Exercise Introduction

Within each client in the system, there are 100 copies of the Fitter Snacker data. You have been assigned to one of these sets of data. On your SAP System User ID sheet, you have been given the system and client your account is on. You have also been given a Data Set Number, which tells you which set of data you should be using within your client.

IT IS CRITICAL THAT YOU USE ONLY YOUR DATA SET. FAILURE TO DO SO WILL CAUSE YOU PROBLEMS AS WELL AS OTHERS IN YOUR CLASS.

All of the data in the Fitter Snacker database begins with a Data Set Number. For example, the NRG-A bars are entered as 00 NRG-A, 01 NRG-A, 02 NRG-A, etc. This will allow you to use the search function in SAP to find your particular snack bar. In the instructions that follow, the pound symbol (##) will be used to represent the Data Set Number. For example, in creating a purchase requisition, the instructions will ask you to search for your materials using ##*. You will need to replace the ## with your Data Set Number. For example, if you are data set number 09, then you will be searching using 09*, and you will find all materials that begin with 09.

The screen shots in the instructions were created using Data Set Number 00, which is reserved for instructors. Do not use Data Set Number 00 in any transactions.

1. Default Parameter ID

To make entering transactions easier, we can set up standard default values for common data entry fields like company code, purchasing group, currency, etc. To do this, Parameter IDs (PID) can be given default values so that these entries are made automatically. Default values should only be set for those parameters that do not change frequently.

To set up parameter ID values, follow the pull-down menu path:

\[\text{System} \rightarrow \text{User profile} \rightarrow \text{Own data}\]

to call up the following screen:
Click on the **Parameters** tab to produce the following screen:

Click on the **Parameters** tab to produce the following screen:

Enter these Parameter IDs and Values
Make sure to use your own data set number (e.g. ##FS )
Purchasing Cycle

Add the following parameter IDs and Values:

<table>
<thead>
<tr>
<th>Parameter ID</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>BUK</td>
<td>##FS</td>
</tr>
<tr>
<td>EKO</td>
<td>##PR</td>
</tr>
<tr>
<td>FWS</td>
<td>USD</td>
</tr>
<tr>
<td>GJR</td>
<td>Current Year</td>
</tr>
<tr>
<td>KPL</td>
<td>CHFS</td>
</tr>
<tr>
<td>WRK</td>
<td>##PT</td>
</tr>
</tbody>
</table>

Make Sure you use CAPITAL LETTERS in all values. While SAP is not supposed to be case-sensitive, lower-case parameter ID values can create problems in purchasing transactions.

then click the enter icon (✓) to see the text entries that describe the parameters you entered.
Click on the save icon (●) to save your parameter changes and return to the main SAP screen.

If you find yourself entering the same parameter value over and over again and want to set up a default Parameter ID value, you can determine the parameter fairly easily. For example, suppose we are frequently entering purchase orders. If you follow the menu path:

Logistics ▶ Materials Management ▶ Purchasing ▶ Purchase Order ▶ Create ▶ Vendor Unknown

you will get the following screen:

Suppose that you wanted to set a default value for the purchasing group. To find the parameter ID, click on the “Purchasing group” data entry field, then press the F1 key to get the Performance Assistant:
Purchasing Cycle

Purchasing Group

Key for a buyer or a group of buyers, who is/are responsible for certain purchasing activities.

Use

- Internally, the purchasing group is responsible for the procurement of a material or a class of materials.
- Externally, it is the medium through which contacts with the vendor are maintained.

Click on the Technical information icon to get the following screen:

The Technical information window tells you that the Parameter ID for Purchasing group is EKG. You could set a default value for this item just like you did for the other parameters, but in our case it is probably not a good idea as you will be buying materials under both purchasing groups.
Click on the cancel icon (❌) to close the Technical Information window, and then close the performance assistant window by clicking on the close icon (❌). Click on the exit icon (🌟) to return to the SAP Easy Access screen.

