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SAP SD Configuration

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SAP SALES AND DISTRIBUTION COURSE (With SAP ECC 6.0)

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Introduction

SAP stands for Systems, Applications and Products in Data Processing. Five German Engineers founded it in 1972. SAP is an ERP software which large organizations use to manage their business. SAP has several modules, each of which represents a business-process. Modules are usually abbreviated for the business process they represent. For instance, HR is Human Resources, FI for Financial Accounting and SD is Sales & Distribution and so on. All together there are some nineteen modules.

These modules are highly integrated in real-time, which means, that if information is shared between modules then the data is entered only once. This reduces the chances of error arising from repetitive entry and also reduces the man-hours. Managers and decision makers always have information at their fingertips and this helps then in effective decision making.

SAP has been around for over three decades. Nine out of ten Fortune-500 companies have already implemented SAP (not counting the thousands of to-be Fortune-500 companies that have SAP). There are well over 10 million SAP users worldwide and jobs keep popping up all around the world.

SAP is the leading ERP (Enterprise Resource Planning) software. Because of it's liberal openarchitecture, there are millions of programmers working around the world to provide interaction between thousands of major software and SAP.

SAP is usually implemented in phases. The first phase is when organizational structure and accounting components are configured, tested and then taken live. Gradually more modules are turned on.

SD Course

The purpose of this book is to learn step-by-step general configuration methods for the SD module. The course is built on menu path navigation of the Implementation Guide (IMG) and the application area.

LearnSAP

LearnSAP strives to help students develop SAP skills and knowledge needed to complete in the employment market and adapt to future changes. The training course combines classroom theory of SAP technology with hands-on practice.

LearnSAP strives to evolve with the marketplace, delivering skills-based education that is sensitive to market needs and convenient to students. Our goal is to help people develop into employees who are equipped to meet the challenges of a marketplace where change is the one constant.

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OVERVIEW OF SD MODULE

SAP Sales and Distribution module is commonly termed as SD. This module manages the selling, shipping and billing of products and services for an organization. It is a part of Logistics Area in SAP that supports customer activities.

The main areas covered by SD module are:

Pre-sales activities
Sales Order processing
Shipping
Billing

Sales process in most organizations is based on the following: Every company is structured in a certain way and this structure has to be represented in SAP, this is done with the help of "Organizational Structures".

In sales, materials are sold to customers and or services performed for them. The information about the material and or services, as well as the customer information forms the master data in the system. This master data is used in the business transactions which are referred to as documents (e.g. Sales Order is a document).

ORGANIZATION STRUCTURE

The organizational structures form a framework of a company in which business is conducted. Organizational Structure is also referred to as Enterprise Structure.

In SD, the organizational structures are closely integrated with those in Financial Accounting and Materials Management. The creation and assignment of organizational units is done in Customizing of Enterprise structure.

Enterprise Structure is made up of Organizational Units and have to be defined and each of the unit has a relationship to one another and this relationship has to be assigned.

Organizational Units of Sales & Distribution consists of:

- Company Code
- Sales Organization
- Distribution Channel
- Division

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Company Code:

This represents the client, company in which you are implementing SAP for. The client is the highest organizational Unit in the Enterprise Structure.

Sales Organization:

This is the legal entity that is responsible for the sales activity of an organization and negotiates terms of the sale.

A company code can have many sales organizations, but a sales organization can be assigned to only one company code.

Distribution Channel:

The distribution channel determines how materials and or services are sold and they reach the customer.

Normally distribution channels include wholesales, retail, direct sales and internet sales. Customers can be served through one or more distribution channels within a Sales Organization.

- A Distribution Channel can be assigned to one or more Sales Organizations.
- Several Distribution Channels can be assigned to one Sales Organization.

Division:

The division is type of product / material sold.

Sales Area:

Combination of Sales Organization, Distribution Channel and Division makes a Sales Area.

SAP Implementation Guide:

Customizing of SAP software to adjust to the workings of your organization is done through the Implementation Guide commonly known as IMG.

IMG is where the Enterprise Structure is defined and maintained along with the other settings required for the functioning of the SAP software for the client implementing SAP.

