This chapter describes the process for creating a new document type for a purchase requisition and assigning a newly defined number range. Next, the chapter covers the purchase requisition approval process.

“Purchase Requisitions”

Table of Contents

Index

The Authors

Jawad Akhtar, Martin Murray

Materials Management with SAP S/4HANA: Business Processes and Configuration

946 Pages, 2018, $89.95

ISBN 978-1-4932-1741-0

www.sap-press.com/4711
Chapter 10

Purchase Requisitions

A purchase requisition is the procedural method by which users or departments can request the purchase of goods and services. A purchase requisition can be entered manually by a user or can be generated automatically as a result of a demand from materials requirements planning (MRP).

A purchase requisition is the first step in the demand for material either entered by the requisitioner or generated out of a requirements system such as MRP. A requisition contains the material or services to be procured, a required date of delivery, and a quantity. The purchase requisition doesn’t contain a vendor and is generally not printed out because it’s an internal company document.

In this chapter, we’ll begin by covering the configuration basics for creating a new document type of a purchase requisition and assigning a newly defined number range. The configured purchase requisition document type is then put to the test in the associated business processes, including creating purchase requisitions with a material and without a material. Next, the chapter covers the purchase requisition approval process (known as the release procedure). Both types of release procedures—with and without classification—are covered, including configuration basics, master data, and business processes.

10.1 Configuring a New Purchase Requisition Document Type

You can configure document types for purchase orders (POs), purchase requisitions, requests for quotations (RFQs), quantity or value contracts, and scheduling agreements. The configuration steps for these documents are all quite similar; therefore, we’ll focus only on the process for purchase requisitions. You’ll follow these same steps to define document types for the other document categories.
In the following sections, we’ll provide a step-by-step approach to defining a new number range for the purchase requisition, configuring a new purchase requisition document type, and then assigning the newly defined number range to the purchase requisition. We’ll also show you how to create a purchase requisition with the newly configured purchase requisition document type.

10.1.1 Defining a Number Range

Every purchasing document type must have a number range, which can be internal, external, or both. To define the number range, follow the menu path Purchasing • Purchase Requisition • Define Number Ranges. Click on the Change Intervals button. You’ll see a list of existing number ranges. Add a new number range by clicking on the Insert Line button, as shown in Figure 10.1.

Enter a number range key in the No column and then make entries in the From No. and To Number fields. To make a number range external, select the External Number Ranges checkbox; to make a number range internal, leave this checkbox unselected, as shown in Figure 10.2.

Figure 10.1 Interval Maintenance of a Purchase Requisition

Note

Number range intervals can’t overlap each other, and number ranges are year-independent in MM.

Figure 10.2 New Interval of a Purchase Requisition

10.1.2 Defining Document Types

To configure a document type for purchase requisitions, follow the navigation path Materials Management • Purchasing • Purchase Requisition • Define Document Types. Figure 10.3 shows the different purchase requisitions that have been already configured. A standard purchase requisition has the Type NB. The configuration allows internal (NoRgeInt) and external (NoRge Ext) number ranges to be defined for each requisition type.

To create a new purchase requisition document type, select the standard purchase requisition document Type NB, as shown in Figure 10.3, and choose Copy as.

Figure 10.3 Available Document Types of Purchase Requisition

As shown in Figure 10.4, maintain the new purchase requisition document type ZNB and maintain the previously configured internal number range (NoRgeInt) as 02. Also, maintain a short description of the new purchase requisition document type (Doc. Type Descript.). When you press the Specify object to be copied popup will appear. In this window, you’ll choose whether you want to copy all dependent entries of the reference document type NB into newly configured document type ZNB or not. Choose copy all, and the screen shown Figure 10.5 will appear.
10.1 Configuring a New Purchase Requisition Document Type

Figure 10.4 Newly Created Purchase Requisition Document Type ZNB

Figure 10.5 shows information about the number of dependent entries in purchase requisition document type NB that have been copied to our newly configured purchase requisition document type ZNB, which in this example is 170 entries.

Figure 10.5 Number of Dependent Entries Copied

The screen shown in Figure 10.6 will appear where you can make changes, as needed. Select the line item ZNB and then double-click on **Allowed item categories** on the left-hand side.

Figure 10.6 Newly Configured Purchase Requisition Document Type ZNB

Figure 10.7 shows the list of item categories that were copied directly from the purchase requisition document type NB. On this screen, you can eliminate or add item categories allowed for the purchase requisition document type ZNB.

Figure 10.7 Allowed Item Categories of Purchase Requisition Document Type ZNB

Access the screen shown in Figure 10.8 by choosing **Serial number profiles** and make purchase requisitions of document type ZNB required or optional to a serial number for equipment when creating a purchase requisition.

Figure 10.8 Serial Number Profile for Purchase Requisitions

With these configuration steps complete, let’s now test whether the SAP system can successfully create a newly configured purchase requisition of document type ZNB with the new number range starting with 20000000.

Note
During the course of an SAP implementation project, the MM consultant and the client should agree on all the purchasing document numbers and associated number ranges to be configured to meet various business scenarios. Our example covered creating purchase requisition document type ZNB, which business users need to use when requesting (in the form of a purchase requisition) the purchase of an asset.
10.1.3 Creating a Purchase Requisition with a Material Master Record

Requisitions are most commonly created by using an item or service with a material master record. A purchase requisition can be created using Transaction ME51N via the following navigation path: Logistics → Materials Management → Purchasing → Purchase Requisition → Create.

This transaction allows a requisitioner to define what fields are visible on the screen when entering the requisition data. Many fields can be reviewed and entered. Figure 10.9 shows the Material, the Short Text description, Quantity, Unit, and Delivery Date fields. In addition to the fields shown in Figure 10.9, the following information can be entered in the requisition line item: material group, plant, storage location, requisitioner, purchasing organization, manufacturer’s part number, purchasing information record, desired vendor, and requirement tracking number.

A requisition for materials that have a material master record requires the requisitioner to enter the following information:
- Material number of item or service
- Quantity to be procured
- Unit of measure
- Date of delivery of the material

The requisition process will populate default information into the Purchase Requisition screen. Examples of this information include the material group and purchasing group. In the following sections, we’ll evaluate some of the important fields for purchase requisitions.

Document Type

The document type for a purchase requisition is important because it defines the internal and external number ranges used for requisitions and because it defines the valid item categories and follow-on functions. For our example, we’ll use our newly configured purchase requisition document type ZNB.

Purchase Requisition Number

A purchase requisition number can be defined as an internal or an external number. In our example, the internal number range (NoRgeInt) has been configured with range number 02.

Item Category

Refer to Figure 10.9, which shows the item category field (I), another control field that allows a purchase requisition to follow the correct path for that category of purchase requisition. The SAP system includes a set of predelivered item categories:
- Blank: Standard
- K: Consignment
- L: Subcontracting
- S: Third party
- D: Service
- U: Stock transfer

The item category allows for the selective display of certain fields and not others. For example, if a purchase requisition item has an item category K for consignment, then invoice receipts won’t be allowed.

Account Assignment Category

An account assignment category field (A) determines what type of accounting assignment data is required for purchase requisitions. Examples of account assignments are cost centers, cost objects, SAP General Ledger (SAP G/L) accounts, and assets.
The account assignment categories can be configured in the IMG. You can create a new account assignment category by following the navigation path Materials Management • Purchasing • Account Assignment • Maintain Account Assignment Categories, as shown in Figure 10.10.

A purchasing user can create a new account assignment category and configure its fields. For example, some companies may not want certain fields to appear or to be changeable when using particular account assignments. The configuration allows the fields, such as Asset, Business Area, and Cost Object, to be mandatory entries (Mand.Ent.), optional entries (Opt.Entry), display-only fields (Display), or Hidden. The accounting department is primarily involved in creating new account assignment categories.

Required account assignment data is needed for specific account assignments, as follows:

- **Asset (A)**
  Asset number and subnumber
- **Production order (F)**
  Production order number
- **Cost center (K)**
  Cost center and G/L account number
- **Sales order (C)**
  Sales order and G/L account number
- **Project (P)**
  Project number and G/L account number
- **Unknown (U)**
  None

The next four fields can be entered on the line item of the purchase requisition, as shown earlier in Figure 10.9.

**Plant/Storage Location**

The plant and storage location fields can be entered if the location where the material must be shipped is known. If only one receiving dock exists for the whole plant, then this dock can be defaulted.

**Purchasing Group**

A purchasing group number is a number for the buyer (or buyers) of a material. If a purchasing group is entered at the order level, then this group will be defaulted for each of the purchase requisition line items.

**Requirement Tracking Number**

This requirement tracking number (RTN) doesn’t represent the requisition or the requisitioner but is a free-form field in which a tracking number can be entered. This field can be used by the person entering the RFQ to uniquely identify specific POs. For example, if purchasing agents are entering a number of POs for a project, they may want to enter a unique RTN so that the POs can be located together instead of having to know each individual PO number.
Requisitioner
This field is another free-form field where a purchasing user can add the requisitioner’s name to search and order the purchase requisitions. For example, if one person is tasked with entering all purchase requisitions for a department, that person can enter the name of the person who actually wrote the requisition in the Requisitioner field.

Figure 10.11 shows the item details of a purchase requisition. The Closed indicator can be set if the purchase requisition no longer needs to be converted into a PO. Selecting the Fixed ID checkbox will prevent automatic changes to the purchase requisition during an MRP run. The data on planned delivery time (Pl. Deliv. Time) and the goods receipt processing time (GR proc. time) are taken from the material master if these details are maintained in the material master.

Figure 10.11 Quantities/Dates Details in a Purchase Requisition

Figure 10.12 shows the Valuation tab of a purchase requisition. The Valuation Price is taken directly from the material master if the material had previously been procured. The valuation price at the item level also forms the basis of triggering a release (approval) procedure.

Figure 10.12 Purchase Requisition: Valuation Tab

Save the purchase requisition in the newly configured document type ZNB, and the system will show an information message displaying the newly defined internal number range is correctly configured and assigned to the newly configured purchase requisition document type ZNB.
The account assignment categories described in the previous section allow a requisitioner to allocate the costs of the purchase to the correct accounts.

To enter a purchase requisition for an item without a material master record, the transaction is the same as before: Transaction ME51N. The requisitioner can enter information on the initial screen or leave the initial screen blank to go directly to the line item screen.

In the detailed line item screen, information must be entered because no material master record exists to refer to. The requisitioner must enter a short description of the following:

- Material
- Account assignment category
- Quantity to be supplied
- Unit of measure
- Delivery date
- Plant
- Purchasing group
- Material group
- Material
- Account assignment category
- Quantity to be supplied
- Unit of measure
- Delivery date
- Plant
- Purchasing group
- Material group

The required information will correspond to the account assignment category was entered in the line item. Figure 10.15 shows the required account information.

Figure 10.15  Purchase Requisition Line Item with No Material Master Record

---

### 10.2 Processing a Purchase Requisition

After a purchase requisition has been created, it can be further amended using the change process, which we’ll discuss next. This section also discusses the methods for displaying purchase requisitions.

#### 10.2.1 Changing a Purchase Requisition

A purchase requisition can be changed as part of the material planning process, that is, by an MRP controller or by a requisitioner prior to being processed by the purchasing department. A purchasing requisition can be changed using Transaction ME52N or by following the navigation path Logistics • Materials Management • Purchasing • Purchase Requisition • Change.

#### 10.2.2 Displaying a Purchase Requisition

A number of methods to display purchase requisitions are available, which we’ll describe next.

**Purchase Requisition: Display**

A purchase requisition can be displayed using Transaction ME54N or by following the navigation path Logistics • Materials Management • Purchasing • Purchase Requisition • Display.

**Purchase Requisition: List Display**

To show a list of purchase requisitions, use Transaction ME5A (Display Purchase Requisitions) or follow the navigation path Logistics • Materials Management • Purchasing • Purchase Requisition • List Displays • General.

Transaction ME5A allows a requisitioner to enter a wide range of selection criteria to display the valid requisitions. Some common examples of selection criteria include Purchase requisition, Document Type, Material, Requirement tracking number, and Delivery Date. Enter the newly configured Document Type “ZNB” and Plant “1000” and execute. The screen shown in Figure 10.16 will appear.

Figure 10.16 shows a list of newly configured purchase requisitions of document type ZNB in detail.
10 Purchase Requisitions

10.2 Processing a Purchase Requisition

10.2.3 Closing a Purchase Requisition

A purchase requisition can be closed if an indicator is set within the item detail screen. Normally, the purchase requisition is closed when the amount requested on the line item of the purchase requisition is equal to the amount that has been purchased via a PO.

To close a line item on a purchase requisition, the requisitioner needs to access Transaction ME52N (Change Purchase Requisition). The line item to be flagged for deletion must be selected, and the requisitioner should select Delete. The Delete indicator on the line item will be checked, as shown in Figure 10.17.

10.2.4 Follow-On Functions

As the purchase requisition is processed, follow-on functions can be carried out before the purchase requisition is converted to a PO.

Transaction ME56 allows a purchasing user to select a range of purchase requisitions to assign a source. The purchase requisitions can be selected via a large range of selection criteria, including material group, item category, delivery date, cost center, and so on.

Transaction ME56 can be found by following the navigation path Logistics • Materials Management • Purchasing • Purchase Requisition • Follow-on Functions • Assign.

The initial screen allows entry of a large selection of variables to create a list of purchase requisitions for vendor assignment.

After the selection criteria have been entered into the initial screen of Transaction ME56, the transaction will return a number of relevant purchase requisitions based on that search criteria.

Figure 10.18 shows the purchase requisitions that were returned as a result of the selection criteria entered. You can select the purchase requisitions that will be assigned a vendor.

