

Welcome to SAP MM training Session 1

Overview of Procurement Processes

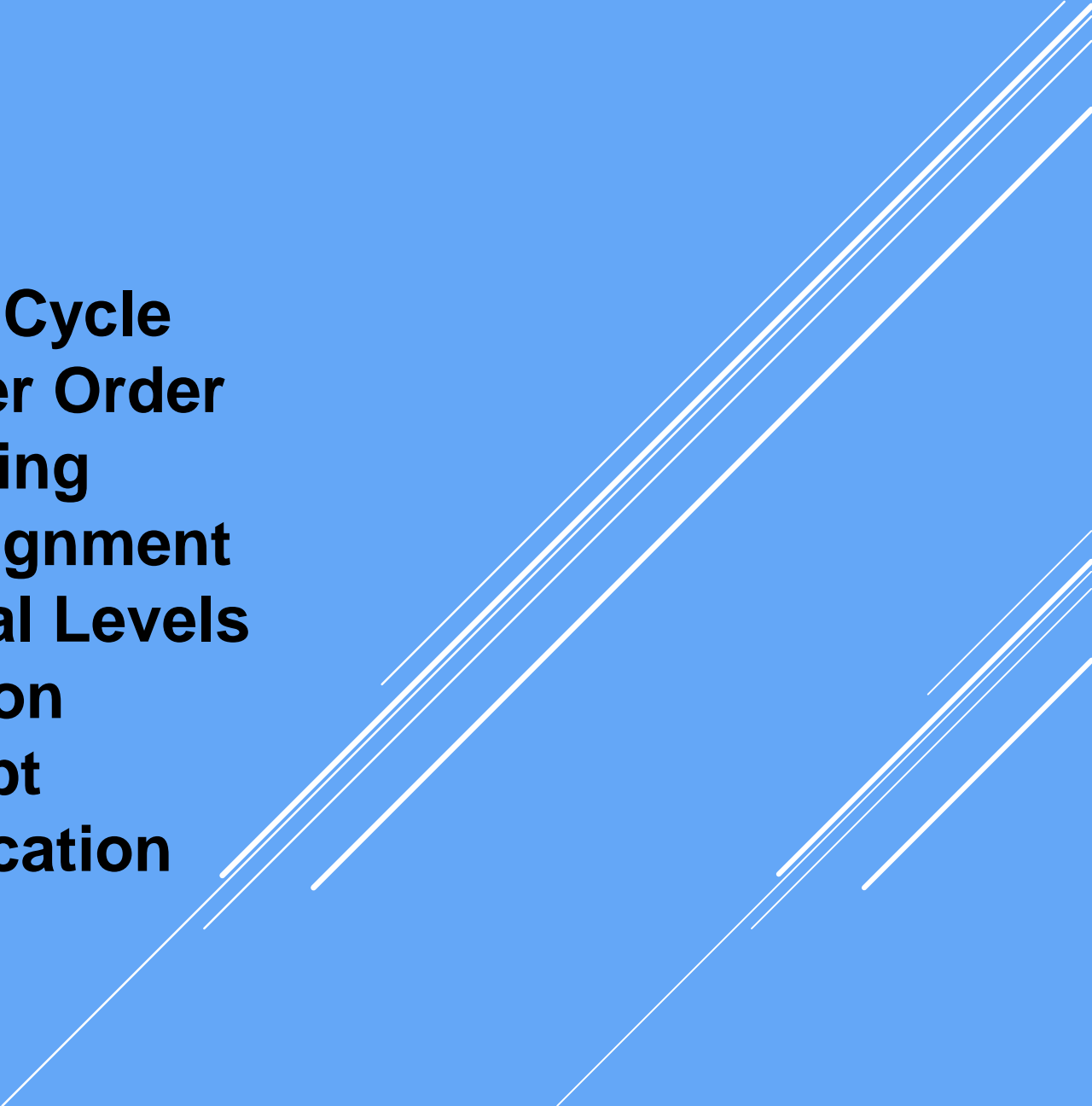
Trainer: NGWA HENRY NGWA
Email: ngwahenry2@gmail.com