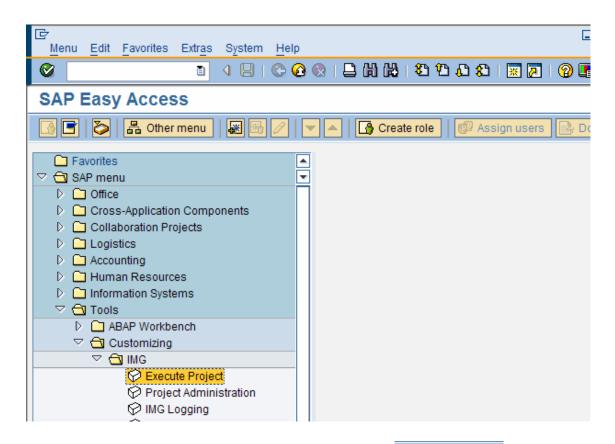
Reaching SAP IMG:

Menu Path:

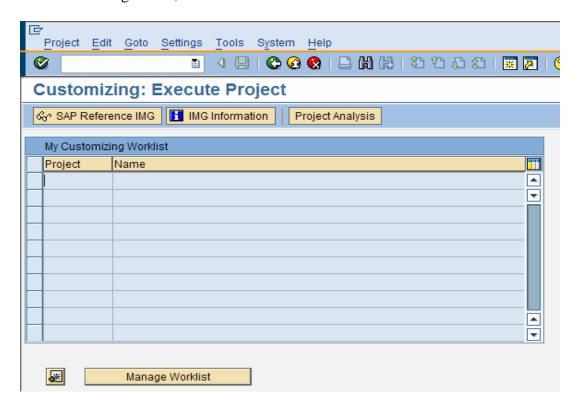
SAP Easy Access \rightarrow Tools \rightarrow Customizing \rightarrow IMG \rightarrow Execute Project

TCode = SPRO

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On the following screen, click on "SAP Reference IMG" SAP Reference IMG



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ORGANIZATION SETUP

SALES ORGANIZATION

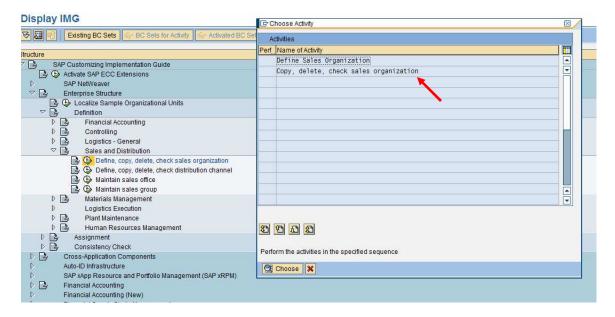
Sales Organization the Sales Organization is central organizational element that controls the terms of sale to the customer. Defining the Sales Organization is the foremost step in customizing SD module in SAP.

STEP 1: CREATING SALES ORGANIZATION

Best advised business practice is to copy an existing sales organization and create own sales organization

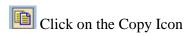
Menu Path:

SAP IMG \rightarrow Enterprise Structure \rightarrow Definition \rightarrow Sales and Distribution \rightarrow Define, Copy Delete, Check Sales Organization



On Choose Activity screen,

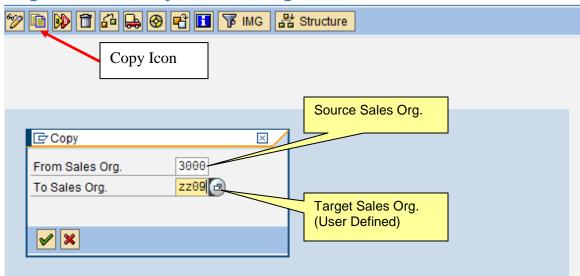
- select Copy, Delete, Check Sales Organization –
- Double Click on it.



