



Intelligent Price Optimization for SAP Procurement



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Intelligent Price Optimization for SAP Procurement:

A scale in a condition record where prices, discounts, or surcharges are defined for different order quantities or values. This scale is used by the system to determine the price, discount or surcharge for a given quantity or value.

Scale or Scaling used in MM, when price of a material varies with respect to TOTAL Value and TOTAL Quantity of that material.

Generally, we can go for Value/Price Scale and Quantity Scale for material procurement.

Scale can be maintaining in **Purchase Info Record** Also we can maintain scaling in "CONTRACT" also.

Below is the step by step process of Price/Value Scaling: -

Step: -1

➔ Create a standard material by using T-Code: - MM01

The screenshot shows the SAP MM01 'Create Material' transaction. The material number is 100000000000040070, and the description is 'SAP MM Price Scaling Test-01'. The plant is CPMG (Training Plant MM - 01). The 'Current valuation' section is active, showing a valuation class of 1010, a moving price of 100, and a total stock of 0. The 'Price control' is set to 'V' (moving price control).

General Data			
Base Unit of Measure	EA	Each	Valuation Category
Currency	INR		Current period
Division			Price determ.
			<input type="checkbox"/> ML act.
Current valuation			
Valuation Class	1010		Proj. stk val. class
VC: Sales order stk			Price Unit
Price control	V		Standard price
Moving price	100		Total Value
Total Stock	0		<input type="checkbox"/> Valuated in
Future price			Valid from
Previous price	0.0		Last price change

➔ No change in Material Master:

➔ Material 100000000000040070 created

Step: -2



➔ Create vendor master by using T-Code: - XK01 I am using existing vendor as below.

Display Vendor: Purchasing data

Vendor **1st Vendor for Vendor Master - 01**

Purchasing Org. **Pratice_MM_MS**

Conditions

Order currency	<input type="text" value="INR"/>	Indian Rupee
Terms of paymnt	<input type="text" value="0001"/>	
Incoterms	<input type="text"/>	
Minimum order value	<input type="text" value="0.0"/>	
Schema Group, Vendor	<input type="checkbox"/>	rd procedure vendor
Pricing Date Control	<input type="checkbox"/>	No Control
Order optim.rest.	<input type="checkbox"/>	

Sales data

Salesperson	<input type="text"/>
Telephone	<input type="text"/>
Acc. with vendor	<input type="text"/>

Control data

<input checked="" type="checkbox"/> GR-Based Inv. Verif.	ABC indicator	<input type="checkbox"/>	<input type="checkbox"/> RMA Required
<input checked="" type="checkbox"/> AutoEvalGRSetmt Del.	ModeOfTrnsprt-Border	<input type="checkbox"/>	
<input checked="" type="checkbox"/> AutoEvalGRSetmt Ret.	Office of entry	<input type="text"/>	
<input type="checkbox"/> Acknowledgment Reqd	Sort criterion	<input type="checkbox"/>	By VSR sequence number
<input checked="" type="checkbox"/> Automatic purchase order	PROACT control prof.	<input type="checkbox"/>	
<input type="checkbox"/> Subsequent settlement	<input type="checkbox"/> Revaluation allowed		
<input type="checkbox"/> Subseq. sett. index	<input type="checkbox"/> Grant discount in kind		

➔ There is no change in vendor master.

Step: -3

➔ Create a Purchase Info Record by using T-Code: - ME11

Create Info Record: Initial Screen

Vendor	4000002912
Material	100000000000040070
Purchasing Org.	CP00
Plant	CPMG
Info Record	

Info category

Standard

Subcontracting

Pipeline

Consignment



➔ Enter Vendor, Material, Pur.Org, & Plant. Select Info Record as Standard

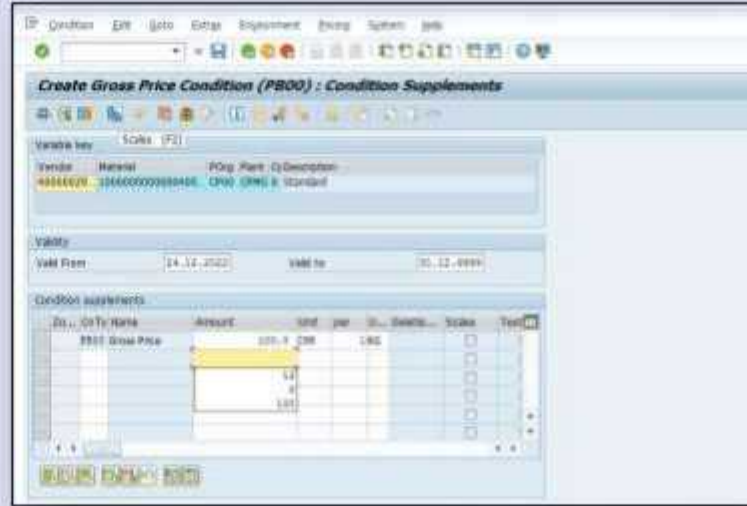
Create Info Record: Purch. Organization Data 2

