Materials Management
SAP Implementation at IESCO
Training Document
Subcontracting

Contents

Subcontracting

1 Purpose

The MM Subcontracting process involves sending raw components to a vendor for specific manufacturing processes and receiving the value-added finished material back into inventory.

A subcontract purchase order is generated. The consumption of sent components is recorded upon receipt of the value-added finished material. The vendor sends the invoice for the services provided which is paid during the normal payment cycle.

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Prerequisites

The user department is to subcontract its material specially T/F which IESCO TRW cannot repair.

1.1.1 Process Steps

1.1.1.1Creating Subcontract Order

Use

This activity creates a Subcontracting Purchase Order.

Procedure

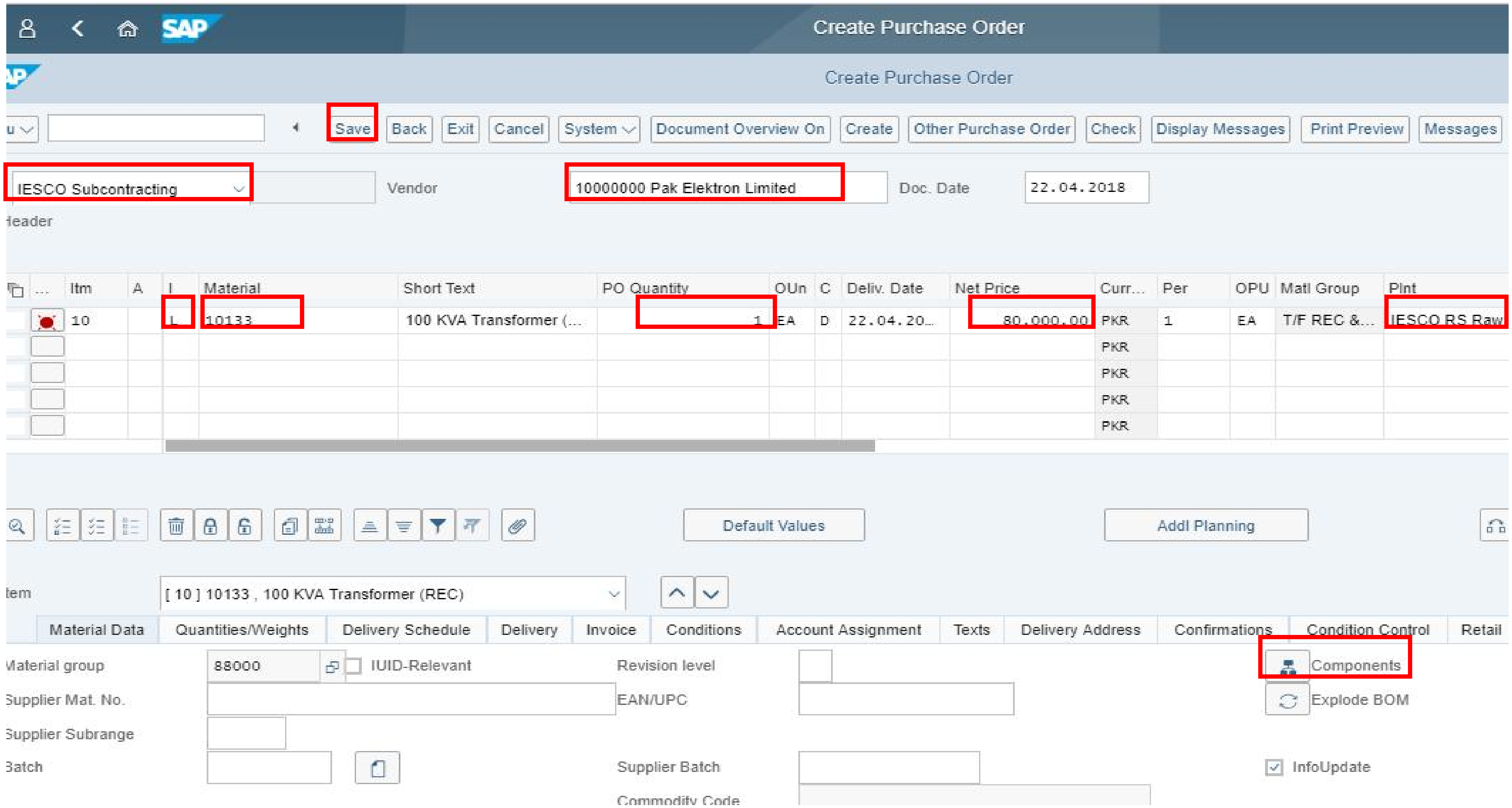
1. Open “Create Purchase Order Advance” App. from Fiori Launchpad.
2. On the *Initial* screen, make the following entries and choose *Enter*:

Field name	Description	User action and values	Comment
PO type		As per requirement	For example: IP07 IESCO Subcontracting
Purchasing Organization		As per requirement	For example: **1000**
Purchasing Group		As per requirement	For example: **052**
Company Code		As per requirement	For example: **1000**
Vendor		As per requirement	**For example:** 10000000 PEL

3. On the item line, make the following entries:

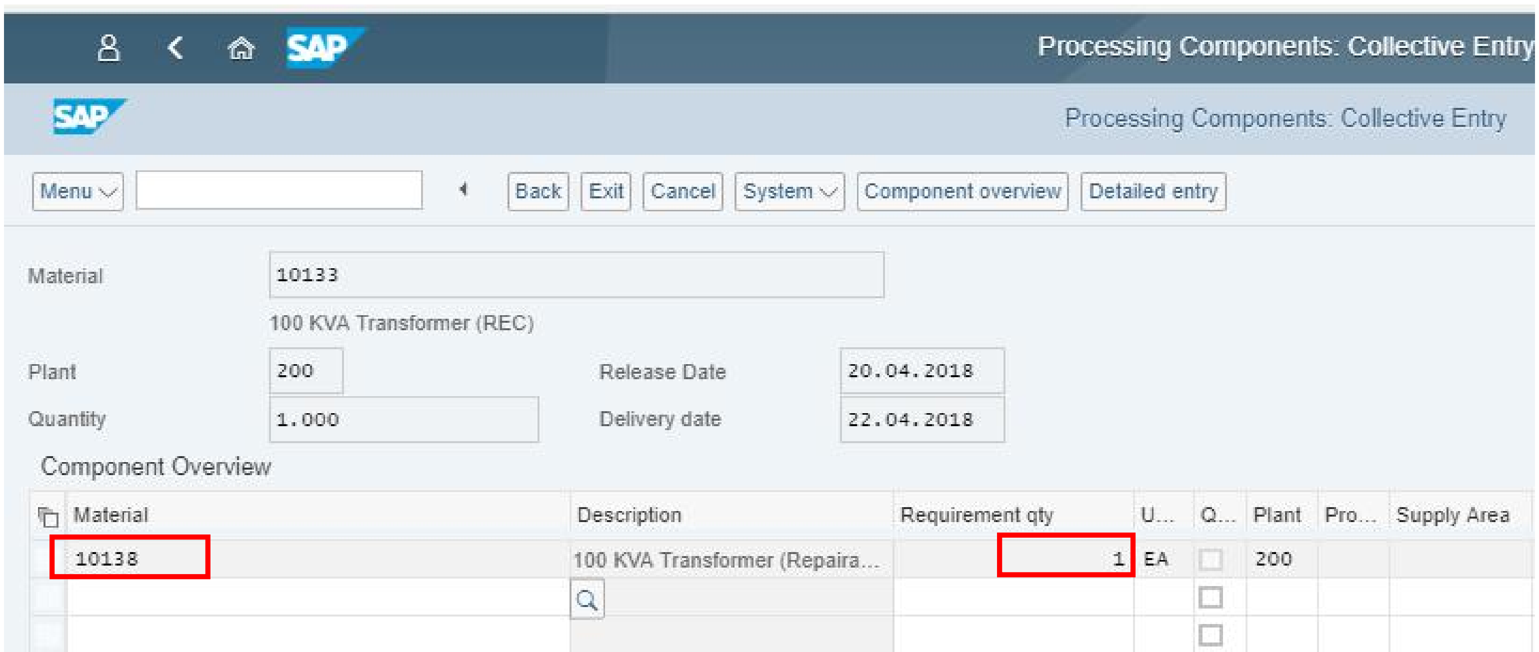
Field name	Description	User action and values	Comment
Item Category		**L**	Always use L in subctracting process
Material		As per requirement	For example: 10133

