Materials Management (MM) Case Study

This case study explains an integrated materials management process in detail and thus fosters a thorough understanding of each process step and underlying SAP functionality.

**Product**
SAP ERP
G.B.I.
Release 6.04

**Level**
Undergraduate
Graduate
Beginner

**Focus**
Materials Management

**Authors**
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**Version**
2.1

**MOTIVATION**
The data entry requirements in the materials management exercises (MM 1 through MM 5) were minimized because much of the data was stored in the SAP system. This stored data, known as master data, simplifies the processing of business transactions.

In the procurement process, we used master data for vendors, materials (products we purchased) to simplify the procurement process.

In this case study, we will create the master data for a new vendor and a new trading good.

**PREREQUISITES**
Before you use this case study, you should be familiar with navigation in the SAP system.

In order to successfully work through this case study, it is not necessary to have finished the MM exercises (MM 1 through MM 5). However, it is recommended.

**NOTES**
This case study uses the Global Bike Inc. (G.B.I.) data set, which has exclusively been created for SAP UA global curricula.
**CASE STUDY**

**Process Overview**

**Learning Objective** Understand and perform a purchasing process cycle.  

**Time** 140 min

**Scenario** In order to process a complete purchasing process you will take on different roles within the GBI company, e.g. purchasing agent, warehouse worker, accounting clerk. Overall, you will be working in the Materials Management (MM) and the Financial Accounting (FI) departments.

**Employees involved**  
Joyce Hausman (Contract Administrator)  
Sandeep Das (Warehouse Supervisor)  
Sergey Petrov (Warehouse Employee)  
Wilton Saban (Inventory Supervisor)  
Alberto Conti (Technical Office Assistant)  
Aura Maxwell (Buyer)  
Tatjana Karsova (Receiving Clerk)  
Silvia Cassano (Accounts Payable Specialist)  
Shuyuan Chen (Chief Accountant)

Before you start the purchasing process you create a new vendor (Mid-West Supply) in Lincoln. Then, you create a new master record for a trading good (Chain Lock) in the system. After checking the stock (empty) you are starting the procurement process by creating a purchase requisition. Then, you generate a request for quotations and enter the quotations from various vendors – including your new vendor. After evaluating and accepting the quotation of Mid-West Supply you create a purchase order referencing the RFQ. Then, you will post the goods receipt and verify the physical receipt in stock. After creating two partial invoices you will post the payments to the vendor and review the G/L accounts.

The graphic below displays the complete process (20 tasks).
**CASE STUDY**

## Create New Vendor

**Task** Create a new vendor. **Time** 10 min

**Short Description** Use the SAP Easy Access Menu to create a new vendor (Mid-West Supply).

**Name (Position)** Joyce Hausman (Contract Administrator)

Vendors are established in both accounting and purchasing. The vendor master record requires three views – general, accounting, and purchasing in order to be active. Vendors can be created centrally meaning that all views are generated concurrently or responsibility can be distributed to accounting and purchasing for creating and maintaining their respective views. In this case study, central creation will be used to enter all of the needed data. In this way, this vendor record will contain all of the information necessary to conduct business transactions.

To create a new vendor, follow the menu path:

**Logistics ► Materials Management ► Purchasing ► Master Data ► Vendor ► Central ► Create**

This will produce the following screen.

**Create Vendor: Initial Screen**

- **Vendor**
  - Company Code: US00
  - Purchasing Organization: US00
  - Account Group: KRED

- **Reference**
  - Vendor
  - Company Code
  - Purchasing Organization

Leave the vendor field blank. The system will generate a new number. Enter **US00** for Company Code, **US00** for Purchasing organization, and **KRED** as Account Group. Then, click on 🗙.

In the Create Vendor: Address screen, select **Company** as Title, enter **Mid-West Supply** as Name, and your number (###) for Search term. As Street enter 335 W Industrial Lake Dr, as Postal code enter **68516**, and **Lincoln** for City. Further specify **US** (Country) and **NE** (Region). As communication language choose **English**. Compare your entries with the screen shown below.
Then, click on or until you see the Create Vendor: Control screen.

In the Create Vendor: Control screen, in the Tax information field group enter 12-3456### as Tax Number 2 – remember to replace ### with your number. Confirm your entry and skip the next screen (Create Vendor: Payment transactions) by clicking or twice.

In the Create Vendor: Accounting information Accounting screen, enter Recon. Account 300000. Then click on or .

In the Create Vendor: Payment transactions Accounting screen, enter Payt Terms 0001, and select Chk double inv. Then click on or .

In the Create Vendor: Correspondence Accounting screen, enter your name as Clerk at vendor. Then click on or .

In the Create Vendor: Purchasing data screen, enter USD as Order currency and 0001 for Terms of paymnt. Then click on or .

There is no data to be entered in the Create Vendor: Partner functions screen.

Click on to save your vendor master record. The system will automatically assign a unique number for your vendor.

Click on the exit icon to return to the SAP Easy Access screen.
Create Material Master for Trading Goods

**Task** Create material masters for trading goods.  

**Time** 15 min

**Short Description** Use the SAP Easy Access Menu to create a trading good master record for a chain lock in the Wholesale distribution channel.

**Name (Position)** Sandeep Das (Warehouse Supervisor)

To create a trading good material master record, follow the menu path:

- **Logistics** ► **Materials Management** ► **Material Master** ► **Material** ► **Create (Special)** ► **Trading Goods**

This will produce the following screen.

