

Sourcing



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1 Sourcing

Overview

The Sourcing business area allows your company to plan and determine its long-term purchasing activities. Sourcing uses request for quotation (RFQ) and contract management processes to achieve long-term cost savings and improved service levels among chosen suppliers. It enables the automation of many sourcing activities including the creation of contracts with suppliers. Your employees can effectively collaborate with your suppliers and can track and monitor your suppliers' performance according to the commitments they have made.

Relevance

The following business packages are associated with the Sourcing business area.

- **Sourcing and Contracting (Optional)**
Even though this business package is optional, it is recommended that you select it during system configuration to enable you to perform sourcing activities.
- **Supplier Base Management (Mandatory)**

Benefits

- **Integrated Strategic Procurement Processes**
The system enables a strategic approach to procurement that allows you to optimize manual processes such as determining a source of supply. With software for processing requests for quotation (RFQs) and quotes, you can easily find new suppliers and negotiate new contracts. Your company can better integrate sourcing and purchasing activities by streamlining contract renegotiations or by initiating a new RFQ process. In addition, advanced spend analysis tools help your employees identify new sources of savings. Your employees can take advantage of decision support to optimize the supply base.
- **Streamlined Supplier Management and Collaboration with Your Supplier Base**
Through streamlined collaboration, the system helps you to develop and maintain strong relationships with your supplier base and easily identify top performers. Your purchasing department can manage the entire life cycle of your supplier relationships by providing a central base for all supplier-related information. Your purchasing agents can easily assign evaluated and ranked sources of supply to a group of similar purchase requests and – using predefined rules – bundle these purchase requests into one or more purchase orders. You can easily communicate with suppliers about critical procurement processes, such as purchase order acknowledgment, invoice exception processing, and contract renewal. By working together with suppliers using interactive forms and smart forms, your organization can collaborate cost effectively and improve supplier retention.
- **Spend Analysis Functions**
Spend analysis functionality allows you to gain a deeper insight into the performance of both operational and strategic purchasing to help you achieve significant savings. Standard reports, such as detailed spend analysis, help your company monitor supplier performance and analyze prices, invoices, and purchase orders. In addition, advanced spend analysis tools help your employees identify new sources of savings.
- **Increased Focus on Strategic Projects and Tasks**
The system enables your employees and managers to have a prioritized view of their daily tasks. Highlighting alerts and exceptions on employee work lists enables your employees to directly know which activities they should prioritize and focus on first.

2 Business Background

2.1 Supplier Relationship Management

Overview

Supplier Relationship Management enables you to strengthen your relationships with suppliers, to improve your procurement processes, to reduce costs, and to turn your relationships with your suppliers into a competitive advantage.

Supplier Relationship Management fully integrates your operational and strategic procurement processes – from demand generation and procurement of new materials and services, to contract negotiation and monitoring of purchase documents including invoices – with your other core business processes, such as logistics, project management, and financial management. As a result, you can collaborate with your suppliers more efficiently, automate processes, and continuously assess the effectiveness of your procurement activities and supplier relationships.

Further, Supplier Relationship Management provides powerful reporting tools that allow a high degree of process visibility and give more insight into the performance of both operational and strategic purchasing to help you achieve significant savings. Standard reports help your company monitor supplier performance, analyze price and spend development, as well as track purchase requests, purchase orders, supplier invoices, and purchasing contracts.

Purchasing

Supplier Relationship Management supports your purchasing in automating your procurement processes by, for example, monitoring and centrally managing company-wide purchases while reducing the volume of routine purchasing tasks. Automatic invoice verification is also included in the procurement process as well as automatic notification in Financials of accounting-relevant data, of payments and taxes that are due, and of payments to a nonresident supplier, where relevant.

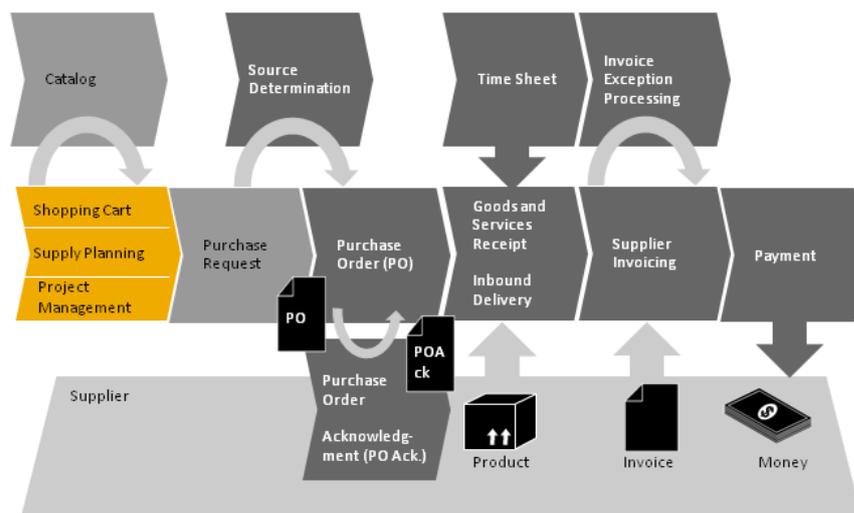


Figure 1: Purchasing Process

The standard purchasing process runs as follows:

1. Depending on the configuration, a demand is created in one of the following ways:
 - To order non-stock materials or services, a shopping cart using catalogs for example, can be created as a self-service request in the *Home* work center. For more information, see Shopping Cart Processing.
 - To order stock materials, a purchase proposal can be created in the *Supply Planning* work center. For more information, see Trigger Production and Purchasing.
 - To request external services for a project, a purchase request can be released in the *Project Management* work center. For more information, see Projects Quick Guide.
2. The system automatically creates a purchase request based on the entered demand. For more information, see Purchase Request Processing.
3. The system automatically searches for a source of supply, such as contracts or list prices, and, if available, assigns it to the demand. If required, a buyer can also manually assign a source of supply or data from an existing purchase order.

If there is no source of supply available for a particular product, a buyer can trigger the system to create a sourcing request in the *Sourcing and Contracting* work center, which initiates the request for quotation (RFQ) process.

For more information, see [Sourcing \[page 110\]](#).
4. Depending on the configuration, the system can automatically create a purchase order based on the purchase request. A buyer can also create a purchase order manually from a purchase request or directly. For more information, see Purchase Order Processing.
5. If the system created a purchase order automatically, it also automatically sends it to the supplier or to a local printer. If a buyer created a purchase order manually, the system sends it automatically to the supplier once a buyer has manually ordered it.
6. Depending on the configuration, the system can send the purchase order as a standard form, an interactive form, or by electronic data exchange (EDX), which can fully automate the purchase order acknowledgment creation and update process in the system. In all other cases, a buyer manually enters the purchase order acknowledgment in the system. For more information, see Purchase Order Acknowledgments.
7. Depending on the origin of the demand, the delivery of ordered materials and services is handled in the following ways:
 - For non-stock materials and services, a buyer or the requesting employee can confirm the delivery of materials or the completion of services (goods and services receipt). For more information, see Goods and Services Receipt and Goods Return Processing.
 - For stock materials, a warehouse worker can confirm the delivery of materials (inbound delivery). For more information, see Inbound Delivery Processing.
 - For services procured for projects, depending on the settings in the purchase order, the system can automatically create a goods and services receipt based on the time sheet filled in by external service agents or project leads (on behalf of service agents). If required, a person responsible can also create a goods and services receipt manually. For more information, see Project Work Quick Guide.
8. For evaluated receipt settlements (ERS) and recurring invoices, the system automatically creates a supplier invoice. In all other cases, an accountant manually enters a supplier invoice with or without reference to preceding documents. The accountant can also scan invoices into the system. In addition, an accountant can also process down payment requests from suppliers prior to the delivery or provision of the materials or services that have been ordered. For more information, see Supplier Invoice Processing with Reference. The system automatically verifies a supplier invoice and, if required, raises exceptions due to inconsistencies, such as a price variance or a duplicate invoice. The exception can then be routed to the appropriate party for clarification and acceptance. For more information, see Exception Handling.
9. If there are no exceptions or once all existing exceptions are solved, the system automatically posts a supplier invoice to trigger the payment process.

The system notifies Financial Management of:

- Accounting-relevant data
- Payments and taxes that are due
- Payments to a nonresident supplier, where relevant.

For more information, see [Outgoing Payments](#).

Sourcing

Supplier Relationship Management supports your sourcing activities in determining, negotiating, and documenting sources of supply for your demands, managing the complete contract life cycle, and providing employees and suppliers with up-to-date and accurate information about prices. You can also track and monitor supplier performance by identifying top- and low-performing suppliers, products, and product categories. For more information, see [Sourcing \[page 110\]](#).

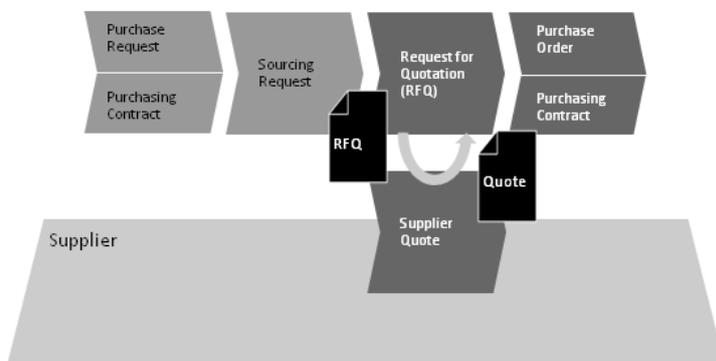


Figure 2: Sourcing Process

The standard sourcing process runs as follows:

1. A sourcing demand is identified in one of the following ways:
 - The system cannot find any existing sources of supply for materials or services that are contained in purchase requests.
 - An existing purchasing contract expires and needs to be renewed.
2. The system automatically creates a sourcing request based on a purchase request that needs to be sourced or based on an expiring purchasing contract.
3. A buyer can manually create a request for quotation (RFQ) and send it to one or more bidders. The system can also automatically create an RFQ based on a sourcing request and send it to the supplier.
4. The system receives quotes from one or more bidders. A buyer can compare, award, and reject quotes.
5. The system creates a purchase order or purchasing contract as a follow-up document based on a winning quote.

For more information, see [Purchase Request Processing](#), [Purchasing Contract Processing \[page 112\]](#), and [Request for Quotation Processing \[page 106\]](#).

Key Features of Supplier Relationship Management

To streamline your company's strategic and operational procurement processes, Supplier Relationship Management helps you integrate and automate processes, and continuously assesses the effectiveness of your procurement activities and supplier relationships.

Integration

Supplier Relationship Management fully integrates your strategic and operational procurement processes with the following:

- **Supply Chain Management**
For stock materials, Supplier Relationship Management interacts with Supply Chain Management by:
 - Receiving purchase requests from supply planning
 - Receiving product specification data to be used in purchase requests and purchase orders
 - Informing supply planning about created purchase orders and their changes
 - Receiving information from confirmed inbound deliveries and returns to supplier, which then automatically updates purchase orders within Supplier Relationship Management. Supply Chain Management also forwards information from confirmed inbound deliveries and returns to supplier to Supplier Invoicing in Supplier Relationship Management
 - Reconciling the delivered quantity in posted supplier invoices and confirmed inbound deliveries
 - Attaching quality inspection documents defined within quality planning to purchase orders and contracts, and sending them to suppliers to help ensure that the proper quality inspections are carried out
 - Creating supplier invoices based on third-party purchase orders
 - Creating purchase documents based on intercompany stock transfer
- **Customer Relationship Management**
For third-party procurement, Supplier Relationship Management interacts with Customer Relationship Management in the following way:
 - An employee, buyer, or accountant can select a sales order item or a service order item as account assignment in the shopping cart, purchase order, goods and services receipt, or supplier invoice.
 - An employee, buyer, or accountant can select a customer address as a delivery address in the shopping cart, purchase order, goods and services receipt, or supplier invoice.
- **Project Management**
For services procured for projects, Supplier Relationship Management interacts with Project Management by:
 - Receiving purchase requests from projects with account assignment to projects
 - Creating shopping carts, purchase orders, goods and services receipts, and supplier invoices with account assignment to projects
 - Sending information about created shopping carts, purchase orders, goods and services receipts, and supplier invoices to Project Management
 - Assigning projects to RFQs and contracts in order to track purchasing projects, and to track RFQs and contracts related to any other type of project
 - Creating goods and services receipts based on approved time sheets for projects filled in by external service agents or by project leads on their behalf
- **Financial Management**
Using purchase documents, such as purchase orders, posted goods and services receipts, or posted supplier invoices, Supplier Relationship Management informs Financial Management about the following:
 - Account assignment (cost centers, projects, sales orders, service orders)
 - General ledger information (based on the product category or account determination group)
 - Taxes
 - Expenses

Automation

By automating the procurement process, Supplier Relationship Management minimizes the amount of employee involvement required to complete tasks. The following describes the possible automation of the individual steps in a standard procurement process.

- Demand Entry
 - An employee can enter a demand directly in the system using self-service shopping. If an employee adds products from catalogs to a shopping cart, the system automatically determines the price and supplier, and can also create the purchase order automatically.
 - In supply planning, the system can automatically create purchase proposals and release them to purchase requests.
- Approval
 - The system can automatically route purchase documents, such as shopping carts, purchase orders, goods and services receipts, purchasing contracts, or supplier invoices, for approval.
 - Using approval limits, approvers can automatically control spend.
- Source Determination

If available, the system automatically assigns suitable sources of supply based on contracts or list prices. If several contracts exist for one product, a buyer can use quota arrangements to influence which supplier delivers what quantity of the product, or a buyer can define a contract or a list price as a fixed source of supply. Depending on purchasing volume and the relevance of goods and services to be purchased, you might not negotiate contracts with your supplier. In this case you can use list prices as a lean alternative to maintain price master data and automate your purchasing process.

For more information, see [Source Determination \[page 137\]](#).
- Purchasing Contract Negotiation with Current Supplier
 - Once a buyer decides to renegotiate an existing contract directly with the current supplier, the system automatically creates a sourcing request, based on which it also creates a request for quotation (RFQ). The system automatically sends the RFQ to the current supplier.
 - When a buyer accepts a quote, the system automatically creates a purchasing contract based on the quote.
- Tax Determination

Based on the country of a company, a supplier, and the type of procured products, the system automatically determines taxes. For more information, see [Tax Determination \[page 54\]](#) and Withholding Tax Determination.
- Purchase Order Creation

If the system automatically determines the source of supply, it can also automatically create a purchase order depending on the defined settings. For more information, see [Automatically Created Purchase Orders](#).
- Sending Purchase Orders

The system automatically sends out purchase orders to suppliers using the defined output channels, such as fax, print forms, or interactive forms by e-mail or electronic data exchange (EDX).
- Purchase Order Acknowledgments

If the system sends a purchase order to a supplier using an e-mail with an attached interactive form or electronic data exchange (EDX), the system automatically creates the purchase order acknowledgment in the system based on the supplier's response, and informs the buyer about deviations from the purchase order.
- Goods and Services Receipts for Projects

Depending on the settings in the purchase order, the system can automatically create goods and services receipts based on time sheets for projects that were filled in by external service agents or project members (on behalf of service agents).

- Supplier Invoices
 - The system can receive electronic supplier invoices using EDX; no manual effort is required.
 - Using evaluated receipt settlement (ERS), the system automatically creates supplier invoices based on posted goods and services receipts and inbound deliveries. For more information, see [Supplier Invoice Processing Using Evaluated Receipt Settlement](#).
 - Using recurring invoices, for example to make regular payments for rent, leasing, or insurance, the system automatically creates supplier invoices on defined due dates based on information your company has entered into templates in the system. For more information, see [Recurring Invoices for Supplier Invoices](#).
 - An accountant can scan paper invoices instead of entering them manually; the system automatically searches for the purchase order number and adds the purchase order number as a reference to the supplier invoice. Based on the purchase order number, the system creates an invoice proposal. For more information, see [Quick Guide for Invoice Entry \(in Supplier Invoicing\)](#) and [Uploading Scanned Supplier Invoices Using Automatic Upload Service](#).

For more information about automating the procurement process, see [Automation of Supplier Relationship Management \[page 13\]](#).

Analytics

Various Supplier Relationship Management spend reports, such as *Total Spend per Spend Category*, *Spend per Supplier*, *Spend per Product*, or *Spend per Product Category*, give insight into the performance of purchasing and sourcing activities, provide transparency on purchasing spend and spend categories as contract or maverick spend, and enable you to identify potential for cost savings. Standard reports help your company monitor supplier performance, such as price reliability, analyze price and spend development, and track purchase requests, purchase orders, supplier invoices, and purchasing contracts.

Pricing

The system provides you with several ways of defining simple or complex prices in catalogs, purchasing contracts, supplier quotes, purchase orders, and list prices, depending on your purchasing volume, the relevance of the product or service to your company's success, and the importance of the relationship with suppliers. The system also enables you to define price conditions. These price conditions represent factors that apply when a price is calculated: for example, quantity, date, product, any discounts or surcharges, and so on. These variable factors influence the total value. Various price conditions can be combined. For more information, see [Pricing in Supplier Relationship Management \[page 15\]](#).

Org Functions

Org functions are used to define authorizations for the processes in work centers. As such, they limit authorizations of units and employees to certain documents, such as purchase orders, goods returns, purchasing contracts, or invoices. The authorizations are determined over the organizational assignment of the employees, which is defined in the corresponding work categories. In the system, Business Task Management references the work categories defined for the org functions to determine the recipients for tasks. For more information about the org functions and work categories that are relevant for Supplier Relationship Management, see [Strategic Purchasing](#), [Operational Purchasing](#), and [Supplier Invoicing](#).

Business Scenarios with Supplier Relationship Management

Procure-to-Pay (Stock)

The Procure-to-Pay (Stock) scenario enables you to purchase stock products based on a requirement that can be generated from a planning system, such as a Materials Requirements Planning (MRP) system.

It covers all stages of the procurement process, from demand planning and creation of a purchase order, through automatic or manual assignment of sources of supply, sending the purchase order to a supplier, to goods and services receipt, invoice verification, and payment.

For more information, see Procure-to-Pay (Stock).

Procure-to-Pay (Non-Stock)

The Procure-to-Pay (Non-Stock) business scenario allows you to purchase non-stock materials, such as office material, engineering sample material, or fixed assets.

This scenario can be triggered by employees or assistants who create shopping carts, by project teams who need non-stock materials for projects, by buyers directly in purchase orders or requests for quotation (RFQ), or by accounts payable accountants in supplier invoices. Deliveries can be confirmed centrally or decentrally. Costs for project-related non-stock materials are directly transferred to project tasks in financial accounting.

If a catalog, purchasing contract, or list price for a non-stock material exists, a purchase order can be created automatically. If no source of supply exists, you can send RFQs to determine appropriate suppliers.

With this scenario you can also order non-stock materials to cover customer demands by using sales orders or service orders to trigger third-party procurement.

For more information, see Procure-to-Pay (Non-Stock).

Procure-to-Pay (Services)

The Procure-to-Pay (Services) business scenario allows you to procure services, such as consulting and training services, temporary labor, or engineering services. It can be triggered by employees who create shopping carts for services, by project managers who need a certain service for their project, or directly by the buyer using a purchase order.

Project-related services are usually recorded in a time sheet and the costs are directly transferred to the project tasks in financial accounting. If a purchasing contract or a list price for the ordered service exists, the purchase order can be created automatically. If no source of supply exists, a request for quotation can be sent out to determine an appropriate supplier.

Alternatively with this scenario, it is possible to order external resources to provide services for customer demands that cannot be fulfilled by internal employees. In this case, the procurement process is triggered when a sales order or a service order has been created.

for more information, see Procure-to-Pay (Services).

Strategic Sourcing

The Strategic Sourcing business scenario enables you to identify and select suitable new suppliers and to manage relationships with existing suppliers in order to meet the routine purchasing requirements of your company. It involves the definition of requirements for a product, through to the identification and selection of the most suitable suppliers, and finally to the negotiation and creation of a purchasing contract with the chosen supplier.

For more information, see Strategic Sourcing.

Product Catalog Management

The Product Catalog Management business scenario allows your company to use catalogs to centrally manage non-stock materials that are required for use such as office materials, engineering sample materials, computer systems, or machines. The scenario is not for products to be held on stock since they can be procured directly for an account assignment. A catalog can be managed by buyers, who create their own internal catalogs and access external catalogs provided by suppliers using the open catalog interface (OCI). It also allows your company to specify the default suppliers and product categories for the catalogs. Published catalogs can be used in other procurement scenarios.

For more information, see Product Catalog Management.

2.2 Automation of Supplier Relationship Management

Overview

To save you time in your day-to-day business operations, certain functions within the Supplier Relationship Management software in the solution can be automated. This automated functionality may require you to make selections during the configuration of your solution, or during fine-tuning, where you can define the relevant settings. The system makes decisions based on these predefined settings, and processes the relevant transactions automatically.

Automatic Purchase Order Creation

In the system, the default creation option is set to manually create purchase orders. This default creation option can be changed if required. The rules can be defined either in fine-tuning or within the [Purchase Requests and Orders](#) work center. You can choose one of the following settings for each product category:

- **Create Purchase Order Manually**
The buyer manually creates purchase orders from purchase requests.
- **Create Purchase Order Automatically**
When no source of supply is assigned to purchase requests, the buyer creates the purchase orders manually. When the source of supply is assigned, the system creates purchase orders automatically.

I If a source of supply exists that is relevant to a purchase request, the system always automatically assigns that source of supply.

Source Determination

When contracts are used to define purchasing relationships with suppliers, the system allows an automatic determination of the source based on the following criteria:

- **Quota Arrangement**
You define a quota number (share of requirements to be sourced); the system distributes the requirement in the ratio of assigned quota number across multiple sources of supply (multiple contracts for the product). The system will keep track of the quota-allocated quantity for each source of supply. The system decides on the allocation sequence by calculating a quota rating for each source of supply. The allocations are done starting with the contract with the lowest value of quota rating.
- **Fixed Source of Supply**
You can assign a contract as a fixed source of supply for a product. The system always selects this source for all purchase requests.

If a quota arrangement also exists for a product, the fixed source of supply has higher priority as a source of supply, and the quota arrangement is then not used for source determination.

For more information, see [Source Determination \[page 137\]](#).

Account Determination of Free-Text Purchase Orders

You can define an account determination group for materials and services by each product category ID during the fine-tuning activity.

The system will refer to this data and automatically assign an account determination group when purchase orders are made for free-text items using the designated product category.

For more information, see [Define Tax Classification for Free-Text Items](#).

Evaluated Receipt Settlements

Your company may deal with a number of suppliers on a regular basis. In order to streamline the invoicing process, you can arrange to pay these suppliers using evaluated receipt settlements (ERS). This means that these suppliers do not need to send you invoices; instead the system uses the prices in purchase orders and the quantities in goods and services receipts to create and post invoices on behalf of the suppliers. The suppliers are then notified of the value of the invoice created on their behalf.

Each ERS run creates invoices for all purchase orders that are marked for ERS. The assignment of purchase orders to ERS is automatic when ERS is selected for that supplier. You can deselect ERS for a specific purchase order if you want to exclude that purchase order from the scheduled ERS run.

The system copies the invoicing data from the purchasing documents for which the invoice is required. The system creates invoices covering the values and quantities agreed upon with the supplier.

For more information, see Quick Guide for Evaluated Receipt Settlements (in Supplier Invoicing).

Recurring Invoices

For certain invoicing processes, such as rent, leasing, or insurance, the same fixed amount needs to be invoiced many times in defined periodic intervals. To streamline this process, recurring invoices supports your company in creating such recurring invoices automatically and without receiving corresponding supplier invoices to trigger the invoice creation.

Automating such processes that involve recurring invoices not only increases the efficiency of the invoicing process, but also helps your company to increase overall productivity and save expenses in general. Recurring invoices not only provides functions for data copying but also functions for data tracking that support your company in complying with financial control and audit mechanisms.

I Invoices that are based on purchasing contracts or purchase orders, or invoices that require a defined approval process, cannot be created using recurring invoices.

For more information, see Quick Guide for Recurring Invoices (in Supplier Invoicing).

Using Interactive Forms

This automation enables your suppliers to respond electronically. The supplier uses the interactive form, for example, purchase order, to submit the response to you, as the buyer responsible. When the system receives this interactive form file from the supplier, the system updates the relevant document with the confirmed data and changes the status. The interactive form update is available for:

- Purchase order acknowledgment
- Supplier quote
- Supplier invoice clarification

I You must contact SAP to set up the technical requirements. The supplier with whom you wish to communicate by interactive form must have Adobe Reader™ or Adobe Acrobat™ installed.

Input and Output of Documents Using Electronic Data Exchange

This automation allows you to accept documents electronically from your business partners with an enterprise service. Electronic data exchange (EDX) allows you to communicate with your business partners using XML messages.

The message exchange between you and your business partners requires an initial configuration that has to be performed individually for each business partner. SAP has to perform the required system settings. There may also be prerequisites for your business partner, depending on the type of documents you want to exchange.

Automatic Release of Purchase Proposals

In the *Supply Control* work center in the *Supply Chain Management* part of the solution, purchase proposals generated by planning are released by the system to create purchase requests in the *Purchase Requests and Orders* work center. The system achieves this by executing a mass data run at fixed time intervals to execute this process.

This automation is set up during configuration and can be deactivated or modified during fine tuning, or within the *Supply Control* work center. Multiple runs can be created for parameters such as Item, Resource, Product Category, and Planning Area.

For more information, see Quick Guide for Automated Actions (in Supply Control).

See Also

Automatically Created Purchase Orders

[Sourcing \[page 110\]](#)

Exception Handling

2.3 Pricing in Supplier Relationship Management

Overview

Pricing refers to the calculation of prices and total values, typically costs for products and services. Pricing is centrally implemented in SAP Business ByDesign and connected to all relevant business processes. For ease of use, all settings necessary are predefined in the system.

Pricing is available in all business documents related to the procurement process.

The system provides you with several ways of defining simple or complex prices in catalogs, purchasing contracts, RFQs and quotes, purchase orders, and list prices, depending on your purchasing volume, the relevance of the product or service to your company's success, and the importance of the relationship with suppliers. The system also enables you to define price conditions. These price conditions represent factors that apply when a price is calculated, for example, discounts or surcharges, and so on. These variable factors influence the total value. Various price conditions can be combined.

Pricing determines which requirements for a particular price condition must be fulfilled before the system takes the price component into account. For example, freight is not considered for service items.

Pricing contains the sequence in which the system takes price conditions into account. It calculates the gross and net prices and taxes. Pricing determines which subtotals are considered and to what extent pricing can be processed manually. Pricing also determines which method the system uses to calculate percent discounts and surcharges.

i When documents from a legacy system are migrated to SAP Business ByDesign, the system performs no additional price calculations. This ensures that prices are the same in both systems.

Price Conditions

The system contains the following price conditions.

Discounts

A discount is a reduction in the price of a product charged by a supplier.

The following discounts can be entered manually:

- Manual Discount (Value)
You can decrease the price by an entered value.
- Manual Discount (Percent)
You can decrease the price by an entered percent.
- Manual Discount (Value/Quantity)
You can decrease the price by a quantity-dependent discount.

The following discounts can be automatically applied if you have an agreement with your suppliers:

- Discount (Value)
The price is decreased by a specified value.
- Discount (Percent)
The price is decreased by a specified percent.
- Discount (Value/Quantity)
The price is decreased by a quantity-dependent discount.

Surcharges

A surcharge is an additional fee charged for a specific product or purpose.

The following surcharges can be entered manually:

- Manual Surcharge (Value)
You can increase the price by an entered value.
- Manual Surcharge (Percent)
You can increase the price by an entered percent.
- Manual Surcharge (Value/Quantity)
You can increase the price by a quantity-dependent surcharge.

The following surcharges can be automatically applied if you have an agreement with your suppliers:

- Surcharge (Value)
The price is increased by a specified value.
- Surcharge (Percent.)
The price is increased by a specified percent.
- Surcharge (Val./Qty)
The price is increased by a quantity-dependent surcharge.

Scales

You can define quantity-dependent discounts. The scale you define determines how values are calculated. For example, you define a price scale so that a single boiler costs 500 USD, but if you buy at least 10 boilers, the price decreases to USD 450 each.

Discounts, Surcharges, and Scales in Prices

Depending on which price is used, the following discounts, surcharges, and scales can be defined:

- Catalogs
You can only upload and maintain supplier and custom catalogs in which net prices are available. You cannot create and maintain discounts, surcharges, and scales.
- Purchasing Contract
You can define all available discounts and surcharges, along with price scales.
- Quotes
You can define all available discounts and surcharges, along with price scales.

- Purchase Orders
You can define value and percent discounts and surcharges.
- List Prices
You can define a price for a product delivered or a service rendered by a supplier with or without price scales.

Additional Price Conditions

Rounding Differences

Rounding differences can occur depending on the number of decimal places that are maintained as price master data for the base quantity and the currency.

Round differences also occur for currencies that do not have low denomination coins, for example, Swiss francs or Australian dollars. For these currencies, the system rounds the price to the nearest available value, such as 0 cent or 5 cents.

To compensate for rounding differences, you can either:

- Manually change the amount in the document, for example, in purchase orders.
- Maintain the price master data accordingly. This is the case for contracts and list prices. To compensate, you can change the base quantity in the price master data for the product.



Peter creates a purchase order for an item that costs USD 0.008 each. The system rounds the price to USD 0.1. To compensate for this inaccuracy, Peter changes the amount he orders to 100 pieces, resulting in a price of USD 0.80 per 100 pieces.

Currency Conversion Differences

During the price calculation, currency conversion occurs if the currency of the price master data differs from the document currency, depending on the exchange rates maintained as master data. When currencies are converted, an inaccuracy can occur due to rounding in the price calculation.



Currency reversion is only necessary for the approval of shopping carts.

An inaccuracy can also occur if the currency is converted back to the currency that is used in the source of supply.

To compensate, the system checks if discounts or surcharges exist and applies the discount or surcharge accordingly. If no discount or surcharge exists, the currency is not reconverted.



Peter creates a shopping cart with two items. The first item is priced in USD. The second item, taken from a contract, is priced at CNY 10. The currency of the first item listed in the document is the currency the system uses as the document currency. Since the document currency is USD, the system converts the currency of the second item at an exchange rate of 0.14608, resulting in a price of USD 1.4608. The system rounds the price to USD 1.46.

If the price of the second item is converted back to CNY, the result is CNY 9.99. The system therefore checks if a surcharge exists. If a surcharge exists, the system applies the surcharge to the determined result accordingly. If no surcharge exists, the system does not convert the price, resulting in the original price of CNY 10.

Total Item Net Value

This is calculated by adding all item net values. You cannot change this value.

Freight

This price condition covers the amount charged to transport goods. For example, you are charged either a fixed freight amount or freight is dependent on the net weight of the goods received. The system distributes freight costs to supplier invoice items. The distribution is proportional to the net values of the supplier invoice items.

The following freight charges can be entered manually:

- Manual Freight (Percent)
You can increase the price by an entered percent for freight charges.
- Manual Freight (Value/Quantity)
You can increase the price by quantity-dependent freight charges.

Insurance

This price condition covers the amount charged for insurance or for protection against any possible damage or untoward incident.

The following insurance charges can be applied:

- Insurance (Percent)
You can increase the price by an entered percent for insurance charges.
- Insurance (Value)
You can increase the price by an entered value for insurance charges.

Customs Duty

This price condition covers the amount charged as a part of customs, that is, the tax imposed on export or import of goods.

The following customs duty charges can be applied manually:

- Manual Customs Duty (Percent)
You can increase the price by an entered percent for customs duty.
- Manual Customs Duty (Value)
You can increase the price by an entered value for customs duty.

Handling Charges

This price condition covers the handling charges for goods. You can apply the following handling charges:

- Handling (Value)
You can increase the price by an entered value for handling charges.

Packaging (Value/Quantity)

This price condition covers the packaging charges for goods. You can apply the following packaging charges:

- Packaging (Value/Quantity)
You can increase the price by quantity-dependent packaging charges.

Tax

This price condition covers requirements in regard to taxation. All taxes are calculated according to legal requirements.

For more information, see

- Calculation of Tax Abroad for Services
- [Tax Determination \[page 54\]](#)
- Withholding Tax Determination

Price Calculation Schema

To determine which price is to be used if several prices are available, the system follows a defined sequence. Prices are listed in ascending priority.

- Historical Price
A historical price is the past price used in a purchase order. You use historical prices for occasional purchases.
- Catalog Price

You use catalog prices for items that employees frequently purchase in self-service scenarios without creating master data for the products.

- **List Price**
You use list prices, for example, when there is no catalog or contract available from a supplier, for products with medium purchasing relevance (no contract) but high purchasing frequency. With list prices, you can automate your purchasing process.
- **Contract Price**
Purchasing contracts are created for products and product categories that are frequently purchased from suppliers with whom a long-term relationship is anticipated.
- **Manual Price/Manual Supplier Price**
A manual price is the price that you enter in a procurement document. You often use manual prices when you have recently received a price from your supplier that differs from previous prices.
A manual supplier price is entered by the supplier.

Although the system determines the price, you can also override the proposal determined by the system.



Susan creates a purchase order for an available product. The list price is the most suitable price, and the system uses the supplier from the list price as the source of supply. If a contract price or a manual price is available, Susan can override the system and use the supplier from the contract or enter a manual price and the corresponding supplier as the source of supply.

Which Prices Are Available for Which Document Type?

The prices that are available depend on the document type you want to create.

Shopping Cart

- Catalog Price
- List Price
- Manual Price

Purchase Request

- Historical Price
- Catalog Price
- Contract Price
- Manual Price
- Manual Supplier Price

Purchase Order

- Historical Price
- Catalog Price
- Contract Price
- Manual Price
- Manual Supplier Price
Manual supplier prices are only used in purchase order confirmations.

Goods and Services Receipt

- List Price
- Contract Price
- Manual Supplier Price

Supplier Invoice

- **List Price**
List prices are used for supplier invoice verifications that can result in a price exception.
- **Contract Price**
Contract prices are used for supplier invoice verifications that can result in a price exception.

2.4 Strategic Purchasing

Overview

Strategic purchasing processes are used by companies to efficiently plan their long-term purchasing activities and to achieve cost savings and improved service levels among their suppliers. It includes analyzing a company's spend, finding the most suitable suppliers, monitoring the supplier base and its performance, and negotiating long-term contracts to attain cost savings. Using analytics tools, companies can monitor and analyze their spend on product purchases and identify top performers in their supplier base.

Using request for quotation (RFQ) processes, companies can find the most suitable suppliers for a product. They can also create purchasing contracts that enable them to achieve long-term cost savings for products that are frequently purchased from suppliers with whom a long-term relationship is anticipated. These contracts can be used as a source of supply for all the purchase requests, purchase orders and invoices created in the company, thus saving costs for the company.

Strategic Purchasing in Detail

The main processes of Strategic Purchasing include:

Analyze Your Spend

You can use analytics tools to analyze the overall spend of your company in the procurement of products. You can run various reports that provide detailed information on all aspects of your purchasing processes. For example, you can view reports on supplier performance, contract use, prices, invoices, and purchase orders. This enables you to track and evaluate the contract and maverick spend for each product or product category and for each supplier, allowing you to analyze the performance of suppliers and easily identify areas for improvement.



Arthur Major, a purchasing manager in a software company, is responsible for all purchasing activities within the company. He periodically runs standard reports to check for any maverick spend and discovers that many employees order headphones and Webcams from different suppliers. He then realizes that he can reduce the amount spent on headphones and Webcams by creating a purchasing contract with a single supplier that has consistently offered good prices for these products. This helps him reduce the supplier base thus reducing operational costs.

Search and Identify New Sources of Supply

You can use RFQ processes to identify and manage new sources of supply and make efficient and informed decisions about the best source of supply for your product requirements.

For more information, see:

- [Request for Quotation Processing \[page 106\]](#)
- [Supplier Quote Processing \[page 108\]](#)
- [Sourcing \[page 110\]](#)

Negotiate and Monitor Your Purchasing Contracts

You can create contracts with your selected suppliers to consolidate spend across all parts of your company, to channel all purchasing activities through the selected suppliers, and to avoid maverick spend; thus helping to achieve significant long-term cost savings for your company.

You can negotiate new contracts with several suppliers or renew expiring contracts with the current supplier.

Once a contract is created and released, it is available as a source of supply for the procurement of goods or services.

For more information see:

- [Purchasing Contract Processing \[page 112\]](#)
- [Source Determination \[page 137\]](#)



Arthur would like to create a contract for the company's procurement of headphones and Webcams. He creates a contract and enters headphones and Webcams as the contract items, initiates the negotiation process using RFQ Processing, and then compares the quotes submitted by the bidders. One of them can offer the products at discounted price for a period of 6 months. He decides to accept the quote from this supplier and awards them the contract. The system creates a new contract and this contract is now available for all employees to purchase headphones or Webcams. Arthur also defines this contract as the fixed source of supply for headphones and Webcams.

For all purchase requests for headphones or Webcams for the next 6 months, the system automatically assigns Arthur's contract as the source of supply.

Channel Your Purchasing Activities

You can analyze the purchasing activities of your company by assigning projects or project tasks to RFQs that have been created to negotiate a contract. If your company has purchasing requirements for a project, such as your company's participation in an exhibition, you can create contracts with reference to that project. If anyone involved in the project creates a purchase document, such as a purchase order, they can assign the costs to the project and use the prices negotiated in the contract. This ensures full transparency in your costs and enables you to have greater control in managing your projects. Also, the project can be used to enable the analysis of the purchase documents that were created in the business context of that project or project task.

Manage and Monitor Your Supplier Base

You can manage all information about your supplier base. You can authorize suppliers for certain product categories and assign effective dates. You can maintain and manage the entire supplier life cycle and in addition to your direct suppliers, you can also maintain information about their service agents. You can also maintain information about bidders who submit quotes in response to a request for quotation and who you may or may not choose as the eventual supplier. You can use this information, as part of your sourcing strategy, to develop and maintain your business relationships with suppliers and bidders. You can run numerous reports that help your company to monitor every aspect of a supplier's performance. For example you can use these reports to assess their price and the suppliers' price reliability, and view the top 25 suppliers based on purchase order value, for example.

2.5 Overview of Reports in Supplier Relationship Management

Overview

This document lists the reports that are available in Supplier Relationship Management by the corresponding report categories along with the relevant characteristics, key figures, and variables in this area. The embedded reports available in this area are also listed.

Reports

| Reports | Associated Report Categories |
|--|--|
| Contract Spend [page 141] | Purchasing — Strategic Purchasing |
| Contract Tracking [page 143] | Purchasing — Strategic Purchasing |
| Delivery Reliability | Purchasing — Operational Purchasing |
| Expected Deliveries per Week | Purchasing — Operational Purchasing |
| Expiring Contracts [page 144] | Purchasing — Strategic Purchasing |
| Invoice Tracking | Purchasing — Supplier Invoicing |
| Invoices with Exceptions | Purchasing — Supplier Invoicing |
| Maverick Spend [page 145] | Purchasing — Strategic Purchasing |
| Monitoring of Automatic Purchase Order Creation [page 153] | Purchasing — Operational Purchasing Purchasing — Strategic Purchasing |
| Price History per Product and Supplier [page 104] | Purchasing — Operational Purchasing Purchasing — Strategic Purchasing |
| Price Reliability [page 147] | Purchasing — Strategic Purchasing |
| Purchase Order History | Purchasing — Operational Purchasing |
| Purchase Order Tracking | Purchasing — Operational Purchasing |
| Purchase Orders per Account Assignment [page 148] | Purchasing — Operational Purchasing Purchasing — Strategic Purchasing |
| Purchase Request Tracking | Purchasing — Operational Purchasing |
| Purchase Requests per Account Assignment | Purchasing — Operational Purchasing |
| Released Documents per Contract [page 150] | Purchasing — Operational Purchasing Purchasing — Strategic Purchasing |
| Spend per Account Assignment [page 150] | Purchasing — Strategic Purchasing |
| Total Spend per Spend Category [page 152] | Purchasing — Strategic Purchasing |

Common Variables

The following list provides selected variables that are associated with reports in this area.

| Name | Description |
|---------------------------|---|
| Company | You can use this variable to display data that is relevant for one or more companies. |
| Contract ID | You can use this variable to display data that is relevant for one or more contract IDs. |
| Cost Center | You can use this variable to display data that is relevant for one or more cost centers. |
| Currency | You can use this variable to display data that is relevant for one currency. |
| Currency Conversion Date | You can use this variable to set a date on which currency is to be converted. By default, the value is set as the current date. |
| Individual Material | You can use this variable to display data that is relevant for one or more materials. |
| Invoice ID | You can use this variable to display data that is relevant for one or more invoice IDs. |
| Invoicing Unit | You can use this variable to display data that is relevant to an invoicing unit. |
| Product Category | You can use this variable to display data that is relevant for one or more product categories. |
| Product Description | You can use this variable to display data that is relevant for one or more product descriptions. |
| Product ID | You can use this variable to display data that is relevant for one or more product IDs. |
| Project | You can use this variable to display data that is relevant for one or more projects. |
| Purchase Order ID | You can use this variable to display data that is relevant for one or more purchase orders IDs. |
| Purchase Request ID | You can use this variable to display data that is relevant for one or more purchase request IDs. |
| Purchasing Unit | You can use this variable to display data that is relevant for one or more purchasing units. |
| Requester | You can use this variable to display data that is relevant for one or more requesters. |
| Sales Order | You can use this variable to display data that is relevant for one or sales orders. |
| Site | You can use this variable to display data that is relevant for one or more receiving sites. |
| Strategic Purchasing Unit | You can use this variable to display data that is relevant for one or more strategic purchasing units. |
| Supplier | You can use this variable to display data that is relevant for one or more suppliers. |

1 For currency conversion in company currency in Supplier Relationship Management documents, the posting date of the document is used as the currency conversion date.

Therefore slight differences in values are possible in the reports that are only visible if both of the following key figures are shown in report:

- Ordered Net Value/Limit (currency conversion rate at run time of report: EUR -> USD 1,47))
- Ordered Net Value/Limit in Company Currency (currency conversion rate at time of document creation: EUR -> USD 1,43)

Embedded Reports

The following reports are available as embedded reports:

| Name | Associated Work Center |
|---------------------------------|------------------------------|
| Purchase Order Volume per Month | Purchase Requests and Orders |

| Name | Associated Work Center |
|-----------------------------------|---|
| Spend History | Supplier Factsheet |
| Supplier Analysis | Supplier Base |
| Top 5 Product Categories by Spend | Product Portfolio |
| Total Spend per Spend Category | Sourcing and Contracting Corporate Performance |

See Also

Reports View

Overview of Data Sources in Supplier Relationship Management

3 Product Portfolio

3.1 Business Background

3.1.1 Catalogs

Overview

Online catalogs provide fast access to product information and make a large number of products available to users. As a catalog manager, you can create your own internal catalogs and access external catalogs provided by suppliers using the open catalog interface (OCI) in the *Catalogs* view of the *Product Portfolio* work center.

An internal catalog is a catalog created or stored in your system. You control how and when changes are implemented in each catalog. Each catalog contains materials or services that are structured in a hierarchy of categories, which makes searching for items more efficient.

Catalogs can be used by employees for self-service shopping, for example, to buy a new laptop. You can also use catalogs in your purchasing process. To use catalogs in your automated purchasing process, you can either set catalog defaults for frequently purchased items or have the supplier assign your product categories to products.

In internal catalogs, you can assign a product from the product master for each product in the catalog. That means that you do not need to create a new product for each item in the catalog. This saves a lot of manual entry, since catalogs are generally used for non-stock materials, such as hardware, software, and office materials.

Prerequisites

Configuration Settings

I Configuration settings are usually performed by an administrator. If you do not have the required authorization, contact your administrator.

Catalogs are selected in your solution configuration in both places.

To find the first business option, go to the *Business Configuration* work center and choose the *Implementation Projects* view. Select your implementation project and click **Edit Project Scope**. In the *Scoping* step of the project, ensure that *Self-Service Procurement* is selected within *Purchasing*.

In the *Questions* step, expand the *Purchasing* scoping element and select *Self-Service Procurement*. Select *Catalog Search* and answer the questions related to supplier catalog use.

To find the second business option, go to the *Business Configuration* work center and choose the *Implementation Projects* view. Select your implementation project and click **Edit Project Scope**. In the *Scoping* step of the project, ensure that *Products* is selected within *General Business Data*.

In the *Questions* step, expand the *General Business Data* scoping element and select *Products*. Select *Catalogs* and answer the questions related to catalogs.

Catalog Types

Internal Catalogs

There are two different kinds of internal catalogs:

- Custom catalogs fully created by you with items from different suppliers
- Supplier catalogs containing content imported from a file sent from one supplier

The system supports the following internal catalog file types:

- BMEcat XML file
BMEcat is a widely-accepted format developed to standardize and simplify the exchange of product catalog data between buyers and suppliers. Most large suppliers can provide you a file in this format. This file type is mainly used for supplier catalogs.
- CSV file
A comma separated values (CSV) file is a specially formatted text file that stores spreadsheet data in a very simple format. Each line contains one record, and each field within that record is separated by a character, such as a comma, semi-colon, or slash.
Since the CSV-file format is not an industry standard and the creation of CSV file can be difficult, a template is provided in the *Catalogs* view of the *Product Portfolio* work center. You can easily create a file with catalog information in the template by entering mandatory and optional information. When you are done, you can generate the file, which is saved in a user-defined location. You can then create a new catalog into which you can import the CSV file that you just created.
This file type is mainly used for custom catalogs.