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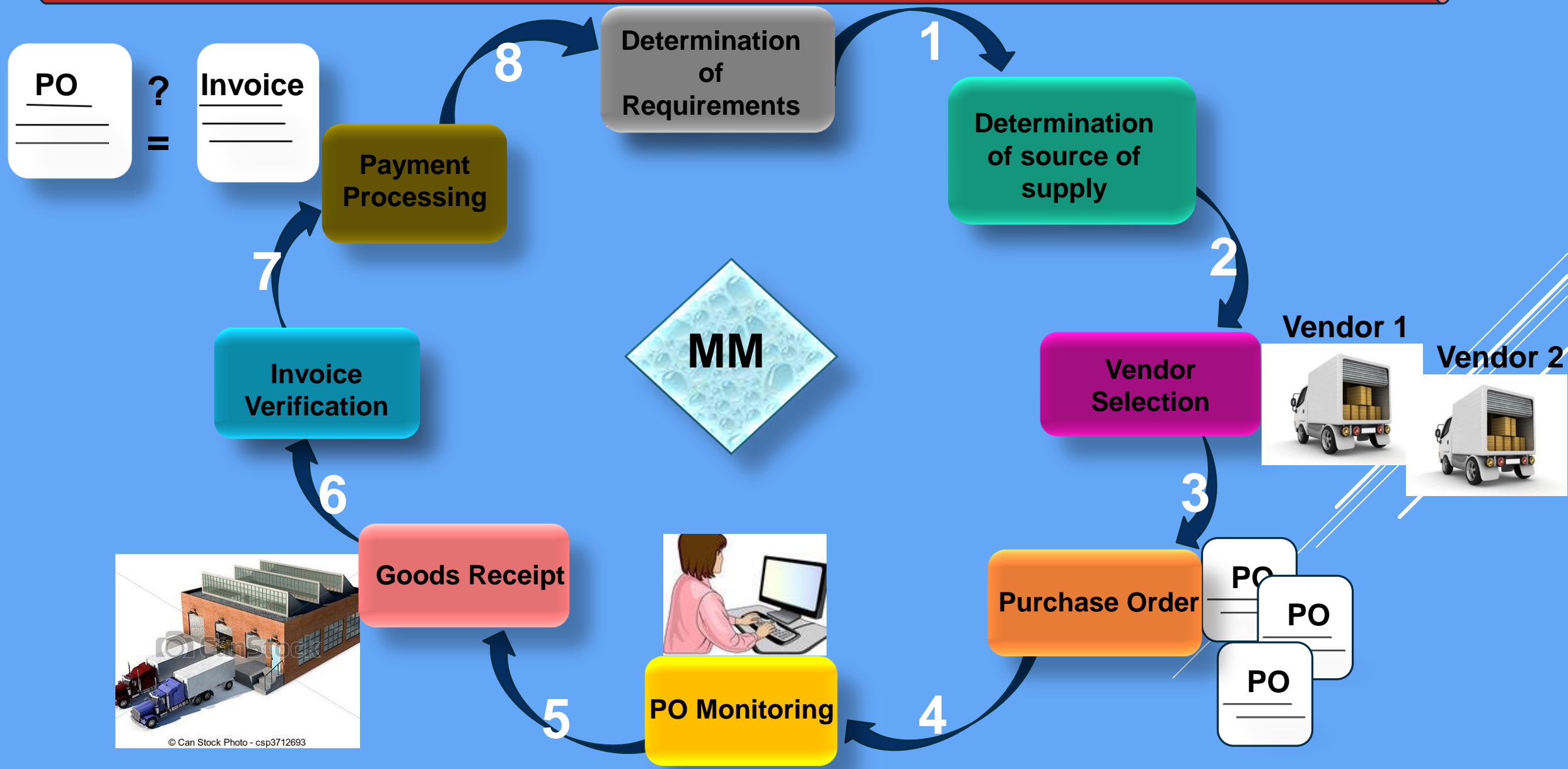
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A large red 3D cylinder with a lighter red top and bottom face, casting a soft shadow on the blue background.

Overview of Procurement Processes

- ☐ **Procurement Cycle**
 - ☐ **Stock Transfer Order**
 - ☐ **Sub-Contracting**
 - ☐ **Vendor Consignment**
 - ☐ **Organizational Levels**
 - ☐ **SAP Navigation**
 - ☐ **Goods Receipt**
 - ☐ **Invoice Verification**
- 
- Several thin white diagonal lines of varying lengths and angles, extending from the right edge of the slide towards the center.

