Sales Order Process

Exercise Introduction

In this exercise, you will be processing a customer order for the fictitious Fitter Snacker company—a manufacturer of snack bars. Fitter Snacker has two products, the NRG-A and NRG-B bars. The NRG-**A** bar touts "**A**dvanced Energy," while the NRG-**B** bar touts "**B**ody **B**uilding Proteins."

Within each client of this ERP system, there there are 100 copies of the Fitter Snacker Company data. You have been assigned to one of these sets of data, defined by your **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. WILLINGLY TAMPERING WITH OTHER STUDENT DATA IN THIS COURSE WILL HAVE SEVERE PENALTIES.**

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 an inquiry for West Hills Athletic Club, the instructions will refer to ## West Hills Athletic Club. 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 for **09 West Hills Athletic Club**. The screen shots in the instructions were created using Data Set Number 00, which is reserved for the instructor. **Do not use Data Set Number 00 in any transactions.**
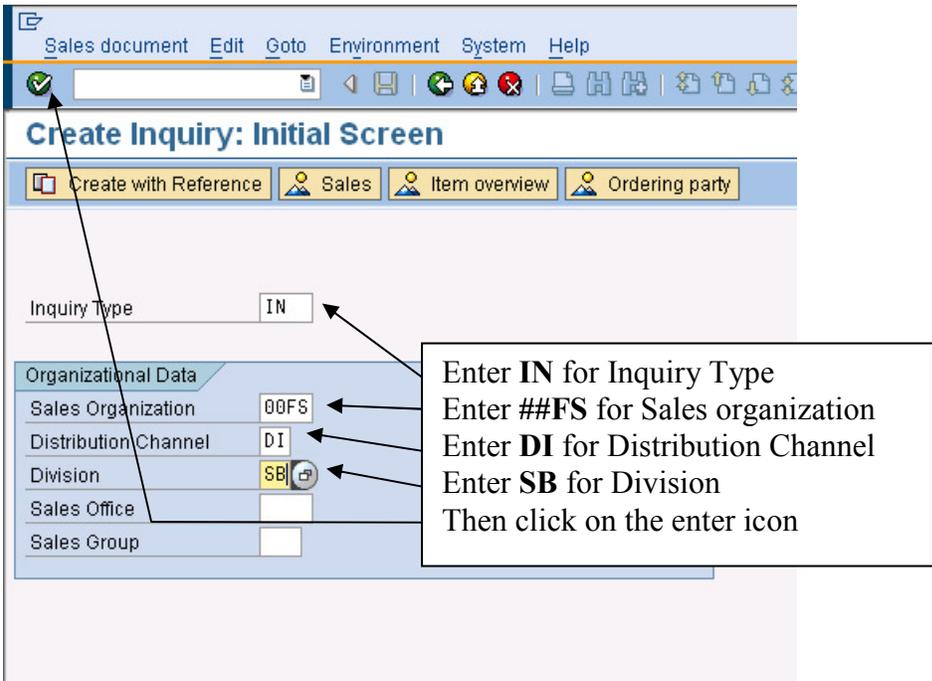
1. Create an Inquiry

An inquiry is a non-binding price quotation to a customer that tells them the price of a specific quantity of your product. We will create an inquiry for **## West Hills Athletic Club**. To do this, follow the menu path:
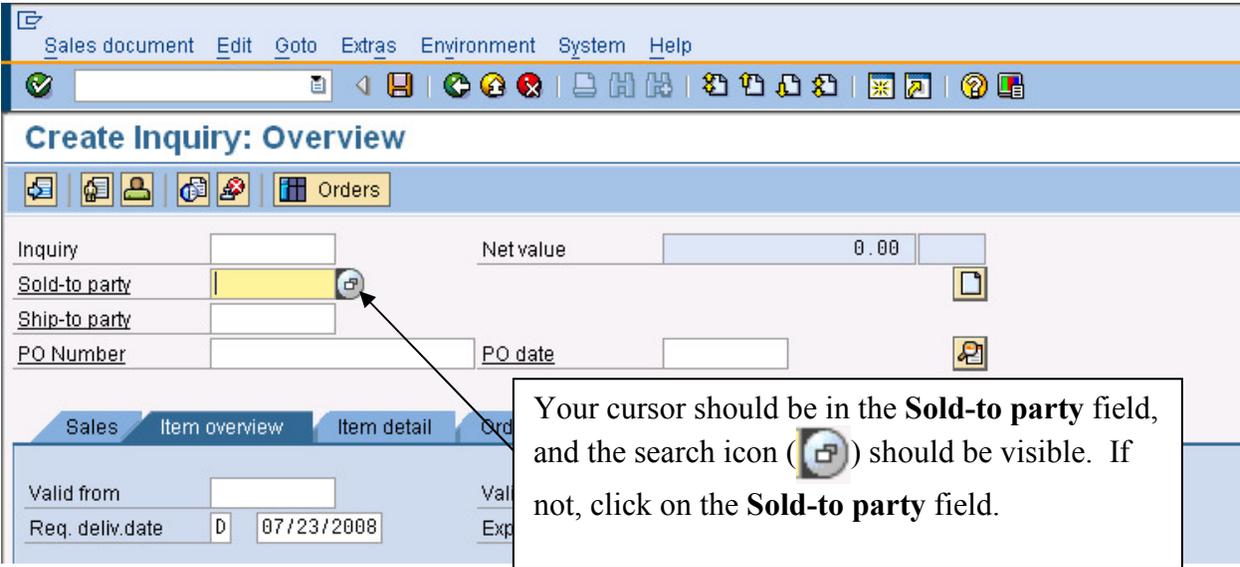
Logistics ▷Sales and Distribution ▷Sales ▷Inquiry ▷Create

which will bring up the following screen:
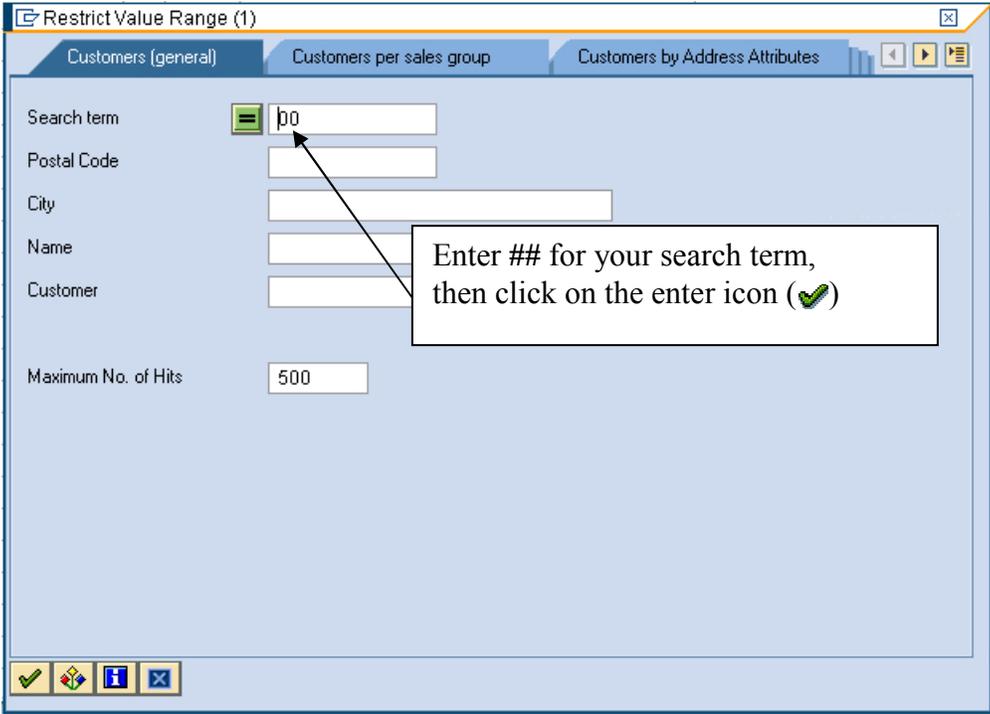
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Create Inquiry: Initial Screen

Create with Reference | **Sales** | **Item overview** | **Ordering party**

Inquiry Type: IN

Organizational Data

Sales Organization: 00FS
Distribution Channel: DI
Division: SB
Sales Office:
Sales Group:

> Enter **IN** for Inquiry Type
> Enter **##FS** for Sales organization
> Enter **DI** for Distribution Channel
> Enter **SB** for Division
> Then click on the enter icon

Enter the information shown above, click the enter icon (💿) and then click on the and the following screen will appear:

Create Inquiry: Overview

Orders

Inquiry: Net value: 0.00
Sold-to party:
Ship-to party:
PO Number: PO date:

Sales | Item overview | Item detail | Ord

Valid from: Val
Req. deliv.date: D 07/23/2008   Exp

> Your cursor should be in the **Sold-to party** field, and the search icon (🔲) should be visible. If not, click on the **Sold-to party** field.

