

*Welcome to SAP MM training  
Session 1*

# Overview of Procurement Processes

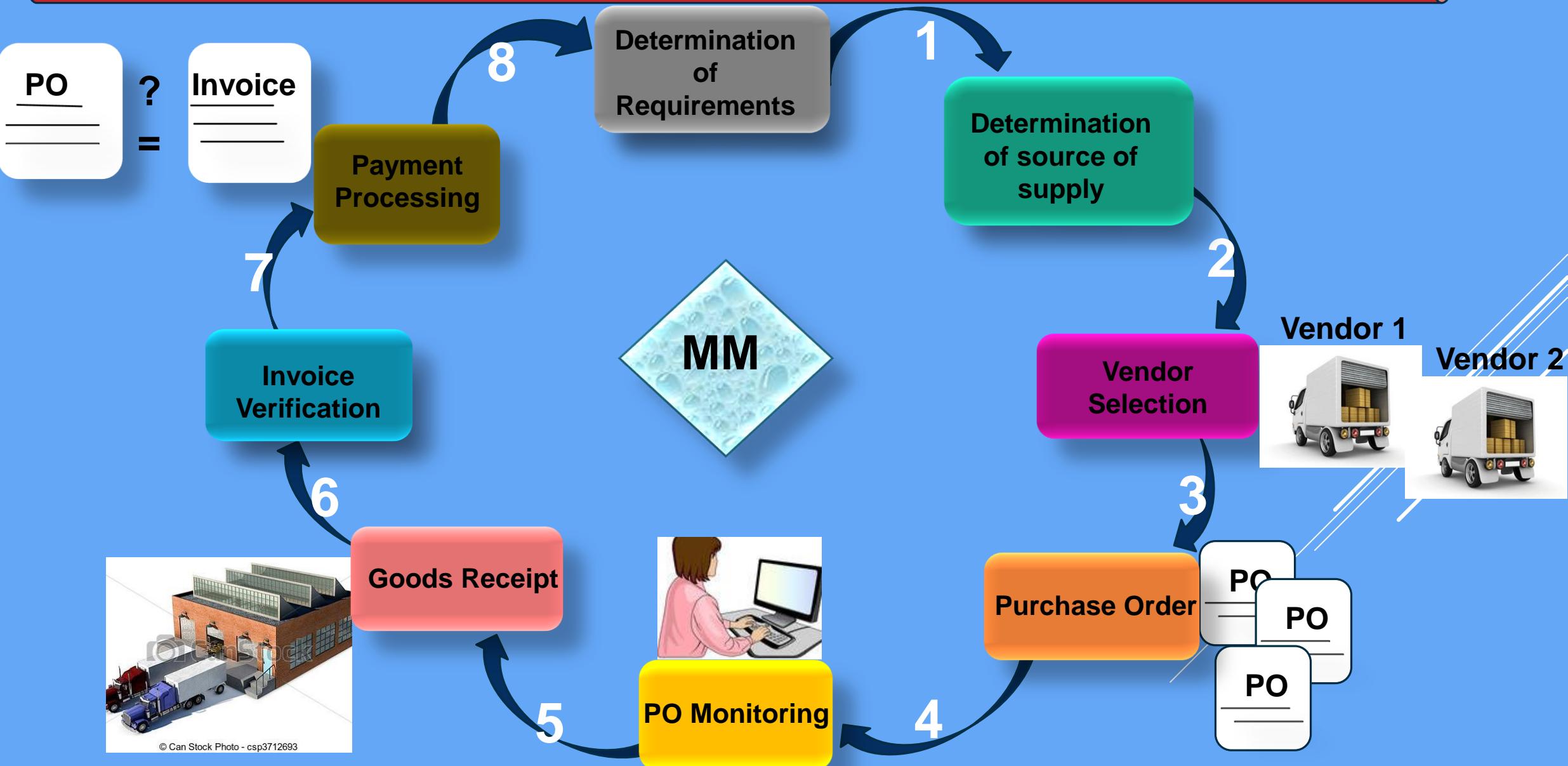
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# Overview of Procurement Processes

- Procurement Cycle
- Stock Transfer Order
- Sub-Contracting
- Vendor Consignment
- Organizational Levels
- SAP Navigation
- Goods Receipt
- Invoice Verification

