



Intelligent Intra- Organizational Procurement with SAP



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Intelligent Intra-Organizational Procurement with SAP:

Intelligent Intra-Organizational Procurement with SAP refers to utilizing SAP's advanced capabilities to streamline and optimize the procurement process within a single organization. Here's a step-by-step guide on how to achieve this:

Step 1: SAP Implementation and Configuration

- Implement SAP's procurement modules like SAP Materials Management (MM) and SAP Supplier Relationship Management (SRM) to enable seamless intra-organizational procurement.
- Configure the system to suit your organization's specific procurement processes and requirements.

Step 2: Centralized Procurement Strategy

- Establish a centralized procurement strategy to consolidate purchasing activities within the organization.
- Identify key procurement stakeholders and define their roles in the process.

Step 3: Vendor Management

- Set up and maintain a comprehensive vendor master data in SAP, including preferred vendors, quality certifications, and contract terms.
- Leverage SAP's vendor evaluation tools to assess vendor performance regularly.

Step 4: Catalog Management

- Create and maintain a well-structured and user-friendly catalog of products and services available for internal procurement.
- Integrate the catalog with SAP to allow users easy access to available items.

Step 5: Purchase Requisition (PR) Creation

- Enable employees to create purchase requisitions in SAP, specifying the required items or services.
- Implement workflow approvals for PRs to ensure proper authorization before converting them into purchase orders.

Step 6: Purchase Order (PO) Processing

- Convert approved purchase requisitions into purchase orders in SAP.
- Utilize SAP's automated purchase order processing to minimize manual efforts and errors.

Step 7: Goods Receipt and Invoice Verification

- Track incoming goods and services through goods receipt in SAP to ensure accuracy and completeness of deliveries.
- Integrate with SAP's Invoice Verification to match invoices with purchase orders and goods receipts for seamless payment processing.

Step 8: Spend Analysis and Reporting

- Use SAP's reporting tools to analyze procurement data, identify spending patterns, and monitor vendor performance.
- Leverage data insights to make informed decisions and optimize procurement strategies.

Step 9: Supplier Collaboration and Negotiation

- Utilize SAP's supplier collaboration tools to facilitate communication and collaboration with key vendors.
- Negotiate favorable terms, pricing, and contracts with suppliers to achieve cost savings.

Step 10: Continuous Improvement

- Regularly review and analyze the procurement process to identify areas for improvement.
- Engage with end-users and stakeholders to gather feedback and implement enhancements to the system.

Intelligent Intra-Organizational Procurement with SAP

- A Stock Transport Order done between two different plants of same company code is known as intracompany purchasing.
- In intercompany purchasing, the sales transactions are posted into the issuing or supplying company code and the purchase transactions are posted into the receiving company code.

Prerequisites:

1. Sales Organization for Supplying Company Code.
2. Create a Customer in Supplying Company Code.
3. The material master should have both Purchase and sales views and further it needs to be extended to Receiving Plant but its Sales organization belongs to Receiving company code and plant.
4. Define Shipping Data for Plants under Set up Stock Transport Order.
5. Create and Define Checking Rules.
6. Configure Delivery Type and Availability Check Procedure by Plant.

7. Assign Document Type, One-Step procedure, Under delivery Tolerance.
8. Assign Shipping Points in Logistics Execution.

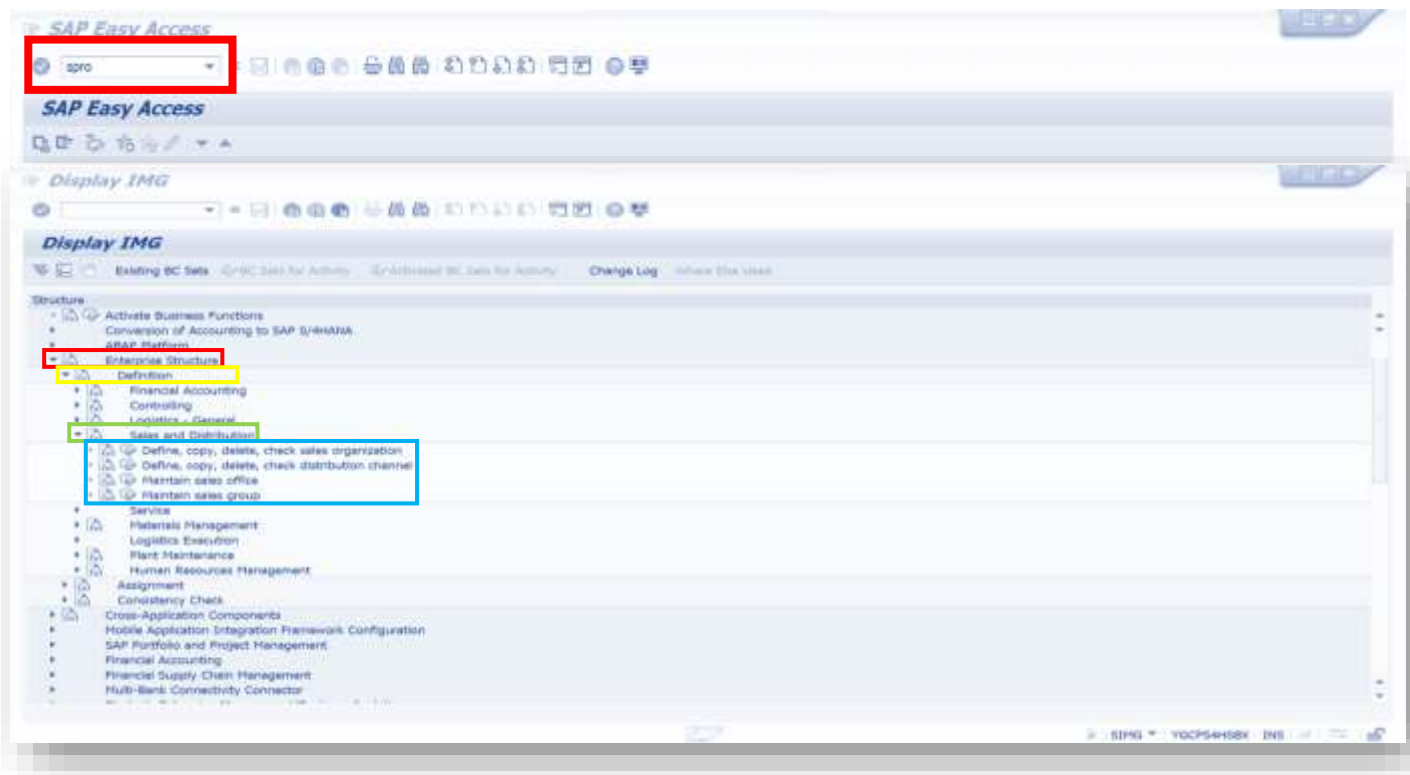
1. Sales Organization for Company Code:

- We need to create sales organization and distribution channel for supplying plant and receiving plant. We can copy the standard one.
- Path; SAP Easy Access → SPRO → SAP Reference IMG → Enterprise Structure → Definition → Sales and Distribution → 1. Define copy, delete, check sales organization

2. Define copy, delete, check distribution channel

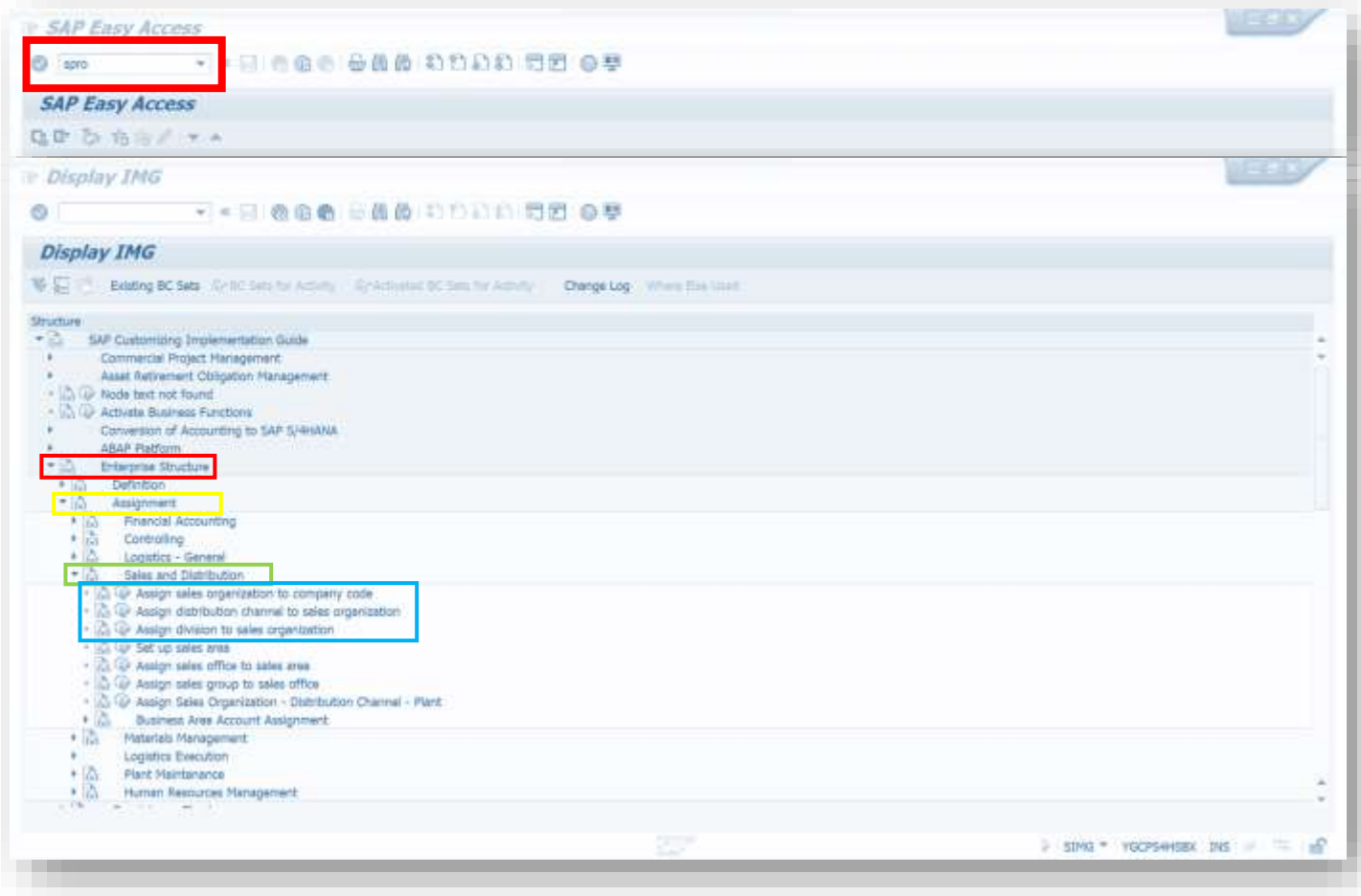
3. Maintain sales office

4. Maintain sales group



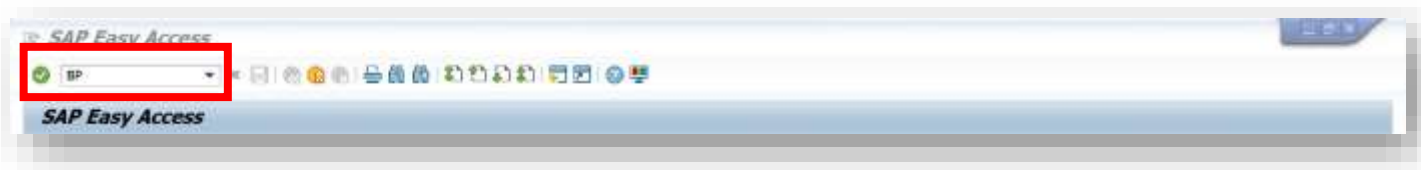
- For Assigning
- Path; SAP Easy Access → SPRO → SAP Reference IMG → Enterprise Structure → Assignment → Sales and Distribution → 1. Assign sales organization to CoCd
2. Assign distribution channel to sales organization

3. Assign division to sales organization

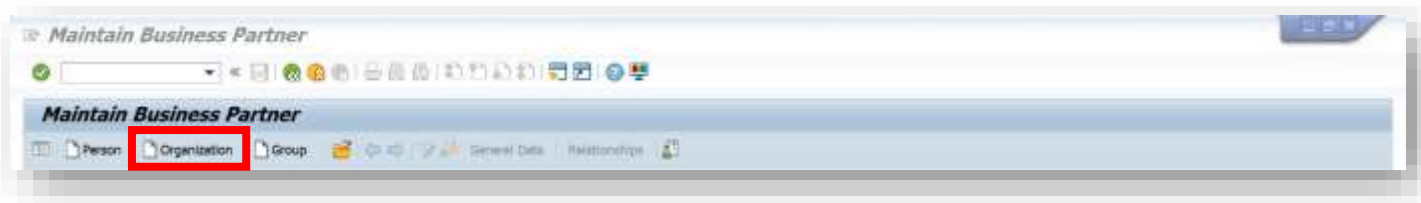


2. Create a Customer in Supplying Company Code:

- Now we need to create customer by using t-code **BP**.

