

TB1000

SAP Business One – Logistics
Release 9.0



- SAP Business One
- Collection 96
- Material number: 50116774

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Course Overview

Contents

- Target audience
- Course prerequisites
- Course goals
- Course content

Target Audience



This course is intended for the following audiences:

- Consultants and support employees responsible for the implementation and ongoing support of business process with SAP Business One at customer sites
- Consultants responsible for SAP Business One training at customer sites
- Employees from SAP's SME partners responsible for qualified selling and successful product presentations to customers.

Duration:

- 3 days

- This course is intended for the following audiences:
 - Consultants and support employees responsible for the implementation and ongoing support of business processes with SAP Business One at customer sites.
 - Consultants responsible for SAP Business One user training at customer sites.
 - Employees from SAP's small and medium enterprise partners responsible for qualified selling and successful product presentations to customers.
- The course duration is 3 days.

Course Prerequisites



Recommended Knowledge

- General understanding of business concepts
- Sales or consulting experience with at least one enterprise resource planning (ERP) product

- There are no required prerequisites for this class.
- However we do recommend you have: a general understanding of business concepts, sales or consulting experience with at least one Enterprise Resource Planning (ERP) product.

Course Goals



This course will prepare you to:

- Explain the concepts and methods of SAP Business One.
- Perform the steps in the core logistics processes of SAP Business One.
- Map customer logistics processes in SAP Business One.
- Set up master data for standard business processes in logistics.

This course will prepare you to:

- Explain the concepts and methods of SAP Business One
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Course Content

Unit 1 Overview:

Introducing SAP Business One, Getting Started, Master Data and Documents.

Unit 2 Purchasing – A/P:

Procurement Process, Purchasing Items, Purchase Requisitions and Purchase Quotations, Issues with Goods Receipt POs, Goods Returns and A/P Credit Memos.

Unit 3 Sales – A/R:

Overview of the Sales Process, Sales Order to Cash, Customers, CRM, Automating Sales Processes, Returns and Exchanges, A/R Credit Memos.

Unit 4 Items:

Item Master, Item Groups, Units of Measure, Valuation Methods.

Unit 5 Inventory:

Warehouses, Goods Movements, Serial Numbers and Batches, Physical Inventory

Unit 6 Pricing

Pricing Concepts, Price Lists, Period and Volume Discounts, Special Prices for Business Partners.

Unit 1 - Overview

Overview

- Introducing SAP Business One
- Getting Started
- Master Data and Documents



Overview Introducing SAP Business One

SAP Business One, Version 9.0



- Welcome to an introduction to SAP Business One.

Objectives

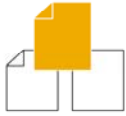


At the end of this topic, you will be able to:

- Answer the question: What is SAP Business One?
- Discuss the options available for running SAP Business One.
- Describe the advantages of integration in SAP Business One.

- In this topic, we will answer the question: What is Business One? We define SAP Business One and discuss the options and available platforms for running SAP Business One. Then we will demonstrate the advantages of integration in SAP Business One.

Business Example



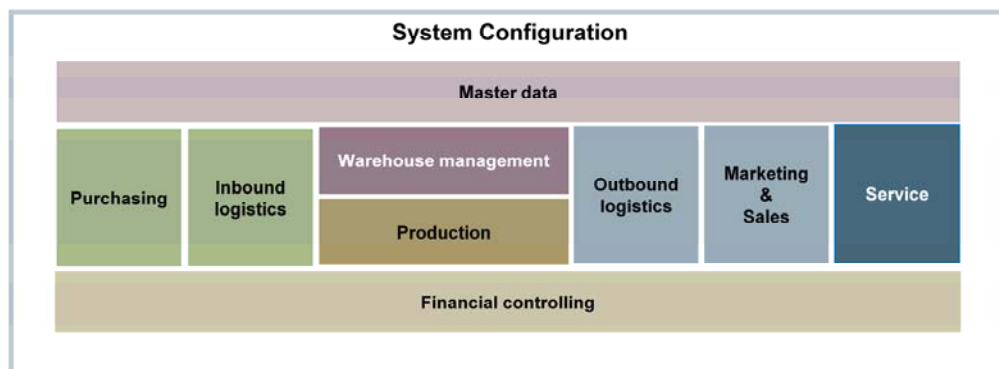
You are the managing director of a small company and want to implement a new software solution to make your business processes more efficient.

You would like to learn more about SAP Business One and how you can use it to effectively run your business processes.

Specifically you want to see the advantages of integrated business processes.

- You are the managing director of a small company and want to implement a new software solution to make your business processes more efficient. You would like to learn more about SAP Business One and how you can use it to effectively run your business processes. Specifically you want to see the advantages of integrated business processes.

What is SAP Business One?

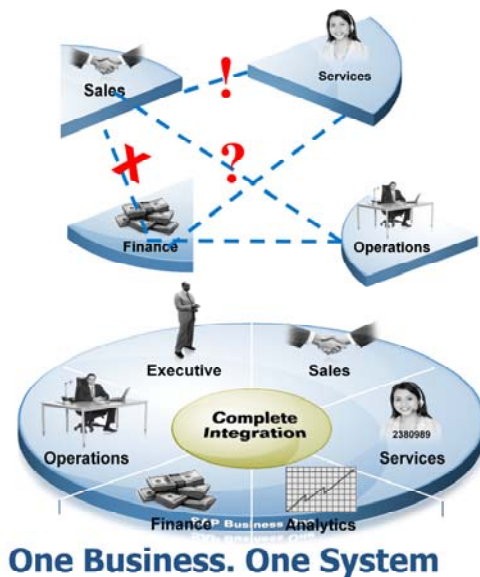


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- SAP Business One is a business management solution designed for small and midsize businesses.
- SAP Business One gives you instant access to real-time information through one single system. The application is divided into a number of modules, each covering a different business function.
- SAP Business One has a user-friendly interface that serves as your central ERP access point, with standard interfaces to internal and external data sources, mobile devices such as iphone and ipad, and other analysis tools.

SAP Business One: A True ERP System



SAP Business One is an ERP system.

- Integrates business functions seamlessly
- Uses master data to avoid duplication of data
- Real time operation
- Customizable to fit customer's business processes

- SAP Business One represents a new breed of business software that is specifically designed to meet today's small and mid-size business needs and challenges. It completely removes the needs and problems associated with having disconnected business processes or systems:
- It integrates and streamlines all business functions across sales, marketing, customers, financials and operations, all in a single system so your business operates like a seamless one
- It stores all critical business information in one database so you can instantly access without having to get information from different systems that often do not agree with each other.
- It provides built-in customer relationship management (CRM) tools that are fully integrated to the backoffice operations to help you better manage sales and customer services.
- It is also a flexible system that can be easily customized and tailor to your own business and industry needs.
- Last but not the least, SAP designed and built the product from the ground up, specifically for the small and mid-size businesses like yourself so you can leverage the best experiences and practices that SAP has learned over the past 30 years yet don't have to deal with the complexities.

SAP Business One: Process Integration



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- Let us consider an example from a small business showing how SAP Business One provides integration among business processes:
- A customer orders a custom-built personal computer.
- A production order is created to build the computer.
- Materials are purchased for the components of the computer using the procurement process: purchase order, goods receipt PO and A/P invoice.
- When the materials are received, they are issued as components to the production order.
- The computer is built and we report the item as complete and receive it into finished inventory.
- The serialized item is delivered to the customer. When it is issued, the system automatically creates a customer equipment record showing the sale to the customer and a service warranty contract.
- If the customer has a future problem, a service call is created.
- Based on the service warranty contract, there is a service level agreement for response and resolution time.

SAP Business One Options



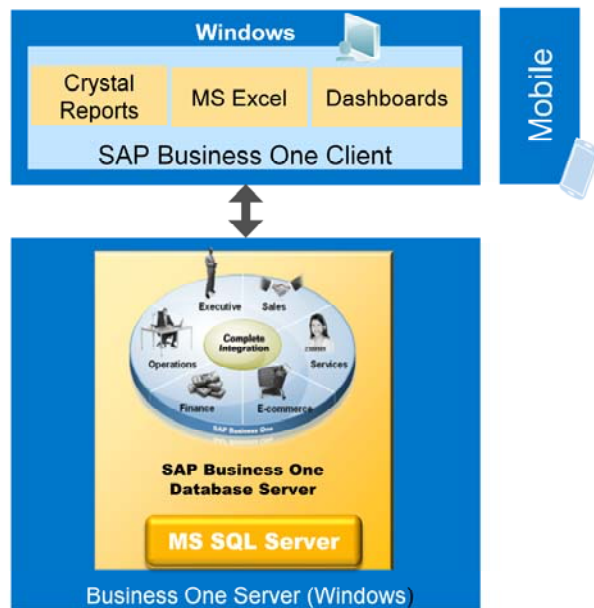
- SAP Business One on the MS SQL Server Database
- SAP Business One, analytics for SAP HANA
- SAP Business One, version for SAP HANA
- SAP Business One Cloud
- SAP Business One integration scenarios

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- There are several different options available for running SAP Business One for your business:
- You can run SAP Business One on SQL Server Database.
- If you need more analytical power, you can run SAP Business One, analytics on SAP HANA – which combines a system running on the SQL server database with an analytics server running on the SAP HANA in-memory database.
- The newest option is run SAP Business One, version for SAP HANA – in which both transactions and analytics run directly on the SAP HANA in-memory database.
- If you would rather not maintain your own on-premise solution, you can choose SAP Business One Cloud – SAP's new cloud-based platform for SAP Business One.
- Lastly, there is the SAP Business One integration scenarios for integrating SAP Business One running in subsidiaries of a large enterprise with an SAP solution in the company headquarters.
- Let us go through these solutions on the following slides.

SAP Business One

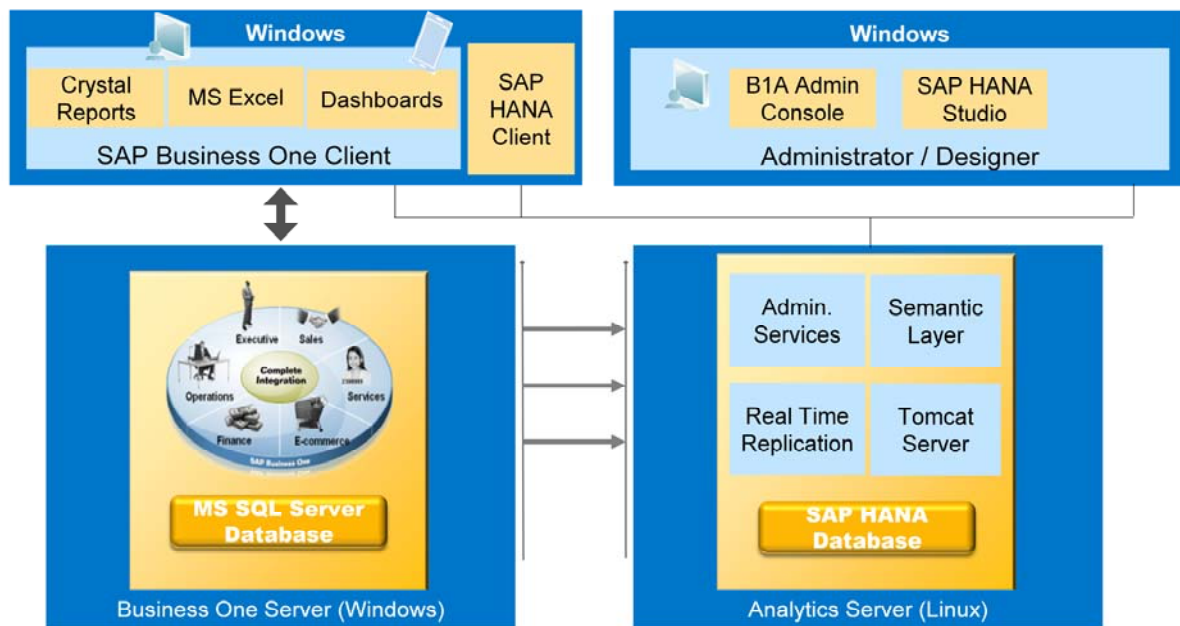


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- Here we see our SAP Business One server on the Microsoft SQL server at the bottom. On top we see the SAP Business One client connecting to the SAP Business One server.
- Each user has the SAP Business One client installed locally.
- SAP Business One is based on a two-tier client/server architecture. Most of the application resides on the client ("fat client"). This means that processing is carried out locally and is largely independent of server performance.

SAP Business One, analytics with SAP HANA

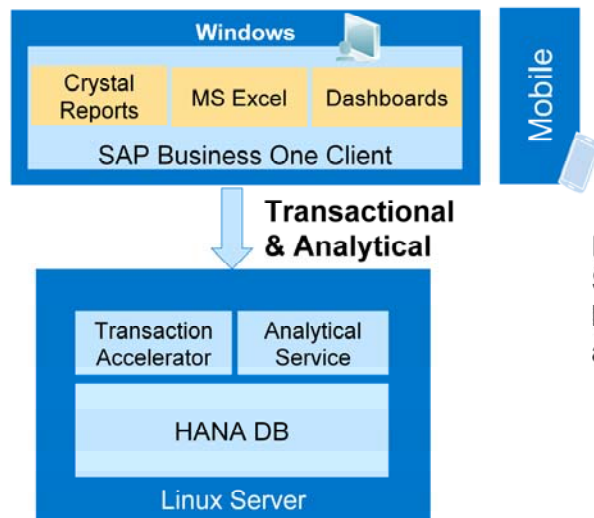


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- SAP Business One, analytics for SAP HANA adds analysis using the SAP HANA in-memory technology to an SAP Business One system running on the MS SQL Server database.
- SAP HANA is an exciting new technology brought to you by SAP. At its core SAP HANA uses an innovative in-memory technique to store your data that is particularly suited for handling very large amounts of tabular, or relational, data with unprecedented performance.
- Let us take a look at the architecture. On the left we see our SAP Business One server on the Microsoft SQL server. As always, the SAP Business One client connects each user to the SAP Business One server. All transactions will be done through the SQL server.
- On the right we see a Linux server for the SAP Business One analytics.
- Transactions and Master Data are replicated real-time from the SAP Business One database server to the SAP Business One analytics server. The data is stored in a columnar database using the in-memory technology.
- On top of the transactional data in the SAP HANA database, there is a semantic layer containing views and cubes, and procedures, enabling analysis.
- The SAP HANA Studio allows you to extend the semantic layer and develop new analytics.
- You do not need to install anything specific within the Business One client to use SAP Analytics.
- The box on the top right shows the components used for administration and designing analytics. The Administration console controls the Business One analytics server. The SAP HANA studio provides an environment for creating new views, new cubes, new procedures.

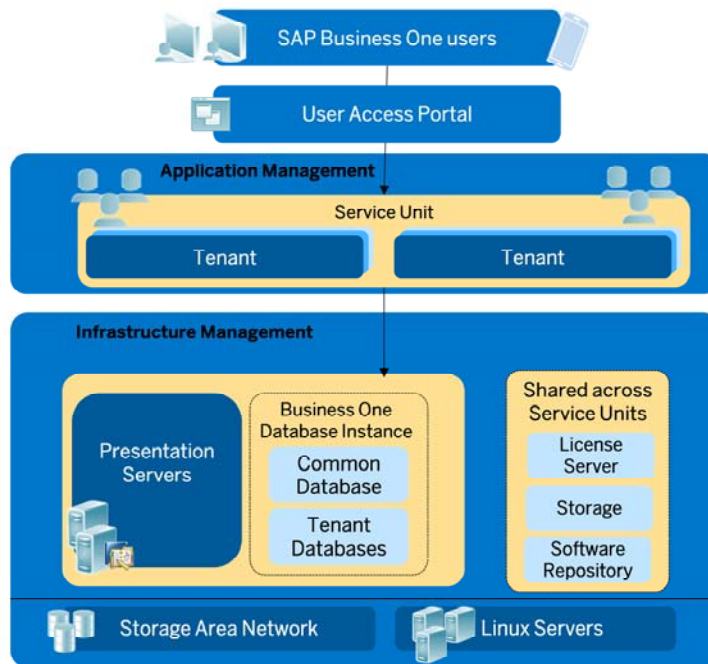
SAP Business One, version for SAP HANA



In SAP Business One, version for SAP HANA, there is one appliance for both online transaction processing and for online analytical processing.

- In SAP Business One, version for SAP HANA, there is one appliance for both online transaction processing and for online analytical processing.
- The entire SAP Business One database runs on SAP HANA.
- As usual, the SAP Business One client connects each user to the SAP Business One server.
- SAP HANA allows you to read around unwanted data by organizing tables in an efficient columnar manner. In addition to the common row-oriented storage schema a column-oriented data storage layout can be used. This means your application does not have to wait for the database to fetch data that it does not need as all the data in a table column is stored in an adjacent manner.
- SAP HANA is also very competent at more traditional database data storage and access, e. g. row-oriented tables are also available. This combination of both classical and innovative technologies allows the developer to choose the best technology for their application and, where necessary, use both in parallel.
- The transaction accelerator allows SAP HANA to run extreme applications that use the power of SAP HANA to enhance functions in areas such as cash flow management, availability to promise and delivery scheduling.

SAP Business One Cloud Landscape



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- The SAP Business One Cloud solution allows multiple companies to share the same hardware resources while being isolated in a secure customer environment in a true hosting scenario.
- End users access SAP Business One through the secure SAP Business One Cloud web access portal or the SAP Business One Mobile Application from their iOS device. Users see no difference logging in from what they would see with an on-premise solution.
- Each tenant represents a company database, storage and licenses allocated for user by a customer's enterprise. Customers may have multiple tenants across different service units, with each tenant having a different application version or purpose, such as productive, demonstration, or testing instances. Tenants share hardware and software resources, while storing their data in separate, secure databases.
- Service Units are a collection of software components, servers and storage. All components in a single Service Unit are of the same SAP Business One version. Service Units contain multiple tenants from different customers.
- Each Service Unit has multiple presentation servers that deliver the application to SAP Business One Cloud users.

Integration Options

Two scenarios, based on the integration framework of SAP Business One

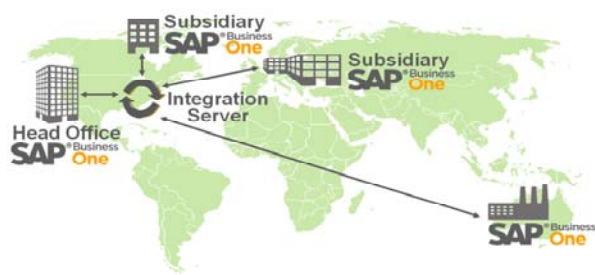
SAP Business Suite ↔ SAP Business One

SAP Business One Integration for SAP NetWeaver



SAP Business One ↔ SAP Business One

Intercompany Integration Solution for SAP Business One



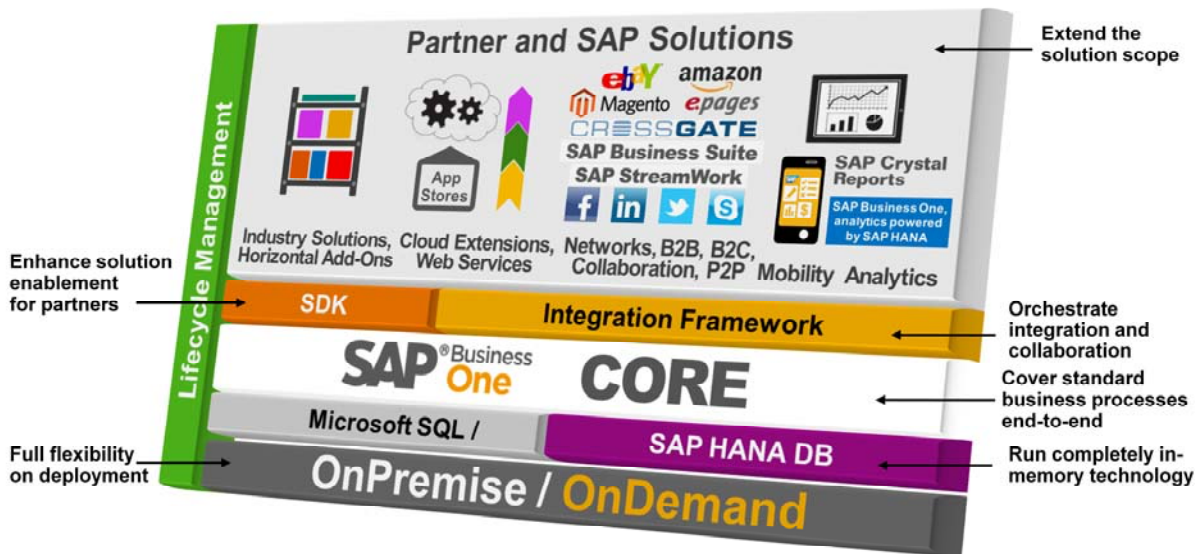
* Including branches or franchisees of large enterprises

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- SAP Business One has two scenarios for integration in larger enterprises, both are based on the integration framework of SAP Business One.
- Option 1 integrates SAP Business One running in subsidiaries, branches or franchises of a large enterprise with SAP Business Suite or SAP Business All-in-One components running in the headquarters. Highlights include data harmonization, financial consolidation, business process standardization, and supply chain optimization. The solution comes with pre-configured scenarios and industry-specific content.
- Option 2 is an SAP Business One to SAP Business One integration allowing you to manage intercompany transactions between partner companies which are running different SAP Business One installations. Financial transactions and consolidation across SAP Business One systems is delivered out-of-the-box. Using this solution a company can automated complex business processes across their SAP Business One landscapes. You can use the integration framework to build your own integration scenarios or logic from the ground up or you can purchase the intercompany integration solution which is a pre-built pre-configured solution that can be tailored to your setup.

A compact business solution stack

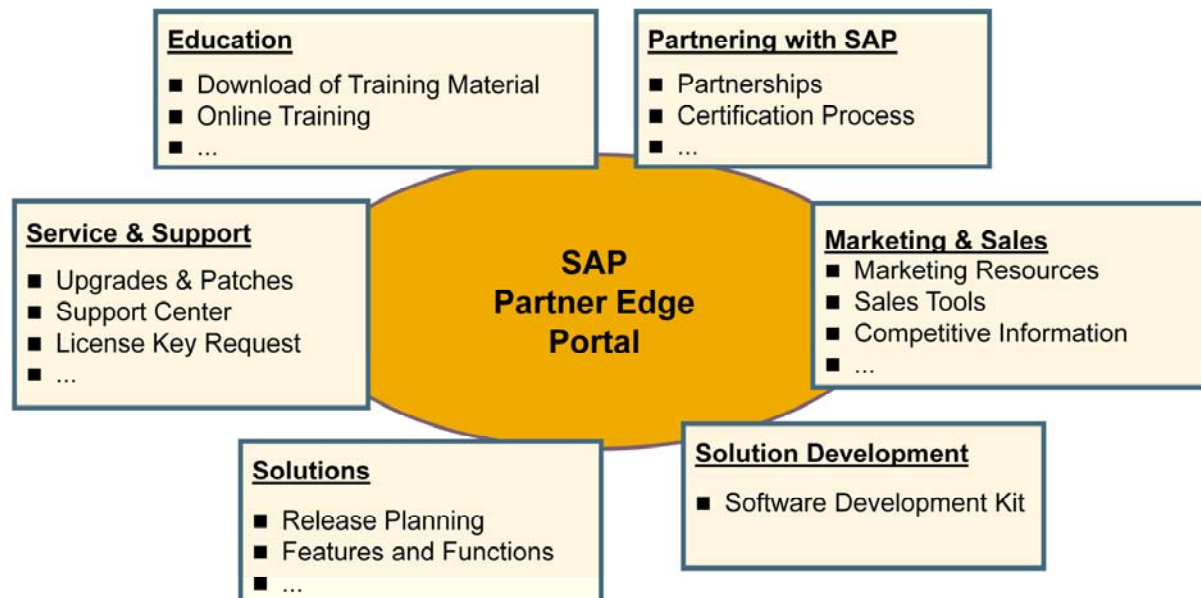


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- Regardless of the solution options you choose, you always have the SAP Business One core with the standard ERP business processes.
- As we saw, you can run the solution on premise or on demand in the cloud. You can run on Microsoft SQL or on SAP's in-memory technology. You can also orchestrate integration and collaboration using the Integration Framework.
- You can enhance any solution by using the Software Development Kit (SDK).
- And on top of all of this, you can extend the solution scope of SAP Business One by using partner and SAP solutions.

Where do I Find Additional Information?



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- Your best source of information regarding SAP Business One is the global Partner Edge portal. You need to be an SME partner, customer, or employee of SAP to access the portal. There are also local portals available by country and region.
- Ask your instructor for the most current link to the PartnerEdge portal. From here you can navigate to different areas that provide information about Solutions, Solution Development, Service & Support, Partnering with SAP, Marketing & Sales and Education.
- Learn more about the SME Portal in the TB1200 SAP Business One – Implementation and Support course.
- Customers have access to a customer partner portal.
- The SCN (SAP Community Network) is another resource for sharing information and community support for any interested persons. Anyone can register to be an SCN user.

Summary



Here are some key points:

- SAP Business One is an enterprise resource planning application (ERP) specifically designed for small business
- It uses a two tier client/server architecture.
- SAP Business One can run on premise or in the cloud.
- Two options are available for the underlying database: MS SQL or SAP HANA.
- If you are running MS SQL as the transactional database, you can still use SAP HANA as the database for analytics using SAP Business One Analytics Powered by SAP HANA
- The Partner Edge Portal provides the best source for up-to-date information on SAP Business One and support available from SAP.

- SAP Business One is an enterprise resource planning application (ERP) specifically designed for small business
- It uses a two tier client/server architecture.
- SAP Business One can run on premise or in the cloud.
- Two options are available for the underlying database: MS SQL or SAP HANA. MS SQL is a traditional database, while SAP HANA is an in-memory database.
- If you are running MS SQL as the transactional database, you can still use SAP HANA as the database for analytics using SAP Business One Analytics Powered by SAP HANA
- The PartnerEdge Portal provides the best source for up-to-date information on SAP Business One and support available from SAP.

Overview Getting Started

SAP Business One, Version 9.0



- Welcome to the topic on Getting Started.

Objectives

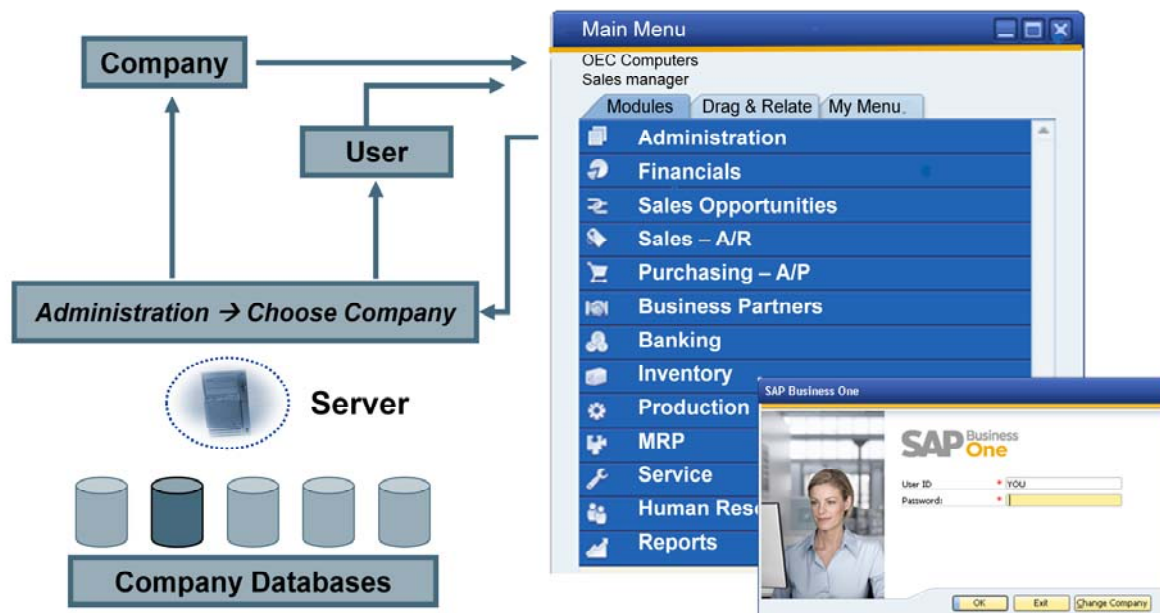


At the end of this module, you will be able to:

- Log on to SAP Business One
- Set personal settings

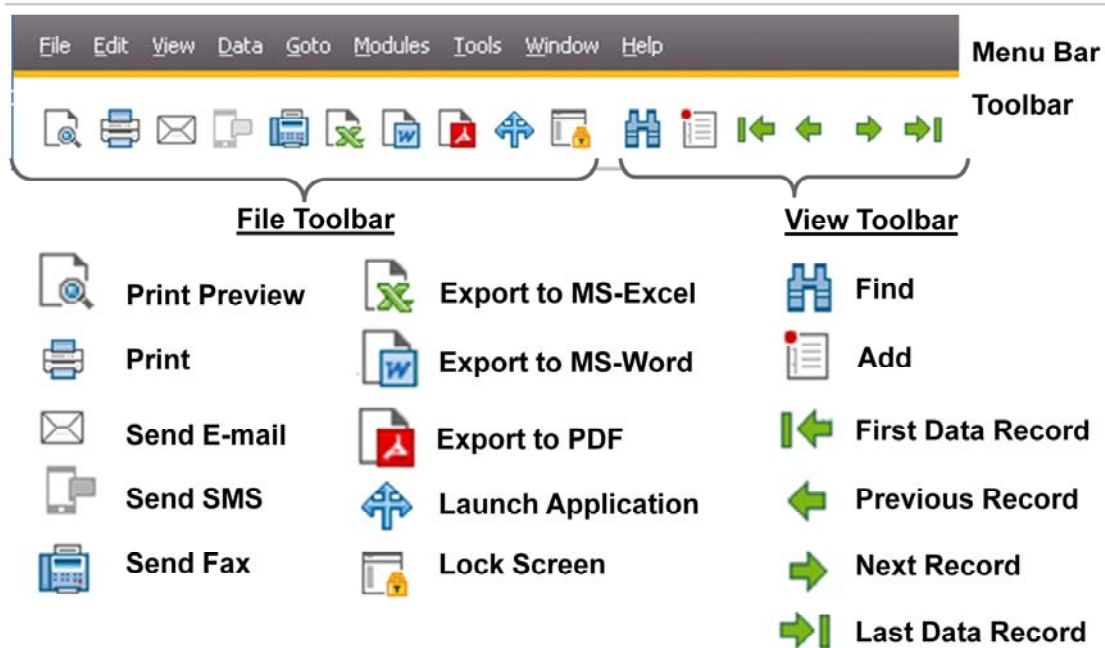
- In this session, we will get started using SAP Business One.
- After this session you will be able to log on to and navigate in SAP Business One. You will also be able to set personal settings.

Choose Company



- In SAP Business One, a company is represented as a database.
- When you log into SAP Business One, you choose the company to log into.
- Why would a small business have more than one company? Perhaps the company has two legal entities within their business, a situation that requires maintaining separate databases.
- Besides specifying the company, you enter a user and a password to log in.
- Once you log in, the main menu opens. The menu arranges the functions of the individual applications in a tree structure.
- The company name and the name of the current user display on the top left.
- If you need to change companies while logged in, you can use the Choose Company transaction in the Administration menu.
- The next time you log in, you will be directed to the same company database. If you wish to log into a different one, choose Change Company in the login window.

Menu Bar and Toolbar



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- The SAP Business One menu bar displays at the top of the screen. The menu bar contains the Windows standard menu (File, Edit, Window, Help) as well as generic SAP Business One functions.
- A row of toolbars displays under the menu bar. Each toolbar is a collection of icon buttons that grant you easy access to commonly-used functions. The functions represented by the buttons are also available in the menu bar.
- Active functions appear in color, and inactive functions gray out.
- This graphic shows only two of the toolbars available to you. You can choose which toolbars will be displayed or hidden. To hide or show a toolbar, right-click in the toolbar row and check or uncheck the appropriate toolbar.

Online Help

Online Help

- Context-sensitive help
- Field Level Help

System Message Log

- Errors, warnings and information
- Message history
- Direct links to relevant help sections

| # | Message | Help | Context | Date / Time | Message ID |
|---|--|----------------------|-----------------|---------------------|------------|
| 3 | Operation completed successfully. [Message 200-48] | | | 15/10/2009 15:16:58 | -1 |
| 4 | Due Date is missing | Help | Field: Due Date | 15/10/2009 15:16:23 | 10000443 |
| 5 | Enter due date | Help | Field: Due Date | 15/10/2009 15:10:52 | 10000106 |
| 6 | Document total is zero. Continue? | Help | Field: Total | 15/10/2009 15:10:50 | 10000098 |

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- Online help can be accessed several ways. The Context Help icon is found on the right edge of the toolbar. This icon will give you context-sensitive help about the particular screen you are on. Another way to access context-sensitive help is to press the F1 key.
- By highlighting a field and pressing Shift + F1, you can get Field Level Help.
- The System Messages Log displays up to the last 50 system messages that appeared on the application window for the current user since the last login. The window displays errors, warnings or information messages. This pane appears at the bottom part of SAP Business One application, but you can close it, move it, and re size it as required, like any other application window.
- A hyperlink to relevant help files may appear in the row. Click on it to read more detailed information about the message. When available, the system message will display an eight or nine digit unique identifier. You can use this ID as a search key in the online help.

Superusers and End Users



Superusers

- Access to everything

End Users

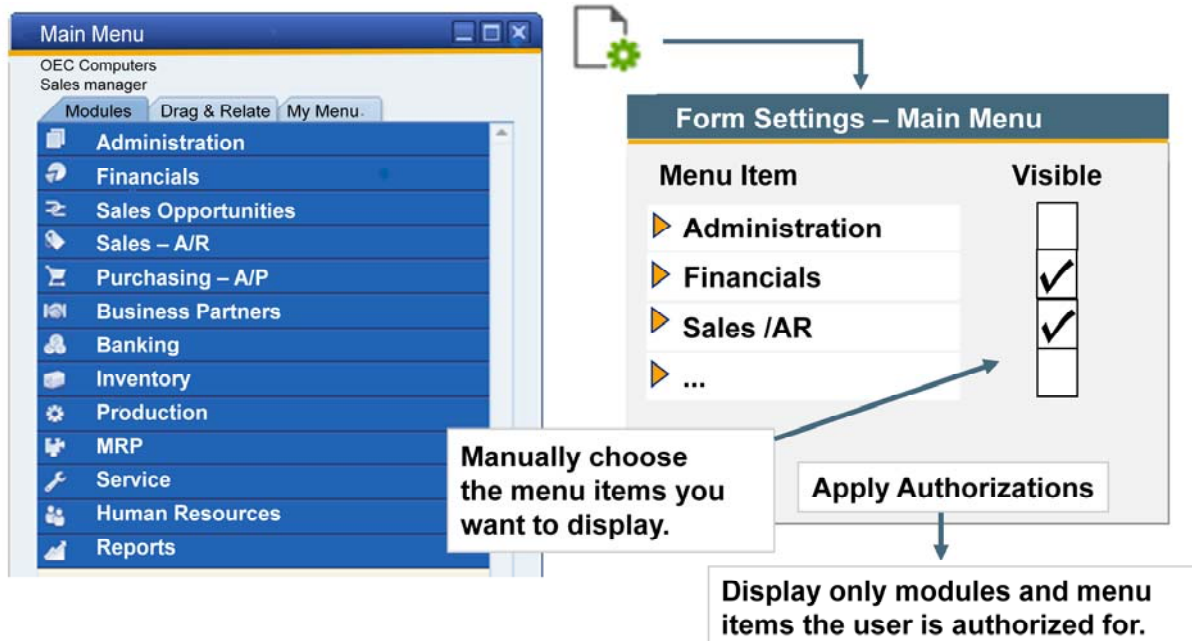
- Restricted due to authorizations
- Typically see a subset of the menu

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- There are two types of users: superusers and normal (or end) users.
- Superusers have access to everything, therefore, they typically view the full menu.
- End users are restricted to certain actions and menu items due to authorizations. Therefore, end users typically see a subset of the main menu tailored to their role.
- Generally a company will have a small number of superusers, with most users set up as end users.

Personalizing menus



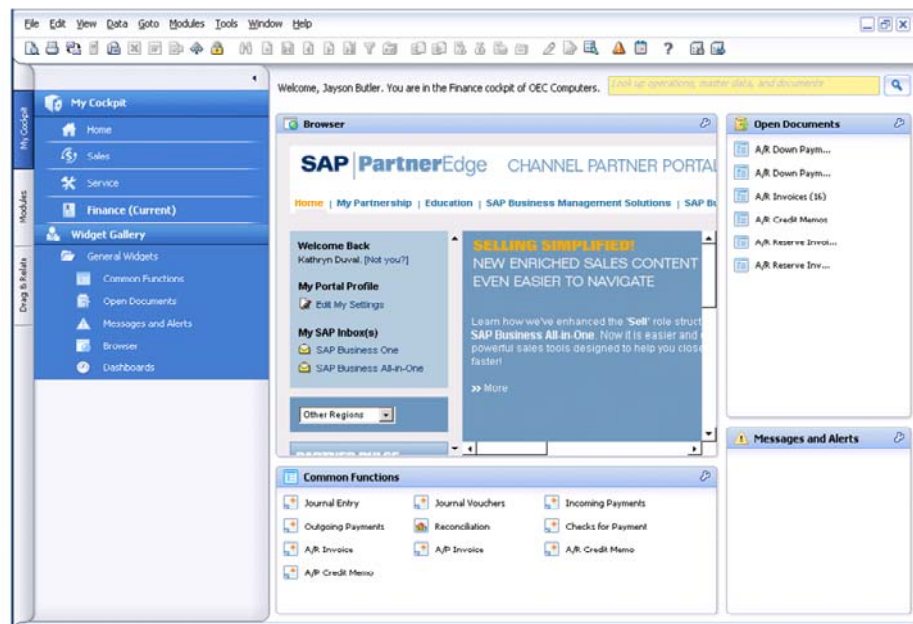
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- All users can further customize the menu to show the modules and menu options they need.
- Personalizing the main menu can be done in the Form Settings window.
- In Form Settings, the “Visible” checkbox controls whether a module or menu item appears. If this box is checked, the menu item displays on the main menu. If this box is cleared, the menu item will not display.
- An end user can select the Apply Authorization button to set the main menu to display only authorized modules and menu items. This makes using the system much more efficient and avoids frustration.
- The Form Settings window is also available for other windows. For example, you can show or hide columns in a document using Form Settings.

Cockpit

- You can personalize a cockpit for users
- Cockpit enables easy navigation to frequent transactions
- Users can choose widgets and position them easily

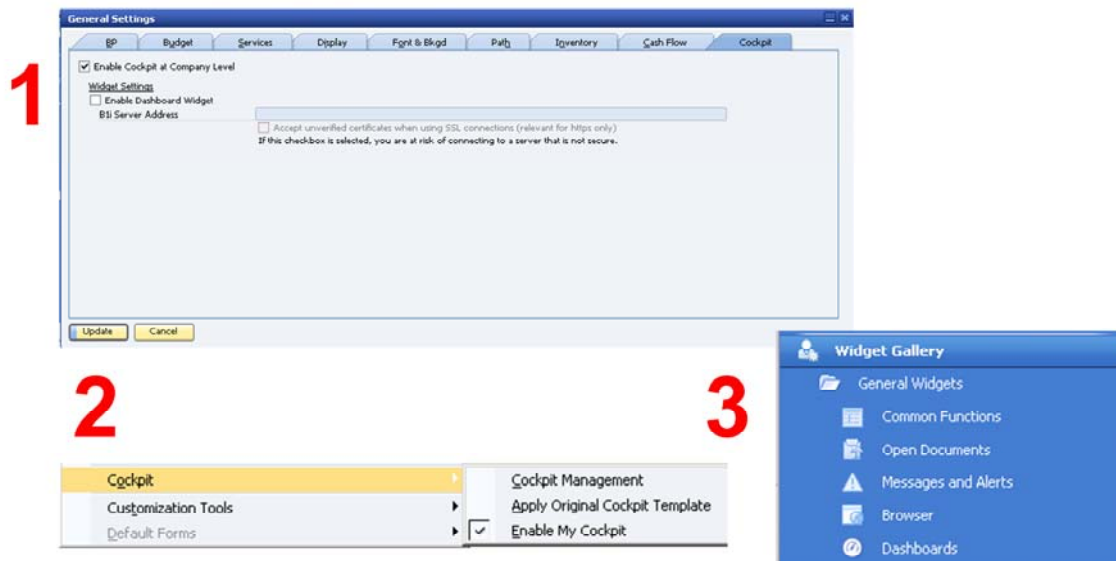


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- Another option besides the menu is to activate personalized cockpits for users.
- The cockpit enables easy navigation for a user's frequently used transactions.
- Users can choose their favorite widgets and position them where they like. Widgets are available for open documents, common transactions, messages and alerts. There are also browser widgets for displaying URLs.

Enabling the Cockpit



- There is a three step process to setting up a cockpit for a user.
- First, you need to enable the cockpit for your company in the General Settings transaction under System Initialization in the Administration module.
- Then once the cockpit is enabled for the company, a user can choose the menu item “Enable my Cockpit” in the Cockpit menu under Tools.
- Lastly, the user chooses which widgets they would like to use from the widget gallery.
- Note that dashboards require additional integration through the use of the B1i integration platform.

Summary



Here are some key points:

- A company is represented as a database inside SAP Business One.
- SAP Business One menu bar displays at the top of the screen.
- Commonly-used menu bar functions are represented as icons in a toolbar.
- There are two types of users: superusers and normal (end) users
- Form Settings allow you to display or hide menu items or fields in a window.
- You can personalize SAP Business One by setting up cockpits for users. A cockpit enables easy navigation to a user's frequently used transactions.

- A company is represented as a database inside SAP Business One. When you log into SAP Business One, you choose the company to log into.
- The SAP Business One menu bar displays at the top of the screen.
- Commonly-used menu bar functions are also represented as icons in a toolbar. The toolbar appears under the menu bar.
- There are two types of users: superusers and normal (or end) users. Superusers have access everything. End user are restricted by authorizations to functions related to their jobs.
- Form Settings allow you to display or hide menu items or fields in a window. The form settings icon is available in the toolbar.
- You can personalize SAP Business One by setting up cockpits for users. A cockpit enables easy navigation for a user's frequently used transactions.



Overview Master Data and Documents

SAP Business One, Version 9.0



- Welcome to the topic on Master Data and Documents.

Objectives

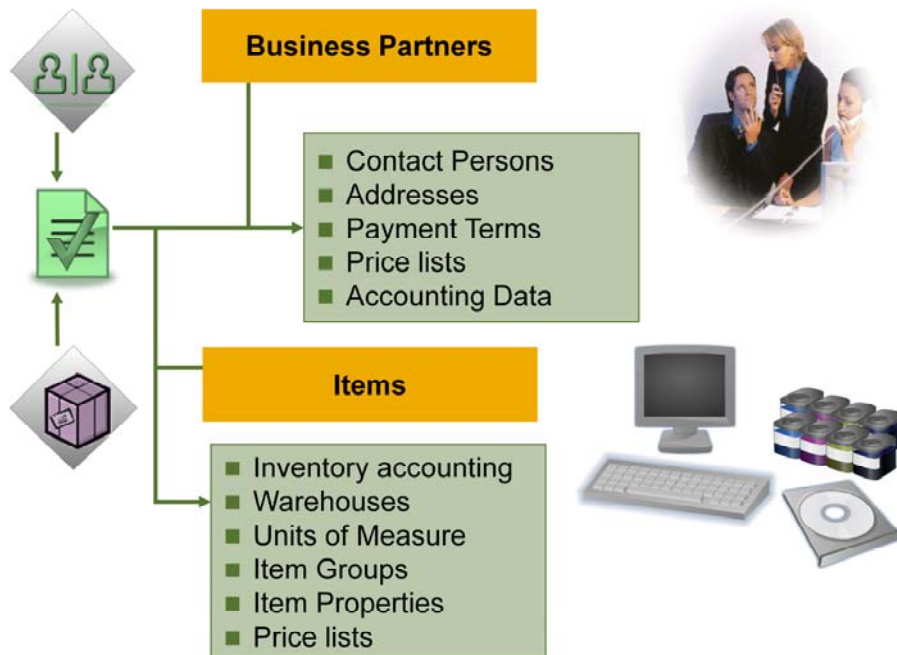


At the end of this topic, you will be able to:

- View a customer record
- Explain the concept of master data
- Create and change a document

- In this topic, we will look at master data in SAP Business One.
- After this session you will be able to view a customer record to explain the concept of master data.
- Then we explore how to create and change documents in SAP Business One.

Master Data Concept



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- SAP Business One tracks business activities using documents such as purchase orders, invoices, production orders, sales orders, and so on.
- Each of these documents is constructed from smaller reusable chunks of data called master data.
- Master data refers to the key information that describes your customers, vendors, and leads as well as items that your company buys and sells.
- Creating documents from master data increases productivity, ensures data consistency, and reduces errors.

3 Types of Business Partners

Leads

Customers

Vendors

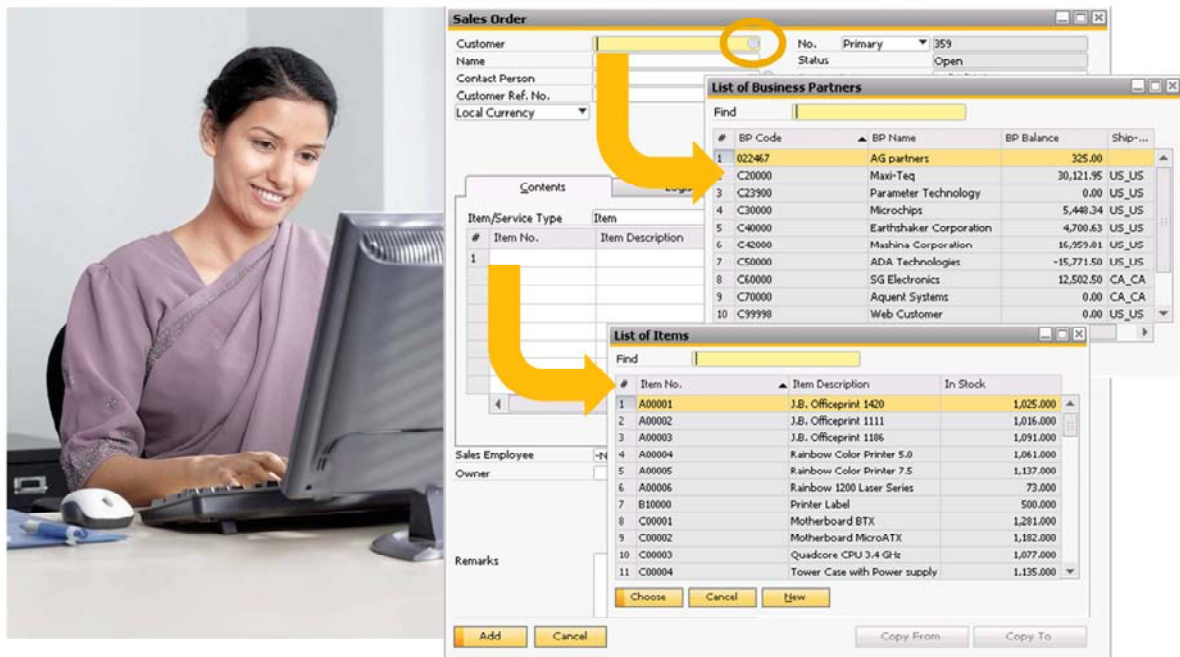


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- There are three types of business partners used in purchasing and sales documents: leads, customers and vendors.
- Leads are used in the sales process to represent sales prospects.
- Once a sale is made, you can convert a lead to a customer.
- Vendors are used in the purchasing process.
- Each lead, customer or vendor is represented in SAP Business One by a business partner master data record.
- One transaction is used to access all three types of business partners. However, the forms for each type differ slightly so that they can hold the appropriate data for each.

Finding Master Data



- It is easy to look up business partner and item information while you are entering sales and purchasing documents. A selection list icon is available in the business partner and item number fields in marketing documents.
- The selection list icon is invisible until you click into a field. When you click into the field, the field highlights and the icon appears.
- Use the selection list icon to make a selection list open.
- You can scroll through the list or use characters with wildcards to search.

Configuration Data

The screenshot shows the 'Business Partner Master Data' window with the 'Payment Terms' tab selected. An orange arrow points from the 'Payment Terms' dropdown menu to the 'Payment Terms - Setup' dialog box. The dialog box contains various fields for configuring payment terms, including 'Payment Terms Code', 'Due Date Based on', 'Start From', 'Tolerance Days', 'No. of Installments', 'Open Incoming Payment', 'Cash Discount Name', and 'BP Fields'.

Business Partner Master Data

| | | | |
|----------------|------------------|--------|----------|
| Code | Manual | CS0000 | Customer |
| Name | ADA Technologies | | |
| Foreign Name | | | |
| Group | Distributors | | |
| Currency | Euro | | |
| Federal Tax ID | US25-500039 | | |

Payment Terms - Setup

| | |
|---------------------------|--------------------|
| Payment Terms Code | 2P10Net30 |
| Due Date Based on | Posting Date |
| Start From | 0 Months + 30 Days |
| Tolerance Days | |
| No. of Installments | 0 |
| Open Incoming Payment | No |
| Cash Discount Name | 2P10 |
| BP Fields | |
| Total Discount % | 0.000 |
| Interest % on Receivables | 0.000 |
| Price List | Base Price |
| Max. Credit | 0.00 |
| Commitment Limit | 0.00 |

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- Some of the information that appears in master data comes from configuration.
- For example, payment terms are set up in advance of setting up customers.
- Choosing the link arrow in the business partner window for payment terms, I can navigate to the configuration data.
- Some fields with a dropdown menu such as the payment terms, will let authorized users define new options if there are none appropriate. This type of direct configuration is typical in SAP Business One.
- The purpose of configuration data and master data is to make creating documents for business transactions easier. Now let us look at how we create documents to capture the information about a business activity in sales or purchasing.

Marketing Documents

The screenshot displays the SAP Marketing Documents interface. On the left, there are three labels: 'General Document Data', 'Document Content', and 'General Information (Footer)'. The main window is divided into several sections:

- Business Partner Section:** Includes fields for 'Business Partner', 'Name', 'Contact Person', 'No.', 'Status', and 'Posting Date'.
- Contents Tab:** Features a table with columns 'Item/Service', 'Item/Cat. No.', and 'Quantity'. It shows two rows, with the first row highlighted.
- Logistics Tab:** Includes fields for 'Ship to', 'Pay to', 'Shipping Type', and an ellipsis '...'.
- Accounting Tab:** Includes fields for 'Journal Remark', 'Payment Terms', and 'Tax Information'.
- Attachments Tab:** (Not detailed in the image).
- Buyer/Sales Person Section:** Includes fields for 'Buyer/Sales Person' and 'Remarks'.
- Summary Section:** Includes fields for 'Total Before Disc.', '% Discount', an ellipsis '...', and 'Total Payment Due'.

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- All the documents in purchasing and in sales share a similar structure. The documents for sales and purchasing are also often called “Marketing Documents”.
- In general the document is divided into:
 - the **upper part (header)** with the general information,
 - the **middle part** with the information on different tab pages and the item specific data,
 - and the **lower part (footer)** with more general information.
- **The middle part contains 4 tabs:**
 - The *Contents* tab is where all the specific information about the ordered items or services is entered, such as quantity, price, item number, and description. You can access more item specific data in the line details by double-clicking a row.
 - The *Logistics* tab contains the details about where the items or services and payments are to be sent. Shipping method is also specified here. Most of the data is pulled from preconfigured master company details and vendor data.
 - The *Accounting* tab contains the relevant general ledger (G/L) account information for the purchase pulled from the financial accounting master data.
 - The *Attachments* tab allows you attach supplementary files to your documents.
 - Much of the data appearing in these tabs defaults from the master data. The values can be changed while working in the documents. These changes will affect the document, but do not change the master data records.

Row Type in Marketing Documents

Contents

| Type | Item No. | Item Description | Quantity | Price | Total (LC) |
|----------|---------------------------------------|------------------|----------|--------|------------|
| | A1005 | Color Printer | 1 | 214,76 | 214,76 |
| | A1006 | Ink Jet Printer | 1 | 99,99 | 99,95 |
| T | The item A1006 will be sold out soon! | | | | |
| Σ | Subtotal Printers | | | | 314,71 |
| | A1001 | Black Cartridge | 10 | 7,50 | 75,00 |
| | A1006 | Color Cartridge | 10 | 9,10 | 91,00 |
| Σ | Subtotal Cartridges | | | | 166,00 |
| | | | | | |

Form Settings Table Format

Select

In the Sales and Purchasing documents, you can choose a row type.

Total before Discount 480,71

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- In marketing documents, you can choose the row's *type* on the *Contents* tab page.
- The default view of the system is without the type column, but you can easily add it in the *Form Settings* window. Form Settings are available for windows in SAP Business One and control the visibility of optional fields.
- The options for the row types are:
 - **Blank**: for a regular item row this field is empty
 - **T**: for a text row
 - **Σ**: for a subtotal row
 - **A**: If the document is a sales quotation, the option *A* is available for an alternative item row. An alternative item is not taken into account on sum calculations. When the document is copied to a target document, a user can decide if the alternative item should remain or be deleted.
- You can change the format of any row in the *Contents* tab of any SAP Business One purchasing document to insert text or a subtotal of the preceding row. Simply click on the drop-down list in the *Type* field and select **T** (for text) or **Σ** (for subtotal). When you select **T**, the *Text Editor* pop-up window appears. From here, insert predefined text from the drop-down list or insert your own text. This is especially helpful when you want to convey specific instructions to your vendor about how items should be manufactured, handled, or shipped.

Draft Documents

Sales Quotation

Customer: C23900
 Name: Parameter Technology
 Contact Person: Daniel Brown
 Customer Ref. No.:
 BP Currency: \$

No.: Hardware 362
 Status: Open
 Posting Date: 04/20/2013
 Valid Until: 05/20/2013
 Document Date: 04/20/2013

| # | Item No. | Item Description | Price |
|---|----------|-----------------------|---------|
| 1 | A00001 | J.B. Officeprint 1420 | 0.00 \$ |
| 2 | | | |

Sales Employee: Brad Thompson
 Owner:

Total Before Discount: 1,800.00 \$
 Discount: %
 Freight: 0.00 \$
☐ Rounding
 Tax: 108.00 \$
 Total: 1,908.00 \$

- Save documents as a draft before adding to database.
- You can make changes or enter missing information before adding as regular document.
- Drafts can be used as templates.
- You can display a list of drafts for processing

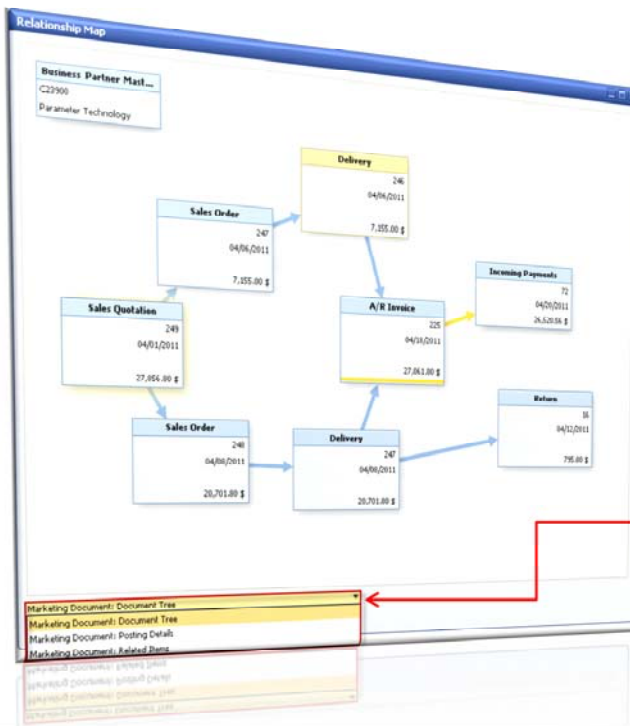
- You can save most documents as a draft in SAP Business One. This lets you make changes or enter missing information before adding them to the database as regular documents.
- For example, perhaps you check some information before offering a particular discount to a customer in a sales quotation. You can create the document, enter the items the customer wishes to purchase along with the discount, then save a draft of the sales quotation.
- Document drafts can also be used as templates for documents you frequently create.
- You can display a list of draft documents. Using selection criteria, you can find and process specific documents. When you open a draft document, you can make any needed changes and then add the document as a regular document to the database.

Creating related documents

The image displays two SAP forms side-by-side. The left form is 'Sales Quotation' and the right is 'Sales Order'. Both forms share the same header information: Customer (C2300), Name (Parameter Technology), Contact Person (Daniel Brown), Customer Ref. No., Local Currency, No. (362), Status (Open), Posting Date (04/20/2013), Valid Until (05/20/2013), and Document Date (04/20/2013). The 'Sales Quotation' form has a 'Contents' table with one item: Item No. A00001, Item Description J.B. Officeprint 1420, Quantity 3, Unit Price 600.00 \$. The 'Sales Order' form has a similar table. In the 'Sales Quotation' form, a yellow circle highlights the 'Copy To' button in the bottom right corner. An orange arrow points from this button to the 'Sales Order' form, indicating the process of creating a sales order from a quotation.

- When doing business you often have a need to copy information from one document to another. For example, you have created a sales quotation for a customer and now you would like to create a sales order from the quotation.
- In these cases you can easily copy the sales quotation to a sales order.

Relationship Map



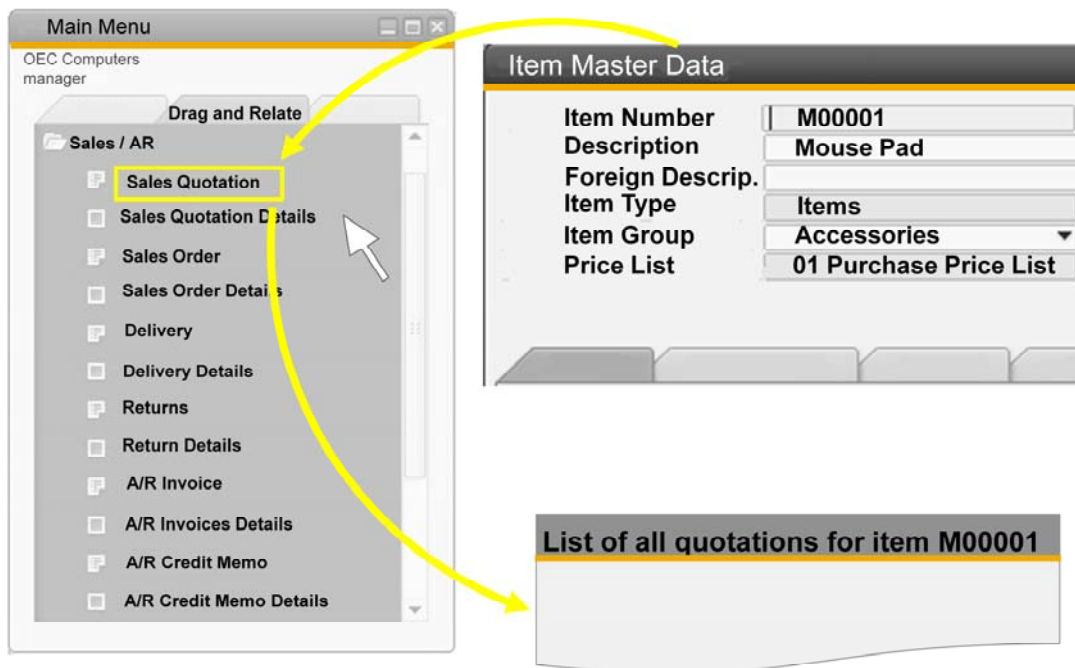
- View relationships between documents in the relationship map.
- The entry point to the relationship map has a yellow title background.
- Double-click on any icon to open a document.
- Different views can be selected in the selection box.

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- Once you create a related document, you can view the relationship between documents. One way is to use the relationship map.
- In the graphic, the user has opened the relationship map from a delivery. The delivery is yellow because it is the entry point to the relationship map.
- This delivery is based on a sales order which was based on a sales quotation. The closing point for this chain, in this case, is an incoming payment.
- From the relationship map, you can double-click on any icon to open a document within the chain to see the document details, addresses, payment terms and so on.
- Different views can be selected in the selection box. You can view the documents, related journal entry postings, or items from the rows of the documents.

Drag&Relate



- Drag&Relate is a particularly effective means of linking two business objects to create a query.
- The screen on the right shows the data in an item master record. If you want to find out which quotations have been made for this item, for example, you simply drag the Item Number field to the Quotations entry in the navigation Drag&Relate tree. The system then displays a list of all the quotations for the item. If this list is too long, you can filter the list to display just the results that you are interested in.
- You can limit the authorizations per user for using the reports in the general authorizations transaction in the Administration menu.

Summary



Here are some key points:

- Creating documents from master data increases productivity, ensures data consistency, and reduces errors
- Three types of business partner master data: vendor, lead and customer.
- Marketing documents share a common structure.
- Marketing documents can be saved as drafts.
- You can easily copy the information in a marketing document to another document.
- Copied documents are linked and their connections can be viewed in a relationship map.
- Drag and Relate is a quick way to create ad hoc reports.



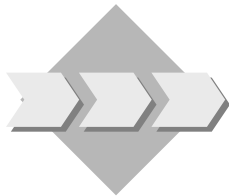
Unit: SAP Business One Basics

Topic: Getting Started



At the conclusion of this exercise, you will be able to:

- Log into SAP Business One
- Set display parameters
- Set up and use a cockpit
- Navigate through records
- View Online Help



In this exercise, you begin exploring SAP Business One. After logging into the system, you will set display parameters and set up shortcut keys.

You will set up a cockpit with frequently used transactions.

Please note that the exercises were written for the British localization with the language set to English (United States). Menu paths, default settings, and some data may vary based on the localization and language you use.

1-1 You want to get started with the SAP Business One.

1-1-1 Log on to the SAP Business One system and choose a database.

1-1-2 You would like to work with the SAP Business One system with the language and other display parameters which you prefer.

Choose the language and date format appropriate to your region.

1-2 You would like to set up some shortcut keys for frequently used transactions.

1-2-1 You already know that the transactions for sales orders, purchasing orders, and business partner maintenance are the transactions that you will use most often. Assign these transactions to the functions keys F3, F4, and F5.

| Field Name or Data Type | Values |
|-------------------------|--------------------|
| <i>Shortcut</i> | F3 |
| <i>Module</i> | Sales – A/R |
| <i>Window</i> | Sales Order |

| Field Name or Data Type | Values |
|-------------------------|-------------------------|
| <i>Shortcut</i> | F4 |
| <i>Module</i> | Purchasing – A/P |
| <i>Window</i> | Purchase Order |

| Field Name or Data Type | Values |
|-------------------------|-------------------------------------|
| <i>Shortcut</i> | F5 |
| <i>Module</i> | Business Partners |
| <i>Window</i> | Business Partner Master Data |

1-3 Personalize SAP Business One by setting up a cockpit with useful widgets.

1-3-1 Enable the cockpit for your company in the General Settings transaction.

1-3-2 Enable the cockpit for your user.

1-3-3 Review the options for user authorizations for widgets in the cockpit.

Open the Cockpit & Widget authorization area to see the levels at which you can control authorization.

1-3-4 Choose widgets for your cockpit.

Choose the following widgets to add to your cockpit. Drag each one to a position inside the cockpit.

| Widget Name |
|---------------------|
| Open Documents |
| Messages and Alerts |
| Common Functions |
| Browser |

1-3-5 Define the content for the *Open Documents* widget.

Select the following document types and any additional types you wish.

| Field Name or Data Type | Values |
|-------------------------|------------------|
| <i>Document</i> | Sales Quotations |
| <i>Document</i> | Sales Orders |
| <i>Document</i> | Deliveries |
| <i>Document</i> | A/R Invoices |
| <i>Document</i> | Purchase Orders |

Click on one of the document types to view a list of open documents.

1-3-6 Define the content for the *Common Functions* widget.

Add the **Item Master Data** transaction.

Add the **Sales Quotation** transaction:

Feel free to add any additional transactions you would like.

- 1-3-7 Open the Item Master Data transaction from the **Common Functions** widget and navigate through item master data records using all four navigation icons.
Click on the link for *Item Master Data*.
Navigate to the first item using the **First Data Record** icon in the tool bar.
Use the **Next Record** icon to find the next record.
Choose the **Last Data Record** icon record to go to the last master data record.
Choose the **Previous Record** icon.
- 1-3-8 Use online help to find out more about this transaction.
Choose **F1** to get context sensitive help for the window.
Choose **Shift +F1** in the **Description** field to get information about it..
Close the **Help** and **Item Master Data** windows by clicking on the upper right corner when you are finished.
- 1-3-9 Define the content for the **Browser** widget. (Optional)
If you would like to change the website shown in the browser widget, enter your preferred URL in the settings.



Unit: SAP Business One Basics

Topic: Getting Started

Please note that the exercises were written for the British localization with the language set to English (United States). Menu paths, default settings, and some data may vary based on the localization and language you use.

1-1 You want to get started with the SAP Business One.

1-1-1 Log on to the SAP Business One system and choose a database.

Start SAP Business One by choosing **Start → SAP Business One** or by double clicking the SAP Business One icon on your desktop.

In the window *Welcome to SAP Business One*, press the *Choose Company button*. The *Choose Company* window opens. Choose the appropriate database as directed.

Enter the *User Code* and *Password* and choose *OK*.

1-1-2 You would like to work with the SAP Business One system with the language and other display parameters which you prefer.

Choose the language and date format appropriate to your region.

Choose **Administration → System Initialization → General Settings**.

Choose the *Display* tab and enter your preferences.

Choose *OK* to save your settings.

1-2 You would like to set up some shortcut keys for frequently used transactions.

1-2-1 You already know that the transactions for sales orders, purchasing orders, and business partner maintenance are the transactions that you will use most often. Assign these transactions to the functions keys F3, F4, and F5.