# PROCUREMENT CYCLE



# STOCK TRANSPORT ORDER (STO)

# STOCK TRANSPORT ORDER (STO)



Issuing Plant



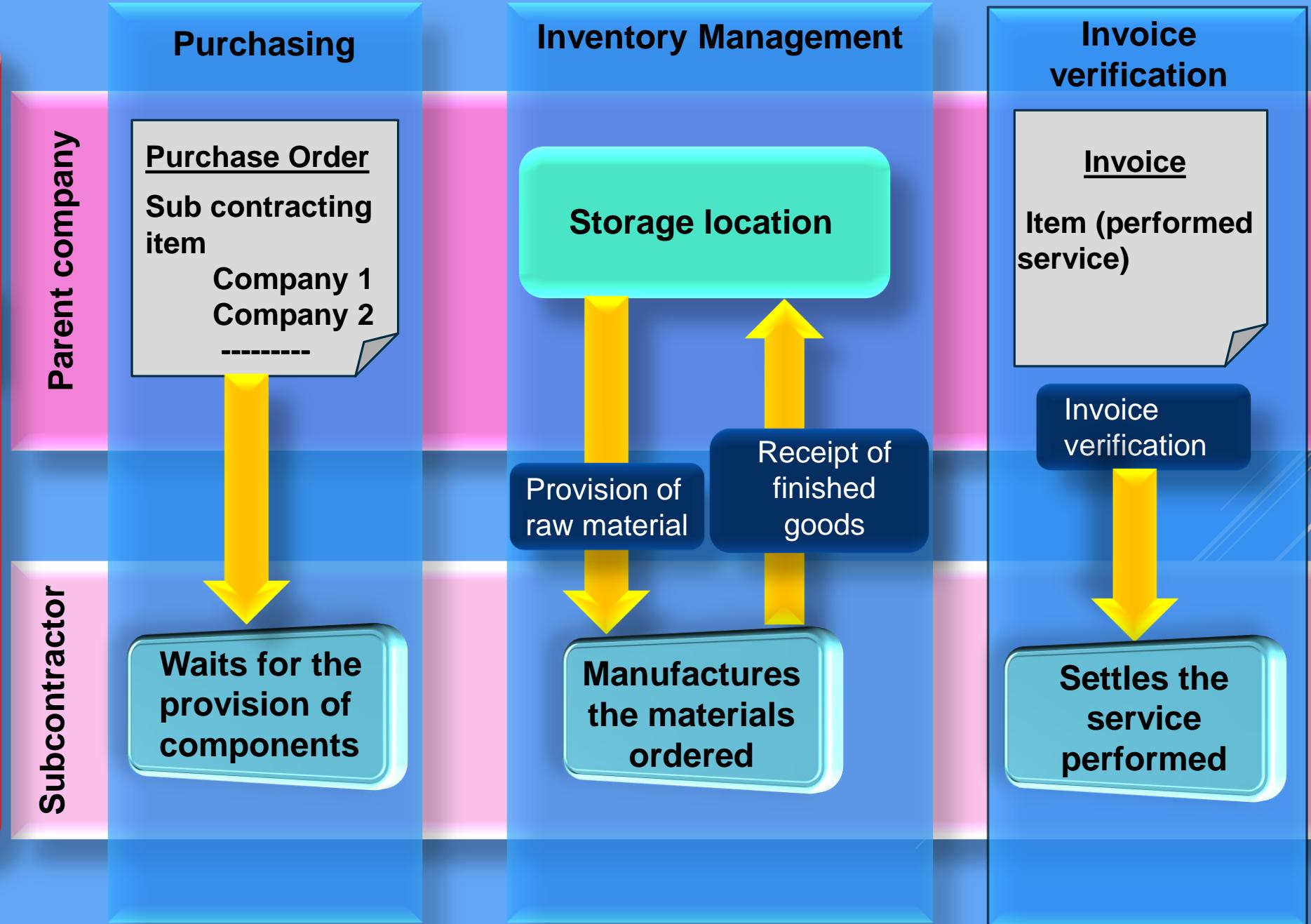
Goods Issued



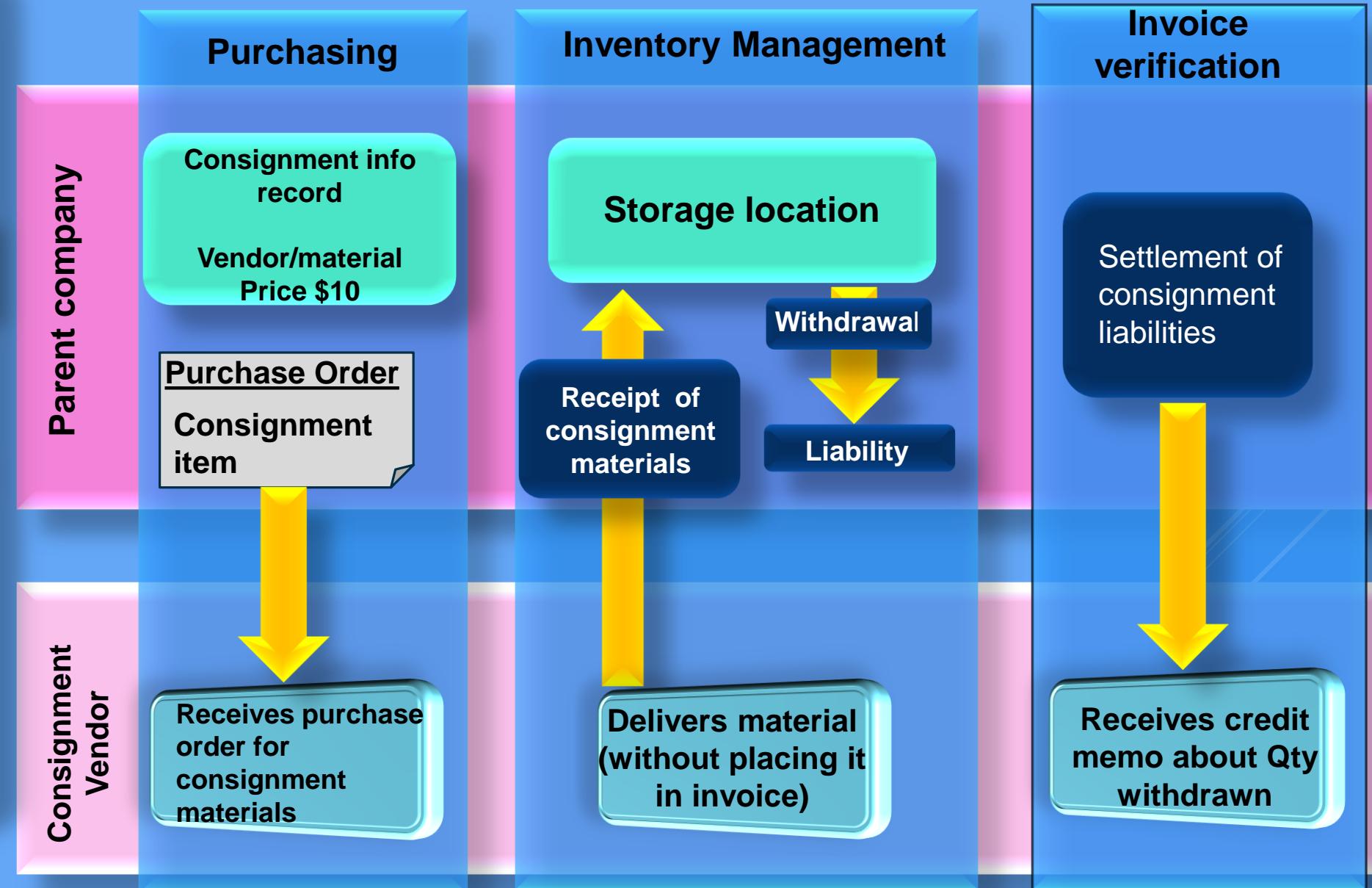
Receiving Plant



# Sub Contracting

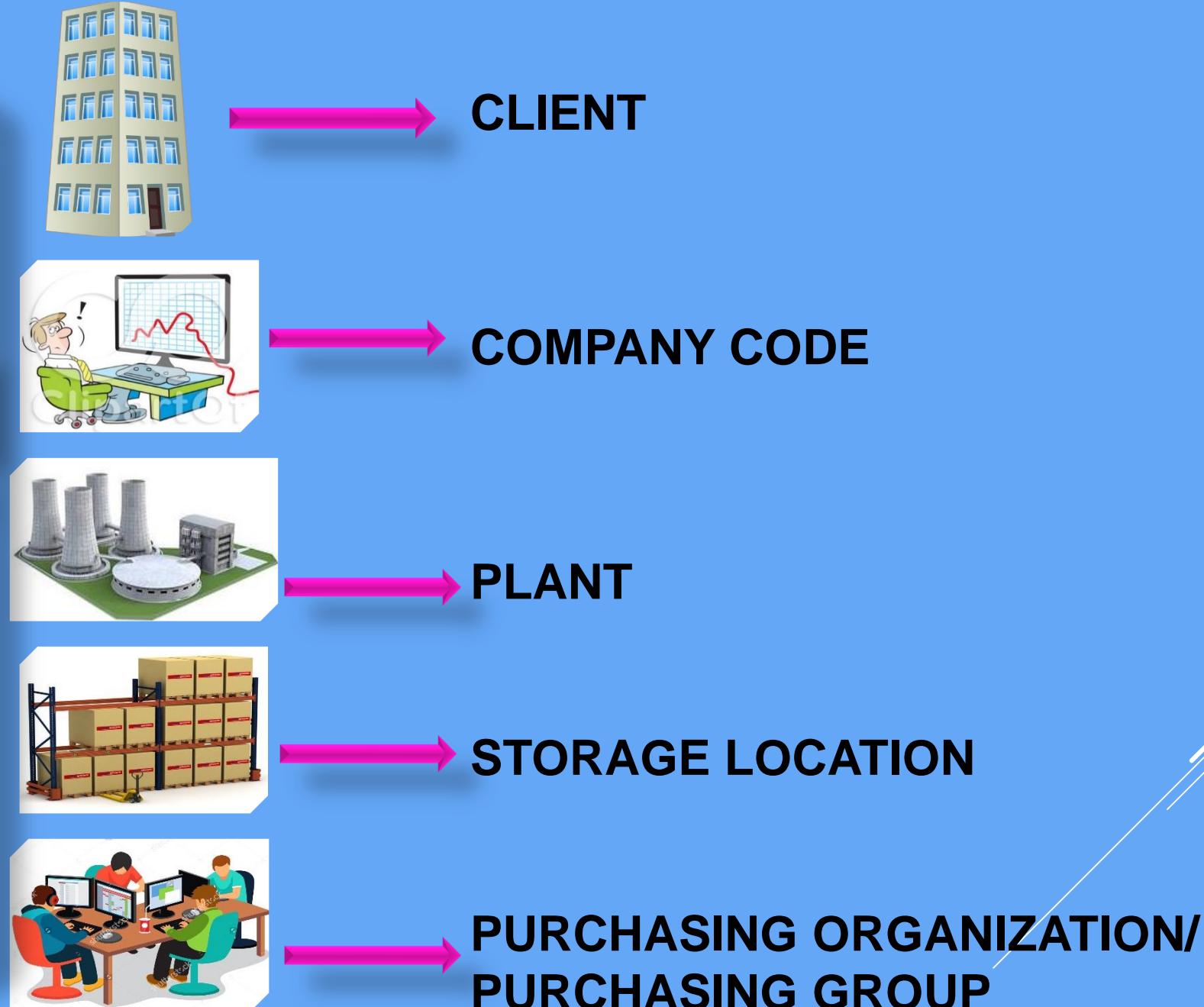