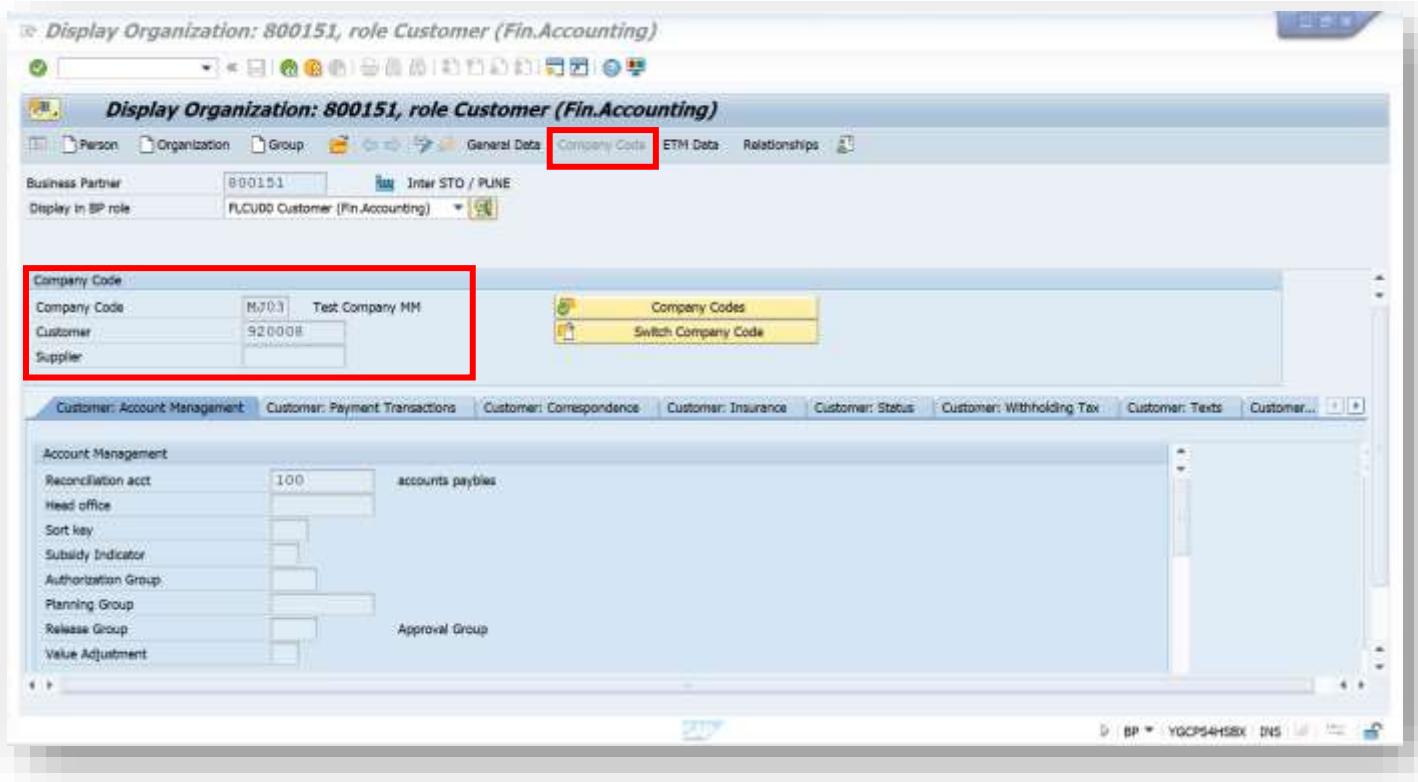


- Click on organization

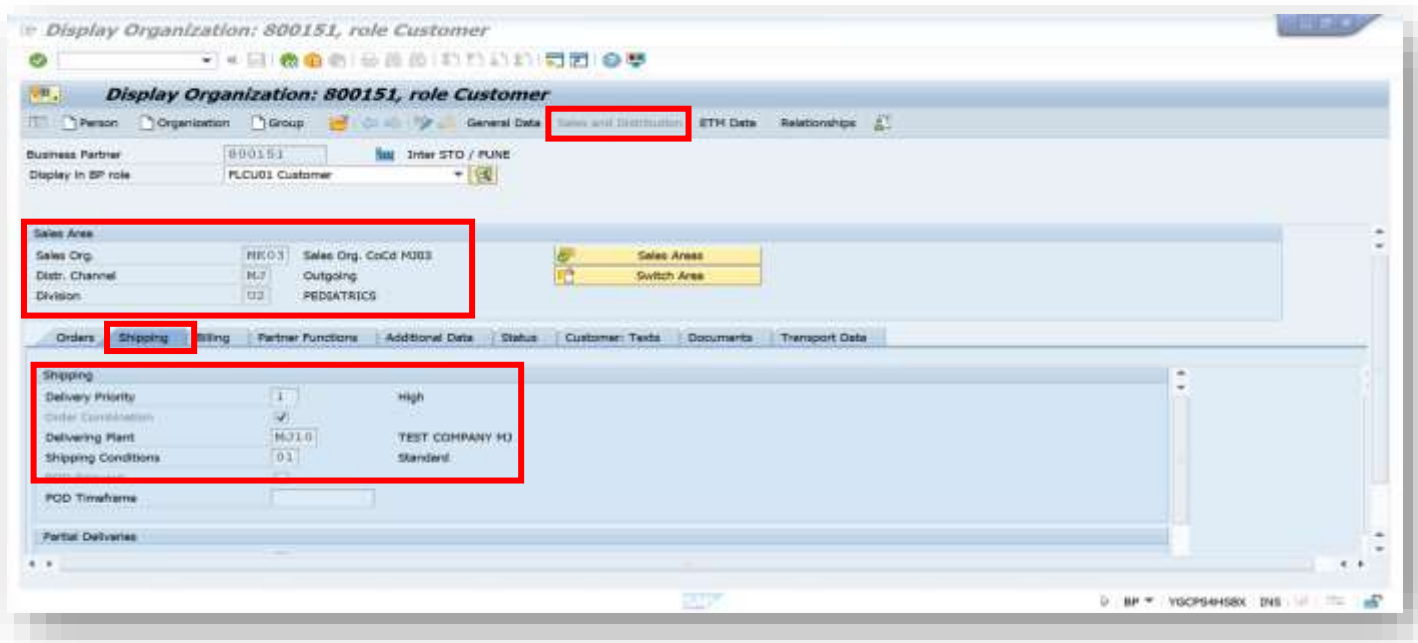


- Take BP Roles as FLCU00, FLCU01 and 000000. And enter the appropriate data.

- Now in Company Code data in FLCU00, take the company code of supplying plant.



- Now in Sales and Distribution data in FLCU01, put the sales data of supplying plant and in shipping tab put delivering plant as MJ10.



3. Material Master:

- We need to create the material with sales views such as Sales: Sales Org. Data 1, Sales: Sales Org. Data 2 and Sales: General/Plant Data. And maintain the same material in both the company codes.
- In Sales: sales org.1 take division as U2, Delivering Plant as MJ10 and Material Group.

Change Material 10190 (Trading Goods)

Additional Data Org. Levels Check Screen Data

Basic data 2 Sales: sales org. 1 Sales: sales org. 2 Sales: General/Plant Ext. SPP Basic Data

Material N: 10190
 Descr.: FORK SENSOR 2.0 BALLUF 1.2
 Sales Org.: MK03 Sales Org. CoCd MJ03
 Distr. Chl: MJ Outgoing

General data

Base Unit of Measure: EA each Division: U2
 Sales unit: Sales unit not var.
 Unit of Measure Grp: Valid from: Valid from:
 X-distr.chain status: Valid from:
 DChain-spec. status: Valid from:
 Delivering Plant: MJ10 TEST COMPANY MJ
 Material Group: WOPI WIPRO PARI TEST MAT.
 Cash Discount: Conditions

Tax data

De...	Departure Ctry/Reg.	Tax ...	Tax Category	T. Tax classification
IN	India	JTX1	Tax Jurisdict.Code d	0 Tax exempt

- In Sales: Sales org. 2, take item category group as norm.

Change Material 10190 (Trading Goods)

Additional Data Org. Levels Check Screen Data

Sales: sales org. 1 Sales: sales org. 2 Sales: General/Plant Ext. SPP Basic Data Intl Trade: Export

Material N: 10190
 Descr.: FORK SENSOR 2.0 BALLUF 1.2
 Sales Org.: MK03 Sales Org. CoCd MJ03
 Distr. Chl: MJ Outgoing

Grouping terms

Matl statistics grp	<input type="checkbox"/>	Material Price Grp	<input type="checkbox"/>
Volume Rebate Group	<input type="checkbox"/>	Acct Assmt Grp Mat.	<input type="checkbox"/>
Gen. item cat. grp	NORM Standard Item	Item Category Group	NORM Standard Item
Pricing Ref. Matl	<input type="text"/>		
Product hierarchy	<input type="text"/>		
Commission Group	<input type="checkbox"/>		

Material groups

Material Group 1	<input type="checkbox"/>	Material Group 2	<input type="checkbox"/>	Material Group 3	<input type="checkbox"/>
Material Group 4	<input type="checkbox"/>	Material Group 5	<input type="checkbox"/>		

Product attributes

- In Sales: General/Plant take transportation group as 0001 and loading group as 0001.

Change Material 10190 (Trading Goods)

Additional Data Org. Levels Check Screen Data

Sales: sales org. 2 Sales: General/Plant Ext. SPP Basic Data Intl Trade: Export Sales text Purch...

Material N: 10190
 Descr.: FORK SENSOR 2.0 BALLUF 1.2
 Plant: MJ10 TEST COMPANY MJ

General data

Base Unit of Measure	EA each	Replacement Part	<input type="checkbox"/>
Gross weight	<input type="text"/> KG	Qual.f.FreeGoodsDis.	<input type="checkbox"/>
Net weight	<input type="text"/>	Material freight grp	<input type="text"/>
Availability check	01 Daily requirements		
Appr.batch rec. req.	<input type="checkbox"/>		
Batch management	<input type="checkbox"/>		
Batch management(Plant)	<input type="checkbox"/>		

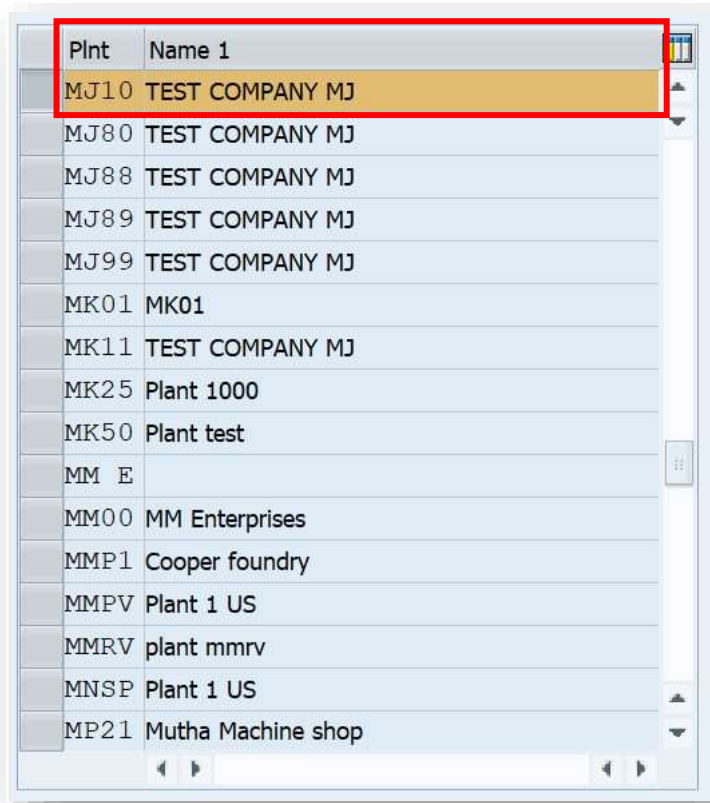
Shipping data (times in days)

Trans. Grp	0001 On pallets	LoadingGrp	0001 Crane
Setup time	<input type="text"/>	Base qty	<input type="text"/> EA
Proc. time	<input type="text"/>		

