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 “Advanced Energy,” while the NRG-B bar touts “Body Building 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:
Enter the information shown above, click the enter icon (✓) and then click on the following screen will appear:

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
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:

<table>
<thead>
<tr>
<th>PostalCode</th>
<th>City</th>
<th>Name 1</th>
<th>Customer</th>
</tr>
</thead>
<tbody>
<tr>
<td>48152</td>
<td>LIVONIA</td>
<td>00 HEALTH EXPRESS</td>
<td>201</td>
</tr>
<tr>
<td>49008</td>
<td>KALAMAZOO</td>
<td>00 WEST HILLS ATHLETIC CL</td>
<td>1</td>
</tr>
<tr>
<td>49544</td>
<td>GRAND RAPIDS</td>
<td>00 MENER, INC.</td>
<td>301</td>
</tr>
<tr>
<td>49931</td>
<td>HOUGHTON</td>
<td>00 HOUGHTON HEALTH CLUB</td>
<td>101</td>
</tr>
</tbody>
</table>

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

![Image of customer order screen](image)

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

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:

![Image of calendar](image)

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

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:
Double-click on the SALES group to select it, then 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:
Double-click on the ##/glyphff/vRG#B snack bar to select it, and the material number will be entered automatically:

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.
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:
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:
Select the line item again, and then click on the Display availability icon which will produce the following screen:
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:
Enter the information shown above, then click on the Create with reference icon and the following screen will appear:

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

Click on the Inquiry tab, then click on the search icon to search for your customer.
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:

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

Enter **WHP125##** for Purch. order no., click on the enter icon and then click on the save icon.
Sales Order Process

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:

![Create Outbound Delivery with Order Reference](image)

Enter ##SP for Shipping Point
Order number should be entered automatically.
Click on the enter icon

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

![Outbound Delivery 80000000 has been saved]

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.
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:

![Stock/Requirements List: Initial Screen](image)

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:

![Material Number/Material Description](image)
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:

Double-click on the line for the NRG-B bar to select it:

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

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, and the ERP system will display the details of the delivery you just created:
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:
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**

Click on the inquiry line, then click on the Display document icon (/button) to display the original inquiry that started the sales-order process:

**Display Inquiry 10000000: Overview**

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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 (verbs) 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:

![Change Outbound Delivery](image)

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

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:
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:
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](image)

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:

![Stock/Requirements List as of 11:06 Hrs](image)

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.
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:
Sales Order Process

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 (kening) 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 (keking) to restore your 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.
Enter the information shown above, then click on DisplayBillList icon (DisplayBillList), which will produce the following screen:

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 (Exit) 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**:
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 and the following screen will appear:

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 and the following screen will appear:
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.
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 ( ), which will bring up a list of your customers:

After selecting ## West Hills Athletic Club, click on the Process open items icon ( ):
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:
which will again produce the following screen:

![Image of Sales Order Process]

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

- **Environment** → **Document Flow**

![Image of Document Flow]

<table>
<thead>
<tr>
<th>Document</th>
<th>On</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inquiry 010000000</td>
<td>07/24/2008</td>
<td>Completed</td>
</tr>
<tr>
<td>Standard Order 00000000001</td>
<td>07/24/2008</td>
<td>Completed</td>
</tr>
<tr>
<td>Outbound Delivery 008000000</td>
<td>07/24/2008</td>
<td>Completed</td>
</tr>
<tr>
<td>Picking request 20080724</td>
<td>07/24/2008</td>
<td>Completed</td>
</tr>
<tr>
<td>GD goods issue: delivery 4900000110</td>
<td>07/24/2008</td>
<td>complete</td>
</tr>
<tr>
<td>Invoice 0090000000</td>
<td>07/24/2008</td>
<td></td>
</tr>
<tr>
<td>Accounting document 0090000000</td>
<td>07/24/2008</td>
<td>Cleared</td>
</tr>
</tbody>
</table>
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 (Print) 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.