

Reading Sample

This sample chapter describes vendor master data, from general information like address and certifications to purchasing and accounting-specific details. It also provides real-world business examples to demonstrate the importance and use of accurate vendor master data.



"Vendor Master Data"



Contents



Index



The Authors

Martin Murray, Jawad Akhtar

Materials Management in SAP ERP

Functionality and Technical Configuration

739 Pages, 2016. \$79.95/€79.95

ISBN 978-1-4932-1357-3



www.sap-press.com/4062

The vendor master is as important to the accounting staff as it is to those in purchasing. The vendor's relationship with any company is twofold: negotiating price and supplying material through purchasing, and invoicing and receiving payment through accounts payable.

6 Vendor Master Data

The vendor master is a collection of data that fully describes the vendor's relationship with the company. The vendor normally will have an initial relationship with the purchasing department. Purchasing may have selected the vendor through its response to a request for quotation (RFQ) or because it's the sole vendor for a required material. However, before a vendor is authorized, the accounting department will ensure that the information it requires is available and satisfactory.

Just as a material master record isn't complete until all relevant departments have entered their data, the vendor master isn't complete until both the accounting and purchasing departments have entered their information.

The vendor master can be created using three transactions, each of them giving different views of the data to be entered for the vendor:

- ▶ Transaction XK01: Create Vendor Centrally (Section 6.1)
- ▶ Transaction FK01: Create Vendor via Accounting (Section 6.2)
- ▶ Transaction MK01: Create Vendor via Purchasing (Section 6.3)

6.1 General Data

Transaction XK01 enables accounting users to enter the ACCOUNT GROUP for the vendor and either the COMPANY CODE or PURCHASINGORGANIZATION, or both as shown in Figure 6.1. The vendor number may need to be entered if the account group is defined as allowing only external number assignment.

The vendor master can be created by referencing an existing vendor. To do this, use the REFERENCE section below the ACCOUNT GROUP field. This can be an efficient

method of creating vendors that may have the same or similar data. The following sections will lead you through the screens for this process.

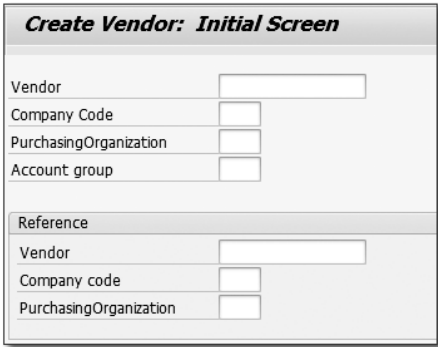


Figure 6.1 Entry Screen for Transaction XK01, Create Vendor

6.1.1 Address Screen

The initial screen of the vendor master is the CHANGE VENDOR: ADDRESS screen, shown in Figure 6.2. The information to be entered includes the vendor's NAME and address and communications data, including TELEPHONE, FAX, and EMAIL.

Title

This is the title for the vendor. If it's a company, then select the COMPANY option; otherwise, select the appropriate salutation. The titles for the business address forms can be configured in the IMG via the navigation path, IMG • FLEXIBLE REAL ESTATE MANAGEMENT • ADDRESS MANAGEMENT • MAINTAIN TEXTS FOR FORM OF ADDRESS.

Name

The NAME of the vendor should be consistent to avoid duplicate vendor entries. The purchasing department should create a template to follow so that the vendor name always appears the same way as it's entered into the vendor master. This will benefit the purchasing users during vendor searches.

Search Terms

The search term is used to find vendors. The entry of data into the SEARCH TERM 1/2 field can be structured so that purchasing users can easily remember the

criteria for this type of search. For example, the policy may be to enter a search term that is the first five characters of the vendor name plus the two-letter country code for the vendor's country location. For these criteria, the search term for Smith Brothers of London, England, is "SMITHGB", and the code for Lakshmi Machine of Coimbatore, India, is "LAKSHIN". There is no case sensitivity for this field.

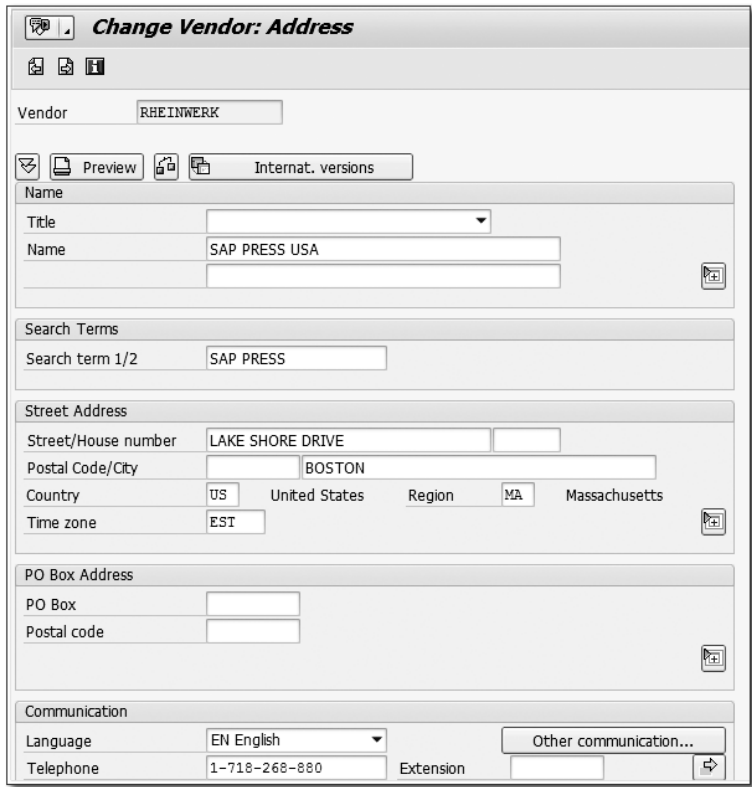


Figure 6.2 Create Vendor: Address Screen for the Vendor Master

Street Address

The STREET/HOUSE NUMBER field is the address of the vendor. The COUNTRY, REGION, and POSTAL CODE/CITY are used to calculate the tax jurisdiction code. If connected to an external tax system, such as Vertex or Taxware, the transaction may validate the address information that you enter to ensure that a valid tax jurisdiction code is obtained.

PO Box Address

Many companies use post-office boxes, and these fields allow that information to be added to the vendor master.

Communication

The COMMUNICATION fields should be kept up to date, especially because fax numbers and email addresses change at the vendor regularly.

6.1.2 Control Screen

The CREATE VENDOR: CONTROL screen shown in Figure 6.3 allows the accounting user to enter some general tax information and reference data.

Create Vendor: Control

Tax categories

VendorRHEINWERKSAP PRESS USBOSTON

Account control

Customer

Authorization

Trading Partner

Corporate Group

Tax information

Tax Number 1

Tax number type

Tax Number 2

Tax type

Tax Number 3

Tax Number 4

Fiscal address

Soc. Ins. Code

Tax Jur.

VAT Reg. No.

Rep's Name

Type of Busines

Tax office

Type of Industr

Tax Number

Equalizatn tax

Natural Person

Sales/pur.tax

Tax Split

Soc.insurance

Other...

Reference data

Location no. 1

Location no. 2

Check digit

Cred.info no.

Last ext.review

Industry

SCAC

Car.freight grp

ServAgntProcGrp

Transport.zone

Stat.gr.service

POD-relevant

Actual QM sys.

QM system to

Figure 6.3 Vendor Master Control Screen Allowing Tax Information Entries

Customer

This CUSTOMER field allows the purchasing user to enter the customer number for the vendor, if the vendor is both a vendor and a customer of the company. For example, a paper-pulping company may be a vendor for paper products to a particleboard manufacturer but also may be a customer for scrap particleboard that it can use in pulp creation.

Trading Partner

If the vendor is part of an independent company that has been designated in Financials (FI) for consolidation purposes, then it's possible to enter that company in this field as a trading partner. The companies are configured as internal trading partners in FI. The navigation path is IMG • ENTERPRISE STRUCTURE • DEFINITION • FINANCIAL ACCOUNTING • DEFINE COMPANY.

Corporate Group

The CORPORATE GROUP key is used to combine vendors to enhance the search capability. The group key is a 10-character string and isn't configured. Therefore, a policy for entering a group key must be established before any vendor entry commences.

For example, a user might create a group key based on the characters having meaning. This could be defined as the following:

- ▶ Characters 1 and 2: Country of vendor
- ▶ Characters 3 and 4: Industry code
- ▶ Characters 5 through 7: Minority indicator
- ▶ Character 8: ABC indicator
- ▶ Characters 9 and 10: Shipping conditions

Tax Number 1 and 2

These fields allow the accounting user to enter the tax identification number, or numbers, of the vendor. In the United States, this is the Employer Identification Number (EIN), or Social Security number (SSN), if the vendor is an individual. In France, this field is the SIRET number; in Spain, the NIF number; and so on for various countries.

Tax Type

The TAX TYPE can be assigned to the vendor to identify its position regarding sales- and use-tax responsibility.

Jurisdiction Code

The tax jurisdiction code is either determined in SAP by the information entered in the ADDRESS field or referenced from an external tax package, such as Vertex or Taxware. The tax jurisdiction code is valid only to vendors in the United States.

Country-Specific Tax Fields

Some of the fields on the vendor master control screen are specific to certain countries:

- ▶ TAX NUMBER TYPE
Specific to Argentina.
- ▶ EQUALIZATN TAX
Specific to Spain.
- ▶ SOLE PROPRIETR
Specific to 11 countries, including Italy, Peru, and Mexico.
- ▶ SALES/PUR. TAX
Specific to countries that levy value-added tax (VAT).
- ▶ VAT REG. NO.
The VAT number for the vendor, which is important in EU countries.
- ▶ FISCAL ADDRESS
Specific to Italy.

Global Location Number

In the CREATE VENDOR: CONTROL screen, the option is to enter the 13-digit global location number (GLN) of the vendor. In SAP, the number is divided into three fields, LOCATION NO. 1, LOCATION NO. 2, and CHECK DIGIT in the REFERENCE DATA section. The GLN is issued to a company to identify a legal, functional, or physical location within a business or organizational entity. GLNs are governed by strict rules to guarantee that each one is unique worldwide. The identification of locations by GLN is required for an efficient flow of goods and information between

trading partners through electronic data interchange (EDI) messages, payment slips, and so on. The GLN is often found as a bar code on documents.

Industry Key

The INDUSTRY key is another grouping to allow similar vendors to be grouped by industry. This field can also be found in customer master records. The INDUSTRY key can be configured using the navigation path, IMG • SALES AND DISTRIBUTION • BUSINESS PARTNERS • MARKETING • DEFINE INDUSTRY SECTOR FOR CUSTOMERS.

Standard Carrier Alpha Code

The National Motor Freight Traffic Association (NMFTA) in the United States maintains the Standard Carrier Alpha Code (SCAC). The NMFTA is a nonprofit membership organization with more than 1,000 motor-carrier members, regulated by the US Department of Transportation's Surface Transportation Board and various state and federal agencies.

The SCAC code is a four-letter string used to uniquely identify a shipping carrier. The SCAC code is frequently used in EDI, on the 856 Advance Ship Notice, the 850 Purchase Order, and all motor, rail, and water-carrier transactions where carrier identification is required. SCAC codes are mandatory when doing business with US government agencies.

Certain groups of SCAC codes are reserved for specific purposes:

- ▶ Codes ending with the letter U are reserved for the identification of freight containers.
- ▶ Codes ending with the letter X are reserved for the identification of privately owned railroad cars.
- ▶ Codes ending with the letter Z are reserved for the identification of truck chassis and trailers used in intermodal service.

Forwarding Agent Freight Group

This forward agent freight group key, identified in Figure 6.3 as CAR.FREIGHT GRP, is assigned to the forwarding agent to group together forwarding agents. For example, the company's transportation department may decide to group its freight forwarders by mode of transport. Therefore, the transportation staff could

configure three freight groups: rail, road, and shipping. The freight groups are part of the determination of freight costs. The configuration for freight groups can be found via the navigation path, IMG • LOGISTICS EXECUTION • TRANSPORTATION • BASIC TRANSPORTATION FUNCTIONS • MAINTAIN FREIGHT CODE SETS AND FREIGHT CODES • DEFINE FORWARDING AGENT – FREIGHT GROUPS.

Service-Agent Procedure Group

The freight costs can be calculated as part of the pricing procedure. To calculate the correct freight costs, the service-agent procedure group (SERVAGNTPROCGRP) has a range of forwarding agents assigned to it. The service-agent procedure group is then assigned to a pricing procedure to calculate freight costs. The group can be configured using the navigation path, IMG • LOGISTICS EXECUTION • TRANSPORTATION • SHIPPING COSTS • PRICING • PRICING CONTROL • DEFINE AND ASSIGN PRICING PROCEDURES • DEFINE SERVICE AGENT PROCEDURE GROUP.

Vendor's Quality Management System

Many government agencies require that the Quality Management (QM) systems used by a vendor meet certain levels of verification. These verifications are the level of certification of the system, that is, ISO 9001, ISO 9002, and so on. The verification levels can be configured in Transaction OQB7 or via the navigation path, IMG • QUALITY MANAGEMENT • QM IN LOGISTICS • QM IN PROCUREMENT • DEFINE QM SYSTEMS.

QM System Valid-To Date

The QM SYSTEM TO date field is the expiry date of the certification of the vendor's QM system. For example, a company that has an ISO 9001:2000 certification has to renew it every three years according to ISO certification regulations.

External Manufacturer Code Name or Number

This field can be used to hold a number or reference for the vendor but isn't the vendor number. For example, this field could be used to enter a nickname for a company; SCT may be entered as a shortened version of Southwark Clapton and Thomas. The field allows up to 10 characters.

6.1.3 Payment Transactions

The CREATE VENDOR: PAYMENT TRANSACTIONS screen, shown in Figure 6.4, allows the accounting department to add information on the bank details of the vendor and the payment instructions.

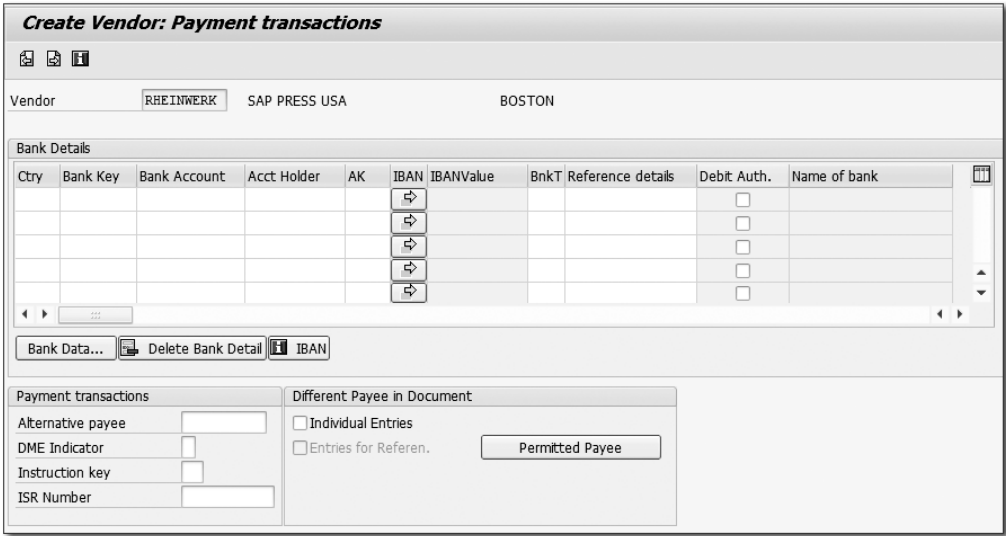


Figure 6.4 Create Vendor: Payment Transaction Screen of the Vendor Master

Bank Details

The BANK DETAILS section allows the entry of the following bank details of the vendor. More than one bank account can be added for each vendor.

- ▶ CTRY (country)
Enter the country where the vendor's bank is located.
- ▶ BANK KEY
The bank key can be selected from the matchcode with the country code entered. The bank key can be entered as the bank routing number (US), the bank sort code (GB), or other country-specific bank identification. The bank key isn't entered through configuration but can be created in FI via Transaction FI01. All details for the bank can be created within that transaction. After entering the BANK KEY in the CREATE VENDOR: PAYMENT TRANSACTIONS screen, you can see the relevant bank details by clicking on the BANK DATA button beneath the BANK DETAILS table.

