

APAC Procurement Business Module

Processing Assigned Purchase Requisitions Procedure Training Document



Local Group Companies

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<Confidential>

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Table of Contents

CONVERSION OF REQUISITIONS INTO PURCHASE ORDERS	4
POSSIBLE TRANSACTIONS FOR PROCESSING ASSIGNED PURCHASE REQUISITIONS.....	4
CREATE PURCHASE ORDERS VIA ASSIGNMENT LIST	4
BUSINESS PROCESS PROCEDURE.....	6
1. CREATION OF PURCHASE REQUISITION	6
2. ASSIGN AND PROCESS THE PURCHASE REQUISITION	9
3. CONVERSION OF ASSIGNED PURCHASE REQUISITION INTO PURCHASE ORDER.....	14

Conversion of Requisitions into Purchase Orders

The following functions are available in SAP R/3 for the optimized conversion of requisitions into purchase orders:

- **Purchase requisition items with source of supply** – If a source has already been assigned to the requisition, it is possible to choose between semiautomatic and fully automatic conversion into a purchase order. In the former case, an assignment list is referred. In this transaction, manual intervention is flexibly enabled. Yet, this option is not available in the fully automatic conversion process. A further difference between the two transactions is that scheduling agreement delivery schedule lines can only be generated via the semiautomatic transaction.
- **Purchase requisition items without source of supply** – If no source has been assigned to the purchase requisition, a transaction that enables the assignment in a first step is possibly used. In the second step, the assignments made then have to be processed. As a result of using this transaction, a purchase order item referencing a contract, an info record, a scheduling agreement, or an RFQ can be created.

Possible Transactions for Processing Assigned Purchase Requisitions

A prerequisite for the semiautomatic conversion of purchase requisitions into purchase orders or scheduling agreement delivery schedule lines, which is possible using the function Create Purchase Order → Via Assignment List, is that a source of supply must already have been assigned to the requisitions that are to be converted.

A list showing the number of assigned requisition items per source of supply is obtained. It is then possible to convert all requisition items that are assigned to the same source into purchase orders or scheduling agreement delivery schedule lines in a single step.

Noted in SAP R/3 4.6A and 4.6B, it is optional to use either the ordering transaction with the transaction code ME21 or the new ordering transaction ME21N both within this transaction and when converting requisitions into purchase orders from within material requirements planning. In the standard system, transaction ME21 is used. If the Enjoy Transaction ME21N is required to be used, then the user parameter ENJ_CALL_ME21N with the value X shall be assigned to the relevant user.

Create Purchase Orders via Assignment List

SAP Menu → Logistics → Material Management → Purchasing → Purchase Order → Create → Via Requisition Assignment List (Transaction ME58).

or

SAP Menu → Logistics → Material Management → Requisition → Follow-on Functions → Create Purchase Order → Via Assignment List (Transaction ME58).

Instead of creating purchase orders via assignment lists, the document overview in the Create Purchase Order transaction can be set up in such a way that the conversion of all requisition items assigned to the same vendor can be carried out in a single step. The document overview is an alternative to the assignment lists created by the system if the already assigned, released, and still-open purchase requisition items are just selected.

For maximum efficiency in the conversion of open requisition items, it is sensible to define the layout of the document overview for requisitions in such a way that the breakdown occurs at the highest level after the vendor. With the aid of such a layout, it is easy and quick to consolidate all items for the same vendor in one purchase order. From time to time, the *Refresh* function should be used in the document overviews so that it shows only those requisition items that have not yet been converted.

Requisition items to which a source of supply has already been assigned can also be converted into purchase orders automatically in SAP R/3. This transaction can be run either online or in the background.

In automatic purchase order generation, the system selects only those requisition items that satisfy the following two conditions:

- The *Automatic Purchase Order* indicator must have been set in the plant-specific purchasing data of the material master record.
- The *Automatic Purchase Order* indicator must have been set in the purchasing data of the vendor master record.

If it is required to automatically generate purchase orders from requisitions with an assigned source, then the following procedure shall be put in place:

1. First enter the organizational selection criteria (for example, responsible purchasing group and plant) in the upper part of the initial screen of the transaction *Purchase Order → Create → Automatically via Purchase Requisition*. In the lower part of this screen, enter the selection criteria for the requisitions (for example, a number interval, a certain material, or a date range for requisitions released over a certain period).
2. In the middle part of the screen, specify the cases in which a separate purchase order is to be created for a requisition item. (it may not be wished requisition items for different plants to be included in the same purchase order, for instance).

The following control parameters are located in the middle part of the screen:

The *Omit Faulty Items* indicator causes the system to create a purchase order with nine items from a total of 10 requisition items of which one is faulty (perhaps due to unspecified account assignment), for instance. An advantage is that the reprocessing effort is relatively small. Only one item is needed to be reprocessed. A disadvantage is that there is no guarantee that requisition items that actually belong together are all included in the same purchase order.

If, on the other hand, it has been specified that faulty items are not to be omitted, the system will not create a purchase order in the above example, and the entire requisition must be converted into a purchase order manually.

Set the *Detailed Log* indicator in the case that the function is wished to be performed and logged in the background. The log shows which purchase orders have been generated and which requisition items are faulty. The log provides detailed information indicating the cause of the error for each faulty item.

Set the *Generate Schedule Lines* indicator if a single purchase order item with a delivery schedule is wished to be generated for multiple requisition items that differ only in respect of the desired delivery date.

It is also possible to perform the function as a test by setting the *Test Run* indicator.

3. After the test run, either start the program on-line or save the screen as a selection variant and schedule the report as a background job to be carried out at regular intervals, for instance.

Noted it is unable to automatically generate delivery schedule lines against a scheduling agreement with this transaction. As a rule, scheduling agreement delivery schedule lines are generated directly from material requirements planning in order to eliminate the purchasing department processing time.

Business Process Procedure

1. Creation of Purchase Requisition

1.1 Access transaction by

Via Menu	Logistics → Materials Management → Purchasing → Purchase Requisition → Create
Via Transaction Code	ME51N

