SAP SD Configuration

LearnSAP
5101 Camden Lane, Pearland, TX 77584
SAP
SALES AND DISTRIBUTION COURSE
(With SAP ECC 6.0)
Intentionally Left Blank
Table of Contents

OVERVIEW OF SD MODULE 10
    Organizational Structure
    Reaching IMG

SALES ORGANIZATION SETUP 13
    STEP 1: Creating Sales Organization
    STEP 2: Creating Distribution Channel
    STEP 3: Creating Division
    STEP 4: Creating Sales Offices
    STEP 5: Creating Sales Group

ASSIGNING OF ORGANIZATIONAL UNITS 20
    STEP 6: Assigning Sales Organization with Company code
    STEP 7: Assigning Distribution Channel to Sales Organization
    STEP 8: Assigning Division to Sales Organization
    STEP 9: Creating a Sales Area
    STEP 10: Assigning Sales Office and Sales Group

CREATING MASTER DATA 26
    Introduction to Master data
    STEP 10: Preparing the system for Master Data Creation
        - Creating Common Distribution Channel
        - Creating Common Division
    Customer Master Data - Introduction
    STEP 11: Creating Customer Master
    Material Master Data - Introduction
    STEP 12: Creating Material Master
    STEP 13: Posting Stocks for Material
    STEP 14: Stock Overview
    Condition Master Data - Introduction
    STEP 15: Creating Condition Master

SALES ORDER CREATION 50
    Definition and Prerequisites
    STEP 16: Preparing the system Combining Organization Units
    STEP 17: Assigning Sales Document to Sales Area
    STEP 18: Sales Order Creation

UNDERSTANDING THE SALES ORDER 57
    STEP 19: Viewing Header Details
    STEP 20: Viewing Item Details
    STEP 21: Viewing Schedule Lines
PLANT, SHIPPING POINT AND ROUTE DETERMINATION

@ SALES ORDER

STEP 22: Plant determination
STEP 23: Shipping Point determination
STEP 24: Route determination

SALES DOCUMENT, ITEM CATEGORIES & SCHEDULE LINE CATEGORIES

Understanding Sales document: Its Design and Controls 48
STEP 25: Defining a Sales order type
Determination of Item categories and Schedule line categories
STEP 26: Defining Item categories
STEP 27: Assigning Item categories
STEP 28: Defining Schedule line categories
STEP 29: Assigning Schedule lines

THE SALES CYCLE

CREATING DELIVERY

STEP 30: Creating Delivery
STEP 31: Performing Picking
STEP 32: Completing Post Goods Issue (PGI)

CREATING BILLING

STEP 33: Billing Document Creation

PRICING

Introduction to Pricing
Condition Technique and its functionality
STEP 34: Creating Condition Types
STEP 35: Creating Condition Tables
STEP 36: Creating Access Sequences
STEP 37: Assigning the Pricing Procedure
STEP 38: Creating Condition Records

MATERIAL DETERMINATION

Introduction – Purpose & Usage scenarios
STEP 39: Using Condition Technique
STEP 40: Defining Material Determination Procedure
STEP 41: Assigning the Procedure to Sales Document
STEP 42: Defining a Substitution reason
STEP 43: Creating condition Records
LISTING AND EXCLUSION  120
Introduction – Purpose and Usage scenarios
STEP 44: Condition technique and procedure
STEP 45: Assigning Condition procedure to Sales Document type
STEP 46: Creating Listing and Exclusion records

TEXT DETERMINATION  127
STEP 47: Create Text Object
STEP 48: Define and Assign Text Determination Procedure
Text determination @ Sales Header level
STEP 49: Defining Access Sequence and assigning it to the Text type

PARTNER DETERMINATION  136
STEP 51: Creating Partner Functions
STEP 52: Creating Partner Determination procedures
STEP 53: Assigning the Partner Determination procedure to Account group

BILLS OF MATERIALS  140
Introduction and design of Bill of Materials
STEP 54: Assigning Item categories
STEP 55: Creating BOM
STEP 56: Creating a Standard order to check BOM