The screen should have the cursor already in the **Sold-to party** field. If you knew the customer number of the company requesting the inquiry, you could type it in directly. Usually, people can't remember arbitrary customer numbers. Fortunately, the SAP ERP system has a

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comprehensive search function that will allow us to find the **Sold-to party** easily. Click on the search icon ( ) and the following pop-up menu will appear:

Enter your Data Set Number (##) for the search term and click on the enter icon ( ) and a list like the following will appear:

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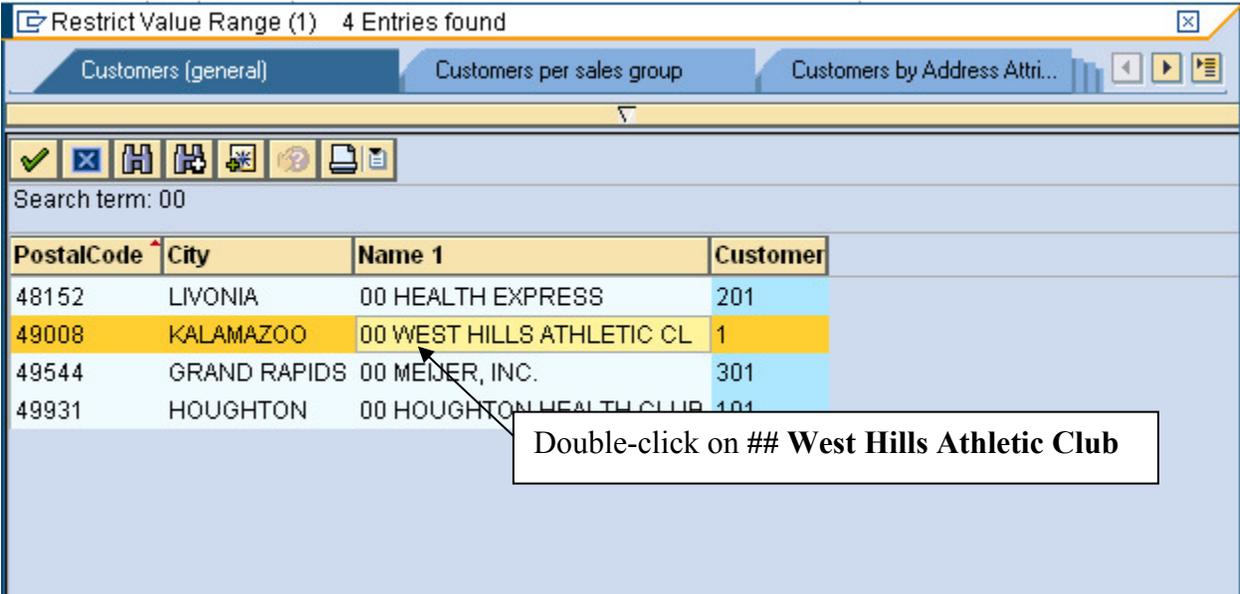
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Double-click on the entry **## West Hills Athletic Club** to select it. When you do, the customer number will be entered automatically:

The customer number for **## West Hills Athletic Club** is displayed (your number will be different than the one shown in this figure). Enter **WH1##** in the **Purch. Order no.** field, then click on the **Valid from** field to display the search icon, then click on the search icon (🔲).

Next, click on the **Purch.order no.** field and type **WH1##**. Then, click on the Valid from field so that the search icon is again displayed. Click on the search icon, and a calendar will be displayed:

Double-click on today's date (which is highlighted) to enter it

Today's date is highlighted. Double-click on it to enter today's date in the **Valid from** field. Click on the **Valid to** field, then click on the search icon (🔲) to call up the calendar again, then double-click on a weekday approximately one month from today. When you are done, the customer order screen should look like the following:

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Create Inquiry: Overview

Inquiry		Net value	0.00
Sold-to party	1	
Ship-to party		
PO Number	WH100	PO date

Tabs: **Sales** | **Item overview** | Item detail | Ordering party | Procurement | Shipping | Reason for rejection

| Valid from | 07/23/2008 | Valid to | 08/23/2008 |
| Req. deliv.date | D | 07/23/2008 | Expect.ord.val. | 0.00 |

All items

Item	Material	Order Quantity	SU	AltItm	Description

Check data, and then click on the first material field

Click on the first material field, and then click on the search icon to call up the following search pop-up window:

Restrict Value Range (1)

Tabs: Materials for class | **Material by material group** | Material by EAN (International ...)

Material Group	
Material description	
Language Key	EN
Material	
Maximum No. of Hits	500

Select the tab Material by Material Group
Click on the arrow next to the material group field to find the tab
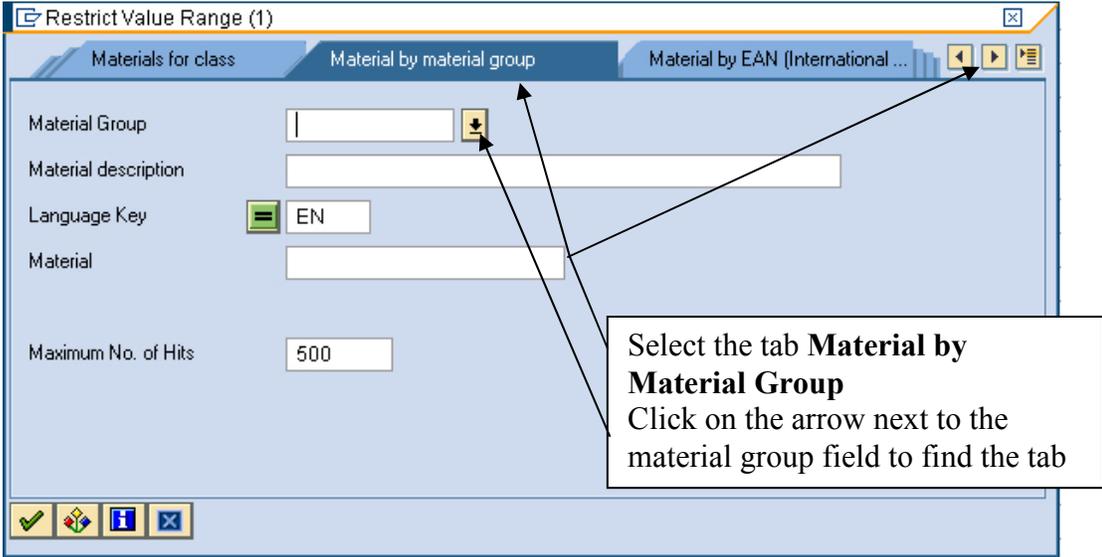
Find the tab with **Material by Material Group**, and then click on the arrow (⬇) next to the Material group field, which will call up a second pop-up window:

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Double-click on **Sales** to select it.
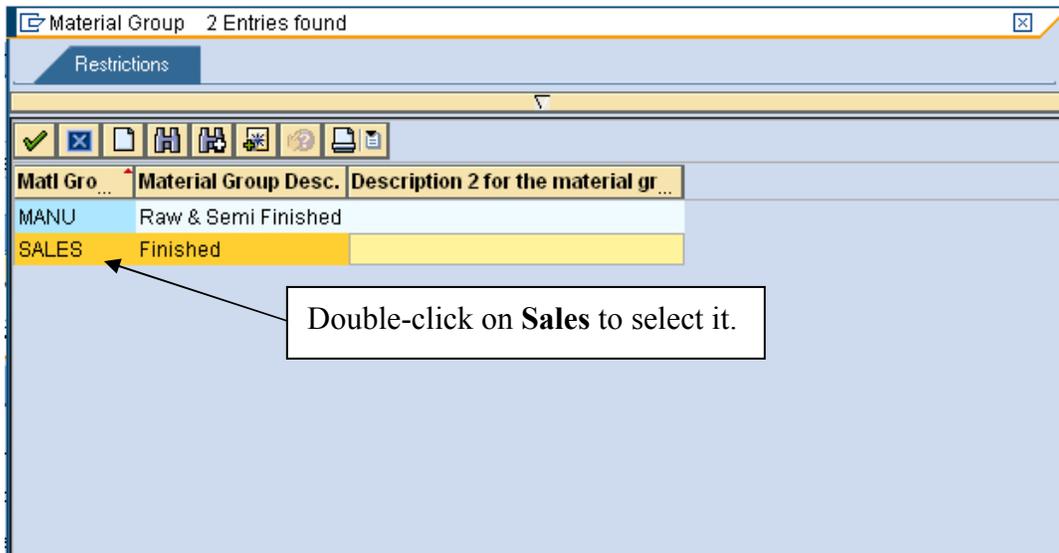
Double-click on the **SALES** group to select it, then enter **##*** for Material description:

Enter ##*for Material description
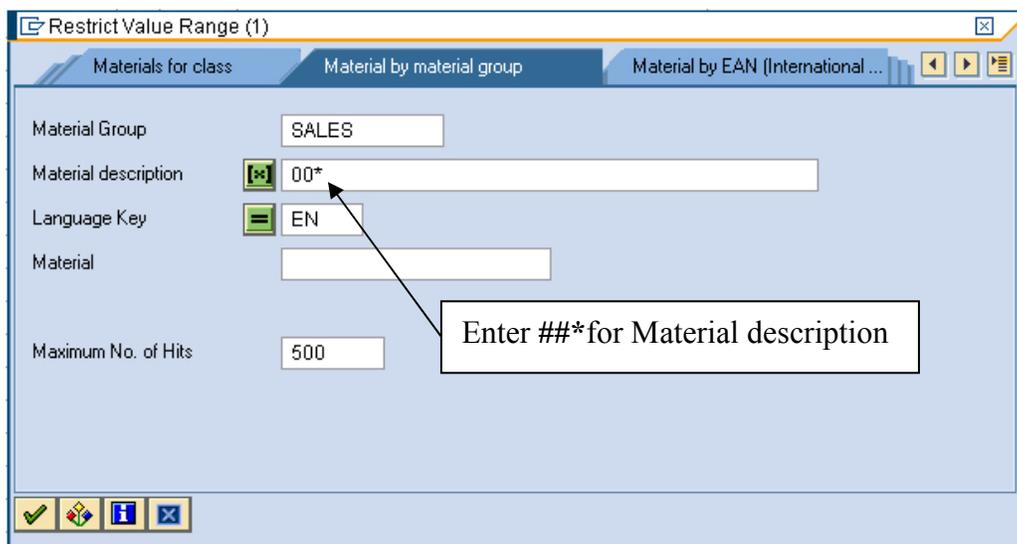
There are many ways to search for material in the SAP ERP system. One of the more useful is to search by old material number, as most companies change their material numbering systems after installing the SAP ERP system while many customers will still be using the old material numbers. Unfortunately, the SAP ERP system does not provide for user-defined search terms for materials like it does for customers. However, with the addition of an asterisk, we can take care of that problem. Because this database has all materials defined with the Data Set Number first, you can screen out materials for other Data Set Numbers by entering **##*** for the material description. This tells the search tool to only display those materials beginning with your Data Set Number. After selecting the **SALES** Material group and entering **##*** for material description, click on the enter icon (✓) and a list like the following will be displayed:

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Double-click on ## **NRG-B** to select it
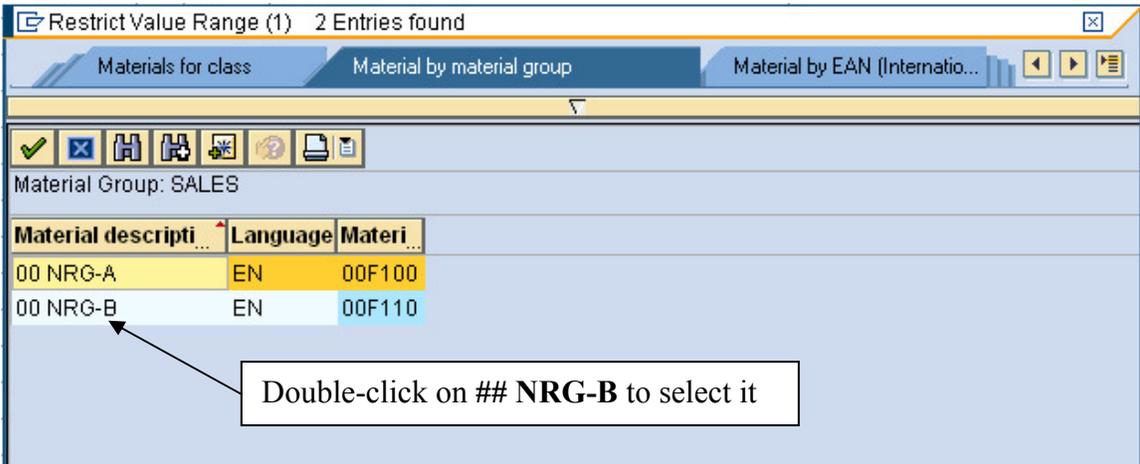
Double-click on the **## NRG-B** snack bar to select it, and the material number will be entered automatically:

Material number is automatically entered. Enter 10 for **Order quantity**, then click on the enter icon (✅).
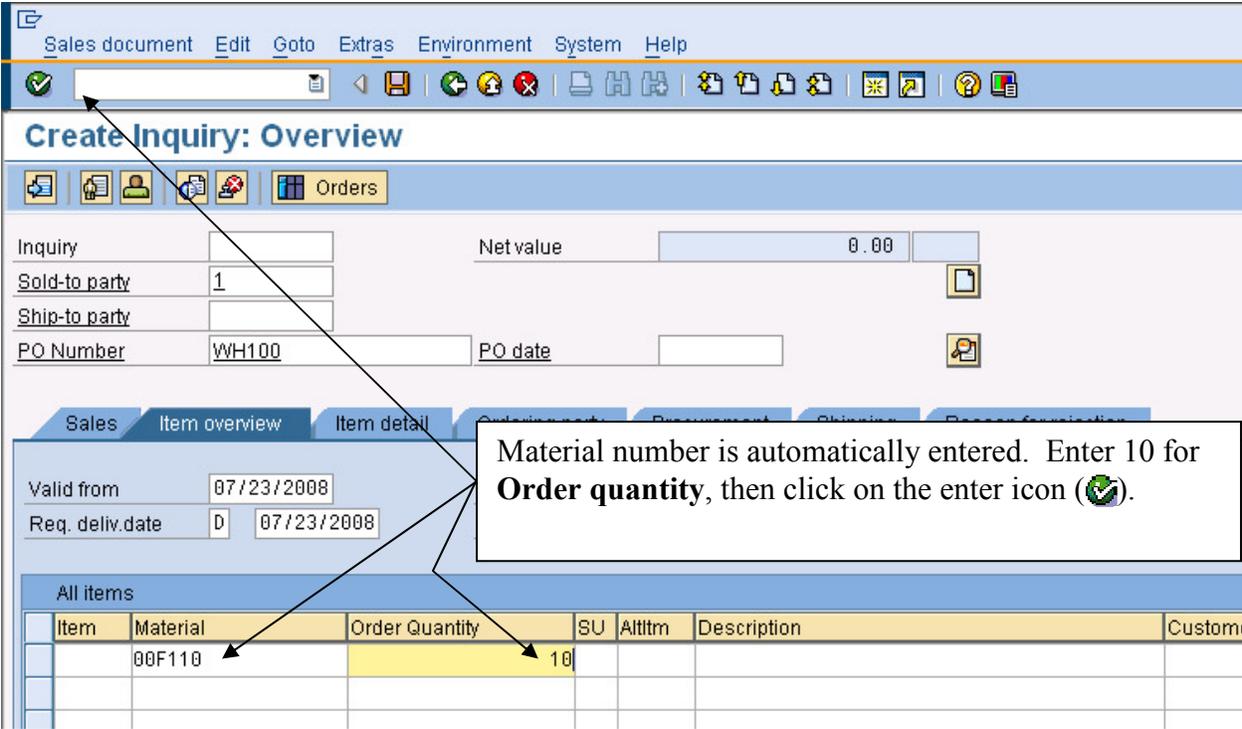
With the material number entered automatically, enter **10** for Order quantity, then click on the enter icon (✅):

If any informational messages appear, just click on the enter icon (✅) to clear them.

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Notice that SAP has called up information about the **Sold-to party** and **Material** from the database.

Select the first line by clicking on the square next to it (⬜), then click on the item conditions icon (🔆)

Click on the square (⬜) next to the first line to select it, and then click on the item conditions icon (🔆) and the following screen will appear:

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Note discount, then click on the back icon

Because the standard price for 10 cases is $2,950 and ## West Hills Athletic Club receives a 5% price discount for any line item over $1,000 and a 10% discount for any line item over $1,500, this inquiry includes a discount of $295. Click on the back icon (⬅) to return to the **Create Inquiry: Overview** screen:

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Create Inquiry: Overview

Inquiry		Net value	2,655.00	USD
Sold-to party	1	00 West Hills Athletic Club / 2001 S. 11th St. / Kalamazoo MI 4900
Ship-to party	1	00 West Hills Athletic Club / 2001 S. 11th St. / Kalamazoo MI 4900
PO Number	WH100	PO date

Sales | Item overview | Item detail | Ordering party | Procurement | Shipping | Reason for rejection

Valid from	07/23/2008	Valid to	08/23/2008
Req. deliv.date	D	07/23/2008	Expect.ord.val.	796.50	USD

All items

Item	Material	Order Quantity	SU	AltItm	Description	Customer Material
10	00F110	10	CS		00 NRG-B	

Select the first line, then click on the Display availability icon

Select the line item again, and then click on the Display availability icon (🔳) which will produce the following screen:

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This screen shows that number of cases that are currently available to sell and where they are located (storage location 300)

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Note the quantity of ## NRG-B bars available and the storage location where they are currently located. Click on the back icon (), then click on the save icon () to save the inquiry. Click on the exit icon () to return to the SAP Easy Access screen.

2. Create a Sales Order from an Inquiry

If the customer wants to place an order after receiving the inquiry, we can create a sales order from the inquiry so that we don't have to reenter the basic data (and, potentially, make a mistake in doing so). To create a sales order from the inquiry, follow the menu path:

Logistics ▷ Sales and Distribution ▷ Sales ▷ Order ▷ Create

which will bring up the following screen:

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Enter **OR** for Order Type
Enter **##FS** for Sales organization
Enter **DI** for Distribution channel
Enter **SB** for Division
Then click on the **Create with reference** icon

Enter the information shown above, then click on the Create with reference
( ) icon and the following screen will appear:

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Make sure you have selected the inquiry tab, and then click on the search icon ( ) to bring up the following pop-up window:

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> Select the **Sales documents by customer** tab Make sure **SP** (sold-to party) is entered under the Partner function, **##FS** is entered for the Sales organization and **1** is entered for Transaction group, then click on the enter icon

To search for the inquiry, make sure **SP** is entered for the Partner function (sold-to party) and **##FS** is entered for the Sales organization, then click on the enter icon ( ) and search results similar to the following should appear:

Partn	Funct	SOrg.	SO	SGrp	DChl	Dv	SaTy	Purchase order	Doc. Date	Created	Valid from	Valid to	TrG	Document
1	SP	00FS	00S	SW	DI	SB	IN	WH100	07/24/2008	BRET	07/23/2008	08/23/2008	1	10000000

> If more than one inquiry appears, find the one created by you by looking for your user id.
> Double-click on the line to select your inquiry.