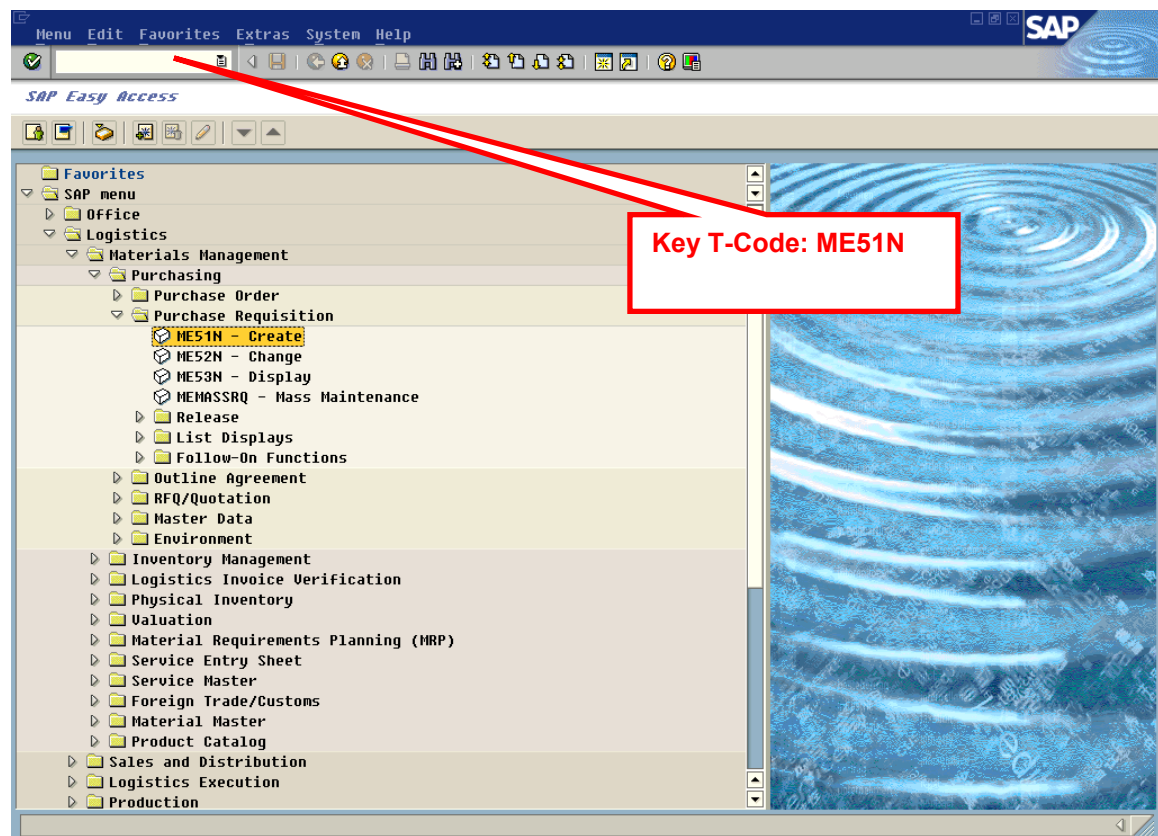


Fig-01

The screenshot shows the SAP 'Create Purchase Requisition' dialog box. The 'Purchase requisition' field is highlighted with a red box. The 'Texts' tab is active, showing a 'Header note' field. The 'Item' table is empty, and the 'Item' field at the bottom is set to 'New item'.

Purchase Requisition Edit Goto Environment System Help

SAP

Create Purchase Requisition

Document overview on Help Personal setting

NB Purchase requis Source determination

Texts

Header note

1 Continuous-

Material	Short text	Qu...	Un	Curr.	Valn. price	Tot. ...	Deli...	Matl...	Plc...	Req...
000053013202	ANGULAR CONTACT...	10	EA	THB	1,500.00	15,0...	15.1...	Ang ...	114	1

Item 1 [1] 000053013202 , ANGULAR CONTACT

Material data Quantities/dates Valuation Source of supply Status Contact person Texts

Created by Ha Tran Changed on 27.11.2004

Crea. ind. R Realtime (manual)



Requisitioner Req. tracking no

Purch. group 114 Bearing, Mech. part Telephone EXT. 4809 Fax number 036-329977-8

MRP controller 001 QUARRY DIVISION 1

QAS (1) (300) R3QSAFPCRP1 OUR



Field Name	Description	R/O/C/D	User Action and Values
Material	Alphanumeric key uniquely identifying the material	R	Enter the material
Item category	Key defining how the procurement of a material or service item is controlled	R	Enter the item category
A (Account assignment category)	Specifies whether accounting for an item is to be effected via an auxiliary account	O	Enter the account assignment category
Quantity	Specifies the quantity to be ordered, as stipulated in the purchase requisition	R	Enter the quantity
Valuation price	Show the price of the requested material per price unit	O	Enter the valuation price
Deliv. date	Date on which the goods are to be delivered or the service is to be performed	R	Enter the delivery date
Plant	Plant in which you produce or for which you wish to procure materials or services	R	Enter the plant
			Click on  icon to check the correctness of the data
			Click on  icon to post the purchase requisition transaction

Legend: R = Required, O = Optional, C = Conditional, D = Display

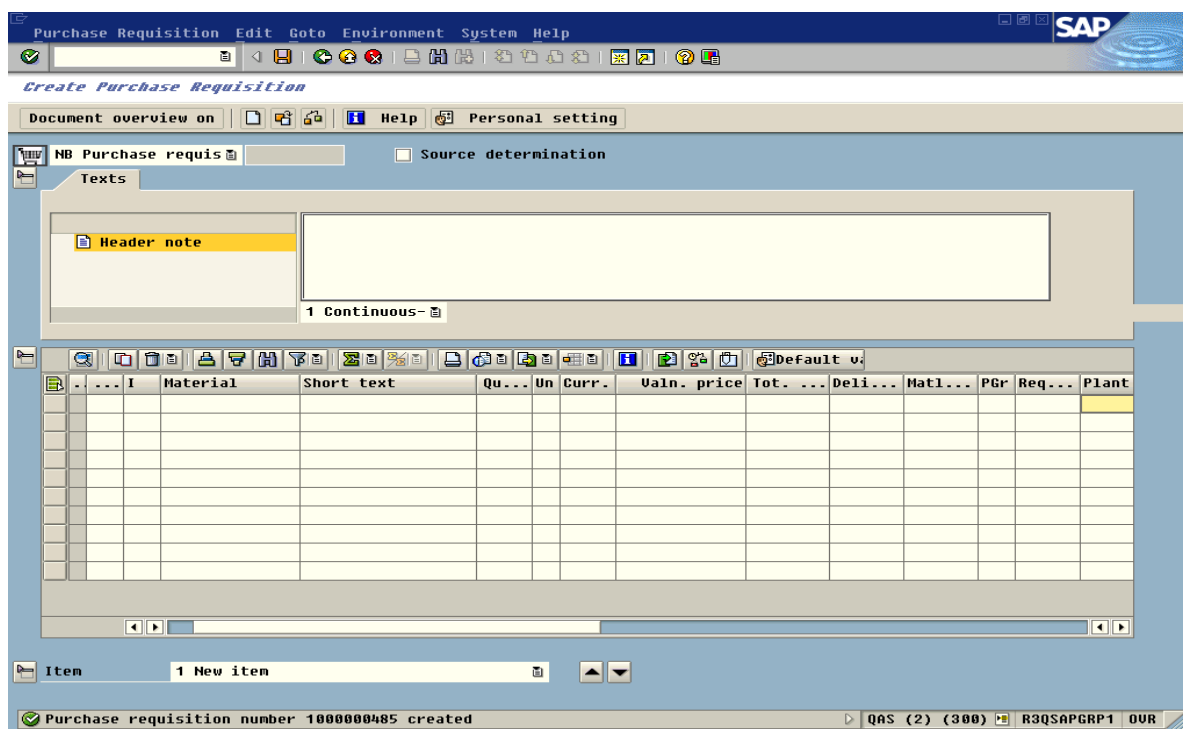


Fig-04

2. Assign and Process the Purchase Requisition

2.1. Access transaction by

Via Menu	Logistics → Materials Management → Purchasing → Purchase Requisition → Follow-On Functions → Assign and Process
Via Transaction Code	ME57