Choose **Tools** → **My Shortcuts** → **Customize**.

| Field Name or Data Type | Values |
|-------------------------|--------------------|
| <i>Shortcut</i> | F3 |
| <i>Module</i> | Sales – A/R |
| <i>Window</i> | Sales Order |

Choose **Allocate**.

| Field Name or Data Type | Values |
|-------------------------|-------------------------|
| <i>Shortcut</i> | F4 |
| <i>Module</i> | Purchasing – A/P |
| <i>Window</i> | Purchase Order |

Choose **Allocate**.

| Field Name or Data Type | Values |
|-------------------------|-------------------------------------|
| <i>Shortcut</i> | F5 |
| <i>Module</i> | Business Partners |
| <i>Window</i> | Business Partner Master Data |

Choose **Allocate**.

Check the allocations you made in the *List* tab.

Choose **OK**.

- 1-3 Personalize SAP Business One by setting up a cockpit with useful widgets.
- 1-3-1 Enable the cockpit for your company in the General Settings transaction.
Choose **Administration → System Initialization → General Settings**
Choose the *Cockpit* tab.
Select the checkbox **Enable Cockpit at Company Level**.
Choose **Update**.
Acknowledge the system message with **OK**.
Choose **OK** again to close the window.
- 1-3-2 Enable the cockpit for your user.
Choose **Tools → Cockpit → Enable My Cockpit**
Ensure that there is a checkmark by *Enable My Cockpit*.
Log off SAP Business One by choosing **File → Exit** from the menu bar.
Choose **Yes**.
Choose SAP Business One from the icon or start menu.
Enter your user ID and password. Choose **OK**.

Note that you do not have to enter the *Choose Company* window. The company you entered the last time is the default company.
Now you will see a tab and menu called *My Cockpit*.
- 1-3-3 Review the options for user authorizations for widgets in the cockpit.
Choose the menu tab **Modules**.
Choose **Administration → System Initialization → Authorizations → General Authorizations**
Choose your user name on the left.
In the Find field type **Coc** to find the Cockpit & Widget authorization area.
Since your user is a superuser, you will have full authorization.
Open the Cockpit & Widget authorization area to see the levels at which you can control authorization.
For end users, you would need to either give full authorization for the cockpit or choose appropriate authorizations at the level of each widget.
Choose **Cancel** to close the window.

1-3-4 Choose widgets for your cockpit.

Choose the ***My Cockpit*** menu tab.

Choose the following widgets to add to your cockpit. Drag each one to a position inside the cockpit.

| Widget Name |
|---------------------|
| Open Documents |
| Messages and Alerts |
| Common Functions |
| Browser |

1-3-5 Define the content for the ***Open Documents*** widget.

Choose the icon in the top right corner of the ***Open Documents*** widget.
Choose ***Settings***.

Select the following document types and any additional types you wish.

| Field Name or Data Type | Values |
|-------------------------|------------------|
| <i>Document</i> | Sales Quotations |
| <i>Document</i> | Sales Orders |
| <i>Document</i> | Deliveries |
| <i>Document</i> | A/R Invoices |
| <i>Document</i> | Purchase Orders |

Choose OK.

Now the ***Open Documents*** widget will display the number of open documents for each document type.

Click on one of the document types to view a list of open documents.

- 1-3-6 Define the content for the **Common Functions** widget.
Choose the **Modules** tab of the main menu to display the **Modules** menu.
Add the **Item Master Data** transaction:
Open the **Inventory** menu.
Drag the **Item Master Data** menu item and drop it in the widget.
Add the **Sales Quotation** transaction:
Open the **Sales – A/R** menu.
Drag the **Sales Quotation** menu item and drop it in the widget.
Feel free to add any additional transactions you would like.
- 1-3-7 Open the Item Master Data transaction from the **Common Functions** widget and navigate through item master data records using all four navigation icons.
Click on the link for **Item Master Data**.
Navigate to the first item using the **First Data Record** icon in the tool bar.
Use the **Next Record** icon to find the next record.
Choose the **Last Data Record** icon record to go to the last master data record.
Choose the **Previous Record** icon.
- 1-3-8 Use online help to find out more about this transaction.
Choose **F1** to get context sensitive help for the window.
Choose **Shift +F1** in the **Description** field to get information about it..
Close the **Help** and **Item Master Data** windows by clicking on the upper right corner when you are finished.
- 1-3-9 Define the content for the **Browser** widget. (Optional)
If you would like to change the website shown in the browser widget, choose the icon in the top right corner of the **Browser** widget.
Choose **Settings**.
Enter a URL.
Then choose **OK**.



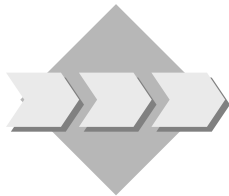
Unit: SAP Business One Basics

Topic: Master Data and Documents



At the conclusion of this exercise, you will be able to:

- View business partner master data
- Create a sales quotation draft document
- Change and save a sales quotation
- Copy a sales quotation to a sales order
- Use Drag and Relate



In this exercise, you will view business partner master data. You will search for a customer master data record.

You will create a sales quotation for the customer and save it as a draft. You run a list of draft documents, open the draft sales quotation, make changes and then save the sales quotation as a regular document.

Open the sales quotation and copy the information to a sales order.

Use Drag and Relate to find all sales orders for this customer.

3-1 Find and view a customer master.

- 3-1-1 Open the window for Business Partner Master Data. Search for customer **Parameter Technology** using first initial and wild cards (*).

Tip: You can use the menu path or open the transaction using the shortcut you created in the previous exercise.

Note: If there is more than one customer with a name that begins with P, then a list of business partners will open. Then you can choose the business partner from the list.

- 3-1-2 How many contact persons are listed for this customer? Which one is the default contact?
-

3-1-3 Which tab displays the customer's price list?

3-1-4 Which two types of addresses are needed in a customer master?

Is the bill-to address the same as any of the ship-to addresses?

3-1-5 Check the payment terms for the customer and view the definition behind the payment terms.

Choose the ***Payment Terms*** tab.

What payment terms are shown?

Choose the ***Link Arrow*** to view the definition.

What window opens? What type of data is this?

3-1-6 In addition to customers, what other types of business partners are maintained in the Business Partner Master window?

3-2 Create a sales quotation for this customer.

3-2-1 Open the Sales Quotation window and search for the customer.

Tip: You can use the menu path or open the transaction from the **Common Functions** cockpit widget.

Use one of the two methods below to search for the customer Parameter Technology.

Option 1: Choose the **Tab key** in the **Customer (Number)** field, and the *List of Business Partners* window opens. Double-click on the **BP Name** column header and enter **P** into the **Find** field. The system positions on the first entry beginning with **P**.

Option 2: Enter **P*** into the **(Customer) Name** field, choose the **Tab key**, and the *Choose from List* window opens. The system positions directly on the first entry beginning with **P** and only displays the entries beginning with **P**.

Enter the following information in the sales quotation.

| Field Name or Data Type | Values |
|-------------------------|---------------|
| <i>Item No.</i> | C00003 |
| <i>Quantity</i> | 5 |
| <i>Item No.</i> | C00004 |
| <i>Quantity</i> | 10 |
| <i>Item No.</i> | C00005 |
| <i>Quantity</i> | 5 |

Tip: You can choose multiple items at the same time by highlighting the first item then choosing Shift + Click to choose several items in a row. You can use Control + Click to select individual items. Once multiple items are selected, use the **Choose** button to add them to the document.

3-2-2 You would like to subtotal the first three items in the document.

Note: If the *Type* indicator does not appear in the rows, choose the *Form Settings* icon and select *Type* in the *Table Format* tab.

Add a row with a subtotal for the order.

| Field Name or Data Type | Values |
|-------------------------|-----------------|
| <i>Type</i> | Subtotal |

- 3-2-3 Add two additional items to the order. Make the second item an alternate for the first item by choosing *Alternative* in the *type* field.

Add two additional items to the order.

| Field Name or Data Type | Values |
|-------------------------|---------------|
| <i>Item No.</i> | A00005 |
| <i>Quantity</i> | 2 |
| <i>Item No.</i> | A00004 |
| <i>Quantity</i> | 2 |

Add a text line to the order. And follow that with a second subtotal row.

| Field Name or Data Type | Values |
|-------------------------|-----------------|
| <i>Row Type</i> | Text |
| <i>Text Editor</i> | Any text |
| <i>Row Type</i> | Subtotal |

- 3-2-4 You would like to give the customer a large discount in the sales quotation but you need to check some information with your manager before finalizing the quotation. Save the quotation as a draft so that you can make changes before you add it as a regular document.

Note the document number for the draft sales quotation:

- 3-2-5 Find the sales quotation draft in the list of draft documents.

- 3-2-6 Enter a 2% discount for the entire document and choose **Add** to save the sales quotation as a regular document.

| Field Name or Data Type | Values |
|-------------------------|----------|
| <i>Discount</i> | 2 |

Note the sales quotation document number:

3-3 Find all the sales quotations for the customer using Drag and Relate.

3-3-1 Go to the **Drag & Relate** menu.

Use one of these two methods to find the sales quotations.

Option 1: Double-click *Sales Quotation*. All sales quotations are displayed. Therefore, use the **Filter** function to select the sales quotations only for the customer C23900. The Filter icon is the bottom right of the **Drag & Relate – Sales Quotation** window. For the Customer/Vendor row, choose **Equal** in the **Rule** column and then enter **C23900** in the **Value from** column. Choose **OK**.

Option 2: Double-click *Business Partners*. All business partners display. **Drag** business partner **C23900** to the Drag & Relate menu item *Sales Quotation*, so you get only sales quotations for the customer C23900.

3-3-2 Open your sales quotation in the list.

3-4 The customer has decided to buy all the items that were quoted to him. He does not want the alternate item.

3-4-1 Copy the information in the sales quotation to a sales order.

3-4-2 Is the alternate item copied? _____

3-4-3 The customer gives you a purchase order number of TX-5757. Add this number in the Customer Reference Number field. Enter today's date as the delivery date for the sales order. Then save the sales order.

| Field Name or Data Type | Values |
|--------------------------|---|
| <i>Customer Ref. No.</i> | TX-5757 |
| <i>Delivery Date</i> | *(The asterisk brings in today's date) |

Sales Order _____

3-4-4 The customer has called back and asked you to delete the item C00003. Make the change in the sales order you just created.

3-4-5 Show the history of the document changes in the change log.

You can double-click on the rows to show different versions of the document. You can highlight the first row and choose **Show Difference** to see the previous and new values for each changed field.

3-5 Optional exercise to explore available options in documents.

3-5-1 Find and duplicate the sales order.

3-5-2 Make one or more of the following changes to the sales order: add a row, delete a row or duplicate a row. Change the item description for one of the items.

Data → Add Row or Right mouse-click → Add Row.

Data → Delete Row or Right mouse-click → Delete Row.

Data → Duplicate Row or Right mouse-click → Duplicate Row

After changing the item description, select **Ctrl+Tab** in order to leave the field.

3-5-3 Try to add an alternate item. What happens?

3-5-4 Open the row details for the first row by selecting the row number of the first item. View the warehouse quantities by navigating to the Whse field and choosing **Ctrl + Tab**.

In stock: _____

Ordered: _____

Committed: _____

3-5-5 Cancel the duplicate sales order without saving.



Unit: SAP Business One Basics

Topic: Master Data and Documents

3-1 Find and view a customer master.

3-1-1 Open the window for Business Partner Master Data. Search for customer **Parameter Technology** using first initial and wild cards (*).

Tip: You can use the menu path or open the transaction using the shortcut you created in the previous exercise.

Business Partners → Business Partner Master Data

The window opens in *Find* mode.

In the *Name* field, type **P***.

Note: If there is more than one customer with a name that begins with P, then a list of business partners will open. Then you can choose the business partner from the list.

3-1-2 How many contact persons are listed for this customer? Which one is the default contact?

Choose the *Contact Persons* tab.

There are 2 contact persons. The contact person in bold type is the default contact.

3-1-3 Which tab displays the customer's price list?

Click through the tabs to find the price list field. The ***Payment Terms*** tab displays the customer's price list.

3-1-4 Which two types of addresses are needed in a customer master?

Choose the *Addresses* tab. Bill-to and Ship-to addresses are necessary in a customer master.

Is the bill-to address the same as any of the ship-to addresses?

Click on each address ID to view the address associated with the ID.
The bill-to address is also the ship-to address for the Main Warehouse.

- 3-1-5 Check the payment terms for the customer and view the definition behind the payment terms.

Choose the ***Payment Terms*** tab.

What payment terms are shown?

The payment terms are set for 3 installments.

Choose the ***Link Arrow*** to view the definition.

What window opens? What type of data is this?

The ***Payment Terms – Setup*** window opens. This is configuration data.

- 3-1-6 In addition to customers, what other types of business partners are maintained in the Business Partner Master window?
-

Leads and vendors.

3-2 Create a sales quotation for this customer.

3-2-1 Open the Sales Quotation window and search for the customer.

Tip: You can use the menu path or open the transaction from the **Common Functions** cockpit widget.

Sales – A/R → Sales Quotation

Use one of the two methods below to search for the customer Parameter Technology.

Option 1: Choose the **Tab** key in the **Customer (Number)** field, and the *List of Business Partners* window opens. Double-click on the **BP Name** column header and enter **P** into the **Find** field. The system positions on the first entry beginning with **P**.

Option 2: Enter **P*** into the **(Customer) Name** field, choose the **Tab** key, and the **Choose from List** window opens. The system positions directly on the first entry beginning with **P** and only displays the entries beginning with **P**.

Double-click on the highlighted customer or use the **Choose** button to add the customer to the document.

Enter the following information in the sales quotation.

| Field Name or Data Type | Values |
|-------------------------|---------------|
| <i>Item No.</i> | C00003 |
| <i>Quantity</i> | 5 |
| <i>Item No.</i> | C00004 |
| <i>Quantity</i> | 10 |
| <i>Item No.</i> | C00005 |
| <i>Quantity</i> | 5 |

Tip: You can choose multiple items at the same time by highlighting the first item then choosing Shift + Click to choose several items in a row. You can use Control + Click to select individual items. Once multiple items are selected, use the **Choose** button to add them to the document.

3-2-2 You would like to subtotal the first three items in the document.

Note: If the *Type* indicator does not appear in the rows, choose the *Form Settings* icon and select *Type* in the *Table Format* tab.

Add a row with a subtotal for the order.

| Field Name or Data Type | Values |
|-------------------------|-----------------|
| <i>Type</i> | Subtotal |

- 3-2-3 Add two additional items to the order. Make the second item an alternate for the first item by choosing *Alternative* in the *type* field.

Add two additional items to the order.

| Field Name or Data Type | Values |
|-------------------------|---------------|
| <i>Item No.</i> | A00005 |
| <i>Quantity</i> | 2 |
| <i>Item No.</i> | A00004 |
| <i>Quantity</i> | 2 |

Add a text line to the order. And follow that with a second subtotal row.

| Field Name or Data Type | Values |
|-------------------------|-----------------|
| <i>Row Type</i> | Text |
| <i>Text Editor</i> | Any text |
| <i>Row Type</i> | Subtotal |

- 3-2-4 You would like to give the customer a large discount in the sales quotation but you need to check some information with your manager before finalizing the quotation. Save the quotation as a draft so that you can make changes before you add it as a regular document.

Note the document number for the draft sales quotation:

Open the context menu by right-clicking.

Choose ***Save as Draft***.

- 3-2-5 Find the sales quotation draft in the list of draft documents.
Choose the menu path: ***Sales – A/R → Sales Reports → Document Drafts Reports***.
Narrow the selection criteria for the report by selecting the checkbox ***Open Only*** and by deselecting the checkboxes for ***Purchasing – A/P, Inventory and Inventory Counting Transactions***.
Choose ***OK*** to run the report.
Find your document on the list.
Double-click on the row to open the document.

- 3-2-6 Enter a 2% discount for the entire order and choose **Add** to save the sales quotation as a regular document.

| Field Name or Data Type | Values |
|-------------------------|----------|
| <i>Discount</i> | 2 |

The **Discount** field is located next to the **Total Before Discount** field.

Note the sales quotation document number:

Save your sales quotation by choosing **Add**.

- 3-3 Find all the sales quotations for the customer using Drag and Relate.

- 3-3-1 Go to the **Drag & Relate** menu.

Use one of these two methods to find the sales quotations.

Option 1: Double-click *Sales Quotation*. **All** sales quotations are displayed. Therefore, use the **Filter** function to select the sales quotations only for the customer C23900. The Filter icon is the bottom right of the **Drag & Relate – Sales Quotation** window. For the Customer/Vendor row, choose **Equal** in the **Rule** column and then enter **C23900** in the **Value from** column. Choose **OK**.

Option 2: Double-click *Business Partners*. All business partners display. **Drag** business partner **C23900** to the Drag & Relate menu item *Sales Quotation*, so you get only sales quotations for the customer C23900.

- 3-3-2 Open your sales quotation in the list by choosing the link arrow at the beginning of the row.

- 3-4 The customer has decided to buy all the items that were quoted to him. He does not want the alternate item.

- 3-4-1 Copy the information in the sales quotation to a sales order.
Choose **Copy to**.
Choose **Sales Order** in the selection box.

- 3-4-2 Is the alternate item copied? _____

No the alternate item is not copied.

- 3-4-3 The customer gives you a purchase order number of TX-5757. Add this number in the Customer Reference Number field. Enter today's date as the delivery date for the order. Then save the sales order.

| Field Name or Data Type | Values |
|--------------------------|---|
| <i>Customer Ref. No.</i> | TX-5757 |
| <i>Delivery Date</i> | *(The asterisk brings in today's date) |

Sales Order _____

Choose **Add**.

- 3-4-4 The customer has called back and asked you to delete the item C00003. Make the change in the sales order you just created.
- Choose the Find icon or use Ctrl-F to switch from Add mode to Find mode in the Sales Order window.
- Enter the document number you wrote above or the Customer Reference number and choose the *Find* button.
- Right-click on the row with C00003 and choose **Delete Row**.
- Choose **Update**.
- 3-4-5 Show the history of the document changes in the change log.
- With the **Sales Order** window still displaying the recent sales order, choose the menu path **Tools → Change Log**.
- Note that in British English, the change log has the transaction “Show History.”*
- You can double-click on the rows to show different versions of the document.
- You can highlight the first row and choose **Show Difference** to see the previous and new values for each changed field.
- 3-5 Optional exercise to explore available options in documents.
- 3-5-1 Find and duplicate the sales order.
- Reopen the sales order you just created, either by using search criteria or by choosing the icon **Last Data Record**.
- Right-click to open the context menu, then choose **Duplicate**.
- 3-5-2 Make one or more of the following changes to the sales order: add a row, delete a row or duplicate a row. Change the item description for one of the items.
- Data → Add Row** or **Right mouse-click → Add Row**.
- Data → Delete Row** or **Right mouse-click → Delete Row**.
- Data → Duplicate Row** or **Right mouse-click → Duplicate Row**
- After changing the item description, select **Ctrl+Tab** in order to leave the field.
- 3-5-3 Try to add an alternate item. What happens?
-
- It is not possible to enter an alternate item in a sales order. The sales quotation is the only sales document that allows you to enter alternate items.
- 3-5-4 Open the row details for the first row by selecting the row number of the first item. View the warehouse quantities by navigating to the Whse field and choosing **Ctrl + Tab**.
- In stock: _____
- Ordered: _____
- Committed: _____
- 3-5-5 Cancel the duplicate sales order without saving.
- Choose **Cancel**.

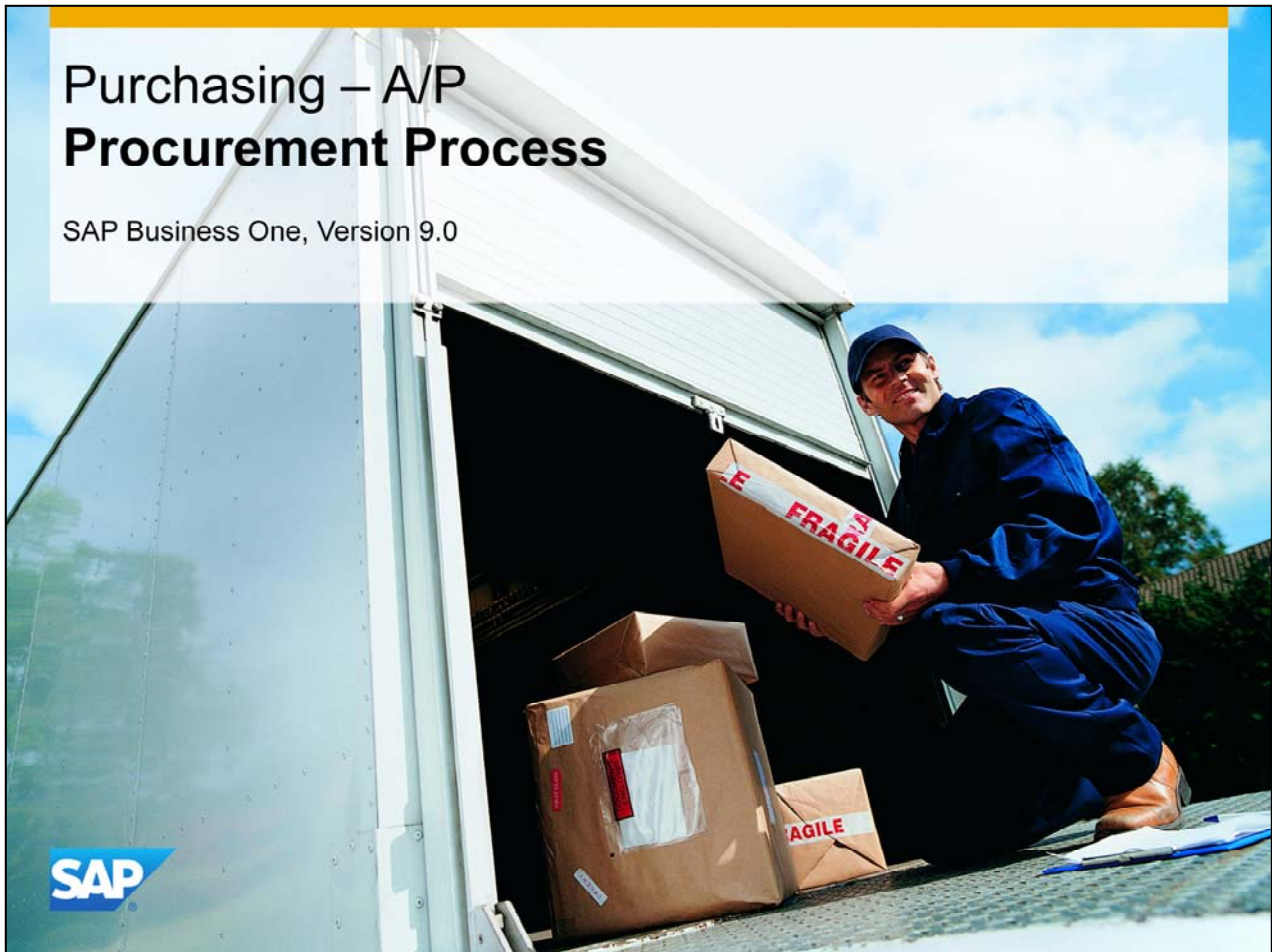
Unit 2: Purchasing – A/P

Contents

- Procurement Process
- Purchasing Items
- Purchase Requests and Purchase Quotations
- Purchasing Services
- Issues with Goods Receipt POs
- Goods Returns and A/P Credit Memos

Purchasing – A/P Procurement Process

SAP Business One, Version 9.0



- Welcome to the procurement process topic.

Objectives



Objective:

- List the basic process steps for procurement
- Use a streamlined procurement process

- In this session, we will look at an overview of the procurement process. At the end, you will be able list the steps in the procurement process and purchase an item using a streamlined procurement process.

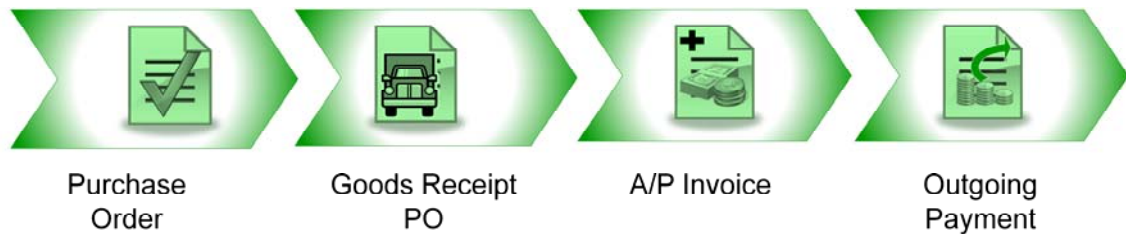
Business Example



- Your company purchases items from external vendors.
- Normally you use the full procurement process
- However, sometimes, you submit your order by phone and the vendor delivers the items immediately.

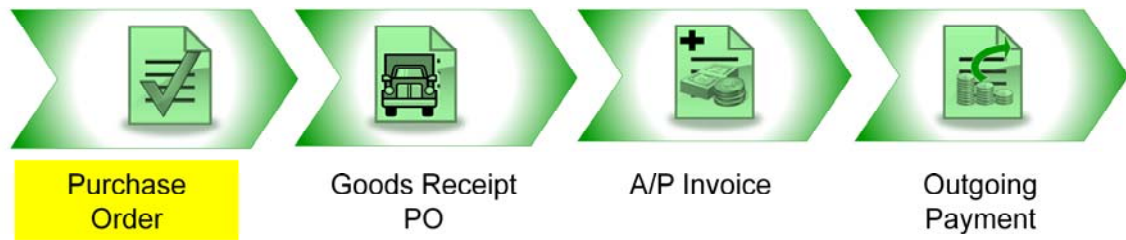
- Imagine that your company purchases items from external vendors. Normally you use the full procurement process.
- However, sometimes, you need items right away. You submit your order by phone and the vendor delivers the items immediately. For the expedited process you do not use the full purchasing process, instead you use just one purchasing document to keep the process as simple and quick as possible.

Procurement Process Overview



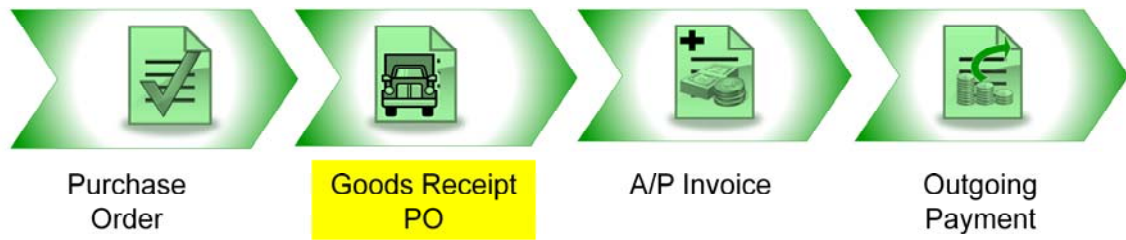
- Purchasing is not just about ordering and paying for pencils and paper clips. Rather, purchasing is the process of ensuring that a steady stream of required materials is on the way to your company when and where you need them. As a fully integrated, end-to-end business management application, SAP Business One helps you run the purchasing process, starting with the purchase order and continuing with the rest of the purchasing documents. SAP Business One automatically captures information at each step so you always know what is on hand in inventory as well as the up-to-the-minute financial state of your business. The real-time view helps you identify potential shortages before they happen. Precise historical information keeps track of which vendors come through for you consistently.
- The graphic shows the basic four-part process of ordering, receiving, and paying for goods or services.

Purchasing Items: Process Overview



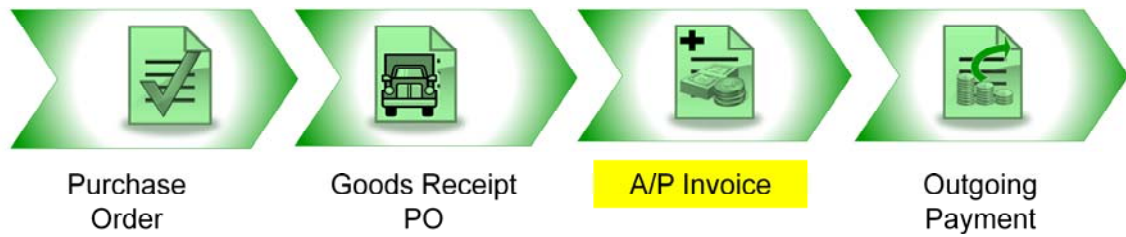
- The purchase order (PO) is the document you provide to the vendor specifying the items or services you want to purchase, including agreed-to quantities and prices. It represents your commitment to the vendor to purchase the items.

Purchasing Items: Process Overview



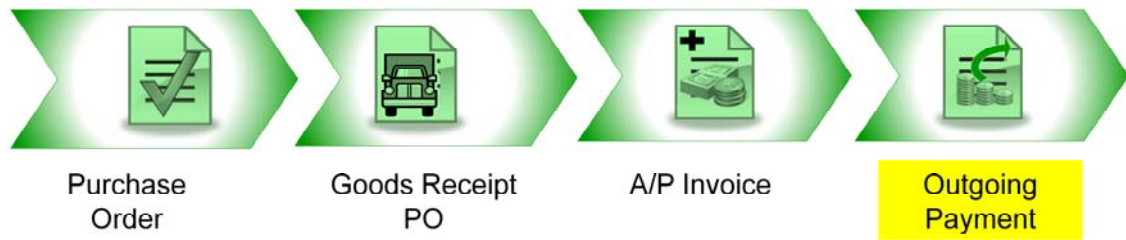
- The goods receipt PO is the document that denotes the delivery of goods from a vendor to a company. It is used to update the inventory quantities and values.

Purchasing Items: Process Overview



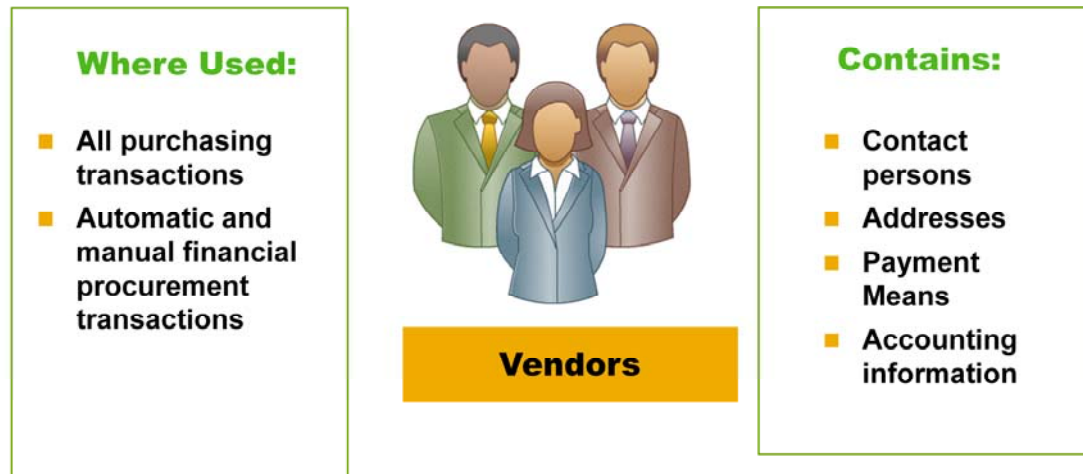
- The A/P invoice (or A/P voucher) is the document into which accounts payable enters the vendor's invoice information to request a payment be made to the vendor.

Purchasing Items: Process Overview



- The outgoing payment is the document which initiates a payment to the vendor account. There are, generally speaking, four ways of sending outgoing payments: cash, checks, credit cards, and bank transfers. There are also some additional country-specific payment methods. In SAP Business One, the functionality and reporting associated with processing payments are accessed through the banking module.

Key Master Data in Purchasing: Vendor



- Now let us look at key master data information needed for the purchase order. The first required piece of master data is the vendor.
- The vendor is one of the three types of business partner master data maintained in SAP Business One. Vendor data identifies who is supplying the goods and services.
- You use vendor master records in all purchasing transactions. The vendor is also used in automatic and manual financial procurement transactions.
- The vendor master contains: contact person details, addresses, payment means, and other accounting information.
- You can search for the appropriate vendor in any purchasing document. If you are authorized, you can also enter new vendor information while creating a purchasing document.

Key Master Data in Purchasing: Items



Item master fields useful in purchasing

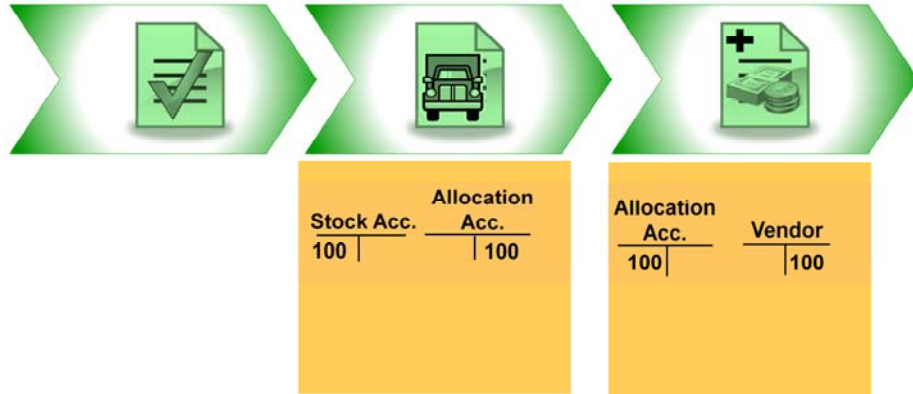
- Preferred Vendors
- Manufacturer Catalog Number
- Purchasing Unit of Measure
- Item dimensions
- Tax information
- Customs group for imported items
- Link to Purchasing Analysis

- Another key piece of master data in the purchasing process is item master data. Item master data identifies what is being purchased.
- Frequently the same items are purchased, inventoried, and sold. The information is the same; it is just used differently. This is the advantage of using an item master record which can be copied into any document in the purchasing, sales, production, MRP, inventory, and service modules.
- The **header** of the item master data record contains general information about the item, including a unique ID number assigned by the user, a description (including a description in a foreign language), and settings to determine the type of the item, the group it belongs to, the price in the selected price list. Checkboxes on the right indicate whether the item is kept in inventory and whether it is offered for sale or purchase (in many cases both apply).
- The **General tab** of the *Item Master Data* window holds information about the manufacturer of the item, additional identifiers, shipping methods, and issue method.
- The **Purchasing Data tab** indicates the usual vendors who sell the item, how to identify the item in a catalog, the units of measurement used for the item for purchasing purposes, and the dimensions of the physical item. Information is also available on taxes and on customs groups for imported information. For items with a purchasing history, you can click on the chart icon on the left of the tab to display a graphical purchase analysis.

Inventory and Accounting Effects

Item Category:

- ☒ Inventory Item
- ☒ Sales Item
- ☒ Purchased Item



- Now let us take a look at the procurement process and its effect on inventory and accounting.
- When a purchase order is created, there are no postings in inventory and accounting.
- The first posting will be made when a goods receipt PO is entered. The GRPO creates a journal entry that posts the value of the received goods to the debit side of the stock account and to the credit side of an allocation cost account.
- The stock account and the allocation cost account are retrieved from the *Inventory Account* field and the *Allocation Account* field on the *Inventory Data* tab of the item master record.
- The allocation cost account is a transfer account used to check if goods receipt POs and the A/P invoices match.
- The allocation account's total balance represents the value of all open goods receipts POs that are not yet copied to an A/P invoice.
- Later, when the A/P invoice is posted, the goods receipt PO is closed.
- At that point, the A/P invoice creates a journal entry that posts the invoiced amount to the debit side of the allocation costs account and to the credit side of the vendor account.
- In this way, the amount in the Allocation Cost account from the goods receipt PO is cleared and the system records the amount owed to the vendor.

Streamlined Procurement Process

Item Category:

- ☒ Inventory Item
- ☒ Sales Item
- ☒ Purchased Item



| Stock Acc. | Vendor |
|---------------|--------|
| 100 | 100 |

- For urgent orders, you can skip the purchase order and GRPO
- The A/P invoice will:
 - Increase stock
 - Show what is owed to the vendor

- Sometimes, you may need to streamline, or simplify, the purchasing process to make it more efficient. Perhaps you need to get an item immediately. So you call the vendor and ask them to deliver the item today. Because of the hurry, you skip the purchase order.
- When the item is delivered, the vendor invoice is also delivered.
- So rather than creating a goods receipt PO, you enter an A/P invoice to process both the receipt of the items into inventory and the obligation to pay the vendor.
- In this case, when you directly post the A/P invoice without first creating a goods receipt PO, the postings to the allocation costs account are omitted. The posting debits the stock account to show the increase in inventory and credits the vendor account to show the need to pay the vendor.
- Because an A/P invoice that does not reference a goods receipt PO will increase inventory, it is important to make sure there is no prior goods receipt if you create an A/P invoice without reference.

Summary



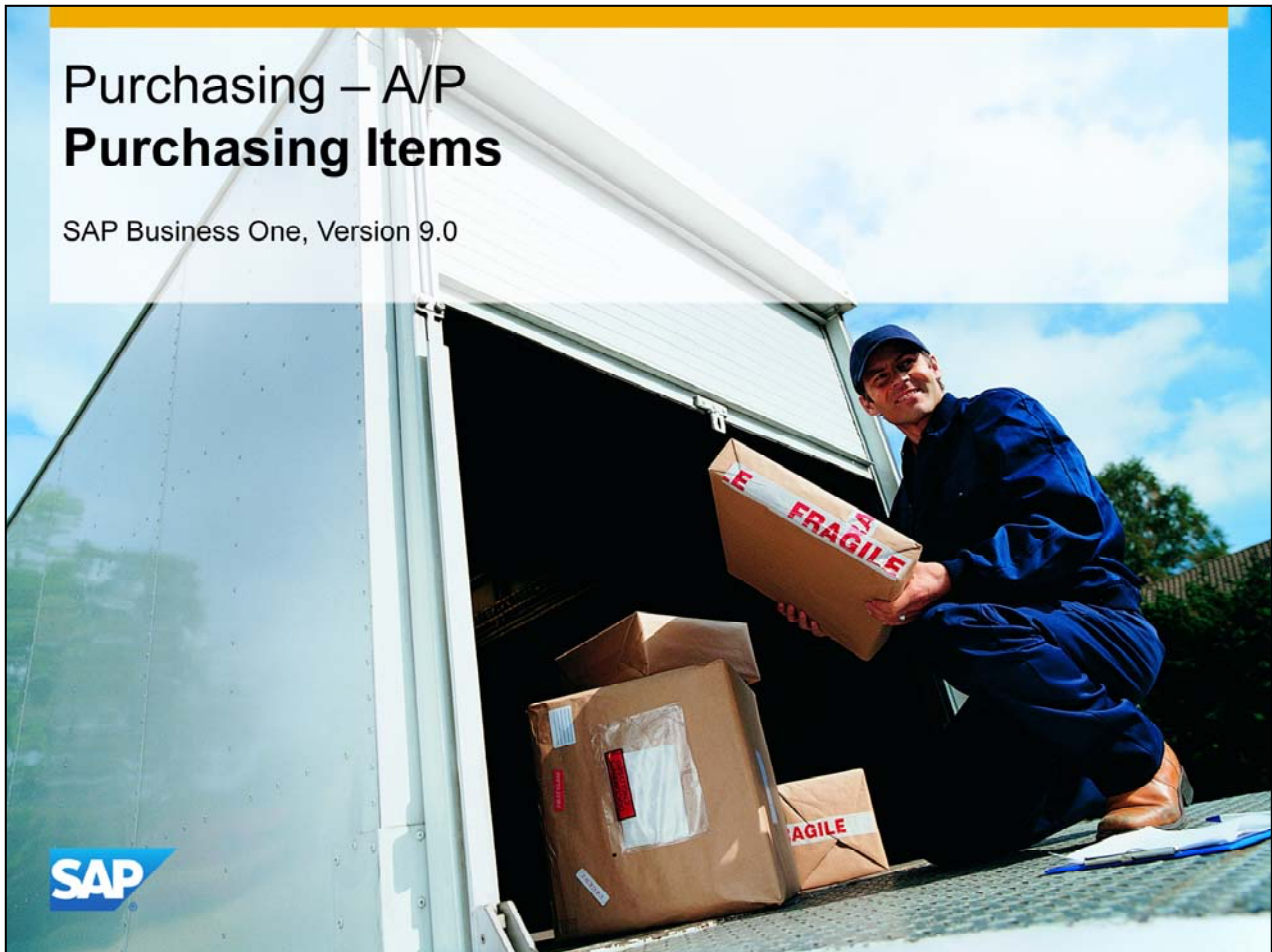
Here are some key points to take away:

- The four basic steps of the procurement process are: the purchase order, the goods receipt PO, the A/P invoice and the outgoing payment.
- Two key types of master data in purchasing are vendor master data and item master data.
- In a streamlined purchasing process, the only mandatory document is the A/P invoice.
- The A/P invoice is designed to increase inventory when the invoice does not reference a goods receipt PO as a base document.

- The four basic steps of the procurement process are: the purchase order, the goods receipt PO, the A/P invoice and the outgoing payment.
- Two key types of master data in purchasing are vendor master data and item master data. The vendor master is required on all purchasing documents.
- In a streamlined purchasing process, the only mandatory document is the A/P invoice.
- The A/P invoice is designed to increase inventory when an A/P invoice does not reference a goods receipt PO as a base document.

Purchasing – A/P Purchasing Items

SAP Business One, Version 9.0



- Welcome to the topic on purchasing items.

Objectives



Objectives:

- Perform the basic process steps for purchasing items
- Explain the consequences of each step on inventory and accounting

- In this topic, we will perform the basic steps for purchasing items. As we go through the process, we will explain the consequences of each process step on inventory and accounting.

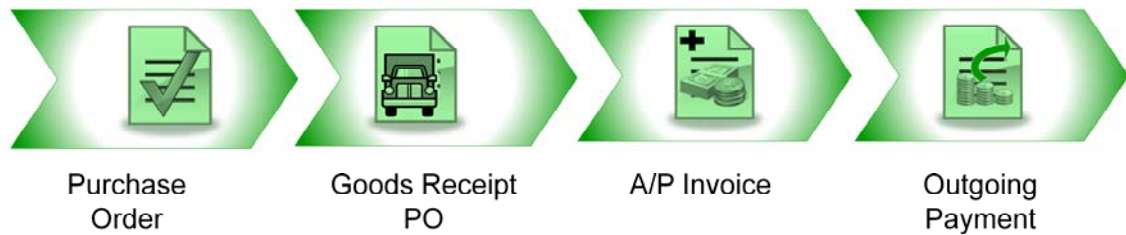
Business Example



- Your company purchases items for resale.
- You maintain a minimum inventory level for some of the items.
- When the stock is low, you reorder the items using a procurement process with 4 steps:
 - Purchase orders
 - Goods Receipt POs
 - A/P invoices
 - Outgoing payments

- In our business example, we ask you to imagine that your company purchases items for resale. You maintain a minimum inventory level for some of these items, such as printers. When the stock is low on those items, you reorder the items using a procurement process with 4 steps: purchase orders, goods receipt POs, A/P invoices, and outgoing payments to the vendor.

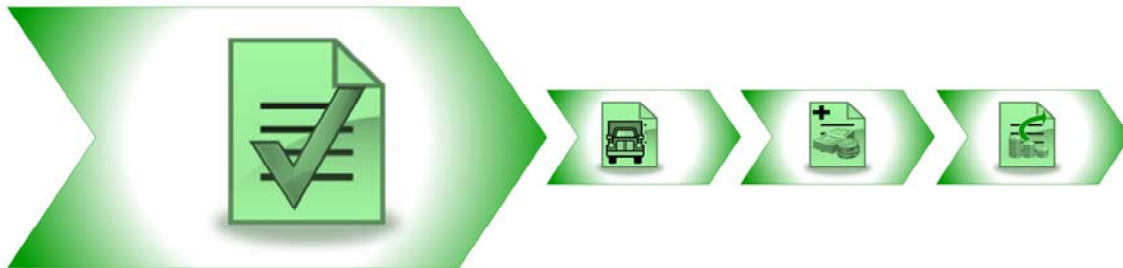
Process Overview



- A minimum inventory of 15 printers is needed to fulfill regular customer orders.
- When the stock dips too low, purchase orders are used to begin the purchasing process.
- When the vendor delivers the printers, a goods receipt PO is created.
- After the items are inspected, an A/P invoice can be created.
- The A/P invoice triggers an outgoing payment to the vendor.

- Let us look at the process steps in our business example with a concrete example. A minimum inventory of 15 printers is needed to fulfill regular customer orders quickly. When the stock dips too low, purchase orders are used to begin the purchasing process. When the vendor delivers the printers, a goods receipt PO is created. After the items are inspected, an A/P invoice can be created. The A/P invoice triggers an outgoing payment to the vendor.

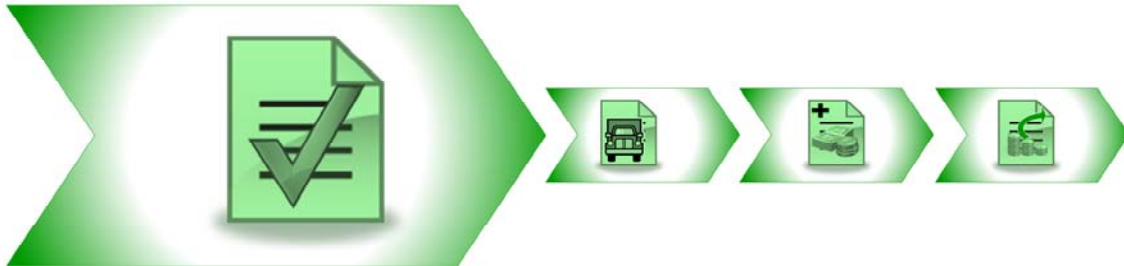
Purchase Order (PO)



- PO represents commercial document between buyer and seller
- It contains agreed-on quantities and prices
- PO data is copied to later documents automatically
- No value-based accounting changes occur
- Order quantities appear in inventory reports

- Now let us take a detailed look at the first step in the purchasing process: the purchase order.
- A purchase order is a commercial document issued by a buyer to a seller specifying the items or services that the seller will provide the buyer. The purchase order includes the agreed-to quantities and price for the products listed.
- How is the information stored in the purchase order used? Normally, when goods are received, purchase orders are matched with packing slips and vendor invoices before the invoices are paid. In SAP Business One, this process is automated: the purchase order can be linked to the goods receipt PO (which shows information from the packing slip), which then can be linked to the A/P invoice (which contains the information from the vendor's invoice). This automation allows information to be consistent and retained throughout the process. You never have to enter data twice.
- When a purchase order is added in SAP Business One, no value-based accounting changes occur. However, the order quantities are listed in inventory management. You can view items and quantities on order in various reports and windows, such as the inventory status report and the Item Master Data window. Obviously, having such real-time access to this information can play a key role in optimizing a company's purchasing and inventory management business processes.

Effect of a Purchase Order



- 10 printers are in stock
- We order 5 more from our vendor
- Five appear on the inventory reports as ordered
- 15 will be available to promise
- Only 10 are physically in stock

- So back to our business example for our purchasing process:
 - Currently, we have 10 printers in stock
 - We create a purchase order to buy 5 more from our vendor
 - After the purchase order is saved, a quantity of five appear on the inventory reports as ordered
 - Since we have 10 printers in stock and 5 on order, 15 will be available to promise to our customers, although only 10 are physically in stock

Addresses in the Purchase Order



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- Two important addresses are entered in the purchase order, the Ship-to and Pay-to addresses, so it is important to understand how they are used in the purchasing process.
- The ship-to address indicates the address where you would like the vendor to ship your purchased items. The ship-to address can default in from two places, depending on your settings.
- For item-type purchasing documents, you can set the system to either default in the company address or the address of the warehouse in the first row of the document.
- To set the default to be the warehouse address, you need to flag the checkbox “use warehouse address” in Document Settings. If the box is not flagged, the default address will be the company address.
- For service rows, no warehouse is selected. Therefore, the company ship-to address will always default into service-type purchasing documents.
- The other important address in the purchase order is the pay-to address. The pay to address is displayed under the Logistics tab and defaults from the vendor business partner master data record. Always make sure the pay-to address is the correct one for a given purchase since this information prints on the check when payment is issued.
- Of course, addresses can be overwritten inside a purchasing document as needed.

Goods Receipt PO



- Create GRPO when receiving goods
- Create directly or build from an existing purchase order
- Match GRPO data to vendor's shipping documents
- GRPO triggers inventory and accounting transactions

- You create a goods receipt PO when you receive goods from a vendor. In most companies, the person in the warehouse or the office responsible for taking delivery of shipments executes the goods receipt PO. If a Goods Receipt PO is used when purchasing services, the person for whom the services are rendered usually issues the document.
- A goods receipt PO can be created directly by selecting the document name in the module menu, or it can be built from an existing purchase order. If you are basing your goods receipt PO on an existing PO, you may copy all the data contained in the PO or use the draw document wizard to select the data to copy from one or more existing Purchase orders. Even if you copy all data from an existing PO you can still adjust quantities and prices—as well as dates, vendor, and item information—before you post (add) the document.
- Regardless of how you create your goods receipt PO, there should be no differences between the data in the goods receipt PO and the vendor's shipping document (packing slip) sent with the items, because the details in the vendor's document are legally binding. If there are any discrepancies between the base PO data and the vendor's shipping document, you should resolve them with the vendor before you post your goods receipt PO.
- It is essential that the quantities and prices in your goods receipt PO match the vendor's shipping document. Unlike a purchase order, a goods receipt PO cannot be amended after it has been added to SAP Business One because it triggers both inventory and (when using perpetual inventory) accounting transactions. Your only option for fixing an incorrect goods receipt PO is to cancel the document and create a new goods receipt PO.

Goods Receipt PO



- Now let us look at the effect of the goods receipt PO in a business case:
 - 10 printers are currently in stock
 - We ordered 5 more from our vendor
 - Our vendor has just delivered 5
 - After we enter the goods receipt PO, 15 are in stock
 - When our purchase order was created, 5 showed as ordered. Now the ordered quantity has returned to 0.

Copy to/ Copy from



- Purchasing documents build on each other. Often, a purchase order becomes a goods receipt PO that records the vendor's delivery and finally an A/P invoice when the vendor's bill is received.

Copy to/ Copy from

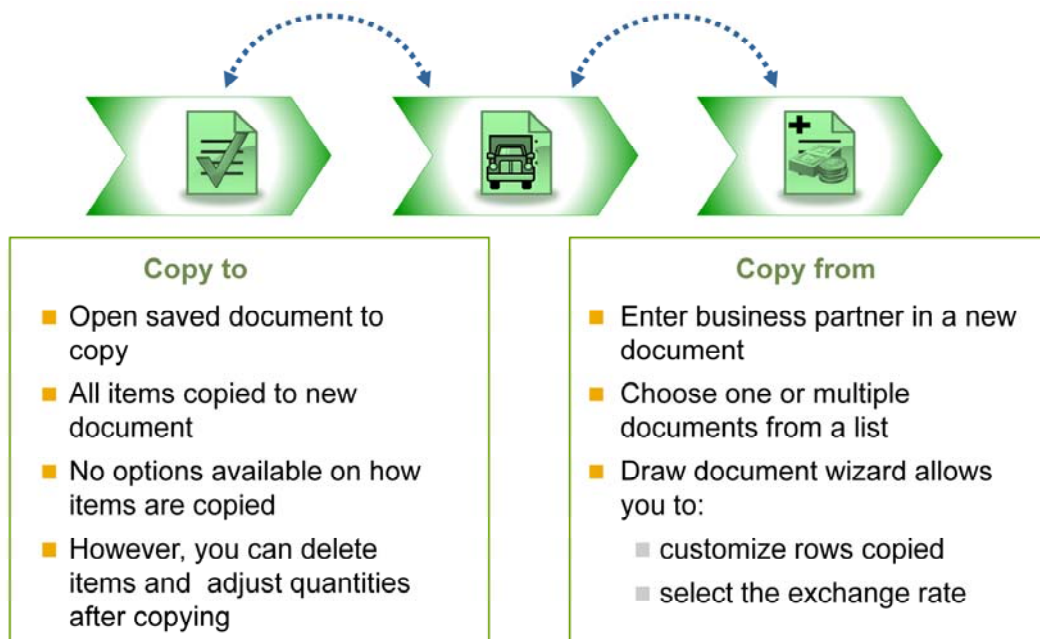


Copy to

- Open saved document to copy
- All items copied to new document
- No options available on how items are copied
- However, you can delete items and adjust quantities after copying

- You can quickly copy a document to the next document in the sequence using the *Copy To* button. The original document is called a base document; the document you create from it is called a target document. Building one document from another saves time and effort. It also reduces the possibility of errors.
- When you use the Copy to function, all items are copied to the new document.
- No options are available on how items are copied.
- However you can delete items and adjust quantities after copying.

Copy to/ Copy from



- The other method for copying a document is Copy from. The *Copy From* button allows you to select a base document or documents from which to create a new document. Clicking *Copy From* starts the draw document wizard.
- To use the Copy from function, you open a new document and enter a business partner.
- After choosing the Copy from button, you can choose one or multiple documents from a list.
- The *Draw Document* wizard allows you to customize the rows and quantities copied into the target document, as well as select which exchange rate to use.
- Regardless of the method you use *Copy To* or *Copy From*, when you save a target document that contains all of a base documents items and quantities, the base document will be closed and you will not be able to copy it again to another document.

Open Items List

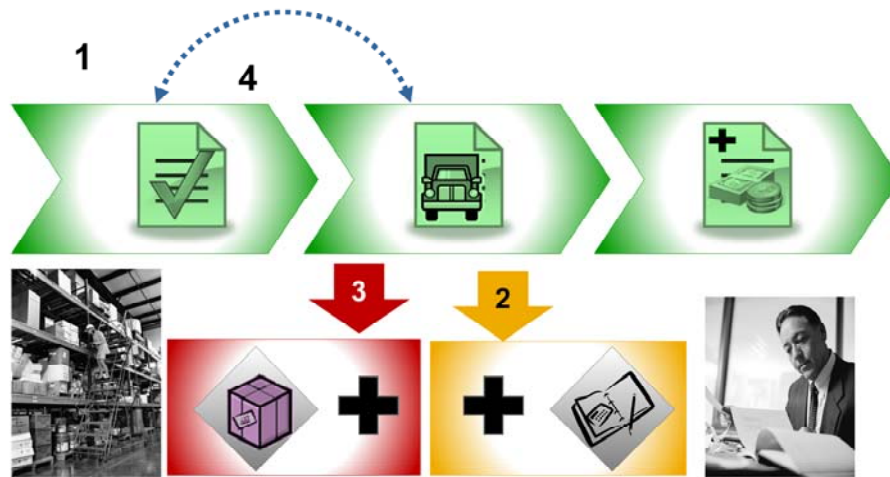


Open Items List:

- Open purchase orders
- Open goods receipt POs
- Open A/P invoices
- ...

- The Opens Items List is an excellent report for monitoring and managing open marketing documents, such as open purchase orders open goods receipt PO's and so on.
- Just choose the type of document you would like to view. You can choose not only open purchasing and sales documents, but also open production orders, inventory transfer requests and inventory counting documents.
- This report can be very useful for finding documents for processing. Often the first step in building one document from another is locating the base document you want to use. For example, goods may be delivered to a warehouse and a goods receipt PO needs to be entered. How do you find the relevant purchase order? The open items list can be used for locating documents quickly.
- You can then choose the relevant purchase order, for example, and create a goods receipt PO with a single click on the *Copy To* button. When one document is built from another in this fashion, all the relevant information is copied from the base document to the new document, reducing both data entry time and errors.

Effects of the Goods Receipt PO



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- Once the Goods Receipt PO is added to the system it has the following consequences:
 - 1) The purchase order (base document) cannot be changed once the document has been fully copied.
 - 2) If you are running perpetual inventory, the goods receipt PO creates a journal entry to increase inventory value.
 - 3) The system updates the stock quantity in inventory and the unit cost gets updated based on the purchase price used in the document for items controlled by moving average or FIFO valuation methods.
 - 4) Items that have been partially or completely delivered appear in light gray in the purchase order document. When all items are received, the purchase order status changes to *Closed*.

Stock Changes in Purchasing

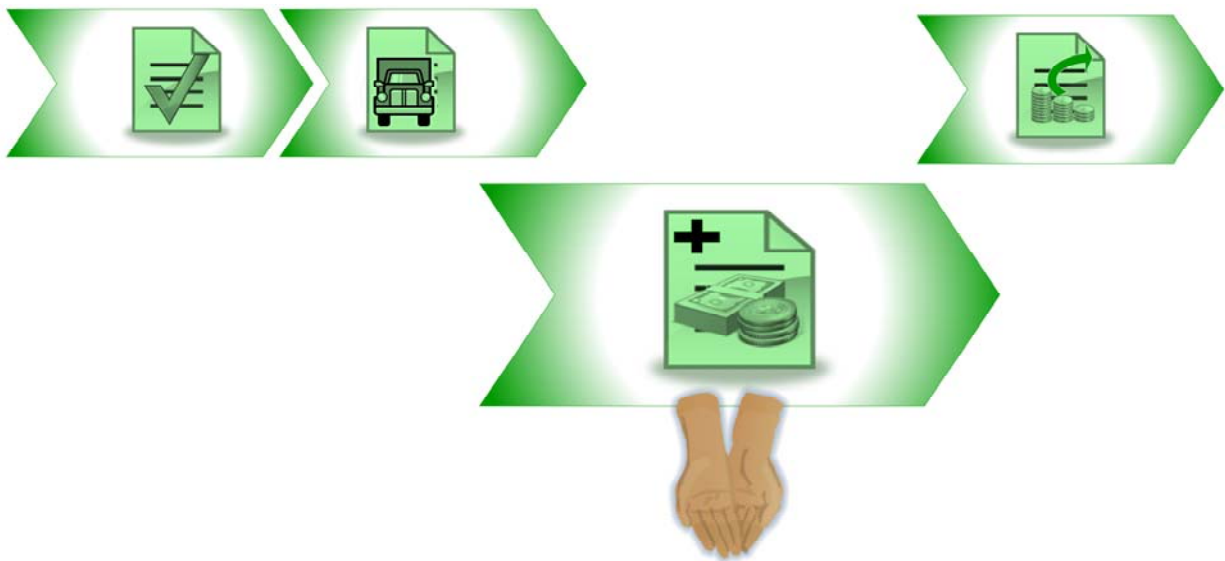
Model Report: *Inventory Status*

| Transaction | In Stock | - | Committed | + | Ordered | = | Available |
|----------------------------------|----------|---|-----------|---|---------|---|-----------|
| Purchase order | | | | | + | | + |
| Goods receipt PO | + | | | | - | | |
| A/P invoice for goods receipt PO | | | | | | | |

+ Indicates increase in quantity
 - Indicates decrease in quantity

- You can use the report *Inventory Status* to analyze the inventory situation for one or more selected items.
- You can also see the inventory status in the item master on the *Inventory Data* tab page.
 - The *In Stock* column displays the current stock level of the item.
 - The *Committed* column displays the item stock that is reserved for customers and for internal use. The stock that is reserved for internal use is the quantity of the item for that will be used for a finished product based on the bills of material for existing production orders.
 - The *Ordered* column displays the quantity ordered from external vendors plus the quantity that is being produced and that will enter the warehouse by a certain date.
 - The available quantity of an item represents the *In Stock quantity - Committed + Ordered*.
- As you can see in the chart, a purchase order increases the quantity on order and therefore the quantity available to the customer.
- When a goods receipt PO is created referencing the purchase order, it increases the quantity in stock and reduces the quantity on order.
- As long as an A/P invoice references a goods receipt PO, it will not affect stock levels.

A/P Invoice



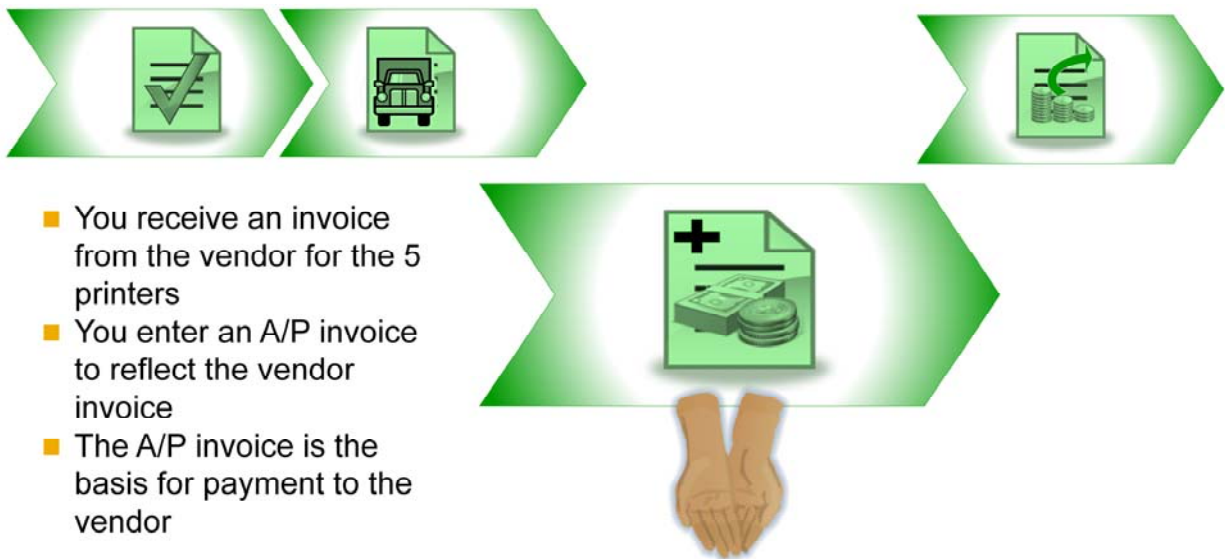
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Confidential

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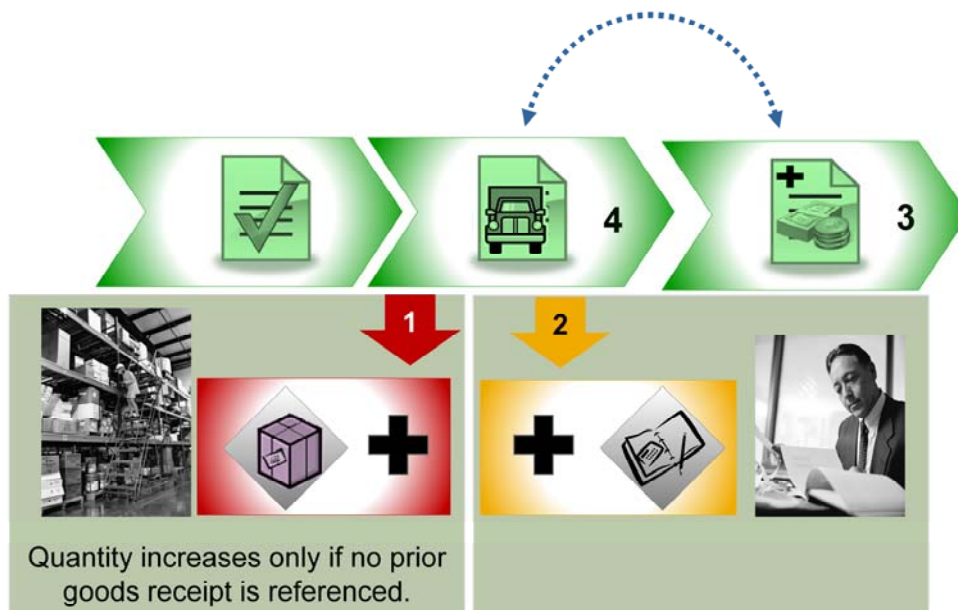
- An A/P invoice is entered into SAP Business One when you receive an invoice from the vendor. The document will be used to trigger a payment to the vendor.
- You can create an A/P invoice new by selecting the document name in the module menu or by basing it on one or more POs or goods receipt POs. If you are basing your A/P invoice on one or more existing purchasing documents, you may copy all the data contained in the base document or use the draw document wizard to select the data to copy from one or more existing POs or goods receipt POs. Even if you copy all data from existing purchasing document(s), you can still adjust quantities and prices—as well as other information—before you post the document.
- The posted A/P invoice generates entries in the general ledger and updates the vendor account with the amount owed to the vendor.

A/P Invoice



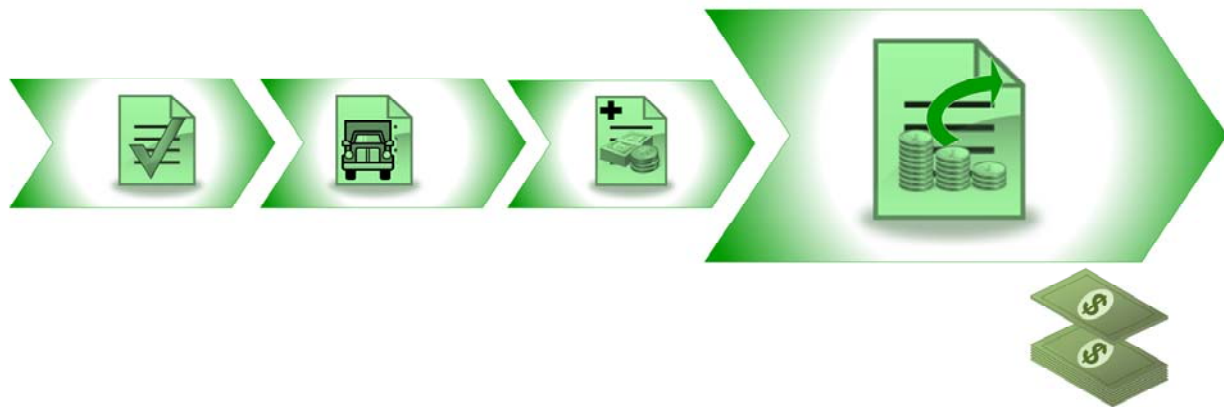
- Let us return to our business example:
- We previously ordered and received 5 printers from our vendor.
- Now we receive an invoice from the vendor for the 5 printers.
- We enter an A/P invoice to reflect the vendor invoice.
- The A/P invoice in SAP Business One becomes the basis for the payment to the vendor.