# Vendor Consignment



# Org. Levels in Procurement Process

# Org. Levels in procurement process



## 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



Purchasing  
org. 2



Plant 1



Plant 2



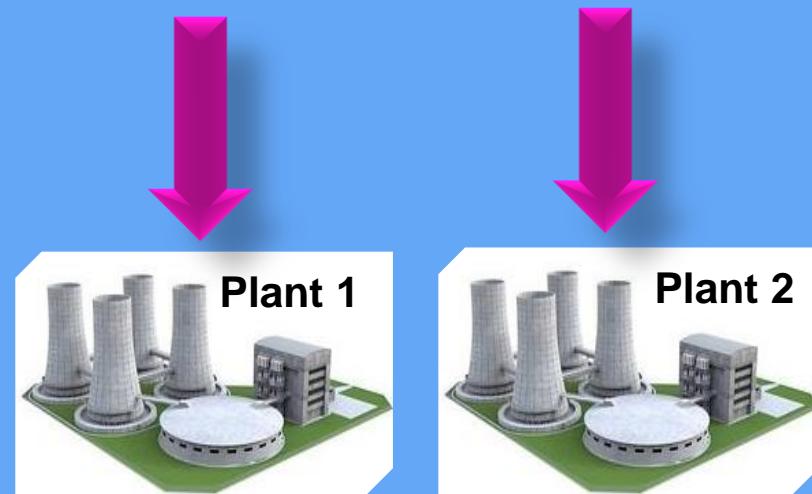
Company code

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

# Cross-plant Purchasing Org.



Purchasing Org.