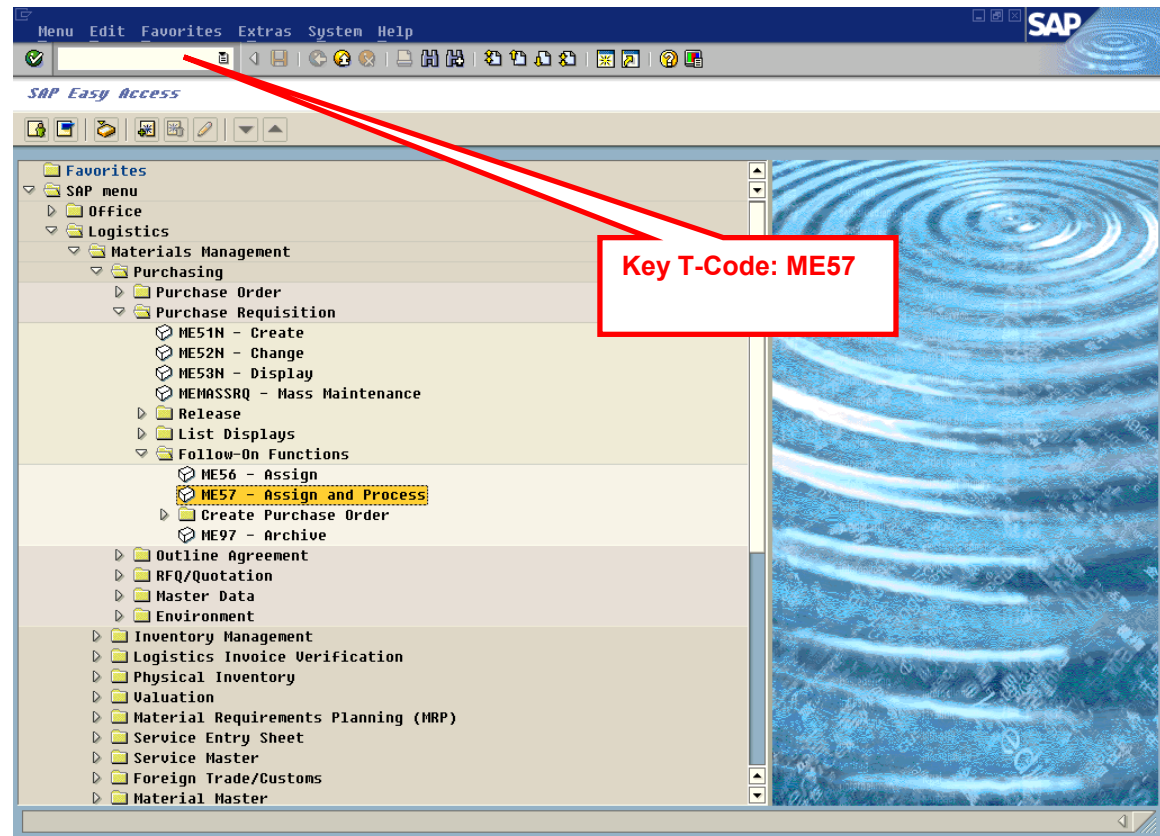


Fig-05

2.2. On “Assign and Process Purchase Requisitions” screen, maintain information as specified in the table below:

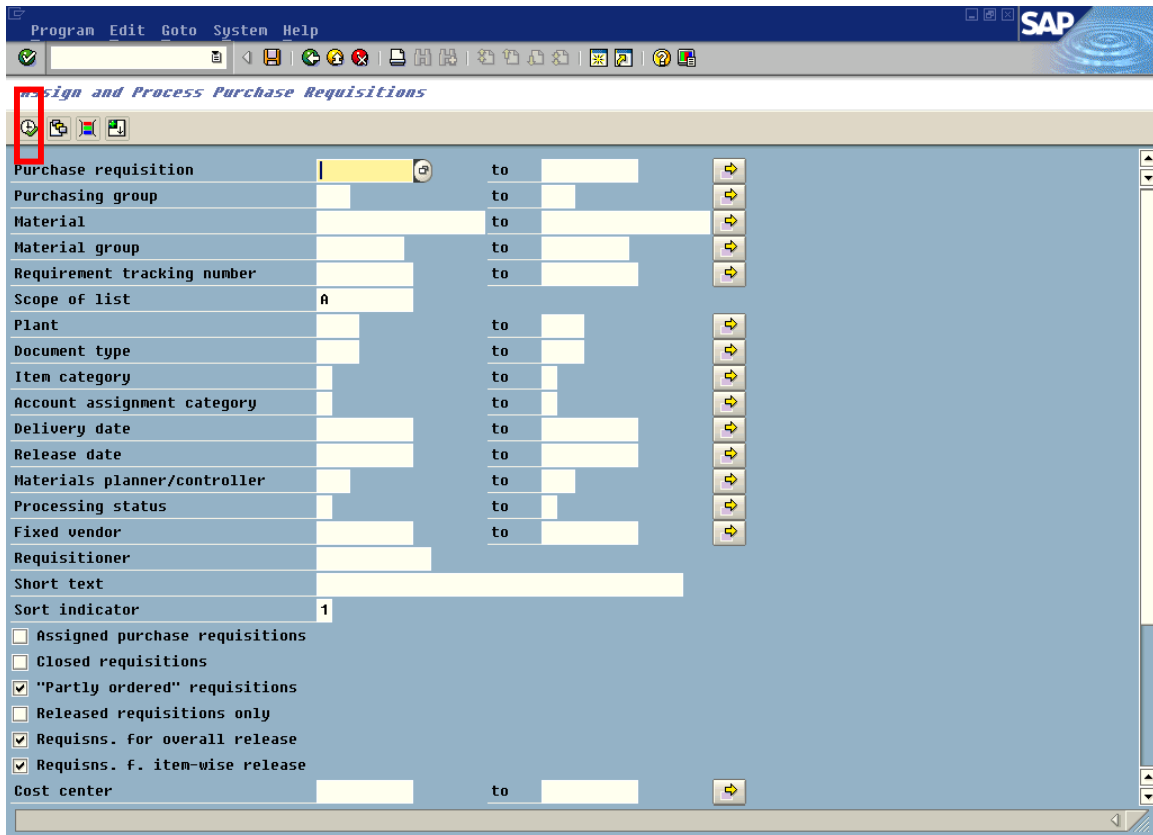



Fig-06

Field Name	Description	R/O/C/D	User Action and Values
			Make the proper selection of various parameters to restrict the enumeration of only related purchase requisitions to be assigned and processed
			Click on  icon that leads to the next screen where a list of related purchase requisitions are enumerated and assigned with respective source(s) of supply

