SAP S/4HANA Configuration

Phase II - Procurement

Teaching material - Information

Teaching material - Version

- 4.2 (March 2024)
- Software used
  - SAP S/4HANA 2020
  - GUI 7.70
- Model
  - Global Bike
- Prerequisites
  - None

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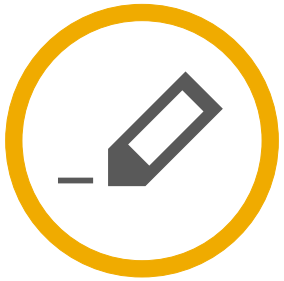
Module Information



Authors

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- Stefan Weidner

Target Audience

- Advanced

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Module Information

Learning Objectives

You are able to:

- Understand the structure of the ERP configuration curriculum, especially phase II.
- Define the central organizational structures for material management.
- Analyze scenarios.
- Do the necessary steps for materials management configuration.
- Explain common processes in materials management.

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Agenda

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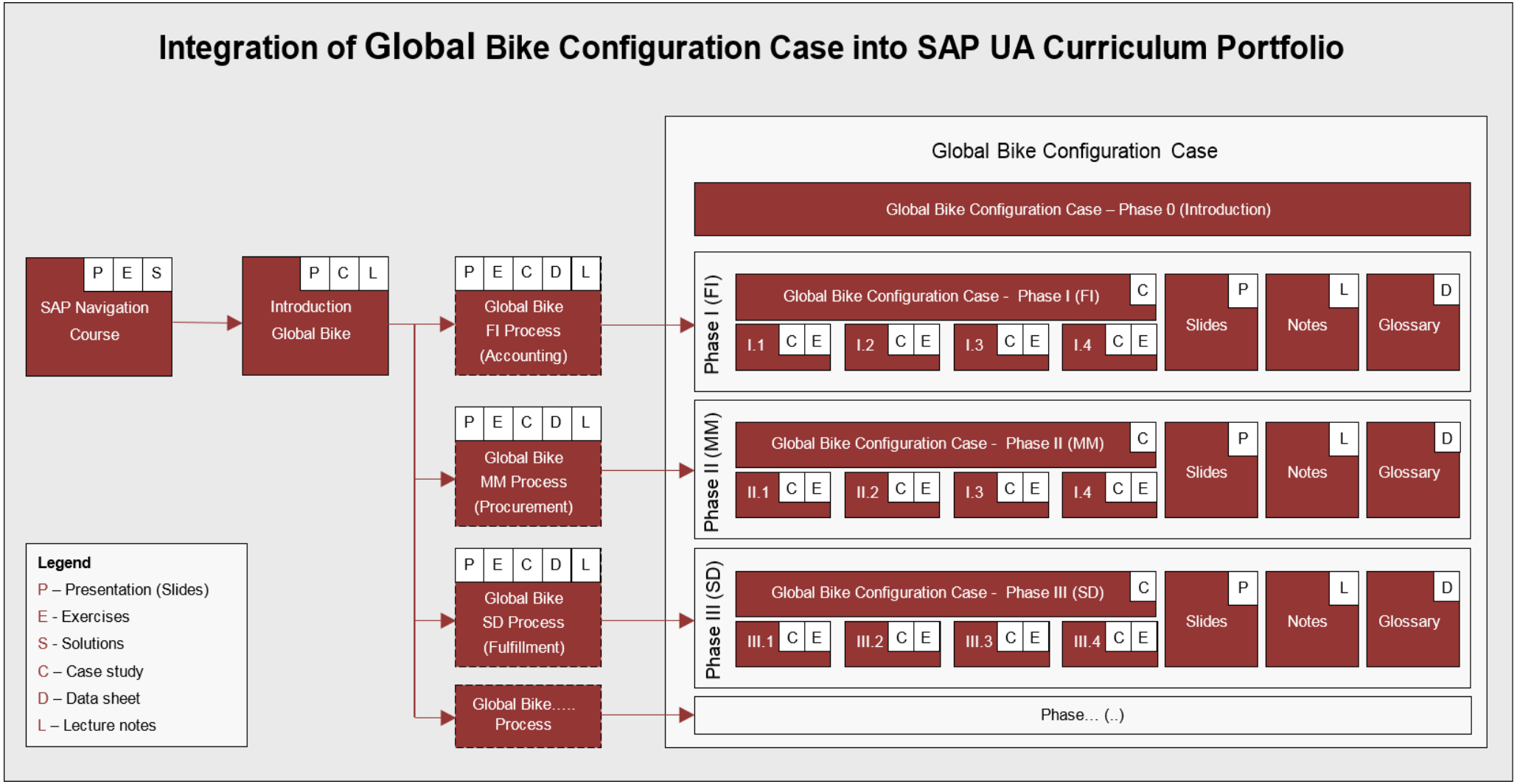
ERP Configuration Case Using Global Bike



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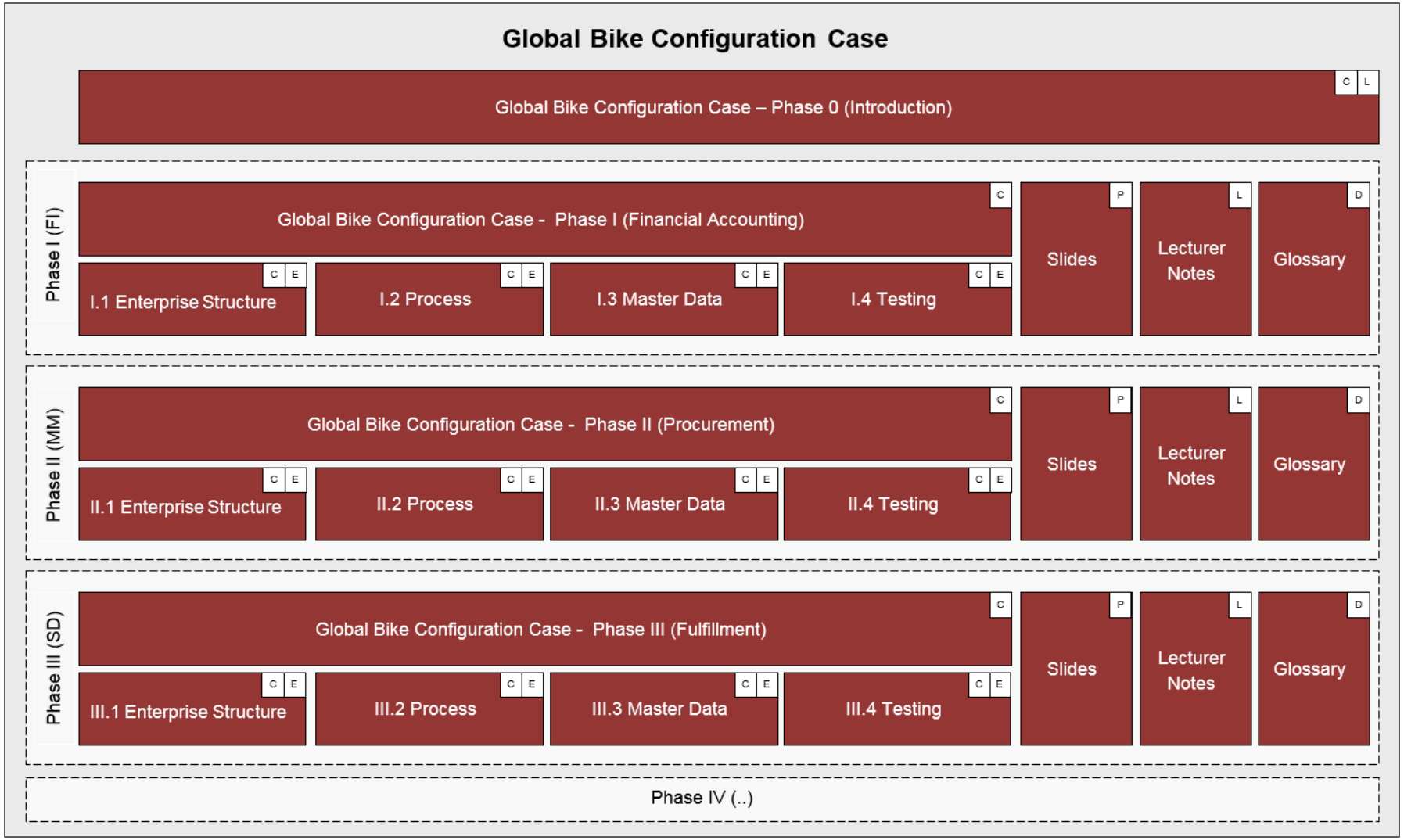
ERP Configuration Case Using Global Bike



