

MM – Configuration Master Data and PR

Objective

To understand

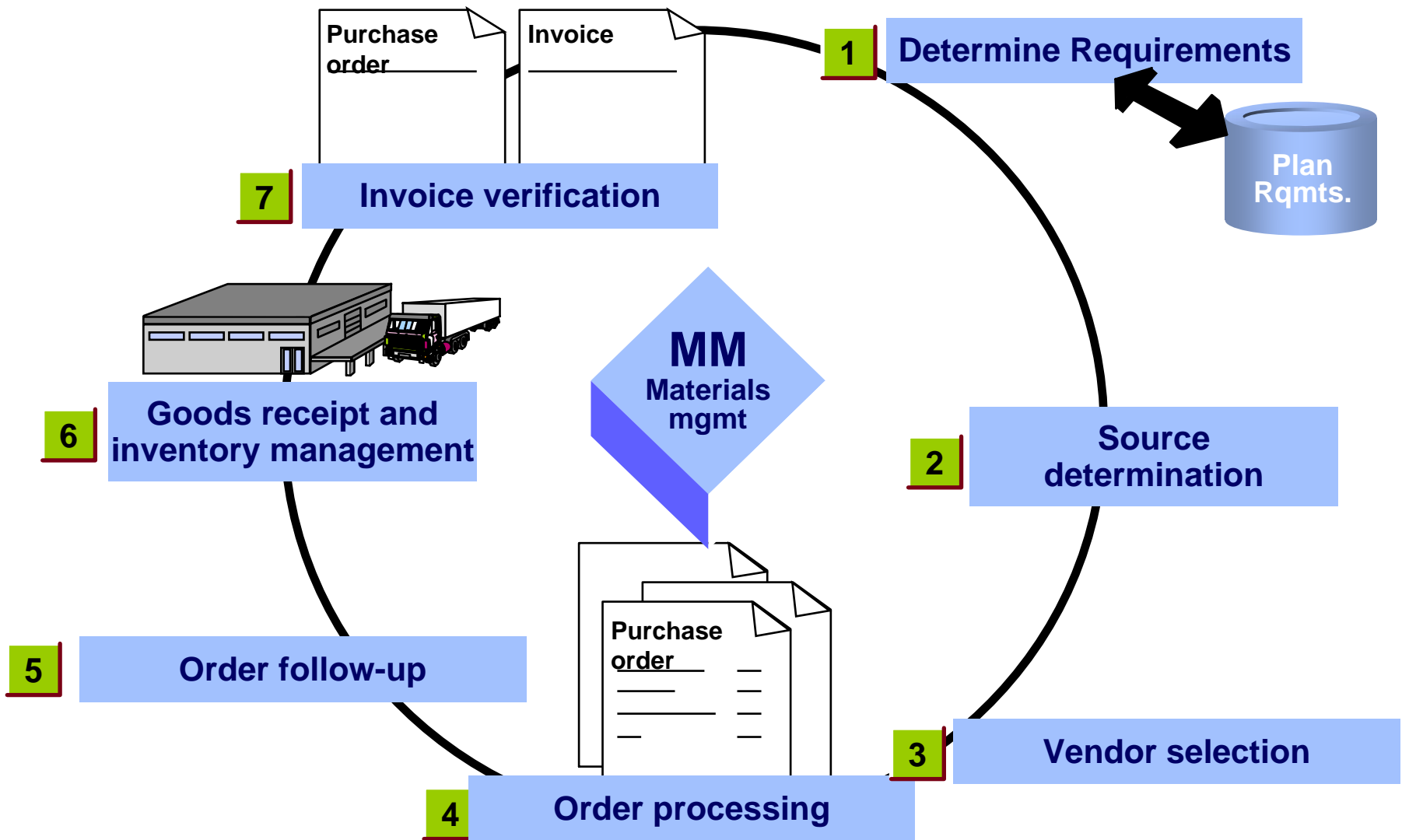
MM Module data flow

MM Module Master Data

Requisition

RFQ Quotation

Release Strategy



Data flow ..contd..

1.MRP run triggers the requirements

Purchase requisition is released

2. If quota is used, source is identified

3. vendor is selected

4. Prepare Purchase Order

5. Follow up with vendor for supply

6. Receive goods

7. Receive Invoice and pay vendor

Data in SAP

We have seen the data flow in MM, to perform those activities, certain data are required.

Let's discuss about the data before we go to the MM specific master data.

Data in SAP

there are two important types of data
in SAP

Master Data

Transaction data

Master Data

Master data is the backbone for each transaction.

Without master data transactions can not be performed.

E.g. Material master
 Vendor master
 Purchasing info record
 Source list
 Quota arrangement

Transaction data

Transaction data are created when performing a transaction.

Transaction data are created with the input from master data.

e.g. Purchase requisition
Purchase order
Goods receipt
Invoice verification

MM Specific Master data

Following are the MM module specific master data.

Material Master

Vendor Master

Source List

Quota arrangement

Purchasing Info record

Purchasing group

Material Master

Material master contains entire information about the material related all department of an organization.

Purchasing related information are stored in a purchasing view.

Material master - Purchasing

Purchasing view of material master specifies

Person responsible to procure

Base unit of measure

Plant specific material status

GR processing time

Use of quota arrangement

Use of source list

Batch Management

Vendor Master

Vendor master contains all the information required to do business with a vendor.