External Catalogs

An external catalog is a catalog stored outside of SAP Business ByDesign, generally at a supplier site. The supplier is responsible for creating and updating the catalog, which means that you cannot make any changes to the content. If your company has its own catalog system that it wants to integrate into SAP Business ByDesign, you can set up an external catalog in your company's intranet, which can then be accessed using the Open Catalog Interface (OCI). You can easily connect an external catalog to your system. Depending on the system settings, you can integrate external catalogs with shopping carts, purchase orders, requests for quotation, and goods and services receipts. You can transfer data from external catalogs to a purchase document using the OCI standard, which is the interface between external catalogs and your system.

For more information, see [Configure External Catalogs](#).

Working with Catalogs

Importing Catalogs into the System

When you want to import a supplier catalog into your system, you must first create a new catalog. You can then import a file with catalog content into your catalog. Depending on the size of the file, the import and change in status may take some time.

When you import a file, the data is added to your system. You can then delete any products or product categories not required for your catalog. You can then check the catalog and publish it.

Creating Custom Catalogs

You can create your own customized catalog with items from different suppliers. To do this, you either manually enter all the items and their information in the catalog editor or import a CSV file that contains the complete catalog data into your catalog.

For more information, see [Custom Catalogs \[page 27\]](#).

Defining Catalog Defaults

You can define default values, such as a supplier ID or product category, for the catalog using the *Define Catalog Defaults* common task. Depending on your settings, the system can then automatically create purchase orders for shopping carts containing items from the catalog.

In the *Default Values for Supplier Catalogs* optional fine-tuning activity, you can define a default product category for catalog items without any previous category assignment. You can also assign a supplier that is always used when a certain product is selected from a catalog.

For more information, see Configuration: Default Values for Supplier Catalogs.

Defining Recommended Items in Catalogs

If you have items that are frequently requested or for which a special rate was negotiated, you can mark these products as recommended items using the *Define Recommended Items* common task. Employees using self-service shopping then see these recommended items when searching for products.

For more information, see Shopping Cart Processing.

Connecting External Catalogs to your System

To use external catalogs in your system, you have to define the OCI parameters in the optional *OCI Parameters for External Catalogs* fine-tuning activity. This activity enables you to define attributes and parameters for external supplier catalogs so that they can be integrated in the purchasing process. Each defined supplier catalog is then visible in self-service shopping, purchase orders, request for quotations, and goods and services receipts.

If the external catalog supports the cross-catalog search feature of the OCI, then this must be enabled when an external catalog is connected. The cross-catalog search allows you to search multiple catalogs at one time.

For more information, see For more information, see Configure External Catalogs.

Searching for Products

You can search for products in internal and external catalogs. Once you have found the desired item, you can transfer it to a purchase order, shopping cart, request for quotation, and goods and services receipt.

See Also

[Catalogs Quick Guide \[page 80\]](#)

[Supplier Relationship Management \[page 6\]](#)

3.1.2 Custom Catalogs

Overview

A custom catalog allows you to create a tailor-made catalog for your company. You can mix and match items from different suppliers into one catalog rather than have one catalog for each supplier. You can then divide the custom catalog into different categories to fit the business needs of your company. You can create, publish, and edit catalogs in the *Product Portfolio* work center under *Catalogs*.

Prerequisites

Configuration Settings

I Configuration settings are usually performed by an administrator. If you do not have the required authorization, contact your administrator.

Catalogs are selected in your solution configuration in both places.

To find the first business option, go to the *Business Configuration* work center and choose the *Implementation Projects* view. Select your implementation project and click `Edit Project Scope`. In the *Scoping* step of the project, ensure that *Self-Service Procurement* is selected within *Purchasing*.

In the *Questions* step, expand the *Purchasing* scoping element and select *Self-Service Procurement*. Select *Catalog Search* and answer the questions related to supplier catalog use.

To find the second business option, go to the *Business Configuration* work center and choose the *Implementation Projects* view. Select your implementation project and click `Edit Project Scope`. In the *Scoping* step of the project, ensure that *Products* is selected within *General Business Data*.

In the *Questions* step, expand the *General Business Data* scoping element and select *Products*. Select *Catalogs* and answer the questions related to catalogs.

Benefits

The system provides functions for creating a catalog if a supplier cannot provide a catalog.

Using custom catalogs reduces the complexity of your business processes. You can create a catalog with products from multiple suppliers.

Creating a Custom Catalog

In the *Product Portfolio* work center, *Catalogs* view, you must first create a new catalog in the *New Custom Catalog* activity, where you must assign a catalog ID and catalog name. The system sets the *Import Status* and *Publication Status* to *Not Started*.

You can then manually add catalog items by adding a row for each item to the custom catalog. For each row, you need to enter the required information:

- Product description
- Net price
- Price unit

You can also enter optional information such as lead time in days and supplier ID.

Alternatively, you can import catalog items from a formatted data file with the *Import* option from the *Catalogs* view. Once all the data is successfully transmitted, the data is sent to the product catalog. If the data is completely uploaded to the catalog, the system changes the *Import Status* to *Successful*. However, if the data was not completely uploaded to the catalog, the *Import Status* is automatically changed to *Failed*. In this case, you can select the catalog in the *Catalogs* view and choose *View Import Log* to find out what the error is and execute corrective actions to re-import the data file. If the import log does not give enough detailed information, you can report an incident in the *Help Center*.

The *Publication Status* remains *Not Started*. This means that the system does not make this catalog available in purchase orders, contracts, requests for quotation, shopping carts, or goods and services receipts.

Publishing a Custom Catalog

You can publish a custom catalog in the *Catalogs* view by selecting it from the list and clicking *Publish*. It is also possible to publish a catalog directly in the *Custom Catalog* editor. The publishing process groups changes by category and separates them into packages for easier handling and better system performance. The system sets the *Publication Status* to *In Process*.

At the end of the process, the system automatically sets the *Current Publication Status* to *Successful* and the system records the date of publication. The system also sets the *Last Publication Status*. A custom catalog may have the status *Partially Published*, which may occur when a catalog manager deletes an imported product or product category after a previously successful publication.

When the *Publication Status* is *Successful*, the system makes the catalog available in purchase orders, contracts, requests for quotation, shopping carts, and goods and services receipts.

Editing a Custom Catalog

You can update a custom catalog as items change. In the *Custom Catalog* editor, you can add a new item, update an already existing item, or remove an obsolete item. Under *Details*, you can make further changes, such as attaching a picture for an item (all formats are supported) or updating a product description.

You must publish the catalog again for the changes to be available to employees in the purchasing process.

See Also

[Catalogs Quick Guide \[page 80\]](#)

[Catalogs \[page 25\]](#)

[Internal Catalog Processing \[page 29\]](#)

3.1.3 Internal Catalog Processing

Overview

You can use internal catalogs to provide information about a subset of either your company's or a supplier's products. You can tailor the information to specific target groups, such as facility management or maintenance, to provide exactly the information that these groups need. You can also use catalogs to communicate information about products to these groups.

As a person responsible for catalog content, for example, a buyer or a catalog content manager, you can create catalogs, import supplier data, and effectively manage the structure and content of all catalogs. You can also check the quality of the catalog content to ensure that all information is correct and up-to-date. If the content of your catalog is correct, you can then decide that a catalog can be published for use in different purchasing processes for target groups.

Prerequisites

Configuration Settings

I Configuration settings are usually performed by an administrator. If you do not have the required authorization, contact your administrator.

Catalogs are selected in your solution configuration in both places.

To find the first business option, go to the *Business Configuration* work center and choose the *Implementation Projects* view. Select your implementation project and click [Edit Project Scope](#). In the *Scoping* step of the project, ensure that *Self-Service Procurement* is selected within *Purchasing*.

In the *Questions* step, expand the *Purchasing* scoping element and select *Self-Service Procurement*. Select *Catalog Search* and answer the questions related to supplier catalog use.

To find the second business option, go to the *Business Configuration* work center and choose the *Implementation Projects* view. Select your implementation project and click [Edit Project Scope](#). In the *Scoping* step of the project, ensure that *Products* is selected within *General Business Data*.

In the *Questions* step, expand the *General Business Data* scoping element and select *Products*. Select *Catalogs* and answer the questions related to catalogs.

Default File Size

The default file size that you can upload to the system is 100 MB. The size limit is based on the system parameter *icm/HTTP/max_request_size_KB*. If larger catalogs need to be uploaded, contact the system administrator or report an incident in the [Help Center](#) to adjust the parameter in the system.

Process Flow

Creating and Updating a Catalog

1. Define a supplier catalog
In the *Product Portfolio* work center, *Catalogs* view, you can also define a new catalog into which you can upload new data using the *New Supplier Catalog* quick activity. Otherwise, you can choose an existing catalog to update using the *Import Catalog* quick activity. You must assign a catalog ID and a supplier ID; you can assign a catalog name anytime before publication. If you give a catalog a name, it makes it easier to identify during a search. The system sets the *Import Status* and *Publication Status* to *Not Started*.
2. Receive supplier data or create your own data file
A supplier provides you with product catalog data. The data must be in BMEcat or CSV format. Optionally, you can create your own catalog data using the template provided by SAP Business ByDesign. Once you have entered all the catalog data, you can generate a CSV file, save it in your system, and upload it into a catalog.
3. Import the catalog
You can start the file upload in the *Catalogs* view using the *Import Catalog* quick activity. The contents of the file are split into packages for easier handling and better performance. The system sets the *Import Status* to *In Process*. Each package is sent to the system, which reads the content and creates the catalog data, such as categories and items. The upload is finished when all packages are successfully transmitted. The system changes the *Import Status* to one of the following:
 - *Successful*
The data was completely uploaded to the catalog.
 - *Failed*
The data was not completely uploaded to the catalog.
In this case, you can view the import log to find out what the error is and execute corrective actions to re-import the data file. If the import log does not give detailed information, then you can report an incident in the [Help Center](#).

Based on the uploaded supplier data, a new product catalog is created or an existing catalog is updated, in which the system overwrites the existing content with the new content.

The *Publication Status* remains *Not Started*. The system will not make this catalog available for use in purchase orders, requests for quotation, shopping carts, or goods and services receipts.

➔ Optionally, you can define catalog defaults using the *Define Catalog Defaults* common task in the *Product Portfolio* work center. In this case, the system stores a default product category as well as a default supplier ID to use if neither is available. The system automatically transfers this data (product category and supplier ID) to the relevant purchase order, request for quotation, or shopping cart when a catalog product is selected, or to a goods and services receipt for a limit item.

Publishing a Catalog

1. Publish the catalog
When you start the publication process, the system sets the *Current Publication Status* to *In Process*.

At the end of the publication process, the system sets the *Current Publication Status* to *Successful* and the system records the date of publication. The system also sets the *Last Publication Status*. A custom catalog may have the status *Partially Published*, which may occur when a catalog manager deletes an imported product or product category after a previously successful publication.

If the publication process fails, the last published catalog remains available in the system for the target groups. You can click the [View Publication Log](#) in the *Catalogs* overview to find out what the error is and execute corrective actions to re-publish the catalog.

You can generally publish a catalog that you have uploaded successfully. If you cannot publish a catalog, then report an incident in the [Help Center](#).

The system triggers indexing of a catalog, which allows you to use the catalog search.

➔ The catalog search can only be used for each catalog that has been indexed.

2. Search the catalog

Once the publication process is completed, the system then makes the catalog available for use in purchase orders, contracts, requests for quotation, shopping carts, or in a goods and services receipts for a limit item.

See Also

[Catalogs Quick Guide \[page 80\]](#)

[Catalogs \[page 25\]](#)

[Custom Catalogs \[page 27\]](#)

3.1.4 Integrating External Catalogs from Certified SAP Partners

Overview

External catalogs are product catalogs found at a partner (supplier) web site and are connected to SAP Business ByDesign. You can use external catalogs to search for a product, select it, add it to your shopping cart or purchase order, and process the order.

With catalogs from certified SAP partners, you can start working with catalogs even if your current suppliers do not have OCI-compatible product catalogs. You must first decide for which product category you want to use a catalog. Then select one of the SAP partners who provide a catalog for this product category, get in contact with them, and integrate the catalog in your SAP Business ByDesign system.

In case you chose a company that doesn't deliver any products to you yet, you need to create supplier master data for this company. Afterwards you can assign the supplier to your catalog.

Since all requests from shopping carts that contain products from an external catalog also include a price and a fixed supplier, you are now able to automate the purchasing process by letting the system create the purchase orders automatically.

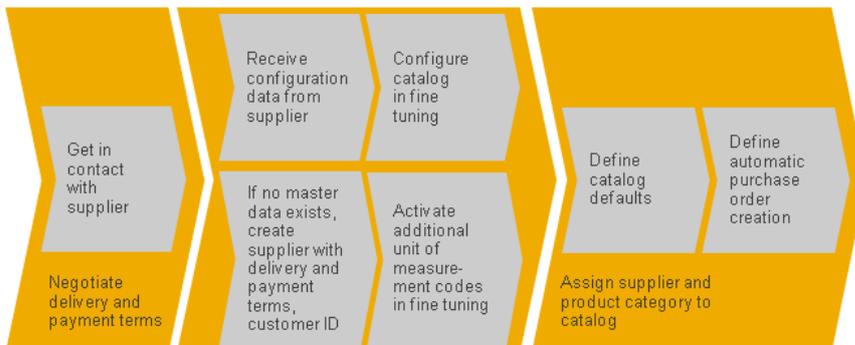
Prerequisites

During scoping, you selected [General Business Data > Products > Catalogs](#)

You then answered yes to the following questions concerning catalogs:

- Do you link external material or service catalogs from your suppliers to the system?
- Do you want to integrate external catalogs from certified SAP partners?

Process Flow



1. Contact the Partner

After you decide which partner catalog you want to use, contact the partner to negotiate delivery and payment terms. Then the supplier will create an account for you and tell you your customer ID. Also ask for a list of unit codes used in his or her catalog.

For a list of available partners, refer to the [SAP Store](#).

2. Receive Configuration Data

The supplier will tell or send you the configuration data.

3. Configure Catalog

Open the [External Catalogs](#) activity in your fine-tuning activity list. Add a new catalog, give it a description, and fill in the configuration data you received from the partner. Once you have saved the activity, this description will appear in the shopping cart, the purchase order, and other purchasing documents. Therefore it makes sense to give the description a meaningful name, such as the product category (for example, office material) or the name of the supplier.

4. Create Master Data

If the supplier is a new partner for your company, you have to create the master data for the supplier. You can do this, for example, in the [Supplier Base](#) work center or in the [Business Partner Data](#) work center. You have to enter all necessary information such as address, Incoterms, payment terms, and bank data.

5. Release Additional Trading Units

Open the [Quantities and Units of Measure](#) activity in your fine-tuning activity list. Check if all the units used in the partner catalog are released already in your Business ByDesign system. If not, select the missing trading units and release them.

6. Define Catalog Defaults (optional)

If you want to automatically have the supplier assigned to requests for products coming from the supplier's catalog, you need to assign the supplier to the catalog (after having created the master data). In the [Product Portfolio](#) work center, you use the [Define Catalog Defaults](#) common task to automate this process step.

7. Automate Purchase Order Creation (optional)

If you want the system to create purchase orders automatically for catalog items, you need to assign a product category to this catalog (done in the [Product Portfolio](#) work center using the [Define Catalog Defaults](#) common task). In the [Purchase Requests and Orders](#) work center, you use the [Define Automatic Document Creation](#) common task to automate this process step for the defined product category. Purchase orders will then be created automatically and sent out to the supplier.

8. Go Shopping

In the [Go Shopping](#) guided activity, you will now see the partner catalog in the catalog list.

See Also

[Catalogs \[page 25\]](#)

[Automation of Supplier Relationship Management \[page 13\]](#)

Automatically Created Purchase Orders

Shopping Cart Processing

[Technical Information for Catalog Provider \[page 33\]](#)

3.1.5 Technical Information for Catalog Provider

Overview

The Open Catalog Interface (OCI) has been defined by SAP as a standard to incorporate external product catalogs into the Supplier Relationship Management (SRM) application. This document describes both the architecture and the structure of the OCI for *SAP Business ByDesign*. It provides all the information for producers of catalogs that is required to support the OCI standard.

This standard was originally designed for classical SAP SRM products. It is supported by *SAP Business ByDesign*, based on the OCI version 4.0, with some minor adjustments. In this way, *SAP Business ByDesign* allows the integration of catalogs that adhere to the OCI standard, so that users can launch the catalog from their system, browse, collect items in the catalog, and finally transfer the selected items back into their system. This can be used, for example, for shopping carts in employee self-service scenarios.

The OCI standard uses the Hyper Text Transfer Protocol (HTTP), in particular data is transferred using HTML forms with the transfer method HTTP POST.

Navigating to the Catalog

In order to navigate to and open a product catalog, its Uniform Resource Locator (URL) must be configured during business configuration. Additional fixed parameters, for example, logon parameters can be configured as well. When a user wants to open an OCI catalog, the configured URL is accessed. Fixed parameters as well as some dynamic and standard parameters (see the **Fixed Parameters** and **Additional Functions in the Product Catalog** sections.) are transferred using HTTP POST.



For security reasons, HTTP GET is not supported. All communication between *SAP Business ByDesign* and the catalog is done with HTTP POST. As a catalog provider, it is highly recommended to use HTTPS instead of HTTP to exclude potential listeners. Otherwise all parameters (see the next section) will be transferred unencrypted when the catalog is opened. Additionally, catalog providers are encouraged to use IP filtering in order to ensure that requests come from registered customers and/or the request comes from a customer that matches the sent parameters (for example, logon credentials).

■ An example of how a catalog is launched looks as follows (the details are described in the next sections):

```
1 <html>
  <body>
    <form name="RedirectForm" action="*CATALOG_URL*" method="POST">
      <input type="hidden" name="HOOK_URL" value="*HOOK_URL*">
      <input type="hidden" name="*CATALOG_PARAMETER_1*" value="*CATALOG_VALUE_1*">
      <input type="hidden" name="OCI_VERSION" value="4.0">
      <input type="hidden" name="OPI_VERSION" value="1.0">
      <input type="hidden" name="returntarget" value="_top">
    </form>
    <script language="javascript">
      document.RedirectForm.submit();
    </script>
  </body>
</html>
```

Fixed Parameters

The catalog provider may document fixed name-value pairs as catalog parameters (for example, to identify a certain *SAP Business ByDesign* customer, to provide logon information, or set the catalog language). These parameters are not user-dependant.

Return URL

The return URL is required to transfer the data from the catalog back to *SAP Business ByDesign* using the user's browser. The return URL is a dynamic parameter passed to the catalog. It is also passed as a parameter with the parameter name HOOK_URL. The return URL usually contains other parameters and must not be changed.

Additional Functions in the Product Catalog

SAP Business ByDesign allows catalogs to provide additional functions. To trigger these functions, additional parameters are transferred to the catalog when it is opened. In addition, the system allows you to configure separate URLs for these additional functions.

Validation of a Product

If an item from a catalog has been added to a purchasing document then it is possible, for example, that the price of the product has changed over time. If a new purchasing document will be created with reference to the first one, the price change would normally not be taken into account. The validation function serves to check the product information in the catalog for possible changes and take these changes into account in the newly created document.

In order to trigger the function, the following parameters are transferred to the product catalog when it is opened:

| Name | Value |
|-----------|---|
| FUNCTION | VALIDATE |
| PRODUCTID | Database key for the product in the catalog |
| QUANTITY | Current quantity |



Catalog providers are strongly encouraged to provide this functionality as it may be used for additional security measures.

The parameter QUANTITY is transferred so that the catalog can determine the correct price from a scale, if appropriate. The reply of the catalog has to be an HTML page that contains a form with the product data in OCI format. As in the regular catalog access, the return URL is also passed to the catalog. However, in *SAP Business ByDesign*, the catalog result is evaluated automatically and not displayed in a browser. Therefore, the return URL may have an invalid format and the ACTION field of the HTML form in the catalog reply can be left empty.

I A prerequisite for this function is that the first time this product was transferred from the product catalog to the *SAP Business ByDesign* system, the field NEW_ITEM-EXT_PRODUCT_ID [n] is filled with the key of the product in the catalog database.

Background Search

To allow a user to search all catalogs for a particular product simultaneously instead of searching in each catalog separately, the OCI standard supports a cross-catalog search. The user enters a search term once in the system, and this term is transmitted to all catalogs that support the functionality. The search results from all catalogs are displayed in a list from which the user can select individual products.

To trigger the function, the following parameters are transferred to the product catalog when it is opened:

| Name | Value |
|--------------|-------------------|
| FUNCTION | BACKGROUND_SEARCH |
| SEARCHSTRING | Search term |

The reply of the product catalog has to be an HTML page with a form that contains the search results in OCI format. All search results must be on this page, since the page is evaluated automatically and not displayed directly. In contrast to validation of a product, no return URL is provided. Therefore the ACTION field of the HTML form can be left empty.

Overview of the Call Parameters

The following parameters are transferred when the catalog is called. The transfer method is either HTTP GET or POST. The parameters are comprised of fixed parameters, specified by the catalog provider, dynamic parameters (additional functions and return URL), and standard parameters:

| Description | Name of the Parameter | Content or Example |
|---|--|--|
| Fixed parameters specified by the catalog provider | Specified by the catalog provider | See the Fixed Parameters section |
| Parameters to trigger additional functions | See the Additional Functions in the Product Catalog section | See the Additional Functions in the Product Catalog section |
| Return URL | HOOK_URL | URL with parameters in the query string |
| Interface version OCI | OCI_VERSION | For example: 4.0 |
| Interface version OPI | OPI_VERSION | For example: 1.0 |
| Target (HTML target) for return to <i>SAP Business ByDesign</i> | returntarget | For example: _top |

Information needed by Business ByDesign users for configuration

In order to integrate an external product catalog into their system, *SAP Business ByDesign* customers require the following information from the catalog provider:

- Catalog URL
- List of fixed parameters (optional)
- Method for catalog call (HTTP POST / HTTP GET)
- Supported additional functions (validation, background search) and the corresponding URLs, if different from the catalog URL

Return from Catalog

An HTML form is used to transfer the selected product data to the *SAP Business ByDesign* system. This form is part of an HTML page that must be created by the catalog. This page (the last page that is displayed by the catalog) is sent to the user's browser. The user can then submit the form to *SAP Business ByDesign* that then takes over the form data. In order to transfer the data from the catalog to the system using the user's browser, the return URL must be inserted into the ACTION attribute of the HTML form created by the catalog. The data to be transferred is transported within the input fields of the form; the field names must adhere to the syntax specified below. The TYPE attribute of the input fields should be TEXT or HIDDEN. The HTTP method recommended in all cases is POST because using GET can lead to browser-dependent length restrictions.

In order to support the transfer of special characters, for example, Chinese characters, French accent-bearing letters, or German umlauts, the form fields must be encoded with UTF-8.

Fields and Field Checks

| Field name | Length | Description |
|----------------------------|----------|--|
| NEW_ITEM-DESCRIPTION[n] | 40 | Description of the item |
| NEW_ITEM-MATNR[n] | 40 | Product ID of the item in <i>SAP Business ByDesign</i> |
| NEW_ITEM-QUANTITY[n] | 15 | Item quantity (1) |
| NEW_ITEM-UNIT[n] | 3 | Quantity unit for item quantity (3) |
| NEW_ITEM-PRICE[n] | 15 | Price of an item per price unit (1) |
| NEW_ITEM-CURRENCY[n] | 5 | Item currency (3) |
| NEW_ITEM-PRICEUNIT[n] | 5 | Price unit of the item (if empty, 1 is used) (2) |
| NEW_ITEM-LEADTIME[n] | 5 | Delivery time of the item in days (2) |
| NEW_ITEM-LONGTEXT_n:132[] | infinite | Long text for the item (4) |
| NEW_ITEM-VENDOR[n] | 10 | Supplier ID in <i>SAP Business ByDesign</i> |
| NEW_ITEM-VENDORMAT[n] | 40 | Supplier part number of the product |
| NEW_ITEM-MATGROUP[n] | 10 | Product category ID in <i>SAP Business ByDesign</i> |
| NEW_ITEM-SERVICE[n] | 1 | Flag: the item is a service (5) |
| NEW_ITEM-CONTRACT[n] | 10 | Contract ID in <i>SAP Business ByDesign</i> to which the item refers |
| NEW_ITEM-CONTRACT_ITEM[n] | 5 | Item ID within the contract in <i>SAP Business ByDesign</i> |
| NEW_ITEM-EXT_PRODUCT_ID[n] | 40 | Unique database key for this item in the catalog |

| | | |
|------------------------------|-----|---|
| NEW_ITEM-ATTACHMENT[n] | 255 | URL of the attachment (the attachment must be available for downloading under this URL) |
| NEW_ITEM-ATTACHMENT_TITLE[n] | 255 | Title of the attachment (if this is empty the file name from the URL above is used) |
| NEW_ITEM-EXT_SCHEMA_TYPE | 10 | Name of a schema with which it was imported into the <i>SAP Business ByDesign</i> system |
| NEW_ITEM-EXT_CATEGORY_ID | 60 | Unique key for an external category from the schema above, independent of the version of the schema |



These IDs in the table above may not be mixed or used for other purposes; in particular, the field NEW_ITEM-MATGROUP may only be filled if the product category ID in the *SAP Business ByDesign* system is known by the catalog.

- (1) 11 digits are allowed before the decimal point, 3 digits after it. Do not use commas for thousands.
- (2) The number in whole numbers.
- (3) It must be a valid ISO code and used in *SAP Business ByDesign*.
- (4) The field NEW_ITEM-LONGTEXT_n:132[] is an exception as far as the syntax of the index n is concerned. The field length is unlimited.
- (5) X for true and blank for false.

Required and Optional Fields

The following fields are required fields in all cases:

- Either NEW_ITEM-DESCRIPTION[n] or NEW_ITEM-MATNR[n] must be filled.
- NEW_ITEM-QUANTITY[n]

The following fields are required fields depending on conditions:

- NEW_ITEM-UNIT[n] if NEW_ITEM-MATNR[n] has not been filled
- NEW_ITEM-CURRENCY[n] if NEW_ITEM-PRICE[n] has been filled
- NEW_ITEM-EXT_SCHEMA_TYPE[n] if NEW_ITEM-EXT_CATEGORY_ID[n] is used
- NEW_ITEM-CONTRACT[n] if NEW_ITEM-CONTRACT_ITEM[n] has been used

All other fields are optional.

Product Numbers

The following fields in the interface describe product numbers:

- NEW_ITEM-MATNR[n]: The product ID in the *SAP Business ByDesign* system
- NEW_ITEM-VENDORMAT[n]: The supplier's product number
- NEW_ITEM-EXT_PRODUCT_ID[n]: The number that uniquely identifies the product in the catalog.



These product numbers may not be mixed or used for other purposes; in particular, the field NEW_ITEM-MATNR[n] may only be filled if the product number in the *SAP Business ByDesign* system is known by the catalog.

Configurable Products

Some products (for example, personal computers) can be configured in the catalog. However, the configuration information is not part of the OCI, since the structure of this information differs greatly between providers. The field `NEW_ITEM-LONGTEXT_n:132[]` can be used to transfer the configuration information as text. The content of the field is included in the purchase order text of the shopping cart and of the subsequent purchase order as a *Remark to Supplier*; this way the configuration information is available in the system.

OCI Parameters not used in Business ByDesign

Some fields of the OCI standard are not used in *SAP Business ByDesign* systems:

- `NEW_ITEM-QUOTE_ID` and `NEW_ITEM-QUOTE_ITEM`
- `NEW_ITEM-ATTACHMENT_PURPOSE`
- `NEW_ITEM-EXT_CATEGORY`
- `NEW_ITEM-SLD_SYS_NAME`
- `NEW_ITEM-CUST_FIELD1` through `NEW_ITEM-CUST_FIELD5`
- `NEW_ITEM-MANUFACTCODE`
- `NEW_ITEM-MANUFMAT`

Example

1 The following HTML form is an example of how data can be transferred to an *SAP Business ByDesign* system in an OCI-compliant way:

```
<html>
<body>
<form action="*HOOK_URL*" method="post" target="_top" name="test" accept-
charset="utf-8">
<input type="hidden" name="NEW_ITEM-DESCRIPTION[1]" value="text1">
<input type="hidden" name="NEW_ITEM-QUANTITY[1]" value="1">
<input type="hidden" name="NEW_ITEM-UNIT[1]" value="EA">
<input type="hidden" name="NEW_ITEM-LEADTIME[1]" value="1">
<input type="hidden" name="NEW_ITEM-PRICE[1]" value="11.11">
<input type="hidden" name="NEW_ITEM-PRICEUNIT[1]" value="1">
<input type="hidden" name="NEW_ITEM-CURRENCY[1]" value="EUR">
<input type="hidden" name="NEW_ITEM-EXT_PRODUCT_ID[1]" value="ID1">
<input type="hidden" name="NEW_ITEM-LONGTEXT_1:132[]" value="Text2">
<input type="submit" value="Submit">
</form>
</body>
</html>
```

In this example, the value for `*HOOK_URL*` is the return URL that was passed to the catalog when it was opened. It may contain parameters itself and must not be changed.

Handling of the Browser Window

The catalog is displayed in a separate browser window. This window is both opened and closed again by the *SAP Business ByDesign* system. The HTTP response of the *SAP Business ByDesign* system to the final HTTP request from the catalog containing the OCI data assumes that the JavaScript reference window.opener points to the browser window of the *SAP Business ByDesign* application from which the catalog was originally called. The catalog application must not change the name of the original window object or close the catalog window because this would destroy the reference between the *SAP Business ByDesign* window and the catalog window. If the catalog opens additional windows during the search process, it must close these before the data is transferred back to *SAP Business ByDesign*.

See Also

Configure External Catalogs

3.2 Products View

3.2.1 Quick Guide for Services (in Product Portfolio)

It is important for you to have a deep understanding of all the services your company offers. Thus, the *Services* view provides a central entry point for viewing all the services in your system, creating new services, and maintaining important service-related information.

Business Background

Assigning Statuses to a Service

A service can be involved in various business processes. For this reason, a service is divided into sections for purchasing, sales, and valuation. Each section includes details specific to the business process as well as one or more statuses indicating the completeness or readiness of the service for that process. Therefore, when creating a new service, it is important to apply the correct statuses to ensure that the relevant processes are assigned and that data in these areas is kept up-to-date.

For more information, see Assigning Statuses to a Service

Cost Center Management Accounting

Cost Center Management Accounting provides functions for managing and allocating overhead costs. Examples of costs that are generally classified as overhead include operating supplies, wages and salaries, social security contributions, and depreciation.

In contrast to direct costs, overhead costs **cannot** be traced **directly** to a cost object but must first be accumulated on the cost centers that requested the services. At the end of each period, you use the **overhead distribution** and **overhead absorption** functions to credit the cost centers for the accumulated overhead and allocate it to the cost objects.

For more information, see Cost Center Management Accounting.

Service Cost Allocation to Cost Objects

When products are manufactured and delivered to customers, costs are incurred by the cost centers for the services and resources required to perform the work. A resource is a production factor such as labor, equipment, or vehicles, while a service is the activity performed by a resource.

Production workers enter the consumption quantities of the services and resources into the system by means of activity confirmations. The confirmations result in the allocation of direct costs from the cost centers to the sales orders, service orders, projects, or production lots that requested the work.

Service cost allocation is based on the resource and service cost rates defined in the *Cost and Revenue* work center, Resource Cost Rates and Service Cost Rates views.

For more information, see *Service Cost Allocation to Cost Objects*.

Pricing in Supplier Relationship Management

Pricing is based on price master data such as price lists and discount lists, which are used to automatically calculate pricing within all business documents for sales and service processes. A predefined pricing procedure is used to determine the gross value the customer has to pay for certain products or services to be received on a certain day at a certain place. The pricing procedure consists of price components, such as list price, discounts, surcharges, freights, taxes, and costs. The order of these price components is essential for the calculation of the total value.

For more information, see *Pricing in Supplier Relationship Management* [page 15].

Tax Determination

As a rule, companies are legally required to calculate taxes on products that they buy or sell, and to levy these taxes from their customers. After the products have been provided, the taxes must be declared and levied to the respective tax authorities. The system supports you by providing a substantially automated tax calculation for the following tax types: Value-Added Tax (VAT), Sales and Use Tax, Withholding Tax. The system also provides a reporting tool that gives you effective control over your obligatory declaration of these taxes.

For more information, see *Tax Determination* [page 54].

Tasks

Create a Service

1. Choose the *Services* subview in the *Services* view of the *Product Data* work center.
2. Click **New** and then *Service* to open the *New Service* quick activity.
3. Enter the *Service ID*.

I If internal number ranges have been configured for services, you cannot enter a service ID manually; when you save the service, the system assigns the next available ID automatically. For more information, see Configuration: Number Ranges.

4. Enter the *Service Description*.
For information about descriptions in other languages, see **Add Service Descriptions in Other Languages** below.
5. Select the *Product Category* to which you want to assign the new service.
6. In the *Base UoM* field, enter the default unit of measure for the service. It will be used for purchasing, sales, and valuation unless different units of measure are selected manually for those processes.

➔ The base UoM should be the smallest unit of measure for the service. Therefore, if you select different units of measure for any processes, make sure that the base UoM is always smaller.

7. Optional: Enter advanced general details for the service.
 - a. Click **View All**.
 - b. To indicate that the service should be treated as an expense for financial purposes, select the *Expense Indicator* check box.

i The check box is grayed out as soon as you save the service.

- c. To add, delete, or replace a product image for the service, click **Image** and select the appropriate option.
8. Click **Save** to save your changes.

Assign Purchasing Details to a Service

For information about this task, see [here](#) [page 60].

Assign Sales Details to a Service

For information about this task, see [here](#) [page 61].

Assign Valuation Details to a Service

For information about this task, see [here](#) [page 62].

Add Quantity Conversions to a Service

For information about this task, see [here](#) [page 63].

Add Service Descriptions in Other Languages

1. Choose the *Services* subview in the *Services* view of the *Product Data* work center.
2. Select the service and click **Edit** to open the *Service* quick activity.
The *Service Description* field displays the description of the service in your logon language.
3. Click **View All**.
4. At the top of the **General** tab, click **Other Languages**.
5. To add a description of the service in another language, click **Add Row**.

i If you do not maintain a service description for a language, a description will not appear on business documents in that language.

6. In the new row, select a *Language* and enter the *Service Description*.
 7. In the *Details* section, enter additional information about the service and click **Save**.

Export Services to Microsoft Excel®

You can export services to Microsoft Excel. For more information about this task, see [here](#) [page 64].

3.2.2 Business Background

3.2.2.1 Assigning Statuses to a Material

Overview

A material can be involved in various business processes. For example, a nail could be a component used in manufacturing another product, or the nail could be sold as the end product itself. For this reason, a material is divided into sections for purchasing, logistics, supply planning, availability confirmation, sales, and valuation. Each section includes details specific to the business process as well as one or more statuses indicating the completeness or readiness of the material for that process. Therefore, when creating a new material, it is important to apply the correct statuses to ensure that the relevant processes are assigned and that data in these areas is kept up-to-date.

Features

Changes to Statuses

The first status of a process is always Initial. You can then make the following changes in statuses before the material is saved:

- Initial to In Preparation or In Preparation to Initial
- In Preparation to Active
- Active to Blocked or Blocked to Active
- Active to Initial

After a material is saved, you can make the following changes in status:

- Initial to In Preparation or In Preparation to Initial
- In Preparation to Active
- Active to Blocked or Blocked to Active

Changing from Active to Blocked is only possible for purchasing and sales.

Overall Status

In cases where a process has multiple statuses, the status with the highest priority is always given as the overall status for a process. The hierarchy for status priority is as follows: Active, Blocked, In Preparation, and Initial. For example, if there is one status marked as Active, and there are multiple statuses marked as In Preparation, the overall status is given as Active. The logistics and purchasing processes each have only a single status, but all other processes can have multiple statuses. Purchasing and sales are the only two processes with the Blocked status.

The statuses for processes are as follows:

| Statuses of Processes | Overall Status | Status Icon | Status Combination Valid For |
|-----------------------|----------------|-------------|--|
| Initial | Initial | Grey | Purchasing, Logistics, Planning, Availability Confirmation, Sales, and Valuation |
| In Preparation | In Preparation | Yellow | Purchasing, Logistics, Planning, Availability Confirmation, Sales, and Valuation |

| | | | |
|---|----------------|--------|--|
| Blocked | Blocked | Red | Purchasing and Sales |
| Active | Active | Green | Purchasing, Logistics, Planning, Availability Confirmation, Sales, and Valuation |
| Initial and In Preparation | In Preparation | Yellow | Planning, Availability Confirmation, Sales, and Valuation |
| Initial and Blocked | Blocked | Red | Sales |
| Initial, In Preparation, and Blocked | Blocked | Red | Sales |
| Initial, In Preparation, and Active | Active | Green | Planning, Availability Confirmation, Sales, and Valuation |
| Initial, In Preparation, Blocked and Active | Active | Green | Sales |
| In Preparation and Blocked | Blocked | Red | Sales |
| In Preparation and Active | Active | Green | Planning, Availability Confirmation, Sales, and Valuation |
| In Preparation, Blocked, and Active | Active | Green | Sales |
| Blocked and Active | Active | Green | Sales |

3.2.2.2 Changing Identified Stock Types

You can change the identified stock type of a product regardless of the process in which you use the product. You can specify a new identified stock type where previously there was none, you can remove the type completely, or you can change the type from one type to another. You can change the identified stock type for a product even after the product is activated for logistics.

The system allows you this flexibility in case that you need to change an identified stock type after you begin using a product in your process. However, changing the identified stock type can have consequences and follow-up actions, depending on the status of the process in which you use the effected product. You should be aware of these consequences before you perform the identified stock type change. We recommend that you finish specifying your product with the correct identified stock type before you start any process for a product.

You can change the identified stock type in the *General* tab of the *Material* editor in the *Product Data* work center. You must access the *General* tab by clicking *View All*. You can also check if the product is activated in the *Logistics* tab.

Considerations when Changing the Identified Stock Type

If you have a new product that you do not use in any process and for which you have not posted inventory, then changing the identified stock type has no consequences.

When you change the identified stock type, the system allows you the maximum level of flexibility in finishing all the processes in which the relevant product is involved. As a general rule, inventory for the relevant product must be adjusted using the new identified stock type. Details and exceptions are explained in the following sections.

Using Existing Master Data Identified Stock IDs

You can change from one identified stock type to another, even if you have existing identified stock IDs for a particular product.

You can use new identified stock IDs that contain the new identified stock type for the product. You can still use the IDs from the old type, even though they contain the old identified stock type. You cannot change the identified stock type of the old IDs. If you want to prevent the old IDs from being used, you must post inventory from the old identified stock ID to the new ID using the *Change of Stock* common task in the *Internal Logistics* work center. You can also change the status of the old IDs to *Blocked* or *Obsolete*.

For example, you have a product PRO_1 that is specified with an identified stock type of batch. You create an identified stock ID B001 for the product in the *Identified Stock* view of the *Planning and Production Master Data* or *Warehousing and Logistics Master Data* work centers. You then change the identified stock type to lot. The next identified stock ID you create for the product is L001. However, you can still use the ID B001 in the system, even though the product is now a lot. The ID B001 still shows the original identified stock type.

In this case the system just checks that the product is specified as an identified stock. If it is, you must enter an identified stock ID when you post inventory changes.

Existing Inventory Not Used in a Process

If you change the identified stock type of a product for which you have inventory stored in a logistics area, you cannot use the inventory until you post it using the new type. You can do this in the *Change of Stock* common task in the *Internal Logistics* work center. When you change the identified stock type, the following conditions apply:

- If you remove the identified stock type completely from a product in the *Material* editor, you must post a change of stock where you leave the *Change Identified Stock ID* field empty.
- If you specify an identified stock type for the first time for a product (where previously no identified stock was specified), you must first create the appropriate identified stock ID in the *Identified Stock* view in the *Planning and Production Master Data* or *Warehousing and Logistics Master Data* work centers. Then you change the stock details using the *Change of Stock* common task in the *Internal Logistics* work center. You must enter the identified stock ID in the *Change Identified Stock ID* field for the new identified stock type. This is optional if the new identified stock type is optional specified stock and mandatory for all other identified stock types.
- If you have already specified an identified stock type, but now want to change to another identified stock type, you only need to post a change of stock if you don't want to use the old identified stock IDs with the product.

Changes to Identified Stock Type in a Make-to-Order Process

Introduction

You can use a product specification ID to record the special requirements your customer needs when they order a product in a make-to-order process. The system uses these properties and descriptions in addition to the standard product ID to supply your customer with the exact specification that they need.

For example, a window is a standard product in your system. However, your customer may need a window made from wood, that has dimensions of 100cm by 50cm, and that is made from special glass. When you enter this in the system, you can enter the standard product in the sales order (window) and create a product specification that provides the detailed properties of the window that your customer needs.

The product specification ID and properties follow the product through the process of external procurement or internal production. This enables you to order, manufacture, pick, and ship products with specific requirements to your customer.

For example, when you post goods receipts from production or a supplier (inbound process), the system uses a product specification ID in combination with an identified stock ID to separate products in line with customer specific requirements. You must use this approach in order to separate products.

Mandatory and Optional Specified Stock

You must use either the optional specified stock or mandatory specified stock type when you work with product specifications. You should use optional specified stock if you want the choice of using a product in your process both with and without a product specification. For example, you have a standard window, window_1. You should use optional specified stock if you want to manufacture standard windows (standard window_1), and also manufacture make-to-order windows (window_1 with a product specification).

You should use the mandatory specified stock type if you always want to make a product to order. For example, you never make standard windows; you always make windows to order.

Changing the identified stock type from optional or mandatory specified stock to batch or lot, or removing the optional or mandatory specified stock type completely has consequences if you have a running make-to-order process. You need to take different courses of action, depending on where the product is in your process. These different courses of action are outlined here.

Change Before You Start Production and Place Orders on Suppliers

If you change the identified stock type from optional or mandatory specified stock to batch or lot, or completely remove the optional or mandatory specified stock type, after you assign a product specification ID to a product in the sales order but before you start production or place orders on suppliers:

- You cannot complete the make-to-order process for the product because the product must have either an optional or mandatory specified stock type ID in order to be used with a product specification.
- You cannot start production and you cannot place an order on your suppliers with a product specification.
- You must cancel the line item in the sales order that contains the product.

Change Before You Finish Production

You have two possible courses of action if you change the identified stock type after you start but before you finish production:

1. If you have an existing identified stock ID for the optional or mandatory specified stock with the correct product specification:
 - a. You can post the goods receipt from production with an existing identified stock ID that contains the correct product specification.
 - b. You can pick and ship the product with an existing identified stock ID that contains the correct production specification

If you decide not to finish manufacturing, you must process any open quantities. To do this, you must confirm the production lot and production request. You must confirm the pick operation with a quantity of zero to force the completion of the picking operation. Then you must cancel the sales order line item that contains the make-to-order product.

2. If you do not have an existing identified stock ID with the correct product specification:
 - a. You cannot perform a goods receipt with a product specification at the end of production.
 - b. If you go ahead and manufacture the product, you must post the goods receipt without a product specification as an unplanned item.
 - c. You cannot pick and ship the goods using a product specification because you do not have the appropriate inventory. You must reject the outbound request if it is not released. You must confirm the pick operation with a quantity of zero to force the completion of the picking operation. Then you must cancel the sales order line item that contains the make-to-order product.

Change After Production Completed

If you change the identified stock type after you finish production and after you start outbound processing, you can still perform goods movements in your outbound process. If you use a product specification ID, the system allows the transactions to take place, even though the identified stock type has changed for the make-to-order product.

Change Before Return to Supplier

If you change the identified stock type of a product that was ordered using a product specification ID, you cannot return the product to the supplier. You can use the following work around:

- Change back the identified stock type of the relevant product temporarily to the old setting.
- Create a return to supplier request, using the [New Return to Supplier Request](#) common task in the [Outbound Logistics](#) work center.

- Change the identified stock type of the relevant product back to the new setting.

Change Before Return From Customer

If you change the identified stock type of a product that was manufactured and shipped using a product specification ID, you cannot create a new customer return notification with reference to the delivery items. You must use the [New Customer Return Notification](#) common task in the *Inbound Logistics* work center to create a new customer return notification, and enter the delivery line items manually.

Execution Processes for Standard Inbound, Internal, Outbound, and Production

Change Before You Confirm Tasks in Production, and in One-Step Inbound, Internal, and Outbound Execution Processes

If you change the identified stock type before you confirm a production task for input products, or a pick or replenish task, inventory for the relevant product must be adjusted using the new identified stock type. Refer to the section on **Existing Inventory Not Used in a Process** above for further details. For production tasks for output products and put-away tasks, you take no action because the incoming goods are not yet reported in inventory. When you finish production or receive the goods, you can post them using the new type.

Change Between the First and Second Step in Two-Step Inbound, Internal, and Outbound Processes

If you change the identified stock type before you confirm the execution task of the first step (for example, pick), inventory for the relevant product must be adjusted using the new identified stock type. Refer to the section on **Existing Inventory Not Used in a Process** above for further details.

For unload tasks, you take no action because the incoming goods are not yet reported in inventory. When the goods arrive, you can post them using the new type.

