



Name(s):

Course & Selection:

Identifier:

Client:

## Chapter 09: **Integrated**

### Exercise 09-03: **Procurement, Fulfillment, Production, and MtlPlg 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 textbox 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
- MPS Process
- Production Process
- Fulfillment Process

#### On Paper:

- Answers to the Questions

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

GBI's system is currently configured with the "make to stock" strategy. The company produces for inventory (by creating an independent demand, based on material planning) and sells from inventory. For this assignment, we want the production process to be triggered by a customer order. This is basically a "make to order" strategy. Configuration for material DXTR2001 must be changed as follows, using the Production setup steps. Do this before creating a sales order.

- 1) MRP1 screen. MRP Type = MPS; this must be changed to MRP (PD)
- 2) MRP3 screen. MRP strategy (Strategy Group) = Make to stock; this strategy must be removed (blank).

## Step 1: Begin Fulfillment Process, Create Sales Order



In this step, you have received a purchase order from BeanTown 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: Run MPS



In this step you will run MPS for the materials you need. This step will create an internal purchase requisition with all the raw materials needed to manufacture the Silver Deluxe Touring Bike.

### Tasks and Data Entry

Step 2.1: Create SOP Plan

- ▶ Use the same SOP plan used in Exercise 8-2: Materials Planning

Step 2.2: Disaggregate SAP

Step 2.3: Transfer Plans

Step 2.4: Complete MRP Runs

**Q2:** What is the Planned Order number for your Silver Deluxe Touring Bike:

Step 2.5: Stock Requirements Convert Orders

**Q3:** What is your Production Order number: .....

### Exercise Deliverables

In the System:

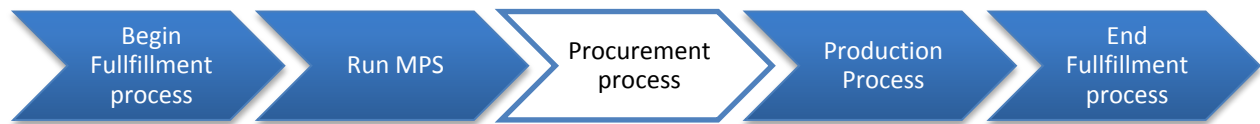
- Run MPS

On Paper:

- Answer to the Questions

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## Step 3: 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 3.1:** Convert the Purchase Requisition you created in Step 2 into a Purchase Order 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 materials from multiple vendors.

**Step 3.2:** Create a Purchase Order for the needed trading good. You will be sending this purchase order to Olympic Protective Gear.

**Step 3.3:** Complete the entire procurement process, including paying for the purchases. Make certain you receive the different material types in the correct locations based on their destined use.

**Q4:** What is your Purchase Order number for raw materials: -----

**Q5:** What is your goods movement document number  
(include the zeros): -----

**Q6:** What was your document number for posing payment  
(include the zeros): -----

**Q7:** What is your Purchase Order number for trading goods: -----

**Q8:** What is your goods movement document number  
(include the zeros):

-----

**Q9:** 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 Question



## 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 to place it in the proper storage location.
- Step 4.3: Execute the production process for the creation of the Silver Deluxe Touring Bike. Be sure to place it in the proper storage location.

**Q10:** What are your production order number for the Wheel Assembly: -----

**Q11:** 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: Continue Fulfillment Process



### Tasks and Data Entry

Step 5.1: Return to the fulfillment process, beginning at the pick and pack shipment step.

