

Materials Management SAP Implementation at IESCO

Training Document Subcontracting

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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.

Prerequisites

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

1.1.1 Process Steps

1.1.1.1 Creating 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 subtracting 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

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

Item	Material	Short Text	PO Quantity	UoM	Deliv. Date	Net Price	Curr...	Per	OPU	Matl Group	Plant
10	10133	100 KVA Transformer (...)	1	EA	22.04.20...	80,000.00	PKR	1	EA	T/F REC &...	IESCO RS Raw
							PKR				
							PKR				
							PKR				
							PKR				

Default Values Add Planning

Item [10] 10133, 100 KVA Transformer (REC)

Material Data	Quantities/Weights	Delivery Schedule	Delivery	Invoice	Conditions	Account Assignment	Texts	Delivery Address	Confirmations	Condition Control	Retail
Material group	88000	☐ IUID-Relevant	Revision level							☐ Components	
Supplier Mat. No.			Supplier Batch							☐ InfoUpdate	
Supplier Subrange			Commodity Code								
Batch											

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

Processing Components: Collective Entry

Processing Components: Collective Entry

Menu Back Exit Cancel System Component overview Detailed entry

Material
100 KVA Transformer (REC)

Plant Release Date
Quantity Delivery date

Component Overview

Material	Description	Requirement qty	U...	Q...	Plant	Pro...	Supply Area
10138	100 KVA Transformer (Repaira...	1	EA	☐	200		
				☐			
				☐			

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.

The screenshot shows the SAP Fiori 'Print Purchase Order' app interface. At the top, there is a navigation bar with a user icon, back arrow, home icon, and the SAP logo. Below this is a secondary bar with the SAP logo and a set of buttons: 'Menu', 'Save as Variant...', 'Back', 'Exit', 'Cancel', 'System', and 'Execute'. The 'Execute' button is highlighted with a red rectangular box. Below the buttons is a section titled 'Purchasing Document Data'. This section contains a table with the following fields: 'Document Number', 'Supplier', 'Purchasing Organization', 'Purchasing Group', 'Document Type', and 'Document Date'. The 'Document Number' field is highlighted with a red rectangular box and contains the value '7300000008'. To the right of each field is a 'to' label, indicating a range selection. The 'Supplier', 'Purchasing Organization', 'Purchasing Group', 'Document Type', and 'Document Date' fields are currently empty.

Purchasing Document Data	
Document Number	7300000008 to
Supplier	to
Purchasing Organization	to
Purchasing Group	to
Document Type	to
Document Date	to

3. Press Execute.

Message Output

Message Output

Purch.Doc.	Vendor	Name 1	PGr	Doc.	Date
Msg.	Lng	Partner	Role	Created On	Time
Time	N	User	Name	Output	Device
Name	Fax	number	Chng.		
7300000008	10000016	ZKB Construction	050	22.04.2018	
☒	ZNEU	EN	10000016	LF	22.04.2018 23:00:07 3
			MM-02	LP01	

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: [X]

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 [X]

Print Preview of LP01

Print Preview of LP01

Menu Back Exit Cancel System

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OFFICE OF THE MANAGER IESCO
(Material Management)
IESCO, Islamabad
Tel: Ext., Fax No.

PURCHASE ORDER

P.O. No. 7300000008 Dated. 22.04.2018

10000016
Company
WBB Construction
54000 LAHORE
PAKISTAN

SUBJECT:
Reference:

IESCO is pleased to place "PURCHASE ORDER" for the supply of under noted material at the rates mentioned hereunder, subject to the general conditions of the contract for purchase, WAPDA purchase procedure dated 12.08.1984 (amended to-date) and special conditions laid down in this purchase order:

A. DESCRIPTION OF STORES.

Item	Mat. Code	Description	Unit	Quantity	Unit Price	Value w/c GST	GST (%)	Grand Total
1.		Construction of Well	AJ	1.000	1,250.00	1,250.00	0.00 (0 %)	1,250.00
Total (ONE THOUSAND TWO HUNDRED FIFTY ONLY.)								1,250.00

DS4 (200) ac-hana-2

5. Press Print button to send print to printer

Result

Purchase Order print will be done.

1.1.1.3 Stock 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 541 and 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
<i>Purchase Order</i>		As per requirement	7700000012
<i>Storage Location</i>		As per requirement	201
<i>Serial No.</i>		As per requirement	SKP0000000000000002

Transfer Posting Purchase Order 7700000012 - MM-02

Transfer Posting Purchase Order 7700000012 - MM-02

Document Date: 22.04.2018
 Posting Date: 22.04.2018
☒ Collective Slip
 Material Slip:
 Doc. Header Text:
 GR/GI Slip No.:

From	Material	Plant	Stor. loc.	Dest	Material	Plant	Stor. loc.
	100 KVA Transformer (Repairable)	IESCO RS Rawalpindi	Rwp Ctr St/Alloc		100 KVA Transformer (Repairable)	IESCO RS Rawalpindi	Rwp Ctr St/Alloc
	10138	200	201		10138	200	201

Spec. Stock:

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**

1.1.1.4 Receiving 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
<i>Purchase Order</i>		As per requirement	7700000012
<i>Storage Location</i>		As per requirement	201
<i>Serial No.</i>		As per requirement	SKP0000000000000002

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 Delivery Note Vendor Pak Elektron Limited

Posting Date 22.04.2018 Bill of Lading HeaderText

Collective Slip GR/GI Slip No.

