



Name(s):

Course & Selection:

Identifier:

Client:

Chapter 09: **Integrated**

Exercise 09-02: **procurement, production, and WM Processes**

Single Company Code

Version 1

Rev: 01/04/2011

Introduction

General Notes and Information

It is strongly recommended that you read through the entire exercise prior to starting. Not all instructions can be provided in a linear manner.

The following symbols are used to indicate important information, as described below.

- An arrow highlights an important instruction that must not be overlooked.
- ☐ A text box prompts you to write down an important piece of information.

Each student or group will be assigned a unique **three digit identifier**. This identifier is used in all exercises to uniquely identify your data. Whenever you see **###** in these exercises, replace it with your identifier.

- Always work with your data.

Business Process Overview

This exercise starts by receiving a purchase order from a customer. You will utilize what you have learned to execute the procurement, production, and fulfillment processes in SAP to fill the order from the customer. We recommend that you use previous exercises as guidelines for completing this exercise step by step.

Exercise Prerequisites

This exercise has no prerequisites.

Exercise Workflow



Exercise Deliverables

Deliverables are consolidated into one worksheet at the end of this exercise. For this exercise you will need the following deliverables.

In the System:

- Procurement Process
- Production Process
- Warehouse Management Process
- Fulfillment Process

On Paper:

- Answers to the Questions

➡ You may be assigned additional deliverables. Make certain to check with your instructor.

Step 1: Begin Fulfillment Process, create Sales Order



In this step, you have received a purchase order from Northwest Bikes for 5 Silver Deluxe Touring Bikes and 5 Road Helmets. (The PO is reproduced at the end of this document.) You will begin fulfilling this order by creating a sales order.

Tasks and Data Entry

Step 1.1: View the stock requirements list for (your) items related to the Silver Deluxe Touring Bike. There should be no inventory, but there will be requirements based on your material planning. Leave this session open, and execute the rest of the process in a new session. Return to this session periodically and refresh the data to see how stock requirements are changing.

Step 1.2: Create a sales order based on the customer's purchase order. You will eventually complete the order and receive cash to complete the fulfillment process.

Q1: What is your Sales Order number: -----

Exercise Deliverables

In the System:

Sales Order

On Paper:

Answer to the Questions

Step 2: Procurement Process



In this step you have received a purchase order from Northwest Bikes for 5 Silver Deluxe Touring Bikes and 5 Road Helmets. You will need to procure all of the raw materials and trading goods needed to fulfill this order. These materials are listed in the BOM for the Silver Deluxe Touring Bike, which is reproduced at the end of this document.

- Do NOT use movement type 561 to acquire these materials

Tasks and Data Entry

Step 2.1: Create Purchase Orders for all of the necessary materials. You will be sending this purchase order to Spy Gear.

- For this process, you will use only a single vendor to supply all of the materials. This scenario is not typical. Normally, a company would procure the necessary materials from multiple vendors.

Step 2.2: Create a Purchase Order for the needed trading goods. You will be sending this purchase order to Olympic Protective Gear.

Step 2.3: Complete the entire procurement process, including paying for the purchases. Make certain to receive the different material types in the correct locations based on their destined use.

Q2: What is your Purchase Order number for raw materials: -----

Q3: What is your goods movement document number (include the zeros): ---

Q4: What was your document number for posing payment (include the zeros): -----

Q5: What is your Purchase Order number for trading goods: -----

Q6: What is your goods movement document number (include the zeros): ---

Q7: What was your document number for posing payment (include the zeros): -----

Exercise Deliverables

In the System:

- All document generated by the procurement process.

On Paper:

- Answer to the Questions
-

Step 3: Place Trading Goods in Warehouse



In this step, you will create a Transfer Order to move your trading goods into your storage bin. This step represents an intersection between Inventory Management and Warehouse Management. The system recognizes that there are goods that have been received but need to be put away.

Tasks and Data Entry

Step 3.1: Create a Transfer Order to move the goods from trading goods inventory to your storage bins.

Step 3.2: Confirm the Transfer Order for the goods to be moved.

Q8: What was your transfer order number (Include zeros): -----

Exercise Deliverables

In the System:

- All document generated by transferring Trading Goods from inventory to your Storage Bins

On Paper:

- Answer to the Questions

Step 4: Production Process



Now that the raw materials are in stock, the integrated process can be continued with production.

Tasks and Data Entry

- Step 4.1: Make certain that all of the raw materials are in the proper locations for production.
- Step 4.2: Execute the production process for the creation of the Touring Aluminum Wheel Assembly. Make certain you place it in the proper storage location.
- Step 4.3: Execute the production process for the creation of the Silver Deluxe Touring Bike. Make certain you place it in the proper storage location.

Q9: What are your production order number for the Wheel Assembly:

Q10: What are your production order number for the Touring Bike:

Exercise Deliverables

In the System:

- Creation of the Touring Aluminum Wheel Assembly.
- Creation of the Silver Professional Touring Bikes

On Paper:

- Answers to the Questions

Step 5: Place Finished Goods in Warehouse



In this step, you will create a Stock Transport Order to transfer the bikes to the San Diego plant and place them into your storage bin. After the transport order is confirmed the system recognizes that there are goods that have been received, but need to be put away. Place the bikes into your storage bin to complete this step.

Tasks and Data Entry

Step 5.1: Create a Transfer order to move the goods from finished goods inventory to your storage bin.

Step 5.2: Confirm Transfer Order for goods to be moved.