Name and address

Bank details

Contact person

Payment terms

General data

Account number
Description
Address

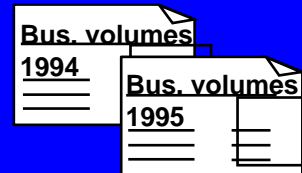
Purchasing data

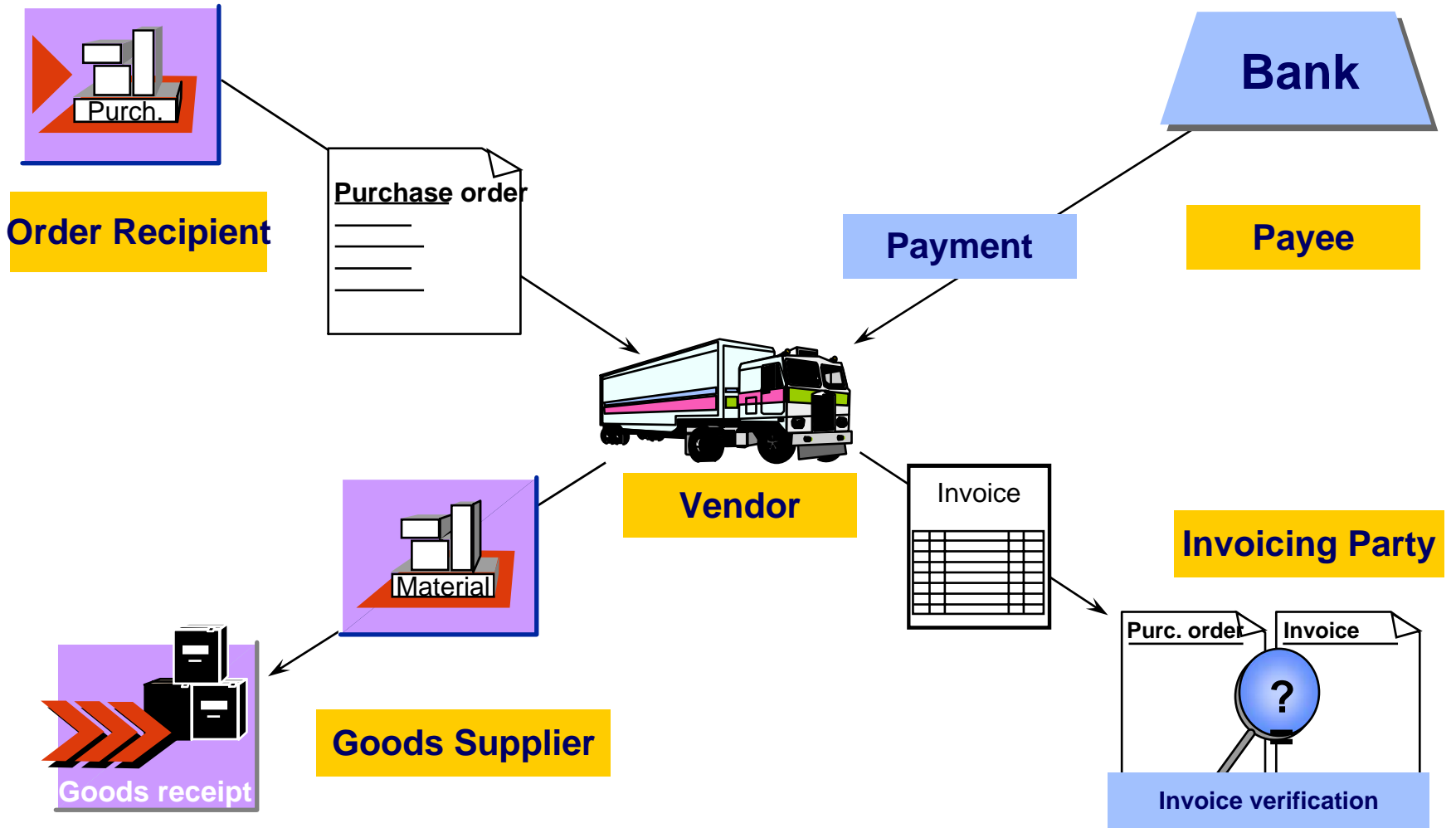
Purchase order
currency
Inco terms

Accounting data

Control account
Terms of payment
Bank details

Transaction figures





Source List

List of available sources of supply for a material and plant combination.

It facilitates the

- Determination of source.

- Automatic assignment of source to the purchase requisition

Source list contains validity period for each vendor.