- ▶ **BANK ACCOUNT**
The field allows the accounting department to enter the bank account number for the vendor at the bank. The BANK ACCOUNT field can be entered up to 18 characters in length.
- ▶ **ACCT HOLDER**
If the bank account isn't in the name of the vendor or the vendor company, then the account holder of the bank account can be entered in this field. This field can accommodate a name of up to 60 characters.
- ▶ **AK (bank control key)**
The AK field is specific to each country. In some countries, there is no information to enter; in others, such as France, Spain, Japan, and the United States, the field is used. In the United States, the field content should be "01" for a checking account and "02" for a savings account. Check with your accounting department to ensure that the correct information is entered into the field for the given country.
- ▶ **IBAN (International Bank Account Number)**
The IBAN was designed because of growing pressure to improve the efficiency of cross-border payments in Europe with respect to cost, speed, and quality. Such improvements required easier validation of foreign bank account numbers. The IBAN design provided a standard method to enable the cross-border account number formats to be recognized and validated. The IBAN is additional information put on the front of the national account number format of each country:
 - ▶ Check digits and a single simple algorithm perform validation. The algorithm covers the whole IBAN and ensures that individual digits aren't transposed.
 - ▶ Recognition is in two parts. The IBAN commences with the ISO 3166 two-letter country code. It's therefore easy to recognize the country in which the account is held. Within the national account identifier part of the IBAN, the ISO standard requires that the bank be unambiguously identified.
 - ▶ The length of the IBAN isn't standard across countries. The length can range from 28 characters in Hungary and Cyprus to only 15 characters in Norway.
- ▶ **BNKT (partner bank type)**
If the vendor has more than one bank account, then this field allows the accounting user to specify in what sequence the accounts are used by entering a value in this key field. This value can then be used in the line-item payments.

- ▶ **REFERENCE DETAILS (reference specifications for bank details)**
This field can be used in countries where additional information or authorization is needed. This information is normally required in Norway and the United Kingdom.
- ▶ **DEBIT AUTH.**
This field denotes the code of the debiting authority.
- ▶ **NAME OF BANK**
This field is enable user to maintain the name of the bank involved in the payment.

Payment Transactions

The PAYMENT TRANSACTIONS section contains the following fields:

- ▶ **ALTERNATIVE PAYEE**
This field can be used to enter another vendor number to whom the automatic payments are made. The alternative payee may be needed if the vendor's bank accounts have been frozen.
- ▶ **DME INDICATOR**
This key is only used for data medium exchange (DME) in Germany. The DME engine enables a company to define file formats that meet the requirements of their financial institution. As there is no standard set, each country can have different formats, and the DME allows SAP to read an incoming file that isn't in the correct country format.
- ▶ **INSTRUCTION KEY**
For DME, this field controls which statements are given to the banks during the payment order. This is used in Germany, Spain, Norway, Japan, and other countries, as well as for the SWIFT format.

SWIFT

The Society for Worldwide Interbank Financial Telecommunication (SWIFT) is a financial industry-owned cooperative. It supplies secure, standardized messaging services and interface software to more than 7,800 financial institutions in more than 200 countries. Many institutions use the MT-103 Single Customer Credit Transfer customer transfer format for one-off credit transfers and repetitive instructions, such as lease payments.

► ISR NUMBER

The ISR number is a special payment procedure of the Swiss Postal Service that is only relevant within Switzerland. Inpayment slip with reference number (ISR) is an electronic debtor service that allows the customer to bill open invoices in Swiss Francs (CHF) and Euros (EUR) in a simple manner and to quickly post incoming payments.

The next section shows the accounting information that can be added for the vendor master record using Transaction FK01.

6.2 Accounting Information

Transaction FK01 enables the accounting users to enter the account code for the vendor and the company code. The vendor number may need to be entered if the account group is defined as only allowing external number assignment. The CREATE VENDOR: ACCOUNTING INFORMATION ACCOUNTING screen is shown in Figure 6.5.

Create Vendor: Accounting information Accounting

Vendor

RHEINWERK

SAP PRESS USA

BOSTON

Company Code

3000

BestRun USA

Accounting information

Recon. account

196300

Sort key

Head office

Subsidy indic.

Authorization

Cash mgmnt group

A1

Domestic

Minority indic.

Release group

Certificatn date

Interest calculation

Interest indic.

Last key date

Interest cycle

Last interest run

Withholding tax

W. Tax Code

Exemption number

WH Tax Country

Valid until

Recipient type

Exmpt.authority

Reference data

Prev.acct no.

Personnel number

Default data for tax reports

Activity Code

Distr. Type

Figure 6.5 Accounting Screen for Transaction FK01, Create Vendor

In this section we will discuss maintaining accounting information, payments, and correspondence details.

6.2.1 Accounting Information

The CREATE VENDOR: ACCOUNTING INFORMATION ACCOUNTING screen allows the accounting department to enter relevant data about accounting, interest calculation, and withholding tax as it relates to this vendor within the given company code.

Reconciliation Account

The reconciliation account (RECON. ACCOUNT) is an individual General Ledger (GL) account. A reconciliation account is recorded in line-item detail in the subledger and summarized in the GL. The detailed information entered into the reconciliation account is all line-item data from the vendor account. These reconciliation accounts in the subledger are important and must be maintained for vendors, for customers, and for asset accounts.

The reconciliation in the GL is at the summary level and is used to reconcile against the vendor account at the total level. However, the subledger can be used to identify line-item data if necessary.

A reconciliation account can be created using Transaction FS01. When creating a reconciliation account, remember that the account must be a balance sheet account, the account group must be selected as a reconciliation account, and the RECON. ACCOUNT field must be entered as vendor.

Sort Key

The SORT KEY allows the user to select a sort for the allocation field. The system sorts the document line items based on the key entered in the allocation field. Therefore, if the user selects the SORT KEY 008, then the sort of the line items will be by the allocation 008, which is by cost center.

Head Office

This field allows an entry of a vendor number, which represents the head office or master account for this vendor. Payments are made from the head office

account, whereas purchase orders (POs), deliveries, or invoices are posted to the branch account.

Authorization Group

The AUTHORIZATION group is a way of increasing security on certain objects. Entering an authorization group in this field restricts access to the object to those users who have this authorization group in their SAP profiles.

Cash Management Group

In the Cash Management functionality, it's possible to allocate vendors to a planning group. This planning group helps the cash-management department have better information to produce or plan the company's cash forecast.

Release Group

The release-approval group can be defined and configured to allow only those in the group to be able to "release for payment." The RELEASE GROUP can be configured via the navigation path, IMG • FINANCIAL ACCOUNTING • ACCOUNTS RECEIVABLE AND ACCOUNTS PAYABLE • BUSINESS TRANSACTIONS • RELEASE FOR PAYMENT • DEFINE RELEASE APPROVAL GROUPS FOR RELEASE FOR PAYMENT.

Minority Indicator

The MINORITY INDIC. field is only relevant for implementations in the United States. Configuration is required to enter the relevant information because there are no predefined fields in SAP. Many companies are asked by federal and local officials to report on the level of minority vendors supplying material to them.

Virginia Polytechnic Institute's Purchasing Guidelines (2004) describes a minority vendor as the following:

. . . a business that is owned and controlled by one or more socially and economically disadvantaged persons. Such disadvantage may arise from cultural, racial, chronic economic circumstances or background, or other similar cause. A minority-owned business is at least 51% owned and controlled by one or more such disadvantaged persons. Additionally, the management and daily business operations must be controlled by one or more such individuals. Minority means any African American,

Hispanic American, Native American, or Alaskan American, Asian, or a person of Pacific Island descent who is either a citizen of the United States or a permanent resident.

To configure the MINORITY INDIC. field, use the navigation path, IMG • FINANCIAL ACCOUNTING • ACCOUNTS RECEIVABLE AND ACCOUNTS PAYABLE • VENDOR ACCOUNTS • MASTER DATA • PREPARATIONS FOR CREATING VENDOR MASTER DATA • DEFINE MINORITY INDICATORS.

Certification Date for Minority Vendors

The certification expiration date for the minority vendor field is only relevant for implementations in the United States. The certification for a minority vendor has an expiration date. This is required to be entered for the US government.

Interest Calculation Indicator

If this account is suitable for automatic interest, then an interest calculation indicator must be selected. These interest calculations can be configured by the accounting department via the navigation path, IMG • FINANCIAL ACCOUNTING • ACCOUNTS RECEIVABLE AND ACCOUNTS PAYABLE • BUSINESS TRANSACTIONS • INTEREST CALCULATION • INTEREST CALCULATION GLOBAL SETTING • DEFINE INTEREST CALCULATION TYPES.

Interest Cycle

This field allows the accounting department to select a period that specifies when the interest calculation is run for this vendor. The period can range from monthly to yearly.

Withholding Tax Code

Withholding tax generally refers to an income tax on foreign vendors from country B and applies to those that aren't resident in country A but derive incomes from profits, interest, rentals, royalties, and other incomes from sources in country A. The company from country A will be the withholding agent. An income tax of a certain percentage will be withheld on such incomes by the company from country A, which should turn the amount of taxes on each payment over to

the local state treasury and submit a withholding income tax return to the local tax authority.

Withholding Tax Country Key

This field can be used in some countries that require this additional country key to calculate or report on withholding tax.

Vendor Recipient Type

In the United States, Form 1042 is the annual taxable return used by withholding agents to report tax withheld on US source income paid to certain nonresident individuals and corporations. The withholding agent issues a Form 1042S, "Foreign Person's US Source Income Subject to Withholding." The 1042 requires that a recipient type be entered. That two-digit code can be configured into SAP. Some examples of this code are 01 (individuals), 02 (corporations), 06 (foreign governments), 11 (US branch treated as a US person), and so on.

The RECIPIENT TYPE field is also used in Spain for similar reporting. The RECIPIENT TYPE field can be configured via the navigation path, IMG • FINANCIAL ACCOUNTING • ACCOUNTS RECEIVABLE AND ACCOUNTS PAYABLE • VENDOR ACCOUNTS • MASTER DATA • PREPARATIONS FOR CREATING VENDOR MASTER DATA • CHECK SETTINGS FOR WITHHOLDING TAX • MAINTAIN TYPES OF RECIPIENT.

Exemption Number

If a vendor is exempt from withholding tax and has an exemption certificate, then that number should be entered on the vendor master record.

Validity Date for Exemption

The exemption certificate has an expiration date that should be entered in the VALID UNTIL field. Often, the certificate is extended, so the date of expiry should be updated when necessary.

Exemption Authority

On the IRS form 1042S, a code is required for explaining why there is no withholding tax. This code can be configured into SAP and entered on the vendor

master. Examples of this code are 01 (income effectively connected with a US trade or business), 03 (income isn't from US sources), and 07 (withholding foreign partnership).

Previous Account Number

This field can be used if the vendor master has been renumbered, or you want to store the legacy vendor number.

Personnel Number

If a vendor is also an employee, then this field will accommodate the employee's personnel number.

6.2.2 Payment Transactions

The screen shown in Figure 6.6 allows the accounting user to add vendor information on the automatic payment transaction, such as PAYMENT METHODS, ALTERNAT.PAYEE, and HOUSE BANK, and payment data, such as PAYT TERMS and TOLERANCE GROUP.

Figure 6.6 Payment Transactions Accounting Screen for Transaction FK01, Create Vendor

Payment Terms

The payment terms are defined to allow the vendor to offer cash discounts and favorable payment periods to the company. In many accounts payable departments, before e-commerce came along, the rule was to pay the vendor as close as possible to the last day of the agreed payment period to maximize the day's payables and keep the cash within the company. However, over the past 10 years, vendors have been offering incentives to companies for fast payment, and purchasing departments have responded by implementing best practices for paying vendors as soon as the invoice arrives, or sooner.

The PAYT TERMS on the vendor master record are entered by the accounting department and are configured if the payment terms aren't found on the system. The payment terms can be configured via the navigation path, IMG • FINANCIAL ACCOUNTING • ACCOUNTS RECEIVABLE AND ACCOUNTS PAYABLE • BUSINESS TRANSACTIONS • INCOMING INVOICES/CREDIT MEMOS • MAINTAIN TERMS OF PAYMENT.

Tolerance Group

A tolerance is a percentage or a value that is the limit to which an event can deviate. For example, a tolerance of 10% on a line item that is expected to be delivered with 100 units will allow a delivery of 109, which is under the 10% tolerance. A delivery of 111 won't be allowed because it's over the 10% tolerance. A tolerance group is a set of tolerances that are configured and assigned to a vendor if necessary. Each tolerance group is defined for a unique company code as shown in Figure 6.7.

The TOLERANCE GROUP can be configured in Transaction OBA3 or via the navigation path, IMG • FINANCIAL ACCOUNTING • ACCOUNTS RECEIVABLE AND ACCOUNTS PAYABLE • BUSINESS TRANSACTIONS • OPEN ITEM CLEARING • CLEARING DIFFERENCES • DEFINE TOLERANCES FOR CUSTOMERS/VENDORS.

Check Flag for Double Invoices

This indicator should be set if the accounting department wants the system to check for double or duplicate invoices when they are entered.

Change View "Customer/Vendor Tolerances": Details

New Entries

Company Code

3000

BestRun USA

New York

Currency

USD

Tolerance group

3000

Specifications for Clearing Transactions

Grace days due date

5

Cash Discount Terms Displayed

0

Arrears Base Date

Permitted Payment Differences

	Amount	Percent	Adjust Discount By
Gain	999.00	10.0 %	2.00
Loss	5.00	0.5 %	2.00

Permitted Payment Differences for Automatic Write-Off (Function Code AD)

	Amount	Percent
Rev.		%
Expense		%

Specifications for Posting Residual Items from Payment Differences

☒ Payment Term from Invoice

Fixed payment term

☒ Only grant partial cash disc

Dunning key

Tolerances for Payment Advices

	Amount	Percent
Outst.receiv.from		%
Outst.payable from		%

Figure 6.7 Data to Be Entered for a Tolerance Group

Check Cashing Time

The value of the check-cashing time is used in Cash Management to calculate the cash outflow. The entry in this field can be calculated by analysis of the issue-to-cash date and an average used.

Payment Methods

The payment method entered here is used if there is no payment method entered in the line item. The options for this field can be configured via the navigation path, IMG • FINANCIAL ACCOUNTING • ACCOUNTS RECEIVABLE AND

ACCOUNTS PAYABLE • BUSINESS TRANSACTIONS • OUTGOING PAYMENTS • AUTOMATIC OUTGOING PAYMENTS • PAYMENT METHOD • SET UP PAYMENT METHODS PER COUNTRY FOR PAYMENT TRANSACTIONS.

Payment Block

The accounting department can enter a PAYMENT BLOCK on the vendor master that will prevent any open items from being paid. The payment block keys are defined in configuration via Transaction OB27 or via the navigation path, IMG • FINANCIAL ACCOUNTING • ACCOUNTS RECEIVABLE AND ACCOUNTS PAYABLE • BUSINESS TRANSACTIONS • OUTGOING PAYMENTS • OUTGOING PAYMENTS GLOBAL SETTINGS • PAYMENT BLOCK REASONS • DEFINE PAYMENT BLOCK REASONS.

House Bank

The HOUSE BANK can be entered if the same bank is always used. This field negates the configuration on the bank selection screen. The house bank is defined as a business partner that represents a bank through which a company can process its own internal transactions.

Individual Payment Indicator

If this indicator is set, then every item is paid individually rather than having the items combined and paid. Some vendors require that items are individually paid and not combined with other line items on the invoice.

Bill of Exchange Limit

A bill of exchange is a contract entitling an exporter to receive immediate payment in the local currency for goods that will be shipped elsewhere. Time elapses between payment in one currency and repayment in another, so the interest rate will also be brought into the transaction. The accounting department will determine whether the vendor requires a bill of exchange limit.

Payment Advice by EDI

If this indicator is set, then all payment advices to this vendor should be sent via EDI.

6.2.3 Correspondence Screen

The CREATE VENDOR: CORRESPONDENCE ACCOUNTING screen, shown in Figure 6.8, allows the entry of data for dunning and correspondence. Dunning is a system-generated reminder to let the vendor know they need to submit invoices for the delivered goods or services rendered.

Figure 6.8 Screen for Entering Correspondence and Dunning Information

Dunning Procedure

Normally dunning involves sending reminder letters to customers for payment. However, in this case, dunning relates to reminding vendors to deliver the material from the POs.

The DUNN.PROCEDURE field can be selected to reflect how the dunning should be carried out for this vendor. The dunning procedure can be configured in Transaction FBMP or via the navigation path, IMG • FINANCIAL ACCOUNTING • ACCOUNTS RECEIVABLE AND ACCOUNTS PAYABLE • BUSINESS TRANSACTIONS • DUNNING • DUNNING PROCEDURE • DEFINE DUNNING PROCEDURES.

Dunning Block

If a DUNNING BLOCK is selected, then the vendor isn't selected for the dunning run. The DUNNING BLOCK can be entered at any time. The DUNNING BLOCK can be defined via the navigation path, IMG • FINANCIAL ACCOUNTING • ACCOUNTS RECEIVABLE AND ACCOUNTS PAYABLE • BUSINESS TRANSACTIONS • DUNNING • BASIC SETTINGS FOR DUNNING • DEFINE DUNNING BLOCK REASONS.

Dunning Recipient

This field should be completed if the vendor isn't the recipient of the dunning notices. If the correspondence should go to a central office or production site, then that vendor number should be entered.

Legal Dunning Procedure

If the dunning procedure that has been undertaken against a vendor hasn't been successful, then there is the option of legal dunning. Attorneys can carry this out, and documents can be produced through the SAP system. A separate form should be identified for this legal-dunning procedure.