Quantity		As per requirement	For example: 1
Plant		As per requirement	For example: 200
Net Price		As per requirement	For example: 80000


Create Purchase Order
Create Purchase Order
Save
Back
Exit
Cancel
System
Document Overview On
Create
Other Purchase Order
Check
Display Messages
Print Preview
Messages
IESCO Subcontracting
Vendor
10000000 Pak Elektron Limited
Doc. Date
22.04.2018
Itm A I Material Short Text PO Quantity OUn C Deliv. Date Net Price Curr... Per OPU Matl Group Plnt
10 L 10133 100 KVA Transformer (... 1 EA D 22.04.20... 80,000.00 PKR 1 EA T/F REC &... IESCO RS Raw
Default Values
Addl Planning
[10] 10133 , 100 KVA Transformer (REC)
Material Data
Quantities/Weights
Delivery Schedule
Delivery
Invoice
Conditions
Account Assignment
Texts
Delivery Address
Confirmations
Condition Control
Retail
88000
IUID-Relevant
Revision level
Components
EAN/UPC
Explode BOM
Supplier Batch
InfoUpdate
Commodity Code

4. Maintain the data in component button of material tab at item detail level for those raw materials that will be sent to vendor.

Field name	Description	User action and values	Comments
Material (Item Overview)		As per requirement	For example: 10138
Quantity (Item Overview)		As per requirement	For example: 1



5. Choose *Enter*.

6. Choose *Save*. Record the PO number for using it in stock transfer to vendor step.

Result

The PO is created: 7700000012

1.1.1.2Print Purchase Order

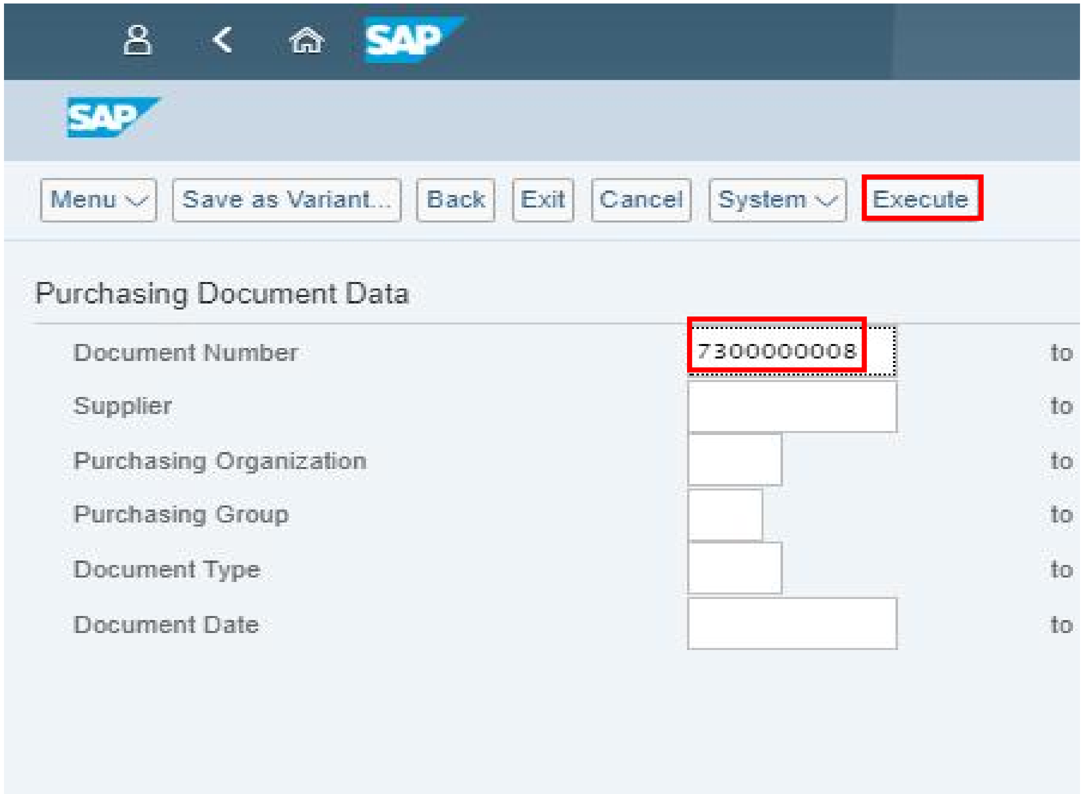
Use

This procedure explains the steps for Purchase Order printing.