If you change the identified stock type after you confirm the execution task of the first step (for example, pick or unload) and before you confirm the execution task of the second step (for example, unload or put-away), you can confirm the second step using the old identified stock type.

For example, the first step is pick and move the goods to a staging area. The second step is move the goods from the staging area to a truck. The system allows you to load the products onto the truck even if you change the identified stock type before the second step begins.

Change After You Begin Confirming but Before You Finish a Task in Execution Processes for Inbound, Internal, Outbound, and Production

If you change the identified stock type for a product after you begin a confirmation but before you finish a task, you have the following options:

- You can finish a task for the remaining quantity using the old identified stock type. You must have sufficient inventory of product with the old identified stock type available for the confirmation. This is possible if you have not yet updated the inventory using the new identified stock type in the [Change of Stock](#) common task in the *Internal Logistics* work center
- You can use the [Split Quantities](#) feature to begin confirming using the new identified stock type.

Remove the Identified Stock Type After You Release a Production Order While Using Replenishment

There are considerations you must take into account if a production order requests a particular identified stock ID and you use manual or integrated replenishment.

If, after you release a production order for a product, you remove the identified stock type completely from the product, the system tries to satisfy the replenishment demand by using an identified stock ID. It creates a replenishment task that requires an identified stock ID. In this case you must:

- Confirm the replenishment task without the identified stock ID
As a consequence, you now have inventory of the product without an identified stock ID. Production demand stays open as long as you do not confirm the production task, because the demand for the product is not fulfilled by inventory with an identified stock ID. For example, your production order requests 10 pieces of product PRO_1 with identified stock IS99. However, in your inventory, you have 10 pieces of PRO_1 but without IS99.
- Reject any new manual or integrated replenishment tasks with an identified stock ID.
This is only necessary if another replenishment task is created between the confirmation of the replenishment task and the confirmation of the production task. The replenishment task could be created as a consequence of the first replenishment not fulfilling the production demand.
- Confirm the production task for the relevant product without the identified stock ID.

Stock Transfer

The stock transfer scenario combines an outbound logistics process on the sending side and an inbound logistics process on the receiving side. See the sections above on the steps you should take for inbound and outbound processes.

For stock transfers within your company (intra-company stock transfers), you have the additional consideration of an identified stock type change after posting goods issue on the sending side and before posting the goods receipt on the receiving side. After the goods receipt posting, you need to adjust the in-transit stock by using the *Adjust In Transit Stock* common task in the *Physical Inventory* work center.

For example, you ship 3 pieces of product PRO_1 without an identified stock ID from Site 1 to Site 2. You now have in-transit stock of 3 pieces of PRO_1 without an identified stock ID. You then specify an identified stock type of batch where previously no type was specified for PRO_1. You must post goods receipt for 3 pieces of PRO_1 with an identified stock ID (for example IS99). You then have the following in transit stock:

| Product | Identified Stock ID | Inventory |
|---------|---------------------|-----------|
| PRO_1 | None | 3 pieces |
| PRO_1 | IS99 | -3 pieces |

With the adjust in-transit stock transaction, the system posts both inventory lines to zero.

Pre-Delivery of Spare Parts on Service Order Confirmations

The pre-delivery of spare parts is an outbound delivery process with the added feature that you deliver the inventory to the customer while it is still reported in the system (pre-delivered stock).

If you change the identified stock type after you ship but before you submit a service confirmation, you need to adjust the pre-delivered stock using the *Change of Pre-Delivered Stock* common task in the *Physical Inventory* work center.

For example, you ship 3 pieces of spare part PRO_1 with no identified stock ID to the customer. You now have pre-delivered stock of 3 pieces of PRO_1 without an identified stock ID. You then specify an identified stock type of batch where previously no type was specified for the product PRO_1. Now you must adjust the pre-delivered stock of 3 pieces of PRO_1 with an identified stock ID (for example IS99). You now have the following in transit stock:

| Product | Identified Stock | Inventory Before Adjustment Posting | Inventory After Adjustment Posting |
|---------|------------------|-------------------------------------|------------------------------------|
|---------|------------------|-------------------------------------|------------------------------------|

| | | | |
|-------|------|----------|----------|
| PRO_1 | None | 3 Pieces | Zero |
| PRO_1 | IS99 | Zero | 3 Pieces |

Physical Inventory

If you have inventory which does not fit to the new identified stock type, you can count as follows

- Inventory reported in the system (expected inventory) can be counted as reported in the system using the old identified stock type. For example, you completely remove the identified stock type and you have inventory for identified stock IS99, you can count the actual quantity for identified stock ID IS99
- Inventory not reported in the system can only be counted using the new identified stock type. For example, you completely remove the identified stock type and you have inventory for identified stock ID IS99, you cannot count the actual quantity for identified stock ID IS99. You can only count the actual quantity for the product.

I If you want to ensure that inventory is counted using the new or changed identified stock type, you must adjust inventory for the relevant product using the new identified stock type before your physical inventory count. Refer to the section on **Existing Inventory Not Used in a Process** above for further details.

Change Before Cancellations in Production and Warehousing

If you cancel a confirmation in production or warehouse processes, you roll the original posting back completely. This means the posting is done with the identified stock related information from the original confirmation, regardless of the identified stock type.

For example, you confirm a pick task for a product with identified stock ID IS99 (batch), from logistics area Bin_1 for 2 pieces. When you cancel this confirmation, the system increases the inventory in Bin_1 by 2 pieces of IS99 (batch) even if the identified stock type has changed to a new identified stock type, or has been removed completely. After the cancellation, you must adjust the inventory by posting a change of stock using the new identified stock type. For more information, see the section on **Existing Inventory Not Used in a Process** above.

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Change Before Adjustment Postings in Production and Warehousing

You can use an adjustment posting to correct an error in an original posting in the *Production Control*, *Inbound Logistics*, *Internal Logistics*, and *Outbound Logistics* work centers. In the original line item in the adjustment screen, you can only enter an adjusted quantity. This means you post the correction with the identified stock related information from the original line item, regardless of the identified stock type.

If you need to change the logistics area or identified stock ID, you need to use the split quantity feature and add a new line. Here the system checks against the actual identified stock type.

For example, you confirm a put-away task (one step inbound) for a product with no identified stock ID for logistics area Bin_1 with 2 pieces. You then specify an identified stock type of batch where previously no type was specified for the product. You now need to adjust the put-away quantity to 3 pieces. You have the following options:

- You can change the original line item by entering one piece in the adjusted quantity. This means you have now put-away 3 pieces without an identified stock ID (two put-away originally, plus one on the adjustment). To adjust the inventory using the new identified stock type, you must post a change of stock. For more information, see the section on **Existing Inventory Not Used in a Process** above.

- You can change the original line item by entering minus 2 pieces in the adjusted quantity. The system now shows that you did not put-away any products. Now you can add a new line item (using the *Split Quantities* feature) for three pieces. For this, you must enter an identified stock ID, for example IS99, using the new identified stock type. Now the system shows you put-away three pieces of the relevant product with identified stock ID IS99.

See Also

Identified Stock Management

3.2.2.3 Pricing in Supplier Relationship Management

Overview

Pricing refers to the calculation of prices and total values, typically costs for products and services. Pricing is centrally implemented in SAP Business ByDesign and connected to all relevant business processes. For ease of use, all settings necessary are predefined in the system.

Pricing is available in all business documents related to the procurement process.

The system provides you with several ways of defining simple or complex prices in catalogs, purchasing contracts, RFQs and quotes, purchase orders, and list prices, depending on your purchasing volume, the relevance of the product or service to your company's success, and the importance of the relationship with suppliers. The system also enables you to define price conditions. These price conditions represent factors that apply when a price is calculated, for example, discounts or surcharges, and so on. These variable factors influence the total value. Various price conditions can be combined.

Pricing determines which requirements for a particular price condition must be fulfilled before the system takes the price component into account. For example, freight is not considered for service items.

Pricing contains the sequence in which the system takes price conditions into account. It calculates the gross and net prices and taxes. Pricing determines which subtotals are considered and to what extent pricing can be processed manually. Pricing also determines which method the system uses to calculate percent discounts and surcharges.

I When documents from a legacy system are migrated to SAP Business ByDesign, the system performs no additional price calculations. This ensures that prices are the same in both systems.

Price Conditions

The system contains the following price conditions.

Discounts

A discount is a reduction in the price of a product charged by a supplier.

The following discounts can be entered manually:

- Manual Discount (Value)
You can decrease the price by an entered value.
- Manual Discount (Percent)
You can decrease the price by an entered percent.
- Manual Discount (Value/Quantity)
You can decrease the price by a quantity-dependent discount.

The following discounts can be automatically applied if you have an agreement with your suppliers:

- Discount (Value)
The price is decreased by a specified value.
- Discount (Percent)
The price is decreased by a specified percent.
- Discount (Value/Quantity)
The price is decreased by a quantity-dependent discount.

Surcharges

A surcharge is an additional fee charged for a specific product or purpose.

The following surcharges can be entered manually:

- Manual Surcharge (Value)
You can increase the price by an entered value.
- Manual Surcharge (Percent)
You can increase the price by an entered percent.
- Manual Surcharge (Value/Quantity)
You can increase the price by a quantity-dependent surcharge.

The following surcharges can be automatically applied if you have an agreement with your suppliers:

- Surcharge (Value)
The price is increased by a specified value.
- Surcharge (Percent.)
The price is increased by a specified percent.
- Surcharge (Val./Qty)
The price is increased by a quantity-dependent surcharge.

Scales

You can define quantity-dependent discounts. The scale you define determines how values are calculated. For example, you define a price scale so that a single boiler costs 500 USD, but if you buy at least 10 boilers, the price decreases to USD 450 each.

Discounts, Surcharges, and Scales in Prices

Depending on which price is used, the following discounts, surcharges, and scales can be defined:

- Catalogs
You can only upload and maintain supplier and custom catalogs in which net prices are available. You cannot create and maintain discounts, surcharges, and scales.
- Purchasing Contract
You can define all available discounts and surcharges, along with price scales.
- Quotes
You can define all available discounts and surcharges, along with price scales.
- Purchase Orders
You can define value and percent discounts and surcharges.
- List Prices
You can define a price for a product delivered or a service rendered by a supplier with or without price scales.

Additional Price Conditions

Rounding Differences

Rounding differences can occur depending on the number of decimal places that are maintained as price master data for the base quantity and the currency.

Round differences also occur for currencies that do not have low denomination coins, for example, Swiss francs or Australian dollars. For these currencies, the system rounds the price to the nearest available value, such as 0 cent or 5 cents.

To compensate for rounding differences, you can either:

- Manually change the amount in the document, for example, in purchase orders.
- Maintain the price master data accordingly. This is the case for contracts and list prices. To compensate, you can change the base quantity in the price master data for the product.



Peter creates a purchase order for an item that costs USD 0.008 each. The system rounds the price to USD 0.1. To compensate for this inaccuracy, Peter changes the amount he orders to 100 pieces, resulting in a price of USD 0.80 per 100 pieces.

Currency Conversion Differences

During the price calculation, currency conversion occurs if the currency of the price master data differs from the document currency, depending on the exchange rates maintained as master data. When currencies are converted, an inaccuracy can occur due to rounding in the price calculation.



Currency reconversion is only necessary for the approval of shopping carts.

An inaccuracy can also occur if the currency is converted back to the currency that is used in the source of supply. To compensate, the system checks if discounts or surcharges exist and applies the discount or surcharge accordingly. If no discount or surcharge exists, the currency is not reconverted.



Peter creates a shopping cart with two items. The first item is priced in USD. The second item, taken from a contract, is priced at CNY 10. The currency of the first item listed in the document is the currency the system uses as the document currency. Since the document currency is USD, the system converts the currency of the second item at an exchange rate of 0.14608, resulting in a price of USD 1.4608. The system rounds the price to USD 1.46.

If the price of the second item is converted back to CNY, the result is CNY 9.99. The system therefore checks if a surcharge exists. If a surcharge exists, the system applies the surcharge to the determined result accordingly. If no surcharge exists, the system does not convert the price, resulting in the original price of CNY 10.

Total Item Net Value

This is calculated by adding all item net values. You cannot change this value.

Freight

This price condition covers the amount charged to transport goods. For example, you are charged either a fixed freight amount or freight is dependent on the net weight of the goods received. The system distributes freight costs to supplier invoice items. The distribution is proportional to the net values of the supplier invoice items.

The following freight charges can be entered manually:

- Manual Freight (Percent)
You can increase the price by an entered percent for freight charges.
- Manual Freight (Value/Quantity)
You can increase the price by quantity-dependent freight charges.

Insurance

This price condition covers the amount charged for insurance or for protection against any possible damage or untoward incident.

The following insurance charges can be applied:

- Insurance (Percent)
You can increase the price by an entered percent for insurance charges.
- Insurance (Value)
You can increase the price by an entered value for insurance charges.

Customs Duty

This price condition covers the amount charged as a part of customs, that is, the tax imposed on export or import of goods.

The following customs duty charges can be applied manually:

- Manual Customs Duty (Percent)
You can increase the price by an entered percent for customs duty.
- Manual Customs Duty (Value)
You can increase the price by an entered value for customs duty.

Handling Charges

This price condition covers the handling charges for goods. You can apply the following handling charges:

- Handling (Value)
You can increase the price by an entered value for handling charges.

Packaging (Value/Quantity)

This price condition covers the packaging charges for goods. You can apply the following packaging charges:

- Packaging (Value/Quantity)
You can increase the price by quantity-dependent packaging charges.

Tax

This price condition covers requirements in regard to taxation. All taxes are calculated according to legal requirements.

For more information, see

- Calculation of Tax Abroad for Services
- [Tax Determination \[page 54\]](#)
- Withholding Tax Determination

Price Calculation Schema

To determine which price is to be used if several prices are available, the system follows a defined sequence. Prices are listed in ascending priority.

- Historical Price
A historical price is the past price used in a purchase order. You use historical prices for occasional purchases.
- Catalog Price
You use catalog prices for items that employees frequently purchase in self-service scenarios without creating master data for the products.
- List Price
You use list prices, for example, when there is no catalog or contract available from a supplier, for products with medium purchasing relevance (no contract) but high purchasing frequency. With list prices, you can automate your purchasing process.
- Contract Price

Purchasing contracts are created for products and product categories that are frequently purchased from suppliers with whom a long-term relationship is anticipated.

- **Manual Price/Manual Supplier Price**

A manual price is the price that you enter in a procurement document. You often use manual prices when you have recently received a price from your supplier that differs from previous prices.

A manual supplier price is entered by the supplier.

Although the system determines the price, you can also override the proposal determined by the system.



Susan creates a purchase order for an available product. The list price is the most suitable price, and the system uses the supplier from the list price as the source of supply. If a contract price or a manual price is available, Susan can override the system and use the supplier from the contract or enter a manual price and the corresponding supplier as the source of supply.

Which Prices Are Available for Which Document Type?

The prices that are available depend on the document type you want to create.

Shopping Cart

- Catalog Price
- List Price
- Manual Price

Purchase Request

- Historical Price
- Catalog Price
- Contract Price
- Manual Price
- Manual Supplier Price

Purchase Order

- Historical Price
 - Catalog Price
 - Contract Price
 - Manual Price
 - Manual Supplier Price
- Manual supplier prices are only used in purchase order confirmations.

Goods and Services Receipt

- List Price
- Contract Price
- Manual Supplier Price

Supplier Invoice

- List Price
List prices are used for supplier invoice verifications that can result in a price exception.
- Contract Price
Contract prices are used for supplier invoice verifications that can result in a price exception.

3.2.2.4 Tax Determination

Overview



Business ByDesign provides a tax event and uses the resulting figures to generate tax reports. This automatically-created report does not replace the customer or user's own tax appraisal. SAP does not assume liability for the accuracy of the automatically-created report or the tax report that is generated.

As a rule, companies are legally required to calculate taxes on products that they buy or sell or services used, and to levy these taxes on their customers. After the products or services have been provided, the taxes must be declared and paid to the relevant tax authorities.

The taxes are calculated for business documents such as orders, invoices, credit memos or down payments.

Since taxation laws differ in each country, your company is faced with the challenge of calculating the correct tax for a particular business transaction. The system supports you by automatically calculating the tax for the following tax types:

- Value-Added Tax (VAT)
This tax is levied in many countries, especially countries in the European Union. Many regional differences exist. For example, in some countries such as Canada and Australia, value-added tax is levied as "Goods and Services Tax".
- Sales and Use Tax
This tax is levied, for example, in the United States, and in a similar form in Canada (Provincial Sales Tax).
- Withholding Tax
This tax is levied in different forms in different countries. The system is able to calculate withholding tax for the United States.

The system also offers a reporting tool that gives you effective control over your mandatory declaration of these taxes.

Prerequisites

- You have created the Master Data for Tax Determination.
- **Defining the Solution Scope for Taxation**
The following activities are necessary to define the solution scope for taxation:
 - The solution scope for taxation is specified in the system in *Business Configuration* under *Built-In Services and Support*. The *Tax Calculation* business topic is located in the *Business Environment* business package.
 - If you are also required to have taxes calculated in your quotes, activate the relevant option in *Scoping*. In the *Questions* step, navigate to the *Sales* business area, and choose *New Business > Quotes with Tax Calculation*.

Elements

The system collects the relevant data from the available business documents to correctly calculate the taxes applicable. As the user, you have to configure your system with the information that is required for your business cases. A lot of standard business cases are pre-configured by SAP, but in some cases you have to enhance your system.

For more detailed information about tax determination and how the system merges and classifies data, see Elements for Tax Determination.

Tax Number Determination

In the following cases the tax number is determined again:

- Tax date has been changed
- Buyer, seller or tax reporting group has been changed
- Tax number is wrong
- Tax country has been changed

Value-Added Tax (VAT) Numbers

For Export Deliveries

To obtain tax exemption for intra-community deliveries, you need to record, among other things, the service recipient's VAT number to be used for the receipt of goods.

If several VAT numbers are assigned to a customer master record, the system selects the VAT number according to the following criteria:

- The VAT number of the country in which the ship-to party is located.
- If the VAT number of the ship-to country is not entered in the master data, the system searches for other numbers entered in the master data and selects a number that is different from the number of the country from which the goods are sent.
- If there is only one VAT number for the country where the transport of goods starts, or if there is no number at all, the prerequisites for an intra-community delivery have not been fulfilled, and the delivery must be taxed at the relevant tax rate.

I If a VAT number is entered in the master data, it will be automatically displayed on the invoice. You can overwrite it on the *Taxes* tab in the document. However, you can only overwrite using those numbers that have been previously entered in the account master record.

For Other Services, Performed Abroad

According to the EU directive 2008/8/EG and country-specific tax legislation, there is a new regulation, particularly for B2B commissions relating to the place in which services are performed.

Generally, the place in which services are provided serves as the 'service recipient' address. If the country where the 'Ship-To' address is located differs from the address of the account, then the 'Ship-To' location is understood to be the location where the service is performed. This directly influences how taxes are determined, in that the "Ship-To" address is used to determine where the services will be taxed. For example, § 3a (2) UStG in Germany can be consulted. If this is not correct for each and every case, then applicable tax data must be manually adapted, mainly the tax country and the tax code.

In order to distinguish between companies and individuals as the service recipient, the system (tax decision tree) checks whether a VAT number has been entered in the account master data. If the VAT number is missing, the business case is regarded as a service that was performed for an individual.

I Therefore, it is important to remember to include the VAT number when entering the account master data.

Reverse Charge Mechanism

Reverse charge mechanism means that, in certain cases, the customer is required by law to be liable for VAT, and to pay it to the relevant tax authority. In this case, the entrepreneur issues an invoice without VAT, but with a notification indicating that the tax debt is being transferred to the customer. The customer must calculate and pay the VAT to the tax authority, and can claim input tax deduction at the same time as usual. The transfer of tax debt to the service recipient is called reverse charge mechanism.

For more information, see [Tax Determination with Reverse Charge Mechanism](#).

Third-Party Order Processing Taxation

In typical sales scenarios, transactions take place directly between a company and an account, both business partners are located in the same country, and the company produces and delivers a good or service directly to the account. In such scenarios, there is no need for special tax regulations. However, in the event that one or more parameters of this business scenario differ from the typical situation and, for example, account address and ship-to addresses are not the same, special regulations apply, depending on how complex the scenarios are.

For more information, see [Third-Party Order Processing and Chain Transaction Taxation](#).

Relevant Date for the VAT Tax Return

The date used for the VAT tax return depends on the business document. For example, in the supplier invoice the *Receipt Date* is used, and in the customer invoice the *Posting Date* is used. But if you want, you can also enter a *Tax Due Date*.

For more information on the tax due date, see [Tax Due Date of Tax Items](#).

Entering or Changing Tax Codes in Journal Entry Vouchers

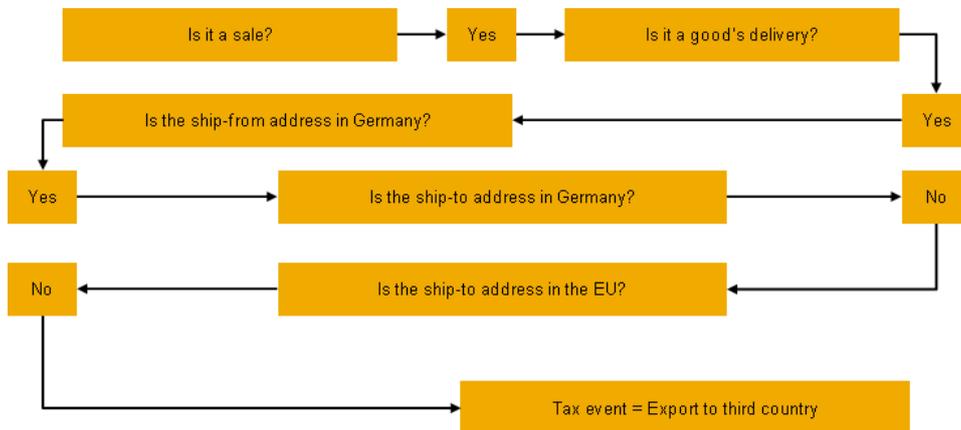
You can enter or change tax codes in journal entry vouchers as follows:

- **Sales Orders**
Go to the [Sales Orders](#) work center and choose [New Sales Order](#) or an existing sales order for editing. Choose [View All](#). Go to the [Items](#) tab page and from there to the [Taxes](#) tab page. Choose an appropriate entry for the order item selected under [Tax Code](#).
- **Invoices or Credit Memos**
Go to the [Customer Invoicing](#) work center and choose [New Manual Invoice](#) or an existing invoice or credit memo for editing. Go to the [Items](#) tab page and from there to the [Taxes](#) tab page. Choose an appropriate entry for the invoice item selected under [Tax Code](#).
- **Purchase Order**
Go to the [Purchase Requests and Orders](#) work center and choose [New Purchase Order](#) or an existing purchase order for editing. Choose [View All](#) [Items](#). In the [Basic Data](#) tab page, select under [Taxes](#) the appropriate tax code for the selected purchase order item.
- **Supplier Invoice**
Go to the [Supplier Invoice](#) work center and choose [New Invoice Without Purchase Order](#) or an existing invoice for editing. In the [Overview](#) tab page, select the appropriate tax code for the selected invoice item.

Tax Decision Tree

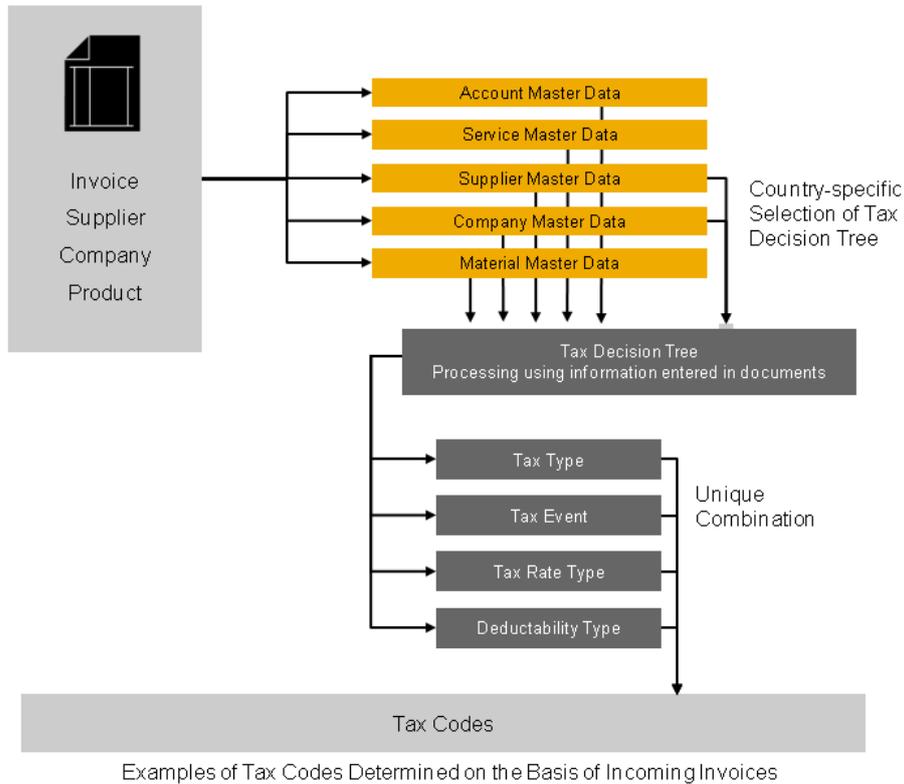
The system uses a tax decision tree to correctly determine a tax event. The tax decision tree consists of a sequence of logically connected questions that the system determines as being true or false by comparing them with data entered in the documents. In this way, the facts are narrowed down until the tax event and the correct taxation method has been determined.

The questions are answered by comparing data entered in the document, and the underlying process can be represented as a process flow. The questions in the following example are used to determine the tax event "Export to Third Country" for a company based in Germany.



A tax decision tree is assigned to each country.

Process Flow



The process flow for tax determination describes a sample of how the tax event is determined for an invoice:

1. The sales representative creates and saves a manual invoice.
2. After the required data is entered, the system transfers tax-relevant data to tax determination, such as:
 - Location of supplier and buyer
 - Tax attributes of the business partner
One of these attributes is the tax exemption reason that depends on certain country-specific laws.
 - Tax attributes of products
Tax rate type and tax exemption reason can be different for each country, region, and tax type. In the United States, for example, services are not normally subject to tax, so the tax exemption reason should be assigned in the product master data. Products are normally taxed at the standard tax rate and no other entries are required.
3. The system uses the tax-relevant data to activate tax determination, and the data is processed automatically in a tax decision tree.
4. The system calculates tax on the basis of the following components:
 - Tax event
 - Tax types
 - Tax rate types such as standard value-added tax rate
 - Tax rate as a percentage
 - Taxable amount
5. The system includes the result of the tax determination and calculation in the sales order. The calculated tax is displayed on the *Pricing* tab and on the *Taxes* tab of the *Items* tab.

All tax details determined by the system are displayed on the *Tax* tab. Examples are:

- Tax country
- Tax code
- Tax jurisdiction code in case the tax country is United States
- Tax region in case the tax country is Canada
- Tax date
- A table with one row for each tax type that lists the following:
 - Tax base
 - Tax rate type
 - Tax rate
 - Tax exemption reason, if necessary
 - Tax amount
 - Deductibility type (only for purchasing documents)
 - Country-specific parameters (if necessary), such as indicators for deferred tax (in France or India), tax jurisdiction code (United States), or region (Canada).

I However, not all tax-relevant transactions can be recognized automatically and correctly by the system.

Therefore, we recommend that you overwrite the data manually in the document, in case the system does not determine the correct tax country or the correct tax code for the transaction. If you have to change the tax country in the document manually, the input help displays only the countries for which a tax authority is created and tax arrangements are maintained for your company. However, you can also enter another tax country in which sales need to be reported for tax purposes. The system then displays the specific tax codes for this country. Remember that you need to create the tax authority for this country. You then need to trigger tax determination again in the document so that the correct tax number of your company is found for the transaction. For countries that have multiple tax rates, you can enter the tax criteria manually.

Note that if tax-relevant data such as the country of the service location or of the goods recipient has been changed in a follow-up document of a business transaction, the *Tax Country* and *Tax Code* is not redetermined. This affects, for example, changes in the address data in a service confirmation that is created for a service order, or in a project invoice that is created for a sales order.

See Also

Party Processing

Tax Determination — US (This document covers topics specific for the United States, such as delivery taxation in Texas and California, Nexus.)

3.2.3 Tasks

3.2.3.1 Assign Purchasing Details to a Service

Overview

You can assign purchasing processes to a service by applying the appropriate status. You can also assign advanced purchasing details such as a specific purchasing unit of measure, internal comments, purchasing notes, supplier service numbers, and tax information.

You can assign purchasing details to a service in the *Product Data* work center under *Services*.

Procedure

1. Choose the *Services* subview in the *Services* view of the *Product Data* work center.
2. Select the service and click **Edit** to open the *Service* quick activity.
3. Go to the **Purchasing** tab.
4. Set the *Status* to *In Preparation*.

I The service is available for purchasing processes only once the status is *Active*. For more information about statuses, see *Assigning Statuses to a Service*.

5. Optional: Maintain deviations from the standard tax rate.
 - a. Click *Maintain Non-Standard Tax Rates*.
 - b. Click **Add Row**.
 - c. Enter the *Country*, *Region*, *Tax Type*, *Tax Type Rate*, and *Tax Exemption Reason* as required.
6. Optional: Enter advanced purchasing details for the service.
 - a. Click **View All** and go to the **Purchasing** tab.
 - b. By default, the base unit of measure is applied as the purchasing unit of measure. If necessary, select a different *Purchasing UoM*.

I If the purchasing UoM is different than the base UoM, you must maintain a quantity conversion between them. For more information, see *Add Quantity Conversions to a Service* [page 63].

- c. Enter any *Internal Comments*.
 - d. Enter the *Purchasing Notes* that should display on purchase orders created for the service.
 - e. If you buy the service from one or more suppliers, enter the *Supplier Service Number* details.
 - f. Enter any relevant non-standard *Taxes*.
 - g. Enter any relevant *Withholding Tax* details.
7. To activate the service for purchasing processes, set the *Status* to *Active*.
 8. Click **Save** to save your changes.

3.2.3.2 Assign Sales Details to a Service

Overview

You can assign basic sales details and a status to each distribution chain that is involved in selling a service. You can also assign advanced sales details to each distribution chain, for example, a specific sales unit of measure, internal comments, sales notes, customer service numbers, and tax information.

You can assign sales details to a service in the *Product Data* work center under *Services*.

Procedure

1. Choose the *Services* subview in the *Services* view of the *Product Data* work center.
2. Select the service and click **Edit** to open the *Service* quick activity.
3. Go to the **Sales** tab.
4. Enter the basic details for each distribution chain:
 - a. In the *Distribution Chains* table, select a distribution chain.
 - b. Select the *Item Group* for the distribution chain. The item group is required for creating and processing service orders. Select one from the following service-related item groups:
 - PBFP for fixed price services (project-based)
 - PBTM for services sold on a time and material basis (project-based)
 - PXAT for expenses invoiced on a time and material basis (project-based)
 - PXXF for fixed price expenses (project-based)
 - SECO for services sold on a time and material basis
 - SEFL for fixed price services without tracking time and cost
 - SERV for fixed price services with tracking time and cost
 - XACT for expenses invoiced on a time and material basis
 - XFIX for fixed price expenses

For more information on these item groups, see *Services*.

5. In the *Status* column, the initial status is *In Preparation*. Update the status as appropriate.

I The service is available for the selected distribution chain only once the status is *Active*. For more information about statuses, see *Assigning Statuses to a Service*.

6. Optional: Maintain deviations from the standard tax rate.
 - a. Click *Maintain Non-Standard Tax Rates*.
 - b. Click **Add Row**.
 - c. Enter the *Country*, *Region*, *Tax Type*, *Tax Type Rate*, and *Tax Exemption Reason* as required.
7. Optional: Enter advanced sales details for the service.
 - a. Click **View All** and go to the **Sales** tab.
 - b. In the *Distribution Chains* table, select a distribution chain.
 - c. By default, the base unit of measure is applied as the sales unit of measure for the distribution chain. If necessary, select a different *Sales UoM*.

I If the sales UoM is different than the base UoM, you must maintain a quantity conversion between them. For more information, see [Add Quantity Conversions to a Service \[page 63\]](#).

- d. Select the *Item Group* for the distribution chain.
 - e. Enter any *Internal Comments*.
 - f. Enter the *Sales Notes* that should display on any sales orders and other sales-relevant documents.
 - g. Enter any *Customer Service Number* details.
 - h. Enter any relevant non-standard *Taxes*.
8. To activate the service for a distribution chain, set the *Status* to *Active*.

➔ To ensure that financial postings run smoothly, you should activate the valuation process for the associated company as well. For more information, see [Assign Valuation Details to a Service \[page 62\]](#).

9. Click **Save** to save your changes.

3.2.3.3 Assign Valuation Details to a Service

Overview

You can assign basic valuation details and a status to each company that provides financial data for a service. You can also assign advanced valuation details such as a specific inventory valuation unit of measure and the cost information for each relevant set of books.

You can assign valuation details to a service in the *Product Data* work center under *Services*.

Procedure

1. Choose the *Services* subview in the *Services* view of the *Product Data* work center.
2. Select the service and click **Edit** to open the *Service* quick activity.
3. Go to the **Valuation** tab.
4. Enter basic details for a company:
 - a. In the *Companies* table, select a company.
 - b. In the *Status* column, select *In Preparation*.

I The service is available for the selected company only once the status is *Active*. For more information about statuses, see [Assigning Statuses to a Service](#).

- c. In the *Cost Rate* field, enter the cost rate for default set of books assigned to the company.

➔ You can edit cost information for each additional set of books assigned to the company. For more information about editing advanced valuation details, see the next step.

- d. Select the *Account Determination Group* for the service.
5. Optional: Enter advanced valuation details for the service and its companies.
- a. Click **View All** and go to the **Valuation** tab.

- b. By default, the base unit of measure is applied as the valuation unit of measure. If necessary, select a different *Valuation UoM*.

I If the valuation UoM is different than the base UoM, you must maintain a quantity conversion between them. For more information, see [Add Quantity Conversions to a Service \[page 63\]](#).
The valuation UoM cannot be changed after the service has been activated for one of the companies.

- c. In the *Companies* table, select a company.
- d. Select the *Account Determination Group* for the service. The account determination group defines the rules that determine which accounts are used for automatic postings. For more information, see Automatic Account Determination.
- e. You can update the cost information for each set of books assigned to the selected company. To do so, select the set of books and click **Edit Cost Rate**. A set of books forms a complete and consistent set of accounting data that is required for statutory reporting and creating financial statements. For more information, see Set of Books.

I When you edit the service later, if a new set of books has been assigned to the company, it automatically displays on the **Valuation** tab. However, you must then save the service to ensure that the new set of books is applied to the service.

6. To activate the service for a company, set the *Status* to *Active*.
7. Click **Save** to save your changes.

3.2.3.4 Add Quantity Conversions to a Service

Overview

By default, the base UoM (unit of measure) is also the unit of measure for the purchasing, sales, and valuation processes. If you select a different UoM for any process, you must specify the equivalent measurements between the base UoM and the different process UoM. For example, if the base UoM is activity and the sales UoM is hour, you might specify the typical duration of the activity.

I To ensure proper calculations, the base UoM should be the smallest unit of measure for the service.
If you change the base UoM after the service has been activated for any processes, you must specify the equivalent measurements between the old base UoM and the new base UoM.

You can add quantity conversions to a service in the *Product Data* work center under *Services*.

Procedure

1. Choose the *Services* subview in the *Services* view of the *Product Data* work center.
2. Select the service and click **Edit** to open the *Service* quick activity.
3. Click **View All**.
4. In the *Quantity Conversions* table, click **Add Row**.
5. Enter the equivalent quantities between two different units of measure.
 - a. In the *Quantity* column of the new row, enter one unit of measure and quantity.

- b. In the *Corresponding Quantity* column of the new row, enter the other unit of measure and quantity.
6. For each additional conversion, add another row and repeat the step above.
7. Click **Save** to save your changes.

3.2.3.5 Export Business Data Using Microsoft Excel®

Overview

You can export reports and worklists to Microsoft Excel® documents. You can use these documents for further analysis, and in some cases, edit and upload them to the solution.

You can export data from a report or from a worklist.

Prerequisites

- You have installed the latest **Add-In for Microsoft Excel®**. Depending on your solution set-up, you can do this from the:
 - *Self Services Overview* in the *Home* work center
 - *Download Center* in the **Application and User Management** work center
 - *Download* link that is available directly on the user interface
- The settings for your browser must be set correctly. You can review the information about computer settings by clicking *Check My Computer Settings* on the logon screen.
- You must be authorized to perform an export to Microsoft Excel®.

Procedure

1. Go to the screen with the data you want to export.
2. Depending on the type of data, choose one of these options:
 - For a report, you can either export a chart or a table. To do so, select the report, and click *Switch to Chart* or *Switch to Table*.
 - For a worklist, select the worklist and click *Go*.
3. Click **Export**, then choose *To Microsoft Excel*.
4. **Optional: Personalizing your excel export**
 1. To select the columns in your exported excel, do the following:
 - a. In the title bar, click *Personalize* ► *This screen* ▾
 - b. In the side panel, select *Display Settings*.
 - c. In the Display Settings dialog box, you can export all the columns in the view by selecting *All* in the *Export Columns* field

i The default value for this field is *Visible*, which exports only the currently displayed columns.
 2. To select the language for your excel export, do the following
 - a. In the Display Settings dialog box, set the *Language Selection* field to *Show* and click **OK**

- b. Click **Save**.
- c. Click **Export**, then choose *To Microsoft Excel*.
- d. Select a language in the dialog box that opens.

i The column selection preference in this dialog box allows you to override the personalized setting. This selection is valid for the current export only.

5. Select the template in the dialog box that is displayed.

i

- If there is only one template that has the logged in language variant, then the export will be performed in the logged in language, and no user interaction is required.
- If there is only one template in the system for this export scenario, but the logged in language variant is not available, then export will be performed in the English language.
- If there is more than one template in the system for this export scenario, the *Template List* dialog box is displayed. In this dialog, you can select the Microsoft Excel template that you want to use for the export. The template will dictate how your exported data will be formatted. The Microsoft Excel version that is relevant for each template is displayed.

6. Click *Download*.
7. A message shows that you can open or save the file which contains the data that you have just exported from the solution. Click *Open* or *Save* depending on what you want to do with the exported data.

Depending on whether you click *Open* or *Save*, there are two possible results:

- If you click *Open*, a worksheet opens with the data in Microsoft Excel. The file has a temporary name, but it is not saved. You can use all the functions of Microsoft Excel to organize the data and to save that worksheet.
- If you click *Save*, a *Save As* dialog box opens. You can specify an appropriate file name and a location to save the exported Microsoft Excel file to. A message will inform you when the download has completed successfully.
You can later navigate to the location where you have saved the template and open it.

3.2.4 Quick Guide for Materials (in Product Portfolio)

It is important to have complete and accurate information on all the materials your company offers. Thus, the *Materials* view provides a central entry point for viewing all the materials in your system, creating new materials, and maintaining materials throughout the product life cycle.

Business Background

Assigning Statuses to a Material

A material can be involved in various business processes. For example, a nail could be a component used in manufacturing another product, or the nail could be sold as the end product itself. For this reason, a material is divided into sections for purchasing, logistics, supply planning, availability confirmation, sales, and valuation. Each section includes details specific to the business process as well as one or more statuses indicating the completeness or readiness of the material for that process. Therefore, when creating a new material, it is important to apply the correct statuses to ensure that the relevant processes are assigned and that data in these areas is kept up-to-date.

For more information, see [Assigning Statuses to a Material](#) [page 42]

Changing Identified Stock Types

You can change the identified stock type of a product regardless of the process in which you use the product. You can specify a new identified stock type where previously there was none, you can remove the type completely, or you can change the type from one type to another. You can change the identified stock type for a product even after the product is activated for logistics.

The system allows you this flexibility in case that you need to change an identified stock type after you begin using a product in your process. However, changing the identified stock type can have consequences and follow-up actions, depending on the status of the process in which you use the effected product. You should be aware of these consequences before you perform the identified stock type change. We recommend that you finish specifying your product with the correct identified stock type before you start any process for a product.

You can change the identified stock type in the *General* tab of the *Material* editor in the *Product Data* work center. You must access the *General* tab by clicking *View All*. You can also check if the product is activated in the *Logistics* tab.

For more information, see [Changing Identified Stock Types \[page 43\]](#).

Pricing in Supplier Relationship Management

Pricing is based on price master data such as price lists and discount lists, which are used to automatically calculate pricing within all business documents for sales and service processes. A predefined pricing procedure is used to determine the gross value the customer has to pay for certain products or services to be received on a certain day at a certain place. The pricing procedure consists of price components, such as list price, discounts, surcharges, freights, taxes, and costs. The order of these price components is essential for the calculation of the total value.

For more information, see [Pricing in Supplier Relationship Management \[page 15\]](#).

Tax Determination

As a rule, companies are legally required to calculate taxes on products that they buy or sell, and to levy these taxes from their customers. After the products have been provided, the taxes must be declared and levied to the respective tax authorities. The system supports you by providing a substantially automated tax calculation for the following tax types: Value-Added Tax (VAT), Sales and Use Tax, Withholding Tax. The system also provides a reporting tool that gives you effective control over your obligatory declaration of these taxes.

For more information, see [Tax Determination \[page 54\]](#).

Tasks

Create a Material

1. Choose the *Materials* subview in the *Materials* view of the *Product Data* work center.
2. Click  and then *Material* to open the *New Material* quick activity.
3. Enter the *Material ID*.

I If internal number ranges have been configured for materials, you cannot enter a material ID manually; when you save the material, the system assigns the next available ID automatically.
For more information, see Configuration: Number Ranges.

4. Enter the *Material Description*.
For information about descriptions in other languages, see **Add Material Descriptions in Other Languages** below.
5. Select the *Product Category* to which you want to assign the new material.

6. In the *Base UoM* field, enter the default unit of measure for the material. It will be used for purchasing, logistics, planning, availability confirmation, sales, and valuation unless different units of measure are selected manually for those processes.

➔ The base UoM should be the smallest unit of measure for the material. Therefore, if you select different units of measure for any processes, make sure that the base UoM is always smaller.

7. Optional: On the **General** tab, enter the *Net Weight*, *Gross Weight*, *Net Volume*, and *Gross Volume* for the base unit of measure. For example, if the base unit of measure is box, define the physical characteristics of one box.

For information about defining additional characteristics, see **Add UoM Characteristics and GTIN to a Material** below.

8. Enter the identified stock type for the material.

- a. Click **View All**.

- b. On the **General** tab, click **General**.

- c. To assign the material to a group of identified stock, select the *Identified Stock Type*.

Depending on the identified stock type you choose, the system determines if:

1. The material is batch managed. If the material is batch managed, then creation of identified stock is mandatory for capturing the stock in the system for this material.
2. Product specification use is enabled for the material. If the product specification use is enabled for the material, then the product specification created can be linked to identified stock.

This information can be determined viewing the *Batch Managed* and *Product Specification Enabled* checkboxes. These checkboxes are read-only and cannot be edited.

The identified stock type determines how the material is to be managed.

| Identified Stock Type | Batch Managed | Product Specification Enabled |
|---------------------------|---------------|-------------------------------|
| Mandatory Specified Stock | Yes | Yes |
| Batch or Lot | Yes | No |
| Optional Specified Stock | No | Yes |

For more information, see [Changing Identified Stock Types \[page 43\]](#).



- If the product is batch managed, and is primarily produced to stock (make-to-stock) and will never be used in the make-to-order scenarios, then in such case, the identified stock type has to be either *Batch* or *Lot* for that material
- If the product is batch managed, and can be produced either to stock (make-to-stock) or specific to customer order using product specifications (make-to-order), then in such case, the identified stock type has to be *Mandatory Specified Stock*
- If the product is not batch managed, and can be produced either to stock (make-to-stock) or specific to customer order using product specifications (make-to-order), then in such case, the identified stock type has to be *Optional Specified Stock*



If you change the identified stock type once the material has already been created and is being used, the associated logistic processes is lost. For example if you create a material and define the identified stock type as *Mandatory Specified Stock*, it will be both batch managed and product specification enabled. However, after the material is in use, if you then change the identified stock type to *Optional Specified Stock*, then the batch management function for the material will be lost.

9. Optional: Enter the advanced general details for the material
 - a. Click **View All** .
 - b. To choose a profile for serial number assignment, select a *Serial Number Profile*.
 - c. To add, delete, or replace a product image for the material, click **Image** and select the appropriate option.
 - d. To specify the validity of the stock, enter the relevant number of days in the *Minimum Required Shelf Life* field on the **Planning** tab. Stock will be unavailable for planning and execution after the completion of the number of days entered.
10. Click **Save** .

I This document contains text that is relevant for India only. To ensure that the system displays the correct text, select *Personalize* **My Settings**. Select **Onscreen Help** and, under Country, choose **India**. Save your settings and logout to ensure these changes are made.

Assign Purchasing Details to a Material

For information about this task, see [here](#) [page 69].

Assign Logistics Details to a Material

For information about this tasks, see [here](#) [page 70].

Assign Supply Planning Details to a Material

For information about this task, see [here](#) [page 71].

Assign Availability Confirmation Details to a Material

For information about this tasks, see [here](#) [page 72].

