment  
   *costing tables*, 460, 461  
 Shipment cost document, 397, 398  
   *collective processing*, 401  
   *create*, 399  
 Shipment costing, 391  
   *document*, 398  
   *relevancy*, 391  
 Shipment cost settlement, 398  
   *automatic PO*, 399  
 Shipment document, 445  
 Shipment end, 392  
 Shipment start, 392  
 Shipping, 87  
   *address*, 42  
   *condition*, 274, 284  
   *instructions*, 85  
   *notification*, 84  
   *tab*, 303  
   *tables*, 459, 460  
 Shipping Conditions field, 274  
 Shipping data tab, 284, 290  
 Shipping notification, 178, 361, 370  
   *DESADV01*, 178  
   *monitor*, 378  
 Shipping point, 274  
   *determination*, 285  
   *field*, 285  
 Ship-to account, 205  
 Single-item, at single-level planning, 147  
 Single-item planning, 147  
 Single-item, with multilevel planning, 147  
 Single-level planning transaction codes, 149  
 Single source of supply, 76  
 SKU number, 43  
 SOP, 137  
   *functionality*, 144  
   *process steps*, 144  
   *standard*, 137  
 Source list, 73, 168, 177  
   *create*, 466  
   *maintenance transactions*, 75, 76  
 Special discount, 88  
 Special procurement functions, 233  
 Special procurement key, 234

Special procurement type, 118  
 Special stock, 417, 419  
   *indicator*, 417  
   *number*, 417, 419  
 Standalone scenario, 36  
 Standard, 184  
   *analyses*, 228, 229  
   *order*, 259  
   *order quantities*, 83, 323  
   *purchase requisition*, 195  
   *purchasing organization*, 28  
   *service catalog*, 348  
 Standard Service Category section, 55  
 Statement of work, 344  
 Statistical information, 228  
 Steps for release, 195  
 STO  
   *create*, 278, 290  
   *master data*, 274  
   *purchase order*, 280  
   *two-step with outbound delivery*, 289  
   *with outbound deliveries*, 271  
   *with outbound delivery*, 269  
   *without outbound delivery*, 269  
 Stochastic blocking, 436  
 Stock  
   *category*, 425  
   *differences*, 416  
   *in transit*, 419  
   *provided to vendor*, 246, 419  
   *special*, 417  
 Stock Requirements List, 151  
   *transaction codes*, 152  
 Stocks of materials, 407  
 Stocks owned by the vendor, 407  
 Stock transfer, 184  
   *between storage locations*, 271  
   *from another plant*, 118  
   *procurement key*, 277  
   *within plant*, 117  
 Stock transport order, 269, 271, 284, 420  
   *create*, 284, 302  
 Stock transport purchase order, 118  
 Storage location, 24, 205, 311, 407, 413  
 Storage location MRP area, 118  
 Storage unit, 413

STO with outbound delivery  
*two-step process*, 271  
 Strategy assigned, 195  
 Subcontracting, 78, 184, 238, 418  
*info record*, 238  
*vendor*, 119  
 Subcontractor, 235, 407  
*flag*, 245  
 Subcontract purchase requisitions, 248  
 Subcriteria, 209  
 Subsequent credit, 428, 448  
 Subsequent debit, 428, 448, 449  
 Subsequent documents, 432  
 Subservices, 52  
 Supplier collaboration, 38  
 Supplier Identification, 32  
 Supplier Management, 32  
 Supplier Self-Services, 33  
 Supply area, 313  
 Supply chain, 19  
 Supplying plant, 284, 419  
 Supply network planning, 38  
 Supply Option section, 83  
 Surcharge, 88  
 SUS, 33

## T

Target contract value, 166  
 Target quantity, 168  
 TAS - third party item, 259  
 Tax code, 84, 96, 98  
 Taxes, 87  
*in purchasing documents*, 93  
 Tax indicator, 93  
*field*, 48  
*for material field*, 94  
 Tax percentage, 98  
 Tax relevance  
*for each material*, 94  
*for vendors*, 95  
 Terms of payment, 164, 174  
 Third-party, 265  
*item*, 261  
*order*, 256  
 Three-way match, 52, 354  
 Time-phased planning, 112  
 Tolerances, 450  
 Total document (order) value, 92  
 Total forecast, 132  
*results*, 136  
 Total inventory value, 407  
*at the corporate level*, 407  
 Tracking batches, 406  
 Trade-off zone, 170, 179  
 Trading goods, 43, 408  
 Transaction, 429  
 CS02, 237  
 MB01, 411  
 MB1B, 250  
 MB1C, 411  
 MB03, 306  
 MB5T, 280, 294, 295, 305, 307  
 MB31, 411  
 MBLB, 251  
 MC21, 139  
 MC22, 139  
 MC23, 139  
 MC59, 140  
 MC61, 140  
 MC62, 140  
 MC63, 140  
 MC84, 141  
 MC85, 141  
 MC86, 141  
 MC8V, 144, 145  
 MC8W, 145  
 MC8W, 144  
 MC90, 144, 145  
 MC91, 140, 142  
 MC92, 142  
 MC93, 144  
 MC93, 145  
 MC94, 145  
 MC95, 145  
 MC96, 144  
 MD01, 147  
 MD02, 148  
 MD02, 149  
 MD03, 149  
 MD04, 152  
 MD05, 150