In the Material field, type in **CHLO1###** (replace ### with your number) and select **Retail** as an Industry sector. Then, click on **✓** or press Enter.

On the next screen, select the following views by clicking on the square in front of the respective rows:

- **Basic Data 1**
- **MRP 1**
- **Sales: Sales Org. Data 1**
- **MRP 2**
- **Sales: Sales Org. Data 2**
- **MRP 3**
- **Sales: General/Plant Data**
- **General Plant Data/Storage 1**
- **Purchasing**
- **Accounting 1**

Also, select **Create views selected**. Then, click on **✓**.
On the Organizational Levels screen, enter plant MI00 (Miami), Stor. Location TG00 (Trading Goods), Sales Org. UE00 (US West), and Distr. Channel WH (Wholesale). Compare with the screen shown below. Then, click on 🖼.

On the Basic Data 1 tab, enter Chain Lock as a description (text field next to the material number). As Base Unit of Measure, use the F4 help to find and select each (EA). In the Material Group field, select UTIL (Utilities). As division, choose AS (Accessories).

In the Gross Weight field and in the Net Weight field, enter 65 and select Ounce (OZ) as Weight unit. Then press Enter or click on 🖼.
On the Sales: sales org. 1 tab, in the Delivering Plant field use the F4 help to find and select the Miami plant (MI00). In the Tax data field group, in the left Tax classification column (the one that is editable = white background colour) select Exempt (0) for all three tax categories.

Click on . On the following screen, enter Scale quantity 1 and Amount 69.00. Compare your entries with the screen below, then click on to return to the Sales: sales org. 1 view. There, press Enter or click on .

<table>
<thead>
<tr>
<th>Validity</th>
<th>Control</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid From</td>
<td>Scale Basis</td>
</tr>
<tr>
<td>8/26/2010</td>
<td>Quantity Scale</td>
</tr>
<tr>
<td>Valid To</td>
<td>Check</td>
</tr>
<tr>
<td>12/31/999</td>
<td>Descending</td>
</tr>
</tbody>
</table>

On the Sales: sales org. 2 tab, select Matl statistics grp 1. Then press Enter.

On the Sales: General/Plant tab, select Availability check 02 (Individual requirements) and use the F4 help to choose Tansp. Grp 0001 (On pallets) and LoadingGrp 0002 (Handcart).

On the Purchasing tab, enter Purchasing Group N00 (North America).

On the MRP 1 tab, select MRP type PD (MRP), MRP Controller 000, Lot size EX (Lot-for-lot order quantity) and Minimum Lot Size 10.

On the MRP 2 tab, enter Planned Deliv. Time 6 (days) and select SchedMargin key 001.

On the MRP 3 tab, check if the Availability check is set correctly to 02. Then, press Enter. Skip the Plant data / stor. 1 view by clicking on .

On the Accounting 1 tab, select Valuation Class 3100 (Trading Goods), enter Moving price 33.50.

Then, click on to save your material.

Click on the exit icon to return to the SAP Easy Access screen.
CASE STUDY

Extend Material Master for Trading Goods

Task Extend a material master.

Time 10 min

Short Description Copy the sales views of the new trading good (chain lock) from the Miami plant to the San Diego plant to maintain a different condition.

Name (Position) Sergey Petrov (Warehouse Employee)

To create new views for an existing trading good, follow the menu path:

Logistics ► Materials Management ► Material Master ► Material ► Create (Special) ► Trading Goods

Enter your material number CHLO1### (again, replace ### with your three-digit number) in the Material field. In the Copy from… field group, enter CHLO1### in the Material field again. Then, press Enter.

In the Select View(s) window, highlight all three Sales views, make sure the indicator Create views selected is checked, and click on 🔄.

In the Organizational Levels window, on the left side (Organizational levels) enter Plant SD00, Sales Org. UW00 and Distr. Channel WH. On the right side (Copy from), enter Plant MI00, Sales Org. UE00 and Distr. Channel WH. Before pressing Enter, compare your entries with the screen shown below.

The system will take you to the Sales: sales org. 1 view. Note that sales data has been copied from views created for the Wholesale distribution channel. The system displays a message saying that the material already exists and will be extended.

Change Delivering Plant MI00 to SD00. Then, click on 🔄. Enter Scale quantity 1 and amount 65.00. Click on 🔄 and save with 🔄.

Finally, click on the exit icon 🔄 to return to the SAP Easy Access screen.
Display Stock/Requirements List

**Task** Display the stock/requirements list.

**Short Description** Display and review the stock/requirements list for your chain lock on hand balance and the demand that exists against this product. The report should show that there is no stock and therefore nothing is available for use at this time.

**Name (Position)** Wilton Saban (Inventory Supervisor)

The stock/requirements list is a dynamic list and, therefore, changes whenever a transaction occurs using the given material.

To display the stock/requirements list, follow the menu path:

**Logistics ► Materials Management ► Inventory Management ► Environment ► Stock ► Stock/Requirements List**

This will produce the following screen.

In the Material field, enter the number of your new chain lock trading good CHLO1### (replace ### with your number) and Plant M100. Then click on . Your stock/requirements list should look similar to the screen below.

Click on the exit icon to return to the SAP Easy Access screen.
Create Purchase Requisition

**Task** Create a purchase requisition.  
**Time** 5 min

**Short Description** Sales management has informed the purchasing department of a promotional campaign that will commence in 3 months to introduce the new chain locks. Create a purchase requisition for 200 of your locks so that it may be placed out for bid so that a vendor can be chosen to fill the expected needs associated with this sales campaign.