Legend: R = Required, O = Optional, C = Conditional, D = Display

2.3. On “Assign and Process Purchase Requisitions” screen, maintain information as specified in the table below:

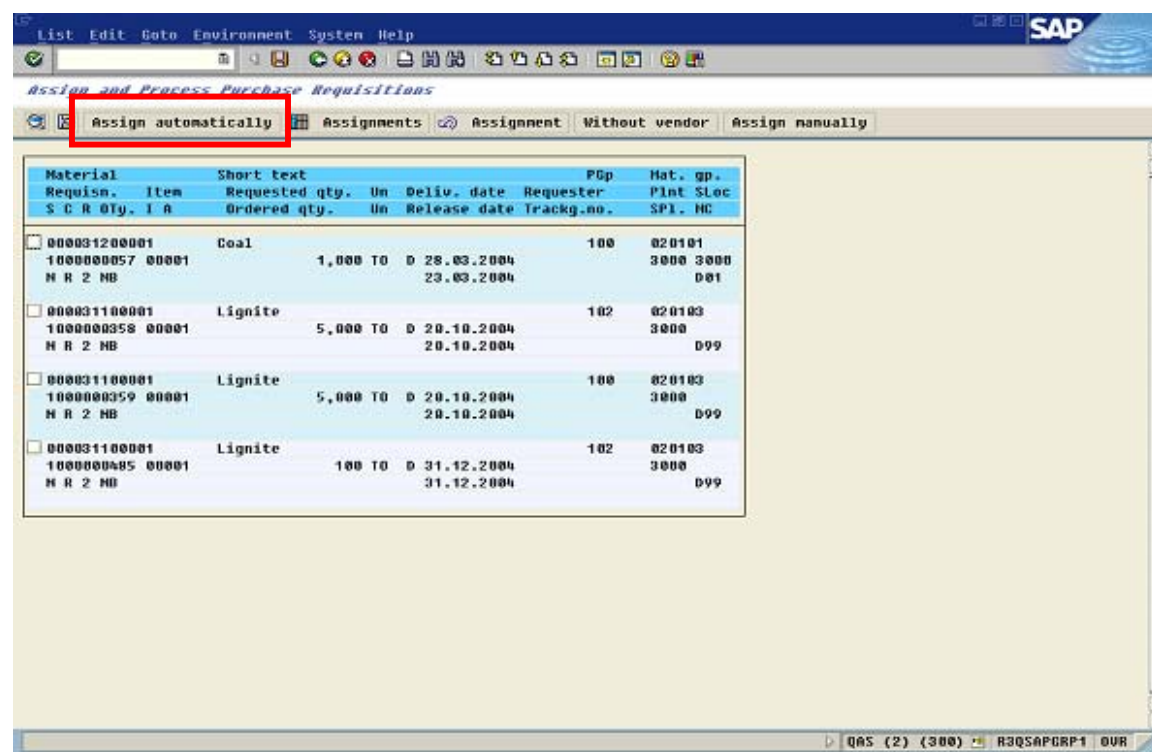
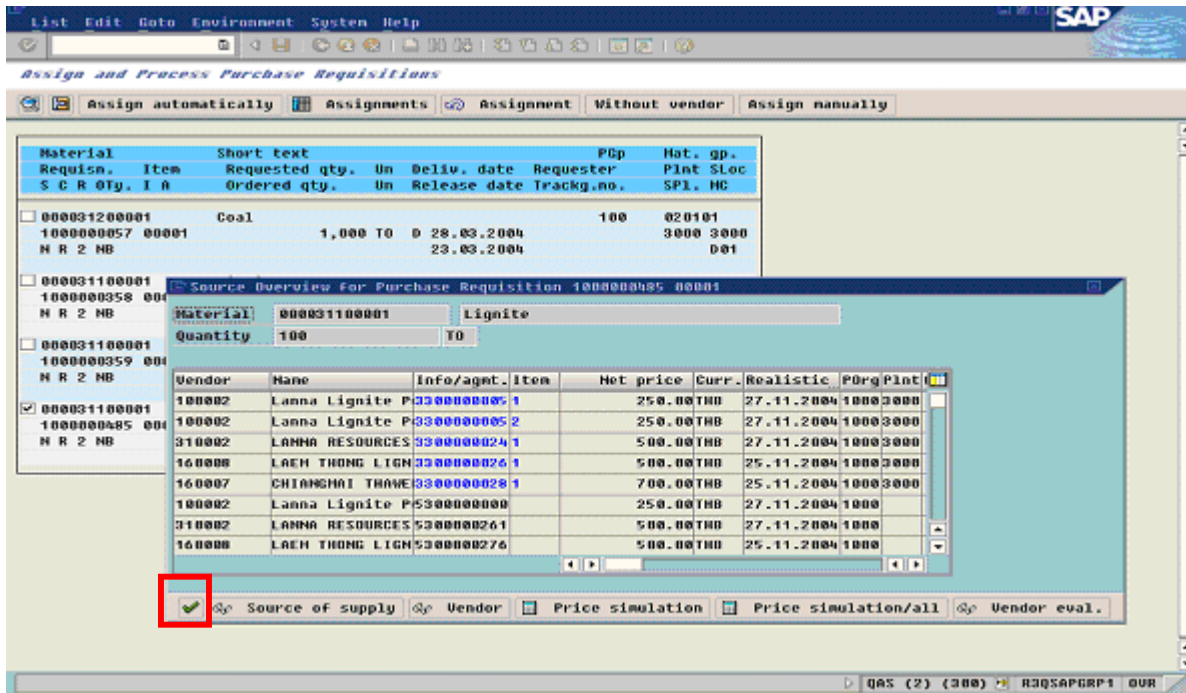


Fig-07

Field Name	Description	R/O/C/D	User Action and Values
			Select the appropriate Purchase Requisition and then click on Assign automatically icon which triggers the automatic assignment of possible sources of supply for this material item.

Legend: R = Required, O = Optional, C = Conditional, D = Display

2.4. On the pop up screen, maintain information as specified in the table below:



Source Overview for Purchase Requisition 1000000485 00001

Material	Short text	Requested qty.	Un Deliv. date	Requester	Mat. gp.
S C R Qty. I R	Ordered qty. Un	Release date	Trackg.no.	SPL. MC	
000031200001	Coal	1,000 TO	D 28.03.2004	100	020101
1000000485 00001			23.03.2004		3000 3000
N R 2 NB					001


Material: 000031200001 Lignite

Quantity: 100 TO

Vendor	Name	Info/agmt. Item	Net price	Curr.	Realistic	P0rg PInt
100002	Lanna Lignite P	3300000005 1	250.00THB		27.11.2004	10003000
100002	Lanna Lignite P	3300000005 2	250.00THB		27.11.2004	10003000
310002	LANNA RESOURCES	3300000024 1	500.00THB		27.11.2004	10003000
160008	LAEH THONG LIGN	3300000026 1	500.00THB		25.11.2004	10003000
160007	CHIANGMAI THAME	3300000028 1	700.00THB		25.11.2004	10003000
100002	Lanna Lignite P	5300000000	250.00THB		27.11.2004	1000
310002	LANNA RESOURCES	5300000026 1	500.00THB		27.11.2004	1000
160008	LAEH THONG LIGN	5300000027 6	500.00THB		25.11.2004	1000

☒ Source of supply ☐ Vendor ☐ Price simulation ☐ Price simulation/all ☐ Vendor eval.