Step 5.2: Confirm the Transfer Order

Step 5.3: 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

Name(s):

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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.**  
5341 Blue Lagoon Dr  
Miami FL 33126

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:**

**Ship To:**

BEANTOWN BIKES

BEANTOWN BIKES

3 Van de Graaff Dr  
Boston MA 18033

3 Van de Graaff Dr  
Boston MA 18033

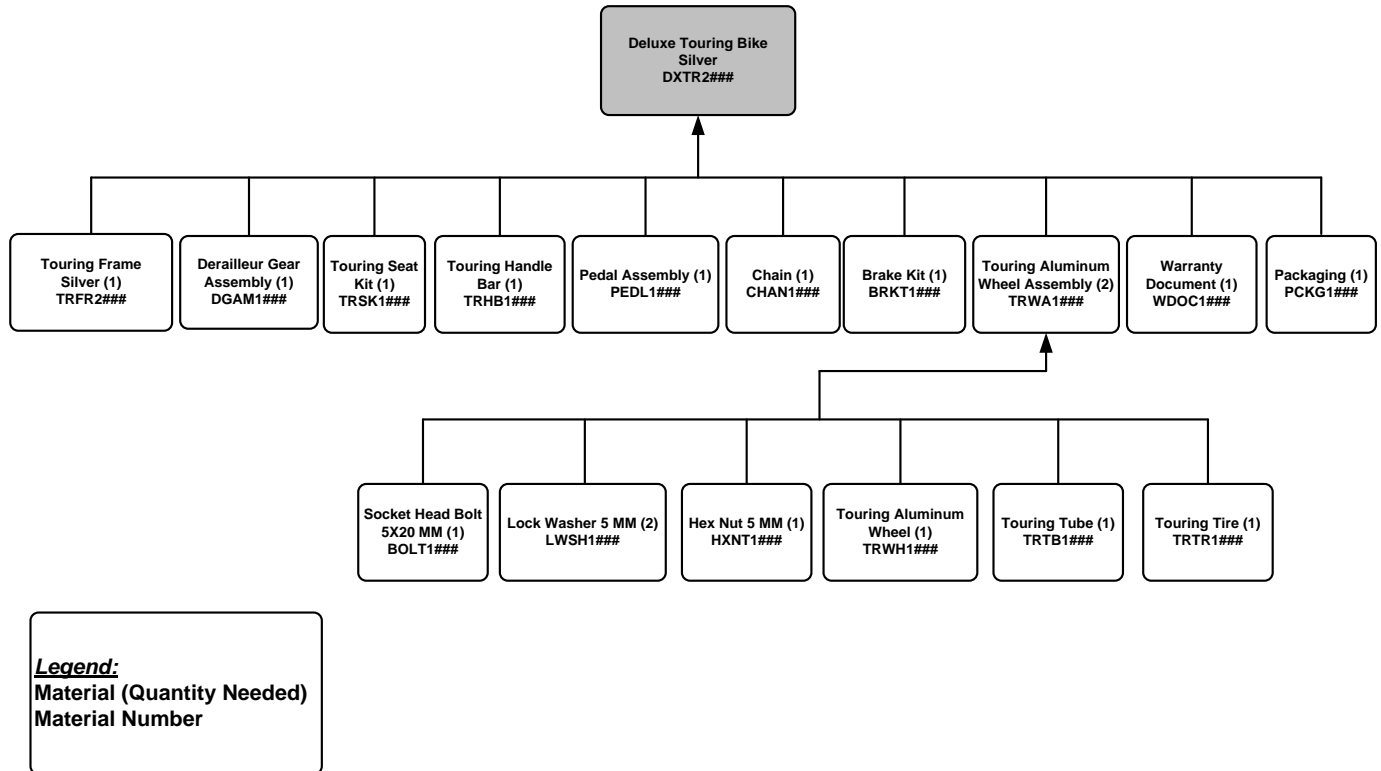
[Date] Today's Date

[Unit Head Approval] \_\_\_\_\_

[Requester] Chris P Bacon

Req By	SHIPPING METHOD	Terms	F.O.B.
XX/XX/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
<b>Subtotal</b>					15,250.00
<b>Tax</b>					EXEMPT
<b>Shipping</b>					0.00
<b>Miscellaneous</b>					0.00
<b>Balance Due</b>					15,250.00



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