Packaging material data

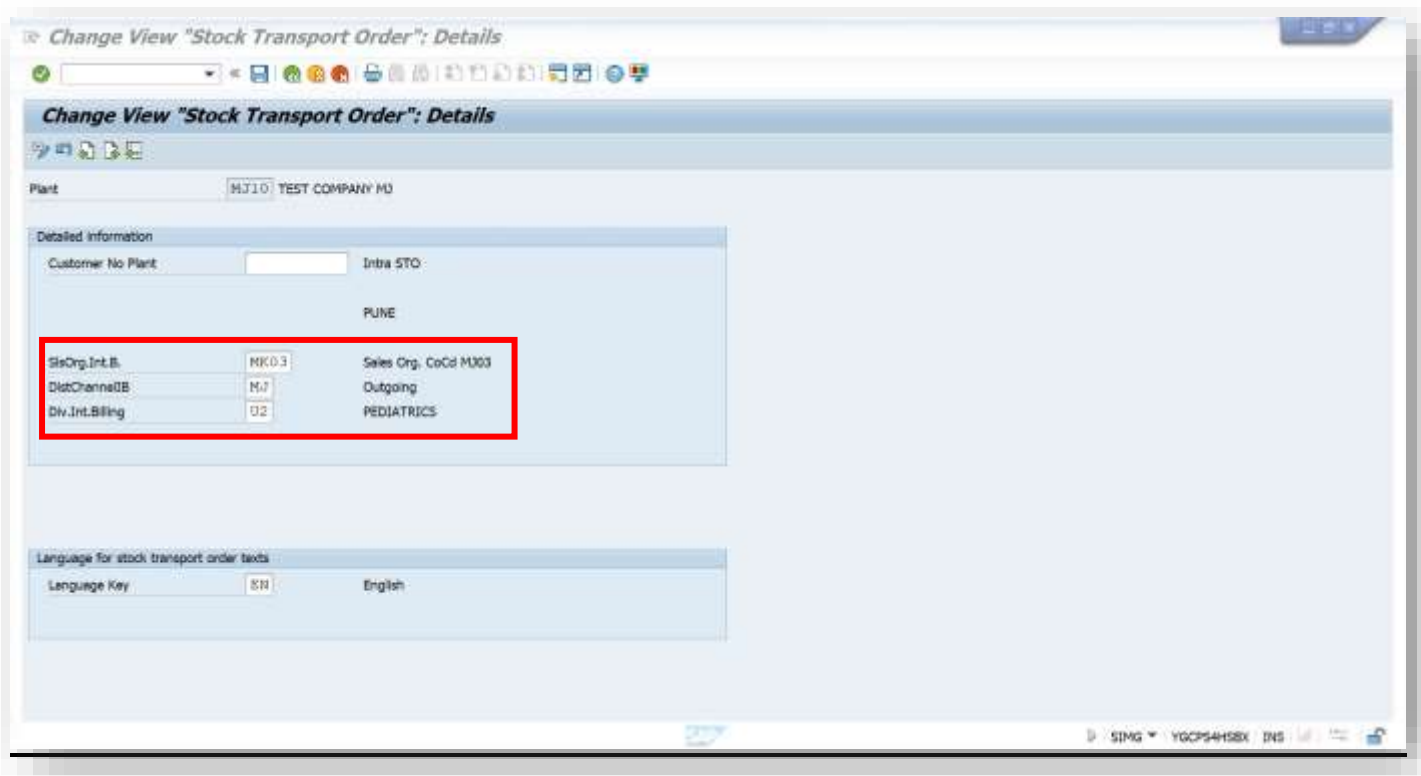
4. Define Shipping Data for Plants under Set up Stock Transport Order:

- Now we need to put the Sales Org., Distribution Channel and division.



For defining shipping data follow the path
 SAP Easy Access → SPRO → SAP Ref. IMG →
 Material Management → Purchasing → Purchase
 Order → Set up stock transport order → Define
 Shipping data for plants

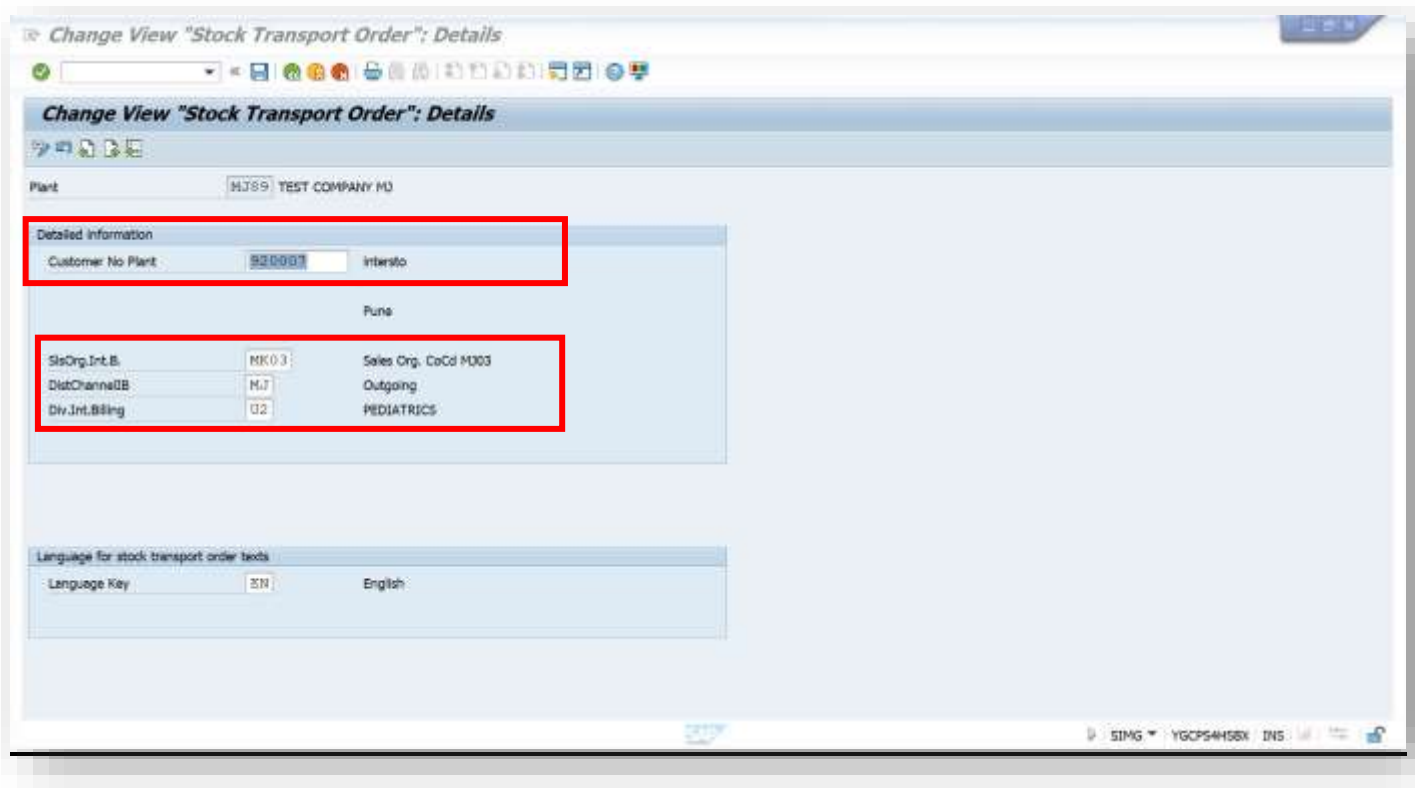
1. Now search for the plant and double click on it.



Plnt	Name 1
MJ89	TEST COMPANY MJ
MJ99	TEST COMPANY MJ
MK01	MK01
MK11	TEST COMPANY MJ
MK25	Plant 1000
MK50	Plant test
MM E	
MM00	MM Enterprises
MMP1	Cooper foundry
MMPV	Plant 1 US
MMRV	plant mmrv
MNSP	Plant 1 US
MP21	Mutha Machine shop
MPT1	Mutha Machine shop
MPT2	Mutha Foundry
MS01	Museli

Now we will do same with another plant.
But we will enter here customer.

- Now put the customer number, sales org., dist. Channel and division.



The screenshot shows the SAP 'Change View "Stock Transport Order": Details' interface. The 'Plant' field is set to 'MJ89 TEST COMPANY MJ'. The 'Detailed information' section contains the following data:

Customer No Plant	920007	Intersto
Pune		
SlsOrg.Int.B.	MK03	Sales Org. CoCd M003
DistChannelEB	MJ	Outgoing
Div.Int.Billing	02	PEDIATRICS

The 'Language for stock transport order texts' section shows 'Language Key' set to 'EN' and 'English'.

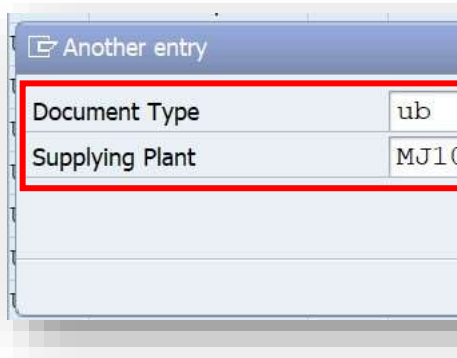
5. Create and Define Checking Rules:

Path; SAP Easy Access → SPRO → SAP Ref. IMG → Material Master → Purchasing → Purchase

Order → Set up stock transport order → 1. Create Checking Rules
2. Define Checking Rules

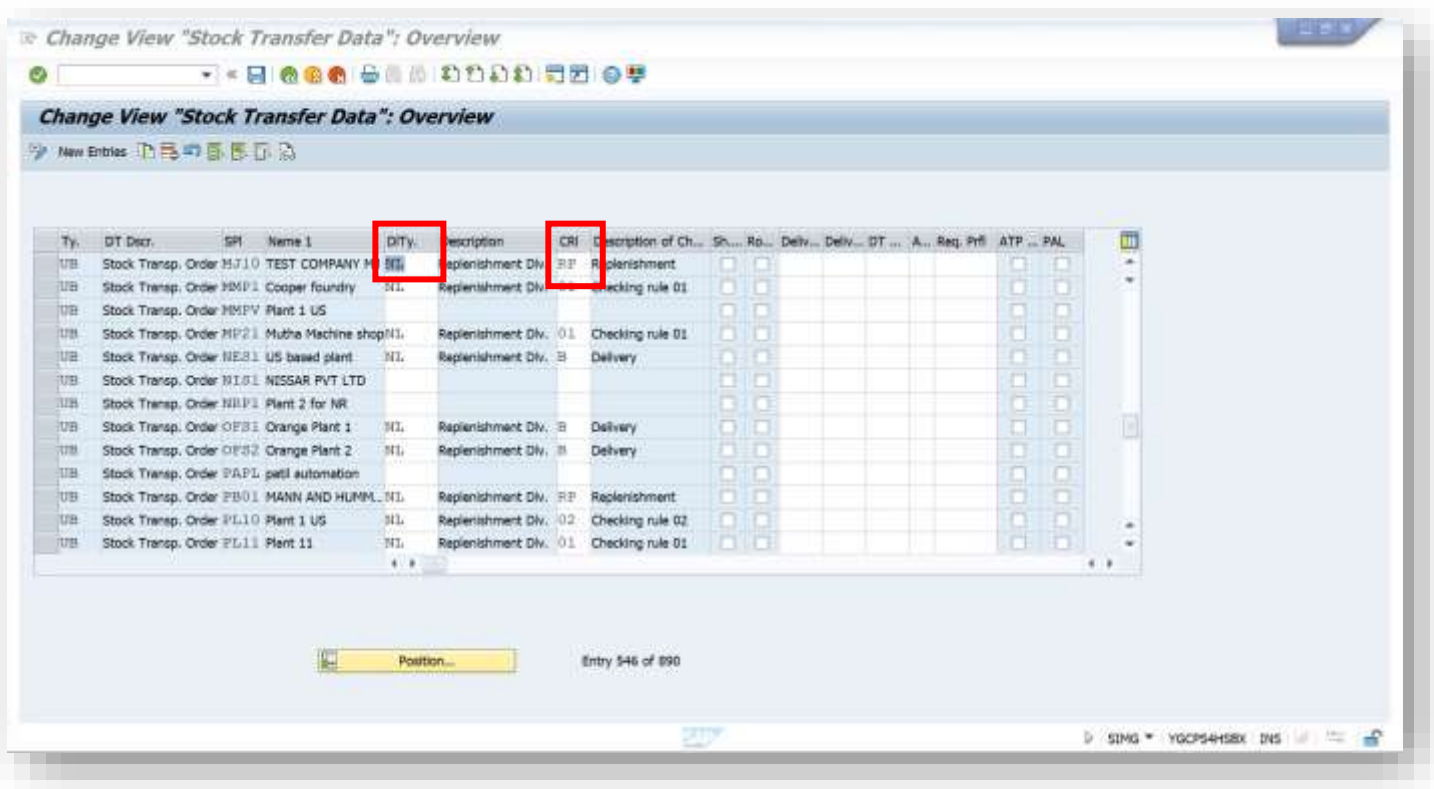
6. Configure Delivery Type and Availability Check Procedure by Plant:

Path; SAP Easy Access → SPRO → SAP Ref. IMG → Material Master → Purchasing → Purchase Order → Set up stock transport order → Configure Delivery Type and Availability Check Procedure by Plant.