Q11: What was your transfer order number (Include zeros): -----

Exercise Deliverables

In the System:

- All document generated by transferring Trading Goods from inventory to your Storage Bins

On Paper:

- Answer to the Question
-

Step 6: Continue Fulfillment Process



Tasks and Data Entry

Step 6.1: Return to the fulfillment process, beginning at the pick and pack step.

Step 6.2: Confirm Transfer Order

Step 6.3: Complete the process, through the receipt of payment step.

Q12: What was your Outbound Delivery note number: -----

Q13: What was the document number for Customer Invoice: -----

Exercise Deliverables

In the System:

- All documents necessary by the fulfillment process

On Paper:

- Answer to the Questions.

Attachment 1: Exercise Worksheet

Name(s):

Course & Selection:

Identifier:

Client:

- Q1:** What is your Sales Order number: -----
- Q2:** What is your Purchase Order number for raw materials: -----
- Q3:** What is your goods movement document number (include the zeros): -----
- Q4:** What was your document number for posing payment (include the zeros): -----
- Q5:** What is your Purchase Order number for trading goods: -----
- Q6:** What is your goods movement document number (include the zeros): -----
- Q7:** What was your document number for posing payment (include the zeros): -----
- Q8:** What was your transfer order number (Include zeros) -----
- Q9:** What are your production order number for the Wheel Assembly: -----
- Q10:** What are your production order number for the Touring Bike: -----
- Q11:** What was your transfer order number (Include zeros): -----
- Q12:** What was your Outbound Delivery note number: -----
- Q13:** What was the document number for Customer Invoice: -----

Global Bikes, Inc.
150 Spear St.
San Diego, CA 94105

Enter this order in accordance with the prices, terms,
 delivery method, and specifications listed above.
 Please notify us immediately if you are unable to ship as specified.

Purchase Order

P.O. ###-56241

Bill To:

Northwest Bikes
 601 108th Ave
 Seattle, WA 98004

Ship To:

Northwest Bikes
 601 108th Ave
 Seattle, WA 98004

[Date] Today's Date

[Unit Head Approval] _____

[Requester] Chris P Bacon

Req By	SHIPPING METHOD	TERMS	F.O.B.
XXXX/XXXX	GROUND	2/10 Net 30	Shipping Point

Quantity	Item #	Unit	Description	Unit Price	Total
5	DXTR2###	EA	Deluxe Silver Touring Bike	3,000.00	15,000.00
5	RHMT1###	EA	Road Helmet	50.00	250.00
Subtotal					15,250.00
Tax					EXEMPT
Shipping					0.00
Miscellaneous					0.00
Balance Due					15,250.00

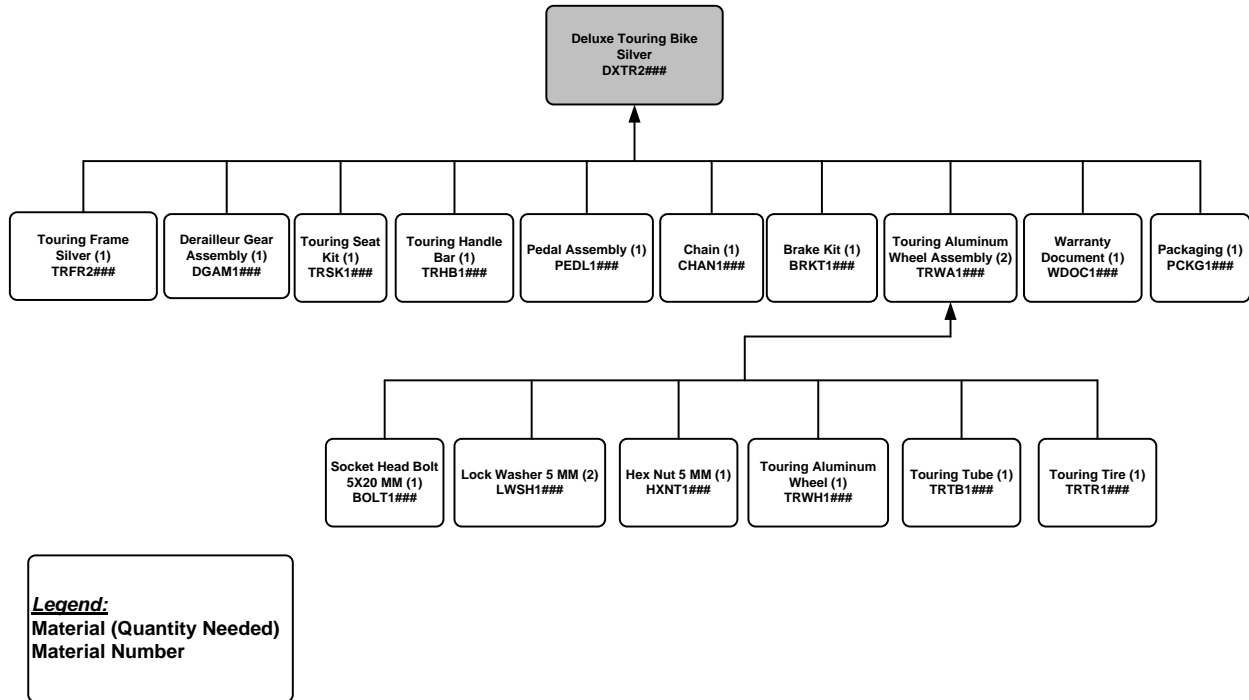


Figure 1: Deluxe Touring Bike (Silver) Bill of Materials