Fig-08

Field Name	Description	R/O/C/D	User Action and Values
			Move the cursor to the best possible vendor and then click on  icon, the selected source is automatically assigned to your chosen purchase requisition.

Legend: R = Required, O = Optional, C = Conditional, D = Display

2.5. On “Assign and Process Purchase Requisitions” screen, click on  icon to save the assignment of such source of supply for that purchase requisition:

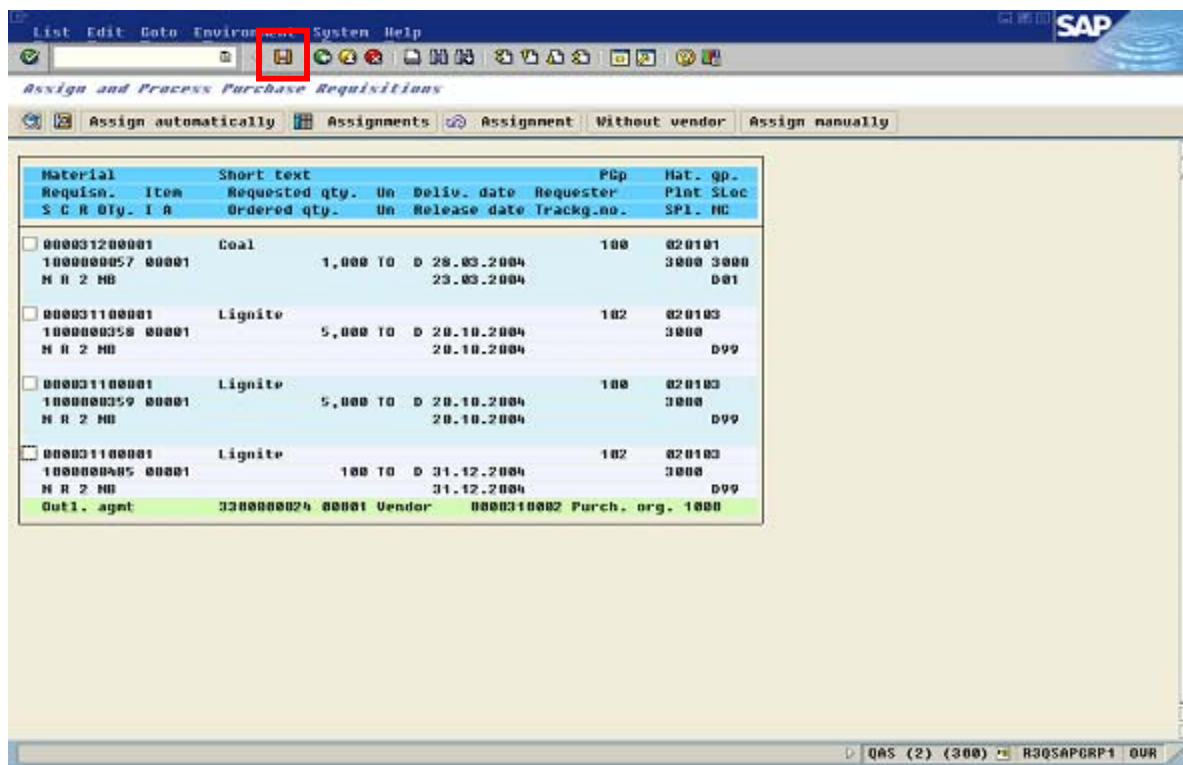


Fig-09

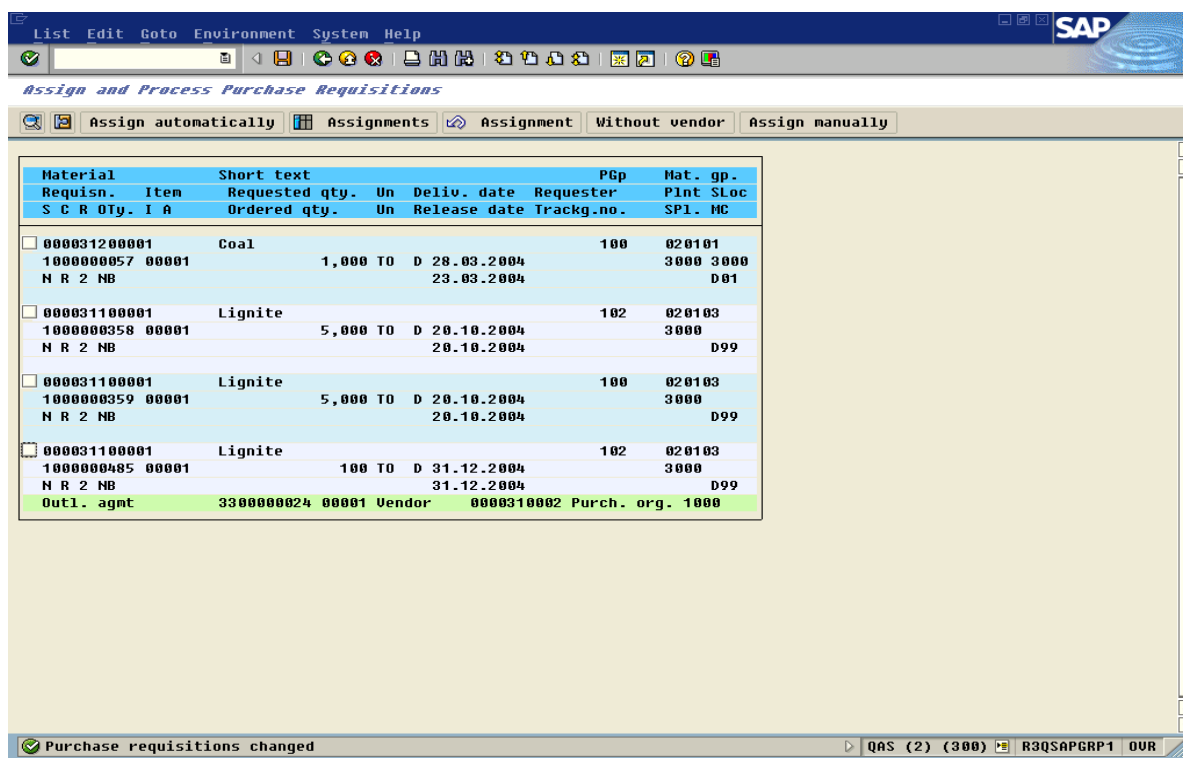


Fig-10

3. Conversion of Assigned Purchase Requisition into Purchase Order

3.1. Access transaction by

Via Menu	Logistics → Materials Management → Purchasing → Purchase Requisition → Follow-On Functions → Create Purchase Order → Via Assignment List
Via Transaction Code	ME58