**Name (Position)** Wilton Saban (Inventory Supervisor)

To create a purchase requisition, follow the menu path:

**Logistics ► Materials Management ► Purchasing ► Purchase Requisition ► Create**

This will produce the following screen.

![Create Purchase Requisition](image)

Select 🔄 Header to expand the header.

In the text field, type the Header note: “Global Bike Inc. is formally requesting quotations for the following material. Quotes will be accepted until [1st day of the next month].”
Select Item Overview to expand the item overview.

Enter Material CHLO1### (replace ### with your number) and Quantity 200. As Delivery Date select or enter the day three months from today. Then, enter Plant M100, Stor. loc. TG00, and PGr. N00.

After clicking on compare your screen with the one below.

Then, click on to save your purchase requisition. The system will create a unique document number.

Click on the exit icon to return to the SAP Easy Access screen.
Display Stock/Requirements List

**Task** Display the stock/requirements list again.  

**Time** 5 min

**Short Description** Display and review the stock/requirements list for your chain locks on hand and the demand that exists against this product. Since we just created a purchase requisition for 200 of them, this event should be visible within the stock/requirements list with a date of roughly 3 months from today.

**Name (Position)** Alberto Conti  (Technical Office Assistant)

To display the stock/requirements list again, follow the menu path:

- **Logistics ▶ Materials Management ▶ Inventory Management ▶ Environment ▶ Stock ▶ Stock/Requirements List**

If not already defaulted in, enter your Material CHLO1### and Plant M100. Then click on . Your stock/requirements list should now look similar to the screen below.

![Stock/Requirements List as of 14:29 hrs](image)

Click on the exit icon to return to the SAP Easy Access screen.  

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Create Request for Quotation

**Task** Create a request for quotation for your requisition.  

**Short Description** Create a separate request for quotation (RFQ) for several vendors. This process will be used to collect the necessary pricing, delivery, etc. information that is needed to support the selection of a vendor to fill the need for your chain locks.

**Name (Postion)** Alberto Conti  (Technical Office Assistant)

To create an RFQ, follow the menu path:

**Logistics ► Materials Management ► Purchasing ► RFQ/Quotation ► Request for Quotation ► Create**

This will produce the following screen.

Enter RFQ Type **AN**, **today’s date** as RFQ Date, and the **first day of the next month** as Quotation Deadline.

In the Organizational Data field group, enter Purch. Organization **US00** and Purchasing Group **N00**.

In the Default Data for Items, enter Plant **M100**. Then, select **Reference to PRreq** which will produce the following screen.
If your Purchase Requisition number is not already entered, use the F4 help to find the number of your purchase requisition. Then, click on 📊.

In the Create RFQ: Selection List: Purchase Requisitions screen, enter SLoc (Storage Location) TG00. Click on 📊 to select all items. Then, click on 📊 to adopt all item information into the RFQ.

In the Create RFQ : Item 00010 screen, click on 📊 to display the RFQ header data. Enter RFQ1### as Coll. No. Remember to replace ### with your three-digit number. After comparing your entry with the screen below, click on 📊 to display the line items.

In the Create RFQ : Item Overview screen, review the line items and ensure they are correct. Then, select 📊 to display the vendor address.
In the Create RFQ: Vendor Address screen, use the F4 help to find your vendor Mid-West Supply. In order to do so, use the fields Search term (**** = your number) and City (Lincoln) and double-click on the result row to insert the number into the Vendor field. Then, click on which will populate your vendor’s data into corresponding fields.

Click on to save your RFQ. A warning message will appear. Press Yes to save anyway.

The SAP system will create a unique document number.

Stay in the same screen and repeat the last step twice to create the same RFQ for our vendors Dallas Bike Basics and Spy Gear.

In order to find your vendor, in the Vendor field use the F4 help again. This time, go to the Vendor by Country/Company Code tab, enter US for country and your number (****) in the Search term field. Then, press Enter to display your set of US vendors (see list below).

First, double-click on Dallas Bike Basics to select it. Back on the Create RFQ: Vendor Address screen, press Enter and save the second RFQ. Again, accept the system warning message with Yes.

Repeat the same procedure to create a third RFQ (for Spy Gear) and save it.

Click on the exit icon to return to the SAP Easy Access screen.
**Maintain Quotations from Vendors**

**Task** Maintain quotations from vendors.  

**Time** 10 min

**Short Description** As we receive responses to our RFQs submitted to vendors, it is necessary to maintain their respective data in our procurement system so that a comparison can be made to support the vendor selection process.

**Name (Position)** Alberto Conti  (Technical Office Assistant)

To maintain quotations from vendors, follow the menu path:

**Menu path**

- **Logistics**
- **Materials Management**
- **Purchasing**
- **RFQ/Quotation**
- **Quotation**
- **Maintain**

Use the **F4** help in the RFQ field to find and enter the RFQ number from your Mid-West Supply vendor. On the Purchasing Documents per Vendor tab, you need to find and select your vendor Mid-West Supply first. Position your cursor in the Vendor field and press **F4** again. Start the search after typing in Country **US** and your three-digit number (**###**) as Search term.

Double-click on your new vendor (Mid-West Supply) to select it. Now that your vendor number is put in the Vendor field, press Enter or click on **✓** to find the first RFQ number you have created in the last task.

Double-click on your RFQ to populate the number into the RFQ field on the Maintain Quotation : Initial Screen. Then click on **✓** or press Enter.