On the following screen please provide the From (Source) and To (Target) company code. {In practice please select sales organization 3000 as source and give a target sales organization as your own}

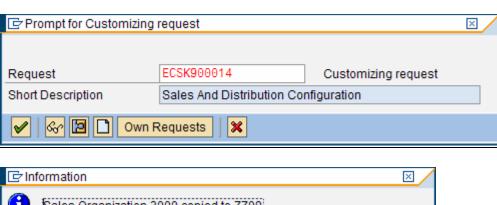
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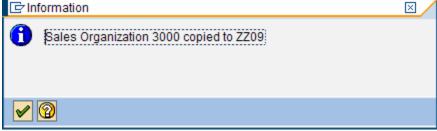
Organizational object Sales Organization



Press enter or icon till the Sales organization gets created.

Upon creating the Sales Organization, the system issues a customizing request to save the configuration. If you do not have a request, click on create icon and then save.



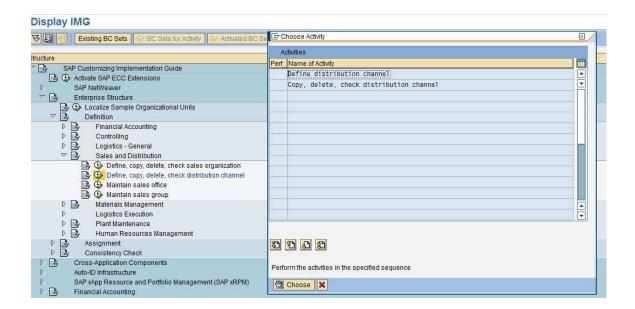


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STEP 2: CREATING DISTRIBUTION CHANNEL

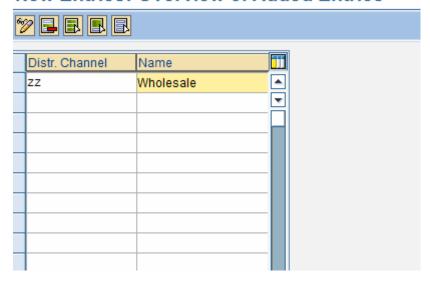
Menu path:

SAP IMG \rightarrow Enterprise Structure \rightarrow Definition \rightarrow Sales and Distribution \rightarrow Define, Copy Delete, Check Distribution Channel



Click on Define Distribution Channel – New Entries

New Entries: Overview of Added Entries



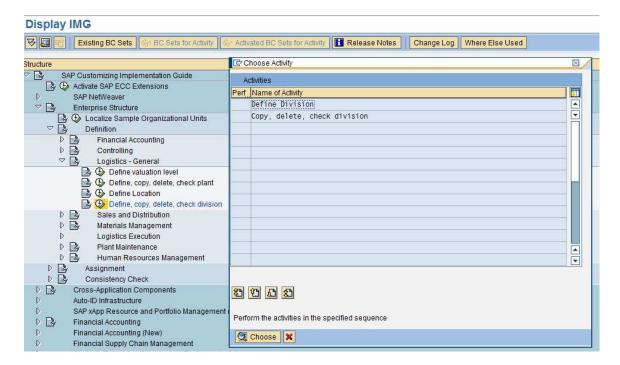
Create your own Distribution channel and save it by 'Enter' or & 'Save'

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STEP 3: CREATING DIVISION

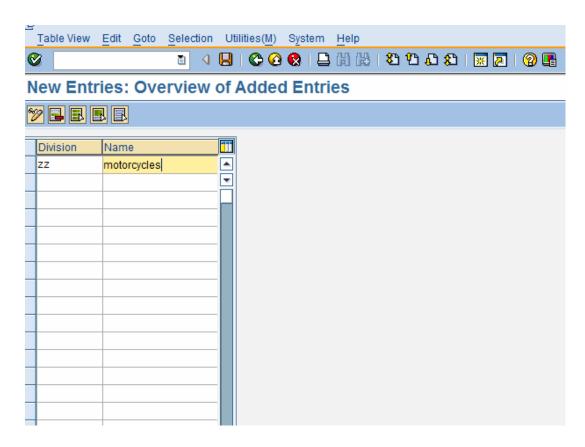
Menu path:

SAP IMG \rightarrow Enterprise Structure \rightarrow Definition \rightarrow Logistics - General \rightarrow Define, Copy Delete, Check Division