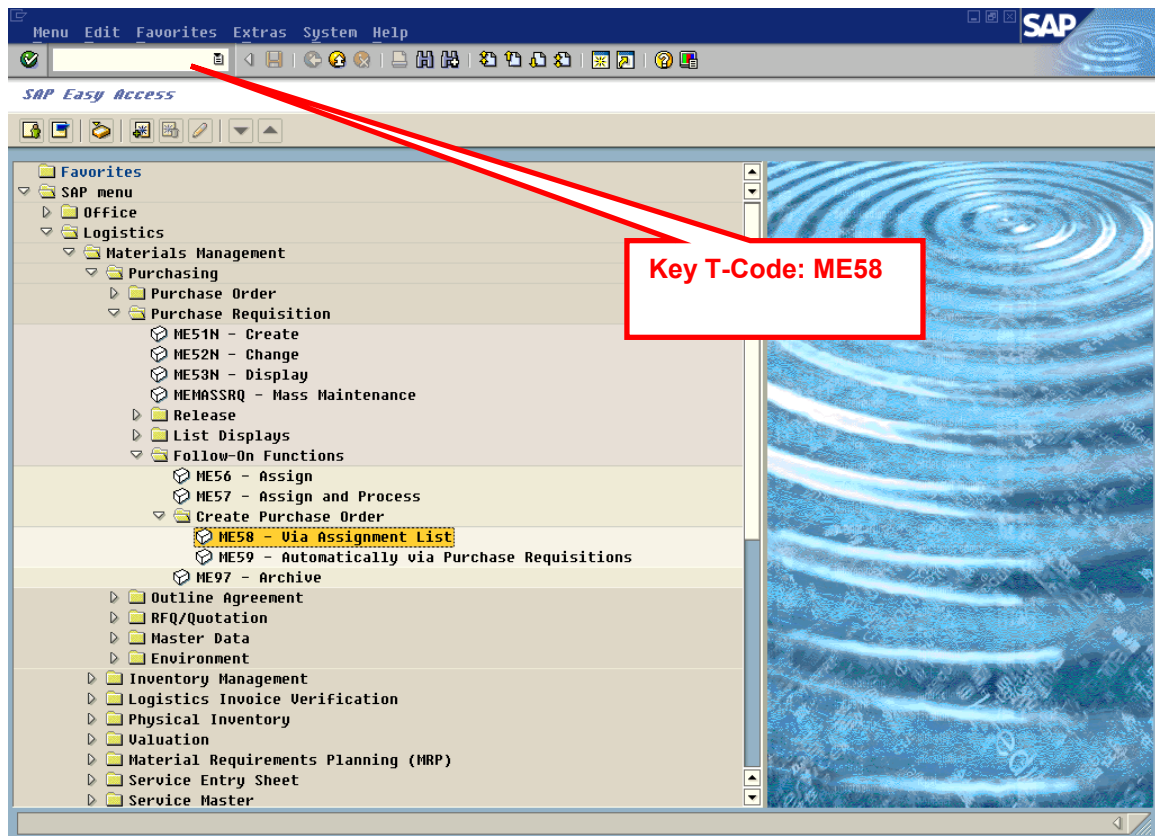


Fig-11

3.2. On “Ordering: Assigned Purchase Requisitions” screen, fill in the data as below:

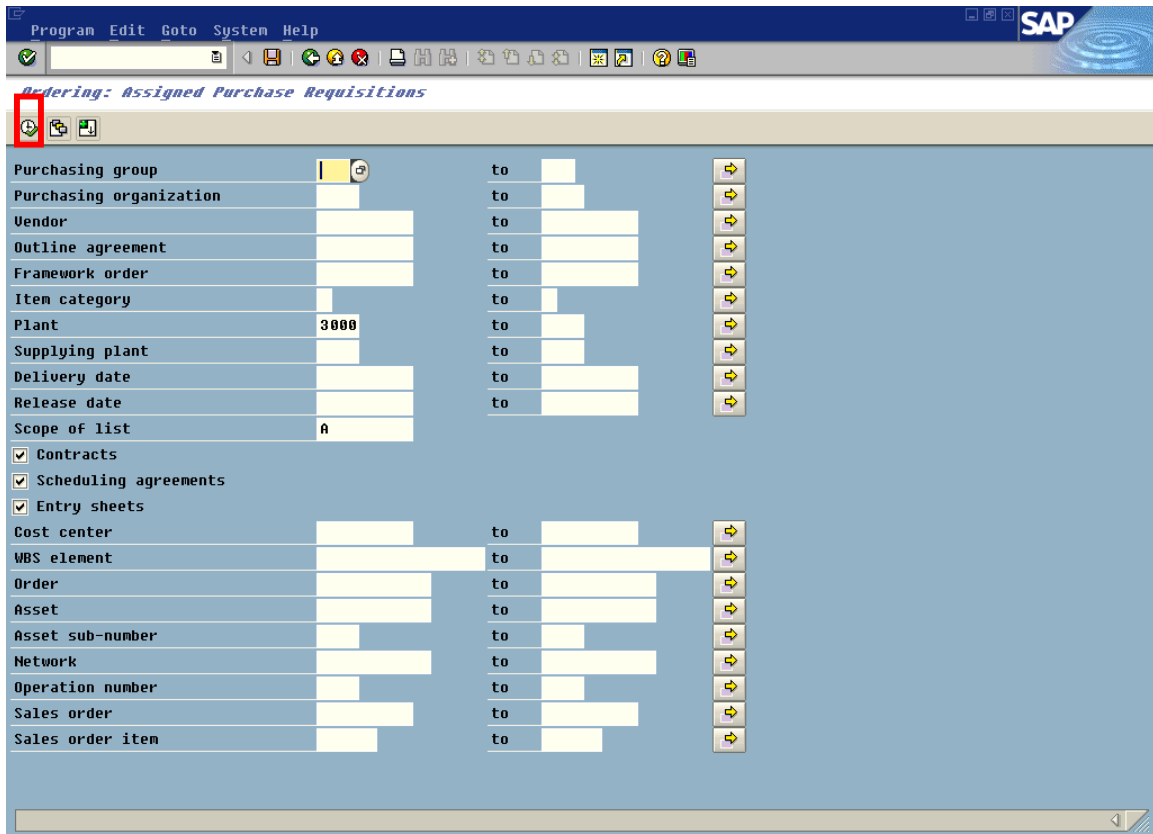



Fig-12

Field Name	Description	R/O/C/D	User Action and Values
Purchasing group	Key for a buyer or a group of buyers, who is/are responsible for certain purchasing activities	O	Enter the purchasing group
Purchasing organization	Denotes the purchasing organization	R	Enter the purchasing organization
Vendor	Number of the vendor defined as the fixed source of supply for this purchase requisition	R	Enter the vendor
Outline agreement	Specifies the number of the outline agreement that this purchase order or purchase requisition refers to	R	Enter the outline agreement number
			Make the appropriate selection of all relevant information as to restrict the relevant purchase requisitions to be converted into Purchase Order
			Click on  icon to select the related purchase requisitions