**Maintain Quotation : Initial Screen**

In the Maintain Quotation : Item Overview screen, enter a net price of **32.00** USD. Click on **✓** to select all items.
Then, click on "to display conditions. Here, other discounts and surcharges included in the quotation could be specified. In our case, just set the Valid to data to **three months from today**.

Click on " to go back to the line item overview. Then, click on " to save your maintained quotation for your Mid-West Supply vendor. The system acknowledges the changes to your first quotation with a success message.

Repeat this process for the other two RFQs you created. Make sure you use the above-described search criteria to find the vendors for your number (###). Enter the following prices:

- **Dallas Bike Basics** 36.50 USD
- **Spy Gear** 35.00 USD

Make sure you save both RFQs and receive the system success messages.

Click on the exit icon to return to the SAP Easy Access screen.
Evaluate Quotations on Price

**Task** Evaluate quotations on price.  
**Time** 5 min

**Short Description** Generate a comparison list for the prices obtained from each of the vendors. The comparison list ranks the quotations by item from lowest to highest price.

**Name (Position)** Wilton Saban (Inventory Supervisor)

To compare vendor prices, follow the menu path:

**Menu path**
- Logistics ➤ Materials Management ➤ Purchasing ➤ RFQ/Quotation ➤ Quotation ➤ Price Comparison

This will produce the following screen.

### Price Comparison List

<table>
<thead>
<tr>
<th>Purchasing Organization</th>
<th>Quote $</th>
<th>Collective RFQ</th>
<th>Quote $</th>
<th>Vendor</th>
<th>Material</th>
<th>Quote $</th>
</tr>
</thead>
<tbody>
<tr>
<td>US00</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Comparison Values**
- Mean Value Quotation
- Minimum Value Quotation
- Percentage Ranks
- Max No. Quotations per Page

**Price Calculations**
- Include Discounts
- Include Delivery Costs
- Determine Effective Price

Enter Purchasing Organization **US00**, and Collective RFQ **RFQ1###**. Select **Mean Value Quotation** and **Determine Effective Price**. Then, select ☑️ to execute the price comparison. This shows the following screen.

### Price Comparison List in Currency USD

<table>
<thead>
<tr>
<th>Material</th>
<th>Unit</th>
<th>Base Unit</th>
<th>QUANTITY</th>
<th>0002000000</th>
<th>0002000012</th>
<th>0002000013</th>
<th>0002000014</th>
<th>MEAN</th>
</tr>
</thead>
<tbody>
<tr>
<td>CRL1000</td>
<td>EA</td>
<td>2006</td>
<td>8,400.00</td>
<td>7,000.00</td>
<td>7,000.00</td>
<td>7,000.00</td>
<td>7,000.00</td>
<td>765.00</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td></td>
<td>8,400.00</td>
<td>7,000.00</td>
<td>7,000.00</td>
<td>7,000.00</td>
<td>765.00</td>
</tr>
</tbody>
</table>

Click on the exit icon ☑️ to return to the SAP Easy Access screen.
CASE STUDY

Reject Quotations

**Task** Reject two of the three quotations.  
**Time** 5 min

**Short Description** The successful vendor (Mid-West Supply) has been selected using the criteria of lowest bidder. It is now necessary to notify the unsuccessful bidders that their quotation will not be accepted. This is accomplished by flagging those vendors needing to be notified.

**Name (Position)** Wilton Saban (Inventory Supervisor)

To flag/reject quotations, follow the menu path:

**Logistics ► Materials Management ► Purchasing ► RFQ/Quotation ► Quotation ► Price Comparison**

This will produce the following screen again.

Enter Purchasing Organization **US00**, and Collective RFQ **RFQ1###**. Select **Mean Value Quotation** and **Determine Effective Price**. Then, select to execute the price comparison. This shows the following screen.

Determine the Vendor that you are going to do business with (the lowest priced quotation) by rejecting the other two. To do so, double-click on the quotation number with 36.50 USD. This will produce the following screen.
Select **R** (Rejection Ind.) to indicate rejection of this quotation. Click on **R**. Acknowledge the warning message prompted by the system with Yes and save anyway.

Repeat the process for the second quotation to be rejected (35.00 USD).

Click on the exit icon to return to the SAP Easy Access screen.
Create Purchase Order Referencing an RFQ

**Task** Create a purchase order with reference to an RFQ.  
**Time** 5 min

**Short Description** Create a PO by referencing the quotation received from the successful vendor. Reference is made to the successful quotation and the details are imported into a new PO.

**Name (Position)** Aura Maxwell (Buyer)

To create a purchase order, follow the menu path:

**Menu path**

- **Logistics ► Materials Management ► Purchasing ► Purchase Order ► Create ► Vendor/Supplying Plant Known**

If there is no navigation screen on the left side, click on the Document Overview On button. Requests for quotations

As selection variant choose **Requests for quotations** as shown below.

In the following screen, in the Material Number field use the F4 help to find your chain lock trading good. On the Material by Material Type tab, select Material Type **Trading Goods** (HAWA) and enter *### (e.g. *012 if your number is 012) in the Material field. Then, press Enter or click on the OK button.

Double-click on your chain lock (**CHLO1###**) to select it. When your material number is populated in the Material Number field, make sure that all other search criteria fields are blank and click on the OK button. This will produce a screen with your three RFQs.
CASE STUDY

Click on (Change Breakdown) – you might need to enlarge the left frame to the right to see the icon. In the following screen, select Vendor name in the right table (Column Set) and click on to add it to the Sort criteria. Then, select vendor name in the left table (Sort criteria) and click on to display the vendor name first, then the document number.