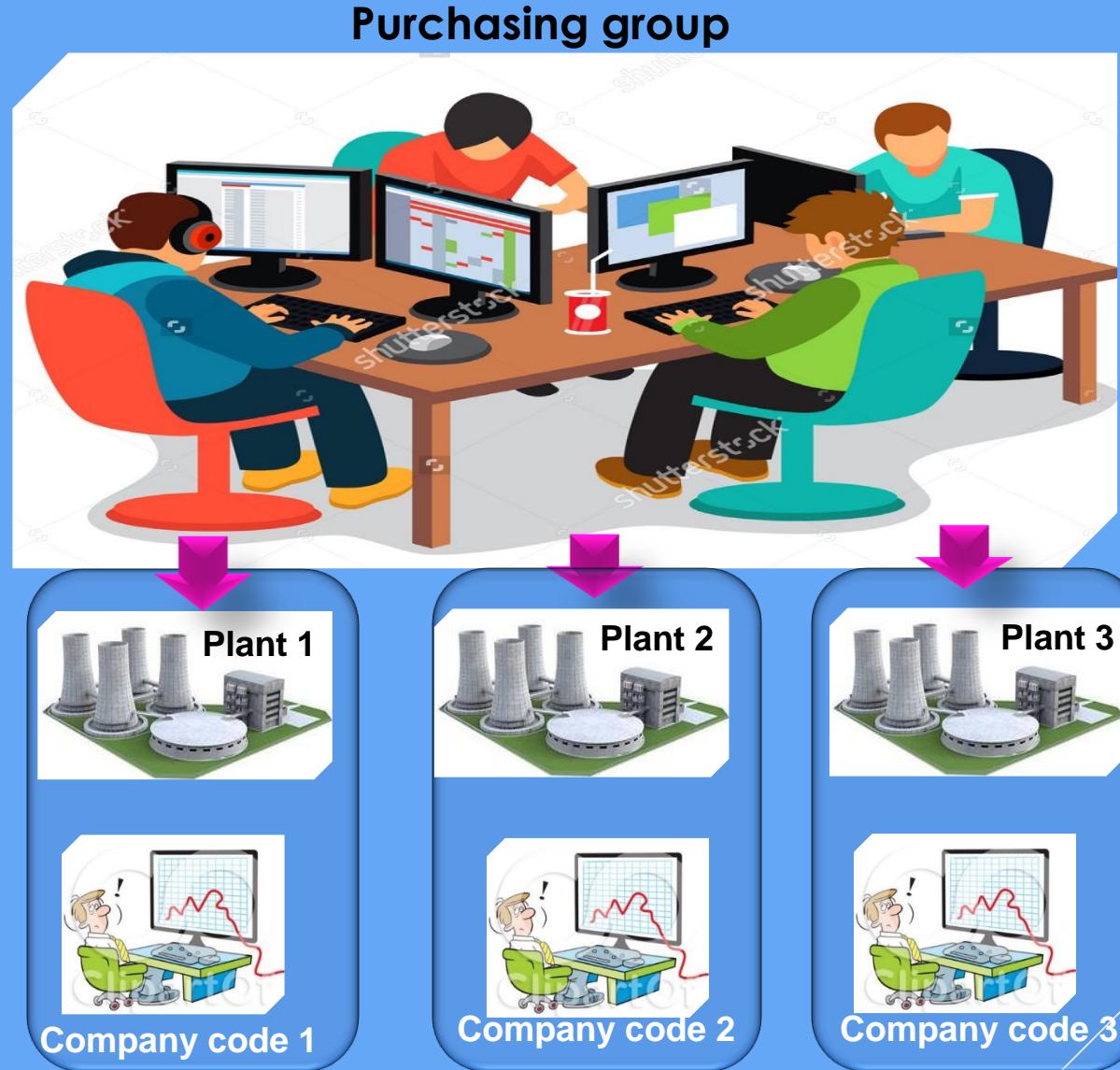


A purchasing org is responsible for procuring materials for several plants



Company code

# Cross- Company Code Purchasing Org.

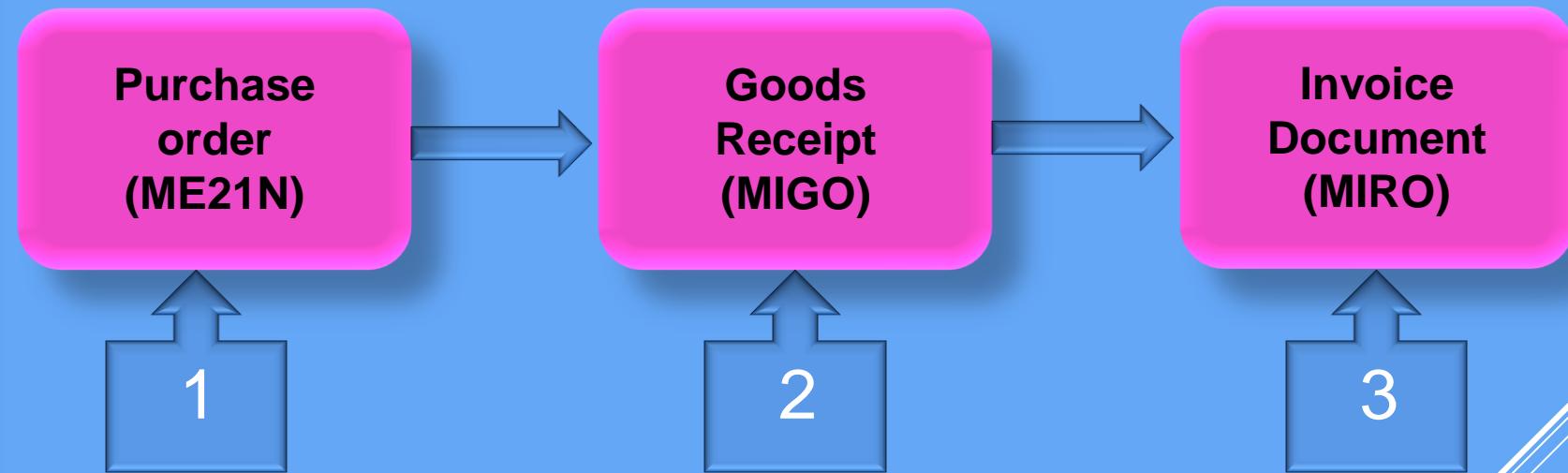


A purchasing org is responsible for multiple company codes