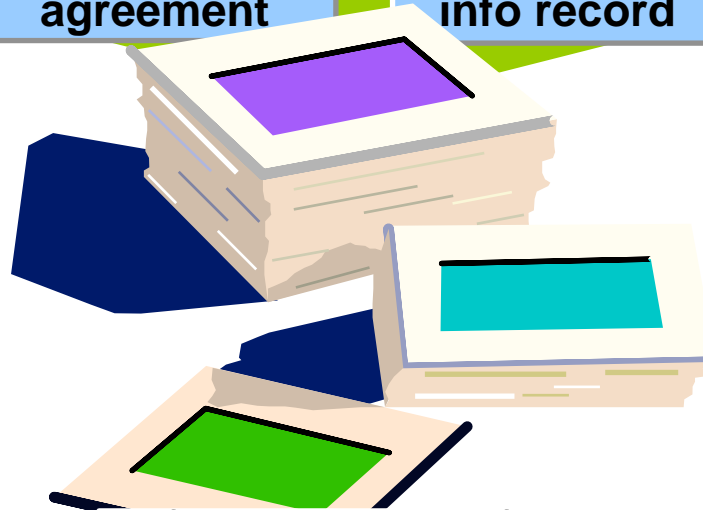
Source List

**Manual
maintenance**

**Maintenance
from outline
agreement**

**Maintenance
from purchasing
info record**

**Automatic
generation**



**Default source of supply
in requisition via source
determination**

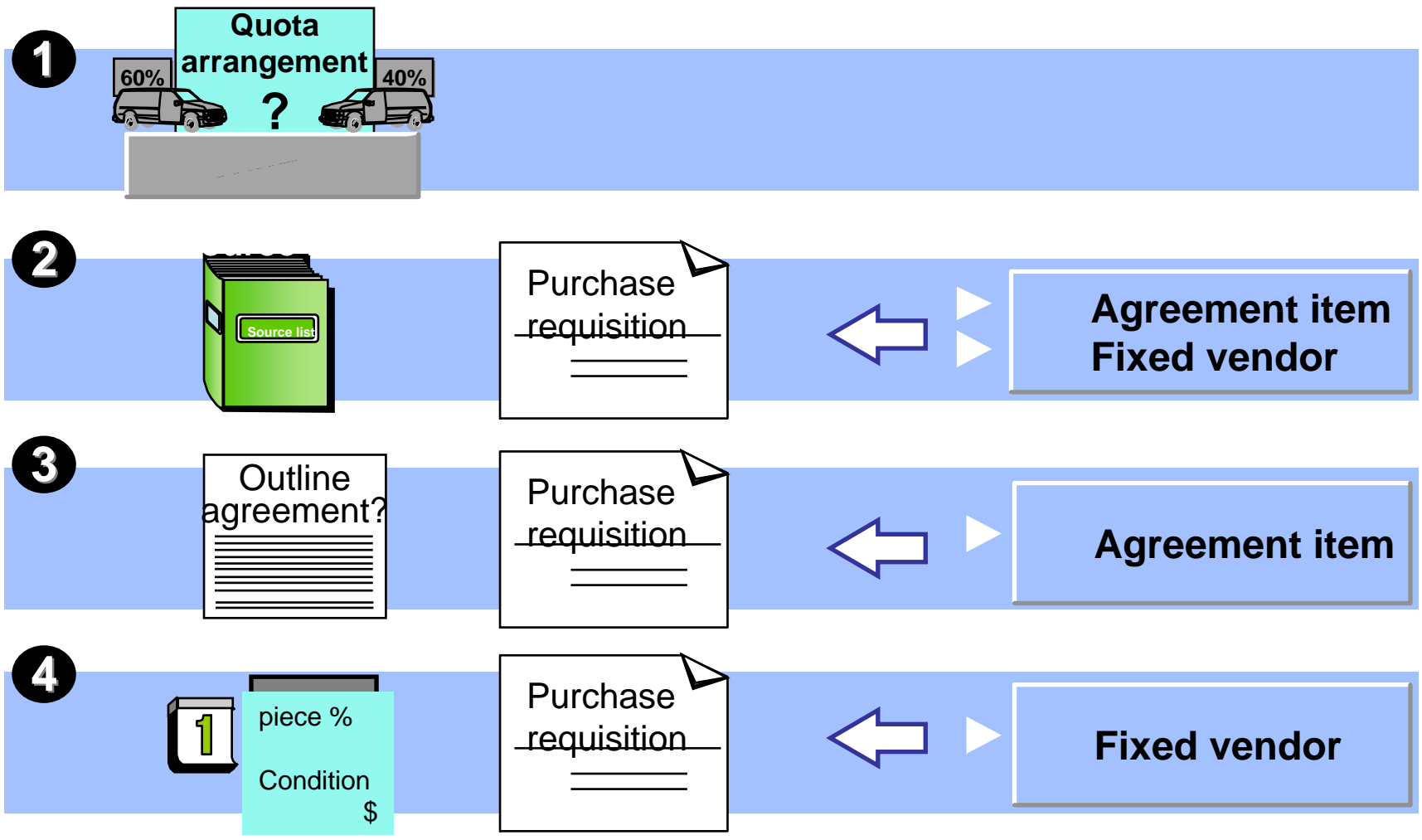
**Check in purchase order
+ requisition for admissibility**

Source determination

Following is the order of priority to search the source.

1. Quota arrangement
2. Source List
3. Purchasing Info record / outline agreement.

How to Determine the Source?



Quota arrangement

Quota arrangement helps to automatically identify the vendor and allocate the quantities to the vendor.

It contains

- Vendor

- Quota %

- Min / Maximum lot size

- Validity period of quota

Quota arrangement -calculation

Vendor will be determined on the basis of lowest rating result of the following formula

Rating =

Base qty +Quota – allocated qty

Quota

Base quantity & Prerequisite

Quota base quantity is to regulate the quota arrangement without changing the quota.

Prerequisite:-

Quota usage must be maintained in the material master purchasing view

Purchase info record

It is created for the combination of material, vendor and purchase organization.

Purchasing Info Record Data

General data

Vendor data
Origin data
Order unit

Control data

Delivery time
Minimum quantity
Tolerances

Texts

Prices and conditions

Gross price
Discount
Freight

Price history
Ordering statistics
Change history

Purchasing group

Purchasing group is responsible for specific purchasing activities.

It represents buyer

It is used for reporting



Purchase Requisition

PR is the request for Material and services. It is the first trigger to the buyer to arrange for procurement.

It is generated automatically or manually.