Double-click on your inquiry, and the inquiry number will automatically be entered:

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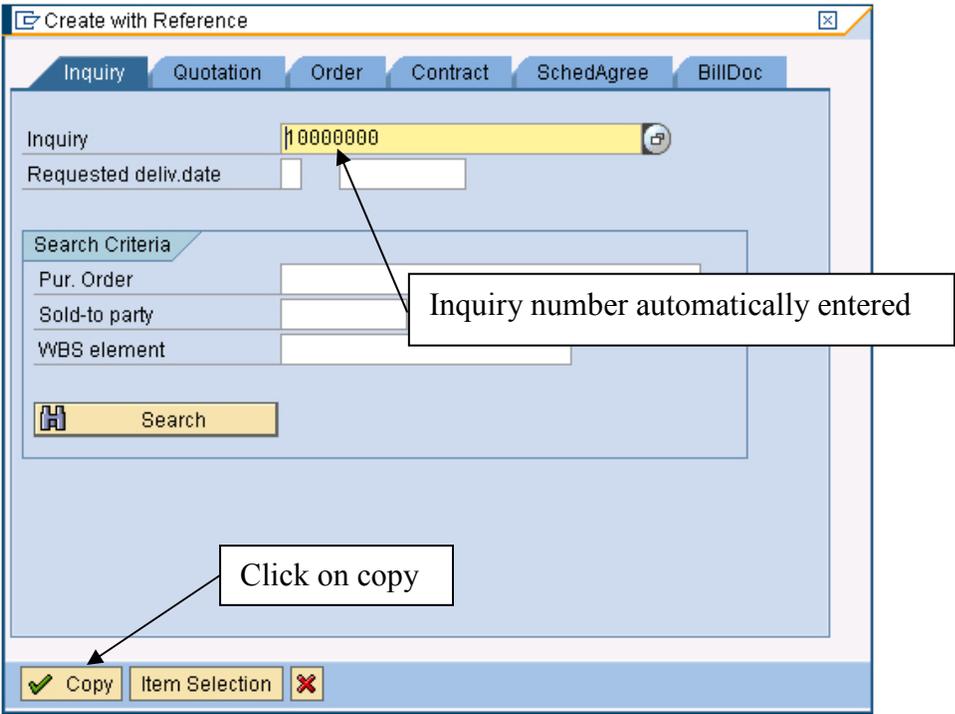
With the inquiry number entered, click on the copy icon (✔ Copy) and the following screen will appear:

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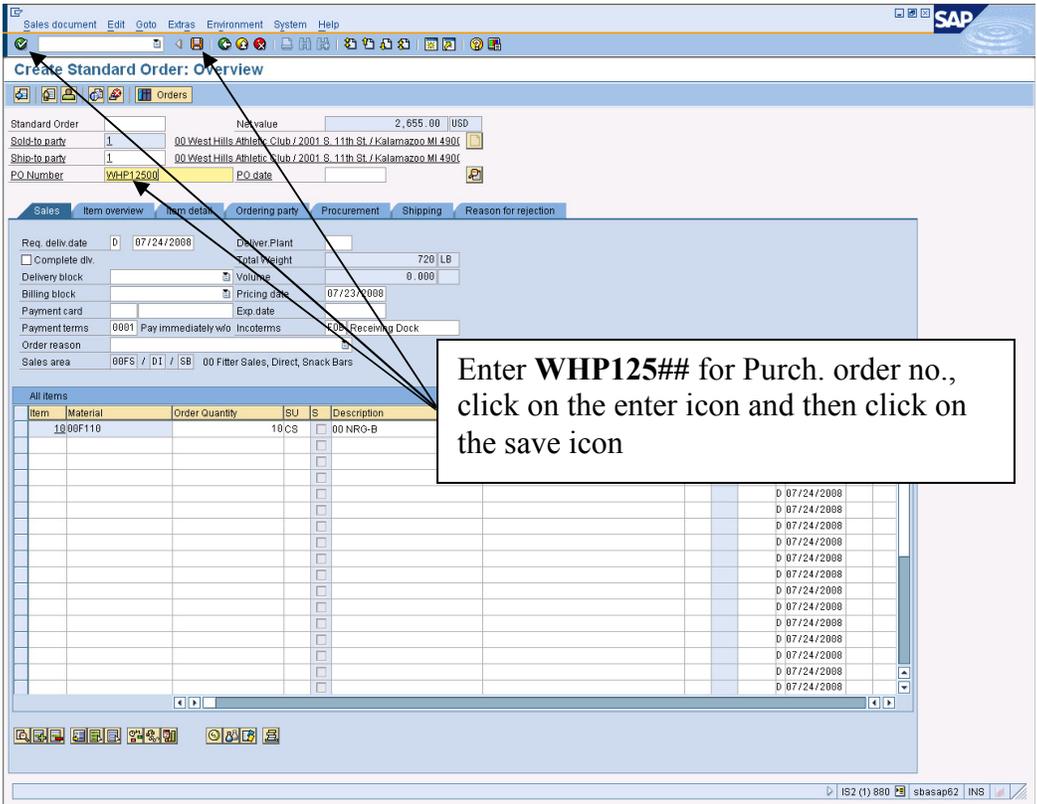
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Information from the Inquiry has been entered automatically—sold-to and ship-to party information, material and quantity. Enter **WHP125##** for purchase order number, click on the enter icon (⊘), then click on the save icon (💾) to save the order. Click on the exit icon (🏠) to return to the SAP Easy Access screen.

3. Create a Delivery for the Sales Order

In the SAP ERP system, a delivery is a status that allows the warehouse to pick, pack and ship the order. To create a delivery, follow the menu path:

> **Logistics** ▷**Sales and Distribution** ▷**Shipping and Transportation** ▷**Outbound Delivery** ▷**Create** ▷**Single Document** ▷**With reference to Sales Order**

which will bring up the following screen:

The order number should be entered automatically. Enter **##SP** for shipping point, then click on the enter icon (⊘) to bring up the following screen:

Sales Order Process
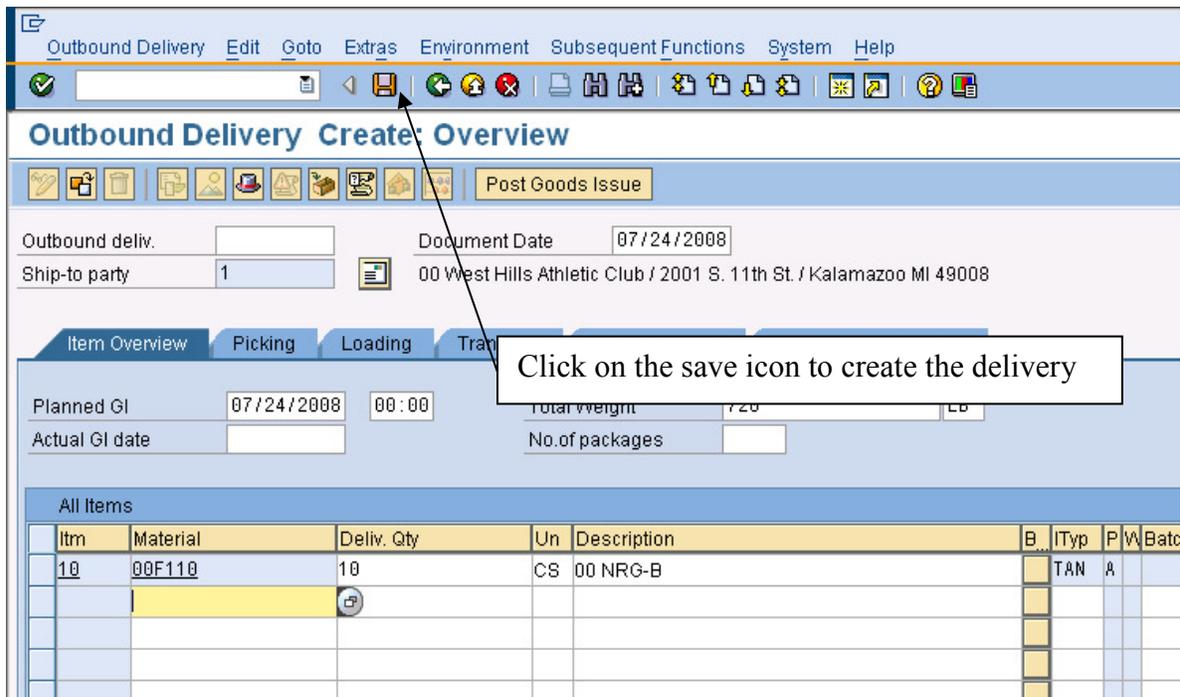
As we are happy with all of the default values, we can click on the save icon (🖫) to create the delivery. You should get a message like the following:

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

Stock/Requirements List

To see the current inventory position for our snack bars, we can use the Stock/Requirements list. The stock requirements list shows the current inventory level, any outstanding sales orders as well as any planned production orders. The stock/requirements list is very handy, and it is usually a good idea to keep a session open so that you can easily view the Stock/Requirements list without having to leave a session.

First, we need to create another session for the Stock/requirements list. To do this, follow the **pull-down** menu path:

        System→Create Session

This will create a new session. To view the new session, look for it on the task bar at the bottom of the screen and click on it.

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When you are in the new session, you need to find the Stock/Requirements list. There are many different menu paths that will get you there. One of the menu paths is:

Logistics ▷Production ▷MRP ▷Evaluation ▷Stock/Requirements List

which will bring up the following screen:

Click on the Material field, then click on the search icon to call up the search function to find the material number for your **## NRG-B**
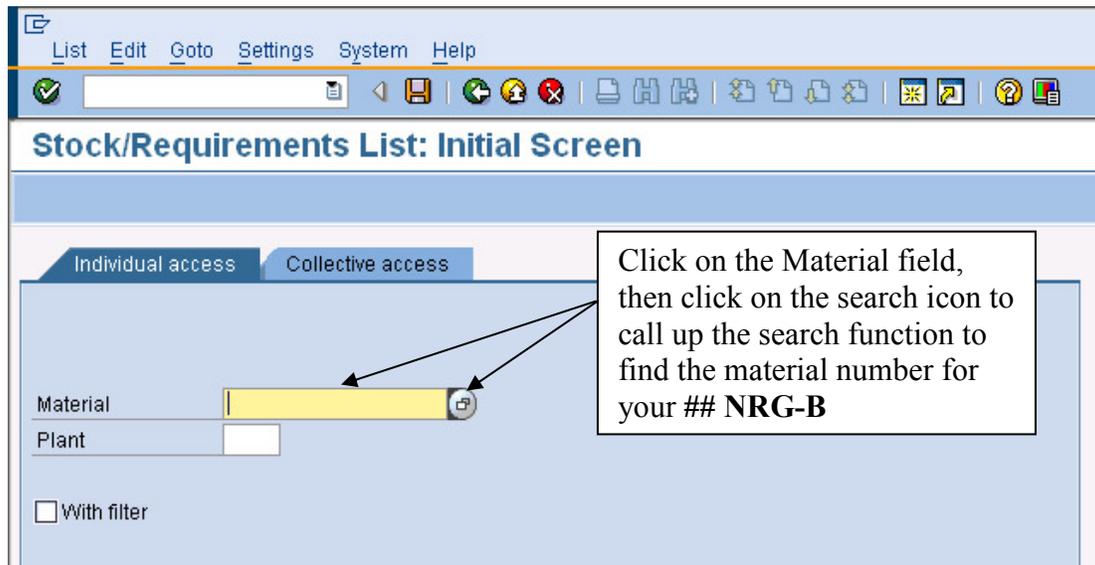
You can use the search function to find the material number for your NRG-B bars. Calling up the search screen will produce the following pop-up window:

Search using the Material Number/Material Description tab, enter **##*** in the material description field, then click on the enter icon

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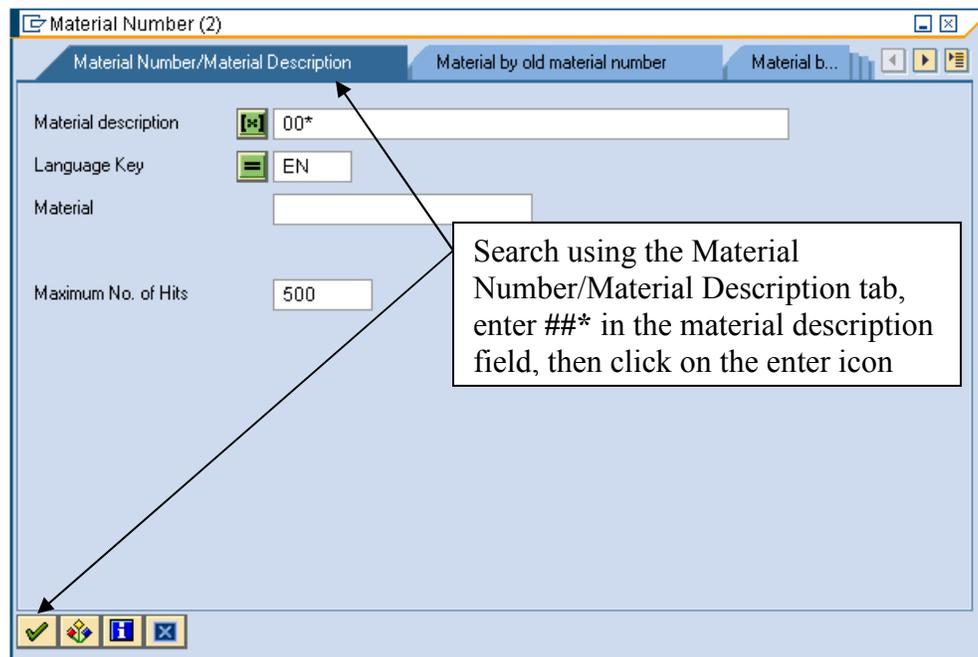
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Search for your material using your two-digit data set number plus and asterisk (##*) then click on the enter icon (✔) to get a list of your materials:
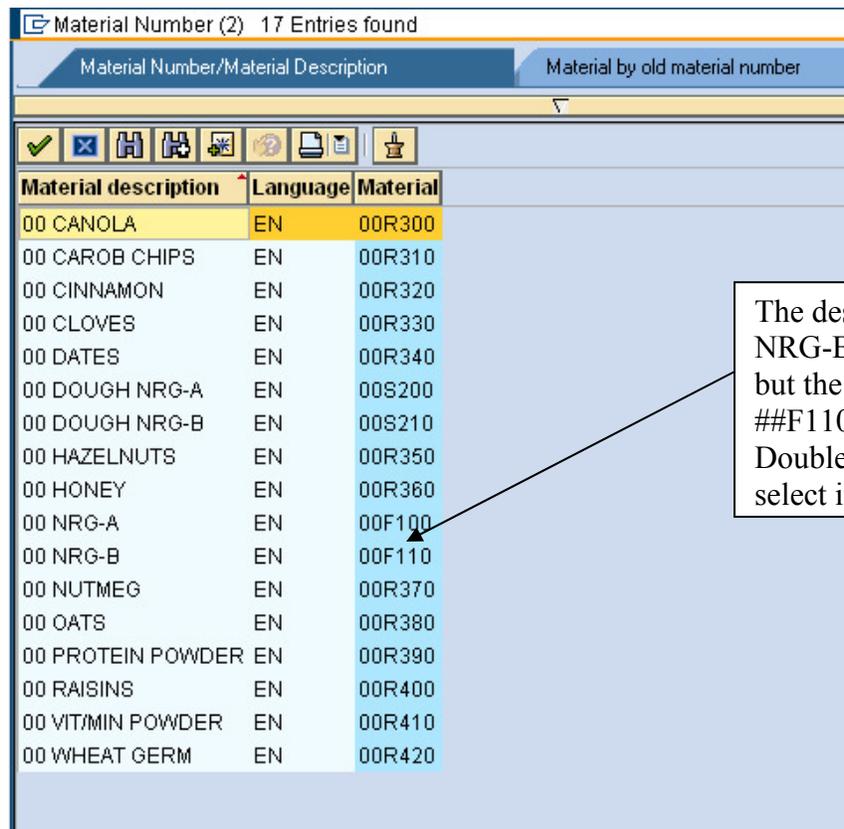
Material description	Language	Material
00 CANOLA	EN	00R300
00 CAROB CHIPS	EN	00R310
00 CINNAMON	EN	00R320
00 CLOVES	EN	00R330
00 DATES	EN	00R340
00 DOUGH NRG-A	EN	00S200
00 DOUGH NRG-B	EN	00S210
00 HAZELNUTS	EN	00R350
00 HONEY	EN	00R360
00 NRG-A	EN	00F100
00 NRG-B	EN	00F110
00 NUTMEG	EN	00R370
00 OATS	EN	00R380
00 PROTEIN POWDER	EN	00R390
00 RAISINS	EN	00R400
00 VIT/MIN POWDER	EN	00R410
00 WHEAT GERM	EN	00R420

The description for the NRG-B bars is ## NRG-B, but the material (number) is ##F110.
Double-click on this line to select it.

Double-click on the line for the NRG-B bar to select it:
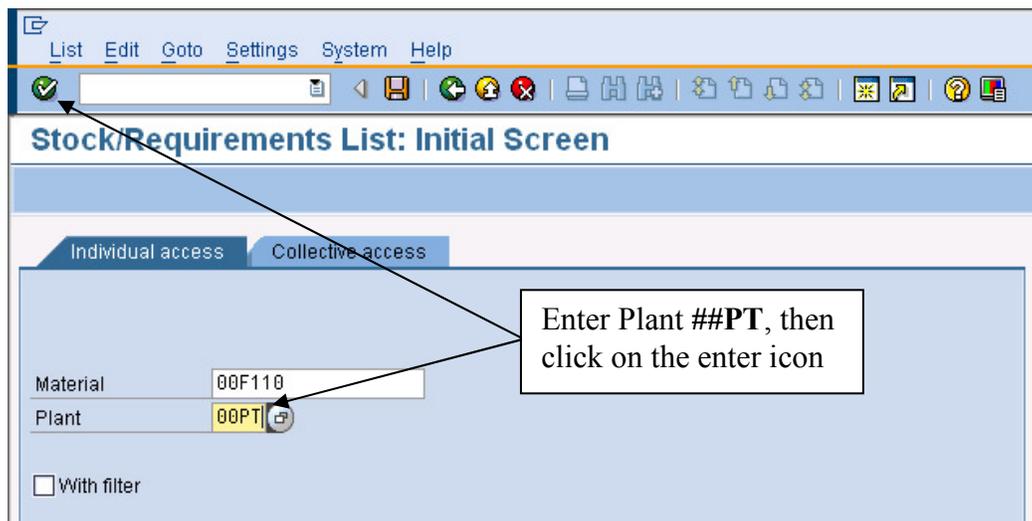
Enter Plant **##PT**, then click on the enter icon

Material 00F110
Plant 00PT

With filter

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Enter **##PT** for plant, then click on the enter icon (⊘), which will bring up the Stock/Requirements list:

Note the current level of on-hand material and your delivery (Delvry). Double-click on the delivery line.

You should see enough material on hand to complete your order and your delivery should be listed. You may also see deliveries from other students. You can see more details about the delivery by double-clicking on the line with your Delivery. When you do, you will get the following pop-up window:

Click on the details icon

Click on the details icon, and the ERP system will display the details of the delivery you just created:

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From this delivery, we can see the documents that resulted in this delivery (inquiry and sales order). In SAP, the **Document Flow** links all of the documents related to a particular sales order. The document flow can be accessed by following the pull-down menu path:

> **Environment➞Document Flow**

which will produce the following screen:

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The **Document Flow** shows the trail of documents for the sales cycle. For the ## West Hills order, the cycle started with an inquiry which was used to create a sales order. The processing status of the Inquiry and Standard order are shown as completed. The Outbound Delivery, which encompasses the pick, pack and ship tasks, is shown as open.