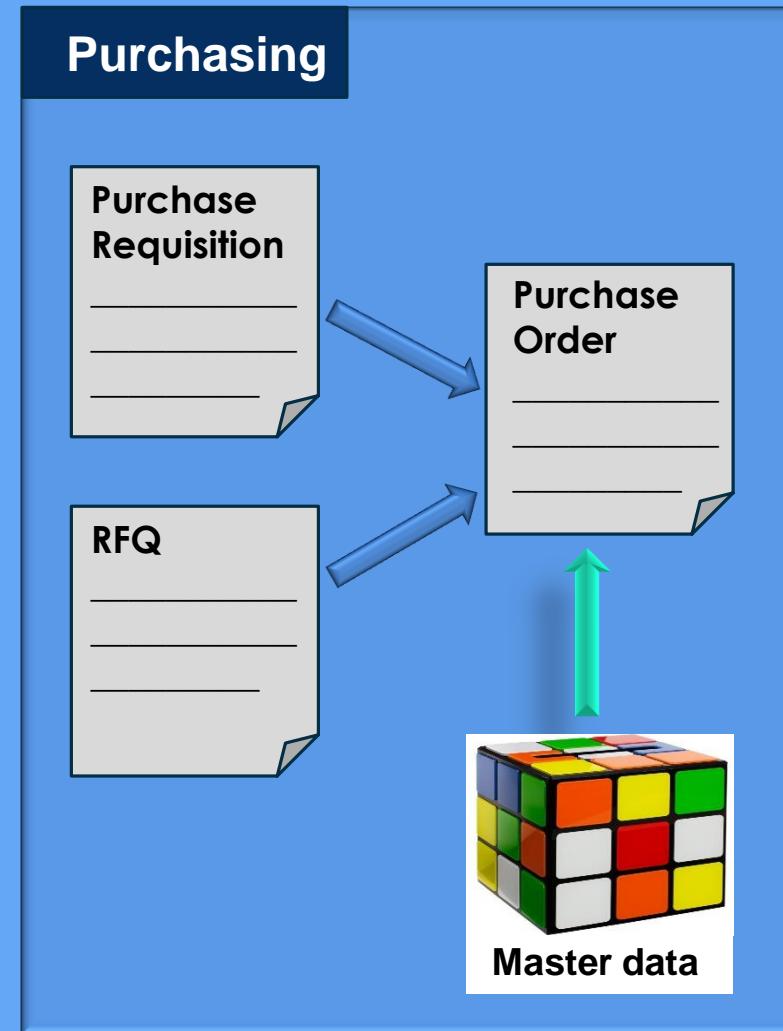
# SAP Navigation

- ❑ 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

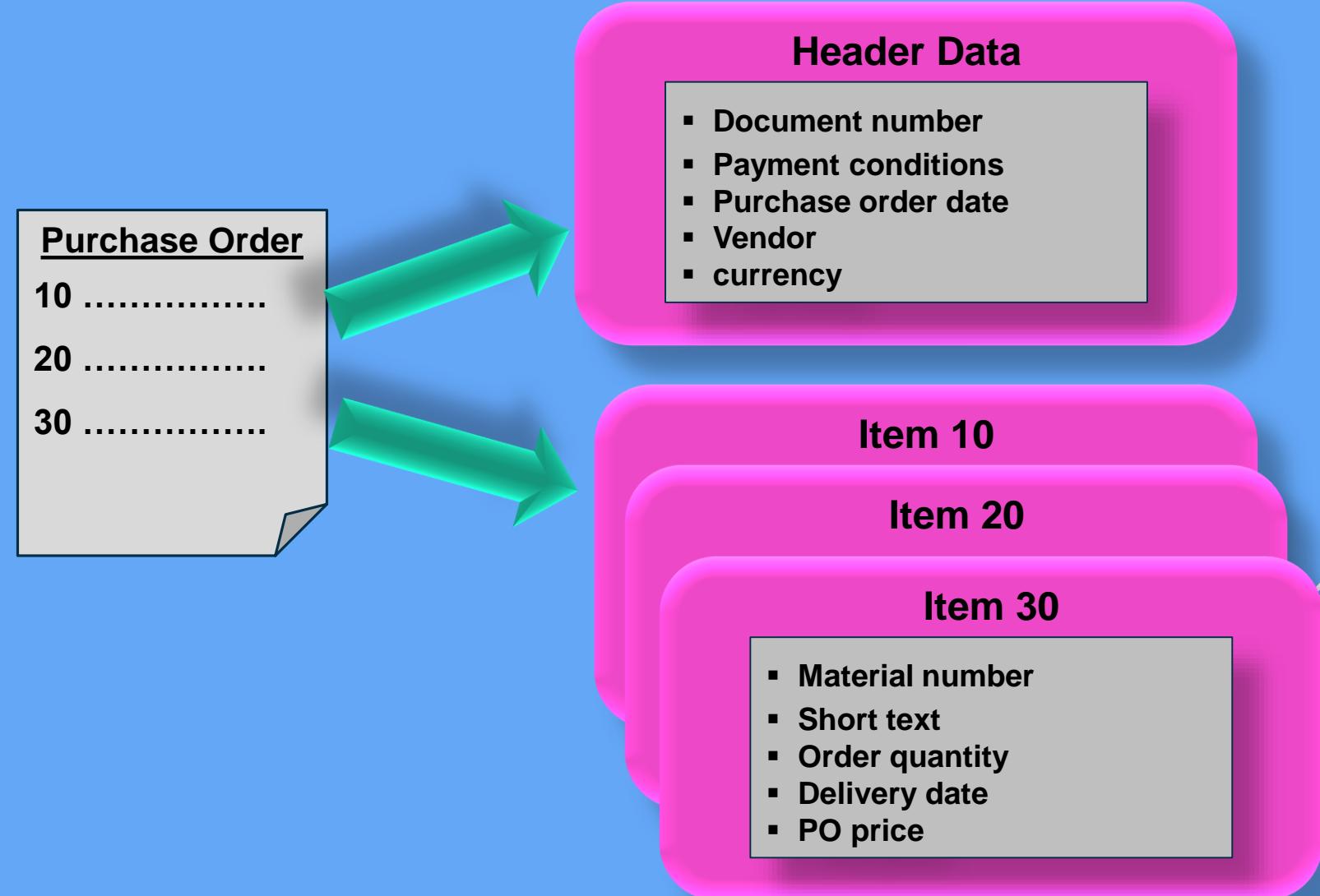
# SAP Purchase order Cycle



# Purchase order

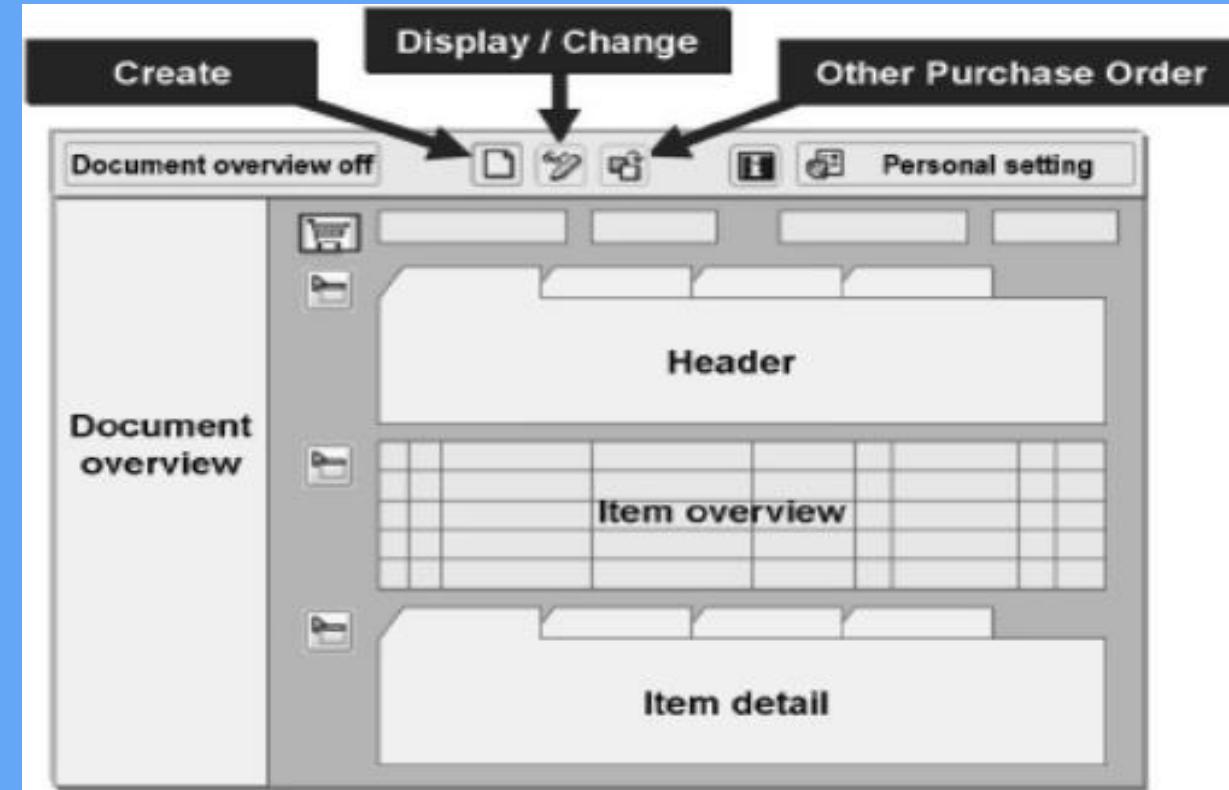