PROCUREMENT CYCLE



STOCK TRANSPORT ORDER (STO)



Issuing Plant



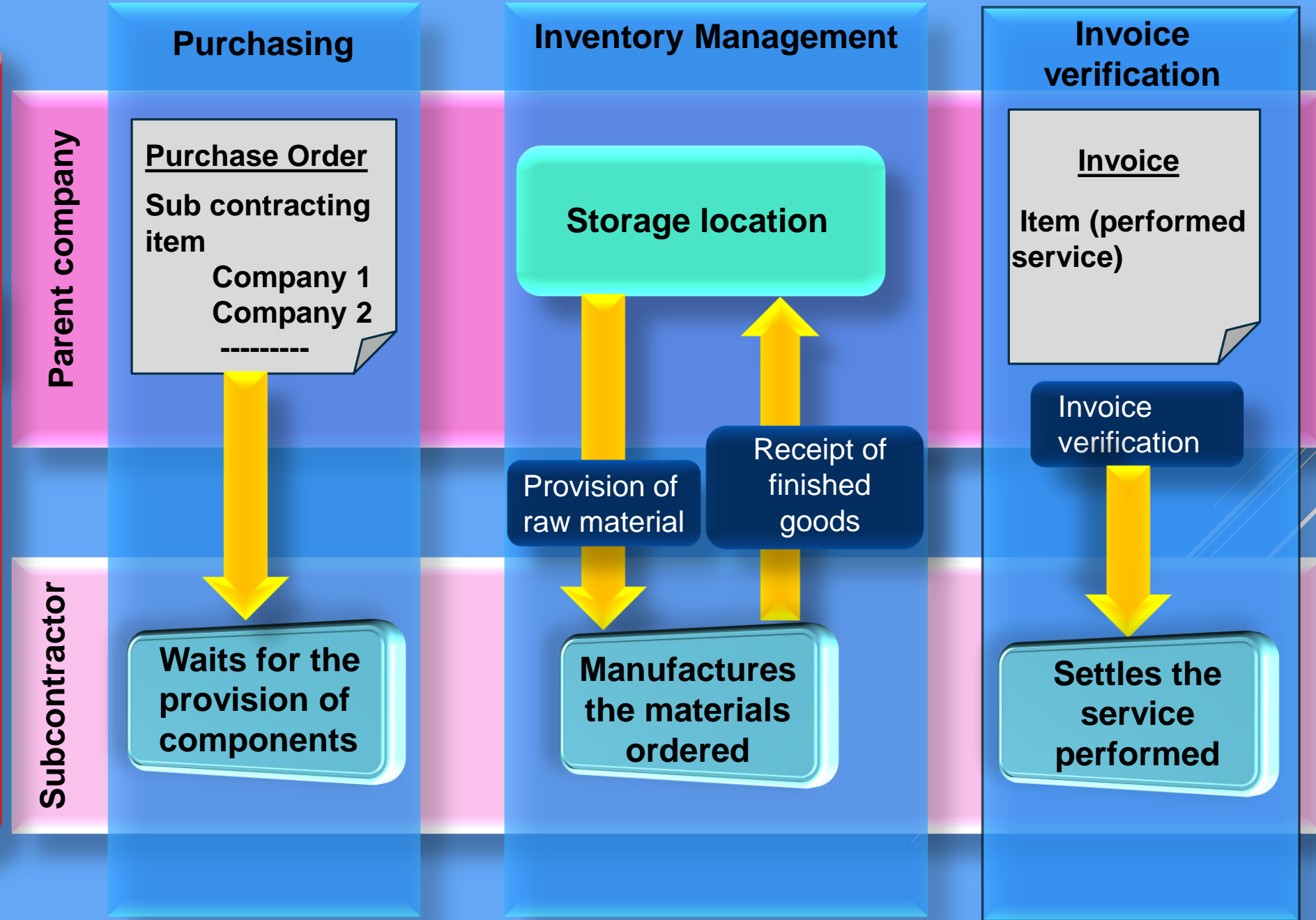
Receiving Plant



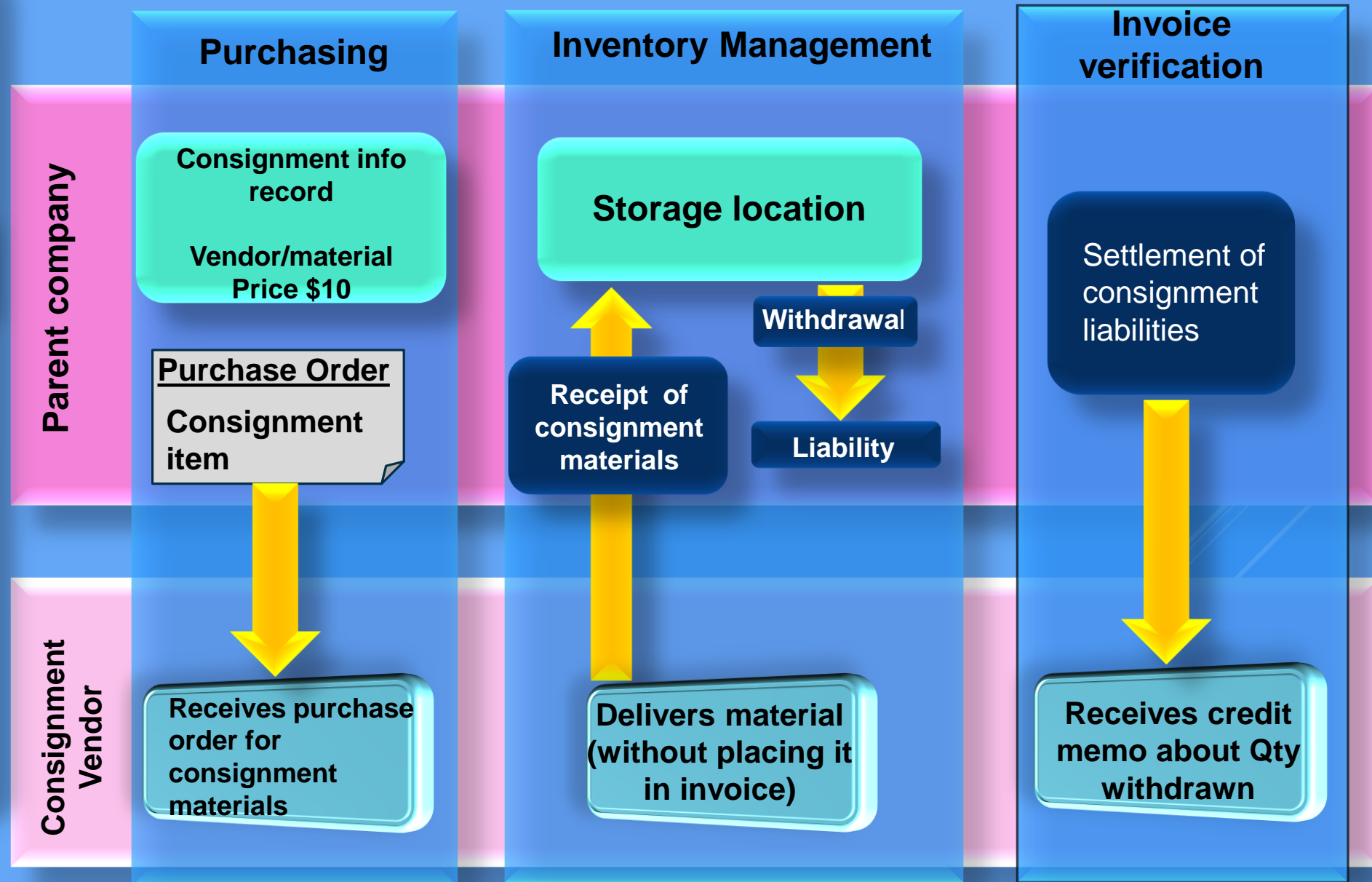
Goods Issued



Sub Contracting



Vendor Consignment



Org. Levels in Procurement Process

Org. Levels in procurement process



CLIENT



COMPANY CODE



PLANT



STORAGE LOCATION



**PURCHASING ORGANIZATION/
PURCHASING GROUP**



Org. Levels in procurement process

- ❑ **Client** – It is a unit with SAP that is self contained both in legal and organizational terms and in terms of master data and transactional data. From a business point of view, client could represent a corporate group
- ❑ **Company Code** – It is the smallest org unit that represents an independent and accounting entity. It is required by law to provide balance sheet and profit & loss statements.
- ❑ **Plant** – It is an org level within logistics that subdivides the enterprise from the viewpoint of production, procurement, material planning
- ❑ **Storage location** – It is an org. unit that facilitates the differentiation of stocks of material within a plant. Inventory management on a quantity level is carried out in the plant.
- ❑ **Purchasing Org.** – it is an org unit within logistics that subdivides the enterprise according to the purchasing requirements that is centralized and decentralized purchasing units for the company.
- ❑ **Purchasing group** – It is a key buyer or group of buyers who are responsible for procurement of materials.

Plant Specific Purchasing Org.



Purchasing
org. 1



Plant 1



Purchasing
org. 2



Plant 2



Company code

A purchasing org is responsible for procuring materials for just one plant

**Cross-plant
Purchasing
Org.**



Purchasing Org.