Item category and account assignment are important in PR

Item category

Item category controls

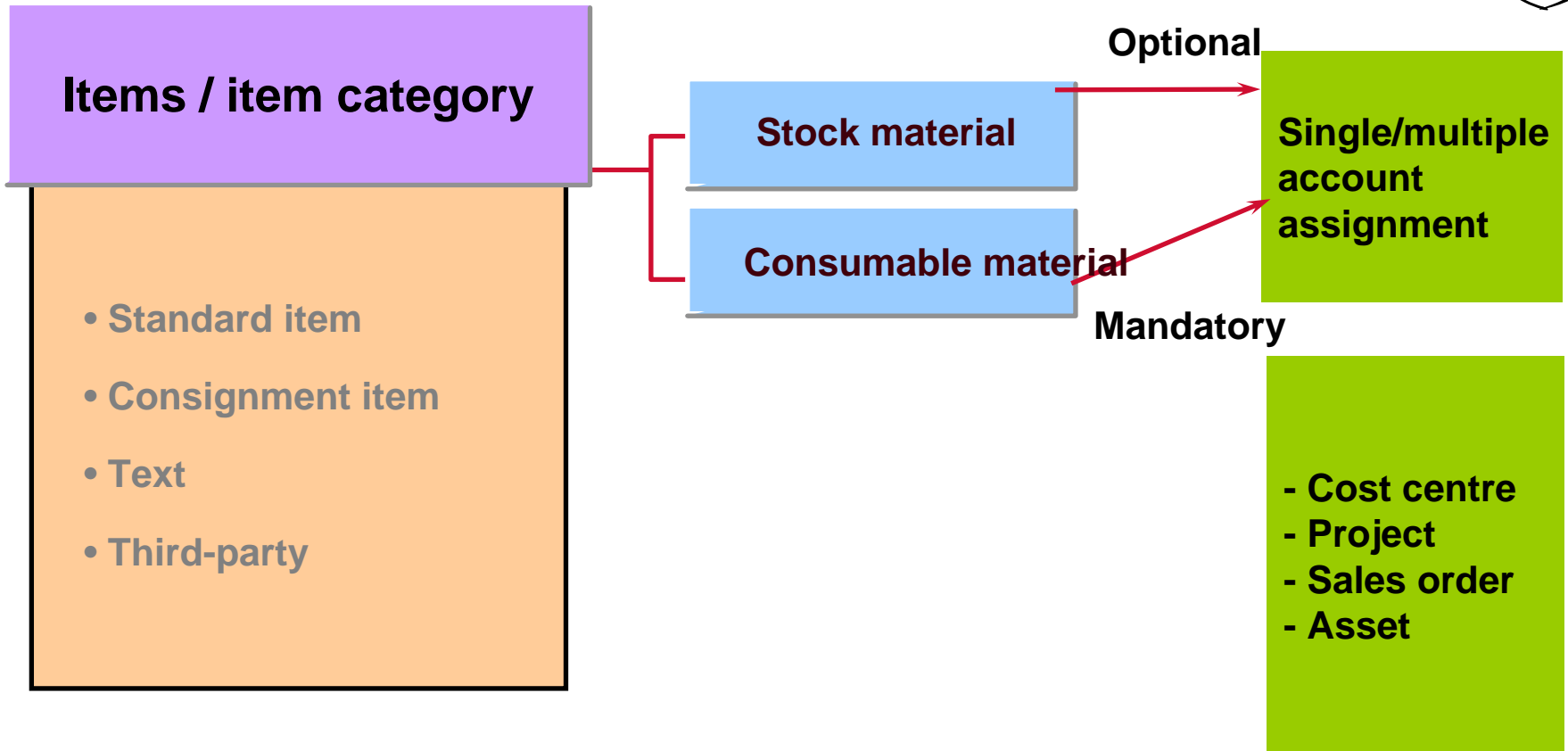
Requirement of material number

Account assignment

Whether to place in stock or not

Requirement of GR / IR

Item Category



Account assignment

Account assignment will directly debit the cost of procurement to those object.

E.g. If the account assignment is F to indicate production order, cost of procurement will be debited to the production order.