Effects of the A/P Invoice



- Once the A/P Invoice is created in the system it can have the following consequences:
 - 1) The Goods Receipt PO increased the stock value earlier. Only if there is no goods receipt PO are the stock values updated when an A/P invoice is entered.
 - 2) The A/P invoice creates a journal entry to update the vendor's balance to show the amount due.
 - 3) You cannot change anything in the A/P invoice that would affect the journal entry once the invoice is added to the system.
 - 4) On the goods receipt PO, items that have already been partially or completely invoiced display in light gray. If the invoice is for the full quantity on the goods receipt PO, then the goods receipt PO status changes to *Closed*.

Payment Processing



- After you have entered an A/P invoice, the final step in the Purchasing-A/P process is to trigger the payment to the vendor.
- The outgoing payment document can be created for the following payment means: cash, check, credit card, bank transfer or (in some localizations) bill of exchange.
- Once the outgoing payment is added, an appropriate journal entry is created. The journal entry reduces the vendor's balance.
- When creating an outgoing payment to fully or partially clear a specific document or transaction, an internal reconciliation automatically takes place.
- Multiple outgoing payments can be created together by the Payment Wizard. Payment wizard runs process A/P and A/R documents and transactions that are not fully paid, credited, or reconciled, as well as unreconciled/allocated payments on account.
- When creating outgoing payments, either individually or with the Payment Wizard, you can also partially pay invoices.
- Payment processing is considered to be part of the Banking Module in SAP Business One.

Payment Processing



- We owe the vendor for 5 printers
- An A/P invoice has been entered for the amount owed
- You create an Outgoing Payment according to payment terms
- The journal entry:
 - Reduces cash (credit)
 - Decreases the amount owed to the vendor

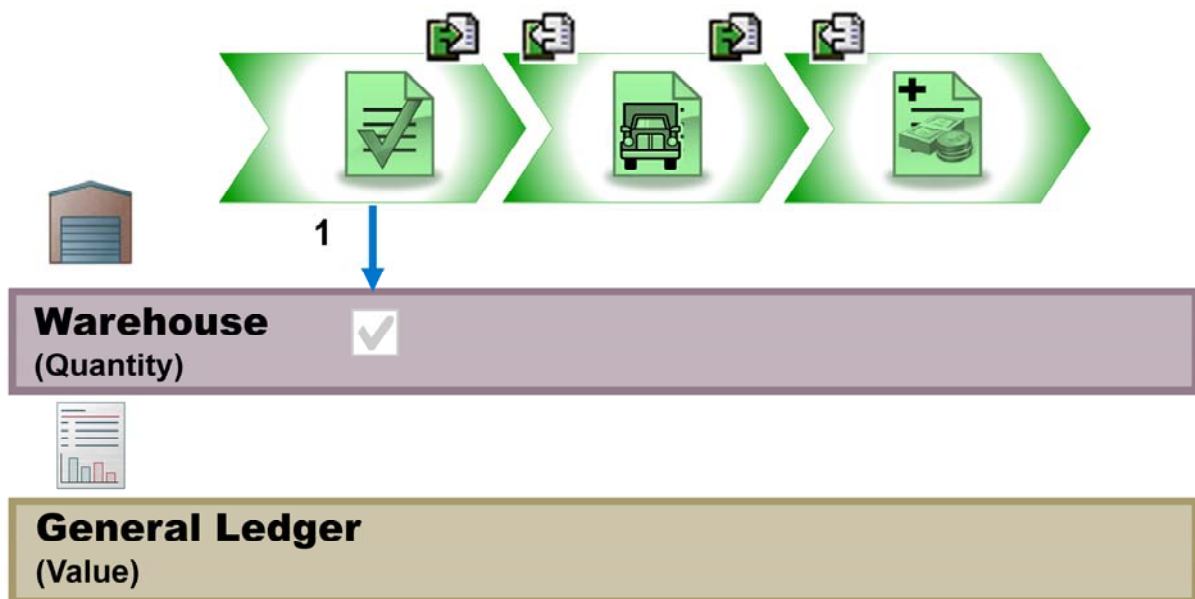
- Let us return to our business case.
- We owe our vendor for the 5 printers that we ordered and received.
- When we received the vendor's invoice, we entered an A/P invoice for the amount owed.
- Now it is time to create an outgoing payment based on the payment terms for the vendor.
- When the payment is entered, the system triggers the payment to the vendor and creates a journal entry to record the payment.
- The journal entry reduces cash and decreases the amount that we owe to the vendor.

Purchasing Review



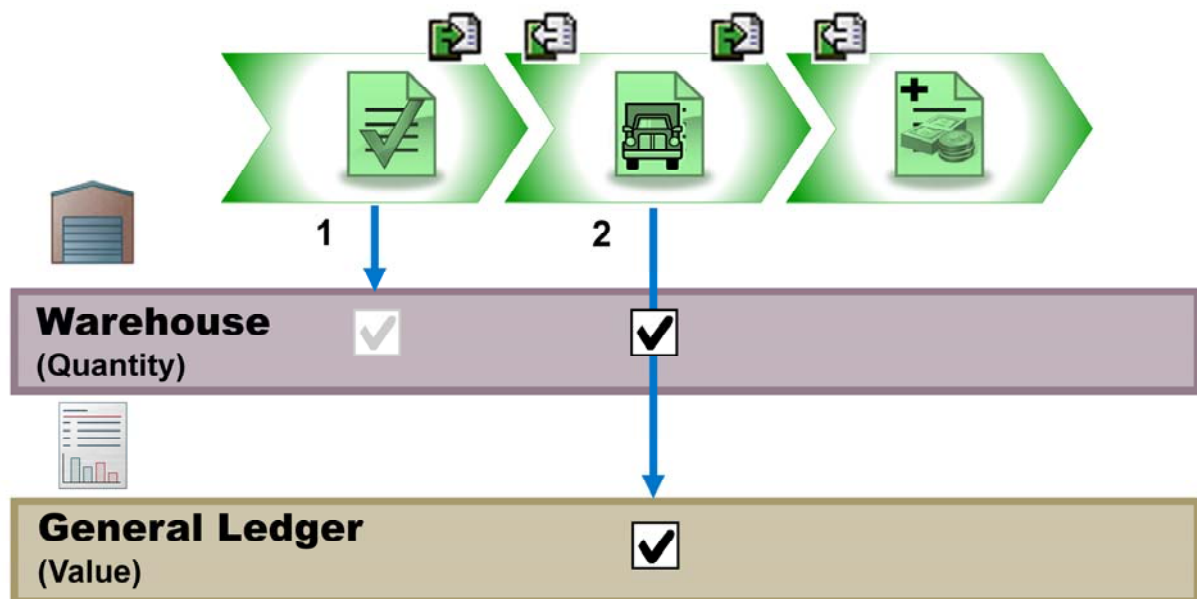
- Now that we have finished the first three steps in the procurement process for items, we will review what happens when each document is added.

Purchasing Review



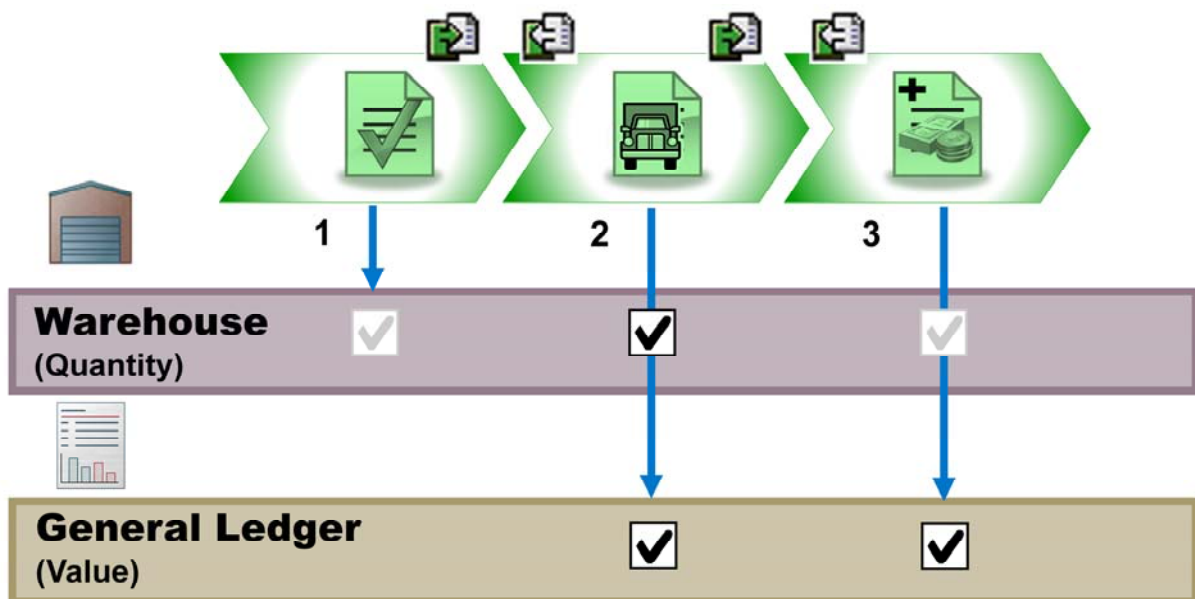
- 1) Purchase Order: When you enter a purchase order, no value-based changes are posted in Accounting. However, the order quantities are listed in inventory management. You can view the ordered quantities in various reports and windows such as the inventory status report and the item master data window.

Purchasing Review



- 2) Goods Receipt Purchase Order: When you enter a goods receipt PO, the goods are accepted into the warehouse and the quantities are updated. If your company runs a perpetual inventory system, SAP Business One creates the relevant postings to update the stock values as well.

Purchasing Review



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3) Accounts Payable Invoice: When an incoming invoice is posted, the vendor account is updated in Accounting.

- If a goods receipt PO is not referenced by the A/P invoice, the stocks also increase when the invoice is posted.

Summary



Here are some key points:

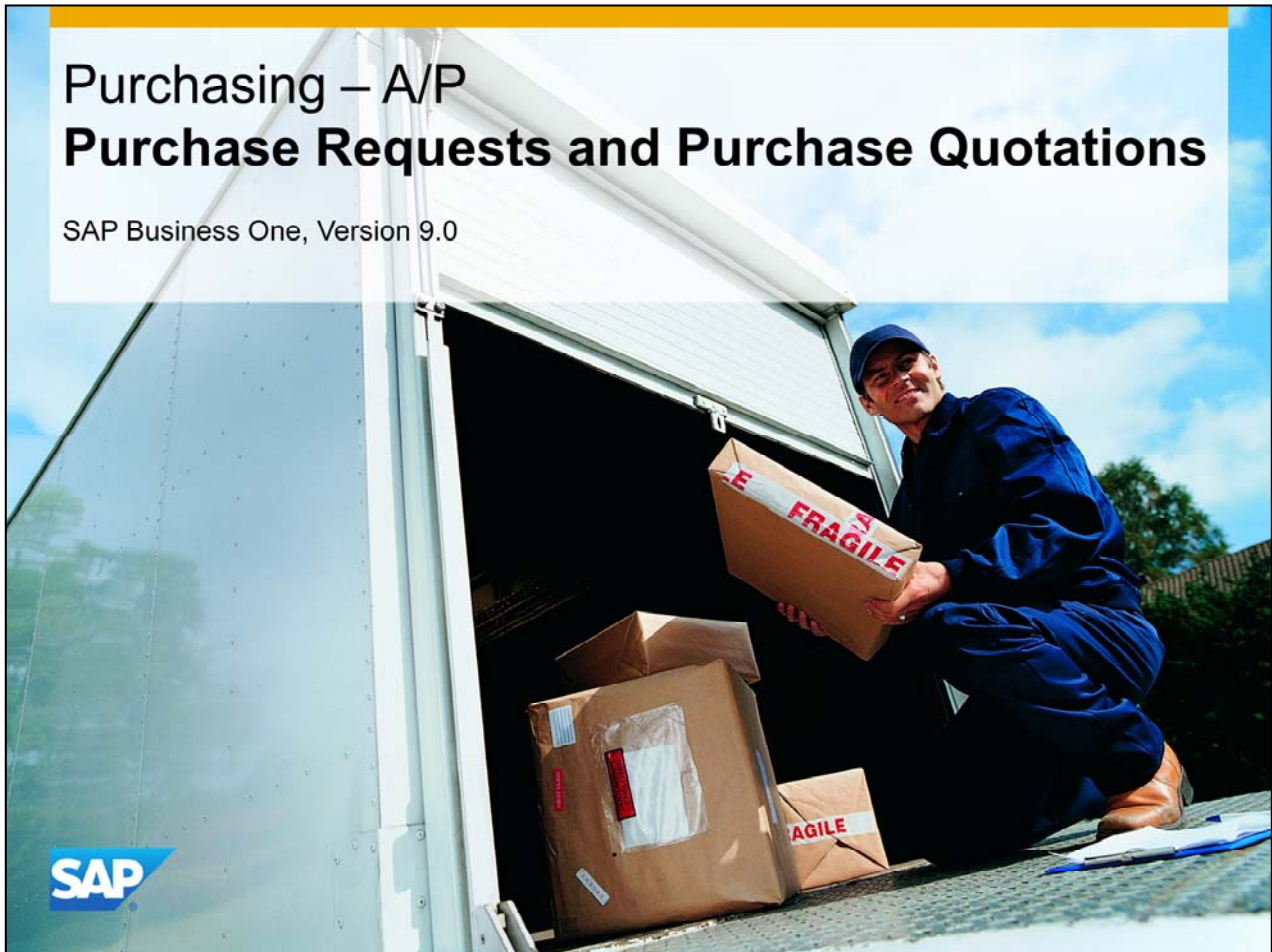
- The purchase order (PO) specifies to the vendor which items or services you want to purchase with agreed-to quantities and prices.
- No value-based changes are posted in Accounting for a PO. However, the order quantities are listed in inventory management.
- The goods receipt PO denotes the delivery of goods from a vendor.
- When you enter a goods receipt PO, the goods are accepted into the warehouse and the quantities are updated. If your company runs a perpetual inventory system, SAP Business One creates the relevant postings to update the stock values as well.
- The A/P invoice contains the vendor's invoice information and sets up the payment. When an incoming invoice is posted, the vendor account is updated in Accounting.
- The final step of the purchasing process is the outgoing payment.

- The purchase order (PO) specifies to the vendor which items or services you want to purchase, including agreed-to quantities and prices. It represents your commitment to the vendor to purchase the items.
- No value-based changes are posted in accounting for a purchase order. However, the order quantities are listed in inventory management. You can view the ordered quantities in reports and the item master data.
- The goods receipt PO denotes the delivery of goods from a vendor to a company. It is used to update the inventory quantities and values.
- When you enter a goods receipt PO the goods are accepted into the warehouse and the quantities are updated. If your company runs a perpetual inventory system, SAP Business one creates the relevant postings to update the stock values.
- The A/P invoice contains the vendor's invoice information and sets up the payment. When an incoming invoice is posted, the vendor account is updated in Accounting.
- The final step of the purchasing process is the outgoing payment. This function is done in the accounting module.

Purchasing – A/P

Purchase Requests and Purchase Quotations

SAP Business One, Version 9.0



- Welcome to the topic of Purchase Requests and Purchase Quotations.

Objectives



At the end of this module, you will be able to:

- Create purchase requests and purchase quotations
- Use the purchase quotation generation wizard to produce multiple quotations.

- In this session, we will explore how to create and work with purchase requests and purchase quotations. We will use the purchase quotation generation wizard to produce multiple quotations.

Business Example



Your company has added purchase requests and purchase quotations as part of the normal purchasing process.

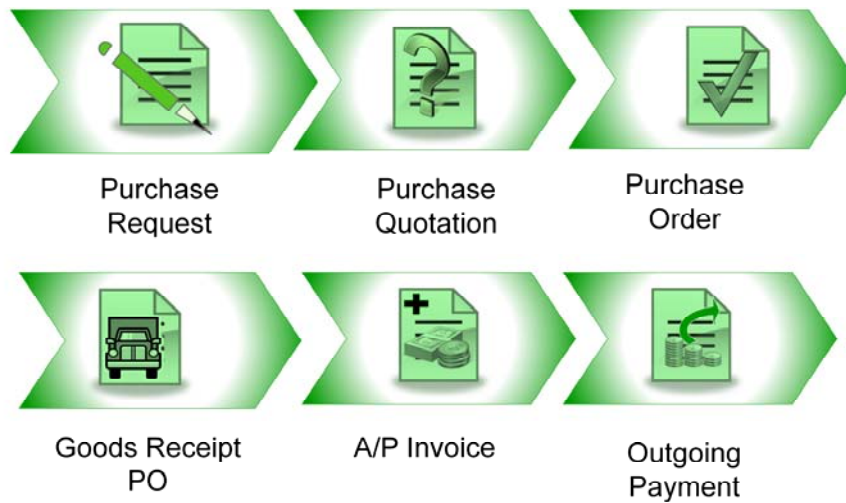
When employees want to order supplies, they use a purchase request to alert the purchasing department about their needs.

If none of these items are available in-house, the purchasing department will purchase the items.

To get the best price, a buyer will ask vendors to provide quotes for items. When multiple quotes are needed, the purchase quotation generation wizard is used.

- Your company has added purchase requests and purchase quotations as part of the normal purchasing process.
- When employees want to order supplies, they use a purchase request to alert the purchasing department about their needs.
- If none of these items are available in-house, the purchasing department will purchase the items.
- To get the best price, a buyer will ask vendors to provide quotes for items. When multiple quotes are needed, the purchase quotation generation wizard is used.

Process Overview



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- Purchase request can be used as a preliminary step in the purchasing process. They are used internally to indicate a need for an item.
- Once a request is made, the item can be ordered directly or vendors can be requested to provide quotations.
- The purchase quotation document allows you to track vendor quotations for items.
- There are several ways to create purchase quotations. Single quotations can be created manually or from a purchase requisition. The purchase quotation wizard can be used to create multiple quotations. From the purchase request report, you can create online quotations directly from the report by marking a checkbox. Quotations can also be created directly from sales orders using the procurement confirmation wizard.
- After vendors reply to the quotations, you can compare the responses to determine the best offer, then create a purchase order for that vendor.

Purchase Request



- Now let us take a detailed look at the purchase request.
- A Purchase Request is generally a document generated by a user to notify the purchasing department of items or services needed. The document specifies quantities, and a timeframe for the requested items. It may also contain authorization information to proceed with the purchase.
- Purchase requests are also known as purchase requisitions.
- It is also a request to make a purchase using company funds. Some companies require a purchase requisition for all purchases and others only require them for certain types of purchases.

Benefits

Purchase Request

Requester: manager
 Requester Name: Jayson Butler
 Branch: Main
 Department: General
 E-Mail: info@oec.com

No.: Primary 1
 Status: Open
 Posting Date: 07/11/2012
 Valid Until: 07/11/2012
 Document Date: 07/11/2012
 Required Date: 07/13/2012

☐ Send Notification When Goods Receipt PO is Created

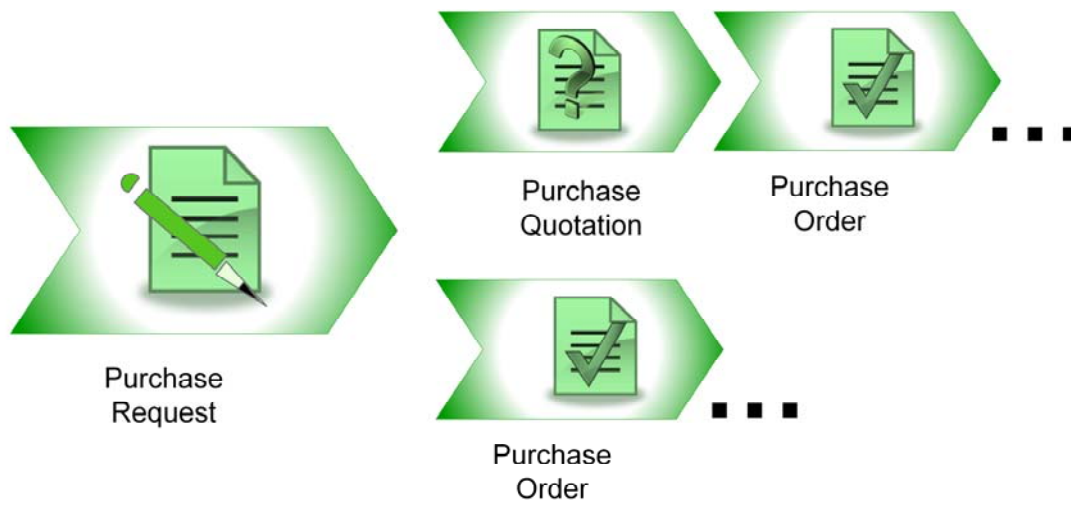
Contents Attachments

| Item/Service Type | Item | Summary Type | No Summary |
|-------------------|---------------|---------------|------------|
| # Item No. | Required Date | Required Qty. | |
| 1 A00002 | 07/13/2012 | 20 | |
| 2 | | | |

- Saves time because document provides information needed for purchase orders
- Reduces expenses related to items returned
- Allows you to track expenses in advance
- Helps with budget planning or cost reduction

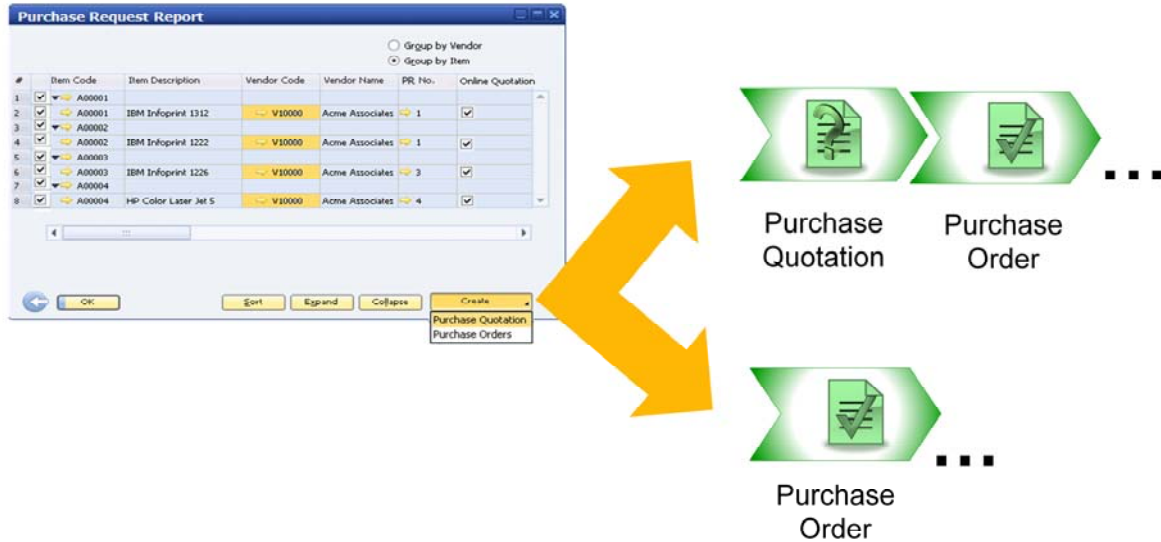
- Using purchase requests can save time for the purchasing department, because the document provides much of the information they need to create purchase orders.
- Additionally, purchase requests reduce expenses related to items returned because they were not what the requester expected or items which a supervisor did not approve.
- Purchase requests allow a company to track expenses in advance of a purchase. They help a department maintain a budget. They also allow a company to see which departments or employees are spending more than others, thereby helping with budget planning or cost reductions.

Target documents



- A purchase request can be copied to a purchase quotation in order to find the best price or the purchase request can be copied directly to a purchase order if the vendor is known.

Purchase Request Report



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- Another option is to open the purchase request report to view existing purchase requests and to create the follow-up documents directly from the report.
- The purchase request report provides an overview of all the purchase request items with corresponding information.
- As shown in the graphic, you can select rows in the report, then use the Create button dropdown list to create either quotations or orders.
- Inside the report, it is possible to make changes, such as vendors or quantities, as needed before creating quotations or purchase orders from the report.
- One advantage of the report is that you can group purchase requests by vendor so that instead of creating multiple purchase orders for each vendor, you can create just one per vendor.
- A notification can be sent via email or within SAP Business One when a purchase order or goods receipt PO is created for a purchase request.

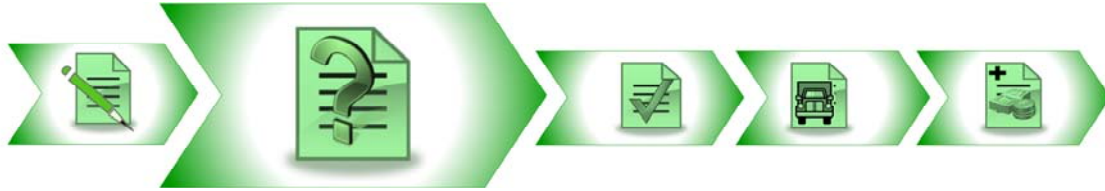
Purchase Request Scenario



- Sales team needs 2 laptops.
- Management approval is required.
- Purchase request is saved as a draft.
- Once approved, the draft is converted to purchase request
- The buyer runs purchase request report.
- Since item is not in stock, the buyer creates a purchase order.

- In our business example, the sales team needs two laptops for a sales road show. The sales manager requests the laptops using a purchase request.
- Because the items are expensive, management approval is required. The purchase request is saved as a draft as part of the approval procedure.
- Once the item is approved, the draft can be converted to a purchase request.
- The buyer runs the purchase request report and sees the pending request. The laptops are an item that is normally provided by a regularly-used vendor. The buyer checks if the item is currently in stock.
- Since the item is not in stock, the buyer creates a purchase order.
- From that point on, the purchasing process continues as usual with a goods receipt PO to receive the items and an A/P invoice to record the amount that is owed to the vendor.

Purchase Quotation



- Now we will look at how we use purchase quotations in the purchasing process.
- The purchase quotation is the document for requesting pricing and delivery information from your vendor in advance of the purchase order.
- You can create a purchase quotation, send the document to your vendor and when you receive information from the vendor on prices and delivery dates you can enter this information in the purchase quotation. In this way, you can store the complete history of the sourcing process in the system.
- The information tracked in the quotation enables you to pick the right vendor for the purchase.
- Using quotations helps to reduce costs, improve quality and increase on-time delivery.

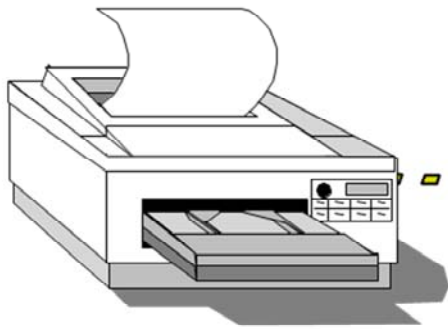
Purchase Quotation Generation



- Often items are sourced from multiple vendors
- The purchase quotation generation wizard simplifies the process for multiple quotes.
- You can create several purchase quotations for many items and many vendors in a single process.
- You can update each quotation with relevant data from the vendor.
- A purchase quotation report allows you to compare offers to pick the optimal vendor for your purchase.
- Then you can create the purchase order from the selected quotation.

- Often, items are sourced from multiple vendors before a purchase is made.
- The purchase quotation generation wizard simplifies the process when multiple quotations are needed.
- You can create several purchase quotations for many items and many vendors in a single process.
- When you receive the vendor data, you can update each quotation with the relevant information.
- A purchase quotation report allows you to compare offers to pick the optimal vendor for your purchase scenario.
- Then you can create the purchase order from the selected quotation.

Preferred Vendors



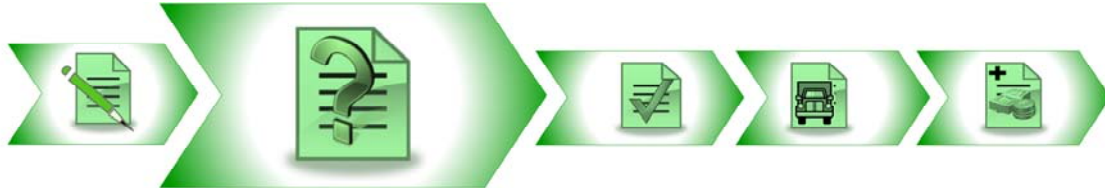
The item master allows you to specify multiple preferred vendors for each item.



The quotation generation wizard chooses those vendors to create quotations.

- The item master allows you to specify multiple preferred vendors for each item.
- When multiple vendors are specified in an item master, the quotation generation wizard automatically chooses those vendors to create quotations.

Purchase Quotation Scenario



- Purchase quotations are needed for 2 types of printers
- The buyer uses the purchase quotation wizard
- The wizard generates 3 purchase quotations for the 2 items
- The buyer uses the purchase quotation report to compare quotations.
- The buyer creates a purchase order for the items from the best quotation.

- Purchase quotations are needed for two types of printers.
- To make the process simpler and quicker, the buyer uses the purchase quotation wizard.
- Since 3 preferred vendors are specified in the item master records, the wizard generates 3 purchase quotations for the two items.
- When the vendors supply the requested quotations, the buyer updates each quotation.
- Then the buyer uses the purchase quotation report to compare quotations. One vendor has clearly quoted the best price and conditions.
- Therefore, the buyer creates a purchase order for the items from the that quotation.

Summary



Here are some key points:

- Purchase requests enable employees to initiate a purchase by submitting their needs for certain goods and services.
- The purchase request can be copied to a purchase quotation or purchase order for further processing.
- A purchase quotation allows you to request quotes from your vendors then track the answers.
- You can compare quotations to determine the best offer and create a purchase order.
- The purchase quotation generation wizard allows you to generate multiple purchase quotations for vendors and items.
- The wizard uses the preferred vendors listed in the item master to generate quotations.

- Purchase requests enable employees to initiate a purchase by submitting their needs for certain goods and services.
- The purchase request can be copied to a purchase quotation or purchase order for further processing.
- A purchase quotation allows you to request quotes from your vendors then track the answers.
- You can compare quotations to determine the best offer and create a purchase order.
- The purchase quotation generation wizard allows you to generate multiple purchase quotations for vendors and items.
- The wizard uses the preferred vendors listed in the item master to generate quotations.

Purchasing – A/P Purchasing Services

SAP Business One, Version 9.0



- Welcome to the topic on purchasing services.

Objectives



At the end of this module, you will be able to:

- Describe the options for purchasing services.

- In this session, we will discuss the options for purchasing services. We look at two ways services are handled in purchasing – with and without purchase orders. Then we will look at the steps needed to enter A/P invoices for services such as rent or utilities. In the end, we discuss the possibility of using recurring transactions.

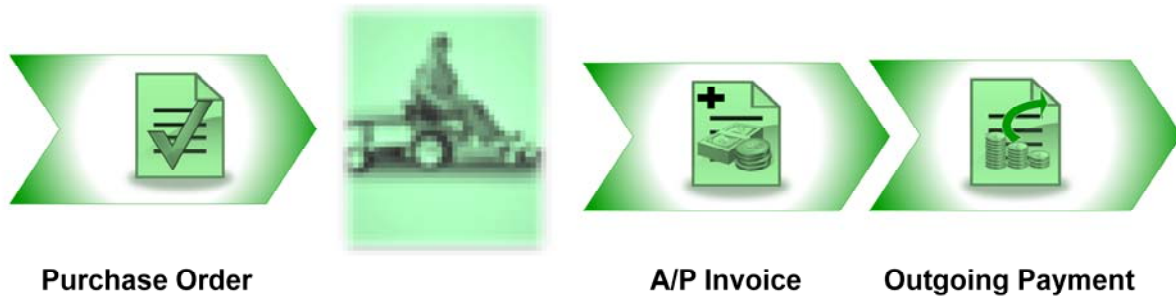
Business Example



- You purchase services such as web design and landscaping from vendors using purchase orders.
- Other services such as electricity or rent are purchased with an A/P invoice and no preceding documents.
- Recurring transactions help you generate A/P invoices for service agreements with regular payments.

- Sometimes you purchase services such as web design or landscaping from vendors. In cases like these, you work with the vendor beforehand to agree on the type of work to be done and the price. In these cases, it makes sense to use a purchase order in the purchasing process to confirm your agreement with the vendor.
- Other services such as electricity or rent, are purchased without purchase orders. Instead when the invoice is received from the vendor, you enter the information directly in an A/P invoice.
- Recurring transactions help you generate A/P invoices for service agreements with regular payments.


Purchasing Services – Process Overview



- When you buy landscaping, training or other non-physical purchases, you can still use purchase orders and A/P invoices.
- When purchasing services, you may wish to begin with a purchase order which describes the service being purchased, the price agreed to, and the G/L account associated with the service. The purchase order is optional. The advantage of using a purchase order is that it gives you a document in which to set the conditions and price for the service.
- Generally you discuss the scope of the project and expected price with the vendor and at that point the purchase order is created with the details of the agreement.
- When the vendor receives the purchase order, they confirm the agreement and dates are set for them to perform the service.
- The goods receipt PO document is generally not used for purchasing services. Usually, this step occurs outside the system.
- After the service is received and the vendor sends an invoice, an A/P invoice is entered into the system.
- Finally, an outgoing payment is created to pay the vendor.


Item / Service Type

Document

Service  Customer: C00001
Name: Smith

| Description | G/L Account | Price |
|-------------|-------------|-------|
| | | |
| | | |

Document

Item  Customer: C00001
Name: Smith

| Item No. | Description | Quantity | Price |
|----------|-------------|----------|-------|
| | | | |
| | | | |

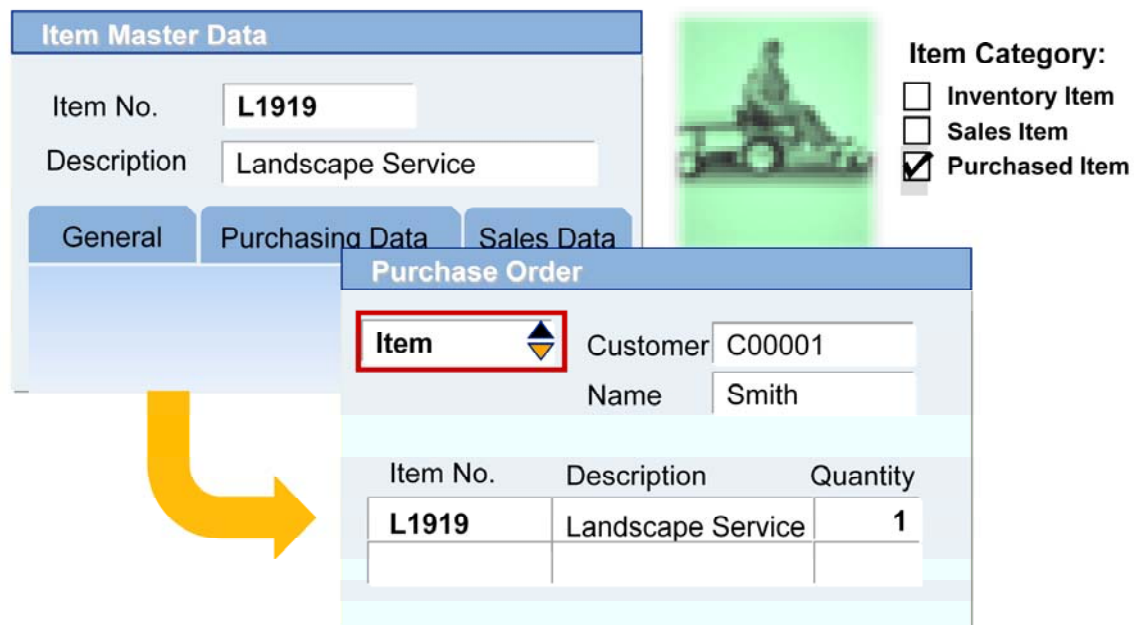
In Purchasing (and sales) you can set your documents as either **Item type** or **Service type**.

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- You have two options when purchasing services, you can either set up a service as an item or use a description to purchase the service.
- A sales or purchasing document can include either pre-defined items from master data or descriptions of services which are directly entered in its rows. The document cannot include both.
- When you create a document, you set the Item/Service Type to either Service or Item.
- This setting applies to the entire document, and you cannot change it once you have saved the document
- The table view on the *Content* tab page is different for each option.
- When would you set the Item/Service type to Service? You only use the *Service* option in SAP Business One to buy or sell a service that does not have a master record.
- When would you set the Item/Service Type to Item? When you are purchasing physical items and/or services set up as item master data.

Service Items



Item Master Data

Item No. **L1919**

Description **Landscape Service**


Item Category:

☐ Inventory Item

☐ Sales Item

☒ Purchased Item

Purchase Order

Item  Customer **C00001**

Name **Smith**

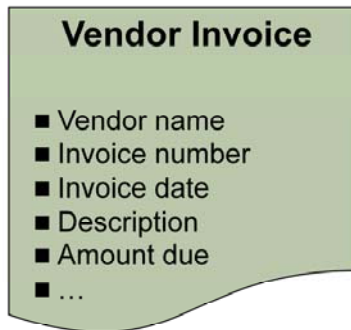
| Item No. | Description | Quantity |
|--------------|--------------------------|----------|
| L1919 | Landscape Service | 1 |

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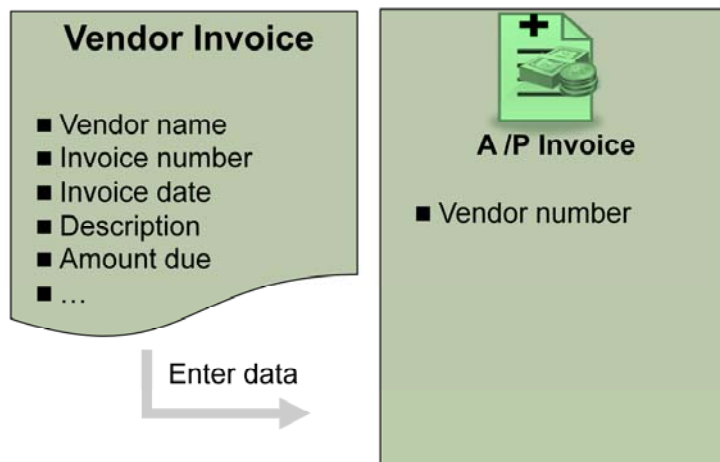
- Let us take a look at setting up a service in an item master record.
- Service items can be very useful if you purchase a service frequently and the price is pre-set with the vendor.
- As we mentioned before, a nice advantage of using service items is that you can add the service item onto item-type marketing documents, such as purchase orders. This allows you to combine items and services on the same document.
- When you add the item master onto a marketing document, you specify the quantity used. This allows you to better track services in standard reports. You can use the usual sales and purchasing analyses for services.
- Having item master data for your services also reduces the chance for errors during data entry. You can set up prices, sales quantities, and so on, that default into your documents.
- When you create a service item, you will set the item category as a non-inventory item. For service items you buy, you mark the checkbox for purchased items.
- Service items can also be used in sales as well as in purchasing. In fact, typically creating a service item is done more frequently for selling services, than for purchasing services.

Create a Service Invoice



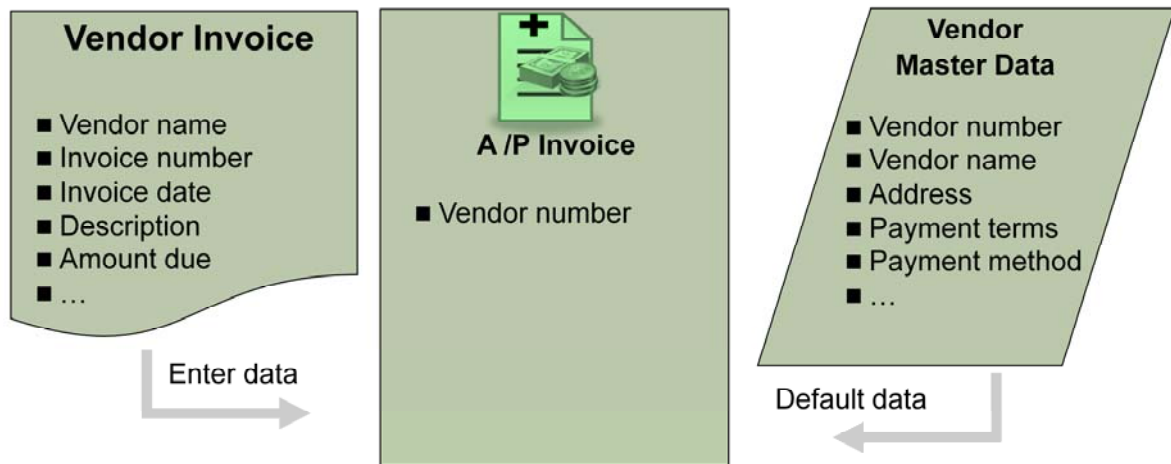
- For services such as electricity or rent, there is usually no purchase order involved in the process. Let us take a look at the process of creating an A/P invoice for this type of service.
- Imagine that you just received a vendor invoice for rent from your landlord.
- The vendor invoice contains the vendor's name, their own invoice number, the date the invoice was issued, a description of the service purchased and the amount due.

Create a Service Invoice



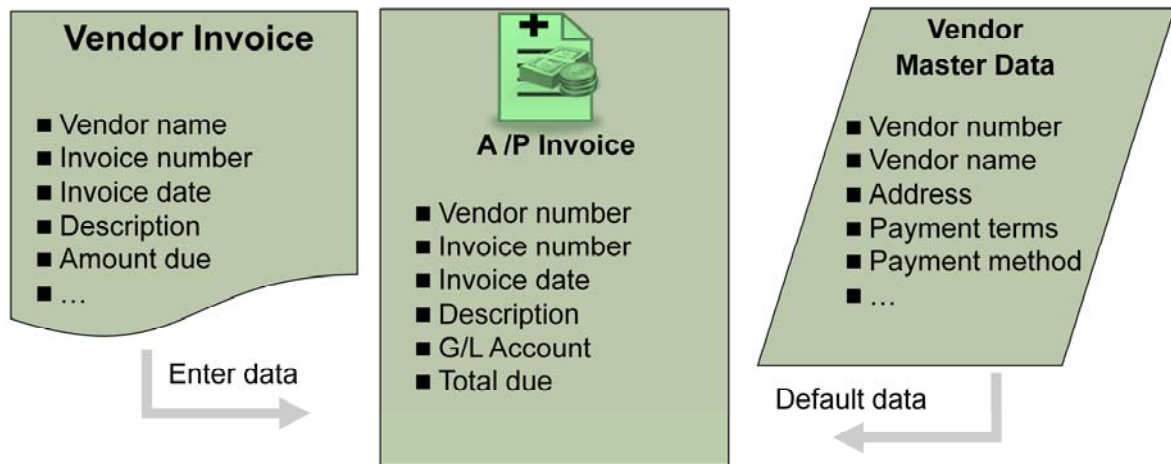
- You create an A/P invoice in SAP Business One and enter in the vendor code.

Create a Service Invoice



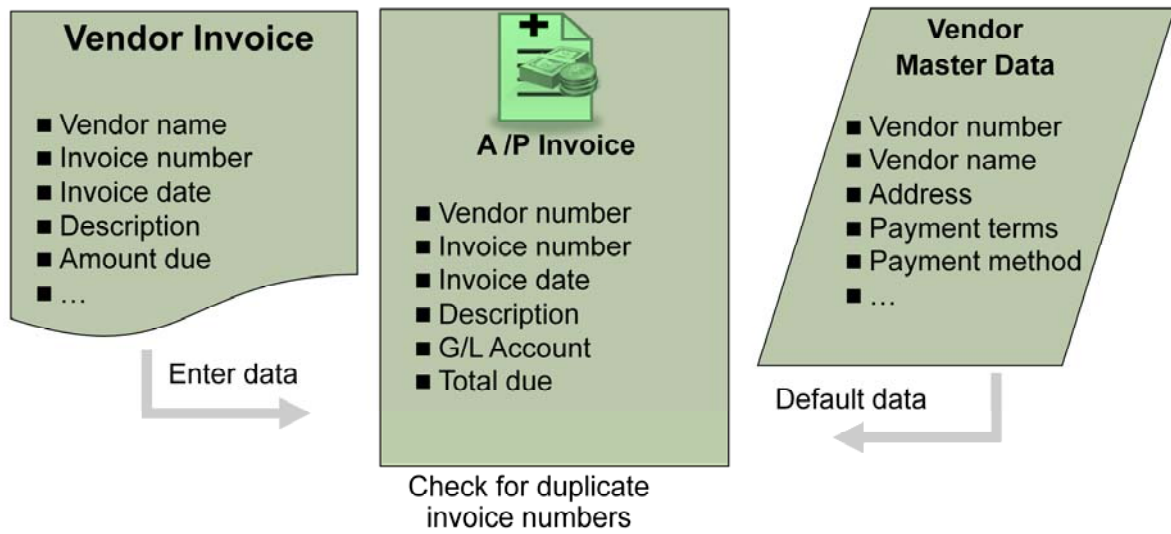
- This brings in the default data from the vendor master record such as the vendor name, address, payment terms, payment method and more.

Create a Service Invoice



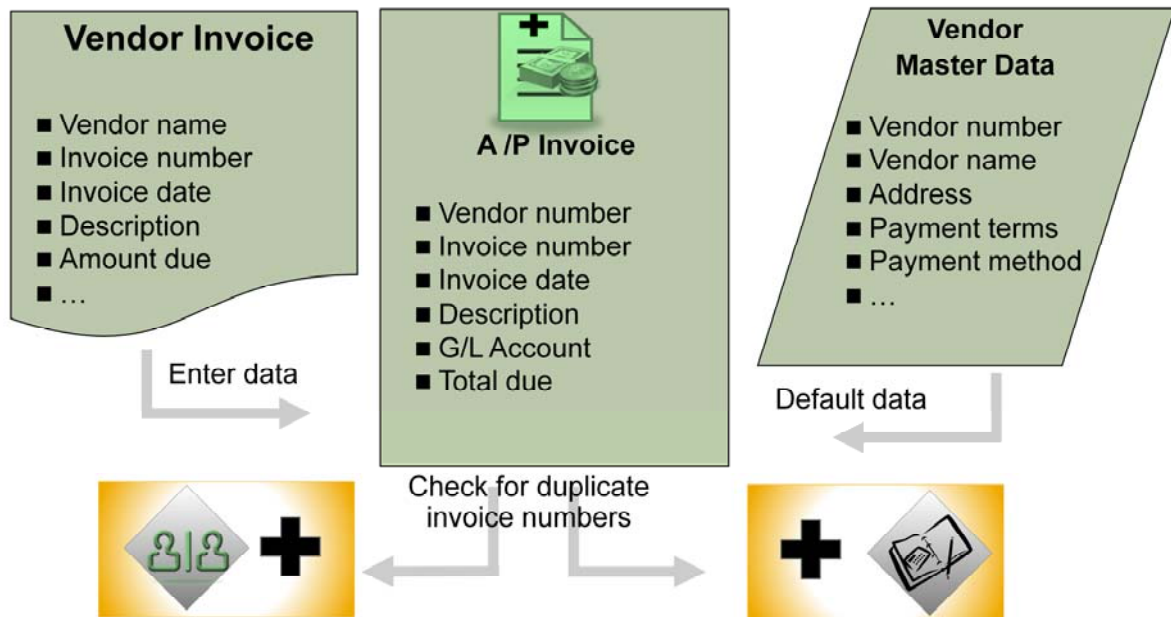
- You enter the vendor invoice number and the vendor invoice date that you read on the vendor invoice.
- You verify that the correct Item/Service type setting exists to enter service information such as the description of the services and the appropriate G/L account.
- And of course, you enter the amount due in the total due field in the A/P invoice.

Create a Service Invoice



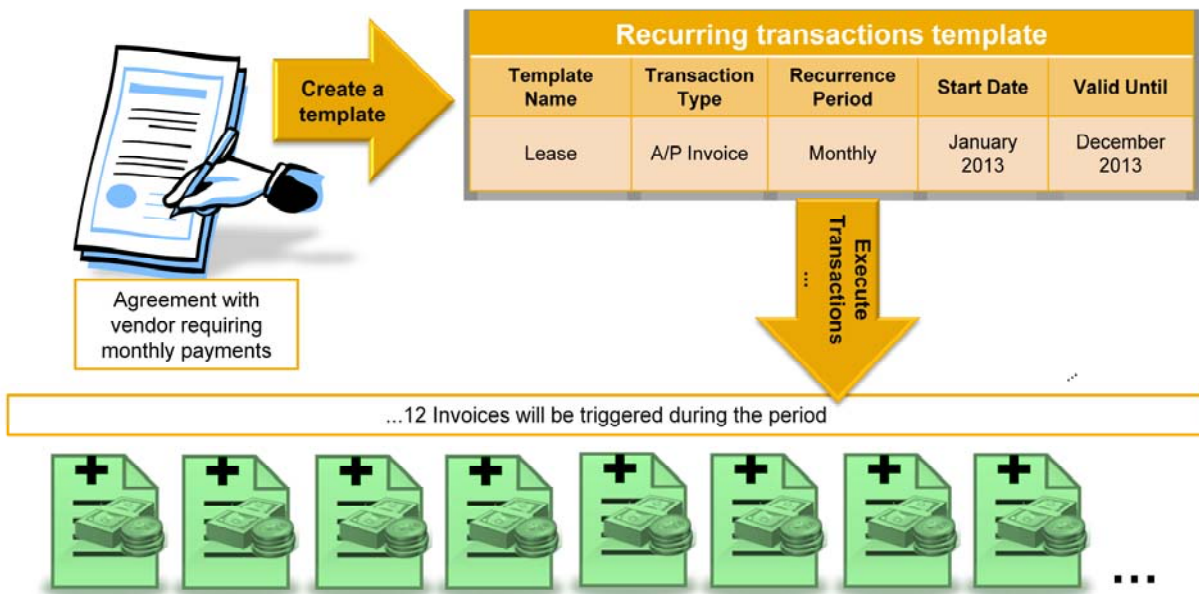
- When you save the invoice, SAP Business One performs a duplicate invoice number check for the vendor. The system alerts you if the vendor invoice number is found so you can research the invoice. This function helps us to avoid duplicate payments.

Create a Service Invoice



- When the system saves the invoice, the value updates the amount due to the vendor, the related expense account, and the related general ledger control account at the same time.

Recurring Transactions



- Sometimes services such as rent or maintenance are supplied on a regular basis with a periodic standard fee. In these cases you can use recurring transactions.
- This functionality allows you to automatically generate purchasing, sales or inventory documents on a regular basis.
- Just set up a template where you select the frequency, date range and document type for the recurring transaction.
- Recurring transactions are also available for inventory documents as well as purchasing and sales marketing documents.
- In our business example, we have agreed with a vendor to lease some commercial space for one year.
- We set up the template to generate an A/P invoice for paying the lease amount each month.
- When we execute the template, the documents for the period are created.
- At the end of the period, a total of 12 invoices will have been triggered.

Summary



Here are some key points:

- For purchasing services, the A/P invoice is the only mandatory document in purchasing.
- You have the option of using a purchase order to specify services required to the vendor.
- Setting up item master data for a service can be useful for services you regularly buy or sell. Service items are entered on item-type marketing documents.
- Using an item master allows you to track quantities used in regular purchasing and sales analysis, as well as eliminate data-entry errors.
- A recurring transaction template can be useful for generating purchasing documents on a periodic basis.

- For purchasing services, the A/P invoice is the only mandatory document in purchasing.
- You have the option of using a purchase order to specify services required to the vendor.
- Setting up item master data for a service can be useful for services you regularly buy or sell. Service items are entered on item-type marketing documents.
- Using an item master allows you to track quantities used in regular purchasing and sales analysis, as well as eliminate data-entry errors.
- A recurring transaction template can be useful for generating purchasing documents on a periodic basis.

Issues with Goods Receipt POs

SAP Business One

Version 9.0



- Welcome to the topic on managing delivery issues with Goods Receipt POs.

Objectives



At the end of this topic, you will be able to:

- Describe the options available for receiving incorrect deliveries from a vendor.

- In this topic, we will explore how to receive incorrect shipments from a vendor in a goods receipt PO document.

Business Example



- Sometimes your supplier only delivers a partial order.
- Other times the supplier delivers too much of an item.
- In either case, you track the amount delivered to ensure you receive a correct invoice.

- Sometimes your supplier only delivers a partial order, other times the supplier delivers too much of an item. In either case, you track the amount delivered to ensure you receive a correct invoice.

Goods Receipt Issues



Purchase
Order

Goods Receipt
PO

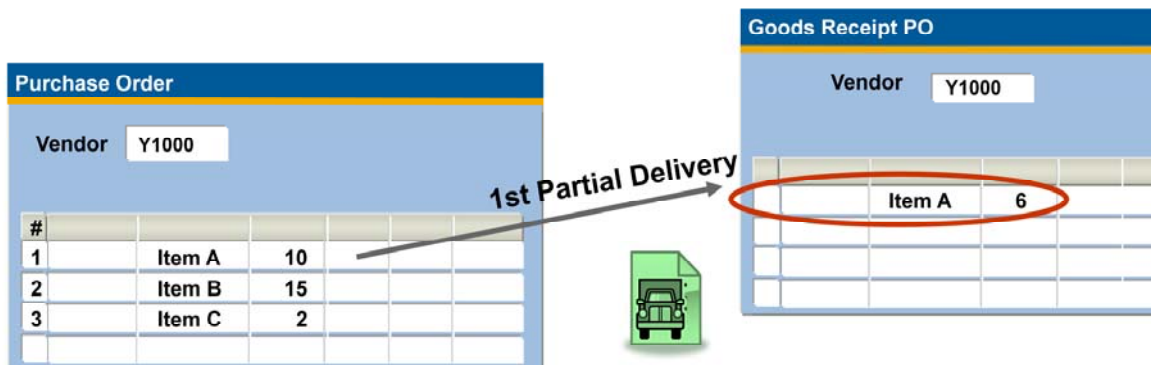
A/P Invoice

Outgoing
Payment

- Too little quantity
- Too large a quantity
- Substituted Items

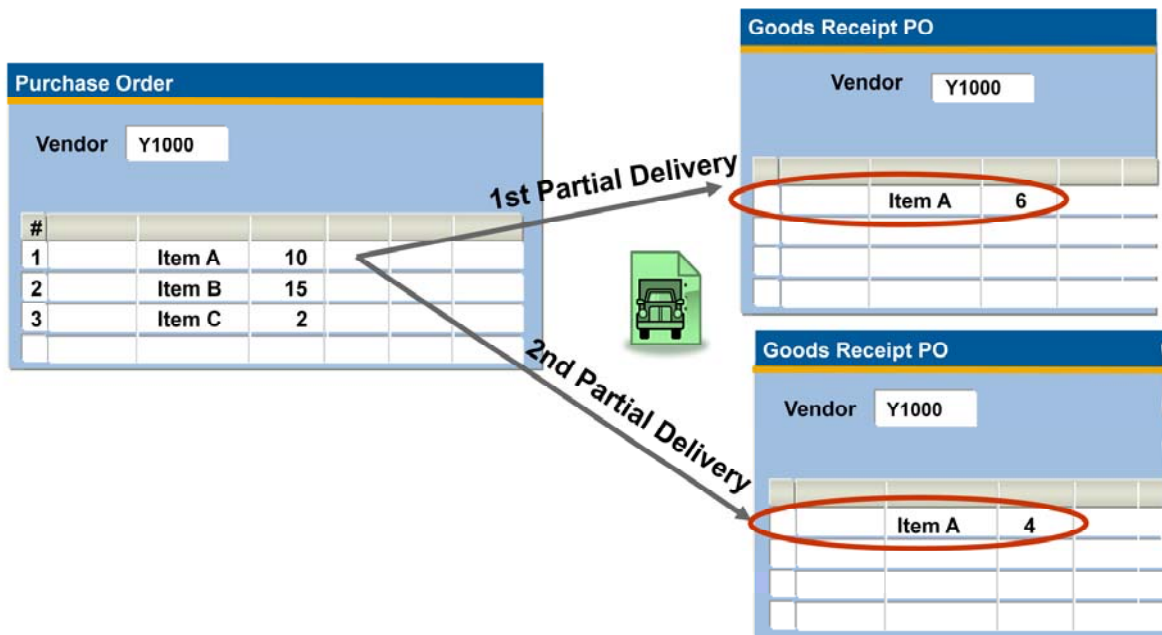
- Sometimes vendors deliver too little or too great a quantity for an item. A vendor might send a different item than was originally ordered. In these circumstances you can adjust the goods receipt PO accordingly to reflect the actual amount received.
- We will examine the options available in SAP Business One for resolving issues that arise at goods receipt.
- First, we will see how you can handle too little quantity by creating a goods receipt PO for a partial quantity.
- Second, we will see how you can increase quantity on a goods receipt PO when you receive too large a quantity.
- Third, we will look at how you can add new items when you receive substitutions.

Partial Deliveries



- When a vendor does not deliver a full quantity, you can reference the purchase order to create a goods receipt PO for a partial quantity.
- Copy the row from the purchase order and reduce the quantity shown.

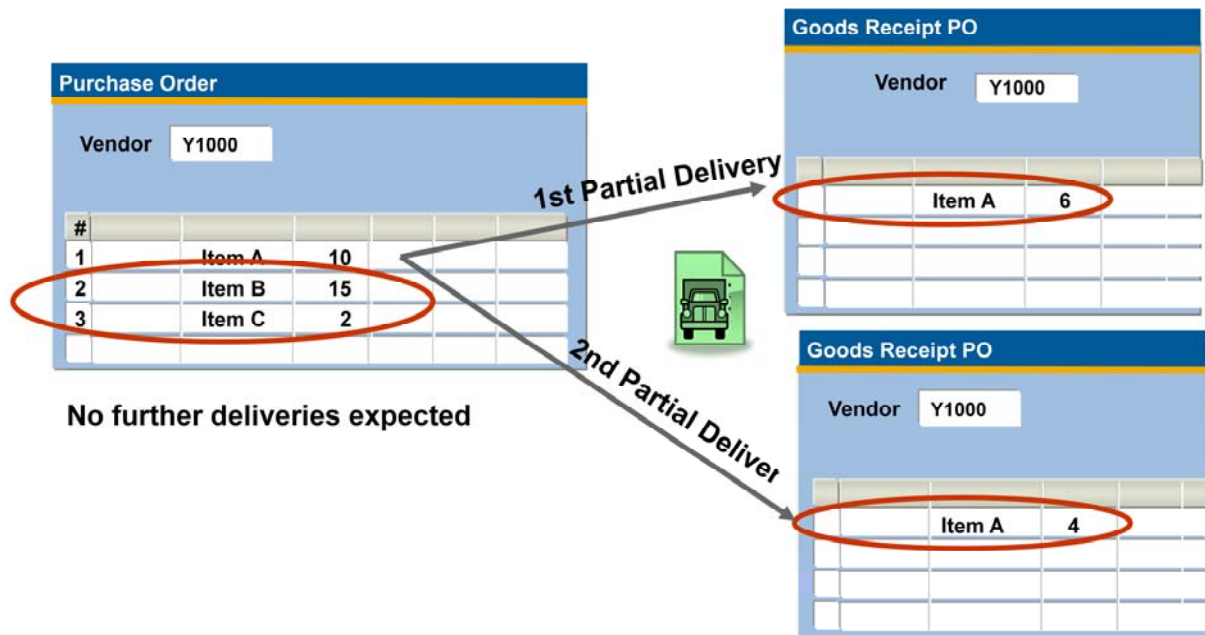
Partial Deliveries



- Later on, when the vendor sends a subsequent shipment, you can reference the purchase order a second time.

You can reference a purchase order as many times as needed, as long as the status is *Open*.

Partial Deliveries

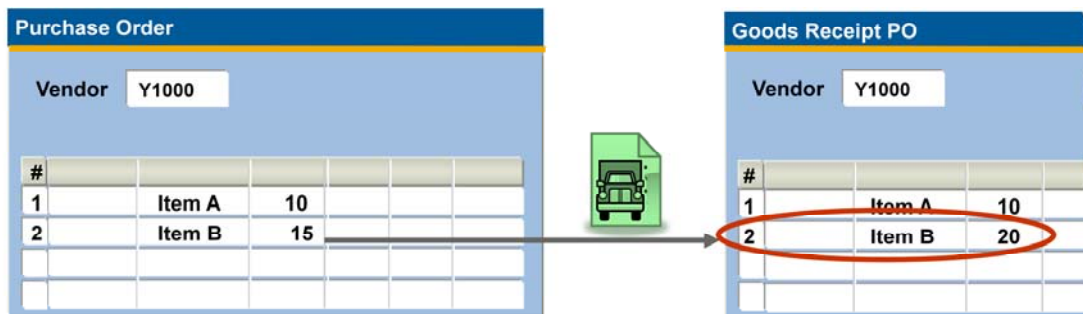


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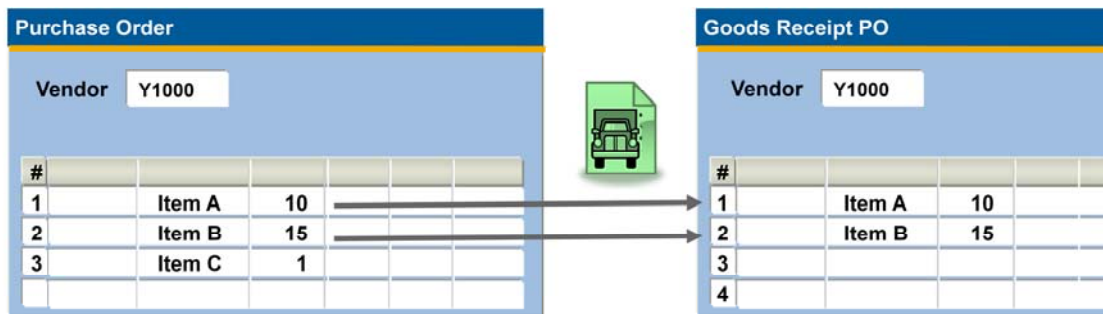
- If you do not expect to receive any additional deliveries for a quantity of items not yet received, then you should close the purchase order so that the open purchase order quantity is reduced. The *Status* of the purchase order will change to *Closed*.
- A purchase order is automatically closed by the system when all goods are received. If the purchase order has been partially received or not received, you can manually close it. The purchase order is not deleted so you can still display or duplicate the document, but it is no longer available for copying to another document, such as a goods receipt, goods return or A/P invoice.
- Another option is to cancel a purchase order. This option is generally used when no items on a purchase order will ever be received.
- You can cancel a purchase order that has never been copied. As with the status *Closed*, a *Canceled* purchase order is not deleted. You can still display or duplicate the document, but it cannot be copied to another document.
- A canceled purchase order does not appear in the purchase analysis report, whereas a closed one will appear.
- You can also choose to close a particular row rather than the entire document.

Delivery of a Larger Quantity



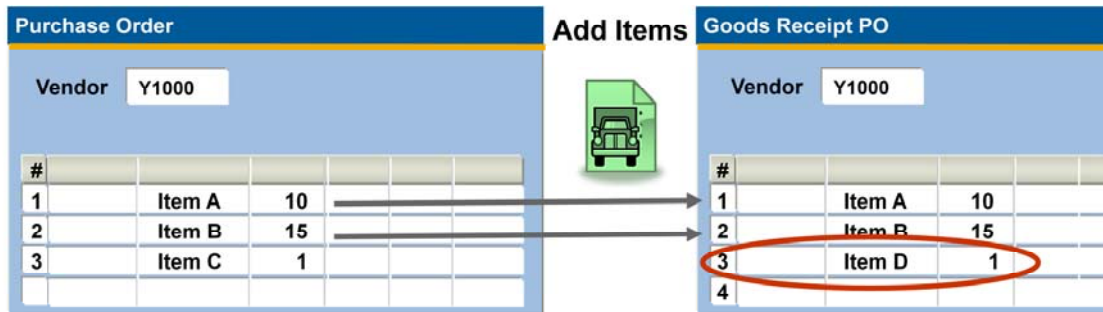
- Sometimes vendors deliver too great a quantity for an item.
- When you refer to a purchase order document while entering a goods receipt, you can increase the copied quantity to reflect the actual delivered quantity.

Substitute Items



- A vendor might send a different item than was originally ordered, perhaps to substitute for an out-of-stock item.
- In the graphic, two of three items ordered were delivered by the vendor. Those two items were copied from the purchase order to the goods receipt PO. However, the third item was not delivered.

Substitute Items



- Instead, the vendor sent a substitute item.
- When this occurs, you can add the additional item to the Goods Receipt PO.
- If the originally ordered item will never be delivered, you should close the original purchase order so that this undeliverable item does not continue to appear on purchasing reports as an open item.