Click on the position and then
1.Document Type as UB
2.Supplying Plant as MJ10

Take delivery type as NLCC, and checking rule as 01 which is standard. Save it.
NLCC – With billing document
NL – Without billing document

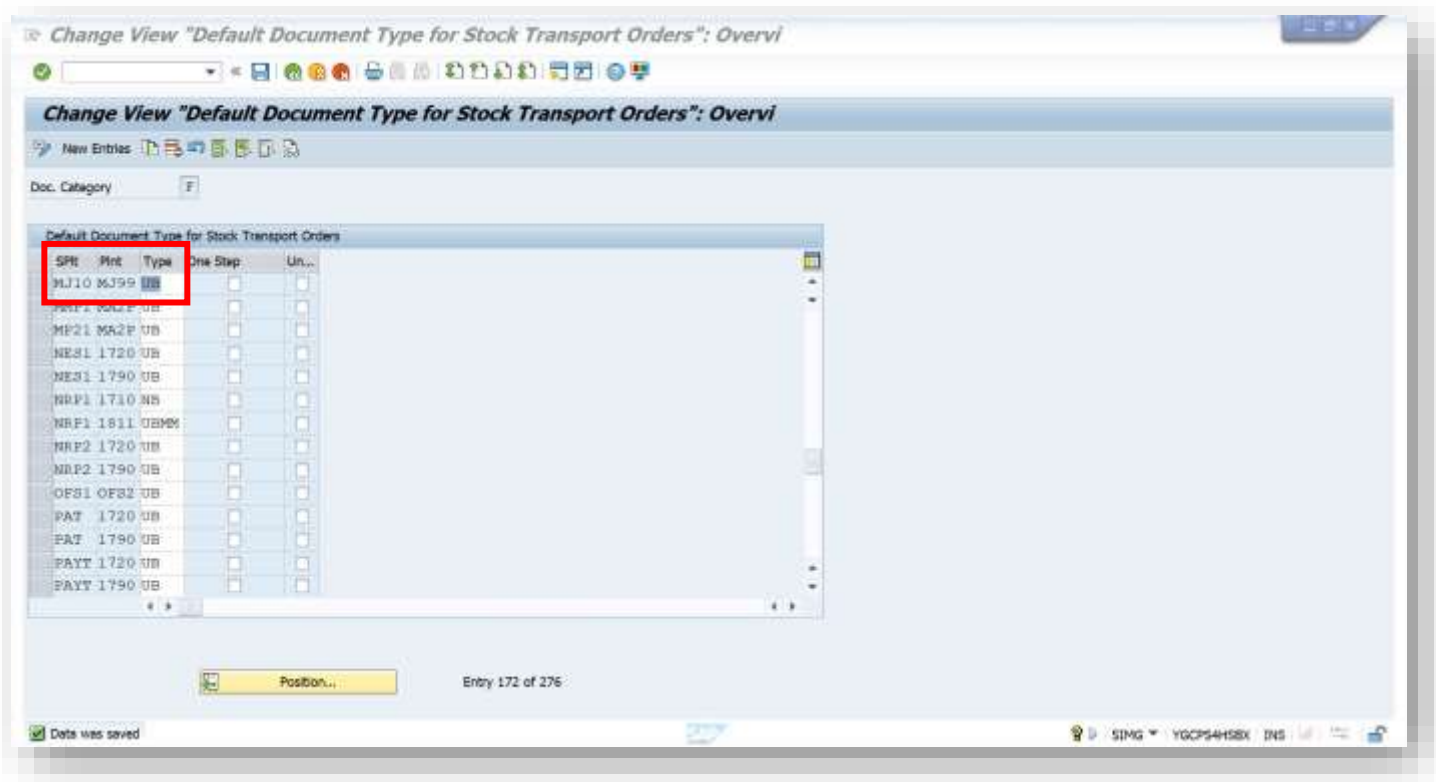


8. Assign Document Type, One-Step procedure, Under delivery Tolerance:

Path; SAP Easy Access → SPRO → SAP Ref. IMG → Material Master → Purchasing → Purchase Order → Set up stock transport order → Assign Document Type, One-Step procedure, under delivery tolerance.

Click on new entries

Put supplying plant as MJ10, Plant as MJ89 and Type as UB.

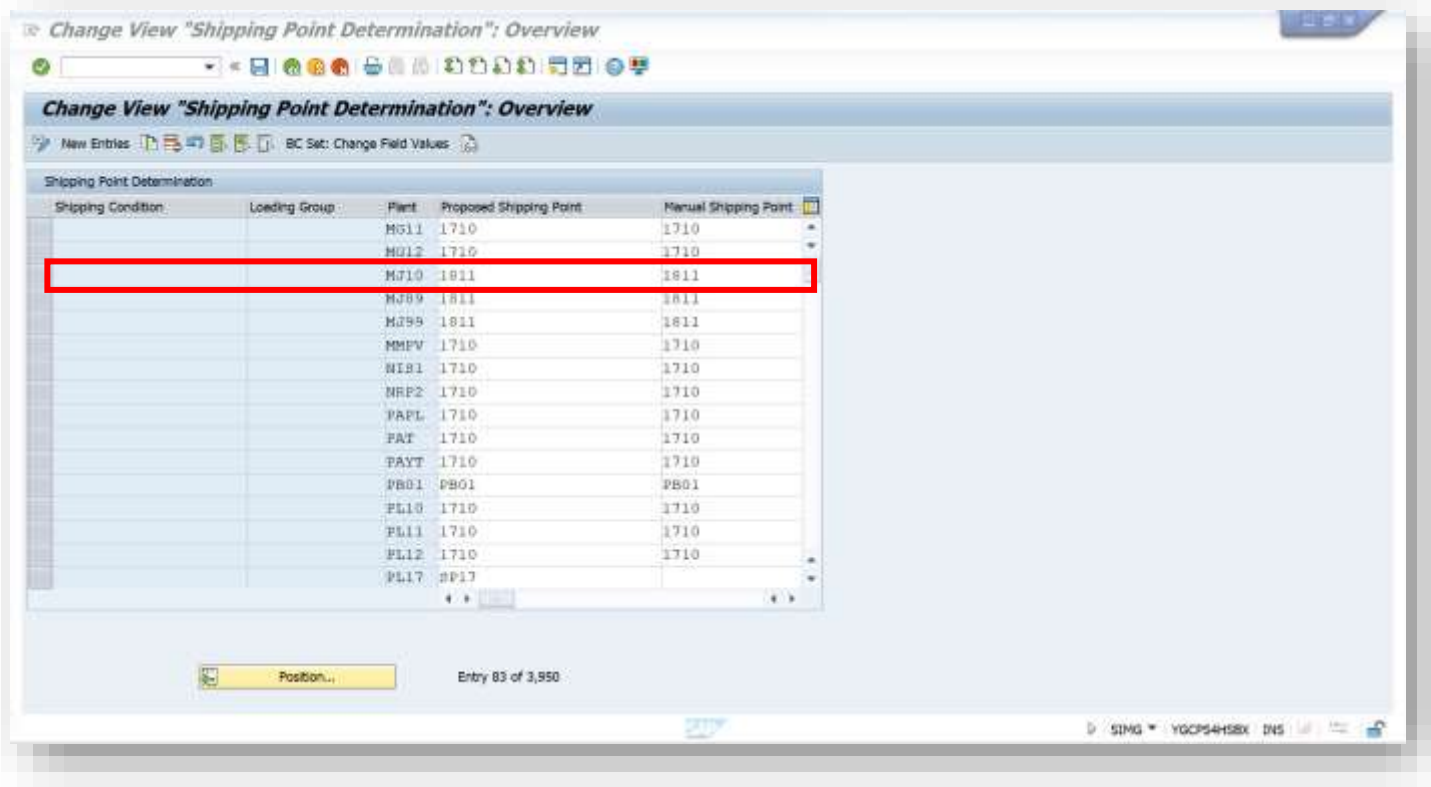


8. Assign Shipping Points in Logistics Execution:

Path; SAP Easy Access → SPRO → SAP Ref.Img → Logistics Execution → Shipping → Basic Shipping Functions → Shipping Points and Goods Receiving Point Determination → Assign Shipping Points

Click on new entries.

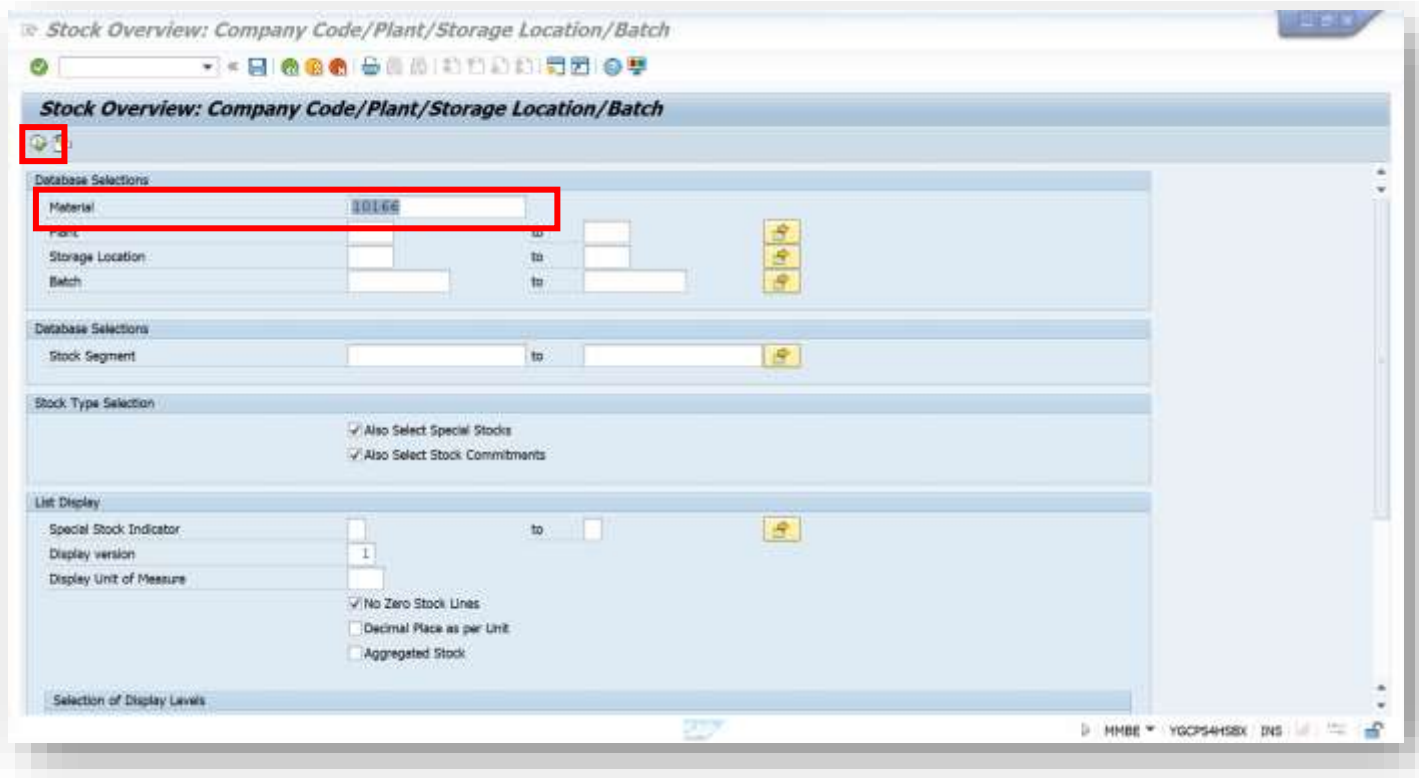
Put shipping conditions, loading group and plant, save it.



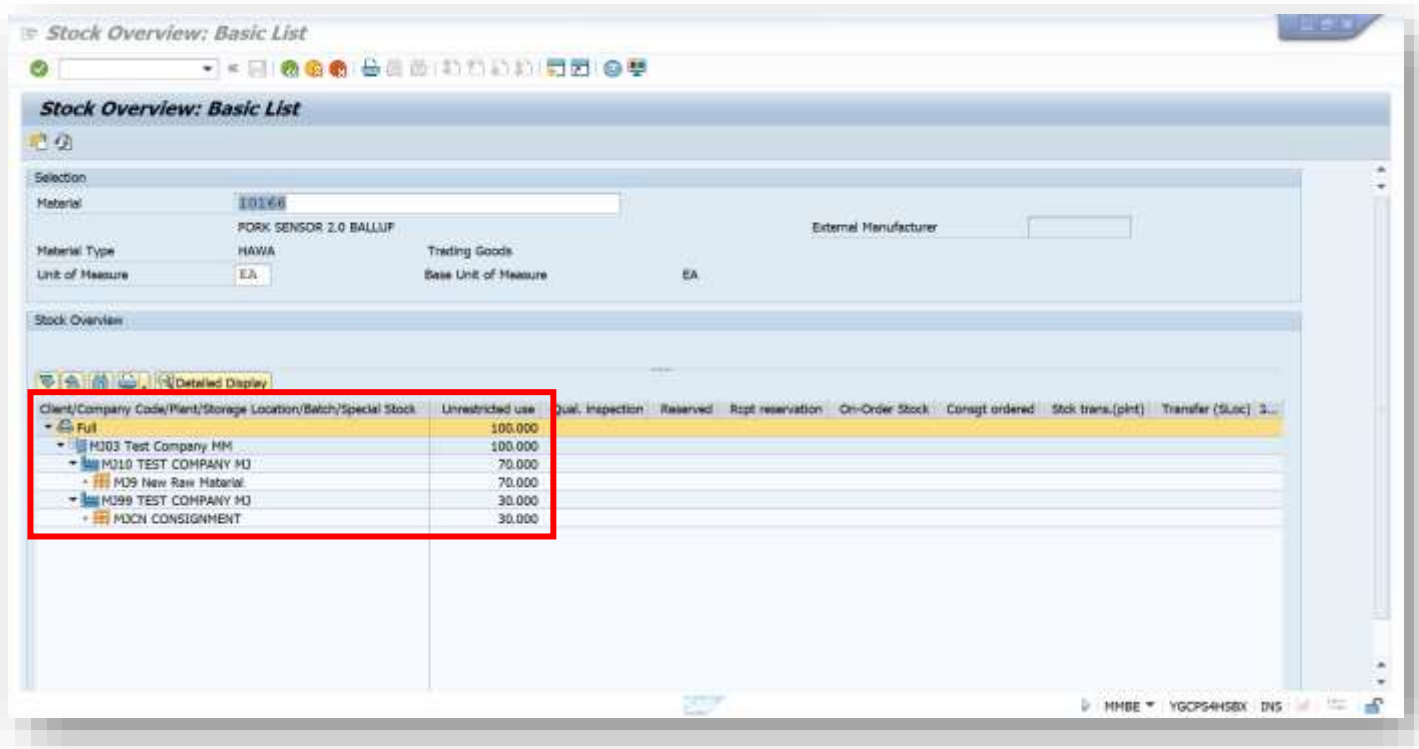
- Step – 1:
First check the stock of the material in both the company by using t-code **MMBE**.