Account categories

A

Asset

C

Sales order

F

Production order

K

Cost centre

P

Project

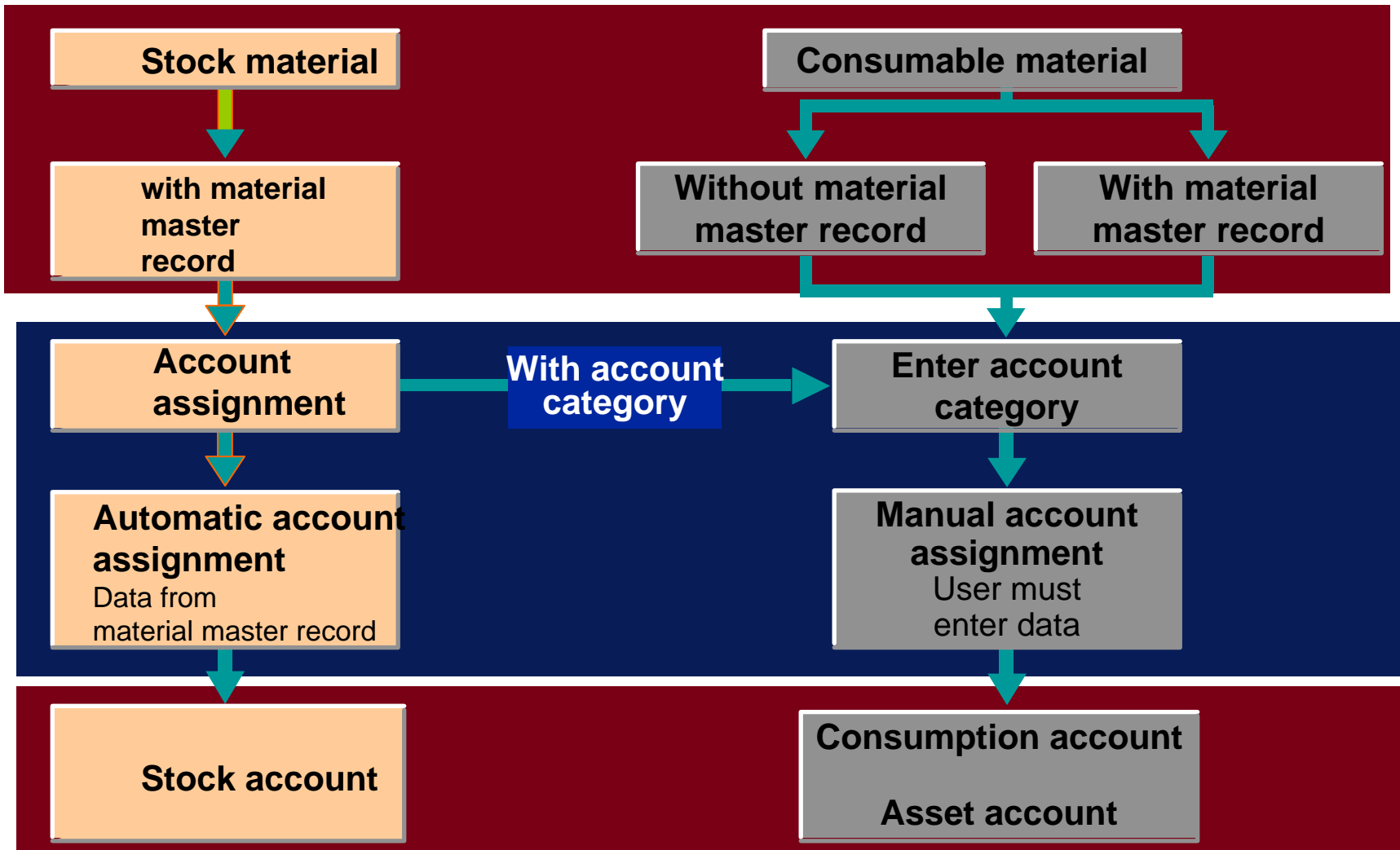
X

All auxiliary account assignments

U

Unknown account assignment

Account Assignment



How to Create a Purchase Requisition

INDIRECTLY

- MRP - reorder level
- Networks- forecasting
