

## 1: The 3 SAP Materials Management platforms

*SAP MM (Material Management) is one of the important modules in SAP ERP software and MM application module supports the procurement and inventory functions occurring in day-to-day business operations.*

Warehouse management master data storage bin master data The ones we will focus in MM module are material master and purchase info record. What you should know about material master? Material in SAP is a logical representation of certain goods or service that is an object of production, sales, purchasing, inventory management etc. It can be a car, a car part, gasoline, transportation service or consulting service, for example. InInIn All the information for all materials on their potential use and characteristics in SAP are called material master. In order to be confident in your actions you need to understand material master views and its implications on processes in other modules, business transactions and a few more helpful information like tables that store material master data, transactions for mass material maintenance for changing certain characteristics for a large number of materials at once. Material types In SAP ERP, every material has a characteristic called "material type" which is used throughout the system for various purposes. Why is it essential to differentiate between material types and what does that characteristic represent? It can represent a type of origin and usage " like a finished product produced goods ready for sale , semifinished product used as a part of a finished product , trading goods for resale , raw materials used for production of semifinished and finished products etc. These are some of the predefined SAP material types among others like food, beverages, service and many others. Most used material types in standard SAP installation What can be configured on material type level possible differences between types? It defines the views associated with a Material Type. Default Item category group: It can be changed in material master to override the default settings. Offered material types in MM01 transaction So material type is assigned to materials that have the same basic settings for material master views, price control, item category group and few other. Material Type can be assigned during the creation of the material in t-code MM01 covered in detail later Where can we find a complete list of materials with their respective material type? There are numerous transactions for this. In such cases, we can easily acquire the list with t-code MM60 Material list. MM60 is used particularly often as it displays a lot of basic material characteristics. Selection screen " you can enter only the material number: MM60 report results with the export button highlighted Using the toolbar button highlighted on screen, we can export the list of materials we have selected on screen. Which criteria can be used to create material groups? Any criteria that suit your needs for reporting purposes is right for your system. You may group materials by the type of raw material used to produce it different kinds of plastics used in the production process , or you can divide all services into consulting services with different materials for SAP consulting, IT consulting, financial consulting etc , transportation services internal transport, international transport , you can also group by production technique materials created by welding, materials created by extrusion, materials created by injection etc. On the other hand, material group is mainly used in PP and MM module. If you need to display material groups for multiple materials, you can use already mentioned t-code MM You just need to select more materials in selection criteria. Material group in report MM60 Material group is easily subject to mass maintenance via transaction MM More on that in the material master editing section.

## 2: SAP MM Transaction Code List

*MM(Material Management) is one of the Functional Modules in SAP ERP, SAP MM mainly deals with the Procurement Process, Master Data (Material & Vendor Master), Inventory Management, Valuation of Material & Account Determination, Material Requirement Planning, Invoice Verification, Vendor Source list, Purchasing information and all material management related functionalities.*