Assign Sales Details to a Material

For information about this task, see [here](#) [page 74].

Assign Valuation Details to a Material

For information about this task, see [here](#) [page 75].

Add Quantity Conversions to a Material

For information about this task, see [here](#) [page 77].

Add UoM Characteristics and GTIN to a Material

1. Choose the *Materials* subview in the *Materials* view of the *Product Data* work center.
2. Select the material and click **Edit** to open the *Material* quick activity.
3. On the **General** tab, enter the *Net Weight*, *Gross Weight*, *Net Volume*, and *Gross Volume* for the base unit of measure. For example, if the base unit of measure is box, define the characteristics of one box.
4. Optional: Define additional characteristics and a GTIN (Global Trade Item Number) for the base unit of measure and for other units of measure.
 - a. Click **View All** .
 - b. At the top of the **General** tab, click *UoM Characteristics*.

The first row of the table displays the physical characteristics you already entered for the base unit of measure.

- c. Enter the *Length*, *Width*, *Height*, and *GTIN* (Global Trade Item Number) for the base unit of measure.

I A GTIN is an 8, 12, 13, or 14 digit number used to uniquely identify products worldwide. Each GTIN must conform to international standards and must be unique.

- d. To define characteristics and a GTIN for another unit of measure, click *Add Row*.
- e. In the new row, select the *UoM* and enter the relevant characteristics and GTIN.
- f. Click **Save** to save your changes.

Add Material Descriptions in Other Languages

1. Choose the *Materials* subview in the *Materials* view of the *Product Data* work center.
2. Select the material and click **Edit** to open the *Material* quick activity. The *Material Description* field displays the description of the material in your logon language.
3. Click **View All**.
4. At the top of the **General** tab, click **Other Languages**.
5. To add a description of the material in another language, click **Add Row**.

I If you do not maintain a material description for a language, a description will not appear on business documents in that language.

6. In the new row, select a *Language* and enter the *Material Description*.
7. In the *Details* section, enter additional information about the material and click **Save**.

Mass Change of Materials

You can quickly update the general and business area details of multiple materials at once. For information about this task, see [here](#) [page 77].

Export Materials to Microsoft Excel®

You can export materials to Microsoft Excel. For more information about this task, see [here](#) [page 64].

3.2.5 Tasks

3.2.5.1 Assign Purchasing Details to a Material

Overview

You can assign purchasing processes to a material by applying the appropriate status. You can also assign advanced purchasing details such as a specific purchasing unit of measure, internal comments, purchasing notes, supplier information, and tax information.

You can assign purchasing details to a material in one of the following views:

- *Product Data* work center, *Materials* view
- *Product Development* work center, *Materials* view

- *Product and Service Portfolio* work center, *Products* view

Procedure

1. Choose the *Materials* subview in the *Materials* view of the *Product Data* work center.
2. Select the material and click **Edit** to open the *Material* quick activity.
3. Go to the **Purchasing** tab.
4. Set the *Status* to *In Preparation*.

I The material is available for purchasing processes only once the status is *Active*. For more information about statuses, see [Assigning Statuses to a Material \[page 42\]](#).

5. Optional: Maintain deviations from the standard tax rate.
 - a. Click *Maintain Non-Standard Tax Rates*.
 - b. Click **Add Row**.
 - c. Enter the *Country*, *Region*, *Tax Type*, *Tax Type Rate*, and *Tax Exemption Reason* as required.
6. Optional: Enter advanced purchasing details for the material.
 - a. Click **View All** and go to the **Purchasing** tab.
 - b. By default, the base unit of measure is applied as the purchasing unit of measure. If necessary, select a different *Purchasing UoM*.

I If the purchasing UoM is different than the base UoM, you must maintain a quantity conversion between them. For more information, see [Add Quantity Conversions to a Material \[page 77\]](#).

- c. Enter any *Internal Comments*.
 - d. Enter the *Purchasing Notes* that should display on purchase orders created for the material.
 - e. If you buy the material from one or more suppliers, enter the *Supplier Part Number* and/or the *Supplier Lead Time* for each supplier. A supplier part number is the number that the supplier uses to identify the material, and the supplier lead time is the amount of time required to receive the material from the supplier.

I The supplier lead time grants the production planner the ability to easily determine when the material will be available again.
 - f. Enter any relevant non-standard *Taxes*.
 - g. Enter any relevant *Withholding Tax* details.
7. To activate the material for purchasing processes, set the *Status* to *Active*.
 8. Click **Save** to save your changes.

3.2.5.2 Assign Logistics Details to a Material

Overview

You can assign basic logistic details to a material to track and control its internal movement and delivery. You can also assign advanced logistics details such as a specific inventory valuation unit of measure and additional production and storage sites.

You can assign logistics details to a material in one of the following views:

- *Product Data* work center, *Materials* view
- *Product Development* work center, *Materials* view
- *Product and Service Portfolio* work center, *Products* view

Procedure

1. Choose the *Materials* subview in the *Materials* view of the *Product Data* work center.
2. Select the material and click **Edit** to open the *Material* quick activity.
3. Go to the **Logistics** tab and click **Add Row**.
4. Select a *Site* and maintain a status for the material for this site. The initial status is *In Preparation*.

I The material is available for logistics processes at each site only once the status is *Active*. For more information about statuses, see [Assigning Statuses to a Material \[page 42\]](#).

5. Enter a *Production Group* and *Storage Group* for each site.
6. Optional: Enter advanced logistics details for the material.
 - a. Click **View All** and go to the **Logistics** tab.
 - b. By default, the base unit of measure is applied as the inventory valuation unit of measure. If necessary, select a different *Inventory Valuation UoM*.

I If the inventory valuation UoM is different than the base UoM, you must maintain a quantity conversion between them. For more information, see [Add Quantity Conversions to a Material \[page 77\]](#).

The inventory valuation UoM cannot be changed after the material has been activated for logistics or valuation.

- c. Optional: Enter an interval for cycle counting.
7. To activate the material for logistics processes, set the *Status* to *Active*.
 8. Click **Save** to save your changes.

3.2.5.3 Assign Supply Planning Details to a Material

Overview

You can assign basic supply planning details and a status to each planning area that is associated with a material. You can also assign advanced supply planning details such as a specific planning unit of measure and forecasting group as well as lot-sizing details, safety stock levels, reorder methods, and days of supply for each planning area.

You can assign supply planning details to a material in one of the following views:

- *Product Data* work center, *Materials* view
- *Product Development* work center, *Materials* view
- *Product and Service Portfolio* work center, *Products* view

Procedure

1. Choose the *Materials* subview in the *Materials* view of the *Product Data* work center.

2. Select the material and click **Edit** to open the *Material* quick activity.
3. Go to the **Planning** tab.
4. Optional: Select the *Forecasting Group* for the material.
5. Enter the basic details for each planning area.
 - a. In the *Planning Areas* table, click **Add Row** and select a *Planning Area*.
Supply planning areas are defined in the *Locations* view of the *Supply Chain Design Master Data* work center. To define a location as a supply planning area, go to the **General** tab for the location and select the *Logistics Relevance* checkbox in the *Roles* area. For more information, see *Create and Edit a Location*.
 - b. The initial status of the each planning area you add is *In Preparation*. Update the status as necessary.

I The material is available for planning at the selected planning area only once the status is *Active*. For more information about statuses, see [Assigning Statuses to a Material \[page 42\]](#).

Select a *Procurement Type* and, if necessary, a *Planned Delivery Lead Time*.
 - c. Select a *Planning Procedure*.

I For some planning procedures, you must enter a *Lot-Sizing Method*. Likewise, for some lot-sizing methods, you must enter additional mandatory information.
6. Optional: Enter advanced planning details for the material and its planning areas.
 - a. Click **View All** and go to the **Planning** tab.
 - b. By default, the base unit of measure is applied as the planning unit of measure. If necessary, select a different *Planning UoM*.

I If the planning UoM is different than the base UoM, you must maintain a quantity conversion between them. For more information, see [Add Quantity Conversions to a Material \[page 77\]](#).
 - c. Select the *Forecasting Group* for the material.
 - d. In the *Planning Areas* table, select a planning area and edit its *Group*, *Procurement*, *Planning*, and *Monitoring* details as required.
7. To activate the material for planning at a planning area, set the *Status* to *Active*.
8. Click **Save** to save your changes.

3.2.5.4 Assign Availability Confirmation Details to a Material

Overview

You can assign basic availability confirmation details and a status to each planning area that is involved in checking the availability of a material. You can also assign advanced availability confirmation details such as a specific planning unit of measure as well as ship-from site determination and scheduling details.

You can assign availability confirmation details to a material in one of the following views:

- *Product Data* work center, *Materials* view
- *Product Development* work center, *Materials* view
- *Product and Service Portfolio* work center, *Products* view

Procedure

1. Choose the *Materials* subview in the *Materials* view of the *Product Data* work center.
2. Select the material and click **Edit** to open the *Material* quick activity.
3. Go to the **Availability Confirmation** tab.
4. Enter the basic details for each planning area.
 - a. In the *Planning Areas* table, select a planning area.
 - b. In the *Status* column, the status of the planning area is initially set to *In Preparation*. Update the status as appropriate.

I The material is available for availability confirmation at the selected planning area only once the status is *Active*. For more information about statuses, see [Assigning Statuses to a Material \[page 42\]](#).

- c. Optional: Select the *Availability Check Scope* for the planning area.

I For some availability check scopes, you must also enter an *Availability Check Horizon*.

- d. Optional: Enter the *Replenishment Lead Time* for the planning area.
 - e. Optional: Select the *Goods Issue Processing Time* for the planning area.
5. Optional: Enter advanced availability confirmation details for the material and its planning areas.
 - a. Click **View All** and go to the **Valuation** tab.
 - b. By default, the base unit of measure is applied as the planning unit of measure. If necessary, select a different *Planning UoM*.

I If the planning UoM is different than the base UoM, you must maintain a quantity conversion between them. For more information, see [Add Quantity Conversions to a Material \[page 77\]](#).

- c. In the *Planning Areas* table, select a planning area.
- d. Select the *Availability Check Scope* for the planning area.

I For some availability check scopes, you must also enter an *Availability Check Horizon*.

- e. Enter the *Replenishment Lead Time* for the planning area.
 - f. If you do not want the planning area to be used as the default source of supply during sales order creation, select the *Disable Automatic Ship-From Determination* check box.
 - g. Select the *Goods Issue Processing Time* for the planning area.
6. To activate the material for availability confirmation at a planning area, set the *Status* to *Active*.
 7. Click **Save** to save your changes.

3.2.5.5 Assign Sales Details to a Material

Overview

You can assign basic sales details and a status to each distribution chain that is involved in selling a material. You can also assign advanced sales details to each distribution chain, for example, a specific sales unit of measure, warranties, internal comments, sales notes, customer part numbers, and tax information.

You can assign sales details to a material in one of the following views:

- *Product Data* work center, *Materials* view
- *Product Development* work center, *Materials* view
- *Product and Service Portfolio* work center, *Products* view

Procedure

1. Choose the *Materials* subview in the *Materials* view of the *Product Data* work center.
2. Select the material and click **Edit** to open the *Material* quick activity.
3. Go to the **Sales** tab.
4. Enter the basic details for each distribution chain.
 - a. In the *Distribution Chains* table, click **Add Row**.
 - b. Define a distribution chain by entering a sales organization and a distribution channel.
 - c. Select an *Item Group*. The item group is required for creating and processing sales and service documents. The following product-related item groups are available:
 - CONS for spare parts with costs charged to a cost center
 - NORM for standard products
 - PICK for spare parts that are picked up by the service performer
 - SHIP for spare parts that are pre-delivered to the customerFor more information on these item groups, see *Services*.
 - d. In the *Status* column, the initial status is *In Preparation*. Update the status as appropriate.

i The material is available for the selected distribution chain only once the status is *Active*. For more information about statuses, see [Assigning Statuses to a Material \[page 42\]](#).

5. Optional: Maintain deviations from the standard tax rate.
 - a. Click *Maintain Non-Standard Tax Rates*.
 - b. Click **Add Row**.
 - c. Enter the *Country*, *Region*, *Tax Type*, *Tax Type Rate*, and *Tax Exemption Reason* as required.
6. Optional: Enter advanced sales details for the material.
 - a. Click **View All** and go to the **Sales** tab.
 - b. In the *Distribution Chains* table, select a distribution chain.
 - c. By default, the base unit of measure is applied as the sales unit of measure for the distribution chain. If necessary, select a different *Sales UoM*.

I If the sales UoM is different than the base UoM, you must maintain a quantity conversion between them. For more information, see [Add Quantity Conversions to a Material \[page 77\]](#).

- d. Choose the *Item Group* for the distribution chain.
- e. Enter *Warranty* details.
- f. Enter any *Internal Comments*. You can enter multiple internal comments for each combination of material and distribution chain.
- g. Enter any *Sales Notes*. You can enter one sales note for each combination of material and distribution chain.

I Sales notes are visible in the following follow-on documents:

- Sales order
- Pick list
- Delivery note

- h. Enter any *Customer Part Number* details.
 - i. Enter any relevant non-standard *Taxes*.
7. To activate the material for a distribution chain, set the *Status* to *Active*.

I To ensure that financial postings run smoothly, you should activate the valuation process for the associated company as well. For more information, see [Assign Valuation Details to a Material \[page 75\]](#).

8. Click to save your changes.

3.2.5.6 Assign Valuation Details to a Material

Overview

You can assign basic valuation details and a status to each company and business residence that provides financial data for a material. You can also assign advanced valuation details such as a specific inventory valuation unit of measure and cost information for each relevant set of books.

You can assign valuation details to a material in one of the following views:

- *Product Data* work center, *Materials* view
- *Product Development* work center, *Materials* view
- *Product and Service Portfolio* work center, *Products* view

Procedure

1. Choose the *Materials* subview in the *Materials* view of the *Product Data* work center.
2. Select the material and click to open the *Material* quick activity.
3. Go to the tab.
4. In the *Companies/Business Residences* table, click to enter a company and business residence.

- a. In the *Details* fields, you can edit the cost information of the default set of books assigned to the company and business residence.
- b. Select the *Account Determination Group* for the material. The account determination group defines the rules that determine which accounts are used for automatic postings. For more information, see Automatic Account Determination.
- c. Select the *Perpetual Cost Method*. A perpetual cost method is required in order for the material to be posted in financial accounting. For more information, see Perpetual Cost Methods.
- d. In the *Status* column, the initial status is *In Preparation*. Update the status as appropriate.

I The material is available for the selected company/business residence only once the status is *Active*. For more information about statuses, see [Assigning Statuses to a Material \[page 42\]](#).

5. Optional: Enter advanced valuation details for the material and its companies/business residences.

- a. Click **View All** and go to the **Valuation** tab.
- b. By default, the base unit of measure is applied as the inventory valuation unit of measure. If necessary, select a different *Inventory Valuation UoM*.

I If the inventory valuation UoM is different than the base UoM, you must maintain a quantity conversion between them. For more information, see [Add Quantity Conversions to a Material \[page 77\]](#).

The inventory valuation UoM cannot be changed after the material has been activated for one of the companies/business residences or after the material has been activated for logistics.

- c. In the *Companies/Business Residences* table, select a company/business residence.
- d. Select the *Account Determination Group* for the material. The account determination group defines the rules that determine which accounts are used for automatic postings. For more information, see Automatic Account Determination.
- e. Select the *Perpetual Cost Method*. A perpetual cost method is required in order for the material to be posted in financial accounting. For more information, see Perpetual Cost Methods.
- f. You can update the cost information for each set of books assigned to the selected company/business residence. To do so, select the set of books and click **Edit Cost**. A set of books forms a complete and consistent set of accounting data that is required for statutory reporting and creating financial statements. For more information, see Set of Books.

I When you edit the material later, if a new set of books has been assigned to the company/business residence, it automatically displays on the **Valuation** tab. However, you must then save the material to ensure that the new set of books is applied to the material.

➔ Cost changes are not recorded directly in the material. To view the complete history of cost changes, go to the *Material Unit Costs* view of the *Inventory Valuation* work center, select the material, and then click **View Cost History**. Note that this function is not available for the cost type *Planned Cost*.

6. To activate the material for a company/business residence, set the *Status* to *Active*.

7. Click **Save** to save your changes.

3.2.5.7 Add Quantity Conversions to a Material

Overview

By default, the base UoM (unit of measure) is also the unit of measure for the purchasing, logistics, planning, availability confirmation, sales, and valuation processes. If you select a different UoM for any process, you must specify the equivalent measurements between the base UoM and the different process UoM. For example, if the base UoM is box and the sales UoM is crate, you might specify how many boxes there are for every crate.

- To ensure proper calculations, the base UoM should be the smallest unit of measure for the material.
- 1** If you change the base UoM after the material has been activated for any processes, you must specify the equivalent measurements between the old base UoM and the new base UoM.

You can add quantity conversions to a material in one of the following views:

- *Product Data* work center, *Materials* view
- *Product Development* work center, *Materials* view
- *Product and Service Portfolio* work center, *Products* view

Procedure

1. Choose the *Materials* subview in the *Materials* view of the *Product Data* work center.
2. Select the material and click **Edit** to open the *Material* quick activity.
3. Click **View All**.
4. In the *Quantity Conversions* table, click **Add Row**.
5. Enter the equivalent quantities between two different units of measure.
 - a. In the *Quantity* column of the new row, enter one unit of measure and quantity.
 - b. In the *Corresponding Quantity* column of the new row, enter the other unit of measure and quantity.
6. For each additional conversion, add another row and repeat the step above.
7. Click **Save** to save your changes.

3.2.5.8 Mass Change of Materials

Overview

You can quickly update the general and business area details of multiple materials at once.

You can carry out a mass change of materials in one of the following views:

- *Product Data* work center, *Materials* view and *Material Templates* view
- *Product Development* work center, *Materials* view
- *Product and Service Portfolio* work center, *Products* view

- ➔ If you want to update the details of multiple materials that are based on the same material template, you can easily identify and change these materials by going to the *Material Templates* subview, selecting the relevant material template, choosing **Mass Change** and following the procedure described below.

Procedure

1. Choose the *Materials* subview in the *Materials* view of the *Product Data* work center.

I The *Mass Change* quick activity is opened automatically when you use the *Create from Template* function to create materials. For more information, see the section **Create a Material Template and Create a Material from a Template** above.

2. Select the materials that you want to update and click **Mass Change** to open the *Mass Change* quick activity.
3. In the *Show* list, select the type of information that you want to update.

I When you select to show general information, each material is listed on a single row. However, when you select to show business area details, only the materials with those details are listed, and each material may be listed on multiple rows. For example, when showing planning details, a material that is not assigned to any planning areas would not be listed, whereas a material that is assigned to two planning areas would be listed on two rows, one row for each planning area.

4. In the first row of the table, enter the information that you want to apply to some or all of the materials.
5. To apply the information to only some of the materials, select the relevant materials, click **Apply Mass Change**, and then choose *Selected Items*.

To apply the information to all of the materials, click **Apply Mass Change**, and then choose *All Items*.

I Using the *Mass Change* quick activity, you can also update the information of each material manually. You can make these changes directly in the row of a material.

6. You can also use **Add Organization Data** to add one or more organizations to one or more materials.
 - a. Select the material or materials to which you want to add organization data.
 - b. Click **Add Organization Data** and select the type of organization that you want to add to the material.
 - c. In the dialog box, select one or more organizations and choose **OK**. A list is displayed with one line for each combination of material and organization. You can now select the items to which you want to apply the change. To apply the information to only some of the materials, select the relevant materials, click **Apply Mass Change**, and then choose *Selected Items*. To apply the information to all of the materials, click **Apply Mass Change**, and then choose *All Items*.
7. To save your changes and return to the *Materials* view, click **Save and Close**.

3.2.5.9 Export Business Data Using Microsoft Excel®

Overview

You can export reports and worklists to Microsoft Excel® documents. You can use these documents for further analysis, and in some cases, edit and upload them to the solution.

You can export data from a report or from a worklist.

Prerequisites

- You have installed the latest **Add-In for Microsoft Excel®**. Depending on your solution set-up, you can do this from the:
 - [Self Services Overview](#) in the *Home* work center
 - [Download Center](#) in the **Application and User Management** work center
 - [Download](#) link that is available directly on the user interface
- The settings for your browser must be set correctly. You can review the information about computer settings by clicking [Check My Computer Settings](#) on the logon screen.
- You must be authorized to perform an export to Microsoft Excel®.

Procedure

1. Go to the screen with the data you want to export.
2. Depending on the type of data, choose one of these options:
 - For a report, you can either export a chart or a table. To do so, select the report, and click [Switch to Chart](#) or [Switch to Table](#).
 - For a worklist, select the worklist and click [Go](#).
3. Click **Export**, then choose [To Microsoft Excel](#).
4. **Optional: Personalizing your excel export**
 1. To select the columns in your exported excel, do the following:
 - a. In the title bar, click [Personalize](#) ► [This screen](#) ▾
 - b. In the side panel, select [Display Settings](#).
 - c. In the Display Settings dialog box, you can export all the columns in the view by selecting [All](#) in the [Export Columns](#) field

i The default value for this field is [Visible](#), which exports only the currently displayed columns.

2. To select the language for your excel export, do the following
 - a. In the Display Settings dialog box, set the [Language Selection](#) field to [Show](#) and click **OK**
 - b. Click **Save**.
 - c. Click **Export**, then choose [To Microsoft Excel®](#)
 - d. Select a language in the dialog box that opens.

i The column selection preference in this dialog box allows you to override the personalized setting. This selection is valid for the current export only.

5. Select the template in the dialog box that is displayed.



- If there is only one template that has the logged in language variant, then the export will be performed in the logged in language, and no user interaction is required.
- If there is only one template in the system for this export scenario, but the logged in language variant is not available, then export will be performed in the English language.
- If there is more than one template in the system for this export scenario, the [Template List](#) dialog box is displayed. In this dialog, you can select the Microsoft Excel template that you want to use for the export. The template will dictate how your exported data will be formatted. The Microsoft Excel version that is relevant for each template is displayed.

6. Click [Download](#).
7. A message shows that you can open or save the file which contains the data that you have just exported from the solution. Click [Open](#) or [Save](#) depending on what you want to do with the exported data.

Depending on whether you click [Open](#) or [Save](#), there are two possible results:

- If you click [Open](#), a worksheet opens with the data in Microsoft Excel. The file has a temporary name, but it is not saved. You can use all the functions of Microsoft Excel to organize the data and to save that worksheet.
- If you click [Save](#), a [Save As](#) dialog box opens. You can specify an appropriate file name and a location to save the exported Microsoft Excel file to. A message will inform you when the download has completed successfully.
You can later navigate to the location where you have saved the template and open it .

3.3 Catalogs View

3.3.1 Catalogs Quick Guide

When employees are allowed to order products on their own behalf, or on behalf of others, it is important that they purchase products from suppliers authorized by the purchasing department. Even if employees cannot order products in this way, you still need to have up-to-date prices in your system for the non-stock materials and services your suppliers deliver.

The [Catalogs](#) view of the [Product Portfolio](#) work center enables you to import catalogs from your suppliers into your system. You can then publish the catalogs to make them available to employees to purchase items directly from the published catalog without needing to contact the purchasing department. Buyers can also access the catalogs directly from within purchase orders, requests for quotation (RFQs), and goods and services receipts.

In this view you can do the following:

- Create a supplier catalog that contains products from just one supplier, using the imported BMEcat or CSV file sent to you by your supplier
- Create a custom catalog manually that contains products from several suppliers
- Use a spreadsheet template to create a CSV file (comma-separated file) to import items into a supplier catalog or your custom catalog
- Create internal versions of the catalogs that are relevant to the purchasing needs of your company
- Edit the items of an imported catalog before publishing it by removing products or product categories that are not relevant to your company

- Define a default product category and supplier ID for a catalog. These default values are always used for creating a shopping cart if supplier IDs and product categories are not stored in the catalog. The system can then automatically, if so configured, create purchase orders for shopping carts containing items from the catalog.
- Define specific items in a published catalog as recommended items. You can select the products to be marked as recommended items for employees that use self-service shopping. All recommended items from all available catalogs are listed, so by starting the *Define Recommended Items* common task, which belongs to the *Product Portfolio* work center, you can change which recommended items are defined without needing to open each catalog separately.
- View a log of the import and publication runs to make sure that the catalog was imported successfully and that all required products were published successfully

Business Background

Catalogs

You can create your own internal catalogs and access external catalogs provided by suppliers. You control how and when changes are implemented into each internal catalog. Each catalog contains materials or services that are structured in a hierarchy of categories, which makes searching for items more efficient. You can create two kinds of internal catalogs, supplier catalogs, and custom catalogs, in either BMEcat or CSV format.

For more information, see [Catalogs \[page 25\]](#).

Custom Catalogs

You can create a tailor-made internal catalog for your company. You can mix and match items from different suppliers into one catalog rather than have one catalog for each supplier. You can then divide the custom catalog into different categories to fit the business needs of your company.

For more information, see [Custom Catalogs \[page 27\]](#).

Internal Catalog Processing

You can create catalogs, import supplier data, and effectively manage the structure and content of all catalogs. You can also check the quality of the catalog content to ensure that all information is correct and up-to-date. If the content of your catalog is correct, you can then decide that a catalog can be published for use in the purchasing process. The catalog is then available for users to request products.

For more information, see [Internal Catalog Processing \[page 29\]](#).

Product Catalog Management

The Product Catalog Management business scenario allows your company to use catalogs to centrally manage non-stock materials that are required for use such as office materials, engineering sample materials, computer systems, or machines. The scenario is not for products to be held on stock since they can be procured directly for an account assignment. A catalog can be managed by buyers, who create their own internal catalogs and access external catalogs provided by suppliers using the open catalog interface (OCI). It also allows your company to specify the default suppliers and product categories for the catalogs. Published catalogs can be used in other procurement scenarios.

For more information, see [Product Catalog Management](#).

Tasks



Business Area: Strategic
Procurement

Create and Import a Supplier Catalog

This task allows you to create and import a catalog sent from one supplier.

1. In the *Product Portfolio* work center, choose the *Catalogs* view.
2. Click **New** and choose *Supplier Catalog* to open the *New Supplier Catalog* screen.

I Start the *New Supplier Catalog* common task, which belongs to the *Product Portfolio* work center, to open the screen directly.
It is also possible to import a file directly in the *New Supplier Catalog* screen.

3. In the *Catalog ID* field, enter a catalog ID for the supplier catalog. In the *Supplier ID* field, enter a supplier ID for the supplier catalog. You can also enter a name for the catalog.
4. Import the catalog file. You can import a catalog as often as you like. However, beware that each import overwrites the existing content.
 - a. In the *Catalogs* list, select the supplier catalog that you have just created and click **Import** to start the *Import Catalog* activity.
 - b. Click **Browse** to select the catalog file.
 - c. Select the catalog file and click *Open* to select the file.
 - d. Click **Import** to begin importing the catalog file. The catalog is saved automatically by the system.
Click **Close** to return to the *Catalogs* view.

5. Once the import is complete, you can check the imported file in the supplier catalog screen.

If you have previously published a catalog, then the published information may differ from the newly imported data. On the **Published Products** tab, you can see the data for previously published products. On the **Imported Products** tab, you can see the imported data and delete unwanted product categories or products.

On the **Imported Products** tab, under **Products to be Published**, the *Details* section now shows a **Contracts** tab, which displays the contracts that exist for the product. You can edit this section as required.

- a. In the *Product Categories* table, select a product category and any sub-category. All products assigned to this product category will then appear in the *Products* table.
- b. In the *Products* table, select a product. Under *Details* on the **Basic Data** tab, information about this product, such as product ID or lead time in days, is shown. Click **Remove** to delete an individual product from the catalog.
- c. In the *Product Categories* table, select a product category and click **Remove** to delete an individual product category from the catalog.

I If you remove a product category, then all products assigned to it are removed as well.

- d. Click **Close** to return to the *Catalogs* view.

You have created a new catalog and imported supplier data into it. In the *Catalogs* view, you can verify when the last import is complete in the *Import Status* column and

ascertain whether the import was successful. Before employees can use the catalog for self-service shopping or purchasing, you must first publish the catalog.

Create a Custom Catalog

This task allows you to create a custom catalog containing products from one or more suppliers.

1. In the *Product Portfolio* work center, choose the *Catalogs* view.
2. In the *Catalogs* view, click and choose *Custom Catalog*. This opens the *New Custom Catalog* screen.

➔ Start the *New Custom Catalog* common task, which belongs to the *Product Portfolio* work center, to open the screen directly.

3. In the *Catalog ID* field, enter an ID for the custom catalog. You can enter a name for the catalog in the *Catalog Name* field. Click .
4. There are several ways to enter data into the catalog. First, you can import a file into your custom catalog. Second, you can manually enter items. Third, you can do both.

I All new imports overwrite existing content.

To import items from one or more suppliers, you first have to create a file that includes all items from the different suppliers that are to be available after the import. This can be done, for example, by using the catalog file template provided in the system.

- a. In the custom catalog you have just created, click to open the *Import Catalog* activity.
 - b. Click to search for the file that you want to add to your custom catalog and click *Open* to select the file.
 - c. Click to begin importing the catalog file. The catalog is saved automatically by the system.
 - d. Click to return to the *Catalogs* view.
5. After you have imported a file into the catalog, you can update items manually.
 - a. In the *Catalog Items* table, you can add, update, or delete information such as product description, net price, price unit, lead time in days, or supplier ID.
 - b. When you are finished, click to save the content of the catalog or click to save the catalog and make the catalog available in purchasing processes.
 - c. Click to return to the *Catalogs* view.

The new custom catalog added to the list of catalogs in the *Catalogs* view. If you imported one or more files, then you can verify when the last import is complete in the *Import Status* column and ascertain whether the import was successful. If no import was done, then the *Import Status* column is empty for that catalog.

6. For each product updated in the *Catalog Items* table you can enter the contract details in the tab as follows:
 - a. Click .
 - b. Enter the *Contract ID* and *Item ID*.
 - c. Click  to view details of the contract.

Create a Catalog Using a CSV File Template

This task allows you to create a catalog using the CSV file template provided.

1. In the *Product Portfolio* work center, choose the *Catalogs* view.
2. Click **Open Catalog File Template**. This opens the CSV file generator provided. Click *Enable Macros*.

I If you have problems opening the file template, you may need to adjust your browser settings. In the browser, go to **Tools** → **Internet Options**. Select the **Security** tab, select the **Internet** zone, and then **Custom level**. Under Downloads, enable automatic prompting for file downloads. The settings will take effect when you have restarted your browser.

3. In the **Catalog Data** tab, you must first choose the catalog language. In the *Catalog Language* list, choose the language to be used for the catalog. This is the language used for the language-dependent characteristics, such as item or category descriptions. You can add a catalog name in the *Catalog Name* field.
Enter the required data for each item:
 - a. Enter an item description, such as DL 1525.
 - b. Enter a category description, such as Laptops. Each distinct category description creates a separate catalog category.
 - c. Enter the amount. When the file is generated, the price format changes to format 100.00
 - d. From the *Currency* list, choose the currency to be used.
 - e. Enter the number of price units for the given price.
 - f. From the *Price Unit* list, choose the price unit to be used.

I When filling the CSV file note the following:

- The value help for the fields in the CSV file template is only available in English. However, if you maintain a catalog in a different language, the field values will be displayed correctly.
- As creating a catalog based on a CSV file is intended for smaller catalogs, you may experience memory and performance issues in your spreadsheet application when generating large catalog files. You can create catalog files with up to 100000 catalog items.
- Depending on the security settings of your spreadsheet application, you may have to permit the running of macros.

4. You can also enter optional information such as:
 - Supplier ID
 - Supplier part number
 - Manufacturer ID
 - Manufacturer part number
 - Product ID
 - Product category ID
 - Minimum order quantity

- Lead time in days
 - Long description of the item
 - Link to a picture of the item
5. Once you have entered the information in the required fields click [AutoFill Item ID](#). The Catalog Item No. will be generated.
 6. In the [Contracts](#) tab, enter the following information:
 - Catalog Item No. (obtained from the [Catalog Data](#) tab)
 - Contract No.
 - Contract Item No.

The information entered here will be displayed in the [Contracts](#) tab, in the [Details](#) section of the [Products to be Published](#) tab, under the [Imported Products](#) tab of a supplier catalog.

7. When you have finished entering in all the item information, click [Generate](#). A pop-up will appear for you to enter the location in which to save the file. Enter the location and click [OK](#).
As a default location, the system proposes `C:\Users\<user name>`. The content is stored in a comma-separated file (CSV). The file name extension of the generated file is `txt`.
8. Create a new catalog
 - a. To create a new catalog, go to the [Catalogs](#) view, click [New](#) and choose either [Supplier Catalog](#) or [Custom Catalog](#).
 - b. In the catalog screen, enter a catalog ID. In a supplier catalog, you must also enter the supplier ID.
For more information, see the [Create a Custom Catalog](#) and [Create and Import a Supplier Catalog](#) tasks.
9. Click [Import](#) and then click [Browse](#) to search for the CSV file that you want to add to the catalog. Click [Import](#) to import the file into the catalog. The system saves the catalog automatically after the import.

Publish an Internal Catalog

1. Select the [Catalogs](#) view.
2. In the [Show](#) list, choose [Catalogs to Be Published](#) to display the list of all unpublished catalogs.

I You can publish any catalog except catalogs that have the [In Process](#) import status.

3. Choose the catalog that you want to publish and click [Edit](#) to open the [Catalog](#) editor.

I Alternatively, you can select the catalog from the worklist in the [Catalogs](#) view and click [Publish](#) without going into the catalog editor.

4. In the [Catalog](#) editor, click [Publish](#) to publish the updated catalog.
Once you have clicked [Publish](#), and if the catalog is stuck in publishing with the publication status [In Process](#); you can reset the status of catalog by clicking [Rollback Publishing](#). This will release any lock for that catalog, and change the publication status of the catalog to [Failed](#).

Publish a Supplier Catalog

This task allows you to publish a supplier catalog.

1. In the *Product Portfolio* work center, choose the *Catalogs* view.
2. In the *Show* list, choose *Catalogs to Be Published* to display the list of all the unpublished catalogs.

i You can also publish a supplier catalog by selecting the catalog and clicking **Publish**.

3. Choose the catalog you want to publish and click **Edit** to open the *Supplier Catalog* screen.

i You can only publish a catalog with an import status of *Successful*. You can check the import status of a supplier catalog in the *Catalogs* view, under *Import Status*. If the import status is *Failed*, *Not Started* or *In Process*, the supplier catalog has not completed importing a catalog file and cannot yet be published.

4. In the *Supplier Catalog* editor, click **Imported Products** to open the *Imported Products* view.
5. View detailed information on the products in the catalog and check or remove any unwanted product categories or products.
 - a. Under *Product Categories*, select a product and view detailed information in the *Products* table.
 - b. Under *Product Categories*, select a category and click **Remove** to remove a product category from the catalog.
 - c. Under *Products*, select an individual product and click **Remove** to remove an individual product from the catalog.
6. In the *Supplier Catalog* screen, click **Save** to save the updated catalog and then click *Publish* to publish the updated catalog.

The catalog is added to the *Published Catalogs* list in the *Catalogs* view. To open the supplier catalog from the list, click the appropriate catalog ID link.

Once you have clicked **Publish**, and if the catalog is stuck in publishing with the publication status *In Process*; you can reset the status of catalog by clicking **Rollback Publishing**. This will release any lock for that catalog, and change the publication status of the catalog to *Failed*.

Define Recommended Items

This task allows you to define recommended items in published catalogs for employees who use self-service shopping.

1. Start the *Define Recommended Items* common task, which belongs to the *Product Portfolio* work center.
2. On the *Search Catalog* screen, search for the products that you want to recommend. These products may be found in supplier, custom, or external catalogs. You can also browse through the category index to find an item.
3. Click **Select** for all items that you want to recommend.
4. Click **Transfer Selected Items** to list the selected items in the *Define Recommended Items* activity. The system returns you to the *Define Recommended Items* activity where the chosen items are visible in the list.

- In the *Define Recommended Items* activity, click **Submit** to save the recommended items and then click **Close** to return to the *Catalogs* view.
The recommended items are now on the *Recommended Items* list. To find these items, go to the *Home* work center, choose the *Self-Services* view, then choose the *Go Shopping* activity.

3.3.2 Business Background

3.3.2.1 Catalogs

Overview

Online catalogs provide fast access to product information and make a large number of products available to users. As a catalog manager, you can create your own internal catalogs and access external catalogs provided by suppliers using the open catalog interface (OCI) in the *Catalogs* view of the *Product Portfolio* work center.

An internal catalog is a catalog created or stored in your system. You control how and when changes are implemented in each catalog. Each catalog contains materials or services that are structured in a hierarchy of categories, which makes searching for items more efficient.

Catalogs can be used by employees for self-service shopping, for example, to buy a new laptop. You can also use catalogs in your purchasing process. To use catalogs in your automated purchasing process, you can either set catalog defaults for frequently purchased items or have the supplier assign your product categories to products.

In internal catalogs, you can assign a product from the product master for each product in the catalog. That means that you do not need to create a new product for each item in the catalog. This saves a lot of manual entry, since catalogs are generally used for non-stock materials, such as hardware, software, and office materials.

Prerequisites

Configuration Settings

1 Configuration settings are usually performed by an administrator. If you do not have the required authorization, contact your administrator.

Catalogs are selected in your solution configuration in both places.

To find the first business option, go to the *Business Configuration* work center and choose the *Implementation Projects* view. Select your implementation project and click **Edit Project Scope**. In the *Scoping* step of the project, ensure that *Self-Service Procurement* is selected within *Purchasing*.

In the *Questions* step, expand the *Purchasing* scoping element and select *Self-Service Procurement*. Select *Catalog Search* and answer the questions related to supplier catalog use.

To find the second business option, go to the *Business Configuration* work center and choose the *Implementation Projects* view. Select your implementation project and click **Edit Project Scope**. In the *Scoping* step of the project, ensure that *Products* is selected within *General Business Data*.

In the *Questions* step, expand the *General Business Data* scoping element and select *Products*. Select *Catalogs* and answer the questions related to catalogs.

Catalog Types

Internal Catalogs

There are two different kinds of internal catalogs:

- Custom catalogs fully created by you with items from different suppliers
- Supplier catalogs containing content imported from a file sent from one supplier

The system supports the following internal catalog file types:

- BMEcat XML file
BMEcat is a widely-accepted format developed to standardize and simplify the exchange of product catalog data between buyers and suppliers. Most large suppliers can provide you a file in this format.
This file type is mainly used for supplier catalogs.
- CSV file
A comma separated values (CSV) file is a specially formatted text file that stores spreadsheet data in a very simple format. Each line contains one record, and each field within that record is separated by a character, such as a comma, semi-colon, or slash.
Since the CSV-file format is not an industry standard and the creation of CSV file can be difficult, a template is provided in the *Catalogs* view of the *Product Portfolio* work center. You can easily create a file with catalog information in the template by entering mandatory and optional information. When you are done, you can generate the file, which is saved in a user-defined location. You can then create a new catalog into which you can import the CSV file that you just created.
This file type is mainly used for custom catalogs.

External Catalogs

An external catalog is a catalog stored outside of SAP Business ByDesign, generally at a supplier site. The supplier is responsible for creating and updating the catalog, which means that you cannot make any changes to the content. If your company has its own catalog system that it wants to integrate into SAP Business ByDesign, you can set up an external catalog in your company's intranet, which can then be accessed using the Open Catalog Interface (OCI). You can easily connect an external catalog to your system. Depending on the system settings, you can integrate external catalogs with shopping carts, purchase orders, requests for quotation, and goods and services receipts. You can transfer data from external catalogs to a purchase document using the OCI standard, which is the interface between external catalogs and your system.

For more information, see [Configure External Catalogs](#).

Working with Catalogs

Importing Catalogs into the System

When you want to import a supplier catalog into your system, you must first create a new catalog. You can then import a file with catalog content into your catalog. Depending on the size of the file, the import and change in status may take some time.

When you import a file, the data is added to your system. You can then delete any products or product categories not required for your catalog. You can then check the catalog and publish it.

Creating Custom Catalogs

You can create your own customized catalog with items from different suppliers. To do this, you either manually enter all the items and their information in the catalog editor or import a CSV file that contains the complete catalog data into your catalog.

For more information, see [Custom Catalogs \[page 27\]](#).

Defining Catalog Defaults

You can define default values, such as a supplier ID or product category, for the catalog using the [Define Catalog Defaults](#) common task. Depending on your settings, the system can then automatically create purchase orders for shopping carts containing items from the catalog.

In the [Default Values for Supplier Catalogs](#) optional fine-tuning activity, you can define a default product category for catalog items without any previous category assignment. You can also assign a supplier that is always used when a certain product is selected from a catalog.

For more information, see Configuration: Default Values for Supplier Catalogs.

Defining Recommended Items in Catalogs

If you have items that are frequently requested or for which a special rate was negotiated, you can mark these products as recommended items using the [Define Recommended Items](#) common task. Employees using self-service shopping then see these recommended items when searching for products.

For more information, see Shopping Cart Processing.

Connecting External Catalogs to your System

To use external catalogs in your system, you have to define the OCI parameters in the optional [OCI Parameters for External Catalogs](#) fine-tuning activity. This activity enables you to define attributes and parameters for external supplier catalogs so that they can be integrated in the purchasing process. Each defined supplier catalog is then visible in self-service shopping, purchase orders, request for quotations, and goods and services receipts.

If the external catalog supports the cross-catalog search feature of the OCI, then this must be enabled when an external catalog is connected. The cross-catalog search allows you to search multiple catalogs at one time.

For more information, see For more information, see Configure External Catalogs.

Searching for Products

You can search for products in internal and external catalogs. Once you have found the desired item, you can transfer it to a purchase order, shopping cart, request for quotation, and goods and services receipt.

See Also

[Catalogs Quick Guide \[page 80\]](#)

[Supplier Relationship Management \[page 6\]](#)

3.3.2.2 Custom Catalogs

Overview

A custom catalog allows you to create a tailor-made catalog for your company. You can mix and match items from different suppliers into one catalog rather than have one catalog for each supplier. You can then divide the custom catalog into different categories to fit the business needs of your company. You can create, publish, and edit catalogs in the [Product Portfolio](#) work center under [Catalogs](#).

Prerequisites

Configuration Settings

I Configuration settings are usually performed by an administrator. If you do not have the required authorization, contact your administrator.

Catalogs are selected in your solution configuration in both places.

To find the first business option, go to the *Business Configuration* work center and choose the *Implementation Projects* view. Select your implementation project and click [Edit Project Scope](#). In the *Scoping* step of the project, ensure that *Self-Service Procurement* is selected within *Purchasing*.

In the *Questions* step, expand the *Purchasing* scoping element and select *Self-Service Procurement*. Select *Catalog Search* and answer the questions related to supplier catalog use.

To find the second business option, go to the *Business Configuration* work center and choose the *Implementation Projects* view. Select your implementation project and click [Edit Project Scope](#). In the *Scoping* step of the project, ensure that *Products* is selected within *General Business Data*.

In the *Questions* step, expand the *General Business Data* scoping element and select *Products*. Select *Catalogs* and answer the questions related to catalogs.

Benefits

The system provides functions for creating a catalog if a supplier cannot provide a catalog.

Using custom catalogs reduces the complexity of your business processes. You can create a catalog with products from multiple suppliers.

Creating a Custom Catalog

In the *Product Portfolio* work center, *Catalogs* view, you must first create a new catalog in the *New Custom Catalog* activity, where you must assign a catalog ID and catalog name. The system sets the *Import Status* and *Publication Status* to *Not Started*.

You can then manually add catalog items by adding a row for each item to the custom catalog. For each row, you need to enter the required information:

- Product description
- Net price
- Price unit

You can also enter optional information such as lead time in days and supplier ID.

Alternatively, you can import catalog items from a formatted data file with the *Import* option from the *Catalogs* view. Once all the data is successfully transmitted, the data is sent to the product catalog. If the data is completely uploaded to the catalog, the system changes the *Import Status* to *Successful*. However, if the data was not completely uploaded to the catalog, the *Import Status* is automatically changed to *Failed*. In this case, you can select the catalog in the *Catalogs* view and choose *View Import Log* to find out what the error is and execute corrective actions to re-import the data file. If the import log does not give enough detailed information, you can report an incident in the *Help Center*.

The *Publication Status* remains *Not Started*. This means that the system does not make this catalog available in purchase orders, contracts, requests for quotation, shopping carts, or goods and services receipts.

Publishing a Custom Catalog

You can publish a custom catalog in the *Catalogs* view by selecting it from the list and clicking *Publish*. It is also possible to publish a catalog directly in the *Custom Catalog* editor. The publishing process groups changes by category and separates them into packages for easier handling and better system performance. The system sets the *Publication Status* to *In Process*.

At the end of the process, the system automatically sets the *Current Publication Status* to *Successful* and the system records the date of publication. The system also sets the *Last Publication Status*. A custom catalog may have the status *Partially Published*, which may occur when a catalog manager deletes an imported product or product category after a previously successful publication.

When the *Publication Status* is *Successful*, the system makes the catalog available in purchase orders, contracts, requests for quotation, shopping carts, and goods and services receipts.

Editing a Custom Catalog

You can update a custom catalog as items change. In the *Custom Catalog* editor, you can add a new item, update an already existing item, or remove an obsolete item. Under *Details*, you can make further changes, such as attaching a picture for an item (all formats are supported) or updating a product description.