- Plant maintenance orders

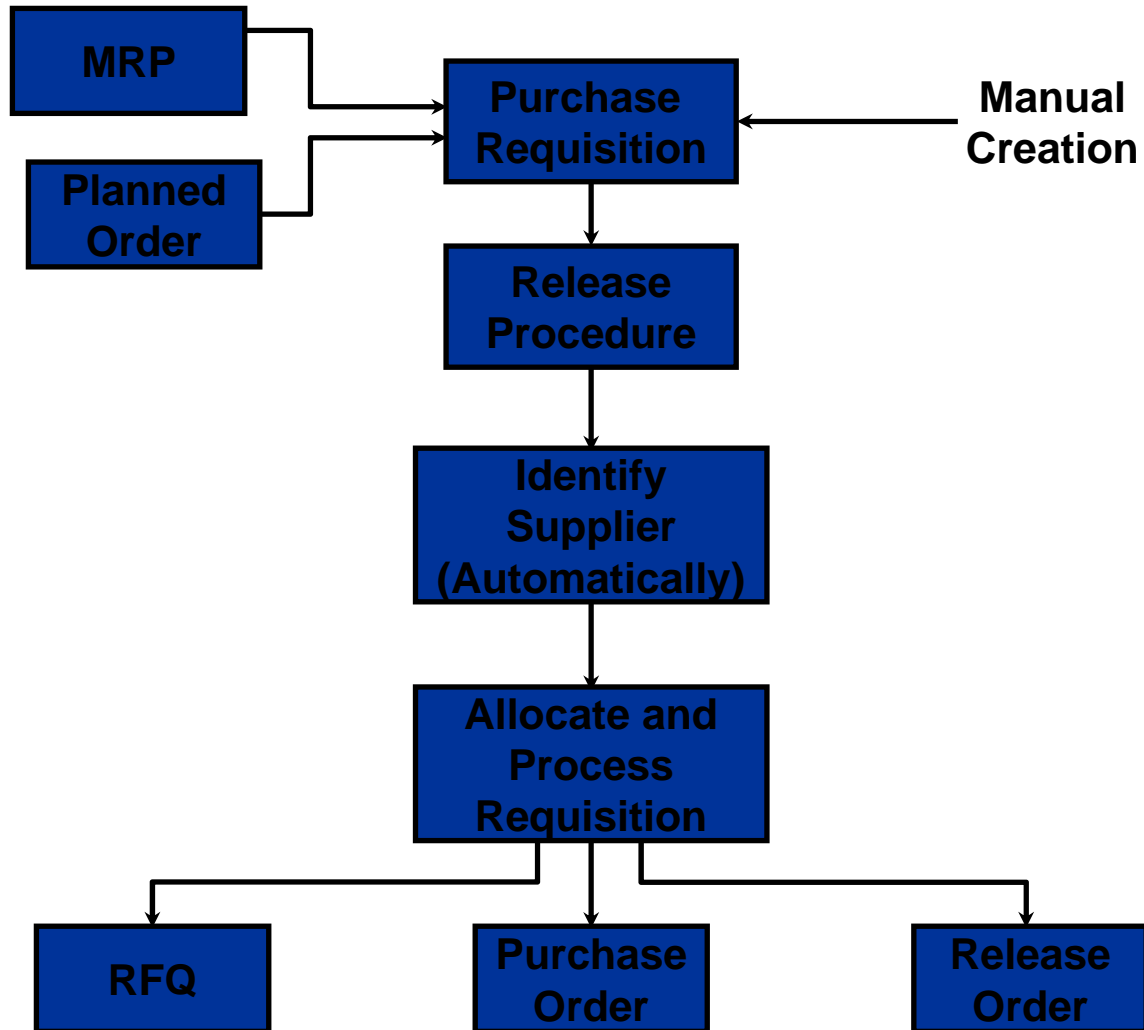
MANUALLY

Dep. 1

Dep. 2

**Purchase
requisition**

Processing PR

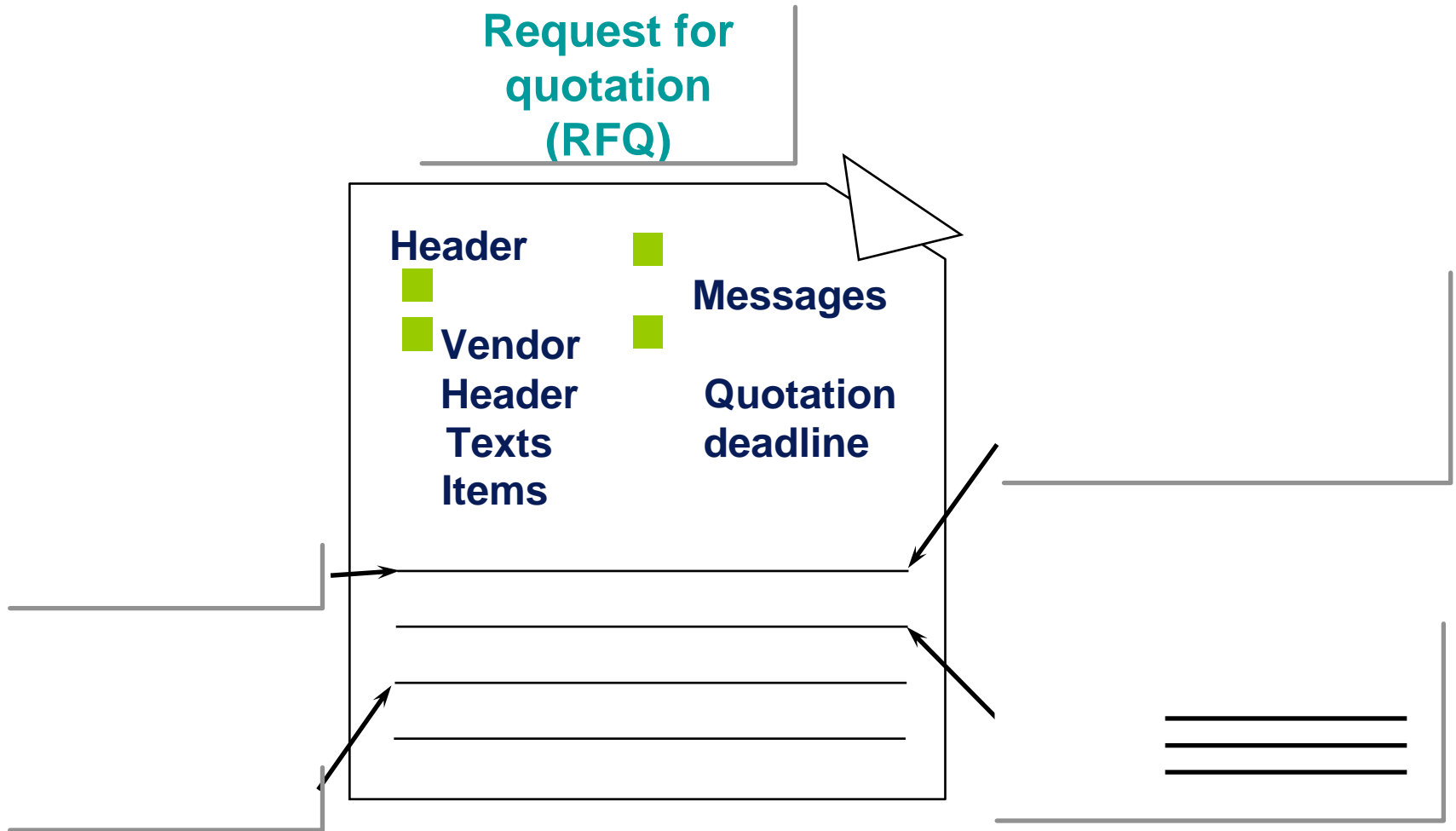


RFQ (Request for quotation)

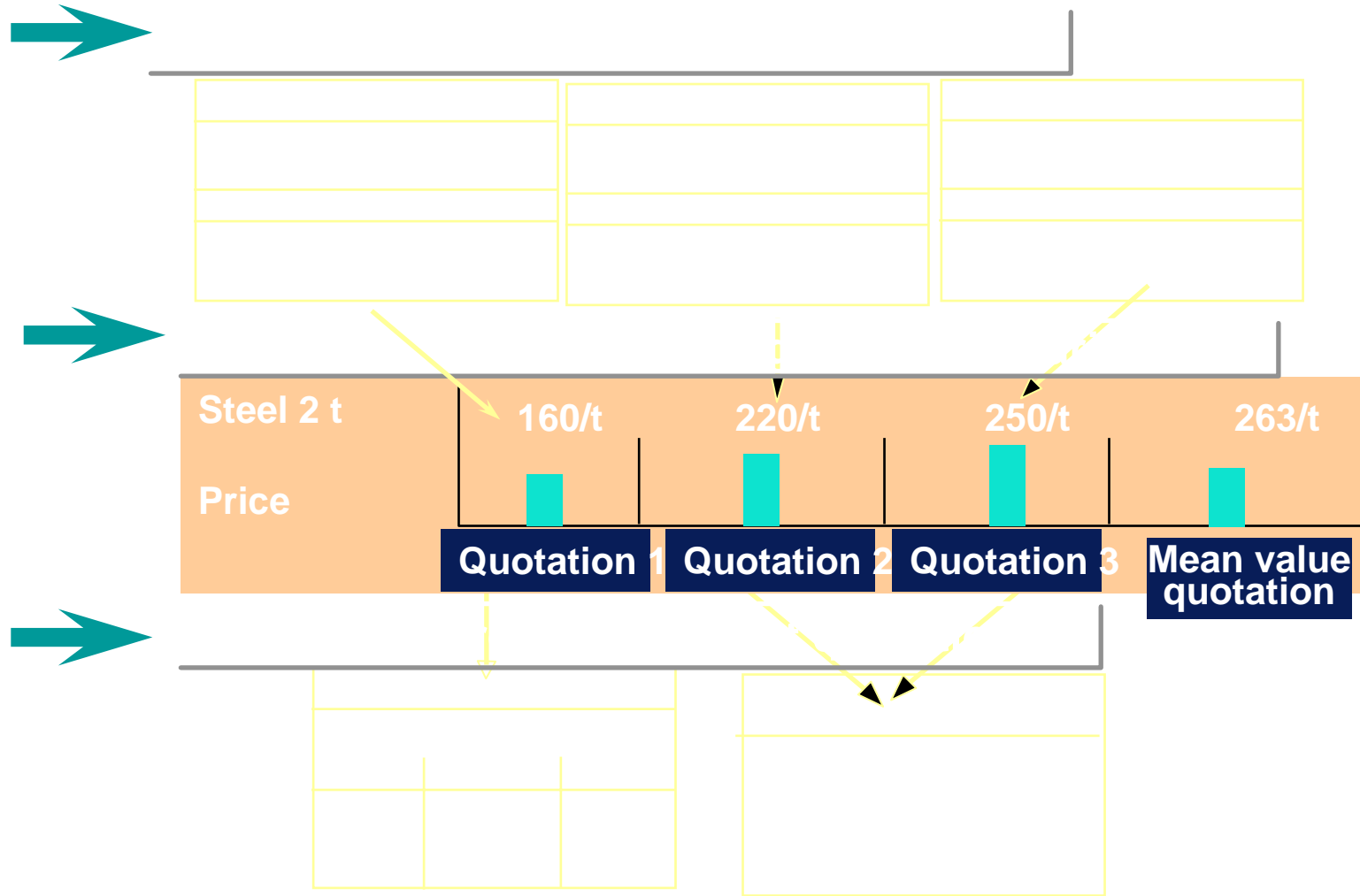
Quotation is used in purchasing to compare different vendors before placing an order.