The important thing while creating any data is to maintain data integrity. Master data - Data that is created centrally and it is valid for all applications. It remains constant over the time but we need to update it on regular basis. Vendor is a type of master data that is used for creating purchase orders or contracts. Transactional data - Data that is associated with processing of business transaction is Transactional data. SAP Master Data is of following two types: This is the enterprise main source of material specific data. This data will include information on the materials that a company can procure, or produce, or store or sell. Since there are different departments in an enterprise and each department works on some specific material. So they will enter different information regarding their material. So each user department has its own view of material master record. So, the data screens that are used to create material master can be divided into two categories: This will include basic data base unit of measure, weight , purchasing data over tolerance and under tolerance , accounting data standard price, moving price. This will include additional information like short description about material, currency etc. Material master has the four characteristics which will be discussing one by one in below context. Material Types Materials with some common attributes are grouped together and they are assigned to a material type. Raw Material, Finished Products are some of the material types. Material type can be created by following the below steps. Path to create material type: Select New Entries icon. Fill in the required information like name of material type and description. A new material type will be created. Material Groups Material group is a wider range of material type. Materials with some common attributes are taken together and they are assigned to material group. Suppose we have some materials which need packaging, so there material type can be electrical or food products but we can group these material types and put them in packaged material group. Material Group can be created by following below steps: Path to Create Material Group: Select New Entries Icon. Enter the name of material group along with its description. A new material group will be created. Number Range When we create material master record every material is recognized by a number, that number will be unique and known as material number. We can assign number to material through two ways: External number assignment - While creating material you have to enter your own number containing alphabets or digits , and that should be unique. Internal number assignment - While creating material you need not enter any number, system will automatically generate a unique number to that material. Internal number range can be defined by following the below steps: Path to Create Number Range: We can define number range here and EXT external tab, if it is checked then external number assignment can be done in that material. Number Range is now defined for the material. Assignment of Number Range: After defining we need to assign it to material group. Number range can be assigned by following the below steps. In the same screen as shown above select Groups tab. For a particular material group we can assign number range here. Number range is now assigned to material group. Material Master Creation Material master contains all materials that a company procures produces or sells. Material Master is a central data that is available at all the levels. Material can be created by following the below steps: Path to create Material Master: For any create transaction we use 01, for edit 02, for display 03 as suffix. On SAP Menu screen select create icon by following the above path. Fill in all required details like material number if external number assignment , material type, industry sector. Select the views you want to maintain for your material. Enter name of plant and storage location. Enter the required information in your material views like unit of measure, currency, standard price, moving price etc. A new material will be created. Vendor Master Data The key points about vendor master are as follows: This is the enterprise main source of vendor specific data. This data will include information on vendors from which a company can procure or it can sell. Data in vendor master record is divided into three categories: General data is maintained at client level and it is valid for all organizational

levels. Accounting data is maintained at company level and it is valid for all plants belonging to that company. Purchasing data is maintained at purchasing organization level. Vendor master has the three characteristics which will be discussing one by one in below context. Vendor Account Group Vendors are categorized according to requirements and some of the vendors having similar characteristics are grouped together and placed in one category. All local vendors can be placed under one account group. Vendor Account group can be created by following the below steps. Path to create Vendor Account Group: Fill in all necessary details like name of account group, general data, and field status. A new Vendor Account Group will be created.

**Number Range** When we create vendor master record every vendor is recognized by a number, that number will be unique and known as vendor number. As discussed in material master, in similar way we have external as well as internal number assignment for vendor master. Number range can be defined by following the below steps: Path to create Number Range: Select change Interval icon. It will create number range for customer account. Select the Insert Interval Icon. We can define number range here and EXT external tab, if it is checked then external number assignment can be done in that vendor. A new Number Range will be created.

**Assignment of Number Range** After defining we need to assign it to vendor group. On the same screen as shown above select Number Range tab. For a particular vendor group assign number range here. Number range is now assigned to vendor group.

**Creation of Vendor Master** Vendor Mater contains list of vendors from which a company can procure or it can sell. Vendor Master can be created by following the below steps: Fill in all required details like company code, purchasing org, vendor no. If external number assignment. Fill in the necessary bank details of vendor. Fill in the necessary accounting information of the vendor. Fill in the terms of payment that are defined between company and vendor. A new vendor master will be created.

## 3: What is SAP MM ? | SAP Material Management Module - SAP Training Tutorials

*SAP MM is a materials management solution (module) that processes purchase orders, purchases, inventory management, vendor invoice processing, and more. With SRM, we can optimize the purchase process.*