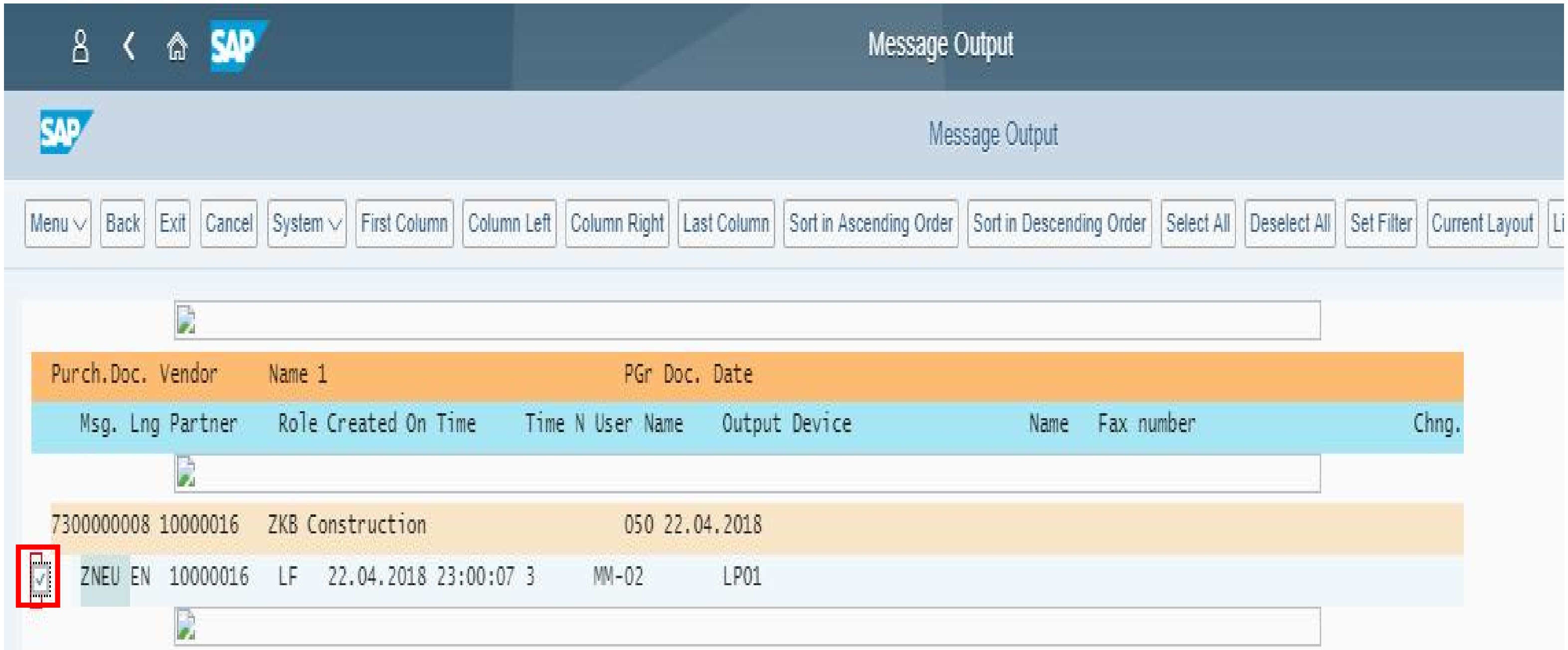
Procedure

1. Open “Print Purchase Order” App. from Fiori Launchpad.

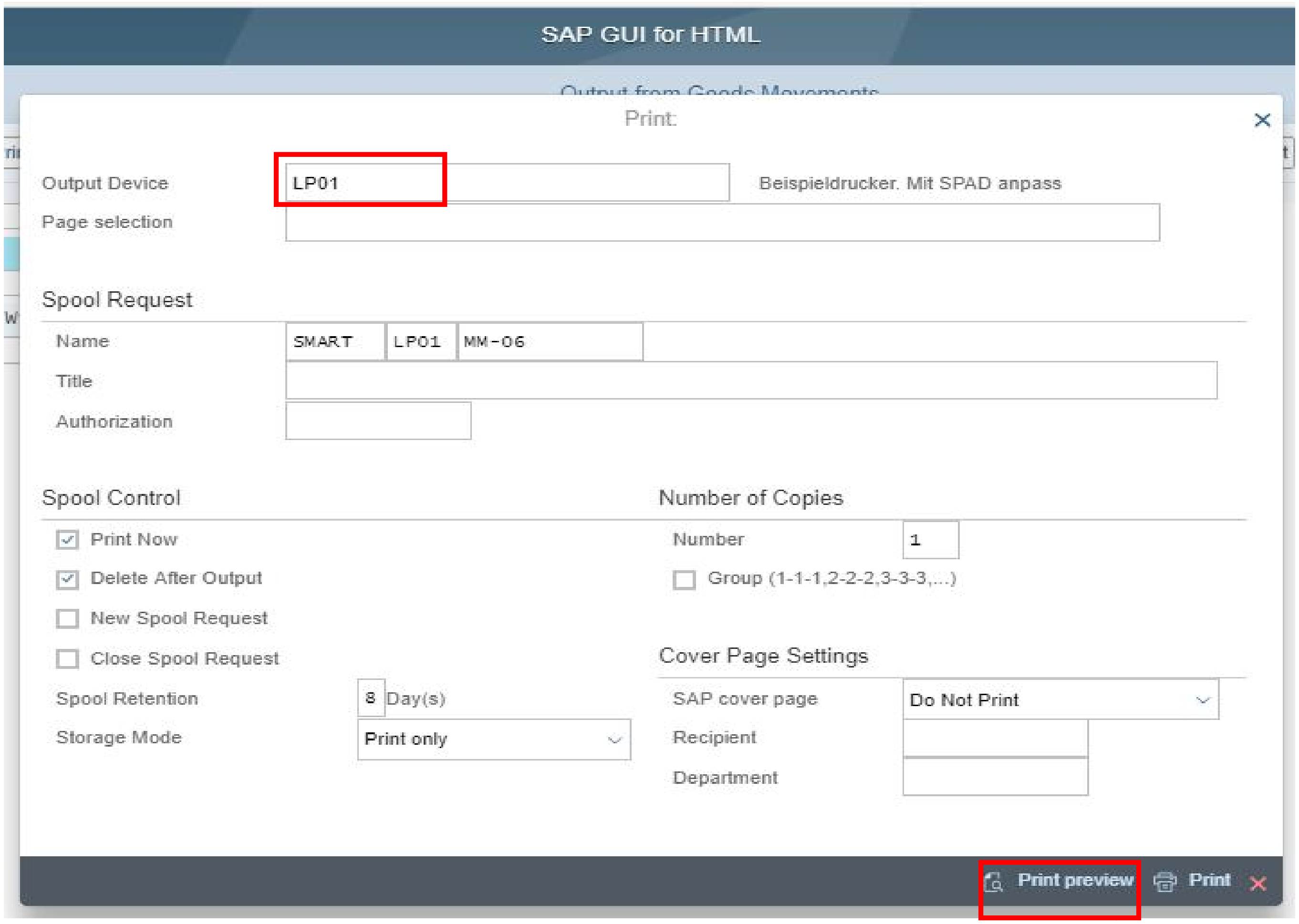
2. Enter Purchase Order Number in Document Number.