Company code

A purchasing org is responsible for procuring materials for several plants

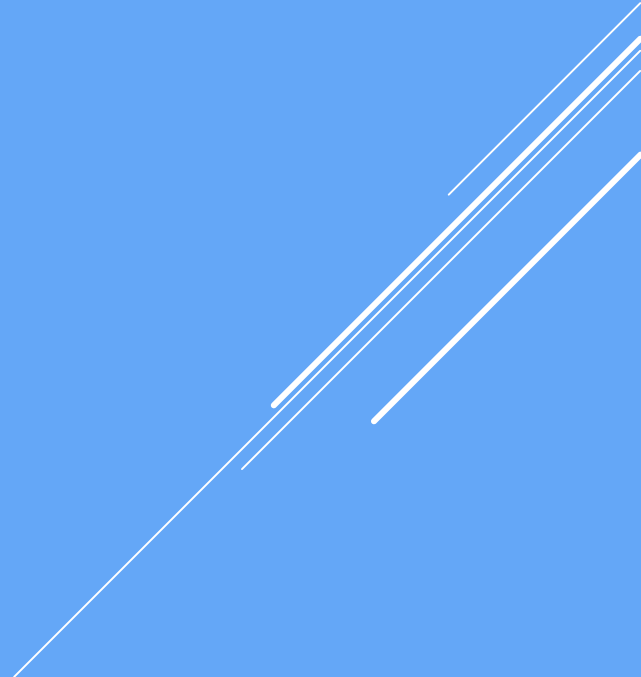
Cross- Company Code Purchasing Org.



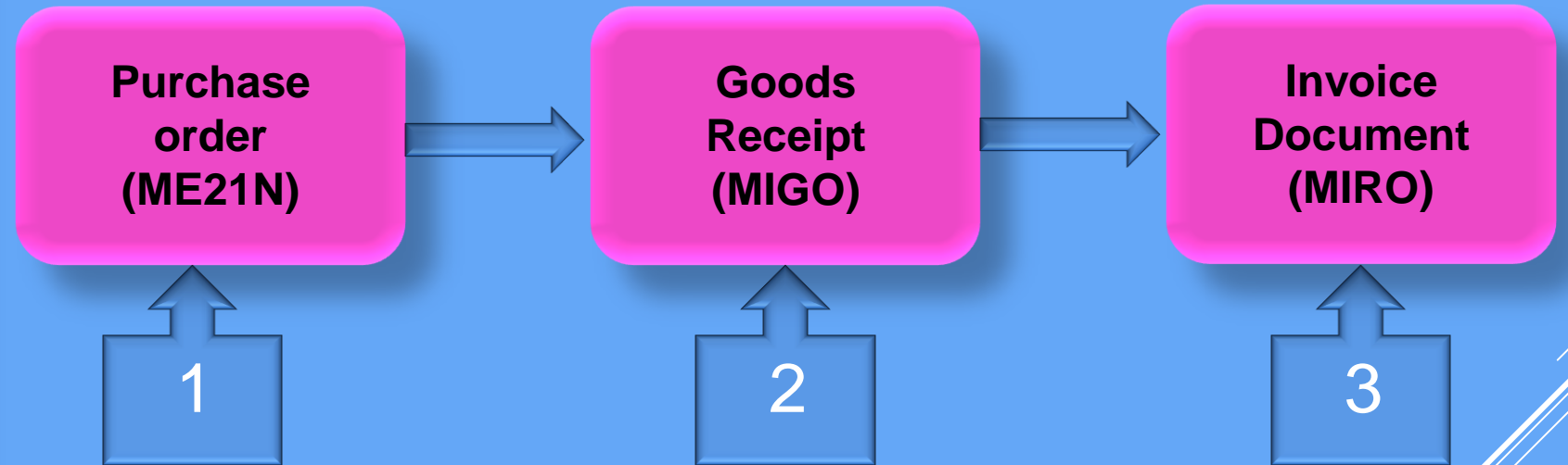
A purchasing org is responsible for multiple company codes