CASH SALES & RUSH ORDERS  147
Introduction to Cash sales
STEP 57: Understanding Cash Sales order type
STEP 58: Creating Cash Sales order
STEP 59: Output in Cash sales order
Rush orders – Process
STEP 60: Creating a Rush Order

CONSIGNMENT SALES  151
The Consignment sales process
Consignment Fill-up
STEP 61: Creating Consignment Fill-up
STEP 62: Creating delivery for Consignment Fill-up
STEP 63: Viewing the stocks
Consignment Issue
STEP 64: Creating Consignment Issue
STEP 65: Creating Delivery for Consignment issue
STEP 66: Checking the stock level
STEP 67: Creating Billing Document
Consignment Pickup
STEP 68: Creating Consignment Pickup
STEP 69: Creating Delivery for Consignment Pickup
STEP 70: Checking the stock level
Consignment return
STEP 71: Creating Consignment return
STEP 72: Creating Delivery for Consignment return
STEP 73: Viewing the stocks after Consignment Return

CONCLUSION & CREDITS
Introduction

SAP stands for Systems, Applications and Products in Data Processing. Five German Engineers founded it in 1972. SAP is an ERP software which large organizations use to manage their business. SAP has several modules, each of which represents a business-process. Modules are usually abbreviated for the business process they represent. For instance, HR is Human Resources, FI for Financial Accounting and SD is Sales & Distribution and so on. All together there are some nineteen modules.

These modules are highly integrated in real-time, which means, that if information is shared between modules then the data is entered only once. This reduces the chances of error arising from repetitive entry and also reduces the man-hours. Managers and decision makers always have information at their fingertips and this helps then in effective decision making.

SAP has been around for over three decades. Nine out of ten Fortune-500 companies have already implemented SAP (not counting the thousands of to-be Fortune-500 companies that have SAP). There are well over 10 million SAP users worldwide and jobs keep popping up all around the world.

SAP is the leading ERP (Enterprise Resource Planning) software. Because of it's liberal open-architecture, there are millions of programmers working around the world to provide interaction between thousands of major software and SAP.

SAP is usually implemented in phases. The first phase is when organizational structure and accounting components are configured, tested and then taken live. Gradually more modules are turned on.

SD Course

The purpose of this book is to learn step-by-step general configuration methods for the SD module. The course is built on menu path navigation of the Implementation Guide (IMG) and the application area.

LearnSAP

LearnSAP strives to help students develop SAP skills and knowledge needed to complete in the employment market and adapt to future changes. The training course combines classroom theory of SAP technology with hands-on practice.

LearnSAP strives to evolve with the marketplace, delivering skills-based education that is sensitive to market needs and convenient to students. Our goal is to help people develop into employees who are equipped to meet the challenges of a marketplace where change is the one constant.
OVERVIEW OF SD MODULE

SAP Sales and Distribution module is commonly termed as SD. This module manages the selling, shipping and billing of products and services for an organization. It is a part of Logistics Area in SAP that supports customer activities.

The main areas covered by SD module are:
- Pre-sales activities
- Sales Order processing
- Shipping
- Billing

Sales process in most organizations is based on the following:
Every company is structured in a certain way and this structure has to be represented in SAP, this is done with the help of “Organizational Structures”.

In sales, materials are sold to customers and or services performed for them. The information about the material and or services, as well as the customer information forms the master data in the system. This master data is used in the business transactions which are referred to as documents (e.g. Sales Order is a document).

ORGANIZATION STRUCTURE

The organizational structures form a framework of a company in which business is conducted. Organizational Structure is also referred to as Enterprise Structure.

In SD, the organizational structures are closely integrated with those in Financial Accounting and Materials Management. The creation and assignment of organizational units is done in Customizing of Enterprise structure.

Enterprise Structure is made up of Organizational Units and have to be defined and each of the unit has a relationship to one another and this relationship has to be assigned.