**The Purchase Order Cycle**

For this exercise, we will:

- Create a purchase requisition for two Fitter Snacker raw materials—oats and wheat germ
- Convert that requisition into a purchase order
- Create a goods receipt
- Create an invoice receipt
- Post the outgoing payment

**2. Create Purchase Requisition**

To create a purchase requisition, which is a request to the purchasing department to order material from a vendor, follow the menu path:

```
Logistics ▶ Materials Management ▶ Purchasing ▶ Purchase Requisition ▶ Create
```

which will produce the following screen:
Note that this screen has benefited from the EnjoySAP initiative, which was an effort to make the SAP system more user-friendly. Hopefully, you will enjoy this exercise.

Click on the close icon ( ) to close the message, then click on the Item overview icon ( ) to open up the screen for entering items to requisition.
Purchasing Cycle

We need to enter the material that needs to be requisitioned. SAP gives each material a unique material number. To find your material using the search function, click on the first **Material** field, which will produce the search icon:

Click on the search icon ( ), and the search window will appear:

There are 100 sets of identical data in the Fitter Snacker database. All material descriptions begin with the data set number, so to find your materials, enter your data set number followed by the wildcard (*), and then click on the start search (enter) icon to find all materials that begin with ##. This will produce a list of **your** materials:
Double-click the line with Oats to select it, and the SAP system will automatically enter the material number into the purchase requisition form:

Note that your material number will be different than that shown above. To complete the purchase requisition, enter all of the following data:

<table>
<thead>
<tr>
<th>Material</th>
<th>Quantity</th>
<th>Delivery date</th>
<th>Storage Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oats</td>
<td>44000</td>
<td>Date two weeks in the future</td>
<td>100</td>
</tr>
<tr>
<td>Wheat Germ</td>
<td>2000</td>
<td>Date two weeks in the future</td>
<td>100</td>
</tr>
</tbody>
</table>
When you have entered everything, click on the enter icon (✓) and you will get the following screen:

Data retrieved from the material master database
Note that the SAP ERP system has pulled information about your materials from the material master database. Click on the save icon (Commit) and notice that you have created a purchase requisition:

Click on the back icon (Go Back) to return to the SAP Easy Access screen.

3. Create Purchase Order from Requisition

One of the advantages of an integrated information system like SAP is that you don’t have to reenter information. We can use the data entered in the purchase requisition to create a purchase order. To do this, follow the menu path:

**Logistics ▶ Materials Management ▶ Purchasing ▶ Purchase Order ▶ Create ▶ Vendor Unknown**

which will produce the following screen:

Enter Purchasing group ##B then click on Copy requisition.

Enter Purchasing group ##B then click on the icon Copy requisition (Copy Requisition). This will produce the following pop-up window:
Don’t worry if you don’t remember the purchasing requisition number. It won’t be hard to find as there aren’t many requisitions in the system. Click on icon ( ) to call up the search tool:

Find the tab **Purchasing Requisitions per Purchasing Group**, enter your purchasing group (##B), then click on the Start search icon ( ). This will produce the following results:
Double click on either line to select the purchase requisition. This will transfer the purchase requisition number to the Copy Reference window:

Click on the enter icon (✓) to copy the purchase requisition:

A purchase requisition may contain items that are purchased from more than one vendor, so a purchasing agent may select one or more items at a time from the requisition to create a purchase order.
Purchasing Cycle

order. As we can buy both Oats and Wheat Germ from the same vendor, we will include both items on the purchase order.

To select both items, we can click on the Select all items icon ( ). After selecting both items, click on the Adopt icon ( ) to get the following screen:

![Create Purchase Order: Overview of Requisition Items](image)

Click on the Select all items icon ( ), Then click on the Assign Source of Supply icon ( ) to produce the following screen:

![Source Overview for Item 0010](image)

Double-click on Oshtemo to select it as the vendor for Oats

This screen allows us to perform analyses to help in vendor selection. We can review the data on the Purchasing Info Record by clicking on the Display Source of supply icon ( ). We can review information about the supplier by clicking on the Display Vendor icon ( ). If the vendors had different price structures (quantity
Purchasing Cycle

discounts, for example) we could compare the total price for each vendor for this order using the Price simulation/all icon (-trigger).

As our brother-in-law works for Oshtemo Oats, we’ll just give the PO to them. Double-click anywhere on the Oshtemo Oats line to select it as the vendor for Oats. We will see the same screen, but now for Wheat Germ:

Double-click on Oshtemo Oats to select it as the vendor for Wheat Germ.