Put the material number and execute.



Now, we can see that we have stock in Company MJ03 in Plant MJ10 and MJ99.
So, we will transfer the stock from Plant MJ10 to Plant MJ99.



○ Step – 2:

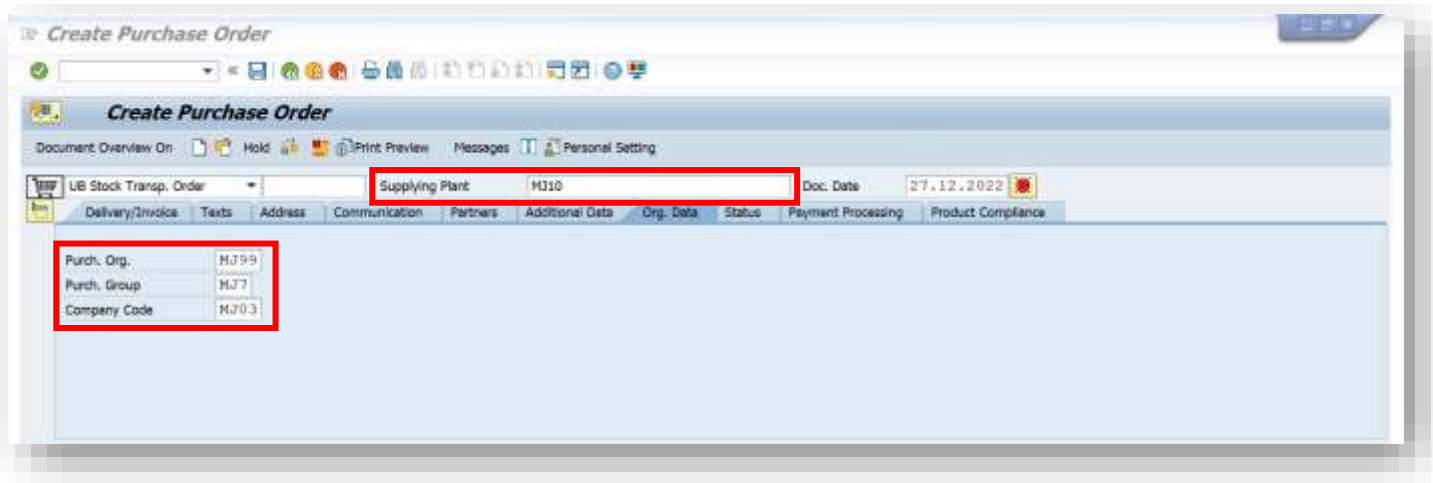
Create a Purchase Order using t-code ME21N or by below path

SAP Easy Access → SAP Menu → Logistics → Material Management → Purchasing → Purchase Order → Create [ME21N]

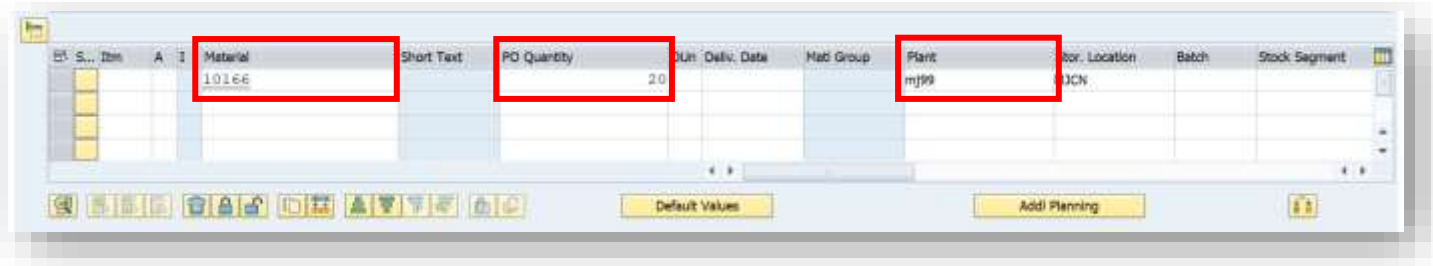
Take document type as **UB** as it is intra-company purchasing.

Put the supplier plant.

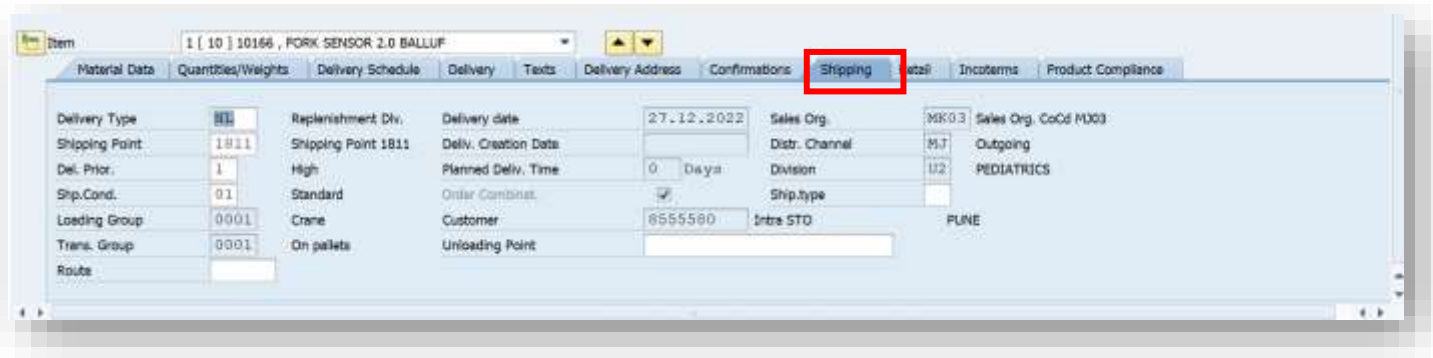
In Header level put Purch. Org., Purch. Group and CoCd of plant where we are going to supply material.



Now in Display Scope put Material, PO Quantity and Plant (Receiving Plant)



Now we can see here that shipping tab has been appeared. And we can see all the related data to it.



Check and Save the PO.



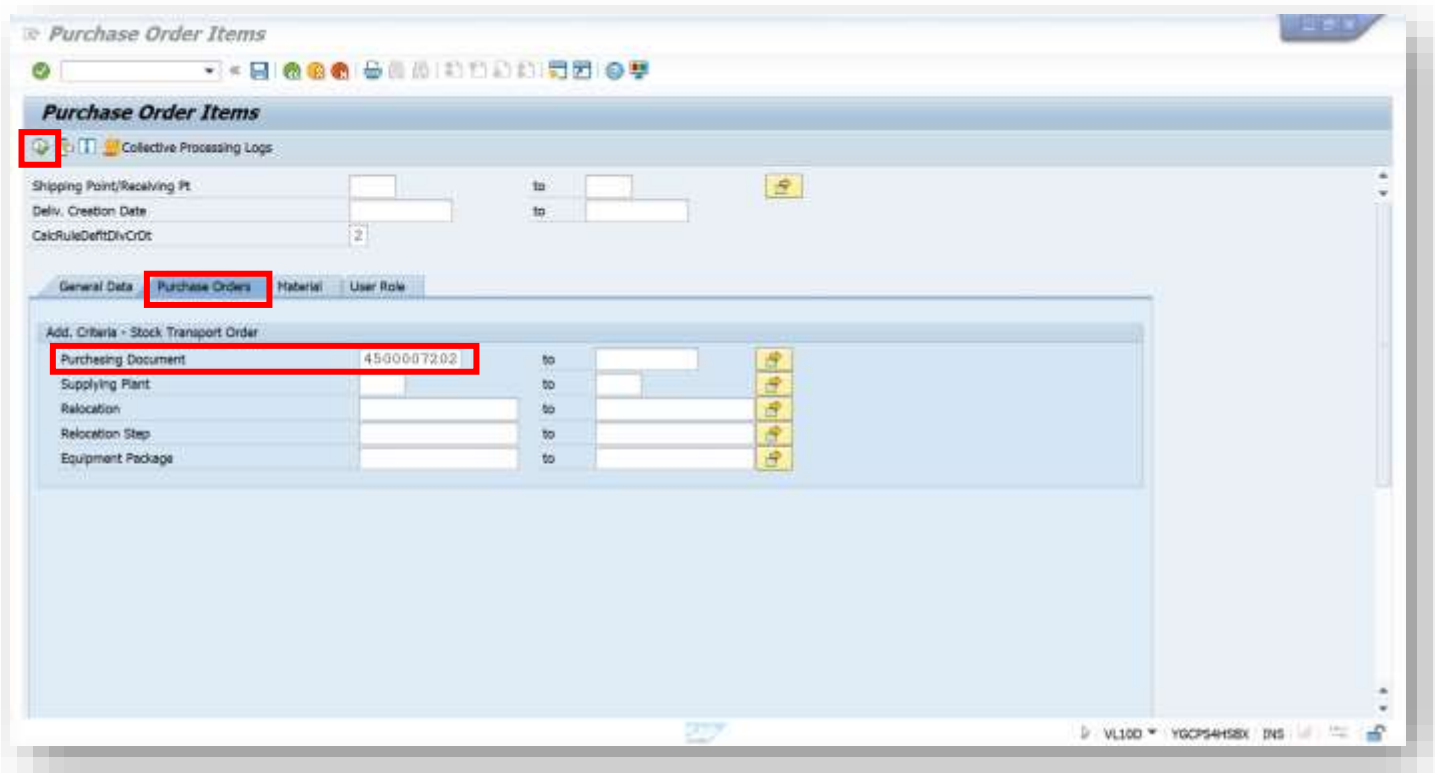
Document generated with above number

Step – 3:

Now we need to create an outbound delivery.

Path: SAP Easy Access → SAP Menu → Logistics → Sales and Distribution → Shipping and Transportation → Outbound Delivery → Create → **Collective Processing of Documents Due to Delivery [VL10B/VL10D]**

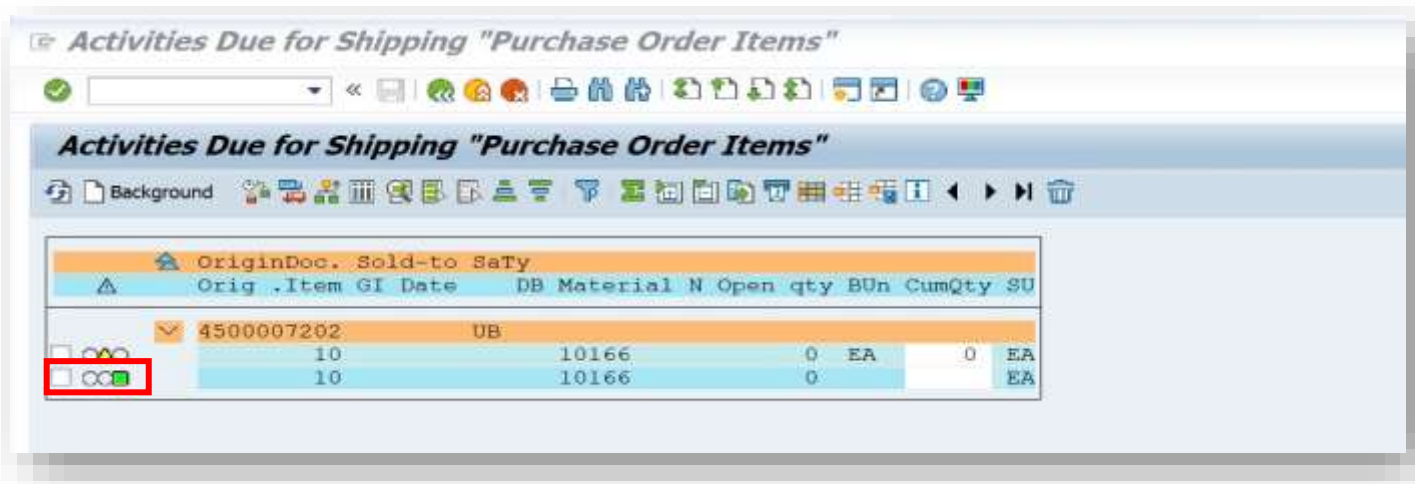
In Purchase Orders tab in Purchasing Document put the PO number. And execute.