The LEGAL DUNN.PROC. field allows entry of the date when legal dunning procedures began.

Last Dunned

This is simply the date on which the vendor was last sent a dunning document.

Dunning Level

This field indicates how many times the vendor has been dunned. This field is updated when a new dunning notice is sent.

Dunning Clerk

The dunning clerk is the person in the accounting department who is responsible for the dunning of this vendor. A two-character field identifies the dunning clerk. This DUNNING CLERK field is configured via the navigation path, IMG • FINANCIAL ACCOUNTING • ACCOUNTS RECEIVABLE AND ACCOUNTS PAYABLE • VENDOR ACCOUNTS •

MASTER DATA • PREPARATIONS FOR CREATING VENDOR MASTER DATA • DEFINE ACCOUNTING CLERKS.

Account Statement Indicator

This indicator allows the accounting department to define when the vendor will receive its periodic statements. The vendor may receive them weekly, monthly, or yearly.

Accounting Clerk

The ACCTG CLERK field uses the same lookup table as the dunning clerk. The accounting clerk doesn't necessarily have to be the same as the dunning clerk. However, if the DUNNING CLERK field isn't entered, then the dunning clerk is assumed to be the same as the accounting clerk.

Account with Vendor

If known, the account number that the vendor uses to identify the company should be entered here. It's often found on the vendor's invoice.

Vendor Clerk Information

The last fields on this screen relate to information concerning the person at the vendor who has been assigned to manage the day-to-day operations between your company and your vendor.

6.3 Purchasing Data

The purchasing data for the vendor can be entered via Transaction MK01. Figure 6.9 shows the purchasing information to be entered in the vendor master. Some of the fields on the PURCHASING DATA screens have already been discussed in Section 6.1 and Section 6.2.

The purchasing information is divided into a number of sections, discussed further in subsequent sections. Figure 6.9 shows the condition data and sales data.

Vendor

RHEINWERK

SAP PRESS USA

BOSTON

Purchasing Org.

3000

PurchOrg US

Conditions

Order currency

USD

American Dollar

Terms of paymnt

Incoterms

Minimum order value

Schema Group, Vendor

☐

Standard procedure vendor

Pricing Date Control

☐

No Control

Order optim.rest.

Sales data

Salesperson

Telephone

Acc. with vendor

Figure 6.9 First Part of the Purchasing Information Screen of the Vendor Master Using Transaction MK01

6.3.1 Conditions

The conditions data includes the ORDER CURRENCY, TERMS OF PAYMNT, and other related purchase information used in POs.

Order Currency

The ORDER CURRENCY to be used on POs with this vendor can be entered here. The currency is usually that of the vendor's country or that of the purchasing department.

Incoterms

INCOTERMS make international trade easier and help vendors and customers in different countries understand each other. Incoterms are standard trade definitions used in international contracts. The International Chamber of Commerce (ICC) based in Paris, France, devised these. The latest version is Incoterms 2010 which has been translated into 31 languages.

The 11 Incoterms, as shown in Table 6.1, are divided into two groups:

- ▶ Any mode of transport for arrival or departure (Group 1)
- ▶ Sea and inland waterway transport only (Group 2)

Group	Incoterm	Long Name	Location
1	EXW	Ex Works	Named place
1	DAP	Delivered at Place	Destination
1	DAT	Delivered at Terminal	Destination
1	DDP	Delivery Duty Paid	Destination
1	CIP	Carriage, Insurance Paid	Destination
1	CPT	Carriage Paid To	Destination
1	FCA	Free Carrier	Named place
2	CFR	Cost and Freight	Port of destination
2	CIF	Cost, Insurance, Freight	Port of destination
2	FAS	Free Alongside Ship	Port of destination
2	FOB	Free on Board	Port of destination

Table 6.1 Incoterms 2010

Vendor Schema Group

The calculation schema is used to determine the pricing procedure for the vendor with relation to purchasing documents. The schema group can be configured via the navigation path, IMG • MATERIALS MANAGEMENT • PURCHASING • CONDITIONS • DEFINE PRICE DETERMINATION PROCESS • DEFINE SCHEMA GROUP.

Pricing Date Control

The PRICING DATE CONTROL is used to determine the date on which the pricing determination will take place. For example, if the purchasing department decided to select the PO date, then the new price is calculated at the creation of the PO with the vendor.

Order Optimum Restrictions

This field allows a user to enter a key for PO-based load building. The field identifies whether a vendor is included in optimized load building or whether the target values are to be taken into account in optimized load building.

6.3.2 Sales Data

The SALES DATA refers to the sales department person at the vendor who deals with your company. Most vendors will have a contract person whose information should be entered in this section.

Salesperson

This is the name of the person at the vendor who is the contact for the purchases from your company. This can either be the salesperson or sales clerk.

Telephone

This is the vendor's telephone contact number and is used when a PO is created.

Account with Vendor

This is the customer number that the vendor uses for your company. This can be found on documentation from the vendor. Figure 6.10 shows the CONTROL DATA, DEFAULT DATA MATERIAL, and SERVICE DATA sections.

Control data

☐ GR-Based Inv. Verif.

☐ AutoEvalGRSetmt Del.

☐ AutoEvalGRSetmt Ret

☐ Acknowledgment Reqd

☐ Automatic purchase order

☐ Subsequent settlement

☐ Subseq. sett. index

☐ B.vol.comp./ag.nec.

☐ Doc. index active

☐ Returns vendor

☐ Srv.-Based Inv. Ver.

ABC indicator

ModeOfTrnsprt-Border

Office of entry

Sort criterion

PROACT control prof.

☐ Revaluation allowed

☐ Grant discount in kind

☐ Relevant for Price Det. (Vendor Hierarchy)

☐ Relevant for agency business

Shipping Conditions

☐ RMA Required

By VSR sequence number

Default data material

Purchasing group

Planned deliv. time

Confirmation Control

Unit of measure grp

Rounding Profile

Service data

Price marking agreed

Rack-jobbing service agreed

Order entry by vendor

Serv. level

Figure 6.10 Second Part of the Purchasing Information Screen of the Vendor Master Using Transaction MK01

6.3.3 Control Data

The control data for the vendor is made up of a number of indicators that are used in procurement functionality.

Goods Receipt-Based Invoice Verification

Setting the GR-BASED INV. VERIF. indicator allows the system to perform Invoice Verification based on the goods receipt amounts. Invoice Verification involves the three-way matching of the PO, goods receipt, and the invoice to ensure that the totals are correct and the invoice can be paid.

Automatic Evaluated Receipt Settlement

The Evaluated Receipt Settlement (ERS) agreement (AUTOEVALGRSETMT DEL.) is created between the vendor and the purchasing department. The agreement allows the purchasing department to send payments for the goods received at the time those materials are posted into stock. The vendor won't send an invoice for the material sent. This method of ERS, sometimes called a two-way match, is designated a best practice by many purchasing experts.

Acknowledgement Required

This indicator determines whether the vendor is supposed to send an acknowledgement that it has received the order. This can be sent via EDI.

Automatic Purchase Order

If a purchase requisition has been created and assigned to this vendor, then an automatic PO can be created if this indicator is set. This reduces work for the purchasing department.

Subsequent Settlement

The vendor may offer some kind of incentive to the purchasing department to purchase more material. This may take two forms. One may be an instant reduction in price—a promotional price—for a given period. The second incentive may take the form of the subsequent settlement. This is an agreement between the

vendor and the purchasing department under which, depending on how much material is purchased, a rebate is offered at the end of an agreed period.

For example, an office supply vendor agrees to give a 10% rebate for the total amount of purchases over a three-month period. This may have a provision that the total amount of purchases must be more than 50% greater than for the same period in the previous year. If the purchases are in excess of the 50%, then the subsequent settlement with the vendor takes place at the end of the period. The vendor gives a 10% rebate on all of the purchases over that period.

Business-Volume Comparison/Agreement Necessary

If the B.VOL.COMP./AG.NEC indicator is set, data must be compared between the vendor and the purchasing department before any subsequent settlement is posted. In the example of the office supply vendor, the agreement may depend on the comparison of the files from both parties.

Document Index Active

The document index is a way of automatically adjusting the purchasing documents if the conditions change.

Service-Based Invoice Verification

Some vendors provide services, and the work performed is entered using service-entry sheets. If the SRV.-BASED INV. VER. indicator is set, the acceptance is carried out at the level of the service-entry sheet.

ABC Indicator

The ABC INDICATOR is used for many objects in SAP. The ABC indicator for vendors relates to the amount of sales the vendor does with the company. The ABC INDICATOR is manually entered.

Mode of Transport for Foreign Trade

The MODEOFTRNSPRT-BORDER indicator is used if the vendor is involved in foreign trade. The mode of transport is defined for each country; this field determines how the vendor transports material. The field can be configured via the

navigation path, IMG • MATERIALS MANAGEMENT • PURCHASING • FOREIGN TRADE/CUSTOMS • TRANSPORTATION DATA • DEFINE MODES OF TRANSPORT.

Office of Entry

The OFFICE OF ENTRY field defines where the material purchased from this vendor will enter the country or leave in the case of a return. The office of entry is the customs office and is configured via the navigation path, IMG • MATERIALS MANAGEMENT • PURCHASING • FOREIGN TRADE/CUSTOMS • TRANSPORTATION DATA • DEFINE CUSTOMS OFFICES.

Sort Criterion

This field allows the purchasing department to sort the delivery items from the vendor in a specific manner. The default is by vendor subrange (VSR), but the sort can be by material number, material group, or EAN.

Grant Discount in Kind

A vendor is labeled as granting discount in kind when that vendor offers materials to the purchasing department free of charge as an incentive to purchase.

Relevant for Price Determination for Vendor Hierarchy

If the vendor master record represents a node in a customer hierarchy, the pricing indicator determines whether the node is relevant for pricing. If you're maintaining the vendor master record for a customer hierarchy node and want to create pricing condition records for the node, this indicator must be set.

6.3.4 Default Data Material

This section of vendor data includes the defaults that are used in purchasing processes and documents. These fields include the PURCHASING GROUP who deals with the vendor, the PLANNED DELIV. TIME, and the CONFIRMATION CONTROL key.

Purchasing Group

The PURCHASING GROUP that most often deals with this vendor can be entered. The purchasing group can be associated with one or more vendors.

Planned Delivery Time

This is the average time it takes for a material to be delivered from this vendor. If the vendor supplies many materials, then this field may not be useful if the delivery time differs for each material the vendor supplies. In such cases, it makes sense to maintain planned delivery time in a purchasing information record that we'll cover in Chapter 7.

Confirmation Control Key

A CONFIRMATION CONTROL key can be entered that determines which confirmation categories are expected from a PO item. The CONFIRMATION CONTROL key defines the confirmation sequence that is expected from the vendor. The confirmation sequence specifies the order in which the individual confirmations defined in a CONFIRMATION CONTROL key are expected and which confirmation categories are to be automatically monitored. For example, the CONFIRMATION CONTROL key 0001 can be configured to expect an order acknowledgement and a shipping notification.

The CONFIRMATION CONTROL key is configured in the IMG via the navigation path, IMG • MATERIALS MANAGEMENT • PURCHASING • CONFIRMATIONS • SET UP CONFIRMATION CONTROL.

Unit of Measure Group

The UNIT OF MEASURE GRP is entered to define the allowed units of measure, those defined as part of the unit of measure group. This should be entered when the rounding profile is used.

The unit of measure group is configured in the IMG via the navigation path, IMG • MATERIALS MANAGEMENT • PURCHASING • ORDER OPTIMIZING • QUANTITY OPTIMIZING AND ALLOWED LOGISTICS UNITS OF MEASURE • UNIT OF MEASURE GROUPS.

Rounding Profile

The ROUNDING PROFILE can be entered that determines how the material quantity is rounded to optimize the order. The rounding profile reviews and rounds the quantity depending on the threshold value in the profile.

The ROUNDING PROFILE is configured in the IMG via the navigation path, IMG • MATERIALS MANAGEMENT • PURCHASING • ORDER OPTIMIZING • QUANTITY

OPTIMIZING AND ALLOWED LOGISTICS UNITS OF MEASURE • UNIT OF MEASURE ROUNDING RULES.

6.3.5 Service Data

The SERVICE DATA section describes a number of fields related to retail companies and load building.

Price Marking Agreement

The vendor and customer enter into a price marking agreement. The vendor will apply price labels to the materials prior to shipping to the customer.

Rack-Jobbing Service Agreement

Retail companies use this field. If the indicator is set, then the vendor will be responsible for stock planning/replenishment and for filling the shelves at the retail outlet.

Order Entry by Vendor

When this indicator is set, the vendor is responsible for entering the PO. The order can be created in the background as a result of an EDI order confirmation received from the vendor.

Vendor Service Level

This field is used for automatic PO-based load building. If the service level drops below the desired value, SAP will attempt to order an entire load of goods for this vendor.

6.3.6 Partner Functions

The CREATE VENDOR: PARTNER FUNCTIONS screen shown in Figure 6.11 allows the purchasing user to define the relationships between the vendor and the company. A vendor can vary in size from a sole proprietor to the largest multinational company. To best describe the vendor's various operations, partner functionality can be described. The partner functions are used for both customers and vendors.

Create Vendor: Partner functions

Different Data

Partner address

Delete line

Vendor

RHEINWERK

SAP PRESS USA

BOSTON

Purchasing Org.

3000

PurchOrg US

Partner Functions

Partner function	Name	Number	Name	DP
VN	Vendor	RHEINWERK	SAP PRESS USA	<input type="checkbox"/>
				<input type="checkbox"/>

Figure 6.11 Partner Functions for the Vendor Master Using Transaction MK01

Table 6.2 provides a selection of the available vendor partner codes.

Partner Code	Description
AZ	Alternative payment recipient
CA	Contract address
CP	Contact person
ER	Employee responsible
GS	Goods supplier
OA	Ordering address
PI	Invoice presented by
VN	Vendor

Table 6.2 List of Partner Functions

Basically, the PARTNER FUNCTION allows the purchasing department to determine what function the vendor performs within the larger vendor organization. For example, a multinational auto parts manufacturer may supply material to your company, so you've created a vendor number (VN) for them. However, the address to which you send the POs may be a separate address in a separate division of the manufacturer's business. Therefore, you create a vendor number for the ordering address (OA), and that record is entered into the PARTNER FUNCTION screen for the VN VENDOR.

Further, there may be a separate contact address (CA) for a vendor that supplies the invoices (PI), and an alternative payee (AZ). All of these can be created and entered into the PARTNER FUNCTIONS screen of the VN partner.

The partner functions are assigned to the vendor account groups. For example, the vendor account group 0001 may have different partner functions from the vendor account group LIEF.

The partner function can be defined in configuration via the navigation path, IMG • MATERIALS MANAGEMENT • PURCHASING • VENDOR MASTER • VENDOR HIER-ARCHY • DEFINE PARTNER DETERMINATION.

6.4 Business Examples: Vendor Master Data

This chapter shows that the vendor master is a collection of data that describes the vendor's relationship with the company. Just as the material master record isn't complete until all relevant departments have entered their data, the vendor master isn't complete until both the accounting and purchasing departments have entered their information.

6.4.1 General Data

When vendor information is loaded in SAP ERP, there are a number of areas that need to be entered that are equally important. The general data reflects information such as name, address, tax data, and bank details. Specific accounting data, such as payment transactions and dunning, can be entered separately. The third area of the vendor master is the purchasing data where incoterms and partner information are entered.

When a company decides to load the vendor master into SAP, there are a number of ways this can be done. If a company has a small number of vendors, the information can be manually loaded into SAP. It's normal for SAP to require more data than legacy systems, and there is usually a team to review the existing data and add to it where necessary. For companies with large numbers of suppliers, the task to load these into SAP will usually be automated, and new vendor data is added where necessary.

If companies load their vendors into SAP without first performing some kind of vendor rationalization, they can end up loading a lot of inaccurate and out-of-date information.

For example, a multinational chemical company reviewed its vendor files on a number of legacy systems and found that a large percentage of the data was

inconsistent and inaccurate. To reduce the amount of inaccurate data loaded on to the new SAP ERP system, the company decided to run pilot projects in the United States and Germany to find out more about the supplier data. In the United States, the project team found that there were a number of problems with the data, including multiple duplicate vendor records for the same supplier, inaccurate addresses, inaccurate fax numbers, vendors that no longer were in business, vendors that no longer supplied products to the company, and inaccuracies with pricing and contracts.

In the United States, the pilot found only 12% of records to contain no inaccuracies, while in Germany the percentage was slightly higher at 17%. Based on this information, the company created project teams in each of the countries that were part of the first SAP ERP phase to rationalize the vendor master records and correct inaccuracies.

6.4.2 Purchasing Data

The vendor master record has a number of fields that are specifically concerned with purchasing. These include condition data such as order currency and incoterms, and control data, such as the indicators for goods receipt Invoice Verification, ERS, and subsequent settlement.