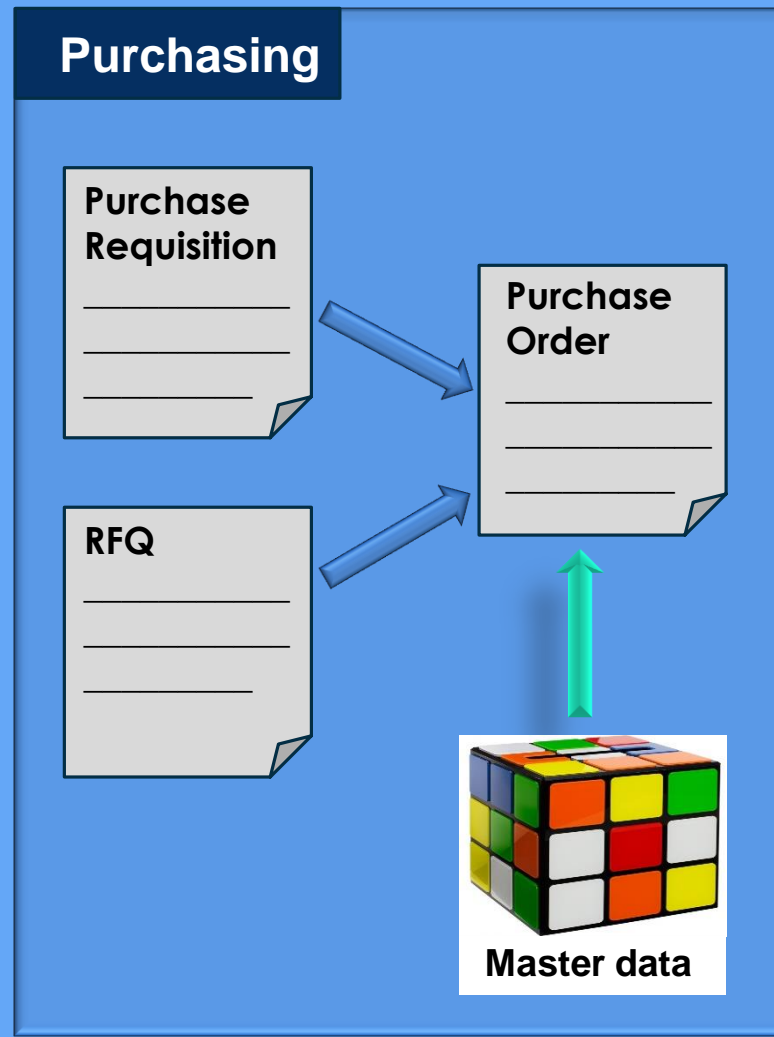
SAP Navigation

- ☐ **SAP GUI icon**
 - ☐ **How to login to SAP**
 - ☐ **How to reset your password**
 - ☐ **Standard SAP screen for all modules**
 - ☐ **Command bar**
 - ☐ **Menu path for transactions**
 - ☐ **Favorite transactions**
 - ☐ **F1 Help**
 - ☐ **F4 Search**
 - ☐ **Multiple SAP sessions**
- 