Legend: R = Required, O = Optional, C = Conditional, D = Display

3.3. On “Ordering for Assigned Requisitions: Overview of Assignments” screen, move the cursor to the respective line item and then click on **Process assignment** icon:

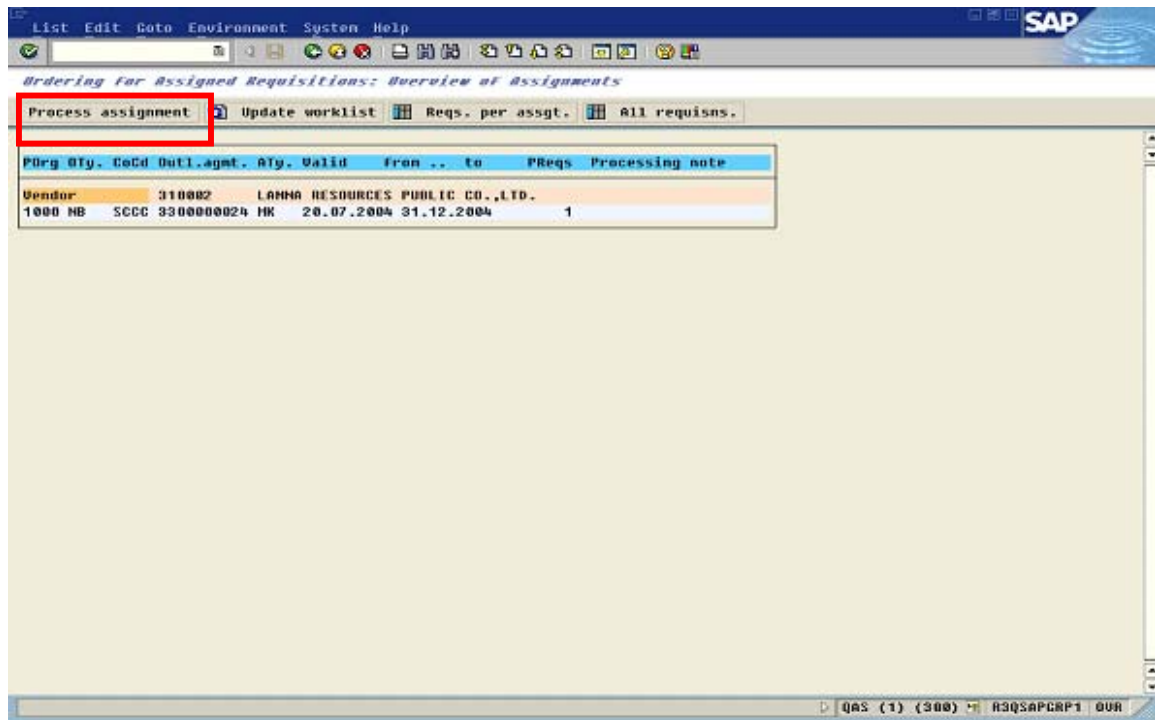


Fig-13

3.4. On the pop up screen, fill in the data as below:

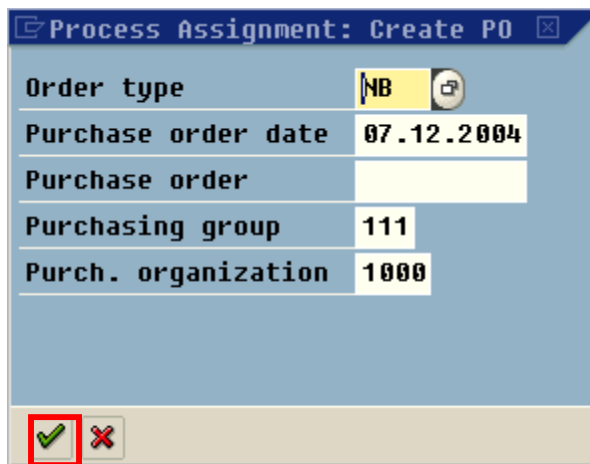



Fig-14

Field Name	Description	R/O/C/D	User Action and Values
Order type	Identifier allowing differentiation between the different kinds of requisition and purchase order in the SAP system	R	Enter the order type
Purchase order date	Specifies the date on which the purchase order was created	R	Enter the purchase order date

Field Name	Description	R/O/C/D	User Action and Values
Purchase order	Alphanumeric key uniquely identifying a purchase order	R	Enter the purchase order number
Purchasing group	Key for a buyer or a group of buyers, who is/are responsible for certain purchasing activities	O	Enter the purchasing group
Purchasing organization	Denotes the purchasing organization	R	Enter the purchasing organization
			Click on  icon

Legend: R = Required, O = Optional, C = Conditional, D = Display

3.5. On “Create Purchase Order” screen, maintain information as specified in the table below:

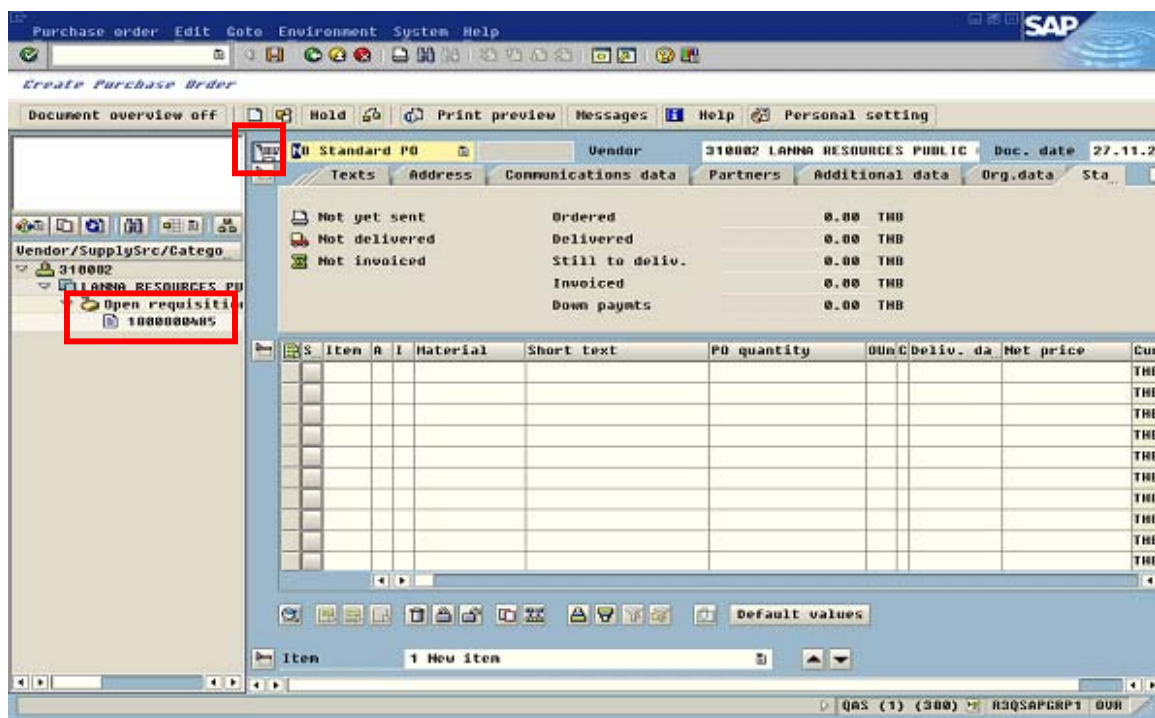




Fig-15

Field Name	Description	R/O/C/D	User Action and Values
			Move the cursor to the Purchase Requisition number and then drag it into the shopping cart  (next to the PO document type)