Most vendors offer some kind of discount as an incentive to their customers. The incentives usually include discounts for larger purchases, but as suppliers are having a more difficult time with bank financing, more vendors are offering their customers a discount for paying their invoices before the date determined in the payment terms. This discount may only reflect a 1% or 2% discount, but on larger purchases, this can be significant. Of course, companies have to weigh the advantages of paying early against the ability to pay early. In some instances, paying early isn't always possible.

Another incentive offered by vendors is the subsequent settlement, which allows a one-time rebate or periodic settlement if certain conditions are met, such as a certain volume of materials purchased or amount spent.

For example, a metal fabrication company agreed with its supplier of stainless steel coils that if the company spent more than \$40,000 on 0.105-inch stainless steel coils per month, the vendor would rebate 3% of the total monthly spend.

This agreement is annotated in the vendor master, and the system updates the relevant values and calculates the conditions at the end of the month to determine the rebate.

6.5 Summary

This chapter thoroughly discussed the vendor master file. There are different ways to enter vendor data, and both the purchasing department and the accounting department play a role in this important task. Having the correct vendor information entered is important when material needs to be ordered quickly and correctly. Any errors in the vendor master file can be costly if material can't be sourced in a timely fashion and shipments are delayed to customers. This chapter has provided all of the tools you need to work with the purchasing department in understanding their needs when SAP is implemented.

Chapter 7 examines the purchasing information data as it relates to the specific information that can be available for a vendor and a material. Contracts with vendors may have special provisions for certain materials, for example, in the number of delivery days or pricing conditions.

Contents

Acknowledgments	29
Preface	31
1 Materials Management Overview	37
1.1 Materials Management as a Part of SAP ERP	37
1.1.1 Core SAP ERP Functionality	37
1.1.2 Business Suite Functionality	38
1.2 Materials Management as Part of Logistics	39
1.2.1 Management of the Supply Chain	39
1.2.2 SAP and Logistics	40
1.3 Materials Management Integration	41
1.3.1 The Material Flow of the Supply Chain	41
1.3.2 The Information Flow of the Supply Chain	42
1.3.3 The Financial Flow of the Supply Chain	42
1.4 Summary	43
2 Materials Management Organizational Structure	45
2.1 Client Structure	45
2.1.1 What Is a Client?	46
2.1.2 Creating the Client Landscape	47
2.1.3 Defining a Client	47
2.1.4 Correction and Transport System	48
2.2 Company Code	49
2.2.1 What Is a Company?	49
2.2.2 Creating a Company Code	50
2.2.3 Assigning a Company Code	51
2.3 Plants	51
2.3.1 What Is a Plant?	51
2.3.2 Prerequisites for a Plant	52
2.3.3 Defining a Plant	52
2.3.4 Valuation Level	54
2.3.5 Assigning a Plant	54
2.4 Storage Locations	55
2.4.1 What Is a Storage Location?	55
2.4.2 Defining a Storage Location	56
2.4.3 Automatic Creation of Storage Locations	57

2.5	Warehouse and Storage Types	58
2.5.1	Assign a Warehouse to a Plant and Storage Location	59
2.5.2	Storage Type	59
2.5.3	Storage Sections and Storage Bins	60
2.6	Purchasing Organization	60
2.6.1	What Is a Purchasing Organization?	61
2.6.2	Types of Purchasing Organizations	61
2.6.3	Create a Purchasing Organization	62
2.6.4	Purchasing Groups	63
2.7	Business Examples: Organizational Structure	63
2.7.1	Client Structure	64
2.7.2	Plants	64
2.7.3	Storage Locations	65
2.7.4	Warehouse Management	66
2.7.5	Purchasing Organization	67
2.8	Summary	67
3	Master Data in Materials Management	69
3.1	Material Master	69
3.1.1	Material Master Tables	70
3.1.2	Material Numbering	70
3.1.3	Material Number Range	72
3.1.4	Material Type	73
3.2	Vendor Master	75
3.2.1	Vendor Master in SAP	75
3.2.2	Vendor Account Groups	76
3.2.3	Vendor Number Range	78
3.3	Purchasing Information Data	80
3.3.1	Purchasing Information Record for a Nonstock Material	80
3.3.2	Purchasing Information Record Numbering	81
3.3.3	Purchasing Information Record Screen Layout	81
3.4	Batch Management Data	83
3.4.1	What Is a Batch?	83
3.4.2	Batch Level	84
3.4.3	Changing the Batch Level	84
3.4.4	Batch-Status Management	85
3.4.5	Initial Batch Status	85
3.4.6	Batch Number Assignment	86
3.5	Serial Number Data	86
3.5.1	What Is a Serial Number?	87
3.5.2	Serial Number Profile	87

3.5.3	Serializing Procedures	88
3.6	Business Examples: Master Data in Materials Management	89
3.6.1	Material Master Data	90
3.6.2	Vendor Master Data	90
3.6.3	Purchasing Data	91
3.6.4	Batch Management	92
3.6.5	Serial Numbers	92
3.7	Summary	93
4	Material Master Data: Part 1	95
4.1	Industry Sector	96
4.2	Material Type	96
4.2.1	Standard Material Types	96
4.2.2	Configuring Material Types	100
4.2.3	Changing a Material Type	102
4.3	Basic Data	103
4.3.1	Creating a Material Master Record: Immediately	103
4.3.2	Creating a Material Master Record: Schedule	104
4.3.3	Creating a Material Master Record: Special	104
4.3.4	Organizational Levels	105
4.3.5	Basic Data Screen	107
4.4	Classification Data	114
4.4.1	Class Type	114
4.4.2	Classes	115
4.4.3	Characteristics	115
4.5	Purchasing Data	116
4.5.1	General Data	117
4.5.2	Purchasing Value Key	119
4.5.3	Other Data/Manufacturer Data	122
4.5.4	Foreign Trade Data	124
4.5.5	Origin/EU Market Organization/Preferences	126
4.5.6	Legal Control	127
4.6	Forecasting Data	128
4.6.1	General Data	128
4.6.2	Number of Periods Required	130
4.6.3	Control Data	131
4.7	Work Scheduling Data	133
4.7.1	General Data	134
4.7.2	Tolerance Data	136
4.7.3	In-House Production Time in Days	136

4.8	Sales Organizational Data	138
4.8.1	General Data	139
4.8.2	Tax Data	139
4.8.3	Quantity Stipulations	140
4.8.4	Grouping Items	141
4.8.5	Material Groups	143
4.8.6	Product Attributes	143
4.9	Sales General Data	144
4.9.1	General Data	144
4.9.2	Shipping Data	145
4.9.3	General Plant Parameters	146
4.10	Business Examples: Material Master Data	147
4.10.1	Material Type	148
4.10.2	Classification Data	148
4.10.3	Purchasing Data	149
4.10.4	Sales Data	150
4.11	Summary	151
5	Material Master Data: Part 2	153
5.1	Production Resources/Tools (PRT) Data	153
5.1.1	General Data	153
5.1.2	Default Values for Task List Assignment	154
5.2	Plant Data/Storage Location	156
5.2.1	General Data	157
5.2.2	Shelf Life Data	160
5.3	Warehouse Management Data	162
5.3.1	General Data	162
5.3.2	Storage Strategies	163
5.3.3	Palletization Data	166
5.3.4	Storage Bin Stock	167
5.4	Quality Management Data	168
5.4.1	General Data	168
5.4.2	Procurement Data	170
5.5	Material Requirements Planning Data	172
5.5.1	General Data	173
5.5.2	Material Requirements Planning Procedure	175
5.5.3	Lot Size Data	176
5.5.4	Procurement	178
5.5.5	Scheduling	180
5.5.6	Net Requirements Calculations	181
5.5.7	Forecast Requirements	183

5.5.8	Planning	184
5.5.9	Availability Check	186
5.5.10	Bill of Materials Explosion/Dependent Requirements	187
5.5.11	Discontinued Parts	188
5.5.12	Repetitive Manufacturing/Assembly/Deployment Strategy	189
5.5.13	Storage Location Material Requirements Planning	190
5.6	Accounting Data	191
5.6.1	General Data	192
5.6.2	Current Valuation	193
5.6.3	Determination of Lowest Value	195
5.6.4	Last In, First Out Data	196
5.7	Costing Data	197
5.7.1	General Data	197
5.7.2	Quantity Structure Data	198
5.7.3	Standard Cost Estimate	200
5.7.4	Planned Prices	200
5.8	Business Examples: Material Master Data	201
5.8.1	Plant and Storage Location Data	201
5.8.2	Warehouse Data	202
5.8.3	Quality Management Data	202
5.8.4	Material Requirements Planning Data	203
5.8.5	Accounting Data	204
5.9	Summary	205
6	Vendor Master Data	207
6.1	General Data	207
6.1.1	Address Screen	208
6.1.2	Control Screen	210
6.1.3	Payment Transactions	215
6.2	Accounting Information	218
6.2.1	Accounting Information	219
6.2.2	Payment Transactions	223
6.2.3	Correspondence Screen	227
6.3	Purchasing Data	229
6.3.1	Conditions	230
6.3.2	Sales Data	232
6.3.3	Control Data	233
6.3.4	Default Data Material	235
6.3.5	Service Data	237
6.3.6	Partner Functions	237

6.4	Business Examples: Vendor Master Data	239
6.4.1	General Data	239
6.4.2	Purchasing Data	240
6.5	Summary	241
7	Purchasing Information Data	243
7.1	Purchasing General Data	243
7.1.1	Create a Purchasing Information Record	244
7.1.2	Create a Purchasing Information Record with a Material Number	245
7.1.3	Create a Purchasing Information Record without a Material Number	246
7.1.4	General Data Screen	246
7.2	Purchasing Organization Data	247
7.2.1	Conditions	248
7.2.2	Text Screen	252
7.2.3	Statistical Data	254
7.3	Business Examples: Purchasing Information Data	255
7.3.1	Standard Purchasing Information Record	255
7.3.2	Subcontracting Purchasing Information Record	256
7.4	Summary	256
8	Batch Management Data	259
8.1	Batch Management Overview	259
8.1.1	Batch Definition	259
8.1.2	Pharmaceutical Industry	260
8.2	Batch Master Record	262
8.2.1	Creating a Batch	262
8.2.2	Changing a Batch	268
8.2.3	Deleting a Batch	268
8.2.4	Documentary Batch Record	269
8.3	Batch Determination	270
8.3.1	Batch Determination Condition Tables	270
8.3.2	Batch Determination Access Sequences	271
8.3.3	Batch Strategy Types	271
8.3.4	Batch Search Procedure	273
8.4	Batch Information Cockpit	274
8.4.1	Batch Information Cockpit Overview	274
8.4.2	Batch Information Cockpit Standard Configuration	275

8.4.3	Batch Information Cockpit User-Defined Configuration	276
8.5	Business Examples: Batch Management Data	278
8.5.1	Batch Management Record	278
8.5.2	Batch Determination	279
8.6	Summary	280
9	Material Master Record	281
9.1	Creating a Material Master Record	281
9.2	Changing a Material Master Record	282
9.2.1	Change a Material Master Record: Immediately	282
9.2.2	Change a Material Master Record: Schedule	284
9.2.3	Change a Material Master Record: Activate	285
9.3	Material Master Deletion	286
9.3.1	Flag for Deletion: Immediately	287
9.3.2	Flag for Deletion: Schedule	287
9.3.3	Flag for Deletion: Proposal List	288
9.3.4	Material Master Archiving	289
9.3.5	Remove a Material Deletion Flag	289
9.4	Loading Material Master Records	290
9.4.1	Loading Material Master Records via Direct Input	290
9.4.2	Distribution of Material Master Records via Application Link Enabling	291
9.5	Production Versions	292
9.5.1	Creating a Production Version	292
9.5.2	Production Versions: Mass Processing	296
9.6	Revision Levels	296
9.6.1	Revision Level Overview	296
9.6.2	Revision Level Configuration	297
9.7	Business Examples: Material Master Record	297
9.7.1	Creating and Changing a Material Master Record	298
9.7.2	Material Master Deletion	298
9.7.3	Version Control	299
9.8	Summary	300
10	Vendor Master Record	301
10.1	Creating the Vendor Master Record	301
10.2	Changing the Vendor Master Record	305
10.2.1	Change Vendor Master Record: Current	305
10.2.2	Change Vendor Master Record: Planned	306

10.2.3	Display Planned Changes to Vendor Master Records	306
10.2.4	Activate Planned Changes	307
10.2.5	Change Vendor Account Group	308
10.3	Deleting Vendor Master Record	308
10.3.1	Flag a Vendor Master Record for Deletion	309
10.3.2	Deleting Vendor Records via Archiving	310
10.4	Display Vendor Master Record	310
10.4.1	Display Vendor Master Record: Current	310
10.4.2	Display Vendor Master Record: Per Key Date	310
10.4.3	Display Vendors: Purchasing List	311
10.5	Blocking Vendors	312
10.6	One-Time Vendor	313
10.7	Vendor Subrange Functionality	314
10.8	Business Examples: Vendor Master	315
10.8.1	Creating and Changing a Vendor Master Record	316
10.8.2	Vendor Master Deletion	317
10.8.3	One-Time Vendor	317
10.9	Summary	318
11	Purchasing Overview	319
11.1	Purchase Requisition	319
11.2	Request for Quotation	320
11.3	Quotation	322
11.4	Purchase Order	323
11.5	Source List and Source Determination	324
11.5.1	Single Source	325
11.5.2	Multisource	326
11.5.3	Generate a Source List	328
11.5.4	Source Determination	329
11.6	Conditions in Purchasing	330
11.6.1	Condition Processing	330
11.6.2	Pricing Conditions	331
11.6.3	Taxes	332
11.6.4	Delivery Costs	332
11.7	Vendor Evaluation	333
11.7.1	Vendor Evaluation Overview	333
11.7.2	Vendor Evaluation Criteria	333
11.7.3	Vendor Evaluation Weighting	336
11.7.4	Points Scoring for Criteria	336
11.7.5	Maintain Vendor Evaluation	337

11.7.6	Scoring for Automatic and Semiautomatic Criteria	338
11.7.7	Evaluation for a Material	339
11.8	Quota Arrangement	340
11.9	Business Examples: Purchasing	341
11.9.1	Purchase Requisitions	341
11.9.2	Source List	342
11.9.3	Conditions	343
11.9.4	Vendor Evaluation	343
11.9.5	Quota Arrangement	344
11.10	Summary	344
12	Purchase Requisition	345
12.1	Indirectly Created Requisition	345
12.1.1	Purchase Requisition Created by Production Order	345
12.1.2	Purchase Requisition Created by Plant Maintenance Order	346
12.1.3	Purchase Requisition Created by Project System	346
12.1.4	Purchase Requisition Created by Materials Planning	347
12.2	Directly Created Requisition	347
12.2.1	Create a Purchase Requisition with a Material Master Record	347
12.2.2	Create a Purchase Requisition without a Material Master Record	352
12.3	Processing a Purchase Requisition	354
12.3.1	Change a Purchase Requisition	354
12.3.2	Display a Purchase Requisition	354
12.3.3	Close a Purchase Requisition	356
12.3.4	Follow-On Functions	357
12.3.5	Requirement Prioritization	359
12.3.6	Raw Material Procurement Cockpit	359
12.4	Business Examples: Purchase Requisitions	359
12.4.1	Indirectly Created Purchase Requisition	360
12.4.2	Directly Created Purchase Requisition	360
12.5	Summary	361
13	Request for Quotation	363
13.1	Creating a Request for Quotation	363
13.1.1	Request for Quotation Type	364
13.1.2	Request for Quotation Date	365

13.1.3	Quotation Deadline	365
13.1.4	Request for Quotation Document Number	365
13.1.5	Organizational Data	365
13.1.6	Default Data for Items	366
13.1.7	Collective Number	367
13.1.8	Validity Start/Validity End	367
13.1.9	Apply By	368
13.1.10	Binding Period	368
13.1.11	Reference Data	368
13.1.12	Request for Quotation Item Detail	368
13.1.13	Request for Quotation Delivery Schedule	369
13.1.14	Additional Data	369
13.1.15	Vendor Selection	371
13.2	Changing a Request for Quotation	372
13.3	Releasing a Request for Quotation	374
13.3.1	Release Code/Release Group/Release Strategy	374
13.3.2	Set Release/Cancel Release	375
13.3.3	Release Prerequisite Fulfilled	375
13.3.4	List with Items	375
13.3.5	Scope of List	375
13.3.6	Purchasing Document Category	375
13.3.7	Other Selection Criteria	375
13.4	Issuing a Request for Quotation to a Vendor	376
13.5	Business Examples: Request for Quotation	377
13.5.1	Creating and Changing a Request for Quotation	377
13.5.2	Releasing a Request for Quotation	378
13.6	Summary	379
14	Quotation	381
14.1	Entering a Quotation	381
14.2	Comparing Quotations	383
14.2.1	Price Comparison Factor in Quotations	383
14.2.2	Other Qualitative Factors in Quotations	385
14.3	Rejecting Quotations	387
14.3.1	Flagging the Quotation as Rejected	387
14.3.2	Printing the Quotation Rejection	388
14.3.3	Advising Unsuccessful Bidders	388
14.4	Business Examples: Quotations	389
14.4.1	Comparing Quotations	389
14.4.2	Rejecting Quotations	390
14.5	Summary	390