Click on the Select all items icon (-trigger) to again select the oats and wheat germ, then click on the Generate purchase order icon (-trigger) to generate the purchase order. You should get the following screen:
Click on the line **Open requisition**, then click on the adopt icon ((gs)).

This will add the items to the purchase order:

Drag the border over if needed

Click on the line **Open Requisition** in the Document overview, then click on the adopt icon ((gs)).

This will add the items to the purchase order:

Click on the expand icon for the Header data, then click on the conditions tab

To see details about the purchase order, click on the expand icon ((gs)) next to the Header line and then click on the conditions tab:
Note that the total price for the purchase order is $9,400. Click on the check icon (✓) to see if there are any errors in the purchase order. This should produce only one warning message:

Click on the bright yellow question mark to get a detailed explanation of the warning message:

Click either place

No message generated for output of purchasing document
Purchasing Cycle

The warning message tells us that we have not configured the SAP system so that the purchase order can be transmitted to the vendor (printed and mailed, faxed, EDI, etc.). As Fitter Snacker is a virtual company, this is not a problem. Close the Performance Assistant and the Message windows, then click on the save icon (🖥️) and you will get the following message:

![Save Document]

This pop-up window is reminding us that the SAP system has no way to transmit this purchase order. Click on Save and you will get the following message:

![Standard PO created under the number 4500000002]

Click on the back icon (✍️) to get back to the SAP Easy Access screen.
Purchasing Cycle

4. Create a Goods Receipt

To create a goods receipt, follow the menu path:

Logistics ▶ Materials Management ▶ Inventory Management ▶ Goods Movement ▶ Goods Receipt ▶ For Purchase Order ▶ GR for Purchase Order

to get the following screen:

Use the search tab Purchase Documents per Vendor to find your PO

Use the search tab Purchasing Documents per Vendor with purchasing organization ##PR and purchasing group ##B to find your purchase order:

The vendor number for Oshtemo Oats may be entered automatically. If so, you can leave it in
After finding the PO number, follow the pull-down menu path:

Settings → Default values

to get the following screen:

Make sure Propose the OK function in the future and Propose all items are checked, then click on Adopt.

Make sure Propose the OK function in the future and Suggest all items are checked, then click on the Adopt icon. This will produce the following pop-up window:
Purchasing Cycle

Change to Default Values

You have changed the default values. The new default values have been saved and are valid until you change them again.

This change does not affect the items that have already been entered.

If you now enter new items (for example, you add a new purchase order), the new default values are valid.

Click on the enter icon to clear the message window, then click on the enter icon to call up the details of the purchase order:

Click on Post or the save icon.

Click on either the post icon or the save icon. After the goods receipt is posted, you will get the following message:

Material document 5000000010 posted

Click on the back icon to get back to the SAP Easy Access screen.
5. Verify Material Receipt

To verify that SAP recognizes that we now have the material in inventory, follow the menu path:

Logistics ➔ Materials Management ➔ Inventory Management ➔ Environment ➔ Stock ➔ Stock Overview

To get the following screen:

Stock Overview: Company Code/Plant/Storage Location/Batch

Use the search function to find **Oats** and enter **PT** for plant, then click on the execute icon.

Use the search function to find **Oats**, enter **PT** for plant, then click on the execute icon () to get the following screen:

Stock Overview: Basic List

The SAP system shows 44,000 LB of oats in storage location **100** (raw materials) in plant **PT**.
Click on the exit icon (_download) to return to the SAP Easy Access screen. Next, to verify that the accounting records have also been updated by the goods receipt, follow the menu path:

**Accounting ▶ Financial Accounting ▶ General Ledger ▶ Account ▶ Display Balances (New)**

To get the following screen:

**G/L Account Balance Display**

Enter the following data:

- **200000** for G/L account
- **##FS** for Company code
- **Current Year** for Fiscal year

Then click the execute icon (_download) to get the following screen:
From this report you can see that not only has the SAP ERP system recorded the physical receipt of the purchase order, but it has also recorded the change this goods receipt has made to the general ledger account for raw materials.
6. Create an Invoice Receipt

After sending us the goods, the vendor will send us an invoice. If we did a lot of business with this vendor and they had a good information system (like SAP), we could configure the systems so that the invoices would be sent electronically and this manual step would not be required.