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ERP Configuration Case – Phase II

Global Bike Configuration Case – Phase II (Procurement)

Part		Input	Deliverable
Case Study Cover Page		Motivation, Prerequisites, Notes	-
Step 1	Introduction to Global Bike Configuration Case	Case Objectives, Case Structure	-
Step 2	Scenario Analysis	Scenario, Conversations	Relevant Symptoms and Issues
Step 3	Problem Identification	Reference Symptoms and Issues	List of Problems
Step 4	Problem Analysis / Solution Finding	Reference Problems	Possible Solutions
Step 5	Implementation	Reference Solution, Handbook, Glossary	SAP ERP Implementation

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Scenario

- In 2008, Global Bike Inc. starts implementing SAP S/4HANA.
- In a preparation project (phase 0), the scope of the implementation project was defined.
- In project phase I, *Bianca Cavarini* (Chief Information Officer) and her team successfully configured basic Financial Accounting processes in the S/4HANA system.
- In phase II, before starting to configure the procurement process, they are observing the work of the following GBI employees:
  - *Silvia Cassano* (Accountant Payable Specialist GBI US)
  - *Stephanie Bernard* (Billing Clerk Accounts Receivable GBI US)
  - *Shuyuan Chen* (Chief Accountant GBI US)
- **Task** Read the scenario and highlight the most important and relevant information.

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Problem Analysis and Solution Finding

- **Task** Revisit the reference symptoms/issues and condense them into problems specific to this case.
- **Short Description** You (in the role Mona Falco) need to come to a clear understanding of the most relevant symptoms in Purchasing in order to identify the causes and underlying problems including the issue of invoice discrepancy.

- **Task** Revisit the reference problems and identify possible solutions for Global Bike.
- **Short Description** In the role of Mona Falco (System Design and Dev Manager) and Sarah Garcia (Business Analyst 2), analyze all relevant problems in Purchasing and Accounting and find possible solutions.

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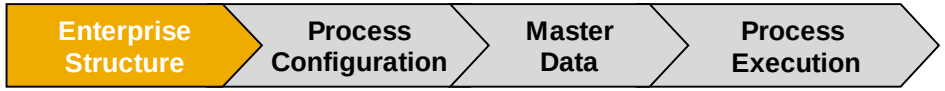
Agenda



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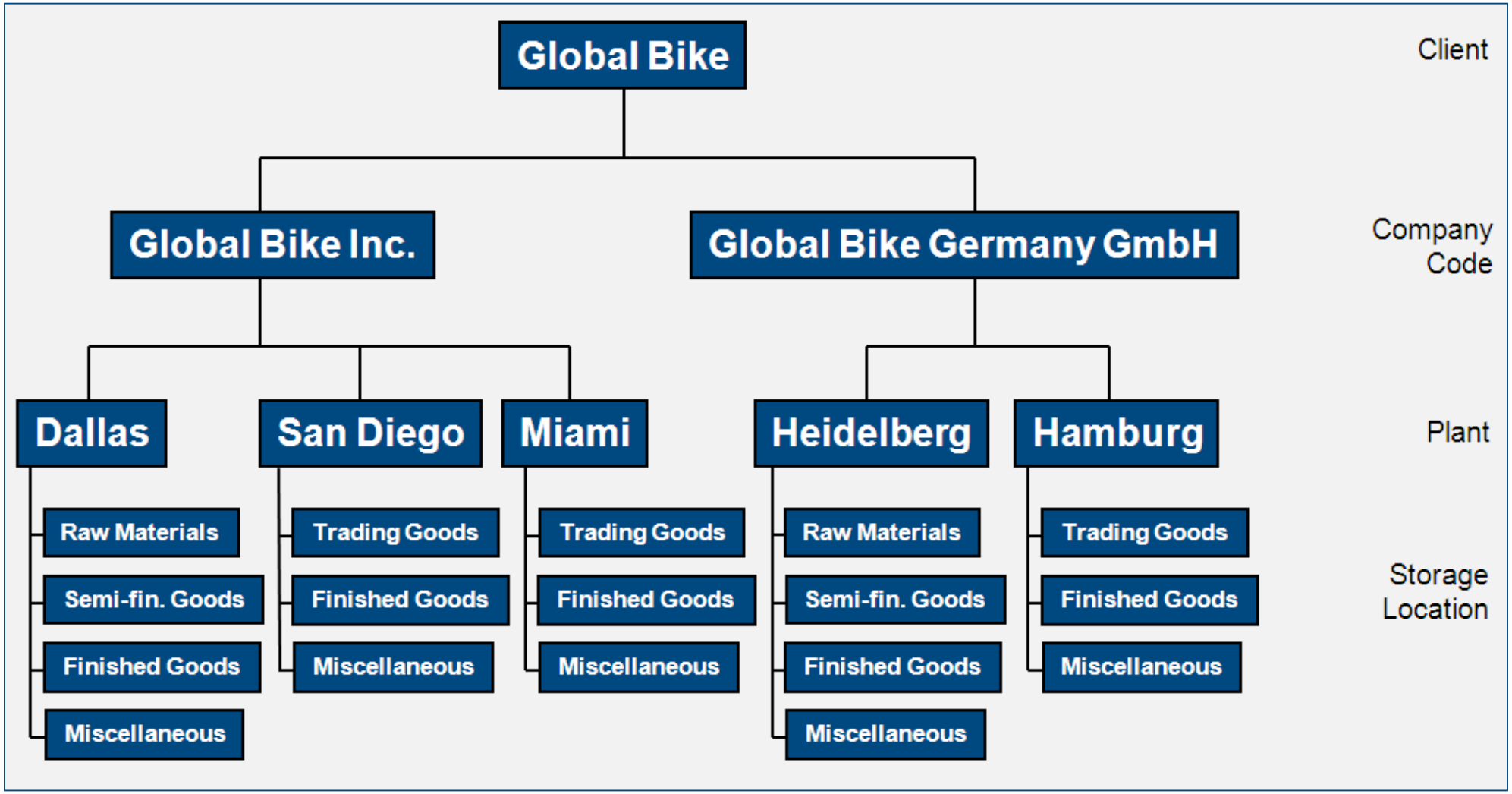
Enterprise Structure – Materials Management