Transaction (Cont.)  
 MD06, 151  
 MD07, 152  
 MD20, 146  
 MD21, 146  
 MD25, 123  
 MD26, 123  
 MD27, 123  
 MDBT, 147  
 MDLD, 151  
 ME0M, 75  
 ME01, 75  
 ME2A, 366  
 ME2O, 247, 248, 251, 254  
 ME03, 75  
 ME04, 75  
 ME4S, 161  
 ME05, 75  
 ME5A, 243  
 ME5A, 183  
 ME06, 76  
 ME6A, 218  
 ME6B, 218  
 ME6C, 218  
 ME6D, 218  
 ME07, 76  
 ME9E, 180  
 ME9F, 195  
 ME11, 87  
 ME12, 87  
 ME12, 238  
 ME13, 87  
 ME14, 87  
 ME15, 87  
 ME20, 249  
 ME21N, 265, 284, 290, 302, 368  
 ME21N, 194  
 ME22N, 194  
 ME23N, 194  
 ME28, 194, 203  
 ME29N, 194, 203  
 ME31K, 170  
 ME31L, 180  
 ME32K, 170  
 ME32L, 180  
 ME33K, 170  
 ME33L, 180  
 Transaction (Cont.)  
 ME35K, 203  
 ME35L, 203  
 ME38, 180  
 ME41, 343  
 ME41, 160  
 ME42, 161  
 ME43, 161  
 ME43, 161  
 ME47, 161  
 ME48, 161  
 ME49, 161  
 ME51N, 341  
 ME51N, 183  
 ME52N, 183  
 ME53N, 183  
 ME54N, 183, 203  
 ME55, 183  
 ME56, 243  
 ME56, 183  
 ME57, 243  
 ME57, 184  
 ME58, 243  
 ME58, 194  
 ME59N, 243, 265, 279, 302  
 ME59N, 194  
 ME61, 218  
 ME62, 218  
 ME63, 218  
 ME64, 218  
 ME65, 218  
 MEK1, 100  
 MEK2, 100  
 MEK3, 100  
 MEKE, 100  
 MEKF, 100  
 MEMASSIN, 87  
 MEQ1, 80, 87  
 MEQ3, 80, 87  
 MEQ4, 80, 87  
 MEQ6, 81  
 MEQ7, 81  
 MEQ8, 81  
 MEQM, 81  
 MIGO, 250, 252, 266, 281, 294,  
 306, 412  
 MIGO\_GR, 281, 294, 306

## Transaction (Cont.)

MIR4, 442  
 MIR5, 442  
 MIR6, 432  
 MIR6, 441, 442  
 MIR7, 439  
 MIR7, 439  
 MIRA, 432, 439  
 MIRA, 432, 442  
 MIRO, 255, 267, 307, 428, 439  
 MIRO, 442, 449  
 MK01, 69  
 MK02, 300, 361  
 MK02, 70  
 MK03, 70  
 MK04, 71  
 MK05, 71  
 MK06, 71  
 MKH1, 72  
 MKH2, 72  
 ML01, 57  
 ML02, 57  
 ML03, 57  
 ML81N, 350  
 MLS6, 57  
 MM01, 50, 121, 123, 160, 235  
 MM02, 50, 120, 121, 123, 131, 161, 260, 329  
 MM02, 133, 135, 235  
 MM03, 50  
 MMBE, 247, 294, 295, 305, 307  
 MMH1, 50, 51  
 MMN1, 50  
 MMS1, 50  
 MMV1, 51  
 MP30, 133  
 MP31, 133  
 MP32, 133  
 MP33, 133  
 MP38, 134  
 MP38, 133  
 MP39, 133  
 MP80, 132  
 MP81, 132  
 MP82, 132  
 MP83, 132  
 MPBT, 133