After selecting purchase requisitions, you can choose to have the vendor assigned automatically to the purchase requisitions by selecting the Assign Source of Supply option from the green document icon, as shown at the bottom of Figure 10.18. The results are shown in Figure 10.19.
10.3 Indirectly Created Requisitions

A purchase requisition may be created if some business process needs materials or services. An indirectly created purchase requisition is usually created when a user performs another business function, such as creating a production order or a maintenance order.

10.3.1 Purchase Requisition Created by Production Order

In a production order, two elements determine how operations take place. The routing is the sequence of the operations that should take place, and the bill of materials (BOM) is the recipe used to produce the final material.

A purchase requisition can be generated automatically when the routing in a production order involves an operation where material needs to be sent out for external processing, for example, in subcontracting work.

Another way a purchase requisition can be produced is when a BOM calls for a material that is a nonstock item. This situation may occur when a special item is required for a production order or if the material is no longer purchased by the company. For example, a company that produces furnaces may need to incorporate a special filter for furnaces made for customers based in California. The clean air laws in California may require a special part to be ordered and fitted during the production process. This triggers a purchase requisition for the special part and possibly a purchase requisition for a subcontractor to fit the part.

10.3.2 Purchase Requisition Created by Plant Maintenance Order

This type of order produces purchase requisitions that are similar to the production order. The maintenance order is created for plant maintenance (PM) operations on a technical object (in other words, equipment) at the plant. Similar to a production order, a maintenance order has a list of operations that must be performed. The operations give the maintenance user a step-by-step list of what needs to be performed and the materials and equipment needed for each step.

In the operation, a certain nonstock material may be needed, which may cause a purchase requisition to be created. A maintenance order may also have an operation that requires an external operation be performed by a subcontractor, which will also cause an indirect purchase requisition to be created.

10.3.3 Purchase Requisition Created by Project System

The project system (PS) functionality in SAP S/4HANA uses objects called networks, a set of instructions that tell users what tasks need to be performed, in what order, and by what date.

A network has two options for creating material requirements. The network can create purchase requisitions for nonstock materials and external services, similar to the
production and maintenance orders. The network can also be configured to allow the creation of purchase requisitions as soon as the network is released.

10.3.4 Purchase Requisition Created by Materials Planning

Consumption-based planning or the material requirements planning (MRP) functionality can create purchase requisitions based on its calculations. When creating POs, MRP calculates quantities and delivery dates. The planning run can also produce planned orders for in-house production, but these orders can be converted to purchase requisitions.

A purchase requisition is an internal purchasing suggestion that can be modified before being converted into a PO. After the MRP controller has determined the accuracy of the external purchasing requirements, the controller can convert some planned orders to purchase requisitions and perhaps convert some purchase requisitions to POs. The level of interaction between the planning department and the purchasing department will determine what procedures are in place to allow the MRP controller to create purchase requisitions and POs.

In this section, we covered purchase requisitions. The next section covers the approval process for purchasing documents, known as release procedures.

10.4 Release Procedures

Release procedures are approval procedures for purchasing documents such as purchase requisitions and purchase orders (POs). The manner in which these procedures are configured is called a release strategy. A release strategy involves a process whereby an approver verifies document data (such as material, quantity, and value) and then authorizes the purchase. The process takes place online, which saves time and is more efficient than previous manual approval processes.

The SAP system provides two different types of release procedures:

- **Release procedure without classification**
  - A release procedure without classification can be configured only for item level releases in purchase requisitions. Therefore, this release procedure can only be used for internal documents (such as purchase requisitions). This limitation arises because external documents (such as POs) must be sent to vendors and therefore can’t be partially approved. In a release procedure without classification, you can set the release based on the following four criteria:

- **Release procedure with classification**
  - A release procedure with classification offers many more criteria to define the release strategy. You can use either of these procedures (with or without classification) for purchase requisitions. But, for POs and RFQs, you must use a release procedure with classification. Before getting into the release procedure configuration steps, let's define the key terms used in release procedures, as follows:
    - **Release strategy**: Defines the entire approval process and consists of release conditions, release codes, and release prerequisites.
    - **Release conditions/criteria**: Determines which release strategy applies for a particular purchasing document. For example, if the value of a requisition item is $100, a certain strategy may be required; if the value of the item is $10,000, a different strategy may be required. If purchasing documents fulfill release conditions, they must be approved before they can be processed further.
    - **Release code/point**: A two-character key that represents an individual or department responsible for giving approval. Each person involved in the release procedure signifies an approver in a release transaction using his/her the release code.
    - **Release prerequisite**: Sets the order in which approval must take place. For example, a manager must approve a document before the vice president approves it.
    - **Release status/indicator**: Represents the current status of the item or document such as blocked and released. For example, if the document isn’t fully approved, it may have been blocked.

Now that you have an understanding of the basic concepts behind release strategies, let's move on to the configuration steps involved. We'll discuss both types of configuration: without classification and with classification.

10.4.1 Release Procedures without Classification

To configure release procedures without classification, follow the menu path Materials Management • Purchasing • Purchase Requisition • Release Procedure • Set Up Procedure Without Classification. This SAP system will display five activities, as shown in Figure 10.20.
Figure 10.20 Setting Up a Release Procedure without Classification

You'll need to select and perform each activity, one by one, as discussed in the following sections.

Selecting Release Codes

A release code is used to approve the document and are references to specific users. Click on New Entries and enter a two-digit Release code key and Description, as shown in Figure 10.21. The release code can be either a numeric or an alphanumeric entry.

Figure 10.21 Release Codes

Figure 10.22 Release Indicator in a Release Procedure without Classification

Selecting the Release Indicator

The release indicator specifies the release status of the purchase requisition, which can define the release indicator, as shown in Figure 10.22. Click on New Entries and enter the following:

- **Fixed for MRP**
  - If you select this checkbox, the purchase requisition can't be changed by material requirements planning (MRP).

- **Released for quot.**
  - This indicator specifies that quotations and RFQs may be processed with reference to purchase requisitions. If you select this checkbox, the purchase requisition is available for RFQ and quotation processing.

- **Rel. for ordering**
  - This indicator specifies whether POs can be generated with reference to purchase requisitions.

Field selection key

When setting up a release strategy and release indicators, you can use the field selection key to determine whether certain fields in a purchase requisition may or may not be changed with approval. For example, let’s say you need to prevent changes to the requested quantity in a purchase requisition after the release
indicator has been set in the purchase requisition. For this requirement, you would configure the order quantity field as Display only in the field selection key.

- **Changeabil.**
  This field defines how the system reacts if a purchasing document is changed after the start of the release procedure, as shown in Figure 10.22.

- **Value chgs.**
  This field specifies the percentage by which the value of the purchase requisition can be changed after the release procedure has started. If the requisition is changed by more than the specified limit entered in this field, the requisitions will be subjected again to the release procedure.

### Assigning Release Indicators

In this step, you’ll assign the release indicators to a release strategy, as shown in Figure 10.23. Click the **New Entries** button, enter the release strategy code, select the release indicator, and save.

This indicator specifies the release sequence, that is, which release point(s) must have a released requisition before the current individual or department is allowed to release that requisition. For example, as shown in Figure 10.23, for release strategy R1, release indicators 1 and 2 have been defined. If release indicator 1 is set, the RFQ can be created from the purchase requisition. Release indicator 2 can be set only after release indicator 1 is set, and release indicator 2 means that RFQs or POs can be created.

![Figure 10.23 Assigning a Release Indicator to a Release Strategy](image)

### Selecting Release Points as Prerequisites

In this step, you’ll configure the sequence of release codes and the prerequisites purchase requisitions must fulfill before they can be released. As shown in Figure 10.24,

![Figure 10.24 Prerequisites of Release Points](image)

### Determining When to Apply a Specific Release Strategy

In this step, you’ll define when a purchase requisition should be considered for a release procedure and which release strategy is applicable. As mentioned earlier, a release strategy without classification can be configured with only four criteria: account assignment category, material group, plant, and value. As shown in Figure 10.25, for account assignment category K (cost center), material group 004, plant 1000, and value 1,000.00 PKR, the release strategy R1 is applicable. When a purchase requisition is created with these attributes, the system will automatically assign release strategy R1 and will follow the approval process configured in this strategy.

![Figure 10.25 Release Strategy Determination](image)

In this section, we covered release procedures without classification. The next section delves into release procedures with classification.
10.4.2 Release Procedures with Classification

A release procedure with classification can be defined for internal documents (purchase requisitions) and external documents (POs, RFQs, contracts, and scheduling agreements). You’ll need to define both characteristics and classes for release procedures with classification. We’ll discuss these steps next.

Before you start configuring release strategies with classification in the SAP system, we’ll need to identity and define the combination of parameters that will trigger the release. PO-triggering criteria can be a combination of document type, plant, and purchasing organization along with value depending on the number of release codes assigned when the document is created. In SAP, the relevant structure—CEKKO (Communication Release Strategy Determination Purch. Document)—provides a list of all the possible fields that can be used for configuring a release strategy. To view all the fields in structure CEKKO, use Transaction SE12 where you’ll enter the structure name and then click on the Display button. Figure 10.26 shows the various fields available for configuring release strategies for a PO.

Note

While our example in this section covers release procedures with classification for purchase orders, you can use the same concepts and logic when configuring release procedure for purchase requisitions.

The structure for purchase requisitions is CEBAN, the field BSART is used for the order type, and GNETW is used for the total order value. Later in this section, we’ll also show you how the newly configured purchase requisition document type ZNB has a release procedure activated at the item level of a purchase requisition using these two fields (BSART and GNETW).

Master Data Setup

In this example, let’s assume that we want to configure a release strategy based on the combination of two fields: Document Type (CEKKO-BSART) and Purchase order total value (CEKKO-GNETW).

We’ll need to create individual characteristics for each field and then group these characteristics into a release class. To create a characteristic, use Transaction CT04 or follow the configuration menu path Materials Management • Purchasing • Purchase Order • Release Procedure for Purchase Orders • Edit Characteristic, as shown in Figure 10.27.

Figure 10.27 Table Field for Structure (Table Name) CEKKO

Provide the characteristic name BP_DOCTYPE and then click on Create button to create the characteristic. Now, we’ll refer to the fields from structure CEKKO by providing the reference to this structure (CEKKO) and corresponding field (BSART for...
document type. Since this characteristic is created for a document type, specify the structure and field name given in Figure 10.27. Once you enter the structure name and field name, the system will generate a warning message: “Format data taken from Data Dictionary (press enter).” This warning message indicates that the data type of the characteristic will be taken from the data dictionary of this structure in SAP.

In the Basic Data tab of the characteristic screen, as shown in Figure 10.28, provide an appropriate description. If you want to configure the release strategy for a single document type, you’ll need to select Single Value radio button in the Value Assignment block. If multiple document types are required, then select the Multiple Values radio button.

Figure 10.28 Basic Data of a Characteristic

Now, navigate to Values tab and provide the document types required in this release strategy. For our example, we’ll use PO document type NB, which is a standard PO, as shown in Figure 10.29.

![Figure 10.29 Characteristic Values]

Note
The values shown in Figure 10.29 are not available as a [F4] selections or in drop-down lists. Be sure these values are typed in correctly and exactly match with the procurement document types.

Using the same method, let’s create another characteristic BP_NETVAL, which is for Purchase order Net value, as shown in Figure 10.30.

When entering the structure name CEKKO and field GNETW for the purchase order net value, the system will ask for a currency since this field is related to numbers and the net value of a purchase order. Maintain the local currency, which in this example is PKR (Pakistani Rupees), for the characteristic, as shown in Figure 10.31. If you have multiple criteria for different ranges of values, these criteria must be provided in the Values tab with the Multiple Values radio button selected in the Basic Data tab. Since there will be intervals in the purchase order values, you’ll have to configure the characteristic to allow the values in intervals by selecting the Interval vals allowed checkbox under the Value assignment block in Basic data tab.
For this characteristic, values are to be defined in intervals, as shown in Figure 10.32. This first interval denotes that the net value of a PO must be less than (<) than 100.00 PKR, while the second interval denotes PO values of more than or equal (>=) to 101.00 PKR.

Once we have all the characteristics ready, we’ll need to group them into a class.

Creating Classes and Assigning Characteristics

To create a class, use Transaction CL02 or follow the configuration menu path Materials Management • Purchasing • Purchase Order • Release Procedure for Purchase Orders • Edit Class.

In the main screen of Transaction CL02, provide an appropriate Class Name (BP_RELPO) and click the Create button. Make sure that the Class type is 032 (Release Strategy). In the detailed screen, provide an appropriate description. Assign the two characteristics we created earlier to this class, as shown in Figure 10.33.

Note

Classes and characteristics are treated as master data in the SAP system. As a result, classes and characteristics aren’t transported from development systems to quality and production systems through transport requests. Instead, you must manually create them in each client or automatically upload them via Application Linking and Enabling (ALE), provided by SAP. Transactions BD91, BD92, and BD93 can be used to transfer classes and characteristics via ALE. You can manually assign classes and characteristics to release strategies in each client by using Transaction CL24N. See Chapter 24 on the classification system for more information.

Configuration Basics of Release Procedure

After creating a class, the next step is to configure the elements required in the release strategy. To configure release procedure for PO, follow the configuration menu path Materials Management • Purchasing • Purchase Order • Release Procedure for Purchase Orders • Define Release Procedure for Purchase Orders.

The following elements are required:

- Release Groups
- Release Codes
- Release Strategies
- Workflow
- Release Indicator
To begin, follow these steps:

1. Select **Release Group** and click the **Choose** button. Click on the **New Entries** button to create a new release group. In the new record, provide an appropriate name such as “BP” in the **Rel.Grp** field and, in the **Class** field, maintain the class name “BP_RELPO,” which we created in the previous step, as shown in Figure 10.34. Save your entries.