Summary



Here are some key points:

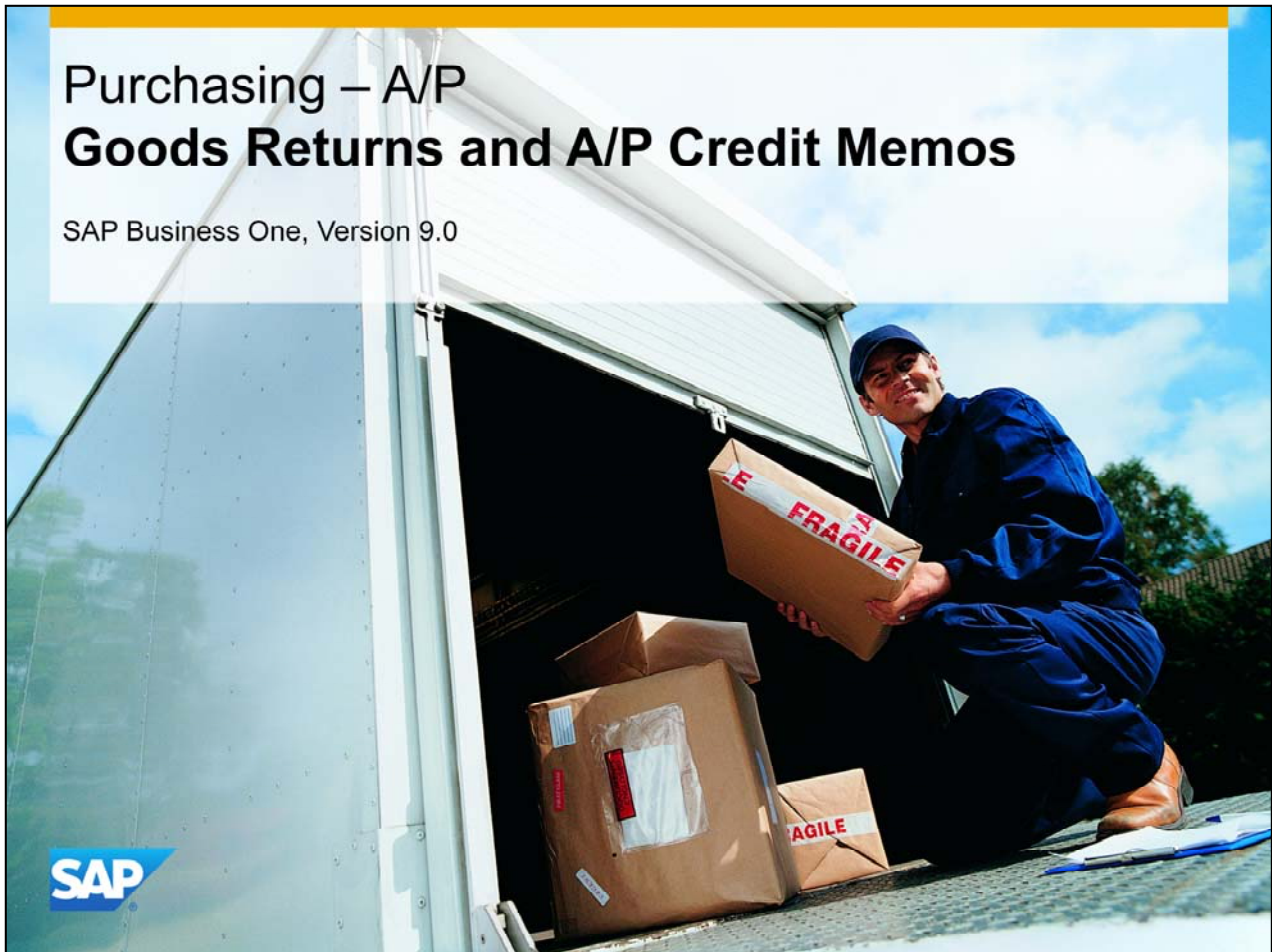
- When creating a goods receipt PO with reference to a purchase order, you can copy all or some of the rows and adjust quantities for each row.
- You can reference an open purchase order as many times as needed.
- A purchase order is automatically closed by the system when all rows are fully referenced.
- If the document is partially received, you can manually close the document or close individual rows.
- If no items on a purchase order will ever be received, you can cancel the document.
- A canceled purchase order does not appear on the purchase analysis report, unlike a closed one.

Here are some key points:

- When creating a goods receipt PO with reference to a purchase order, you can copy all or some of the rows and adjust quantities for each row.
- You can reference an open purchase order as many times as needed.
- A purchase order is automatically closed by the system when all rows are fully referenced.
- If the document is partially received, you can manually close the document or close individual rows.
- If no items on a purchase order will ever be received, you can cancel the document.
- A canceled purchase order does not appear on the purchase analysis report, unlike a closed one.

Purchasing – A/P Goods Returns and A/P Credit Memos

SAP Business One, Version 9.0



- Welcome to the topic on goods returns and credit memos in purchasing.

Objectives



At the end of this topic, you will be able to:

- Describe how and when to create a goods return or credit memo for purchases

- In this topic, we will look at how and when you create a goods return or credit memo for purchases.

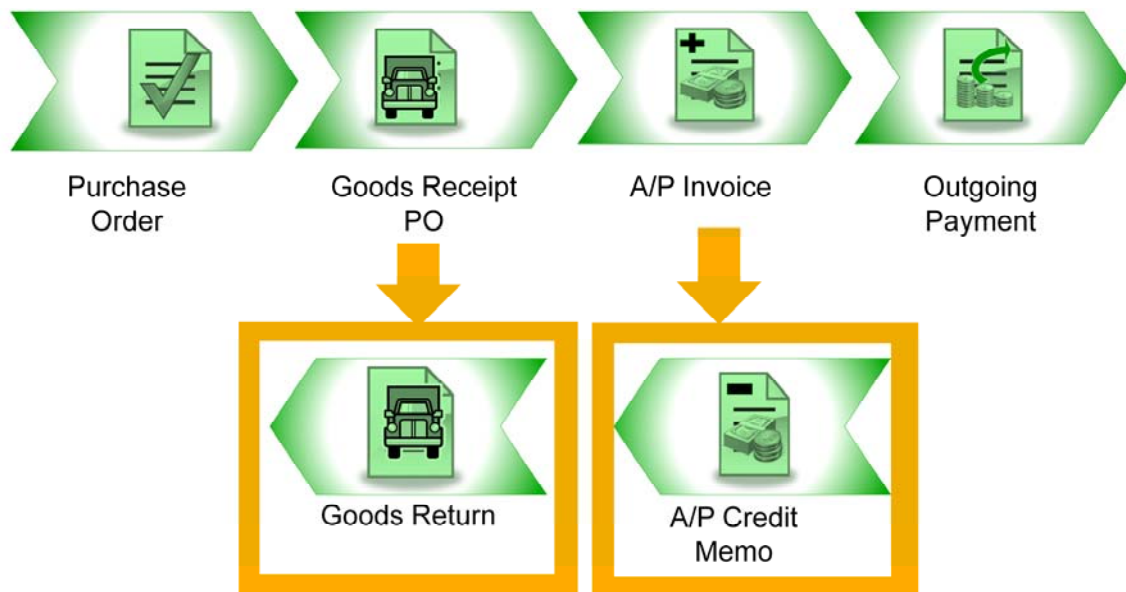
Business Example



- Occasionally, delivered goods do not meet your quality standards. You return these items to the vendor for credit either before or after you receive the invoice.
- When you need to correct a problem in purchasing, you can easily research the status of the vendor's invoice and resolve the issue.

- Occasionally, delivered goods do not meet your quality standards. You return these items to the vendor for credit either before or after you receive the invoice.
- When you need to correct a problem in purchasing, you can easily research the status of the vendor's invoice and resolve the issue.

Goods Returns and Credits in A/P

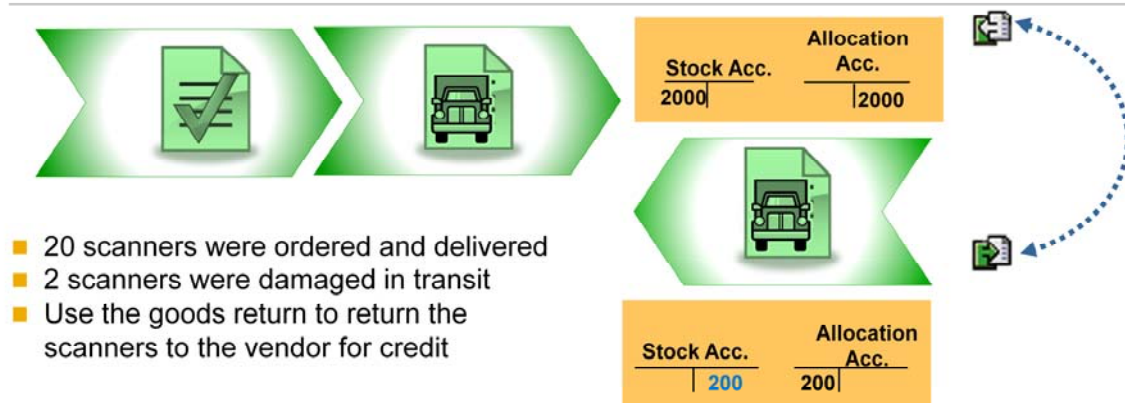


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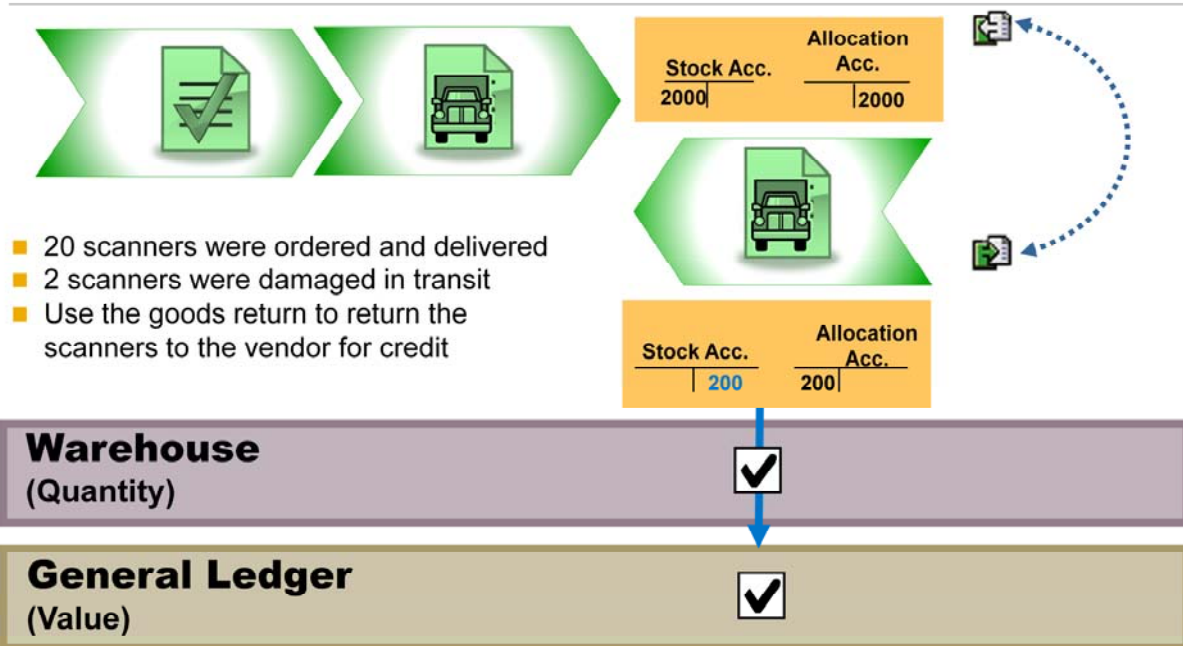
- Even when you receive everything exactly as ordered from a vendor, you can discover that items were damaged in transit.
- We will examine the options available in SAP Business One for returning poor quality items or damaged goods
- And look at how to receive credit for items that we have already paid for.
- A goods return document is used to return items that have been received but not yet invoiced.
- An A/P credit memo is used to return goods and to receive credit for items or services that have been invoiced.

Goods Returns



- Imagine that we ordered 20 scanners. The vendor delivered all 20 and we received them on a goods receipt PO. Then we discovered that 2 were damaged in transit. We can use the goods return to document the return of the scanners to the vendor for credit.
- You can use a Goods Return document as long as no A/P invoice exists for the goods receipt PO.
- If you have already entered an A/P Invoice for the transaction, then you must use the A/P Credit Memo function to carry out quantity and value-based corrections in the system.

Goods Returns

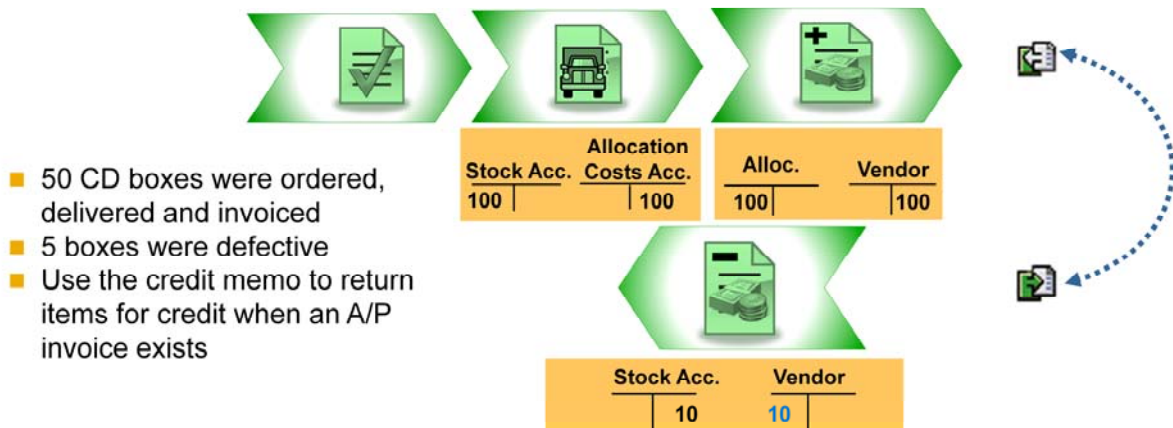


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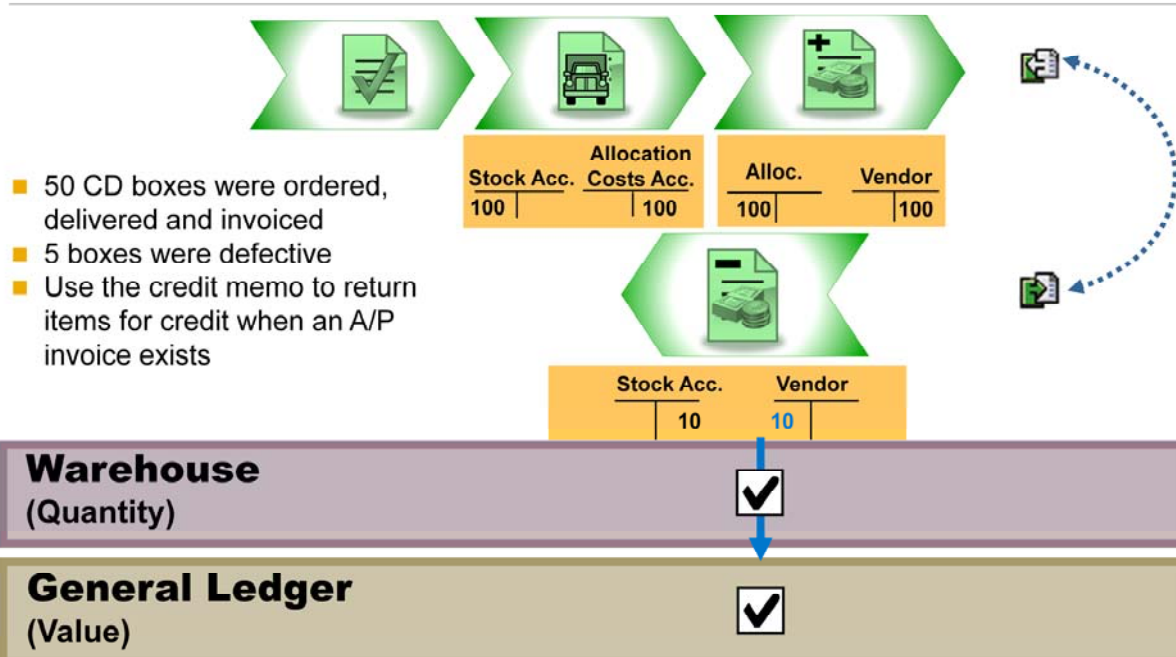
- Think of the Goods Returns as the clearing document for a Goods Receipt PO.
- When you enter a goods returns, the goods are issued from the warehouse and the quantities are reduced.
- If your company runs perpetual inventory, SAP Business One creates the relevant accounting postings to update the stock values as well.
- If you return goods to a vendor to exchange and later receive a shipment, you can either enter a goods receipt PO without a reference to a purchase order in the system or duplicate one of the preceding documents. Starting with release 8.81, it is possible to open the purchase order when a return is made. This allows you to base the new delivery on the original purchase order.
- Note that when a Goods Return is created without being based on a previous document, the value of a moving average item is the current item cost calculated for the item and not the unit price entered in the goods return document.

Credit Memo for Purchasing



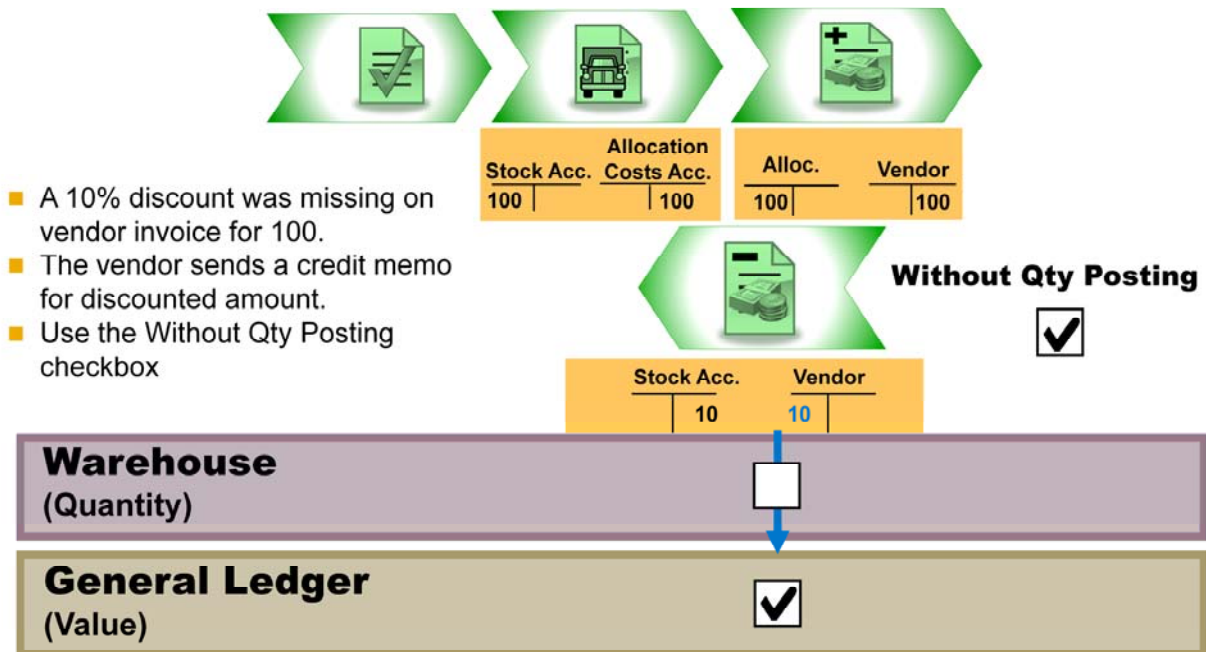
- Now let us imagine another scenario. We ordered 50 CD boxes. The vendor delivered the items and the invoice.
- After we entered the A/P invoice into SAP Business One but had not yet paid the vendor, we discovered that 5 boxes were defective.
- Since the invoice had already been created, we cannot create a goods return with reference to either the goods receipt PO nor the A/P invoice.
- Instead we ask the vendor for a credit for our returned items. We create a credit memo to document that we have returned the items to vendor for credit.

Credit Memo for Purchasing



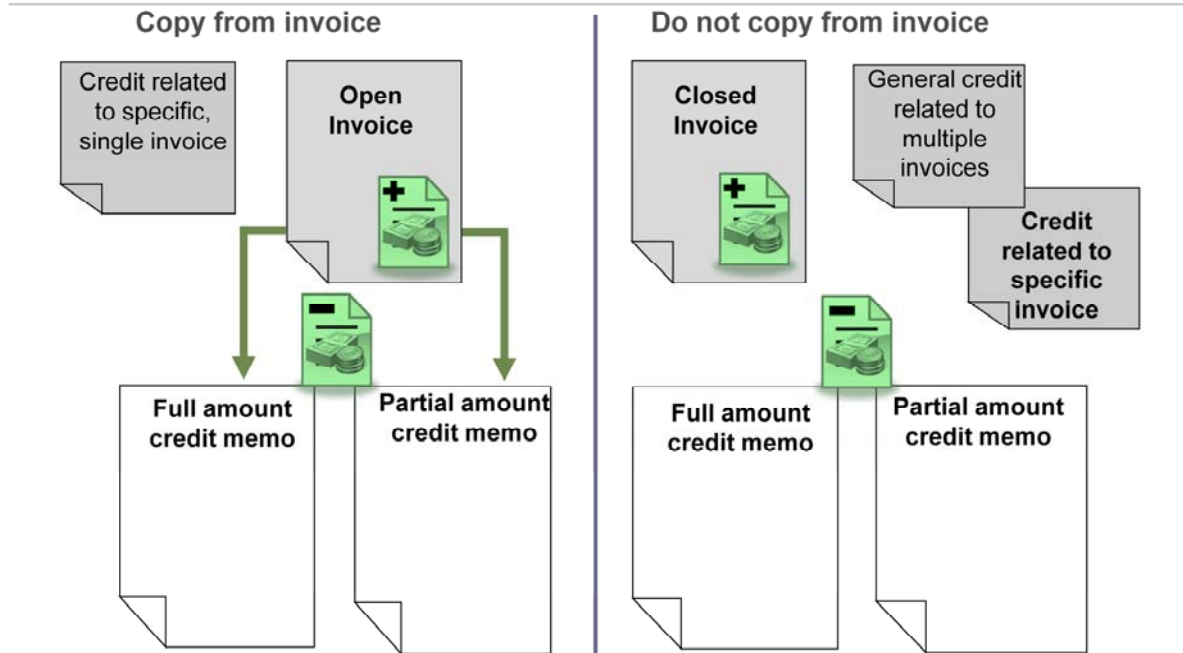
- The credit memo has the same effect as the goods return.
- The credit memo updates the stock quantities and corrects the values in accounting.
- Since in this case, we were able to create the credit memo by copying the items from the A/P invoice, the system finds the same accounts that were used to post the invoice and posts a negative value to them.
- However, in some cases, it may not be appropriate to copy items to a credit memo from an invoice. For example, if the credit was for a price difference rather than for returning items or if the credit referred to an A/P invoice that we had already paid.

Credit Memo without reducing stock



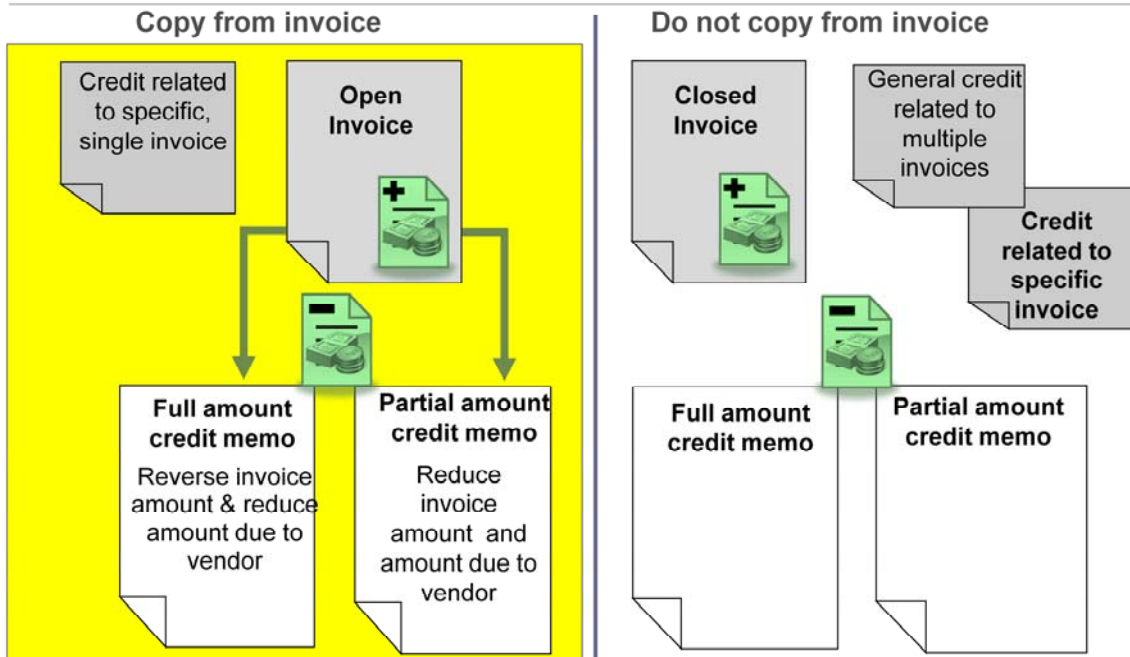
- There is also an option to create a credit memo without reducing stock accounts.
- Perhaps your vendor is giving you credit for a missing discount on an item or refunding your purchase price.
- In those cases, you can select the checkbox "Without Qty Posting". This indicator allows you to create an item-type credit memo that affects only the price.
- In the example in the graphic, a 10% discount was missing on the vendor invoice for 100, so an A/P invoice was created for 100 and a payment was made for the full amount.
- When the issue is discovered, the vendor sends a credit memo for the discounted amount of 10.
- The Without Qty Posting checkbox is used to create a credit memo in SAP Business One that does not reduce stock quantity but records the monetary change in the General Ledger.

Creating a credit memo with or without reference



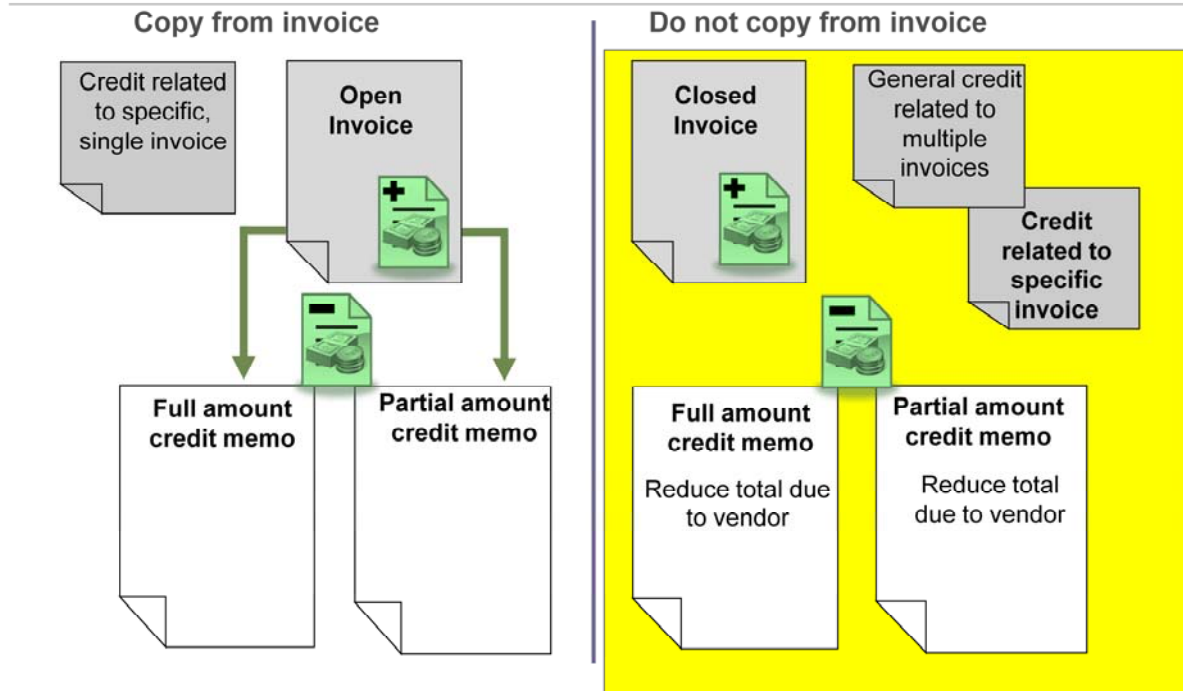
- The method you use to create a credit memo depends the status of the A/P invoice, Open or Closed, and whether the credit memo is related to a specific invoice.

Creating a credit memo with or without reference



- When you can identify the related invoice **and** the invoice is open, you create a credit memo by copying from the original invoice.
- The credit must be related to a specific, single invoice.
- The invoice status must be open.
- You can create a credit memo either for the total amount or a partial amount.
- A credit memo for the full invoice quantity will **reverse** the original invoice. The invoice will no longer appear for payment.
- A credit memo for less than the original invoice quantity will reduce the total **invoice** amount due.

Creating a credit memo with or without reference



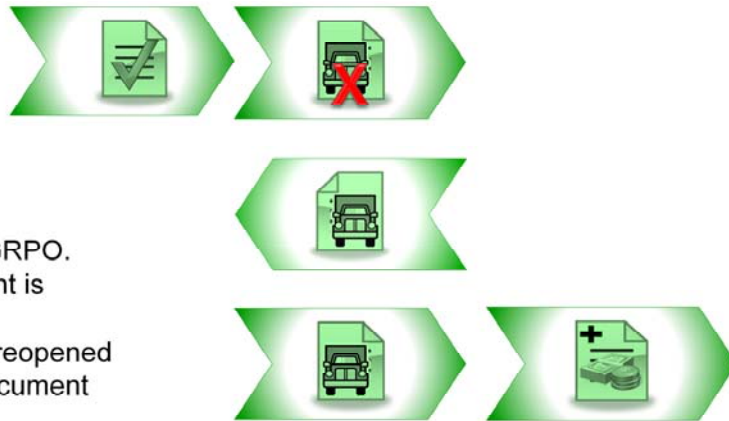
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- If the related invoice is closed or the credit is related to multiple invoices, then you do not copy from the invoice.
- Instead you create a credit memo **without** reference to an invoice.
- As always, you can create a credit memo for a full amount or partial amount.
- When you create a credit memo without copying from the original invoice, the credit memo reduces the total **balance** due to the vendor.
- Starting from release 8.8, the values in the journal entry created by an A/P credit memo that is not created from copying from another document are based on the current value calculated for the returned items. This is why it is best to copy an invoice whenever possible.

Cancellation

- A goods receipt PO is incorrectly entered.
- The user cancels the GRPO.
- A cancellation document is created automatically.
- The purchase order is reopened and used as a base document for a new GRPO.



- Another option besides creating Goods Returns or Credit Memo documents is to cancel the original document.
- Business One gives you the ability to cancel marketing documents such as a Goods Receipt PO or A/P invoice.
- When you cancel a marketing document, a new 'cancellation' document is created during each cancellation procedure. Both the reversing and reversed documents are closed automatically and fully reconciled.
- For example, a goods receipt PO is incorrectly entered. The user cancels the goods receipt PO and a cancellation document is created automatically.
- The purchase order is re-opened after cancellation, and can be used as a base document to create a new goods receipt PO.

Summary



Here are some key points to take away:

- A goods return is used to return items received on a goods receipt PO.
- If you need to fully or partially reverse an A/P invoice, then use an A/P credit memo.
- A/P credit memos and goods return documents correct both quantities and values.
- To create give a credit without an effect on inventory use the *Qty. Without Posting* checkbox.
- When a credit is related to a specific invoice and the invoice is open, create a credit memo by referencing the original invoice.
- If the related invoice is closed or if the credit is related to multiple invoices, then create a credit memo without referencing a base document.

Exercise



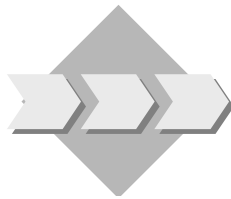
Unit: Purchasing-A/P

Topic: Procurement Process



At the conclusion of this exercise, you will be able to:

- Create an A/P Invoice in a streamlined purchasing process



In this exercise, you create an A/P invoice to receive the goods and to record what you owe the vendor.

1-1 You have received some supplies that were urgently needed from a regular vendor. The order was placed initially by telephone and now that the supplies have arrived, you want to use one document to receive the supplies into inventory and to document what is owed to the vendor.

1-1-1 Enter the following values in the A/P invoice.

| Field Name or Data Type | Values |
|-------------------------|---------------------|
| <i>Vendor</i> | V60000 |
| <i>Posting Date</i> | Today's date |
| <i>Item No.</i> | C00009 |
| <i>Quantity</i> | 2 |
| <i>Item No.</i> | C00010 |
| <i>Quantity</i> | 2 |

Enter the information but don't save the A/P invoice yet.

1-1-2 Check the proposed journal entry.

Open the context menu by right-clicking and choose ***Journal Entry Preview***. What postings are proposed for this invoice document?

1-1-3 Save the A/P invoice.

A/P Invoice Number: _____

Solutions



Unit: Purchasing-A/P

Topic: Procurement Process

- 1-1 You have received some supplies that were urgently needed from a regular vendor. The order was placed initially by telephone and now that the supplies have arrived, you want to use one document to receive the supplies into inventory and to document what is owed to the vendor.

Choose **Purchasing-A/P → A/P Invoice**

- 1-1-1 Enter the following values in the A/P invoice.

| Field Name or Data Type | Values |
|-------------------------|---------------------|
| <i>Vendor</i> | V60000 |
| <i>Posting Date</i> | Today's date |
| <i>Item No.</i> | C00009 |
| <i>Quantity</i> | 2 |
| <i>Item No.</i> | C00010 |
| <i>Quantity</i> | 2 |

Enter the information but don't save the A/P invoice yet.

1-1-2 Check the proposed journal entry.

Open the context menu by right-clicking and choose ***Journal Entry Preview***. What postings are proposed for this invoice document?

In a perpetual inventory system when you post an invoice in the system directly without referring to a purchase order or a goods receipt PO, postings will be made to the inventory account to receive the items and a posting will be made to the vendor to show the amount you owe the vendor.

Additionally, the stock level increases accordingly.

Close the journal entry preview.

1-1-3 Save the A/P invoice.

A/P Invoice Number: _____

Choose *Add*.

Confirm the system message with *Yes*.

Close the *A/P Invoice* window.

Exercises



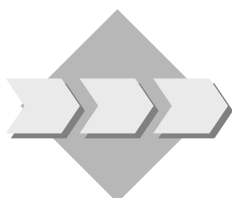
Unit: Purchasing-A/P

Topic: Purchase Order to Payment



At the conclusion of this exercise, you will be able to:

- Perform the steps of the purchasing process from purchase order to payment.
- Understand the effect of each purchasing document on inventory and accounting.



In this exercise, you create a purchase order, a goods receipt PO, an A/P invoice and an outgoing payment. At each step you review the effects on inventory and accounting.

In the optional section of the exercise, you go through a more complicated scenario where you create a purchase order for required items that include an item that has never been ordered before. You create an item master record for the new item. When the vendor delivers partial quantities, you create a goods receipt PO. You use the inventory status report to view stock quantities. Later you create a second goods receipt for an additional delivery. When the vendor's invoice arrives, you enter an A/P invoice and process the vendor payment.

2-1 You want to understand the documents in the purchasing process and their effects on the areas of accounting and inventory. You will follow the steps of the purchasing process from purchase order to payment.

2-1-1 Create a purchase order for the vendor **V20000**. You order 5 units of items **A00001**.

| Field Name or Data Type | Values |
|-------------------------|---------------|
| <i>Vendor</i> | V20000 |
| <i>Item No.</i> | A00001 |
| <i>Quantity</i> | 5 |

Save the purchase order.

Purchase Order Number: _____

- 2-1-2 You want to first determine which warehouse is the assigned for this item, so that you can then determine the stock level for that warehouse. Reopen the purchase order and open the row details to find the warehouse assigned.

What is the warehouse assigned to the item?

- 2-1-3 Check the stock level currently found in that warehouse.

What is the current stock for the item in the warehouse?

- 2-1-4 Leave the purchase order open.

- 2-2 The items on your purchase order have arrived. You will create a goods receipt PO from the purchase order. When you save the goods receipt PO, you will check the stock level and journal entry to see how this document affects inventory and accounting.

From the open purchase order, create a goods receipt PO.

- 2-2-1 Check the rows and quantities in the Goods Receipt PO to make sure they match the quantities delivered by the vendor.

| Field Name or Data Type | Values |
|-------------------------|---------------|
| <i>Item No.</i> | A00001 |
| <i>Quantity</i> | 5 |

Then save the Goods Receipt PO.

Goods Receipt Number: _____

2-2-2 Open the Goods Receipt PO you just created and check the effects of the Goods Receipt PO.

2-2-2-1 View the item master record.

Choose the correct tab for to check inventory quantity.

Which column shows the increase caused by the Goods Receipt PO?

What is the current stock level for the item?

Return to the Goods Receipt PO.

2-2-2-2 View the journal entry to see the effect of the Goods Receipt PO on accounting.

What were the two postings that were created automatically because the system is using perpetual inventory?

Return to the goods receipt PO.

- 2-3 The vendor's invoice for the delivered items arrives. You will create an A/P invoice to pay the vendor. When you save the A/P invoice, you will check the journal entry to see how this document affects accounting.

From the open Goods Receipt PO, create an A/P invoice.

Enter the invoice number (55723-09) and invoice date (yesterday's date) from the vendor's invoice into the appropriate fields.

| Field Name or Data Type | Values |
|-------------------------|------------------|
| <i>Vendor Ref. No.</i> | 55723-09 |
| <i>Document Date</i> | Yesterday's date |

A/P Invoice Number: _____

Save the A/P Invoice.

- 2-3-1 Open the A/P invoice you just created and view the relationship map.

Fill in the table below based on information in the document:

| | Values |
|---|--------|
| <i>What is the journal entry number?</i> | |
| <i>What additional information is available in this view?</i> | |

- 2-3-1-1 Open the journal from the relationship map to view additional information.

Which field in the journal entry contains the vendor reference number?

Which account was credited when the Goods Receipt PO was created and is now debited when the A/P Invoice is saved?

- 2-4 Pay the vendor's invoice. Then return to the invoice to view the relationship map.

| Field Name or Data Type | Values |
|-------------------------|---------------|
| <i>Code</i> | V20000 |

Post the payment.

Return to the A/P invoice and open the relationship map.

Which view shows you the outgoing payment?

- 2-5 This is an optional exercise for the procurement process that includes creating an item master and creating multiple goods receipt POs for one purchase order.

You want to place an order with your vendor, **V10000**. To do so, you call up the purchase order document and enter the vendor number. You order two units of items **C00009**, **C00010**, and **C00011**.

- 2-5-1 Enter the following values in the purchase order.

| Field Name or Data Type | Values |
|-------------------------|---------------|
| <i>Vendor</i> | V10000 |
| <i>Item No.</i> | C00009 |
| <i>Quantity</i> | 2 |
| <i>Item No.</i> | C00010 |
| <i>Quantity</i> | 2 |
| <i>Item No.</i> | C00011 |
| <i>Quantity</i> | 2 |

Before you enter an external hard drive as a fourth item, you realize that this item does not have a master record, so you create an item master record.

Use the following values for the new item master:

| Field Name or Data Type | Values |
|-------------------------|----------------------------|
| <i>Item No.</i> | TA200 |
| <i>Item Description</i> | External Hard Drive |

Enter the information and go back to your purchase order. Enter a price in the *Price* field in the purchase order.

Do not save the purchase order yet!

- 2-5-2 Since the goods are often delivered on different dates, you want to display the delivery date column in your item table. The same applies for the warehouse.
Set the delivery date and warehouse fields as active and visible.

Do not save the purchase order yet!

- 2-5-3 What payment terms does the system suggest? How did it determine these?

- 2-5-4 Add the purchase order.

Purchase Order Number: _____

Choose *OK*.

- 2-6 The delivery for your purchase order has arrived, however it is not exactly what you had ordered. The vendor's delivery document refers to your purchase order number.

Enter a Goods Receipt PO with reference to the purchase order document. Enter the vendor number and display all the open purchase order documents.

| Field Name or Data Type | Values |
|-------------------------|---------------|
| <i>Vendor</i> | V10000 |

- 2-6-1 The vendor did not deliver all the items and quantities. The vendor delivered the full quantity for C00009 and TA200, but delivered only a quantity of 1 for the C00010. C00011 was not delivered by the vendor.

For this reason, copy 3 of the 4 items to your Goods Receipt PO in the Draw Document Wizard and change the quantity of C00010 to 1.

Save your goods receipt document.

Goods Receipt Number: _____

- 2-6-2 Check the current stock situation of items **C00010** - **C00011** using the *Inventory Status Report* within the *Inventory Reports*. Record the quantities below.

| | C00010 | C00011 |
|------------------|--------|--------|
| <i>In Stock</i> | | |
| <i>Committed</i> | | |
| <i>Ordered</i> | | |
| <i>Available</i> | | |

- 2-6-3 You receive an additional delivery for the same purchase order. The vendor delivers all the remaining items. Create a goods receipt PO for these items.

| Field Name or Data Type | Values |
|-------------------------|---------------|
| <i>Vendor</i> | V10000 |

Add the goods receipt document.

- 2-6-4 **V10000** sends you an invoice for the above deliveries with the invoice number of 00125/04. Enter an A/P invoice in the system to represent the vendor's request for payment.

| Field Name or Data Type | Values |
|-------------------------|---------------------|
| <i>Vendor</i> | V10000 |
| <i>Posting Date</i> | Today's date |
| <i>Vendor Ref. No.</i> | 00125/04 |

- 2-6-5 Record all the items, referring to the two deliveries when you enter the invoice. Post the invoice to the system.

A/P Invoice Number: _____

- 2-6-6 View the relationship map from the original purchase order.



Unit: Purchasing-A/P

Topic: Purchase Order to Payment

At the conclusion of this exercise, you will be able to:

- Perform the steps of the purchasing process from purchase order to payment.
- Understand the effect of each purchasing document on inventory and accounting.

2-1 You want to understand the documents in the purchasing process and their effects on the areas of accounting and inventory. You will follow the steps of the purchasing process from purchase order to payment.

2-1-1 Create a purchase order for the vendor **V20000**. You order 5 units of items **A00001**.

Choose *Purchasing-A/P* → *Purchase Order*

| Field Name or Data Type | Values |
|-------------------------|---------------|
| <i>Vendor</i> | V20000 |
| <i>Item No.</i> | A00001 |
| <i>Quantity</i> | 5 |

Purchase Order Number: _____

Save the purchase order.

Choose *Add*.

2-1-2 You want to view the warehouse assigned for this item, so that you can determine the stock level in that warehouse. Reopen the purchase order and open the row details to find the warehouse assigned.

Choose *Last Data Record* in the tool bar.

Open the context menu by right-clicking on the row and choose *Row Details*.

Look at the warehouse assigned in the *Whse* field.

What is the warehouse assigned to the item?

- 2-1-3 You want to view the stock level currently found in that warehouse.
Choose the link arrow in the *Item No.* field to open the item master data record.
Choose the *Inventory Data* tab.

What is the current stock for the item in the warehouse?

- 2-1-4 Return to the purchase order and remain on the purchase order window.

- 2-2 The items on your purchase order have arrived. You will create a goods receipt PO from the purchase order. When you save the goods receipt PO, you will check the stock level and journal entry to see how this document affects inventory and accounting.

From the open purchase order, create a goods receipt PO.

Choose *Copy to*.

Choose *G. Receipt PO* in the dropdown box.

- 2-2-1 Check the rows and quantities in the Goods Receipt PO to make sure they match the quantities delivered by the vendor.

| Field Name or Data Type | Values |
|-------------------------|---------------|
| <i>Item No.</i> | A00001 |
| <i>Quantity</i> | 5 |

Then save the Goods Receipt PO.

Goods Receipt Number: _____

Choose *Add*.

Confirm the system message. Choose *Yes*.

- 2-2-2 Open the Goods Receipt PO you just created and check the effects of the Goods Receipt PO.

Choose the *Last Data Record* icon.

- 2-2-2-1 Choose the link arrow in the *Item No.* field to view the item master record.

Choose the correct tab for to check inventory quantity.

Choose the *Inventory Data* tab.

Which column shows the increase caused by the Goods Receipt PO?

View the *In Stock* column quantity.

What is the current stock level for the item?

—

The inventory for this item has increased by 5.

Return to the Goods Receipt PO. Choose *Cancel*.

- 2-2-2-2 View the journal entry to see the effect of the Goods Receipt PO on accounting.
- Choose the *Accounting* tab.
- Choose the link arrow next to the *Journal Remark* field.
- What were the two postings that were created automatically because the system is using perpetual inventory?

The system automatically creates two postings. A debit to show the increase in inventory quantity and value and a credit for goods received, not yet invoiced to accrue the amount owed to the vendor.

Choose *Cancel* to return to the Goods receipt PO.

- 2-3 The vendor's invoice for the delivered items arrives. You will create an A/P invoice to pay the vendor. When you save the A/P invoice, you will check the journal entry to see how this document affects accounting.

From the open Goods Receipt PO, create an A/P invoice.

Choose *Copy to*.

Choose *A/P Invoice*.

Enter the invoice number (55723-09) and invoice date (yesterday's date) from the vendor's invoice into the appropriate fields.

| Field Name or Data Type | Values |
|-------------------------|------------------|
| <i>Vendor Ref. No.</i> | 55723-09 |
| <i>Document Date</i> | Yesterday's date |

A/P Invoice Number: _____

Choose *Add* to save the A/P Invoice.

Confirm the system message. Choose *Yes*.

- 2-3-1 Open the A/P invoice you just created and view the relationship map.
Choose the view that displays the related journal entry.

Choose the *Last Data Record* icon to open the A/P Invoice.

Right-click to open the context menu and choose *Relationship Map*.

Choose *Marketing Document: Posting Details*.

Fill in the table below based on information in the relationship map:

| | Values |
|---|--------|
| <i>What is the journal entry number?</i> | |
| <i>What additional information is available in this view?</i> | |

The journal entry number is shown in the box labeled journal entry.
This view also displays information on the internal reconciliation and the vendor.

2-3-1-1 Open the journal entry from the relationship map to view additional information.

Which field in the journal entry contains the vendor reference number?

Double-click on the journal entry box to open the journal entry. The *Ref. 2* field contains the vendor reference number

Which account was credited when the Goods Receipt PO was created and is now debited when the A/P Invoice is saved?

The Goods Received Not Invoiced account is credited when the Goods Receipt PO is created and debited when the A/P Invoice is created.

Close all the windows by choosing **Window → Close All**.

- 2-4 Pay the vendor's invoice. Then return to the invoice to view the relationship map.

Banking → Outgoing Payments → Outgoing Payments

| Field Name or Data Type | Values |
|-------------------------|---------------|
| <i>Code</i> | V20000 |

Post the payment.

Select the row with the document number of your invoice.

Choose the *Payment Means* icon.

Choose the *Bank Transfer* tab.

Click in the *Total* field and press Ctrl-B to bring in the amount.

Choose *OK*.

Choose *Add*.

Then choose *Add* again.

Close the *Outgoing Payment* window to return to the A/P invoice.

Choose ***Purchasing-A/P → A/P Invoice***.

Choose the *Last Data Record* icon.

Open the context menu and choose *Relationship Map*.

Which view shows you the outgoing payment?

The *Marketing Document: Document Tree* view now shows the outgoing payment in addition to the purchase order, goods receipt PO and A/P invoice documents.

- 2-5 This is an optional exercise for the procurement process that includes creating an item master record and creating multiple goods receipt POs for one purchase order.

You want to place an order with your vendor, **V10000**. To do so, you call up the purchase order document and enter the vendor number. You order two units of items **C00009**, **C00010**, and **C00011**.

Choose *Purchasing-A/P* → *Purchase Order*

2-5-1

| Field Name or Data Type | Values |
|-------------------------|---------------|
| <i>Vendor</i> | V10000 |
| <i>Item No.</i> | C00009 |
| <i>Quantity</i> | 2 |
| <i>Item No.</i> | C00010 |
| <i>Quantity</i> | 2 |
| <i>Item No.</i> | C00011 |
| <i>Quantity</i> | 2 |

Before you enter an external hard drive as a fourth item, you realize that this item does not have a master record.

Choose the **Tab** key in the *Item No* field to create a new item directly from the purchase order. Choose *New* and create a new item for the zip drive with item code **TA200**.

| Field Name or Data Type | Values |
|-------------------------|----------------------------|
| <i>Item No.</i> | TA200 |
| <i>Item Description</i> | External Hard Drive |

Enter the above information and choose Add.

Go back to your purchase order. Enter a price in the *Price* field in the purchase order.

Do not save the purchase order yet!

- 2-5-2 Since the goods are often delivered on different dates, you want to display the delivery date column in your item table. The same applies for the warehouse.

Set the delivery date and warehouse fields as active and visible. From the Menu bar, choose the *Form Settings* icon. On the *Table Format* tab, select *Visible* and *Active* for the fields *Del. Date* and *Whse.* Choose *OK*.

Do not save the purchase order yet!

- 2-5-3 What payment terms does the system suggest? How did it determine these?

The payment terms appear as 2P10**Net 30** on the *Accounting* tab.

The system took the payment terms from the business partner master record and defaulted the terms into the document.

- 2-5-4 Choose **Add** to save the purchase order.

Purchase Order Number: _____

- 2-6 The delivery for your purchase order has arrived, however it is not exactly what you had ordered. The vendor's delivery document refers to your purchase order number.

Enter a Goods Receipt PO with reference to the purchase order document.

Choose ***Purchasing-A/P → Goods Receipt PO.***

Enter the vendor number and display all the open purchase order documents.

| Field Name or Data Type | Values |
|-------------------------|--------|
| Vendor | V10000 |

Choose ***Copy from → Purchase Orders***

Choose the correct document from the list.

In the next step, you will adjust the quantities in the *Draw Document Wizard*.

- 2-6-1 The vendor did not deliver all the items and quantities. The vendor delivered the full quantity for C00009 and TA200, but delivered only a quantity of 1 for the C00010. C00011 was not delivered by the vendor.

For this reason, copy 3 of the 4 items to your Goods Receipt PO in the *Draw Document Wizard*:

Select the two radio buttons: *Use Doc and Row Exchange Rate from Base Document* and *Customize*.

Choose *Next*.

Choose all the delivered items except C00011 (you can use *Ctrl-Click* to select individual rows).

Change the quantity of C00010 to 1.

Choose *Finish*

Check the rows and quantities in the Goods Receipt PO to make sure they match the quantities delivered by the vendor.

Then save the Goods Receipt PO by choosing *Add*.

Goods Receipt Number: _____

Choose *Yes*.

Close the *Goods Receipt PO* window.

- 2-6-2 Check the current stock situation of items **C00010** - **C00011** using the *Inventory Status Report* within the *Inventory Reports*. Record the quantities below.

| | C00010 | C00011 |
|------------------|--------|--------|
| <i>In Stock</i> | | |
| <i>Committed</i> | | |
| <i>Ordered</i> | | |
| <i>Available</i> | | |

Choose *Inventory* → *Inventory Reports* → *Inventory Status*. Enter **C00010** in the *Code From* field and **C00011** in the *Code To* field. Then choose *OK*. Enter the values into the box above.

- 2-6-3 You receive an additional delivery for the same purchase order. The vendor delivers all the remaining items. Create a goods receipt PO for the remaining items.

Purchasing-A/P → *Goods Receipt PO*

| Field Name or Data Type | Values |
|-------------------------|---------------|
| <i>Vendor</i> | V10000 |

Choose *Copy from* → *Purchase Orders*.

Choose the correct document from the list.

Draw Document Wizard: select *Use Row Exchange Rate from Base Document* and *Customize*.

Choose *Next*.

Make sure the remaining items are selected.

Choose *Finish*

Choose *Add*

Choose *Yes*.

- 2-6-4 **V10000** sends you an invoice for the above deliveries with the invoice number of 00125/04.

Enter an A/P invoice in the system to represent the vendor's request for payment.

Choose ***Purchasing-A/P → A/P Invoice***

| Field Name or Data Type | Values |
|-------------------------|---------------------|
| <i>Vendor</i> | V10000 |
| <i>Posting Date</i> | Today's date |
| <i>Vendor Ref. No.</i> | 00125/04 |

- 2-6-5 Record all the items, referring to the two deliveries when you enter the invoice.

Choose ***Copy From → Goods Receipt PO.***

Select the two goods receipt POs with all items.

Choose ***Draw All Data*** in the Draw Document Wizard.

Choose ***Finish.***

Enter a posting date and the vendor reference number.

Choose ***Add.***

A/P Invoice Number: _____

Choose ***Yes*** to accept the system message.

- 2-6-6 View the relationship map from the original purchase order.

Choose the menu path ***Purchasing-A/P → Purchase Order***

Choose the Find icon in the tool bar.

Enter the Purchase Order document number in the *No.* field.

Open the context menu and choose ***Relationship Map.***

Exercises



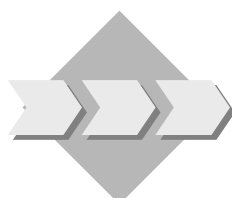
Unit: Purchasing-A/P

Topic: Purchase Requests and Purchase Quotations



At the end of this exercise, you will be able to:

- Create a purchase request
- Generate a purchase order from a purchase request
- Create purchase quotations
- Compare purchase quotations



In this exercise, you will create a purchase request and generate a purchase order from the purchase request report. You will create purchase quotations, compare the results you get from vendors and use this information to create a purchase order.

3-1 Purchase Requests

- 3-1-1 The sales team needs to requisition two laptops for a sales road show. As the head of the sales team, you create a purchase request for the laptops.

Enter the following data in the purchase request.

| Field Name or Data Type | Values |
|---|--------------------------|
| <i>Required Date</i> | A week from today |
| <i>Item No.</i> | Z00001 |
| <i>Required Qty</i> | 2 |
| <i>Send E-Mail if PO or GRPO is added</i> | Checked |

- 3-1-2 Because purchase requests over the limit of 250 require management approval, the document is saved by a draft.

The *Authorization* window opens so that you can approve the request.

Enter the following data in the *Authorization* window.

| Field Name or Data Type | Values |
|-------------------------|------------------------|
| <i>Remarks</i> | Sales Road Show |

3-1-3 Approve the request.

The Messages/Alerts Overview window appears with a *Request for Document Approval* message in the *Inbox* tab.

Drill down into the Request for Approval document .

Enter the following data.

| Field Name or Data Type | Values |
|-------------------------|-----------------|
| <i>Decision</i> | Approved |

3-1-4 Convert the purchase request draft.

The Messages/Alerts Overview window appears with a *Document generation approved* message.

Convert the document from a draft and to save the purchase request.

3-2 Now assume that you have the buyer role. Run the Purchase Request Report in order to fulfill any purchase requests.

In the selection criteria window, enter the following information.

| Field Name or Data Type | Values |
|--|----------------|
| <i>Display Open Purchase Requests Only</i> | Checked |

3-2-1 Check to see the requested item is currently in stock.

3-2-2 Check to see if any alternative items are in stock.

3-2-3 Once you have determined the need to purchase the item, create a purchase order.

Ensure that only the checkbox for Z00001 is selected.

Ensure the vendor code V70000 is entered in the *Vendor Code* field.

3-2-4 What are a few ways that you can tell from the purchase request that a purchase order has been created?

3-3 Creation of Purchase Quotations

- 3-3-1 You would like to automatically generate quotations for two items A00001 and A00002 from three vendors: V10000, V1010, and V20000. Before you create the purchase quotations, you need to check if these preferred vendors are entered in the system. If not, then you add the vendors as preferred vendors for each item.

In the *Item Master Data*, choose the *Purchasing Data* tab, *Preferred Vendor* '...' field.

| Field Name or Data Type | Values |
|-------------------------|---------------|
| <i>BP Code</i> | V10000 |
| <i>BP Code</i> | V1010 |
| <i>BP Code</i> | V20000 |

In case only one vendor is entered for one of the items, add the missing vendors as a preferred vendor.

- 3-3-2 Use the *Purchase Quotation Generation Wizard* to generate quotations for the two items.

Create a new parameter set with the following information.

| Field Name or Data Type | Values |
|-------------------------|------------|
| <i>Set Name</i> | PQ1 |
| <i>Set Description</i> | PQ1 |

Choose *Next*.

In the *Base on Items* window, enter the following values:

| Field Name or Data Type | Values |
|-------------------------------|--------------------|
| <i>Item No.</i> | A00001 |
| <i>Item No.</i> | A00002 |
| <i>Required Date for both</i> | Next Monday |
| <i>Valid Until for both</i> | Next Monday |

Choose *Next*.

Group this view **by Item** and enter the following quantities:

| Field Name or Data Type | Values |
|--------------------------|-------------------|
| <i>Group</i> | By Item |
| <i>Required Quantity</i> | A00001 → 3 |
| <i>Required Quantity</i> | A00002 → 2 |

Save the parameter set and execute.

As soon as the purchase quotations are generated by the system, enter the vendor's responses for the corresponding quotations.

In the menu, choose: **Purchasing - A/P → Purchase Quotation** and open the last three quotations.

| V10000 | |
|-------------------------|--------------------|
| Field Name or Data Type | Values |
| <i>Quoted Date</i> | Next Friday |
| <i>Item</i> | A00001 |
| <i>Quoted Qty.</i> | 3 |
| <i>Unit Price</i> | 200 |
| <i>Item</i> | A00002 |
| <i>Quoted Qty.</i> | 2 |
| <i>Unit Price</i> | 120 |

| V1010 | |
|-------------------------|---------------------|
| Field Name or Data Type | Values |
| <i>Quoted Date</i> | Next Tuesday |
| <i>Item</i> | A00002 |
| <i>Quoted Qty.</i> | 2 |
| <i>Unit Price</i> | 95 |

| V20000 | |
|--------------------------------|--------------------|
| Field Name or Data Type | Values |
| <i>Quoted Date</i> | Next Monday |
| <i>Item</i> | A00001 |
| <i>Quoted Qty.</i> | 3 |
| <i>Unit Price</i> | 205 |

3-4 Quotation Comparison

- 3-4-1 As soon as you have entered all data into the Purchase Quotations, have a look at the entered data in the ***Purchasing Reports, Purchase Quotation Comparison Report***.

Enter the current Group No. of the documents you created into the selection criteria. The system supports you by displaying the best data in red.

To complete the process, create a Purchase Order for both items out of the particular Purchase Quotations. For Item A00001, create a Purchase Order out of the Purchase Quotation for Vendor V10000. For Item A00002 create a Purchase Order out of the Purchase Quotation for Vendor V1010.

Then manually close the Purchase Quotations for Vendor V20000.

- 3-4-2 You decide you wish to create a purchase quotation for another item. Since you do not wish to compare vendors, you create the quotation manually.

In the menu, choose: ***Purchasing A/P → Purchase Quotation***

| Field Name or Data Type | Values |
|--------------------------------|--------------------------|
| <i>Vendor</i> | V20000 |
| <i>Required Date</i> | Tuesday next week |
| <i>Item No.</i> | A00003 |
| <i>Required Qty.</i> | 2 |
| <i>Unit Price</i> | 155 |

Add this document and confirm the question regarding the document total with ***Yes***.

After you received the vendor's responses, enter them in the purchase quotation you just created.

| Field Name or Data Type | Values |
|-------------------------|-------------------------|
| <i>Quoted Date</i> | Monday next week |
| <i>Quoted Qty.</i> | 2 |

Generate a purchase order out of this document. The purchase quotation will be closed automatically after generating the purchase order.



Unit: Purchasing A/P

Topic: Purchase Requests and Purchase Quotations

3-1 Purchase Requests

- 3-1-1 The sales team needs to requisition two laptops for a sales road show. As the head of the sales team, you create a purchase request for the laptops.

Purchasing – A/P → Purchase Request

Enter the following data in the purchase request.

| Field Name or Data Type | Values |
|---|--------------------------|
| <i>Required Date</i> | A week from today |
| <i>Item No.</i> | Z00001 |
| <i>Required Qty</i> | 2 |
| <i>Send E-Mail if PO or GRPO is added</i> | Checked |

Add the purchase request.

Purchase Request Number _____

- 3-1-2 Because the purchase request is over the limit of 250 and the purchase request requires management approval, the document is saved by a draft.

The *Authorization* window opens so that you can approve the request.

Enter the following data in the *Authorization* window.

| Field Name or Data Type | Values |
|-------------------------|------------------------|
| <i>Remarks</i> | Sales Road Show |

Choose OK to submit the authorization request.

Close the *Purchase Request* window.

3-1-3 Approve the request.

The Messages/Alerts Overview window appears with a *Request for Document Approval* message in the *Inbox* tab.

In the *Inbox* tab, select the *Request for Document Approval* row.

Drill down into the Request for Approval document using the link arrow.

Enter the following data.

| Field Name or Data Type | Values |
|-------------------------|-----------------|
| <i>Decision</i> | Approved |

Choose *Update* and then *OK* to close the window.

3-1-4 Convert the purchase request draft.

The Messages/Alerts Overview window appears with a *Document generation approved* message.

In the *Inbox* tab, select the *Document generation approved* row.

Use the link arrow to open the draft purchase request.

Choose *Add* to convert the document from a draft and to save the purchase request.

Then close the purchase request.

- 3-2 Now assume that you have the buyer role. Run the Purchase Request Report in order to fulfill any purchase requests.

In the menu, choose **Purchasing – A/P → Purchasing Reports → Purchase Request Report**

In the selection criteria window, enter the following information.

| Field Name or Data Type | Values |
|--|----------------|
| <i>Display Open Purchase Requests Only</i> | Checked |

Choose *OK* to run the report.

- 3-2-1 Check to see the requested item is currently in stock.

Open the context menu by right-clicking the *Item Code* field, choose *Inventory Status*. After checking the status, close the window.

- 3-2-2 Check to see if any alternative items are in stock.

Open the context menu by right-clicking, choose *Alternative Items*. After checking if alternative items exist, close the window.

- 3-2-3 Once you have determined the need to purchase the item, create a purchase order.

Ensure that only the checkbox for Z00001 is selected.

Ensure the vendor code V70000 is entered in the *Vendor Code* field.

Choose the button *Create*.

Select *Purchase Orders* in the dropdown box.

Choose *Yes* to confirm the message that the creation of purchase orders is irreversible.

Close the report window.

- 3-2-4 What are a few ways that you can tell from the purchase request that a purchase order has been created?

Reopen the purchase request document.

Choose **Purchasing – A/P → Purchase Request**.

Then choose the *Last Data Record* icon.

The status of the purchase request is now *Closed*.

The *Target Document* icon is no longer greyed out.

The option *Target Document* appears in the context menu.

You can view the related purchase order in the relationship map.

3-3 Creation of Purchase Quotations

- 3-3-1 You would like to automatically generate quotations for two items A00001 and A00002 from three vendors: V10000, V1010, V20000.

Before you create the purchase quotations, you need to check if these preferred vendors are entered in the system. If not, then you add the vendors as preferred vendors for each item.

In the menu, choose **Inventory** → **Item Master Data**

Enter the item number A00001.

In the **Item Master Data**, choose the **Purchasing Data** tab

Find the **Preferred Vendor** field.

Choose the **Browse** button (...) to the right of the **Preferred Vendor** field.

Add the following information.

| Field Name or Data Type | Values |
|-------------------------|---------------|
| <i>BP Code</i> | V10000 |
| <i>BP Code</i> | V1010 |
| <i>BP Code</i> | V20000 |

Repeat the same steps with item number **A00002**.

- 3-3-2 Use the **Purchase Quotation Generation Wizard** to generate quotations for the two items.

Choose the menu path: **Purchasing - A/P → Purchase Quotation Generation Wizard**

Create a new parameter set with the following information.

| Field Name or Data Type | Values |
|-------------------------|------------|
| <i>Set Name</i> | PQ1 |
| <i>Set Description</i> | PQ1 |

Choose **Next**.

In the **Base on Items** window, enter the following values:

| Field Name or Data Type | Values |
|-------------------------------|--------------------|
| <i>Item No.</i> | A00001 |
| <i>Item No.</i> | A00002 |
| <i>Required Date for both</i> | Next Monday |
| <i>Valid Until for both</i> | Next Monday |

Choose **Next**.

Group this view **by Item** and enter the following quantities:

| Field Name or Data Type | Values |
|--------------------------|-------------------|
| <i>Group</i> | By Item |
| <i>Required Quantity</i> | A00001 → 3 |
| <i>Required Quantity</i> | A00002 → 2 |

Choose **Next** and execute the wizard by selecting **Save Parameter Set and Execute** then choose **Next**.

As soon as the purchase quotations are generated by the system, enter the vendor's responses for the corresponding quotations.

In the menu, choose: **Purchasing - A/P** → **Purchase Quotation** and open the last three quotations.

| V10000 | |
|--------------------------------|--------------------|
| Field Name or Data Type | Values |
| <i>Quoted Date</i> | Next Friday |
| <i>Item</i> | A00001 |
| <i>Quoted Qty.</i> | 3 |
| <i>Unit Price</i> | 200 |
| <i>Item</i> | A00002 |
| <i>Quoted Qty.</i> | 2 |
| <i>Unit Price</i> | 120 |

| V1010 | |
|--------------------------------|---------------------|
| Field Name or Data Type | Values |
| <i>Quoted Date</i> | Next Tuesday |
| <i>Item</i> | A00002 |
| <i>Quoted Qty.</i> | 2 |
| <i>Unit Price</i> | 95 |

| V20000 | |
|--------------------------------|--------------------|
| Field Name or Data Type | Values |
| <i>Quoted Date</i> | Next Monday |
| <i>Item</i> | A00001 |
| <i>Quoted Qty.</i> | 3 |
| <i>Unit Price</i> | 205 |

3-4 Quotation Comparison

- 3-4-1 As soon as you have entered all data into the Purchase Quotations, have a look at the entered data in the ***Purchasing Reports, Purchase Quotation Comparison Report***.

Choose ***Purchasing A/P → Purchasing Reports → Purchase Quotation Comparison Report***.

Enter the current Group No. of the documents you created into the selection criteria. The system supports you by displaying the best data in red.

To complete the process, create a purchase order for both items out of the particular purchase quotations. For item A00001, create a purchase order out of the purchase quotation for vendor V10000. For item A00002 create a purchase order out of the purchase quotation for vendor V1010.

Then manually close the purchase quotations for vendors V20000 and V30000 in the documents by right clicking in each document and selecting ***Close***.

- 3-4-2 You decide you wish to create a purchase quotation for another item. Since you do not wish to compare vendors, you create the quotation manually.

In the menu, choose: ***Purchasing A/P → Purchase Quotation***

| Field Name or Data Type | Values |
|-------------------------|--------------------------|
| <i>Vendor</i> | V20000 |
| <i>Required Date</i> | Tuesday next week |
| <i>Item No.</i> | A00003 |
| <i>Required Qty.</i> | 2 |
| <i>Unit Price</i> | 155 |

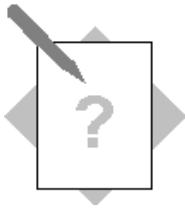
Add this document and confirm the question regarding the document total with ***Yes***.