From the Document flow, you can display any of the documents shown. For example, right-mouse-click on the inquiry to call up the following pop-up menu:
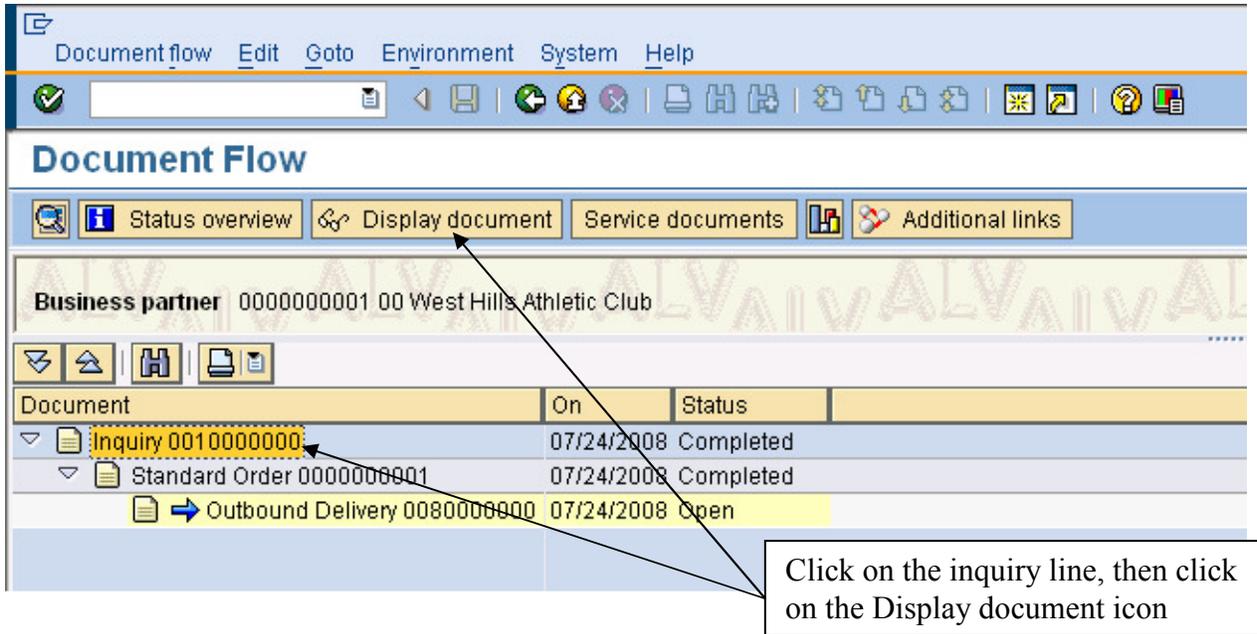
Click on the inquiry line, then click on the Display document icon (Display document)
to display the original inquiry that started the sales-order process:
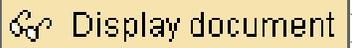
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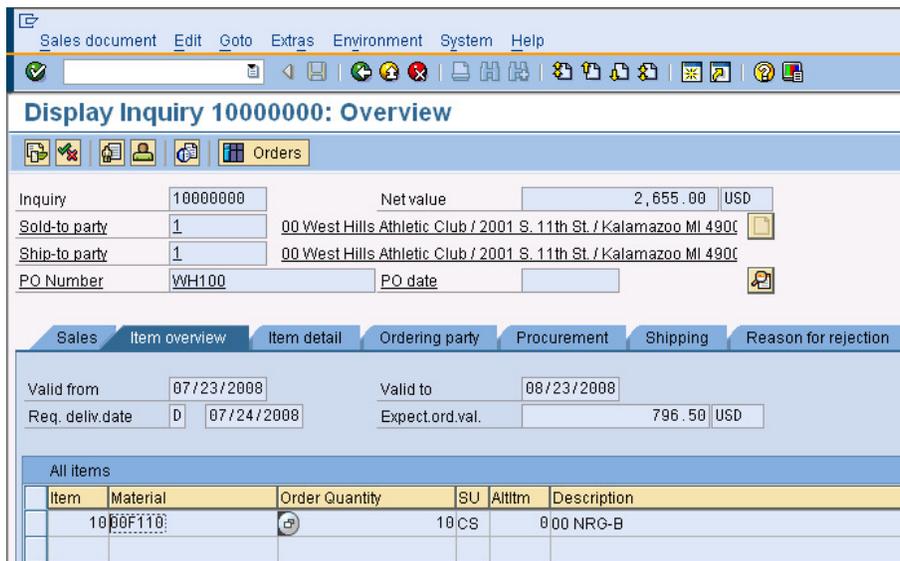
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The ability to link to any document in the sales process via the document flow is a powerful tool. If a customer calls with a question regarding their sales order, the customer service representative can quickly find any document related to the sales order once they have found one document.

Use the back icon (⮐) repeatedly to return to the Stock/Requirements list.

4. Picking the order

With the delivery created, the order can be picked, packed and shipped. The SAP ERP system has many capabilities to schedule these processes, however, we will not consider those in this exercise. In a highly automated warehouse, the picking of the order may be recorded in the SAP system using bar code scanning. For our exercise, we will manually enter the quantity picked.

To do this, switch back to the other session and follow the menu path:

> **Logistics ▷Sales and Distribution ▷Shipping and Transportation ▷Outbound Delivery ▷Change ▷Single Document**

which will bring up the following screen:

Your delivery number should automatically be entered. Click on the enter icon (✓) to bring up the following screen:

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> Click on the Picking tab, then
> Enter **300** for SLoc (Storage location) and **10**
> for Pick quantity, then click on the save icon.

This screen allows you to enter a different pick quantity than what was in the order in case the inventory in the warehouse does not match the inventory level shown in the system. Of course, the idea with an integrated information system like SAP is to have 100% accurate, real-time inventory information, but mistakes in entering and recording inventory transactions do occur.

We will assume that the inventory is accurate and the order can be completed, so enter **10** for Pick quantity and **300** for SLoc (Storage location), then click on the save icon (📁). You should get a message like the following **at the bottom of the page**:

Switch to the other session, which should still be showing the Stock/Requirements list. Click on the refresh icon (🔄) to see if picking the order has changed anything:

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Storage location is now displayed

In case you haven't noticed, the Stock/Requirements list is changed very little. While we have picked the cases of snack bars off of the warehouse shelf in preparation for shipping, according to the SAP system they are still Fitter Snacker's snack bars. The only change is that the storage location for the delivery is now shown. In the next section, we will post the goods issue, which will signify that the snack bars have left the building.

5. Post Goods Issue

In the SAP logistics terminology, we receive goods into inventory and issue goods from inventory to the production floor or to the customer. In the accounting world, we record business transactions by posting them to an account. Thus, when we post the goods issue, we record the change in stock level and financial position of the company as a result of sending the goods on their way. To post the goods issue, follow the menu path:

> **Logistics ▷Sales and Distribution ▷Shipping and Transportation ▷Outbound Delivery ▷Change ▷Single Document**

which will bring up the following screen:

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The document number should be entered automatically. Click on the Post goods issue icon.
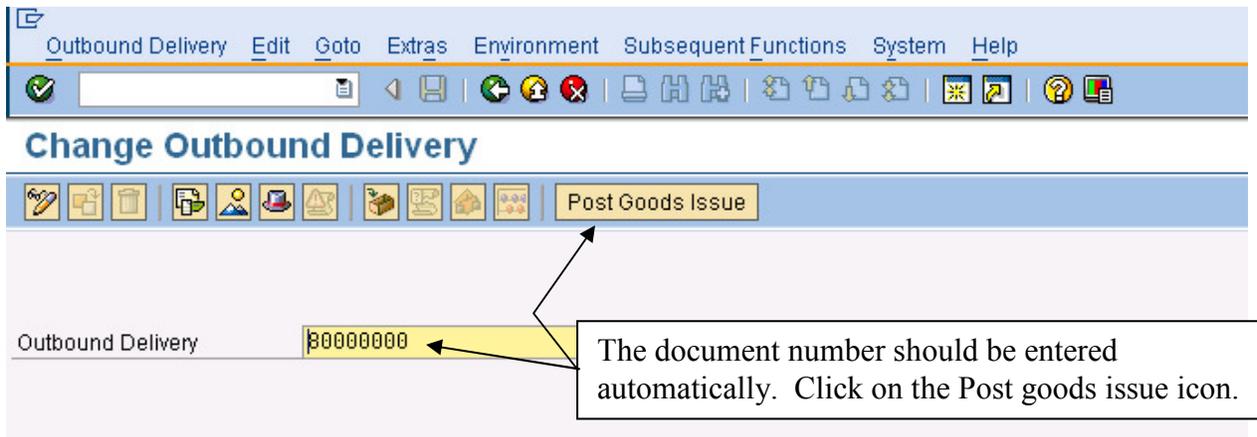
After clicking on the Post goods issue icon, the following message should appear at the bottom of the screen:

Outbound Delivery 80000000 has been saved

Switch to the other session, which should still be showing the Stock/Requirements list. Click on the refresh icon ( ) to see if picking the order has changed anything:

Delivery is gone, and the inventory level is reduced by 10 cases
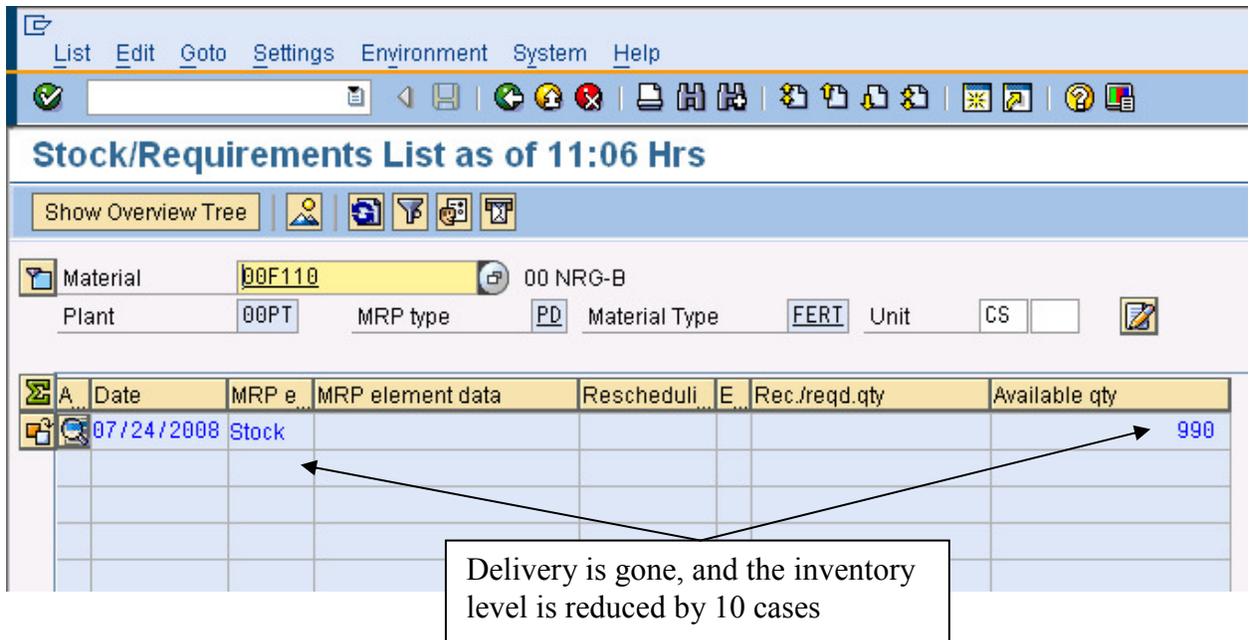
Posting the goods issue has removed the Delivery from the Stock/Requirements list and reduced the available inventory level by 10.