General Data		Purch. Org. Data 1		Conditions	Texts
Info Record		PIR for Price Scaling			
Vendor	4000002912	Test Vendor for Vendor Master - 01			
Material	100000000000040070	SAP MM Price Scaling Test-01			
Material Group	004	Chemicals			
Purchasing Org.	CP00	Plant	CPMG		

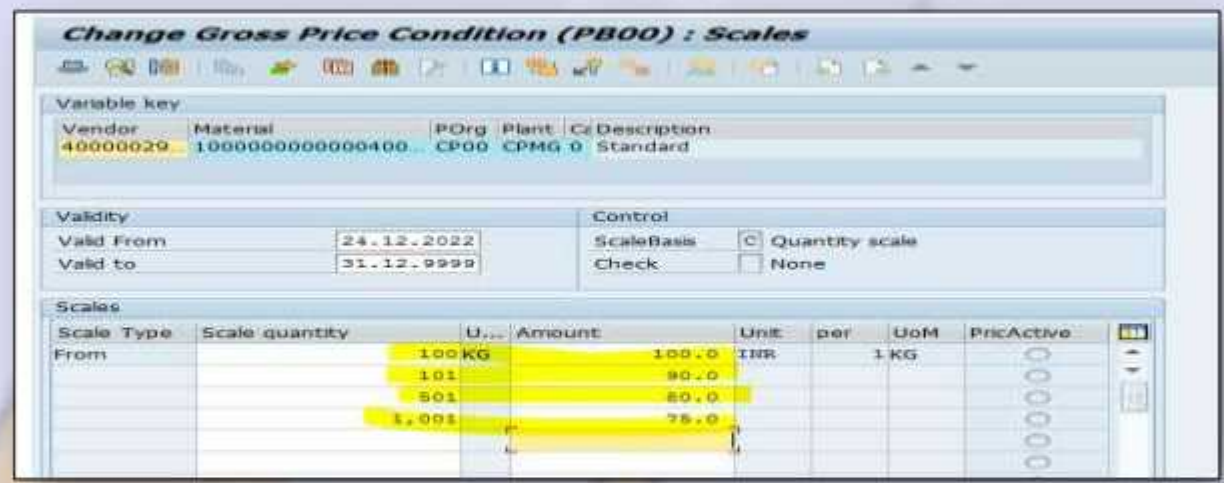
References

Quotation		Quotation from	
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➔ Double click on Condition Tab



➔ Click on **scale** as shown above.



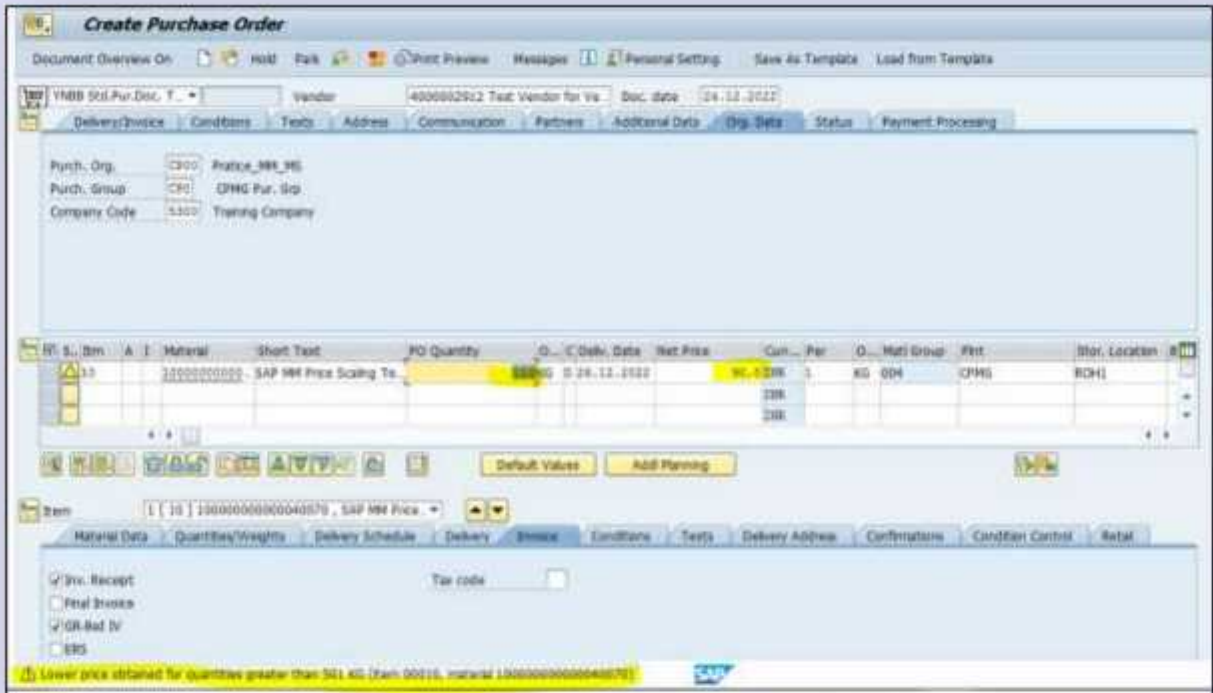
➔ As above shown set scaling for value for ordered quantity.