After you received the vendor's responses, enter them in the purchase quotation you just created.

| Field Name or Data Type | Values |
|-------------------------|-------------------------|
| <i>Quoted Date</i> | Monday next week |
| <i>Quoted Qty.</i> | 2 |

Generate a purchase order out of this document. The purchase quotation will be closed automatically after generating the purchase order.

Exercises

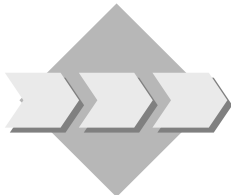


Unit: Purchasing-A/P Topic: Purchasing Services



At the conclusion of this exercise, you will be able to:

- Perform the steps to purchase a service with a purchase order
- Process vendor invoices for services without a purchase order
- Set up recurring A/P invoices



In this exercise, you create a purchase order for a web design service. When the services are provided, the vendor sends an invoice. You create an A/P invoice to pay the vendor.

An invoice for electricity arrives from a new utility. You create an A/P invoice for this service. Since the utility is a new vendor, you create a vendor master record.

Rent for the office is due monthly. You set up a recurring service invoice to pay the monthly rent.

- 4-1 You have spoken with your vendor, **V23000** about providing web design services. Create a service purchase order document and enter the vendor number. Change the *Item/Service Type* to Service. Enter a description for the service and choose the appropriate G/L account number for the service. Enter 2000 as the price for the service.

4-1-1 Enter the following information:

| Field Name or Data Type | Values |
|----------------------------|--|
| <i>Vendor</i> | V23000 |
| <i>Item/Service type</i> | Service |
| <i>Service Description</i> | Web Design Services |
| <i>G/L Account Number</i> | Use an account such as miscellaneous expenses |
| <i>Total Price</i> | 2000 |

Add the purchase order.

Purchase Order Number: _____

- 4-1-2 The services have been provided and you received an invoice from the vendor. The invoice number on the vendor invoice is 187 and the invoice date is yesterday. Create an A/P Invoice to pay for the service received.

Choose the vendor from the list of vendors. Then enter the invoice number in the *Vendor Reference Number* field. Enter today as the posting date. Change the document date to match the vendor's invoice date.

| Field Name or Data Type | Values |
|-------------------------|-------------------------|
| <i>Vendor</i> | V23000 |
| <i>Vendor Ref. No.</i> | 187 |
| <i>Posting Date</i> | Today's date |
| <i>Document date</i> | Yesterday's date |

- 4-1-3 Which setting should always be verified before copying from a purchase order? Why?

- 4-1-4 Copy rows from the purchase order you created earlier.

Note: If you do not find the purchase order on the list, check that *Item/Service Type* field is set to *Service*.

- 4-1-5 Which field in the A/P Invoice should match the total on the vendor invoice?

- 4-1-6 Save the A/P Invoice.

A/P Invoice Number: _____

- 4-2 You receive a utility bill from a new energy vendor for the amount of 1255.60 for your main office. Create a non-PO invoice for the utilities.

- 4-2-1 Create the vendor from the *Vendor Code* field.

Enter the following values:

| Field Name or Data Type | Values |
|-------------------------|-------------------------|
| <i>Vendor Code</i> | V29000 |
| <i>Name</i> | Southwest Energy |

Enter a *Pay-to* Address of your choice.

- 4-2-2 For the vendor reference number, create an abbreviation that identifies the invoice to you, such as a combination of month, year and location where the electricity was provided.

| Field Name or Data Type | Values |
|-------------------------|------------------------|
| <i>Vendor Ref. No</i> | MMYY-MainOffice |

- 4-2-3 Enter the current date for the posting date and enter the date from the vendor invoice (the last day of the previous month) for the document date.

- 4-2-4 Enter information about the service provided in the A/P Invoice.

| Field Name or Data Type | Values |
|-------------------------|-----------------------------------|
| <i>Description</i> | Main Office Power |
| <i>G/L Account</i> | (Utilities account number) |
| <i>Total (LC)</i> | 1255.60 |

- 4-2-5 Save the invoice.

A/P Invoice Number: _____

- 4-3 You decide to set up a recurring A/P invoice for monthly payments on an annual lease. The A/P invoice should be generated on today's date.

4-3-1 Create a recurring transaction template.

Enter the following information into the template.

| Field Name or Data Type | Values |
|--------------------------|---------------------|
| <i>Template</i> | L1 |
| <i>Type</i> | A/P Invoice |
| <i>Recurrence Period</i> | Monthly |
| <i>Recurrence Date</i> | Today's Date |
| <i>Start Date</i> | Today's Date |

The *Next Execution* field should display today's date.

Before saving the template, right-click into the Doc No. field and choose the drop down icon to open the *List of Documents – Drafts* window.

Choose *New* to create the A/P invoice draft that will be the basis for the recurring A/P invoice transactions.

Enter the following information into the draft A/P invoice.

| Field Name or Data Type | Values |
|--------------------------|--------------------------------------|
| <i>Vendor</i> | V30000 |
| <i>Item/Service type</i> | Service |
| <i>Description</i> | Lease for Building 3 |
| <i>G/L account</i> | Use the account for Buildings |
| <i>Total</i> | 3500 |

4-3-2 Set the *Recurring Transactions* window to appear when you log in.

4-3-3 Execute the recurring transaction scheduled for today.

Solutions



Unit: Purchasing-A/P

Topic: Purchasing Services

- 4-1 You have spoken with your vendor, **V23000** about providing web design services. Create a purchase order document and enter the vendor number. Change the *Item/Service Type* to **Service**. Enter a description for the service and choose the appropriate G/L account number for the service. Enter 2000 as the price for the service.

Choose **Purchasing-A/P → Purchase Order**

4-1-1

| Field Name or Data Type | Values |
|----------------------------|--|
| <i>Vendor</i> | V23000 |
| <i>Item/Service type</i> | Service |
| <i>Service Description</i> | Web Design Services |
| <i>G/L Account Number</i> | Use an account such as miscellaneous expenses |
| <i>Total Price</i> | 2000 |

Add the purchase order.

Purchase Order Number: _____

- 4-1-2 The services have been provided and you received an invoice from the vendor. The invoice number on the vendor invoice is 187 and the invoice date is yesterday. Create an A/P Invoice to pay for the service received.

Choose the vendor from the list of vendors. Then enter the invoice number in the *Vendor Reference Number field*. Enter today as the posting date. Change the document date to match the vendor's invoice date.

Choose **Purchasing-A/P → A/P Invoice**

| Field Name or Data Type | Values |
|-------------------------|-------------------------|
| <i>Vendor</i> | V23000 |
| <i>Vendor Ref. No.</i> | 187 |
| <i>Posting Date</i> | Today's date |
| <i>Document date</i> | Yesterday's date |

- 4-1-3 Which setting should always be verified before copying from a purchase order? Why?

The *Item/Service Type* field setting should be checked to ensure it matches the item/service type on the purchase order. Service must display in the *Item/Service Type* field in order to copy from service purchase orders. If item is chosen in the *Item/Service Type* field, you can only copy from item purchase orders.

- 4-1-4 Copy rows from the purchase order you created earlier.

Choose *Copy from*.

Choose *Purchase Orders*.

Choose the appropriate purchase order from the list by double-clicking on the row.

Note: If you do not find the purchase order on the list, check that *Item/Service Type* field is set to *Service*.

Accept the default values in the Draw Document Wizard by choosing *Finish*.

- 4-1-5 Which field in the A/P Invoice should match the total on the vendor invoice?

The *Total Payment Due* field should match the total due on the vendor invoice.

- 4-1-6 Save the A/P Invoice.

Choose *Add*.

A/P Invoice Number: _____

Accept the system message by choosing *Yes*.

- 4-2 You receive a utility bill from a new energy vendor for the amount of 1255.60 for your main office. Create a non-PO invoice for the utilities.

Choose **Purchasing-A/P → A/P Invoice**

- 4-2-1 Create the vendor from the *Vendor Code* field.

Choose the selection list icon in the *Vendor Code* field.

From the *List of Business Partners* window, choose *New*.

Enter the following values:

| Field Name or Data Type | Values |
|-------------------------|-------------------------|
| <i>Vendor Code</i> | V29000 |
| <i>Name</i> | Southwest Energy |

Go to the *Addresses* tab.

Enter a *Pay-to Address* of your choice.

Then choose *Add*.

A/P Invoice Number: _____

- 4-2-2 For the vendor reference number, create an abbreviation that identifies the invoice to you, such as a combination of month, year and location where the electricity was provided.

| Field Name or Data Type | Values |
|-------------------------|------------------------|
| <i>Vendor Ref. No</i> | MMYY-MainOffice |

- 4-2-3 Enter the current date for the posting date and enter the date from the vendor invoice (the last day of the previous month) for the document date.

- 4-2-4 Enter information about the service provided in the A/P Invoice. Choose an appropriate G/L account from the list of accounts.

| Field Name or Data Type | Values |
|-------------------------|-----------------------------------|
| <i>Description</i> | Main Office Power |
| <i>G/L Account</i> | (Utilities account number) |
| <i>Total (LC)</i> | 1255.60 |

- 4-2-5 Save the invoice.

A/P Invoice Number: _____

Choose *Add*.

Choose *Yes*.

- 4-3 You decide to set up a recurring A/P invoice for monthly payments on an annual lease. The A/P invoice should be generated on today's date.

4-3-1 Create a recurring transaction template.

Choose **Purchasing-A/P → Recurring Transaction Templates**.
Enter the following information into the template.

| Field Name or Data Type | Values |
|--------------------------|---------------------|
| <i>Template</i> | L1 |
| <i>Type</i> | A/P Invoice |
| <i>Recurrence Period</i> | Monthly |
| <i>Recurrence Date</i> | Today's date |
| <i>Start Date</i> | Today's Date |

The *Next Execution* field should display today's date.

Before saving the template, right-click into the Doc No. field and choose the drop down icon to open the *List of Documents – Drafts* window.

Choose *New* to create the A/P invoice draft that will be the basis for the recurring A/P invoice transactions.

Enter the following information into the draft A/P invoice.

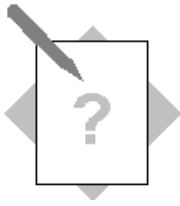
| Field Name or Data Type | Values |
|--------------------------|--------------------------------------|
| <i>Vendor</i> | V30000 |
| <i>Item/Service type</i> | Service |
| <i>Description</i> | Lease for Building 3 |
| <i>G/L account</i> | Use the account for Buildings |
| <i>Total</i> | 3500 |

Choose *Add* to save the draft.

Then save and close the template by choosing *Update* then *OK*.

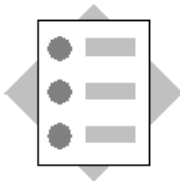
- 4-3-2 Set the *Recurring Transactions* window to appear when you log in.
Choose ***Administration*** → ***System Initialization*** → ***General Settings***.
Choose the ***Services*** tab.
Select the check box *Display Recurring Transactions on Execution*.
Choose *Update* and then *OK*.
- 4-3-3 Execute the recurring transaction scheduled for today.
If you log off the system and log back in, you will see the *Confirmation of Recurring Transactions* window appear.
The other option is to choose ***Purchasing-A/P*** → ***Recurring Transactions***.
Select the recurring transaction for today.
Choose the link arrow to review the A/P invoice draft document.
Choose *Add* to execute the transaction.
Confirm the system message with *Yes*.
Then close the *Recurring Transactions* window.

Exercise

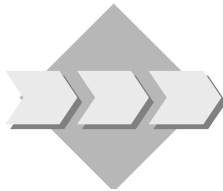


Unit: Purchasing-A/P

Topic: Issues in Goods Receipt



- At the conclusion of this exercise, you will be able to:
Manage under-deliveries, over-deliveries and substitute items in goods receipt POs.



In this exercise, you create a purchase order for some items. Some of the items are being discontinued so the vendor can only send a partial quantity. The vendor also sends too many of another item and a substitute item. You create a goods receipt PO which receives the items delivered. Since you will never receive the quantity originally ordered, close the purchase order after creating the goods receipt PO.

5-1 Create a purchase order for vendor V10000. You are ordering three items and the vendor has informed you that some of the items may be out of stock, but you decide to place the order anyway.

5-1-1 Enter a purchase order for three items.

| Field Name or Data Type | Values |
|--------------------------|---------------|
| <i>Vendor</i> | V10000 |
| <i>Item/Service Type</i> | Item |
| <i>Item</i> | C00010 |
| <i>Quantity</i> | 5 |
| <i>Item</i> | C00009 |
| <i>Quantity</i> | 5 |
| <i>Item</i> | A00002 |
| <i>Quantity</i> | 5 |

Purchase Order Number: _____

- 5-1-2 A shipment arrived from vendor 10000 for some of the items that you ordered. The vendor's shipment is not the same as your original purchase order. The vendor has shipped only 3 of the first item (C00010). Additionally, they have delivered too many of the second item (C00009), 6 keyboards instead of 5. Instead of the third item you ordered (A00002), they have substituted a different printer. After calling the vendor and discussing the differences, you decide to accept the order.

Open the purchase order you just created and create a goods receipt PO for those items.

- 5-1-3 Create the goods receipt PO.
- 5-1-4 Change the quantity on the first row to 3.
- 5-1-5 Change the quantity of the second item to 6.
- 5-1-6 Delete the third row and add the item you actually received.

Enter the following information into the empty row.

| Field Name or Data Type | Values |
|-------------------------|---------------|
| <i>Item No.</i> | A00003 |
| <i>Quantity</i> | 5 |

Goods Receipt PO Number: _____

- 5-1-7 The vendor sends the remaining quantity of two for the first item (C00010). Open the purchase order you just created to create a second Goods Receipt PO to receive the shipment.
- 5-1-8 What quantity displays for the first item? Why?
- _____
- 5-1-9 Copy the purchase order to a goods receipt PO.

5-1-10 Which items and quantities display in the Goods Receipt PO and why?

5-1-11 Delete the row with the printers (A00002) and save the goods receipt PO.

Goods Receipt PO Number: _____

5-1-12 Change the status of the purchase order to *Closed*. Use one of the two methods listed below.

Method 1: Navigate to the purchase order from the goods receipt PO you just created. Then close the purchase order.

Method 2: Use the *Open Items List* to navigate to the purchase order.

If you would like to check the resulting stock situation, you can return to the ***Inventory Status report*** or display the stock situation for each purchased item in the item master record on the *Inventory Data* tab.

Solutions



Unit: Purchasing-A/P

Topic: Issues in Goods Receipt

- 5-1 Create a purchase order for vendor V10000. You are ordering three items and the vendor has informed you that some of the items may be out of stock, but you decide to place the order anyway.

Purchasing-A/P → Purchase Order

- 5-1-1 Enter a purchase order for three items.

| Field Name or Data Type | Values |
|--------------------------|---------------|
| <i>Vendor</i> | V10000 |
| <i>Item/Service Type</i> | Item |
| <i>Item</i> | C00010 |
| <i>Quantity</i> | 5 |
| <i>Item</i> | C00009 |
| <i>Quantity</i> | 5 |
| <i>Item</i> | A00002 |
| <i>Quantity</i> | 5 |

Choose *Add* to save the purchase order.

Purchase Order Number: _____

- 5-1-2 A shipment arrived from vendor 10000 for some of the items that you ordered. The vendor's shipment is not the same as your original purchase order. The vendor has shipped only 3 of the first item (C00010). Additionally, they have delivered too many of the second item (C00009), 6 keyboards instead of 5. Instead of the third item you ordered (A00002), they have substituted a different printer. After calling the vendor and discussing the differences, you decide to accept the order.

Open the purchase order you just created and create a goods receipt PO for those items.

Choose the *Last Data Record* icon.

- 5-1-3 Create the goods receipt PO.

Choose *Copy to*.

Choose *G. Receipt PO*.

- 5-1-4 Change the quantity on the first row to 3.

- 5-1-5 Change the quantity of the second item to 6.

- 5-1-6 Delete the third row and add the item you actually received.

Select the row by clicking on the number 3 to the left of the row.

Right click (to open the context menu).

Choose *Delete Row*.

Enter the following information into the empty row.

| Field Name or Data Type | Values |
|-------------------------|---------------|
| <i>Item No.</i> | A00003 |
| <i>Quantity</i> | 5 |

Choose *Add*.

Goods Receipt PO Number: _____

Choose *Yes* to accept the system message.

- 5-1-7 The vendor sends the remaining quantity of two for the first item (C00010). Open the purchase order you just created to create a second Goods Receipt PO to receive the shipment.

Purchasing-A/P → Purchase Order

Choose the *Last Data Record* icon.

5-1-8 What quantity displays for the first item? Why?

The first item still shows a quantity of 5 which is the original quantity ordered in the purchase order. The quantity in the purchase order does not change based on the goods receipt PO. The quantity not yet received displays in the *Open Amount* field. This field can be added to the form in *Form Settings*.

5-1-9 Copy the purchase order to a goods receipt PO.

Choose *Copy to*.

Choose *G. Receipt PO*.

5-1-10 Which items and quantities display in the Goods Receipt PO and why?

Two items display. The first item has a quantity of 2. The system subtracts the quantity of 3 that was received in a previous goods receipt PO. Since this is the correct quantity, you do not need to change the amounts.

The second item is for the printers we ordered that were out of stock. The vendor has sent us an alternate item but because the purchase order row item is still open, this item is automatically copied to the goods receipt PO.

Normally when we receive all items on a purchase order, the system changes the status to *Closed*. Since this item will never be received, we should close the purchase order after we finish processing this goods receipt PO. Otherwise, the item will continue to display as an open item on inventory reports.

5-1-11 Delete the row with the printers (A00002) and save the goods receipt PO.

Select the row and open the context menu by right clicking.

Choose *Delete Row*.

Choose *Add* to save the goods receipt PO.

Goods Receipt PO Number: _____

Choose *Yes*.

- 5-1-12 Change the status of the purchase order to *Closed*. Use one of the two methods listed below.

Method 1: Navigate to the purchase order from the goods receipt PO you just created. Then close the purchase order.

Choose the *Last Data Record* icon.

Choose the *Base Document* icon.

Choose the menu path **Data → Close**

Choose *Yes* to confirm the system message.

Method 2: Use the *Open Items List* to navigate to the purchase order.

Choose **Purchasing-A/P → Purchasing Reports → Open Items List**.

Choose *Purchase Orders* in the *Open documents* dropdown list.

Select the correct PO and close it by choosing **Data → Close** from the menu bar or **right mouse-click → Close**.

Choose *Yes* (system message).

If you would like to check the resulting stock situation, you can return to the **Inventory Status report** or display the stock situation for each purchased item in the item master record on the *Inventory Data* tab.

Exercises



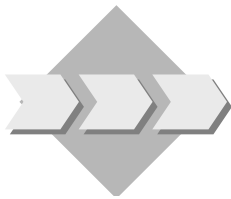
Unit: Purchasing-A/P

Topic: Goods Returns and Credit Memos



At the conclusion of this exercise, you will be able to:

- Create documents to return goods and to receive credit from vendor
- Create A/P credit memos with and without reference to an invoice.



In this exercise, you receive a credit memo from a vendor for an invoice that you have created earlier. You find the invoice and determine whether you should create an A/P credit memo with or without reference to the original invoice.

Secondly, you return items that you have received in a streamlined purchasing process.

6-1 Vendor V20000 sends you a credit memo for 25 as a credit. The credit memo references the invoice you created in the previous purchasing process exercise that included a payment to the vendor.

Find the invoice and determine if you should create the A/P Credit Memo document with or without reference to the original invoice.

6-1-1 Switch to *Find* mode.

Search for the invoice.

| Field Name or Data Type | Values |
|-------------------------|-----------------|
| <i>Vendor</i> | V20000 |
| <i>Vendor Ref. No.</i> | 55723-09 |

6-1-2 Can you copy this invoice to create a credit memo?

_____.

- 6-1-3 Create an A/P Credit Memo to post the credit from the vendor. Choose the price adjustment account from the list of G/L accounts.

| Field Name or Data Type | Values |
|----------------------------|--|
| <i>Item/Service Type</i> | Service |
| <i>Vendor</i> | V20000 |
| <i>Vendor Ref. No.</i> | CM55723-09 |
| <i>Service Description</i> | Price adjustment |
| <i>G/L Account</i> | (Price difference account number) |
| <i>Total (LC)</i> | 25 |
| <i>Remarks</i> | Credit to 55723-09 |

Add the credit memo.

A/P Credit Memo Number: _____

- 6-2 You are in a hurry to receive some printers and have arranged a delivery by phone with your vendor **V60000**. The delivery is made quickly and the vendor has included an invoice with the delivery.

- 6-1-1 You post the invoice in the system directly (without referring to a purchase order or to a goods receipt PO) with the result that a goods receipt is made in the background. The stock level increases accordingly.

| Field Name or Data Type | Values |
|--------------------------|---------------------|
| <i>Vendor</i> | V60000 |
| <i>Item/Service type</i> | Item |
| <i>Posting Date</i> | Today's date |
| <i>Item</i> | A00003 |
| <i>Quantity</i> | 100 |

Add the invoice.

A/P Invoice Number: _____

- 6-2-2 Open the invoice you just created to view the current inventory and the journal entry.

What is the quantity in Whse 01? _____

View the journal entries.

Which account gets the credit? _____

Which account gets the debit? _____

- 6-2-3 After creating the A/P invoice, you are informed that there is a problem with 20 of the items you have received. You need to return 20 of the 100 units of **A00003**. Which document should you use to ensure that the system corrects both the values and the quantity? Why is that document type the best choice?

Create the correct document for returning the items

Document Number: _____

- 6-2-4 Open the document you just created to view the current inventory and the journal entry.

What is the quantity in Whse 01? _____

View the journal entries.

Which account gets the credit? _____

Which account gets the debit? _____

Solutions



Unit: Purchasing-A/P

Topic: Goods Returns and A/P Credit Memos

- 6-1 Vendor V20000 sends you a credit memo for 25 as a credit. The credit memo references the invoice you created in the previous purchasing process exercise that included a payment to the vendor.

Find the invoice and determine if you should create the A/P Credit Memo document with or without reference to the original invoice.

Purchasing-A/P → A/P Invoice

- 6-1-1 Switch to *Find* mode by choosing the *Find* icon.

Search for the invoice.

| Field Name or Data Type | Values |
|-------------------------|-----------------|
| <i>Vendor</i> | V20000 |
| <i>Vendor Ref. No.</i> | 55723-09 |

Choose *Find* or *Enter* to begin the search.

- 6-1-2 Can you copy this invoice to create a credit memo?

No, the invoice status is *Closed*, therefore you cannot copy the invoice to create a credit memo.

Cancel to close this window.

- 6-1-3 Create an A/P Credit Memo to post the credit from the vendor. Choose an appropriate G/L account from the list of accounts. Ask the instructor if you are unsure which account to choose.

Purchasing-A/P → A/P Credit Memo

| Field Name or Data Type | Values |
|--------------------------------|--|
| <i>Item/Service Type</i> | Service |
| <i>Vendor</i> | V20000 |
| <i>Vendor Ref. No.</i> | CM55723-09 |
| <i>Service Description</i> | Price adjustment |
| <i>G/L Account</i> | (Price difference account number) |
| <i>Total (LC)</i> | 25 |
| <i>Remarks</i> | Credit to 55723-09 |

Add the credit memo.

A/P Credit Memo Number: _____

Confirm the system message with *Yes*.

6-2 You are in a hurry to receive some printers and have arranged a delivery by phone with your vendor **V60000**. The delivery is made quickly and the vendor has included an invoice with the delivery.

6-2-1 Choose **Purchasing-A/P → A/P Invoice**.

You post the invoice in the system directly (without referring to a purchase order or to a goods receipt PO) with the result that a goods receipt is made in the background. The stock level increases accordingly.

| Field Name or Data Type | Values |
|--------------------------|---------------------|
| <i>Vendor</i> | V60000 |
| <i>Item/Service type</i> | Item |
| <i>Posting Date</i> | Today's date |
| <i>Item</i> | A00003 |
| <i>Quantity</i> | 100 |

Choose **Add**.

Purchase Order Number: _____

Choose **Yes**.

- 6-2-2 After creating the A/P invoice, you are informed that there is a problem with 20 of the items you have received. You need to return 20 of the 100 units of **A00003**. Which document should you use to ensure that the system corrects both the values and the quantity? Why is that document type the best choice?

Since an invoice has already been entered, you have to create a credit memo with reference to the invoice in the system. The system clears 20 units from stock and corrects the values in the general ledger.

Create the correct document to return the items.

Choose ***Purchasing-A/P → A/P Credit Memo***.

| Field Name or Data Type | Values |
|-------------------------|---------------|
| <i>Vendor</i> | V60000 |

Choose *Copy From → A/P Invoices*.

Select your invoice and click *Choose*.

In the *Draw Document Wizard*:

Select *Use Doc and Row Exchange Rate from Base Document and Customize*.

Choose *Next*.

Select item A00003 with a quantity of 20.

| Field Name or Data Type | Values |
|-------------------------|---------------|
| <i>Item</i> | A00003 |
| <i>Quantity</i> | 20 |

Choose *Finish*.

Credit Memo Number: _____

Choose *Add and Yes* (system message).

- 6-2-4 Open the document you just created to view both the current inventory and the journal entry.

Choose the *Last Data Record* icon.

Choose the link arrow next to the *Item No.* field.

In the item master, choose the *Inventory Data* tab.

What is the quantity in Whse 01? _____.

Navigate back to the document by choosing OK.

Choose the *Accounting* tab.

Choose the link arrow next to the *Journal Remark* field.

View the journal entries.

Which account gets the credit? _____

Which account gets the debit? _____

Unit 3: Sales – A/R

Contents

- Overview of the Sales Process
- Sales Order to Cash
- Customers and Customer Groups
- Customer Relationship Management
- Automating the Sales Process
- Returns and Exchanges
- A/R Credit Memos

Sales – A/R

Overview of the Sales Process

SAP Business One, Version 9.0



- Welcome to the topic on the sales process.

Objectives



At the end of this module, you will be able to:

- List the basic steps of the sales process
- Use a streamlined sales process

- In this topic, we will examine the basic steps in the sales process in SAP Business One. Then we will perform a streamlined sales process.

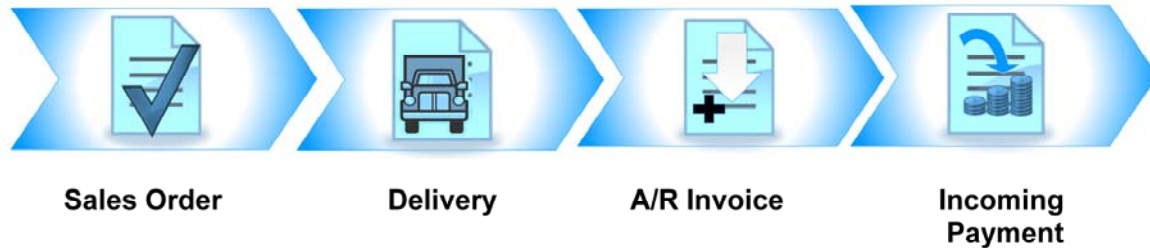
Business Example



- Your company has set customer satisfaction as the top priority
- You review the basic steps in the sales process and decide to use a streamlined process for rush orders to ensure customer demands can be met as quickly as possible.

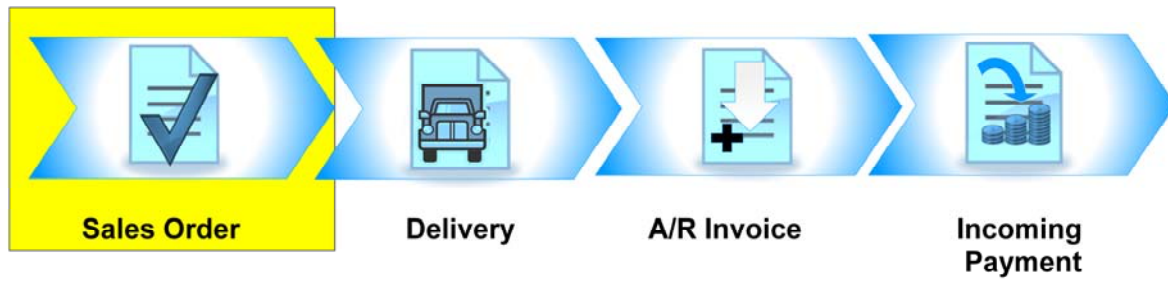
- Imagine that your company has set customer satisfaction as its top priority. You review the basic steps in the sales process and decide to use a streamlined process for rush orders to ensure that customer demands can be met as quickly as possible.

Sales Process



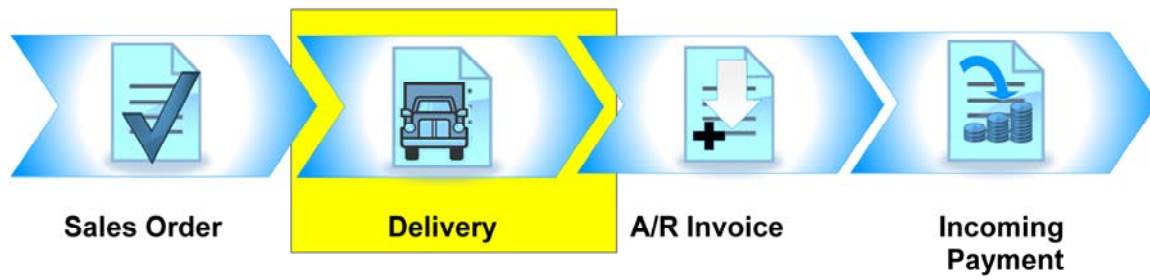
- The sales-A/R process moves from selling the goods (and services) to delivering those goods to invoicing the customer for their purchases, to the last step in accounting of receiving the incoming payment.
- Each step in the sales process involves a document, such as a sales order, delivery, or A/R invoice. SAP Business One efficiently moves all relevant information from one document to the next in the document flow. According to the business needs, you can choose which documents to include as your process steps. The only mandatory document in sales is the A/R invoice.
- Sales documents carry much of the same information throughout the sales process. This topic helps you recognize what is the same in each document so that you can quickly focus on just the information you need.
- Note that you also have the option to use a sales quotation to start the sales process. The sales quotation is not covered in this e-learning.

Sales Process



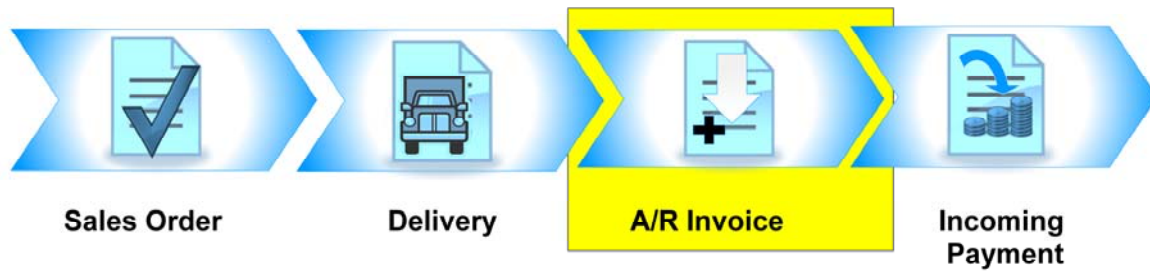
- The **sales order** is a commitment from a customer or lead to buy—at agreed-to quantities and price—a product or service from you.

Sales Process



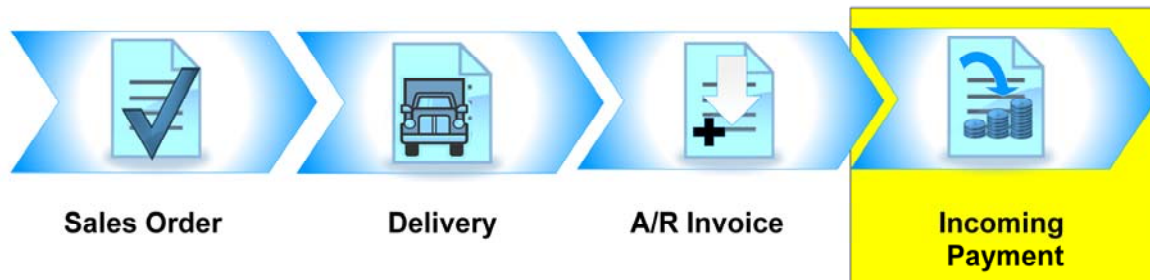
- The **delivery** indicates that the shipment of goods has occurred.

Sales Process



- The **A/R invoice** is the only document that must be created in the sales process. It is the request for payment and records the revenue in the profit-and-loss statement.

Sales Process



- The incoming payment receives the payment from the customer and clears the customer account. Internal reconciliation takes place automatically.
- Incoming payments are done in the Banking module.
- As part of a streamlined sales process, it is possible to post a payment while creating the invoice. To do this, you choose the payment means icon when you create an invoice and enter the payment amount. This will create an incoming payment due amount that is applied to the invoice you just created.

Key Data: Business Partners

- Business partners used in the sales process:

- Leads
- Customers



- Every document in the sales process must have a business partner assigned. The business partners used in the sales process are leads and customers. A lead can easily convert to a customer.
- A sales order can have either a lead or a customer assigned. Once you move to a delivery, you must have a customer.
- Customer master data describes people and organizations to whom your company sells products and services. Customer master data records are used as the foundation for documents related to processing and fulfilling orders for customers and for the wizard for dunning customers.

Key Data: Items



- Items represent products to be sold
- Items can be for either goods or services
- Item information is stored in the item master record



- Besides the business partner, another key piece of data entered in the sales order is item data.
- Items represent products to be sold: either goods or services.
- Like customer master data, item information is stored in master data records.
- Services you sell can also be set up as item master data records. If the services are defined as items, they can be entered into a sales order along with physical items. Alternatively, you can use the Item/Service type field to switch to a service type document where descriptions of services can be entered along with prices.

Using Price Lists

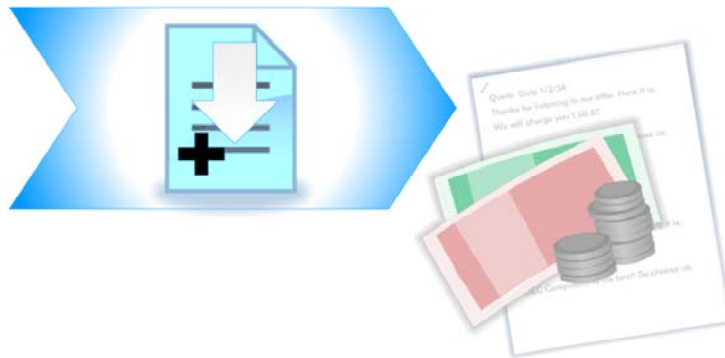


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- When you enter an item into a sales document, a price is automatically found. How does this work?
- SAP Business One provides 10 default price lists. You then set up prices for each price list for your items. Of course, you do not have to use all ten price lists, but they are provided to you so that you can offer different prices to different groups of customers.
- You assign a price list to each customer via default payment terms. Of course, the price list can be changed in the customer master.
- When you enter the customer in a sales document, the assigned price list defaults to the sales document automatically.
- The system will then use that price list to price the items in the order.
- Of course, more complex pricing can be used such as special prices, discount groups, and pricing hierarchies. These are discussed in the e-learning topic for pricing.
- Prices can also be changed in the sales order by authorized users. For example, a salesperson might give a 5% discount to a particular item or to a whole sales order.

A/R Invoice



- For our streamlined process, we will use just one document: the A/R invoice.
- The A/R invoice is the only mandatory document in the sales process. The A/R invoice is designed to be an extremely efficient document for small businesses with just a few employees.
- The A/R invoice can do the job of recording the customer's order, kicking off the delivery, posting the goods issue and recording what the customer owes.

A/R Invoice

- ☒ Inventory Item
- ☒ Sales Item
- ☒ Purchased Item



| Customer | Sales Revenue | Cost Acc. | Stock Acc. |
|----------|---------------|-----------|------------|
| 100 | 100 | 50 | 50 |

- Saving an A/R invoice always triggers two postings: a debit to the customer account to show what is owed and a credit for sales revenue.
- When an inventory item is sold on an A/R invoice that has no preceding documents, two additional postings are made. These are the postings for issuing the item from inventory that are usually handled by a delivery document in a perpetual inventory system: a debit to the cost of goods sold account and a credit to the stock account.
- Of course, this graphic covers only the basic accounting transactions. There may be additional postings for tax or additional revenues and expenses.

Summary



Here are some key points:

- The main documents of the sales process are the sales order, delivery and A/R invoice. The incoming payment at the end of the sales process is performed in the Banking module.
- Every sales document must have a business partner assigned.
- A sales document can sell goods or services. Goods are represented by item master records. If services are represented as items, they can be sold with physical items on sales documents, otherwise they are sold on service-type documents.
- SAP Business One calculates pricing automatically in sales orders. Prices can be changed in sales documents by authorized users.
- The only mandatory sales document is the A/R invoice. When an A/R invoice is used alone without preceding documents, it can perform the functions of the sales order, delivery and the invoice.
- The A/R invoice is often used in a streamlined sales process.

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- SAP Business One calculates pricing automatically in the sales order. Prices can be changed in sales documents by authorized users.
- The only mandatory sales document is the A/R invoice. When an A/R invoice is used alone without any preceding documents, the A/R invoice can perform the functions of the sales order, delivery and the invoice.
- This is why the A/R invoice is often used in a streamlined sales process.

Sales – A/R

Sales Order to Cash

SAP Business One, Version 9.0



- Welcome to the topic on sales order to cash.

Objectives



At the end of this module, you will be able to:

- Perform the steps in the sales process from sales order to cash
- Describe the effect of each step on inventory and accounting

- In this topic, we perform the steps in the sales process from sales order to cash. As we create each document, we describe the effect of each step on inventory and accounting.

Business Example



- Your company has set customer satisfaction as the top priority and wants to use efficient processes in sales to ensure that customer demands can be met as quickly as possible.
- We will review the sales process from order to cash with an eye on understanding the impact of each step to see how we might improve the process.

- Your company has set customer satisfaction as the top priority and wants to use efficient processes in sales to ensure that customer demands can be met as quickly as possible.
- We will review the sales process from order to cash with an eye on understanding the impact of each step to see how we might improve the process

Sales Order



- The sales order is an important document—it tells everyone to get busy filling that order. As such, this document is important for planning production, creating purchase orders, and scheduling resources.
 - One unique feature of SAP Business One is that you can create purchase orders directly from sales orders, thereby streamlining your supply chain as well as material requirements planning processes.
 - You can change a sales order (changing quantities, updating prices or discounts, and so on) after you have posted it. This is possible as long as you have made the appropriate setting in Document Settings and the sales order is still open.
 - A sales order can be based on one or more sales quotations.
- In SAP Business One, a sales order affects the available stock level. This means that the stock available to sell is reduced by the quantity in the order. When you enter sales orders, no inventory transactions or value-based changes are posted to the general ledger, but the items are added to the committed quantity in the inventory module.

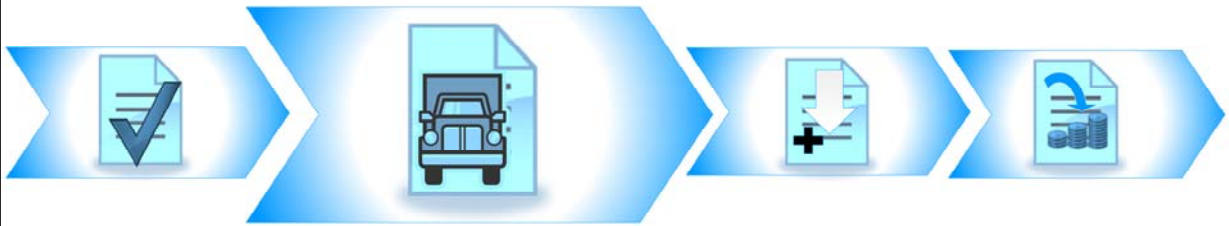
Sales Order



- Our customer orders 5 printers
- We enter customer, items, and quantities in the sales order
- The system determines the price automatically
- A manual discount for 1% is entered in the order
- The customer is also eligible for an early payment discount of 2%

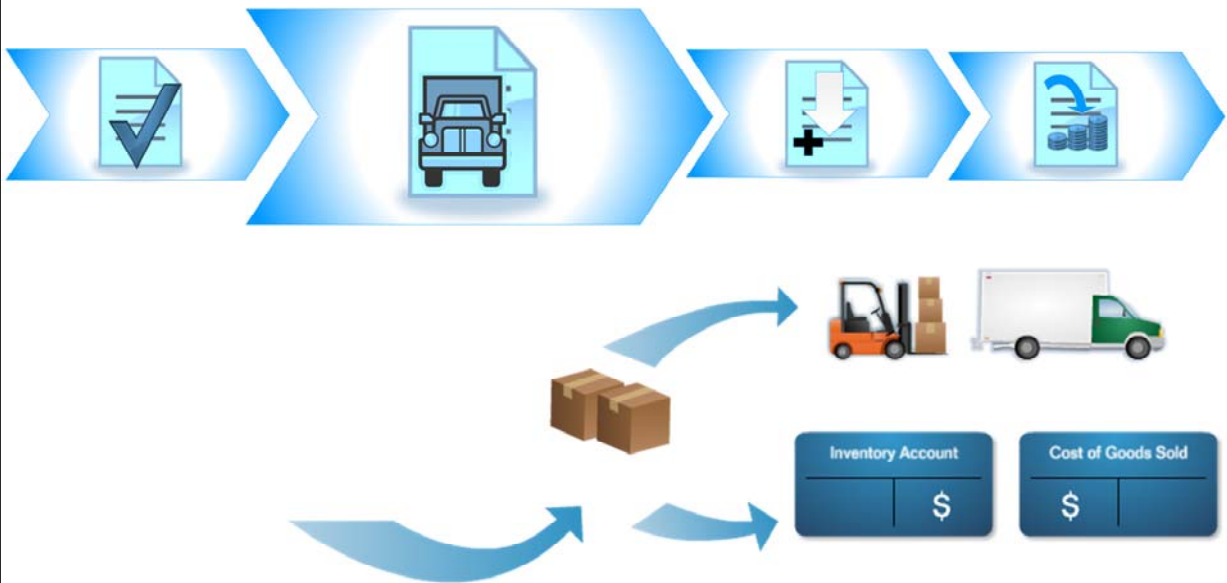
- Let us imagine that our customer orders 5 printers.
- We enter customer, items, and quantities in the sales order
- The system determines the price automatically, based on the customer's assigned price list.
- The sales person offers a discount to the customer, so a manual discount for 1% is entered in the sales order
- Based on the payment terms, the customer is also eligible for an early payment discount of 2%

Delivery



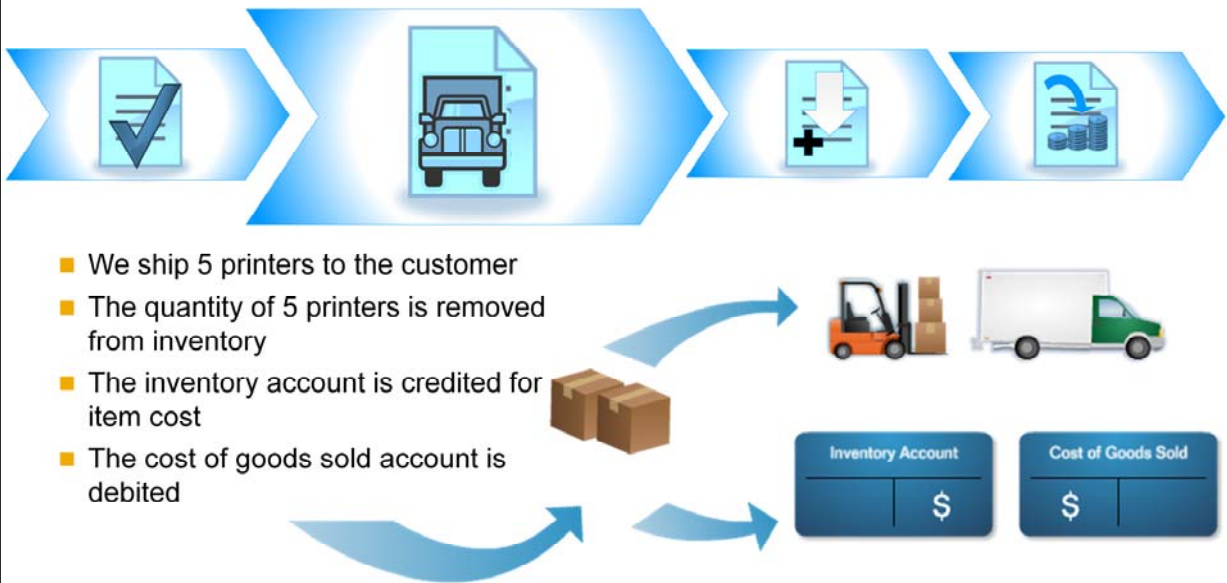
- A delivery records that goods have been shipped. This document is also sometimes referred to as a packing slip or delivery note.
- You can create a delivery from a sales order or sales quotation. To do so, simply display the sales order or quotation and select *Delivery* from the *Copy To* button's drop-down list.
- If you have multiple sales orders to be delivered to one customer, you can open a blank delivery, add the customer name, then use *Copy from* to select from a list of sales orders and quotations for that customer.

Delivery



- Adding a delivery reduces the actual inventory levels. When you post a delivery, the corresponding goods issue is also posted. The goods leave the warehouse, inventory quantities are reduced, and, if you are running perpetual inventory, the relevant inventory changes are posted to accounting. If the delivery is based on a sales order, the committed quantity from that order will also be reduced.

Delivery



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- In our business example, our customer has ordered 5 printers.
- When it is time, we ship 5 printers to the customer.
- The quantity of 5 printers is removed from inventory.
- The inventory account is credited for item cost.
- The cost of goods sold account is debited.

Deliveries and Accounting



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- If you are using perpetual inventory, the system creates a journal entry automatically.
- The journal entry posts the value of the current item cost to the debit side of a cost account (such as cost of goods sold) and to the credit side of the stock account.
- The stock account and the cost account are retrieved from the *Stock Account* field and the *Cost Account* field on the *Inventory* tab of the item master record.
- The stock quantity is affected whether or not you are using perpetual inventory.

A/R Invoice



- An A/R invoice is a request for payment. Posting an A/R invoice records the revenue in the profit and loss statement.
- Once added, the A/R invoice automatically creates a journal entry posting to the corresponding customer and revenue accounts.

A/R Invoice



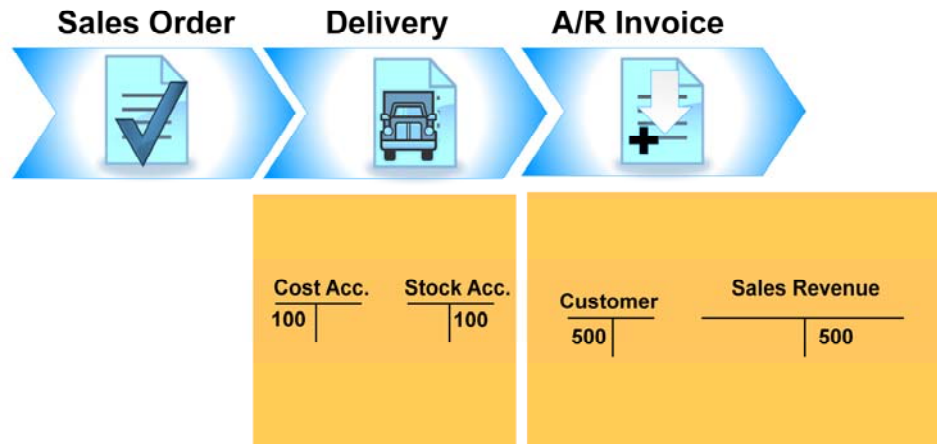
- We bill our customer for the 5 printers
- The total includes the 1% manual discount
- The due date is based on the customer's payment terms
- A journal entry is created to record:
 - a credit to revenue
 - a debit to the customer account



- In our business example, we have delivered 5 printers to our customer.
- Now we bill our customer for the printers.
- The total amount was reduced by a 1% discount that the salesperson entered manually.
- The due date is based on the customer's payment terms. These payment terms also include a 2% discount for early payment.
- When the A/R invoice is added, a journal entry is automatically created to record a credit to revenue and a debit to the customer account.

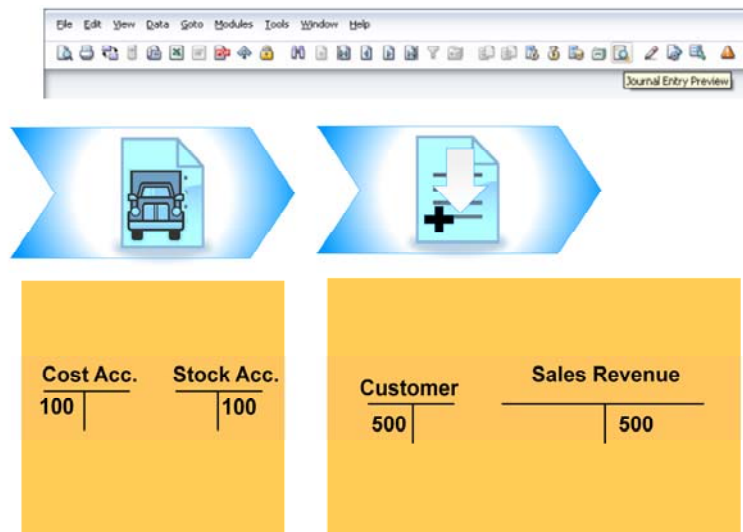
Postings in Sales Process for Inventory Items

- ☒ Inventory Item
- ☒ Sales Item
- ☒ Purchased Item



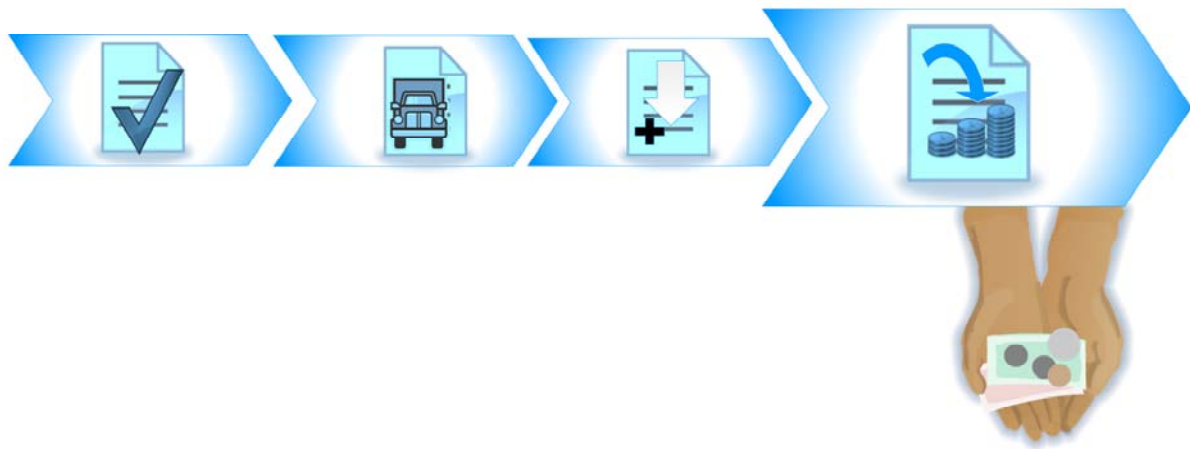
- Here we see the journal entries made in a perpetual inventory system for inventory items.
- We saw previously that the delivery creates a journal entry associated with the sale of goods and the reduction in inventory value.
- The A/R invoice records the debt owed by the customer and the revenue made from the sale.
- There may be additional postings for tax or additional revenues and expenses.

Journal Entry Preview



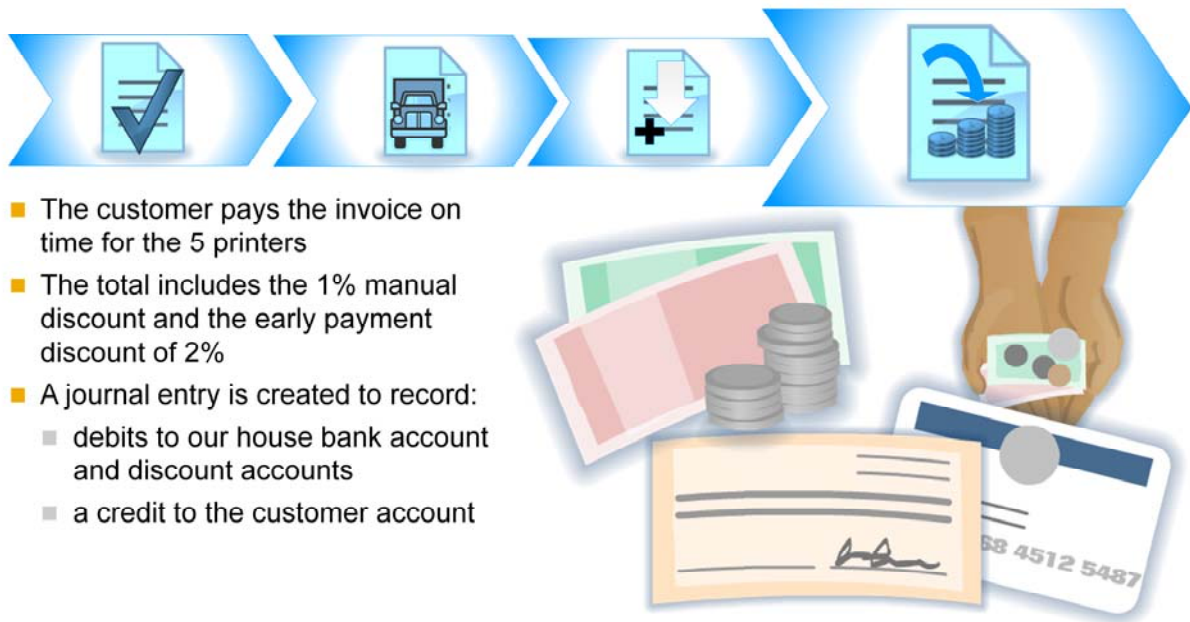
- Once a journal entry is made, it cannot be changed, only reversed.
- Journal Entry Preview enables you to simulate journal entries before they actually happen in the database.
- This can be useful if you are creating an A/R Invoice with special circumstances and you would like to check the journal entry before posting the invoice. It is also useful for training new employees or for testing settings during an implementation. This function is available for all documents that create journal entry postings.
- You choose the Journal Entry Preview icon to instantly view what would happen when you are posting the document.
- Simulation includes G/L-Accounts and the Cost Center distribution.

Incoming Payment



- Incoming payments are the last step in the basic sales process, even though they are a function in banking. Posting an incoming payment receives the payment from the customer. Customer payments can be processed for bank transfers, checks, credit cards and cash, and in some localizations, bill of exchange.
- When the incoming payment is added, a journal entry is made crediting the customer account for the payment. Depending on the payment means, an appropriate G/L account (such as one of our bank accounts) is debited. If there is a early payment discount, a debit is applied to a discount account.
- When you create an incoming payment to clear (fully or partially) a document or transaction, internal reconciliation takes place automatically, meaning that the customer's invoice and the payment are matched in the system.
- Additionally, the Payment Wizard can be used to process incoming payments as well as process outgoing payments. Payments can also be received automatically from a bank transfer using bank transfer processing in many localizations.

Incoming Payment



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Let us consider the business example.

- Our customer pays the invoice on time for the 5 printers
- The total includes the 1% manual discount and the early payment discount of 2%. The early payment discount defaults in from the payment terms associated with the customer master record.
- A journal entry is created to record:
 - debits to our house bank account, or a clearing account depending on the selected payment terms, and to cash discount accounts
 - And a credit to the customer account

Summary



Here are some key points:

- Sales orders contain information for placing the order, delivering goods and invoicing the customer. They have no effect on accounting.
- Sales orders can be changed after posting as long as appropriate settings are made and the order is still open.
- A delivery indicates that goods have been shipped and reduces inventory levels.
- In perpetual inventory, posting a delivery debits current item cost and credits the inventory stock account.
- An A/R invoice is a request for payment. When one is posted, a journal entry posts a debit to the customer account and a credit to sales revenue and any tax accounts.
- You can preview journal entries before they are posted.
- Incoming payments are the last step in the sales process, even though they are a function in banking.

- Sales orders contain the basic information needed for placing the order, delivering the goods and invoicing the customer. A sales order has no effect on accounting.
- Sales orders can be changed after posting as long as appropriate settings are made and the order is still open.
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- If you are running perpetual inventory, posting a delivery debits current item cost and credits the inventory stock account.
- An A/R invoice is a request for payment. When an A/R invoice is posted, a journal entry posts a debit to the customer account and a credit to sales revenue and any tax accounts.
- You can preview journal entries before they are posted.
- Incoming payments are the last step in the basic sales process, even though they are a function in banking.

Sales – A/R

Customers and Customer Groups

SAP Business One, Version 9.0



- Welcome to the topic on customers and customer groups.

Objectives



At the end of this topic, you will be able to:

- Define a customer group
- Create a new customer
- Create a lead
- Convert a lead into a customer

- In this topic, we will define a new customer group and a new customer belonging to this group. We will create a lead and then convert the lead into a customer.

Business Example



You have a marketing campaign focused on attracting local schools as new customers.

You create a new customer group to handle the special pricing and payment terms needed for schools.

Using customer group helps simplify the process of creating customers and facilitates better reporting.

- You have a marketing campaign focused on attracting local schools as new customers.
- You create a new customer group to handle the special pricing and payment terms needed for schools.
- Using customer group helps simplify the process of creating leads and customers as well as facilitates better reporting.

Business Partners

- Two types of business partners are used in the sales process:
 - Leads
 - Customers



- Two types of business partners are used throughout the sales process: leads and customers.
- You can begin the process with the business partner master type: lead. A lead describes people and organizations in the sales pipeline—your potential customers. Lead master data records are used as the foundation for sales and marketing. After you make the first sale to a lead, you change the business partner type to customer, turning the lead into a customer.
- A sales order can have either a lead or a customer assigned. Once you move to a delivery, you must have a customer.
- The information on leads and customers is maintained in business partner master records. Maintaining master data centrally for business partners allows you to store all necessary information for sales, reduce duplication and avoid data entry errors.

Business Partner Master

Business Partner Master Data

Code: Manual C42000 Customer
 Name: Mashina Corporation
 Foreign Name:
 Group: Distributors
 Currency: US Dollar
 Federal Tax ID: US57-527638

Account Balance: 142,252.04
 Deliveries: 14,699.56
 Orders: 31,460.81
 Opportunities: 10

Sales Analysis Report by Customer (Detailed)

| # | Document | Instal... | Sales E... | Posti... | Due... | Customer Name | Sales A... | Applied A... | Gross Profit | Gross Pr... |
|----|----------|-----------|------------|----------|----------|---------------|---------------|---------------|---------------|-------------|
| 29 | OR 231 | 1 of 1 | Jim Boswic | 10/11/20 | 10/21/20 | Mashina Corp. | 3,192.75 \$ | 0.00 \$ | 1,347.61 \$ | 72.4 |
| 30 | OR 239 | 1 of 1 | Jim Boswic | 11/21/20 | 12/01/20 | Mashina Corp. | 6,875.00 \$ | 0.00 \$ | 2,993.99 \$ | 77.4 |
| 31 | OR 245 | 1 of 1 | Jim Boswic | 12/14/20 | 12/24/20 | Mashina Corp. | 1,967.50 \$ | 0.00 \$ | 841.86 \$ | 74.4 |
| 32 | OR 250 | 1 of 1 | Jim Boswic | 02/26/20 | 03/05/20 | Mashina Corp. | 2,062.50 \$ | 2,062.50 \$ | 893.50 \$ | 76.4 |
| | | | | | | | 148,473.75 \$ | 318,793.75 \$ | 107,083.82 \$ | 44.361 |

Amounts are Multiples of 1,000.00 \$

3D Bar Chart: Jan, Feb, Mar, Apr, May, Jun, Jul, Aug, Sep, Oct, Nov, Dec. Legend: Gross Profit (Yellow), Applied Amount (Green), Sales Amount (Purple).

- Common structure for all business partners:

- Customer
- Lead
- Vendor

- Link to account balance
- Reporting available from the master record

- We are concerned with leads and customers used in the sales process, but there is also another business partner master, the vendor master, which is used in purchasing. The reason I mention it here is that there is a great deal of similarity between the data for all three types of master data records.
- Therefore SAP Business One uses windows with a common structure for all three master data types: customer, lead and vendor.
- The business partner master contains company details such as addresses and phone numbers, the business contact persons, logistics details, tax information, accounting information, as well as links to account balances and reporting.

Business Partner Addresses



Ship-to Address



Bill-to Address



Contact Person Address

- Customers and leads can have multiple bill-to and ship-to addresses stored in the business partner master.
- You can set one bill-to address and one ship-to address as defaults.
- Additionally you have addresses for any contact persons for business partners.
- Addresses are automatically copied from the business partner master into marketing documents.
- When multiple addresses are available, a selection box is available inside marketing documents for choosing the appropriate address.

Default Settings

General Settings

BP Budget Services Display Font & Bkgd Path Inver

Customer Activity Restrictions

☐ Credit Limit ☐ A/R Invoice

☐ Commitment Limit ☐ Delivery

☐ Consider Deliveries Balance ☐ Sales Order

☐ Pick List

Set Commission by

☒ Sales Employees

☐ Items

☐ Customers

Default Payment Term for Customer ➔ 2P10Net30

Default Payment Term for Vendor ➔ Net30

Default Payment Method for Customer ➔ Incoming BT

Default Payment Method for Vendor ➔ Outgoing Checks

Submit Credit Vouchers ➔ Automatically

Default Dunning Term for Customer ➔ Standard

☒ Activate Approval Procedures

☐ Activate Approval Procedures in DI

☒ Display Inactive Business Partners in Reports

☒ Display Inactive Business Partners in Marketing Documents

BP Defaults:

- Payment terms
- Payment Methods
- Dunning terms

- Before you begin entering business partners into the system, you set defaults for business partners at the company level.
- On the BP tab of the company's General Settings, you have the option to set default payment terms, default payment methods, and dunning terms (for when a customer does not pay on time).
- These defaults are then copied into each newly created business partner master data record.
- Of course, all these defaults can be changed in the master data record, and even when needed in sales documents.

Payment Terms

Administration > Setup > Business Partners.

Modules Drag & Relate My Menu

Setup

- General
- Financials
- Sales Opportunities
- Purchasing
- Business Partners
 - Countries
 - Address Formats
 - Customer Groups
 - Vendor Groups
 - Business Partner Properties
 - Business Partner Priorities
 - Dunning Terms
 - Payment Terms**
 - Payment blocks
 - Target Group

Payment Terms - Setup

Payment Terms Code: 2P10Net30

Due Date Based on: Posting Date

Start From: + 0 Months + 30 Days

Tolerance Days:

No. of Installments: 0

Open Incoming Payment: No

Cash Discount Name: 2P10

BP Fields

Total Discount %: 0.000

Interest % on Receivables: 0.000

Price List: Base Price

Max. Credit: 0.00

Commitment Limit: 0.00

OK Cancel

- The details behind the default settings as well as additional configuration options are found in Administration menu under the Setup for Business Partners.
- In this menu you can find the details behind the payment terms and dunning terms, as well as other settings related to business partners.
- Payment terms are very important and contain more than just due date calculations and discount for early payment. Credit limits and price lists are also set in the payment terms definitions.
- Additionally, a default price list can be assigned for all customers via the payment terms definition.
- Another option for assigning a price list is via a customer group.

Customer Groups



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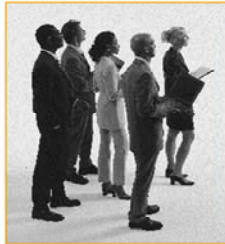
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- Customer groups are a way to classify customers for pricing and reporting. You may wish to classify the customers by sectors or by size.
- A customer can be assigned to one group.
- When you run reports, you can run them by customer groups. This can allow you to see sales figures for different sectors. You can then sort data or make selections based on the groups.
- If you assign a price list to a customer group, the price list assigned to the customer group will supersede the default from the general settings.

Leads and Customers

Leads

- Use on pre-sales documents or sales orders
- Not on deliveries or invoices

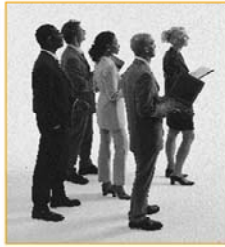


- Besides customers in the sales process, we also have leads.
- Leads are used to identify a potential customer.
- Having lead master data enables you to document and track the presales activities for a potential customer.
- You can create the following documents for lead master data: sales quotation, sales order, sales opportunity, and activity.
- Leads cannot be used on deliveries or invoices.
- This allows you to begin processing a potential customer's order but keeps uninformed users from delivering items to an unknown or unapproved customer.
- Once you assign a lead to a sales document, the lead cannot be deleted, even if the deal does not go through.

Leads and Customers

Leads

- Use on pre-sales documents or sales orders
- Not on deliveries or invoices



Customers

- Use on any sales document
- Convert leads to customers when they buy



- When the lead takes the next step and buys a product or service, the lead becomes a customer. In this case, all you have to do is to change the type of the business partner master record from lead to customer. All the information you have added to the lead master data record is saved, as well as the documents you created for this lead.
- For example, if you created a sales order for a lead, once the lead becomes a customer and buys the items in the sales order, you can use the sales order as the basis for creating a delivery document and later on an invoice.
- Because SAP Business One automates so much of the sales-A/R process, it is essential that you select or enter the correct customer and item data when you initiate a sales order.
- For example, things as simple as a customer's ship-to and bill-to addresses, if entered inaccurately or incompletely, can have a huge impact on your company's bottom line when goods ordered show up where they are not supposed to or invoices are sent to the wrong office. Additionally, in some localizations such as the United States, the tax code and rate is determined based on the ship-to assignment. So make sure you select the appropriate ship to address from the drop down.

Leads in the Sales Quotation



- A potential customer requests a quote for a PC with accessories
- We enter lead master data, items, and quantities in the quotation.
- The system determines the price automatically
- A manual discount for 1% is entered in the quotation

- Let us take a look at using leads in sales documents in a typical business scenario.
- A potential customer requests a quote for a personal computer with accessories.
- We enter lead master data, items and quantities in a quotation.
- The sales quotation acts as an offer to the prospect for specific goods at a specific price.
- The pricing for this item associated with the lead is automatically determined.
- We decide to give this potential customer an additional discount so we enter a manual discount of 1% into the quotation.