15	Purchase Order	391
15.1	Create a Purchase Order	391
15.1.1	Create a Purchase Order with Vendor Known	392
15.1.2	Create a Purchase Order with Vendor Unknown	393
15.2	Maintaining a Purchase Order	395
15.3	Blocking and Canceling a Purchase Order	395
15.3.1	Block a Purchase Order Line Item	395
15.3.2	Canceling a Purchase Order Line Item	396
15.4	Account Assignment in a Purchase Order	397
15.4.1	Account Assignment Categories	397
15.4.2	Single Account Assignment	399
15.4.3	Multiple Account Assignment	400
15.5	Outline Purchase Agreement	401
15.6	Scheduling Agreement	401
15.6.1	Create a Scheduling Agreement Manually	401
15.6.2	Create a Scheduling Agreement with Reference	403
15.7	Contracts	405
15.7.1	Contract Overview	405
15.7.2	Centrally Agreed Contract	406
15.7.3	Creating a Contract	406
15.7.4	Release Order against a Contract	408
15.8	Vendor Confirmation	409
15.8.1	Vendor Confirmation Overview	409
15.8.2	Confirmation Configuration	410
15.8.3	Enter a Manual Confirmation	411
15.8.4	Inbound Delivery for Vendor Confirmation	413
15.9	Messages and Outputs	414
15.9.1	Message Overview	414
15.9.2	Message Creation	414
15.9.3	Message Output Definition	415
15.9.4	Output Messages	416
15.10	Pricing Procedures	417
15.10.1	Pricing Conditions	417
15.10.2	Condition Types	418
15.10.3	Condition Tables	420
15.10.4	Access Sequences	421
15.10.5	Calculation Schema	421
15.10.6	Price Determination	422
15.10.7	Standard Pricing Condition Type PB00	423
15.10.8	Calculation Schema for Condition Type PB00	423

15.11	Reporting	424
15.11.1	Reporting Overview	424
15.11.2	Extended Document Flow	424
15.12	Release Procedures	425
15.12.1	Introduction to Release Procedures	425
15.12.2	Release with Classification for a Purchase Requisition	425
15.12.3	Advanced Returns Management	428
15.13	Business Examples: Purchase Orders	429
15.13.1	Blocking a Purchase Order	429
15.13.2	Outline Purchase Agreement	430
15.13.3	Scheduling Agreement	430
15.13.4	Contracts	431
15.13.5	Releasing a Purchase Order	431
15.14	Summary	432
16 External Services Management		433
16.1	Service Master Record	433
16.1.1	Activity Number	434
16.1.2	Service Category	434
16.1.3	Material/Service Group	435
16.1.4	Tax Indicator	435
16.1.5	Valuation Class	435
16.1.6	Formula	436
16.1.7	Graphic	437
16.2	Standard Service Catalog	437
16.3	Conditions in External Services Management	438
16.4	Procurement of Services	440
16.5	Entry of Services	443
16.6	Blanket Purchase Order	444
16.7	Business Examples: External Services Management	445
16.7.1	Service Master Record	446
16.7.2	Procurement of Services	446
16.7.3	Blanket Purchase Order	447
16.8	Summary	448
17 Consumption-Based Planning		449
17.1	Master Data in Consumption-Based Planning	449
17.1.1	Material Master Record	449
17.1.2	Planning Calendar	451

17.2	Planning Process	452
17.2.1	Planning at the Plant Level	452
17.2.2	Planning at the Storage Location Level	453
17.3	Planning Evaluation	455
17.3.1	Material Requirements Planning List	455
17.3.2	Stock/Requirements List	456
17.4	Procurement Proposal	456
17.4.1	Purchase Requisitions	456
17.4.2	Schedule Lines	456
17.4.3	Planned Orders	457
17.5	Implementing the Material Requirements Planning Area	457
17.6	Business Examples: Consumption-Based Planning	458
17.6.1	Planning Process	458
17.6.2	Planning Evaluation	459
17.7	Summary	460
18 Material Requirements Planning		461
18.1	Reorder-Point Planning	461
18.1.1	Manual Reorder-Point Planning	462
18.1.2	Automatic Reorder-Point Planning	462
18.2	Forecast-Based Planning	463
18.3	Time-Phased Planning	464
18.4	Business Examples: Material Requirements Planning	467
18.4.1	Reorder-Point Planning	467
18.4.2	Forecast-Based Planning	468
18.4.3	Time-Phased Planning	469
18.5	Summary	469
19 Forecasting		471
19.1	Forecast Models	471
19.1.1	Constant Model	472
19.1.2	Trend Model	472
19.1.3	Seasonal Model	473
19.1.4	Seasonal Trend Model	473
19.2	Forecast Parameters	473
19.3	Forecast Options	478
19.3.1	Manual Forecast Model Selection	478
19.3.2	Automatic Forecast Model Selection	478
19.4	Business Examples: Forecasting	480
19.5	Summary	482

20 Inventory Management Overview	485
20.1 Goods Movements	485
20.1.1 Stock Overview	486
20.1.2 Material Document	487
20.1.3 Movement Types	488
20.2 Goods Issue	489
20.3 Goods Receipt	490
20.4 Physical Inventory	490
20.5 Returns	491
20.5.1 Introduction to Returns	491
20.5.2 Creating a Return	491
20.5.3 Configuring Reason for Movement	492
20.5.4 Material Documents	494
20.6 Reservations	496
20.6.1 Introduction to Reservations	496
20.6.2 Creating a Manual Reservation	497
20.6.3 Material Requirements Planning and Reservations	499
20.6.4 Reservations Management Program	500
20.7 Stock Transfers	502
20.7.1 Stock Transfer and Transfer Posting	503
20.7.2 Transfer between Storage Locations Using Transaction MB1B	503
20.7.3 Transfer between Plants Using Transaction MB1B	505
20.7.4 Transfer between Storage Locations Using Transaction MIGO_TR	506
20.7.5 Transfer between Plants Using Transaction MIGO_TR	507
20.7.6 Transfer between Company Codes	508
20.8 Business Examples: Inventory Management	509
20.8.1 Physical Inventory	509
20.8.2 Returns	510
20.8.3 Reservations	510
20.9 Summary	511
21 Goods Issue	513
21.1 Goods Issue to a Production Order	513
21.1.1 Planned Goods Issue Using Transaction MB1A	513
21.1.2 Planned Goods Issue Using Transaction MIGO_GI	515
21.1.3 Unplanned Goods Issue Using Transaction MB1A	516
21.1.4 Backflushing	517

21.2 Goods Issue to Scrap	519
21.2.1 Goods Issue to Scrap Using Transaction MB1A	520
21.2.2 Goods Issue to Scrap Using Transaction MIGO_GI	520
21.3 Goods Issue for Sampling	521
21.4 Goods Issue Posting	522
21.4.1 Material Document	522
21.4.2 Accounting Document	523
21.4.3 Goods Issue Slip	523
21.4.4 Stock Changes	523
21.4.5 General Ledger Account Changes	523
21.5 Goods Issue Reversal	524
21.6 Business Examples: Goods Issue	525
21.6.1 Goods Issue to Scrap	525
21.6.2 Goods Issue to Sampling	526
21.6.3 Backflushing	527
21.7 Summary	527
22 Goods Receipt	529
22.1 Goods Receipt for a Purchase Order	529
22.1.1 Goods Receipt with a Known Purchase Order Number	530
22.1.2 Goods Receipt with an Unknown Purchase Order Number	531
22.1.3 Goods Receipt Posting	532
22.2 Goods Receipt for a Production Order	534
22.3 Initial Entry of Inventory	536
22.4 Other Goods Receipts	537
22.4.1 Goods Receipt without a Production Order	538
22.4.2 Goods Receipt of Co-Products or By-Products	538
22.4.3 Goods Receipt for Free Goods	539
22.4.4 Goods Receipt for Returnable Transport Packaging	540
22.4.5 Automatic Goods Receipt	540
22.5 Business Examples: Goods Receipts	541
22.5.1 Goods Receipt for a Purchase Order	541
22.5.2 Goods Receipt without a Purchase Order	542
22.5.3 Goods Receipt for Returnable Transport Packaging	543
22.6 Summary	543
23 Physical Inventory	545
23.1 Physical Inventory Preparation	545
23.1.1 Preparations for a Physical Inventory Count	546

23.1.2	Creating the Physical Inventory Count Document	546
23.1.3	Printing the Physical Inventory Count Document	548
23.2	Counting and Recounts	550
23.2.1	Entering the Count	550
23.2.2	Difference List	551
23.2.3	Missing Material	553
23.2.4	Recounts	553
23.3	Physical Inventory Posting	554
23.3.1	Posting the Count Document	554
23.3.2	Posting a Count without a Document	556
23.3.3	Accounting of Inventory Differences	557
23.4	Business Examples: Physical Inventory	558
23.4.1	Physical Inventory Preparation	558
23.4.2	Physical Inventory Posting	559
23.5	Summary	560
24 Invoice Verification		561
24.1	Standard Three-Way Match	561
24.1.1	Entering an Invoice	562
24.1.2	Simulate Posting	563
24.1.3	Invoice Posting	564
24.2	Evaluated Receipt Settlement	565
24.2.1	Benefits of Evaluated Receipt Settlement	566
24.2.2	Running the Evaluated Receipt Settlement	567
24.3	Document Parking	568
24.3.1	Benefits of Document Parking	568
24.3.2	Parking an Invoice	568
24.4	Variances	569
24.4.1	Variances Overview	569
24.4.2	Tolerance Limits	569
24.5	Blocking Invoices	572
24.5.1	Manual Block	572
24.5.2	Stochastic or Random Block	574
24.5.3	Block Due to Amount of an Invoice Item	575
24.5.4	Block Due to Variance of an Invoice Item	577
24.6	Releasing Invoices	578
24.7	Business Examples: Invoice Verification	579
24.7.1	Evaluated Receipt Settlement	579
24.7.2	Variances	580
24.7.3	Blocking Invoices	581
24.8	Summary	582

25 Balance Sheet Valuation		583
25.1	Last In, First Out Valuation	583
25.1.1	Configuration for Last In, First Out	584
25.1.2	Preparation for Last In, First Out	586
25.1.3	Running a Last In, First Out Valuation	588
25.2	First In, First Out Valuation	589
25.2.1	Configuration for First In, First Out	590
25.2.2	Preparation for First In, First Out	590
25.2.3	Running a First In, First Out Valuation	591
25.3	Lowest Value Determination	593
25.3.1	Lowest Value Determination Based on Market Prices	593
25.3.2	Lowest Value Determination Based on Range of Coverage	595
25.3.3	Lowest Value Determination Based on Movement Rate	597
25.4	Business Examples: Balance Sheet Valuation	599
25.4.1	Last In, First Out Valuation	599
25.4.2	First In, First Out Valuation	599
25.4.3	Lowest Value Determination	600
25.5	Summary	600
26 Material Ledger		603
26.1	Material Ledger Overview	603
26.1.1	Activating the Material Ledger and Actual Costing	604
26.1.2	Benefits of Using the Material Ledger	605
26.2	Material Ledger Data	605
26.2.1	Material Master Record	606
26.2.2	Data for the Material Ledger	607
26.3	Material Price Determination	608
26.3.1	Material Price Analysis	608
26.3.2	Single-Level Material Price Determination	608
26.3.3	Multilevel Material Price Determination	610
26.3.4	Transaction-Based Material Price Determination	610
26.4	Business Examples: Material Ledger	611
26.4.1	Material Ledger Overview	611
26.4.2	Material Price Determination	612
26.5	Summary	612

27 Classification System 613

- 27.1 Classification Overview 613
 - 27.1.1 What Is the SAP ERP Classification System? 614
 - 27.1.2 Describing an Object 614
- 27.2 Characteristics 615
 - 27.2.1 Create Characteristics 615
 - 27.2.2 Configuring Characteristics 617
- 27.3 Classes 620
 - 27.3.1 Create Classes 620
- 27.4 Class Type 622
 - 27.4.1 Class Type Overview 622
 - 27.4.2 Configuring a Class Type 623
- 27.5 Class Hierarchies 625
 - 27.5.1 Creating a Class Hierarchy 625
 - 27.5.2 Inherited Characteristics 625
- 27.6 Object Dependencies 626
 - 27.6.1 Object Dependency Overview 626
 - 27.6.2 Dependency Creation 626
- 27.7 Finding Objects Using Classification 627
 - 27.7.1 Classifying Materials 627
 - 27.7.2 Classifying Objects 628
 - 27.7.3 Finding Objects 629
- 27.8 Business Examples: Classification 630
 - 27.8.1 Characteristics and Classes 631
 - 27.8.2 Finding Objects Using Classification 631
- 27.9 Summary 632

28 Document Management 633

- 28.1 Document Management Overview 634
- 28.2 Document Information Record 634
 - 28.2.1 Document Number 634
 - 28.2.2 Document Type 634
 - 28.2.3 Document Part 635
 - 28.2.4 Document Version 636
 - 28.2.5 Document Status 636
- 28.3 Creating a Document 636
- 28.4 Linking an Object to a Document 638
 - 28.4.1 Configuration for Linking Documents 638
 - 28.4.2 Linking a Document to a Material Master Record 639

- 28.4.3 Linking a Document to a Vendor Master Record 639
- 28.5 Documents and Classification 640
 - 28.5.1 Using Classification for Documents 640
 - 28.5.2 Finding Documents 641
 - 28.5.3 Document Information Record 642
 - 28.5.4 Linking an Object to a Document 642
 - 28.5.5 Using the Document Management System for Import Business Processes 643
- 28.6 Summary 644

29 Early Warning System 645

- 29.1 Overview 646
- 29.2 Early Warning System Setup 647
 - 29.2.1 Create Exceptions 648
 - 29.2.2 Group Exceptions 652
 - 29.2.3 Set Up Periodic Analysis 653
- 29.3 Schedule an Early Warning System 655
- 29.4 Early Warning System in Action 656
- 29.5 Exception Analysis 658
- 29.6 Business Example: Early Warning System 659
- 29.7 Summary 660

30 Special Procurement Types 661

- 30.1 Overview 662
- 30.2 Direct Procurement 664
- 30.3 Stock Transfer (Interplant Transfer) 667
- 30.4 Withdrawal from Alternative Plant 670
- 30.5 Subcontracting 671
- 30.6 Consignment 675
- 30.7 Pipeline Material 677
- 30.8 Business Examples: Special Procurement Key 677
 - 30.8.1 Direct Procurement 678
 - 30.8.2 Stock Transfer (Interplant Transfer) 678
- 30.9 Summary 678

31 Reporting in SAP ERP 679

- 31.1 The Basics of Reporting 679
- 31.2 Purchasing Reports 681

31.2.1	General Analysis	682
31.2.2	Multiple Selection	683
31.2.3	Report Output	684
31.3	Inventory Management Reports	686
31.3.1	Graphs	687
31.3.2	Download	688
31.3.3	Copy Selective Data to Microsoft Excel	688
31.3.4	Print	688
31.3.5	Maintain Selection	688
31.3.6	Maintain Variant	688
31.4	Standard Analyses	689
31.4.1	Standard Analyses in Materials Management	690
31.4.2	Key Figures	693
31.4.3	Other Info Structures	694
31.4.4	Standard Analysis: ABC Analysis	694
31.5	Batch Information Cockpit	695
31.6	Summary	697
Appendices		699
A	Bibliography	701
B	Glossary	703
C	List of Materials Management Transaction Codes	709
D	The Authors	717
Index		719

Index

(FDA) 21 CFR Part 11, 259

A

- ABAP, 377
- ABAP/4, 46
- ABC analysis, 688, 694
- ABC functionality, 159
- ABC indicator, 174–175, 234
- Absolute limit, 569
- Access sequence, 251, 270–272, 331
- Account, 50
 - code*, 218, 397
 - group*, 76–79, 207, 218–219, 302–303, 308, 311, 314
 - number*, 229
 - posting*, 607
- Account assignment, 86, 350, 352, 397–401, 432
 - category*, 350, 352
 - cost center*, 350
 - cost object*, 350
 - GL account*, 350
 - GL account number*, 350–351
 - group*, 143
 - project*, 351
 - sales order*, 350
- Account statement indicator, 229
- Accounting, 70, 193, 207, 210–211, 218–219, 223, 239, 281, 297, 606
 - clerk*, 229
 - data*, 75, 191
 - department*, 191, 194–195, 204, 207, 215, 219, 221, 224, 226, 228, 241, 318
 - document*, 486, 506, 508, 513–514, 523, 532
 - element*, 522
 - entry*, 557
 - principle*, 486
 - screen*, 219
- Accounts payable, 207, 445
 - department*, 224, 562, 579, 582
 - process*, 561, 579
- Acknowledgement, 233, 411
- Action control, 189–190
- Action key, 190
- Actual costing, 604–605, 609, 612
- Actual days' supply, 453
- Additional items, 100
- Adobe Form Designer, 377, 388
- Advance Ship Notice, 213
- Advance Shipping Notification (ASN), 409–411
- Advanced returns management, 428
- Advertising material, 100
- Aggregation, 684
- Agreement type, 402, 406
- Alpha factor, 477
- Alternative
 - BOM*, 187
 - payee*, 238
 - source*, 326
- American National Standards Institute (ANSI), 113
- Analytical methods, 84
- Annual report, 600
- Annual seasonal pattern, 473
- APICS, 461
- Apparel, 100
- Application date, 368
- Application Link Enabling (ALE), 291
- Apportionment structure, 295
- Approval, 425
- Approved batch record, 145
- Archived purchasing document, 424
- Archiving, 289
 - process*, 269
 - program*, 269
- Assembly, 177–178, 188
 - operation*, 524
 - scrap*, 177
- Asset account, 219
- Associations, 322
- Attributes, 654
- Authorization, 49
- Authorization group, 170, 220
- Autocorrelation test, 479

