



Auto Po Creation in SAP



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AUTOMATIC PO CREATION

Introduction:-

This process will enable system to create the Purchase Orders automatically from the Purchase Requisitions created in the system, without manual intervention, and at regular intervals of time with predetermined master data set up and with a predefined job schedule to run at regular intervals of time. In this process system will convert the Requirements created in the form of Purchase Requisitions created through MRP or created manually. Auto PO process once introduced in the system will make an Optimized Purchasing in the system. Prior to Going into the Details of the AUTO PO process a Brief overview of the Purchasing Process.

In Order to get fulfilled with the Auto PO process, there are certain prerequisites to get existed in the system.

Prerequisites :-

In order to see that the POs to get created automatically, there are some prerequisites to be defined in the system.

1. Material Master Data:-

- Material Master (MM01). Proper material master needed to get created for the material with all the relevant data for Purchasing and MRP to get filled.
- A check Box for Auto PO in the Purchasing View to be checked.

Material	704357041	material	
Plant	0190	Galaxy Musicals US Plant	
General Data			
Base Unit of Measure	EA	EN	Order Unit <input type="text"/>
Purchasing Group	<input type="text"/>		Var. OUn <input type="text"/>
Plant-sp.matl status	<input type="text"/>		Material Group 00101
Tax ind. f. material	<input type="text"/>		Valid from <input type="text"/>
Material freight grp	<input type="text"/>		Qual.f.FreeGoodsDis. <input type="text"/>
<input type="checkbox"/> Batch management			<input checked="" type="checkbox"/> Autom. PO
			OB Management <input type="text"/>
			OB ref. matrial <input type="text"/>

2. Vendor Master Data:-

- Vendor Master (XK01) needed to be created for the company code of the plant by which the PO is to be created and to be created for the Purchase Organization by which the PO is going to be created.
- The Auto PO check Box in the Purchasing view needed to be checked.
Vendor 0000102035 created.

Vendor	INTERNAL	caliper4
Purchasing Org.	1000	kg porg 2

Conditions

Order currency	INR
Terms of paymnt	
Incoterms	
Minimum order value	
Schema Group, Vendor	Standard procedure vendor
Pricing Date Control	No Control
Order optim.rest.	

Sales data

Salesperson	
Telephone	
Acc. with vendor	

Control data

<input type="checkbox"/> GR-Based Inv. Verif.	ABC indicator	<input type="checkbox"/>	<input type="checkbox"/> RMA Required
<input type="checkbox"/> AutoEvalGRSetmt Del.	ModeOfTrnsprt-Border	<input type="checkbox"/>	
<input type="checkbox"/> Acknowledgment Reqd	Office of entry		
<input checked="" type="checkbox"/> Automatic purchase order	Sort criterion		By VSR sequence number

3. Outline Agreement :

Outline Agreement (ME31K) is an internal Purchasing document which will be created with the vendor and the plant for the materials for which the vendor to supply for an agreed price .This acts as a valid source for the Purchase Requisition to get created with a vendor assigned . For a PO to get created automatically, it is a must to assign a vendor.

4. Source List :

A valid source list (ME01) which is fixed for a vendor need to get existed in the system.It is a List created in the system under a plant for a material which links to possible vendors for the material supply. Furthermore the source list will have validity and a vendor can be fixed in the system for supply.

Material	000000000704357041	material
Plant	0190	Galaxy Musicals US Plant

Source List Records

Valid from	Valid to	Vendor	POrg	PPI	OU	Agmt	Item	Central Con...	Cent. Contr...	Fix	Blk	M...	MRP Area
<input type="checkbox"/> 13.09.2022	13.09.2023	102035	1000			EA				<input checked="" type="checkbox"/>	<input type="checkbox"/>		

5. Info Record:

A valid Info record must exist in the system. Info Record is a record created in the system for a vendor and material for the purchase Organization and Plant through which the PO is going to be created. This can be created at the Transaction code ME11.

General Data		Conditions	Texts
Info Record	5678935165	PIR-9	
Vendor	102035	caliper4	
Material	000000000704357041	material	
Material Group	00101	Steels	
Purchasing Org.	1000	Plant	0190 Standard
Control			
Pl. Deliv. Time	5 Days	Tol. UnderdL.	% <input type="checkbox"/> No MText
Purch. Group	000	Tol. OverdL.	% <input type="checkbox"/> Ackn. Rqd
Standard Qty	100 EA	<input type="checkbox"/> Unlimited	Conf. Ctrl
Minimum Qty	EA	<input type="checkbox"/> GR-Bsd IV	Tax Code
Rem. Shelf Life	D	<input type="checkbox"/> No ERS	
Differential Invoicing	01 Not Rel.	Procedure	UoM Group
Shippg Instr.		Rndg Prof.	RMA Req.
Max. Quantity	EA		
Conditions			
Net Price	500.00 INR / 1 EA	Valid to	31.12.9999
Effective Price	500.00 INR / 1 EA	<input type="checkbox"/> No Cash Disc.	
Qty Conv.	1 EA <-> 1 EA	Cond. Grp	
Pr. Date Cat.	No Control		
Incofirms			

6. Condition Records for Output type:

A Condition Record is a record which will be created for the Output Type which is to be used for assigning an output type automatically to the PO, which in turn either prints, or Fax or Email the PO to the vendor. These can be created at MN04.

Company Code	1000	skype pvt.ltd.				
Condition Recs.						
Plant	Name	Funct	Partner	M...	Dat...	Lang...
<input type="checkbox"/> 0190	laxy Musicals US P.VN		0000102030	1	4	

Process involved for auto PO creation:-

1. Purchase Requisition Creation through MRP / or through ME51N screen. If MRP run is made scheduled to run at regular intervals of time Purchase Requisitions will get created automatically.