2. Select release codes and click the **Choose** button. As shown in Figure 10.35, click on the **New Entries** button to create release codes for the release strategy. The number of release codes depends on number of approval levels. In our example, we’ll only create two release codes: 10 and 20 for **Buyer** and **Manager**, respectively. Ensure you create these release codes under the same release group (**Grp** BP) that was configured in the previous step.

3. Select a release indicator, as shown in Figure 10.36. This screen indicates the **Release ID** for initial and released statuses. Release ID 0 indicates a **Blocked** status, and release ID 1 indicates a **Released** status. The **Chgable** field contains the parameter that will define how the system reacts if a purchasing document is changed after the start of the release procedure. In other words, once an order is released, we can still change the values in the purchase order, which will trigger a new release status. If the field is allowed to change, we can define the % of change allowed, which in this example is 10.0%.

4. Select release strategies, click on **New Entries** button, and enter the previously configured release group **BP**. After entering the release group, provide an appropriate release strategy (in our case, **BP**) and a short description, as shown in Figure 10.37. Double-click the **Release group BP** so that the screen shown in Figure 10.38 appears.
On this screen, in our example, you’ll keep only one level of approval for all POs below 100.00 PKR but require two levels of approvals for POs greater than or equal to 100 PKR. Thus, you’ll need two release strategies. The first release strategy will have only one release code and will only be triggered for values less than 100.00 PKR in the characteristic BP_NETVAL. For purchase orders with greater than or equal value to 100.00 PKR, you’ll create another release strategy, which will involve both the release codes and the two levels of approvals needed in this case. The following steps demonstrate how to create this second release strategy (with two approvals):

- Maintain release codes 10 and 20. Now click on the **Release prerequisites** button, shown in Figure 10.38, and select prerequisites for each release code. Figure 10.38 shows that no prerequisites exist for release code 10, but for release code 20, release code 10 must first be released. This prerequisite is achieved by selecting the checkbox from column 10 and next to the row ID 20. Save these settings.

- The next step is to click **Release statuses**, as shown in Figure 10.38, which will open the screen shown in Figure 10.39. The first stage of the release indicator will always show a **Blocked** status. After the first level of release by a user with release code 10, the overall status is still **Blocked**. When a document is released by a higher-level user having release code 20, the document’s overall status will be **Released**.

![Figure 10.39 Release Statuses](image)

- The next step is to select the classification values for the selected characteristics in release class. Click on the **Classification** button, as shown in Figure 10.38, to proceed. You’ll need to select all the values from all the characteristics. If multiple values exist in a characteristic, you’ll need to select the values that will be part of the release strategy. Maintain values for both characteristics; for example, as shown in Figure 10.40, the characteristic values state that **Purchase Order Document Type NB** and a **Total net order value greater than or equal to 100.00 PKR** will trigger this release strategy.

![Figure 10.40 Classification in Release Strategy](image)

5. You can simulate the entire release strategy to ensure all steps are correctly configured by choosing **Release simulation**, as shown in Figure 10.38. Place your cursor on release codes 10 20, as shown in Figure 10.41, and click on **Simulate Release**, which will open the screen shown in Figure 10.42.

![Figure 10.41 Simulating a Release Strategy](image)
Figure 10.42 shows that releases are possible for both release codes 10 and 20. First, place your cursor over release code 10 and click on Set/reset release. Repeat the same steps for release code 10. If performed correctly, the Release Options will change to Release already effected, and the status will change to Released.

6. As a last step, select Workflow, as shown in Figure 10.43. Choose New Entries to create records for involved users. Specify the release group, the appropriate release codes, and the user ID in the Agent ID column. The user IDs specified with agent type US indicates that the agent name is an SAP user ID. Create a line for each user involved in the release process and maintain an appropriate release code.


Create a purchase order using Transaction ME2IN with document type NB and make the value of purchase order greater than 100 PKR to trigger the configured release strategy. Save the PO. In this example, the system has created PO number 4500000204.

To release the PO, access the screen shown in Figure 10.44 via Transaction ME29N. Notice the purchase order Release Strategy tab at the end of the PO header. The PO has all the details correctly configured and can now be released simply by clicking the release icon in the Release options column next to the release code.

Collective Release

Access the screen shown in Figure 10.45 via Transaction ME28 for the release of individual POs. On the initial screen, enter the Release Code and any other relevant parameters so that the system only brings up relevant POs for release, which will open the screen shown in Figure 10.46.
Figure 10.46 shows that PO 4500000204 with PO Type NB of Net price 2,000 PKR (which has a value greater than the 100 PKR required for a PO release strategy to work) can be released.

Release Strategy for Purchase Requisition

Now that you know the end-to-end configuration, master data, and business processes for release strategy for POs, you can replicate these steps for purchase requisitions.

For practice, and as an example, set up a release strategy for a purchase requisition by maintaining the purchase requisition document type to be the newly configured on ZNB and maintaining a purchase requisition value at the item level to be greater than 100.00 PKR (or local currency).

Access the screen shown in Figure 10.47 via Transaction ME54N for an individual release of a purchase requisition. Notice the details at the item level of the purchase requisition. For a collective release of purchase requisitions, use Transaction ME55.

Note

Releasing each line item separately is called an item-level release. A purchase requisition may contain one or more line items. With item-level release, a particular line item can be released while other line items may be pending for approval or rejection.

You cannot perform item-level release procedures using a release procedure with classification for external documents because external documents (such as POs, RFQs, scheduling agreements, quantity or value contracts) are always released or blocked as whole documents. However, for internal documents, you can configure line item level approval or complete document approval using a release procedure with classification. To configure item-level release for a purchase requisition, follow the menu path Materials Management • Purchasing • Purchase Requisition • Define Document Types. As shown earlier in Figure 10.6, select the OverReqRel checkbox to enable the overall release of a purchase requisition. If you want item-level approval, don’t select this checkbox.

10.5 Summary

In this chapter, we examined the purchase requisition process. Most companies use a purchase requisition process to identify what material is needed and to allow the purchasing department to review and create the optimum POs for each vendor by taking into account the volume discounts and favorable terms offered by the vendor. Without purchase requisitions purchasing decisions would be made by end users and not by the purchasing department.

Chapter 11 follows up from the creation and processing of purchase requisitions to discuss the creation of RFQs. RFQs aren’t universally used and may not be part of your company’s purchasing policy. However, an RFQ can be an important purchasing tool, and you should understand how to create and process RFQs.
## Contents

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acknowledgments</td>
<td>31</td>
</tr>
<tr>
<td>Preface</td>
<td>33</td>
</tr>
<tr>
<td><strong>1 Materials Management Overview</strong></td>
<td>39</td>
</tr>
<tr>
<td>1.1 What is Materials Management?</td>
<td>39</td>
</tr>
<tr>
<td>1.1.1 Materials Management in SAP S/4HANA</td>
<td>40</td>
</tr>
<tr>
<td>1.1.2 Materials Management in Logistics</td>
<td>40</td>
</tr>
<tr>
<td>1.2 Materials Management Integration</td>
<td>43</td>
</tr>
<tr>
<td>1.2.1 The Material Flow of the Supply Chain</td>
<td>43</td>
</tr>
<tr>
<td>1.2.2 The Information Flow of the Supply Chain</td>
<td>44</td>
</tr>
<tr>
<td>1.2.3 The Financial Flow of the Supply Chain</td>
<td>45</td>
</tr>
<tr>
<td>1.3 Summary</td>
<td>45</td>
</tr>
<tr>
<td><strong>2 Organizational Structure</strong></td>
<td>47</td>
</tr>
<tr>
<td>2.1 Mapping Business Functions of a Company in the SAP System</td>
<td>48</td>
</tr>
<tr>
<td>2.2 Client Structure in the SAP System</td>
<td>51</td>
</tr>
<tr>
<td>2.2.1 What is a Client?</td>
<td>51</td>
</tr>
<tr>
<td>2.2.2 Clients in the SAP Landscape</td>
<td>53</td>
</tr>
<tr>
<td>2.2.3 Change and Transport System</td>
<td>54</td>
</tr>
<tr>
<td>2.3 Company Code</td>
<td>55</td>
</tr>
<tr>
<td>2.3.1 What is a Company?</td>
<td>55</td>
</tr>
<tr>
<td>2.3.2 Creating a Company Code</td>
<td>56</td>
</tr>
<tr>
<td>2.4 Plants</td>
<td>57</td>
</tr>
<tr>
<td>2.4.1 What is a Plant?</td>
<td>58</td>
</tr>
<tr>
<td>2.4.2 Prerequisites for a Plant</td>
<td>59</td>
</tr>
<tr>
<td>2.4.3 Defining a Plant</td>
<td>59</td>
</tr>
<tr>
<td>2.4.4 Valuation Level</td>
<td>62</td>
</tr>
<tr>
<td>2.4.5 Assigning a Plant to a Company Code</td>
<td>62</td>
</tr>
</tbody>
</table>
4.8 Material Requirements Planning Data ................................................. 143
  4.8.1 General Data ................................................................. 145
  4.8.2 Material Requirements Planning Procedure .......................... 147
  4.8.3 Lot Size Data ................................................................. 148
  4.8.4 Procurement ................................................................. 151
  4.8.5 Scheduling ................................................................. 152
  4.8.6 Net Requirements Calculations ....................................... 153
  4.8.7 Forecast Requirements .................................................. 156
  4.8.8 Planning ................................................................. 157
  4.8.9 Availability Check ....................................................... 159
  4.8.10 Bill of Materials Explosion/Dependent Requirements .......... 160
  4.8.11 Discontinued Parts ..................................................... 160
  4.8.12 Repetitive Manufacturing/Assembly/Deployment Strategy .... 161

4.9 Summary ....................................................................................... 162

5 Material Master Data: Part 2 ............................................................... 163

  5.1 Advanced Planning Data ......................................................... 163
    5.1.1 Procurement/PP-DS .................................................... 164
    5.1.2 Demand ................................................................. 165
    5.1.3 Lot Size ................................................................. 167
    5.1.4 Goods Receipt/Goods Issue ........................................ 168
    5.1.5 Location-Dependent Shelf Life ...................................... 169

  5.2 Forecasting Data ........................................................................ 169
    5.2.1 General Data ............................................................ 170
    5.2.2 Number of Periods Required ........................................ 172
    5.2.3 Control Data ............................................................ 172

  5.3 Work Scheduling Data ................................................................ 174
    5.3.1 General Data ............................................................ 175
    5.3.2 Tolerance Data .......................................................... 176
    5.3.3 In-House Production Time in Days ............................... 177

  5.4 Production Resources/Tools Data .............................................. 178
    5.4.1 General Data ............................................................ 179
    5.4.2 Default Values for Task List Assignment ....................... 180

5.5 Plant Data/Storage Location ........................................................... 181
  5.5.1 General Data ............................................................. 182
  5.5.2 Shelf Life Data ........................................................... 185

5.6 Warehouse Management Data ....................................................... 187
  5.6.1 General Data ............................................................. 187
  5.6.2 Storage Strategies ......................................................... 188
  5.6.3 Palletization Data .......................................................... 190
  5.6.4 Storage Bin Stock ......................................................... 191

5.7 Quality Management Data ............................................................ 192
  5.7.1 General Data ............................................................. 192
  5.7.2 Procurement Data ........................................................ 195

5.8 Accounting Data ............................................................................ 196
  5.8.1 General Data ............................................................. 197
  5.8.2 General Valuation Data .................................................. 197
  5.8.3 Determination of Lowest Value ....................................... 199
  5.8.4 Last In First Out Data ................................................... 200

5.9 Costing Data .................................................................................. 201
  5.9.1 General Data ............................................................. 201
  5.9.2 Quantity Structure Data ................................................ 202
  5.9.3 Standard Cost Estimate ................................................ 203
  5.9.4 Planned Prices ............................................................ 204

5.10 Summary ....................................................................................... 205

6 Business Partners ............................................................................ 207

  6.1 Configuring Vendor Account Groups (Financial Accounting) ........ 209
    6.1.1 Vendor Account Groups (Financial Accounting) ............... 210
    6.1.2 Number Ranges for Vendor Account Group ................... 212
    6.1.3 Assigning Number Ranges to Vendor Account Groups ...... 213

  6.2 Configuring a Business Partner .................................................... 214
    6.2.1 Defining and Assigning Number Ranges ....................... 214
    6.2.2 Defining Business Partner Role Categories .................... 215
    6.2.3 Field Attributes for Business Partner Role Category .......... 218
6.3 Customer/Vendor Integration

6.3.1 Setting the Business Partner Role Category for Business Partner to Vendor ................................................................. 220
6.3.2 Defining the Business Partner Role for Vendor to Business Partner ................................................................................... 221
6.3.3 Defining Number Assignments for Business Partner to Vendor ........................................................................................... 222
6.3.4 Defining Number Assignments for Vendor to Business Partner ........................................................................................... 223

6.4 Additional Business Partner Configurations

6.4.1 Business Partner Types ......................................................................................................................................................... 224
6.4.2 Partner Functions ............................................................................................................................................................... 225
6.4.3 Vendor Subrange Functionality ........................................................................................................................................ 226

6.5 Maintaining a Business Partner

6.5.1 Business Partner General Data ........................................................................................................................................ 227
6.5.2 Extending Business Partner as FI Vendors ........................................................................................................................ 235
6.5.3 Extending Business Partners for Purchasing .................................................................................................................... 249
6.5.4 Sales Data ........................................................................................................................................................................... 257
6.5.5 Maintaining Business Partner Relationships ................................................................................................................... 258

6.6 Summary ................................................................................................................................................................................ 260

7 Purchasing Information Record

7.1 Purchasing General Data ....................................................................................................................................................... 262