➤ 0-100 Kg - Rs. 100/Kg

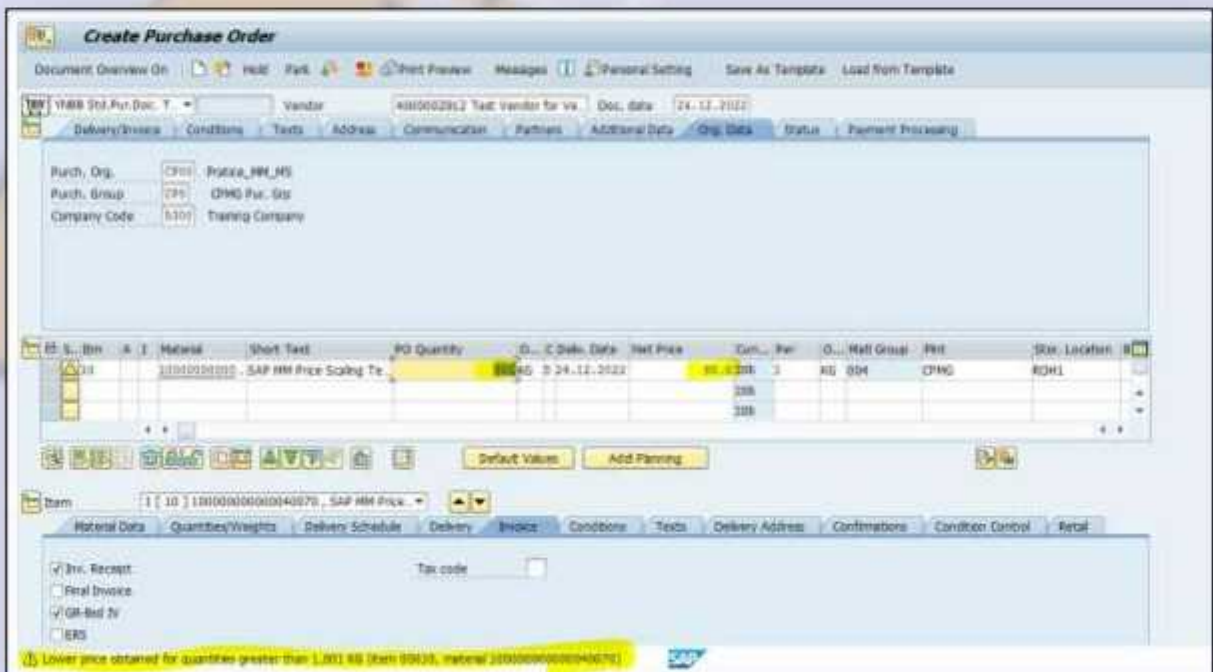
➤ 101-500 Kg - Rs. 90/Kg

➤ 501-1000 Kg - Rs. 80/Kg

➤ 1001 Kg - Rs. 75/Kg



➔ Now I change quantity to 110 system will pick the rate of Rs.90/Kg as per set scaling.



- ➔ Now again I change the Ordered quantity to 501 system will change the rate automatically from Rs.90 to Rs.80 as per scaling.
- ➔ Save the PO & all other process is same in P2P cycle. GR-IV & all.
- ➔ Std.Pur.Doc. Test-1 created under the number 4500027760



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