SAP Purchase order Cycle



Purchase order



Vendor



Plant



Purchase order Format

<u>Purchase Order</u>	
10	
20	
30	

Header Data

- Document number
- Payment conditions
- Purchase order date
- Vendor
- currency

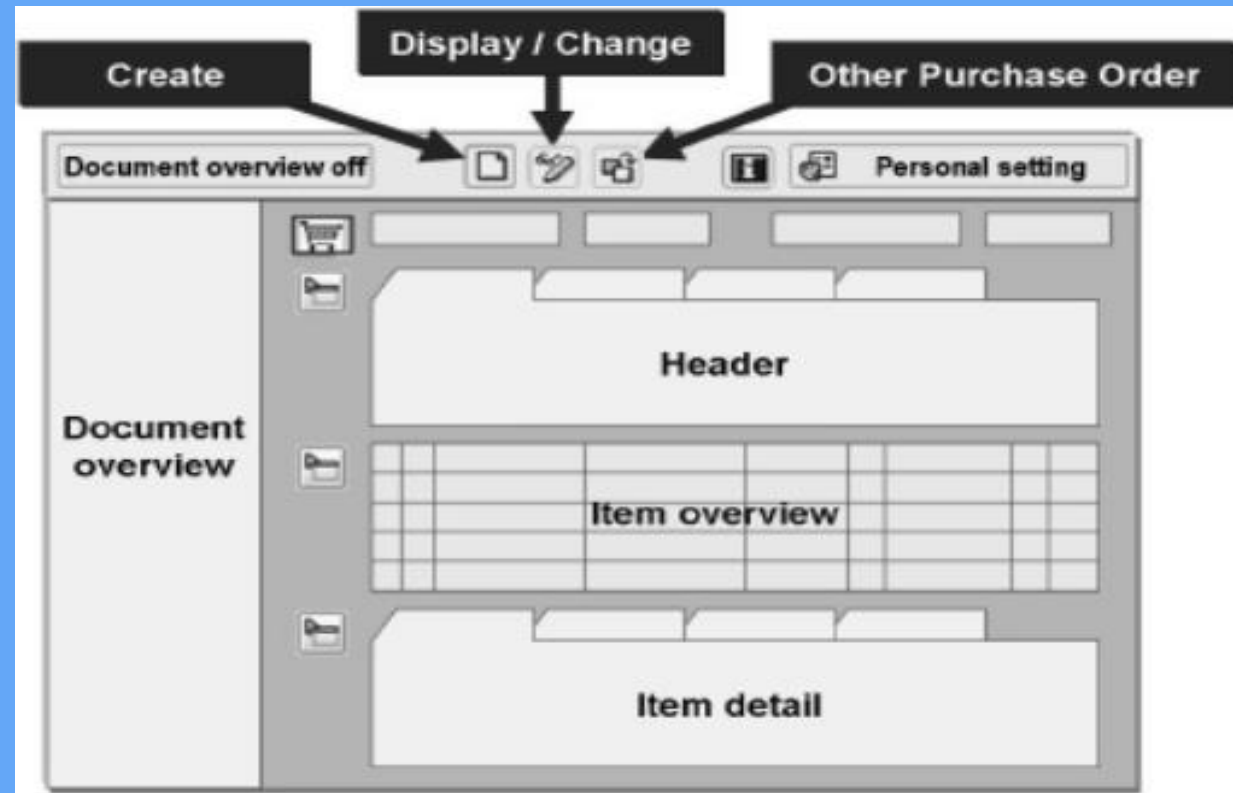
Item 10

Item 20

Item 30

- Material number
- Short text
- Order quantity
- Delivery date
- PO price

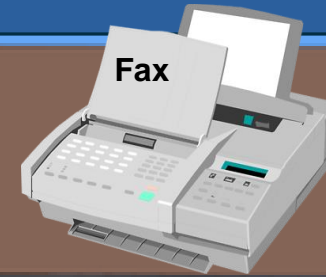
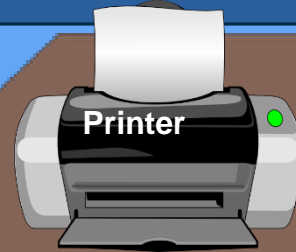
Create/ Change/ Display



Purchasing document

Output

Purchase
Order Output



PRINTOUT

DELIVERY
SCHEDULE

EXPEDITER/
REMINDER

REJECTION
LETTER

ORDER
ACKNMT
EXPEDITER

Goods Receipt

Purchase Order

10

20

30



Goods Receipt



Printout (optional)