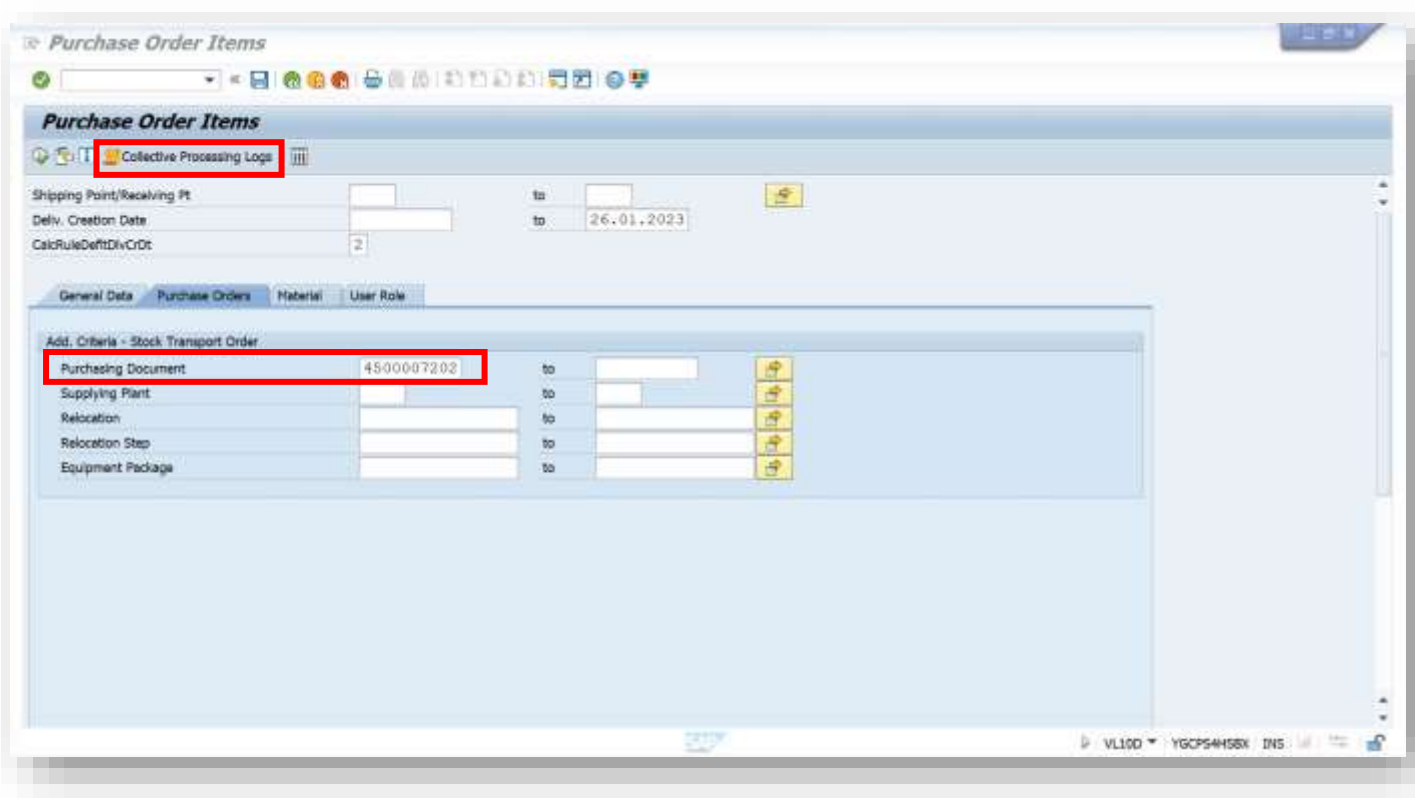
Now mark the box and click on Background.



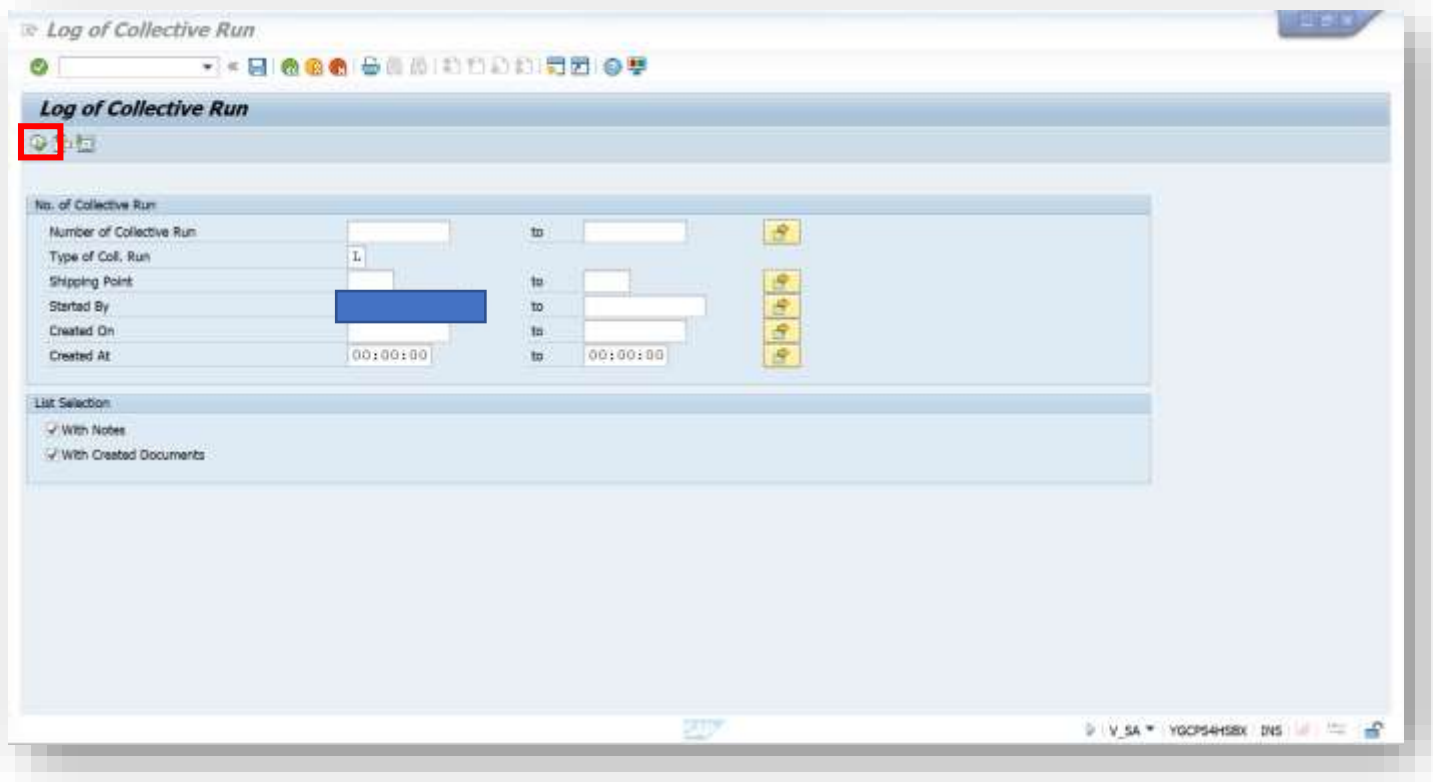
Here we can see indicator have been changed.



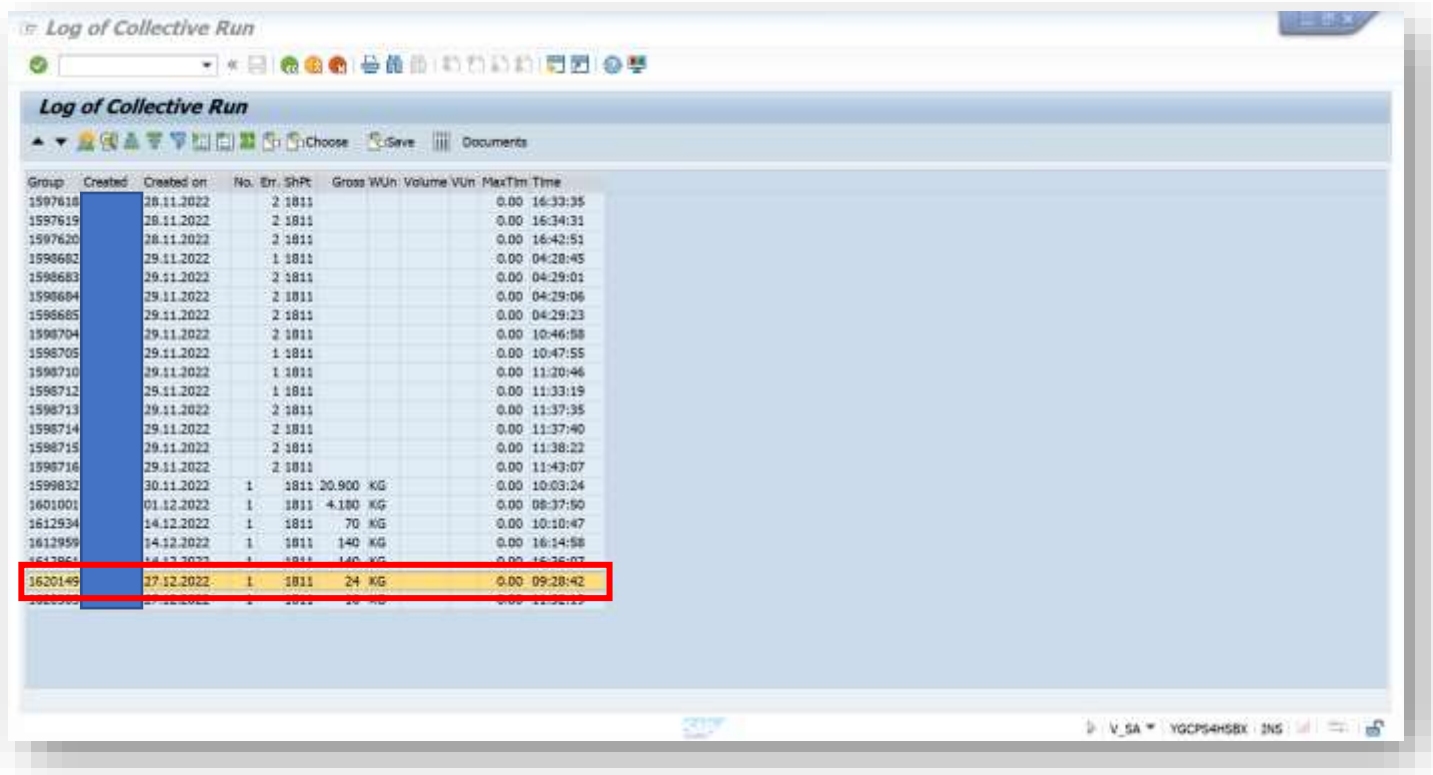
Now to view the document go back.
And click on collective processing logs.



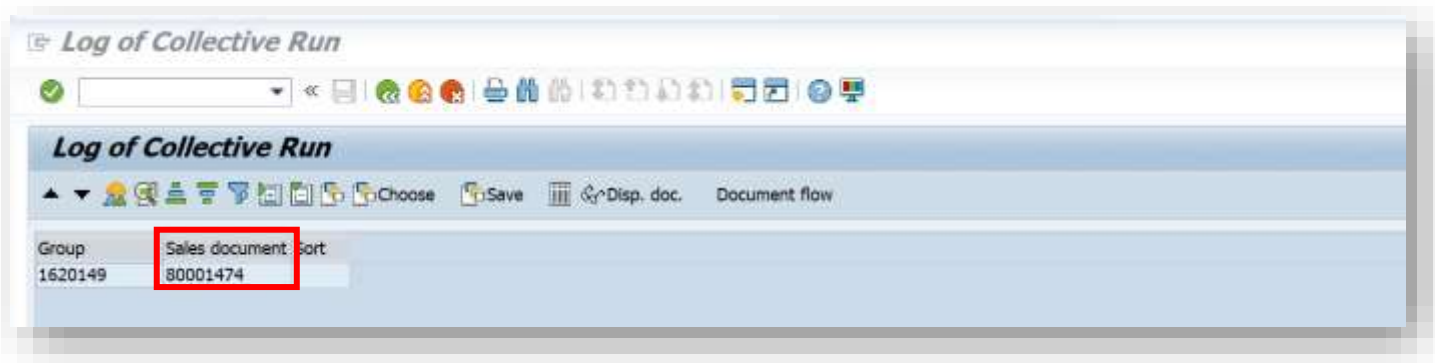
Put your id of yours and execute.



Now click on latest line and then on Documents



Here we will get sales Document number.