7.1.1 Creating a Purchasing Information Record .................................................................................................................... 263
7.1.2 Creating a Purchasing Information Record with a Material Number .................................................................................. 264
7.1.3 Creating a Purchasing Information Record without a Material Number ................................................................................ 265
7.1.4 General Data Screen .......................................................................................................................................................... 265

7.2 Purchasing Organization Data

7.2.1 Conditions ........................................................................................................................................................................... 268
7.2.2 Validity ................................................................................................................................................................................ 269

7.2.3 Text Screen ........................................................................................................................................................................ 270
7.2.4 Statistical Data .................................................................................................................................................................. 271

7.3 Summary ................................................................................................................................................................................ 273

8 Batch Management Data

8.1 Batch Management Overview ................................................................................................................................................. 275
8.2 Batch Level and Batch Status Management

8.2.1 Defining the Batch Level .................................................................................................................................................. 277
8.2.2 Batch Number Assignment .............................................................................................................................................. 279
8.2.3 Creating New Batches in the Production Process .......................................................................................................... 280
8.2.4 Batch Creation for Goods Movement ............................................................................................................................... 281

8.3 Master Data in Batch Management

8.3.1 Activating Batch Management in the Material Master .................................................................................................... 282
8.3.2 Batch Classification ............................................................................................................................................................ 283
8.3.3 Assigning Classification in the Material Master ............................................................................................................... 286

8.4 Business Processes of Batch Management

8.4.1 Creating the Batch Master Manually .................................................................................................................................. 287
8.4.2 Changing a Batch ............................................................................................................................................................... 291
8.4.3 Deleting a Batch ................................................................................................................................................................. 291
8.4.4 Automatic Creation of a Batch in Goods Movement .................................................................................................... 292
8.4.5 Stock Overview ................................................................................................................................................................. 293

8.5 Batch Determination

8.5.1 Defining Condition Tables .................................................................................................................................................. 294
8.5.2 Defining the Access Sequence .......................................................................................................................................... 298
8.5.3 Defining Strategy Types .................................................................................................................................................... 299
8.5.4 Defining the Batch Search Procedure .................................................................................................................................. 301
8.5.5 Batch Search Procedure Allocation .................................................................................................................................... 301
8.5.6 Creating a Sort Sequence .................................................................................................................................................. 302
8.5.7 Maintaining Condition Records ...................................................................................................................................... 303
8.5.8 Business Process of Batch Determination ...................................................................................................................... 305

8.6 Recurring Inspection and Expiration Dates

8.6.1 Quality Management Master Data Checklist .................................................................................................................. 307
8.6.2 Business Processes .............................................................................................................................................................. 311
8.7 Batch Derivation ................................................................. 315
  8.7.1 Configuration Basics: Batch Derivation ................................. 315
  8.7.2 Classification in the Material Master ....................................... 315
  8.7.3 Batch Derivation: Receiver Material ....................................... 319
  8.7.4 Business Processes in Batch Derivation .................................... 321
  8.7.5 Process Order and Sender Material Assignment ......................... 322
  8.7.6 Reporting of Batch Derivation ................................................ 325
8.8 Batch Traceability of Work in Process Batches ......................... 325
  8.8.1 Configuration Settings .......................................................... 326
  8.8.2 Master Data Setup ............................................................... 329
  8.8.3 Business Processes for Work in Process Batches ....................... 330
  8.8.4 Work in Progress Batch Reporting .......................................... 333
8.9 Batch Information Cockpit .................................................. 336
8.10 Electronic Batch Record ..................................................... 339
8.11 Summary ............................................................................ 341

9 Purchasing Overview ............................................................. 343
9.1 Purchase Requisitions .......................................................... 343
9.2 Requests for Quotation .......................................................... 344
9.3 Quotations ........................................................................... 345
9.4 Purchase Orders .................................................................... 346
9.5 Source Lists and Source Determination ....................................... 346
  9.5.1 Single Sourcing ..................................................................... 347
  9.5.2 Multisourcing ....................................................................... 348
  9.5.3 Generate a Source List .......................................................... 350
  9.5.4 Source Determination .......................................................... 351
9.6 Conditions in Purchasing ....................................................... 352
  9.6.1 Condition Processing ............................................................. 352
  9.6.2 Pricing Conditions ............................................................... 353
  9.6.3 Taxes .................................................................................. 354
  9.6.4 Delivery Costs ..................................................................... 354
9.7 Purchasing Information Records ............................................. 354
  9.7.1 Purchasing Information Record for a Nonstock Material ............. 355
  9.7.2 Purchasing Information Record Numbering ............................. 355
  9.7.3 Purchasing Information Record Screen Layout ......................... 356
9.8 Serial Numbers ..................................................................... 357
  9.8.1 Serial Number Profiles .......................................................... 357
  9.8.2 Serializing Procedures ............................................................ 358
9.9 Quota Arrangements ............................................................. 359
9.10 Summary ............................................................................ 361

10 Purchase Requisitions ........................................................ 363
  10.1 Configuring a New Purchase Requisition Document Type ............ 363
      10.1.1 Defining a Number Range ................................................... 364
      10.1.2 Defining Document Types .................................................. 365
      10.1.3 Creating a Purchase Requisition with a Material Master Record ... 368
      10.1.4 Creating a Purchase Requisition without a Material Master Record ... 373
  10.2 Processing a Purchase Requisition .......................................... 375
      10.2.1 Changing a Purchase Requisition ........................................ 375
      10.2.2 Displaying a Purchase Requisition ........................................ 375
      10.2.3 Closing a Purchase Requisition ........................................... 376
      10.2.4 Follow-On Functions ........................................................ 377
  10.3 Indirectly Created Requisitions ............................................. 378
      10.3.1 Purchase Requisition Created by Production Order ................. 379
      10.3.2 Purchase Requisition Created by Plant Maintenance Order ......... 379
      10.3.3 Purchase Requisition Created by Project System ...................... 379
      10.3.4 Purchase Requisition Created by Materials Planning ................ 380
  10.4 Release Procedures ............................................................. 380
      10.4.1 Release Procedures without Classification ............................. 381
      10.4.2 Release Procedures with Classification ................................... 386
  10.5 Summary ............................................................................ 399
11 Requests for Quotation

11.1 Creating a Request for Quotation ................................. 401
  11.1.1 Request for Quotation Type .................................. 401
  11.1.2 Request for Quotation Date ................................. 402
  11.1.3 Quotation Deadline ............................................... 403
  11.1.4 Request for Quotation Document Number ............. 403
  11.1.5 Organizational Data ........................................... 404
  11.1.6 Default Data for Items ........................................ 404
  11.1.7 Collective Number .............................................. 405
  11.1.8 Validity Start/Validity End .................................... 405
  11.1.9 Apply By ........................................................... 406
  11.1.10 Binding Period .................................................. 406
  11.1.11 Reference Data ................................................ 406
  11.1.12 Request for Quotation Item Detail ....................... 406
  11.1.13 Request for Quotation Delivery Schedule .......... 407
  11.1.14 Additional Data ................................................ 407
  11.1.15 Vendor Selection .............................................. 409
11.2 Changing a Request for Quotation ............................... 410
11.3 Releasing a Request for Quotation ............................... 411
11.4 Issuing a Request for Quotation to a Vendor ................. 413
11.5 Maintaining Quotations .............................................. 415
11.6 Comparing Quotations .............................................. 416
  11.6.1 Price Comparison Factor in Quotations ................. 416
  11.6.2 Other Qualitative Factors in Quotations ............... 419
11.7 Rejecting Quotations ................................................ 420
  11.7.1 Flagging the Quotation as Rejected .................... 420
  11.7.2 Printing the Quotation Rejection ....................... 421
  11.7.3 Advising Unsuccessful Bidders ......................... 422
11.8 Summary ............................................................... 422

12 Purchase Orders

12.1 Creating and Maintaining a Purchase Order .................. 423
  12.1.1 Purchase Order Creation ..................................... 424
  12.1.2 Purchase Order Maintenance ............................. 429
12.2 Blocking and Canceling a Purchase Order .................... 430
  12.2.1 Blocking a Purchase Order Line Item .................. 430
  12.2.2 Canceling a Purchase Order Line Item ............... 431
12.3 Creating a Purchase Order with Reference to Purchasing Documents .............................. 432
12.4 Account Assignment in a Purchase Order ..................... 435
  12.4.1 Account Assignment Categories ......................... 435
  12.4.2 Single Account Assignment ............................... 436
  12.4.3 Multiple Account Assignment ............................ 437
  12.4.4 Automatically Create POs from Purchase Requisitions .... 437
12.5 Progress Tracking .................................................. 438
  12.5.1 Configuration Basics ........................................ 439
  12.5.2 Business Processes .......................................... 441
  12.5.3 Evaluation .................................................... 443
12.6 Outline Purchase Agreements ..................................... 443
  12.6.1 Scheduling Agreements ..................................... 444
  12.6.2 Contracts ..................................................... 447
12.7 Supplier Confirmation .............................................. 451
  12.7.1 Supplier Confirmation Overview ......................... 451
  12.7.2 Confirmation Configuration ............................... 451
  12.7.3 Master Data Maintenance of Confirmation Control .... 454
  12.7.4 Business Processes of Supplier Confirmation ......... 455
  12.7.5 Monitoring Supplier Confirmations .................... 458
12.8 Messages and Output .............................................. 459
  12.8.1 How Message Determination Works ................... 459
  12.8.2 Configuration Steps ....................................... 460
  12.8.3 Maintaining Condition Records ......................... 465
  12.8.4 Creating a Purchase Order ............................... 466
12.9 Pricing Procedures .................................................. 468
  12.9.1 Business Processes .......................................... 468
  12.9.2 Configuration Basics ....................................... 470
**Contents**

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>12.10</td>
<td>Supplier Evaluation</td>
</tr>
<tr>
<td>12.10.1</td>
<td>Configuration Basics</td>
</tr>
<tr>
<td>12.10.2</td>
<td>Master Data Maintenance</td>
</tr>
<tr>
<td>12.10.3</td>
<td>Business Processes</td>
</tr>
<tr>
<td>12.10.4</td>
<td>Calculating Scores</td>
</tr>
<tr>
<td>12.11</td>
<td>Serial Numbers in Purchasing</td>
</tr>
<tr>
<td>12.11.1</td>
<td>Configuration Steps</td>
</tr>
<tr>
<td>12.11.2</td>
<td>Business Processes</td>
</tr>
<tr>
<td>12.12</td>
<td>Summary</td>
</tr>
</tbody>
</table>

13 **External Services Management**

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>13.1</td>
<td>Service Master Record</td>
</tr>
<tr>
<td>13.1.1</td>
<td>Material/Service Group</td>
</tr>
<tr>
<td>13.1.2</td>
<td>Tax Indicator</td>
</tr>
<tr>
<td>13.1.3</td>
<td>Valuation Class</td>
</tr>
<tr>
<td>13.1.4</td>
<td>Formula</td>
</tr>
<tr>
<td>13.1.5</td>
<td>Graphic</td>
</tr>
<tr>
<td>13.2</td>
<td>Standard Service Catalog</td>
</tr>
<tr>
<td>13.3</td>
<td>Conditions in External Services Management</td>
</tr>
<tr>
<td>13.4</td>
<td>Procurement of Services</td>
</tr>
<tr>
<td>13.5</td>
<td>Entry of Services</td>
</tr>
<tr>
<td>13.6</td>
<td>Blanket Purchase Orders</td>
</tr>
<tr>
<td>13.7</td>
<td>Configuration Basics of External Services Management</td>
</tr>
<tr>
<td>13.8</td>
<td>Summary</td>
</tr>
</tbody>
</table>

14 **Special Procurement Types**

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>14.1</td>
<td>Overview</td>
</tr>
<tr>
<td>14.2</td>
<td>Direct Procurement</td>
</tr>
</tbody>
</table>

15 **Material Requirements Planning**

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>15.1</td>
<td>Process Overview</td>
</tr>
<tr>
<td>15.2</td>
<td>Material Requirements Planning Elements</td>
</tr>
<tr>
<td>15.2.1</td>
<td>Material Requirements Planning Types</td>
</tr>
<tr>
<td>15.2.2</td>
<td>Lot-Sizing Procedures</td>
</tr>
<tr>
<td>15.2.3</td>
<td>Scrap</td>
</tr>
<tr>
<td>15.2.4</td>
<td>Safety Stock</td>
</tr>
<tr>
<td>15.2.5</td>
<td>Scheduling</td>
</tr>
<tr>
<td>15.2.6</td>
<td>Net Requirements Calculation Logic</td>
</tr>
<tr>
<td>15.2.7</td>
<td>Procurement Proposals</td>
</tr>
<tr>
<td>15.3</td>
<td>Material Requirements Planning Procedures</td>
</tr>
<tr>
<td>15.3.1</td>
<td>Consumption-Based Planning</td>
</tr>
<tr>
<td>15.3.2</td>
<td>Forecast-Based Consumption Planning</td>
</tr>
<tr>
<td>15.3.3</td>
<td>Types of Planning Runs</td>
</tr>
<tr>
<td>15.3.4</td>
<td>MRP Live</td>
</tr>
<tr>
<td>15.3.5</td>
<td>Stock/Requirements List</td>
</tr>
</tbody>
</table>
15.4 Planning Areas ........................................................................................................ 582
  15.4.1 Configuration .................................................................................................. 583
  15.4.2 Setting Up in the Material Master ................................................................. 584
  15.4.3 Running MRP at the Planning Area Level ...................................................... 586
  15.4.4 Planning Results ............................................................................................ 587
15.5 Classic MRP ........................................................................................................... 587
15.6 Configuration Settings ......................................................................................... 590
  15.6.1 Material Requirements Planning Activation ................................................... 590
  15.6.2 Plant Parameters Configuration ..................................................................... 590
  15.6.3 Material Requirements Planning Group Configuration .................................. 591
15.7 Planning Calendar ................................................................................................ 593
15.8 Summary ................................................................................................................ 595