Automatic
 batch determination, 179
 criteria, 339
 Evaluated Receipt Settlement, 233
 payment, 217, 223
 purchase order, 119, 233
 release, 578
 reorder-point planning, 462–463
Availability check, 145, 186
Available quantity, 499
Available stock, 454, 463–465, 468
Average price, 383

B

Backflush, 513, 517–518, 527
 indicator, 517
 relevant for, 517
Backward consumption, 185
Balance sheet, 50, 583, 590, 599
 account, 219
 valuation, 583
Bank
 account, 216
 details, 215
 identification, 215
 routing number, 215
 sort code, 215
Base
 layer, 586
Base quantity, 138
Base unit of measure, 109, 117, 167–168, 436
Basic data, 95, 107
Basic material, 113
BASIS, 269
Batch, 83–86, 93, 192, 259–261, 263–270,
 273–276, 279, 487, 548, 614, 622
 certificate, 84
 changing, 267
 characteristics, 259–260
 control, 259
 creation, 265
 definition, 259
 information, 84, 274–275, 280
 level, 84–85
 number, 83–84, 87, 260–261, 263–264, 487
 number range, 86

Batch (Cont.)
 pipeline, 260
 record, 260, 262, 264, 266, 268, 634
 search procedure, 273–274
 selection, 273
 split, 273
 status, 264
 strategy type, 271
 worklist, 274
Batch deletion flag, 269
Batch determination, 263, 270–271, 274, 279
 access sequence, 271
 condition table, 270
 process, 270
 strategy types, 270, 279
Batch determination functionality, 265
Batch entry, 179
 key, 179
Batch Information Cockpit (BIC), 274–277,
 679, 696
 layout, 275
 user-defined, 276
Batch Management, 41, 83, 93, 259, 280
Batch master, 696
Batch number assignment, 86
Batch object, 265
Batch status indicator, 263
 restricted, 263
 unrestricted, 263
Batch-level configuration, 85
Batch-managed, 85, 589
Batch-management indicator, 260
Batch-status, 86
 management, 85
Best practice, 224, 233, 319, 326, 644
Beta factor, 477
Beverages, 100
Bill of exchange, 226
 limit, 226
Bill of material (BOM), 99, 185, 187–188, 295,
 345–346, 513, 517, 524, 662
 characteristics, 179
 definition, 524
 usage key, 524
Billing address, 323
Binding period, 368
Blanket purchase order, 444–445, 447

Block, 578
 invoice, 569
 purchase order, 395
 quantity, 546
 random, 574
 stochastic, 574
 vendor, 312
Blocked, 572, 578, 581
 for payment, 573
 indicator, 573
 invoices, 578
 status, 312, 545
 stock, 263, 519, 522, 526, 531, 536, 538
Book inventory, 547, 551, 557
 balance, 548
Book quantity, 553
BPICS, 69
Bulk material, 164, 180, 518
 indicator, 180
Bulk storage, 164
 indicator, 164
 placement strategy, 164
Bundesgesundheitsamt, 261
Business Framework Architecture (BFA), 291
Buyer, 323–325, 330–332, 342, 352, 391
Buying group, 322
By-product, 498, 537–539

C

CAD drawing, 633, 642
Calculation
 schema, 231, 331
 type, 251
CAP product group, 127
CAP product list number, 127
Cash
 outflow, 225
Cash Management, 220, 225
Central purchasing organization, 406
Centrally agreed contract, 406
Certificate type, 171
Certification, 214
cGMP, 84
Change document, 170, 635
Change number, 282, 285, 635, 638
 engineering, 282–283
Change request, 49

Characteristic, 83–84, 93, 115–116, 626, 649
 status, 618
 value, 265–266, 619, 630, 649
Chart of accounts, 50
Check digit, 216
Check-cashing time, 225
Chemical, 93
Chemical industry, 83
Class, 265, 273, 425–426, 614–615, 620–623,
 625–630, 640
 hierarchy, 625
 name, 630
 structure, 625
 type, 265, 426, 615, 621–624, 630, 640
Class type, 114–115
Classification, 95, 265, 375, 425–426, 613–
 614, 625–627, 631–632, 640
 materials, 627
 method, 425
 object, 628
 search, 265
 system, 425, 613, 629, 632, 640
Classification data, 148
Clearing account, 508
Client, 46–49, 389
Client level, 84–85
Collective
 number, 367
 requirements, 188
 slip, 523
Commercial price, 195
Commission group, 143
Communication field, 210
Company, 49–50, 61–62, 67–68, 75, 84, 171,
 195, 207–208, 211–212, 214, 224, 239,
 261, 304, 321, 327, 344, 363–364, 374,
 390, 433, 473, 485, 487, 490, 523, 527,
 529, 531, 537, 541, 597, 614–615
 code, 195, 577, 584, 590
Company code, 45, 49–51, 54, 61–62, 75, 77,
 91, 218–219, 503
Comparison value criteria, 384
Competitive bid, 379
Competitive products, 100
Component, 188
 material, 610
 scrap, 188
 stock, 188
Composition, 180

Condition, 62, 249, 330–332, 343, 382, 426, 438
 class, 251
 table, 251, 270–271, 279, 331
 type, 249–251, 271, 331
Configurable material, 98
Configuration, 47, 49–51, 54, 57, 63, 70, 76–79, 85–86, 88, 154–155, 159, 164–165, 167, 170–171, 175, 179, 182, 185, 189–191, 193, 214–215, 220, 226, 239, 253, 263, 267, 275–276, 302–303, 315, 334, 336–337, 364–365, 369, 375, 398, 425–426, 434, 436, 488, 493, 501, 520, 564, 574, 576, 584–585, 590, 595, 604–606, 617–618, 623, 636
Confirmation, 410
 category, 410
 control, 411
Consignment, 80, 245, 350, 401, 609, 662, 675
 stock, 545
Consolidation, 211, 603
Constant
 forecast model, 472, 479–480
 mean value, 472
Construction, 96
Consumption, 185, 448–451, 472, 477, 480, 498
 cost center, 397
 criteria, 174
 data, 462
 mode, 185
 planning, 37, 347, 448–449, 452, 460
 values, 449
Consumption taxes, 126
Contact address, 238
Container requirement, 158
Continuous inventory, 545, 558
Contract, 226, 243, 252, 319, 321–322, 327, 329–330, 332, 386, 388, 401–402, 405–406, 408–409, 414–415, 425, 442
 number, 408
Control, 603, 608
 key, 155, 171
 quantity, 167
 reason, 488
Control data, 131
Control screen, 210
Controlling (CO), 689
Conversion of data, 69
Co-product, 180, 295
Correction and transport, 67
Correction and Transport System, 45, 48
Correction factor indicator, 133
Cost center, 398, 498, 520, 522
Costing, 54, 293
 data, 197
 department, 197, 199
 information, 197
 lot size, 199
 overhead group, 198
 sheet, 198
Count
 date, 548
 difference, 560
 document, 547–548, 554
 error, 560
 procedure, 546
 quantity, 557
Country, 209
 code, 209, 215
Country of origin, 126
Coverage profile, 182
Creative pricing, 386–387
Critical part, 122
Cross-border
 account number, 216
 payment, 216
Cross-client, 271
Cross-distribution chain, 139
Cross-plant material status, 110
Cross-project material indicator, 186
Current assets, 583
Current liabilities, 583
Current stock, 456
Customer, 41–42, 55, 69–71, 75, 78–79, 81, 85, 87, 211, 219, 227, 237, 241, 243, 280, 344, 390–391, 401, 405, 461, 485, 561, 564–566, 579, 583
 delivery, 485
 field, 211
 location, 545
 master record, 213
 number, 211
 satisfaction, 257
 service, 485, 509
 service level, 545

Customized report, 424
Customizing, 48
Cycle
 counting, 490, 545
Cyclic element, 477

D

Dangerous goods, 113
Data
 type, 615
Data conversion, 95
Date of delivery, 348
Date to, 130
Days of inventory, 43
Days of working capital, 43
Days payables outstanding, 43
Days sales outstanding, 43
Deadline monitoring, 120
 reminders, 120
Default supply area, 179
Deletion flag, 289
Deletion indicator, 373, 499–502
Delivering plant, 139
Delivery, 531, 539
 address, 391
 block, 313
 cost, 332, 385
 date, 42, 347, 353, 366, 368, 373, 391, 410, 412
 note, 533, 561
 of goods, 410
 quantity, 530
 schedule, 328
 tolerance, 80
 unit, 140
Delta factor, 478
Dependency, 626
 editor, 626
Dependent requirements, 188, 449
Design drawing, 114
Devaluation, 595
 indicator, 195
 material, 605
 percentage, 195, 596
Dewey Decimal, 613
Difference value, 554

Dimensions, 112
Direct procurement, 662, 664, 667
Discontinuation indicator, 188
Discontinued, 188
 part, 188
Discount, 249, 251, 331, 382, 384, 438
 in kind, 235
Distribution
 center, 505
Distribution profile, 147
Distribution requirements planning (DRP), 190
Division, 110
Document, 632, 634–635, 640
 date, 376
 index, 234
 number, 365, 634, 637
 parking, 568
 part, 267, 635, 637
 record, 636, 638, 640
 required indicator, 170
 status, 636
 version, 636
Document information record, 634–635, 642
Document management, 632–634, 639, 644
Document Management System (DMS), 267, 633–635, 639–640, 642, 644
 for batches, 267
Document type, 267, 348–349, 359, 364, 445, 634, 637–638
 configuration, 348
 external number range, 348
Double invoice, 224
Downward trend, 472
Drugs Controller General of India, 261
Dunning, 75, 227–228
 block, 228
 clerk, 228–229
 notice, 228
 procedure, 227–228
 run, 228
Duty
 levied, 385
 payment, 333
Dynamic selections, 683

E

EAN, 235

Early Warning System (EWS), 645

alerts, 658

schedule, 655

Economic justification, 326

Edit variants screen, 654

Effective-out date, 189

Electronic data interchange (EDI), 42, 213, 226, 233, 322–324, 394–396, 409–411, 414, 485, 562

transaction set, 322

Electronic signature, 425

Email, 395, 409

address, 210

Email attachment, 688

Employee, 614

Employer Identification Number (EIN), 211

Empties, 98

Empty storage bin, 167

End user, 630

Engineering change, 285

number, 296

record, 296

Engineering Change Management, 41, 281, 297

Engineering drawing, 266–267, 634, 636

Environmentally relevant, 113

Equal Opportunity Act, 386

Equipment, 87–88, 346, 632

Equipment category, 88

European Article Number (EAN), 112, 639

Evaluated Receipt Settlement (ERS), 233

indicator, 566

Evidence of internal control, 634

Exception

analyze, 658

Exception group, 645, 647

Exception message, 453

Exceptions, 645, 647

analyze, 658

create, 648

Exchange rate difference, 604, 607–609

Exemption certificate, 222

Expected value, 442

Expiring stock, 280

Expiry date, 589

Export/import group, 125

External

category, 410

confirmation, 410–411

document, 425, 633–634, 642

file name, 634, 642

number assignment, 72, 207, 218

number range, 302

tax system, 209

External assignment, 364

External Services Management (ESM), 433, 445–446, 448

F

Factory calendar, 451

Fair Share Rules, 190

Fast-moving stock, 545

Fax number, 210

FDA, 260–261

FDA 21 CFR Part 11, 261

Field group, 77

Field status, 77

Fields selection, 684

Filtering, 686

Final assembly, 185

Final entry indicator, 444

Final issue, 498

Finance department, 572

Financial Accounting (FI), 50, 75

Financials

accounting, 211, 215, 490, 608

Accounting (FI), 310

flow, 43

movement, 523, 533

posting, 513

statement, 583, 599

Finished

good, 97, 261, 513, 534, 538, 546, 583

goods, 461, 538

goods receipt, 538

material, 188

product, 281, 517–518, 527, 538

First in, first out (FIFO), 196, 590–591, 600

valuation, 590–591

Fiscal year, 183

Fiscal year variant, 129

Fixed

agreement, 456

lot size, 177

period, 476

source, 327

Fixed assets, 583

Flag for deletion, 287, 548

Float

time, 159

Follow-up material, 189

Follow-up processing, 651

Food except perishables, 100

Food, Drug and Cosmetic Act, 261

Forecast, 175, 180, 184, 449–450, 462–465, 468, 471, 475–477, 480, 483

calculation, 476

data, 475

initialization, 476

model, 469, 471, 475–479

parameter, 473

period, 184

planning, 184, 463

profile, 473, 477

requirements, 183, 463, 465

screen, 478

value, 463, 476

Forecast model, 128

Forecast profile, 107

Forecast-based planning, 461

Forecasting, 95, 181, 471, 482

method, 482

Forecasting data, 128

Foreign trade, 124, 126, 234

Foreign vendor, 221

Formula field, 436

Forward consumption, 185

Forwarding agent, 213–214

Framework, 614

Free

delivery of goods, 609

goods, 537

of charge, 235, 539

Free goods discount, 99

Freeze book inventory, 548

Freight

charge, 333

cost, 214, 331, 385

forwarder, 213

group, 214

Funds section, 583

Future price, 194

Future requirements, 463

G

Gamma factor, 478

General data, 117, 128, 134, 144

General evaluations, 682

General item category group, 112

General Ledger (GL), 193, 219, 523, 529, 539

account, 193, 219, 398, 435, 564

account number, 350

General plant parameters, 146

GLN, 212

bar code, 213

Global location number (GLN), 212

Global percentage (GP), 364

Good Manufacturing Practice (GMP), 696

Good Manufacturing Procedures, 84

Goods

free promotional item, 539

sample product, 539

zero value, 539

Goods issue, 59, 489, 511, 513–515, 517, 519–526, 557

for sampling, 521

posting, 522

reversal, 523–524

slip, 523

to production, 527

to production order, 514

Goods movement, 57–58, 165, 194, 485–486, 490, 493, 498, 501–502, 509, 511, 548, 604, 610

Goods receipt, 59, 86, 161, 171, 189, 313, 334, 395, 442, 490–492, 495, 498, 529–530, 532, 539, 541, 543, 557, 561, 565, 570, 579, 593, 609

definition, 529, 541

document, 159, 324

inspection, 169

note, 533

posting, 532

reversal, 533

slip, 159

without production order, 538

Government, 325
Government regulation, 321
Graduated pricing scale, 332
Graphs, 687
Gross requirements planning, 185
Group
 counter, 198
 task list, 198
Group exception, 652
Grouping items, 141

H

Handling Unit Management (HUM), 41
Hazardous material number, 158
Head office, 219
Highly viscous, 113
HIPAA, 634
Historical
 material consumption, 463
 period, 475
 value, 476
House bank, 226

I

IDoc, 292
Immediate payment, 226
Implementation, 67, 69, 84, 290, 612
Implementation Guide (IMG), 51, 60, 167, 249, 251, 270, 275, 313, 415, 425–426, 435, 451, 575, 634
Inbound delivery, 409–411
Income tax, 221
Incomplete status, 266
Incoterms, 230
Independent requirement, 182
Individual payment indicator, 226
Industry key, 213
Industry sector, 96
Industry standard description, 112
Info structure, 694
Information system, 680, 682
Inheritance, 626
In-house production, 186, 347, 529, 541
In-house production time, 136–137
Initial batch status, 85

Initial entry of inventory, 536
Initial status, 86
Initialization, 131
Initialization indicator, 131
Inspection
 interval, 170
 lot, 170
 setup, 169
 stock, 122, 169
Inspection lot selection, 689
Instance, 46
Integration
 with other components, 37
Interest calculation, 219
Interim storage
 area, 179
 type, 59, 165
Internal
 assignment, 364
 confirmation, 410
 document, 425
 Number assignment, 637
 number assignment, 434
 transfer, 485
International Bank Account Number, 216
International Chamber of Commerce, 230
Interoperation time, 137
Interplant transfer, 662, 667
Inventory, 205, 488, 490, 495, 498, 500, 520, 529, 536, 545–546, 551, 553, 589
 accuracy, 490
 adjustment, 546
 balance, 536, 547, 557
 control, 533
 costs, 545
 count, 546–547, 550
 count sheet, 550
 department, 516
 difference, 548, 553–554, 557
 document, 554
 inaccuracies, 546
 initial load, 536
 movement, 486
 record, 603
 reduction, 522
 sampling, 545, 558
 status, 546
 turns, 43
 user, 493