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Client

- In commercial, organizational, and technical terms, a self-contained unit in an SAP system with separate master records and its own set of tables.
- Represents the largest organizational unit implemented within an SAP system e.g.
  - Global enterprises
  - Consolidated concern
  - Corporation
  - Holding
- In this context: Global Bike Group
- Identified by a three-digit number, e.g. 200

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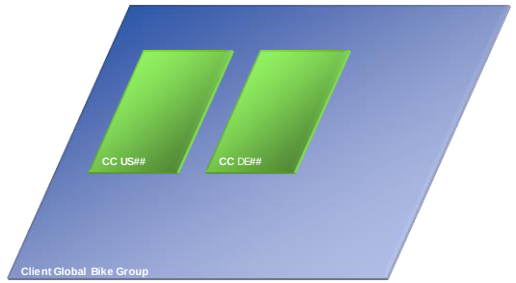
Company Code



- The smallest organizational unit of Financial Accounting for which a complete self-contained set of accounts can be drawn up for purposes of external reporting.
- This includes recording of all relevant transactions and generating all supporting documents required for financial statements.
- Key organizational level for Financial Accounting
  - Books are maintained at company code level
  - Financial statements (Balance sheet, profit and loss statement) are generated for company codes
- In this context: Global Bike Inc. (US), Global Bike Germany GmbH (DE)
- Identified by a four-digit alphanumeric ID, e.g. US00

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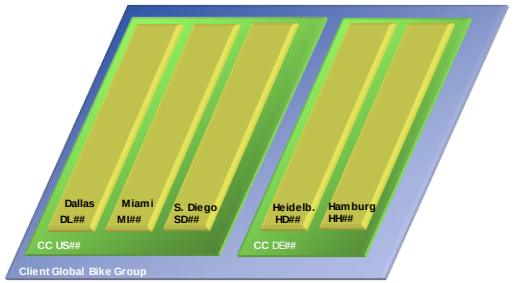
Plant



- Many definitions or uses. A location
  - That holds valuated stock (for distribution)
  - Where production planning is carried out
  - Where products and services are created
  - That contains service or maintenance facilities
- Where work is performed
  - Office, store, factory, warehouse, distribution center
- Can be assigned to one company code only
- A company can have many plants
- In this context: five plants at Global Bike
- Identified by a four-digit alphanumeric ID, e.g. DL00

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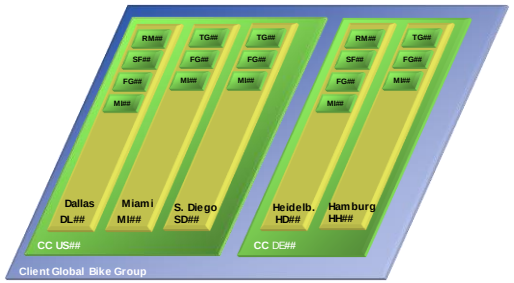
Storage Location



- A place in a plant where materials are stored
  - Areas designated for different types of material (raw material, work-in-process, finished goods)
  - Does not have to be physical, can be logical
  - More sophisticated divisions including storage bins, cabinets, trays is part of warehouse management
- A plant must have at least one storage location
- A storage location is assigned to a single plant
  - Storage locations in different plants can have the same name
    - Finished Goods FG00 in MI00, FG00 in DL00
- In this context: various storage location types at Global Bike
- Identified by a four-digit alphanumeric ID, e.g. FG00

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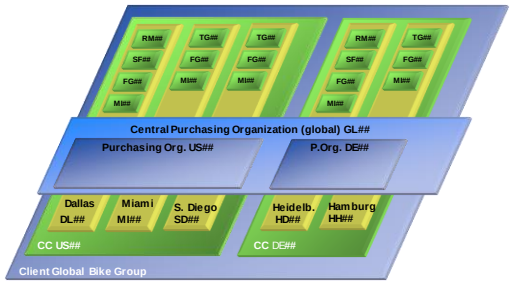
Purchasing Organization



- Identify and select vendors
- Negotiate general conditions of purchase and contracts for one or more plants or companies.
- Determine pricing conditions
- Typically three models for Purchasing Organization
  - Enterprise-Level (assigned to plant)
  - Company-Level (assigned to plant and one company code) ← used in Global Bike
  - Plant-Level (assigned to plant and its company code)
  - Hybrid
- In this context: three purchasing organizations at Global Bike
- Identified by a four-digit alphanumeric ID, e.g. US00

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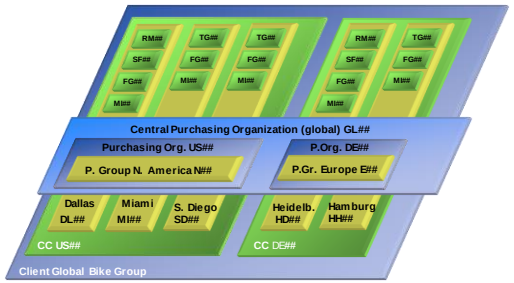
Purchasing Group

- A buyer or group of buyers responsible for certain materials or groups of materials
- Can be internal to the company or external
  - Decide to purchase land, but use a realtor (external purchasing group) to execute the purchase
- Not assigned to or related to purchasing organization
- In this context: two groups: North America and Europe
- Identified by a three-digit alphanumeric ID, e.g. N00