You must publish the catalog again for the changes to be available to employees in the purchasing process.

See Also

[Catalogs Quick Guide \[page 80\]](#)

[Catalogs \[page 25\]](#)

[Internal Catalog Processing \[page 29\]](#)

3.3.2.3 Internal Catalog Processing

Overview

You can use internal catalogs to provide information about a subset of either your company's or a supplier's products. You can tailor the information to specific target groups, such as facility management or maintenance, to provide exactly the information that these groups need. You can also use catalogs to communicate information about products to these groups.

As a person responsible for catalog content, for example, a buyer or a catalog content manager, you can create catalogs, import supplier data, and effectively manage the structure and content of all catalogs. You can also check the quality of the catalog content to ensure that all information is correct and up-to-date. If the content of your catalog is correct, you can then decide that a catalog can be published for use in different purchasing processes for target groups.

Prerequisites

Configuration Settings

I Configuration settings are usually performed by an administrator. If you do not have the required authorization, contact your administrator.

Catalogs are selected in your solution configuration in both places.

To find the first business option, go to the *Business Configuration* work center and choose the *Implementation Projects* view. Select your implementation project and click `Edit Project Scope`. In the *Scoping* step of the project, ensure that *Self-Service Procurement* is selected within *Purchasing*.

In the *Questions* step, expand the *Purchasing* scoping element and select *Self-Service Procurement*. Select *Catalog Search* and answer the questions related to supplier catalog use.

To find the second business option, go to the *Business Configuration* work center and choose the *Implementation Projects* view. Select your implementation project and click `Edit Project Scope`. In the *Scoping* step of the project, ensure that *Products* is selected within *General Business Data*.

In the *Questions* step, expand the *General Business Data* scoping element and select *Products*. Select *Catalogs* and answer the questions related to catalogs.

Default File Size

The default file size that you can upload to the system is 100 MB. The size limit is based on the system parameter *icm/HTTP/max_request_size_KB*. If larger catalogs need to be uploaded, contact the system administrator or report an incident in the *Help Center* to adjust the parameter in the system.

Process Flow

Creating and Updating a Catalog

1. Define a supplier catalog
In the *Product Portfolio* work center, *Catalogs* view, you can also define a new catalog into which you can upload new data using the *New Supplier Catalog* quick activity. Otherwise, you can choose an existing catalog to update using the *Import Catalog* quick activity. You must assign a catalog ID and a supplier ID; you can assign a catalog name anytime before publication. If you give a catalog a name, it makes it easier to identify during a search. The system sets the *Import Status* and *Publication Status* to *Not Started*.
2. Receive supplier data or create your own data file
A supplier provides you with product catalog data. The data must be in BMEcat or CSV format. Optionally, you can create your own catalog data using the template provided by SAP Business ByDesign. Once you have entered all the catalog data, you can generate a CSV file, save it in your system, and upload it into a catalog.
3. Import the catalog
You can start the file upload in the *Catalogs* view using the *Import Catalog* quick activity. The contents of the file are split into packages for easier handling and better performance. The system sets the *Import Status* to *In Process*. Each package is sent to the system, which reads the content and creates the catalog data, such as categories and items. The upload is finished when all packages are successfully transmitted. The system changes the *Import Status* to one of the following:
 - *Successful*
The data was completely uploaded to the catalog.
 - *Failed*
The data was not completely uploaded to the catalog.
In this case, you can view the import log to find out what the error is and execute corrective actions to re-import the data file. If the import log does not give detailed information, then you can report an incident in the *Help Center*.

Based on the uploaded supplier data, a new product catalog is created or an existing catalog is updated, in which the system overwrites the existing content with the new content.

The *Publication Status* remains *Not Started*. The system will not make this catalog available for use in purchase orders, requests for quotation, shopping carts, or goods and services receipts.

➔ Optionally, you can define catalog defaults using the *Define Catalog Defaults* common task in the *Product Portfolio* work center. In this case, the system stores a default product category as well as a default supplier ID to use if neither is available. The system automatically transfers this data (product category and supplier ID) to the relevant purchase order, request for quotation, or shopping cart when a catalog product is selected, or to a goods and services receipt for a limit item.

Publishing a Catalog

1. Publish the catalog

When you start the publication process, the system sets the *Current Publication Status* to *In Process*.

At the end of the publication process, the system sets the *Current Publication Status* to *Successful* and the system records the date of publication. The system also sets the *Last Publication Status*. A custom catalog may have the status *Partially Published*, which may occur when a catalog manager deletes an imported product or product category after a previously successful publication.

If the publication process fails, the last published catalog remains available in the system for the target groups. You can click the [View Publication Log](#) in the [Catalogs](#) overview to find out what the error is and execute corrective actions to re-publish the catalog.

You can generally publish a catalog that you have uploaded successfully. If you cannot publish a catalog, then report an incident in the [Help Center](#).

The system triggers indexing of a catalog, which allows you to use the catalog search.



The catalog search can only be used for each catalog that has been indexed.

2. Search the catalog

Once the publication process is completed, the system then makes the catalog available for use in purchase orders, contracts, requests for quotation, shopping carts, or in a goods and services receipts for a limit item.

See Also

[Catalogs Quick Guide \[page 80\]](#)

[Catalogs \[page 25\]](#)

[Custom Catalogs \[page 27\]](#)

3.4 List Prices View

3.4.1 Quick Guide for List Prices (in Product Portfolio)

As a buyer you want to optimize and manage your sourcing and pricing processes as efficiently as possible. You use list prices as a source of supply for products, for example, when there is no catalog or contract available from a supplier.

Business Background

List Prices in Supplier Relationship Management

Within your product portfolio, list prices display pricing information provided by suppliers. You use list prices, for example, when there is no catalog or contract available from a supplier. This may be the case if you have received pricing information from a supplier at a trade fair or use pricing information that a supplier has placed on the Internet. Also, depending on your purchasing volume, you might not want to negotiate contracts with your suppliers, for example, if you occasionally purchase specific items in small quantities.

The system provides an overview of all your list prices to manage them more efficiently. You can create and update individual list prices and price scales, along with changing multiple list prices at the same time.

List prices serve by default as a net price and serve as a source of supply for products. Since list prices are also time-dependent, they are subject to change and are only valid for a specified period of time.

You can also check how a list price changes over time. Updates of a list price are displayed on the [Price History](#) tab page of the list price. The price history of a list price shows changes in the valid from/to dates and prices over time. For more information, see [List Prices in Supplier Relationship Management \[page 96\]](#).

Overlapping Validity Periods in List Prices in Supplier Relationship Management

List prices are subject to change and are only valid for a specified period of time because they are time-dependent. When you update a list price that has the *Released* status, the system creates a version of the list price using the current date or the date you specified as the new valid from date. Similarly, if you create a new list price for the same product, for which a list price already exists but the validity period conflicts, the system must resolve the overlap of the validity period. List prices that have the status *In Preparation* are not affected by overlapping validity periods.

I If you select the *Change Past List Price* check box, you can only change the price, price scales, and the list price description of the existing list price. You cannot change the valid from/to dates because no updated version of the list price is created. The changes in price are therefore not displayed on the [Price History](#) tab page since you cannot change the *Valid From/To* dates of the list price. You can find the changes on the [Changes](#) tab page. Therefore, if you select the *Change Past List Price* check box, overlapping validity periods do not occur.

For more information, see [Overlapping Validity Periods in List Prices in Supplier Relationship Management \[page 98\]](#).



Tasks

Create a List Price

For more information, see [here \[page 100\]](#).

Create a List Price from Microsoft Excel®

For more information, see [here \[page 101\]](#).

Update an 'In Preparation' List Price

1. In the *Product Portfolio* work center, in the *List Prices* view, select a list price that is in the *In Preparation* status and click [Edit](#).
2. Update the necessary details.
3. Click [Save](#).
4. Click [Release](#).

Update a 'Released' List Price

1. In the *Product Portfolio* work center, in the *List Prices* view, select the released list price and click [Edit](#).

I When you try to update a released list price, the system creates a new list price by default.

2. If you want to update the list price description and/or price scales, check the indicator *Change Past List Price*. This ensures that you are updating the existing list price instead of creating a new one.

- a. Update the *List Price Description* or price *Scales*.
- b. Click **Save**.

The existing released list price is updated and released.

3. If you want to update the validity period of the list price along with the description or price scales, uncheck the *Change Past List Price* indicator.
 - a. Update the *List Price Description*, price *Scales*, or *Valid From/To* fields.
 - b. Click **Save**.

A new list price is created and released. The *Valid To* date in the old list price is automatically set to the date prior to the *Valid From* date in the new list price.

Update Multiple List Prices

For more information, see [here](#) [page 103].

Release a List Price

1. In the *Product Portfolio* work center, in the *List Prices* view, choose **Show** and select *List Prices – In Preparation*.
2. Select the required list price and click **Release** and choose *Release*.

Cancel a List Price

1. In the *Product Portfolio* work center, in the *List Prices* view, select the required list price.
2. Click **Release** and choose *Cancel Release*.

The list price will not be considered in sourcing processes.

Delete a List Price

1. In the *Product Portfolio* work center, in the *List Prices* view, select the required list price.
2. Click **Delete**.

I You can only delete list prices that have not yet been released. If a list price has already been released, you cannot delete it as it would no longer be possible to trace prices in purchase documents in which the list price is used. To prevent the list price from being considered in sourcing processes, you can instead cancel the release.

View Released List Prices That Exist For The Same Product And Supplier Combination

1. In the *Product Portfolio* work center, in the *List Prices* view, click on the required list price.
2. In the list price editor, go to the **Price History** tab.
 - If you have opened a *Released* list price, you can view other released list prices that exist for the same product and supplier combination.
 - If you have opened an *In Preparation* list price, you can view other released list prices for the product.

Export List Prices to Microsoft Excel®

For information about this task, see [Export Business Data Using Microsoft Excel®](#) [page 64].

3.4.2 Business Background

3.4.2.1 List Prices in Supplier Relationship Management

Overview

Within your product portfolio, list prices display pricing information provided by suppliers. You use list prices, for example, when there is no catalog or contract available from a supplier. This may be the case if you have received pricing information from a supplier at a trade fair or use pricing information that a supplier has placed on the Internet.

Also, depending on your purchasing volume, you might not want to negotiate contracts with your suppliers, for example, if you occasionally purchase specific items in small quantities.

The system provides an overview of all your list prices to manage them more efficiently. You can create and update individual list prices and price scales, along with changing multiple list prices at the same time.

List prices serve by default as a net price and serve as a source of supply for products. Since list prices are also time-dependent, they are subject to change and are only valid for a specified period of time.

You can also check how a list price changes over time. Updates of a list price are displayed on the [Price History](#) tab page of the list price. The price history of a list price shows changes in the valid from/to dates and prices over time.

Prerequisites

Configuration Settings

I Configuration settings are usually performed by an administrator. If you do not have the required authorization, contact your administrator.

List prices are enabled in your solution configuration. To find this business option, go to the [Business Configuration](#) work center and choose the [Implementation Projects](#) view. Select your implementation project and click [Edit Project Scope](#). In the [Scoping](#) step of the project, ensure that [Product and Service Pricing](#) is selected within [General Business Data](#).

In the [Questions](#) step, expand the [General Business Data](#) scoping element and select [Product and Service Pricing](#). Select [Purchase List Price](#) and answer the questions related to purchase list price for products.

List Prices in Detail

Using list prices, you can manage pricing and sourcing effectively. The system provides an overview of list prices and the suppliers who offer the products. To optimize procurement processes, you can use list prices in automatic sourcing. List prices can also be set as a fixed source of supply.

You can use list prices in shopping carts, purchase requests, purchase orders, goods and services receipts, and for supplier invoice verification. You can also compare list prices for a particular period from different suppliers or for different validity periods.

Creating List Prices

To create new list prices, you provide general information, such as supplier and product information, along with pricing information and valid from/to dates. You can select product categories that make creating list prices easier

and more efficient because you only need to enter the price, or you can select a supplier and enter all products and prices for that supplier. If you do not enter a description for the list price, the system creates a description, consisting of the IDs of the supplier and product. This makes tracking and searching for list prices for either a specific supplier or product easier.

Once created, the system checks your entries for accuracy. If correct and complete, the list price is automatically released and available for use.

Updating List Prices

When you update a list price that has the *Released* status, the system creates a version of the list price using the current date as the *Valid From* date. Once you have finished updating the list price and release it, you then have two list prices: the updated list price with the current date or date specified by you as the *Valid From* date, and one list price with the date prior to the new *Valid From* as the new *Valid To* date.

You can also update past list prices. If you select the *Change Past List Price* check box, you can only change the price, price scales, and the list price description. You cannot change the valid from/to dates. The changes in price are therefore only displayed on the Changes tab page.

When you update a list price that is in the *In Preparation* status, the system updated the list price and does not create a new version of the list price.

 If in the product master data the product category that is specified in the list price has changed, the system automatically updates the product category in the list price.

Changing Multiple List Prices

Since list prices can change frequently, you can use the *Mass Update* function to make changes to several list prices at the same time. You select list prices and define changes, such as new Valid From/To dates, new description, or change the price by a specified percentage.

Once mass changes are applied, you can also make individual changes to list prices before you review your changes.

Deleting and Canceling List Prices

If there is information missing from the list price, it is not released and can therefore be deleted. However, once released, you cannot delete the list price because otherwise you cannot trace prices in documents in which the list price is used. To avoid having the list price used, you have to cancel the release.

Exporting and Importing Using Microsoft Excel®

You can export list prices to Microsoft Excel® for display only. You can import data from Microsoft Excel® to the system to define list prices.

 Susan creates a purchase order for an available product. If the list price is the most suitable price, the system uses the supplier from the list price as the source of supply. If a manual price or a contract is available, Susan can override the system and use the supplier from the contract or enter a manual price and the corresponding supplier as the source of supply.

See Also

[Create a List Price \[page 100\]](#)

[Update Multiple List Prices \[page 103\]](#)

[Overlapping Validity Periods in List Prices in Supplier Relationship Management \[page 98\]](#)

3.4.2.2 Overlapping Validity Periods in List Prices in Supplier Relationship Management

Overview

List prices are subject to change and are only valid for a specified period of time because they are time-dependent. When you update a list price that has the *Released* status, the system creates a version of the list price using the current date or the date you specified as the new valid from date. Similarly, if you create a new list price for the same product, for which a list price already exists but the validity period conflicts, the system must resolve the overlap of the validity period. List prices that have the status *In Preparation* are not affected by overlapping validity periods.

I If you select the *Change Past List Price* check box, you can only change the price, price scales, and the list price description of the existing list price. You cannot change the valid from/to dates because no updated version of the list price is created. The changes in price are therefore not displayed on the *Price History* tab page since you cannot change the *Valid From/To* dates of the list price. You can find the changes on the *Changes* tab page. Therefore, if you select the *Change Past List Price* check box, overlapping validity periods do not occur.

Resolution of Overlapping Validity Periods

Depending on the extent of the conflict between the validity periods of the existing and new prices, the system resolves the overlap accordingly:

- Case 1: Validity Period of Existing List Price Greater Than That of New List Price
- Case 2: Validity Period of New List Price Falls Within Validity Period of Existing List Price
- Case 3: Validity Period of New List Price Greater Than That of Existing List Price
- Case 4: New List Price Conflicts with Several Existing List Prices
- Case 5: Two New List Prices Conflict with an Existing List Price
- Case 6: Two New List Prices Conflict

The examples below are based on list prices that have the *Released* status .

Examples

Case 1: Validity Period of Existing List Price Greater Than That of New List Price



Resolved Overlapping Validity Periods



The validity period of the new list price conflicts with the *Valid To* date of the existing list price. The system deletes the overlapping validity period of the existing list price.

Case 2: Validity Period of New List Price Falls Within Validity Period of Existing List Price

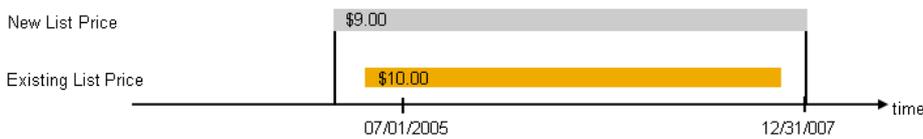


Resolved Overlapping Validity Periods



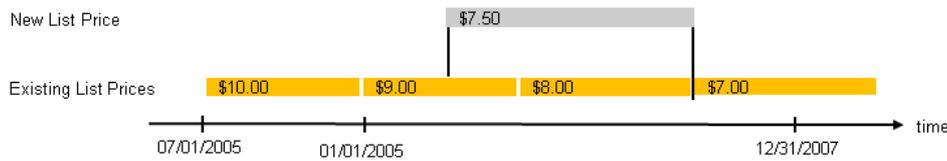
The validity period of the new list price does not conflict with the *Valid To* date of the existing list price. The system deletes the overlapping validity period of the existing list price and creates an additional list price, with a *Valid From* date as the date after the *Valid To* date of the new list price and the original *Valid To* date is the *Valid To* date of the additional list price.

Case 3: Validity Period of New List Price Greater Than That of Existing List Price



If the validity period of a new list price completely conflicts with the validity period of an existing list price, the system sets the status of the existing list price to *Release Canceled*.

Case 4: New List Price Conflicts with Several Existing List Prices



Resolved Overlapping Validity Periods



If the validity period of a new list price conflicts with the validity period of several existing list prices, the system deletes the overlapping validity periods of the existing list prices that conflict with the validity period of the new list price, and if necessary, sets the status of an existing list price that completely conflicts with the new list price to *Release Canceled*.

Case 5: Two New List Prices Conflict with an Existing List Price



Resolved Overlapping Validity Periods



If the validity periods of two new list prices conflict with the validity period of an existing list price but do not conflict with each other, the system deletes the overlapping validity period of the existing list price that conflicts with the validity periods of the new list prices.

Case 6: Two New List Prices Conflict



If the validity periods of two new list prices conflict, resolution of the overlap fails because the system cannot determine which list price to accept. Therefore, the system rejects both of the new list prices and the existing list price(s) are still available.

3.4.3 Tasks

3.4.3.1 Create a List Price

Overview

You can create one or more list prices for the product(s) supplied by a supplier. A released list price is then used as a source of supply in purchase requests, purchase orders, goods and services receipts, and supplier invoice verification.

Procedure

1. In the *Product Portfolio* work center, in the *List Prices* view, click **New** and choose *List Price*.

i You can also start the *New List Price* common task, which belongs to the *Product Portfolio* work center.

2. In the *Default Settings* screen:
 - a. Enter the *Company ID* to maintain the company specific list prices. If the company is not maintained, then the list price can be used by all companies.
 - b. Select a *Supplier, Currency, Price Valid From/To* dates.
 - c. Enter a *List Price Description*.

I If you do not enter a description for the list price, the system creates a description consisting of the IDs of the supplier and product.

- d. Select a *Product Category*.
All the products that belong to the selected product category are displayed by default in the *Enter Price* screen.
- e. Click .

These values will be used as default values in all the list prices that will be created for the selected products. If you do not enter any values here, you can specify these details in the *Enter Price* screen.

3. In the *Enter Price* screen:
 - a. Enter price details, such as price and price scales.
If you had not entered any details in the *Default Settings* screen, you can enter those details now.
 - b. The system automatically checks the *Release* indicator for those list prices that are consistent. If you do not want to automatically release a list price, you can uncheck the *Release* indicator in the required row.
A list price is consistent once you enter the correct supplier, product, price, and unit of currency.
 - c. Click .
4. In the *Review* screen, check the information you have entered. To change any details, click and make the necessary changes.
5. To confirm the new list price, choose .

Result

The released list prices are now available for immediate use and cannot be deleted. If there are any list prices that were not released automatically, you can update the required details in those list prices and release them manually. If you do not want a list price to be used as a source of supply, you must cancel the release of the required list price.

See Also

[Overlapping Validity Periods in List Prices in Supplier Relationship Management \[page 98\]](#)

3.4.3.2 Create List Prices Using Microsoft Excel®

Overview

You can create list prices by entering them in a predefined Microsoft Excel template and uploading them to the SAP Business ByDesign system.

Prerequisites

You have installed the latest **Add-In for Microsoft Excel**. Depending on your solution set-up, you can do this from the [Self Services Overview](#) in the *Home* work center, from the [Download Center](#) in the *Application and User Management* work center, or from the [Download](#) link that is available directly on the user interface.

Also, the settings for your browser must be set correctly. You can check this by clicking [Check My Computer Settings](#) on the logon screen.

Steps

In the SAP Business ByDesign system, in the *Product Portfolio* work center, in the *List Prices* view, click **New**, then [List Prices from Microsoft Excel](#).

Get the Template

1. Select the template.
Choose the template in the required language and click [Download](#).

I You can choose any language that you have selected during scoping. If you have selected only one language during scoping, you will not get a selection of language versions to choose from.

2. Decide what you want to do with the template. Choose one of the following options:
 - If you want to use the template only once, you can open the template without saving it. Click [Open](#).
 - If you want to save the template so that you can use it again, choose a location to save the file to, enter an appropriate file name, and click [Save](#). Then click [Open](#).

I If you have previously downloaded and saved this template on your computer, navigate to the location where you have saved the template, and open it.

Log on to the solution from Microsoft Excel

1. In the *SAP Add-In* ribbon in Microsoft Excel, click [Logon](#).

I If the *SAP Add-In* ribbon is not displayed, check to make sure that the **Add-In for Microsoft Excel** has been installed correctly (see **Prerequisites** in this document).

A dialog box opens where you can enter the logon details. The system URL is proposed automatically. The system URL is the URL of the system that you are working with.

2. Enter your user ID and your password, and click [Logon](#).

I After initial logon to the system, the ribbon text is changed from *SAP Add-In* to the name of your solution.

Enter Details in the Microsoft Excel Template

1 Note the following:

- The Microsoft Excel template is presented with a number of rows where you can enter or copy your data. If you need more, add the number of rows you need before you start entering or copying your data.
- Ensure that mandatory fields (those marked with an asterisk) are filled.
- To help you fill in the details:
 - Some fields have dropdown lists.
 - In some fields you can search the system for data, for example, countries. Place the cursor on the field, and click *Lookup* in your solution's tool bar or ribbon to search the system. A search field is available in the *Lookup* dialog box that appears. When you start to type text in the search field, the relevant entries are filtered in the *ID* and *Description* columns, meaning that you do not have to scroll through the whole list. If the *Lookup* button is not active in the ribbon or toolbar, then it is not possible to perform a search.

Enter the list price details in the rows, and in the appropriate columns.

Save Your Data

1. After you have finished entering all the data, save the Microsoft Excel file.
2. Click **Save Data to**.
A dialog box opens, informing you that the data is being saved to the solution.
After the upload, a message informs you that your data has been saved in the solution.



If you do not provide all the required information, or if you provide incorrect information, some records will not be saved. Error messages will highlight the problems so that you can correct them and save the data again.

3. You can then log off by clicking **Logoff**.

Result

The new list prices are saved in the SAP Business ByDesign system and added to the list in the *List Prices* view. If you need to make changes to these list prices, you must change them directly in the system.

3.4.3.3 Update Multiple List Prices

Overview

List prices change frequently and if there are similar changes required in many list prices, you can use the *Mass Update* function to change several list prices at the same time. You can update both list prices that are currently active, as well as list prices that are in preparation.

Procedure

1. In the *Product Portfolio* work center, in the *List Prices* view, select the list prices you want to change and choose **Mass Update**.
The system opens the *Update List Prices* screen.
2. On the *Define Changes* screen, the selected list prices are displayed in the *Selected List Prices* table.

3. Select the indicator for each of the fields you want to change and enter the changed values.
You can change the *Valid From* and *Valid To* dates, *Description*, and *Change Price by* a specified percentage.
Choose .
4. On the *Update List Prices* screen, you can view the changes you made to the selected list prices and make further changes manually.

i If you have selected more than one list price, you can decide not to update a list price now. Select the required list price and choose .

Click .

5. On the *Review* screen, check the changes you made to the selected list prices.
You can either apply the changes you made to the selected list prices or cancel the changes.
 - To apply the changes you made to the selected list prices, choose .
 - To cancel the changes you made to the selected list prices, choose .

Result

The changes to the selected list prices have now been applied. If you had selected a list price with the status:

- *Released*, then this list price will be automatically released.
- *In Preparation*, then this list price will stay in the *In Preparation* status. You can manually check if the list price is consistent and release the list price.

See Also

[Overlapping Validity Periods in List Prices in Supplier Relationship Management \[page 98\]](#)

3.5 Reports View

3.5.1 Price History per Product and Supplier

Overview

This report shows the price history per product and delivering supplier over the last 12 months on the basis of a calculated average price based on invoice values. You can also check the invoiced quantities to see the importance of the purchased product for the company.

Features

Running the Report

Before running the report, you can specify the data you want to see by making value selections for variables. You must make a value selection for all mandatory variables. In the system, mandatory variables are indicated by an asterisk (*).

Analyzing the Report

This report shows the procured quantities and the average prices by supplier for products in base unit of measure on a monthly basis for a specified time period.

The following data is filtered for this report:

- *Invoice Year/ Month* is restricted to the last 12 months.
- *Posting Status* is restricted to *Posted*.

To further analyze data in this report, you can drag characteristics to rows and columns.

From this report, you can navigate to [Price Reliability \[page 147\]](#).

See Also

Reports View

[Overview of Reports in Supplier Relationship Management \[page 22\]](#)

Overview of Data Sources in Supplier Relationship Management

4 Sourcing and Contracting

4.1 Business Background

4.1.1 Request for Quotation Processing

Overview

Companies can use request for quotation (RFQ) processes to identify and manage new sources of supply for their product requirements and to optimize their supplier base.

This includes sourcing processes for both strategic and operational procurement. Using the *RFQs and Quotes* view, buyers can find sources of supply for materials and services requested in purchase requests to create a purchase order (*RFQ for Purchase Order*). They can also negotiate or renegotiate contracts with several suppliers (*RFQ for Contract*) or renew already existing contracts with the current supplier (*Purchasing Contract Renewal*).

Prerequisites

Configuration Settings

1 Configuration settings are usually performed by an administrator. If you do not have the required authorization, contact your administrator.

Sourcing and Contracting is configured in your system. Depending on your configuration, the RFQ is also directly integrated with project management.

Integration

RFQ processing may be integrated with the following:

- Incoming processes related to documents that lead to the creation of requests for quotation:
 - Purchase request processing, in which you or the system can transfer completed purchase requests into purchase orders based on defined criteria such as source of supply.
 - Purchasing contract processing, which allows you to create and maintain purchasing contracts.
- Outgoing processes that lead to the update or completion of preceding documents:
 - Purchase order processing, which allows you to create, process, and track all purchase orders and related documents, such as purchase order acknowledgments.
 - Purchasing contract processing, which allows you to create and maintain purchasing contracts.

For more information, see:

- Purchase Request Processing
- [Purchasing Contract Processing \[page 112\]](#)
- Purchase Order Processing

Process Flow

RFQ for Purchase Order

1. If a source of supply is required for items requested in a purchase request, the buyer triggers the creation of a sourcing request in the *Purchase Requests* view ([Quick Sourcing Request](#)).
2. The sourcing request is listed in the *Sourcing Requests* view as a sourcing request from operational sourcing. It contains all items requested in the purchase request.
3. The buyer creates an RFQ with RFQ type *RFQ for Purchase Order* from the sourcing request and completes the RFQ data.

I It is also possible to bundle multiple sourcing requests from operational purchasing into one RFQ.

4. The buyer adds the bidders to whom the RFQ is to be sent when it is published.
5. Items from the purchase request are automatically listed in the RFQ. If required, the buyer can add further items to the RFQ.
6. The buyer publishes the RFQ, which means, the RFQ is sent to the bidders listed in the RFQ.

I RFQs can be sent to the bidders as an interactive form (SAP Interactive Form by Adobe) or, for example, by fax or e-mail. The system checks the output settings defined for each supplier in the supplier master data and automatically uses the method set there to send the RFQ. The buyer can override these defined output settings when editing the RFQ. For more information, see Process-Integrated Output Settings.

RFQ for Contract

1. If an existing contract is to be renegotiated, the buyer triggers the creation of a sourcing request in the *Contracts* view ([Negotiate Using New Sourcing Request](#)).
2. The sourcing request is then listed in the *Sourcing Requests* view as a sourcing request from contract.
3. The buyer creates an RFQ with RFQ type *RFQ for Contract* from the sourcing request and completes the RFQ data.

I It is also possible to bundle multiple sourcing requests from contracts into one RFQ.

4. The buyer adds the bidders to whom the RFQ is to be sent when it is published.
5. Items from the contract are automatically listed in the RFQ. If required, the buyer can add further items to the RFQ.
6. The buyer publishes the RFQ, which means, the RFQ is sent to the bidders listed in the RFQ.

Purchasing Contract Renewal

1. If a contract is to be renewed with the current supplier, the user can trigger the contract renewal in the *Contracts* view ([Negotiate Directly with Current Supplier](#)).
2. The system creates an RFQ with RFQ type *Purchasing Contract Renewal*.

I If a contract is renewed with the current supplier, the buyer cannot change the data of the RFQ that is created automatically. This means, the items (which have been transferred from the contract) cannot be changed, no bidders can be added, and the general RFQ data is also preset.

3. The system publishes the RFQ, which means, the RFQ is sent to the current supplier.

RFQ Without Preceding Document

1. If a new contract is to be negotiated, or if a source of supply is to be found for a purchase order but there is no purchase request that serves as a basis, the buyer creates an RFQ manually (*New RFQ*) in the *Requests for Quotation* subview of the *RFQs and Quotes* view.
2. The buyer completes the RFQ data, including the RFQ type (*RFQ for Contract* or *RFQ for Purchase Order*).
3. The buyer adds the bidders.
4. The buyer adds the items.
5. The buyer publishes the RFQ, which means, the RFQ is sent to the bidders listed in the RFQ.

The created and published RFQ is then listed in the *Requests for Quotation* subview of the *RFQs and Quotes* view. The bidders can then reply to the RFQ and offer their materials and services as requested in the RFQ.

For more information, see:

- [Create an RFQ for Multiple Sourcing Requests](#) [page 116]
- [Create a Request for Quotation](#) [page 122]
- [Supplier Quote Processing](#) [page 108]

See Also

[Sourcing](#) [page 110]

[Strategic Purchasing](#) [page 20]

4.1.2 Supplier Quote Processing

Overview

After they have published a request for quotation (RFQ), buyers need to process the quotes they receive from the bidders as efficiently as possible, making sure that they always choose the best quotes as winning quotes.

Using the *RFQs and Quotes* view, buyers can manage the complete quote processing process, from receiving quotes to comparing them in a well-arranged overview and determining the winning quotes.

Prerequisites

It is only possible to process quotes with reference to an RFQ. You cannot enter a quote in the system that a supplier has submitted on his or her own initiative, without previously having received an RFQ where you have invited the supplier to submit a quote.

For more information, see [Request for Quotation Processing](#) [page 106].

Configuration Settings

I Configuration settings are usually performed by an administrator. If you do not have the required authorization, contact your administrator.

Sourcing and Contracting is configured in your system.

Process Flow

1. Quote Submission

A supplier replies to an RFQ and offers to deliver the goods and services requested in the RFQ on certain conditions. The supplier has the following possibilities to submit the quote:

- a. If the RFQ was sent as an interactive form (SAP Interactive Forms by Adobe) attached to an e-mail, the supplier can submit the quote by filling in the quote details and sending back the interactive form as an e-mail attachment.
- b. The supplier can also submit the quote by contacting the buyer on the phone or by sending a fax, for example, and offering the goods or services requested.

2. Quote Maintenance

Depending on how the supplier has submitted the quote, the buyer needs to make sure that the quote is maintained correctly in the system:

- a. If the supplier has submitted the quote in an interactive form, the system generates the quote automatically.
- b. If the supplier has offered the goods or services on the phone, for example, the buyer enters the quote details in the system on behalf of the supplier. For more information, see [Create a Quote on Behalf \[page 123\]](#).

3. Quote Comparison

Once a sufficient number of quotes have been submitted, the buyer needs to analyze the details of the quotes to decide whether to accept or reject them. This is usually done after the submission deadline has been reached. The buyer can display all the quotes received for the RFQ side by side in a [Compare Quotes](#) table. The table includes all the details required to determine the quotes that fit the requirements best, for example, lead times, payment terms, and of course the price offered by the supplier.

I Alternatively to the [Compare Quotes](#) table, the buyer can also download the quote details into an MS Excel sheet and compare the quotes there.

4. Awarding

Based on the results of the quote comparison, the buyer can accept or decline quotes and determine one or more winning quotes that way – or none, if none of the quotes meets the requirements. Depending on whether the RFQ was created to negotiate a contract or to find a source of supply for a purchase order, the creation of a contract or purchase order is automatically triggered based on the winning quote.

I If the buyer accepts a quote, the system accepts all items in the quote. However, it is also possible to manually reject individual items and accept the rest.

For more details, see [Award or Decline a Quote \[page 127\]](#).

5. Notification

Once the buyer has determined the winning quotes, all suppliers whose quotes were accepted or declined are automatically notified about the outcome of the RFQ. This means, they receive a notification telling them whether their quotes have been accepted or declined.

See Also

[Sourcing \[page 110\]](#)

[Strategic Purchasing \[page 20\]](#)

Output Management

4.1.3 Sourcing

Overview

Sourcing allows you and your company to plan and determine your long-term purchasing activities, and uses request for quotation (RFQ) and contract management processes to achieve long-term cost savings and improved service levels among chosen suppliers.

Sourcing uses RFQ processes to enable you to identify and select suitable new suppliers and to identify and manage relationships with existing suppliers with the best prices, in order to meet the routine purchasing requirements of your company.

It involves the definition of the requirements of your purchasing department for a product, through to the identification and selection of the most suitable suppliers, and finally to the creation of a purchase order or the negotiation and creation of a new purchasing contract (or renegotiation and update of an existing purchasing contract). The purchase order or contract is then sent to the chosen supplier complete with agreed quality commitments attached.

Sourcing uses project assignment processes to enable you to analyze purchase documents that were created in the business context of a project or project task. Sourcing also allows you to effectively collaborate with your suppliers and to use extensive analytics to track and monitor their performance and identify top performers.

Sourcing in Detail

The main processes of Sourcing include:

Search and Identify New Sources of Supply

You can use RFQs, to identify and manage new sources of supply and make efficient and informed decisions about the best source of supply for your product requirements.

For more information, see [Request for Quotation Processing \[page 106\]](#).

Negotiate and Monitor Your Purchasing Contracts

You can access all the information about a contract, and manage every stage of the contract life cycle.

You can also use extensive analytics to analyze, track, and monitor your use of contracts, for example, your expiring contracts or purchase orders per contract.

For more information, see [Purchasing Contract Processing \[page 112\]](#).

Prioritize and Distribute Purchases Across Multiple Sources of Supply

You can prioritize suppliers and their sources of supply using quota arrangements or a fixed source of supply per product.

You can set a fixed source of supply, such as a contract or a list price for a product to make sure that the product is always procured from the supplier who meets your requirements best.

You can also define quota arrangements to distribute your purchases across several sources of supply rather than relying on just one supplier.

For more information, see [Source Determination \[page 137\]](#).

See Also

[Strategic Purchasing \[page 20\]](#)

4.1.4 Sourcing Rank in Assign Source of Supply

Overview

A source of supply can be assigned to a product in a number of ways:

- You can assign it in each purchase request or in a purchase order (PO) when you create a PO manually.
- You can assign the same source of supply to multiple purchase requests within the worklist for purchase requests.

The system always checks if there are any valid sources of supply available, such as a contract, and provides you with an automatically generated list, in order of suitability, called a sourcing rank.

The sourcing rank is a list showing sources of supply with contracts or list prices that match the desired product or product category. The ranked list is always displayed with the most suitable source of supply at the top, running to the least suitable at the bottom.

The list is ranked using the "Olympic" method. This means that, for example, if there are two suppliers who are equally suitable, they are both numbered first, then the next suitable will be numbered third, and so on.

The system compares all the sources of supply in the list using a preset and inflexible tree of criteria. The system compares all the available sources of supply using the first criterion. If this does not result in a single most suitable source, then the next criterion is used to discern which supplier is most suitable, and so on, until all available sources of supply have been ranked.

Ranking Criteria

The criteria used to compare and rank the available sources of supply are as follows:

1. Fixed Source of Supply
In the *Sourcing and Contracting* work center, you can assign a contract or a list price to a product as the fixed source of supply. When this product is ordered, the assigned fixed source of supply has the highest rank.
2. Type of Source
 - a. Contracts
If suppliers are currently under contract with the buyer, they are given a higher position within the sourcing rank.
The rank of contracts is determined by the following rules in descending order:
 1. Quota Arrangement
If a contract currently exists, the system checks and compares any current quota arrangements. If a quota arrangement exists for two or more contracts for a certain product, it can be used as the basis for the supplier's suitability for fulfilling the order.
 2. Price
This criterion compares the different suppliers' prices for the required product.
 3. Fulfillment

This criterion only applies to contracts and is relevant if there are contracts with the same price. The contract with the lowest released quantity is selected first.

4. Lateness

If none of the other criteria above result in a suitable source of supply being found, then the available contracts are compared based on how soon after the delivery date specified by the buyer the suppliers are able to deliver the required products.

b. List Prices

These are the prices of the requested products issued by the supplier. List prices are only ranked in ascending order.

1 A contract always has a higher priority than a list price, unless the list price was set as a fixed source of supply.

If no contract or list price is available, the system automatically searches for existing purchase orders, which can be used as examples of previous business with a supplier, and therefore as an indicator of its suitability for supplying the product. When using purchase orders as the basis for assigning a source of supply, the only criterion used when ranking them is the price.

See Also

[Sourcing \[page 110\]](#)

[Source Determination \[page 137\]](#)

[List Prices \[page 96\]](#)

[Purchasing Contract Processing \[page 112\]](#)

[Purchase Order Processing](#)

4.1.5 Purchasing Contract Processing

Overview

Purchasing contract processing allows you to create, modify, and approve purchasing contracts. A buyer can create a purchasing contract from a supplier quote during the contract negotiation process, or manually, without a preceding document.

Purchasing contracts are created for products that are frequently purchased from suppliers with whom a long-term relationship is anticipated. A contract may be defined for a best price or discount on the purchased products. It allows companies to reduce their operational costs and gain a greater control over spending and supplier performance by managing their contract renewals.

A released purchasing contract can be used as a source of supply for the procurement of products through a purchase order, or a supplier invoice, or in case of a purchase order with limit items, a contract is used in a goods and service receipt. The releases made against the contract by these documents are updated in the contract release history. For example, if a supplier invoice is created with reference to the contract, when the invoice is posted, the system updates the relevant contract release history with the supplier invoice details.

Prerequisites

Configuration Settings

- Configuration settings are usually performed by an administrator. If you do not have the required authorization, contact your administrator.

Purchasing contracts is selected in your solution configuration. To find this business option, go to the *Business Configuration* work center and choose the *Implementation Projects* view. Select your implementation project and click [\[Edit Project Scope\]](#). In the *Scoping* step of the project, ensure that *Sourcing and Contracting* is selected within *Sourcing*.

In the *Questions* step, expand the *Sourcing* scoping element and select *Sourcing and Contracting*. Select *Purchasing Contracts* and answer the questions related to purchasing contracts.

Integration

Purchasing contracts are integrated with the following:

- Purchase Request Processing
- Purchase Order Processing
- Goods and Services Receipt and Goods Return Processing
- Supplier Invoice Processing with Reference
- Project Management

Process Flow

1. Create a Purchasing Contract

For more information, see [Create and Edit a Contract \[page 132\]](#).

2. Release Contract

When you release the contract, it is now available as a source of supply. The status of the contract is set to *Released* by the system. The release details are updated in the release history of the contract. Once a contract is released, the system automatically sets the status of all the items that have a price to *Active for Sourcing*. You can manually deactivate individual contract items to make them inactive for sourcing. If an item is not activated for sourcing automatically, enter a price for that item and manually activate it for sourcing.

If the contract matches purchasing requirements, a purchase order is automatically created with a reference to the contract. In the case of a purchase order for a limit item, you can create a purchase order, a goods and services receipt, or a supplier invoice with reference to the contract. Purchase order processing and goods and services receipt processing functions in the system notify the contract about the quantity and value of products purchased.

3. Close Contract

When the validity period of a purchasing contract ends, the contract is listed as expired in your worklist. Even though the contract status remains *Released*, the sourcing engine will not automatically propose the contract as a source of supply in purchase order processing. However, you can manually enter the contract details in a purchase order and use it as a source of supply until the status of the contract is set to *Closed*.

If you want automatic closure of expired purchasing contracts at the end of the valid period with purchasing contract status as *Closed* and expiry status as *Expired*, then the question related to *Closure of Expired Purchasing Contracts* must be selected during scoping. You can do this in the *Questions* step, by expanding

the *Sourcing* scoping element and selecting *Sourcing and Contracting*. Within that, select *Purchasing Contracts* and answer the question, *Do you want automatic closure of expired purchasing contract?* related to *Closure of Expired Purchasing Contracts*.

You can also close a contract manually during its validity period. In this case, the system sets the status of the contract to *Closed*. When a contract has a status of *Closed*, no further activity is possible on the contract and the contract is no longer available as a source of supply.

Approving a Contract

If contract approval is used in your business process, when you release the contract it is sent to the person responsible for approval as determined by the settings in the system. The system sets the status of the contract to *In Approval*.

I Contract approval must be selected during scoping. In the *Questions* step, expand the *Sourcing* scoping element and select *Sourcing and Contracting*. Select *Purchasing Contracts* and answer the question related to *Purchasing Contract Approvals*.

A business task is created in the worklist of the person responsible for contract approval and that person is required to take one of the following actions.

- **Approve the Contract**
The person responsible can approve the contract. Once approved, the system sets the contract status to *Released*. The contract is now available as a source of supply and you can send this contract to the supplier.
- **Reject the Contract**
If the person responsible rejects the contract, the contract status is set to *Rejected* and the contract cannot be processed further.
- **Send the Contract Back to the Requester for Revision**
The person responsible can send the contract back to the requester for revision. In this case, the system sets the contract status to *In Revision* and a task appears in the requester's worklist to revise the contract. Any comments made by the person responsible are visible in the contract. The requester can then edit and re-submit the contract for approval.

While the contract is in approval, you as requester may withdraw the contract if you need to make changes. You can do this by opening the contract editor and clicking *Withdraw from Approval*. The system then sets the contract status back to *In Preparation*.

Negotiating a Contract

You can negotiate a contract again before it is due to expire.

There are two ways of negotiating a contract:

- a. Negotiate – Directly with the current supplier
This is possible if the contract has the *Released* status.
- b. Negotiate – Using new sourcing request
This is possible if the contract has the *In Preparation* status.

When you only negotiate a released contract directly with the current supplier, the process is highly automated and requires no user interaction. The sourcing request is automatically created and it already contains the supplier and item information. The system automatically creates the request for quotation (RFQ) from the sourcing request, the RFQ is published without a need for any user interaction and is sent to the current supplier automatically.

By accepting a winning quote, the existing contract is updated with data from the quote or a new contract is created and automatically has the status *In Preparation*. You must manually release the new contract. The old contract does not automatically have the *Closed* status. You must close it manually.

You can negotiate a contract using new sourcing request, in cases where you want to change the list of items in a contract or request for quotes from many suppliers. This is a manual process and offers more possibilities to add more items to a contract being negotiated, combine multiple RFQs, and request quotes from many suppliers to check for a better price.

Project Assignment

A project or project task that exists within Project Management can be added as a reference in a contract. With purchasing contract processing, you can check if a project or project task exists and, if so, if it is available to be added as a reference in the contract. You can assign the project or project task to the contract and once the project task is assigned, with project processing, the system stores the contract details in the corresponding project or project task.

Workflow Notification

You can create your customized task for workflow rules for purchasing contract in *Workflow* view under *Application and User Management* work center. If you create the workflow rules and set it to active, any creation or modification of purchasing contract will send notification to your *Inbox* in the *Home* work center. As you define workflow rules, you specify basic data for each rule such as the conditions under which the rule is invoked, and a field is updated. You can also specify how a notification is sent, and the list of recipients.

For more information on workflow rules, see *Workflow Rules Quick Guide*.

See Also

[Supplier Relationship Management \[page 6\]](#)

[Sourcing \[page 110\]](#)

[Strategic Purchasing \[page 20\]](#)

[Follow-up Document Settings \[page 131\]](#)

[Purchasing Contracts Quick Guide \[page 128\]](#)

Task - Approve Purchasing Contract

Notification - Approved Purchasing Contract Changed After Release

Notification - Purchasing Contract About to Expire

Task - Check Expired Purchasing Contract

Task - Check Supplier Quote Submitted for Contract Renewal

Task - Complete Purchasing Contract

Task - Price Validity Period of Purchasing Contract Item Ends Soon

Task - Revise Purchasing Contract

4.2 Sourcing Requests View

4.2.1 Sourcing Requests Quick Guide

As a buyer, you want to find the best sources of supply as efficiently as possible for your product requirements. The *Sourcing Requests* view helps you to optimize your sourcing activities by enabling you to organize your sourcing requests and easily bundle items from multiple sourcing requests directly into a single request for quotation (RFQ). You can access this view from the *Sourcing and Contracting* work center.

Sourcing requests can be generated from a purchase request (operational sourcing) or from a contract, for example, from a contract that is due to expire. In the *Sourcing Requests* view, you can quickly create an RFQ for these requirements and send it directly to potential suppliers.