Inventory Controlling Information System, 645
Inventory Management, 69, 157, 165, 271, 450, 485, 509, 511, 607–608
Inventory management reports, 686
Invoice, 43, 171, 224, 229, 233, 254, 324, 445, 561–565, 568–573, 575–576, 578–579, 581–582, 593, 644
 amount, 572
 block, 579
 blocked, 574
 date, 563
 manual release, 579
 posting, 569
 price, 194
 receipt, 350, 609
 review, 579
Invoice Verification, 43, 69, 75, 80, 561–562, 566, 579, 582, 607–608
 goods receipt-based, 233
Invoicing, 207
Inward goods movement, 57
ISO (International Organization for Standardization), 113
 9000, 634
 certification, 214
Issuing material to scrap, 527
Item category, 349–350, 366, 393, 398–399, 441, 445
Item number, 391

J

JD Edwards, 69
JetForm, 388
Just-in-time (JIT), 543
 delivery schedule, 180
 inventory, 485

K

KANBAN, 179
Key figures, 693
Key performance indicator (KPI), 43
Keyword, 621

L

Label, 160
 form, 160
Label type, 160
Laboratory/design office, 110
Last in, first out (LIFO), 196, 583–586, 589–590, 599–600
 method, 588
 pool, 196
 relevant, 196
 valuation, 584, 586–588, 590
Late delivery, 654
Lawson, 69
Layer, 586
 quantity, 587
 value, 586
Leading zeros, 72
Lean WM, 158
Legacy, 69–70, 205
 data, 95
 files, 95
 numbering, 70
 system, 75, 153, 536
Legal dunning procedure, 228
Legal entity, 46
Legal jurisdiction, 391
Lexicographical indicator, 72
Link documents, 266–267
Loading group, 145
Logistics, 39, 41–42
 definition, 39
 Function, 40
 Material Management, 40
Logistics Information System (LIS), 42, 645
Long-term agreement, 401
Long-term forecast, 485
Lot size, 176, 187, 198–199, 295, 464–465, 469
 calculation, 176–178, 452
 data, 176
 Lot-for-lot, 465
 procedure, 176, 464
 sizing, 466
Lower tolerance, 571
Lowest mean absolute deviation, 479
Lowest price quotation, 384

Lowest value, 593
 determination, 593, 597
Lowest value determination, 195
Lowest value principle (LVP), 593, 597
LVP, 593, 597, 599–600

M

Maintain selection, 688
Maintenance assembly, 98
Maintenance order, 155–156, 346
Manual
 block, 572
 initialization, 476
 reorder-point planning, 462
 reservation, 497, 499
Manual batch determination, 179
Manufactured product, 180
Manufacturer, 124, 261
Manufacturer data, 122
Manufacturer part, 98
 number, 124
Manufacturing, 461, 511, 527, 534, 543
 operation, 538
 process, 260, 538
Market price, 593, 600
Master data file, 69
Master production scheduling, 449
Master record, 634
Matchcode, 215, 267, 372–373, 630
Material, 54–55, 62, 69–70, 80, 83–85, 158,
 176, 179, 207, 220, 227, 233, 235, 238,
 264, 274, 280, 287, 292–293, 296, 299,
 312, 333, 339, 343, 345, 353, 363, 371,
 383, 395, 401–402, 405, 409, 435, 437,
 465, 472, 477, 480, 485, 490, 529, 531,
 542, 565, 583, 599, 635
 acceptance, 529, 541
 account, 523
 balance, 584
 batch, 260
 count, 550
 defect, 491
 discrepancy, 553
 document, 159, 264, 486–487, 492, 494–
 495, 513, 522–525, 532–533
 flow, 41

Material (Cont.)
 group, 73, 80, 235, 339, 348, 353, 366
 incorrect, 491
 issue, 523–524
 level, 84–85
 movement, 193, 486–488, 513, 525, 547
 overdelivery, 491
 posting, 260
 price, 593
 quality, 521
 receipt, 533
 requirements, 346, 449, 471
 sample, 521
 shortage, 181
 status, 486
 stock, 196, 546
 tolerance, 263
 type, 193, 195, 281, 434, 586, 593, 606
 valuation, 600, 606
 value, 194, 583
 value change, 586
Material authorization group, 170
Material group, 109, 143, 243, 246
 freight, 119
Material ledger, 603–604, 606–612
Material master, 69–70, 73, 75, 93, 95, 108,
 153, 155, 162, 173, 191, 195, 197, 205,
 248, 281, 283, 290–292, 296–297, 300,
 352, 433, 435, 449, 453, 464–465, 474,
 478, 586, 611–612, 615, 627–628, 639, 662
 deletion, 286
 fields, 205
 file, 281
 record, 207, 239, 260, 347–348, 352, 449–
 450, 462, 465, 473, 517, 523, 606, 609,
 639
 transaction, 281
Material master record, 96, 103, 106
 schedule, 104
 special, 104
Material number, 70, 72, 78, 80, 235, 348,
 391, 434, 450, 487, 514
 automatically assigned, 70–71
 range, 72
Material price, 566
 analysis, 608
 determination, 607–608
Material pricing group, 143

Material requirements planning (MRP), 41–
 42, 123, 153, 173, 188, 293, 296, 328, 345,
 359, 461, 463, 469, 498–499, 513
 Area, 517
 controller, 176, 285, 347, 354, 455–456
 fields, 453
 group, 173
 indicator, 454
 list, 455–456, 459, 499
 requirement, 182
 requirements, 188
 type, 175–176, 463, 465, 469
Material service group, 435
Material statistics group, 142
Material type, 73–74, 86, 96, 100, 148
 changing, 102
 configuring, 100
 standard, 96
Materials, 73, 75
Materials deployment, 190
Materials Management (MM), 45, 55, 58, 60,
 69, 75, 88, 271, 289, 301, 318, 432, 469,
 511, 513, 527, 603, 627
Materials-dependent requirements, 188
Maximum bin quantity, 167
Maximum lot size, 177
Maximum storage period, 160
Mean
 absolute deviation, 478
 quotation, 383, 385
 value, 472–473
Medicines and Healthcare Products Regula-
 tory Agency, 261
Message, 564
 creation, 414
 log, 564
 queue, 414
Microsoft Excel
 copy select data, 688
Military goods, 128
Minimum
 bin quantity, 167
 lot size, 177
 remaining shelf life, 161
 safety stock, 181
 value quotation, 384
Minimum delivery quantity, 140
 percentage, 121
Minimum order quantity, 140

Minority
 indicator, 220–221
 owned, 614
 owned business, 220, 386
 vendor, 220–221
Miscellaneous goods receipt, 538
Mixed MRP, 185
Mode of transport, 234
Model selection, 132
Monitoring confirmation, 424
Movement, 194
 indicator, 498
 rate, 597
 reason for, 493–494
 type, 161, 189, 271, 487–489, 492–495,
 497–498, 504–506, 514–517, 519–520,
 531, 536, 538–539, 585, 590
Moving average price, 194, 524, 610–611
 control, 611
MSDS, 638
 file, 633, 642
Multilevel price determination, 609–610
Multinational group, 603
Multiple account, 400
Multiple selection, 683
Multiplier, 130

N

National account number, 216
National Motor Freight Traffic Association,
 213
Negative seasonal trend, 473
Negative stock in plant, 146
Negotiated price, 323–324
Net price, 80
Net price field, 382
Net-requirement
 calculation, 452
 quantity, 452
Network, 498, 634, 642
Non-batch managed, 260
Nonfood items, 100
Nonmoving item, 195
Nonstock
 item, 80, 346
 material, 80, 99, 346

Nonvaluated material, 99
Nonvariant part, 185
Nonworking day, 451
Number assignment, 365, 634
Number range, 72, 74, 78–79, 81, 86, 302–303, 308
Numeric material numbers, 72

O

Object, 220, 234, 613–615, 622–624, 626–634, 638–639, 642
 dependency, 626
 type, 623
Obsolete, 473
Occupational category, 613
Office of entry, 235
Offsetting adjustment, 553
Old material number, 110
One-step procedure, 503, 505–506
One-step removal, 165
One-time vendor, 77
On-time performance, 322
Operating supplies, 98
Operation, 80, 179, 345–346, 449, 517–518, 527, 545
 time, 518
Optimization level, 132, 477
Optimum lot-sizing procedure, 177
Order, 233
 acknowledgement, 409, 411
 currency, 230
 settlement, 607
 type, 392
Order unit, 118
Ordering costs, 177
Order-to-delivery, 485, 509
Organization, 70
Organizational level, 105–106, 450
Organizational structure, 47, 50, 54, 58, 67
Origin group, 198
Out of tolerance, 261
Outline agreement, 327, 329–331
Outline purchase agreement, 401, 430
Output format, 415
Output message, 414
Overall functionality, 37

Overall limit, 442
Overdelivery tolerance, 121, 136
Overhead cost, 198

P

Packaging, 160
Packaging material, 100
Palletization, 166
Parameter optimization, 132
Parked, 568
 status, 568
Partner functions, 75, 91, 237–238
Payment
 block, 226
 block keys, 226
 instructions, 215
 method, 75, 225
 period, 224
 process, 564
 program, 564
 rules, 564
 slip, 213
 term, 224
 terms, 75
 transaction, 215
P-card, 43
Percentage
 basis, 384
 discount, 595, 597
 limit, 569
 value, 571
Performance capability, 386, 389
Periodic analysis, 647, 653
Periodic unit price, 604
Periods, 604, 608–609
 fixed, 131
 forecast, 130
 historical, 130
 indicator, 129, 161, 183, 450
Perishables, 100, 112
Personnel number, 223
Pharmaceutical, 93
 products, 126
Pharmaceutical industry, 83, 259–261
Physical count, 550–551
 document, 551, 556
 document number, 553

Physical document number, 554
Physical inventory, 159, 490, 544–548, 550, 553, 558, 560
 account, 557
 count, 546–547
 count document, 547
 count sheet, 546, 550
 document, 551
Picking, 55, 58, 158, 168
 area, 158
 quantity, 168
 storage type, 163
 ticket, 523
Pipeline, 80, 244
Pipeline material, 99, 662, 677
Placement, 58
 strategy, 164
Placement strategy, 55
Planned
 count, 159
 delivery time, 186
 goods issue, 513
 movement, 497–498
 order, 123, 180, 189, 347, 453, 456
 order reduction, 189
 production, 464, 466, 468
 purchase, 463, 466, 468
 requirement, 185, 464
Planner, 453
Planning, 614
 area, 295
 calendar, 176, 451
 cycle, 176, 465
 department, 175–177, 181, 185–186, 189, 347, 410
 file, 452
 function, 184
 group, 220
 material, 185
 method, 448–449
 plant, 186
 procedure, 465
 process, 452, 454, 456
 result, 455, 459
 run, 176, 184, 347, 452, 455, 465
 strategy, 185
 time fence, 176
 type, 295

Plant, 45, 51–52, 54–57, 62, 65, 70, 84–85, 153, 158, 161, 167–170, 179, 287, 289, 292, 296, 326–327, 329–330, 353, 393, 395, 406, 451–453, 485–487, 496, 503, 505–506, 509, 527, 545–546, 548, 558, 567, 586, 593, 608
 level, 292
 stock level, 453, 533
 transfer, 506
Plant engineering, 96
Plant level, 84–85
Plant Maintenance, 87–88, 346, 453, 690
 department, 153, 155
Plant Maintenance Information System, 645
Plant-specific material status, 118
Points, 336
Postal code, 209
Posting
 date, 554, 563
 invoice, 568
 period, 183
Posting Block indicator, 547
Posting difference, 59
Post-office box, 210
Precondition, 626
Preference status, 127
Price
 actual, 383
 determination, 332, 609–610
 difference, 607, 609
 discount, 385
 effective determination, 387
 fluctuation, 603, 611–612
 unit, 194
 value, 571
 variance, 566, 577
Price calculation schema, 249
Price comparison, 383, 385
 selection criteria, 383
Price control, 194
Pricing, 561, 579
 agreement, 331
 condition, 270, 279, 331
 date control, 231
 determination, 231
 procedure, 214, 231, 249
 scale, 331–332
Print, 688

Process order, 271
Processing time, 137, 477
Processing time/base quantity, 146
Procurement, 42, 69, 170, 177, 179, 461
 cost, 385
 cycle, 171
 proposal, 452–453, 456, 464, 466
 type, 179
Product, 483
 cost estimate, 199
 recall, 261, 264, 280, 491, 510
Product attribute, 143
Product hierarchy, 111
Product recall, 83
Production, 85, 87, 179, 181, 184, 287, 299,
 318, 401, 452, 460, 469, 476, 511, 513,
 518, 529, 536, 538–539, 541, 543, 603
 date, 161, 263
 department, 176
 schedule, 42, 410, 553
 storage location, 179
 version, 187, 292–296
Production order, 41–42, 80, 123, 177, 198,
 271, 345–346, 489–490, 496, 510, 513–
 518, 522, 524–525, 527, 529, 534–535,
 537–538, 541
 number, 514, 534
 routing, 346
 settlement, 608
Production Planning (PP), 41, 51, 54, 64, 270,
 460, 469, 527, 538
Production process, 179–180, 198, 261, 432,
 490, 516, 518
Production resources/tools (PRTs), 97, 153,
 155
Production scheduling profile, 135
Production storage location, 135
Production supervisor, 134
Production unit, 134
Profit center, 146
Project, 388
 segment, 186
 stock, 186, 193
PRT, 153, 155
Public safety, 261
Purchase
 department, 401
 document, 425, 427, 432

Purchase (Cont.)
 group, 393
 information record, 566
 line item, 392
 price, 330, 343
Purchase information record, 80–81
Purchase order (PO), 80, 99, 123, 169, 171,
 213, 227, 230–231, 252–253, 312–314,
 317, 323–324, 331–332, 343, 347, 356–
 357, 363, 374, 386, 391–397, 399–401,
 405, 408–409, 411, 414–415, 417, 425–
 426, 429–430, 432, 437, 441–445, 456,
 464, 490, 492, 494, 498–499, 529–532,
 538–539, 541–542, 561, 563, 565–566,
 570, 579, 593, 609, 682
 acknowledgement, 410
 canceling, 332
 creation, 410
 date, 323
 number, 323, 391, 394, 531–532, 538, 542,
 563
 special terms, 323
 text, 252
Purchase requisition, 123, 233, 319–320, 341,
 345–350, 352, 354–357, 360–361, 363,
 374, 391–392, 401, 403–404, 425–426,
 453, 455–457
 assign automatically, 358
 assign manually, 358
 create automatically, 664, 678
 follow-on function, 357
 indirect, 346
 nonstock material, 346
Purchasing, 37, 60, 70, 75, 90, 95, 207–208,
 211, 237, 260, 281, 297, 452, 460, 644, 659
 condition, 248
 consultant, 319
 cost, 177
 data, 116, 149, 229
 function, 424
 group, 80, 348, 352–353, 365, 376, 401
 info record, 329, 331–332
 information, 171
 output, 415, 432
 process, 566
 requisition, 345, 347, 349, 359
 value key, 119

Purchasing department, 207–208, 224, 230–
 231, 233–235, 238–239, 241, 318–326,
 331–333, 336, 338, 341, 343, 347, 354,
 361, 363, 365, 369, 376, 379, 381, 383,
 385–388, 390–391, 394–396, 401–402,
 405, 429, 445, 448, 456, 460, 493, 539
 point, 247
 policies, 333, 343
 tolerances, 248
Purchasing document, 231, 234
Purchasing documents category, 375
Purchasing group, 63
Purchasing information record, 243–244, 246,
 248–249, 252–254, 315, 593
Purchasing Information System, 645
Purchasing organization, 60–63, 75, 80, 90,
 207, 247, 304, 309, 311–312, 315, 326,
 330, 336–339, 365, 376, 383, 385, 401,
 406, 417
 data, 247
Purchasing reports, 681
Push indicator, 190

Q

Qualify for free goods discount, 118
Quality, 334
 assurance, 171, 261
 certificate, 171
 control, 261
 department, 170–171, 264
 information, 170
 inspection, 169, 264, 492, 502, 533, 545–
 546, 577
 inspection stock, 519
 inspection text, 523
 inspection user, 170
 inspection worklist, 267
 notification, 170
 performance, 322
 requirement, 168
 testing, 267
 testing document, 266
Quality Management, 41, 169–170, 214, 300,
 690
Quality Management Information System,
 645