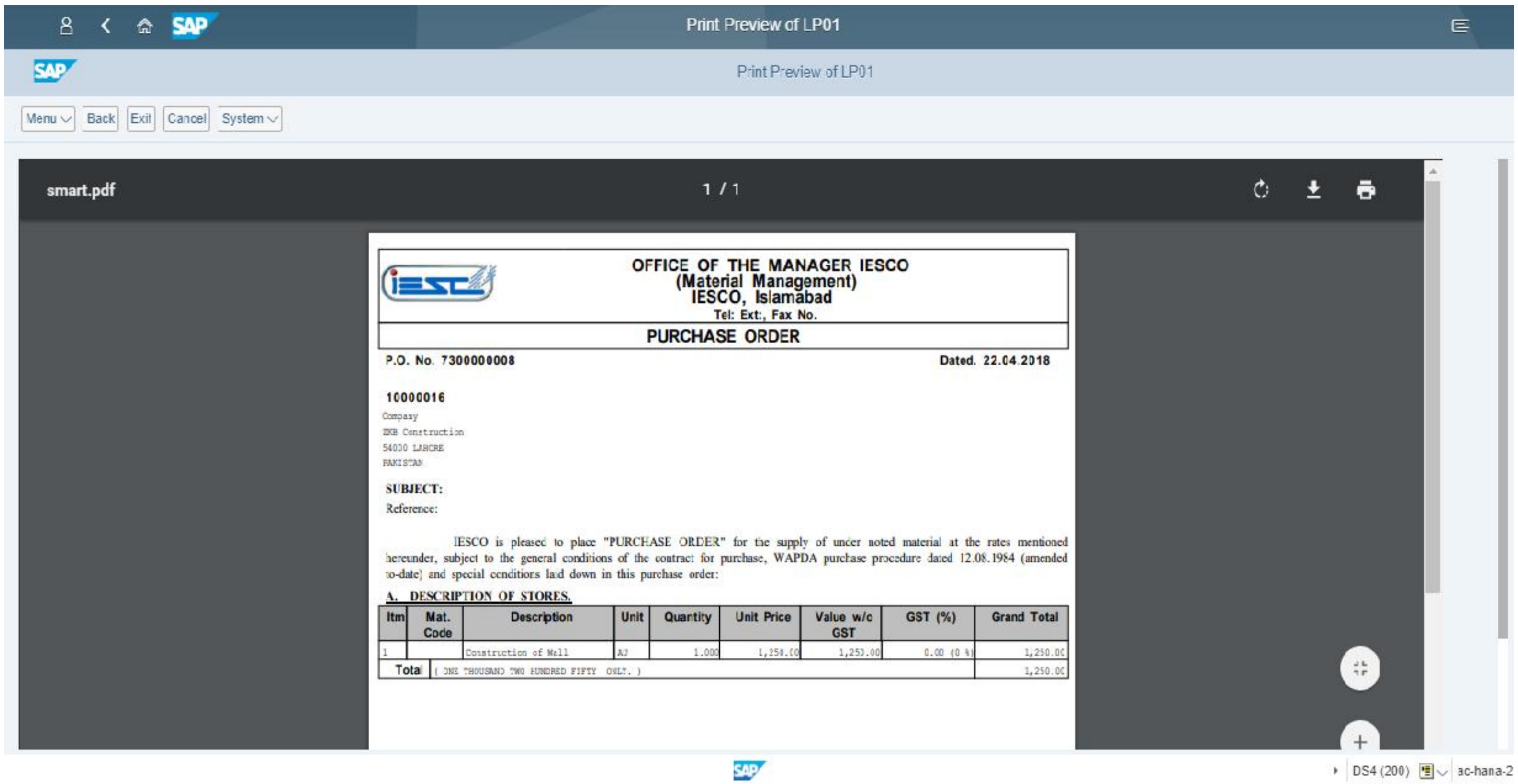


3. Press Execute.



4. Tick the PO Line and press “Display Message”. At next screen, tick Print Now and press Print Preview.


SAP GUI for HTML
Output from Goods Movements
Print
Output Device
LP01
Beispieldrucker. Mit SPAD anpass
Page selection
Spool Request
Name
SMART
LP01
MM-06
Title
Authorization
Spool Control
Print Now
Delete After Output
New Spool Request
Close Spool Request
Spool Retention
8
Day(s)
Storage Mode
Print only
Number of Copies
Number
1
Group (1-1-1,2-2-2,3-3-3,...)
Cover Page Settings
SAP cover page
Do Not Print
Recipient
Department
Print preview
Print



5. Press Print button to send print to printer

Result

Purchase Order print will be done.

1.1.1.3Stock Transfer to Vendor

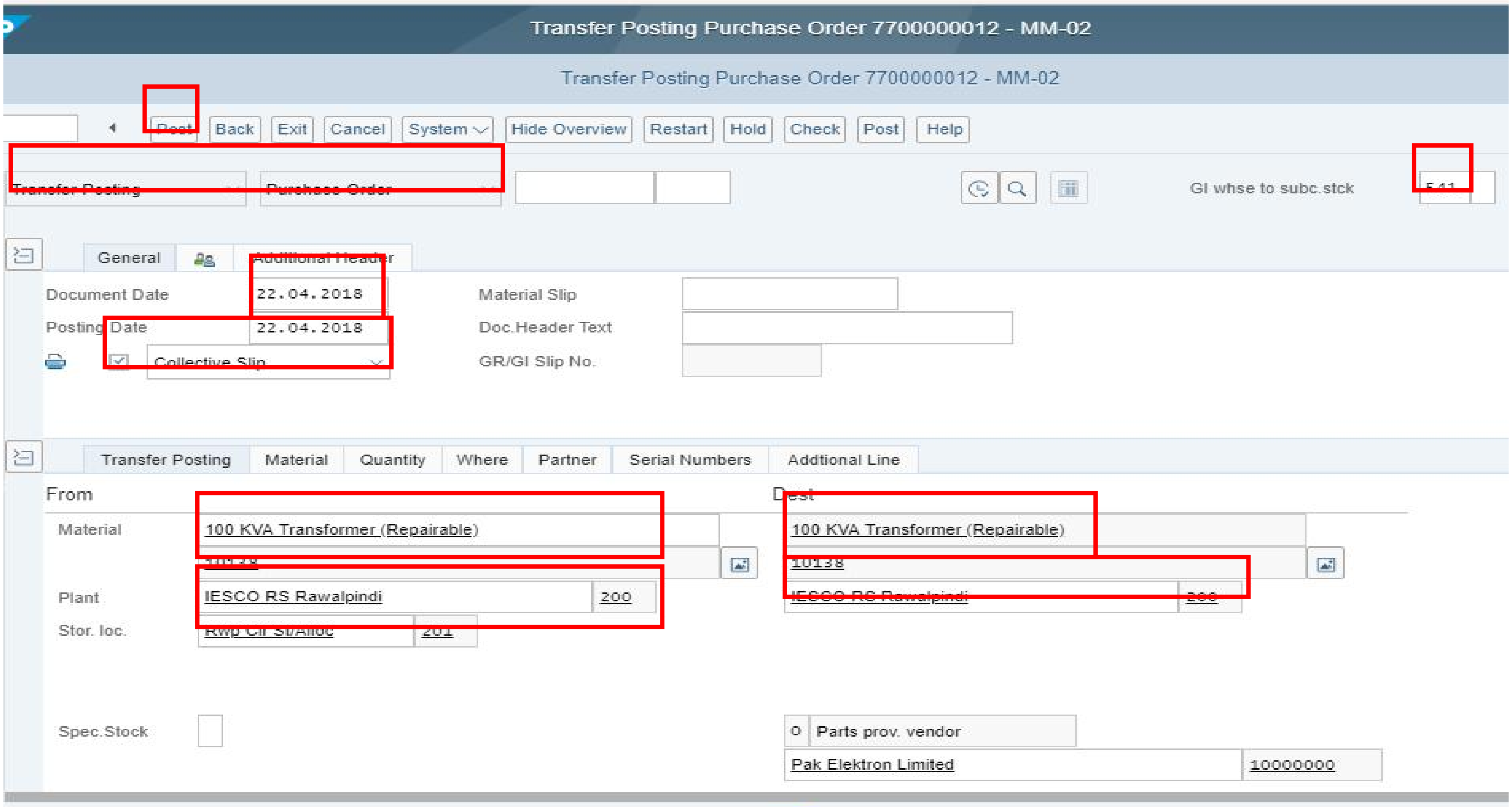
1. Open “Post Goods Movement” App. from Fiori Launchpad.