It contains entire information similar to PO.

Structure of an RFQ



Processing Quotations



Release Strategy

Release strategy helps to control further processing.

Based on conditions, different person or department can be authorized to release in sequence

It can be applied for PR, RFQ and for PO.

Item level release can be applied for PR

It can be with or without classification

Release Procedure

Release Conditions

- ▶ Value
- ▶ Material Group
- ▶ Plant

Does a Strategy Apply?

Release Strategy

- ▶ Who is Authorised to Release?
- ▶ In what Order must the Releasing Occur?
- ▶ What is the Release Indicator?

Who can do what?

Release Indicator

- ▶ Released/Blocked for Ordering
- ▶ Released/Blocked for RFQ
- ▶ Fixed for MRP

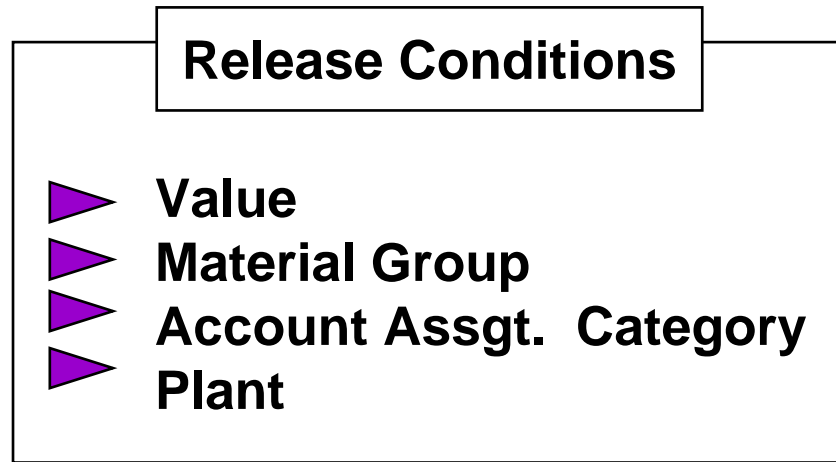
What can the Requisition be Released to?

Release Code

- ▶ Two digit code associated with a user ID

Who is Authorised to release?