After you have confirmed your changes by clicking on , you will see the names of your vendors in alphabetic order.

Click on the right part of the Select Layout icon and choose Change layout… Select Material in the right table (Column Set) and click on to add it to the displayed columns.

After you have confirmed your changes by clicking on and expanding all three folders, you will see the following screen.

Single-click on the requisition/quotation that you want to reference (Mid-West Supply) and select to adopt the information.

Note: If you try and adopt one of the other quotations you will get a message that the quotation item is already rejected.

Verify that the system copied the Material number CHLO1###, Quantity 200, three months from today as Deliv. Date, and the Net Price of 32.00 USD.

If the header data is not yet displayed, open the section by clicking on Header. On the Conditions tab, record the total value of the purchase order (6,400 USD).
If the line item data is not yet displayed, open the section by clicking on Item Detail. On the Delivery Schedule tab, select the first line. Then, click on below the table to perform a schedule line split.

Acknowledge the red error message by changing the Sched Qty. of the first line from 200 to 100. Then, enter the following data for the second line:

- **Delivery Date**: one week after the first delivery
- **Sched Qty.**: 100
- **Purchase Req.**: same as previous line
- **Requis Item**: same as previous line

Then, click on . Verify your item details with the screenshot below.

On the Material Data tab, select InfoUpdate.

Then, find the following menu item in the system menu:

**Purchase Order ➤ Save and Output**

In the following screen, select Output **Purchase Order (NEU)**, Medium Print output (1), Language **English (EN)** and select .
In the Create Pur. Order :: Output screen, enter Logical destination LOCL, check indicator **Print immediately**.

Then, click on **Send immediately** and select **Send immediately (when saving the application)** as Dispatch time. Go back and save your order with **Save**. The system will assign a unique purchase order document number.

A similar document to the one shown below should be printed to your standard printer.

Click on the exit icon to return to the SAP Easy Access screen.
Display Purchase Order

Task  Review your purchase order.  
Time  5 min

Short Description  Now you want to display electronically what you have sent to your vendor.

Name (Position)  Aura Maxwell (Buyer)

To display a purchase order, follow the menu path:

**Logistics ► Materials Management ► Purchasing ► Purchase Order ► Display**

This will produce the following screen.

If the purchase order number from the previous step is not already displayed, click on **(Other Purchase Order)**.

In the following screen, enter (or find) your purchase order number in the Pur. order field, select Pur. order and click on **(Other Document)**. Then, click on **Print Preview** to look at the electronic printout. It should be the document sent to your printer.

Click on the exit icon ** twice to return to the SAP Easy Access screen.
Create Goods Receipt for Purchase Order

**Task** Create a goods receipt for a purchase order.  
**Time** 5 min

**Short Description** Receive into inventory the stock items ordered from Mid-West Supply in the previous task. A goods receipt document will be created referencing our purchase order thereby ensuring that we receive the products ordered within the timeframes requested and in quality condition. Goods on hand will be increased and an accounting document will be generated recognizing the value associated with these goods.

**Name (Postion)** Tatjana Karsova (Receiving Clerk)

To create a goods receipt for a purchase order, follow the menu path:

**Menu path**

Logistics ► Materials Management ► Inventory Management ► Goods Movement ► Goods Receipt ► For Purchase Order ► GR for Purchase Order (MIGO)

Make sure that **Goods Receipt** and **Purchase Order** are selected in the dropdown lists. Enter (or find) **your PO number** in the field next to them. Then, press Enter which will populate your PO data into the fields.

Change the Quantity from 200 to **100** (remember we requested two separate deliveries). If the line item in the item overview section is read only, click on ✗ at the bottom of the screen to close the item detail section. Then, check **OK**. SLoc (Storage location) **Trading Goods** should already be entered.

Finally, click on ✍️ or ✍️ to post your goods receipt. The system will create a unique goods receipt document.

Click on the exit icon ✮ to return to the SAP Easy Access screen.
Verify Physical Receipt of Goods

**Task**  Verify the physical receipt of goods.  
**Time**  5 min

**Short Description**  Review the current inventory information about your chain locks. The stock overview provides inventory information relative to this material for all organizational levels.

**Name (Position)**  Tatjana Karsova  (Receiving Clerk)

To verify the receipt of goods, follow the menu path:

**Logistics ► Materials Management ► Inventory Management ► Environment ► Stock ► Stock Overview**

Enter Material **CHLO1###** (replace ### with your number), Plant **MI00**, and Display version 1. Then, click on ✓.

In the Unrestricted use column, the current inventory is displayed. Select the line with your plant’s stock and click on ✓.

Note that there are 100 pieces on stock for unrestricted use and another 100 in on-order stock (still to be delivered to the Miami plant). Click on ✓.

Click on the exit icon ✓ to return to the SAP Easy Access screen.
**Task** Create an invoice receipt from your vendor.  
**Time** 5 min

**Short Description** Enter an invoice received from Mid-West Supply for 3,200.00 USD associated with the recent PO and goods receipts. This invoice will be posted to an existing G/L expense account in your Chart of Accounts and saved as an Accounts Payable to Mid-West Supply. It will be settled by issuing a check to Mid-West Supply at a later date. The invoice is presented below in order to support you making the necessary journal entry.