Legend: R = Required, O = Optional, C = Conditional, D = Display

3.6. On “Create Purchase Order” screen, click on  icon to check the correctness of data and then click on  icon to save the Purchase Order Document:

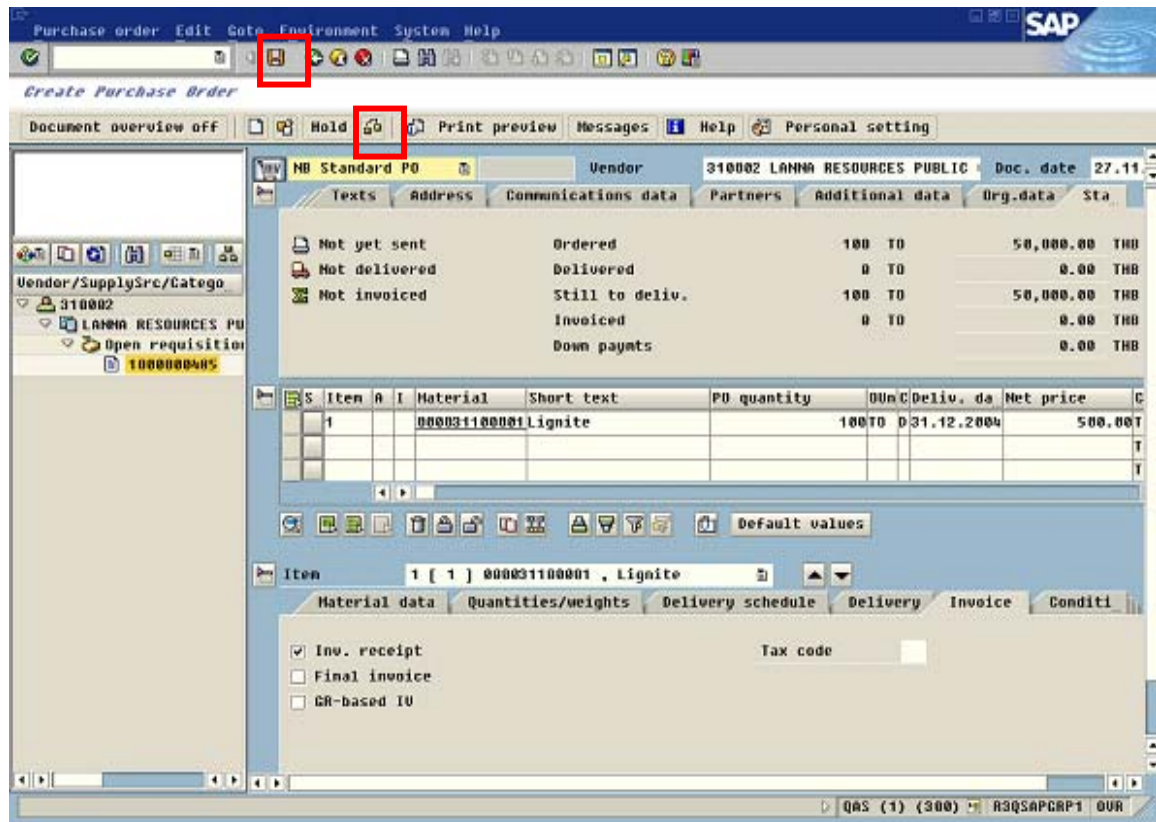


Fig-16

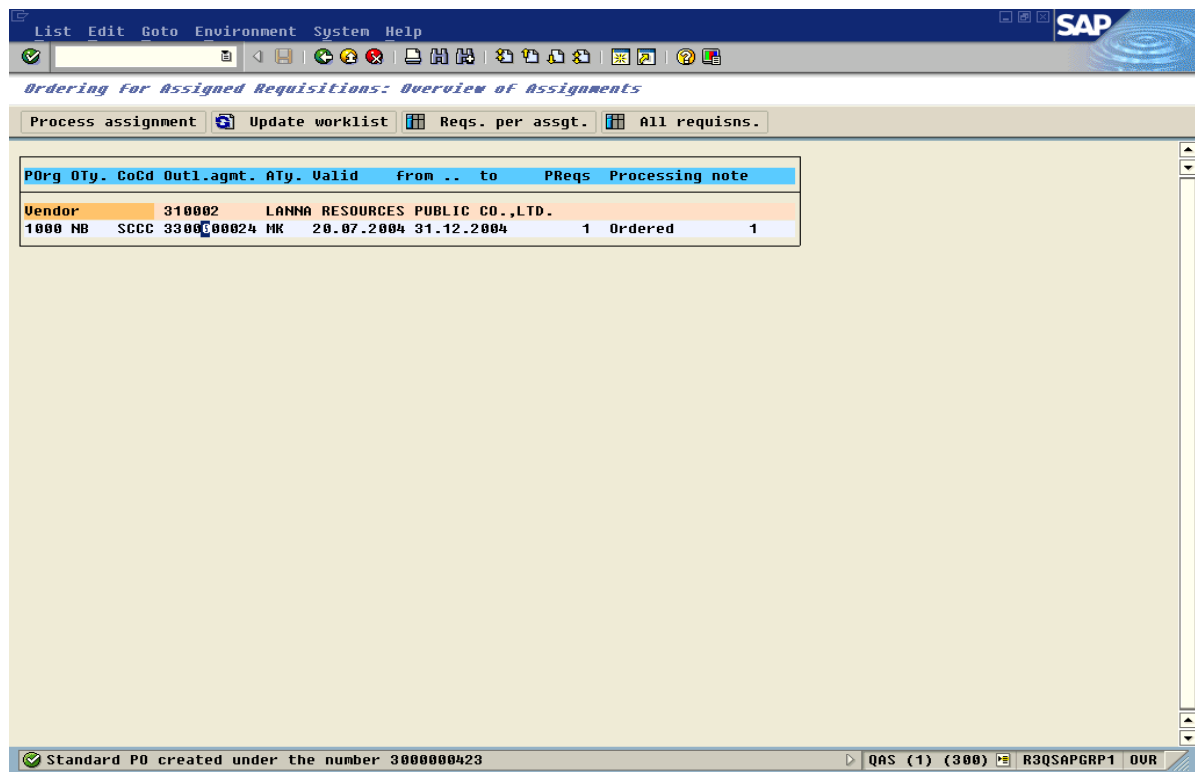


Fig-17