Leads in the Sales Order



- If the prospective customer decides to order the items, we copy the quotation to a sales order
- All the information, including the manual discount, is copied into the sales order
- The lead can be converted to a customer now or at the delivery

- If the prospective customer decides to order the items, we copy the quotation to a sales order.
- All the information: the lead master data, the item, the pricing including the manual discount, is copied into the sales order.
- The lead can be converted to a customer now, for the sales order, or at the point of the delivery.

Summary



Here are some key points:

- There are three types of business partners: leads, customer and vendors.
- Leads are used mostly in pre-sales, but can be used on a sales order.
- A lead master data record can be converted to a customer master data record.
- Leads cannot be used in deliveries or invoices.
- Customers and leads can have multiple addresses for shipping, billing, and contact persons.

- There are three types of business partners: leads, customer and vendors.
- Leads are used mostly in pre-sales, but can be used on a sales order.
- A lead master data record can be converted to a customer master data record.
- Leads cannot be used in deliveries or invoices. A customer must be used on documents with a possible accounting impact.
- Customers and leads can have multiple addresses for shipping, billing, and contact persons.

Sales – A/R Customer Relationship Management

SAP Business One, Version 9.0



- Welcome to the topic on customer relationship management.

Objectives



At the end of this module, you will be able to:

- Discuss the options available for customer relationship management in SAP Business One.

- In this topic we will explore the options available for customer relationship management in SAP Business One.

Business Example



- The company's top goals are to increase sales and customer satisfaction.
- The company wants to use pre-sales documents to track the sales pipeline and follow up on customer contacts.
- Sales team members use activities to manage their day-to-day responsibilities.

- Imagine that your company's top goals are to increase sales and customer satisfaction.
- Your company wants to use pre-sales documents to track the sales pipeline and follow up on customer contacts.
- Sales team members use activities to manage their day-to-day responsibilities

Customer Relationship Management Process



- This topic introduces three new documents: the activity, the sales opportunity and the sales quotation. We will take a look at how each of these documents can be used to support your customer relationship management.

Activities



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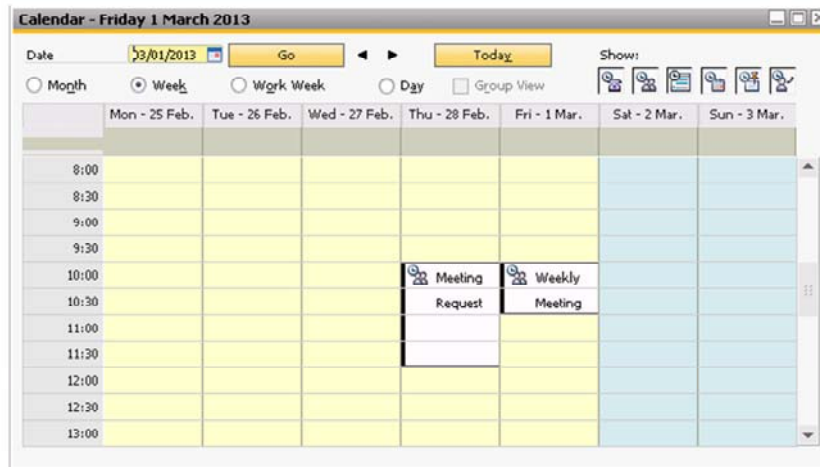
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- Activities allow you to schedule and manage diverse events such as phone calls, meetings, tasks, notes or other interactions with customers. Basically everything you do with a customer can be documented in an activity, even e-mails.
- Activities are used throughout the sales cycle to manage customer contacts as well as for internal business purposes, such as managing tasks.
- Activities can not only report what you have done with a given contact, but what you plan to do. For example, you record a phone call and set a follow-up reminder to call again.
- You can create activities many places within SAP Business One. There is a transaction for activities in the Business Partner menu, but they can also be created inside marketing documents, sales opportunities, and even business partner master data.
- Inside an activity you can link it to other objects such as documents and attachments, as well as free form content such as e-mail messages.

Calendar



- Click on Calendar icon to open



- Monthly, weekly, or daily views
- Option to display, schedule or update activities

- On easy way to schedule activities, such as meetings, is to use the calendar. Just click on the calendar icon in the toolbar. The calendar provides monthly, weekly and daily views.
- There is even a group view that can facilitate scheduling team meetings.
- The calendar allows you to display, schedule and update activities by dates and users.

Calendar Activities

Double-click in
calendar to
create an activity



Calendar - Tuesday 26 February 2013

Date: 10/02/2013 Go

☐ Month ☐ Week ☐ Work Week

8:00
8:30
9:00
9:30
10:00
10:30
11:00
11:30
12:00
12:30
13:00

Reports

Activity

Activity: Phone Call Number: 1

Type: General BP Code:

Subject: BP Name:

Assigned To: User Jayson Butk Contact Person:

Telephone No.:

☐ Personal

General Content Linked Document Attachments

Remarks

Start Time: 10/02/2013 09:00 Priority: Normal

End Time: 10/02/2013 09:30 Meeting Location:

Duration: 30 Minutes

Recurrence: None

☐ Reminder 15 Minutes ☐ Inactive ☐ Closed Follow Up

Add Cancel

- To create activities directly in the calendar, click on a given date and time, and SAP Business One takes you to the *Activity* window where you can describe activities and link them to business partners and documents.
- Even if you create an activity elsewhere, all time based activities (phone calls, meetings and others) are automatically entered in the calendar.

BP Activities

The screenshot shows the SAP Business Partner Master Data interface for 'Microchips'. The 'General' tab is active, displaying fields for Code (C30000), Name (Microchips), and various contact and financial details. A 'Contact Person' field is set to 'Judy Brown'. A 'Sales Employee' field is set to 'Bill Levine'. The 'Activities Overview for Business Partner - Microchips' window is open, showing a list of activities. An orange arrow points from the 'Create Activity' button in the master data window to the 'Activities Overview' window. A blue arrow points from the 'Activities Overview' window to a calendar icon.

| Number | Start Date | Start Time | Handled by | Activity | Recurrence | BD Name | Contact Person | Status |
|--------|------------|------------|---------------|----------|------------|------------|----------------|--------|
| 1 | 10/02/2013 | 09:00 | Jayson Butler | Meeting | None | Microchips | Judy Brown | |
| 4 | 03/08/2013 | 10:00 | Jayson Butler | Meeting | Weekly | Microchips | Judy Brown | |
| 5 | 03/01/2013 | 10:00 | Jayson Butler | Meeting | Weekly | Microchips | Judy Brown | |
| 6 | 03/15/2013 | 10:00 | Jayson Butler | Meeting | Weekly | Microchips | Judy Brown | |
| 8 | 03/08/2013 | 10:00 | Jayson Butler | Meeting | Weekly | Microchips | Judy Brown | |

- Activities can also be created and managed inside the business partner master data record.
- From the Business Partner master, you can open a list of related activities as shown in the graphics, or choose the option to create activities.
- When you create an activity from within the business partner master record, the business partner information defaults into the activity.

Alerts for BP activities

Activity

Activity: Phone Call, Type: General, Subject: Customer Meeting, Assigned To: User, Assigned By: Jayson Butli, Number: 1, BP Code: C30000, BP Name: Microchips, Contact Person: Judy Brown, Telephone No.: (615) 345-9000.

General | Content | Linked Document | Attachments

Remarks: Discuss Project

Start Time: 10/02/2013 09:00, End Time: 10/02/2013 09:30, Duration: 30 Minutes, Priority: Normal, Meeting Location: Business Partner Address, Recurrence: None.

Attachments

Reminder: ☒ 15 Minutes, ☐ Inactive, ☐ Closed, Follow Up.

Messages/Alerts Overview

| # | BP Code | Contact Person Name | Telephone | Remarks |
|---|---------|---------------------|----------------|----------------|
| 2 | C30000 | Judy Brown | (615) 345-9000 | Weekly Meeting |

Forward | Reply | Delete | Out of Office

- When you set up an activity in the business partner master data, SAP Business One has functionality that allows you to set an alert to be sent to the user for a specific type of activity - Phone Call, Meeting, Note, Other.
- You can also set a reminder and a time frame for when the alert should happen.
- The alerts for activities are controlled by the “Send alert for activities scheduled for today” checkbox on the Services tab of General Settings. The date used is the date you set on the activity.

Recurring Activities



Activity

Activity: Meeting | Number: 2
 Type: General | BP Code: C30000 | Customer
 Subject: | BP Name: Microchips
 Assigned To: User | Jayson Bulik | Contact Person: Judy Brown
 Assigned By: | Telephone No.: (615) 345-1000

☐ Personal

General | Content | Linked Document | Attachments

Remarks: |
 Start Time: 02/26/2013 16:37 | Priority: Normal
 End Time: 02/26/2013 16:52 | Meeting Location: |
 Duration: 15 Minutes

Address
 Street: | State: |
 City: | Country: |
 Room: |

Recurrence: Weekly
 Repeat Every: 1 Week(s)
 Repeat on: ☐ Mon ☒ Tue ☐ Wed ☐ Thu ☐ Fri ☐ Sat ☐ Sun

Range
 Start: 02/26/2013
 End: ☐ No End Date
☐ After 1 Occurrence(s)
☐ By

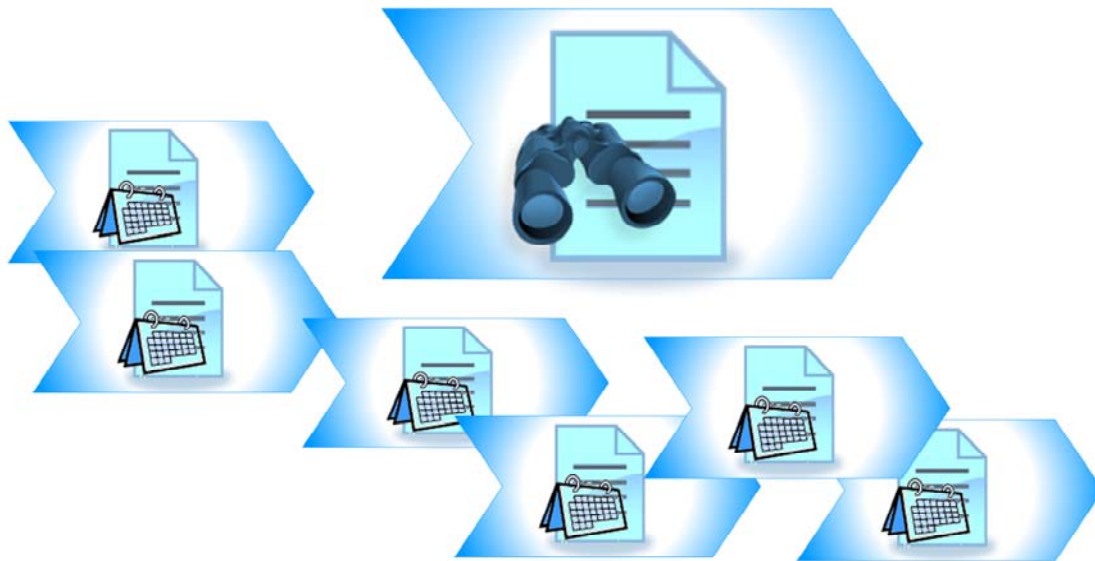
☐ Tentative
☐ Inactive
☐ Closed

☐ Reminder: 15 Minutes

Add Cancel

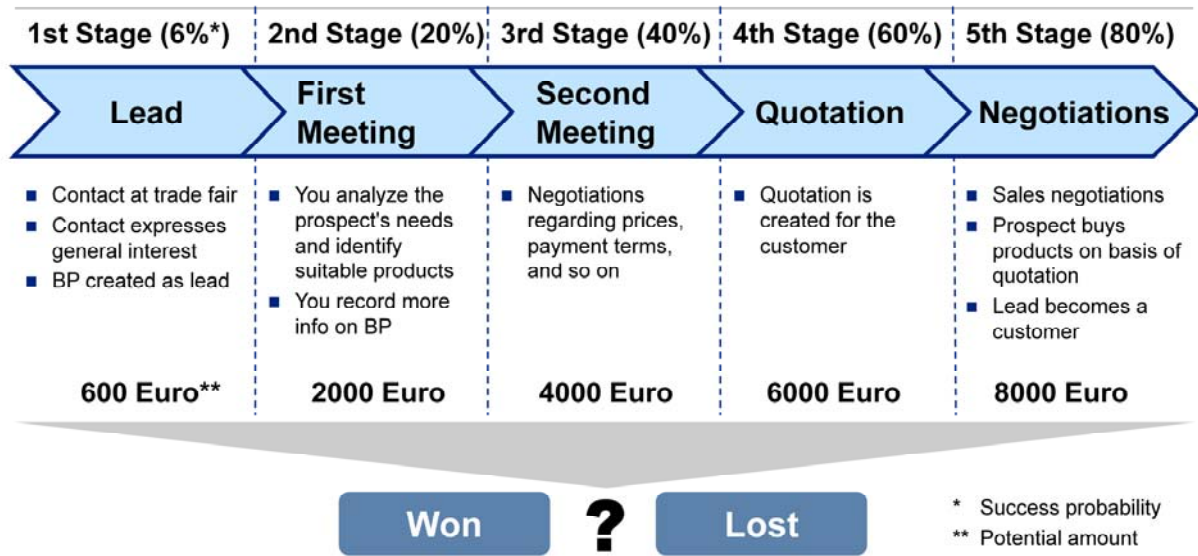
- Activities can be set to occur on a regular basis. Here we see an activity that is set up for a weekly meeting.
- You can manage changes to a series or to individual activities within a series.
- Each individual occurrence of the activity can be moved or canceled without affecting the series.
- Use the Back or Next button to navigate to the individual occurrences of a recurring activity.

Sales Opportunity



- Activities are often linked to Sales Opportunities.
- A sales opportunity allows you to manage the sales cycle for an opportunity with a customer or lead.
- For example, a customer inquires about certain products your company is selling, you can respond immediately by creating a sales opportunity, allowing you to track the prospective sale and notify others about the status of the potential deal.
- As you meet with others and gather information, you can link any activities relevant to the opportunity.
- You can also view relevant activities, such as a list of planned activities linked to the opportunity.

Opportunity Stages



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- Opportunities are structured into stages which reflect the stages of your sales cycle.
- On the graphic we see a sales cycle with 5 stages: lead, first meeting, second meeting, quotation and negotiations. This is just an example. Sales cycles and stages can be customized to match your company's sales process.
- For each stage in the cycle, you can enter the potential amount of the deal and the system predicts the opportunity's probability of success based on some percentages you have set up in advance.
- You can track information on what is happening at each stage.
- And ultimately, you can track whether you have won or lost the deal.
- Reporting is available for analysis of opportunities and for optimizing your sales process.
- Sales opportunities give you visibility into your sales pipeline, for individual sales employees or the company as a whole.

Sales Opportunity Process



- Let us take a look at the sales opportunity process. You can use sales opportunities to record, track and analyze every step in your business potentials with a customer or prospect
- Step 1: Sales managers set up important information such as which stages a sale will pass through and the likelihood by percentage of closing the sale. This information will help in forecasting sales. The key to successful setup is to decide what you wish to monitor during the sales process. These will assist the manager in forecasting sales.
- Step 2: Sales people enter sales opportunities and manage them throughout the sales process. The more details entered in an opportunity, the more visibility you will have later when you report on the leads. Ongoing appointments, phone calls, tasks, and contact management can be coordinated through the opportunity via related activities.
- Step 3: Reporting on sales opportunities gives you visibility into the sales pipeline, won and lost opportunities, and sales forecasting.
- Sales stages can be adjusted later, if needed, in the setup transaction. All the sales forecasting will be adjusted automatically.

Sales Quotations



Sales Quotations:

- Can come out of opportunities or activities
- Document an offer to a lead or customer
- Are not typically binding, but for information
- Have a validity period
- If accepted, are copied to sales orders to begin the sales process

- Before customers commit to ordering, they frequently want a sales quotation that they can review and circulate within their company.
- The sales quotation might come out of a sales opportunity or activity, or arise independently.
- The sales quotation documents an offer or proposal that you send to a customer or to a lead.
- As used in SAP Business One, it is not a legally binding document, but rather used for information purposes.
- One field that distinguishes a quotation from a sales order is the Valid until Date. This date specifies how long the offer for the specified items and prices is available. The default period is 30 days after the posting date, but it can be changed manually or by using different payment terms.
- When a customer accepts the proposal defined in the sales quotation, you copy the quotation to a sales order to begin the sales process.

MS Outlook Integration Add-on



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- You have the option of using the Microsoft Outlook integration add-on for SAP Business One to keep track of your day-to-day work on sales opportunities, sales quotations and activities.
- Microsoft Outlook integration gives you access to sales data without having to be logged on continuously to SAP Business One. This is especially valuable for sales managers who travel frequently and need to be able to view prospect and customer data while on the road. For example, a sales manager needs to prepare for a meeting at a customer's site.
- What kinds of things can you do with Microsoft Outlook integration? Take a look at this list:
- Import contacts from SAP Business One and synchronize them with Microsoft Outlook
- Save e-mail messages and attachments as SAP Business One activities
- Import tasks and calendar activities created in SAP Business One into Microsoft Outlook
- Edit, view, and create sales quotations and save them to SAP Business One
- Most importantly, Microsoft Outlook integration helps increase your productivity and simplify your work. It provides you with a holistic, integrated way to manage your schedule, e-mail, and activities while giving you access to all the latest information from SAP Business One.

Summary



Here are some key points:

- Activities document interactions with business partners.
- You can set up a one-time activity or a recurring activity.
- Activities are automatically recorded in your calendar, in activity reports, and can be displayed in related business objects.
- Sales opportunities help you manage the sales cycle for a potential deal with a customer or lead.
- Opportunities are structured into stages. For each stage you can predict probability of success and potential sales amount.
- Sales quotations document an offer of products at an agreed upon price to a customer for a set validity period.
- The MS Outlook Integration add-on can help you manage presales and sales activities.

- Activities document interactions with business partners such as phone calls, meetings, tasks and other contacts.
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- The MS Outlook Integration add-on can help you manage presales and sales activities.

Sales – A/R

Automating the Sales Process

SAP Business One, Version 9.0



- Welcome to the topic on automating the sales process.

Objectives



At the end of this topic, you will be able to:

- Discuss ways to automate the sales process
- Explain how availability checking works in the sales process
- List the functions of the Pick and Pack Manager
- Describe the advantages of using the Document Generation Wizard

- In this topic, we discuss ways to automate the sales process, especially in how we interact with warehouse management.
- We see how automatic availability checking works in the sales process. We will also look at the functions provided by the Pick and Pack Manager and how they are integrated into the sales process. We discuss the advantage of using the Document Generation Wizard.

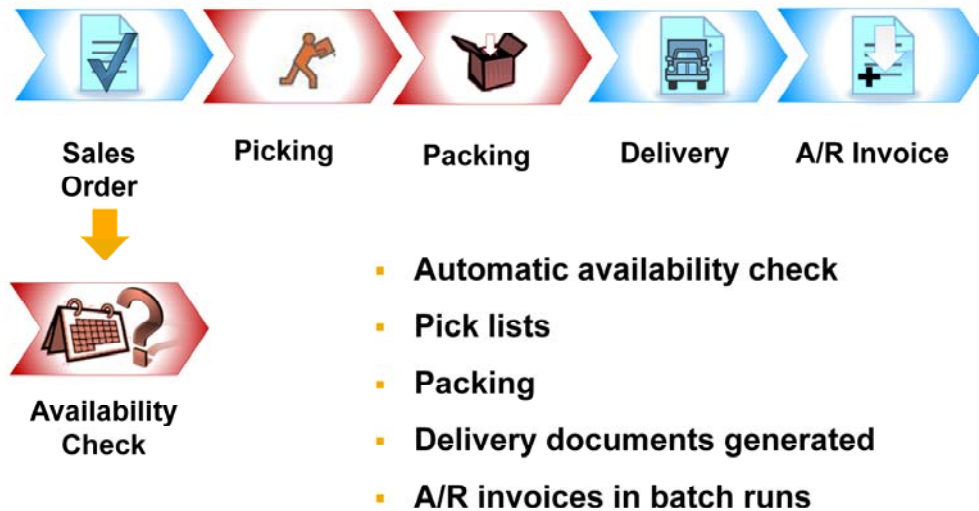
Business Example



- The company sets customer satisfaction as top priority.
- Therefore, they have chosen to automate steps in the sales process.
- Automatic availability checks are performed in the sales order to ensure that sufficient quantities are available to fulfill customer orders in a timely manner.
- If a product is unavailable in the local warehouse, they use the options available to ship that item or another acceptable item as quickly as possible.
- The company uses the pick and pack manager to automate the process of picking and delivering items in a timely manner.
- Invoicing is automated using the document generation wizard.

- The company sets customer satisfaction as top priority. Therefore, they have chosen to automate steps in the sales process.
- Automatic availability checks are performed in the sales order to ensure that sufficient quantities are available to fulfill customer orders in a timely manner.
- If a product is unavailable in the local warehouse, you use the options available to ship that item or another acceptable item as quickly as possible.
- The company uses the pick and pack manager to automate the process of picking and delivering items in a timely manner.
- Invoicing is automated using the document generation wizard.

Automating the sales process

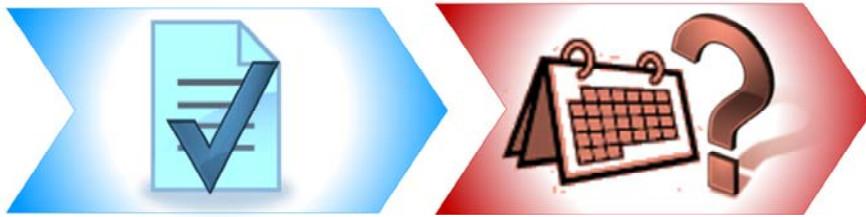


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- When you enter items and quantities in a sales order, an automatic availability check is done.
- When the items are confirmed as available, the quantity is committed in inventory.
- Warehouse personnel access and filter open sales orders in the Pick and Pack Manager to create pick lists for sales orders due for delivery.
- Pickers pick the items from warehouse shelves and enter the picked quantities into the system.
- Pickers create packages for the items with packing lists and delivery documents generated via the pick and pack manager.
- The delivery posts the reduction in inventory and reduces the committed quantity from the sales order.
- After the items are shipped, A/R invoices are generated in batched billing runs through the document generation wizard.

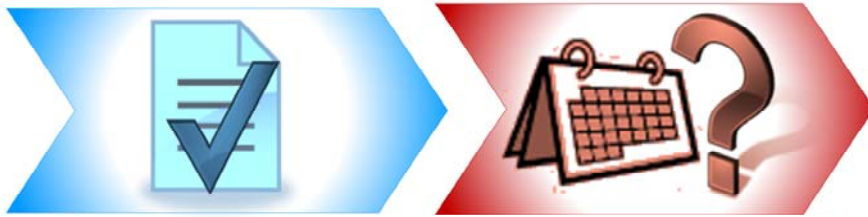
Availability in the Sales Order



- **The item availability check determines if the item is available:**
 - **With a sufficient quantity**
 - **In a particular warehouse**
 - **By the required delivery date**

- An item availability check can be set up to be performed automatically in sales orders.
- The item availability check will determine if the item is available:
 - With a sufficient quantity for your sales order
 - In the particular warehouse associated with your sales order row
 - By the customer's required delivery date
- If any of these conditions can not be met, the item availability window opens to alert you.

Calculating Availability



$$\text{Available Quantity} = \text{In Stock} - \text{Committed} + \text{Ordered}$$

- How is availability calculated? The available quantity is calculated as the in stock quantity minus the committed quantity plus the ordered quantity

Inventory Data on Items

| # | WH Code | WH Name | In Stock | Committed | Ordered | Available |
|---|---------|-------------------|----------|-----------|---------|-----------|
| 1 | ➡ 01 | General Warehouse | 688 | 38 | 100 | 750 |
| 2 | ➡ 02 | East Coast | 40 | 10 | 10 | 40 |
| 3 | ➡ 03 | West Coast | 40 | | | 40 |
| 4 | ➡ 04 | Drop Ship | | | | |
| | | | 768 | 48 | 110 | 830 |

$$\text{Available Quantity} = \text{In Stock} - \text{Committed} + \text{Ordered}$$

- The system tracks the quantities for each item and displays the quantities for each warehouse in the item master.
- The inventory data tab of the item master record shows us up-to-date information on stock levels and demand for the item for each warehouse. This information is updated dynamically so it shows a true picture at any time.
 - You can view:
 - The quantity in stock
 - The committed quantity, which is the quantity ordered by customers or the quantity set aside for transfer to another warehouse
 - The ordered quantity, which represents either quantity ordered for purchase by your company but not yet delivered or the quantity on production orders for an item produced in-house or a quantity requested from another warehouse
 - Finally, it shows the available quantity, which is the quantity available for your sales orders.

Availability Check

1.)

**Administration → System Initialization
→ Document Settings**

Document Settings

Per Document

Document Sales Order

☒ Activate Automatic Availability Check



- Now let us look at how we set up item availability checks and how they perform.
- You set up the automatic check for availability in sales orders in Document Settings. In the Per Document tab, you choose the window for sales orders, then you activate the automatic availability check by selecting a checkbox.

Availability Check

2.)

Sales Order

| Item No. | Description | Quantity | WH |
|----------|-------------|----------|----|
| A00001 | ... | 50 | 01 |

1.)

Administration → System Initialization
→ Document Settings

Document Settings

Per Document

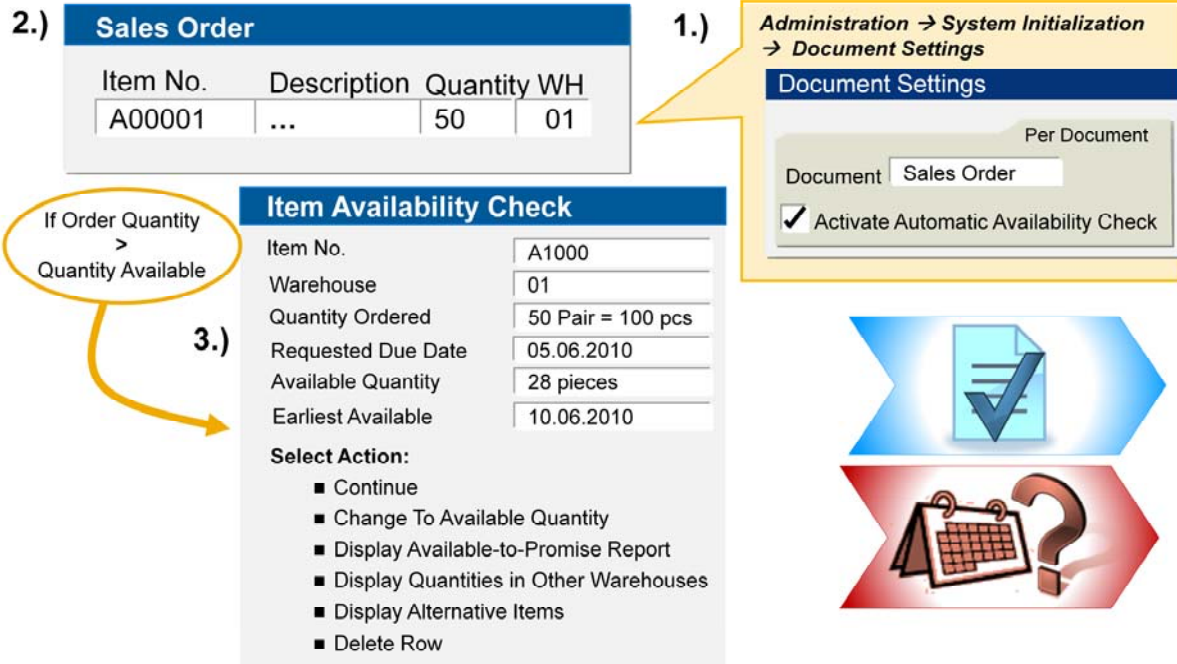
Document Sales Order

☒ Activate Automatic Availability Check



- From that point on, whenever you are creating a sales order and enter a quantity for an item which is greater than the available quantity for this item minus the minimum inventory level on the delivery date, the *Item Availability Check* window comes up automatically.

Availability Check



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- The *Item Availability Check* Window displays the quantity ordered in the sales order and quantity available in inventory.
- Several actions are offered in this window.
- The first option is to continue. This allows you to accept the information and proceed without changing the sales order. In that case the item will be backordered.
- The second option is to change the quantity in the sales order line item to match the Available Quantity. This reduces the order quantity to the available quantity.
- If you need more information before deciding on a resolution, you can choose the option to display the *Available-to-Promise Report*. This provides you with an at-a-glance report on stock inflow and outflow including projections. This report is also available directly from the context menu.
- You could also check *quantities in other warehouses*. From this report, you can check and possibly select the quantities from another warehouse.
- Sometimes an item has been set up with alternate items. When you choose this option, you can check for any alternates and if one is available, you can select the quantities from an alternative item.
- If the item is not available and no other options remain for on-time delivery, a customer may decide to not order that item. One of the actions available is to delete the item's row from the sales order.
- Sometimes, you may see an additional option, *Change to Earliest Availability*. This option only appears when the availability date can be calculated. It copies the earliest availability date to the row's delivery date.

Availability to Promise

Item No. ➡ A00001

Warehouse ➡ General Warehouse ▼

| # | Document | Customer/Vendor | Order Date | Delivery Date | Ordered | Committed | Available |
|---|----------|-----------------|------------|---------------|---------|-----------|-----------|
| 1 | ➡ PO 390 | CTI Corp | 04.06.2013 | 07.06.2013 | 80 | | 92 |
| 2 | ➡ OR 343 | Yogi Yoga | 06.06.2013 | 08.06.2013 | | 25 | 67 |
| 3 | ➡ PO 396 | Acme Associates | 06.06.2013 | 08.06.2013 | 40 | | 107 |
| 4 | ➡ OR 359 | Microchips | 07.06.2013 | 10.06.2013 | | 12 | 95 |

- The available to promise report is available from the availability check, however, even when you have sufficient quantity in an order, you can check the availability to promise for an item.
- In the context menu for a row, choose the option Available-to-Promise option. This opens a window with the inventory status report for the item in the row.
- You can see any documents which affect the inflow or outflow of this item from the warehouse listed on the row. You use a dropdown to view an alternate warehouse.
- For each document on the list, you can see the customer or vendor, order date, delivery date, the ordered or committed quantity.
- The documents are listed in delivery date order and the projected availability for the item on that date is shown.
- You can drill down into each document on the list.

Advanced ATP with SAP HANA

Extreme App for ATP available in SAP Business One, version for SAP HANA:

- **Supports delivery schedule details for different types of demand documents**
- **Confirms quantities for the delivery dates**
- **Allows rescheduling confirmed quantity for documents in case adjustments are needed**
- **The availability check is performed for demand documents such as:**
 - **Sales order with positive quantity**
 - **A/R reserve invoice with positive quantity**
 - **Inventory Transfer Request**
 - **Purchase order with negative quantity**
 - **A/P reserve invoice with negative quantity**
 - **Production Order**



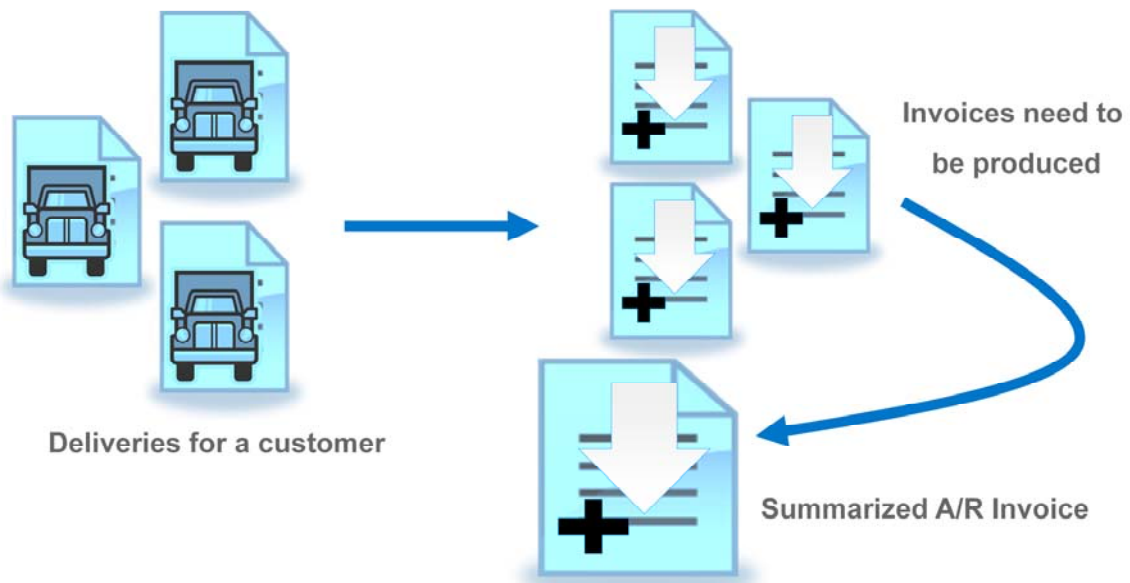
- Additional Availability-to-Promise functionality is available if you are using the SAP HANA database for your transactional database.
- The SAP Business One, version for SAP HANA, includes an extreme application that greatly enhances ATP functionality. It supports delivery schedule details for different types of demand documents that have potential outflow. It confirms quantity for the delivery dates and reserves the ATP information. It also allows rescheduling confirmed quantity for documents in case adjustments are needed. The ATP check is performed for demand documents such as sales orders and A/R reserve invoices with positive quantities, inventory transfer request, purchase orders and A/P reserve invoices with negative quantities, and production orders.

Pick and Pack Manager



- Pick and Pack Manager allows you to view multiple sales order rows and group them into pick lists for maximum efficiency.
- After picking, packing for deliveries can be done centrally.
- Then delivery documents can be generated for all the picked and packed items.
- In this way, you can more efficiently manage the logistics of picking and shipping sales orders.

Document Generation Wizard

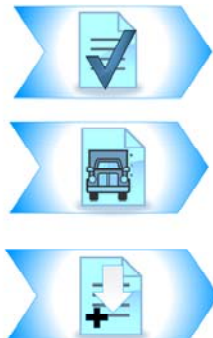


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- Typically, a company will generate a number of invoices at one time in a batch.
- The Document Generation Wizard is a tool to run a batch of documents at one time.
- The wizard follows a simple process used for gathering rows from base documents to target documents, based on several user-defined parameters. Examples of the parameters that exist are target document type, posting date, document date, items or service and many more.
- This wizard can be used for example, to produce a summarized A/R Invoice for a customer, containing all delivery notes that were created for the customer over the past week. It is a simple yet effective method of summarizing data to reduce data input. All deliveries for an individual customer can be consolidated into one invoice or set to create separate invoices.

Stock in the Sales Process



| Transaction | In Stock | - | Committed | + | Ordered | = | Available |
|--------------------------|----------|---|-----------|---|---------|---|-----------|
| Sales Order | | | + | | | | - |
| Delivery for order | - | | - | | | | |
| A/R invoice for delivery | | | | | | | |

+ Indicates increase in quantity
 - Indicates decrease in quantity

- Now let us recap how inventory is updated during the sales order process.
- When the sales order is saved, the item quantities are committed in inventory.
- When a delivery is posted, the in stock quantities and committed quantities are reduced.
- There is no effect on stock with the A/R invoice, unless the delivery is omitted. If an invoice is posted without a preceding delivery, the invoice will take on the role of the delivery and reduce the stock quantities and if there is a preceding sales order reduce the committed quantities as well.

Business Example



- To put this all together we will look at a business example.
- In our business example, our customer orders 7 scanners, but unfortunately only 5 are currently available in the main warehouse.
- The item availability window opens automatically giving us several options to pursue.
- First we check if the items are available right now in other warehouses. Unfortunately, none are available in other warehouses.
- Second, we choose the option to review the availability-to-promise report to see if there are any purchase orders or production orders on the horizon.
- Since there are none in the immediate future, we offer the customer the option of receiving a different scanner which is set up as an alternate item.
- The customer prefers that option over waiting.
- The customer agrees to receive 5 of the original scanner ordered and 2 of the alternate scanner on their original delivery date.
- The sales order now has committed quantities for the two items on the delivery date.

Business Example



- The warehouse pick dispatcher opens the Pick and Pack Manager.
- He sees this sales order's rows and the rows of many other sales orders.
- He creates pick lists to efficiently pick the items from all the orders due for delivery.

- The warehouse pick dispatcher opens the Pick and Pack Manager.
- He sees this sales order's rows and the rows of many other sales orders.
- He creates pick lists to efficiently pick the items from all the orders due for delivery.

Business Example



- The pickers gather the items needed for the sales order rows.
- They bring them to the packing area and prepare the shipments.
- A delivery is generated for this order and many others.
- When the delivery is posted, the committed quantity is reduced.
- The deliveries are loaded on trucks to bring to the customers.

- The pickers gather the items needed for the sales order rows.
- They bring them to the packing area and prepare the shipments.
- A delivery is generated for this order and many others.
- When the delivery is posted the committed quantity is reduced for the sales order when the stock quantity is issued for the delivery.
- The deliveries are loaded on trucks to bring to the customers.

Business Example



- The document generation wizard generates consolidated invoices for customer deliveries.

- At the end of the day, the document generation wizard generates consolidated invoices for the customer deliveries.

Summary



Here are some key points:

- An automatic availability check is done for sales orders.
- The availability check window appears when the sales order row quantity of an item exceeds available quantity minus the minimum inventory level on the delivery date.
- Available quantity is equal to the in stock quantity plus the order quantity minus the committed quantity.
- Committed quantity is increased by sales orders and reduced when the item is delivered. The delivery also reduces the in-stock quantity.
- Pick and Pack Manager coordinates picking and packing activities and can automate delivery creations.
- The Document Generation Wizard performs batch processing of sales documents.

■ Here are some key points:

- An automatic availability check is done for sales orders as long as you have marked the checkbox in document settings for the sales order.
- The availability check window appears when the sales order row quantity of an item exceeds available quantity minus the minimum inventory level on the delivery date. You also have the ability to do a manual availability check as needed.
- If insufficient quantity is available, the check gives you options to change item quantity, change delivery dates, view an ATP report, check other warehouses, choose alternate items, delete the item row or ignore the message.
- Additional functionality for availability-to-promise and delivery rescheduling is available when running SAP Business One of the SAP HANA database. This is discussed in a separate course.
- Available quantity is equal to the in stock quantity plus the order quantity minus the committed quantity.
- Committed quantity is increased by sales orders and reduced when the item is delivered. Delivery also reduces in-stock quantity.
- Pick and Pack Manager coordinates picking and packing activities and can automate delivery creations.
- The Document Generation Wizard performs batch processing of sales documents. For example, it can be automate invoice processing.

Sales – A/R Returns and Exchanges

SAP Business One, Version 9.0



- Welcome to the topic on handling returns and exchanges in the sales process.

Objectives



At the end of this module, you will be able to:

- Describe how to handle issues that arise from deliveries
 - Returns
 - Redeliveries
 - Exchanges

- In this topic, we will explore how to handle issues that arise from deliveries. We will process returned items, redeliver items, and see how we can use negative rows in a sales documents to handle partial credits and exchanges.

Business Example



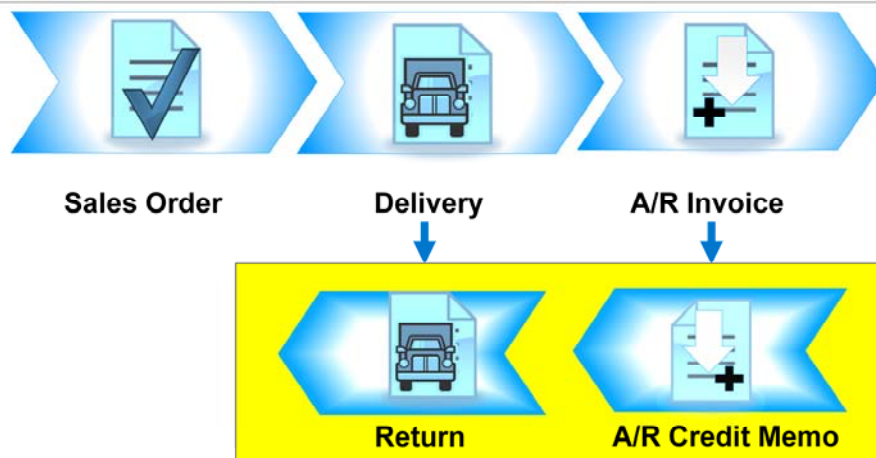
To increase customer satisfaction, the company has a liberal policy for returning items for replacement, exchange, or credit.

When problems arise from the delivery, a Return document is used to give credit or to provide an option for redelivery from the original sales order.

Sometimes the customer wants to return an item to exchange it for a different item. In those cases, the option for negative rows on a sales document can be used to return an item and exchange it for another.

- To increase customer satisfaction, the company has a liberal policy for returning items for replacement, exchange, or credit.
- When problems arise from the delivery, a Return document is used to give credit or to provide an option for redelivery from the original sales order.
- Sometimes the customer wants to return an item to exchange it for a different item. In those cases, the option for negative rows on a sales document can be used to return an item and exchange it for another

Correction Documents



- The two main correction documents for the sales process are the Return document and the A/R credit memo.
- The Return document is used to process items returned from customers following a delivery.
- The A/R credit memo (or credit note) is used to process returned items, once an A/R invoice has been issued.
- Credit memos can also be created to give credit for amounts not connected to items.
- Additionally, rows with credits can be entered directly on deliveries and invoices.
- In this topic we will focus on Return document.

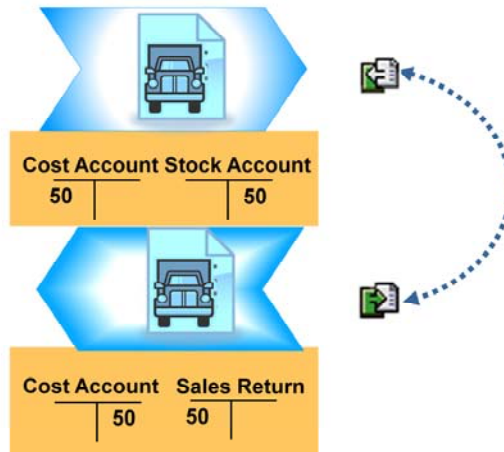
Return



- If a delivery is damaged or of poor quality, the customer returns the items to you. A Return allows you to reverse the effects of a delivery, either partially or fully. When you create the Return with reference to the delivery note, the system adds a reversed stock transaction to return the item to inventory.
- Why would you need to use a return? For legal reasons, you cannot change or delete deliveries and customer invoices that have already been entered in the system. To correct these, you need to use a clearing document such as a Return or an A/R credit memo document.
- If a delivery is returned before you create the A/R invoice for the customer, you can post the return delivery in the system. If an A/R invoice exists, you cannot use a Return.

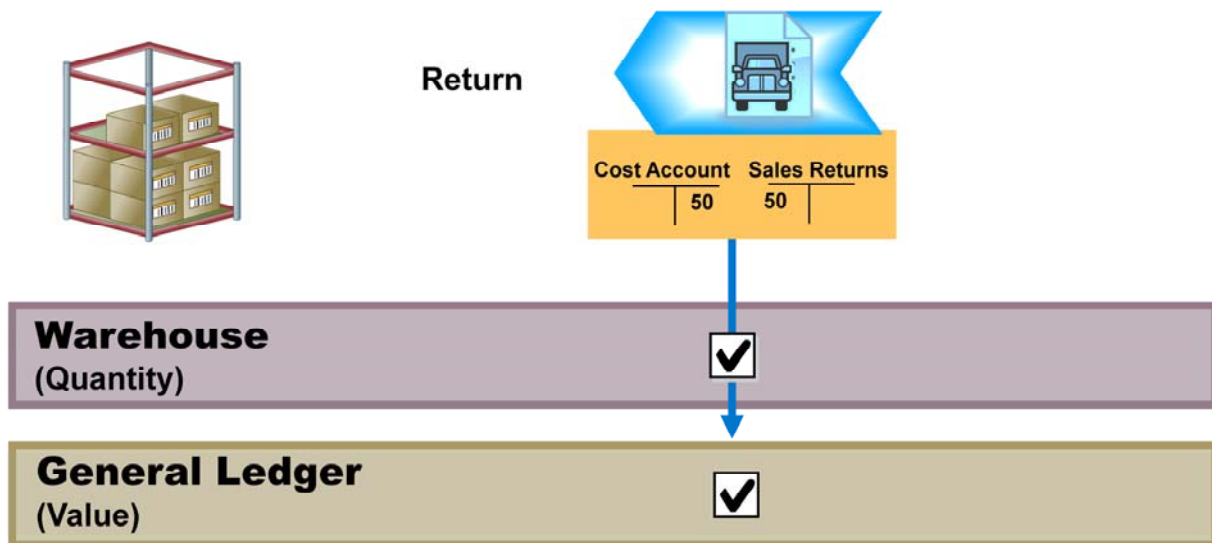
Return example

- We shipped the customer a quantity of 5 keyboards
- The delivery created a journal entry for decrease in inventory value and the cost of goods sold
- The customer asked to return the 5 keyboards
- When the return is processed, a journal entry is created to record:
 - A credit to the cost account for the full amount
 - a debit to the sales returns account



- In our business example, the customer ordered a quantity of 5 keyboards
- We shipped the customer a quantity of 5
- Because we were using perpetual inventory, the delivery created a journal entry for a credit to the stock account for the decrease in inventory value and a debit to the cost account to record the cost of goods sold
- The customer asked to return the 5 keyboards
- When the return is processed, a journal entry is created to record:
 - A credit to the cost account for the full amount
 - a debit to the sales returns account
- Note that some customers use the regular stock account for returns rather than a sales returns account because they do not need to separate returned items from the general stock.

Effect of a Return



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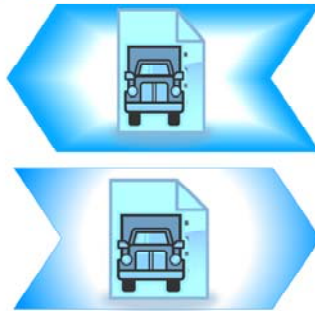
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- When you add a return document, the return document increases the quantity in the warehouse by the quantity of the returned item.
- The system also creates a journal entry that posts the value of the returned goods to the debit side of a sales returns account and to the credit side of the cost account.
- The value of the returned goods is not posted back to the original stock account in order to keep it separate from the value of the undamaged goods. The sales returns account and the cost account are retrieved from the *Sales Returns* field and the *Cost Account* field on the *Inventory* tab of the item master record.
 - Here is a tip: If you also want to manage the inventory of the damaged goods separately from the undamaged goods, you should define a special warehouse for the damaged goods and enter this warehouse in the return document.

Redelivery



- A redelivery can be created for a sales order after items are returned.
- Option exists to reopen sales order.
- The open quantity of item is increased in sales order.



- The option to allow redelivery can be chosen by a user or set to occur automatically.
- Redelivery reduces the need for duplicate orders.
- Subsequent deliveries are easier and more transparent.
- Same functionality exists in purchasing.

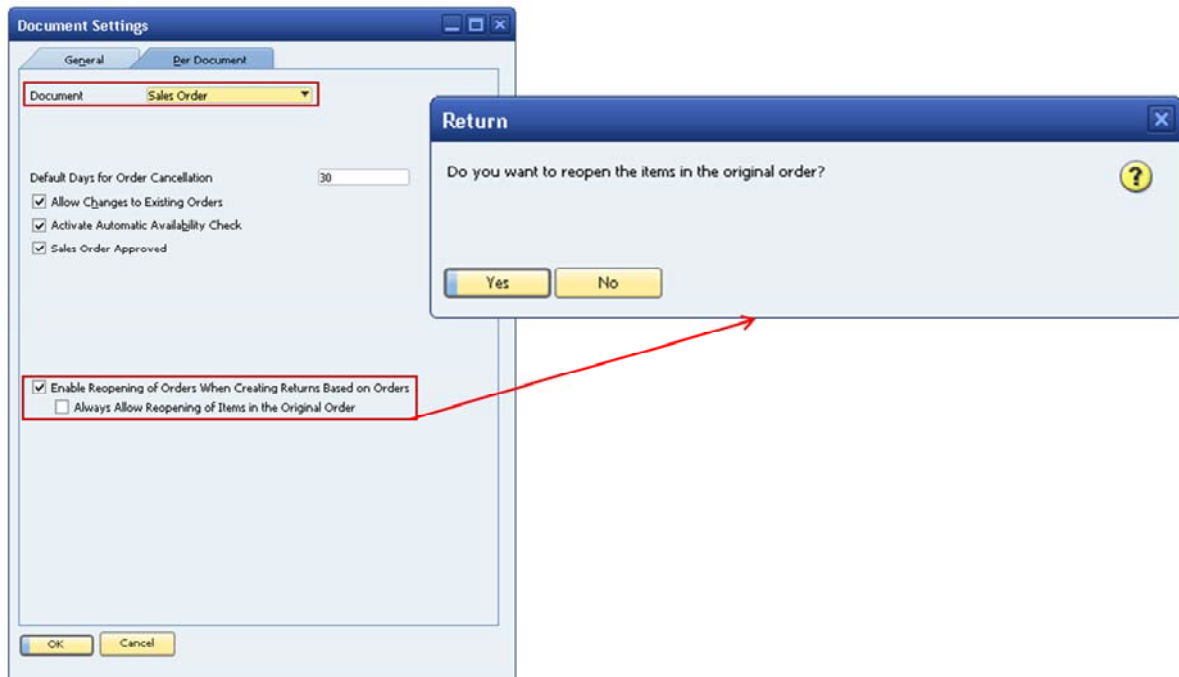
- A redelivery can be created from a sales order after items are returned.
- An option exists to reopen the original sales order.
- The open quantity of an item is increased in sales order according the quantity in the return document.
- The option to allow redelivery can be chosen by a user or set to occur automatically.
- One advantage is that redelivery reduces the need for duplicate orders.
- Another advantage is that subsequent deliveries are easier and more transparent. You can view the connection between the documents in the relationship map.
- The same functionality in exists on the purchasing side for purchase orders and goods receipt POs. When you create a goods return, the purchase order can be reopened to receive replacement items on a goods receipt PO.

Redelivery Example



- Let us look at a business example for redelivery.
- The customer has ordered 10 laptops. The sales order was copied to a delivery for the 10 laptops. When the delivery was saved, the sales order was automatically closed. Since all 10 were delivered there is no open quantity on the sales order.
- There was problem with 3 of the laptops. The delivery was referenced to create a Return for a quantity of 3. The user chooses to reopen the sales order so that the quantity of 3 can be redelivered.
- A subsequent delivery is created from the original sales order. The open quantity of 3 is delivered, so the sales order is automatically closed and the open quantity on the sales order returns to 0.

Prerequisites for Redelivery



- To offer users the option of redelivery, the setting must be made in advance.
- You can enable the functionality on the Document Settings window for sales orders. Choose the option to enable reopening of orders while creating returns based on orders.
- An additional option is available to always allow the reopening of items in the original order. If this is chosen, then the sales order is always reopened. If left unchecked, a box will appear as the return is saved to ask if the user would like to reopen the items in the original order.

Exchanges by negative rows



- Make corrections directly in a marketing document without a credit memo
- Negative rows can be added to:
 - Delivery
 - A/R Invoice
 - Return
 - A/R Credit Memo
- Example: customers can get a credit for sending back packaging while ordering more items.

- Negative rows have been an option since release 8.8.
- Negative rows allow you to give credits directly on sales or purchasing documents.
- Using negative rows you can make corrections directly in a marketing document without a using a separate credit memo.
- The sales documents enabled for negative rows are: A/R Invoice, A/R credit memo, Delivery and Return.
- Negative rows can also be added to marketing documents in the procurement process. The purchasing documents enabled for negative rows are: A/P invoice, A/P credit memo, Goods Receipt PO and Goods Return.
- On most sales documents, like a delivery or A/R invoice, the negative row is a credit. However a negative row added to an A/R credit memo will actually be a debit line which charges the customer rather than credits the customer. That is because a positive total on a credit memo indicates a credit; therefore a negative amount on an A/R credit memo will indicate that the customer owes us.
- Another good example of a use for a negative row is to give a customer credit for sending back packaging while they are ordering more items.
- In most localizations, you can have a document with a negative amount. This can be useful in case the amount on the credit rows exceeds the amount on the debit rows in an A/R invoice.

Exchange example



- The customer orders 5 batteries
- The customer discovers the batteries are not the correct kind
- The customer wants to exchange batteries
- Create a delivery to ship out the correct batteries
- Add a negative row to return the incorrect batteries

- In our business example, our customer has ordered 5 batteries.
- The customer quickly realizes that the batteries are the wrong kind.
- The customer would like to exchange the incorrect batteries for the correct batteries.
- We can create a sales document, such as a delivery or an A/R invoice to ship out the correct batteries
- The same document can include a negative row (or credit row) to receive the returned batteries into stock and credit the customer.

Summary



Here are some key points:

- The Return document is used to process items returned from a customer after a delivery. It allows you to reverse the stock postings and any related accounting postings of a delivery either partially or fully.
- An option exists to reopen the related sales order for redelivery when posting returns. Configuration for this option is set in document settings for the sales order.
- Another option for correcting deliveries and managing exchanges is negative rows.
- The sales documents enabled for negative rows are: A/R Invoice, A/R credit memo, Delivery and Return.
- Several purchasing documents are also enabled for negative rows.

- The Return document is used to process items returned from a customer after a delivery. A Return document allows you to reverse the stock postings and any related accounting postings of a delivery either partially or fully.
- An option exists to reopen the related sales order for redelivery when posting returns.
- Configuration for this option is set in document settings for the sales order.
- Another option for correcting deliveries and managing exchanges is negative rows.
- The sales documents enabled for negative rows are: A/R Invoice, A/R credit memo, Delivery and Return.
- Several purchasing documents are also enabled for negative rows: A/P invoice, A/P credit memo, Goods Receipt PO and Goods Return.

Sales – A/R

A/R Credit Memos

SAP Business One, Version 9.0



- Welcome to the topic on A/R credit memos.

Objectives



At the end of this module, you will be able to:

- Correct issues that occur after an A/R invoice has been created.

- In this topic we will discuss how to correct issues that occur after an A/R invoice has been created. We will see how to create A/R Credit Memos and how to cancel an A/R invoice.

Business Example



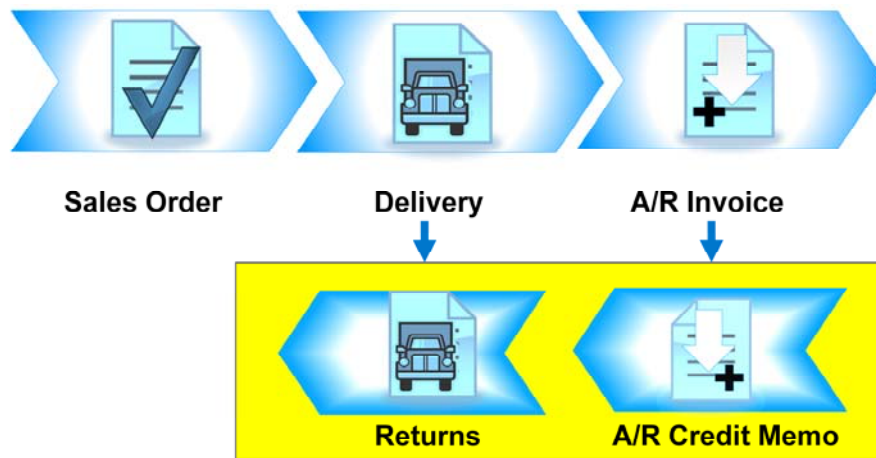
As part of the initiative to improve customer satisfaction, the company has begun studying how to best correct issues that occur after invoicing.

The key document for correcting invoicing issues is the A/R Credit Memo. A/R credit memos are used to correct problems with invoice pricing as well as to allow items to be returned for credit.

Another tool for correcting issues is the ability to cancel a marketing document. The company uses this option when incorrect A/R invoices are created.

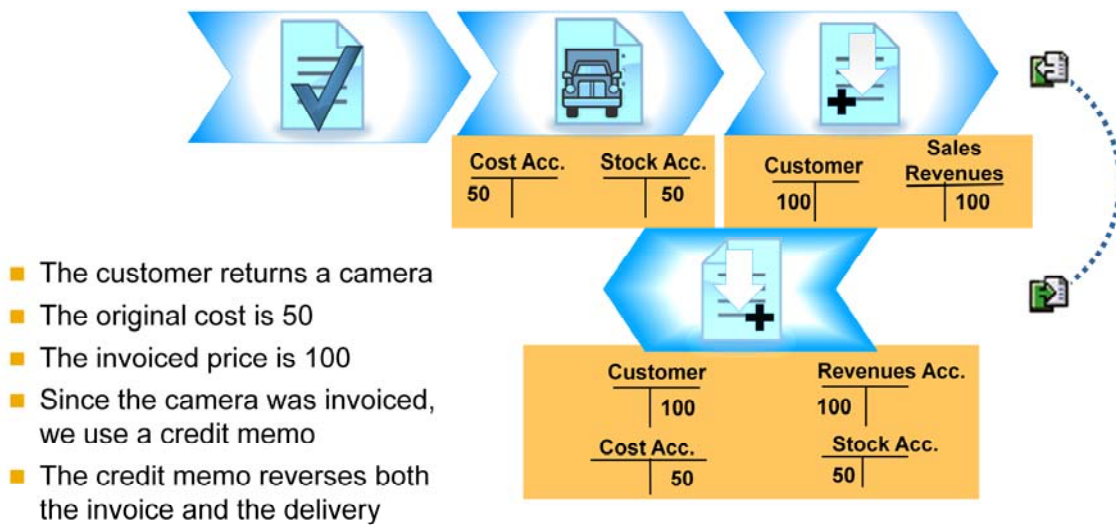
- As part of the initiative to improve customer satisfaction, the company has begun studying how to best correct issues that occur after invoicing.
- The key document for correcting invoicing issues is the A/R Credit Memo. A/R credit memos are used to correct problems with invoice pricing as well as to allow items to be returned for credit.
- Another tool for correcting issues is the ability to cancel a marketing document. The company uses this option when incorrect A/R invoices are created.

Correction Documents



- The two main correction documents for the sales process are the returns document and the A/R credit memo.
- A previous topic discussed how to use the return document when problems arise from a delivery.
- However a return document cannot be used once an A/R invoice is created.
- The A/R credit memo (or credit note) is the document used to process returned items or to give a pricing credit, once an A/R invoice has been issued.
- Another option for correcting invoicing issues is to cancel an invoice and reissue it.

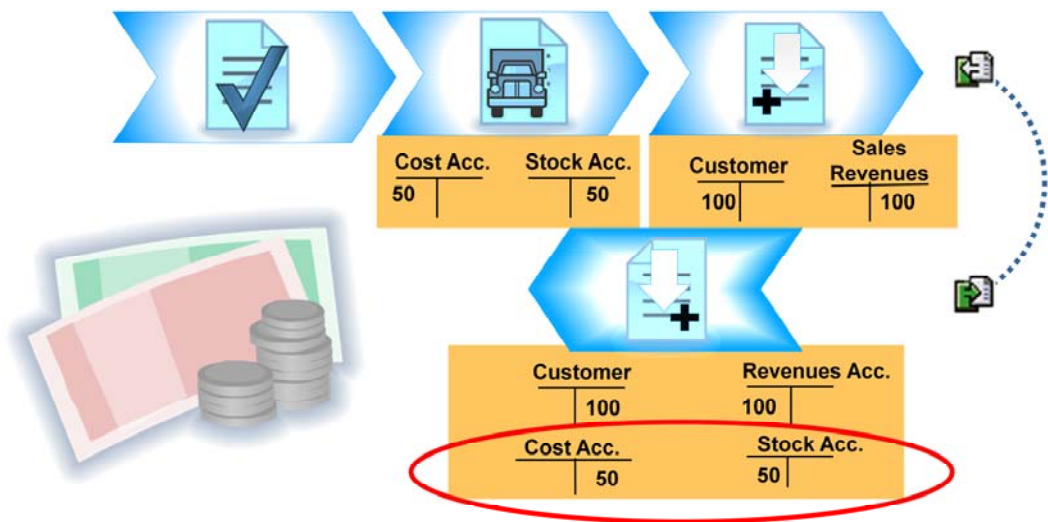
Credit Memo



- The customer returns a camera
- The original cost is 50
- The invoiced price is 100
- Since the camera was invoiced, we use a credit memo
- The credit memo reverses both the invoice and the delivery

- In our business example, the customer is disappointed in the performance of the camera they ordered.
- So they have decided to return the camera.
- Our item cost for the camera was 50.
- The camera was invoiced at the price of 100.
- Since the camera had already been invoiced, we had to use a credit memo to process the return.
- The A/R credit memo reverses both the invoice posting and the delivery posting

Credit Memo

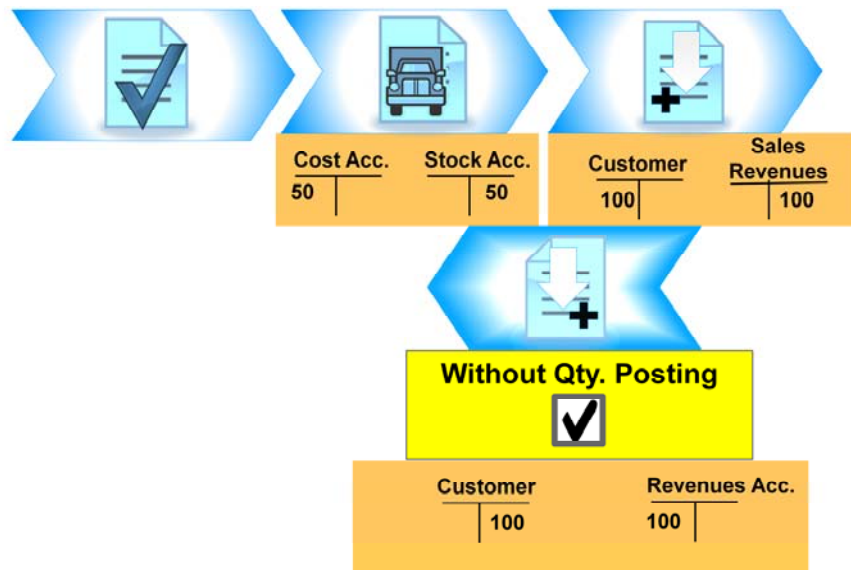


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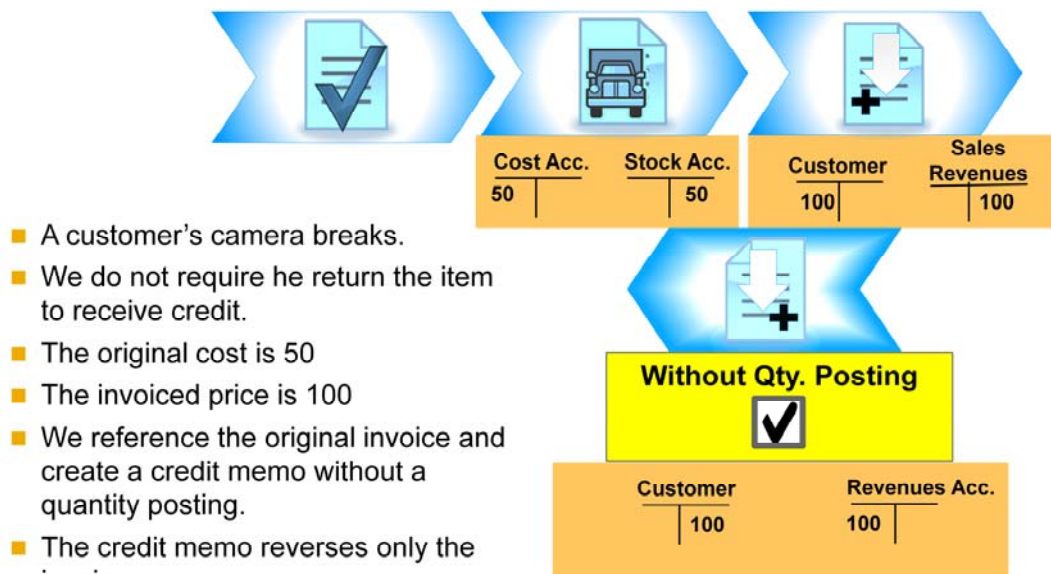
- An A/R credit memo (also called a credit note) reverses either partially or fully the journal entry created by an A/R invoice.
- When you create an A/R credit memo with reference to the A/R invoice, the system corrects both the quantities and values in the A/R invoice.
 - The system increases the stocks of the credited items.
 - The system credits the credit memo value to the customer's account in the general ledger and corrects the revenue by the same amount
- If the credit memo is an item-type credit memo with rows for inventory items, then the journal entry for the credit memo will also increase the stock account and decrease the cost account.