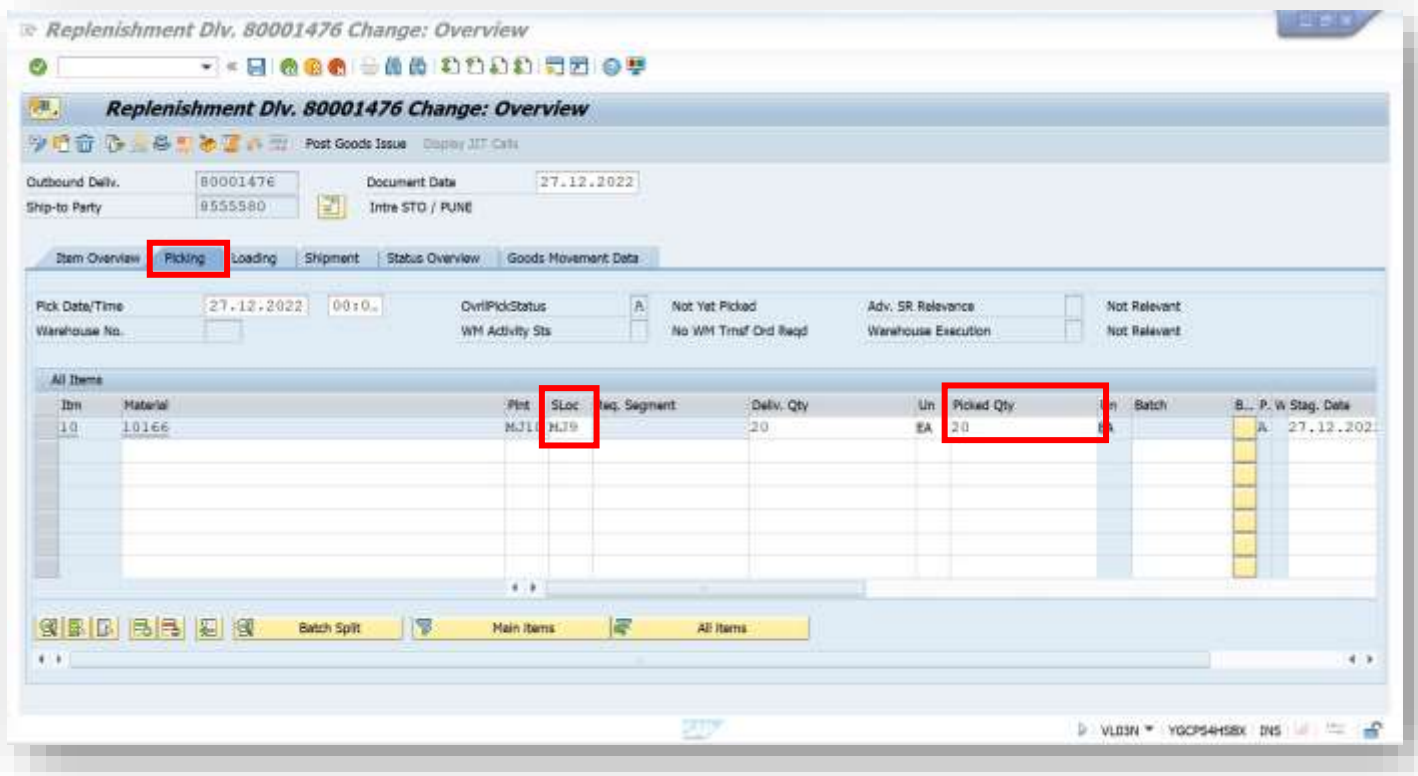
○ Step – 4:

Path: SAP Easy Access → SAP Menu → Logistics → Sales and Distribution → Shipping and Transportation → Outbound Delivery → Display [VL03N]

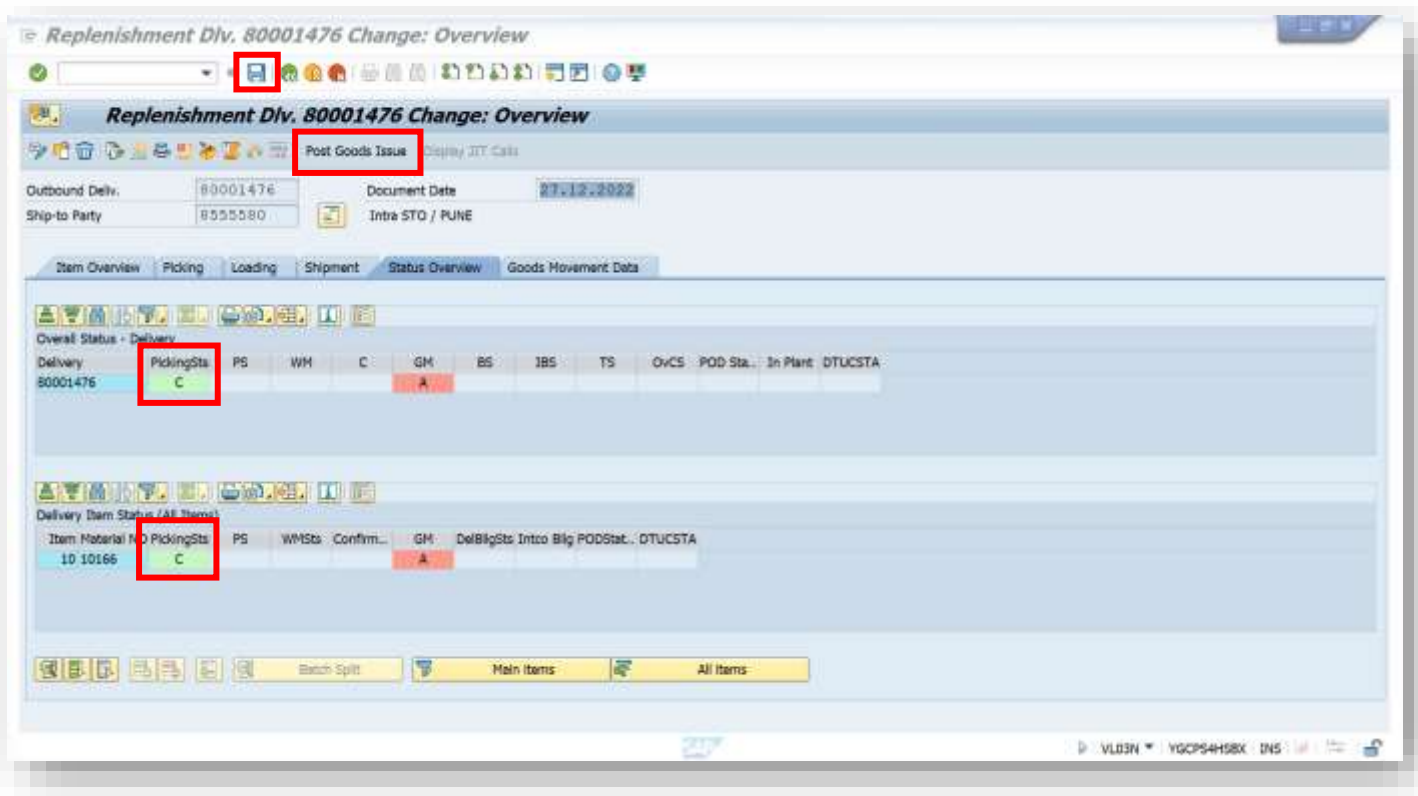
Put the outbound delivery number and execute.



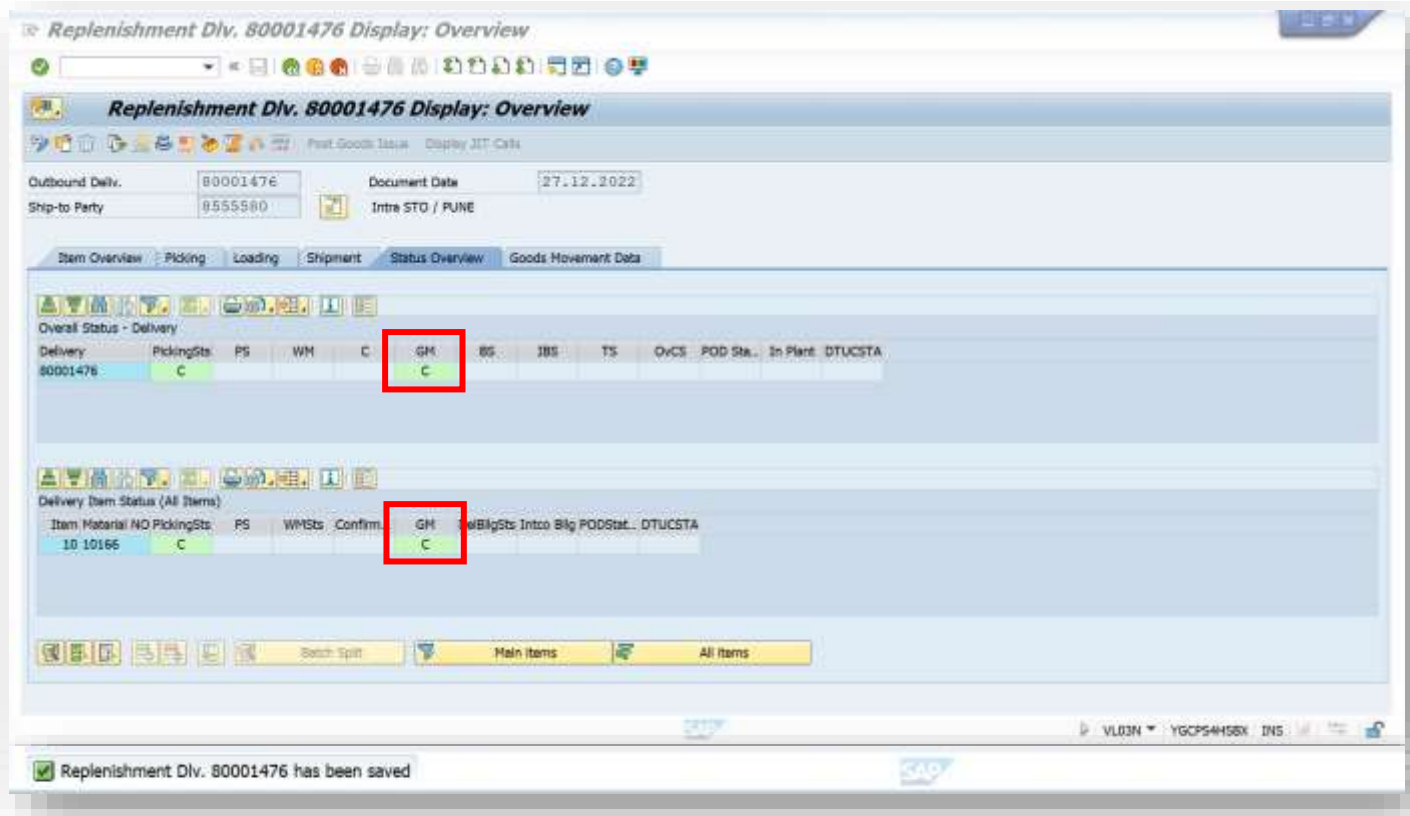
Now in Picking tab put the storage location (Supplying Plant) and picked qty.



Now in status overview we can see Picking Status has been completed. And click on save.
 Now we can see that it has been saved.
 Now click on Post Goods Issue and then execute.



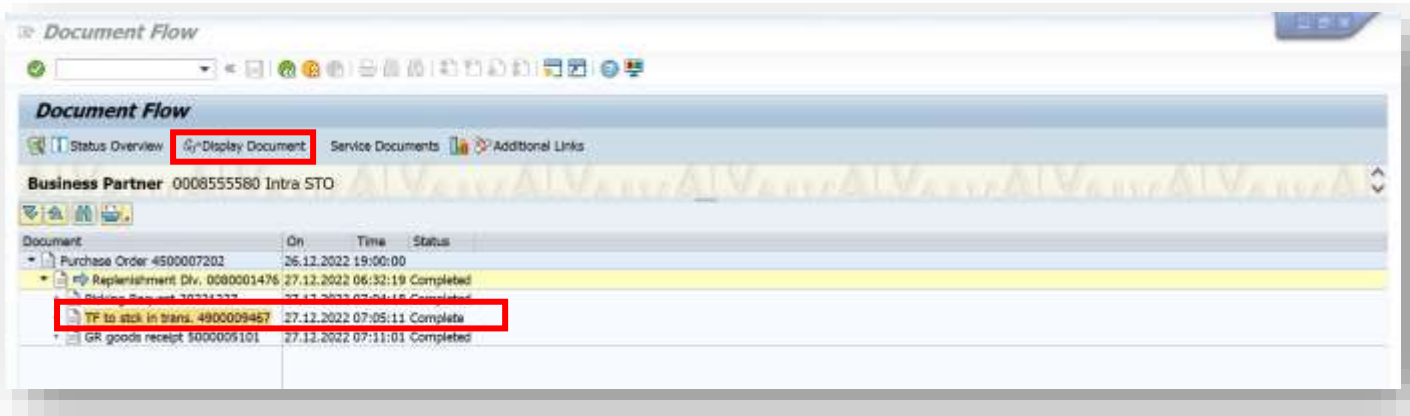
In Status Overview tab we can Goods Movement status has been changed.



To check the document fi, put the outbound delivery number and click on document flow.