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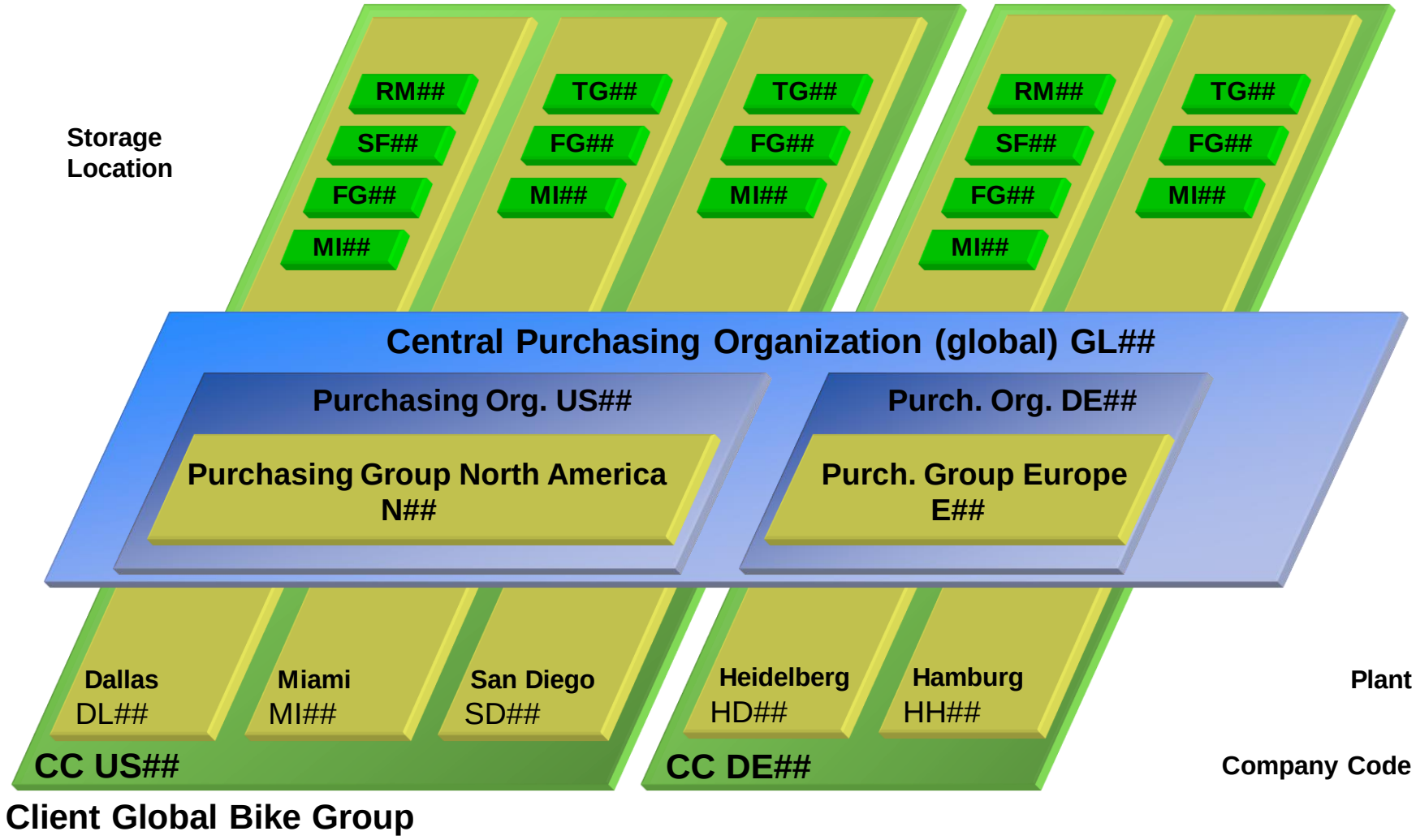
Enterprise Structure SAP S/4HANA



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[OPTIONAL] Handbook Tasks

- Maintain Purchasing organization (US: US##)
- Define Plants
  - Dallas: DL##
  - Miami: MI##
  - San Diego: SD##
- Maintain Storage Locations
  - Finished Goods: FG##
  - Miscellaneous Goods: MI##
  - Raw Materials: RM##
  - Semi-Finished Goods: SF##
  - Trading Goods: TG##
- Create Purchasing Group (North America: N##)

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[OPTIONAL] Handbook Tasks

- Maintain Purchasing Organization
- Define Plants
- Maintain Storage Location
- Create Purchasing Group
- Assign Purchasing Organization to Company Code
- Assign Plants to Company Code
- Assign Purchasing Organization to Plants
- Group Together Valuation Areas

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[OPTIONAL] Handbook Tasks

- Assign Material Ledger Types to Valuation Area
- Activate Material Ledger Types for Valuation Areas
- Set Valuation Areas as Productive
- Determine Tax Version
- Define Tax Accounts
- Configure Automatic Postings
- Maintain Default Values for Tax Codes
- Set Tolerance Limits for Purchase Orders
- Set Tolerance Limits for Goods Receipts
- Set Tolerance Limits for Invoices
- Set Tolerance Limits for Outgoing Payments
- Define Default Values for Inventory
- Define Default Values for Plants
- Define Attributes of Material Types

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Material Master Data

- Data needed to execute transactions related to materials
- Data are grouped by different user / functional areas (views)
  - Basic data
  - Purchasing
  - Accounting
  - Forecasting
  - Sales
  - Plant / Storage
  - Work Scheduling
  - MRP
  - Classification
  - Warehouse Management

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Material Master Data

- Material master data are defined for specific organizational levels
- Can have different data for different combinations of Org data
  - Purchasing: Plant, storage location
  - Sales: Sales Area (Sales Org, Distribution Channel)
  - Warehouse: Warehouse #, storage type
- Example:
  - SHRT1000 + MI00+ TG00
  - SHRT1000 + SD00+ TG00
  - SHRT1000 + US00 + Wholesale channel
  - SHRT1000 + US00 + Internet channel

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Vendor Master Data

- Data needed to do business with vendors
- Data needed to execute transactions related to vendors
- Data are specific to (defined for) different organizational levels.
- The three segments are:
  - Client level data (General)
  - Company code level data (Accounting)
  - Purchasing organization level data (Purchasing)

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Purchasing Info Records

- Relates vendors and materials
- One info record per combination of vendor and material (or material group)
  - General data
  - Conditions: pricing, discounts, free goods (current and future)
  - Vendor data
  - Texts (notes)