Credit without Return to Stock



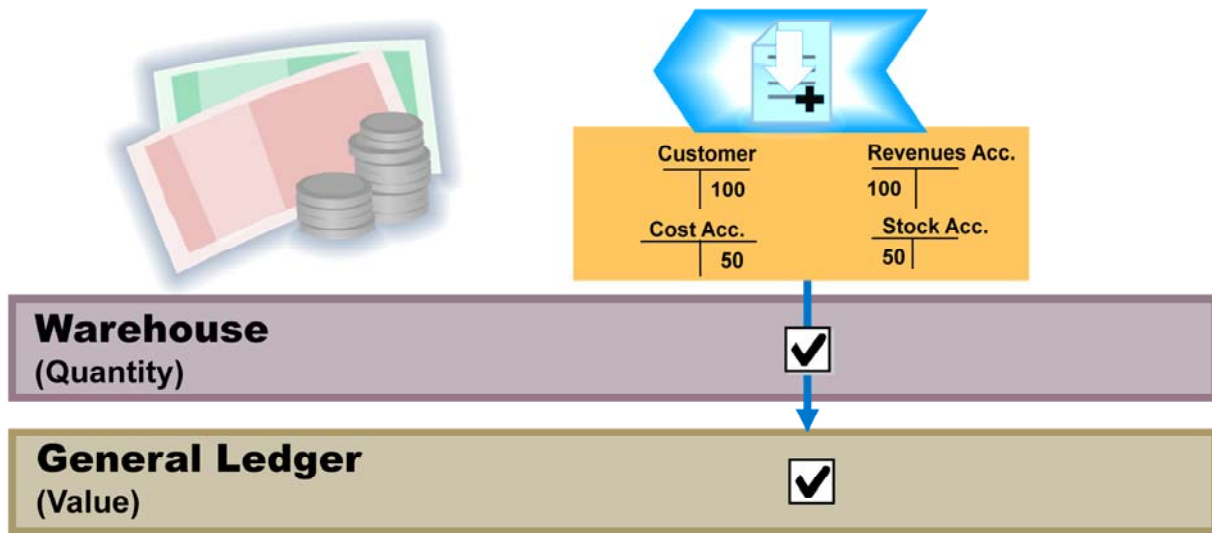
- As we just saw, an item-type credit memo normally returns items to stock as well as gives a credit for the items.
- If you wish to give a credit, but not create a goods movement, you have two choices.
- You can create an item-type credit memo and select the checkbox **Without Qty posting** on the item row, or you can use a service-type credit memo.
- The advantage using an item-type credit memo and the Without Qty posting checkbox is that an item-type credit memo can be copied from an item-type A/R invoice. Only an item-type credit memo, can you list the item numbers.
- Neither of these are possible with a service-type credit memo. Therefore, the service-type credit memo is best used for crediting services or for circumstances where you do not wish to reference the invoice as a base document.

Credit without Return to Stock



- Let us look at an example of creating an item-type credit memo without a quantity posting to inventory.
- In this case, a customer's camera breaks. Unlike our last example, we do not require the customer returns the item to receive credit.
- As before, the original cost is 50 and the invoiced price is 100.
- We once again reference the original invoice and create an item-type credit memo. However, this time we select the checkbox "Without Qty Posting".
- The customer receives full credit for the item and no stock postings are made.

Credit Memo without Reference

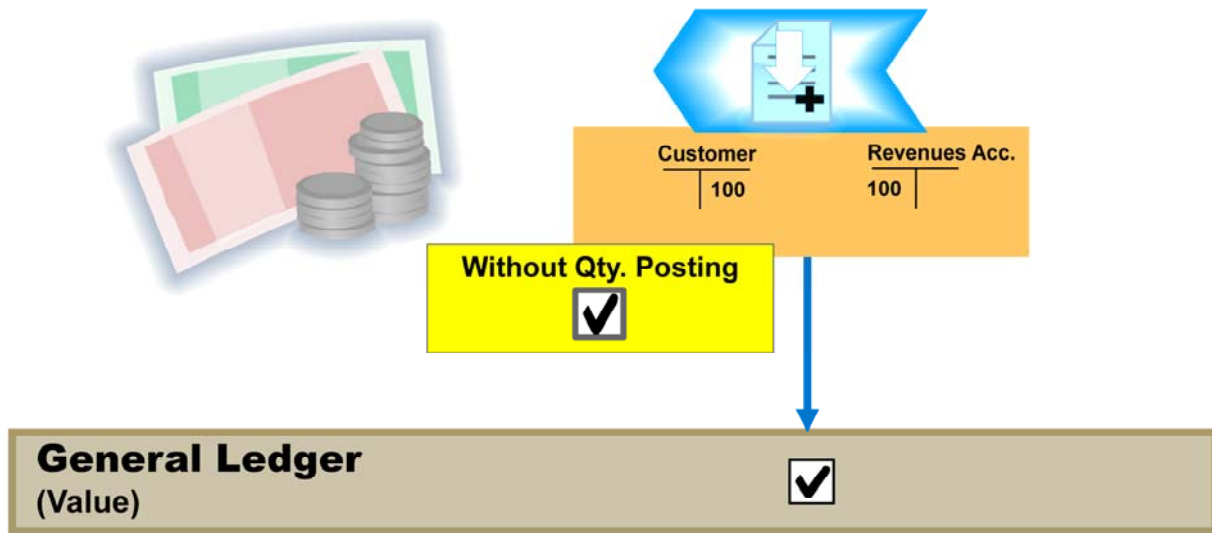


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- When a customer returns items that do not refer to a specific invoice or if the A/R invoice status is closed because the invoice was paid, you can post this quantity directly to the warehouse without referencing a preceding document.
- If the credit memo is for inventory items, then the stock and stock value increase as a result.

Credit Memo without Reference



- If you do not wish to reverse the stock posting and cost postings, you once again have the option to use the checkbox “Qty without Posting” to eliminate the goods movement.
- Then the only posting is to reverse the postings to revenue and customer accounts.

Cancellation



- Ability to cancel documents.
- Saves time because accounting, fiscal, financial and inventory transitions are completely reversed in one step.
- Base documents are re-opened and can be used as a base document again.
- Reporting available for cancelled documents.
- Define maximum no. of days for cancelling marketing documents after posting.

- Sometimes it is not appropriate to create a credit memo, instead you prefer to cancel the original document.
- Business One gives you the ability to cancel marketing documents such as an incorrect invoice.
- When you cancel a marketing document, a new 'cancellation' document is created during each cancellation procedure. Both the reversing and reversed documents are closed automatically and fully reconciled.
- Canceling a document saves time because any relevant accounting, fiscal, financial and inventory transactions are completely reversed in one step.
- Base documents, such as a delivery, are re-opened after cancellation, and can be used as a base document again.
- Reporting is available for cancelled documents, since the original posting remains in the system along with the cancellation.
- You have the flexibility to set a maximum number of days for allowing cancellation after documents are posted, and relevant authorizations support this process.

Cancellation Example

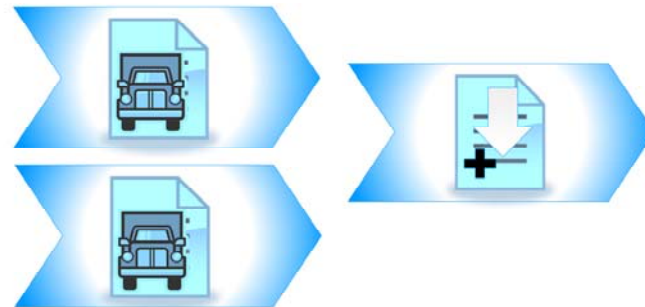
- A customer was invoiced before all items on the sales order were delivered.



- The invoice is canceled. The cancellation creates an invoice with reversed amounts.



- The original delivery reopens. A second delivery is made. Customer can be invoiced for full sales quantity.



- A customer was invoiced before all items on the sales order were delivered.
- The customer had asked that they not be invoiced until the full order was received.
- The customer had ordered several items on a sales order which were partially delivered. When these items were invoiced the delivery document status was *Closed* and the open quantity on the delivery was 0.
- To resolve the customer's complaint, the invoice is canceled. The cancellation creates an A/R invoice with reversed amounts.
- The original delivery reopens. A second delivery is made.
- Now because the full quantity is sent to the customer, the customer can be invoiced for the full sales quantity.

Summary



Here are some key points:

- An A/R credit memo reverses a journal entry partially or fully.
- When you create a credit memo with reference to an invoice, the system corrects both the quantities and values in the invoice.
- If the credit memo contains inventory items, the journal entry will increase the stock account and decrease the cost account.
- A credit memo can be created without reference.
- If you wish to give a credit without impacting stock, select the checkbox *Without Qty posting* on the item row or use a service-type credit memo.
- You can cancel marketing documents. A reversing document is created and both the reversing and reversed documents are closed.
- Base documents are re-opened after cancellation.

- An A/R credit memo reverses an A/R invoice's journal entry either partially or fully.
- When you create an A/R credit memo with reference to the A/R invoice, the system corrects both the quantities and values in the invoice.
- If the credit memo contains inventory items, then the journal entry for the credit memo will also increase the stock account and decrease the cost account.
- A credit memo can be created without reference to a base document, for example when you need to credit closed invoices that have been paid or for when the credit does not relate to any specific invoices.
- If you wish to give a credit without an impact to stock, you can select the checkbox *Without Qty posting* on an item row in an item-type credit memo, or you can use a service-type credit memo.
- You can cancel marketing documents such as A/R invoices. A new reversing 'cancellation' document is created during each cancellation procedure, and both the reversing and reversed documents are closed automatically and fully reconciled.
- Base documents, such as a delivery, are re-opened after cancellation, and can be used as a base document again.

Exercises



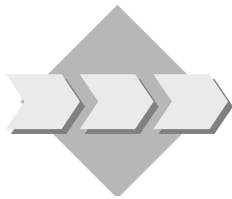
Unit: Sales – A/R

Topic: Streamlined Sales Process



At the conclusion of this exercise, you will be able to:

- Create an A/R invoice for a streamlined sales process



In this exercise, you create an A/R invoice for an important customer's rush order.

1-1 A customer needs to have some items sent out immediately. You create an A/R invoice to handle the functions of sales, delivery and billing.

1-1-1 Create an A/R invoice for the customer with the following information.

| Field Name or Data Type | Values |
|-------------------------|---------------|
| <i>Customer</i> | C20000 |
| <i>Posting Date</i> | Today |
| <i>Item No.</i> | C00001 |
| <i>Quantity</i> | 10 |
| <i>Item No.</i> | C00006 |
| <i>Quantity</i> | 5 |

1-1-2 The customer should receive a 2% discount for paying within 10 days. Check if the payment terms are correct.

Review the payment terms and adjust if necessary.

A/R invoice document number: _____

Save the A/R invoice.

Solution



Unit: Sales – A/R

Topic: Streamlined Sales Process

1-1 A customer needs to have some items sent out immediately. You create an A/R invoice to handle the functions of sales, delivery and billing.

1-1-1 Create an A/R invoice for the customer with the following information.
Choose *Sales A/R → A/R Invoice*.

| Field Name or Data Type | Values |
|-------------------------|---------------|
| <i>Customer</i> | C20000 |
| <i>Posting Date</i> | Today |
| <i>Item No.</i> | C00001 |
| <i>Quantity</i> | 10 |
| <i>Item No.</i> | C00006 |
| <i>Quantity</i> | 5 |

1-1-2 The customer should receive a 2% discount for paying within 10 days. Check if the payment terms are correct.

Review the payment terms and adjust if necessary.

Choose the *Accounting* tab.

A/R Invoice Document number: _____

Save the A/R invoice. Choose *Add* to save the document.

Exercises



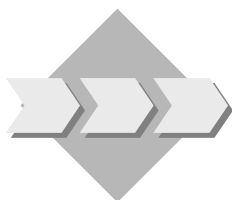
Unit: Sales – A/R

Topic: Sales Order to Cash



At the conclusion of this exercise, you will be able to:

- Perform the steps of the sales process
- Discuss sales documents' effects on inventory and accounting
- Run the open items list



In this exercise, you create a sales order for a customer. Then you change the sales order to accommodate customer requests. You deliver the items to the customer then create an A/R invoice for the delivery. When the customer pays your company, you create the incoming payment document.

Later, you perform each step of the sales process again while viewing the effects of each document on inventory and accounting.

2-1 Follow the steps of the sales process.

2-1-1 Create a sales order for customer C23900.

Parameter Technology has just called to place an order for a motherboard and five network cards.

| Field Name or Data Type | Values |
|-------------------------|----------------------------------|
| <i>Customer</i> | C23900 |
| <i>Delivery Date</i> | <2 days from today> |
| <i>Item No.</i> | C00001 |
| <i>Quantity</i> | 1 |
| <i>Item No.</i> | C00006 |
| <i>Quantity</i> | 5 |

Sales order number: _____

Save the sales order.

2-2 Change a sales order.

2-2-1 The customer calls you to make some changes to the sales order that you just entered. Open the sales order you just created.

Increase the first quantity to 10.

The customer tells you that he had been promised a 1% discount on the whole sales order. Enter a 1% discount for the order total.

| Field Name or Data Type | Values |
|-------------------------|----------|
| <i>Discount</i> | 1 |

2-3 Create a delivery for your sales order.

2-3-1 Open the sales order you just created to create a delivery with the *Copy to* function.

2-3-2 Copy all the items from the sales order to a delivery.
Save the delivery.

2-4 Create an A/R invoice for your delivery.

2-4-1 From the delivery, copy the items to an A/R invoice.
Save the invoice.

A/R invoice number: _____

2-5 The customer sent a payment for the delivery using a bank transfer. Create an incoming payment for the A/R invoice.

2-5-1 Open the incoming payments window.

| Field Name or Data Type | Values |
|-------------------------|---------------|
| <i>Code</i> | C23900 |

Select the A/R invoice.

Choose the *Payment Means* icon.

Enter the following information in the appropriate tab.

| Field Name or Data Type | Values |
|---------------------------|---|
| <i>G/L Account number</i> | < Use 161022 for the UK, if using another localization then the instructor will provide> |
| <i>Transfer Date</i> | < today's date> |
| <i>Reference</i> | 79773528 |
| <i>Total</i> | Press CTRL + B to copy the total |

Save the document.

2-6 Track the effect of each step in the sales process beginning with the sales order.

2-6-1 Create a sales order for a customer and view the effect on inventory.

| Field Name or Data Type | Values |
|-------------------------|-----------------------|
| <i>Customer</i> | C40000 |
| <i>Delivery Date</i> | < today> |
| <i>Item No.</i> | A00002 |
| <i>Quantity</i> | 10 |

Save the order.

Sales order number: _____

2-6-2 Open the sales order you just created.

View the details for the row.

Which warehouse is assigned to the first row?

Return to the sales order. Open the item master record.

How many printers are in stock? _____

How many printers are committed? _____

Choose *Cancel* to return to the sales order. _____

2-7 View the open items list.

2-7-1 Run the ***Open Items List*** for sales orders. Look for your sales order and item.

2-8 Create a delivery and view the effect of the delivery.

- 2-8-1 Open the sales order you just created and copy the items to a delivery document.

Add the delivery.

Delivery number: _____

- 2-8-2 Retrieve the delivery you just created to view the effect of the delivery on inventory.

Open the item master record to find the following information.

How many printers are in stock? _____

How many printers are committed? _____

Return to the delivery.

- 2-8-3 View the effect of the delivery on accounting.

Open the journal entry. What are the two postings made by the delivery document?

2-9 Create the A/R invoice and view the accounting effects.

- 2-9-1 From the delivery document, choose *Copy to*.

A/R Invoice number: _____

Re-open the invoice and open the journal entry.

What type of postings is made to indicate the customer owes us money: debit or credit?

What type of posting is made to record sales revenues: debit or credit?

- 2-9-2 As you saw in the journal entry, no changes to inventory were recorded when you created the A/R invoice. When would an A/R invoice record changes to inventory?

Solution



Unit: Sales – A/R

Topic: Sales Order to Cash

2-1 Follow the steps of the sales process.

2-1-1 Create a sales order for your customer C23900.

Parameter Technology has just called to place an order for a motherboard and five network cards.

Choose *Sales A/R* → *Sales Order*.

| Field Name or Data Type | Values |
|-------------------------|----------------------------------|
| <i>Customer</i> | C23900 |
| <i>Delivery Date</i> | <2 days from today> |
| <i>Item No.</i> | C00001 |
| <i>Quantity</i> | 1 |
| <i>Item No.</i> | C00006 |
| <i>Quantity</i> | 5 |

Sales order number: _____

Save the sales order. Choose *Add* to save the sales order.

2-2 Change a sales order.

- 2-2-1 The customer calls you to make some changes to the sales order that you just entered.

Choose **Sales – A/R → Sales Order**

Open the sales order you just created.

Either choose the *Last Data Record* icon or use *Find* mode to search for the document by number or customer name.

Increase the first quantity to 10.

The customer tells you that he had been promised a 1% discount on the whole sales order. Enter a 1% discount for the order total.

| Field Name or Data Type | Values |
|-------------------------|----------|
| <i>Discount</i> | 1 |

Choose *Update* to save your changes.

Choose *OK*.

2-3 Create a delivery for your sales order.

- 2-3-1 Open the sales order you just created to create a delivery with the *Copy to* function.

Choose **Sales – A/R → Sales Order**.

Choose the *Last Data Record* icon.

- 2-3-2 Copy all the items from the sales order to a delivery.

Choose the button *Copy to*.

Choose *Delivery*.

Delivery number: _____

Choose *Add* to save the delivery.

Confirm the system message by choosing *Yes*.

2-4 Create an A/R invoice for your delivery.

2-4-1 From the delivery, you will copy the items to an A/R invoice.



If you have closed the delivery, re-open the delivery. Choose **Sales – A/R → Delivery**. Choose the *Last Data Record* icon.

In the delivery document, choose *Copy to*.

Choose *A/R invoice*.

Choose *Add* to save the invoice.

A/R invoice number: _____

Confirm the system message by choosing *Yes*.

2-5 The customer sent a payment for the delivery using a bank transfer. Create an incoming payment for the A/R invoice.

2-5-1 Open the incoming payments window.

Choose **Banking → Incoming Payments → Incoming Payments**.

| Field Name or Data Type | Values |
|-------------------------|---------------|
| <i>Code</i> | C23900 |

Select the A/R invoice. Mark the selection box in the *Selected* column.

Choose the *Payment Means* icon.

Choose the tab *Bank Transfer*.

Enter the following information.

| Field Name or Data Type | Values |
|---------------------------|--|
| <i>G/L Account number</i> | < Use 161022 for the UK, if using another localization then the instructor will provide > |
| <i>Transfer Date</i> | < today's date > |
| <i>Reference</i> | 79773528 |
| <i>Total</i> | Press CTRL + B to copy the total |

Choose *OK*.

Choose *Add* to save the document.

Choose *Add*.

2-6 Track the effect of each step in the sales process beginning with the sales order.

2-6-1 Create a sales order for a customer and view the effect on inventory.

Choose *Sales A/R* → *Sales Order*.

| Field Name or Data Type | Values |
|-------------------------|-----------------------|
| <i>Customer</i> | C40000 |
| <i>Delivery Date</i> | < today> |
| <i>Item No.</i> | A00002 |
| <i>Quantity</i> | 10 |

Choose *Add* to save the order.

Sales order number: _____

2-6-2 Open the sales order you just created.

Choose *Last Data Record*.

View the details for the row. Double-click on *Row 1*.

Which warehouse is assigned to the first row?

Close the window to return to the sales order.

Open the item master record. Choose the *link arrow* to next to the *Item No.* field.

Choose the *Inventory Data* tab.

How many printers are in stock? _____

How many printers are committed? _____

Choose *Cancel* to return to the sales order _____

2-7 View the open items list.

2-7-1 Choose *Sales A/R* → *Sales Reports* → *Open Items List*.

Choose *Sales Orders* in the dropdown list for open documents.

Look for your sales order and item.

Choose *OK* to close the *Open Items* list.

2-8 Create a delivery and view the effect of the delivery.

2-8-1 Open the sales order you just created.

Choose *Last Data Record*.

Choose *Copy to*.

Choose *Add* to save the delivery.

Delivery number: _____

Confirm that you want to save the delivery by choosing *Yes*.

2-8-2 Retrieve the delivery you just created to view the effect of the delivery on inventory.

Choose *Last Data Record*.

Open the item master record by choosing the link arrow next to the *Item No.* field.

Choose the *Inventory Data* tab.

How many printers are in stock? _____

How many printers are committed? _____

Choose *Cancel* to return to the delivery.

2-8-3 View the effect of the delivery on accounting.

Choose the *Accounting* tab.

Open the journal entry. Choose the *link arrow* next to the *Journal Remarks* field.

What are the two postings made by the delivery document?

Choose *Cancel* to return to the delivery.

2-9 Create the A/R invoice and view the accounting effects.

2-9-1 From the delivery document, choose *Copy to*.

Choose *A/R Invoice*.

Choose *Add* to save the invoice.

Confirm the system message to save the invoice.

A/R Invoice number: _____

Re-open the invoice you created with the *Last Data Record* icon.

Choose the *Accounting* tab.

Open the journal entry. Choose the *link arrow* next to the *Journal Remark* field.

What type of postings is made to indicate the customer owes us money: debit or credit?

A debit posting is made to the customer account.

What type of posting is made to record sales revenues: debit or credit?

A credit posting is made for sales revenue.

Close all open windows.

2-9-2 As you saw in the journal entry, no changes to inventory were recorded when you created the A/R invoice. When would an A/R invoice record changes to inventory?

If there is no preceding delivery document, the A/R invoice records the changes to inventory quantity. Additionally, if you are running perpetual inventory, the A/R invoice records the changes to inventory value in the resulting journal entry.

Exercises



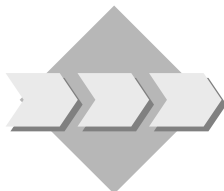
Unit: Sales – A/R

Topic: Customer and Customer Groups



At the conclusion of this exercise, you will be able to:

- Create a customer group
- Review default settings for customers
- Create business partners



In this exercise, you create a customer group for small customers and link it to a price list. You check default settings for business partner payment terms. You create customer master records for domestic and foreign customers. You create a lead master data record and then convert it to a customer master record

3-1 Define customer groups

3-1-1 Create a customer group.

Create a customer group for schools and link it to a price list.

| Field Name or Data Type | Values |
|-------------------------|---------------------------------|
| <i>Group Name</i> | Schools |
| <i>Price List</i> | Small Account Price List |

3-1-2 Check the default price list that is tied to the payment terms set at the company level in order to compare it to the setting you just made at the customer group level.

What are the default payment terms set for business partners?

What is the price list assigned to this payment terms code?

3-2 Create customer master records

3-2-1 Create a domestic customer

Create a new customer with the following values. Be sure to adopt the price list assigned to the customer group.

| Field Name or Data Type | Values |
|-------------------------|-------------------------------|
| <i>Code</i> | C2001 |
| <i>BP Type</i> | Customer |
| <i>Name</i> | Laurel School |
| <i>Group</i> | Schools |
| <i>Tel 1</i> | <Any> |
| <i>Sales Employee</i> | <Any you choose> |

Enter the bill-to address.

| Field Name or Data Type | Values |
|--|-------------------------|
| <i>Address ID</i> | Main Office |
| <i>Street / P.O. Box</i> | <Any> |
| <i>City</i> | <Any> |
| <i>Zip Code</i> | <Any> |
| <i>Country</i> | <Domestic> |
| <i>Default Tax Code (if needed in your localization)</i> | <Any> |

Enter the ship-to address.

| Field Name or Data Type | Values |
|--|------------------|
| <i>Address ID</i> | Receiving |
| <i>Street / P.O. Box</i> | <Any> |
| <i>City</i> | <Any> |
| <i>Zip Code</i> | <Any> |
| <i>Country</i> | <Domestic> |
| <i>Default Tax Code (if needed in your localization)</i> | <Any> |

What payment terms are already assigned to the customer?

Enter the credit limit.

| Field Name or Data Type | Values |
|-------------------------|--------------|
| <i>Credit Limit</i> | 10000 |

Add the data record.

3-2-2 Create a foreign customer



If your customer's currency has not already been defined, create it now. Choose **Administration** → **Setup** → **Financials** → **Currencies**.

Create a customer master record for a foreign school.

| Field Name or Data Type | Values |
|-------------------------|----------------------------|
| <i>Code</i> | C2002 |
| <i>BP Type</i> | Customer |
| <i>Name</i> | Richards University |
| <i>Group</i> | Schools |
| <i>Currency</i> | <Customer's currency> |

Enter the bill-to address.

| Field Name or Data Type | Values |
|--------------------------|-------------------------|
| <i>Address ID</i> | Bill To |
| <i>Street / P.O. Box</i> | <Any> |
| <i>City</i> | <Any> |
| <i>Zip Code</i> | <Any> |
| <i>Country</i> | <A neighboring country> |

Add the data record.

3-3 Create a lead and convert it to a customer

3-3-1 Create a lead

Create a lead for a customer with the following information.

| Field Name or Data Type | Values |
|-------------------------|------------------------------------|
| <i>Code</i> | L108 |
| <i>BP Type</i> | Lead |
| <i>Name</i> | Oceanside College |
| <i>Group</i> | Schools |
| <i>Currency</i> | <Your local currency> |

Enter the bill-to address.

| Field Name or Data Type | Values |
|--------------------------|-------------------------|
| <i>Address ID</i> | Bill to |
| <i>Street / P.O. Box</i> | <Any> |
| <i>City</i> | <Any> |
| <i>Zip Code</i> | <Any> |
| <i>Country</i> | <Domestic> |

Enter the ship-to address.

| Field Name or Data Type | Values |
|--------------------------|-------------------------|
| <i>Address ID</i> | Ship To |
| <i>Street / P.O. Box</i> | <Any> |
| <i>City</i> | <Any> |
| <i>Zip Code</i> | <Any> |
| <i>Country</i> | <Domestic> |

Add the data record.

3-3-2 **Attempt to create a delivery for a lead**

Open the *Delivery* window.

Choose the Selection List icon in the customer field to see a list of customers.

Does Oceanside College appear on the list?

3-3-3 **Convert the lead to a customer.**

Change to search mode and search for the lead.

| Field Name or Data Type | Values |
|-------------------------|-------------|
| <i>Code</i> | L108 |

Change the Business Partner Type to *Customer*.

Change the lead's code to conform with naming conventions for our customers.

| Field Name or Data Type | Values |
|-------------------------|--------------|
| <i>Code</i> | C3308 |

Save your changes.

3-3-4 **Create the delivery for the customer**

| Field Name or Data Type | Values |
|-------------------------|---------------|
| <i>Customer</i> | C3308 |
| <i>Item No.</i> | C00001 |
| <i>Quantity</i> | 1 |

Delivery Document Number _____

Add the delivery.

3-3-5 **View the sales analysis report for deliveries in the customer master data record.**



Unit: Sales – A/R

Topic: Customers and Customer Groups

3-1 Define customer groups

3-1-1 Create a customer group.

Create a customer group for schools and link it to a price list.

Choose *Administration* → *Setup* → *Business Partners* → *Customer Groups*.

| Field Name or Data Type | Values |
|-------------------------|---------------------------------|
| <i>Group Name</i> | Schools |
| <i>Price List</i> | Small Account Price List |

Choose *Update*.

Then choose *OK* to close the window.

3-1-2 Check the default price list that is tied to the payment terms set at the company level in order to compare it to the setting you just made at the customer group level.

Choose *Administration* → *System Initialization* → *General Settings*

Choose the **BP** tab.

What are the default payment terms set for business partners?

Choose *OK* to close the window.

Now look for the price list setting for that payment terms definition.

Choose *Administration* → *Setup* → *Business Partners* → *Payment Terms*

Switch to *Find* mode.

Enter the payment terms code that you found into the *Payment Terms Code* field.

What is the price list assigned to this payment terms code?

3-2 Create customer master records



To go to add mode, use the key combination Ctrl + A or choose **Data** → **Add** or choose the **Add button** in the toolbar

3-2-1 Create a domestic customer

Create a new customer with the following values. Be sure to adopt the price list assigned to the customer group.

Choose **Business Partners** → **Business Partner Master Data**.
Change to add mode.

| Field Name or Data Type | Values |
|-------------------------|----------------------|
| <i>Code</i> | C2001 |
| <i>BP Type</i> | Customer |
| <i>Name</i> | Laurel School |
| <i>Group</i> | Schools |

When prompted, respond *Yes* to the system message asking if you would like to replace the company default price list with the price list assigned to the customer group.

| Field Name or Data Type | Values |
|-------------------------|------------------|
| Tel 1 | <Any> |
| Sales Employee | <Any you choose> |

Choose the *Addresses* tab page.

To enter the bill-to address, choose *Define New* (under *Bill to*).

| Field Name or Data Type | Values |
|--|--------------------|
| <i>Address ID</i> | Main Office |
| <i>Street / P.O. Box</i> | <Any> |
| <i>City</i> | <Any> |
| <i>Zip Code</i> | <Any> |
| <i>Country</i> | <Domestic> |
| <i>Default Tax Code (if needed in your localization)</i> | <Any> |

To enter the ship-to address, choose *Define New* (under *Ship to*).

| Field Name or Data Type | Values |
|--|------------------|
| <i>Address ID</i> | Receiving |
| <i>Street / P.O. Box</i> | <Any> |
| <i>City</i> | <Any> |
| <i>Zip Code</i> | <Any> |
| <i>Country</i> | <Domestic> |
| <i>Default Tax Code (if needed in your localization)</i> | <Any> |

Choose the *Payment Terms* tab page.

Which payment terms are already assigned to the customer?

| Field Name or Data Type | Values |
|-------------------------|--------------|
| <i>Credit Limit</i> | 10000 |

Choose *Add* to save the data record.

3-2-2 Create foreign customer



If your customer's currency has not already been defined, create it now. Choose **Administration** → **Setup** → **Financials** → **Currencies**.

Choose **Business Partners** → **Business Partner Master Data**.
Change to add mode.

| Field Name or Data Type | Values |
|-------------------------|----------------------------|
| <i>Code</i> | C2002 |
| <i>BP Type</i> | Customer |
| <i>Name</i> | Richards University |
| <i>Group</i> | Schools |
| <i>Currency</i> | <Customer's currency> |

When prompted, respond *Yes* to the system message asking if you would like to replace the company default price list with the price list assigned to the customer group.

Choose the *Addresses* tab page.

To enter the bill-to address, choose *Bill To*.

| Field Name or Data Type | Values |
|--------------------------|-------------------------|
| <i>Address ID</i> | Bill To |
| <i>Street / P.O. Box</i> | <Any> |
| <i>City</i> | <Any> |
| <i>Zip Code</i> | <Any> |
| <i>Country</i> | <A neighboring country> |

Choose *OK* to confirm the message: *Change accounts receivable/payable?*

Enter data in the other fields.

Choose *Add* to save the data record.

3-3 Create a lead and convert it to a customer

3-3-1 Create a lead

Choose *Business Partners* → *Business Partner Master Data*.
Change to *Add* mode.

| Field Name or Data Type | Values |
|-------------------------|------------------------------------|
| <i>Code</i> | L108 |
| <i>BP Type</i> | Lead |
| <i>Name</i> | Oceanside College |
| <i>Group</i> | Schools |
| <i>Currency</i> | <Your local currency> |

When prompted, respond *Yes* to the system message asking if you would like to replace the company default price list with the price list assigned to the customer group.

Choose the *Addresses* tab page.

To enter the bill-to address, choose *Define New* (under *Bill to*).

| Field Name or Data Type | Values |
|--------------------------|-------------------------|
| <i>Address ID</i> | Bill to |
| <i>Street / P.O. Box</i> | <Any> |
| <i>City</i> | <Any> |
| <i>Zip Code</i> | <Any> |
| <i>Country</i> | <Domestic> |

To enter the ship-to address, choose *Define New* (under *Ship to*).

| Field Name or Data Type | Values |
|--------------------------|-------------------------|
| <i>Address ID</i> | Ship To |
| <i>Street / P.O. Box</i> | <Any> |
| <i>City</i> | <Any> |
| <i>Zip Code</i> | <Any> |
| <i>Country</i> | <Domestic> |

Enter data in any other fields you choose.

Choose *Add* to save the data record.

3-3-2 Attempt to create a delivery for a lead

Choose *Sales A/R* → *Delivery*

Choose the Selection List icon in the customer field to see a list of customers.

Does Oceanside College appear on the list?

No. Because Oceanside College is a lead, it is not possible to create a delivery. You must convert Oceanside College to a customer in order to create a delivery.

3-3-3 Convert the lead to a customer.

Choose *Business Partners* → *Business Partner Master Data*

Change to search mode and search for the lead.

| Field Name or Data Type | Values |
|-------------------------|-------------|
| <i>Code</i> | L108 |

Enter the code value in the Code field and choose *Find*.

Change the Business Partner Type to *Customer*.

Change the lead's code to conform with our naming conventions for customers.

| Field Name or Data Type | Values |
|-------------------------|--------------|
| <i>Code</i> | C3308 |

Save your changes.

Choose *Update*.

Choose *OK*.

3-3-4 Create the delivery for the customer

Choose *Sales A/R* → *Delivery*

| Field Name or Data Type | Values |
|-------------------------|---------------|
| <i>Customer</i> | C3308 |
| <i>Item No.</i> | C00001 |
| <i>Quantity</i> | 1 |

Choose **Add** to save the delivery.

Choose **Yes** to confirm the system message.

3-3-5 View the sales analysis report for deliveries in the customer master data record.

Open the business partner master for customer C3308.

Choose the *Sales Analysis* icon to the right of the *Deliveries* field in the upper right corner of the *Business Partner Master Data* window.

You will see a list of deliveries for the customer and a graphic for the sales analysis.

Exercises

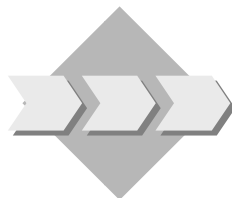


Unit: Sales – A/R

Topic: CRM

At the conclusion of this exercise, you will be able to:

- Create, edit and duplicate activities
- Manage recurring activities
- Create a sales quotation
- Copy a sales quotation
- Create a sales order referencing the quotation



In this exercise, you will create new activities, then edit and duplicate them. Additionally, you will create a recurring activity series and manage it.

You create a sales quotation with several items for an existing customer then set up an activity to follow up on the quotation. You give discounts on the row and total levels. You then copy the information from this sales quotation into a quotation for a different customer.

4-1 Activity Management

- 4-1-1 Create an activity for your customer C42000. First of all, check if a ship-to-address is entered in the business partner master data. If no delivery address is entered, add a new ship-to-address.

Leave the business partner master record open.

- 4-1-2 From the business partner master record, create a new activity for C42000 with the following values.

| Field Name or Data Type | Values |
|-------------------------|----------------------------------|
| <i>Activity</i> | Meeting |
| <i>BP Code</i> | C42000 |
| <i>Remarks</i> | Meeting Request |
| <i>Start Time</i> | Tomorrow's Date 10:00 |
| <i>End Time</i> | Tomorrow's Date 12:00 |
| <i>Meeting Location</i> | Business Partner Address |
| <i>Address ID</i> | Ship To |

Choose *Add*.

- 4-1-3 Reopen the activity you just created from the menu or from inside the business partner master record.

Once you have opened the activity, duplicate it and create a new activity for the same company, but for the next Monday and with a different meeting location.

Enter the following values.

| Field Name or Data Type | Values |
|-------------------------|---------------------------------|
| <i>Start Time</i> | Next Monday 10:00 |
| <i>End Time</i> | Next Monday 12:00 |
| <i>Meeting Location</i> | Business Partner Address |
| <i>Address ID</i> | Bill To |

Choose *Add*.

4-2 Recurring Activities and the Calendar

- 4-2-1 Create an activity series for a weekly recurring meeting. These meetings occur weekly on Fridays.

| Field Name or Data Type | Values |
|-------------------------|---------------------------------|
| <i>Activity</i> | Meeting |
| <i>BP Code</i> | C30000 |
| <i>Remarks</i> | Weekly Meeting |
| <i>Start Time</i> | Next Friday 10:00 am |
| <i>End Time</i> | Next Friday 12:00 |
| <i>Meeting Location</i> | Business Partner Address |
| <i>Recurrence</i> | Weekly |
| <i>Repeat on</i> | Friday |
| <i>Range: End After</i> | 10 Occurrences |

- 4-2-2 Check the activities you created in the Calendar. Open the *Calendar Overview* in weekly view.
- 4-2-3 Your customer informs you that he cannot attend the meeting next week and has to cancel it.

4-2-4 Create a new event from the *Calendar* view

A customer (C60000) calls you and asks you for help with an event. This event will be held on Friday in two weeks. Create a corresponding activity out of the *Calendar* view.

| Field Name or Data Type | Values |
|-------------------------|------------------------------------|
| <i>Activity</i> | Meeting |
| <i>BP Code</i> | C60000 |
| <i>Remarks</i> | Event |
| <i>Start Time</i> | Friday in 2 weeks 10:00 |
| <i>End Time</i> | Friday in 2 weeks 15:00 |
| <i>Meeting Location</i> | Business Partner Address |

4-2-5 This new appointment conflicts with the originally scheduled meeting with your customer C30000.

Therefore you have agreed with your customer C30000 that the meeting will be moved from Friday to Thursday. Change the meeting in the *Calendar* by moving the appointment on Thursday.

4-3 Create a sales quotation from an activity.

- 4-3-1 Customer C42000 has decided to place a sales quotation. The customer gives you the information by phone and says that he would like to discuss the sales quotation at tomorrow's meeting. Therefore, you decide to create the quotation from the activity for tomorrow's meeting.

Open tomorrow's activity for C42000 in your preferred method: the Calendar view, the menu or the Business Partner master.

Enter the following information in the activity:

| Field Name or Data Type | Values |
|-------------------------|---|
| <i>Customer</i> | C42000 |
| <i>Items</i> | C00008 C00009 C00010 |
| <i>Quantity</i> | 5 of each |

- 4-3-2 The customer would like to order item **C00010** in red. Add the relevant information to the item text.

If the field free text does not appear in the rows, use form settings to add the field.

- 4-3-3 Enter a discount of **8%** for one of the items.

Enter a discount for one of the items:

| Field Name or Data Type | Values |
|-------------------------|----------|
| <i>Discount %</i> | 8 |

- 4-3-4 Enter a discount of 5% for the entire document:

| Field Name or Data Type | Values |
|---|----------|
| In front of the % <i>Discount</i> field | 5 |

Sales Quotation Document Number _____

Save the quotation. Choose *Add*.

4-4 You would like to use the same quotation for a different customer, customer C20000. Copy the quotation.

4-4-1 How do you copy this quotation?

4-4-2 Is all the data copied?

Sales Quotation

Choose **Add** to save the sales quotation.

4-4-3 Create an activity to follow-up with this customer in one week regarding the quotation.

| Field Name or Data Type | Values |
|-------------------------|---------------------------------|
| <i>Activity</i> | Phone Call |
| <i>Start Time</i> | Next Wednesday 14:00 |
| <i>End Time</i> | Next Wednesday 14:30 |

Save the activity by choosing **Add**.

4-5 Create a sales order based on the sales quotation for your customer C42000.

4-5-1 Open the **Sales Order** window and copy from the sales quotation.

| Field Name or Data Type | Values |
|-------------------------|---------------|
| <i>Customer</i> | C42000 |

Sales Order Number _____

Save the sales order by choosing **Add**.

4-5-2 After saving the sales order, call up the related sales quotation using the **Base Document** icon. Can you still change the data?

4-5-3 Since the customer has ordered the items in the quotation, you want to close the corresponding activity.



Unit: Sales – A/R

Topic: CRM

4-1 Activity Management

- 4-1-1 Create an activity for your customer C42000. First of all, check if a ship-to address is entered in the business partner master data. If no delivery address is entered, add a new ship-to-address.

In the menu, choose **Business Partners** → **Business Partner Master Data**
Find this Business Partner using the **Code** field and check the addresses in the **Addresses** tab.

| Field Name or Data Type | Values |
|-------------------------|---------------|
| <i>Code</i> | C42000 |

Leave the business partner master record open.

- 4-1-2 From the business partner master record, create a new activity for C42000 with the following values.

Choose the **You Can Also** button, in the bottom right of the business partner master record. In the dropdown box, choose **Create Activity**.

| Field Name or Data Type | Values |
|-------------------------|----------------------------------|
| <i>Activity</i> | Meeting |
| <i>BP Code</i> | C42000 |
| <i>Remarks</i> | Meeting Request |
| <i>Start Time</i> | Tomorrow's Date 10:00 |
| <i>End Time</i> | Tomorrow's Date 12:00 |
| <i>Meeting Location</i> | Business Partner Address |
| <i>Address ID</i> | Ship To |

4-1-3 Reopen the activity you just created from the menu or from inside the business partner master record.

In the menu, choose **Business Partners** → **Activity**

Or from inside the BP master, choose **You Can Also** → **View Related Activities**.

If you open the activity from the menu, switch to **Find** mode in the **Activity** window. For selecting the activity, you can either choose the Last Data Record or enter a * in the **Number** field and then select the right Activity Number out of the *List of Activities*.

Once you have opened the activity, duplicate it and create a new activity for the same company, but for the next Monday and with a different meeting location.

Right-click to open the context menu then choose **Duplicate**.

Enter the following values.

| Field Name or Data Type | Values |
|-------------------------|---------------------------------|
| <i>Start Time</i> | Next Monday 10:00 |
| <i>End Time</i> | Next Monday 12:00 |
| <i>Meeting Location</i> | Business Partner Address |
| <i>Address ID</i> | Bill To |

4-2 Recurring Activities and the Calendar

- 4-2-1 Create an activity series for a weekly recurring meeting. These meetings occur weekly on Fridays.

Choose **Business Partners** → **Activity**

| Field Name or Data Type | Values |
|-------------------------|---------------------------------|
| <i>Activity</i> | Meeting |
| <i>BP Code</i> | C30000 |
| <i>Remarks</i> | Weekly Meeting |
| <i>Start Time</i> | Next Friday 10:00 am |
| <i>End Time</i> | Next Friday 12:00 |
| <i>Meeting Location</i> | Business Partner Address |
| <i>Recurrence</i> | Weekly |
| <i>Repeat on</i> | Friday |
| <i>Range: End After</i> | 10 Occurrences |

Choose **Add**.

- 4-2-2 Check the activities you created in the Calendar. Open the *Calendar Overview* in weekly view.

Choose the *Calendar* icon from the *Toolbar*.

Choose the radio button *Week*.

Remain in the *Calendar* for the next step.

- 4-2-3 Your customer informs you that he cannot attend the meeting next week and has to cancel it.

Open the activity for the meeting next week by double-clicking on its calendar entry.

To cancel this specific occurrence, select the **Closed** checkbox.

Confirm the system message saying that the change affects **Only this Event**.

Confirm the second system message saying that closing an activity is irreversible with **Yes**.

4-2-4 Create a new event from the *Calendar* view

A customer (C60000) calls you and asks you for help with an event. This event will be held on Friday in two weeks. Create a corresponding activity out of the *Calendar* view. Double-click on Friday in two weeks in the *Calendar* to open the *Activity* window.

| Field Name or Data Type | Values |
|-------------------------|------------------------------------|
| <i>Activity</i> | Meeting |
| <i>BP Code</i> | C60000 |
| <i>Remarks</i> | Event |
| <i>Start Time</i> | Friday in 2 weeks 10:00 |
| <i>End Time</i> | Friday in 2 weeks 15:00 |
| <i>Meeting Location</i> | Business Partner Address |

4-2-5 This new appointment conflicts with the originally scheduled meeting with your customer C30000.

Therefore you have agreed with your customer C30000 that the meeting will be moved from Friday to Thursday. Change the meeting in the *Calendar* by moving the appointment on Thursday.

You move the specific appointment by pressing the Ctrl key and dragging with your mouse the single appointment from Friday to Thursday.

Choose the radio button for ***Only this Event***.

Respond with **OK** to the system message prompt.

4-3 Create a sales quotation from an activity.

- 4-3-1 Customer C42000 has decided to place a sales quotation. The customer gives you the information by phone and says that he would like to discuss the sales quotation at tomorrow's meeting. Therefore, you decide to create the quotation from the activity for tomorrow's meeting.

Open tomorrow's activity for C42000 in your preferred method: the Calendar view, the menu or the Business Partner master. (See previous instructions for each method.)

In the activity, choose the *Linked Documents* tab.

| Field Name or Data Type | Values |
|-------------------------|-------------------------|
| <i>Document Type</i> | Sales Quotations |

Click into the *Document Number* field to bring up a list of sales quotations.

Choose *New*.

Enter the following information:

| Field Name or Data Type | Values |
|-------------------------|---|
| <i>Customer</i> | C42000 |
| <i>Items</i> | C00008 C00009 C00010 |
| <i>Quantity</i> | 5 of each |

- 4-3-2 The customer would like to order item **C00010** in red. Add the relevant information to the item text.

If the field free text does not appear in the rows, use form settings to add the field.

Choose **Form Settings** from the tool bar.

On the *Table Format* tab, select the *Visible* and *Active* checkboxes for *Free Text*.

- 4-3-3 Enter a discount of **8%** for one of the items.

Enter a discount for one of the items:

| Field Name or Data Type | Values |
|-------------------------|----------|
| <i>Discount %</i> | 8 |

4-3-4 Enter a discount of 5% for the entire document:

| Field Name or Data Type | Values |
|---------------------------------|--------|
| In front of the %Discount field | 5 |

Sales Quotation Document Number _____

Save the quotation. Choose *Add*.

4-4 You would like to use the same quotation for a different customer, customer C20000. Copy the quotation.

4-4-1 How do you copy this quotation?

Open the previous quotation by one of the two following methods:

- 1) Choosing *Sales-A/R → Sales Quotation*, then *Data → Last Data Record* or the respective button in the tool bar, or
- 2) Choosing *Sales → Sales Reports → Open Items List* and display the *open quotations*. Open the most recent quotation by choosing the arrow in the *Doc No.* field.

When you have opened the quotation, choose *Data → Duplicate* from the menu bar or *right mouse-click → Duplicate*.

4-4-2 Is all the data copied?

Enter the customer number C20000 and then press *Tab*. The message “*Update document rows according to new BP's data?*” appears.

If you choose *Yes*, the system adjusts the row data for the current business partner and the row discounts are deleted. If you choose *No*, it copies the document row data in full. Regardless of your answer, the discount on the whole document is deleted.

Sales Quotation _____

Choose *Add* to save the sales quotation.

- 4-4-3 Create an activity to follow-up with this customer in one week regarding the quotation.

Sales-A/R → Sales Quotation, then choose the ***Last Data Record*** icon.

Right-click in the sales quotation to open the context menu then choose ***New Activity***.

| Field Name or Data Type | Values |
|-------------------------|---------------------------------|
| <i>Activity</i> | Phone Call |
| <i>Start Time</i> | Next Wednesday 14:00 |
| <i>End Time</i> | Next Wednesday 14:30 |

Save the activity by choosing ***Add***.

- 4-5 Create a sales order based on the sales quotation for your customer C42000.

- 4-5-1 Choose ***Sales-A/R → Sales Order***.

| Field Name or Data Type | Values |
|-------------------------|---------------|
| <i>Customer</i> | C42000 |

Choose the ***Copy from*** button and then choose ***Sales Quotations***

Select the quotation and copy all the items by selecting ***Choose***. Accept the choices in the ***Draw Document Wizard*** by choosing ***Finish***.

Set the delivery date for the order to the current date and confirm the system message.

Sales Order Number _____

Save the sales order by choosing ***Add***.

- 4-5-2 After saving the sales order, call up the related sales quotation using the ***Base Document*** icon. Can you still change the data?

Reopen the sales order you just created, by choosing the ***Last Data Record*** icon.

Choose the ***Base Document*** icon.

You can no longer change the data in the quotation.

- 4-5-3 Since the customer has ordered the items in the quotation, you want to close the corresponding activity.
- Open the activity associated with the sales quotation. Set this activity to status *Closed*.
- In the sales quotation, right-click to open the context menu.
- Choose Related Activities.
- Choose the link arrow to open the activity.
- Select the checkbox *Closed*.
- Choose *Update*.
- Confirm the system message saying that closing an activity is irreversible.
- Close all the windows using *Window → Close All*.

Exercises



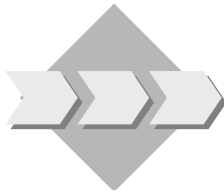
Unit: Sales – A/R

Topic: Automating the Sales Process



At the conclusion of this exercise, you will be able to:

- Ensure the item availability check is activated for sales orders
- Set up an alternative item
- Perform an item availability check in a sales order
- Display the available-to-promise report



- In this exercise, you review how the item availability check is activated for sales orders. You create two new items and set one as an alternative for the other. You create a sales order and perform the item availability check and explore the options available within the sales order.

5-1 How does the automatic availability check work?

5-1-1 How can you activate the automatic availability check for sales orders?

5-1-2 Make sure that the automatic availability check for sales orders is activated in your SAP Business One company.

5-2 You have two new items. Create the item master records and enter the quantities that are already available.

5-2-1 Create the item master record with the following values.

| Field Name or Data Type | Values |
|-------------------------|--|
| <i>Item Number</i> | A2010 |
| <i>Description</i> | Rainbow Fast Sheet Feed Scanner/Printer |
| <i>Item Group</i> | Rainbow Printers |
| <i>Price List</i> | Base Price |
| <i>Unit Price</i> | 200 |

5-2-2 Post the goods receipt for a quantity of 5.

| Field Name or Data Type | Values |
|-------------------------|----------------------------|
| <i>Item Number</i> | A2010 |
| <i>Quantity</i> | 5 |
| <i>Price List</i> | Last Purchase Price |
| <i>Unit Price</i> | 200 |

5-2-3 Create the second item master record.

| Field Name or Data Type | Values |
|-------------------------|--|
| <i>Item Number</i> | A2020 |
| <i>Description</i> | Rainbow USB Interface Ultra Scanner/Printer |
| <i>Item Group</i> | Rainbow Printers |
| <i>Unit Price</i> | 150 |

5-2-4 Post the goods receipt.

| Field Name or Data Type | Values |
|-------------------------|---------------|
| <i>Vendor</i> | V10000 |
| <i>Item Number</i> | A2020 |
| <i>Quantity</i> | 20 |
| <i>Unit Price</i> | 150 |

5-3 You want to sell the USB Interface Ultra Scanner/Printer as an alternative item to the fast sheet fed scanner/printer.

5-3-1 Define the item **A2020** as the alternative item of item **A2010**.

| Field Name or Data Type | Values |
|-------------------------|----------------------------|
| <i>Item Number</i> | A2010 |
| <i>Item Number</i> | A2020 |
| <i>Remarks</i> | Alternative scanner |

5-4 Customer C20000 orders scanners.

5-4-1 Create the sales order.

| Field Name or Data Type | Values |
|-------------------------|---------------------|
| <i>Customer</i> | C20000 |
| <i>Delivery Date</i> | Today's date |
| <i>Item Number</i> | A2010 |
| <i>Quantity</i> | 7 |

The *Item Availability Check* window comes up automatically when you move out of the *Quantity* field.

5-4-2 Look at the option *Display Quantities in Other Warehouses* from the *Availability Check* window.

5-4-3 Choose *Display Available-to-Promise Report* from the *Availability Check* window. Will new stock arrive in the warehouse soon?

5-4-4 Choose *Display Alternative Items* from the *Availability Check* window. How many pieces of the alternative item A2020 are available?

5-4-5 Choose *Change To Available Quantity* from the *Availability Check* window.

5-4-6 Add the alternative item to the sales order with a quantity of 2.

| Field Name or Data Type | Values |
|-------------------------|--------------|
| <i>Item Number</i> | A2020 |
| <i>Quantity</i> | 2 |

Save the sales order.



Unit: Sales-A/R

Topic: Automating the Sales Process

5-1 How does the automatic availability check work?

5-1-1 How can you activate the automatic availability check for sales orders?

You activate the automatic availability check for sales orders in **Administration → System Initialization → Document Settings**.

5-1-2 Make sure that the automatic availability check for sales orders is activated in your SAP Business One company.

Choose **Administration → System Initialization → Document Settings**.
Select the **Per Document** tab.

Choose the **Document Sales Order** and make sure that the checkbox for **Activate Automatic Availability Check** has been chosen.

5-2 You have two new items. Create the item master records and enter the quantities that are already available.

5-2-1 Create the item master record.

Choose **Inventory → Item Master Data**

Make sure you are in **Add** mode.

When you enter the following values, confirm the system message to update item information according to the item group chosen.

| Field Name or Data Type | Values |
|-------------------------|--|
| <i>Item Number</i> | A2010 |
| <i>Description</i> | Rainbow Fast Sheet Feed Scanner/Printer |
| <i>Item Group</i> | Rainbow Printers |
| <i>Price List</i> | Base Price |
| <i>Unit Price</i> | 200 |

Choose **Add**.

- 5-2-2 You have 5 of the item in stock. Post the goods receipt with the following information.

Choose ***Inventory*** → ***Inventory Transactions*** → ***Goods Receipt***

| Field Name or Data Type | Values |
|-------------------------|----------------------------|
| <i>Item Number</i> | A2010 |
| <i>Quantity</i> | 5 |
| <i>Price List</i> | Last Purchase Price |
| <i>Unit Price</i> | 200 |

Choose ***Add***.

Confirm the system message.

- 5-2-3 Create the second item master record.

Choose ***Inventory*** → ***Item Master Data***

Tip: Make sure you are in ***Add*** mode.

When you enter the following values, confirm the system message to update item information according to the item group chosen.

| Field Name or Data Type | Values |
|-------------------------|--|
| <i>Item Number</i> | A2020 |
| <i>Description</i> | Rainbow USB Interface Ultra Scanner/Printer |
| <i>Item Group</i> | Rainbow Printers |
| <i>Unit Price</i> | 150 |

Choose ***Add***.

- 5-2-4 Post the goods receipt.

Choose ***Purchasing*** → ***Goods Receipt PO***

| Field Name or Data Type | Values |
|-------------------------|---------------|
| <i>Vendor</i> | V10000 |
| <i>Item Number</i> | A2020 |
| <i>Quantity</i> | 20 |
| <i>Unit Price</i> | 150 |

Choose ***Add***.

Confirm the system message.

5-3 You want to sell the Rainbow USB Interface Ultra Scanner/Printer as an alternative item to the Rainbow fast sheet fed scanner.

5-3-1 Define the item **A2020** as the alternative item of item **A2010**.

Choose *Inventory* → *Item Management* → *Alternative Items*

| Field Name or Data Type | Values |
|-------------------------|----------------------------|
| <i>Item Number</i> | A2010 |
| <i>Item Number</i> | A2020 |
| <i>Remarks</i> | Alternative scanner |

Choose *Add* and then *OK*.

5-4 Your customer orders scanners.

5-4-1 Create the sales order.

Choose *Sales - A/R* → *Sales Order*

| Field Name or Data Type | Values |
|-------------------------|---------------------|
| <i>Customer</i> | C20000 |
| <i>Delivery Date</i> | Today's date |
| <i>Item Number</i> | A2010 |
| <i>Quantity</i> | 7 |

The *Item Availability Check* window comes up automatically when you move out of the *Quantity* field.

5-4-2 Choose *Display Quantities in Other Warehouses* from the *Availability Check* window. There is nothing in other warehouses of item A2010 available, so choose *Cancel*.

5-4-3 Choose *Display Available-to-Promise Report* from the *Availability Check* window. There are currently no purchase orders or production orders for this item. Choose *OK*.

5-4-4 Choose *Display Alternative Items* from the *Availability Check* window. There are 20 pieces of the alternative item A2020 available. Choose *Cancel* to close this window.

- 5-4-5 Choose *Change To Available Quantity* from the *Availability Check* window. Choose *OK*.
- 5-4-6 Add the alternative item to the sales order with a quantity of 2.

| Field Name or Data Type | Values |
|-------------------------|--------------|
| <i>Item Number</i> | A2020 |
| <i>Quantity</i> | 2 |

Choose *Add*.

Exercises



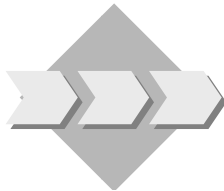
Unit: Sales – A/R

Topic: Returns and Exchanges



At the conclusion of this exercise, you will be able to:

- Create a return document to return items
- Redeliver items from a sales order
- Perform an exchange of items on a delivery using negative rows



In this exercise, you create a sales order for a customer. When the order is delivered, the customer notifies you that one of the items was damaged in transit, so you create a return document. Since they would like to receive a replacement, you redeliver the item from the sales order.

Later on the customer realizes that they need to exchange one item for a different item. You then create a delivery document with positive and negative rows to perform the exchange.

You invoice all the deliveries for the customer using the document generation wizard. In the relationship map of the A/R invoice you can see the related documents.

- 6-1 Before you start with the scenario, first check the document settings for sales orders in your system.

Ensure that you can reopen sales orders for redelivery and that you receive a system message before any sales order is reopened for delivery.

6-2 Create a sales order for a customer.

6-2-1 Enter the following information:

| Field Name or Data Type | Values |
|-------------------------|--|
| <i>Customer</i> | C42000 |
| <i>Delivery Date</i> | Today's date |
| <i>Items</i> | C00008 C00009 C00010 I00005 |
| <i>Quantity</i> | 5 of each |

Sales order number: _____

Save the sales order.

6-3 Deliver the sales order.

Delivery number: _____

6-4 Return and Redelivery

The customer tells you that item C00009 was damaged in transit and would like to return the quantity of 5 that they received.

6-4-1 Create a Return document.

In the *Remarks* field, enter a note about why the customer returned the items.

Save the Return document.

Return Document Number: _____

6-4-2 Open the sales order to redeliver the items.

Delivery: _____

6-4-3 Check the status of the sales order.

What is the sales order status?

You can also display the process in the change log. What differences appear in the change log?

6-5 Exchange Items

The customer has realized that they need a different type of battery. They would like to exchange the item I00005 for item I00006. Complete the exchange using only one document.

Enter the following information:

| Field Name or Data Type | Values |
|-------------------------------|--|
| <i>Delivery Date</i> | Today's date |
| <i>Customer Reference No.</i> | <Your original sales order number> |
| <i>ItemNo.</i> | I00005 |
| <i>Quantity</i> | -5 |
| <i>ItemNo.</i> | I00006 |
| <i>Quantity</i> | 5 |
| <i>Remarks</i> | Customer is exchanging batteries from delivery <number from delivery you created> |

Delivery number: _____

6-6 Invoice the deliveries together.

6-6-1 Use the document generation wizard to invoice the deliveries together.

Create a parameter set with the following info.

| Field Name or Data Type | Values |
|-------------------------|-------------------|
| <i>Set Name</i> | M1 |
| <i>Description</i> | M1 Billing |

Set your target document as A/R invoice and choose the required options to invoice the three deliveries you created for this customer.

6-6-2 From the invoice, view the related documents in the relationship map.



Unit: Sales-A/R

Topic: Returns and Exchanges

6-1 Before you start with the scenario, first check the document settings for sales orders in your system.

In the menu, choose *Administration* → *System Initialization* → *Document Settings* → *Per Document*

Choose *Sales Order* in the dropdown box.

Ensure that the *Reopen Doc by Creating Returns/Goods Returns/Credit Memos Based on Doc.* checkbox is flagged.

Ensure that the *Without User Confirmation* box is unchecked.

6-2 Create a sales order for your customer.

Choose *Sales-A/R* → *Sales Order*.

6-2-1 Enter the following information:

| Field Name or Data Type | Values |
|-------------------------|--|
| <i>Customer</i> | C42000 |
| <i>Delivery Date</i> | Today's date |
| <i>Items</i> | C00008 C00009 C00010 I00005 |
| <i>Quantity</i> | 5 of each |

Sales order number: _____

Choose *Add* to save the order.

6-3 Deliver the sales order.

Choose *Sales-A/R* → *Delivery*.

Enter customer **C42000**.

Choose *Copy from*.

Choose *Sales Orders*.

Choose the sales order you just created from the list.

Choose *Draw all Data* and accept the defaults for copying exchange rates in the *Draw Document Wizard*.

Choose *Finish*.

Delivery number: _____

Choose *Add* to save the delivery.

Confirm the system message.

6-4 Return and Redelivery

The customer tells you that item C00009 was damaged in transit and would like to return the quantity of 5 that they received. They would like to receive replacement items.

6-4-1 Create a Return document.

Choose ***Sales-A/R → Return***

Enter customer C42000.

Choose *Copy from*.

Choose *Deliveries*.

Choose the delivery from the list.

In the *Draw Document Wizard*, select *Customize*.

Choose *Next*.

Select only C00009.

Choose *Finish*.

In the *Remarks* field, enter a note about why the customer returned the items.

Return Document Number: _____

Save the Return by choosing *Add*.

Please confirm the system message asking if you want to reopen the original order with ***Yes***.

Then confirm the second system message stating that the document cannot be changed after it is added.

6-4-2 Open the sales order to redeliver the items.

Choose the menu path ***Sales A/R → Sales Order***.

Use the *Find* button to search for your sales order by document number.

Opening the original sales order, you will see that the order is again in status ***Open***.

If you do not see the ***Open Qty*** field, choose the *Form Settings* icon to enable the ***Open Qty*** field in order to display the open quantity per row in the sales order.

Create a new delivery out of the sales order to perform a subsequent delivery for the open quantity.

Use the ***Copy to → Delivery*** function for this.

Delivery number: _____

Save the Delivery by choosing *Add*.

Choose *Yes* twice to confirm the system messages.

6-4-3 Check the status of the sales order.

What is the sales order status?

Going back to the sales order, you can see that the status has now changed from ***Open*** to ***Closed*** again.

You can also display the process in the change log. What differences appear in the change log?

Choose: ***Tools*** → ***Change Log***

Mark both entries and choose ***Show Differences***.

6-5 Exchange items

The customer has just realized that they need a different type of battery. They would like to exchange the item I00005 for item I00006. Complete the exchange using only one document.

Choose ***Sales-A/R*** → ***Delivery***.

Enter customer C42000.

Enter the following information:

| Field Name or Data Type | Values |
|-------------------------------|--|
| <i>Delivery Date</i> | Today's date |
| <i>Customer Reference No.</i> | <Your original sales order number> |
| <i>ItemNo.</i> | I00005 |
| <i>Quantity</i> | -5 |
| <i>ItemNo.</i> | I00006 |
| <i>Quantity</i> | 5 |
| <i>Remarks</i> | Customer is exchanging batteries from delivery <number from delivery you created> |

Save the Delivery by choosing ***Add***.

Delivery number: _____

Choose ***Yes*** twice to confirm both system messages.

6-6 Invoice the deliveries together.

6-6-1 Use the document generation wizard to invoice the deliveries together.

Choose ***Sales-A/R → Document Generation Wizard***.

Create a parameter set with the following info.

| Field Name or Data Type | Values |
|-------------------------|-------------------|
| <i>Set Name</i> | M1 |
| <i>Description</i> | M1 Billing |

Choose *Next*.

| Field Name or Data Type | Values |
|-------------------------|--------------------|
| <i>Target Document</i> | A/R Invoice |

Choose *Next*.

Mark the checkbox for *Deliveries*.

Mark the checkbox for *Expanded Selection Criteria*.

Choose *Document Number* in the dropdown.

Enter the document number range that includes your three deliveries.

Choose *Next*.

Enter customer *C42000* on the Customers window.

Choose *Next* twice.

Choose *Save Parameter Set* and *Execute*.

Choose *Next*.

Then choose *Yes* to generate the invoice.

Choose *Finish*.

6-6-2 From the invoice, view the related documents in the relationship map.

Choose ***Sales-A/R → A/R Invoice***

Choose the *Last Data Record* icon.

Right-click to open the context menu.

Choose *Relationship Map*.

Exercises



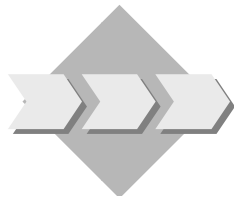
Unit: Sales – A/R

Topic: Credit Memos and Cancellations



At the conclusion of this exercise, you will be able to:

- Create credit memos with and without inventory postings
- Cancel an incorrect invoice and make appropriate adjustments



In the first part of the exercise, you create an A/R invoice for a rush order. The customer has a problem with an item from the invoice, so you create a credit memo to return the item. The customer has a further issue. This time you create a credit memo without a goods movement.

In the second part of the exercise, you enter an invoice for a second customer. The invoice turns out to have errors so it must be cancelled. You enter a corrected invoice for the customer.

7-1 Credit memos for a customer order.

7-1-1 Create an A/R invoice to deliver a rush order of USB travel hubs to a customer.

Enter the following information:

| Field Name or Data Type | Values |
|-------------------------|---------------------|
| <i>Customer</i> | C30000 |
| <i>Posting Date</i> | Today's date |
| <i>Items</i> | I00011 |
| <i>Quantity</i> | 10 |

Invoice number: _____.

- 7-1-2 The customer has a problem with 1 of the USB travel hubs which is not working properly. You ask them to return the item in order to receive credit. Then you create an A/R credit memo to reverse the postings and receive the damaged item into inventory.

Credit Memo number: _____

- 7-1-3 Reopen the document to view the posting made.
What accounts received postings?

- 7-1-4 The customer contacts you again because they are dissatisfied with another of the USB travel hubs. They believe this one may also have been damaged in transit. This time you decide to give them credit without having to return the item.

You create an A/R credit memo without a quantity posting in order to give credit without a goods movement.

Tip: If the Without Qty Posting checkbox is not visible in the item row, activate the checkbox in the **Form Settings** window.

Credit Memo number: _____

- 7-1-5 Reopen the document to view the posting made to compare it with the earlier credit memo's postings.

What is different about the postings from this credit memo?

7-2 Canceling an invoice.

- 7-2-1 Configure *Document Settings* to ensure that the settings allow canceling marketing documents 2 days after posting.

| Field Name or Data Type | Value |
|--|----------|
| <i>Max No. of Days for Canceling Marketing Documents Before or After Posting</i> | 2 |

- 7-2-2 Enter an invoice.

Choose ***Sales-A/R → A/R Invoice***.

Enter the following information:

| Field Name or Data Type | Values |
|-------------------------|---------------------|
| <i>Customer</i> | C40000 |
| <i>Posting Date</i> | Today's date |
| <i>Items</i> | I00009 |
| <i>Quantity</i> | 1 |

Invoice number: _____

- 7-2-3 After the invoice was created, you realize that there has been a mistake. This customer was supposed to receive the item for tax only because they were eligible for a special promotion due to their gold points status.

Cancel the invoice.

- 7-2-4 View the statuses for both the cancellation document and the original A/R invoice.

Choose the *Last Data Record* icon to view the cancellation document which reversed the invoice.

What is the status of this document? _____

Then choose the *Previous Record* icon to navigate to the original invoice.

What is the status of this document? _____

Remain in this window for the next step.

- 7-2-5 Create the corrected invoice for the customer by duplicating the original invoice and adjusting the amount for tax only.

Tip: If the *Tax Only* checkbox is not visible in the item row, activate the checkbox in the ***Form Settings*** window.

Invoice Number _____

Solutions



Unit: Sales – A/R

Topic: Credit Memos and Cancellations

7-1 Credit memos for a customer order.

7-1-1 Create an A/R invoice to deliver a rush order of USB travel hubs to a customer.