<table>
<thead>
<tr>
<th>ITEM</th>
<th>QUANTITY</th>
<th>PER</th>
<th>PRICE</th>
</tr>
</thead>
<tbody>
<tr>
<td>CHLO1##</td>
<td>100</td>
<td>$32.00</td>
<td>$3,200.00</td>
</tr>
<tr>
<td>TOTAL</td>
<td></td>
<td></td>
<td>$3,200.00</td>
</tr>
</tbody>
</table>

Name (Position) Silvia Cassano (Accounts Payable Specialist)

To create an invoice receipt, follow the menu path:

**Menu path**

Logistics ► Materials Management ► Logistics Invoice Verification ► Document Entry ► Enter Invoice

This will produce the following screen.

Enter **today’s date** as Invoice date using F4 and Enter. Check your Company Code **US00**. Enter the amount from the invoice above (**3,200.00**) in the
Amount field and select **XI** as Tax Code (field next to Tax Amount). Then, type in **INVOICE 00504-###** as Text and click on ![](https://example.com).

Enter (or find) **your PO number** in the middle of the screen (next to the drop-down field with Purchase Order/Scheduling Agreement) and press Enter.

Check the **Booking OK** check box in your line item. Use the ![Simulate](https://example.com) button to see if the postings are correct.

Finally, click on ![Post](https://example.com) to post your invoice receipt. The system will generate a unique number for this document. ![Document no. 5105603102 created](https://example.com)

Click on the exit icon ![Exit](https://example.com) to return to the SAP Easy Access screen.
Display Purchase Order History

**Task** Display the purchase order history.  
**Time** 5 min

**Short Description** Review the status for the PO for chain locks. A PO history tab is created within the PO once a transaction has taken place against the order number to support this functionality.

**Name (Position)** Wilton Saban (Inventory Supervisor)

To display the purchase order history, follow the menu path:

**Menu path**

**Logistics ► Materials Management ► Purchasing ► Purchase Order ► Display**

Your PO is displayed automatically. If not, click on (Other Purchase Order) and find your PO number. If the line item data is not yet displayed, open the section by clicking on Item Detail.

On the Purchase Order History tab, review the activity that has taken place in reference to this purchase order. Click on your (Goods Receipt) material document number. This will bring you directly to the material document created when you did your goods receipt.

On the Doc. info tab, select . You are now looking at the General Ledger posting that took place in the background when you saved your goods receipt. Click on twice to go back to your PO.

On the Purchase Order History tab, click on your (Invoice Receipt) document number. This will bring you directly to the invoice document you just created when you did your invoice receipt.

Select . You are now looking at the General Ledger posting that happened in the background when you saved your invoice receipt. Click on to go back to the invoice document.

On the right side of the screen, click on (Line item list) to see that the invoice is still open, meaning that you have not paid the vendor.

Click on the exit icon three times to return to the SAP Easy Access screen.
Create Goods Receipt for Purchase Order

**Task** Create a goods receipt for a purchase order.  
**Time** 5 min

**Short Description** Receive into inventory the remaining stock items ordered from Mid-West Supply in the prior step. A goods receipt document will be created referencing our purchase order thereby ensuring that we receive the products ordered within the timeframes requested and in quality condition. Goods on hand will be increased and an accounting document will be generated recognizing the value associated with these goods.

**Name (Postion)** Tatjana Karsova (Receiving Clerk)

To create a goods receipt for a purchase order, follow the menu path:

**Menu path**  
Logistics ► Materials Management ► Inventory Management ► Goods Movement ► Goods Receipt ► For Purchase Order ► GR for Purchase Order (MIGO)

Make sure that **Goods Receipt** and **Purchase Order** are selected in the dropdown lists. Enter **your PO number** in the field next to them. Then, press Enter. The data of your purchase order should now be populated into the fields.

The system should default in the remaining **100** pieces. If the line item in the item overview section is read only, click on **OK** at the bottom of the screen to close the item detail section. Then, check **OK**. SLoc (Storage location) **Trading Goods** should already be entered.

Finally, click on **Post** or **OK** to post your goods receipt. The system will create a unique goods receipt document.

Click on the exit icon to return to the SAP Easy Access screen.
Create Invoice Receipt from Vendor

**Task** Create an invoice receipt from a vendor.  

**Time** 5 min

**Short Description** Enter an invoice received from Mid-West Supply for 3,200.00 USD associated with the recent PO and goods receipts. This invoice will be posted to an existing G/L expense account in your Chart of Accounts and saved as an Accounts Payable to Mid-West Supply. It will be settled by issuing a check to Mid-West Supply at a later date. The invoice is presented below in order to support your making the necessary journal entry.

<table>
<thead>
<tr>
<th>ITEM</th>
<th>QUANTITY</th>
<th>PER</th>
<th>PRICE</th>
</tr>
</thead>
<tbody>
<tr>
<td>CHLO1###</td>
<td>100</td>
<td>$32.00</td>
<td>$3,200.00</td>
</tr>
<tr>
<td>TOTAL</td>
<td></td>
<td></td>
<td>$3,200.00</td>
</tr>
</tbody>
</table>

| Mid-West Supply – always loves you supplied. |

**Name (Position)** Silvia Cassano (Accounts Payable Specialist)

To create an invoice receipt, follow the menu path:

**Menu path**

Logistics ► Materials Management ► Logistics Invoice Verification ► Document Entry ► Enter Invoice

Analogous to the first invoice receipt, enter **today’s date** as Invoice date using F4 and Enter. Check your Company Code US00. Enter the amount from the invoice above (**3,200.00**) in the Amount field and select **XI** as Tax Code. Then, type in **INVOICE 00515-###** as Text and click on 

Enter your PO number in the middle of the screen (next to the drop-down field with Purchase Order/Scheduling Agreement) and press Enter.