2. On the initial screen, ensure that in the top left corner of the screen, the first field shows Transfer Posting and the second field shows Purchase order. In the field in the top right corner, enter movement type 541and choose Enter.

3. On the General tab page of the Header Data, choose Collective Slip from drop down and then select the checkbox Print via Output Control.

4. On the Initial Screen of Post Goods Movement Enter following.

Field name	Description	User action and values	Comments
Purchase Order		As per requirement	7700000012
Storage Location		As per requirement	201
Serial No.		As per requirement	SKP000000000000002



Transfer Posting Purchase Order 7700000012 - MM-02
Transfer Posting Purchase Order 7700000012 - MM-02
Post
Back
Exit
Cancel
System
Hide Overview
Restart
Hold
Check
Post
Help
Transfer Posting
Purchase Order
GI whse to subc.stck
541
General
Additional Header
Document Date
22.04.2018
Posting Date
22.04.2018
Collective Slip
Material Slip
Doc.Header Text
GR/GI Slip No.
Transfer Posting
Material
Quantity
Where
Partner
Serial Numbers
Addtional Line
From
Dest
Material
100 KVA Transformer (Repairable)
10138
100 KVA Transformer (Repairable)
10138
Plant
IESCO RS Rawalpindi
200
IESCO RS Rawalpindi
200
Stor. loc.
Rwp Cir St/Alloc
201
Spec.Stock
O
Parts prov. vendor
Pak Elektron Limited
10000000

5. Transfer Posting tab will show copied data from purchase order document.

6. Also maintain any other required data.

7. Select the *Items OK* checkbox and press Save button.

Result

The stock transfer document is created: **4900000350**

1.1.1.4Receiving Goods from Subcontracting PO

Use

The vendor delivers the manufactured products and GR is to be posted for them in the system.

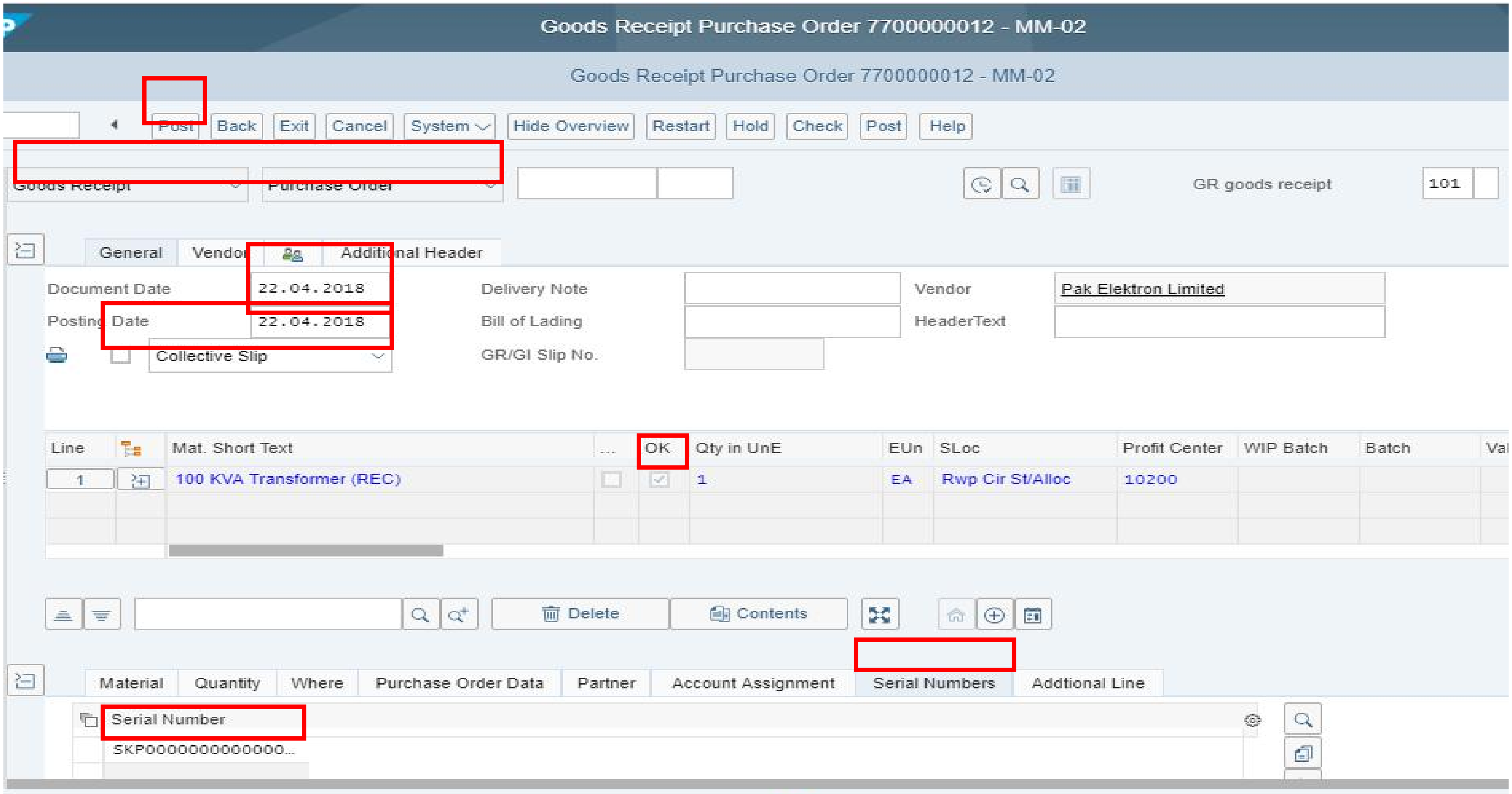
Procedure

1. Open "Post Goods Receipt" App. from Fiori Launchpad.

2. Select Goods Receipt and reference Purchase Order in the two list boxes on top of the screen.

3. On the Initial Screen of Post Goods Movement Enter following.

Field name	Description	User action and values	Comments
Purchase Order		As per requirement	7700000012
Storage Location		As per requirement	201
Serial No.		As per requirement	SKP000000000000002


Goods Receipt Purchase Order 7700000012 - MM-02
Goods Receipt Purchase Order 7700000012 - MM-02
Post Back Exit Cancel System Hide Overview Restart Hold Check Post Help
Goods Receipt
Purchase Order
GR goods receipt
101
General
Vendor
Additional Header
Document Date
22.04.2018
Posting Date
22.04.2018
Collective Slip
Delivery Note
Bill of Lading
GR/GI Slip No.
Vendor
Pak Elektron Limited
HeaderText
Line
Mat. Short Text
OK
Qty in UnE
EUn
SLoc
Profit Center
WIP Batch
Batch
1
100 KVA Transformer (REC)
1
EA
Rwp Cir St/Alloc
10200
Delete
Contents
Material
Quantity
Where
Purchase Order Data
Partner
Account Assignment
Serial Numbers
Addtional Line
Serial Number
SKP0000000000000...