The SAP-MM facilitates procurement processes and business flow of material management results cost-effective inventory processes. In business environment, organization requires to complete business flow through providing material or service from external vendors or internal procurement. The SAP provides the function to maintain the information about external suppliers that specifically relate to purchasing. Request for quotation and quotation: In situation in which an RFQ has been issued to several vendors, the component determines the most favorable quotation submitted and automatically generates letters of rejection to the unsuccessful bidders. The MM-purchase order component is provided for a variety of procurement purposes upon which materials can be procured for direct consumption or for stock, and procure services. Furthermore, the special procurement types "subcontracting", "third-party", and "consignment" are possible. The purchase orders is used to cover the enterprise requirements from external sources whether a vendor supplies a material or performs a service. Furthermore, MM-PO is provided to procure a material for one of your plants from an internal source, i. All steps of procurement process can be monitored in the MM-PO component such as the receipt of goods and invoices. Outline Purchase Agreement enables you to predetermine terms and conditions. In Purchasing function, Outline Agreement is classified into Contracts Centrally agreed contracts, Distributed contracts , and Scheduling agreements Scheduling agreement referencing a centrally agreed contract. The SAP system database contains information about the vendors that supply an enterprise and information such as delivery dates, prices, and quantities can be taken from the Materials Management components, and the results of incoming inspections or quality audits from the Quality Management components. Furthermore, Vendor Evaluation is applied to measure the reliability of the vendors whom provides services on a plant whether the vendors perform the services within the specified timeframes and appraise the quality of the work carried out. Down Payment and Down Payment Request: Depending on the contractual agreement with your vendor, you can determine a suitable down payment category in the purchase order accompanied by the down payment amount or a percentage and a due date. Both Logistics Invoice Verification and Financial Accounting component can be used to clear down payments. If you perform down payment clearing in logistics invoice verification, when you enter an incoming invoice for a purchase order, the system proposes all down payments that have been posted with reference to the purchase order and that are not yet completely cleared, for down payment clearing. The system posts the down payment clearing document together with the invoice document. If you want to clear down payments in financial accounting instead of logistics invoice verification, the down payment clearing is posted with reference to the purchase order and the invoices already posted. During the payment run, the system offsets the down payment made against the invoices. In consignment processing, materials are procured and stored on your premises while the legal owner of the material is the vendor till withdrawing materials from the consignment stores. In Consignment Procurement, the vendor invoice must be immediately issued after you withdraw materials from the consignment stores into your stock or for consumption. In such case, the purchase requisitions bypass the warehouse and are set with an especial account assignment category, i. You can determine the cost object of the direct procurement in PO in order to simplify and facilitate the direct procurement. Applying return corrects a goods receipt and issues a credit memo against the vendor which it takes into account in Invoice verification. Increasingly trend towards globalization and the rapid increase in the number of company mergers are considerably effected on internal financial and logistical processes within corporate groups. In this situation, a plant which is actually a member of the same corporate group may procure components from a supplier that, despite legally and technically belonging to a different company. In the procuring plant, an ordering process is completely carried out from supplying plant as a vendor. Upon such process, Intercompany stock transfer order, you can achieve a complete price determination process, monitor delivery of the goods, and use the vendor confirmations which may or may not be MRP-relevant. In the supplying plant, you can also process a complete sales order