## Transaction (Cont.)

MPDR, 133  
 MR8M, 451, 452  
 MR8M, 451  
 MR90, 442  
 MRBP, 433  
 MRBR, 436  
 MRBR, 437, 442  
 MRDC, 448  
 MRIS, 448  
 MRKO, 447  
 MRKO, 447, 448  
 MRNB, 448  
 MRP, 101,  
 MRP indicator, 73  
 MRRL, 443, 448  
 NACE, 191  
 NACE, 195  
 PB00, 86  
 PK05, 312  
 PK13N, 316  
 PKMC, 313  
 VA01, 263  
 VF01, 267, 305  
 VI01, 399  
 VI04, 399  
 VI11, 401  
 VL02N, 288, 292  
 VL06G, 288  
 VL06I, 378  
 VL10B, 285, 303  
 VL10D, 285  
 VL10G, 292  
 VL31N, 375  
 VL34, 374  
 VL60, 382, 387, 395  
 VL64, 374  
 VL71, 287  
 VOV6, 259  
 VT01N, 396  
 VT04, 387  
 VTLA, 298  
 WLB4, 329  
 WLB6, 320  
 WLB13, 329  
 WLBA, 326  
 XK01, 69

## Transaction (Cont.)

XK02, 300, 361  
 XK02, 69  
 XK03, 69  
 XK04, 70  
 XK05, 70  
 XK06, 70  
 XK07, 70  
 XK99, 70  
 Transactional data, 218  
 Transaction MIGO, 412  
   *action*, 413  
   *reference document*, 414  
 Transfer of goods, 269  
 Transfer posting, 250, 422  
 Transition, 170  
 Transmission, 170  
 Transportation, 38  
   *chain*, 385, 393  
   *planning point*, 385  
   *scheduling*, 371  
   *services*, 445  
   *tables*, 461  
 Transportation Management, 101, 437, 445  
 Transportation shipments  
   *costing*, 397  
 Travel time, 101  
 Trend model, 126  
 Trigger quantity, 315  
 Two-step stock transport order with  
   outbound delivery, 289  
 Two-step stock transport order without  
   outbound delivery, 277  
 Type  
   *define confirmation*, 365  
 Types of release strategies  
   *with classification*, 196  
   *without classification*, 196

**U**

Underdelivery tolerance, 84  
 Unit price, 156, 186  
 Unlimited overdelivery, 84  
 Unplanned services, 341

Unrestricted stock, 247, 407  
 Unrestricted-use stock, 305

**V**

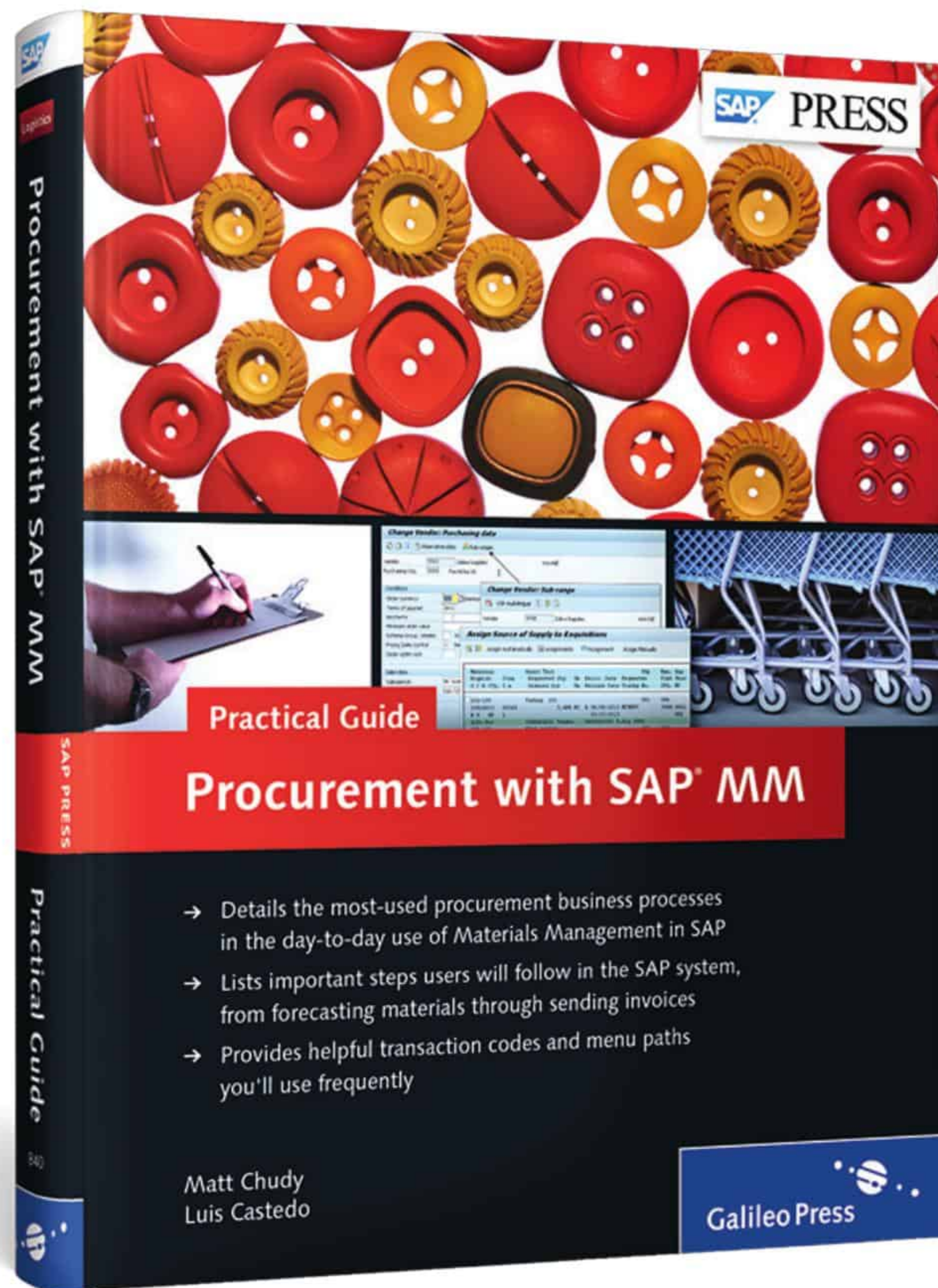
Valid from field, 48, 56  
 Validity date, 86, 236  
 Valuation area, 410  
 Valuation class, 55, 410  
 Valuation price, 410  
 Value contract, 162, 169  
 Value of orders, 219  
 Value of the contract, 168  
 Variances  
   *in the item*, 436  
   *in the item amount*, 436  
 Variant, 380  
   *for creation*, 392  
 Vendor, 57, 88, 153, 184, 230  
   *account*, 432  
   *batch*, 413  
   *consumption forecast*, 31  
   *customer*, 205  
   *data*, 82, 430  
   *deliveries*, 235  
   *field*, 78  
   *hierarchy*, 71  
   *master*, 205  
   *number*, 417  
   *partner role*, 162  
   *reference number*, 348  
   *send reminder*, 366  
 Vendor confirmation  
   *shipping*, 370  
 Vendor evaluation, 208  
   *main criteria*, 215  
   *overall score*, 215  
 Vendor invoice  
   *prepare for receipt*, 349  
 Vendor master, 32, 41, 59, 95, 300, 428, 442  
   *acknowledgement*, 363  
   *alternative purchasing data*, 65  
   *change*, 362  
   *Company Code Data section*, 61