Since your company has selected the *Buy, Sell, and Administrate* implementation focus, there will be slight differences between your solution and the standard as outlined below. For more information, see *What Works Differently in Buy, Sell, and Administrate*.

If your system has not been deployed, all information is shown because there is no scoping-relevant filter.



Tasks

Create an RFQ for Multiple Sourcing Requests

For information about this task, see [here](#) [page 116].

Assign Sourcing Requests to a Group and Create an RFQ

For information about this task, see [here](#) [page 118].

4.2.2 Tasks

4.2.2.1 Create an RFQ for Multiple Sourcing Requests

Overview

If a sourcing request has been generated to negotiate a contract or to find a source of supply for a purchase order, you need to create a request for quotation (RFQ) to find potential suppliers.

Instead of creating an RFQ for every single sourcing request that has been generated, you can also bundle multiple sourcing requests and create one RFQ for them.



Since your company has selected the *Buy, Sell, and Administrate* implementation focus, there will be slight differences between your solution and the standard as outlined below. For more information, see *What Works Differently in Buy, Sell, and Administrate*.

If your system has not been deployed, all information is shown because there is no scoping-relevant filter.

Prerequisites

The sourcing requests that you want to bundle are available in the *Sourcing Requests* list in the *Sourcing Requests* view with status *Active*.

- 1 Once an RFQ has been created from a sourcing request, the sourcing request status changes to *Inactive* and the sourcing request disappears from the *Sourcing Requests* list. You can, however, still find inactive sourcing requests using the *Advanced Search*.

If you want to bundle multiple sourcing requests to create an RFQ, note that the RFQ can have either of the following RFQ types:

- *RFQ for Contract*
- *RFQ for Purchase Order*

As a consequence, you can either bundle sourcing requests that have been generated to negotiate a contract or sourcing requests that have been generated to find a source of supply for a purchase request. But you cannot combine both in the same RFQ.

Procedure

1. Go to **Sourcing and Contracting** > **Sourcing Requests**.
2. On the *Sourcing Requests* tab, choose either *Show: Sourcing Requests from Contracts* or *Show: Sourcing Requests from Purchase Requests*.
3. Select the sourcing requests that you want to bundle from the list.
4. Click **New RFQ** and choose *For Selected Items*.
The RFQ is created and contains the items from your sourcing requests.
5. Complete the RFQ by filling in the relevant general information about the RFQ on the **General View** tab.
6. On the **Items** tab, you can add further items to the RFQ.
7. On the **Bidders** tab, add the bidders to whom you want to send the RFQ.
8. Save your entries.

- 1 As long as you have not saved the RFQ, you can still terminate the RFQ creation process by clicking **Cancel**.

9. Click **Send to Bidders** to publish the RFQ and send it directly to the bidders.

Result

The RFQ you have created is listed in the *Requests for Quotation* subview of the *RFQs and Quotes* view. Since you can only create an RFQ for a sourcing request once, the sourcing request status changes to *Inactive* and the sourcing request disappears from the *Sourcing Requests* list in the *Sourcing Requests* view.

Alternatives

Instead of bundling multiple sourcing requests and creating the RFQ directly, you can also plan your RFQ in the long-term and wait until several sourcing requests that you want to put into the same RFQ have been generated. To indicate that these sourcing requests belong together, you can assign them to a group and create an RFQ for the

whole group later. For more information, see [Assign Sourcing Requests to a Group and Create an RFQ \[page 118\]](#).

4.2.2.2 Assign Sourcing Requests to a Group and Create an RFQ

Overview

If a sourcing request has been generated to negotiate a contract or to find a source of supply for a purchase order, you need to create a request for quotation (RFQ) to find potential suppliers.

If you want to plan your RFQ in the long-term (rather than creating an RFQ for one or multiple sourcing requests directly), you can wait until several sourcing requests that you want to put into the same RFQ have been generated and indicate that these sourcing requests belong together by assigning them to a group. You can then create an RFQ for the whole group.



Since your company has selected the *Buy, Sell, and Administrate* implementation focus, there will be slight differences between your solution and the standard as outlined below. For more information, see [What Works Differently in Buy, Sell, and Administrate](#).

If your system has not been deployed, all information is shown because there is no scoping-relevant filter.

Prerequisites

The sourcing requests that you want to assign to a group are available in the *Sourcing Requests* list in the *Sourcing Requests* view with status *Active*.

1 Once an RFQ has been created from a sourcing request, the sourcing request status changes to *Inactive* and the sourcing request disappears from the *Sourcing Requests* list. You can, however, still find inactive sourcing requests using the *Advanced Search*.

If you want to assign several sourcing requests to a group and then create an RFQ for the whole group, note that the RFQ can have either of the following RFQ types:

- *RFQ for Contract*
- *RFQ for Purchase Order*

As a consequence, you can either group sourcing requests that have been generated to negotiate a contract or sourcing requests that have been generated to find a source of supply for a purchase request. But you cannot combine both in the same RFQ.

Procedure

1. Go to **Sourcing and Contracting** > **Sourcing Requests**.
2. Choose either *Show: Sourcing Requests from Contracts* or *Show: Sourcing Requests from Purchase Requests*.
3. Select the sourcing requests that you want to assign to a group.
4. Click **Assign to Group**.
5. Enter a *Group Description* to identify the group later and click **OK**.

The group description is displayed in the *Group Description* column of the *Sourcing Requests* list.

I A sourcing request can only be assigned to one group. If another group is assigned to this sourcing request, the first group assignment is deleted and the *Group Description* column is updated accordingly.

6. If you want to remove a sourcing request from a group, select the sourcing request from the list and click **Remove from Group**.
The group description is no longer displayed in the *Group Description* column.
7. If you want to add further sourcing requests to the group, select them from the list, click **Assign to Group** and enter your *Group Description*.
8. To create an RFQ from your group of sourcing requests, select one of the sourcing requests that belong to the group.
9. Click **New RFQ** and choose *For Whole Group*.
The RFQ is created and contains the items from your sourcing requests.
10. Complete the RFQ by filling in the relevant general information about the RFQ on the **General** tab.
11. On the **Items** tab, you can add further items to the RFQ.
12. On the **Bidders** tab, add the bidders to whom you want to send the RFQ.
13. Save your entries.
14. Click **Send to Bidders** to publish the RFQ and send it directly to the bidders.

Result

The RFQ you have created is listed in the *Requests for Quotation* subview of the *RFQs and Quotes* view. Since you can only create an RFQ for a sourcing request once, the sourcing request status changes to *Inactive* and the sourcing request disappears from the *Sourcing Requests* list in the *Sourcing Requests* view.

Alternatives

It is not mandatory to assign sourcing requests to a group before you create an RFQ. You can also bundle multiple sourcing requests and create the RFQ directly. For more information, see [Create an RFQ for Multiple Sourcing Requests](#) [page 116].

4.3 RFQs and Quotes View

4.3.1 RFQs and Quotes Quick Guide

As a buyer, it is important that you purchase the products required by your company as economically and efficiently as possible. The *RFQ and Quotes* view provides you with efficient tools to find the most suitable source of supply to assign to your product requirements.

You can access the *RFQ and Quotes* view from the *Sourcing and Contracting* work center.

This view consists of the following subviews:

Requests for Quotation

Here you can

- Create and edit requests for quotation (RFQs) to search for the best sources of supply.
- Enter information from the quotes that you receive in response to an RFQ into the system.
- Compare the quotes received for an RFQ to see which bidder offers the best prices and conditions for each product. You can then use this information to select the most suitable supplier for your requirement.

Quotes

Here you can:

- Edit existing quotes.
- Compare competing quotes, that is, select a quote and compare it with all quotes that have been submitted for the same RFQ.



Since your company has selected the *Buy, Sell, and Administrate* implementation focus, there will be slight differences between your solution and the standard as outlined below. For more information, see [What Works Differently in Buy, Sell, and Administrate](#).

If your system has not been deployed, all information is shown because there is no scoping-relevant filter.

Business Background

Request for Quotation Processing

Companies can use request for quotation (RFQ) processes to identify and manage new sources of supply for their product requirements and to optimize their supplier base.

This includes sourcing processes for both strategic and operational procurement. Using the *RFQs and Quotes* view, buyers can find sources of supply for materials and services requested in purchase requests to create a purchase order (*RFQ for Purchase Order*). They can also negotiate or renegotiate contracts with several suppliers (*RFQ for Contract*) or renew already existing contracts with the current supplier (*Purchasing Contract Renewal*).

For more information, see [Request for Quotation Processing](#) [page 106].

Supplier Quote Processing

After they have published a request for quotation (RFQ), buyers need to process the quotes they receive from the bidders as efficiently as possible, making sure that they always choose the best quotes as winning quotes.

Using the *RFQs and Quotes* view, buyers can manage the complete quote processing process, from receiving quotes to comparing them in a well-arranged overview and determining the winning quotes.

For more information, see [Supplier Quote Processing](#) [page 108].

Strategic Sourcing

The Strategic Sourcing business scenario enables you to identify and select suitable new suppliers and to manage relationships with existing suppliers in order to meet the routine purchasing requirements of your company. It involves the definition of requirements for a product, through to the identification and selection of the most suitable suppliers, and finally to the negotiation and creation of a purchasing contract with the chosen supplier.

For more information, see [Strategic Sourcing](#).

Procure-to-Pay (Non-Stock)

The Procure-to-Pay (Non-Stock) business scenario allows you to purchase non-stock materials, such as office material, engineering sample material, or fixed assets.

This scenario can be triggered by employees or assistants who create shopping carts, by project teams who need non-stock materials for projects, by buyers directly in purchase orders or requests for quotation (RFQ), or by accounts payable accountants in supplier invoices. Deliveries can be confirmed centrally or decentrally. Costs for project-related non-stock materials are directly transferred to project tasks in financial accounting.

If a catalog, purchasing contract, or list price for a non-stock material exists, a purchase order can be created automatically. If no source of supply exists, you can send RFQs to determine appropriate suppliers.

With this scenario you can also order non-stock materials to cover customer demands by using sales orders or service orders to trigger third-party procurement.

For more information, see Procure-to-Pay (Non-Stock).

Procure-to-Pay (Stock)

The Procure-to-Pay (Stock) scenario enables you to purchase stock products based on a requirement that can be generated from a planning system, such as a Materials Requirements Planning (MRP) system.

It covers all stages of the procurement process, from demand planning and creation of a purchase order, through automatic or manual assignment of sources of supply, sending the purchase order to a supplier, to goods and services receipt, invoice verification, and payment.

For more information, see Procure-to-Pay (Stock).

Procure-to-Pay (Services)

The Procure-to-Pay (Services) business scenario allows you to procure services, such as consulting and training services, temporary labor, or engineering services. It can be triggered by employees who create shopping carts for services, by project managers who need a certain service for their project, or directly by the buyer using a purchase order.

Project-related services are usually recorded in a time sheet and the costs are directly transferred to the project tasks in financial accounting. If a purchasing contract or a list price for the ordered service exists, the purchase order can be created automatically. If no source of supply exists, a request for quotation can be sent out to determine an appropriate supplier.

Alternatively with this scenario, it is possible to order external resources to provide services for customer demands that cannot be fulfilled by internal employees. In this case, the procurement process is triggered when a sales order or a service order has been created.

For more information, see Procure-to-Pay (Services).



Tasks

Create a Request for Quotation

For information about this task, see [here](#) [page 122].

Create a Quote of Behalf

For information about this task, see [here](#) [page 123].

Exclude an Item from a Quote

For information about this task, see [here](#) [page 124].

Compare Competing Quotes

For information about this task, see [here](#) [page 126].

Award or Decline a Quote

For information about this task, see [here](#) [page 127].

4.3.2 Tasks

4.3.2.1 Create a Request for Quotation

Overview

You can create a request for quotation (RFQ) to find a potential supplier for goods or services that you want to purchase and to request information, such as pricing and conditions about the products that you wish to purchase.



Since your company has selected the *Buy, Sell, and Administrate* implementation focus, there will be slight differences between your solution and the standard as outlined below. For more information, see [What Works Differently in Buy, Sell, and Administrate](#).

If your system has not been deployed, all information is shown because there is no scoping-relevant filter.

Procedure

1. Start the *New RFQ* common task, which belongs to the *Sourcing and Contracting* work center.

1 Alternatively, you can also go to *Sourcing and Contracting* > *RFQs and Quotes* > *Requests for Quotation*, click **New** and select *RFQ*.

The *New Request for Quotation* guided activity opens.

2. In step *1 Define General Information*, enter the general information about the RFQ and information about the RFQ process.
3. If you want to specify the RFQ further, you can add notes and attachments on the **Notes** and on the **Attachments** tabs.
4. In step *2 Define Items*, for which you want to find a source of supply.

1 Adding an item to an RFQ is not mandatory. If you only create an RFQ to gather some basic information on the materials or services that a supplier can offer, you can also leave out the items and only add a *Note* or *Attachment* that describes your general requirements.

5. In step *3 Add Bidders*, to whom you want to send the RFQ.
6. In step *4 Review*, check that all your entries are correct.
7. Save your entries.

1 As long as you have not saved the RFQ, you can still terminate the RFQ creation process by clicking **Cancel**.

8. Click **Send to Bidders** to publish the RFQ and send it directly to the bidders.

Result

Depending on the output settings defined, the RFQ is sent to the bidders. It is also listed in the *Requests for Quotation* subview of the *RFQs and Quotes* view. You can access it from there to enter and monitor the quotes you receive and to determine the winning quotes later.

Alternatives

If you need to find a source of supply for one or more sourcing requests, you would create the RFQ from these sourcing requests rather than creating it from scratch. For more information, see [Create an RFQ for Multiple Sourcing Requests](#) [page 116] and [Assign a Sourcing Request to a Group and Create an RFQ](#) [page 118].

4.3.2.2 Create a Quote on Behalf

Overview

After you have published a request for quotation (RFQ), the bidders start to submit their quotes. If a bidder submits a quote in a format that cannot be entered automatically into the system, for example, by fax, you need to create the quote on behalf of the bidder.



Since your company has selected the *Buy, Sell, and Administrate* implementation focus, there will be slight differences between your solution and the standard as outlined below. For more information, see [What Works Differently in Buy, Sell, and Administrate](#).

If your system has not been deployed, all information is shown because there is no scoping-relevant filter.

Prerequisites

The RFQ for which you want to create the quote has the status *Published*.

The submission deadline has not passed yet.

- 1 If you want to create a quote for an exceeded RFQ, which means, an RFQ where the submission deadline has already passed, you can still do so, provided that you enter a *Receipt Date* that is before the submission deadline.

Procedure

1. Go to **Sourcing and Contracting** > *RFQs and Quotes* > *Requests for Quotation*.
2. Select the RFQ for which you have received a quote.
3. Click **New Quote**.

The *New Quote* guided activity opens. All relevant RFQ data, for example, general RFQ information, the bidders to which the RFQ was sent, and the items requested, is automatically transferred into the quote.

4. In step 1 *Select a Bidder*, select the bidder who submitted the quote.
5. In step 2 *Enter General Information*, enter the general quote information.

6. If the bidder has provided you with additional information or documents, you can add them on the **Notes** and on the **Attachments** tabs.
7. In step **3 Enter Prices**, enter the information about the items for which you have received a quote, including the prices offered by the bidder.
 - If the RFQ has the RFQ type *RFQ for Purchase Order*, specify the *Price* and then navigate to the Delivery tab to enter the *Offered Delivery Date*.
 - If the RFQ has the RFQ type *RFQ for Contract*, specify the *Offered Target Quantity* or the *Offered Target Value* of the item. On the Prices tab, you can also add price components, such as discounts and surcharges.

i All items requested in the RFQ have automatically been transferred to the quote. Depending on the bidding rules defined in the RFQ, you can also add an item to a quote or [exclude items from the quote \[page 124\]](#).

8. If the bidder has provided any additional information or documents about a specific item, you can add them on the **Notes** or on the **Attachments** tab.
9. In step **4 Review**, check that all your entries are correct.
10. Save your entries.

i As long as you have not saved the quote, you can still terminate the quote creation process by clicking **Cancel**.

11. Click **Submit** to submit the quote to the system.

i If you do not want to submit the quote immediately, only save your entries. The quote is then available in the *Quotes* subview of the *RFQs and Quotes* view with status *In Preparation*. As long as the quote is still *In Preparation*, you can also delete it if it turns out that you do not want to submit it after all. To do so, select the document from the *Quotes* list and click **Delete**.

Note, however, that you can only delete quotes with status *In Preparation* that have been created manually. If a quote was generated by the system based on an interactive form (SAP Interactive Form by Adobe) that a bidder has sent in response to a request for quotation, the quote cannot be deleted. For more information, see [Supplier Quote Processing \[page 108\]](#).

Result

The quote you have created is listed in the *Quotes* subview of the *RFQs and Quotes* view. Depending on the bidding rules set in the RFQ, you can still change the content of the quote.

In the *Requests for Quotation* subview, you can also see that the quote has been submitted. The corresponding RFQ is listed with status *Published*, and the number of received quotes is visible in the *Quotes Received* column.

4.3.2.3 Exclude an Item from a Quote

Overview

When you create a quote for a request for quotation (RFQ), all items listed in the RFQ are automatically transferred to the quote. If a bidder does not submit an offer for one of these items, however, you cannot simply remove this item from the quote. But you can mark the item as excluded from the quote.

Excluding an item from a quote is different from

- When a bidder submits a quote but does not submit an offer for all the items listed in the corresponding RFQ, you can create the quote on behalf of the bidder and mark the missing items as excluded.
- When a bidder has submitted an offer for an item, but you do not accept this offer, you can mark this item as rejected.



Since your company has selected the *Buy, Sell, and Administrate* implementation focus, there will be slight differences between your solution and the standard as outlined below. For more information, see [What Works Differently in Buy, Sell, and Administrate](#).

If your system has not been deployed, all information is shown because there is no scoping-relevant filter.

Prerequisites

The quote from which you want to exclude an item has not been submitted yet or the option *Bidder Can Change Submitted Quote* is selected in the corresponding RFQ.

In the RFQ, the option *Quotes Required for All Items* is not selected.

Procedure

1. Go to **Sourcing and Contracting** > **RFQs and Quotes** > **Quotes**.
2. Open the quote and navigate to the **Items** tab of the quote.

1 If you are just creating the quote, go to step **3 Enter Prices** of the guided activity.

3. Select the item that you want to exclude from the quote.
4. Click **Exclude from Quote**.

1 You can only click **Exclude from Quote** for items that have been transferred from the RFQ. When you select an item that you have added manually to the quote, you can only remove it from the quote by clicking **Remove**.

5. Save your entries.

Result

You have excluded the item from the quote. This is displayed on the *Basic Data* tab of the item, where the *Bidder Quote for Item* status is *Excluded*. Once the quote is submitted, the item cannot be accepted or rejected. As long as the quote is in preparation, you can still include the item again by selecting it and clicking **Include in Quote**.

4.3.2.4 Compare Competing Quotes

Overview

Once you have received a number of quotes in response to your request for quotation (RFQ), you need to compare them to be able to determine the winning quotes. You can select a quote from the list of submitted quotes and compare it with all competing quotes, that is, all the quotes that have been submitted for the same RFQ.



Since your company has selected the *Buy, Sell, and Administrate* implementation focus, there will be slight differences between your solution and the standard as outlined below. For more information, see [What Works Differently in Buy, Sell, and Administrate](#).

If your system has not been deployed, all information is shown because there is no scoping-relevant filter.

Procedure

1. Go to [Sourcing and Contracting](#) > [RFQs and Quotes](#) > [Quotes](#).
2. Select the quote from the list for which you want to compare the competing quotes.
3. Click [Compare Competing Quotes](#).

Result

The *Compare Quotes* quick activity opens. Here you can view the quotes side-by-side in a table, get an overview of all the quote details, and compare them. For example, you can view prices, lead times, and payment terms. Using [Select Quotes](#), you can restrict the table to selected quotes and hide the quotes that you do not want to see in the quote comparison.



Information in the table is highlighted to draw your attention to the following:

- Cells shaded in red indicate that no quote has been submitted or that the offered quantities or values differ from those requested.
- If the quote has been submitted for an RFQ with RFQ type *RFQ for Purchase Order*, the best quote is highlighted in green.



You can also [download the table to Microsoft Excel](#) [\[page 64\]](#) and view the quote details there.

Once you have compared the quotes and decided which quote you prefer, you can directly proceed with determining the winning quote ([award or decline](#) [\[page 127\]](#)).

Alternatives

You can also start the quote comparison from the *Requests for Quotation* subview of the *RFQs and Quotes* view.

4.3.2.5 Award or Decline a Quote

Overview

Once you have compared the quotes that you received in response to a request for quotation (RFQ), you need to determine the winning quotes, that is, you need to decide which quotes you want to award, and which quotes you want to decline.



Since your company has selected the *Buy, Sell, and Administrate* implementation focus, there will be slight differences between your solution and the standard as outlined below. For more information, see [What Works Differently in Buy, Sell, and Administrate](#).

If your system has not been deployed, all information is shown because there is no scoping-relevant filter.

Prerequisites

The status of the quote that you want to award or decline is *Submitted*. It has not been closed, returned to the bidder or withdrawn from the bidding process.

The RFQ for which the quote has been submitted has not been closed yet.

Procedure

1. Start the *Compare Quotes* quick activity [Compare Competing Quotes](#) [page 126]).

1 If you do not want to compare the quotes before you determine the winning quotes, you have the following options to access the quote directly:

- Go to [Sourcing and Contracting](#) > [RFQs and Quotes](#) > [Quotes](#). Select the quote and click [Edit](#).
- Go to [Sourcing and Contracting](#) > [RFQs and Quotes](#) > [Requests for Quotation](#). Select the corresponding RFQ and click [Show Quotes](#).

2. Award or decline the quote:

- If you want to determine the quote as a winning quote, select the quote and click [Award](#).
- If you want to decline the quote and reject all the items contained in the quote, click [Decline](#).

Result

If you have clicked [Award](#), the quote status changes to *Awarded*. Unless you have rejected individual quote items before, this indicates that you accept all prices and conditions stated in the quote for all items listed. In the *Requests for Quotation* subview, you can also see that the quote has been awarded. The corresponding RFQ is listed with status *Published*, and the number of awarded quotes is visible in the *Quotes Awarded* column.

i Depending on whether the RFQ has the RFQ type *RFQ for Purchase Order*, *RFQ for Contract* or *Purchasing Contract Renewal*, follow-on processes are triggered automatically. This means, a purchase order is created and sent and then listed in the Purchase Orders view, or a contract is renewed or created with status *In Preparation* and can be edited further in the [Contracts \[page 128\]](#) view.

If you have clicked [Decline](#), the quote status changes to *Declined*. This indicates that you have not accepted any of the items listed in the quote.

In both cases, the bidders are notified about the outcome of the RFQ.

The quote is still listed in the [Quotes](#) subview of the [RFQs and Quotes](#) view, but you cannot edit it any further.

4.4 Contracts View

4.4.1 Purchasing Contracts Quick Guide

As a buyer, you have to ensure that you procure products at efficient prices, based on conditions already agreed between you and the supplier. The [Contracts](#) view allows you to create, copy, release and negotiate purchasing contracts, and to access information about the entire life cycle of the contract.



Since your company has selected the *Buy, Sell, and Administrate* implementation focus, there will be slight differences between your solution and the standard as outlined below. For more information, see [What Works Differently in Buy, Sell, and Administrate](#).

If your system has not been deployed, all information is shown because there is no scoping-relevant filter.

Business Background

Strategic Purchasing

Strategic purchasing allows you and your company to efficiently plan the long-term purchasing activities of your company and to achieve cost savings and improved service levels among your suppliers. Strategic purchasing enables you to analyze your company's spend, find the most suitable suppliers, monitor your supplier base and its performance, and to negotiate long-term contracts to attain cost savings on your purchases. Extensive analytics tools enables you to monitor and analyze the company spend on product purchases as well as to collaborate with suppliers and identify top performers in your supplier base.

In the [Sourcing and Contracting](#) work center, you can use request for quotation (RFQ) processes to find the most suitable suppliers for a product. You can also create purchasing contracts that enable you to achieve long-term cost savings for products that are frequently purchased from suppliers with whom a long-term relationship is anticipated. These contracts can be used as a source of supply for all the purchase requests, purchase orders and invoices created in the company, thus saving costs for the company.

In addition to the [Sourcing and Contracting](#) work center there are two variants whereby the [Sourcing and Contracting](#) work center is divided into two work centers - [Sourcing](#) and [Contracts](#) - to ensure the segregation of duty. Depending on your configuration you may have either the [Sourcing](#) work center, which contains the [Sourcing Requests](#) and [RFQ and Quotes](#) views or the [Contracts](#) work center, which contains the [Contracts](#) and [Source Determination](#) views.

For more information, see [Strategic Purchasing \[page 20\]](#).

Purchasing Contract Processing

Purchasing contract processing allows you to create, modify, and approve purchasing contracts. A buyer can create a purchasing contract from a supplier quote during the contract negotiation process, or manually, without a preceding document.

Purchasing contracts are created for products that are frequently purchased from suppliers with whom a long-term relationship is anticipated. A contract may be defined for a best price or discount on the purchased products. It allows companies to reduce their operational costs and gain a greater control over spending and supplier performance by managing their contract renewals.

A released purchasing contract can be used as a source of supply for the procurement of products through a purchase order, or a supplier invoice, or in case of a purchase order with limit items, a contract is used in a goods and service receipt. The releases made against the contract by these documents are updated in the contract release history. For example, if a supplier invoice is created with reference to the contract, when the invoice is posted, the system updates the relevant contract release history with the supplier invoice details.

For more information, see [Purchasing Contract Processing \[page 112\]](#).

Source Determination

As a strategic buyer, you want to make sure that your company procures materials and services as conveniently and efficiently as possible. To achieve this, it makes sense to prioritize the most favorable suppliers for specific products on the one hand, and to distribute your purchases across several suppliers on the other hand.

Using the *Source Determination* view, which is part of the *Sourcing and Contracting* work center, you can set a fixed source of supply for a product to make sure that the product is always procured from the supplier who meets your requirements best. You can also define quota arrangements to distribute your purchases across several sources of supply rather than relying on just one supplier.

For more information, see [Source Determination \[page 137\]](#).

Pricing in Supplier Relationship Management

Pricing refers to the calculation of prices and total values, typically costs for products and services. Pricing is centrally implemented in SAP Business ByDesign and connected to all relevant business processes. For ease of use, all settings necessary are predefined in the system.

Pricing is available in all business documents related to the procurement process.

The system provides you with several ways of defining simple or complex prices in catalogs, purchasing contracts, RFQs and quotes, purchase orders, and list prices, depending on your purchasing volume, the relevance of the product or service to your company's success, and the importance of the relationship with suppliers. The system also enables you to define price conditions. These price conditions represent factors that apply when a price is calculated, for example, discounts or surcharges, and so on. These variable factors influence the total value. Various price conditions can be combined.

Pricing determines which requirements for a particular price condition must be fulfilled before the system takes the price component into account. For example, freight is not considered for service items.

Pricing contains the sequence in which the system takes price conditions into account. It calculates the gross and net prices and taxes. Pricing determines which subtotals are considered and to what extent pricing can be processed manually. Pricing also determines which method the system uses to calculate percent discounts and surcharges.

1 When documents from a legacy system are migrated to SAP Business ByDesign, the system performs no additional price calculations. This ensures that prices are the same in both systems.

For more information, see [Pricing in Supplier Relationship Management \[page 15\]](#).

Business Scenario: Strategic Sourcing

The Strategic Sourcing business scenario enables you to identify and select suitable new suppliers and to manage relationships with existing suppliers in order to meet the routine purchasing requirements of your company. It involves the definition of requirements for a product, through to the identification and selection of the most suitable suppliers, and finally to the negotiation and creation of a purchasing contract with the chosen supplier.

For more information, see Strategic Sourcing.



Tasks

Create and Edit a Contract

For information about this task, see [here](#) [page 132].

Release a Contract

1. In the *Sourcing and Contracting* work center, choose the *Contracts* view, and then select the contract you want to release. Click **Edit**.
2. To check if you have filled in all the required details in a contract, click **Check**.
3. Click **Release**.

Depending on your system configuration, a contract is sent for approval. You can withdraw it from the approval process, for example, to change the details of the contract. To withdraw a contract from approval, click **Withdraw From Approval**.

Delete a Contract

1. In the *Sourcing and Contracting* work center, choose the *Contracts* view, and then select the required contract in the *Contracts* view.
2. Click **Delete**.

You can only delete the contracts that have the *In Preparation* status.

You cannot delete *Released* contracts, *In Negotiation* contracts and contracts that have been created from a supplier quote.

Delete a Contract Item

1. In the *Sourcing and Contracting* work center, choose the *Contracts* view, and then select the contract from which you need to delete an item. Click **Edit**.
2. On the **Items** tab, select the item and click **Remove**.
You can delete an item from a contract, only if the contract is in the *In Preparation* status, is not in negotiation, and if the item was not created from a supplier quote. If the contract is in the *Released* status, you can deactivate an item by choosing **Deactivate For Sourcing**.
3. Repeat the above step for all the items you want to delete and click **Save**.

Close a Contract

1. In the *Sourcing and Contracting* work center, choose the *Contracts* view, and then select the contract that you want to close. Click **Edit**.
2. Click **Close Contract**.
Once a contract is closed, no further activity is possible on the contract. The contract is no longer available as a source of supply.

Export to Excel

For information about this task, see [Export Business Data Using Microsoft Excel®](#) [page 64].

4.4.2 Business Background

4.4.2.1 Follow-up Document Settings

Overview

When you create a contract or a purchase order, you can define which follow-up documents are required. If necessary, you can overwrite settings that have previously been set either in master data or, in the case of a purchase order, you can overwrite the follow-up document settings that have been defined in a contract.

In a purchasing contract, these follow-up document check boxes are available in the *Items* tab, so that these settings from the contract can be copied to a purchase order where they can then be overwritten. In addition, the setting of some check boxes is dependent on whether others are also specified.

The following check boxes are available to enable you to define which follow-up documents are required:

- **Over-Delivery Tolerance and Under-Delivery Tolerance**
Tolerances are set in a contract, but you can manually overwrite the tolerances if you want to make an exception for a particular contract or purchase order. For example, if the default over-delivery tolerance is set to 5%, you can change it to a higher or lower percent, so that you allow more or less goods to be delivered than specified in the contract or purchase order before approval is required.
- **Time Confirmation Required**
This check box is set if the product is a service and you want the time entry, for example for a service agent, to be confirmed when it is entered in the system.
- **Unlimited Over-Delivery**
This check box allows you to override the default over-delivery tolerance that was set for this contract or purchase order so that no approval is required no matter how much is delivered.
Once unlimited delivery is no longer needed, unchecking this box will not allow delivery above ordered quantity. Moreover in orders where the delivered quantity is already above the ordered quantity, no more deliveries will be allowed.
- **Purchase Order Acknowledgment Expected**
This check box enables you to specify that an acknowledgement is required for a purchase order created with reference to the contract. The setting in this check box is defaulted from supplier data; however, you can manually overwrite it in the contract or in the purchase order. Also, when you set this check box in the contract, the buyer responsible can also overwrite your setting in the purchase order.
While it is not mandatory to set this check box, if you do specify that a PO acknowledgment is required, it is necessary to ensure that you also specify that a goods and services receipt is required. Also, you can choose to specify that either an evaluated receipt settlement or an invoice is required.
- **Goods and Services Receipt Expected**
This check box enables you to specify that a goods and services receipt is required; however, it is not a mandatory setting. The setting in this check box is defaulted from the system; however, you can manually overwrite it in the contract or in the purchase order.
- **Invoice Expected**

This check box enables you to specify that an invoice is required. The setting in this check box is defaulted from the system; however, you can manually overwrite it in the contract or in the purchase order.

If the *Invoice Expected* check box is set, then the *Evaluated Receipt Settlement* check box cannot be set.

- **Evaluated Receipt Settlement**

This check box enables you to specify that an evaluated receipt settlement is required. The setting in this check box is defaulted from supplier data; however, you can manually overwrite it in the contract or in the purchase order. Also, when you set this check box in the contract, the buyer responsible can also overwrite your setting in the purchase order.

You cannot have an evaluated receipt settlement without also having a goods and services receipt. In order to specify that an evaluated receipt settlement is required, the *Goods and Services Receipt Expected* check box must also be set. Also, if the *Evaluated Receipt Settlement* check box is set, then the *Invoice Expected* check box cannot be set.

4.4.3 Tasks

4.4.3.1 Create and Edit a Purchasing Contract

Overview

You can create a purchasing contract to cover one or more products and product categories. The released contract can then be used as a source of supply for all products covered by the contract.

Procedure

1. In the *Sourcing and Contracting* work center, in the *Contracts* view, click **New** and choose *Contract*.

I You can also start the *New Contract* common task, which belongs to the *Sourcing and Contracting* work center.

2. In the *General* view:
 - a. Enter a *Supplier ID*.
 - b. In the *Currency* field, enter a three-letter currency code.
 - c. In the *Valid From/To* fields, specify a validity period for the contract.
 - d. Ensure that the *Purchasing Unit ID* is correct. If it is incorrect, enter the correct purchasing unit ID manually.
 - e. Ensure the *Buyer Responsible ID* is correct. If it is incorrect, enter the correct buyer responsible ID manually.
 - f. You can assign the contract to the project or project task and once the project task is assigned, with project processing, the system stores the contract details in the corresponding project or project task.
 - g. Enter a *Target Value*.
 - h. Enter further optional information as required, for example, Incoterms, or payment terms.
3. Choose the *Items* view.
 - a. Click **Add Row**.
 - b. Select the required *Item Type*.
 - c. Enter the *Product ID* and press **Enter**.

The system automatically displays the related product information. If product master data does not exist, you can create it easily by clicking **You Can Also**, and selecting either *New Material* or *New Service*.

If you have selected the item type as a *product category*, enter the *Product Category ID*. All the products within the selected product category will be considered as the contract items.

- d. In the *Price* field, enter the price of the product.

I You can enter complex price information, such as surcharges or discounts (or both) for an item. The complex price is applied to the price charged for an item. Price conditions may have a fixed validity period. A surcharge, for example, due to extra delivery costs, may be added in addition to the regular price of the product. A discount could be as a result of a cash, trade, or quantity discount. When a contract is created from a quote, the price conditions added to the items in the quote are copied to the contract automatically.

To enter complex prices, choose the **Prices** tab on the lower part of the screen. To add a new condition, click **Add Row**. Starting with *Price/Price Component*, enter the information for the price condition.

- e. Enter further optional information as required, for example, choose the **Basic Data** tab, enter either a target quantity or a target value for the item in the contract. You can also add notes and attachments that provide additional information about the contract or contract item. For example, you can attach quality documents that outline the agreed quality commitments of your company.

I You must enter a *Target Value* in the **General** tab and/or a *Target Value / Target Quantity* in the **Items** tab.

- f. Repeat the steps outlined above to add information about other items associated with this contract.

4. If you want to check for any errors in the contract, click **Check**.
5. Click **Save**.
6. If you want the contract to be available for use, click **Release**.

If approval is necessary, the contract is now sent for approval. Once approved, the contract is released and available as a source of supply.

The following table describes the approval process for purchasing contract:

| Purchasing Contract Approval | | |
|------------------------------|-------|----------------------------|
| Description | Rules | Conditions and Description |
| | | |

| Purchasing Contract Approval | | | |
|--|---|----------------|--|
| | | Condition | Description |
| You can choose to have a purchasing contract approval based on your business configuration settings. | <p>You can define the approval rules for purchasing contract in ▶ Application and User Management ▶ Task Distribution ▶ Approval Processes ▶ Approval Processes: Purchasing Contract. ▶</p> <p>You can define the following approval rules for purchasing contract:</p> <ul style="list-style-type: none"> • Approval By Purchasing Unit Manager • Approval by Reporting Line Unit Manager • Approver of Purchasing Contract • Direct Approvers <p>When you release a purchasing contract, depending on the approval settings in your solution, the purchasing contract may go for multi-step approval process or single step approval process. The approver can accept or reject the purchasing contract or send it back for revision. The purchasing contract approval settings are set up based on the approval rules. For more information, see Approval Rules.</p> | Buying Company | You can set a condition while selecting the approval rules to determine if purchasing contract for a particular buying company needs to be sent for approval or not. |
| | | Supplier | You can set a condition while selecting the approval rules to determine if purchasing contract for a particular supplier needs to be sent for approval or not. |

I To edit a contract while the contract has the status *In Approval*, you must first click [Withdraw From Approval](#).

Once you release a contract, the system does not allow you to change key information like the supplier and currency, and to delete an existing item from the released contract. You can add items, change details such as price, target value, or target quantity.

7. Check if all the items are activated for sourcing to ensure that they are available as a source of supply for purchasing.

Once a contract is released, the system automatically sets the status of all the items that have a price to *Active for Sourcing*. You can now manually:

- Deactivate the item for sourcing: Select the item and click [Active for Sourcing](#).
- Activate an item for sourcing: Enter a price for the item and then click [Deactivate for Sourcing](#).

Product category items are always active for sourcing, once the contract is released.

8. If you want to send the contract to a supplier, click [Send to Supplier](#).

The released contract is sent to the supplier through an email or fax, or as defined in the output configuration.

The new contract is released in the system and added to the list in the *Contracts* view. To open the contract from this list, click the contract ID. The released contract can now be used for purchasing.

4.5 Source Determination View

4.5.1 Source Determination Quick Guide

The *Source Determination* view has two subviews: *Fixed Source of Supply* and *Quota Arrangements*.

The *Fixed Source of Supply* subview allows you to prioritize the most favorable supplier for a specific product, to ensure that your company procures the selected product from the assigned supplier. If there are two or more contracts available for a product, the *Quota Arrangement* subview allows you to distribute the overall quantity to be purchased over these contracts. You can define the distribution and the period for which the quota arrangement is valid.



Since your company has selected the *Buy, Sell, and Administrate* implementation focus, there will be slight differences between your solution and the standard as outlined below. For more information, see *What Works Differently in Buy, Sell, and Administrate*.

If your system has not been deployed, all information is shown because there is no scoping-relevant filter.

Business Background

Source Determination

As a strategic buyer, you want to make sure that your company procures materials and services as conveniently and efficiently as possible. To achieve this, it makes sense to prioritize the most favorable suppliers for specific products on the one hand, and to distribute your purchases across several suppliers on the other hand.

Using the *Source Determination* view, which is part of the *Sourcing and Contracting* work center, you can set a fixed source of supply for a product to make sure that the product is always procured from the supplier who meets your requirements best. You can also define quota arrangements to distribute your purchases across several sources of supply rather than relying on just one supplier.

For more information, see [Source Determination \[page 137\]](#).

Sourcing Rank in Assign Source of Supply

A source of supply can be assigned to a product in a number of ways:

- You can assign it in each purchase request or in a purchase order (PO) when you create a PO manually.
- You can assign the same source of supply to multiple purchase requests within the worklist for purchase requests.

The system always checks if there are any valid sources of supply available, such as a contract, and provides you with an automatically generated list, in order of suitability, called a sourcing rank.

The sourcing rank is a list showing sources of supply with contracts or list prices that match the desired product or product category. The ranked list is always displayed with the most suitable source of supply at the top, running to the least suitable at the bottom.

For more information, see [Sourcing Rank in Assign Source of Supply \[page 111\]](#).

Strategic Sourcing

The Strategic Sourcing business scenario enables you to identify and select suitable new suppliers and to manage relationships with existing suppliers in order to meet the routine purchasing requirements of your company. It involves the definition of requirements for a product, through to the identification and selection of the most suitable suppliers, and finally to the negotiation and creation of a purchasing contract with the chosen supplier.

For more information, see Strategic Sourcing.



Tasks

Create a Fixed Source Of Supply

1. In the *Sourcing and Contracting* work center, in the *Source Determination* view, select the *Fixed Source of Supply* subview.
2. Click **New** and select *Fixed Source of Supply*.

i You can also start the *New Fixed Source of Supply* common task, which belongs to the *Sourcing and Contracting* work center.

3. Select the product, for which you want to assign a fixed source of supply, and click **Get Sources of Supply**.
The available contracts and list prices created for the selected product are displayed under *Available Sources of Supply* table.
4. Check the *Fixed* indicator for the required contract or list price to assign it as a fixed source of supply.
5. Click **Save**.
The selected product will always be procured against the assigned contract or list price during the validity period of the contract or list price. You can edit the fixed source of supply and assign another available contract or list price as the new fixed source of supply.

Create a Quota Arrangement

1. In the *Sourcing and Contracting* work center, in the *Source Determination* view, select the *Quota Arrangements* subview.
2. Click **New** and select *Quota Arrangement*.

i You can also start the *New Quota Arrangement* common task, which belongs to the *Sourcing and Contracting* work center.

3. Select the required product and click **Get Sources of Supply**.
The contracts available for the selected product are displayed. You can remove any contracts that should not be considered.
4. Set the validity period of the quota arrangement by selecting the *Valid From* and *Valid To* dates.
The validity period of the quota arrangement **should** be within the validity period of the selected contract(s).
5. Enter a *Quota* number for the selected contracts.
The bigger the quota, the more often the contract is used in source determination.
6. Enter a *Quota Base Quantity*.

7. Click **Activate**.

Edit a Quota Arrangement

1. In the *Sourcing and Contracting* work center, in the *Source Determination* view, select the *Quota Arrangements* subview.
2. Select the required quota arrangement and click **Edit**.
3. You can change the *Valid From* and *Valid To* dates, *Quota Number* and *Quota Base Quantity*. You can also remove a proposed source of supply.
4. Click **Activate**.

Delete a Quota Arrangement

In the *Sourcing and Contracting* work center, in the *Source Determination* view, select the *Quota Arrangements* subview. Select the required quota arrangement and click **Delete**.

You can only delete quota arrangements that do not have the *Active* status.

4.5.2 Business Background

4.5.2.1 Source Determination

Overview

As a strategic buyer, you want to make sure that your company procures materials and services as conveniently and efficiently as possible. To achieve this, it makes sense to prioritize the most favorable suppliers for specific products on the one hand, and to distribute your purchases across several suppliers on the other hand.

Using the *Source Determination* view, which is part of the *Sourcing and Contracting* work center, you can set a fixed source of supply for a product to make sure that the product is always procured from the supplier who meets your requirements best. You can also define quota arrangements to distribute your purchases across several sources of supply rather than relying on just one supplier.

Source determination is supported by the sourcing engine. This engine is located at the core of the SAP® Business ByDesign™ system and collects sources of supply that result from Supply Chain Management (SCM) and Supplier Relationship Management (SRM) business processes. For example, contracts that result from an SRM negotiation process are also available when a source of supply needs to be found for an SCM demand. The same is true for fixed sources of supply. They are created in an SRM work center, but can be used in both SRM and SCM business transactions. Quota arrangements are not used by SCM.

Prerequisites

Configuration Settings

1 Configuration settings are usually performed by an administrator. If you do not have the required authorization, contact your administrator.

Source determination is enabled in your solution configuration. To find this business option, go to the *Business Configuration* work center and choose the *Implementation Projects* view. Select your implementation project and

click [Edit Project Scope](#). In the *Scoping* step of the project, ensure that *Sourcing and Contracting* is selected within *Sourcing*.

In the *Questions* step, expand the *Sourcing* scoping element and select *Sourcing and Contracting*. Select *Source of Supply Determination* and answer the questions related to source of supply.

Fixed Sources of Supply

If you want to make sure that over a certain period of time, a specific product (material or service) is always procured from the same supplier, you can assign a fixed source of supply to that product.

You can create a fixed source of supply by selecting the product to be purchased and assigning the most suitable source of supply from a list. The list, which is generated by the sourcing engine, includes the sources of supply that are valid, in other words, all the contracts and list prices with a suitable validity period that are appropriate for the product and active for sourcing. You can then simply select the contract or list price that you want to set as the fixed source of supply for the product.

You can also change the fixed source of supply for a product. To do so, you simply select another contract or list price as new fixed source of supply from the list. Since a product can only have one fixed source of supply at a time, the former fixed source of supply is automatically set back to a normal source of supply.



Michael Smith, a buyer of a local ice cream manufacturer, has to make sure that his company is regularly supplied with the quantities of milk required to keep the ice cream production running. Michael's company is renowned for their delicious strawberry ice cream. He therefore needs to ensure that the strawberries they use for producing the ice cream always meet the highest quality requirements.

There is an organic farmer located close to the company site who offers all sorts of regional fruit (Rhubarb Ltd.). Michael's company has contracts with various fruit suppliers, but since Rhubarb Ltd. is famous for their excellent strawberries, Michael wants to make sure that his company only buys strawberries from this supplier. He therefore selects the contract with Rhubarb Ltd. from the list of fruit suppliers generated by the sourcing engine and assigns it as a fixed source of supply for strawberries.

Quota Arrangements

If there are two or more contracts available for a product, you can distribute the overall quantity to be purchased over these contracts. You can define the distribution in a quota arrangement and define a period for which the quota arrangement is valid.



As opposed to fixed sources of supply, you can only use contracts for quota arrangements but not list prices.

Similar to fixed sources of supply, you can create quota arrangements by selecting a product to be purchased and assigning two or more sources of supply from a list of valid contracts. This list is proposed by the sourcing engine and includes all contracts with a suitable validity period that are appropriate for the product and active for sourcing. You can then add a quota number for each contract item to define how demands are distributed between the contracts in the quota arrangement.