Quality specification, 646
Quantity
 contract, 405–406
 formula, 155
 partial, 533
 variance, 577
Quantity stipulations, 140
Quota arrangement, 329–330
Quota arrangement usage, 122
Quotation, 321–322, 331–332, 368, 381–383,
 385, 387, 390, 401, 403
 comparison, 384
 deadline, 368
 price comparison, 383
 rejection, 388

R

Random variation, 477
Range of coverage, 182, 593, 595–596, 600
Range of values, 615, 631
Raw material, 99, 180, 319, 341, 539, 546,
 583
Real-time reports, 485
Reason for movement, 493, 520
Rebate, 247
 arrangement, 247
Recall, 261
Receipt days' supply, 453
Receipt of material, 529, 541
Receiving dock, 351
Receiving plant, 84, 506
Recipe, 267
Reconcile, 219
Reconciliation, 219
 account, 219
Reconciliation account, 75
Recount, 553
 document, 553
 material, 553
 physical inventory document, 553
 transaction, 553
Recycling, 491, 510
Reengineering, 485
Reference material, 129
Reference plant, 130
Reference quotation, 383

Region, 209
Region of origin, 126
Regression analysis, 479
Regulatory body, 261
Rejection letter, 388
Rejection of RFQ, 415
Release, 266, 405
 code, 374, 427
 condition, 426
 for payment, 220
 group, 220, 375, 426
 indicator, 427
 order, 401, 405, 408
 policy, 432
 procedure, 374, 425
 purchase requisition, 426
 status, 265
 strategy, 375, 426, 432, 442
Reminder letter, 227
Removal strategy, 164
Reorder
 level, 453, 462
 point, 449, 461–462, 469
 point planning, 175
 quantity, 176
Reorder-point planning, 461, 463
Repetitive manufacturing, 189, 401
 indicator, 189
 profile, 189
Repetitive manufacturing profile, 189
Replacement part, 144
Replenishment quantity, 168, 453
Report output, 684
Reporting, 679
Request for information, 325
Request for quotation (RFQ), 207, 252, 313, 320, 322, 326, 363–365, 367–368, 371–377, 379, 381–383, 385–388, 415, 425, 437
 date, 365
 delivery schedule, 369
 document number, 365
 number, 372–373
 type, 364
Requirement
 define, 650
 for confirmation, 410
 quantity, 452
 situation, 456
 tracking number, 355, 366, 372

Requisition, 404
Requisitioner, 322, 325–326, 345, 347, 352, 354–356
Reservation, 496–502, 510–511, 513
 automatic, 496
 creation, 497
 date, 502
 definition, 496, 510
 stock transfer, 497
Retention
 day, 501–502
 period, 502
Return, 287, 489, 511
 agreement, 247
 clause, 491
 delivery, 491, 495
 policy, 386
 process, 511
Return Material Authorization, 491
Returnable packaging, 99, 491
Revaluate, 604
Revaluate stock, 603
Revaluation, 607
Reverse logistics, 491
Reverse movement type, 504
Revision level, 296–297, 635
 assignment, 635
Right justified, 72
Rough GR, 413
Rough-cut planning, 163
Rounding error, 194
Rounding profile, 141
Rounding quantity, 168
Routing, 345, 517, 527

S

Safety stock, 181–182, 462
 dynamic, 182
 level, 455, 462
 range, 181
Safety time, 182
Sales, 144
 order, 397, 498, 546
 order stock, 193
Sales and Distribution (SD), 41, 270–271, 300
Sales data, 150

Sales organization, 70, 95, 138, 281, 287, 289, 298, 316
Sales unit, 139
Sample
 material for, 522
 test, 521, 526
Sampling, 489, 513, 525
 account, 522
SAP Business Warehouse, 47
SAP Customer Relationship Management, 47
SAP query, 424
SAPscript, 377, 388
Sarbanes-Oxley Act, 634
SCAC code, 213
Scale, 251, 331–332, 439
Schedule
 delivery, 466
 line, 453, 456
 variance, 577
Schedule line, 123
Schedule Manager, 565
Scheduling agreement, 327–328, 331–332, 401–406, 415, 425, 456, 593
Scheduling frequency, 656
Schema group, 231
Scope of list, 375
Scoring
 criteria, 338
 method, 335
 system, 338
Scrap, 178, 211, 519–520, 526–527
 material, 518–519, 526
 quantity, 517–518, 527
Scrapping, 513, 519–520, 525
 account, 520
 costs, 520
 material, 520
 procedure, 519
Search
 criteria, 630
 parameter, 265
 procedure, 270, 279
 strategy, 270, 279
 term, 208–209
 tool, 632
 type, 274
Seasonal
 element, 477
 forecast model, 476
Seasonal (Cont.)
 index, 478
 market, 473
 model, 473, 480
 pattern, 473, 479
 trend model, 473, 480
Seasonal cycle, 131
Selection
 criteria, 273, 377, 385, 417, 500, 579, 588, 594, 596–597
 method, 187
 procedure, 132, 477–478
 Type, 273
Sell by batch, 280
Semiautomatic criteria, 338–339
Semi-finished, 80
Semifinished
 goods, 86
Semifinished good, 97
Serial number, 87–89, 93, 147
 profile, 87–89, 147
 usage, 88
Serialized, 87
Serializing procedure, 88
Server, 46
Service, 62, 75, 80, 234, 244, 257, 319, 323, 333, 343–344, 347, 365–366, 383, 400–401, 405–406, 433–434, 438, 442, 445, 448–449, 561, 579
 bulletin, 634
 category, 434, 437
 entry sheet, 425, 433, 443
 financial posting, 435
 level, 181
 management, 438
 number, 434, 442
 sheet entry, 442
 specification, 433, 441
Service master, 433, 435, 437
Service-agent procedure group, 214
Service-based Invoice Verification, 234
Settlement of production orders, 609
Settlement rule, 295
Setup time, 136, 146
Shelf life, 161, 263
 characteristics, 156, 201
 date, 263
Shipping data, 145

Shipping instructions, 121
Ship-to address, 323
Shop Floor Control, 690
Shop Floor Information System, 645
Significance test, 477
Simple algorithm, 216
Simulation, 564
Single account assignment, 399
Single source, 325–326, 330, 363, 485
Single-level
 price determination, 609
SLED, 161, 263
 rounding rule, 161
Slow movement, 597
Smallest mean absolute deviation, 477
Smoothing factor, 477–479
Social Security number, 211
Sole proprietor, 237
Sole Source Justification, 325
Sort key, 219
Sort sequence, 273
Source, 328
 determination, 313, 328–329
 list, 324, 326, 328–330, 342, 394
 of supply, 327, 329–330, 394
Source list, 124
Spare parts, 97
Special
 goods movement, 164
 movement indicator, 164–165
 procurement key, 179
 status, 491
 stock, 545
Special characters, 71
Special procurement type, 661, 670
 key, 662
Specification, 267, 636
Split valuation, 192
Splitting indicator, 184
Standard
 report, 424
 text, 155
Standard analyses, 689
Standard analyses option, 690
Standard analyses report, 689
Standard Carrier Alpha Code, 213
Standard Occupation Classification System, 613
Standard price, 73, 194, 524, 604, 609
 control, 609
Standard service catalog (SSC), 437
Statistical data, 254
Status switch indicator, 635
Stochastic, 572
 block, 574–575
Stock, 55, 65
 account, 557
 available, 497
 balance, 536, 609
 blocked, 491–492
 in quality inspection, 491
 in transit, 505–506
 initial creation, 490
 level, 485, 523, 529, 533, 541, 546
 movement, 456
 overview, 486–487, 497
 placement, 164, 505
 plant, 532
 posting, 508
 removal, 164, 167, 505
 requirements List, 455
 requirements list, 456, 459
 reserved, 497
 slow moving, 505
 special, 504
 transfer, 169, 401, 485, 502–503, 511, 662, 667
 unrestricted, 491, 497, 505–506
Stock check, 88
Stock On-Hand report, 546
Stockout, 543
Storage
 conditions, 158
 costs indicator, 177
 indicator, 164
 location, 45, 54–59, 65, 70, 156, 180, 281, 296, 298, 452–454, 485, 487, 496, 498, 502–507, 532, 545–546, 548
 location level, 453
 search, 164
 section, 60, 158
 section search, 164
 strategies, 163
 transfer, 506
 type, 58–60, 163–165, 167
 unit handling, 166

Storage bin, 55, 58–60, 157, 166–168
Strategic alliance, 386
Strategy
 group, 184
 type, 274
Street address, 209
Structural organization, 60
Structured framework, 614, 630
Subassembly planning
 with final assembly, 185
 without final assembly, 185
Subcontracting, 80, 401, 662, 671
Subcontracting order, 673
Subcontractor, 346, 424
Subcriteria, 334–335, 339
Subledger, 219
Subordinate class, 625–626
Subsequent settlement, 233–234
Superior class, 625–626
Supplier, 75
Supply chain, 39, 41, 43
 management team, 42
Supplying plant, 506
Surcharge, 331, 438
Syntax, 626

T

Takt time, 178
Target
 dollar amount, 402
 QM, 171
 quantity, 402
 value, 406
Task
 group, 198
 group list, 198
 list, 155–156, 295
 type, 199
 Usage, 153
Tax, 212, 251, 438
 calculation, 332
 condition, 332
 details, 563
 identification number, 211
 indicator, 435
 information, 210
Tax (Cont.)
 jurisdiction code, 209, 212
 price, 195
 rate, 332
 regulations, 490
 type, 212
Tax data, 139
Tax indicator for material, 118
Taxable service, 435
Taxware, 209, 212
Technical specifications, 633, 642
Temperature conditions, 158
Terms and conditions, 379, 401
Terms of delivery, 402
Testing specifications, 84
Three-way match, 43, 324, 561
Threshold value, 554–555, 574
Threshold value analysis, 651
Time-phased planning, 176, 461, 464
Tolerance, 224, 519, 553, 570
 for chemical materials, 521
 group, 224
 indicator, 569
 key, 570, 577
 limit, 569, 571
Tolerance data, 136
Total
 consumption, 451
 planning run, 173
 price condition, 439
 replenishment lead time, 186
 shelf life, 161
Tracking limit, 131, 476
Trade definition, 230
Trading goods, 98
 partner, 211, 386
Transaction set, 410
Transaction variance, 607
Transaction-based material price determina-
 tion, 610–611
Transfer, 488
 between plants, 505
 company code, 508
 plant-to-plant material, 507
 posting, 498, 503, 546, 609
Transport
 confirmation, 409
 order, 348

Transportation, 326
Transportation department, 213
Transportation group, 145
Trend, 477, 479
 value, 477
Trend analysis, 651
Trend model, 472, 480
Trial posting, 564
Two-step picking, 165
Two-step procedure, 503, 505–506
Two-way match, 43, 233, 561, 565, 579

U

Unalterable log, 634
Underdelivery, 660
Underdelivery tolerance, 121, 136
Unequal weighting, 336
Unit of measure, 186, 246, 353, 442, 639
Unit price, 326, 609
Universal Product Code (UPC), 112
Unlimited overdelivery, 136
 allowed, 121
Unplanned
 basis, 516
 consumption, 451
 goods issue, 516
 issue, 513
 service, 442–443
Unrestricted, 492, 545
 stock, 505, 519, 538
Unrestricted status, 86
US Department of Transportation, 213
Usage decision, 170
Usage value formula, 156
User group, 275–277
 view, 275
Use-tax responsibility, 212

V

Validation, 216
Validity date, 328, 402
 range, 367
Validity period, 332, 437, 445

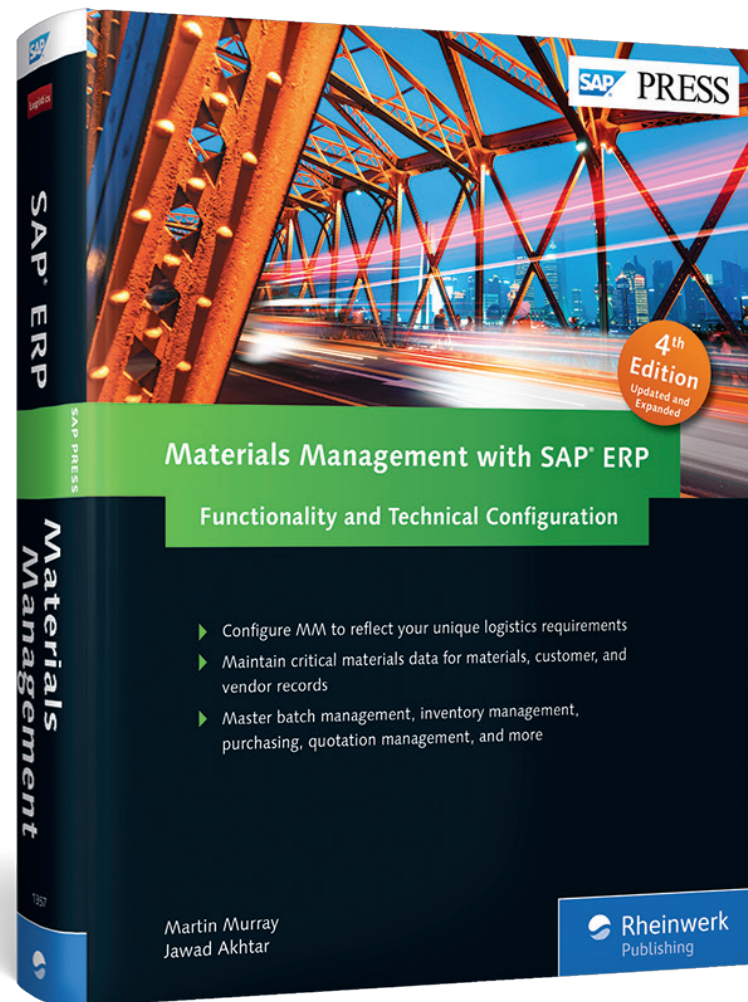
Valuated transaction, 608
Valuation, 191, 194, 196, 204, 584, 591, 603, 606
 area, 584, 590, 597
 category, 192
 class, 193, 435, 593, 606
 method, 593, 597, 599–600
Valuation level, 54
Valuation-relevant transaction, 607
Value
 actual, 476
 contract, 405–406
 determination, 588, 593, 600
 limit, 445
 template, 619
Value Update, 102
Variable
 order unit, 118
 sales unit, 139
Variance, 336, 546, 569–571, 577
 location, 553
 percentage, 557
 type, 569
 within tolerance limit, 569
Variant, 688
Variant configuration, 41
VAT, 212
Vendor, 41, 61–62, 75–78, 80, 90, 171, 207, 239, 251, 260–261, 264, 301, 333, 345, 360–361, 363, 371, 373, 381, 383, 417, 445, 464, 485, 490, 495, 529–531, 539, 541–542, 561, 563–565, 567, 572, 575, 579, 581, 614, 632, 639, 644
 account, 219
 account group, 79, 239
 acknowledgement, 410
 address, 371
 batch number, 264
 confirmation, 409
 evaluation, 122, 333–334, 336–337, 343
 name, 208, 214
 new, 321
 number, 207, 217–219, 238, 309
 number ranges, 302, 304
 numbers, 326
 one-time, 313–314, 317

W

Warehouse, 45, 55, 58–60, 157, 164–167, 260, 523, 533, 536, 545–546, 589
 number, 287
 section, 546
 stock, 452
Warehouse Management (WM), 41, 55, 58, 157–158, 162, 164–165, 270–271
 movement type, 165
 unit of measure, 163
Weighting group, 132
Weighting key, 333
Wholesaler, 326
Withdrawal, 489
Withdrawal from alternative plant, 670
Withholding tax, 219, 221–222
Women-owned business, 386
Work
 center, 517
 in process, 583
 scheduling, 260
Work scheduling, 95, 133
Workflow, 43
Working capital, 583

Y

Yearly inventory, 545, 558



Martin Murray, Jawad Akhtar

Materials Management in SAP ERP

Functionality and Technical Configuration

739 Pages, 2016. \$79.95/€79.95

ISBN 978-1-4932-1357-3

 www.sap-press.com/4062



Martin Murray was a respected Logistics consultant and worked with IBM for more than 15 years. He joined the computer industry upon his graduation from Middlesex University in 1986. In 1991, he began working with SAP R/2 in the materials management area for a London-based multinational beverage company, and in 1994 he moved to the United States to work as an SAP R/3 consultant.



Jawad Akhtar works as the SAP Leader for Business Sales and Delivery at IBM Pakistan. He earned a chemical engineering degree from Missouri University of Science and Technology (USA) in 1996. He has more than 18 years of professional experience and has completed several large-scale SAP implementations and rollout lifecycles. He has led large teams in his roles as an SAP integration manager and SAP project manager, and has also been proactively involved in business development and solution architect roles. He is the technical adviser to SAP Experts and is a prolific contributor to SearchSAP, where he shares his views on logistics, supply chain management (SCM), product lifecycle management (PLM), and project management.

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.

© 2016 by Rheinwerk Publishing, Inc. This reading sample may be distributed free of charge. In no way must the file be altered, or individual pages be removed. The use for any commercial purpose other than promoting the book is strictly prohibited.