Organizational Units of Sales & Distribution consists of:

- Company Code
- Sales Organization
- Distribution Channel
- Division
**Company Code:**
This represents the client, company in which you are implementing SAP for. The client is the highest organizational Unit in the Enterprise Structure.

**Sales Organization:**
This is the legal entity that is responsible for the sales activity of an organization and negotiates terms of the sale.
A company code can have many sales organizations, but a sales organization can be assigned to only one company code.

**Distribution Channel:**
The distribution channel determines how materials and or services are sold and they reach the customer.
Normally distribution channels include wholesales, retail, direct sales and internet sales. Customers can be served through one or more distribution channels within a Sales Organization.
- A Distribution Channel can be assigned to one or more Sales Organizations.
- Several Distribution Channels can be assigned to one Sales Organization.

**Division:**
The division is type of product / material sold.

**Sales Area:**
Combination of Sales Organization, Distribution Channel and Division makes a Sales Area.

**SAP Implementation Guide:**
Customizing of SAP software to adjust to the workings of your organization is done through the Implementation Guide commonly known as IMG.
IMG is where the Enterprise Structure is defined and maintained along with the other settings required for the functioning of the SAP software for the client implementing SAP.

**Reaching SAP IMG:**

- **Menu Path:**
  SAP Easy Access → Tools → Customizing → IMG → Execute Project

- TCode = SPRO
On the following screen, click on “SAP Reference IMG”
ORGANIZATION SETUP

SALES ORGANIZATION

Sales Organization the Sales Organization is central organizational element that controls the terms of sale to the customer. Defining the Sales Organization is the foremost step in customizing SD module in SAP.

STEP 1: CREATING SALES ORGANIZATION

Best advised business practice is to copy an existing sales organization and create own sales organization

Menu Path:
SAP IMG → Enterprise Structure → Definition → Sales and Distribution → Define, Copy Delete, Check Sales Organization

On Choose Activity screen,
- select Copy, Delete, Check Sales Organization –
- Double Click on it.

Click on the Copy Icon

On the following screen please provide the From (Source) and To (Target) company code. {In practice please select sales organization 3000 as source and give a target sales organization as your own}
Press enter or icon till the Sales organization gets created.

Upon creating the Sales Organization, the system issues a customizing request to save the configuration. If you do not have a request, click on create icon and then save.
STEP 2: CREATING DISTRIBUTION CHANNEL

Menu path:
SAP IMG → Enterprise Structure → Definition → Sales and Distribution →
Define, Copy Delete, Check Distribution Channel

Click on Define Distribution Channel – New Entries

New Entries: Overview of Added Entries

Create your own Distribution channel and save it by ‘Enter’ or ‘Save’.
STEP 3: CREATING DIVISION

Menu path:
SAP IMG → Enterprise Structure → Definition → Logistics - General → Define, Copy Delete, Check Division

Create own Division by providing Division and name.
Save the inputs.

Data was saved.
STEP 4: CREATING SALES OFFICE

Sales office: Geographical aspects of the organizational structures in business development and sales are defined using sales offices. A sales office can be viewed as an actual office or perhaps a territory or region. Sales offices are assigned to sales areas. If you enter a sales order for a sales office within a particular sales area, the sales office must be permitted for that sales area. A sales office can be assigned to more than one sales area.

Menu path:
SAP IMG → Enterprise Structure → Definition → Sales and Distribution → Maintain Sales Office

New Entries: Overview of Added Entries

Save your entries. When you press enter, a new window for Address entry will pop up, provide address information and then save the entries.
STEP 5: CREATING SALES GROUP:

Sales group:
Employees of a sales office can be assigned to sales groups defined for each division or distribution channel. Sales groups are assigned to sales offices.

Menu path:
SAP IMG → Enterprise Structure → Definition → Sales and Distribution → Maintain Sales Group

New Entries: Overview of Added Entries

<table>
<thead>
<tr>
<th>Sales_group</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>007</td>
<td>group 70</td>
</tr>
</tbody>
</table>

Save entries.
ASSIGNMENT OF ORGANIZATIONAL UNITS

In assignment of organizational units, the units are assigned to organizational structure. In the assignment you define how the individual structures / units relate to each other.