You can also review existing quota arrangements and modify them, that is, change the quotas, add additional contracts to or remove contracts from the quota arrangement.

If you assign an additional contract to a quota arrangement, and demands have already been allocated to the existing contracts in the quota arrangement, the quantity allocated to the new contract is 0, and therefore lower than that of the existing contracts. As a consequence, all demands are allocated to the new contract until its allocated quantity or, to be more precise, its quota rating exceeds that of the old contracts. If you want to make sure that the new contract is not preferred when a demand is allocated to the quota arrangement, you can manually add a base quantity to the contract. The base quantity serves as a 'virtual' allocated quantity, which simulates the quantity that is required to prevent the new contract from being preferred, and therefore ensures that the new contract is used equally to the old contracts in the quota arrangement.

You can also delete quota arrangements. If a quota arrangement is still in preparation, you can delete it completely. If it is already active, it is not completely deleted from the system but set to obsolete, which means, it will no longer be taken into account when the system searches for a source of supply.

Finally, you can monitor the fulfillment numbers of a quota arrangement, which means, the target quota (Quota in Percent) and the current fulfillment (Current Percent, which also includes base quantities that have been added). This enables you to re-evaluate the quota arrangement and decide if modifications are necessary.



A basic ingredient that needs to be purchased regularly for ice cream production is milk. In order not to rely on just one milk producer, Michael distributes the amount of milk to be purchased between two local dairy farmers that have been proposed by the sourcing engine: Braunvieh Inc. and Bovidae Ltd. Since he wants to purchase more milk from Braunvieh Inc. (3/5) than from Bovidae Ltd. (2/5), he assigns the quota number 3 to Braunvieh Inc. and 2 to Bovidae Ltd.

| Contract with Supplier | Quota Number |
|------------------------|--------------|
| Braunvieh Inc. | 3 |
| Bovidae Ltd. | 2 |

A month later, Michael finds out that Draughtmaster Ltd., a milk producer from a neighboring town, which he had neglected so far because he considered them to be overpriced, have cut their milk prices considerably. He therefore reviews the quota arrangement that includes the contracts with Braunvieh Inc. and Bovidae Ltd. and decides to add a new contract with Draughtmaster Ltd. to the quota arrangement. He assigns the quota number 1. This means, from now on half of the milk (3/6) will be procured from Braunvieh Inc., one third (2/6) from Bovidae Ltd. and one sixth (1/6) from Draughtmaster Ltd.

| Contract with Supplier | Quota Number | Allocated Quantity |
|------------------------|--------------|--------------------|
| Braunvieh Inc. | 3 | 7800 |
| Bovidae Ltd. | 2 | 3800 |
| Draughtmaster Ltd. | 1 | 0 |

Since releases have already been made from the two existing contracts (7800 and 3800 liters), the new contract would be preferred for upcoming demands until it reaches a certain allocated quantity. This quantity is determined by the quota rating, which is calculated as follows:

$$\text{Allocated Quantity} / \text{Quota Number} = \text{Quota Rating}$$

Therefore, the quota rating for Braunvieh Inc. is 2600 (7800 / 3), 1900 (3800 / 2) for Bovidae Ltd., and 0 (0 / 1) for Draughtmaster Ltd.

| Contract with Supplier | Quota Number | Allocated Quantity | Quota Rating |
|------------------------|--------------|--------------------|--------------|
| Braunvieh Inc. | 3 | 7800 | 2600 |
| Bovidae Ltd. | 2 | 3800 | 1900 |
| Draughtmaster Ltd. | 1 | 0 | 0 |

As a result, all upcoming demands are assigned to the contract with Draughtmaster Ltd. until its quota rating exceeds 1900.

However, Michael does not want the new contract to be preferred when the next supply of milk need to be procured, so he enters 2000 as a "virtual" quota base quantity. The quota rating is now calculated as follows:

$$(\text{Allocated Quantity} + \text{Quota Base Quantity}) / \text{Quota Number} = \text{Quota Rating}$$

So the quota rating for the contract with Droughtmaster Ltd. is 2000 $((0 + 2000) / 1)$.

| Contract with Supplier | Quota Number | Allocated Quantity | Quota Rating | Quota Base Quantity | Quota Rating (incl. Quota Base Quantity) |
|------------------------|--------------|--------------------|--------------|---------------------|--|
| Braunvieh Inc. | 3 | 7800 | 2600 | 0 | 2600 |
| Bovidae Ltd. | 2 | 3800 | 1900 | 0 | 1900 |
| Droughtmaster Ltd. | 1 | 0 | 0 | 2000 | 2000 |

As a result, upcoming demands are assigned to the contract with Bovidae Ltd., and the contract with Droughtmaster Ltd. is only considered once the Bovidae Ltd. contract exceeds a quota rating of 2000.

To monitor the current fulfillment numbers of his quota arrangement, Michael takes a look at the Quota in Percent and the Current Percent.

The Quota in Percent is calculated as follows:

$$\text{Quota Number} / \text{Total Quota Numbers} = \text{Quota in Percent}$$

The Current Percent is calculated as follows:

$$(\text{Allocated Quantity} + \text{Quota Base Quantity}) / (\text{Total Allocated Quantities} + \text{Total Base Quantities}) = \text{Current Percent}$$

| Contract with Supplier | Quota Number | Allocated Quantity | Quota Rating | Quota Base Quantity | Quota Rating (incl. Quota Base Quantity) | Quota in Percent | Current Percent |
|------------------------|--------------|--------------------|--------------|---------------------|--|------------------|-----------------|
| Braunvieh Inc. | 3 | 7800 | 2600 | 0 | 2600 | 50% | 57% |
| Bovidae Ltd. | 2 | 3800 | 1900 | 0 | 1900 | 33% | 28% |
| Droughtmaster Ltd. | 1 | 0 | 0 | 2000 | 2000 | 17% | 15% |
| Total | 6 | 11600 | | 2000 | | | |

Michael sees that the current fulfillment of the quote for the contract with Braunvieh Inc. is 57%, for the contract with Bovidae Ltd. it is 28%, and for Droughtmaster Ltd. it is 15%. When further quantities are allocated to these contracts, the Current Percent should approach the target Quota in Percent.

Determining the Most Suitable Source of Supply

When the system is configured to find sources of supply automatically and a source of supply needs to be found for a product to be purchased, the sourcing engine uses the following prioritization:

1. Fixed sources of supply always have the highest priority.
You can assign a contract or a list price to the selected product, so when that type of product is ordered, the assigned source of supply has the highest priority.
2. If no fixed source of supply has been assigned to a product, the sourcing engine checks if any quota arrangements exist that might be relevant.
3. If no quota arrangement exists either, the sourcing engine looks for contracts or list prices that might be suitable for the product. Contracts have higher priority than list prices. The sourcing engine determines the most suitable source of supply according to the following criteria:
 - a. Price — This criterion compares the different suppliers' prices for the required product.
 - b. Lowest target quantity fulfillment rate — This criterion only applies to contracts and is relevant if there are contracts with the same price. The contract with the lowest released quantity is selected first.
 - c. Lowest delay in delivery rate — The source of supply with the shortest lead time is selected first.

Of course you can also manually look for appropriate sources of supply. The sourcing engine then provides you with a list of possible sources of supply, which is sorted according to the prioritization rules listed above. You can then choose the list price or contract you prefer from this sourcing list.

1 Only contracts or list prices that have been set to *Active for Sourcing* can be used as sources of supply. If they have the *Inactive for Sourcing* status, the sourcing engine does not find them in automatic sourcing; and when you try to select them manually from the sourcing list, you get an error message indicating that the contract or list price is not a valid source of supply.

Source determination is also used in automatic purchase order creation. If *Automatic Purchase Order Creation* has been activated during system configuration, the system automatically creates a purchase order whenever the sourcing engine can assign a valid source of supply. All purchase request items with the same source of supply are automatically assigned to the same purchase order. You only need to create purchase orders manually when no appropriate source of supply can be assigned automatically.



Michael's company is developing a new ice cream flavor called Lemoncurry. Among others, it includes considerable portions of curry, which has hardly been used by the company before. Michael is therefore responsible for finding a suitable source of supply for the new ingredient.

He creates a purchase order manually for the curry that is required to produce the first prototype. He checks the sourcing list generated by the sourcing engine. There is no fixed source of supply assigned to the product curry, and there are no quota arrangements available either.

The sourcing list contains three entries:

- The first entry is a contract for herbs and spices, including curry, with a company called Salt and Peppa Inc. The contract is about to expire and will not be extended.
- A list price offered by a food company called Yummy Ltd. is listed next. Yummy Ltd. offers curry at a very good price.
- The last entry in the list is a list price offered by a company called Da Gama Bros. Ltd. They specialize in mixed herbs and spices, but Michael considers their curry to be slightly overpriced.

Michael decides to assign the less expensive list price as source of supply; he selects Yummy Ltd. and saves the purchase order.

See Also

Source Determination in Planning

Purchase Order Processing

[List Prices \[page 96\]](#)

4.6 Reports View

4.6.1 Contract Spend

Overview

This report shows the company's total spend, contract spend, and contract spend ratio over the last 12 months. In this report, you can analyze the contract spend per month and supplier or per month and product category. The higher the contract spend, the better the contract use in the company and the lower the maverick spend.

Views

The following views are available with this report:

- **Contract Spend** .
Shows the total spend and contract spend over the last 12 months <in table format or as a chart>
- **Contract Spend per Product Category**
Shows the company's total spend, contract spend, and contract spend ratio per product category over the last 12 months <in table format or as a chart>.
- **Contact Spend Ratio (Last 12 Months)**
Shows the contract spend ratio (= share of contract spend within total spend) over the last 12 months and can be displayed as graphical view in the work center overview <in table format or as a chart>.
- **Contract Spend (Last 12 Months)**
Shows the cumulated contract spend as part of total spend over the last 12 months and can be displayed as graphical view in the work center overview <in table format or as a chart>.
You can analyze the most important spend categories (contract spend, purchase order spend, maverick spend) using the Total Spend per Spend Category report.

Features

Running the Report

Before running the report, you can specify the data you want to see by making value selections for variables. You must make a value selection for all mandatory variables. In the system, mandatory variables are indicated by an asterisk (*).

Additional information is available for the following selected variable:

- **Contract Status**
Displays data that is relevant for the following contract statuses:
 - In Preparation
 - In Negotiation
 - In Approval
 - In Revision
 - Rejected
 - Released
 - Closed
- **Expiry Status**
Displays data that is relevant for one of the following statuses of a contract:
 - Not Expired
 - About to Expire
 - Expired
- **Purchasing Contract ID**
Displays the data that is relevant for one or more purchasing contract IDs.

Analyzing the Report

This report shows an analysis of contract spend by total spend, contract spend, and contract spend ratio.

The following data is filtered for this report:

- *Invoice Year/Month* is restricted to the last 12 months, including the current month.
- *Posting Status* is restricted to *Posted*.

To further analyze data in this report, you can drag characteristics to rows and columns.

From this report, you can navigate to:

- [Maverick Spend](#) [page 145]
- [Total Spend per Spend Category](#) [page 152]
- [Contract Tracking](#) [page 143]

See Also

Reports View

[Overview of Reports in Supplier Relationship Management](#) [page 22]

Overview of Data Sources in Supplier Relationship Management

4.6.2 Contract Tracking

Overview

This report shows contract use in terms of target quantities, target values, and already released quantities and values. This report shows how contracts are used in operational purchasing and invoicing.

Features

Running the Report

Before running the report, you can specify the data you want to see by making value selections for variables. You must make a value selection for all mandatory variables. In the system, mandatory variables are indicated by an asterisk (*).

Additional information is available for the following selected variables:

- **Contract Status**
Displays data that is relevant for one or more contract statuses.
Statuses include:
 - In Preparation
 - In Negotiation
 - In Approval
 - In Revision
 - Rejected
 - Released
 - Closed
- **Expiry Status**
Displays data that is relevant to the status of a contract.
Statuses include:
 - Not Expired

- About to Expire
- Expired
- Contract Creation Date
Displays data applicable to purchasing contracts created during the last seven days.

Analyzing the Report

This report shows an analysis of contract tracking by target quantity, released quantity, target value, and released value.

The following data is filtered for this report:

- *Contract Status* is restricted to *Released*.

See Also

Reports View

[Overview of Reports in Supplier Relationship Management \[page 22\]](#)

Overview of Data Sources in Supplier Relationship Management

4.6.3 Expiring Contracts

Overview

This report shows contracts that are about to expire or expired in the last 3 months. You can however change the time period. You can filter by supplier or product category and view target quantities, target values, released quantities, and released values. A contract can expire if the contract validity period is in the past or if the full target value or target quantity has been released.

Features

Running the Report

Before running the report, you can specify the data you want to see by making value selections for variables. You must make a value selection for all mandatory variables. In the system, mandatory variables are indicated by an asterisk (*).

Additional information is available for the following selected variables:

- Expiry Status
Displays data that is relevant for the status of a purchasing contract.
Statuses include:
 - About to Expire
 - Expired
- Contract Expiry Year/Month (Last 3 Months)
Displays data that is relevant for contracts expiring in a particular year or month. By default, the value is set as the last 3 months, including the current month.

Analyzing the Report

This report shows an analysis of your expiring contracts by validity period (from, to), target quantity, released quantity, target value, released value, and contract expiry in days.

The following data is filtered for this report:

- *Expiry Status* is restricted to *About to Expire* and *Expired*.
- *Contract Status* excludes *Closed*.
- *Release Status* is restricted to *Released*.
- *Contract Expiry Month* is restricted to the last three months, including the current month.

To further analyze data in this report, you can drag characteristics to rows and columns.

From this report, you can navigate to:

- [Contract Tracking \[page 143\]](#)
- [Contract Spend \[page 141\]](#)

See Also

Reports View

[Overview of Reports in Supplier Relationship Management \[page 22\]](#)

Overview of Data Sources in Supplier Relationship Management

4.6.4 Maverick Spend

This report shows the company's spend with and without the involvement of the purchasing department, and the maverick spend ratio over the last 12 months. In this report, you can analyze the maverick spend (the spend without the involvement of the purchasing department) per month and supplier or per month and product category. If your maverick spend is high, you can analyze which products are purchased by whom and take appropriate actions.

Views

The following views are available with this report:

- **Maverick Spend**
Shows the company's maverick spend over the last 12 months.
- **Maverick Spend per Product Category**
Shows the company's total spend, maverick spend, and maverick spend ratio, maverick spend with product, and maverick spend ratio with product over the last 12 months.
- **Maverick Spend Ratio (Last 12 Months)**
Shows the maverick spend ratio (the share of maverick spend within total spend) over the last 12 months and can be displayed as graphical view in the work center overview.
- **Maverick Spend (Last 12 Months)**
Shows the cumulated maverick spend as part of total spend over the last 12 months and can be displayed as graphical view in the work center overview.

Features

Running the Report

Before running the report, you can specify the data you want to see by making value selections for variables. You must make a value selection for all mandatory variables. In the system, mandatory variables are indicated by an asterisk (*).

Analyzing the Report

This report shows total spend, maverick spend, maverick spend ratio, maverick spend with product, maverick spend ratio with product according to supplier for a specified year or month.

The following data is filtered for this report:

- *Invoice Year / Month* is restricted to the last 12 months.
- *Posting Status* is restricted to *Posted*.

To further analyze data in this report, you can drag characteristics to rows and columns.

From this report, you can navigate to:

- [Contract Spend \[page 141\]](#)
- [Total Spend per Spend Category \[page 152\]](#)

See Also

Reports View

[Overview of Reports in Supplier Relationship Management \[page 22\]](#)

Overview of Data Sources in Supplier Relationship Management

4.6.5 Price History per Product and Supplier

Overview

This report shows the price history per product and delivering supplier over the last 12 months on the basis of a calculated average price based on invoice values. You can also check the invoiced quantities to see the importance of the purchased product for the company.

Features

Running the Report

Before running the report, you can specify the data you want to see by making value selections for variables. You must make a value selection for all mandatory variables. In the system, mandatory variables are indicated by an asterisk (*).

Analyzing the Report

This report shows the procured quantities and the average prices by supplier for products in base unit of measure on a monthly basis for a specified time period.

The following data is filtered for this report:

- *Invoice Year / Month* is restricted to the last 12 months.
- *Posting Status* is restricted to *Posted*.

To further analyze data in this report, you can drag characteristics to rows and columns.

From this report, you can navigate to [Price Reliability \[page 147\]](#).

See Also

Reports View

[Overview of Reports in Supplier Relationship Management \[page 22\]](#)

Overview of Data Sources in Supplier Relationship Management

4.6.6 Price Reliability

The report shows a comparison of all products purchased from one or more selected suppliers and displays the deviation between the purchase order price and the invoice price. For each product of the selected supplier or suppliers, the report calculates an average purchase order price and an average invoice price of a product, and compares these prices over a specified period of time.

This report displays the deviation between these two prices as an absolute value and also as a percentage.

Views

The following views are available with this report:

- **Price Reliability per Supplier**
Shows the price reliability of one or more suppliers regarding the products they deliver. The average purchase order price is compared to the average invoice price and absolute and relative deviation is calculated. This helps you to evaluate the supplier in terms of price reliability.
- **Price Reliability per Product**
Shows the price reliability of one or more products regarding the suppliers delivering the products. The average purchase order price is compared to the average invoice price and absolute and relative deviation is calculated. This enables you to evaluate the product regarding price reliability.

Features

Running the Report

Before running the report, you can specify the data you want to see by making value selections for variables. You must make a value selection for all mandatory variables. In the system, mandatory variables are indicated by an asterisk (*).

Analyzing the Report

This report shows an analysis of the prices of all products purchased from a selected supplier, or group of selected suppliers, and displays the deviation between the purchase order price and the invoice price.

The following data is filtered for this report:

- *Cancellation Status* excludes *Canceled*.
- *Item Cancellation Status* excludes *Canceled*.
- *Invoice Status* is restricted to *Partially Invoiced* and *Invoiced*.
- *Item Type* excludes *Limit*.
- *Ordered Year / Month* is restricted to the last 12 months.

- *Ordering Status* is restricted to *Ordered*.

To further analyze data in this report, you can drag characteristics to rows and columns.

From this report, you can navigate to:

- [Price History per Product and Supplier \[page 104\]](#)

See Also

Reports View

[Overview of Reports in Supplier Relationship Management \[page 22\]](#)

Overview of Data Sources in Supplier Relationship Management

4.6.7 Purchase Orders per Account Assignment

Overview

This report shows all purchase orders per account assignment that have been created over the last 7 days. Examples of account assignments include cost center, project, and so on. You can check the total values per account assignment and the status of the purchase orders.

The process type (for example, Third-Party) shows you the type of procurement process for this item.

You can further analyze third-party procurement processes by using the Third-Party process type combined with one or more of the following fields:

- Sales Order ID
- Customer
- Customer's Purchase Order ID
- Follow-On Process

Views

The following views are available with this report:

- **Purchase Orders per Cost Center**
Shows all purchase orders per cost center. You can check the total values per cost center and the status of purchase orders.
- **Purchase Orders per Project**
Shows all purchase orders per project. You can check the total values per project and the status of purchase orders.
- **Purchase Orders per Sales Order**
Shows all purchase orders per sales order. You can check the total values per sales order and the status of purchase orders.
- **Purchase Orders per Service Order**
Shows all purchase orders per service order. You can check the total values per service order and the status of purchase orders.

Features

Running the Report

Before running the report, you can specify the data you want to see by making value selections for variables. You must make a value selection for all mandatory variables. In the system, mandatory variables are indicated by an asterisk (*).

- **Header Status**
You can use this variable to display data that is relevant to the status of a purchase order.
Statuses include:
 - In Preparation
 - In Approval
 - In Revision
 - Rejected
 - Not Yet Confirmed
 - Sent
 - Confirmation Received
 - Follow-up Document Created
 - Finished
- **Purchase Order Creation Date (Last 7 Days)**
You can use this variable to display data that is relevant for the purchase orders created in the last 7 days. By default, the value is set as the last 7 days; however, you can change the value.

Analyzing the Report

This report shows an analysis of the purchase orders per account assignment according to ordered quantity, net value, and net value in company currency, allowing you to analyze purchase orders on a more operational level by account assignment.

The following data is filtered for this report:

- *Cancellation Status* excludes *Cancellation Discard* and *Canceled*.
- *Purchase Order Creation Date* is restricted to the last seven days, including today.
- *Item Cancellation Status* excludes *Cancellation Discard* and *Canceled*.

To further analyze data in this report, you can drag characteristics to rows and columns.

From this report, you can navigate to [Released Documents per Contract](#) [page 150].

See Also

Reports View

[Overview of Reports in Supplier Relationship Management](#) [page 22]

Overview of Data Sources in Supplier Relationship Management

4.6.8 Released Documents per Contract

Overview

Shows all the documents that were called off with reference to a specified contract. Shows the buyer how intensively a contract is used in terms of released documents per contract.

Features

Running the Report

Before running the report, you can specify the data you want to see by making value selections for variables. You must make a value selection for all mandatory variables. In the system, mandatory variables are indicated by an asterisk (*).

Analyzing the Report

This report shows an analysis of released documents per contract.

The following data is filtered for this report:

- *Contract Status* is restricted to *Released*.
- *Expiry Status* is restricted to *Not Expired* and *About to Expire*.

To further analyze data in this report, you can drag characteristics to rows and columns.

From this report, you can navigate to:

- [Contract Tracking \[page 143\]](#)
- Purchase Order Tracking
- [Expiring Contracts \[page 144\]](#)

See Also

Reports View

[Overview of Reports in Supplier Relationship Management \[page 22\]](#)

Overview of Data Sources in Supplier Relationship Management

4.6.9 Spend per Account Assignment

This report shows the overall spend per accounting type, such as cost center, individual material, or project and its distribution to spend categories (contract spend, purchase order spend, and maverick spend) based on invoice value over the last 12 months. You can drill down to product level. This report helps you to analyze which cost center or project buys products and services without the involvement of the purchasing department (= maverick spend).

Views

The following views are available with this report:

- Spend per Account Assignment
Shows the overall spend per type of account assignment, such as cost centers, projects, assets, sales orders and its distribution to the main spend categories over the last 12 months.
- Spend per Cost Center
Shows the spend per cost center and its distribution to the main spend categories over the last 12 months.
- Spend per Individual Material
Shows the spend per individual material and its distribution to the main spend categories over the last 12 months.
- Spend per Project
Shows the spend per project and its distribution to the main spend categories over the last 12 months.
- Spend per Sales Order
Shows the spend per sales order and its distribution to the main spend categories over the last 12 months.
- Spend per Service Order
Shows the spend per service order and its distribution to the main spend categories over the last 12 months.

Features

Running the Report

Before running the report, you can specify the data you want to see by making value selections for variables. You must make a value selection for all mandatory variables. In the system, mandatory variables are indicated by an asterisk (*).

Additional information is available for the following selected variable:

- Invoice Date Year/Month (Last 12 Months)
Displays data that is relevant for invoices created on or since a certain date. By default, the value is set to *Last 12 Months*, including the current month.

Analyzing the Report

This report shows the spend (based on invoice value) per different accounting objects by contract spend, purchase order spend, and maverick spend over the last 12 months.

The following data is filtered for this report:

- *Invoice Year/Month* is restricted to the last ten months, including the current month.
- *Posting Status* is *Posted*.

To further analyze data in this report, you can drag characteristics to rows and columns.

From this report, you can navigate to [Total Spend per Spend Category](#) [page 152].

See Also

Reports View

[Overview of Reports in Supplier Relationship Management](#) [page 22]

Overview of Data Sources in Supplier Relationship Management

4.6.10 Total Spend per Spend Category

Overview

This report shows contract spend, purchase order spend, maverick spend, and total spend for a specified year, based on invoice value. You can check how intensively contracts and catalogs are used, as well as how much is purchased without the involvement of the purchasing department (maverick spend).

The process type (for example, Third-Party) shows you the type of procurement process for this item.

Features

Views

The following views are available with this report:

- *Contract Spend Ratio per Month*
Shows the contract spend ratio per month.
- *Contract Spend per Month*
Show the contract spend per month.
- *Maverick Spend per Month*
Shows the maverick spend per month.
- *Top 10 Suppliers by Spend Category*
Shows the contract spend, purchase order spend, and maverick spend for the top 10 suppliers in descending order.
- *Top 5 Product Categories by Spend Category*
Shows the contract spend, purchase order spend, and maverick spend for the top 5 product categories in descending order.
- *Total Spend History per Spend Category (in Amount)*
Shows the spend per spend category (e.g. contract spend, purchase order spend, maverick spend) based on invoice values as amount and can be displayed as graphical view in the work center overview.
- *Total Spend History per Spend Category (in Percentage)*
Shows the spend per spend category (e.g. contract spend, purchase order spend, maverick spend) based on invoice values as percent and can be displayed as graphical view in the work center overview.
- *Total Spend per Spend Category*
Shows the spend per spend category (contract spend, purchase order spend, and maverick spend) as a percentage for a specified year, based on invoice value.
- *Total Spend per Spend Category - Details*
Shows the spend per spend category for a specified year, based on invoice values. The buyer can check the maverick spend and subcategories of contract spend and purchase order spend.
You can also see the third-party spend of your company in this view.
- *Total Spend per Spend Category and Quarter*
Shows the spend per spend category for a specified quarter, based on invoice values.

Running the Report

Before running the report, you can specify the data you want to see by making value selections for variables. You must make a value selection for all mandatory variables. In the system, mandatory variables are indicated by an asterisk (*).

Additional information is available for the following selected variable:

- **Invoice Date Year/Month (Last 12 Months)**
Displays data that is relevant for invoices for the last 12 months. By default, the value is set as the last 12 months, including the current month.

Analyzing the Report

This report shows an analysis of the total spend per spend category by contract spend, purchase order spend, maverick spend, and total spend.

The following data is filtered for this report:

- *Invoice Year/Month* is restricted to the last 12 months.
- *Posting Status* is restricted to *Posted*.

To further analyze data in this report, you can drag characteristics to rows and columns.

From this report, you can navigate to:

- [Contract Spend \[page 141\]](#)
- [Maverick Spend \[page 145\]](#)

See Also

Reports View

[Overview of Reports in Supplier Relationship Management \[page 22\]](#)

Overview of Data Sources in Supplier Relationship Management

4.6.11 Monitoring of Automatic Purchase Order Creation

Overview

Shows the percentage of automatically created purchase orders per purchasing unit over the last 12 months, the corresponding purchasing value and subtotals. In this report, you can check the degree of purchasing automation for a single or for all purchasing units.

The process type (for example, Third-Party) shows you the type of procurement process for this item.

Views

The following views are available with this report:

- **Monitoring of Automatic Purchase Order Creation**
Shows the number and percentage of automatically created purchase orders per purchasing unit over the last 12 months as well as the corresponding amount and percentage of purchasing value and subtotal in table format or as a chart.
- **Rate of Automatic Purchase Order Creation per Month**
Shows the percentage of automatically created purchase orders and corresponding percentage of purchasing value in table format or as a chart. You, as the buyer, can check the degree of purchasing automation for the purchasing unit to which you are assigned.

Features

Running the Report

Before running the report, you can specify the data you want to see by making value selections for variables. You must make a value selection for all mandatory variables. In the system, mandatory variables are indicated by an asterisk (*).

Additional information is available for the following selected variables:

- **Ordering Year/Quarter**
You can use this variable to display data that is relevant for purchase orders in a particular year or quarter.
- **Purchasing Unit**
You can use this variable to display data that is relevant for one purchasing unit.
- **Purchase Order Status**
You can use this variable to display data that is relevant for the processing status of a purchase order. Statuses include:
 - In Preparation
 - Finished
 - In Approval
 - In Revision
 - Rejected
 - Not Yet Confirmed
 - Sent
 - Confirmation Received
 - Canceled

Analyzing the Report

This report shows an analysis of purchase orders automatically created by purchasing units.

The following data is filtered for this report:

- *Cancellation Status* excludes *Cancellation Request* and *Cancelled*.
- *Item Cancellation Status* excludes *Cancellation Request* and *Cancelled*.
- *Ordering Date* is restricted to the last year.
- *Ordering Status* is restricted to *Ordered*.

To further analyze data in this report, you can drag characteristics to rows and columns.

From this report, you can navigate to Purchase Order Tracking.

See Also

Reports View

[Overview of Reports in Supplier Relationship Management \[page 22\]](#)

Overview of Data Sources in Supplier Relationship Management

5 Supplier Base

5.1 Business Background

5.1.1 Address Management

Overview

You can create, view, and update the details you need to communicate with your business partners. You can maintain detailed postal and communication data for persons and organizations.

Postal Data

You can maintain general postal address data for a business partner. You have to select the country before the address details can be added.

The layout of the postal address fields is country-specific.

1 The country-specific layout is not available for all countries.

You can maintain further postal address details for organizations and persons in the additional fields, such as:

- P.O. box number
- Time zone
- Address lines

1 We recommend that you create a separate address entry for a P.O. box address that contains P.O. box data only.

1 In human resources, address data is time-dependent, allowing you to maintain accurate address details for employees. Private address data maintained in human resources is protected in other application areas.

Communication Data

You can maintain communication data for a business partner. The fields available for communication data vary depending on whether you maintain data for persons or organizations.

1 Maintaining communication data is optional.

You can enter communication details, such as:

- Phone number
- Fax number
- E-mail address

- Web site address (organization only)
- Mobile phone (person only)

You can also specify the business partner's language and preferred method of contact.

Multiple Addresses

You can maintain multiple addresses for a business partner. You must specify the main address when you assign more than one address to a business partner.

If you enter multiple addresses for accounts, you can specify the ship-to, bill-to, dunning-to, and remittance advice to addresses. For suppliers, you can specify the ship-from, invoicer, payee, and remittance advice to addresses.

You can specify business and personal addresses for contacts and service agents. You can add further details to a business address, such as the building, floor, room, and further in-house mail details. If you want to select a business address for a contact or service agent, you have to assign the relevant business partner organization first whose address is then used as the business address.

Additionally you can also maintain validity period for the address of an account master data.



The time dependent address can be created and maintained through migration or service.

Deletion of Addresses

You can delete the address of a business partner. The deletion of a business partner address will not lead to errors in business documents, since business documents always refer to a copy of the business partner address that they use.

Credit Card Holder Addresses for Accounts

In some countries, the authorization check of a credit card service provider includes an address check. In this case, a credit card holder address is required. The clearing house checks the address of the payer against the address of the credit card holder that is stored at the credit card service provider. If the addresses do not match, the credit card payment fails.

You can maintain a credit card holder address or copy one of the existing addresses of the account to the credit card holder address.



In the quick activity you can only copy the main address of the account to the credit card holder address.

Additional Features

The features listed below and other features are available if they have been activated in the *Mashup Authoring* view. For more information, see the Mashup Authoring Quick Guide in the Help Center.

- Map/Directions
You can view an address on a map.
- Reverse Phone Look-Up
You can enter the phone number of a supplier, an account, or a contact to display the details of the person or organization to which this number belongs.

5.1.2 Business Partner Duplicate Check

Overview

The business partner duplicate check allows you to find business partners that exist more than once in the system, thus avoiding having redundant data in your system and helping you to reduce efforts and save costs when managing your business partner master data.

You can use the duplicate check when performing the following activities:

- When creating a new business partner in a business partner view
- When creating business partners from Microsoft Excel®
For example, the duplicate check is available when creating accounts using Microsoft Excel. For more information, see [Create Accounts Using Microsoft Excel®](#).

The duplicate check is available in various business processes where business partners, accounts, suppliers, or any other types of business partners and their respective business partner roles are used.

The check is carried out when you create a new business partner. While saving the data the system checks whether the business partner already exists. Each check is carried out for business partners with any kind of status.

- The check will also list business partner data that you might not be able to access due to missing access rights.
I The main address is only displayed if you have authorization to access it.

You have the following options when checking for duplicate business partners:

- The duplicate check is carried out automatically when you save the data you entered.
- You can also carry out the duplicate check manually by clicking [Check for Duplicates](#).

- The check is always done by comparing existing business partner data with the data of a business partner you are about to create.
I

Prerequisites

Configuration Settings

- Configuration settings are usually performed by an administrator. If you do not have the required authorization, contact your administrator.
I

To deactivate the duplicate check and to select the type of check you want to use, you have selected the required functions in your solution configuration. To find this business option, go to the [Business Configuration](#) work center and choose the [Implementation Projects](#) view. Select your implementation project and click [Edit Project Scope](#). In the [Scoping](#) step of the project, ensure that [Business Partners](#) is selected within [General Business Data](#).

In the [Questions](#) step, expand the [General Business Data](#) scoping element and select [Business Partners](#). Select [Handling of Business Partners](#) and answer the questions related to the duplicate check for business partners.

Features

Searching for Duplicate Business Partners

The search for duplicate business partners is carried out based on the following search criteria:

- Name of a business partner and related data
 - First name, last name, and date of birth of a person
 - Name and additional name of an organization
- Address data
 - Postal address data such as country, city, postal code, street, and house number
- Communication data
 - Phone, fax, mobile number, and e-mail

I The system carries out a fuzzy search that finds business partners even when the data you enter contains typographical errors or is incomplete.

The duplicate check result displays the following information about potential duplicate business partners:

- ID
- Name
- Address
- Status
- Ranking information about the probability of a match with a potential duplicate business partner in percent
- An indication of whether the related role of the current view has already been assigned to the business partner in question

For example, when checking for duplicate suppliers in the *Suppliers* view, the *Existing as Supplier* check box is selected if the business partner has been created as a supplier.

I You can choose one of the following profiles for the duplicate check during scoping:

- Strong check if you want to search for duplicate business partners with high similarity only
If you select this type of check, business partners will be displayed as duplicates if the similarity is at least 85 %.
 - Medium check if you want to search for duplicate business partners with medium to high similarity
If you select this type of check, business partners will be displayed as duplicates if the similarity is at least 80 %.
 - Weak check if you want to search for duplicate business partners with low to high similarity
If you select this type of check, business partners will be displayed as duplicates if the similarity is at least 70 %.
- You can also deactivate the duplicate check.

Handling Duplicate Business Partners

In the duplicate check result, you can do the following:

- Ignore the duplicate business partners and save your entries
- Create the new business partner based on the data of the duplicate business partner

Depending on whether the existing business partner has already been created with a certain role, you can use the existing data or create the new business partner with the new role.

5.2 Suppliers View

5.2.1 Suppliers Quick Guide

The *Suppliers* view provides you with an overview of all the suppliers or bidders that are currently in your system. You can enter and view details about the service agents who work with your suppliers and any relationships suppliers may have with other suppliers.

You can maintain the purchasing data of the suppliers or bidders. You can also maintain the financial data of the supplier, including their bank and tax details, and the finance details of each site of your company that deals with a specific supplier.

The *Suppliers* view provides information about the product category life cycle. This can be used in planning your sourcing strategy.

You can access the *Suppliers* view from the following locations:

- *Business Partner Data* work center
- *Supplier Base* work center
- *Payables* work center

I If your company has selected the implementation focus *Buy, Sell, and Administrate*, there will be slight differences between your solution and the standard as outlined below. For more information, see *What Works Differently for Purchasing in Buy, Sell, and Administrate*.

Business Background

Suppliers and Service Agents

You can view, create, and maintain information about your suppliers and service agents in more than one work center. The data that you create is shared by several work centers. You only need to maintain the information in one work center for it to be updated automatically in all relevant work centers.

For more information, see [Maintenance of Suppliers and Service Agents \[page 164\]](#).

Address Management

You can create, view, and update the details you need to communicate with your business partners. You can maintain detailed postal and communication data for persons and organizations.

For more information, see [Address Management \[page 155\]](#).

Business Partner Duplicate Check

The business partner duplicate check allows you to find business partners that exist more than once in the system, thus avoiding having redundant data in your system and helping you to reduce efforts and save costs when managing your business partner master data.

For more information, see [Business Partner Duplicate Check \[page 157\]](#).

Managing the Product Category Life Cycle

In the *Product Categories* view of the supplier editor, you can manage the life cycle of the product categories delivered by the supplier.

For more information, see [Managing the Product Category Life Cycle \[page 168\]](#).

Tasks

Create and Edit a Supplier

1. In the worklist of the *Suppliers* view, click **New**, then choose *Supplier*.

➔ You can also create a new supplier by starting the *New Supplier* common task, which belongs to the *Business Partner Data*, *Supplier Base*, or *Payables* work center.

2. Enter the supplier's name, address, and communication details and other supplier-specific data, such as the ABC classification.

1 The certification content for the *Certified According To* field has to be defined during fine-tuning. If certifications are not defined, then this information cannot be entered.

1 You can check if a supplier already exists in the system if you have chosen this option during scoping. When you enter the details of a supplier, click **Check For Duplicates**. The system also notifies you of potential duplicates when you save the details of a new supplier. You can view the potential duplicates listed.

3. Assign one or more supplier roles to the supplier. The *Supplier* role is pre-selected for you, however, you can also assign the *Bidder* or *Freight Forwarder* role. You can assign the *Warehouse Provider* role to a business partner running an externally managed warehouse. The connection between the business partner and the externally managed warehouse is established in the *Locations* view of the *Supply Chain Design Master Data* work center after a new site has been created for that purpose.
4. Enter purchasing data and payment data to enable an end-to-end-process from purchasing to invoicing, and accounting. The purchasing and payment information you enter will be used as standard data when you create a new purchasing document.

1 When you maintain payment data for a new supplier and select the bank transfer payment method, the bank data can be maintained as well.

5. To enter additional information about the supplier, click **View All** to open the editor.

➔ You can also add more information to a particular supplier by selecting the supplier in the worklist and clicking **Edit** *General*.

6. Click **Save** to save the new supplier.

Create Suppliers Using Microsoft Excel®

You can create suppliers using a predefined Microsoft Excel template. For more information, see [Create Suppliers Using Microsoft Excel \[page 169\]](#).

Assign Multiple Addresses to a Supplier

1. In the editor of the *Suppliers* view, click **Communication** and then **Addresses** .
2. Click **Add Row** .
3. Enter the address details.
4. If you require additional address fields, click *Additional Fields*.
You can also select a different main address and indicate how the address should be used, such as the ship-from address.
5. Enter one or more addresses, and save the address details.

➔ You can also assign additional addresses to a particular supplier by selecting the supplier in the worklist and clicking **Edit** **Addresses**.

Maintain Output Settings for a Supplier

1. In the editor of the *Suppliers* view, click **Communication** and then **Collaboration** .
2. You have the following options:
 - To specify output settings for a specific document, select a document from the list.
 - a. Select **E-Mail**, **Fax**, or **Printer** from the dropdown list.
 - I** If you want to use fax as an output channel, you have to select this option during scoping. For more information, see Configuration: E-Mail and Fax Settings.
 - b. Enter the e-mail address, fax number, or enter the number of copies required.
 - I** You can select a form template for accounts, if available.
 - I** By default, the advanced shipping notification is not sent to accounts. If you want to send advanced shipping notifications to a particular account, select the checkbox in the **Active** column, enter an output channel and click **Save** .
 - To maintain an output channel to be used for all business documents sent to this business partner, select the *Use for all Business Documents* checkbox.
 - a. Select **E-Mail**, **Fax**, or **Printer** from the dropdown list.
 - b. Enter the e-mail address, fax number, or enter the number of copies required.
 - c. Press **ENTER**.
 - I** If you use e-mail as an output channel and do not enter an e-mail address, the e-mail address of the main address of the business partner will be used.
 - To maintain XML settings, click **Maintain XML Settings** . This brings you to the *Communication Arrangement* quick activity.
3. To maintain XML settings, click **Maintain XML Settings** . This brings you to the *Communication Arrangement* quick activity.

Business partner-specific output settings overwrite any default output settings that have been maintained in the *Output Channel Selection* and *Form Template Selection* views of the *Application and User Management* work center.

I The business partner-specific settings can also be overwritten if the employee responsible for a document changes the output settings by clicking *You Can Also* and choosing *Edit Output Settings*.

For more information, see Process-Integrated Output Settings.

Assign a Contact to a Supplier

1. In the editor of the *Suppliers* view, click **Contacts** and then **Contacts** .
2. Click **Assign Contact** if you want to use an existing business partner as the contact for the supplier.
 1. In the dialog box, search for a business partner using the value selection.
 2. Select a business partner and click *OK*.
The existing address, communication, function, and department details for the business partner appear. You can edit the details or add information.
3. To create a new contact, click **Add Row** .
4. Enter the details about the new contact.
You can assign multiple contacts to a supplier. You must select a main contact by selecting the *Main* checkbox.
5. Click **Save** to save the contact.

➔ You can also assign a contact to a particular supplier by selecting the supplier in the worklist and clicking **Edit** **Contacts**.

Assign a Service Agent to a Supplier

1. In the editor of the *Suppliers* view, click **Contacts** and then **Service Agents** .
2. Click **Assign Service Agent** if you want to use an existing business partner as the service agent for the supplier.
 1. In the dialog box, search for a business partner using the value selection.
 2. Select a business partner and click *OK*.
The existing address, communication, function, and department details for the business partner appear. You can edit the details or add information.
3. To create a new service agent, click **Add Row** .
4. Enter the details about the new service agent.
You can assign multiple service agents to a supplier.
5. Click **Save** to save the service agent.

Specify Relationships of a Supplier

1. In the editor of the *Suppliers* view, click **Contacts** and then **Relationships** to enter your details about further relationships for a supplier.
2. Click **Add Row** and select the relationship type and the business partner with whom the supplier has a relationship.
3. Save your data.

Add Purchasing Data to a Supplier

1. In the editor of the *Suppliers* view, click **Purchasing** .
2. Select the purchasing data that you require, such as the payment terms and Incoterms.
If you want to block a supplier from being used in the purchasing process, select the *Purchasing Blocked* checkbox.
3. Save your data.

Add Payment Data to a Supplier

1. In the editor of the *Suppliers* view, click [Financial Data](#) and then [Payment Data](#) .
2. Under *Companies*, click [Add Row](#) and select the company using the value selection.
3. Select the account determination group.
You can select a payment block reason and a payment block expiry date.
4. Under *Payment Methods*, you can click [Add Row](#) if you want to select a payment method from the dropdown list.
5. If applicable, you can add instructions to the bank for international payments.
6. If remittance advice is required, select the appropriate checkbox.
7. Enter the creditor ID at DATEV in the appropriate field, if you use DATEV.
8. Save your data.

Add Bank Data to a Supplier

1. In the editor of the *Suppliers* view, click [Financial Data](#) and then [Bank Data](#) .
2. Select a bank using the value selection.
The country and national bank code are added automatically.



If the relevant bank does not appear in the value selection, click [New Bank](#) and enter the bank's details to add the bank to the bank directory.

3. Enter the bank account details.
4. Save your data.

Add Tax Data to a Supplier

1. In the editor of the *Suppliers* view, click [Financial Data](#) and then [Tax Data](#) .
2. Under *Tax Numbers*, click [Add Row](#) and select the country, tax number type, and tax number from the dropdown lists.
3. Under *Withholding Tax Classifications*, click [Add Row](#) and select the country, tax type, and tax rate type from the dropdown lists.
4. Under *Tax Exemptions*, click [Add Row](#) and select the country, state, tax type, and tax exemption reason from the dropdown lists.
5. Save your data.

Export Suppliers Using Microsoft Excel®

For more information, see [Export Business Data Using Microsoft Excel](#) [page 64].

5.2.2 Business Background

5.2.2.1 Maintenance of Suppliers and Service Agents

Overview

You can view, create, and maintain information about your suppliers and service agents in more than one work center. The data that you create is shared by several work centers. You only need to maintain the information in one work center for it to be updated automatically in all relevant work centers.

You can access the *Suppliers* view from the following locations:

- *Business Partner Data* work center
- *Supplier Base* work center
- *Payables* work center

You can access the *Service Agents* view from the following locations:

- *Business Partner Data* work center
- *Supplier Base* work center
- *Project Management* work center

Suppliers and Service Agents

The *Suppliers* view provides you with an overview of the suppliers who are currently in your system. You can create and maintain all details about your suppliers or bidders, such as address, communication, and purchasing data.

The *Service Agents* view provides you with an overview of your service agents, including such information as the name and contact details. You can see which supplier each service agent works for and see the relationship the service agent has with the supplier and other business partners.

Prerequisites

Configuration Settings

i Configuration settings are usually performed by an administrator. If you do not have the required authorization, contact your administrator.

You have checked and adapted the predelivered settings for supplier-specific data.

To find this activity, go to the *Business Configuration* work center and choose the *Implementation Projects* view. Select your implementation project and click [Open Activity List](#). Select the *Fine-Tune* phase, then select the *Suppliers* activity from the activity list.

See Also

Suppliers — Configuration Guide

Additional Identifiers for Business Partners

5.2.2.2 Address Management

Overview

You can create, view, and update the details you need to communicate with your business partners. You can maintain detailed postal and communication data for persons and organizations.

Postal Data

You can maintain general postal address data for a business partner. You have to select the country before the address details can be added.

The layout of the postal address fields is country-specific.

1 The country-specific layout is not available for all countries.

You can maintain further postal address details for organizations and persons in the additional fields, such as:

- P.O. box number
- Time zone
- Address lines

1 We recommend that you create a separate address entry for a P.O. box address that contains P.O. box data only.

1 In human resources, address data is time-dependent, allowing you to maintain accurate address details for employees. Private address data maintained in human resources is protected in other application areas.

Communication Data

You can maintain communication data for a business partner. The fields available for communication data vary depending on whether you maintain data for persons or organizations.