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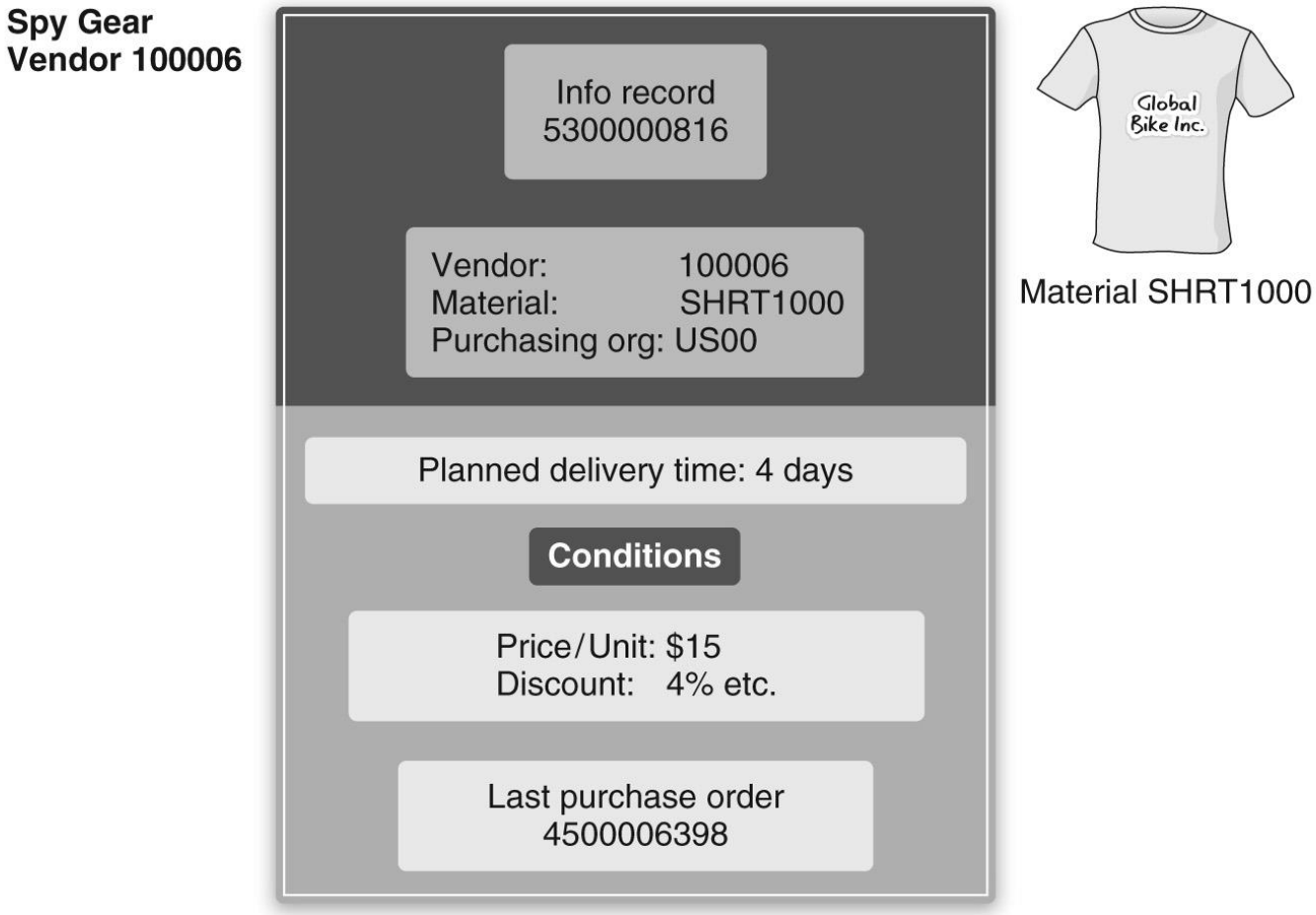
Purchasing Info Records



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Conditions

- Pricing conditions
  - Gross price
  - Discounts and surcharges
  - Freight / shipping
- Pricing data in a purchase order is obtained from
  - Condition records
  - Purchasing info records
  - Contracts and agreements
  - Other sources

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[OPTIONAL] Handbook Tasks

- Create Trading Goods
  - Material master records from Appendix D
- Create Vendor
  - Vendor – Olympic Protective Gear

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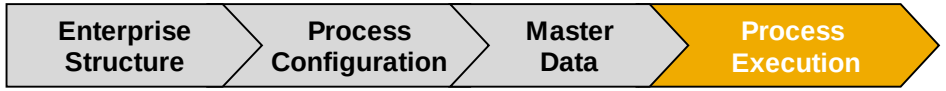
Agenda



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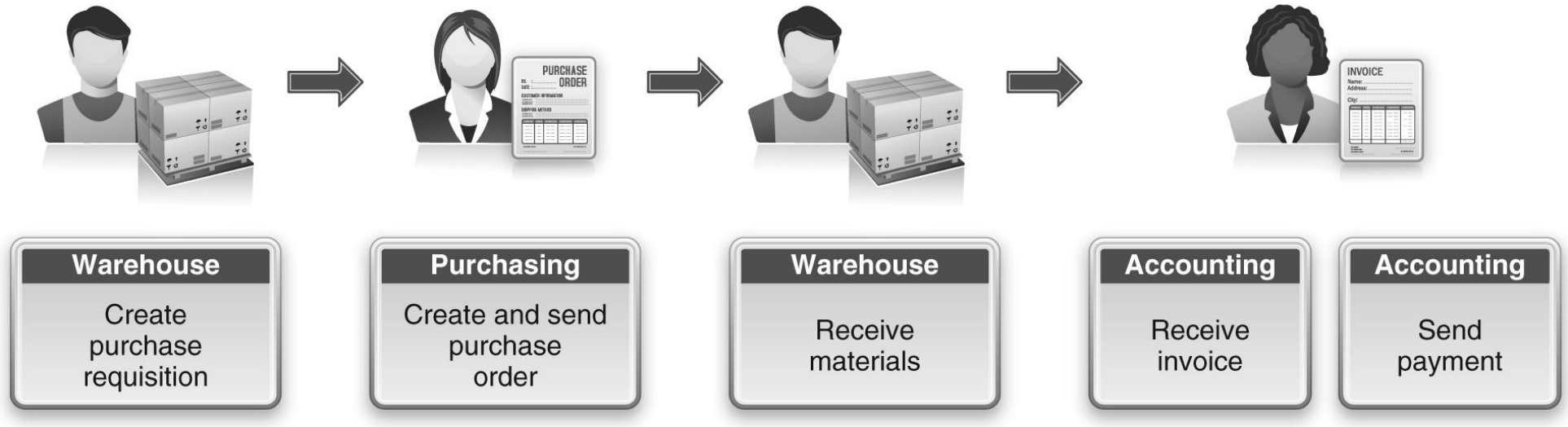
Process



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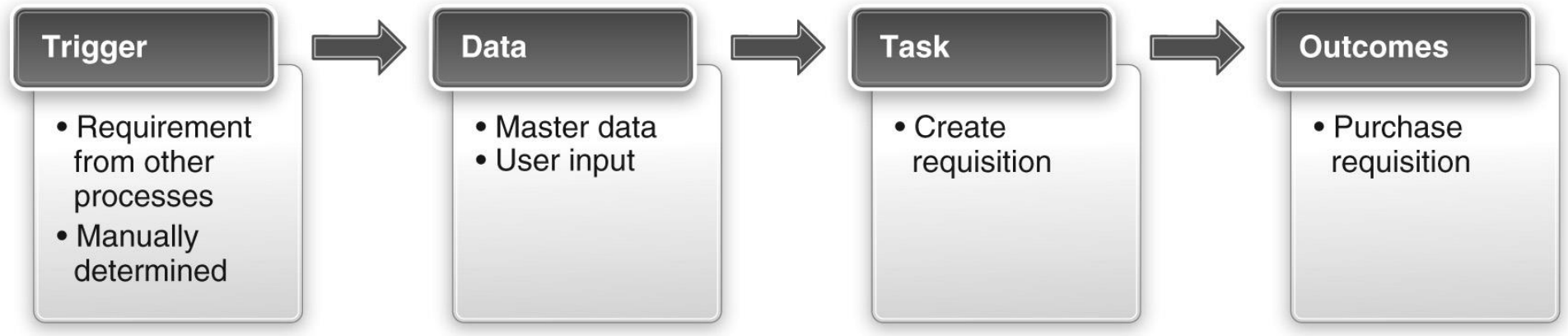
Process: Purchase Requisition