GR Slip

1. _____

2. _____

3. _____

Goods Receipt Movement Types

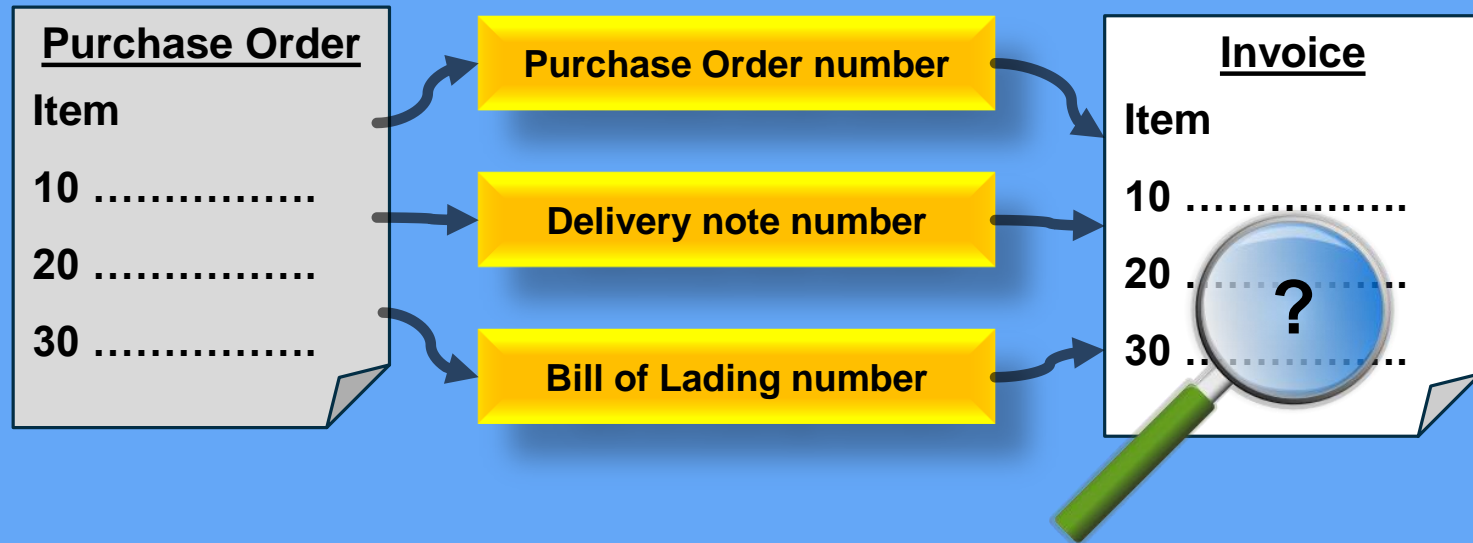


**Goods receipt to warehouse
(101)**

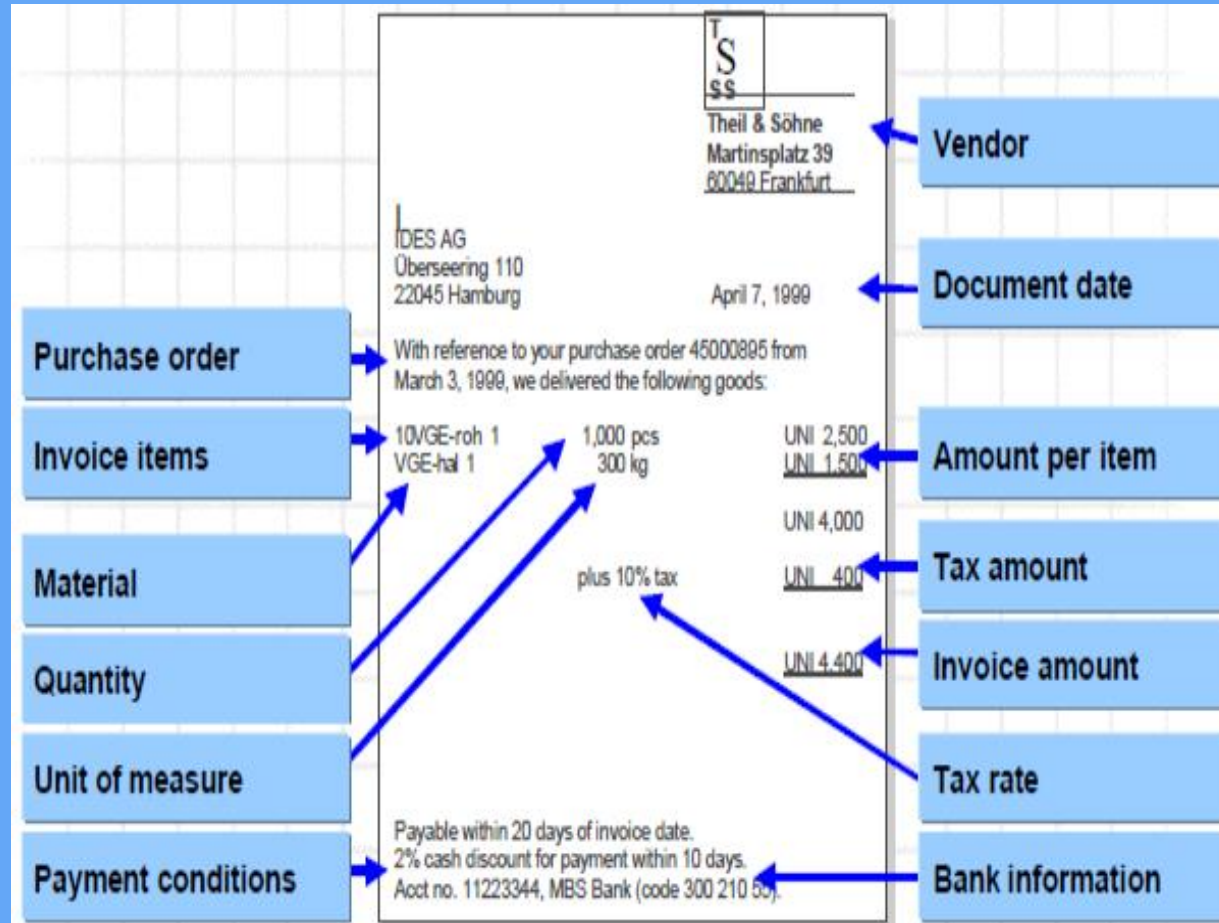
**Return delivery to vendor
(122)**



Goods Receipt



Information in an Invoice



❑ **NB:** Read chapter 3.1 of your text book to prepare for the next lesson.

*Thank you
for watching*

