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# First Steps in the SAP® Purchasing Processes (MM)

Second Edition

- ▶ Step-by-step instructions for creating a vendor master record and a purchase requisition
- ▶ Learn how to convert a purchase requisition to a purchase order
- ▶ The 2nd edition includes information on the approval process and credit approval procedures
- ▶ Get tips on how to create favorites

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## 2 The main process in SAP MM

**In this chapter, I guide you through the procurement process step by step so that you can follow the process in your own system.**

The high proportion of companies that use the MM module is an indicator of the special significance that goods management has within a company. It also underlines the importance of well-organized materials management as a condition for business success. Targeted planning and control of the flows of materials, as well as regular determination of requirements and requirement fulfillment, are important success factors, particularly in markets that demand high flexibility with low levels of storage. Customers require 100% ability to deliver and adhere to delivery schedules.

Using an SAP system to process purchase orders means that you can no longer post invoices without a reference to a purchase order. In large companies in particular, this is an important factor in ensuring that invoices are correct. It is also important for ensuring the transparency provided by a dual control principle which has to be observed and which is also required by auditing companies.

An additional requirement that the ERP system must fulfill is transparency over the stocks available, storage retention periods, and future availability of goods and services.

This tutorial is restricted to the main procurement process in the MM area—a process that is also used by companies that do not have a complex supply chain organization. Figure 2.1 shows this main process in a standardized form.

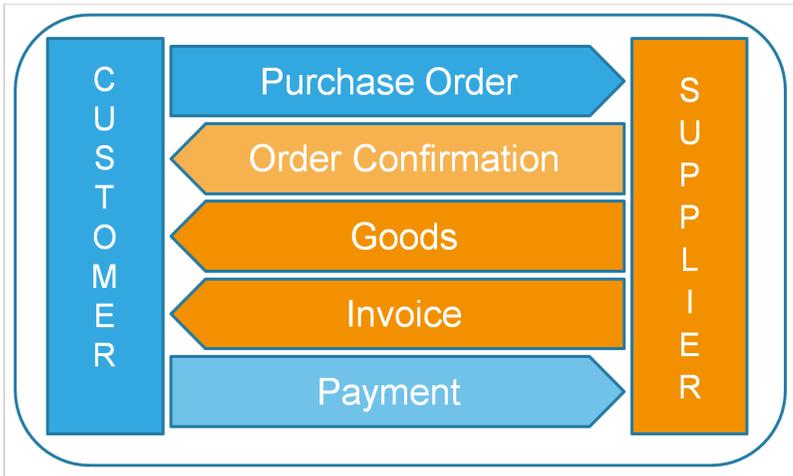


Figure 2.1: General representation of the procurement process

The main process is:

- ▶ Create a vendor master record
- ▶ Create a purchase requisition
- ▶ Convert the purchase requisition into a purchase order
- ▶ Post the goods receipt
- ▶ Post the vendor invoice

### Creating favorites



You can search for transactions via the menu tree or enter the transaction code directly. For your daily work, it is advisable to define frequently used transactions as favorites. You can manage these like in Windows Explorer by creating folders (see Section 4.4).

In general, we can say that as the quality (= completeness and accuracy) of the data increases in the SAP system, the quality of the processes also increases. At the same time, the time required to complete processes falls because there are fewer or, in an ideal situation, no queries or questions.

## 2.1 General guide for using the SAP system

Before we look at the *purchase order* business process, I will explain some of the icons you will encounter frequently in the SAP system.

By clicking the green checkmark , you can confirm your entries. If any entries are missing from or are incorrect in the form you are processing, the system then shows these entries. If all of the entries are complete and correct, no further message appears and you can save the document.

By clicking the  icon, you can save the final purchase orders, for example. Once you have clicked this icon when creating a purchase order, the system creates the purchase order and a message containing the *purchase order number* appears at the bottom of the screen.

Before you save your entries by clicking , you can check them. Click  to display all messages relating to an item. The (warning) bell icon  indicates whether there are any messages for the item in question. The  icon may be displayed as an alternative to the warning bell.

Using the expand  and collapse  icons, you can display detailed information or, to make a screen clearer and easier to read, hide detailed information.

Within a transaction, you can use the  icon to switch from display to change mode or vice versa.

To create a new document, click .

You can use the garbage can icon  to remove items from purchase requisitions. To do this, select the relevant item and then click the icon.

The traffic light color indicates the current processing status of the document—a purchase order, for example:

-  A red traffic light indicates that some required data is still missing from the document. Double-click the traffic light icon to show which entry or entries is/are missing. In a purchase order, this could be the delivery date, delivery quantity, or an account assignment. You

cannot save and thus create the purchase order if this data is missing.

- A yellow traffic light indicates a warning. It appears, for example, if the delivery date you have entered is not the same as the calculated delivery date, or the price you have entered does not match the price defined in the system. You can still save the purchase order in this status.
- A green traffic light indicates that all required information is present and there are no deviations from the basic data defined in the system, from the info record, or from the material master. You can save the purchase order.

By clicking  you can start an evaluation, such as the list display of the purchase orders.

In an SAP system, you can open up to eight sessions in parallel. A *session* is a processing window. If you want to execute multiple tasks in different SAP functions, open multiple sessions. This allows you, for example, to create a purchase order in one session and call up the list displays for the purchasing info records in another session. This makes your work easier because you only have to switch between windows and you do not have to end any processing steps first.

To create database entries in an SAP system, you use a transaction. In general SAP terminology usage, a *transaction* can also be used to refer to an evaluation. The *transaction code* is the character string that you use to call up a function in an SAP system. Within a transaction click the  icon to open a new session.

### Working in multiple sessions



If you are processing a purchase order or a material number with multiple sessions in parallel, you must have completed one session by saving; otherwise, the material or the purchase order is blocked for processing. This is due to the database logic used in SAP systems.

## 2.2 Creating a vendor master record

In the SAP system, you need a vendor master record in order to assign business transactions to an account. The vendor master record can be temporary; this is useful if you expect only one business transaction for the vendor, for example. In this case, you create a one-time vendor. This enables you to reduce the number of vendor master records in the system. If you expect multiple business transactions for a vendor, you can set up a permanent vendor master record.

The vendor master record consists of the following parts:

- ▶ A purchasing part (created with transaction MK01): contains all of the data required to set up a purchase order
- ▶ An accounting part (created with transaction FK01): contains all of the data required to process the payment

The purchasing view is generally created by the procurement department in order to place the purchase order with a new vendor. The accounting view is usually created by the accounting department as soon as the vendor invoice with the required data is available. One of the reasons for this is segregation of duties (SoD); it is also required to satisfy audit requirements.

### Using templates



You can create vendors for similar or identical product groups by using an existing vendor as a template. In addition to making the task easier, this also ensures that agreed standards are maintained for each product group.

### 2.2.1 Creating the purchasing view

In the purchasing view, you assign an SAP account to the vendor. Business transactions are then posted to this account. The data from the vendor master is also transferred to the purchase requisition or purchase order as default values (e.g., payment targets, Incoterms).

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