The assignments of the organizational units are very easy to set up once you understand the structure of the overall organization.

In the previous steps we have defined individual organizational units required by Sales and Distribution module of SAP. This assignment is done in the Customizing Implementation Guide.

In SD, the following assignments of the organization units have to be created:

- Assign Sales Organization to Company Code
- Assign Distribution Channel to Sales Organization
- Assign Division to Sales Organization
- Set up Sales Area
- Assign Sales Office to Sales Area
- Assign Sales Group to Sales Area
- Assign Sales Organization, Distribution Channel and Plant
- Assign Shipping point to Plant
- Assign Sales Area to Credit Control Area

In the next few steps we will be going over the assignment of organizational units and setting up the SD Enterprise structure.
STEP 6: ASSIGNING SALES ORGANIZATION TO COMPANY CODE

A sales organization is assigned to exactly one company code.

Menu path:
SAP IMG → Enterprise Structure → Assignment → Sales and Distribution → Assign Sales Organization to Company code

Assign the created Sales Organization to the Company Code.
STEP 7: ASSIGNING DISTRIBUTION CHANNEL TO SALES ORGANIZATION

Menu path:
SAP IMG → Enterprise Structure → Assignment → Sales and Distribution →
Assign Distribution Channel to Sales Organization – New entries

New Entries: Overview of Added Entries

<table>
<thead>
<tr>
<th>SOrg</th>
<th>Name</th>
<th>DChl</th>
<th>Name</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>zz01</td>
<td></td>
<td>zz</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Creates assignment between your Distribution Channel & Sales Organization and save.
STEP 8: ASSIGNING DIVISION TO SALES ORGANIZATION

Menu path:
SAP IMG → Enterprise Structure → Assignment → Sales and Distribution →
Assign = Division to Sales Organization – New Entries

New Entries: Overview of Added Entries

<table>
<thead>
<tr>
<th>SOrg.</th>
<th>Name</th>
<th>Di Name</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>ZZ01</td>
<td></td>
<td>ZZ1</td>
<td></td>
</tr>
<tr>
<td>✔</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
STEP 9: CREATING SALES AREA:

A sales area is a combination of sales organization, distribution channel and division. Sales documents, delivery documents, and billing documents are always assigned to a sales area.

Every sales process always takes in a specific sales area.

Creating Sales Area:

Menu Path:
SAP IMG → Enterprise Structure → Assignment → Sales and Distribution → Setup Sales areas

Click on execute.

Create assignment between your Sales organization, Distribution Channel & Division By selecting new entries.

If the entry already exists the system will display a message. If not, then save your assignment.
STEP 10: ASSIGNING SALES OFFICE AND SALES GROUP:

Sales Offices are assigned to Sales Area

Menu Path:
SAP IMG → Enterprise Structure → Assignment → Sales and Distribution →
Assign sales office to sales area → New Entries

New Entries: Overview of Added Entries

<table>
<thead>
<tr>
<th>Assignment Sales Office - Sales Area</th>
</tr>
</thead>
<tbody>
<tr>
<td>SOrg</td>
</tr>
<tr>
<td>------</td>
</tr>
<tr>
<td>z251</td>
</tr>
</tbody>
</table>

Enter Sales Area {Sales Organization, distribution Channel & Division} & your Sales Office info and save entries.

Sales Groups are assigned to Sales Offices:

Menu Path:
SAP IMG → Enterprise Structure → Assignment → Sales and Distribution →
Assign sales group to sales office → New Entries

New Entries: Overview of Added Entries

<table>
<thead>
<tr>
<th>Assignment Sales Office - Sales Groups</th>
</tr>
</thead>
<tbody>
<tr>
<td>SOff</td>
</tr>
<tr>
<td>------</td>
</tr>
<tr>
<td>zSO</td>
</tr>
</tbody>
</table>

Enter created Sales office and sales group info and assign it by saving your entries.