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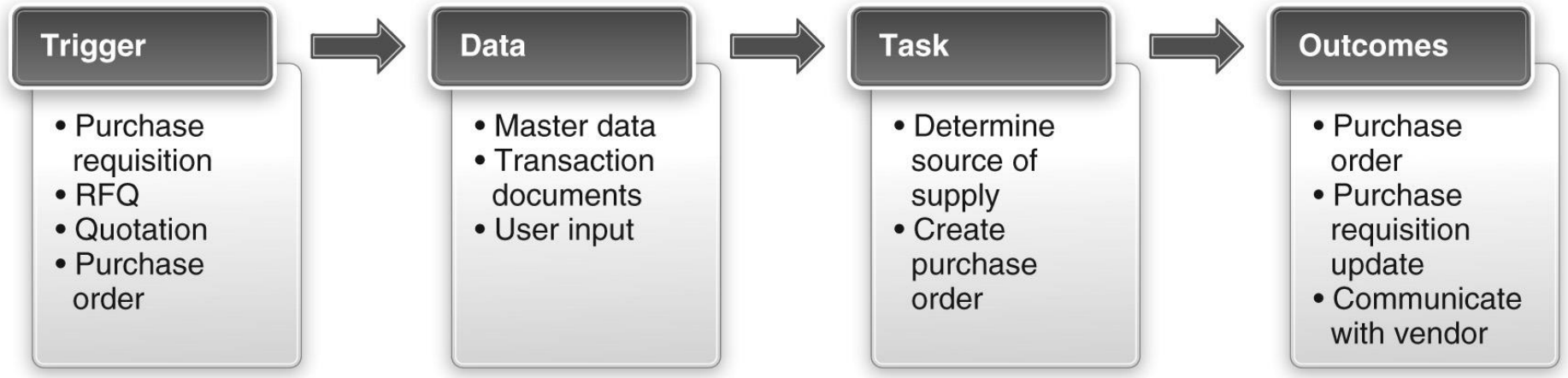
Process: Purchase Order



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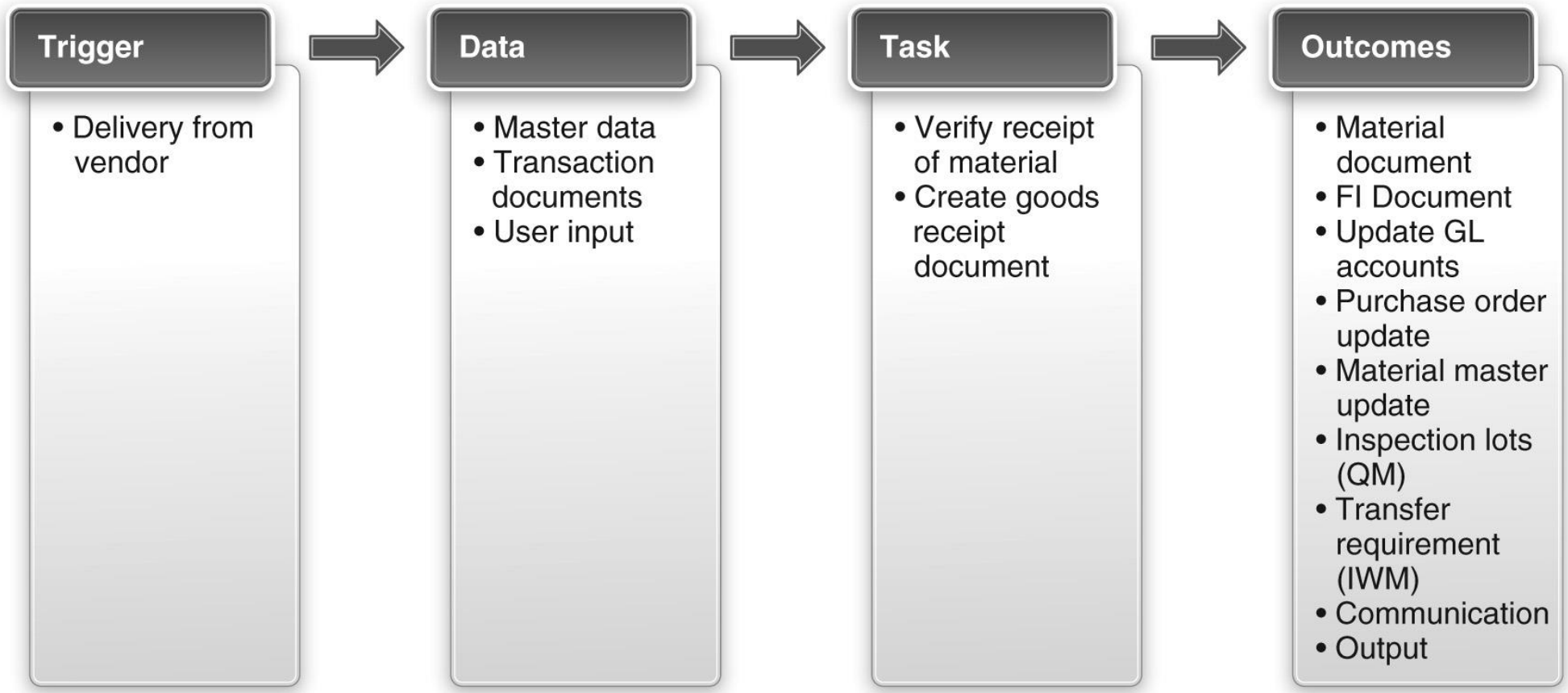
Process: Goods Receipt