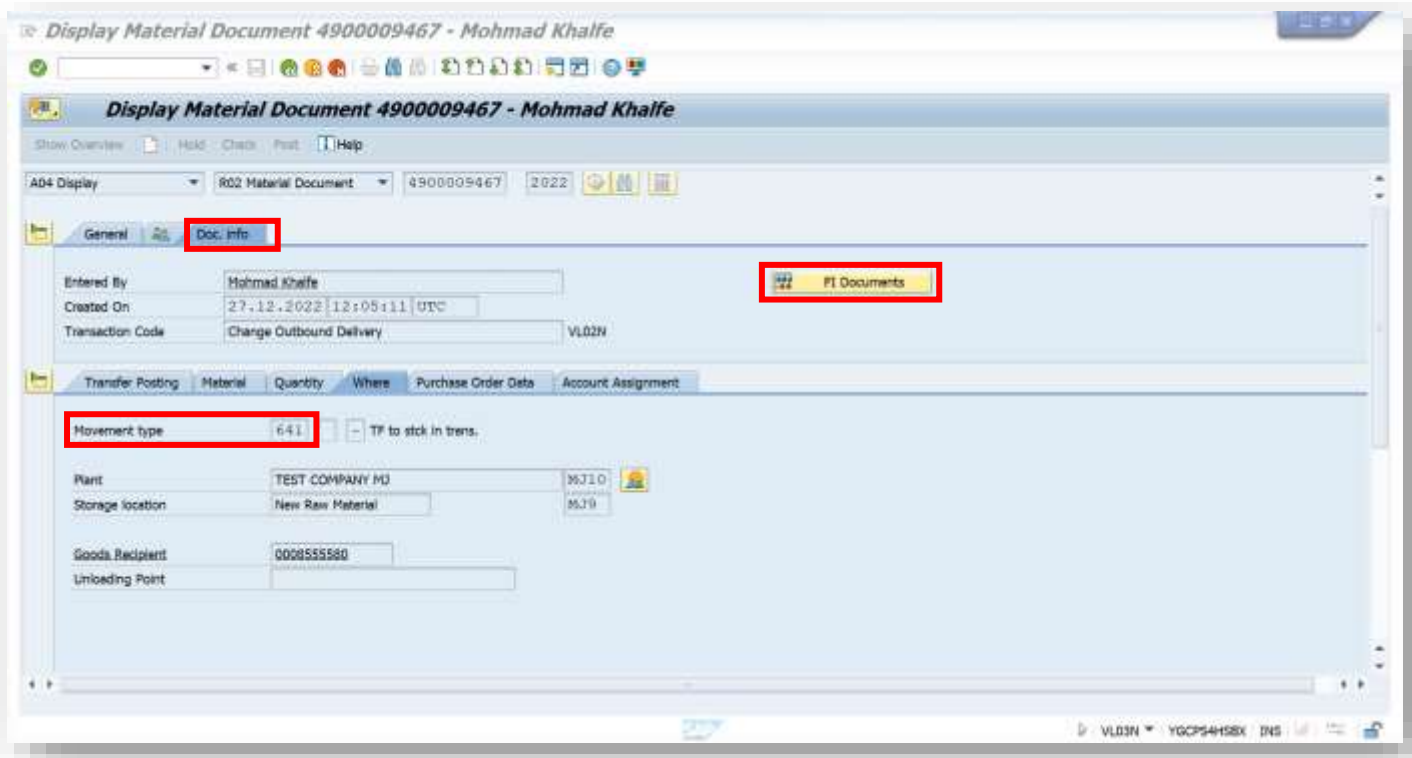


Click on TF to cross company and then on display documents.

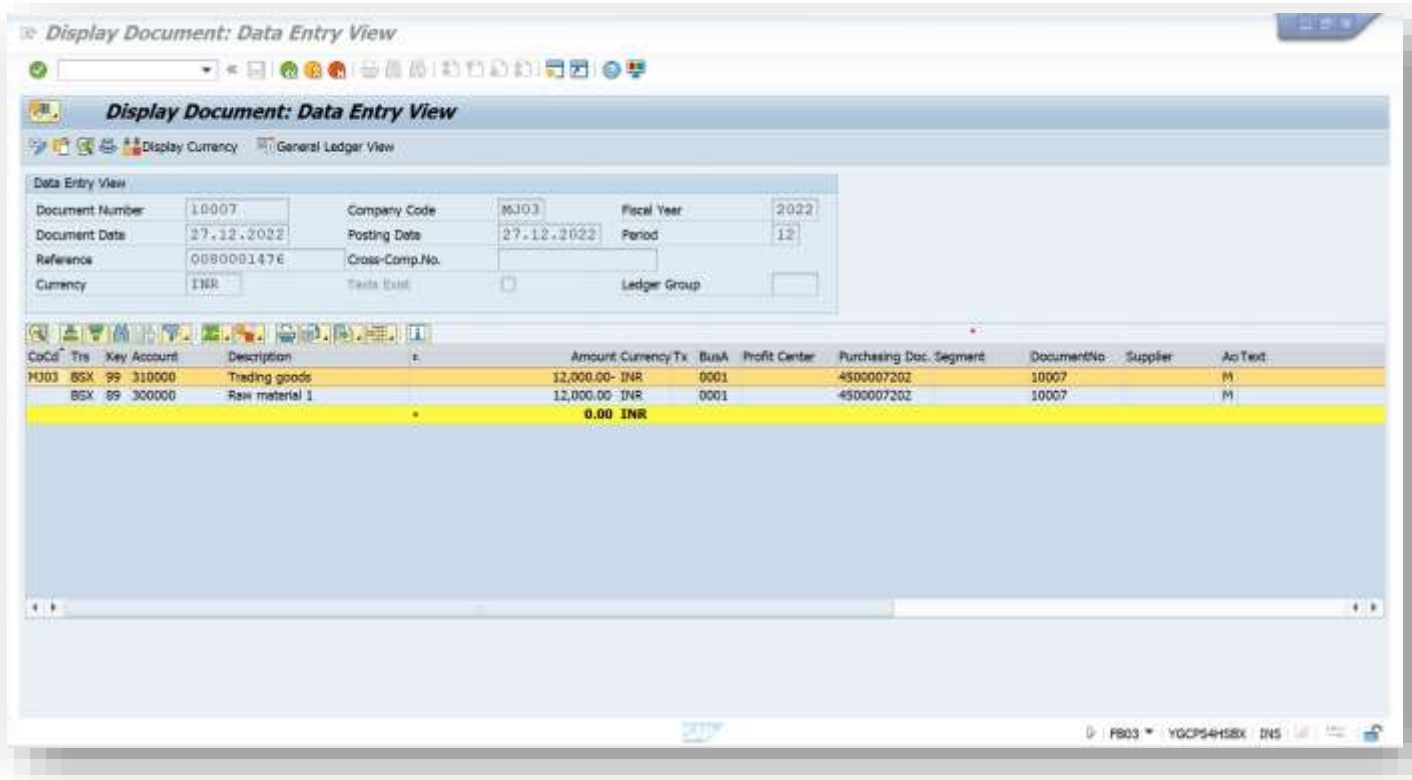


Here we can mov. Type 641 is there.

To check the accounting documents, click in FI Documents in Doc. Info tab and after that on Accounting Documents.



Below are accounting entries and we can document number.



Need to see stock in transit using t-code MB5T and MMBE.
And here we can see 20 qty is on-order stock.

Stock Overview: Basic List

Selection
 Material: 10166
 Material Type: HAWA
 Unit of Measure: EA
 Trading Goods
 Base Unit of Measure: EA
 External Manufacturer

Stock Overview

Client/Company Code/Plant/Storage Location/Batch/Special Stock	Unrestricted use	Qual. Inspection	Reserved	Rcpt reservation	On-Order Stock	Consigt ordered	Stock trans.(plnt)	Transfer (SLoc) 3...
Full	80.000				20.000			
M303 Test Company MM	80.000				20.000			
M310 TEST COMPANY MJ	50.000							
M39 New Raw Material	50.000							
M399 TEST COMPANY MJ	30.000				20.000			
M3CN CONSIGNMENT	30.000				20.000			

Display Stock in Transit

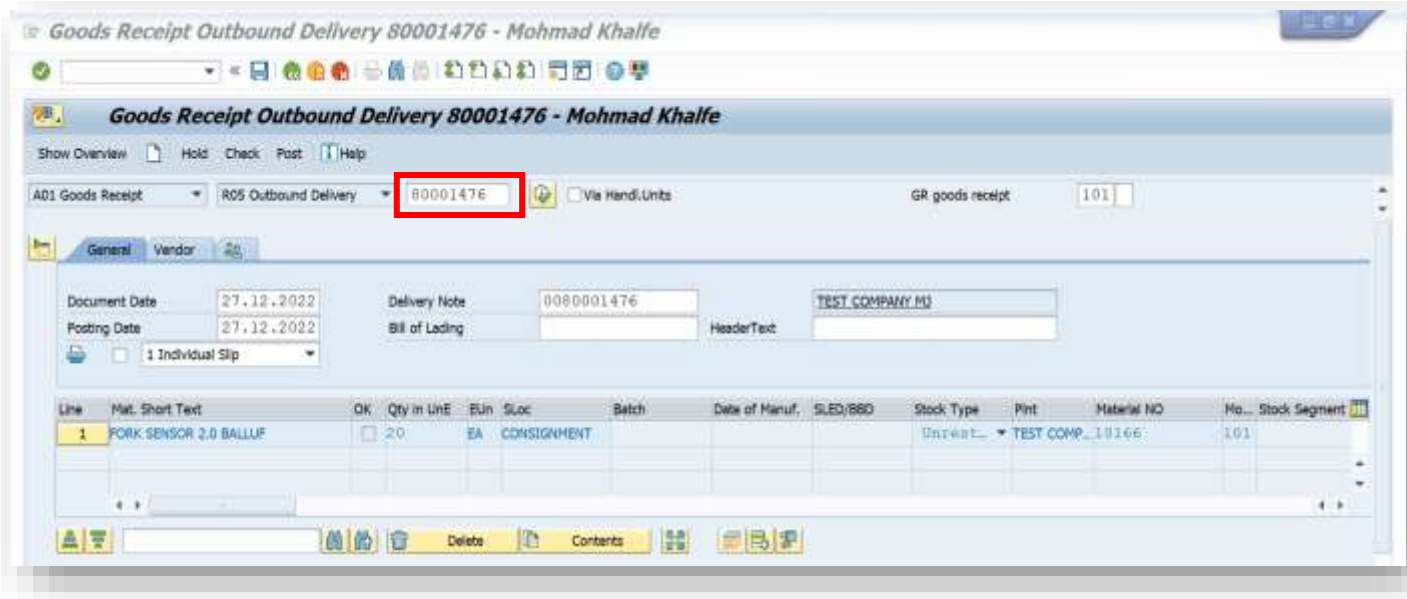
Material NO	Material Description	Plant Name 1			
Par. Doc.	Item SPIT B	Quantity Btln	Ant.in Loc.Cur. Crcoy	Order Quantity OOn	Net Order Value Crcoy
10166	FORK SENSOR 2.0 BALLUF	M399 TEST COMPANY MJ			
4500007202	10 MJ10	20 EA	0.00 INR	20 EA	0.00 INR

➤ **Step – 5:**

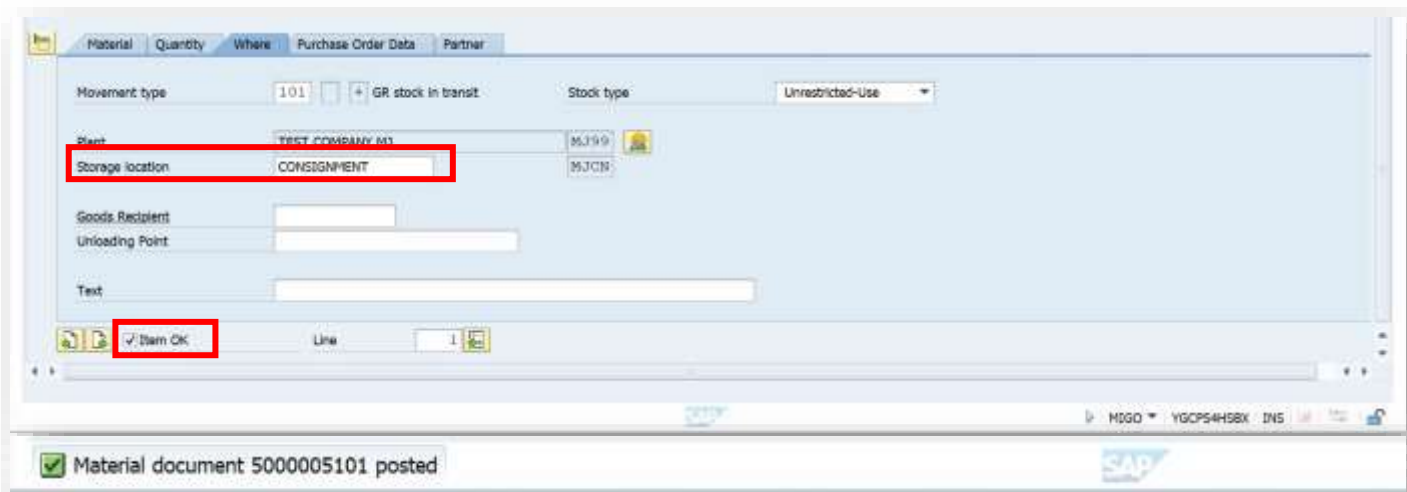
Now we need to Goods Receipt

Path; SAP Easy Access → SAP Menu → Logistics → Materials Management → Inventory Management → Goods Movement [MIGO]

Take trans. event as A01 Goods Receipt, ref. doc as R05 Outbound Delivery and Mov.type 101.



In where tab put storage location. Mark item Ok and Post.



Material document generated with above number.

Now need to check the stock. Use t-code MMBE. We can see stock is updated.

Stock Overview: Basic List

Material: 10166
 Material Type: HAWA
 Unit of Measure: EA
 Trading Goods
 Base Unit of Measure: EA
 External Manufacturer

Stock Overview

Detailed Display

Client/Company Code/Plant/Storage Location/Batch/Special Stock	Unrestricted use	Qual. inspection	Reserved	Rcpt reservation	On-Order Stock	Consgt ordered	Stock trans.(pint)	Transfer (Sloc)	3...
Full	100.000								
M203 Test Company MM	100.000								
M210 TEST COMPANY M2	50.000								
M29 New Res Material	50.000								
M299 TEST COMPANY M2	50.000								
M2CN CONSIGNMENT	50.000								

HMBS YGCP54HSBK INS

THANK YOU



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