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Switch to the other session. You should be at the **Change Outbound Delivery** screen. If not, follow the menu path:

> **Logistics ▷Sales and Distribution ▷Shipping and Transportation ▷Outbound Delivery ▷Change ▷Single Document**
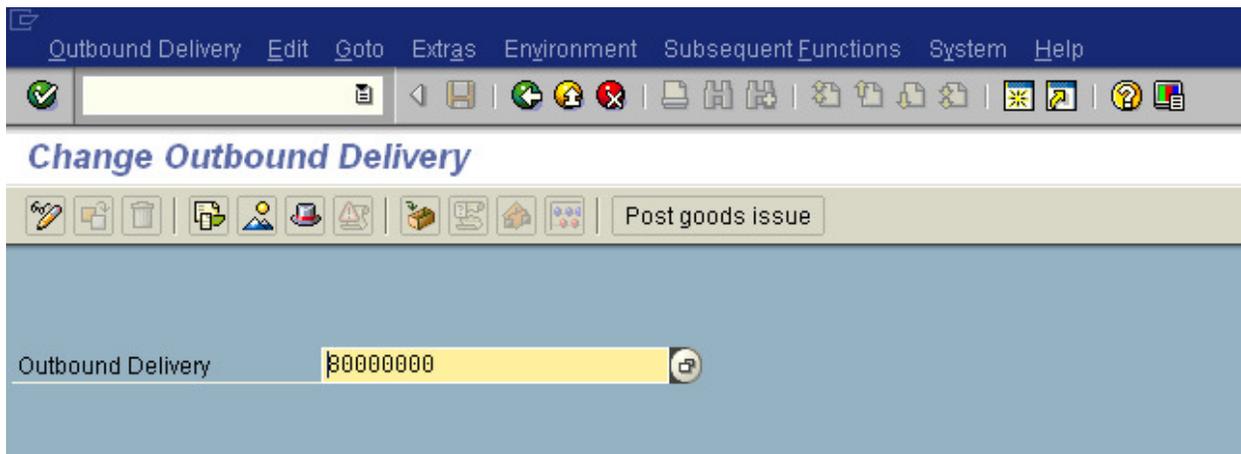
Your delivery document number should be entered automatically. Follow the pull-down menu path:

> **Environment➞Document Flow**

which will produce the following screen:
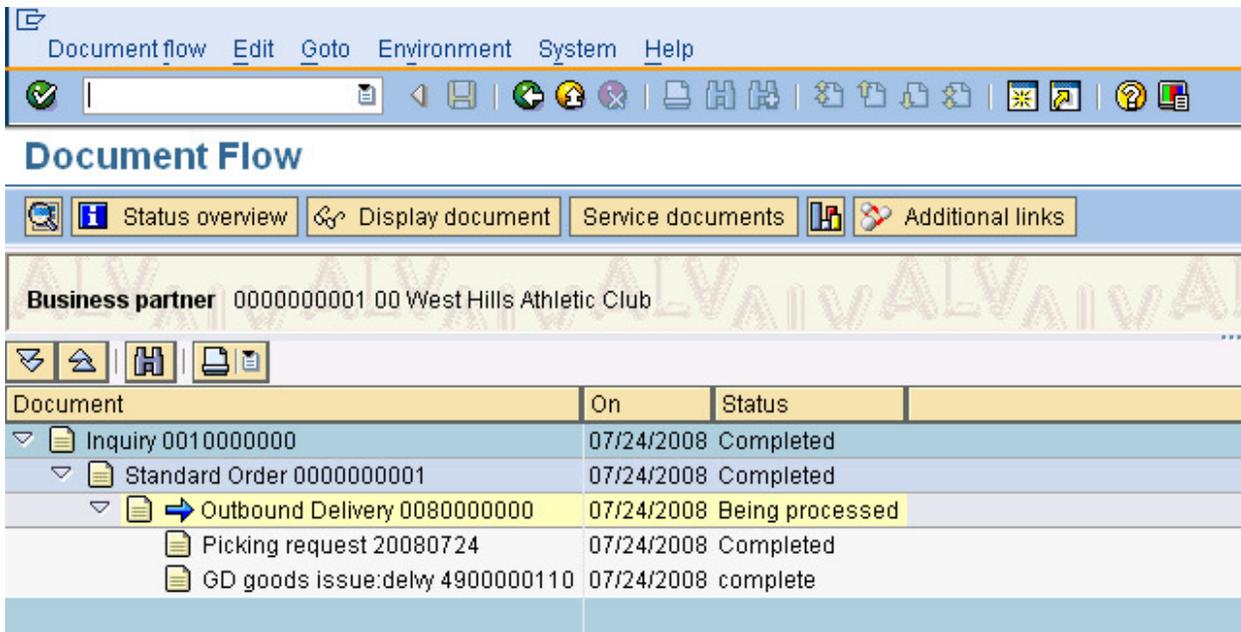
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Compare this document flow to the previous status. The outbound delivery status is now **Being processed**, and the picking request and goods issue are both complete. Click on the back icon (🌀) until you are back at the SAP Easy Access screen. By now, your menus are probably pretty unwieldy because of the number of paths that have been expanded. To make the menus easier to use, click on the SAP Menu icon (📧) to restore you menus to their original configuration.

6. Invoice the Customer

Perhaps as important as delivering the customer's order on time and in good condition is properly billing the customer for their purchase. If we don't invoice the customer, we aren't likely to be paid. Thus, it is important to be able to determine which customers still need to be billed. WE can use the Billing Due List to see all of the customers that need to be invoiced. To create the Billing Due List, follow the menu path:

> **Logistics ▷Sales and Distribution ▷Billing ▷Billing Document ▷Process Billing Due List**

which will produce the following screen:

Today's date will show up automatically in the **to** field. Enter a date a week in the past in the **Billing date from** field.
Enter **##FS** for Sales organization
Check both **Order-related** and **Delivery-related** check boxes.

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Enter the information shown above, then click on DisplayBillList icon (🕒 **DisplayBillList**),
which will produce the following screen:
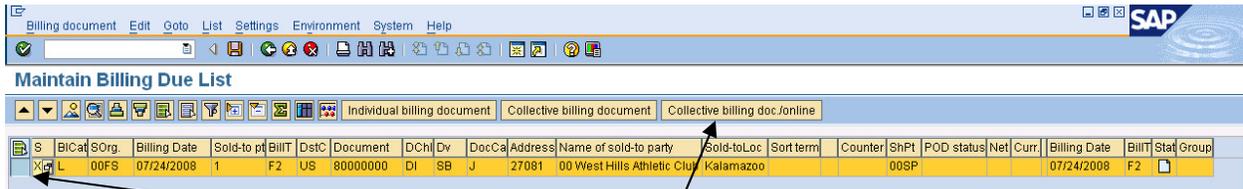
Make sure the line is selected, and then click on Collective billing document

There should only be one item on the list. Select it, and then click on the icon Collective billing
document (**Collective billing document**). It won't appear that much has happened, but an
invoice will be created. To confirm this, use the exit icon (🔙) to return to the SAP Easy Access
screen. Follow the menu path:

> **Logistics ▷Sales and Distribution ▷Shipping and Transportation ▷Outbound
> Delivery ▷Display**

which will produce the following screen:

Your delivery document number should be entered automatically. Follow the pull-down menu
path:

> **Environment➞Document Flow**

which will produce the updated **Document Flow:**

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Notice that the status of the Outbound delivery is now completed. That is because the creation of the invoice completes the Outbound delivery process. Notice also that an accounting document has been created. Click on the Accounting document line, then click on the **Display document** icon (Display document) and the following screen will appear:

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Notice that three accounts have been affected by the invoice—## West Hills Athletic Club's account, the Sales Revenue account and the Sales Discount account. Click on the back icon (⬅) until you have returned to the SAP Easy Access screen.