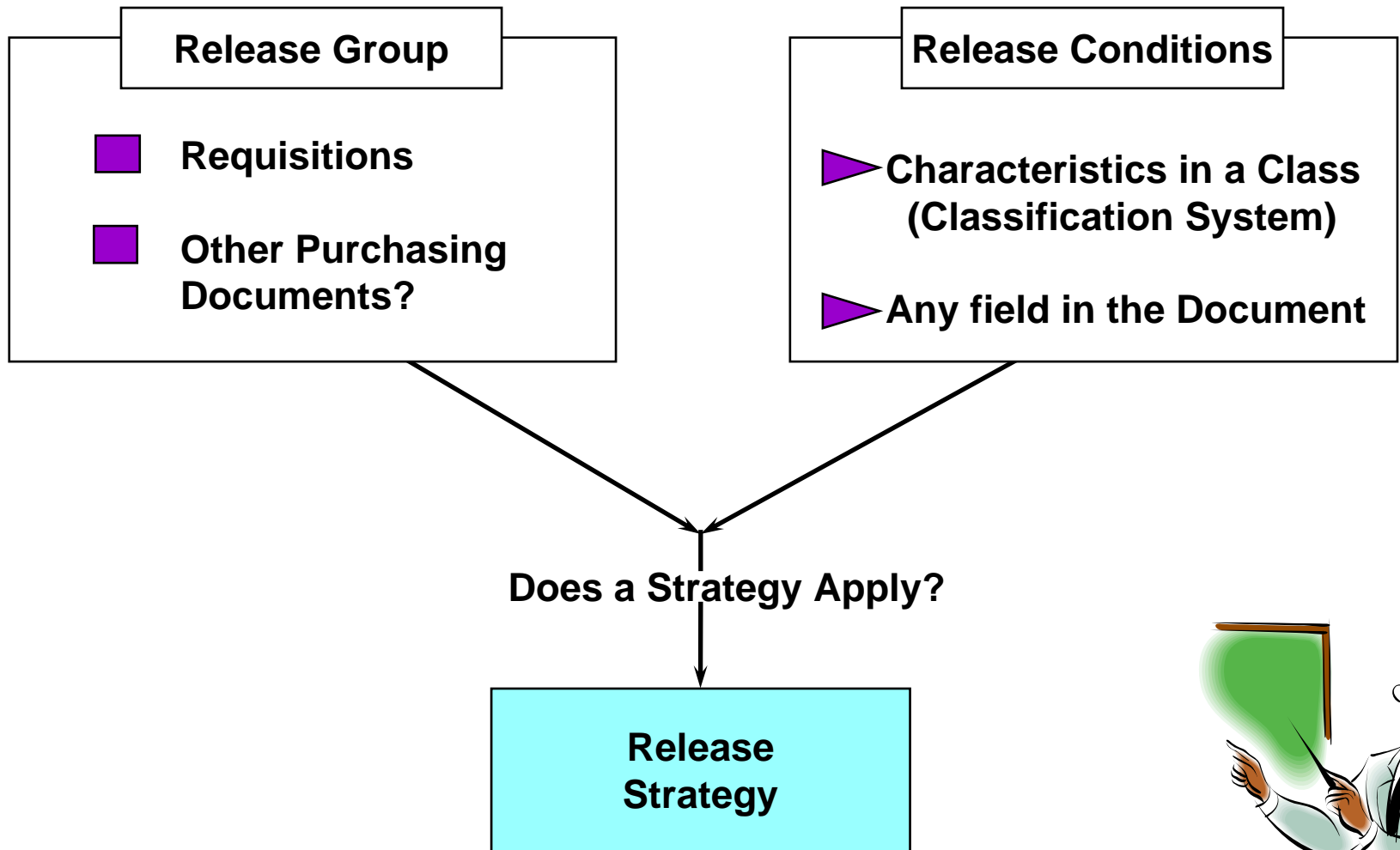
Release Procedure W/out Classification



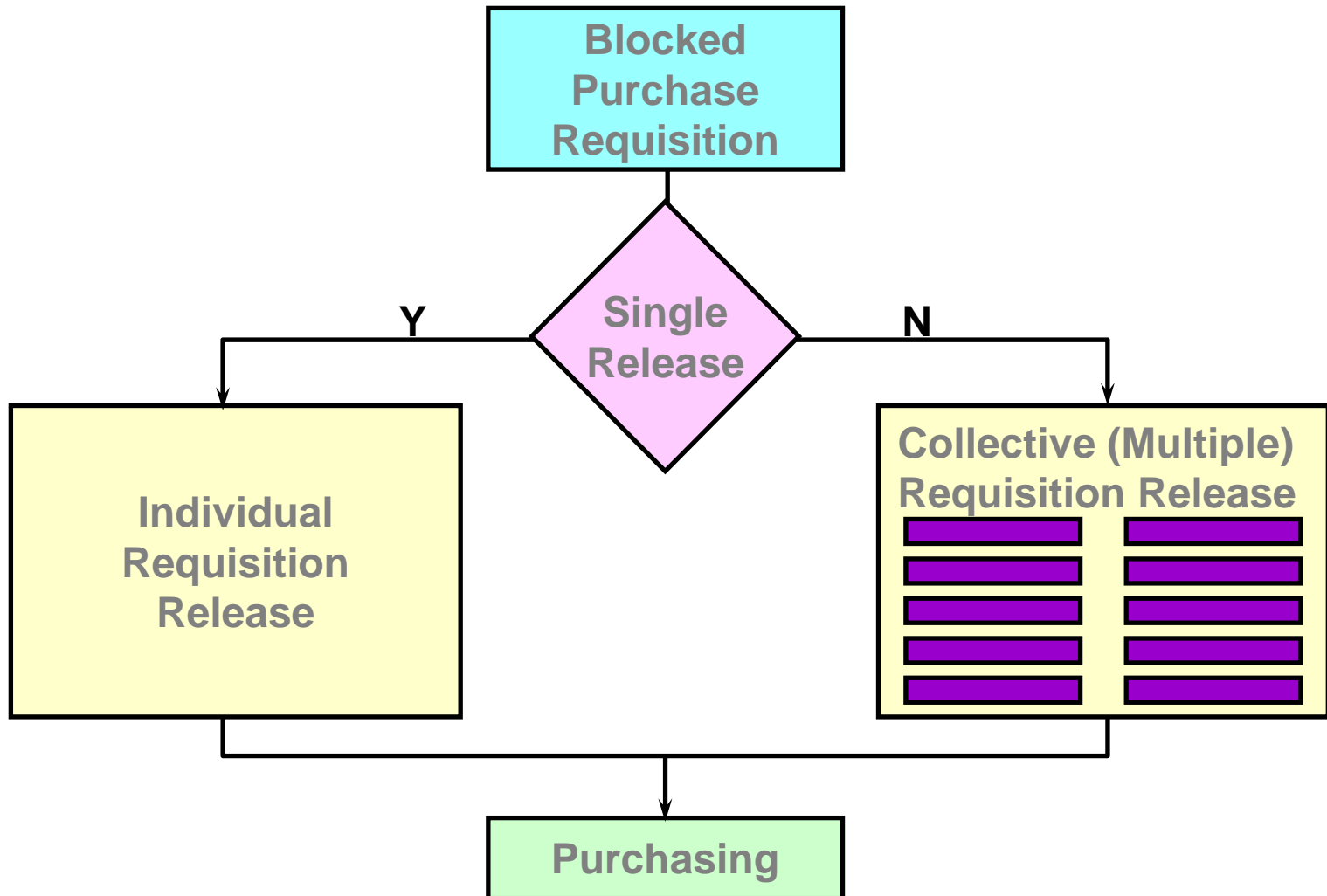
Does a Strategy Apply?



Release Procedure With Classification



Releasing Requisitions



Summary

You must have understood

MM Module data flow

MM Module Master Data

Requisition

RFQ Quotation

Release Strategy