16 Forecasting .............................................................................................................. 597

16.1 Forecast Models .................................................................................................... 598
  16.1.1 Constant Model .............................................................................................. 599
  16.1.2 Trend Model .................................................................................................... 599
  16.1.3 Seasonal Model .............................................................................................. 599
  16.1.4 Seasonal Trend Model .................................................................................... 599
16.2 Forecasting Master Data ....................................................................................... 600
16.3 Forecast Profile ...................................................................................................... 604
16.4 Business Processes in Forecasting ...................................................................... 605
  16.4.1 Executing Forecast ......................................................................................... 605
  16.4.2 Executing Material Requirements Planning ................................................... 609
  16.4.3 Forecasting Using External Data ..................................................................... 610
16.5 Configuration Settings for Forecasting ................................................................ 611
  16.5.1 MRP Types ..................................................................................................... 611
  16.5.2 Weighting Group ......................................................................................... 613
  16.5.3 Splitting Indicator ......................................................................................... 613
16.6 Summary ................................................................................................................. 614

17 Inventory Management Overview ......................................................................... 617

17.1 Goods Movements ............................................................................................... 617
  17.1.1 Stock Overview .............................................................................................. 618
  17.1.2 Warehouse Stock of Materials ....................................................................... 620
  17.1.3 Material Document ....................................................................................... 621
  17.1.4 Movement Types ........................................................................................... 623
  17.1.5 Goods Issue ................................................................................................... 624
  17.1.6 Goods Receipt ................................................................................................ 624
17.2 Physical Inventory ................................................................................................ 625
17.3 Returns ................................................................................................................ 625
  17.3.1 Creating a Return ........................................................................................... 626
  17.3.2 Configuring Reason for Movement ................................................................ 628
17.4 Material Documents ............................................................................................. 630
17.5 Reservations ......................................................................................................... 631
  17.5.1 Creating a Manual Reservation ...................................................................... 631
  17.5.2 Automatic Creation of Reservation ............................................................... 634
  17.5.3 Material Requirements Planning and Reservations ..................................... 635
  17.5.4 Reservations Management Program ............................................................. 636
  17.5.5 Configuration Settings of Reservations ......................................................... 636
  17.5.6 Pick List ......................................................................................................... 638
17.6 Stock Transfers .................................................................................................... 638
  17.6.1 Transfer between Storage Locations ............................................................. 639
  17.6.2 Transfer between Plants ............................................................................... 641
  17.6.3 Transfer between Storage Locations ............................................................. 641
  17.6.4 Transfer between Plants Using Transaction MIGO_TR ................................ 642
  17.6.5 Transfer between Company Codes ............................................................... 644
  17.6.6 Additional Transfer Posting Scenarios ......................................................... 644
17.7 Configuration Basics in Inventory Management ................................................. 645
17.8 Summary ................................................................................................................. 649
18 Goods Issue

18.1 Goods Issue to a Production Order
18.1.1 Planned Goods Issue
18.1.2 Unplanned Goods Issue
18.1.3 Backflushing

18.2 Goods Issue to Scrap

18.3 Goods Issue for Sampling

18.4 Goods Issue Postings
18.4.1 Material Documents
18.4.2 Accounting Documents
18.4.3 Goods Issue Slips
18.4.4 Stock Changes
18.4.5 General Ledger Account Changes

18.5 Goods Issue Reversals

18.6 Summary

19 Goods Receipt

19.1 Goods Receipt for a Purchase Order
19.1.1 Goods Receipt with a Known Purchase Order Number
19.1.2 Goods Receipt with an Unknown Purchase Order Number
19.1.3 Goods Receipt Posting

19.2 Goods Receipt for a Production Order

19.3 Initial Entry of Inventory

19.4 Good Receipt of Co-Products or By-Products
19.4.1 Check in Material Master
19.4.2 Bill of Materials
19.4.3 Process Order
19.4.4 Confirmation

19.5 Other Goods Receipts
19.5.1 Goods Receipt without a Production Order
19.5.2 Goods Receipt for Free Goods
19.5.3 Goods Receipt for Returnable Transport Packaging
19.5.4 Automatic Goods Receipt

19.6 Summary

20 Physical Inventory

20.1 Physical Inventory Methods

20.2 Physical Inventory Preparation
20.2.1 Preparations for a Physical Inventory Count
20.2.2 Creating the Physical Inventory Count Document
20.2.3 Printing the Physical Inventory Count Document

20.3 Counting and Recounts
20.3.1 Entering the Count
20.3.2 Difference List
20.3.3 Missing Material
20.3.4 Recounts

20.4 Physical Inventory Posting
20.4.1 Posting the Count Document
20.4.2 Posting a Count without a Document
20.4.3 Accounting of Inventory Differences

20.5 Cycle Counting Method of Physical Inventory
20.5.1 Configuration Basics

20.6 Summary
21 Invoice Verification

21.1 Standard Three-Way Match ................................................................. 720
  21.1.1 Entering an Invoice .............................................................. 720
  21.1.2 Simulating a Posting .......................................................... 723
  21.1.3 Invoice Posting ................................................................. 724
  21.1.4 Invoice Parking ................................................................. 725

21.2 Duplicate Invoice Check ................................................................. 725

21.3 Evaluated Receipt Settlement ......................................................... 726
  21.3.1 Master Data ................................................................. 726
  21.3.2 Business Processes in ERS ............................................. 728

21.4 Credit Memos and Reversals .......................................................... 731

21.5 Taxes in Invoice Verification ............................................................. 732

21.6 Goods Receipt/Invoice Receipt Account Maintenance ..................... 732

21.7 Invoice Reduction .......................................................................... 734

21.8 Tolerance Limits ............................................................................. 736
  21.8.1 Variances ................................................................. 736
  21.8.2 Tolerance Keys ............................................................... 737
  21.8.3 Supplier-Specific Tolerance ............................................... 738

21.9 Blocking Invoices .......................................................................... 740
  21.9.1 Manual Block ................................................................. 740
  21.9.2 Stochastic or Random Block ............................................. 741
  21.9.3 Block Due to an Amount of an Invoice Item ....................... 741

21.10 Releasing Blocked Invoices ............................................................ 742

21.11 Down Payments ........................................................................... 743
  21.11.1 Creating a Purchase Order with a Down Payment .............. 744
  21.11.2 Monitoring Down Payments ......................................... 745
  21.11.3 Creating a Down Payment Request ................................. 746
  21.11.4 Purchase Order with Down Payment History .................... 746
  21.11.5 Invoice Verification with Down Payment ......................... 747

21.12 Retention Money .......................................................................... 748

21.13 Summary ....................................................................................... 749

22 Inventory Valuation and Account Assignment .................................... 751

22.1 Split Valuation .................................................................................. 752
  22.1.1 Configuration Steps .......................................................... 753
  22.1.2 Master Data ........................................................................ 759
  22.1.3 Business Processes ........................................................... 761
  22.1.4 Reports of Split-Valuated Materials .................................... 763

22.2 Account Determination ...................................................................... 765
  22.2.1 Configuration with the Automatic Account Determination Wizard ................................................................. 766
  22.2.2 Configuration without the Automatic Account Determination Wizard ................................................................. 767
  22.2.3 Master Data Setup ............................................................. 773
  22.2.4 Troubleshooting Errors ....................................................... 775

22.3 Last In First Out Valuation ............................................................... 780
  22.3.1 Configuration ................................................................. 781
  22.3.2 Preparation ................................................................. 782
  22.3.3 Running a Last In First Out Valuation ............................... 785

22.4 First In First Out Valuation .............................................................. 787
  22.4.1 Configuration ................................................................. 787
  22.4.2 Preparation ................................................................. 788
  22.4.3 Running a First In First Out Valuation ............................... 788

22.5 Lowest Value Determination ......................................................... 790
  22.5.1 Lowest Value Determination Based on Market Prices ........ 790
  22.5.2 Lowest Value Determination Based on Range of Coverage .... 792
  22.5.3 Lowest Value Determination Based on Movement Rate ....... 793

22.6 Material Price Changes .................................................................... 795
  22.6.1 Price Changes in the Current Posting Period ....................... 795
  22.6.2 Price Changes Not Carried Over ....................................... 796
  22.6.3 Price Changes Carried Over ............................................. 796
  22.6.4 Business Process ........................................................... 797
  22.6.5 Configuration Steps for Price Changes in the Previous Period/Year .... 797

22.7 Summary ....................................................................................... 797
### 23 Material Ledger

#### 23.1 Material Ledger Overview

23.2 Business Processes

23.2.1 Inventory Valuation Method

23.2.2 Material Price Determination

23.2.3 Multiple Currencies

23.2.4 Price Differences

23.2.5 Debit and Credit of a Material

23.3 Configuration Basics

23.3.1 Activating Valuation Areas

23.3.2 Assigning Currency Types

23.3.3 Maintaining Number Ranges for Material Ledger Documents

23.3.4 Automatic Account Determination

23.4 Activating the Material Ledger

23.5 Reporting in the Material Ledger

23.6 Summary

#### 24 Classification System

24.1 Classification Overview

24.1.1 What is the SAP S/4HANA Classification System?

24.1.2 Describing an Object

24.2 Characteristics

24.2.1 Creating Characteristics

24.2.2 Configuring Characteristics

24.3 Classes

24.3.1 Creating Classes

24.3.2 Class Types

24.3.3 Class Hierarchies

24.4 Object Dependencies

24.5 Finding Objects Using Classification

24.5.1 Classifying Materials

24.5.2 Classifying Objects

24.5.3 Finding Objects

24.6 Summary

### 25 Document Management System

25.1 Configuration Steps

25.1.1 Defining a New Number Range

25.1.2 Defining the Document Type

25.1.3 Document Status

25.1.4 Object Links

25.2 Document Info Record

25.2.1 Creating a Document

25.2.2 New Version of DIR

25.2.3 Assigning Originals to DIR

25.2.4 Document Hierarchy

25.2.5 Assigning Object Links

25.3 Additional Functionality

25.3.1 Additional Data (Classification System)

25.3.2 Long Texts

25.3.3 Search Functions

25.3.4 Document Distribution

25.3.5 Distribution Lists

25.3.6 Document Management in Batches

25.4 Summary

### 26 Early Warning System

26.1 Overview

26.2 Early Warning System Setup

26.2.1 Creating Exceptions

26.2.2 Group Exceptions

26.2.3 Setting Up Periodic Analysis
# 27 Reporting and Analytics

889

## 27.1 The Basics of Reporting

889

## 27.2 Purchasing Reports

892

- 27.2.1 Purchasing Documents
- 27.2.2 Multiple Selection
- 27.2.3 Report Output
- 27.2.4 Downloading
- 27.2.5 Copying Selective Data to Microsoft Excel
- 27.2.6 Printing
- 27.2.7 Maintaining Selections
- 27.2.8 Maintaining Variants
- 27.2.9 PO History

## 27.3 Standard Analyses: Purchasing

900

- 27.3.1 Standard Analyses in Materials Management
- 27.3.2 Key Figures
- 27.3.3 Other Info Structures
- 27.3.4 Standard Analysis: ABC Analysis

## 27.4 Standard Analyses: Inventory Management

905

- 27.4.1 Inventory Turnover
- 27.4.2 Dead Stock
- 27.4.3 Slow-Moving Items
- 27.4.4 Range of Coverage
- 27.4.5 Stock Value
- 27.4.6 Usage Value
- 27.4.7 Requirement Value

## 27.5 SAP Fiori Apps

911

- 27.5.1 Monitor Material Coverage
- 27.5.2 Inventory Turnover Analysis

## 27.6 Summary

918

---

**Appendices**

919

A  Movement Types ................................................................. 919

B  The Authors ........................................................................ 921

Index ..................................................................................... 923
Index

A

ABAP ............................................ 51, 414
ABC analysis ........................................ 184, 715, 898, 904
ABC indicator ........................................ 146–147, 184, 254
Access sequence .......................... 298, 352, 461, 463, 473
define ........................................ 472
Account ................................................. 56
Account assignment ...................... 369, 373, 435–437, 444,
656, 672, 771
category ........................................... 371, 374
cost center .............................. 369, 371
cost object ........................................... 369
G/L account ........................................... 369
g/L account number ...................... 371
group ................................................. 139
project .............................................. 371
sales order ........................................... 371
Account category reference ................ 769
Account code ......................................... 435
Account determination ...................... 765, 777
Account group ................................. 210–212, 238, 244
Account grouping .............................. 770
Account statement indicator .............. 244
Accounting ......................................... 230
data .................................................. 196
document ............................................ 618, 622, 641, 644,
651, 663, 673, 774
element .............................................. 662
entry .................................................... 713
Activity number .................................. 513
Actual cost .......................................... 803, 828
component split ............................... 803
Actual weighted average cost ............. 803
Adobe Form Designer ......................... 414, 421
Advance ship notification (ASN) ............ 248, 451–452
Advertising material .......................... 107
Aggregation ......................................... 885
Agreement type .................................. 444, 448
Alternative payee ............................... 226
American National Standards Institute ........ 120
(ANSI) .................................................. 797
Annual report ....................................... 797

Annual seasonal pattern .................. 599
Apparel ............................................. 107
Application date ..................................... 406
Approvals ............................................ 394, 526
Approved batch record ...................... 141
Archiving program .............................. 291
Assembly ....................................... 149–150, 160
Assembly scrap ................................. 149, 560–561
Asset account ....................................... 238
Associations ........................................ 344
Attributes ............................................. 883
Audit .............................................. 483–484
Authorization ........................................ 55
Authorization group ............................. 194, 238
Automatic account determination ........... 766, 813
wizard ............................................. 767
Automatic batch creation .................... 280
Automatic batch determination .............. 151, 305
Automatic payment ................................ 233
Automatic posting ................................ 771
Automatic purchase order .................... 126, 253
Automatic release ............................... 743
Automatic reorder point ..................... 551
Availability check .................................. 141, 159
Available quantity .............................. 635
Average price ...................................... 417