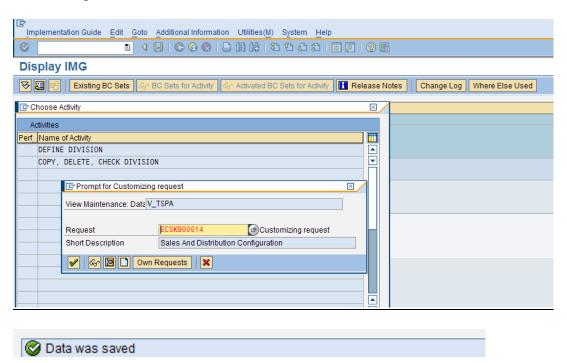


Create own Division by providing Division and name.

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Save the inputs.

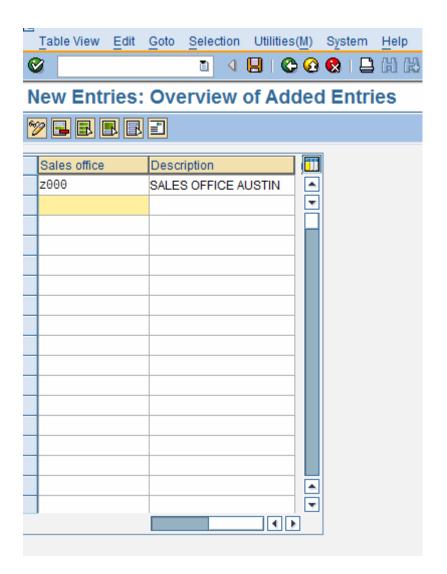


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STEP 4: CREATING SALES OFFICE

Sales office: Geographical aspects of the organizational structures in business development and sales are defined using sales offices. A sales office can be viewed as an actual office or perhaps a territory or region. Sales offices are assigned to sales areas. If you enter a sales order for a sales office within a particular sales area, the sale s office must be permitted for that sales area. A sales office can be assigned to more than one sales area.

Menu path:
SAP IMG → Enterprise Structure → Definition → Sales and Distribution →
Maintain Sales Office



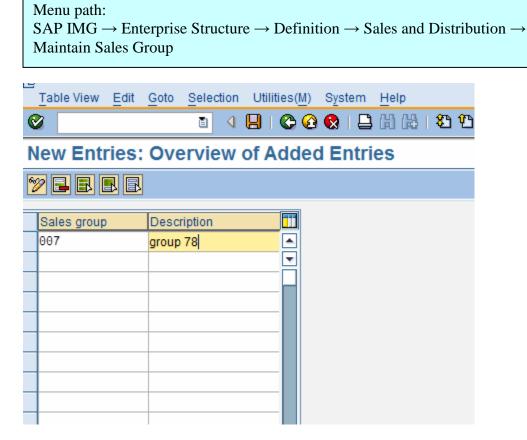
Save your entries. When you press enter, a new window for Address entry will pop up, provide address information and then save the entries.

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STEP 5: CREATING SALES GROUP:

Sales group:

Employees of a sales office can be assigned to sales groups defined for each division or distribution channel. Sales groups are assigned to sales offices.



Save entries.

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ASSIGNMENT OF ORGANIZATIONAL UNITS

In assignment of organizational units, the units are assigned to organizational structure. In the assignment you define how the individual structures / units relate to each other.

The assignments of the organizational units are very easy to set up once you understand the structure of the overall organization.

In the previous steps we have defined individual organizational units required by Sales and Distribution module of SAP. This assignment is done in the Customizing Implementation Guide.

In SD, the following assignments of the organization units have to be created:

- Assign Sales Organization to Company Code
- Assign Distribution Channel to Sales Organization
- Assign Division to Sales Organization
- Set up Sales Area
- Assign Sales Office to Sales Area
- Assign Sales Group to Sales Area
- Assign Sales Organization, Distribution Channel and Plant
- Assign Shipping point to Plant
- Assign Sales Area to Credit Control Area

In the next few steps we will be going over the assignment of organizational units and setting up the SD Enterprise structure.

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STEP 6: ASSIGNING SALES ORGANIZATION TO COMPANY CODE

A sales organization is assigned to exactly one company code.