7. Receive payment from the Customer

Hopefully the invoice has prompted the customer to send in a payment for the snack bars they have received. To post the customer payment, follow the menu path:

Accounting ▷**Financial Accounting** ▷**Accounts Receivable** ▷**Document Entry** ▷**Incoming Payments**

which will bring up the following screen:

Enter **today's date** for document date
Make sure **##FS** is entered for company code and **USD** is entered for Currency/rate
Enter **100000** for Account under bank data
Enter **2655** for Amount
Click on the Account field in Open item selection, and then click on the search icon

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Make sure the information shown above is entered, then click on the search icon for Account under Open item selection:

Enter ## for Search term, then click on the enter icon
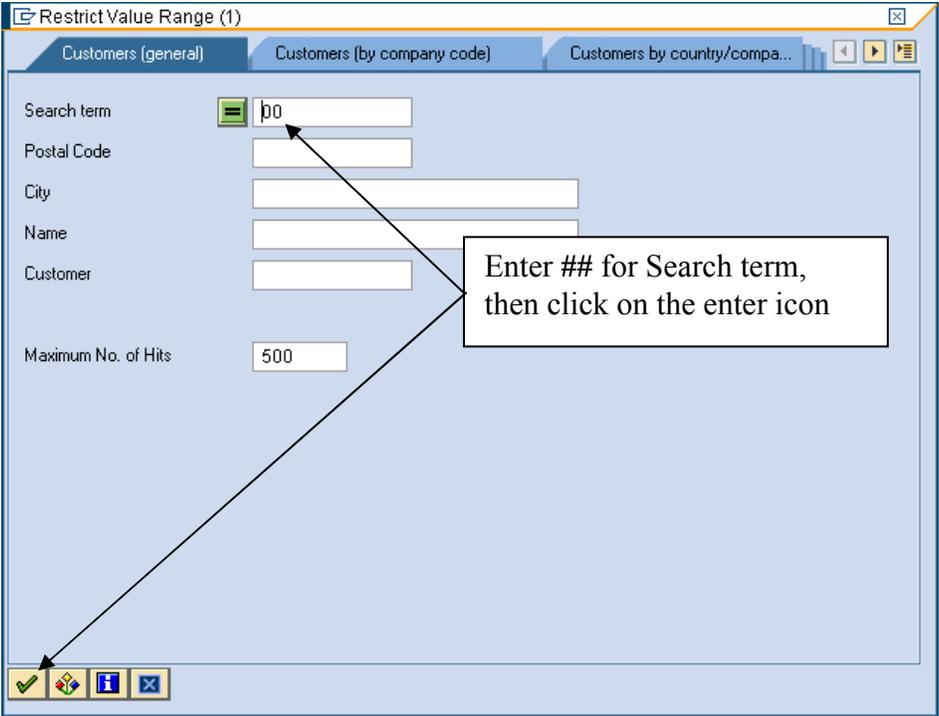
Enter ## for search term, then click on the enter icon (✔), which will bring up a list of your customers:

Double-click on West Hills Athletic Club line to select it
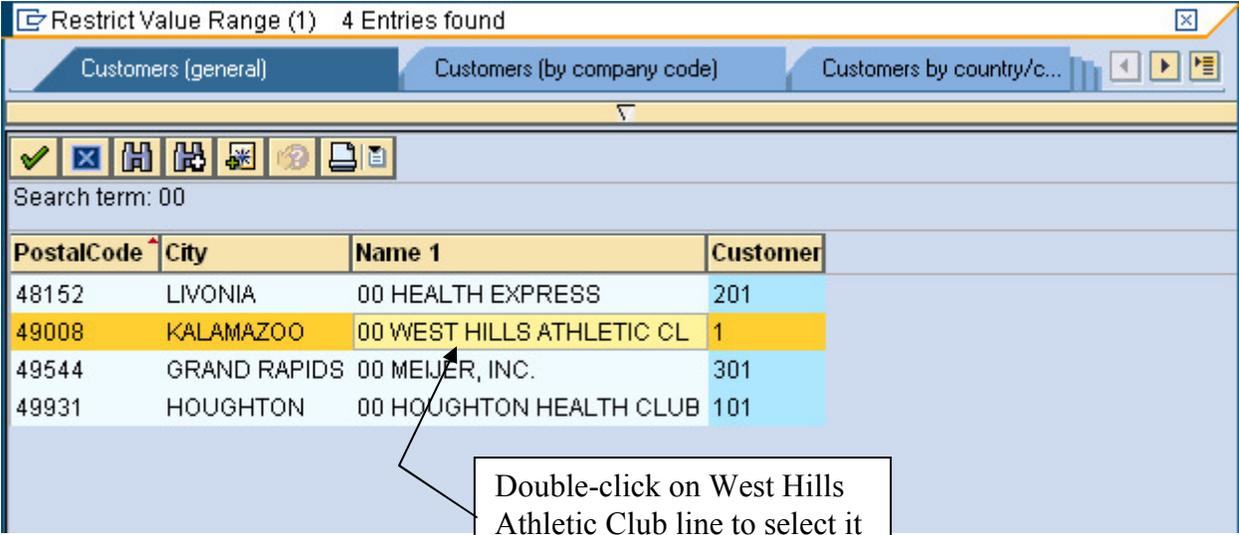
After selecting ## **West Hills Athletic Club**, click on the Process open items icon (Process open items):

Sales Order Process

Check to see if amount of payment has been assigned to the accounts receivable document. If not, double-click on the USD Gross amount

The SAP system may or may not automatically assign the payment to the accounts payable item. If not, Double-click on the USD Gross amount, and the system will assign the entire payment to the invoice. Your screen should look like the following if the amount is correctly assigned:

Double-click on the USD Gross amount until you achieve this result.
Click on the save (post) icon (🖫) to post the payment, then click on the exit icon (🔙) to return to the SAP Easy Access screen. To view the document flow, follow the menu path:
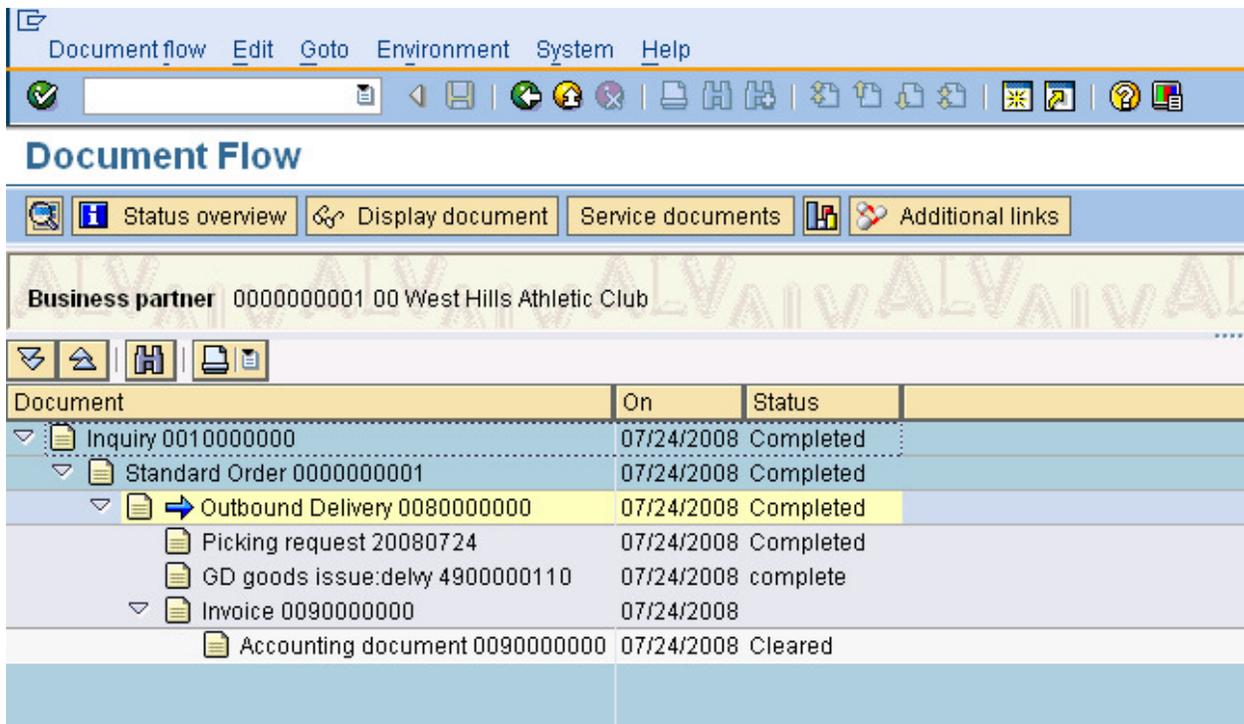
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Sales Order Process

Logistics ▷Sales and Distribution ▷Shipping and Transportation ▷Outbound Delivery ▷Display

which will again produce the following screen:

Your delivery document number should be entered automatically. Follow the pull-down menu path:

Environment→Document Flow

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Sales Order Process

The document flow shows that the sales order process is complete. To complete this assignment, you need to print a copy of the document flow to hand in. To do this, click on the print icon (🖨) and you will probably get a screen like the following:
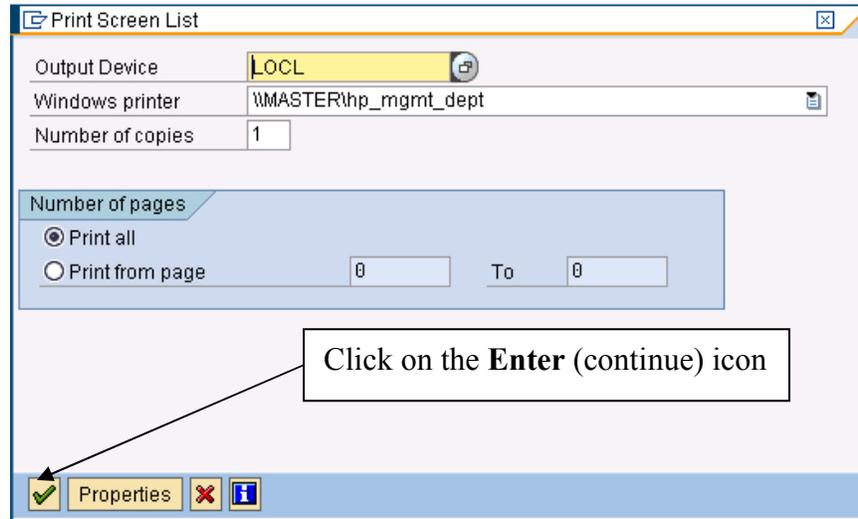
After clicking on the continue icon the SAP ERP system will also open window that will contain details of the print job, and your print job should be sent to your local Window's printer.

> **Be sure to neatly print your name on a printout of the completed Document flow to hand in.**