Check the Booking OK check box in your line item. Use the button to see if the postings are correct. Click on to post your invoice receipt. The system will generate a unique number for this document.

Click on the exit icon to return to the SAP Easy Access screen.
**Post Payments to Vendor**

**Task** Post payments to a vendor.  

**Time** 5 min

**Short Description** Issue a payment to your Mid-West Supply vendor to settle their entire Accounts Payable balance. Note that the amount due to them includes both of the invoices that you have previously entered. A journal entry is made to Accounts Payable for Mid-West Supply and to the bank checking account in the G/L.

**Name (Position)** Silvia Cassano  (Accounts Payable Specialist)

To post payments to a vendor, follow the menu path:

- **Accounting ► Financial Accounting ► Accounts Payable ► Document Entry ► Outgoing Payment ► Post**

In the Post Outgoing Payments: Header Data screen, enter (or select) today’s date as Document Date.

In the Bank data field group, enter Account 100000 (Bank Account), the amount you are going to pay (6400), and the Text “INVOICES 00504-### & 00515-###”.

In the Open items selection field group, enter (or find) the vendor number for your *Mid-West Supply* vendor in the Account field (again, use City *Lincoln* and Search term ### in the F4 help). Verify your data with the screenshot below.

---

**Post Outgoing Payments: Header Data**

<table>
<thead>
<tr>
<th>Description</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Document Date</td>
<td>04/30/2010</td>
</tr>
<tr>
<td>Posting Date</td>
<td>04/30/2010</td>
</tr>
<tr>
<td>Posting Period</td>
<td>4</td>
</tr>
<tr>
<td>K2</td>
<td></td>
</tr>
<tr>
<td>Company Code</td>
<td>US88</td>
</tr>
<tr>
<td>Business Area</td>
<td></td>
</tr>
<tr>
<td>Translation Date</td>
<td></td>
</tr>
<tr>
<td>Check No</td>
<td>001-4040-01</td>
</tr>
<tr>
<td>Clearing Date</td>
<td></td>
</tr>
<tr>
<td>Clearing Text</td>
<td></td>
</tr>
<tr>
<td>Bank data</td>
<td>100000</td>
</tr>
<tr>
<td>Amount</td>
<td>6400</td>
</tr>
<tr>
<td>Bank charges</td>
<td></td>
</tr>
<tr>
<td>LC bank charges</td>
<td></td>
</tr>
<tr>
<td>Vendor Date</td>
<td>04/30/2010</td>
</tr>
<tr>
<td>Text</td>
<td>INVOICES 00504-### &amp; 00515-###</td>
</tr>
<tr>
<td>Mid-West Supply Vendor Code</td>
<td>Lincoln</td>
</tr>
</tbody>
</table>

---

**Open item selection**

<table>
<thead>
<tr>
<th>Description</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Account Code</td>
<td>155036</td>
</tr>
<tr>
<td>Account Type</td>
<td></td>
</tr>
<tr>
<td>Special GL Ind</td>
<td>Standard GL</td>
</tr>
<tr>
<td>Special GL Ind Special</td>
<td></td>
</tr>
<tr>
<td>Print selection no</td>
<td></td>
</tr>
<tr>
<td>Print selection no Special</td>
<td></td>
</tr>
<tr>
<td>Print selection no GL</td>
<td></td>
</tr>
<tr>
<td>Print selection no GL Special</td>
<td></td>
</tr>
<tr>
<td>Print selection no GL Special GL</td>
<td></td>
</tr>
<tr>
<td>Print selection no GL GL GL</td>
<td></td>
</tr>
<tr>
<td>District</td>
<td></td>
</tr>
<tr>
<td>Automatic search</td>
<td></td>
</tr>
<tr>
<td>Additional selections</td>
<td></td>
</tr>
<tr>
<td>Document Number</td>
<td></td>
</tr>
<tr>
<td>Document Number/Line</td>
<td></td>
</tr>
<tr>
<td>Posting Date</td>
<td></td>
</tr>
<tr>
<td>Posting Area</td>
<td></td>
</tr>
<tr>
<td>Others</td>
<td></td>
</tr>
</tbody>
</table>

---

**Post Outgoing Payments: Bank data**

<table>
<thead>
<tr>
<th>Description</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Account</td>
<td>100000</td>
</tr>
<tr>
<td>Amount</td>
<td>6400</td>
</tr>
<tr>
<td>Bank charges</td>
<td></td>
</tr>
<tr>
<td>LC bank charges</td>
<td></td>
</tr>
<tr>
<td>Vendor Date</td>
<td>04/30/2010</td>
</tr>
<tr>
<td>Text</td>
<td>INVOICES 00504-### &amp; 00515-###</td>
</tr>
<tr>
<td>Mid-West Supply Vendor Code</td>
<td>Lincoln</td>
</tr>
</tbody>
</table>
Select [Process open items]. This will produce the following screen.

Invoices selected will be displayed in blue. At the bottom of the screen, you should see that the total amount has been fully assigned.

Click on [Submit] to post payments to the Mid-West Supply. The system will create a unique vendor payment document number.

Click on the exit icon [Exit] and select YES to return to the SAP Easy Access screen.
Display Vendor Line Items

**Task** Display the vendor line items.

**Time** 5 min

**Short Description** Display and confirm the activity and associated balance for the Accounts Payable for Mid-West Supply. You should see both a credit and debit posting indicating the receipt of the two invoices and the issuance of a single payment to settle this balance due to Mid-West Supply.