B

Backflushing ................................. 651, 657–659, 688
indicator ............................................ 658
Backward consumption ...................... 157–158
BAdIs ................................................. 442
Balance sheet ................................. 56, 751, 787
account ............................................. 238
valuation ............................................. 751
Bank .................................................... 232
details ................................................. 232
identification ....................................... 232
routing number ................................... 232
sort code ............................................ 232

923
Index

Base layer ........................................................ 783, 786
Base quantity .................................................... 178
Base unit of measure ................................................ 116, 125, 191–192, 500
Basic data ......................................................... 101
Basic date scheduling ........................................... 590
Basic material ..................................................... 120
Batch ................................................................. 197, 275–277, 288–289, 291, 294, 300–303, 338, 666, 703, 830, 839
Characteristics .................................................... 275–276
Classification ...................................................... 283
collection ........................................................... 276
definition ........................................................... 275
deletion flag .......................................................... 291
derivation ............................................................. 315, 317, 319, 321, 324
every ................................................................. 151
evel ................................................................. 277
New ................................................................. 280
Number ............................................................. 276–277, 289, 357, 489, 621
Number assignment .............................................. 279
Pipeline .............................................................. 276
Record ............................................................... 276, 289, 291
Search ............................................................... 301
Search allocation .................................................. 301
Selection ............................................................ 305
Split ................................................................. 289
Strategy type ........................................................ 298–299
Where-used list .................................................... 337
Batch determination ............................................. 289, 294, 299, 305
Access sequence .................................................. 298
Condition table .................................................... 296
Process ............................................................... 294
Strategy types .................................................... 294
Batch Information Cockpit ...................................... 294, 338
Batch management .............................................. 275, 315, 341
Business processes .............................................. 287
Batch master ........................................................ 309, 313–314
Batch status indicator .......................................... 289
Restricted ............................................................ 289
Unrestricted ........................................................ 289
Batch status management ....................................... 277
Batch-managed .................................................... 787
Batch-to-batch stock transfer .................................. 645
Best practice ....................................................... 240, 253, 348
Best-buy date (BBD) ............................................. 308–309, 311, 313–314
Beverages ........................................................... 107
Bill of exchange .................................................. 242
Bill of material (BOM) .......................................... 106, 158, 160, 165, 323, 379, 516, 651, 664, 684
Set by product ................................................... 685
Billing address ...................................................... 346
Billing period ........................................................ 396
Blanket purchase order ......................................... 509, 511
Blocked stock .................................................... 661–662, 673, 676, 697
Blocking ............................................................. 431, 742
For payment ....................................................... 740
Indicator ............................................................. 741
Invoices ............................................................. 743
Quantity ............................................................. 702
Random ............................................................. 741
Stochastic ........................................................... 741
Stock ................................................................. 289
Book inventory .................................................... 702, 707, 713
Balance ............................................................. 703
Book quantity ..................................................... 707, 709
BPICS ................................................................. 79
Bulk material ..................................................... 152, 189, 659
Indicator ............................................................. 152
Bulk storage ....................................................... 189
Indicator ............................................................. 189
Placement strategy ............................................... 189
Bundesgesundheitsamt ........................................... 276
Business partner .................................................. 207
Configuration ..................................................... 214, 224
Extend ............................................................... 249
general data ........................................................ 227
maintain ............................................................. 226
maintain relationships .......................................... 258
New ................................................................. 228
Number range .................................................... 214
Role category ..................................................... 215–216, 218, 220
Transactions types .............................................. 218
Buyer ............................................................... 346–347, 352–353, 371
Buying group ..................................................... 344
By-product ........................................................ 632, 679–680, 684–685, 687
Confirmation ..................................................... 695
cost analysis ....................................................... 695
Create process order .......................................... 687
Documented goods movement ................................ 692
Goods receipt ...................................................... 692

Commercial price ............................................. 199
Commission group ............................................. 199
Communication field .......................................... 230
Company code ................................................... 47–48, 50, 55–57, 62, 200, 212, 236, 693, 644, 742, 807
copy ................................................................. 57
Purchasing organization ....................................... 70
Comparison value criteria .................................... 418
Competitive products .......................................... 107
Component ....................................................... 160, 529–530, 694
Component scrap .............................................. 160, 561
Component stock ............................................... 160
Composition ..................................................... 152
Condition ......................................................... 209, 268–269, 352–354, 415, 426, 502
Class ............................................................... 471
Procedure .......................................................... 352
Record .............................................................. 303, 460, 465–466, 469
table ................................................................. 296, 298, 352, 460–461
Type ................................................................. 269, 352–353, 468
Configurable material ......................................... 105
Confirmation ..................................................... 451, 688
category ............................................................ 451, 453
Control ............................................................. 454
control key ........................................................ 255
profile ............................................................. 328
Consignment .................................................... 264, 355, 369, 444, 516, 532
Consolidation .................................................... 230
Constant mean value .......................................... 599
Construction ..................................................... 103
Consumption ..................................................... 158, 599, 608, 632
criteria ............................................................. 146
Historical value .................................................. 604
Mode ............................................................... 157
Consumption cost center ...................................... 435
Consumption planning ......................................... 39, 380
Consumption taxes ............................................. 344
Consumption-based planning ................................ 545, 565
Contact address .................................................. 226
Container requirement .......................................... 183
Continuous inventory .......................................... 700

C
Calculating scores .............................................. 487
Calculation schema ............................................ 252, 352, 468, 473
CAP product group .......................................... 133
Capacity consumption ........................................ 169
Capacity take-up due to stockholding ...................... 558
Carryover price .................................................. 796
Cash Management ............................................. 239, 241
Cash outflow ..................................................... 241
Centrally agreed contract ..................................... 449
Certificate type .................................................. 195
Certification ...................................................... 249
Change and Transport System (CTS) ....................... 54
Change document .............................................. 194
Change request .................................................. 54–55
Characteristic .................................................... 123, 285, 389–390, 830, 832, 843, 877
configuration ..................................................... 835
create ............................................................... 832
details ............................................................. 835
fields ................................................................. 832
restrict to class type ............................................ 834
status ............................................................... 836
value ............................................................... 833, 836, 847, 877
Chart of accounts ............................................... 56, 813
Check digit ........................................................ 241
Check-cashing time ............................................. 241
Class ............................................................... 285, 300, 830–831, 838–840, 842, 844, 846, 867
Create ............................................................. 390, 838
Hierarchy .......................................................... 832, 842
Type ................................................................. 122–123, 831, 838–842
Classification .................................................... 101, 286, 394, 412, 831, 842–844
data ................................................................. 122
Finding objects ................................................... 844
Materials .......................................................... 844
Object ............................................................. 846
System ............................................................. 829–831, 847–848, 866
Clearing account ............................................... 48, 51–54, 422
Level ............................................................... 278
Structure .......................................................... 51
Collective number .............................................. 405
Collective requirements ....................................... 160
Collective slip ...................................................... 663