Vendor master (Cont.)  
  *define confirmation control, 361*  
  *General Data section, 60*  
  *partner functions, 63*  
  *purchasing organization data, 61*  
  *record, 70*  
  *tables, 456, 457*  
Vendor MRP area, 119  
  *number, 41*  
  *order acknowledgement, 360*  
Vendor purchasing  
  *change, 362*  
Vendor subrange, 65, 66  
Vendor Subrange field, 83  
Volume discount, 88

## **W**

---

Warehouse, 25  
Warehousing, 19, 38  
WBS, 52  
Weekly buckets, 171  
Weekly requirements, 170  
Weighing factor, 217  
Weighted moving average, 127  
Weighting group, 129  
Weighting key, 217  
Winshuttle, 412  
Withholding tax, 61  
Work breakdown structure, 347  
Workflow, 198  
Worklist, 429



Matt Chudy, Luis Castedo

## Purchasing with SAP MM—Practical Guide

496 Pages, 2014, \$69.95

ISBN 978-1-59229-840-2

 [www.sap-press.com/H3292](http://www.sap-press.com/H3292)



**Matt Chudy** is an independent SAP Logistics consulting lead. He has more than 15 years of experience in SD, MM, and Logistics, spanning project administration, design, gap-analysis, testing, implementation, and supporting and training. He has been a strong team leader and covered several SAP project lifecycles. His specialties include Logistics Execution System, Transportation Management, Sales and Distribution, Inventory and Warehouse Management, Materials Management, and Production Planning. He currently lives in the greater Chicago area.



**Luis Castedo** is an independent systems and business consultant with more than 20 years of experience. For the past 16 years, he has been focused on SAP implementations. He has experience working with Fortune 500 companies and on multisite projects. He is a certified SAP MM consultant, and his specialties include Sales and Distribution, Materials Management, Inventory and Warehouse Management, Shipping, and Transportation. He currently lives in the Mexico City area.

Together, Matt and Luis have written the bestselling SAP PRESS books *Sales and Distribution in SAP ERP—Practical Guide* and *100 Things You Should Know About Sales and Distribution in SAP*.

*We hope you have enjoyed this reading sample. You may recommend or pass it on to others, but only in its entirety, including all pages. This reading sample and all its parts are protected by copyright law. All usage and exploitation rights are reserved by the author and the publisher.*