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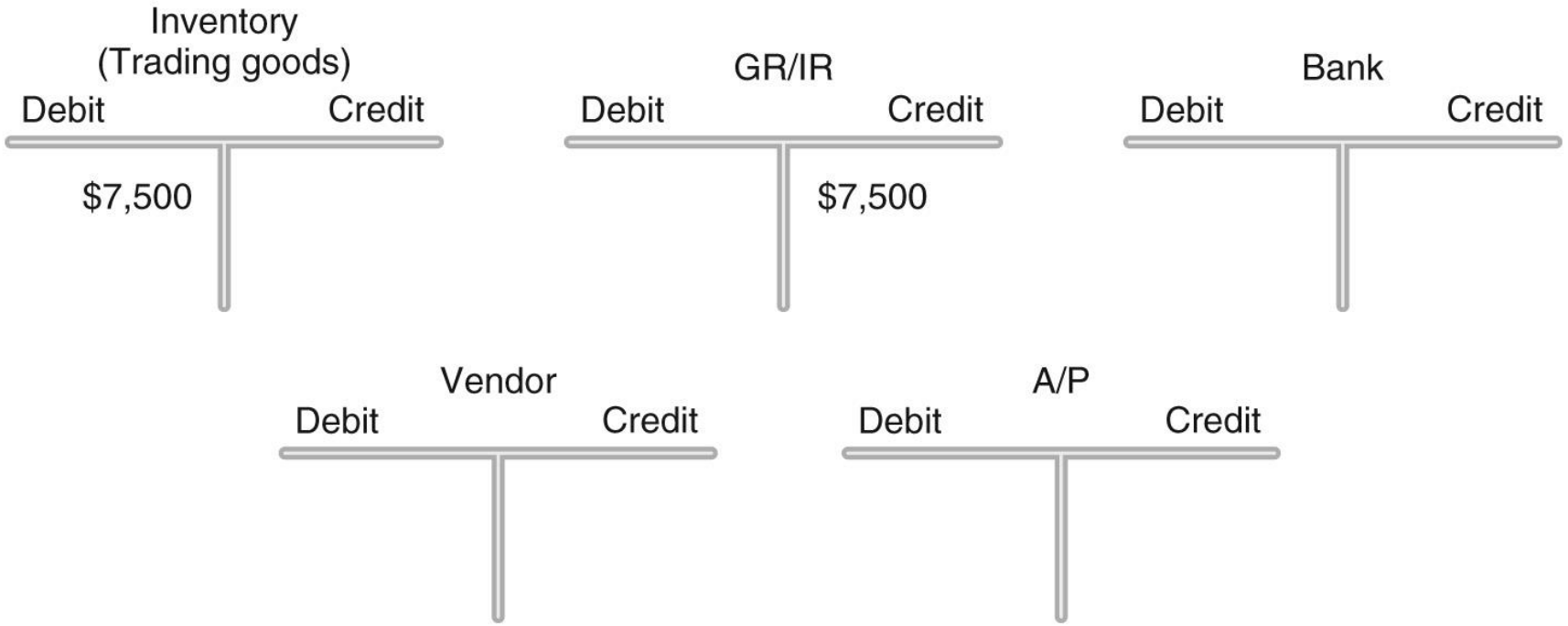
Process: Goods Receipt



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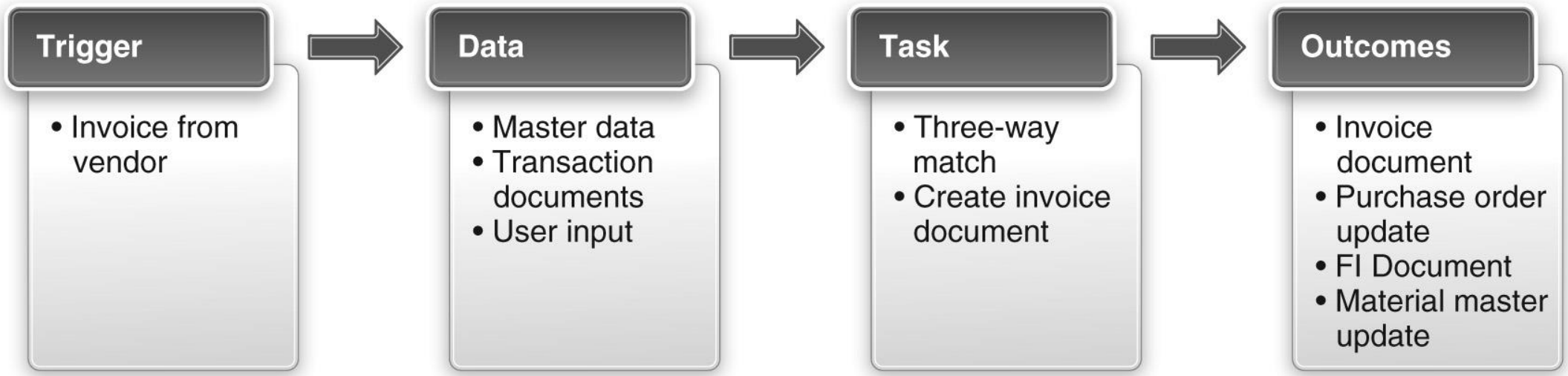
Process: Invoice Receipt / Verification



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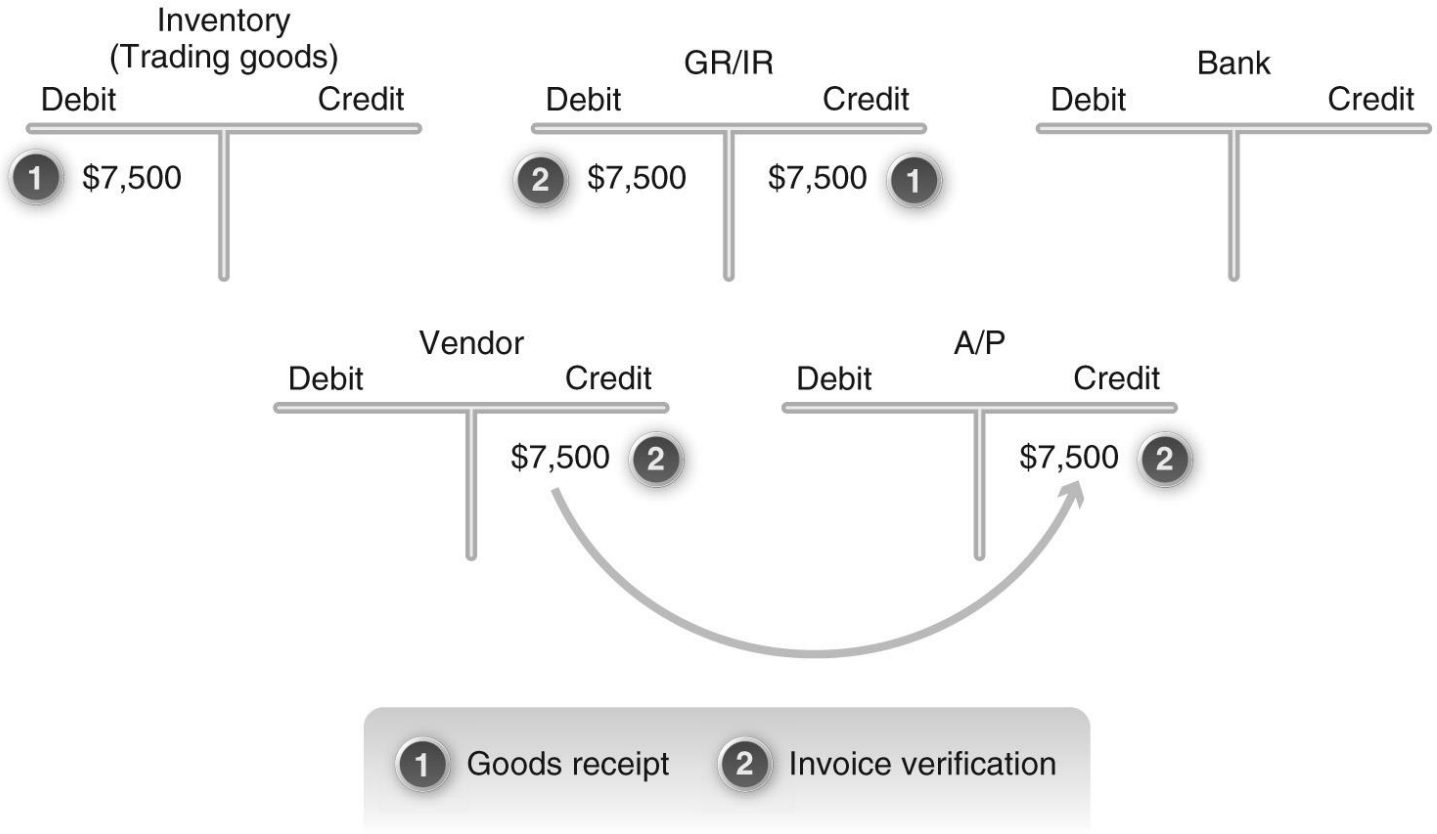