# Purchase order Format

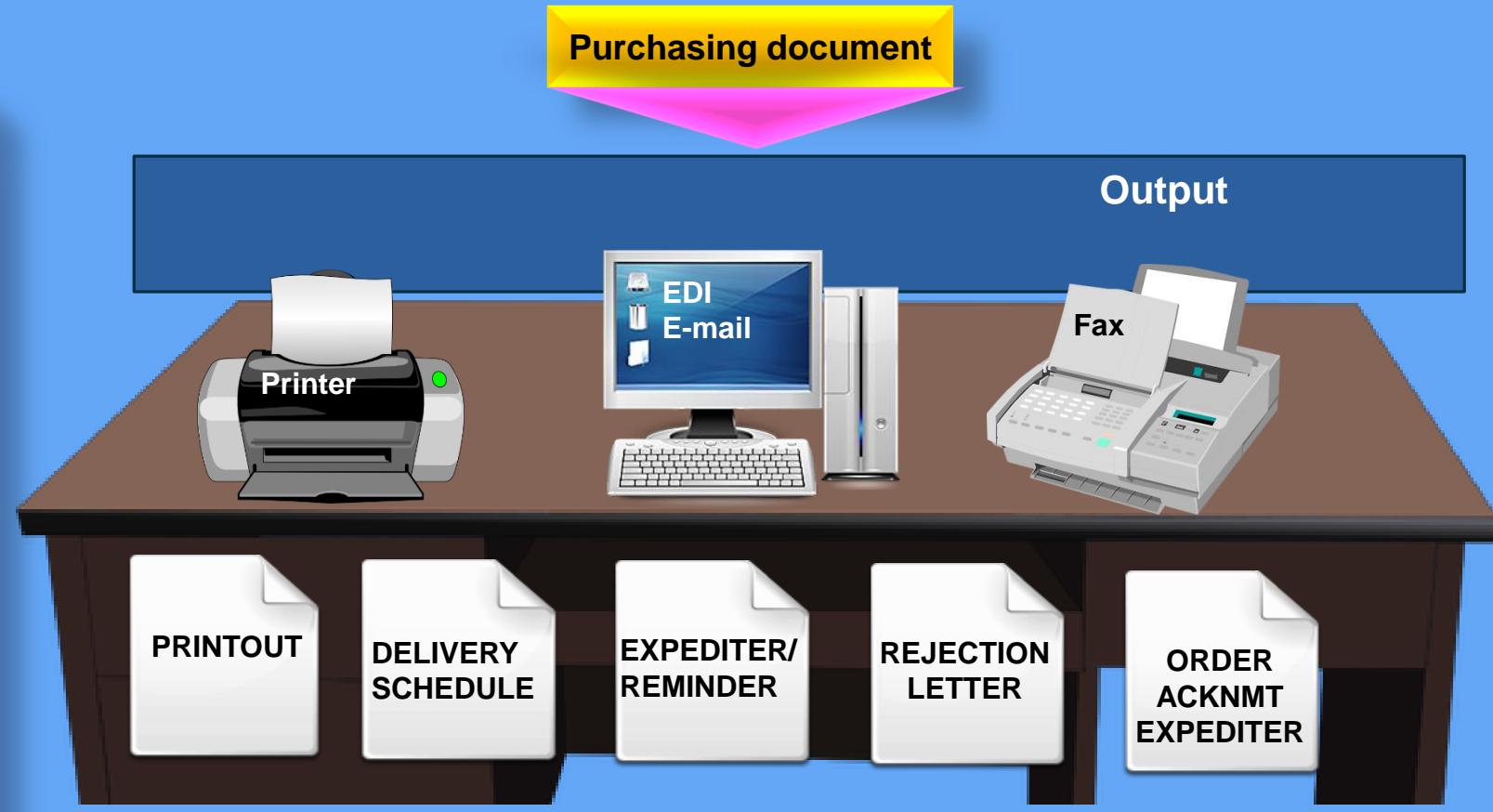


# Purchase order

Create/ Change/ Display



# Purchase Order Output



# Goods Receipt

| <b>Purchase Order</b> |  |
|-----------------------|--|
| 10 .....              |  |
| 20 .....              |  |
| 30 .....              |  |



**Goods Receipt**



**Printout (optional)**

| <b>GR Slip</b> |       |
|----------------|-------|
| 1.             | _____ |
| 2.             | _____ |
| 3.             | _____ |