To manually record the receipt of this invoice, follow the menu path:

**Logistics ▶ Materials Management ▶ Logistics Invoice Verification ▶ Document Entry ▶ Enter Invoice**

Enter today’s date for **Invoice date** and **9400** for the Amount, then click on search icon in field next to Purchase order/scheduling agreement to get the following pop-up window:
Search for your vendor, **Oshtemo Oats**, in the vendor field. Be careful not to search in the Invoicing party field. Enter **FS** for Company code, then click on the execute icon to get the following screen:

Your PO should be listed. Select the PO, then click on the copy icon (Copy). This will return you to the **Enter Invoice** screen. Click on the enter icon (✓) and then click on the Simulate icon (Simulate) and you should get the following screen:
Purchasing Cycle

Click on the Post icon (Post) and you should get the following message:

![Document no. 5105600761 created]

Click on the back icon (Back) to get back to the SAP Easy Access.
7. Post outgoing payment

To pay the invoice, follow the menu path:

Accounting ➤ Financial Accounting ➤ Accounts Payable ➤ Document Entry ➤ Outgoing Payment ➤ Post

to get the following screen:

Enter today’s date for Document date. Under **Bank data**, enter 100000 for Account and 9400 for amount. Under **Open item selection**, search for **# Oshtemo Oats** for the Account (vendor ID number) then click on **Process open items** to get the following screen:
Purchasing Cycle

Check to see if the payment has been automatically assigned to the invoice. If not, you can double-click on the 9,400.00 USD Gross entry to assign the payment to the invoice document. When assigned, the bottom of the screen should look like the following:

Double-click until you achieve the result shown above, then click on the save icon (✓). You should get the following message:

The SAP system may assign the payment to the invoice. If not, double-click on the 9,400.00 USD Gross entry to assign the payment to the invoice.
Click on the exit icon (🗑) to return to the SAP Easy Access screen. You will get the following message:

![Exit Editing](image)

Click on Yes as there is no new data that will be lost to return to the SAP Easy Access Screen.

### 8. Document outgoing payment

Now you need to document the payment to the vendor to complete this exercise. To do this, follow the menu path:

- Accounting ► Financial Accounting ► Accounts Payable ► Information System
- ► Reports for Accounts Payable Accounting ► Vendors: Items ► Vendor Payment History with OI Sorted List

That’s a lot of menu path! It should call up the following screen:
Search for your vendor (Oshtemo Oats), then click on the execute icon to get the following report:

**Vendor Appraisal with OL Sorted List**

<table>
<thead>
<tr>
<th>Label 1</th>
<th>Content 1</th>
<th>Name 2</th>
<th>Content 2</th>
<th>Name 3</th>
<th>Content 3</th>
<th>Name 4</th>
<th>Content 4</th>
<th>Name 5</th>
<th>Content 5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Address</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Address(1)</td>
<td>Company</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Address(2)</td>
<td>Oshtemo Oats</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Address(3)</td>
<td>9471 S 9TH ST</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Address(4)</td>
<td>CALAMA200 M1 4060G</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Address(5)</td>
<td>USA</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Purchase data (amt in LC)
Annual Sales: $498.

**Vendor Appraisal with OL Sorted List**

<table>
<thead>
<tr>
<th>Basis Blocked</th>
<th>Down Payt</th>
<th>SI Total</th>
<th>Typ</th>
<th>From 1</th>
<th>To 8</th>
<th>From 10</th>
<th>To 20</th>
<th>From 21</th>
<th>To 40</th>
<th>From 41</th>
<th>To 86</th>
<th>From 87</th>
<th>To 180</th>
<th>From 101</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Ann. Sales/Pur. LC</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
This report shows the payment history for ## Oshtemo Oats, which should only show one payment for the purchase order process you just completed.

To print a copy of this report, click on the print icon (_print) and you will probably get a screen like the following:

![Print Screen List](image)

After clicking on the continue icon you should be returned to the report screen and a message like the following should be displayed at the bottom:

```
Spool request (number 0000016102) sent to SAP printer LOCL
```

The SAP ERP system will also open a window that will contain details of the print job:
Purchasing Cycle

When your print job is complete, you can close this window.

Be sure to neatly print your name on a printout of the Vendor Appraisal to hand in.