**Name (Position)** Shuyuan Chen (Chief Accountant)

To display the vendor line items, follow the menu path:

| Accounting | Financial Accounting | Accounts Payable | Account | Display Balances |

Find or enter the number of your **Mid-West Supply** vendor (for your number ###) in the Vendor field, Company code **US00**, and the **current year** as Fiscal year. Then, click on . This will produce the following screen.

![Vendor Line Items Screen]

Review for open items. Double-click on the current period’s balance to review the line items that make up the balance. Here, you can see which line items are open and which ones have been cleared. In your case, you should see a symbol.

Click on the three times to return to the SAP Easy Access screen.
Display Purchase Order History

**Task** Display the purchase order history.  
**Time** 5 min

**Short Description** Review the status of POs for chain locks. The PO history tab is updated once a transaction has taken place against the order number.

**Name (Position)** Wilton Saban (Inventory Supervisor)

To display the purchase order history, follow the menu path:

**Menu path**

Logistics ► Materials Management ► Purchasing ► Purchase Order ► Display

Your PO is displayed automatically. If not, click on (Other Purchase Order) and find your PO number. If the line item data is not yet displayed, open the section by clicking on Item Detail.

On the Purchase Order History tab, review the activity that has taken place in reference to this purchase order. Click on the new WE (Goods Receipt) material document number – you should now have two documents. This will bring you directly to the material document created when you did your goods receipt.

On the Doc. info tab, select. You are now looking at the General Ledger posting that took place in the background when you saved your goods receipt. Click on twice to go back to your PO.

On the Purchase Order History tab, click on the new RE-L (Invoice Receipt) document number – you should now have two documents. This will bring you directly to the invoice document you just created when you did your invoice receipt.

Select. You are now looking at the General Ledger posting that happened in the background when you saved your invoice receipt. Click on twice to go back to your PO.

On the Delivery Schedule tab, review the line items that have had deliveries against them. Are there any line items left outstanding?

Click on the exit icon to return to the SAP Easy Access screen.
Display/Review G/L Account Balances and Individual Line Items

**Task** Display/review the G/L account balances and the individual line items.

**Time** 5 min

**Short Description** Display and confirm by individual account number the activity and associated balances for several accounts in your G/L.

**Name (Position)** Shuyuan Chen (Chief Accountant)

To display G/L account balances, follow the menu path:

**Menu path**

1. Accounting ► Financial Accounting ► General Ledger ► Account ► Display Balances (New)

Enter G/L account **100000** (Bank Account), Company code **US00**, and the **current year** as Fiscal year. Then, click on . A similar screen to the one below will appear (amounts might be different for you).

<table>
<thead>
<tr>
<th>Period</th>
<th>Debit</th>
<th>Credit</th>
<th>Balance</th>
<th>Cum. balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bal. Cmpn.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>66,092.50</td>
<td>11,850.00</td>
<td>53,442.50</td>
<td>53,442.50</td>
</tr>
<tr>
<td>2</td>
<td></td>
<td></td>
<td>53,442.50</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td></td>
<td></td>
<td>53,442.50</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td></td>
<td></td>
<td>53,442.50</td>
<td>53,442.50</td>
</tr>
<tr>
<td>5</td>
<td></td>
<td></td>
<td>53,442.50</td>
<td></td>
</tr>
<tr>
<td>6</td>
<td></td>
<td></td>
<td>53,442.50</td>
<td></td>
</tr>
<tr>
<td>7</td>
<td></td>
<td></td>
<td>53,442.50</td>
<td></td>
</tr>
<tr>
<td>8</td>
<td></td>
<td></td>
<td>53,442.50</td>
<td></td>
</tr>
<tr>
<td>9</td>
<td></td>
<td></td>
<td>53,442.50</td>
<td></td>
</tr>
<tr>
<td>10</td>
<td></td>
<td></td>
<td>53,442.50</td>
<td></td>
</tr>
<tr>
<td>11</td>
<td></td>
<td></td>
<td>53,442.50</td>
<td></td>
</tr>
<tr>
<td>12</td>
<td></td>
<td></td>
<td>53,442.50</td>
<td></td>
</tr>
<tr>
<td>13</td>
<td></td>
<td></td>
<td>53,442.50</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>66,092.50</td>
<td>11,850.00</td>
<td>53,442.50</td>
<td>53,442.50</td>
</tr>
</tbody>
</table>

Double-click on the cell for the current month’s balance (the first column indicates the SAP periods which are 12 month plus 1 special period).

On the G/L Account Line Item Display G/L View screen, you can see all debits and credits toward GBI’s bank account in the US in the current month.
Note: Because all participants in your class (virtual GBI employees) are posting to the same US bank account, you need to find your postings in the overall list. In order to do so, take a look at the Text column and search for your ###, e.g. “INVOICES 00504-000 and 00515-000” if your number is 000.

Once you find your line item, you should also recognize the Document Number. Double-click on your line item to display details. When you scroll down, you should find your user name indicating that you have created the vendor payment document.

Click on 🍃 and then choose 🍃 twice to go back to the G/L Account Balance Display screen.

Repeat the above procedure for the G/L account 300000 (Payables-Trade Accounts). In the list of documents, you should find your two invoices (INVOICE 00504-### and INVOICE 00515-###).

Click on the exit icon 🍃 to return to the SAP Easy Access screen.