Line	Mat. Short Text	OK	Qty in UnE	EUn	SLoc	Profit Center	WIP Batch	Batch	Val
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 Additional Line

Serial Number

SKP0000000000000000...

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

Result

Goods receipt is posted: 5000000320

1.1.1.5 Print Goods Received Note

Use

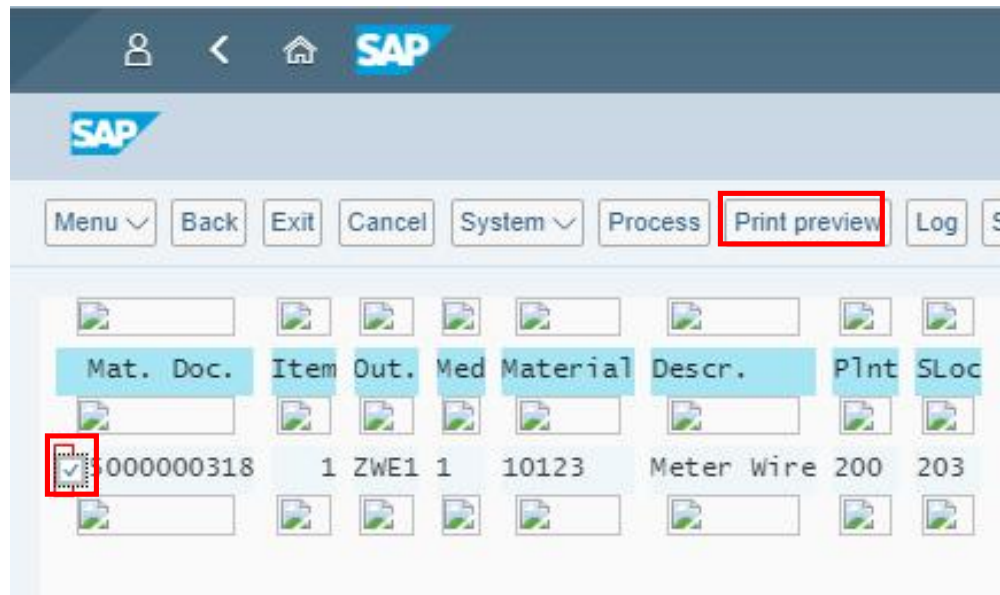
This procedure explains the Goods Received Note Printing.

Procedure

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

The screenshot displays the SAP Fiori 'Output Material Documents' application interface. At the top, there is a navigation bar with icons for user, back, home, and the SAP logo. Below this is a secondary bar with the SAP logo and a set of buttons: 'Menu', 'Save as Variant...', 'Back', 'Exit', 'Cancel', 'System', and 'Execute'. The 'Execute' button is highlighted with a red rectangular box. The main content area is divided into two sections. The first section, titled 'Messages', contains four input fields: 'Output Type', 'Transmission Medium', 'Sort Order' (with the value '01' entered), and 'Processing Mode' (with the value '1' entered). The second section, titled 'Goods Movements', contains two input fields: 'Material Document Year' (with the value '2018' entered) and 'Material Document' (with the value '5000000318' entered). Both of these input fields are highlighted with red rectangular boxes.

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



The screenshot shows the SAP Material Selection screen. At the top, there is a navigation bar with icons for user, back, home, and the SAP logo. Below this is a header bar with the SAP logo. A menu bar contains buttons: Menu (dropdown), Back, Exit, Cancel, System (dropdown), Process, Print preview (highlighted with a red box), Log, and Se. The main area displays a table with columns: Mat. Doc., Item, Out., Med, Material, Descr., Plnt, and SLoc. Each column has a corresponding icon above it. The first row of data is highlighted in light blue and contains the following values: 000000318, 1, ZWE1, 1, 10123, Meter Wire, 200, and 203. A red box highlights the checkbox in the first column of this row, which is currently checked.

Mat. Doc.	Item	Out.	Med	Material	Descr.	Plnt	SLoc
☒	000000318	1	ZWE1	1	10123	Meter Wire	200 203

4. Press Print Preview.

SAP GUI for HTML

Output from Goods Movements

Print: [X]

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 [v]

Number of Copies

Number: 1

☐ Group (1-1-1,2-2-2,3-3-3,...)

Cover Page Settings

SAP cover page: Do Not Print [v]

Recipient: []

Department: []

[] Print preview [] Print [X]

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

Print Preview of LP01

Print Preview of LP01

System ▾

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ISLAMABAD ELECTRIC SUPPLY COMPANY

Goods Recieved Note

Purchase Order	7100000178	Date	20.04.2018	GRN No.	5000000318	Date	20.04.2018
Agreement No.		Date		Vender Code	10000000	Pak Elektron Limited	
Store Name:	200	IESCO RS Rawalpindi		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.

1.1.1.6 Invoice 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

Menu **Post** Back Exit Cancel System Show PO Structure Show Worklist Other Invoice Document Hold

Transaction Balance 0.00 P

Basic Data Payment Details Tax Withholding tax Amount split Contacts > ...

Supplier 0010000000

Pak Elektron Limited
Walton Road
45000 LAHORE
PAKISTAN

Bank acct 9231111
Askari Commercial Bank Limited, JHELUM

Invoice date 22.04.2018
Posting Date 22.04.2018
Amount 80,000.00
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)

PO Reference G/L Account Material

Purchase Order/Scheduling Agreement

Layout Goods/service items All information

Item	Amount	Quantity	Or...	Purchase o...	Item	PO Text	Tax...	N...
1	80,000.00		1 EA	770000000...	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**