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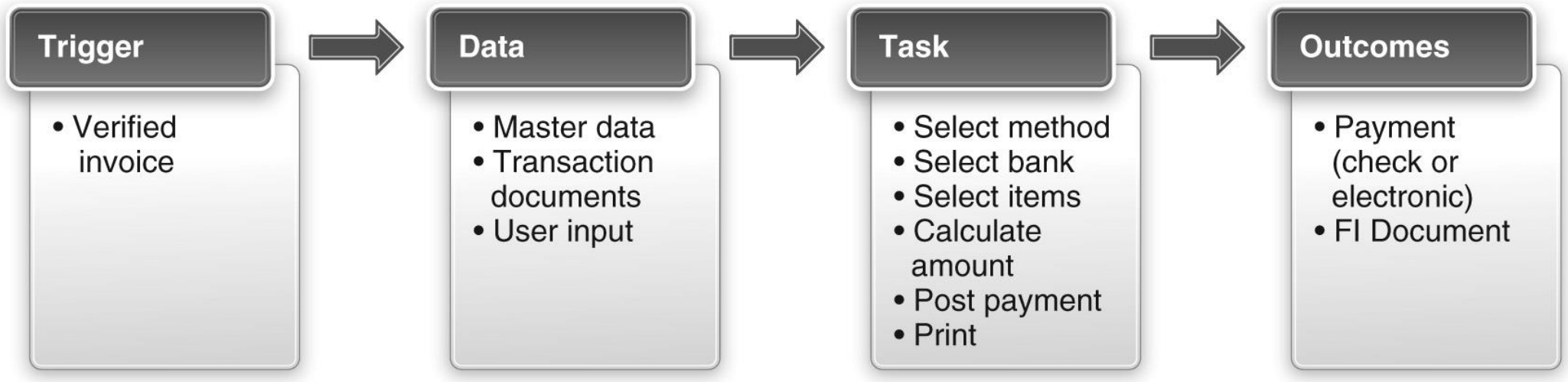
Process: Vendor Payment



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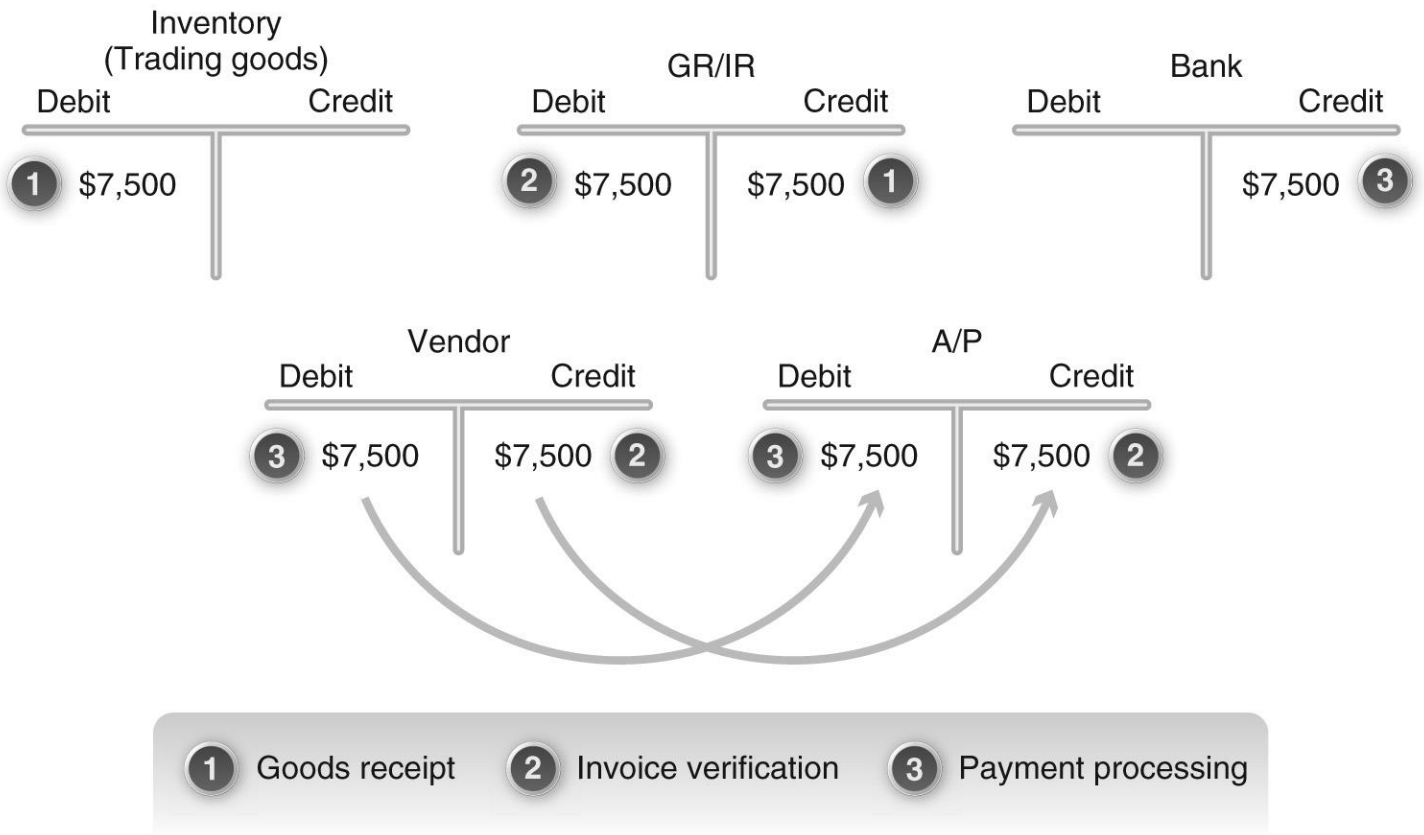

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