1 Maintaining communication data is optional.

You can enter communication details, such as:

- Phone number
- Fax number
- E-mail address
- Web site address (organization only)
- Mobile phone (person only)

You can also specify the business partner's language and preferred method of contact.

Multiple Addresses

You can maintain multiple addresses for a business partner. You must specify the main address when you assign more than one address to a business partner.

If you enter multiple addresses for accounts, you can specify the ship-to, bill-to, dunning-to, and remittance advice to addresses. For suppliers, you can specify the ship-from, invoicer, payee, and remittance advice to addresses.

You can specify business and personal addresses for contacts and service agents. You can add further details to a business address, such as the building, floor, room, and further in-house mail details. If you want to select a business address for a contact or service agent, you have to assign the relevant business partner organization first whose address is then used as the business address.

Additionally you can also maintain validity period for the address of an account master data.

I The time dependent address can be created and maintained through migration or service.

Deletion of Addresses

You can delete the address of a business partner. The deletion of a business partner address will not lead to errors in business documents, since business documents always refer to a copy of the business partner address that they use.

Credit Card Holder Addresses for Accounts

In some countries, the authorization check of a credit card service provider includes an address check. In this case, a credit card holder address is required. The clearing house checks the address of the payer against the address of the credit card holder that is stored at the credit card service provider. If the addresses do not match, the credit card payment fails.

You can maintain a credit card holder address or copy one of the existing addresses of the account to the credit card holder address.

I In the quick activity you can only copy the main address of the account to the credit card holder address.

Additional Features

The features listed below and other features are available if they have been activated in the *Mashup Authoring* view. For more information, see the Mashup Authoring Quick Guide in the Help Center.

- Map/Directions
You can view an address on a map.
- Reverse Phone Look-Up
You can enter the phone number of a supplier, an account, or a contact to display the details of the person or organization to which this number belongs.

5.2.2.3 Business Partner Duplicate Check

Overview

The business partner duplicate check allows you to find business partners that exist more than once in the system, thus avoiding having redundant data in your system and helping you to reduce efforts and save costs when managing your business partner master data.

You can use the duplicate check when performing the following activities:

- When creating a new business partner in a business partner view

- When creating business partners from Microsoft Excel®
For example, the duplicate check is available when creating accounts using Microsoft Excel. For more information, see [Create Accounts Using Microsoft Excel®](#).

The duplicate check is available in various business processes where business partners, accounts, suppliers, or any other types of business partners and their respective business partner roles are used.

The check is carried out when you create a new business partner. While saving the data the system checks whether the business partner already exists. Each check is carried out for business partners with any kind of status.

I The check will also list business partner data that you might not be able to access due to missing access rights. The main address is only displayed if you have authorization to access it.

You have the following options when checking for duplicate business partners:

- The duplicate check is carried out automatically when you save the data you entered.
- You can also carry out the duplicate check manually by clicking [Check for Duplicates](#).

I The check is always done by comparing existing business partner data with the data of a business partner you are about to create.

Prerequisites

Configuration Settings

I Configuration settings are usually performed by an administrator. If you do not have the required authorization, contact your administrator.

To deactivate the duplicate check and to select the type of check you want to use, you have selected the required functions in your solution configuration. To find this business option, go to the [Business Configuration](#) work center and choose the [Implementation Projects](#) view. Select your implementation project and click [Edit Project Scope](#). In the [Scoping](#) step of the project, ensure that [Business Partners](#) is selected within [General Business Data](#).

In the [Questions](#) step, expand the [General Business Data](#) scoping element and select [Business Partners](#). Select [Handling of Business Partners](#) and answer the questions related to the duplicate check for business partners.

Features

Searching for Duplicate Business Partners

The search for duplicate business partners is carried out based on the following search criteria:

- Name of a business partner and related data
 - First name, last name, and date of birth of a person
 - Name and additional name of an organization
- Address data
 - Postal address data such as country, city, postal code, street, and house number
- Communication data
 - Phone, fax, mobile number, and e-mail

i The system carries out a fuzzy search that finds business partners even when the data you enter contains typographical errors or is incomplete.

The duplicate check result displays the following information about potential duplicate business partners:

- ID
- Name
- Address
- Status
- Ranking information about the probability of a match with a potential duplicate business partner in percent
- An indication of whether the related role of the current view has already been assigned to the business partner in question

For example, when checking for duplicate suppliers in the *Suppliers* view, the *Existing as Supplier* check box is selected if the business partner has been created as a supplier.

i You can choose one of the following profiles for the duplicate check during scoping:

- Strong check if you want to search for duplicate business partners with high similarity only
If you select this type of check, business partners will be displayed as duplicates if the similarity is at least 85 %.
 - Medium check if you want to search for duplicate business partners with medium to high similarity
If you select this type of check, business partners will be displayed as duplicates if the similarity is at least 80 %.
 - Weak check if you want to search for duplicate business partners with low to high similarity
If you select this type of check, business partners will be displayed as duplicates if the similarity is at least 70 %.
- You can also deactivate the duplicate check.

Handling Duplicate Business Partners

In the duplicate check result, you can do the following:

- Ignore the duplicate business partners and save your entries
- Create the new business partner based on the data of the duplicate business partner
Depending on whether the existing business partner has already been created with a certain role, you can use the existing data or create the new business partner with the new role.

5.2.2.4 Managing the Product Category Life Cycle

Overview

In the *Product Categories* view of the supplier editor, you can manage the life cycle of the product categories delivered by the supplier.

You can assess your sourcing strategy for a product category by reviewing factors such as the number of suppliers who can provide items in the product category, your company's dependency on these suppliers, and the ease or difficulty in obtaining the products. With this information, you can decide whether or not to change your supplier in order to reduce the risk of a product not being available when needed, for example. You might also use the information to help negotiate prices and conditions with your supplier.

The engagement status is an indicator of the current standing of a product category and its availability for purchasing from a supplier. The statuses range from “In Pre-Evaluation”, “In Introduction”, “Released for Purchasing”, “In Removal” to “Removed”. With these statuses, you can determine which supplier should be used for a particular product category. Based on the status, restrictions on purchasing from a particular supplier are maintained.

The engagement statuses are:

- **In Pre-Evaluation:** A product category is being researched but is not yet available for purchasing from the supplier. A warning message is raised when a purchase order is created for this product category with the supplier in question.
- **In Introduction:** A product category is not available for sourcing activities with the supplier until the appraisal is complete. You cannot create a purchase order for this product category with the supplier in question.
- **Released for Purchasing:** A product category is fully available for purchasing from the supplier.
- **In Removal:** A product category is available for limited purchasing to complete unfinished procurement processes before the supplier is removed from the product category. A warning message is raised when you further create purchase orders using the same supplier for that product category.
- **Removed:** A product category is not available for purchasing from the supplier.

5.2.3 Tasks

5.2.3.1 Create Suppliers Using Microsoft Excel®

Overview

You can create suppliers by entering them in a predefined Microsoft Excel template and uploading them to the SAP Business ByDesign system.

Prerequisites

You have installed the latest **Add-In for Microsoft Excel**. Depending on your solution set-up, you can do this from the [Self Services Overview](#) in the *Home* work center, from the [Download Center](#) in the *Application and User Management* work center, or from the [Download](#) link that is available directly on the user interface.

Also, the settings for your browser must be set correctly. You can check this by clicking [Check My Computer Settings](#) on the logon screen.

Steps

In the SAP Business ByDesign system, in the *Suppliers* view, click **New** and choose [Suppliers from Microsoft Excel](#).

Get the Template

1. Select the template.
Choose the template in the required language and click [Download](#).

I You can choose any language that you have selected during scoping. If you have selected only one language during scoping, you will not get a selection of language versions to choose from.

2. Decide what you want to do with the template. Choose one of the following options:
 - If you want to use the template only once, you can open the template without saving it. Click [Open](#).
 - If you want to save the template so that you can use it again, choose a location to save the file to, enter an appropriate file name, and click [Save](#). Then click [Open](#).

1 If you have previously downloaded and saved this template on your computer, navigate to the location where you have saved the template, and open it.

Log on to the solution from Microsoft Excel

1. In the [SAP Add-In](#) ribbon in Microsoft Excel, click [Logon](#).

1 If the [SAP Add-In](#) ribbon is not displayed, check to make sure that the **Add-In for Microsoft Excel** has been installed correctly (see **Prerequisites** in this document).

A dialog box opens where you can enter the logon details. The system URL is proposed automatically. The system URL is the URL of the system that you are working with.

2. Enter your user ID and your password, and click [Logon](#).

1 After initial logon to the system, the ribbon text is changed from [SAP Add-In](#) to the name of your solution.

Enter Details in the Microsoft Excel Template

1 Note the following:

- The Microsoft Excel template is presented with a number of rows where you can enter or copy your data. If you need more, add the number of rows you need before you start entering or copying your data.
- Ensure that mandatory fields (those marked with an asterisk) are filled.
- To help you fill in the details:
 - Some fields have dropdown lists.
 - In some fields you can search the system for data, for example, countries. Place the cursor on the field, and click [Lookup](#) in your solution's tool bar or ribbon to search the system. A search field is available in the [Lookup](#) dialog box that appears. When you start to type text in the search field, the relevant entries are filtered in the [ID](#) and [Description](#) columns, meaning that you do not have to scroll through the whole list. If the [Lookup](#) button is not active in the ribbon or toolbar, then it is not possible to perform a search.

Enter the supplier data in the appropriate columns, such as the general supplier data, the address data, the supplier details, and the purchasing data.

If you do not select a status, the system will use the [In Preparation](#) status.

The system will then carry out a duplicate check for names, addresses, and communication data if this function has been selected during scoping. If there is duplicate data it cannot be saved to the SAP Business ByDesign system, and an error message displays. If you do not want to carry out a duplicate check for selected suppliers, select [No](#) in the [Duplicate Check](#) column for the relevant suppliers.

For more information about the duplicate check, see [Business Partner Duplicate Check \[page 157\]](#).

Save Your Data

1. After you have finished entering all the data, save the Microsoft Excel file.
2. Click [Save Data to](#).

A dialog box opens, informing you that the data is being saved to the solution.
After the upload, a message informs you that your data has been saved in the solution.



If you do not provide all the required information, or if you provide incorrect information, some records will not be saved. Error messages will highlight the problems so that you can correct them and save the data again.

3. You can then log off by clicking **Logoff**.

Result

The new suppliers are saved in the SAP Business ByDesign system and added to the list in the *Suppliers* view.
If you need to make changes to these suppliers, you can change them in the Microsoft Excel template and upload them again to the SAP Business ByDesign system.

5.2.3.2 Export Business Data Using Microsoft Excel®

Overview

You can export reports and worklists to Microsoft Excel® documents. You can use these documents for further analysis, and in some cases, edit and upload them to the solution.

You can export data from a report or from a worklist.

Prerequisites

- You have installed the latest **Add-In for Microsoft Excel®**. Depending on your solution set-up, you can do this from the:
 - *Self Services Overview* in the *Home* work center
 - *Download Center* in the **Application and User Management** work center
 - *Download* link that is available directly on the user interface
- The settings for your browser must be set correctly. You can review the information about computer settings by clicking *Check My Computer Settings* on the logon screen.
- You must be authorized to perform an export to Microsoft Excel®.

Procedure

1. Go to the screen with the data you want to export.
2. Depending on the type of data, choose one of these options:
 - For a report, you can either export a chart or a table. To do so, select the report, and click *Switch to Chart* or *Switch to Table*.
 - For a worklist, select the worklist and click *Go*.
3. Click **Export**, then choose *To Microsoft Excel*.
4. **Optional: Personalizing your excel export**
 1. To select the columns in your exported excel, do the following:

- a. In the title bar, click *Personalize* ► *This screen* ▾
- b. In the side panel, select *Display Settings*.
- c. In the Display Settings dialog box, you can export all the columns in the view by selecting *All* in the *Export Columns* field

i The default value for this field is *Visible*, which exports only the currently displayed columns.

2. To select the language for your excel export, do the following
 - a. In the Display Settings dialog box, set the *Language Selection* field to *Show* and click **OK**
 - b. Click **Save**.
 - c. Click **Export** **▾**, then choose *To Microsoft Excel®*
 - d. Select a language in the dialog box that opens.

i The column selection preference in this dialog box allows you to override the personalized setting. This selection is valid for the current export only.

5. Select the template in the dialog box that is displayed.

i

- If there is only one template that has the logged in language variant, then the export will be performed in the logged in language, and no user interaction is required.
- If there is only one template in the system for this export scenario, but the logged in language variant is not available, then export will be performed in the English language.
- If there is more than one template in the system for this export scenario, the *Template List* dialog box is displayed. In this dialog, you can select the Microsoft Excel template that you want to use for the export. The template will dictate how your exported data will be formatted. The Microsoft Excel version that is relevant for each template is displayed.

6. Click *Download*.
7. A message shows that you can open or save the file which contains the data that you have just exported from the solution. Click *Open* or *Save* depending on what you want to do with the exported data.

Depending on whether you click *Open* or *Save*, there are two possible results:

- If you click *Open*, a worksheet opens with the data in Microsoft Excel. The file has a temporary name, but it is not saved. You can use all the functions of Microsoft Excel to organize the data and to save that worksheet.
- If you click *Save*, a *Save As* dialog box opens. You can specify an appropriate file name and a location to save the exported Microsoft Excel file to. A message will inform you when the download has completed successfully.

You can later navigate to the location where you have saved the template and open it .

5.3 Service Agents View

5.3.1 Service Agents Quick Guide

As a buyer or project manager who deals with external employees, it is essential that you have detailed information about your suppliers. It is also essential that you have information about the service agents who work for your suppliers and provide their services to you.

The *Service Agents* view allows you to view, create, and update the most essential service agent data. It provides an overview of service agent information, such as name and contact details. You can see for which supplier each service agent works, and see the relationships the service agent has with other business partners. You can create a user for the service agent, so he or she can access your system directly for tasks such as time entry. You can view organizational details, such as the organizational unit, the job title, the reporting line unit, and the manager.

You can access the *Service Agents* view from the following locations:

- *Business Partner Data* work center
- *Project Management* work center
- *Supplier Base* work center

Business Background

Suppliers and Service Agents

You can view, create, and maintain information about your suppliers and service agents in more than one work center. The data that you create is shared by several work centers. You only need to maintain the information in one work center for it to be updated automatically in all relevant work centers.

For more information, see [Maintenance of Suppliers and Service Agents \[page 164\]](#).

Address Management

You can create, view, and update the details you need to communicate with your business partners. You can maintain detailed postal and communication data for persons and organizations.

For more information, see [Address Management \[page 155\]](#).

Business Partner Duplicate Check

The business partner duplicate check allows you to find business partners that exist more than once in the system, thus avoiding having redundant data in your system and helping you to reduce efforts and save costs when managing your business partner master data.

For more information, see [Business Partner Duplicate Check \[page 157\]](#).

Tasks

Create and Edit a Service Agent

1. In the worklist of the *Service Agents* view, click , then choose *Service Agent*.

➔ You can also create a new service agent by starting the *New Service Agent* common task, which belongs to the *Business Partner Data*, *Project Management*, or *Supplier Base* work center.

2. Enter the service agent's name, address, and communication details and other service agent-specific data, such as the supplier that he works for and the organizational assignment.

1 You can check if a service agent already exists in the system if you have chosen this option during scoping. When you enter the details of a service agent, click **Check For Duplicates**. The system also notifies you of potential duplicates when you save the details of a new service agent. You can view the potential duplicates listed.

3. Enter business information about the new service agent.
 1. In the *Business Details* section, enter information about the service agent that is internal to your company, such as function and department, if applicable. This might be appropriate if the service agent is working on site for you.
If the service agent is working on site, enter the in-house address and communication information.
 2. In the *Business Address* and *Business Communication* sections, enter information about the service agent that is external to your company, such as phone, fax, and e-mail at the supplier's address, or the function and department within the supplier's company.
4. To enter additional information about the service agent, click **View All** to open the editor.

➔ You can also add more information to a particular service agent by selecting the service agent in the worklist and clicking **Edit** *General*.

1 If you set the service agent's status to blocked, the system displays a warning message for the entire service agent account. This may affect purchasing, sales, and any related business partners, but you can still use the service agent in your business processes. However, this status automatically locks the user for that service agent if one has been assigned, and the service agent cannot access your system until you change the status.

5. Click **Save** to save the new service agent.

Assign Multiple Addresses to a Service Agent

1. In the editor of the *Service Agents* view, click **Addresses**.
2. Click **Add Row**.
3. Select the address type, and enter the address details.
4. If you require additional address fields, click *Additional Fields*.
5. Enter one or more addresses, if the service agent works for more than one supplier and has additional addresses, and save the address details.

➔ You can also assign additional addresses to a particular service agent by selecting the service agent in the worklist and clicking **Edit** *Addresses*.

Specify Relationships of a Service Agent

1. In the editor of the *Service Agents* view, click **Relationships** to enter your details about the relationships for a service agent.
2. Click **Add Row** and select the relationship type and the business partner with whom the service agent has a relationship.

If your service agent is the service agent for more than one supplier (relationship type *Is Service Performer For*), select *Main* under *Details* for the main relationship for this service agent.

1 The main supplier to which a service agent is assigned is also displayed in the worklist.

3. Save your data.

Create a User for a Service Agent

1. If a service agent requires a user to access your system, click **Request User**.
The user is automatically created.
2. Contact an administrator to maintain the new user account, for example, to maintain the user's password and validity period. In the *Application and User Management* work center, the user for the service agent can also be locked or unlocked.
The service agent can then access your system directly to maintain a time sheet, if required.

Edit the Time Sheet of a Service Agent

You can only click **Edit Time Sheet** in the worklist of the *Service Agents* view for a selected service agent if the following applies:

- You have assigned the service agent to a project.
- The service agent is not an internal employee.
- The purchase orders with time sheet recordings for projects are enabled in your solution configuration. To find this business option, go to the *Business Configuration* work center and choose the *Implementation Projects* view. Select your implementation project and click **Edit Project Scope**. In the *Scoping* step of the project, ensure that *Purchase Request and Order Management* is selected within *Purchasing*. In the *Questions* step, expand the *Purchasing* scoping element and select *Purchase Request and Order Management*. Select *Goods and Services Receipts* and answer the question related to the type of purchase order for services.

1 Configuration settings are usually performed by an administrator. If you do not have the required authorization, contact your administrator.

For more information about this task, see [here \[page 177\]](#).

Record Times from Microsoft Excel®

For more information, see [here \[page 180\]](#).

Export Service Agents Using Microsoft Excel®

For more information, see [Export Business Data Using Microsoft Excel \[page 64\]](#).

5.3.2 Business Background

5.3.2.1 Maintenance of Suppliers and Service Agents

Overview

You can view, create, and maintain information about your suppliers and service agents in more than one work center. The data that you create is shared by several work centers. You only need to maintain the information in one work center for it to be updated automatically in all relevant work centers.

You can access the *Suppliers* view from the following locations:

- *Business Partner Data* work center
- *Supplier Base* work center
- *Payables* work center

You can access the *Service Agents* view from the following locations:

- *Business Partner Data* work center
- *Supplier Base* work center
- *Project Management* work center

Suppliers and Service Agents

The *Suppliers* view provides you with an overview of the suppliers who are currently in your system. You can create and maintain all details about your suppliers or bidders, such as address, communication, and purchasing data.

The *Service Agents* view provides you with an overview of your service agents, including such information as the name and contact details. You can see which supplier each service agent works for and see the relationship the service agent has with the supplier and other business partners.

Prerequisites

Configuration Settings

i Configuration settings are usually performed by an administrator. If you do not have the required authorization, contact your administrator.

You have checked and adapted the predelivered settings for supplier-specific data.

To find this activity, go to the *Business Configuration* work center and choose the *Implementation Projects* view. Select your implementation project and click [Open Activity List](#). Select the *Fine-Tune* phase, then select the *Suppliers* activity from the activity list.

See Also

Suppliers — Configuration Guide

Additional Identifiers for Business Partners

5.3.3 Tasks

5.3.3.1 Edit Time Sheet

Overview

In the *Time Sheet*, you can record the hours you have worked and leave you have taken, post working time to different projects and project tasks, and then submit the time sheet for approval. For detailed information about all of the functions available in the time sheet, see *The Time Sheet*.

Procedure

1. You are in the *Home* work center in the *Self-Services Overview* view. Under *Time*, click *Edit Time Sheet*.
2. Select the view best suited to your time recording needs if this has not already been preset.
 - Select the *Day* view to record time on a daily basis, typically if you want to confirm partial-day times for the tasks and activities you have worked on each day.
 - Select the *Week* view to record time on a weekly basis, typically at the end of the week when you want to confirm partial-day times for tasks and activities you worked on during the week.
 - Select the *Month* view to record time on a monthly basis, typically at the end of the month when you want to confirm partial-day times for tasks and activities you worked on during the month. You may also find this view useful when you want to release all times in one go rather than having to release every single entry individually.
 - Select the *Worklist* view when you have worked on several different tasks or activities during the relevant time frame and therefore want to report your times accordingly.
 - If you are recording project times for a project that has been flagged as billable in *Project Management*, the *billable hours* are displayed in addition. If you are recording project times for a project task of a partner company (buying company), the *Purchase Order* is displayed.
3. Optional: You can add and remove columns to the time sheet by clicking *Personalize* at the top of the screen and selecting or deselecting fields as required. Save your selections and exit.
4. Record time against projects and project tasks or against time types (non-project time recording) in one of the following ways:

I You can use the **Manage My Worklist** function to control the visibility of work packages (project tasks and services) and time types in both the worklist and the time sheet. Employees can also assign themselves to work packages to which they are not directly assigned. You access the worklist functions by clicking **Manage My Worklist**:

- To show or hide entries in the time sheet, select the relevant row, click **Actions** and choose the required Show or Hide action. Alternatively, you can toggle the display by clicking the icon in the *Visibility* column.
- Work packages or time types that you add to the worklist are displayed in parallel in the time sheet and vice versa.
- To add a task that is not currently displayed, click *Add Work Package*. The *Add Work Package* dialog box opens, where you can select the required task and service. Entry of a service is not mandatory.
- If you need to record work done for a project task to which you are not already specifically assigned, when you select the work package, the system will automatically find the relevant **service** if the following condition is fulfilled: there is one unassigned service in the project task you have entered and you are not assigned to any other work packages belonging to the task.

I If a service agent has started working on a project task, but is not yet assigned to it, the service agent can manually enter the ID of the task and record time against it. This task is displayed in the worklist, value help, and time sheet every time the service agents logs on to the system to edit the time sheet. If the service agent deletes the task, it stops displaying in the worklist, value help, and time sheet.

- **For project task and sales order confirmation time recording:**

- a. Enter a task for the project or sales order in one of the following ways:

I The field *Category* is hidden and can be personalized.

1. In the *Category* cell, select *Project Task Confirmation* or *Sales Order Confirmation* and enter the ID of the *Task* directly or click the value help icon.

I The *Sales Order Confirmation* option is only visible if it is scoped in business configuration.

The *Select: Task* screen is displayed.

The value help displays all tasks on which you are staffed directly, as well as any that you have added using the *Manage My Worklist* function. In addition, it displays the header tasks for projects to which you are indirectly assigned, for example, through your organizational unit.

2. Select a task from the list.

The corresponding project or sales order confirmation is automatically entered in the *Task* and *Activity* columns of the time sheet.

- b. Proceed to step 5.

- **For intercompany project time recording:**

- a. In the *Task* cell, click the value help icon.

The *Select: Task* screen is displayed. Project tasks of the partner (buying) company are automatically available for selection in addition to other project tasks to which the employee is assigned.

- b. Select a task from the list.
The corresponding project and service are automatically entered in the *Project* and *Activity* columns respectively of the time sheet.
The purchase order item to which the work package belongs is determined by the system and displayed in the *Details* area under *Purchase Order* when you enter times. The system finds the purchase order item by searching in the following sequence:
 1. Employee, service, and project task
 2. Header task of the project, service
 3. Cost center, service

i The approval process for intercompany project task confirmation is specified differently for employees and service agents: Project task confirmations by service agents are always submitted for approval, whereas employees' confirmations are only subject to approval if this is explicitly specified for the project.

- **For non-project time recording**, that is, to post time against a time type:
 - a. In the *Activity* cell, click the value help icon. The *Select: Activity* screen is displayed listing the time types against which you can post time.
 - b. Select the required time type and click **OK**.
If you need to record time against a time type that is not displayed, click **Manage My Worklist**. The worklist opens in the *Time Type* view. Click **Add Row** and select the required time type.
5. Record your working hours by entering the start and end times or the duration and click **Save**.

i

- The time entry options available depend on which view you have selected. In the *Days* view, you can enter both start and end times and/or the number of hours. In the *Tasks* view, you specify or select the duration. You can overwrite the value help provided with any required number of hours and minutes, for example, **02 : 45**.
You can enter start and end times in addition in the details section below.
- If you specify start and end times, the *Hours* field updates automatically. You can overwrite this entry but only if you need to enter a shorter duration. You cannot overwrite the entry with a longer duration. However, if you have already saved a time entry and later overwrite the start and end times, the *Hours* entry is not automatically updated to reflect the change. It is only updated when you release your time recording.

6. Edit the details of the time record as required. For example, you can set the *Work Package Completed* indicator for tasks that you have finished. This indicator is used for information purposes only in Time Recording. It can be deselected again if required. This information is passed to project management.
7. If you are recording project times for a customer project, the billable hours displayed below the table are defaulted from the hours you enter. You can overwrite this entry if you need to specify that the number of hours billed differs from the number of hours worked. An icon appears beside the field to indicate that different billable hours have been recorded. To revert to the default hours, simply clear the field and press **Enter**.
8. If you are recording time for a sales order, the *Service Confirmation Quantity* displayed below the table are defaulted from the hours you enter.
9. If required, enter a work description and/or an internal comment in the fields provided. The work description is available externally, for example, for project invoicing purposes and is displayed, for example, in the Microsoft Excel® template if you export your project times to Microsoft Excel. Internal comments are for internal use only and are mainly used in the approval process for communication between project manager and team member.

10. To release your recorded times, click **Release** and choose *All* or *Selected Period*. The *Released successfully* message is displayed.

1 **Note about unpaid break deduction for employees with a work schedule assigned:** Unpaid breaks defined in the employee's work schedule are only deducted when the employee times are released, and not while they have inactive status. For example, an employee's work schedule specifies an unpaid break from 13:00 to 14:00. The employee records working time from 07:00 to 16:00. The time sheet displays 9 hours for the inactive record and deducts the one-hour break only when the times are released.

Result

- If you have recorded time against a project and if approval is required, an approval task is routed to the project manager.
- If you have recorded time against a project task for a partner company, the relevant notifications for further processing are automatically sent to Project Management, Accounting, and Purchasing.
- If you have recorded time against a time type, depending on configuration settings, the time administrator might receive an approval task, a notification or nothing. In the status column, an icon and text indicate both the release status and the approval status of the recorded time.
- If you have recorded time against a sales order, a Service Confirmation is created automatically.

Follow-Up Activities

If you have recorded time against a customer project, for example, you can run the activity report for the project, export the details to Microsoft Excel and print the report out for sign-off. To run the report, click **View Activity Report** and specify your selection. Note that when you record times for a customer project, only the **billable hours** entered are uploaded and displayed in the activity report, and not the recorded hours. For more information, see View Activity Report.

See Also

The Time Sheet
Create a Leave Request
Cancel a Leave Request
Approve Time Recordings
Upload Times Using Microsoft Excel

5.3.3.2 Record Times from Microsoft Excel®

Overview

You can record times by entering them in a predefined Microsoft Excel template and uploading them to the SAP Business ByDesign system.

Prerequisites

You have installed the latest **Add-In for Microsoft Excel**. Depending on your solution set-up, you can do this from the [Self Services Overview](#) in the *Home* work center, from the [Download Center](#) in the *Application and User Management* work center, or from the [Download](#) link that is available directly on the user interface.

Also, the settings for your browser must be set correctly. You can check this by clicking [Check My Computer Settings](#) on the logon screen.

I The scope of users' uploading privileges varies depending on the users' authorizations. The following describes which privileges are assigned to which users:

- Project managers can perform an upload for all service agents.
- Line managers can perform an upload for all employees in their department.
- Time administrators can perform an upload for all employees in their company.

Steps

In the SAP Business ByDesign system, go to the [Service Agents](#) view, which can be accessed from the following locations:

- [Business Partner Data](#) work center
- [Project Management](#) work center
- [Supplier Base](#) work center

Click [Actions](#), then [Record Times from Microsoft Excel](#).

Get the Template

1. Select the template.
Choose the template in the required language and click [Download](#).

I You can choose any language that you have selected during scoping. If you have selected only one language during scoping, you will not get a selection of language versions to choose from.

2. Decide what you want to do with the template. Choose one of the following options:
 - If you want to use the template only once, you can open the template without saving it. Click [Open](#).
 - If you want to save the template so that you can use it again, choose a location to save the file to, enter an appropriate file name, and click [Save](#). Then click [Open](#).

I If you have previously downloaded and saved this template on your computer, navigate to the location where you have saved the template, and open it.

Log on to the solution from Microsoft Excel

1. In the [SAP Add-In](#) ribbon in Microsoft Excel, click [Logon](#).

I If the [SAP Add-In](#) ribbon is not displayed, check to make sure that the **Add-In for Microsoft Excel** has been installed correctly (see **Prerequisites** in this document).

A dialog box opens where you can enter the logon details. The system URL is proposed automatically. The system URL is the URL of the system that you are working with.

2. Enter your user ID and your password, and click [Logon](#).

- After initial logon to the system, the ribbon text is changed from *SAP Add-In* to the name of your solution.

Enter Details in the Microsoft Excel Template

- Note the following:
 - The Microsoft Excel template is presented with a number of rows where you can enter or copy your data. If you need more, add the number of rows you need before you start entering or copying your data.
 - Ensure that mandatory fields (those marked with an asterisk) are filled.
 - To help you fill in the details:
 - Some fields have dropdown lists.
 - In some fields you can search the system for data, for example, countries. Place the cursor on the field, and click *Lookup* in your solution's tool bar or ribbon to search the system. A search field is available in the *Lookup* dialog box that appears. When you start to type text in the search field, the relevant entries are filtered in the *ID* and *Description* columns, meaning that you do not have to scroll through the whole list. If the *Lookup* button is not active in the ribbon or toolbar, then it is not possible to perform a search.

Enter the country code in the field labeled *Country*. In the appropriate columns, enter the project time data such as the start and end times, duration, service, project task, purchase order, different billable duration, work description, and internal comment.

- The *Premium Pay* column does not apply to service agents.

Save Your Data

1. After you have finished entering all the data, save the Microsoft Excel file.
2. Click **Save Data to**.
A dialog box opens, informing you that the data is being saved to the solution.
After the upload, a message informs you that your data has been saved in the solution.



If you do not provide all the required information, or if you provide incorrect information, some records will not be saved. Error messages will highlight the problems so that you can correct them and save the data again.

3. You can then log off by clicking **Logoff**.

Result

The new times are saved in the SAP Business ByDesign system and added to the list in the *Service Agents* view. If you need to make changes to these times, you can change them in the Microsoft Excel template and upload them again to the SAP Business ByDesign system.

- If the uploaded record has been changed in the system, for example by a time administrator, you cannot overwrite this change with a new upload.

5.4 Suppliers Hierarchies View

5.4.1 Supplier Hierarchies Quick Guide

About this document

As a part of the procurement team, you need complete and easy access to the supplier hierarchy information of your customers. The *Supplier Hierarchies* view of the *Supplier Base* work center provides an overview of all the supplier hierarchies that are currently in your system. You can display, create, and edit supplier hierarchies.

Business Background

Supplier Hierarchies

Companies often deal with suppliers that have many group companies. The multiple levels of group companies that make up the complex organizational structure of large suppliers can be represented by a supplier hierarchy.

For more information, see *Supplier Hierarchies*.

Tasks

Create a Supplier Hierarchy

1. In the *Supplier Hierarchies* view, click **New**, then *Hierarchy*.
2. Enter the hierarchy node name and hierarchy node ID. You can also enter notes for the hierarchy node.

i If you do not enter a hierarchy node ID, it is assigned automatically by the system.

3. To add a supplier to the hierarchy, under *Suppliers* click **Add Row**.
4. Use the value help to choose a supplier from the list.

Edit a Supplier Hierarchy in Basic Mode

1. To edit a supplier hierarchy, select any node in the hierarchy and click **Edit**.

i To view all nodes of a hierarchy, click the arrow next to it or click **Actions**, then *Expand*. To expand all hierarchies, click *Expand All*. To return to the original view, click *Collapse* or *Collapse All*.

2. The supplier hierarchy editor opens.
3. In the editor, you can do the following:
 - Create a new hierarchy node
 1. Select a node in the supplier hierarchy to which you want to add a subordinate node.
 2. Click **New**, then *Hierarchy Node*, and enter the required data.
The node you have just created is now one level below the node you selected.
 - To edit a hierarchy node within the editor, select a node and click **Edit**. You have the following options:

- [Convert to Hierarchy](#)
The node you have selected becomes the top node of a new hierarchy, retaining all subordinate nodes.
- [Delete](#)
You can delete a hierarchy node only if no subordinate nodes exist.
- [Cut and Paste](#)
To cut and paste hierarchy nodes within a single hierarchy, select a hierarchy node and click [Cut](#). Then select the node above the position you want to paste the node you have cut and click [Paste](#). The node you have just pasted is now one level below the node you selected.

I In the hierarchy node editor, you can also edit the hierarchy node names of all nodes in the hierarchy. You can edit notes and add and remove suppliers under [Details](#).

Edit Supplier Hierarchies in Advanced Mode

1. In the editor or quick activity of a supplier hierarchy, click [Advanced Mode](#).
2. Add additional hierarchies you want to edit to the list under [Supplier Hierarchies](#). To do this, you have the following options:
 - Create a new supplier hierarchy
Click [New](#) and enter the required information under [Hierarchy Nodes](#).
 - Select a supplier hierarchy already in your system.
Click [Select](#) and choose a supplier hierarchy using the value selection.
The supplier hierarchy you have selected is added to the list under [Supplier Hierarchies](#).
3. Once you have added the supplier hierarchies you want to edit to the list under [Supplier Hierarchies](#), you have the following options:
 - Edit individual supplier hierarchies. Select a supplier hierarchy and edit the information under [Hierarchy Nodes](#).

I The functions under [Edit](#) are the same as those in basic mode.

- Cut and paste hierarchy nodes between hierarchies
 1. Select a hierarchy node from the supplier hierarchy you are viewing under [Hierarchy Nodes](#) and click [Edit](#) and then [Cut](#).
 2. Select a supplier hierarchy in the list under [Supplier Hierarchies](#). Then select the node above the position you want to paste the node you have cut and click [Edit](#) and then [Paste](#).

Navigate to a Supplier Hierarchy Node Directly

To navigate to a hierarchy node directly, do the following:

1. Click [Locate](#).
A dialog box opens.
2. Enter search data and click [Go](#).

I For more search options, use the [Advanced](#) search mode.

3. Select a hierarchy node from the generated list.
4. Click [Locate](#).
The dialog box closes and the system takes you to the node you selected in its respective supplier hierarchy.

Export Supplier Hierarchies Using Microsoft Excel®

For more information, see [Export Business Data Using Microsoft Excel](#) [page 64].

Display a Supplier Hierarchy in Graphical View

To display a supplier hierarchy in graphical view, click the hierarchy node name or hierarchy node ID of any node in the hierarchy.

The supplier hierarchy overview opens in graphical view. In this view, you can do the following:

- **Step In and Step Out**
To display a node without its superordinate nodes, select the node and click **Actions**, then *Step In*.
To navigate away from this view, click **Actions**, then *Step Out*.
- Zoom in and out, or fit to page.
- Toggle between graphical and tabular view.
Click the *Switch to graph* or *Switch to table* button at the top right corner of the screen.

In both the graphical and the tabular view, you can do the following:

- Expand and collapse hierarchy nodes
In the graphical view, you can expand hierarchy nodes by clicking the plus sign (+), and collapse hierarchy nodes by clicking the minus sign (-).
- Print the supplier hierarchy displayed on your screen.
- Create a new hierarchy.
- View all data of a supplier hierarchy
Click **View All** or **Edit** to navigate to the editor of a supplier hierarchy.

See Also

5.4.2 Business Background

5.4.2.1 Supplier Hierarchies

Overview

Companies often deal with suppliers that have many group companies. The multiple levels of group companies that make up the complex organizational structure of large customers can be represented by a supplier hierarchy.



American Warehouse supplier has three group companies, West Coast, Central, and East Coast. The West Coast subsidiary also has two further group companies, Northwest and Southwest. Each of these group companies would be represented by a supplier hierarchy node.

Prerequisites

Configuration Settings

i Configuration settings are usually performed by an administrator. If you do not have the required authorization, contact your administrator.

To create and edit supplier hierarchies, you have enabled the use of supplier hierarchies in your solution configuration. To find this business option, go to the *Business Configuration* work center and choose the *Implementation Projects* view. Select your implementation project and click [Edit Project Scope](#).

In the *Scoping* step of the project, ensure that *Business Partners* is selected within *General Business Data*. In the *Questions* step, expand the *General Business Data* scoping element and select *Business Partners*. Select *Handling of Business Partners* and answer the question related to supplier hierarchies.

Nodes in Supplier Hierarchies

The hierarchy structure is flexible. The user can assign an unlimited number of suppliers to a node or have nodes without suppliers assigned to them. You can create new supplier hierarchies and lower level hierarchy nodes.

For each hierarchy node, you can maintain properties such as the hierarchy node ID, a description, and a long text (note). You can reassign nodes, including reassignment between hierarchies, by using cut and paste.

Graphical View

The graphical view provides a clear visual representation of each individual supplier hierarchy. You can expand and collapse hierarchy nodes in the graphical view.

Basic and Advanced Mode

You have the option of working in basic or advanced mode. The advanced mode allows you to cut and paste nodes between supplier hierarchies.

5.5 Reports View

5.5.1 Contract Spend

Overview

This report shows the company's total spend, contract spend, and contract spend ratio over the last 12 months. In this report, you can analyze the contract spend per month and supplier or per month and product category. The higher the contract spend, the better the contract use in the company and the lower the maverick spend.

Views

The following views are available with this report:

- **Contract Spend** .
Shows the total spend and contract spend over the last 12 months <in table format or as a chart>
- **Contract Spend per Product Category**

Shows the company's total spend, contract spend, and contract spend ratio per product category over the last 12 months <in table format or as a chart>.

- **Contact Spend Ratio (Last 12 Months)**

Shows the contract spend ratio (= share of contract spend within total spend) over the last 12 months and can be displayed as graphical view in the work center overview <in table format or as a chart>.

- **Contract Spend (Last 12 Months)**

Shows the cumulated contract spend as part of total spend over the last 12 months and can be displayed as graphical view in the work center overview <in table format or as a chart>.

You can analyze the most important spend categories (contract spend, purchase order spend, maverick spend) using the Total Spend per Spend Category report.

Features

Running the Report

Before running the report, you can specify the data you want to see by making value selections for variables. You must make a value selection for all mandatory variables. In the system, mandatory variables are indicated by an asterisk (*).

Additional information is available for the following selected variable:

- **Contract Status**
Displays data that is relevant for the following contract statuses:
 - In Preparation
 - In Negotiation
 - In Approval
 - In Revision
 - Rejected
 - Released
 - Closed
- **Expiry Status**
Displays data that is relevant for one of the following statuses of a contract:
 - Not Expired
 - About to Expire
 - Expired
- **Purchasing Contract ID**
Displays the data that is relevant for one or more purchasing contract IDs.

Analyzing the Report

This report shows an analysis of contract spend by total spend, contract spend, and contract spend ratio.

The following data is filtered for this report:

- *Invoice Year/Month* is restricted to the last 12 months, including the current month.
- *Posting Status* is restricted to *Posted*.

To further analyze data in this report, you can drag characteristics to rows and columns.

From this report, you can navigate to:

- [Maverick Spend \[page 145\]](#)
- [Total Spend per Spend Category \[page 152\]](#)

- [Contract Tracking](#) [page 143]

See Also

Reports View

[Overview of Reports in Supplier Relationship Management](#) [page 22]

Overview of Data Sources in Supplier Relationship Management

5.5.2 Price History per Product and Supplier

Overview

This report shows the price history per product and delivering supplier over the last 12 months on the basis of a calculated average price based on invoice values. You can also check the invoiced quantities to see the importance of the purchased product for the company.

Features

Running the Report

Before running the report, you can specify the data you want to see by making value selections for variables. You must make a value selection for all mandatory variables. In the system, mandatory variables are indicated by an asterisk (*).

Analyzing the Report

This report shows the procured quantities and the average prices by supplier for products in base unit of measure on a monthly basis for a specified time period.

The following data is filtered for this report:

- *Invoice Year/ Month* is restricted to the last 12 months.
- *Posting Status* is restricted to *Posted*.

To further analyze data in this report, you can drag characteristics to rows and columns.

From this report, you can navigate to [Price Reliability](#) [page 147].

See Also

Reports View

[Overview of Reports in Supplier Relationship Management](#) [page 22]

Overview of Data Sources in Supplier Relationship Management

5.5.3 Price Reliability

The report shows a comparison of all products purchased from one or more selected suppliers and displays the deviation between the purchase order price and the invoice price. For each product of the selected supplier or

suppliers, the report calculates an average purchase order price and an average invoice price of a product, and compares these prices over a specified period of time.

This report displays the deviation between these two prices as an absolute value and also as a percentage.

Views

The following views are available with this report:

- **Price Reliability per Supplier**
Shows the price reliability of one or more suppliers regarding the products they deliver. The average purchase order price is compared to the average invoice price and absolute and relative deviation is calculated. This helps you to evaluate the supplier in terms of price reliability.
- **Price Reliability per Product**
Shows the price reliability of one or more products regarding the suppliers delivering the products. The average purchase order price is compared to the average invoice price and absolute and relative deviation is calculated. This enables you to evaluate the product regarding price reliability.

Features

Running the Report

Before running the report, you can specify the data you want to see by making value selections for variables. You must make a value selection for all mandatory variables. In the system, mandatory variables are indicated by an asterisk (*).

Analyzing the Report

This report shows an analysis of the prices of all products purchased from a selected supplier, or group of selected suppliers, and displays the deviation between the purchase order price and the invoice price.

The following data is filtered for this report:

- *Cancellation Status* excludes *Canceled*.
- *Item Cancellation Status* excludes *Canceled*.
- *Invoice Status* is restricted to *Partially Invoiced* and *Invoiced*.
- *Item Type* excludes *Limit*.
- *Ordered Year / Month* is restricted to the last 12 months.
- *Ordering Status* is restricted to *Ordered*.

To further analyze data in this report, you can drag characteristics to rows and columns.

From this report, you can navigate to:

- [Price History per Product and Supplier \[page 104\]](#)

See Also

Reports View

[Overview of Reports in Supplier Relationship Management \[page 22\]](#)

[Overview of Data Sources in Supplier Relationship Management](#)

5.5.4 Supplier Details

Overview

Provides an overview of supplier master data that can be used by purchasing managers and buyers for a synopsis of the purchasing terms of their suppliers. It provides basic supplier data, such as address data, along with purchasing-specific and financial information.

1 The `BUPSPFB` data source formerly used for this report is being phased out and will be replaced by `BPSPFB`. We recommend using the new data source when you create or copy reports or when you create combined or joined data sources.

Prerequisites

You have selected the report in your solution configuration. To find this business option, go to the *Business Configuration* work center and choose the *Implementation Projects* view. Select your implementation project and click *Edit Project Scope*. In the *Scoping* step of the project, ensure that *Business Partners* is selected within *General Business Data*.

In the *Questions* step, expand the *General Business Data* scoping element and select *Business Partners*. Select *Reporting and Analytics for Business Partners* and answer the question related to the report for suppliers.

Views

The following views are available with this report:

- **Supplier Data**
Displays all available characteristics for a supplier.
- **Supplier General Data**
Displays selected general data of a supplier, such as name, address, and communication data along with the industry, the legal form, the currency and the minimum purchase order value.
- **Supplier Purchasing Data**
Displays selected general data and the data that is related to the purchasing process, such as the payment terms, the purchase order currency, the evaluated receipt settlement, the customer ID at the supplier, and the Incoterms.
This view is also the pre-delivered default view of the report.
- **Supplier Bank Data**
- **Supplier Tax Data**

Features

Running the Report

Before running the report, you can specify the data you want to see by making value selections for variables.

The following variables are available for this report:

- Supplier

- City
- Country
- Status

Analyzing the Report

The report displays the following data for a supplier:

- Basic data of a supplier, including the following:
 - Supplier name and ID
 - Address and communication data
 - Additional identifiers, such as the D-U-N-S and the Standard Carrier Alpha Code
- Purchasing data of a supplier, including the following:
 - Incoterms
 - Incoterms location
 - Purchase order currency
 - Minimum purchase order value
 - Currency
 - Payment terms
 - Evaluated receipt settlement
 - Purchase order acknowledgement expected
 - Purchasing blocked
 - Customer ID at supplier
- Financial data of a supplier
 - Bank data, such as the bank name and the bank account data
 - Tax data, such as the tax country, the tax jurisdiction code, the tax number, and withholding tax information

To further analyze data in this report, you can drag characteristics to rows and columns.

See Also

[Overview of Reports in General Business Data](#)

[Overview of Data Sources in General Business Data](#)

[Reports View](#)

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