925
<table>
<thead>
<tr>
<th>Index</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contract release order</td>
<td>447</td>
</tr>
<tr>
<td>Control</td>
<td>630</td>
</tr>
<tr>
<td>Control data</td>
<td>742</td>
</tr>
<tr>
<td>Control key</td>
<td>180</td>
</tr>
<tr>
<td>Control quantity</td>
<td>191</td>
</tr>
<tr>
<td>Controlling (CO)</td>
<td>799</td>
</tr>
<tr>
<td>Controlling function</td>
<td>856</td>
</tr>
<tr>
<td>Conversion of data</td>
<td>79</td>
</tr>
<tr>
<td>Co-product</td>
<td>152</td>
</tr>
<tr>
<td>confirmation</td>
<td>688</td>
</tr>
<tr>
<td>cost analysis</td>
<td>694</td>
</tr>
<tr>
<td>creative process order</td>
<td>686</td>
</tr>
<tr>
<td>documented goods movement</td>
<td>693</td>
</tr>
<tr>
<td>goods receipt</td>
<td>691</td>
</tr>
<tr>
<td>Corporate group</td>
<td>230</td>
</tr>
<tr>
<td>Correction factor indicator</td>
<td>174</td>
</tr>
<tr>
<td>Cost analysis</td>
<td>694</td>
</tr>
<tr>
<td>Cost apportionment</td>
<td>682</td>
</tr>
<tr>
<td>Cost center</td>
<td>435, 632, 662</td>
</tr>
<tr>
<td>report</td>
<td>826</td>
</tr>
<tr>
<td>Cost of goods sold (COGS)</td>
<td>803</td>
</tr>
<tr>
<td>Costing</td>
<td>58, 201</td>
</tr>
<tr>
<td>information</td>
<td>201</td>
</tr>
<tr>
<td>lot size</td>
<td>203</td>
</tr>
<tr>
<td>overall group</td>
<td>202</td>
</tr>
<tr>
<td>sheet</td>
<td>202</td>
</tr>
<tr>
<td>Count</td>
<td>705</td>
</tr>
<tr>
<td>date</td>
<td>702–705, 709–710</td>
</tr>
<tr>
<td>document</td>
<td>711</td>
</tr>
<tr>
<td>posting</td>
<td>701</td>
</tr>
<tr>
<td>procedure</td>
<td>701</td>
</tr>
<tr>
<td>quantity</td>
<td>713</td>
</tr>
<tr>
<td>Country</td>
<td>229</td>
</tr>
<tr>
<td>code</td>
<td>229, 232</td>
</tr>
<tr>
<td>Country key</td>
<td>59</td>
</tr>
<tr>
<td>Country of origin</td>
<td>132</td>
</tr>
<tr>
<td>Coverage profile</td>
<td>155</td>
</tr>
<tr>
<td>Creative pricing</td>
<td>420</td>
</tr>
<tr>
<td>Credit memos</td>
<td>731</td>
</tr>
<tr>
<td>Critical part</td>
<td>129</td>
</tr>
<tr>
<td>Cross-border</td>
<td>232</td>
</tr>
<tr>
<td>account number</td>
<td>232</td>
</tr>
<tr>
<td>payment</td>
<td>232</td>
</tr>
<tr>
<td>Cross-distribution chain</td>
<td>135</td>
</tr>
<tr>
<td>Cross-plant material status</td>
<td>117</td>
</tr>
<tr>
<td>Cross-plant purchasing organization</td>
<td>67</td>
</tr>
<tr>
<td>Cross-project material indicator</td>
<td>159</td>
</tr>
<tr>
<td>Currency type</td>
<td>812</td>
</tr>
<tr>
<td>Current assets</td>
<td>751</td>
</tr>
<tr>
<td>Current liabilities</td>
<td>751</td>
</tr>
<tr>
<td>Customer</td>
<td>44, 212–213, 225, 230, 238, 243, 261, 341, 443, 489, 618</td>
</tr>
<tr>
<td>field</td>
<td>230</td>
</tr>
<tr>
<td>master record number</td>
<td>230</td>
</tr>
<tr>
<td>Customer satisfaction</td>
<td>273</td>
</tr>
<tr>
<td>Customer/vendor integration (CVI)</td>
<td>220</td>
</tr>
<tr>
<td>Cycle counting</td>
<td>625, 699–700, 714</td>
</tr>
<tr>
<td>indicator</td>
<td>714</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>D</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Damaged material</td>
<td>660</td>
</tr>
<tr>
<td>Dangerous goods</td>
<td>121</td>
</tr>
<tr>
<td>Data conversion</td>
<td>101</td>
</tr>
<tr>
<td>Date of delivery</td>
<td>368</td>
</tr>
<tr>
<td>Date of manufacture</td>
<td>310, 314</td>
</tr>
<tr>
<td>Days of inventory</td>
<td>45</td>
</tr>
<tr>
<td>Days of working capital</td>
<td>45</td>
</tr>
<tr>
<td>Days payables outstanding</td>
<td>45</td>
</tr>
<tr>
<td>Days sales outstanding</td>
<td>45</td>
</tr>
<tr>
<td>Days’ supply/safety time</td>
<td>562</td>
</tr>
<tr>
<td>Dead stock</td>
<td>907</td>
</tr>
<tr>
<td>Deadline monitoring</td>
<td>127</td>
</tr>
<tr>
<td>Debenture indicator</td>
<td>166</td>
</tr>
<tr>
<td>Debit and credit entries</td>
<td>809</td>
</tr>
<tr>
<td>Default supply area</td>
<td>151</td>
</tr>
<tr>
<td>Delayed receipts</td>
<td>127</td>
</tr>
<tr>
<td>Deletion indicator</td>
<td>411, 633</td>
</tr>
<tr>
<td>Delivering plant</td>
<td>135</td>
</tr>
<tr>
<td>Delivery</td>
<td>673, 697</td>
</tr>
<tr>
<td>address</td>
<td>423</td>
</tr>
<tr>
<td>cost</td>
<td>354, 418</td>
</tr>
<tr>
<td>date</td>
<td>44, 374, 380, 404, 406, 411, 451</td>
</tr>
<tr>
<td>note</td>
<td>674, 720</td>
</tr>
<tr>
<td>of goods</td>
<td>451</td>
</tr>
<tr>
<td>schedule</td>
<td>350, 429, 589</td>
</tr>
<tr>
<td>tolerance</td>
<td>355</td>
</tr>
<tr>
<td>unit</td>
<td>136</td>
</tr>
<tr>
<td>Demand</td>
<td>165</td>
</tr>
<tr>
<td>Dependency editor</td>
<td>843</td>
</tr>
<tr>
<td>Depending requirements</td>
<td>161</td>
</tr>
<tr>
<td>Design drawing</td>
<td>121</td>
</tr>
<tr>
<td>Deviation indicator</td>
<td>200</td>
</tr>
<tr>
<td>percentage</td>
<td>200, 792</td>
</tr>
<tr>
<td>Difference value</td>
<td>709</td>
</tr>
<tr>
<td>Dimensions</td>
<td>119</td>
</tr>
<tr>
<td>Direct procurement</td>
<td>516, 518, 520</td>
</tr>
<tr>
<td>settings</td>
<td>518</td>
</tr>
<tr>
<td>Discontinuation indicator</td>
<td>161</td>
</tr>
<tr>
<td>Discontinued part</td>
<td>160</td>
</tr>
<tr>
<td>Discount</td>
<td>268, 353, 415, 418, 502</td>
</tr>
<tr>
<td>in kind</td>
<td>255</td>
</tr>
<tr>
<td>Discrete manufacturing production cycle</td>
<td>681</td>
</tr>
<tr>
<td>Distribution center</td>
<td>641</td>
</tr>
<tr>
<td>Distribution list</td>
<td>870</td>
</tr>
<tr>
<td>Distribution profile</td>
<td>143</td>
</tr>
<tr>
<td>Division</td>
<td>117</td>
</tr>
<tr>
<td>Document</td>
<td>860</td>
</tr>
<tr>
<td>create</td>
<td>860</td>
</tr>
<tr>
<td>date</td>
<td>413</td>
</tr>
<tr>
<td>distribution</td>
<td>870–871</td>
</tr>
<tr>
<td>hierarchy</td>
<td>863</td>
</tr>
<tr>
<td>index</td>
<td>254</td>
</tr>
<tr>
<td>number</td>
<td>403</td>
</tr>
<tr>
<td>number range</td>
<td>864</td>
</tr>
<tr>
<td>parking</td>
<td>725</td>
</tr>
<tr>
<td>part</td>
<td>860</td>
</tr>
<tr>
<td>required indicator</td>
<td>194</td>
</tr>
<tr>
<td>status</td>
<td>854–855, 861</td>
</tr>
<tr>
<td>version</td>
<td>860</td>
</tr>
<tr>
<td>Document information record (DIR)</td>
<td>852, 855, 860–862</td>
</tr>
<tr>
<td>assign originals</td>
<td>862</td>
</tr>
<tr>
<td>document hierarchy</td>
<td>863</td>
</tr>
<tr>
<td>document number</td>
<td>864</td>
</tr>
<tr>
<td>new version</td>
<td>862</td>
</tr>
<tr>
<td>object link</td>
<td>865</td>
</tr>
<tr>
<td>Document Management System (DMS)</td>
<td>829, 849, 857, 871</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>E</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Early receipts</td>
<td>165</td>
</tr>
<tr>
<td>Early Warning System (EWS)</td>
<td>873</td>
</tr>
<tr>
<td>alerts</td>
<td>887</td>
</tr>
<tr>
<td>follow-up processing</td>
<td>880</td>
</tr>
<tr>
<td>period to analyze</td>
<td>879</td>
</tr>
<tr>
<td>running</td>
<td>885</td>
</tr>
<tr>
<td>schedule</td>
<td>884</td>
</tr>
<tr>
<td>setup</td>
<td>875</td>
</tr>
<tr>
<td>use cases</td>
<td>874</td>
</tr>
<tr>
<td>Economic justification</td>
<td>348</td>
</tr>
<tr>
<td>Effective-out date</td>
<td>161</td>
</tr>
<tr>
<td>Electronic batch record</td>
<td>339</td>
</tr>
<tr>
<td>Electronic data interchange (EDI)</td>
<td>44, 242, 247–248, 253, 344, 430, 451–452, 617, 720</td>
</tr>
<tr>
<td>Email</td>
<td>430, 451</td>
</tr>
<tr>
<td>address</td>
<td>230</td>
</tr>
<tr>
<td>attachment</td>
<td>898</td>
</tr>
<tr>
<td>Employer Identification Number (EIN)</td>
<td>230</td>
</tr>
<tr>
<td>Empty</td>
<td>105</td>
</tr>
<tr>
<td>Empty storage bin</td>
<td>191</td>
</tr>
</tbody>
</table>
Price actual ........................................ 416  
discount ........................................... 418  
effective determination ......................... 420  
value .................................................. 737  
variance ............................................ 726  
Price comparison ................................ 416, 418–419  
selection criteria ................................. 416  
Price control .................................... 83, 198, 804–805  
Price control indicators ....................... 804  
Price determination ......................... 255, 354, 811  
Price difference ................................. 799–800, 808, 816  
Price fluctuation ................................ 828  
Price history ...................................... 481  
Price level ........................................... 481  
Price marking agreement .................... 256  
Price revaluation ................................ 818  
Price variance ................................... 736  
Pricing agreement ............................... 353  
condition ........................................... 353  
date control ....................................... 252  
determination .................................... 252  
procedure ......................................... 248, 252  
scale .................................................. 353–354  
Pricing procedure ................................ 468  
configuration ..................................... 470  
Print .................................................. 898  
Process industries ............................... 681  
production cycle ................................. 681  
Process order ..................................... 296, 686, 692  
Processing key ................................... 588  
Processing time .................................. 178  
Processing time/base quantity ............. 142  
Procurement ...................................... 44, 79, 149, 151, 195  
cost .................................................. 418  
cycle .................................................. 195  
Procurement alternatives .................... 803  
Procurement proposal ........................ 540, 549, 563  
Procurement type ............................... 151  
Procure-to-pay ................................. 42, 167  
Product attribute ............................... 139  
Product cost estimate ......................... 203  
Product costing .................................. 800  
Product heuristic .............................. 165  
Product hierarchy ................................ 118  
Product recall .................................... 277, 289, 344, 625  
Production ......................................... 277  
implementation ................................ 151, 157, 357, 443, 651, 680, 698  
number ............................................. 675  
production ........................................ 379  
Production planning (PP) .................... 43–44, 58, 294, 694, 696  
Production planning and detailed ............................................ 163  
scheduling (DP) ................................. 163  
Production process ........................... 151–152, 202, 277, 624, 657–658  
date ................................................. 185, 288  
date ................................................. 149  
schedule .......................................... 44, 451  
storage location ................................. 151  
supervisor ........................................ 175  
unit ................................................... 175  
Production resources/tools (PRTs) ....... 104, 178–180  
Production scheduling profile ............. 176  
Production storage location ................ 176  
Production version ............................ 526, 528  
mass processing ................................. 527  
Profit center ..................................... 143, 801, 808  
Profitability analysis (CO-PA) ............ 803, 824  
Progress tracking ............................. 438, 443  
configuration ................................. 439  
configuration ................................. 439  
profile ........................................... 439–440  
Project ............................................. 422  
Project management .......................... 43  
Project segment ................................ 159  
Project stock ..................................... 159, 198  
Project system (PS) ........................... 438  
Public holidays .................................. 74  
Public safety .................................... 276  
canceling ......................................... 354  
canceling ......................................... 466, 728  
creation ........................................... 451  
date ................................................. 346  
Pricing organization ....................... 50, 66–67, 73, 210, 235, 250, 267, 348, 352, 354, 404, 413–414, 417, 444  
create ............................................. 69  
data .................................................. 267  
Purchasing organization schema group ................................. 476  
Purchasing reports ......................... 897  
Purchasing requisition ....................... 380  
Quality  ............................................ 380  
Quality for free goods discount .......... 126  
Quality assurance ............................. 195, 277  
Quality certificate ............................ 195  
Quality control ................................. 277  
Quality information .......................... 194  
Quality inspection ........................... 193, 289, 626, 639, 663, 674, 702  
user .................................................. 194  
Quality inspection stock ...................... 661  
Quality management (QM) ................ 44, 192–193, 195, 249, 654, 857, 900  
Quality notification .......................... 194  
Quality performance ......................... 345  
Quality requirement ......................... 192  
Quality score ................................. 479, 483  
Quality specification ......................... 97  
Quantity contract .............................. 345, 448  
Quantity formula .............................. 180–181  
Quantity stipulations ......................... 136  
Quantity structure ............................ 202  
Quota arrangement ......................... 351–352, 360, 536  
usage ............................................. 219  
comparison ..................................... 418  
deadline .......................................... 406  
price comparison .............................. 416  
rejection ......................................... 422  
R  
Rack-jobbing service agreement .......... 256  
Range of coverage ............................ 155, 790, 792, 908  
Range of values ............................... 831–832  
Raw material ................................. 106, 152, 343, 544, 680, 701, 751, 805
Index