4. On the bottomof the screen, select the *Item OK* checkbox and choose *Post*.

Result

Goods receipt is posted: 5000000320

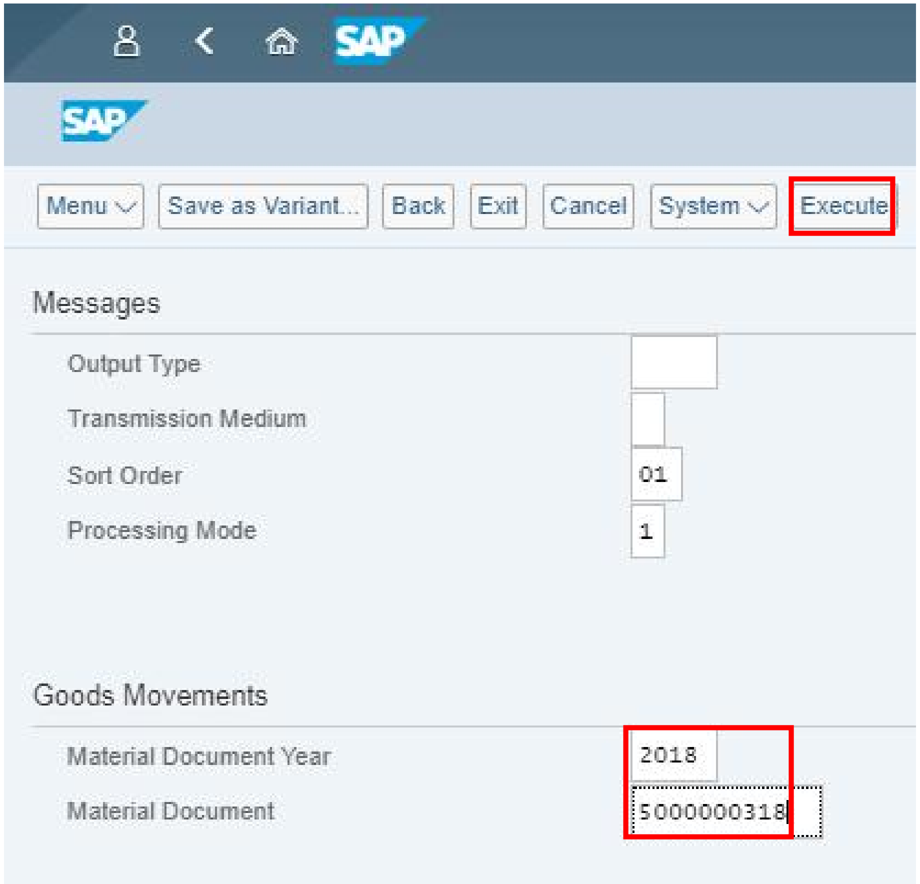
1.1.1.5Print Goods Received Note

Use

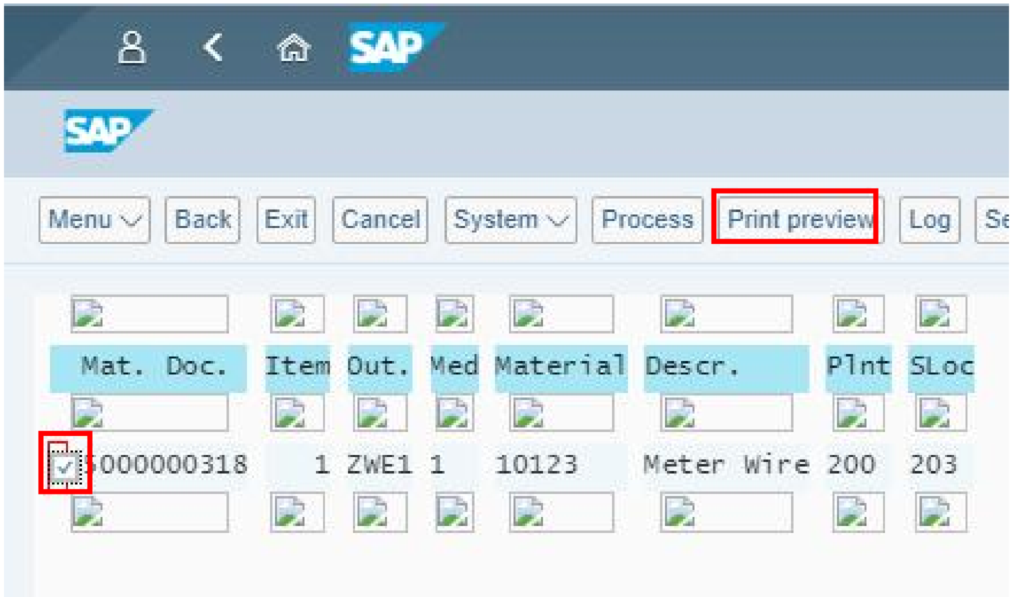
This procedure explains the Goods Received Note Printing.