2. **Assign a source of Supply:** During the creation of the PR, system needs to assign a valid source of supply to the Purchase Requisitions. Means system is deciding about the vendor who has to supply the requirement at the Requirement generation only. In Order to happen this master data which has been defined earlier will serve the purpose in the order Outline Agreement or Info Record or Source list. With this step, system generates the Purchase Requisitions with a vendor assigned..

Purchase requisition 0010000134 and 0010000136 created through T-code ME51N

The screenshot shows the SAP ME51N 'Source of Supply' tab for purchase requisition 10000134. The 'Item' is 1 [10] 00000000704357041, material. The 'Source of Supply' tab is active, displaying the following data:

Field	Value	Description
Fixed Vendor	102035	caliper4
Info Record	5678935165	PIR-9
Desired Vendor		

Other fields visible include: Agreement, CentContr., Purch.Org. (1000), Requirement Urgency (99), Order Unit, Contract Hierarchy, Reqmt Priority (255), and Suppl. Plant. A button 'Assign Source of Supply' is located at the bottom left.

NB PR STANDARD (NB) 10000136

Header

Stat.	Item	A	I	Material	Short Text	Quantity	Unit	C	Delivery Date	Material Group	Plant	Stor. Location	PGr
	10			00000000070	material	500	EA	D	19.09.2022	00101	0190	ST01	000

Item: 1 | 10 | 000000000704357041, material

Material Data | Quantities/Dates | Valuation | **Source of Supply** | Versions | Status | Contact Person | Texts | Delivery Address

Agreement: | Purch.Org.: 1000 | Order Unit:

CentContr.: | Requirement Urgency: 99 | Contract Hierarchy:

Request Priority: 255 | Suppl. Plant:

Fixed Vendor	102035	caliper4
Info Record	5678935165	PR-9
Desired Vendor		

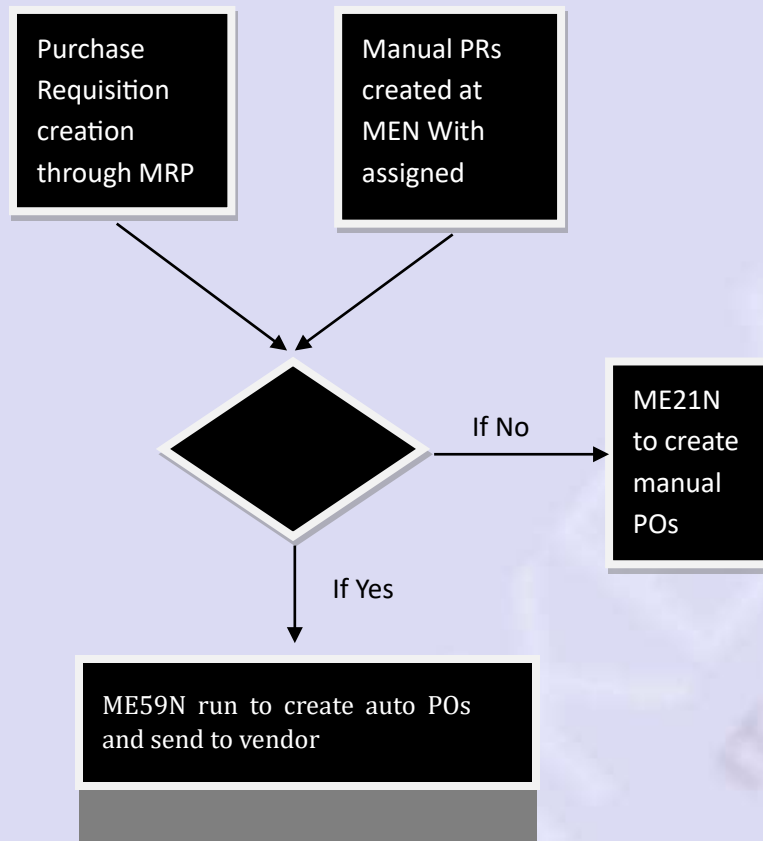
Vendor Material No.

Assign Source of Supply

Process the Assigned Requirements:

- a) Assigned Purchase Requisitions will need to get processed to convert into Purchase Orders. The run of the Transaction ME59N for the required input criteria will convert the able Purchase Requisitions into Purchase Orders automaticity without any manual intervention. In this step if the ME59N transaction is scheduled to run at regular intervals of time for the pre-defined input criteria, without any Manual intervention, Purchase Orders will get created automatically.
- b) If there exists Proper condition record for the output type, system will pick the condition record assigned for the combination of the Purchase Group and the mode of Transmission, and assigns to the POs created and send to vendor automatically. Automatic PO created using T-code ME59N:-

Purchase Ord.	OTyp	POrg	PGr	Agreement	Item	Purchase Req.	Item	De	St.	Message Text	Mess. Ms.	No. of lms
Vendor 102035 caliper4												2
4500025777	NB	1000	000							■ Purchase order successfully created		2
					10000134		10			■ Requisition successfully converted		0
					10000136		10			■ Requisition successfully converted		0



Conclusion:

Normally any Auto process will reduce the cycle time involved in that particular process enabling reduced user intervention. The Cycle Time reduction will save time taken for the Buyer to fall back on the transactions in SAP in creating the documents rather he can spend upon the analysis for his purchases and for expending the purchases and can save the cost involved in purchasing there by meeting the requirement flow in time and can meet the Purchasing Budget . Also the sourcing team will get reduced in a course of time making the purchasing cycle optimized.

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