Real-time reports .......................... 617
Reason code ............................... 408
Rebate .................................................. 266
Recall .................................................... 277
Receipt days' supply ......................... 578
Receipt of material ................................ 667
Receiver material .................................... 520
Receiving dock ...................................... 571
Receiving material .......................... 318–319, 324
Receiving plant ..................................... 522, 641
Reconciliation ........................................ 238
account .................................................. 238
Recount ................................................... 705, 708–709
doctor .................................................... 709
material .................................................. 709
physical inventory document .............. 708
transaction ............................................. 708
Recurring inspection .......................... 307–308
fields ....................................................... 312
Recycling ................................................. 625
Reference date ....................................... 181
Reference material ............................. 171
Reference plant ....................................... 171
Reference purchasing organization ....... 68, 71, 251
Reference quotation ............................. 417
Region ........................................................ 229
Region key ................................................. 59
Region of origin .................................... 132
Regular vendor ...................................... 267
Regulatory body ..................................... 276
Rejection letter ...................................... 421
Releases .................................................. 448
Release code ......................................... 381–382, 392, 396, 412
Release condition .................................. 381
Release group ........................................ 239, 392, 412
Release indicator .................................... 383, 392
assign ....................................................... 384
Release order .......................................... 443, 448, 450
Release number ..................................... 443, 484
Release procedure ............................. 363, 380, 411
configuration ........................................ 391
with classification .................................. 381, 386
without classification .......................... 380–381
Release status ....................................... 394
Release strategy ................................. 380–381, 385, 393, 395, 401, 412, 427, 511
collective ............................................... 397
individual .............................................. 396
purchase requisition ............................. 398
Reminder letter ...................................... 243
Removal strategy ..................................... 188
Remover point planning ....................... 148, 547–548, 550, 563, 566
Repetitive manufacturing ..................... 161, 443
indicator ............................................... 161
profile ...................................................... 161
Replacement part .................................. 141
Replenishment lead time ...................... 144, 551, 565
Replenishment quantity ....................... 192
Reporting ................................................. 823, 889
document .............................................. 889
downloads ............................................. 898
filters ...................................................... 896
icons ........................................................ 890
output ...................................................... 894
Request for information ....................... 347
create ...................................................... 401
date .......................................................... 403
delivery schedule ................................. 407
document number .................................... 403
number .................................................... 410
reference data ........................................ 406
release ..................................................... 411
type ........................................................ 402
Requirement tracking number .............. 376, 404, 410
Requirement value .................................. 911
Requirements quantity ....................... 520, 632
Requisition ........................................... 446
Requisitioner ......................................... 371–372, 374–376
Reservation ............................................ 631–633, 635–636, 638, 655
automatic .............................................. 631
automatic creation .................................. 634
creation ............................................... 634
date ......................................................... 637
definition .............................................. 631
management program ......................... 636
Resource network .............................. 166
Retention day ........................................ 636, 638
Retention money ..................................... 748
Retention period .................................... 637
Return agreement .................................. 266
Return clause ......................................... 626
Return delivery ....................................... 626–627
Return material authorization (RMA) ....... 626
Return policy .......................................... 419
Returnable packaging ......................... 106, 626
Returns ............................................... 625
Reverse logistics ..................................... 625
Reverse movement type ....................... 640
Rough goods receipt (rough GR) ............ 451
Rough-cut planning ............................... 188
Rounding error ....................................... 198
Rounding profile ..................................... 136, 256
Rounding quantity .................................. 192
Routing .................................................. 379, 657–658
S
Safety consumption ............................ 552
Safety stock ................................. 154–155, 544, 561–562, 907
absolute ............................................... 561
dynamic ............................................... 155
range ...................................................... 155
Safety time ............................................ 155
Sales ....................................................... 68, 71, 251
data ......................................................... 257
general data ............................................ 140
order ......................................................... 140
order stock ............................................. 198
Sales and distribution (SD) .................... 43, 294, 296
Sales order ............................................. 435, 632
Sales order stock ..................................... 619
Sales organization ............................... 101, 134
Sales unit ............................................... 135
Sampling ................................................. 624, 651
account ............................................... 662
material for ............................................ 662
test ........................................................ 662
Sandbox client ........................................ 53
SAP Advanced Planning and Optimization (SAP APO) .................................. 163
SAP Best Practices .................................. 51
SAP Business Workflow ....................... 468, 856
SAP calendar ......................................... 73, 76
SAP Environment, Health, and Safety Management .................................. 121
SAP Extended Warehouse Management (SAP EWM) .................................. 713
SAP Fiori ............................................... 344
apps ....................................................... 911
library .................................................... 917
SAP Fiori launchpad .............................. 52, 912
SAP General Ledger .............................. 50
SAP GUI .................................................. 912
SAP HANA .............................................. 569
SAP inbox ............................................. 880, 887
SAP NetWeaver ....................................... 53
SAP S/4HANA materials management overview .................................. 40
SAP S/4HANA Cloud .................................. 917
SAP S/4HANA Finance .......................... 732, 800
SAPscript ................................................. 414, 242
SCAC code ............................................. 248
Scale ....................................................... 269, 353, 503
Schedule lines ........................................ 130, 489
Schedule Manager .................................. 725
Scheduling ............................................. 152, 562
Scheduling agreement ......................... 349–350, 353–354, 443–448, 536, 790
Scheduling frequency ......................... 885
Schema determination .......................... 477
Schema group ........................................ 252, 475
Scope of list ............................................ 413
Scoring method ...................................... 481
Scrap ....................................................... 150, 230, 560
assembly ............................................... 561
component ............................................ 561
Scrap material ........................................ 659–660
Scraping ............................................... 651, 659, 661
procedure .............................................. 661
quantity .................................................. 657–659
Search ..................................................... 847
criteria ................................................... 294
procedure .............................................. 294
term ....................................................... 229
tool ......................................................... 848
<table>
<thead>
<tr>
<th>Term</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Seasonal cycle</td>
<td>172</td>
</tr>
<tr>
<td>Seasonal market</td>
<td>599</td>
</tr>
<tr>
<td>Seasonal model</td>
<td>599</td>
</tr>
<tr>
<td>Seasonal pattern</td>
<td>599</td>
</tr>
<tr>
<td>Seasonal trend model</td>
<td>599</td>
</tr>
<tr>
<td>Selection control</td>
<td>852</td>
</tr>
<tr>
<td>Selection criteria</td>
<td>300, 414, 418, 743, 785, 791–792, 794</td>
</tr>
<tr>
<td>Selection procedure</td>
<td>173</td>
</tr>
<tr>
<td>Selection type</td>
<td>300</td>
</tr>
<tr>
<td>Sell by batch</td>
<td>341</td>
</tr>
<tr>
<td>Semifinished</td>
<td>355</td>
</tr>
<tr>
<td>Semifinished goods</td>
<td>64, 104, 564</td>
</tr>
<tr>
<td>Sender material</td>
<td>318</td>
</tr>
<tr>
<td>Sending material</td>
<td>318</td>
</tr>
<tr>
<td>Serial number</td>
<td>143, 357–359, 489, 492</td>
</tr>
<tr>
<td>determination</td>
<td>143, 357–359, 492</td>
</tr>
<tr>
<td>moisture</td>
<td>143, 357–359, 492</td>
</tr>
<tr>
<td>usage</td>
<td>358</td>
</tr>
<tr>
<td>Serialized</td>
<td>337</td>
</tr>
<tr>
<td>Serializing procedure</td>
<td>358</td>
</tr>
<tr>
<td>Service</td>
<td>254, 264, 273, 343, 346, 355, 361, 368, 402, 404, 437, 443, 448, 497, 502, 505, 513</td>
</tr>
<tr>
<td>service master</td>
<td>497, 505, 509</td>
</tr>
<tr>
<td>service master</td>
<td>497, 505, 509</td>
</tr>
<tr>
<td>financial posting</td>
<td>500</td>
</tr>
<tr>
<td>financial posting</td>
<td>500</td>
</tr>
<tr>
<td>invoice</td>
<td>502</td>
</tr>
<tr>
<td>number</td>
<td>505</td>
</tr>
<tr>
<td>purchase</td>
<td>503</td>
</tr>
<tr>
<td>selection</td>
<td>507</td>
</tr>
<tr>
<td>ship entry</td>
<td>511</td>
</tr>
<tr>
<td>specification</td>
<td>497, 503</td>
</tr>
<tr>
<td>Service level</td>
<td>154</td>
</tr>
<tr>
<td>Service master</td>
<td>497, 500, 502</td>
</tr>
<tr>
<td>graphic field</td>
<td>501</td>
</tr>
<tr>
<td>record</td>
<td>498</td>
</tr>
<tr>
<td>Service-agent procedure group</td>
<td>248</td>
</tr>
<tr>
<td>Service-based Invoice Verification</td>
<td>254</td>
</tr>
<tr>
<td>Settlement of production order</td>
<td>802</td>
</tr>
<tr>
<td>Setup time</td>
<td>142, 177</td>
</tr>
<tr>
<td>shelf life</td>
<td>185, 288</td>
</tr>
<tr>
<td>characteristics</td>
<td>181</td>
</tr>
<tr>
<td>date</td>
<td>288</td>
</tr>
<tr>
<td>Shelf-life expiration date (SLED)</td>
<td>64, 185, 289, 307–309, 311, 313–314</td>
</tr>
<tr>
<td>rounding rule</td>
<td>186</td>
</tr>
<tr>
<td>Tax</td>
<td>247, 502</td>
</tr>
<tr>
<td>-----</td>
<td>----------</td>
</tr>
<tr>
<td>calculation</td>
<td>354</td>
</tr>
<tr>
<td>condition</td>
<td>354</td>
</tr>
<tr>
<td>identification number</td>
<td>230</td>
</tr>
<tr>
<td>indicator</td>
<td>500</td>
</tr>
<tr>
<td>jurisdiction code</td>
<td>229, 246</td>
</tr>
<tr>
<td>price</td>
<td>219</td>
</tr>
<tr>
<td>rate</td>
<td>354</td>
</tr>
<tr>
<td>regulations</td>
<td>625</td>
</tr>
<tr>
<td>type</td>
<td>246</td>
</tr>
<tr>
<td>Tax data</td>
<td>135</td>
</tr>
<tr>
<td>Tax indicator for material</td>
<td>125</td>
</tr>
<tr>
<td>Taxable service</td>
<td>500</td>
</tr>
<tr>
<td>Taxes</td>
<td>60</td>
</tr>
<tr>
<td>Taxware</td>
<td>229, 246</td>
</tr>
<tr>
<td>Temperature conditions</td>
<td>183</td>
</tr>
<tr>
<td>Terms and conditions</td>
<td>444</td>
</tr>
<tr>
<td>Terms of delivery</td>
<td>445</td>
</tr>
<tr>
<td>Three-way match</td>
<td>45, 346, 720</td>
</tr>
<tr>
<td>fields</td>
<td>720</td>
</tr>
<tr>
<td>Threshold value</td>
<td>709, 741</td>
</tr>
<tr>
<td>Threshold value analysis</td>
<td>879</td>
</tr>
<tr>
<td>Time-phased materials planning</td>
<td>566</td>
</tr>
<tr>
<td>Time-phased planning</td>
<td>148, 553</td>
</tr>
<tr>
<td>Tolerance</td>
<td>240, 660, 708, 736</td>
</tr>
<tr>
<td>data</td>
<td>176</td>
</tr>
<tr>
<td>for chemical materials</td>
<td>662</td>
</tr>
<tr>
<td>group</td>
<td>240</td>
</tr>
<tr>
<td>hey</td>
<td>736–737, 742</td>
</tr>
<tr>
<td>limit</td>
<td>736–737</td>
</tr>
<tr>
<td>lower</td>
<td>737</td>
</tr>
<tr>
<td>supplier-specific</td>
<td>738</td>
</tr>
<tr>
<td>Total planning background</td>
<td>568</td>
</tr>
<tr>
<td>Total planning online</td>
<td>568</td>
</tr>
<tr>
<td>Total planning run</td>
<td>145</td>
</tr>
<tr>
<td>Total price condition</td>
<td>502</td>
</tr>
<tr>
<td>Total replenishment lead time</td>
<td>159, 548</td>
</tr>
<tr>
<td>Total requirements</td>
<td>571</td>
</tr>
<tr>
<td>Total shelf life</td>
<td>185</td>
</tr>
<tr>
<td>Total-based invoice acceptance</td>
<td>739</td>
</tr>
<tr>
<td>Total-based invoice reduction</td>
<td>739</td>
</tr>
<tr>
<td>Tracking limit</td>
<td>173</td>
</tr>
<tr>
<td>Trade definition</td>
<td>251</td>
</tr>
<tr>
<td>Trading goods</td>
<td>105</td>
</tr>
<tr>
<td>partner</td>
<td>230, 419</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Transaction</th>
<th>778, 780</th>
</tr>
</thead>
<tbody>
<tr>
<td>ACR</td>
<td>51</td>
</tr>
<tr>
<td>ANZE</td>
<td>356</td>
</tr>
<tr>
<td>AXPD</td>
<td>443</td>
</tr>
<tr>
<td>BMBC</td>
<td>333</td>
</tr>
<tr>
<td>BP</td>
<td>258, 476, 726</td>
</tr>
<tr>
<td>CA</td>
<td>527</td>
</tr>
<tr>
<td>CA10</td>
<td>180</td>
</tr>
<tr>
<td>CKI1N</td>
<td>824</td>
</tr>
<tr>
<td>CKM3N</td>
<td>823</td>
</tr>
<tr>
<td>CKM9</td>
<td>811, 820</td>
</tr>
<tr>
<td>CLO2</td>
<td>285, 390, 838, 843</td>
</tr>
<tr>
<td>CL20N</td>
<td>846</td>
</tr>
<tr>
<td>CL24N</td>
<td>842, 846</td>
</tr>
<tr>
<td>CL6C</td>
<td>842</td>
</tr>
<tr>
<td>CO11N</td>
<td>329, 331</td>
</tr>
<tr>
<td>CORBR</td>
<td>339</td>
</tr>
<tr>
<td>CORK</td>
<td>693–694</td>
</tr>
<tr>
<td>CS02</td>
<td>688</td>
</tr>
<tr>
<td>CT04</td>
<td>284, 387, 832</td>
</tr>
<tr>
<td>CUT1</td>
<td>303</td>
</tr>
<tr>
<td>CUNI</td>
<td>92</td>
</tr>
<tr>
<td>CV01N</td>
<td>860, 862</td>
</tr>
<tr>
<td>CV02N</td>
<td>868</td>
</tr>
<tr>
<td>CV04N</td>
<td>868</td>
</tr>
<tr>
<td>ED</td>
<td>441</td>
</tr>
<tr>
<td>FI10</td>
<td>725</td>
</tr>
<tr>
<td>FBMP</td>
<td>243</td>
</tr>
<tr>
<td>FK08</td>
<td>235</td>
</tr>
<tr>
<td>GAB</td>
<td>770</td>
</tr>
<tr>
<td>IQ03</td>
<td>495</td>
</tr>
<tr>
<td>JIRFLVMOBVDEH</td>
<td>620</td>
</tr>
<tr>
<td>KON</td>
<td>770</td>
</tr>
<tr>
<td>MB21</td>
<td>643</td>
</tr>
<tr>
<td>MB22</td>
<td>632</td>
</tr>
<tr>
<td>MB51</td>
<td>630, 915</td>
</tr>
<tr>
<td>MB52</td>
<td>712</td>
</tr>
<tr>
<td>MB56</td>
<td>294</td>
</tr>
<tr>
<td>MB58</td>
<td>915</td>
</tr>
<tr>
<td>MBST</td>
<td>524</td>
</tr>
<tr>
<td>MBSTD</td>
<td>524</td>
</tr>
<tr>
<td>MBTR</td>
<td>303</td>
</tr>
<tr>
<td>MBL1</td>
<td>531</td>
</tr>
<tr>
<td>MBVR</td>
<td>636</td>
</tr>
<tr>
<td>MC</td>
<td>576</td>
</tr>
<tr>
<td>MC_C</td>
<td>548</td>
</tr>
<tr>
<td>909</td>
<td></td>
</tr>
<tr>
<td>Term</td>
<td>Page Numbers</td>
</tr>
<tr>
<td>-----------------------------</td>
<td>-----------------------</td>
</tr>
<tr>
<td>Warehouse</td>
<td>182, 188–191, 663, 674, 676, 702, 787</td>
</tr>
<tr>
<td>section</td>
<td>701</td>
</tr>
<tr>
<td>Warehouse management (WM)</td>
<td>44, 182–183, 187, 189, 294, 296, 713</td>
</tr>
<tr>
<td>lean</td>
<td>183</td>
</tr>
<tr>
<td>movement type</td>
<td>189</td>
</tr>
<tr>
<td>unit of measure</td>
<td>187</td>
</tr>
<tr>
<td>Warehouse stock</td>
<td>620</td>
</tr>
<tr>
<td>Weighting group</td>
<td>174, 613</td>
</tr>
<tr>
<td>Weighting key</td>
<td>480, 485</td>
</tr>
<tr>
<td>Wholesaler</td>
<td>347</td>
</tr>
<tr>
<td>Withdrawal</td>
<td>624, 655</td>
</tr>
<tr>
<td>Withdrawal from alternative plant</td>
<td>524</td>
</tr>
<tr>
<td>Withholding tax</td>
<td>244–245</td>
</tr>
<tr>
<td>Women-owned business</td>
<td>419</td>
</tr>
<tr>
<td>Work breakdown structure (WBS)</td>
<td>43, 634</td>
</tr>
<tr>
<td>Work center</td>
<td>658</td>
</tr>
<tr>
<td>Work in progress (WIP)</td>
<td>751, 779, 809</td>
</tr>
<tr>
<td>batch</td>
<td>329, 332</td>
</tr>
<tr>
<td>batch reporting</td>
<td>333</td>
</tr>
<tr>
<td>Work scheduling</td>
<td>174</td>
</tr>
<tr>
<td>Working capital</td>
<td>751</td>
</tr>
</tbody>
</table>
Jawad Akhtar is an SAP logistics and supply chain management expert with a focus on business sales and delivery. He earned his chemical engineering degree from Missouri University of Science and Technology in the United States. He has more than 20 years of professional experience, 16 of which have been spent working with SAP systems. He has experience working on several large-scale, end-to-end SAP project implementation lifecycles, including rollouts. He works with SAP clients to help them identify root causes of business issues and address those with the appropriate SAP products and change management strategies. He now focuses on next-generation SAP products such as SAP S/4HANA, SAP IBP, SAP Ariba, and SAP C/4HANA.

Akhtar is also a technical advisor to SAPexperts, an ASUG speaker, and a contributor to SearchSAP, where his “Ask the Expert” column shares real-life lessons and best practices gleaned from SAP implementations, ways to avoid common project pitfalls, and features of various SAP products that solve key business issues.

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.

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.