Procedure

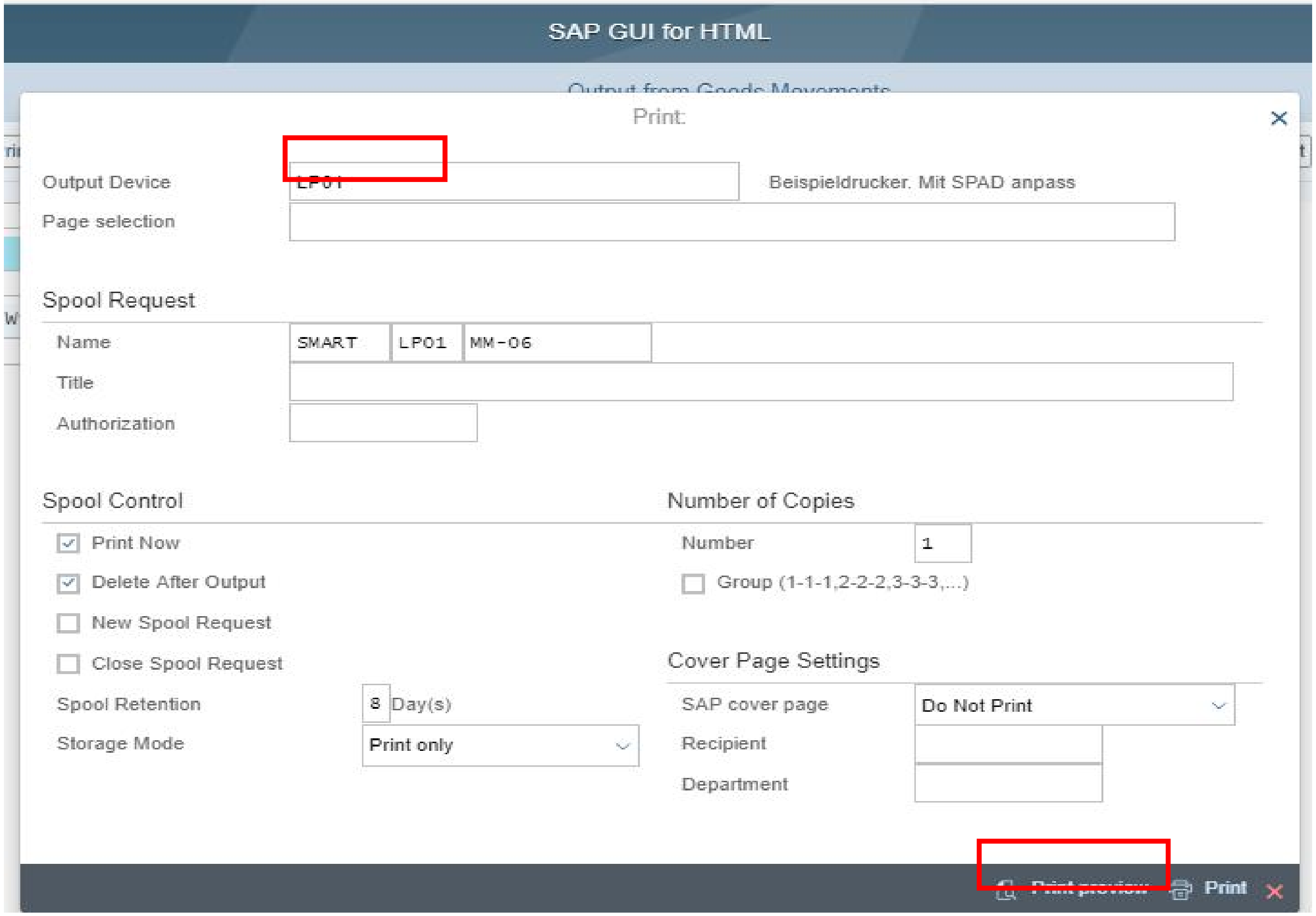
1. Open “Output Material Documents” App. from Fiori Launchpad.
2. Enter Material Document Number and press Execute.



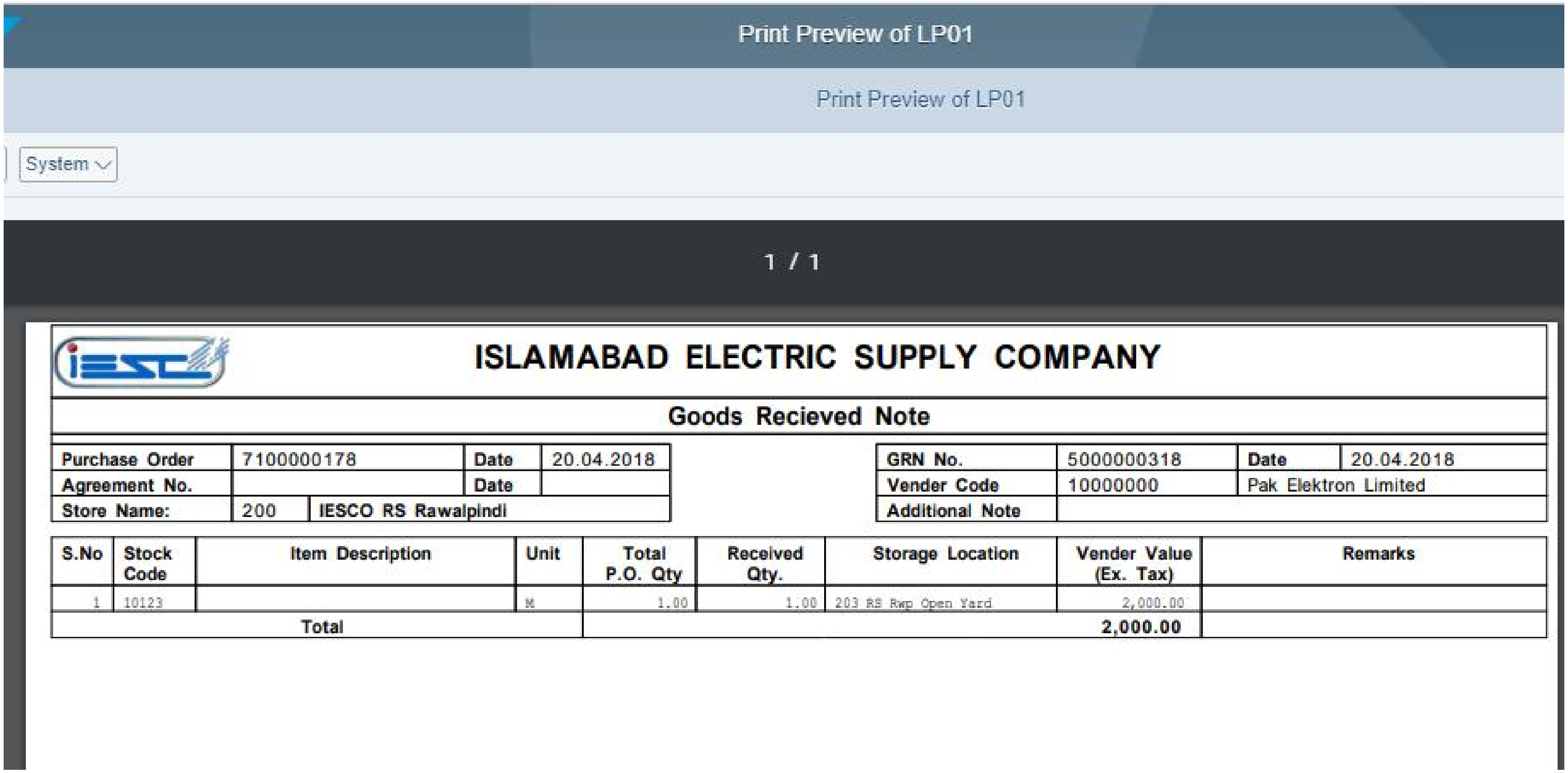
3. Tick line item as OK and press Print Preview.