Menu path:
SAP IMG → Enterprise Structure → Assignment → Sales and Distribution →
Assign Sales Organization to Company code



Assign the created Sales Organization to the Company Code.

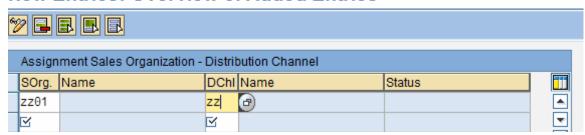
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STEP 7: ASSIGNING DISTRIBUTION CHANNEL TO SALES ORGANIZATION

Menu path:

SAP IMG \rightarrow Enterprise Structure \rightarrow Assignment \rightarrow Sales and Distribution \rightarrow Assign Distribution Channel to Sales Organization – New entries

New Entries: Overview of Added Entries



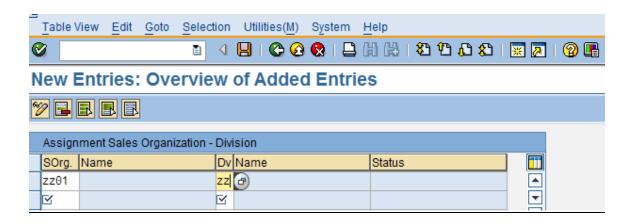
Creates assignment between your Distribution Channel & Sales Organization and save.

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STEP 8: ASSIGNING DIVISION TO SALES ORGANIZATION

Menu path:

SAP IMG → Enterprise Structure → Assignment → Sales and Distribution → Assign = Division to Sales Organization – New Entries



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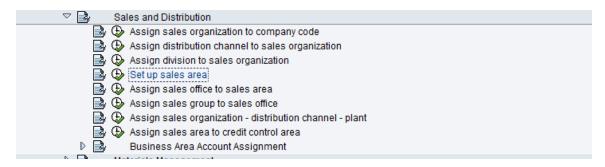
STEP 9: CREATING SALES AREA:

A sales area is a combination of sales organization, distribution channel and division. Sales documents, delivery documents, and billing documents are always assigned to a sales area.

Every sales process always takes in a specific sales area.

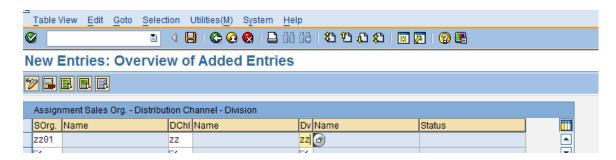
Creating Sales Area:

Menu Path:
SAP IMG → Enterprise Structure → Assignment → Sales and Distribution →
Setup Sales areas



Click on execute .

Create assignment between your Sales organization, Distribution Channel & Division By selecting new entries.



If the entry already exists the system will display a message. If not, then save your assignment.

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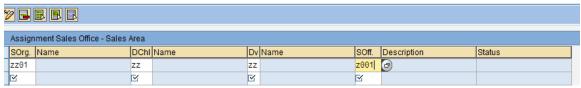
STEP 10: ASSIGNING SALES OFFICE AND SALES GROUP:

Sales Offices are assigned to Sales Area

Menu Path:

SAP IMG \rightarrow Enterprise Structure \rightarrow Assignment \rightarrow Sales and Distribution \rightarrow Assign sales office to sales area \rightarrow New Entries

New Entries: Overview of Added Entries



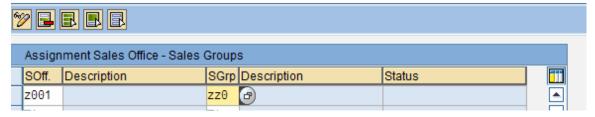
Enter Sales Area {Sales Organization, distribution Channel & Division} & your Sales Office info and save entries.

Sales Groups are assigned to Sales Offices:

Menu Path:

SAP IMG \rightarrow Enterprise Structure \rightarrow Assignment \rightarrow Sales and Distribution \rightarrow Assign sales group to sales office \rightarrow New Entries

New Entries: Overview of Added Entries



Enter created Sales office and sales group info and assign it by saving your entries.

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