# Goods Receipt Movement Types

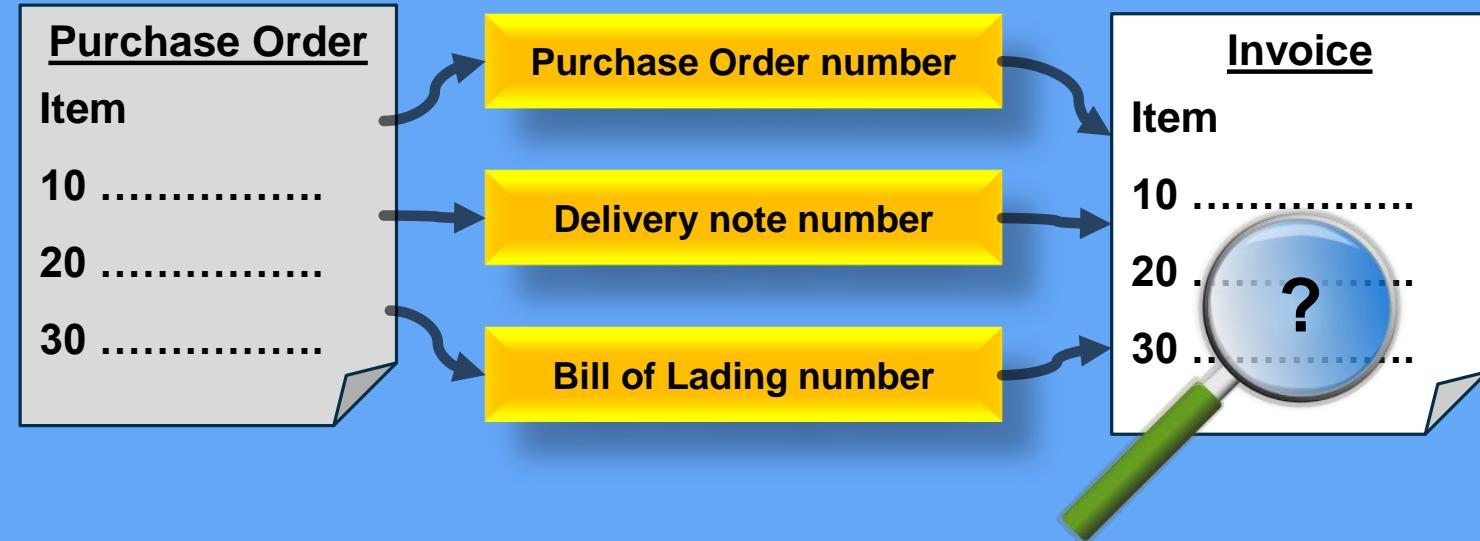


**Goods receipt to warehouse  
(101)**

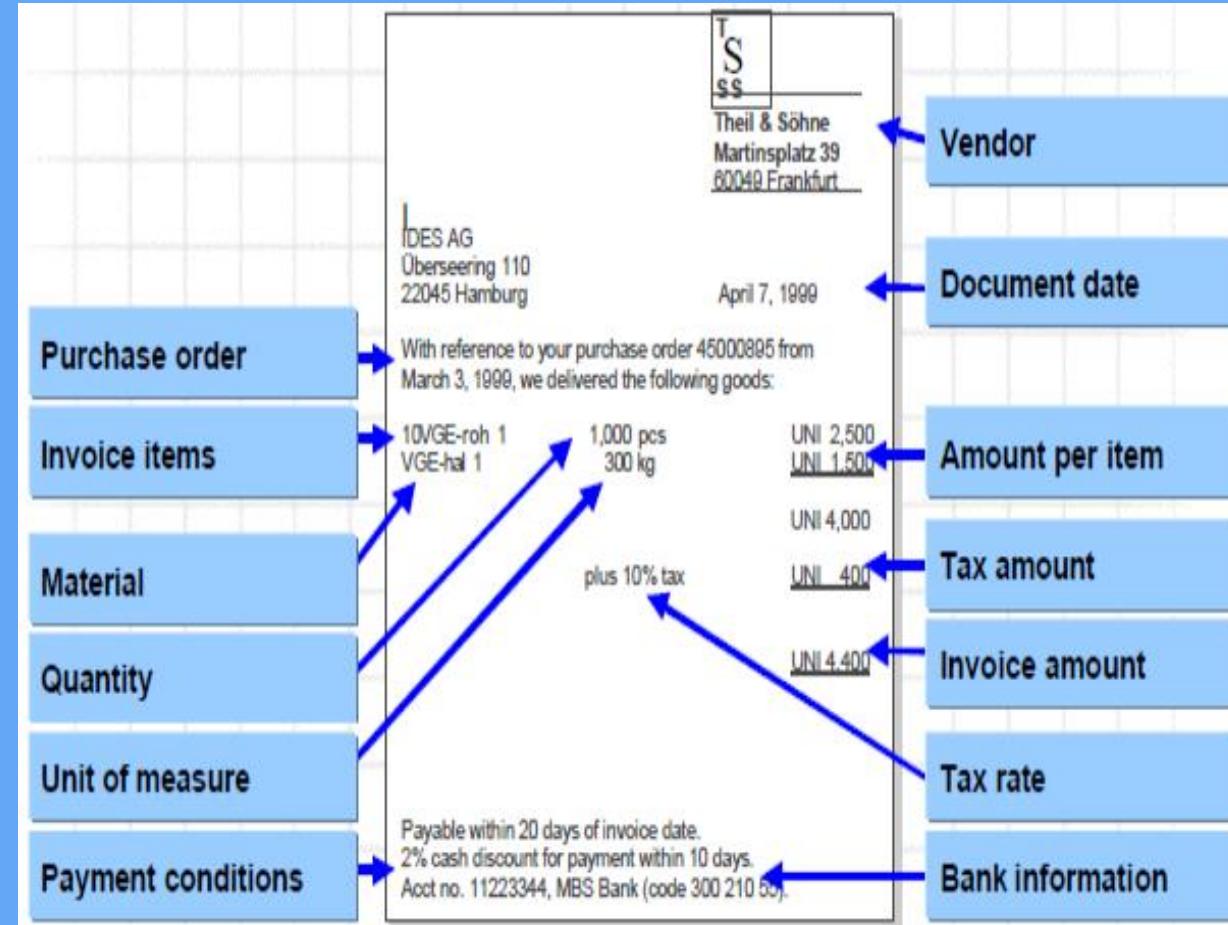


**Return delivery to vendor  
(122)**

# 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*