## WHAT IS MATERIAL MANAGEMENT IN SAP pdf

processing cycle including order entry with the receiving plant as the customer, a sales-side price determination function, delivery and billing options, and monitoring of the document flow. The receipt of goods from an external vendor or from production as goods receipt GR leads to an increase in warehouse stock. A material withdrawal or material issue, a material consumption, or a shipment of goods to a customer as goods issue GI leads to a reduction in warehouse stock. Such goods movement leads to update quantities and value of stock. Stock Transfer and Transfer Posting: The removal of material from one storage location and replace into another storage location as Stock transfer can be carried out either within the same plant or between two plants. And, a transfer posting as a general term for stock transfers changes stock type or stock category of a material, i. Stock transfer via stock transfer posting using the one-step procedure, Stock transfer via stock transfer posting using the two-step procedure, Stock transfer using a stock transport order. MM External Services Management is completely integrated into the MM system with providing the purchasing documents in which service specifications for a concrete procurement project are entered. The External Services Management component is also integrated to the SAP modules Plant Maintenance and Project System upon which purchase requisition is created for external services within the framework of maintenance measures or a project and then transmitted to Purchasing without incurring additional data maintenance work. SAP-MM integration with other modules leads to reduce data entry and user errors. Business flow integration in Material Management function facilitates purchasing process and monitoring followed documents from creating purchase requisition document till invoice verification. Ability to post Goods receipt with reference to inbound delivery to achieve common language between procurement and warehouse departments. Ability to manage material in GR-blocked stock, specially for foreign purchasing applying different Incoterms. Ability to dynamically access to logistic information system. Ability to determine different release strategy for several purchasing documents based on various criterias, i. Ability to carry out Free of Charge procurement. To control and execute efficiently Inventory Management and logistic execution and invoice verification processes. To forecast the future month requirements applying sales and production program. Ability to represent various reports based on its database. To carry out report transactions rapidly and efficiently based on the structure of Logistic Information System. To record purchasing information record as a source of information for procurement on a specific material and a vendor supplying the material. To automatically create Purchasing Order for specific vendors based on the stock level. To archive historical data. To carry out procurement procedure of materials without stock.

### 4: SAP MM - Master Data

*SAP MM (Material Management) is one of the vital modules in SAP ERP software and MM application module supports the procurement and inventory functions occurring in day-to-day business operations. This MM module consists of many facets such as purchasing, goods getting, material storage, consumption-based planning, and inventory.*

### 5: Overview of SAP MM module

*SAP MM (Material Management) one the biggest functional module in SAP ERP. This module mainly deals with the Procurement Process, Master Data (Material & Vendor Master), Inventory Management, Valuation of Material & Account Determination, Material Requirement Planning, Invoice Verification etc.*

### 6: Materials Management in SAP ERP (SAP MM) - by SAP PRESS

*Material Management handles the procurement to payment process, from inventory through final invoice receipt and verification.*

### 7: SAP ERP Materials Management | Community Topics

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*Materials management is a core supply chain function and includes supply chain planning and supply chain execution capabilities. Specifically, materials management is the capability firms use to plan total material requirements.*

### 8: SAP MM Material Type - Define Attributes of Material Types in SAP

*Materials Management Terms in SAP 1. ABC Classification 2. Framework Order 3. Goods Receipt 4. Invoice Verification 5. Material Group 6.*

### 9: SAP Materials Management (MM Module) - Overview

*Material in SAP is a logical representation of certain goods or service that is an object of production, sales, purchasing, inventory management etc. It can be a car, a car part, gasoline, transportation service or consulting service, for example.*

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*Large marine ecosystems of the world Metropolitan and regional social ecology of Helsinki The Cat and the Fish Traditional fishing boats of Britain Ireland Plays of August Strindberg Creatively sculpting the self through the discipline of martial arts training Tamara Kohn Don t know why sheet music Jews in Siddi Janjira Social cognitive neuroscience of organizations New golden age and influence of the precious metals upon the world Beach houses of Australia New Zealand The Spanish journey Scriptural rosary for justice and peace Principles of physiological measurement Communication Technologies Toshiba 5520c service manual Cake decorating business plan sample Conflict, Violence, and Conflict Resolution Situation uments of contemporary art Hp alm 11.5 user guide Young India, 1919-1922 QUESTIONS AND ANSWERS 69 Learning pivot tables in excel 2007 Winter at Eismitte Concise geologic time scale First day of school or Sunday School Friedrich Waismann Patristic Greek reader Sickness and pain Bless Cricket, Crest Toothpaste, and Tommy Tune Shanholtzer history and allied family roots of Hampshire County, W. Va. and Frederick County, Va. Sherlock Holmes in The Great Detective on the Roof of the World Sermon, delivered at Portsmouth, N.H. appropriate to the occasion of a day of humiliation and prayer Regimentation of education, by Charles Beard. Third Dam to China Cave Design of structural elements arya Streptomyces in Nature and Medicine Illustrated world war ii encyclopedia Definition of the sequence The dentists place in health nationalisation.*