4. Press Print Preview.


SAP GUI for HTML
Print
Output Device
Beispieldrucker. Mit SPAD anpass
Page selection
Spool Request
Name
SMART
LP01
MM-06
Title
Authorization
Spool Control
Print Now
Delete After Output
New Spool Request
Close Spool Request
Spool Retention
8
Day(s)
Storage Mode
Print only
Number of Copies
Number
1
Group (1-1-1,2-2-2,3-3-3,...)
Cover Page Settings
SAP cover page
Do Not Print
Recipient
Department
Print

5. Press Print Button and on the next screen press print.



ISLAMABAD ELECTRIC SUPPLY COMPANY

Goods Recieved Note

Purchase Order	7100000178	Date	20.04.2018
Agreement No.		Date	
Store Name:	200	IESCO RS Rawalpindi	

GRN No.	5000000318	Date	20.04.2018
Vender Code	10000000	Pak Elektron Limited	
Additional Note			

S.No	Stock Code	Item Description	Unit	Total P.O. Qty	Received Qty.	Storage Location	Vender Value (Ex. Tax)	Remarks
1	10123		M	1.00	1.00	203 RS Rwp Open Yard	2,000.00	
Total							2,000.00	

Result

Goods Receipt Note Print is Done.

1.1.1.6Invoice Receipt from Subcontracting PO

Use

The invoice verification is done here.

Procedure

1. Open “Create Supplier Invoice Advance” App. from Fiori Launchpad.

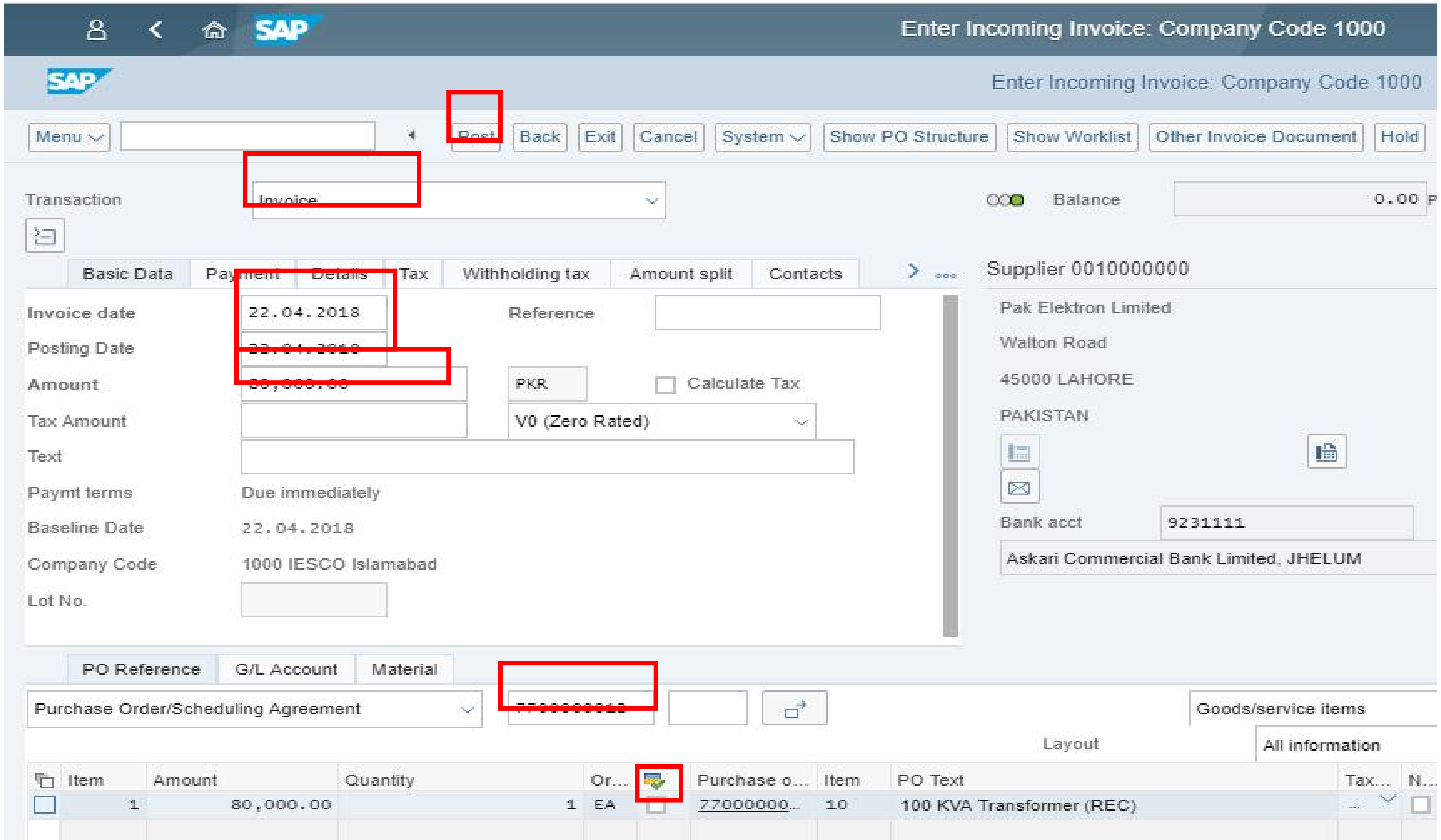
2. If a dialog box appears, enter *Company Code 1000*, select the *Basic data* sub-screen and make the following entries:

Field name	Description	User action and values	Comment
Transaction		Invoice	
Invoice date		Date of the invoice (for example, today)	22.04.2018
Amount		Invoice (overall) amount (incl. Tax) or (without tax)	80,000.00
Calculate tax		Mark the flag “X”	

3. Go to the tab strip “PO reference” and make the following entries:

Field name	Description	User action and values	Comment
Purchase Order/Scheduling agreement		Relevant Purchase Order Number	7700000012

Choose *Enter* to get the PO data in the *Item screen*. Make sure that all relevant PO data is listed in the *Item screen*.


Enter Incoming Invoice: Company Code 1000
Enter Incoming Invoice: Company Code 1000
Menu
Post
Back
Exit
Cancel
System
Show PO Structure
Show Worklist
Other Invoice Document
Hold
Transaction
Invoice
Balance
0.00
Basic Data
Payment
Details
Tax
Withholding tax
Amount split
Contacts
Supplier 0010000000
Invoice date
22.04.2018
Posting Date
Amount
Tax Amount
Text
Paymt terms
Due immediately
Baseline Date
22.04.2018
Company Code
1000 IESCO Islamabad
Lot No.
Reference
PKR
Calculate Tax
V0 (Zero Rated)
Pak Elektron Limited
Walton Road
45000 LAHORE
PAKISTAN
Bank acct
9231111
Askari Commercial Bank Limited, JHELUM
PO Reference
G/L Account
Material
Purchase Order/Scheduling Agreement
Goods/service items
Layout
All information
Item
Amount
Quantity
Purchase o...
PO Text
1
80,000.00
EA
10
100 KVA Transformer (REC)

3. Choose *Simulate* to simulate the invoice values. A dialog box*Simulate Document in Document currency*appears. Check that the balance has the amount *0* and choose *Back*.

4. *Yellow messages are warnings* and *Red messages are show stoppers*. Fix red messages and choose *Post* to save the transaction. A message appears that will confirm posting and also advise if it is blocked for payment.

Result

The invoice is booked: **5100000126**