Choose *Sales-A/R* → *A/R Invoice*.

Enter the following information:

| Field Name or Data Type | Values |
|-------------------------|---------------------|
| <i>Customer</i> | C30000 |
| <i>Posting Date</i> | Today's date |
| <i>Items</i> | I00011 |
| <i>Quantity</i> | 10 |

Choose *Add* to save the invoice.

Invoice number: _____

Choose *Yes* to confirm the system message.

- 7-1-2 The customer has a problem with 1 of the USB travel hubs which is not working properly. You ask them to return the item in order to receive credit. Then you create an A/R credit memo to reverse the postings and receive the damaged item into inventory.

Choose ***Sales-A/R → A/R Credit Memo***

Enter customer C30000.

Choose *Copy from*.

Choose *A/R Invoices*.

Choose the A/R invoice you just created from the list.

In the *Draw Document Wizard*, select *Customize*.

Choose *Next*.

Change the quantity to 1.

Choose *Finish*.

In the *Remarks* field, add a note about why the customer returned the item.

Save the credit memo document by choosing *Add*.

Credit Memo number: _____

Choose *Yes* to confirm the system message.

- 7-1-3 Reopen the document to view the posting made.

Open the A/R credit memo by choosing the *Last Data Record* icon.

Choose the *Accounting* tab.

Choose the link arrow to the left of the *Journal Remark* field.

What accounts received postings?

The customer account was credited and the sales revenue and tax accounts were debited. Additionally, the inventory account was debited and the cost of goods account was credited.

- 7-1-4 The customer contacts you again because they are dissatisfied with another of the USB travel hubs. They believe this one may also have been damaged in transit. This time you decide to give them credit without having to return the item.
- You create an A/R credit memo without a quantity posting in order to give credit without a goods movement.
- Choose **Sales-A/R → A/R Credit Memo**
- Enter customer C30000.
- Choose *Copy from*.
- Choose *A/R Invoices*.
- Choose the A/R invoice you just created from the list.
- In the *Draw Document Wizard*, select *Customize*.
- Choose *Next*.
- Change the quantity to 1.
- Choose *Finish*.
- Mark the checkbox *Without Qty. Posting*.
- Tip: If the Without Qty Posting checkbox is not visible in the item row, activate the checkbox in the **Form Settings** window. To open the window, choose the **Form Settings** icon in the **Toolbar**. On the Table Format tab, select the *Visible* checkbox for the *Without Qty Posting* row.
- In the *Remarks* field, add a note about why the customer is receiving credit for the item.
- Save the credit memo document by choosing *Add*.
- Credit Memo number: _____
- Choose *Yes* to confirm the system message.
- 7-1-5 Reopen the document to view the posting made to compare it with the earlier credit memo's postings.
- Open the A/R credit memo by choosing the *Last Data Record* icon.
- Choose the *Accounting* tab.
- Choose the link arrow to the left of the *Journal Remark* field.
- What is different about the postings from this credit memo?

Unlike the previous credit memo, only postings were made to the customer, revenue and tax accounts. No inventory or cost of goods accounts were posted.

7-2 Canceling an invoice.

- 7-2-1 Configure *Document Settings* to ensure that the settings allow canceling marketing documents 2 days after posting.

Choose **Administration** → **System Initialization** → **Document Settings**.
Choose the **General** tab.

| Field Name or Data Type | Value |
|--|----------|
| <i>Max No. of Days for Canceling Marketing Documents Before or After Posting</i> | 2 |

Choose **Update**.

- 7-2-2 Create an invoice.

Choose **Sales-A/R** → **A/R Invoice**.

Enter the following information:

| Field Name or Data Type | Values |
|-------------------------|---------------------|
| <i>Customer</i> | C40000 |
| <i>Posting Date</i> | Today's date |
| <i>Items</i> | I00009 |
| <i>Quantity</i> | 1 |

Choose **Add** to save the invoice.

Invoice number: _____

Choose **Yes** to confirm the system message.

- 7-2-3 After the invoice was created, you realize that there has been a mistake. This customer was supposed to receive the item for tax only because they were eligible for a special promotion due to their gold points status.
- Cancel the invoice.
- Open the invoice you just created with the *Last Data Record* icon.
- Right-click to open the context menu then choose *Cancel*.
- Choose *Add*.
- Choose *Yes* to continue to cancel the document.
- 7-2-4 View the statuses for both the cancellation document and the original A/R invoice.
- Choose the *Last Data Record* icon to view the cancellation document which reversed the invoice.
- What is the status of this document? _____
- Then choose the *Previous Record* icon to navigate to the original invoice.
- What is the status of this document? _____
- Remain in this window for the next step.
- 7-2-5 Create the corrected invoice for the customer by duplicating the original invoice and adjusting the amount for tax only.
- In the original invoice, choose *Duplicate*.
- Re-enter the customer number C40000.
- Select the checkbox *Tax Only* on the item row.
- Tip: If the *Tax Only* checkbox is not visible in the item row, activate the checkbox in the **Form Settings** window. To open the window, choose the **Form Settings** icon in the **Toolbar**. On the Table Format tab, select the *Visible* checkbox for the *Tax Only* row.
- Once you have adjusted the invoice to show tax only, save the invoice by choosing *Add*.
- Invoice Number _____
- Confirm the system message.

Unit 4: Items

Contents

- Item Master Data
- Defining Item Groups
- Units of Measure
- Valuation Methods

Items

Item Master Data

SAP Business One, Version 9.0



- Welcome to the topic on item master data.

Objectives



At the end of this topic, you will be able to:

- Describes the contents of the item master

- In this topic, we will explore the contents of the item master.

Business Example



Your company has a large number of items.

To better manage the daily business, items are set up as master data records.

Default data for purchasing, sales and inventory transactions are contained in the item master records.

- Your company has a large number of items. To better manage the needs of daily business, items are set up as master data records. Default data for purchasing, sales and inventory transactions are contained in item master records.

Item Master



- SAP Business One enables you to manage all the items that you purchase, manufacture, sell, or keep in stock.
- The way we define what these items are and how they are handled is through the item master data record.
- An item master data record is created for each product and identified with a unique code. You would create an item master for a product at the level of a universal product code or a catalog number.
- Item master data is at the heart of almost every process in SAP Business One. It controls how the item acts in the sales, purchasing, production, MRP, inventory, and service modules.
- An item master data record stores essential information such as if the item is purchased or sold, the price of the item, the inventory level, and how purchasing of the item is forecast and planned.
- This data is used automatically by the system in the processes for purchasing, sales, production, managing your warehouse, and accounting.

Item Master



- Items used in an accounting or inventory transaction cannot be deleted
- Items can be marked inactive.

- One important rule applies to item master data. If a master data record is used in a marketing document or in an accounting or inventory transaction (such as an A/P invoice, A/R Invoice, Journal Entry and so on), it cannot be deleted.
- But what about obsolete items? Perhaps you no longer wish to sell a particular model of monitor, but since it has been stocked and sold in the past you cannot delete it.
- What can you do?
- Instead you can mark the item as inactive so it can no longer be added to sales orders. The inactive checkbox can also be used for products that are not yet ready for sales and purchasing transactions.
- You can choose to exclude these inactive items from system reports. Later on, when you archive old data and these items no longer have transactions related to them in the database, it is possible to delete them completely.

Structure of the Item Master Record

| Item Master Data | | | | | | |
|--|---|--|--|---|--|---|
| General Area Item Number Description Description in Foreign Language Item Type Item Group Unit of Measure Group Price List.... | | | | | | Item Categories Bar Code Unit Price |
| General Manufacturer Shipping Type Serial and Batch Numbers Valid / Inactive / Advance with Dates ... | Purchasing Purchasing Units of Measurement Customs Group Tax Information Dimensions ... | Sales Sales Unit of Measurement Packaging Unit Dimensions ... | Inventory Valuation Method Warehouses Stock Quantities Item Cost ... | Planning Planning Method Procurement Method Order Information Lead Time ... | Properties Up to 64 different Items Properties | Remarks Text Photo ... |

- Like other types of master data, such as the business partner, there are two main sections in an item master record: the header and the tabs.
- The header contains general information about the item. A unique ID number must be assigned as the code.
- The tabs contain more detailed contain information for processing the item.

Item Categories

Inventory Item you make and sell:

- ☒ Inventory Item
- ☒ Sales Item
- ☐ Purchased Item



Service for sale:

- ☐ Inventory Item
- ☒ Sales Item
- ☐ Purchased Item

Expenditures:

- ☐ Inventory Item
- ☐ Sales Item
- ☒ Purchased Item



- The header is also where you can assign item categories. The item categories control whether that item can be purchased, sold, or stored in inventory. An item can belong to multiple categories.
- Designating the item as an inventory item means that the item can be used in inventory transactions.
- Similarly marking an item for purchasing or sales means that the item can be bought or sold on marketing documents.
- If you mark an item as inventory only, you cannot buy or sell that item.
- Perhaps you have an item that you never purchase, instead you manufacture the item in-house and then sell it. This item would be marked for inventory and sales.
- A second example would be a service that you sell. In this case, the item would be marked only for sales, and not for purchasing or inventory.
- A third example could be expenditures, like office supplies, that you purchase for use in your business. You might choose not receive these into inventory because they are used directly after purchase. This item then would be a purchased item but not an inventory item.

Purchasing and Sales tabs

Item Master Data

Item No. Manual R00001 ☒ Inventory Item
 Description Printer Paper A4 White ☒ Sales Item
 Foreign Name ☒ Purchase Item
 Item Type Items
 Item Group Items
 UoM Group Paper Bar Code 2002858881310 Pack
 Price List Base Price Unit Price Primary Curr 5.00 \$ Pack

General Purchasing Data Sales Data Inventory Data Planning Data Properties Remarks Attachments

Preferred Vendor V30000
 Mfr Catalog No.
 Purchasing UoM Code Pallet Length 84cm
 Purchasing UoM Name Pallet Width 60cm
 Items per Purchase Unit 48 Pack Height 24cm
 Package Type Pallet Volume 120,960
 Quantity per Package 1 Weight 120kg

Customs Group Customs Exempt %
 Tax Type Regular Tax

Necessary information for marketing documents:

- ☐ Units of Measure
- ☐ Dimensions
- ☐ Packaging
- ☐ Tax
- ☐ Links to Analysis
- ☐ Purchasing tab additionally contains:
 - ☐ Preferred vendors
 - ☐ Manufacturer catalog numbers

- The purchasing data and sales data tabs contain the information necessary for using that item on marketing documents.
- The sales data tab contains information on the item's sales units of measure, sales item dimensions, packaging for sales, and tax details.
- Similarly, the purchasing data tab contains information on the item's purchasing unit of measure with its dimensions, packaging and tax details.
- Additionally, the purchasing data tab has information about specific vendors and manufacturer catalog numbers.
- When you create a marketing document, the relevant information for the item defaults into the document.
- Both tabs offer you a link to reporting via icons for Sales Analysis and Purchase Analysis for the item.

Inventory Data tab and Stock Levels

| # | WH Code | WH Name | In Stock | Committed | Ordered | Available |
|---|---------|-------------------|----------|-----------|---------|-----------|
| 1 | ➡ 01 | General Warehouse | 688 | 38 | 100 | 750 |
| 2 | ➡ 02 | East Coast | 40 | 10 | 10 | 40 |
| 3 | ➡ 03 | West Coast | 40 | | | 40 |
| 4 | ➡ 04 | Drop Ship | | | | |
| | | | 768 | 48 | 110 | 830 |



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- The inventory data tab shows us up-to-date information on stock levels and demand for the item for each warehouse. This information is updated dynamically so shows a true picture at any time.
 - A matrix displays:
 - The quantity currently in stock
 - The committed quantity, which is the quantity ordered by customers
 - The ordered quantity, which represents either quantity ordered for purchase by your company but not yet delivered or the quantity on production orders for an item produced in-house
 - And in the last column, it displays each the quantity available for sales orders. The available quantity is calculated by adding together the in stock and ordered quantities then subtracting any committed quantity.
- You can set a warehouse to be the default warehouse for transactions. If you do not set a default, the first one appearing in the matrix will be the default.
- Other fields on this tab page, such as the valuation method and inventory unit of measure are discussed more in later topics.

Planning Data



| Item Master Data | |
|------------------|---------|
| Item Number | P1001 |
| Description | Printer |
| ... | |

| Planning Data | |
|--------------------|------------------------|
| Planning Method | MRP / None |
| Procurement Method | Make / Buy |
| Order Interval | Weekly / Monthly / ... |
| Order Multiple | 12 |
| Minimum Order Qty. | 5 |
| Lead Time | 10 Days |

- The planning tab contains information for planning your inventory requirements.
- On this tab, you can control whether the item is considered in material requirement planning.
- And if it is relevant for planning you can indicate whether this is an item that is purchased or built in-house and set a lead time for calculating how long it will take to restock the item. The other fields on this tab support the materials requirement planning process.

Item Properties



- **Add more information about how item fits into company**
- **64 properties available for:**
 - **Reporting**
 - **Marketing purposes**
 - **Pricing**

- Item properties give you a way to add more information about how this item fits into your company lines of business, sales territories and marketing goals.
- On this tab you can classify the item with up to 64 different properties which you can use for reporting, marketing purposes and even for determining pricing.
- For example, a particular laptop might be classified according to the type of user (professional, student), condition (new, refurbished), and other properties such as screen size, processor brand, price range, system memory, touchscreen or not, operating platform, and much more.

Summary



Here are some key points:

- Item Master Data controls how an item acts in business processes. The data is used automatically in processes for purchasing, sales, production, warehouse management, service and accounting.
- A master data record used in transactions cannot be deleted, but it can be marked inactive.
- Item categories control whether an item can be purchased, sold or stored in inventory. An item can belong to multiple categories.
- The inventory data tab tracks the in-stock, committed, ordered, and available quantities for an inventory item.
- Available quantity = in-stock + ordered – committed.

- Item master data controls how an item acts in the business processes. The data is used automatically by the system in the processes for purchasing, sales, production, warehouse management, service, and accounting.
- A master data record is used in transactions and cannot be deleted until those transactions are archived, but the item can be marked inactive.
- Item categories control whether an item can be purchased, sold, or stored in inventory. An item can belong to multiple categories. Designating the item as an inventory item means that the item can be used in inventory transactions. Similarly marking an item for purchasing or sales means that the item can be bought or sold on marketing documents. If you mark an item as inventory only, you cannot buy or sell that item.
- The inventory data tab tracks the in-stock, committed, ordered, and available quantities for an inventory item in each warehouse.
- The available quantity is equal to the total of the in-stock and ordered quantities minus any committed quantity.

Items

Defining Item Groups

SAP Business One, Version 9.0



- Welcome to the topic on defining item groups.

Objectives



At the end of this topic, you will be able to:

- Run reports by item groups
- Define an item group
- Create item master records

- In this topic, we will explore how item groups help manage items in set up and reporting. We will run reports by item groups. Then we will define an item group and see how the defaults from the item group are copied into newly created items.

Business Example



Your company has a large number of items. To better manage the items, the items are managed by item groups.

Reporting by item groups makes it easier to see profitable product lines and to manage inventory more effectively.

Setting default field values in item groups makes creating items quicker and enforces consistency for items within an item group.

- Your company has a large number of items. To better manage the items, the items are managed by item groups.
- Reporting by item groups makes it easier to see profitable product lines and to manage inventory more effectively.
- Setting default field values in item groups makes creating items quicker and enforces consistency for items within an item group.

Item Groups

- ❑ **Group similar items together**
- ❑ **Sort items for reporting**
- ❑ **Categorize by product lines**
- ❑ **Group for sales and procurement purposes**



- Many businesses have a large number of items. It is useful to have a way to group similar items together and sort those items logically for processing and reporting.
- Item groups allow you to categorize your items by product lines or by how the items are used in your business.
- You could set up groups such as raw materials and finished goods, or group them by how they would appear in a sales catalog.
- In our business example, OEC Computers has grouped items into product lines such as printers, computers, accessories, etc.

Item Group Advantages

- ❑ **Creating items – default field values into new items**
- ❑ **Reporting on item related data – run reports by groups**
- ❑ **Processing items – choose related items for an inventory count**

- Item groups are an advantage when you are:
- Creating items - It is faster to create items because some fields common to this business area automatically default into the item.
- Reporting item related data - Item groups can be used in reporting for selection criteria.
- Processing items - You could use the group as criteria for processing items, such as choosing items in an item group to include in an inventory count.

Item Groups in the Item Master

The screenshot shows the 'Item Master Data' form in SAP. The 'Item Number' is 'A2001' and the 'Description' is 'Digital flat bed scanner'. The 'Item Type' is 'Items' and the 'Item Group' is 'Scanners', which is highlighted with a yellow circle. The 'Price List' is '01 Purchase Price List'. To the right, there are checkboxes for 'Inventory Item', 'Sales Item', and 'Purchased Item', all of which are checked. Below the form, there is a table with columns '#', 'Property Name', and a checkbox column. The table contains the following data:

| # | Property Name | |
|----|------------------------|--------------------------|
| 1 | Professional Equipment | <input type="checkbox"/> |
| 2 | Beginners | <input type="checkbox"/> |
| 3 | Suitable for Children | <input type="checkbox"/> |
| 4 | Item Property 4 | <input type="checkbox"/> |
| 5 | | <input type="checkbox"/> |
| 6 | | <input type="checkbox"/> |
| 7 | | <input type="checkbox"/> |
| 8 | | <input type="checkbox"/> |
| 9 | Item Property 64 | <input type="checkbox"/> |
| 10 | | <input type="checkbox"/> |
| 11 | | <input type="checkbox"/> |
| 12 | | <input type="checkbox"/> |

A yellow callout box on the right side of the form contains the following text:

- You can choose the item group from the dropdown list.
- To create new entries, choose the *Define New* option.

- Item groups are very easy to use, because the group is chosen in the header area of the item master record.
- You can even create new item groups in the dropdown by using the *Define New* option.

Item Group Defaults

- ❑ **General Classification:**
Item or Service
- ❑ **Units of Measurement & Measurement Groups**
- ❑ **Materials Requirement Planning (MRP) fields**
- ❑ **Costing – Valuation Method**
- ❑ **Bin Location**

Common Values

- Item
- Unit of Measure - Each
- Bought from vendor
- Moving Average costing



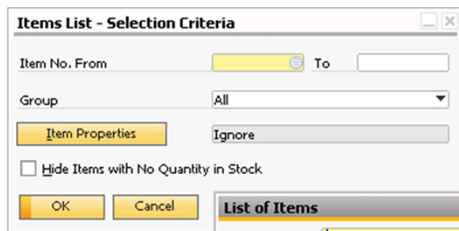
- The defaults fall into a few basic areas:
- Basics for the item: item type (material item or service),
- Defaults for units of measurement – default group and default inventory unit of measure.
- Defaults for material requirements planning - planning method, procurement method, order interval, order multiple, minimum order quantity, lead time,
- Costing default - One key setting you can make at the item group level is the inventory valuation method.
- If you are using bin locations in a warehouse, you can set defaults on a default bin location and whether the default bin location must be used upon receipt of the item.

When you create an item and assign an item group, the item group's default fields appear in the item. The fields can be changed.

[illegible]

- TB1000

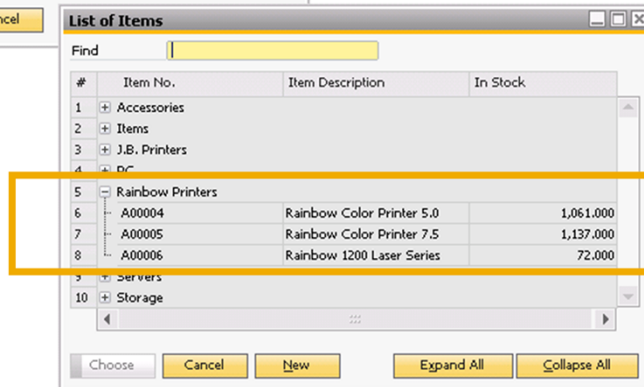
Search functions for an item



Add fields to search via Forms Settings

**Group by fields,
such as item group**

**Expand groups to
show individual items**



| # | Item No. | Item Description | In Stock |
|----|----------|---------------------------|-----------|
| 1 | + | Accessories | |
| 2 | + | Items | |
| 3 | + | J.B. Printers | |
| 4 | + | PC | |
| 5 | - | Rainbow Printers | |
| 6 | A00004 | Rainbow Color Printer 5.0 | 1,061,000 |
| 7 | A00005 | Rainbow Color Printer 7.5 | 1,137,000 |
| 8 | A00006 | Rainbow 1200 Laser Series | 72,000 |
| 9 | + | Servers | |
| 10 | + | Storage | |

- You can add additional fields to an item search to make finding items easier in marketing documents or reports.
- Open a document or report which displays the List of Items window for finding items. Use form settings to add the fields you need.
- If the list of items is too long, you can shorten the list by using your added field to group the items. In this way, you first view the groups, then can open a group to find an individual item.
- The reformatted search is available wherever the List of Items window is used.

Summary



Here are some key points:

- You can categorize items by business areas using item groups.
- Item groups can store default values common to items belonging to those groups.
- Item groups are useful as selection criteria in reporting and processing functions.
- You can subtotal your sales and purchasing analyses by item group.
- If you have a large number of items, you can reformat item search criteria to group the results by item group or another field in the Form Settings window.

- You can categorize items by business area using item groups.
- Item groups can store default values common to items belonging to those groups. Then when you create new items belonging to the group, the values automatically default into the new item.
- Item groups are useful as selection criteria in reporting and in processing functions, such as choosing items in an item group to include in an inventory count.
- You can subtotal sales and purchasing analyses by item group.
- If you have a large number of items, you can reformat item search criteria to group the results by item group or by another field in the Form Settings window.

Items

Units of Measure

SAP Business One, Version 9.0



- Welcome to the topic on units of measure.

Objectives



At the end of this topic, you will be able to:

- Assign units of measure to an item
- Describe the relationship of different types of units of measure

- In this topic, you will learn how to assign units of measure to items and describe the relationship of different types of units of measure for items in sales, purchasing and inventory.

Business Example

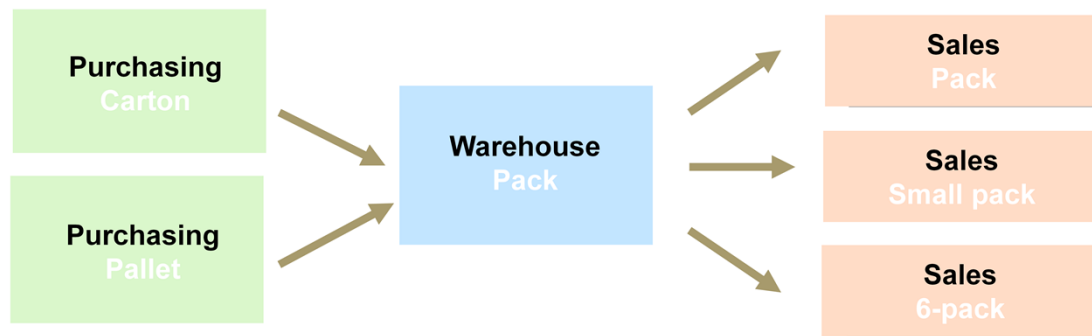


The company has set up units of measurement groups in order to add consistency and ease to setting up units of measure for items.

When an item master record is created, a unit of measurement group is assigned to the item.

- The company has set up units of measurement groups in order to add consistency and ease to setting up units of measure for items.
- When an item is created, a unit of measurement group is assigned to the item. By using this groups, the inventory, sales and purchasing units of measure are be set up with a equivalencies already assigned.

Basic Units of Measure



■ Use different units of measure in:

- Purchasing documents
- Sales documents
- Warehouse

- Typically in business, an item may be sold in different types of packaging than how it is purchased.
- In the graphic, we see an example for paper. Vendors sell the item in cartons or pallets and we sell the paper in either packs, small packs or groups of 6 packs.
- Each item master record holds the units of measure used for purchasing, storing and selling that particular item.
- When you set up the item, you assign a group containing the units of measure commonly used for this type of item. The group “manual” is provided for upgraded companies and used as the default until another group is assigned.

UoM in the Item

Paper UoM Group

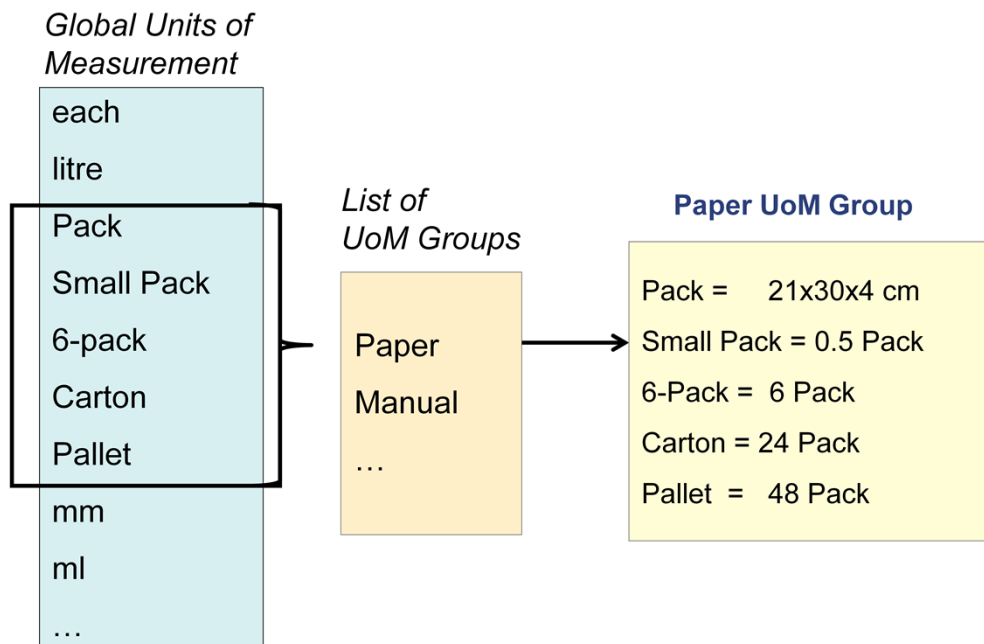
Pack = 21x30x4 cm
Small Pack = 0.5 Pack
6-Pack = 6 Pack
Carton = 24 Pack
Pallet = 48 Pack

Item Master Data

| | | | | |
|--------------|------------------|--------|----------|--|
| Item No. | Material | P11111 | Bar Code | |
| Description | Printer Paper A4 | | | |
| Foreign Name | | | | |
| Item Type | Items | | | |
| Item Group | Items | | | |
| UoM Group | Paper | | | |
| Price List | Base Price | | | |
| Unit Price | Primary Curr | | | |

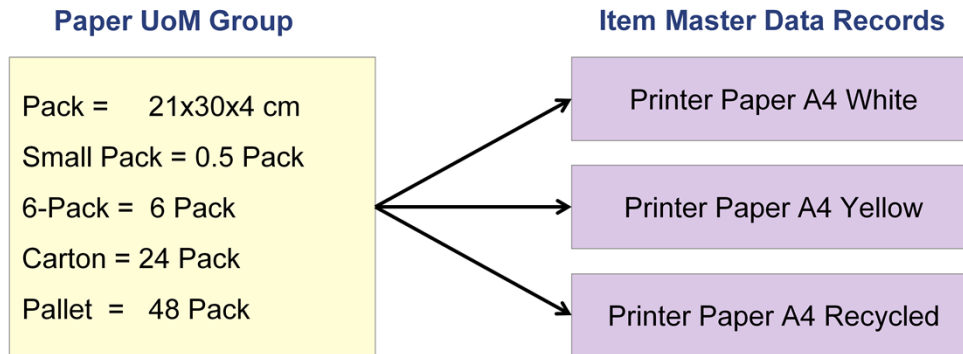
- When you create an item master data record, you assign a unit of measurement group.
- The group contains all the relevant units of measure that you need for the item.
- In our example, we can assign the Paper UoM group because it has all the measures we need.

Grouping Units of Measurement



- We saw that a UoM group contains a set of relevant units of measurement.
- Let us take a step back to see how they are made.
- There is a table with a list of all possible units of measure. This is the Global UoM. We this list on the left of the graphic.
- Single items from this table are then grouped together into a group.
- In our business example, we set up a group for paper.
- Within a group, you define the relationships between the listed measurements based on conversion rules.
- On the right we see the measurements that make up the UoM group “paper”.
- Note that the measurements listed in the Global UoM table can be assigned to multiple UoM groups.

UoM groups

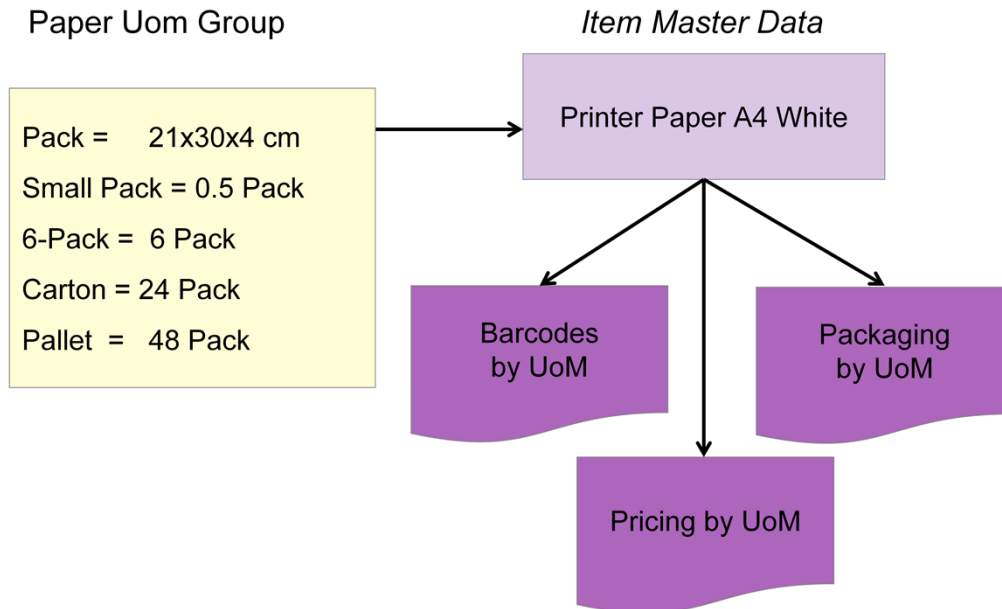


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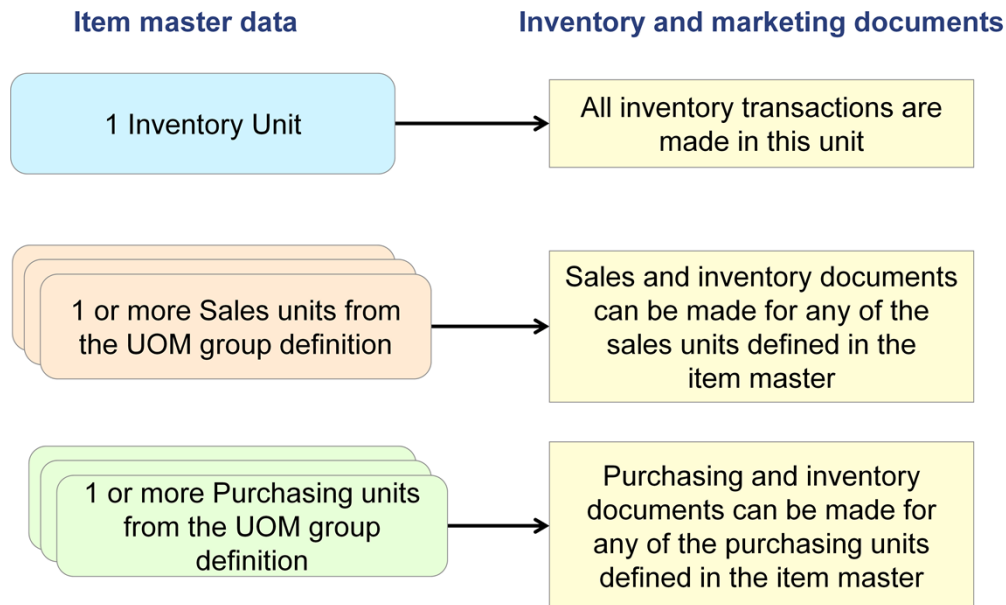
- OEC Computers can use this same UoM group for several different types of printer paper that they sell.
- Once a UoM group is created it can be assigned to several item master data records.
- In our graphic, the UoM group for paper is assigned to 3 item master records that need the same type of relationships between the UoMs in the group.
- Because the paper UoM group has been defined flexibly, it can be used for several different types of printer paper that the company sells.

Units of Measure in the Item Master



- A UoM group can be very useful for managing all the functions that relate to item size.
- After a UoM group is assigned to an item master data, you can then define barcodes, pricing and packaging for the item relating to each UoM within the group.

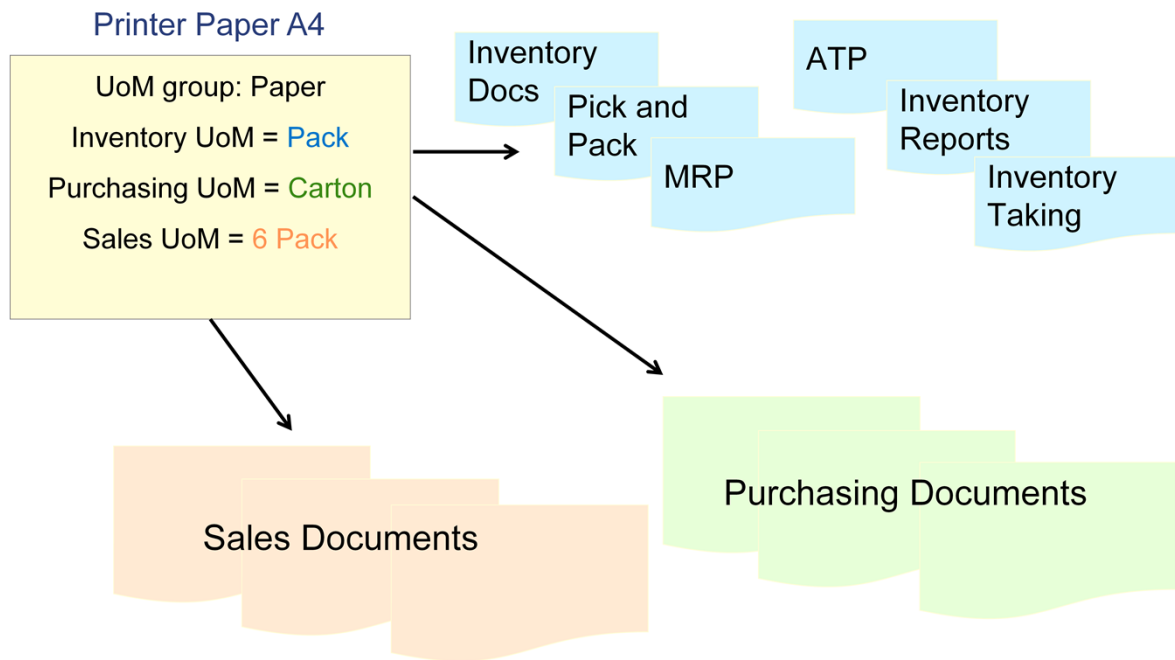
UoM Types: Inventory, Sales and Purchasing



■ In the *Item Master Data* we define three different UoM types:

- The *Inventory UoM* code - This code is a single UoM code that all inventory transactions are made for.
This code cannot be changed once transactions were made for this item.
Note that the Inventory UoM Code field in the Item Master Data does not appear if the Manual group is assigned.
- The *Sales UoM* codes – One item can have many Sales UoM codes related to it.
Each of these codes can be used in a sales or inventory document
- The *Purchasing UoM* codes – One item can have many Purchasing UoM codes related to it.
Each of these codes can be used in a purchasing or inventory document.
- All inventory tracking and reporting is done in the inventory unit of measure. Availability checking is done for the inventory unit of measure.

UoMs in documents



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- In our business example, we set the inventory UoM to pack. Therefore, pack will appear as the unit on all inventory transactions.
- We set carton for the purchasing UoM because this is the typical unit used by our vendors.
- Regardless of how we buy it, we may choose to sell a product with different packaging. In our example, paper is most often sold packaged as a 6-pack. Therefore, we set the sales unit of measure to a 6-pack so that this measurement is the default for our sales documents.
- You can overwrite the unit of measure and the items per unit in marketing documents as needed. For example, you usually buy from a vendor who delivers an item in cartons, each carton contains 12 units. However, you are trying out a new vendor who will supply the item in crates. Each crate contains 20 units. Since the purchasing unit of measure is a carton, the unit of measure in the purchase order defaults in as a carton. You can override this value and change the unit of measure and the items per purchase unit to crate in the purchase order without affecting the item master record. If the change is permanent, you can also make the same change to the default purchasing UoM in the item master data record.
- Remember that regardless of which purchasing unit or sales unit is used in a document, the postings are always made in the inventory unit of measure. Therefore using our business example, a goods receipt PO for 1 carton will create an inventory posting for 12 packs, since each carton contains 12 packs.

Summary



Here are some key points:

- Units of measure (UoM) are defined globally for a company.
- A unit of measure group defines relationships between the listed measurements based on conversion rules.
- A flexibly-defined UoM group can be assigned to multiple items.
- A UoM group can manage functions relating to size such as barcodes, pricing and packaging for the item for each UoM.
- In the item master you define three UoM types: inventory, sales and purchasing UoM codes.
- Each item has a single inventory UoM code used in all inventory transactions. This code cannot be changed once transactions are made for this item.

- Units of measure (UoM) are defined globally for a company.
- A unit of measure group defines relationships between the listed units of measurement based on conversion rules. When you create an item master data record, you assign a unit of measurement group. The group contains all the relevant units of measure that you need for the item.
- A flexibly-defined UoM group can be assigned to multiple items.
- A UoM group assigned to an item can manage functions relating to item size such as barcodes, pricing and packaging for the item relating to each UoM within the group
- In the Item Master Data we define three different types of UoM types: inventory, sales and purchasing UoM codes. An item may have multiple sales and purchasing UoM codes.
- Each item has a single inventory UoM code used in all inventory transactions. This code cannot be changed once transactions are made for the item.

Items

Valuation Methods

SAP Business One, Version 9.0



- Welcome to the topic on valuation methods.

Objectives



At the end of this topic, you will be able to:

- List the three valuation methods used in perpetual inventory in SAP Business One
- Describe how each valuation method works
- Discuss the differences between perpetual and non-perpetual inventory

- In this topic, we will look at the three valuation methods used in perpetual inventory in SAP Business One. We describe how each valuation method works. Additionally, we look at using non-perpetual inventory and discuss the differences between using perpetual and non-perpetual inventory.

Business Example



The company uses perpetual inventory.

Most items are controlled by the moving average valuation method.

However, some items are controlled by standard price and some are controlled by the FIFO method.

- The company uses perpetual inventory.
- Most items are controlled by the moving average valuation method.
- However, some items are controlled by standard price and some are controlled by the FIFO method.
- In our previous business examples in this course, we have always used the moving average valuation method. We have looked at how the item costs have been posted in the purchasing and sales business process. Now we will create some items with the other two methods and see the difference in inventory cost postings.

Perpetual or Non-Perpetual Inventory



Two choices for defining inventory valuation:

- **Perpetual Inventory system**
 - Inventory transactions affect both stock levels and value
 - Automatic entries created in the general ledger
- **Non-perpetual inventory system**
 - Automatic inventory transactions affect only the inventory levels
 - No effect on stock value
 - No automatic entries in the general ledger

- When you set up SAP Business One, you need to define how to control the inventory valuation according to business needs and local legal settings.
- You have two choices for defining inventory valuation.
- A perpetual inventory system or a non-perpetual inventory system.
- A perpetual inventory system reflects the value of inventory postings in terms of monetary transactions in the accounting system. These monetary transactions are carried out when items defined as inventory items are received or released from stock.
- In a perpetual inventory system, inventory transactions affect both stock levels and stock value. Automatic journal entries for the change in stock value are created in the general ledger.
- In our course's business example, we work with a perpetual inventory system so this is what you see in the demonstrations and in the exercises.
- The other choice is to use a non-perpetual inventory system in which sales, purchasing, inventory, and production transactions automatically create inventory transactions which affect only the inventory levels and have no effect on the stock value. Transactions in a non-perpetual inventory system do not generate automatic inventory-related monetary entries directly into the general ledger. However, it is possible to get an estimate of inventory value using different inventory reports.

Setup for Perpetual Inventory

Basic Initialization

☒ Use Perpetual Inventory

Item Groups Valuation Method Moving Average ▼

☒ Manage Item Cost per Warehouse

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- If you choose to use perpetual inventory, you need to make the configuration settings during basic initialization, before posting any transactions.
- To activate perpetual inventory, select the checkbox on the Basic Initialization tab of the Company Details window. This transaction is under System Initialization in the Administration module.
- You can then set a default valuation method for your company. This default will be used whenever you create a new item group. You can, of course, change the default in the item group or any item assigned to the item group.
- You also have the option to manage item costs separately for each warehouse, rather than setting an item's cost at the company level. This can be useful when you operate in several regions with varying cost levels.
- Once you have activated perpetual inventory, each transaction that receives or issues inventory items is reflected in the inventory related G/L accounts.
- After the first inventory transaction is posted, the option to choose either perpetual or non-perpetual inventory is disabled, and its status cannot be changed.

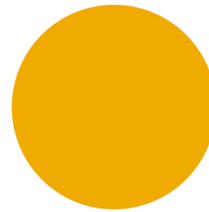
Monetary Value of Inventory Postings

Inventory Transactions



Good Receipt PO

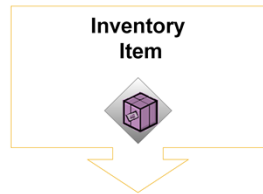
Inventory Account Balance



- Let us quickly review the monetary effects on stock value of an inventory item when using perpetual inventory.
- As you purchase an inventory item, the balance of the inventory account increases.

Monetary Value of Inventory Postings

Inventory Transactions

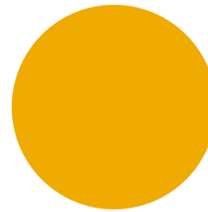


Good Receipt PO



Delivery

Inventory Account Balance



- When you sell this item and deliver it to a customer, the balance of the inventory account decreases.
- We see that values increase as stock quantity grows and values decrease as stock quantity shrinks.
- The value of an item received into inventory is based on either a purchase price or a fixed value.
- However, how do we determine the value of the item when it is issued?
- The way we determine the items value at sales is by using a valuation method.

Inventory Valuation Methods



Moving Average Price



First In – First Out (FIFO)



Standard Cost

- SAP Business One provides 3 valuation methods for calculating inventory value: Moving average, FIFO, and Standard Cost.
- Valuation methods are basically formulas for how you determine the cost of the units that you sell. These formulas control the inventory cost of an item if you are using perpetual inventory.
- If you are using perpetual inventory, you choose one of three methods for any given item.
 - Moving Average
 - First in – First Out, generally known as FIFO
 - Standard Price
- Let us take a look at how each method works.

Inventory Valuation Methods



Moving Average Price

5 items @ \$10 Total inventory \$50 Moving average price \$10
5 items @ \$20 Total inventory \$150 Moving average price \$15



First In – First Out (FIFO)



Standard Cost

- First, we will look at the moving average method.
- When using this method, the system calculates the moving average price by dividing the total value of the goods by the quantity in stock.
- For example, let us say you buy 5 items for 10 dollars each. You have 5 items worth \$50. The moving average price is 10 dollars.
- Then you spend \$100 to buy another 5 items for 20 dollars.
- Total inventory value is now \$150 and you have a quantity of 10 in stock. Therefore, the total value of the goods divided by the quantity in stock gives us a moving average price of \$15.
- The moving average price is used as the item cost when this item is sold or otherwise issued from the warehouse.

Inventory Valuation Methods



Moving Average Price



First In – First Out (FIFO)

5 items @ \$10 Unit cost of first layer = \$10
5 items @ \$20 Unit cost of second layer = \$20



Standard Cost

- When you use the FIFO Method, the system calculates the item cost as the cost of the oldest unit on hand.
- The theory behind this valuation method is the same as the name: first in, first out. The first items received into stock are the first items to be issued. This is a useful method if you have inventory items with expiration dates. You want to sell the items before the expiration date, so you always sell the oldest items first.
- How does this valuation method work?
- The system stores each good receipt in the inventory in a separate layer.
- When you post any good issue, such as when you sell an item, the system uses the price from the oldest layer, from the second-oldest, and so on.
- Let us say you buy a quantity of 5 at 10 dollars each. The unit cost of the first layer is \$10 each.
- You then buy a second quantity of 5 at 20 dollars each. The oldest layer's cost remains 10 dollars. However, you also now have a newer layer with an unit cost of \$20.
- When you sell the item, the system uses the oldest layer first. So the first quantity of 5 sold has a item cost of \$10.

Inventory Valuation Methods



Moving Average Price



First In – First Out (FIFO)



Standard Cost

Standard price set at \$10
Item cost = \$10

- When you select the standard price option, you manually enter a fixed price into the item master record.
- The system uses this price for all stock movements.
- This is a logical method to use for items which you produce in-house.
- Here is an example. You set the standard price at 10 dollars. Therefore, when an item is received into stock it is valued at 10 dollars. When it is sold, the item cost remains 10 dollars.
- Setting a standard price is like a making a royal decree. You decide what the item is worth. You specify the unit cost. The item cost always equals the standard price set in the item master record.
- Once you set the standard price at 10 dollars, the unit cost remains 10 dollars.
- If you buy this item for 11 dollars, the 1 dollar difference is posted to a variance account and the item cost remains 10 dollars.
- It is possible to adjust a standard price item's cost through inventory revaluation on a periodic basis.
- An example of a standard cost item might be a service. You could have a service that you sell. The service is defined as a non-inventory item, but you can set the valuation method as standard on the Inventory Data tab of the item master. Then, when you base the gross profit on the item cost, the base price for this non-inventory item is included in the calculation of gross profit for the service.

Inventory Valuation Methods



Moving Average Price



First In – First Out (FIFO)



Standard Cost

- Let us take a look at how each method works by working through a slightly more detailed example.
- This time we will look at how each method works when an item is purchased multiple times with varying purchase prices.

Moving Average - Example



Purchasing

- Purchase 5 Units for 100 each
- Unit cost = 100 Inventory Value = 500



Purchasing

- Purchase 5 Units for 200 each
- Current Unit cost = 150 New Inventory Value = 1500



Sales

- Sell 7 for sales price of 300
- Current Unit cost = 150 Total COGS = 1050
New Inventory value 450

Item cost =
total inventory
divided by
on-hand quantity

- Remember that the formula for moving average is that item cost is calculated by dividing the total inventory value by the on-hand quantity.
- Here we see a purchase of 5 units for 100 each. The inventory value at this point is 500. The moving average cost at this point is 100. That is the inventory total value of 500 divided by the quantity of 5.
- Then a second purchase of 5 is made, this time for 200 each for a total purchase cost of 1000.
- Now the total inventory value is 1500. There is a quantity of 10 in stock. 1500 divided by 10 gives us an item cost of 150.
- We sell a quantity of 7 to a customer for 300.
- The selling price is not important in calculating cost.
- The cost of each item in stock at the time of sale is 150. Therefore the total cost of goods sold is calculated as 7 multiplied by 150, that is 1050.
- The inventory value is now 1500 minus 1050 resulting in the new inventory value 450. If you divide 450 by the remaining quantity of 3 you will get the unit cost of 150.
- You have seen the moving average method and its consequences in the sales and purchasing exercises and demos of this course.

FIFO - Example

- Item cost managed by layers



Purchasing

- Purchase 5 Units for 100 each
- Inventory Value = 500

- Each receipt transaction creates a new layer



Purchasing

- Purchase 5 Units for 200 each
- Inventory Value = 1500

- Each release transaction uses first available open layer



Sales

- Sell 7 for sales price of 300
- Total COGS = 900 (5 x 100 + 2 x 200)
- New Inventory Value 600 (3 x 200)

- In the FIFO method, the item cost is managed by layers for each item.
- Each inventory receipt transaction creates a "layer" of quantities linked to costs.
- Each inventory release transaction uses quantities and their corresponding costs from the first open layer.
- So in our example, again we purchase 5 units at 100. The goods receipt PO creates a FIFO layer with 5 units costing 100 each. The total inventory value is 500.
- We purchase a second quantity of 5 units at 200 for a total value of 1000. The second goods receipt PO creates a second FIFO layer for these 5 units costing 200 each.
- The inventory value is now $1500 - 500 + 1000$.
- We sell a quantity of 7 for the sales price of 300. Remember sales price is not important in determining item cost.
- The rule in FIFO is that the first (oldest) layer is used first.
- So the first 5 issued from stock are from the first layer and have a cost of 100 each. And the next 2 are from the second layer with a cost of 200 each.
- The total cost of goods sold is calculated as 5 multiplied by 100 that is 500, plus 2 multiplied by 200 that is 400 for a total of 900.
- When subtracting the 900 total cost of goods sold from 1500, we get the new inventory value of 600.
- Please note that we do not have one general item cost for the item master data like in the other valuation methods as the item cost is managed by layers for each item.

Standard Cost - Example



Purchasing

- Set manually unit cost to 100
- Purchase 5 Units for 100 each. Inventory Value = 500



Purchasing

- Purchase 5 Units for 200 each
- Current Unit cost = 100
- New Inventory Value = 1000 (Variance of 500)



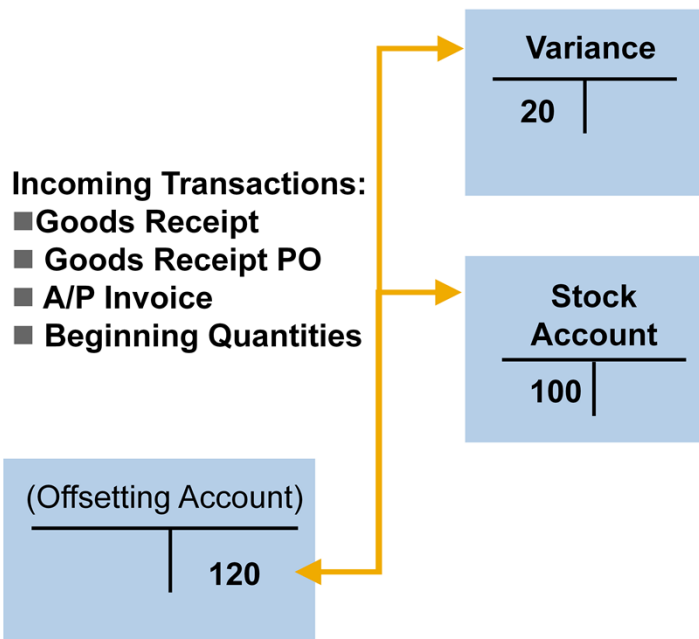
Sales

- Sell 7 for sales price of 300
- Current Unit cost = 100 Total COGS = 700
- New Inventory value 300

- Standard Cost Method assumes a constant stock value
- Unit cost remains the same regardless of purchase price
- The difference between purchase price and standard cost posts to a variance account.

- The standard cost valuation method assumes a constant stock value, regardless of the purchase price.
- With the standard cost method, the unit cost is determined manually when you setup the item.
- Variances that occur due to a different purchase price are recorded to a variance account, and the unit cost is not affected.
- So in our example, the unit cost is set to 100.
- We purchase 5 units at 100 each and then we purchase 5 units at 200 each.
- It does not matter what the purchase price is. The value of each unit is set to the standard cost of 100.
- We have 10 inventory. We multiply 10 by the standard cost of 100 to find the total value of the inventory is 1000.
- The different in cost in the second purchasing transaction between the standard cost of 100 each and the purchase price of 200 each is registered to a variance account.
- The inventory value after the sales transaction is also set by the fixed unit cost of 100.
- The 7 units sold are multiplied by 100 for a total cost of goods sold of 700.
- When subtracting this 700 total cost of goods sold from the inventory value of 1000, you get 300 as the new inventory value.

Stock Movements with Standard Price

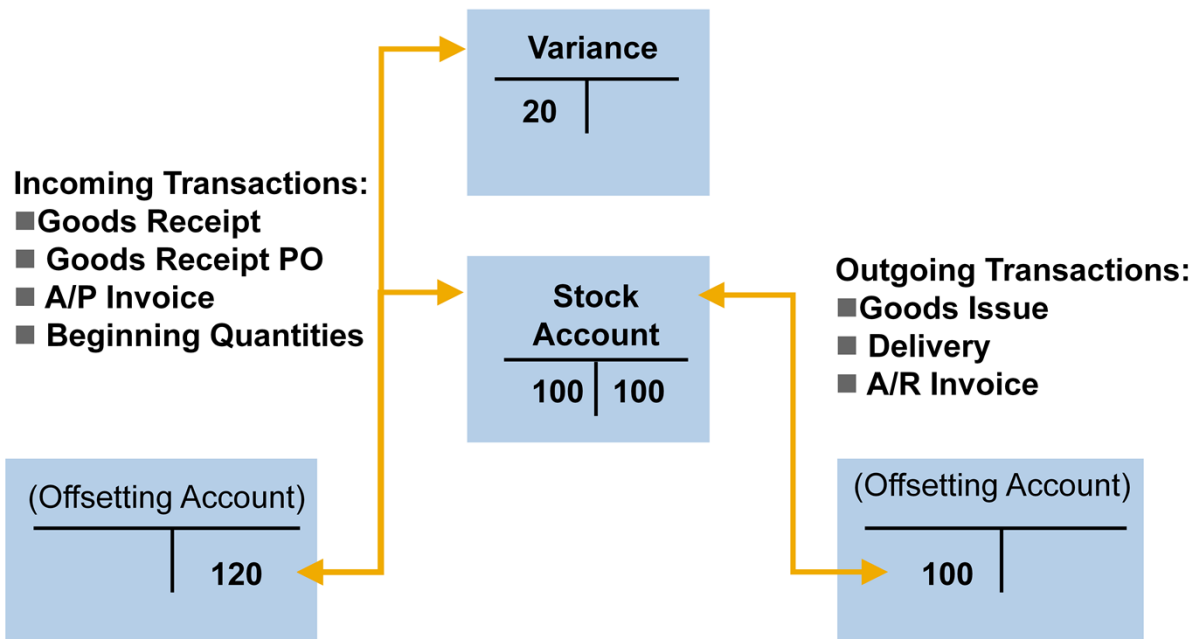


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- As we discussed previously, if an item is managed with standard price valuation, a variance account is needed when posting any kind of goods receipt (goods receipt without reference, goods receipt PO, A/P invoice, beginning quantity). The variance account receives the price difference between the standard price and the price in the document.
- Here is a graphic look at what happens when you receive an item with a standard price.
- In this example, the value of the item when received is 120. However, our item's standard price is set at 100.
- The journal entry will post the amount of 120 to the appropriate account depending on the type of transaction used – here we have labeled it as the offsetting account.
- Since the standard price is 100, 100 is posted to the stock account for the one unit purchased.
- The difference of 20 is posted to the variance account.

Stock Movements with Standard Price



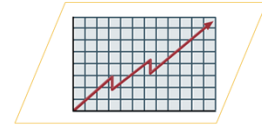
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- No matter what the actual cost of the item was initially, the unit value of item in the stock account is always equal to the standard price. In this case, the unit price of 100.
- Therefore, when the item is issued out of the warehouse, on a goods issue, delivery or A/R invoice, the cost of goods sold for each unit will always be the same as the standard price, in this example 100.

Inventory Audit Report

Generating Inventory Audit Reports:



- Provides an audit trail for the posted inventory transactions in the chart of accounts.
- Makes comparisons between the accounting view and the logistics view.
- Explains the value changes in inventory accounts.
- Does not recalculate the item cost but displays the information from the database.
- Displays only inventory related transactions in the report.

- A useful report for companies using perpetual inventory is the Inventory Audit report.
- This report provides an audit trail for the posted inventory transactions in the chart of accounts.
- You can use this report to make comparisons between the accounting view (inventory balance accounts) and the logistics view (inventory value displayed by the audit report). The report explains the value changes in inventory accounts.
- The report does not recalculate the item cost but displays the information from the database. In addition, only inventory related transactions are displayed in the report. Transactions with non-inventory items or drop-ship warehouses are not displayed.
- Note that the Inventory Audit report is available only for companies using the perpetual inventory system. To create what-if scenarios, use the Inventory Valuation Simulation report.

Non-Perpetual Inventory System



Definition:

- An inventory management system in which costs of inventories are not maintained on a constant basis.
- Transactions which reflect the inventory levels do not generate inventory-related monetary entries directly into the general ledger.

- We have talked a lot about perpetual inventory. Let us take another look at the alternative method.
- A non-perpetual inventory system is an inventory management system in which costs of inventories are not maintained on a constant basis.
- In a non-perpetual inventory system, sales, purchasing, inventory, and production transactions, which reflect the inventory levels, do not generate inventory related monetary entries directly into the general ledger.
- Therefore, the inventory value of a company is not revalued on every inventory release or receipt. Instead, the inventory account balance is updated by manual journal entry once in every accounting period or after a physical inventory count.
- The inventory value can be calculated using the inventory valuation report.
- You must set up a non-perpetual inventory system during the basic initialization of the company, before any transactions have been posted. Once transactions have been posted, you cannot change the inventory system used for that company.
- Note that some countries have a non-perpetual inventory system as their default inventory management system, such as Germany, Israel, Italy, Panama, South Africa, and Switzerland.

Summary



Here are some key points:

- You have two choices for defining inventory valuation: perpetual inventory or non-perpetual inventory.
- A perpetual inventory system automatically controls both stock levels and stock value by creating automatic journal entries for accounts in the general ledger when items defined as inventory items are received or released from stock.
- In a non-perpetual inventory system, inventory transactions are automatically created but affect only the inventory levels and have no effect on the stock value.
- Three methods are available for calculating item cost: Moving Average, First In First Out (FIFO), and Standard Cost.

- You have two choices for defining inventory valuation: perpetual inventory or non-perpetual inventory.
- A perpetual inventory system automatically controls both stock levels and stock value by creating automatic journal entries for accounts in the general ledger when items defined as inventory items are received or released from stock.
- In a non-perpetual inventory system, sales, purchasing, inventory, and production transactions automatically create inventory transactions which affect only the inventory levels and have no effect on the stock value. However, it is possible to get an estimate of inventory value using different inventory reports.
- Three methods are available for calculating Moving average, FIFO, and Standard Cost.

Summary



Here are some key points:

- Using Moving Average: Item cost = total inventory divided by on-hand quantity.
- With FIFO, item cost is managed by layers. Each receipt transaction creates a new layer. Each issuing transaction uses the first available open layer.
- The Standard Cost Method assumes a constant stock value. Item cost remains the same regardless of purchase price. Any difference between purchase price and standard cost posts to a variance account.
- The inventory audit report is useful for viewing changes to inventory quantity and value in inventory accounts caused by inventory transactions.

- Using the Moving Average method: Item cost equals total inventory divided by on-hand quantity.
- With FIFO, item cost is managed by layers. Each receipt transaction creates a new layer. Each issuing transaction uses the first available open layer.
- The Standard Cost Method assumes a constant stock value. Item cost remains the same regardless of purchase price. Any difference between purchase price and standard cost posts to a variance account.
- The inventory audit report is a useful way to view changes to inventory quantity and value in inventory accounts caused by inventory transactions. You can use this report to make comparisons between the accounting view (inventory balance accounts) and the logistics view (inventory value displayed by the audit report).

Exercises

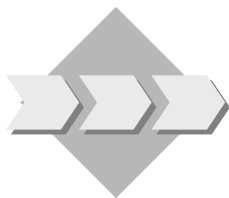


Unit: Items
Topic: Item Master Data



At the conclusion of this exercise, you will be able to:

- Find and display item master data
- Check stock levels on items
- Set an item as inactive



In this exercise, you display item master data to view settings. You check the inventory data on an item. You set an item as inactive.

1-1 View an existing item master data record.

| Field Name or Data Type | Values |
|-------------------------|---------------|
| <i>Item Number</i> | A00004 |

1-1-1 What item categories are assigned to this item?

1-1-2 Check the stock level and availability for the item.

List the in stock and available quantities for each warehouse.

| Warehouse | In Stock Quantity | Available Quantity |
|---------------------|-------------------|--------------------|
| <i>Warehouse 01</i> | | |
| <i>Warehouse 02</i> | | |
| <i>Warehouse 05</i> | | |

Why do the in-stock quantities differ from the available quantities?

1-1-3 Which item group does this item belong to?

1-2 Set an item as inactive.

1-2-1 The company no longer wants to offer services at a daily rate but only at an hourly rate. They would like to offer only the hourly rate for a trial period of 3 months to get customer reactions to the change. Set the item LB0001 as inactive for a period of 3 months.

1-2-2 Try to choose this item on a sales order.

What happens when you try to enter the sales order?

1-2-3 When can an item be deleted?

1-2-4 A decision has been made that the item will once again be sold as a service. Set the item as active.

Solutions



Unit: Items

Topic: Item Master Data

1-1 View an existing item master record. Open item number A00004.

Choose ***Inventory*** → ***Item Master Data***.

Enter **A00004** in the *Item No.* field and choose *Find*.

1-1-1 What item categories are assigned to this item?

The item belongs to the inventory, sales and purchase item categories.
This means the item can be stored inventory, sold and purchased.

1-1-2 Check the stock level and availability for the item.

Choose the ***Inventory Data*** tab.

List the in stock and available quantities for each warehouse.

| Warehouse | In Stock Quantity | Available Quantity |
|---------------------|-------------------|--------------------|
| <i>Warehouse 01</i> | | |
| <i>Warehouse 02</i> | | |
| <i>Warehouse 05</i> | | |

Why do the in-stock quantities differ from the available quantities?

Available quantity is calculated by subtracting the quantity committed to sales documents from the sum of the in-stock and ordered quantities.

1-1-3 Which item group does this item belong to?

Rainbow Printers.

1-2 Set an item as inactive.

- 1-2-1 The company no longer wants to offer services at a daily rate but only at an hourly rate. They would like to offer only the hourly rate for a trial period of 3 months to get customer reactions to the change. Set the item LB0001 as inactive for a period of 3 months.

Choose ***Inventory → Item Master Data.***

Enter **LB0001** in the *Item No.* field and press *Enter*.

Select the *Inactive* radio button.

Enter a date range from today's date.

Choose *Update* to save the change.

Choose *OK* to close the window.

- 1-2-2 Try to choose this item on a sales order.

Choose ***Sales – A/R → Sales Order.***

Enter the following information in the sales order.

| Field Name or Data Type | Values |
|-------------------------|---------------------|
| <i>Customer</i> | C40000 |
| <i>Delivery Date</i> | Today's date |
| <i>Item No.</i> | LB0001 |
| <i>Quantity</i> | 1 |

What happens when you try to enter the sales order?

You receive a message that Item LB0001 is inactive.

Cancel the sales order.

1-2-3 When can an item be deleted?

An item can be deleted after data only if there is no stock for this item and there are no transactions related to this item in the database. In the case of this item, since it is a non-inventory item, the item could be deleted once any transactions relating to this item are archived.

1-2-4 A decision has been made that the item will once again be sold as a service. Set the item as active.

Choose *Inventory* → *Item Master Data*.

Enter **LB0001** in the *Item No.* field and press *Enter*.

Select the *Active* radio button.

Choose *Update* to save the change.

Choose *OK* to close the window.

Exercises



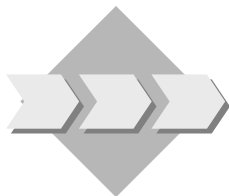
Unit: Items

Topic: Item Groups



At the conclusion of this exercise, you will be able to:

- Name which values are defaulted from item groups into the item master
- Create an item group
- Create items belonging to the item group
- View reports by item group
- Set search criteria for items



In this exercise, you create an item group for scanners. You create item master records for two scanners. You view reports by item group. Because you have a large number of items, you set the search window *List of Items* to display items in a hierarchy of item groups.

2-1 Check the item group defaults set for PCs.

2-1-1 Which default values for items can be set at the item group level?

2-1-2 What is the default procurement method for this group? When is a procurement method used?

2-2 Create a new item group for scanners with the following values.

| Field Name or Data Type | Values |
|---------------------------------|-----------------------|
| <i>Item Group Name</i> | Scanners |
| <i>Default UoM Group</i> | Manual |
| <i>Planning Method</i> | MRP |
| <i>Procurement Method</i> | Buy |
| <i>Minimum Order Qty.</i> | 5 |
| <i>Default Valuation Method</i> | Moving Average |

Choose *Add* to save the item group.

2-3 Create item master records that belong to this group.

2-3-1 Create the item Photo Scanner.

When you enter the following values, confirm the system message to update item information according to the item group chosen.

| Field Name or Data Type | Values |
|-------------------------|----------------------|
| <i>Item No.</i> | A2000 |
| <i>Description</i> | Photo Scanner |
| <i>Item Group</i> | Scanners |
| <i>Inventory Item</i> | Set indicator |
| <i>Sales Item</i> | Set indicator |
| <i>Purchase Item</i> | Set indicator |

Was the UoM group automatically assigned?

Choose the *Purchasing Data* tab page.

| Field Name or Data Type | Values |
|-------------------------|---------------|
| <i>Preferred Vendor</i> | V10000 |
| <i>Length</i> | 18 |
| <i>Width</i> | 10 |
| <i>Height</i> | 4.5 |
| <i>Weight</i> | 3kg |

Choose *Add*.

View the inventory data page. Which values have defaulted from the item group?

2-3-2 Create the item Digital Flatbed Scanner.

When you enter the following values, confirm the system message to update item information according to the item group chosen.

| Field Name or Data Type | Values |
|-------------------------|--------------------------------|
| <i>Item No.</i> | A2001 |
| <i>Description</i> | Digital Flatbed Scanner |
| <i>Item Grouping</i> | Scanners |
| <i>Inventory Item</i> | Set indicator |
| <i>Sales Item</i> | Set indicator |
| <i>Purchase Item</i> | Set indicator |

Choose the *Purchasing Data* tab page.

| Field Name or Data Type | Values |
|-------------------------|---------------|
| <i>Preferred Vendor</i> | V10000 |
| <i>Length</i> | 14 |
| <i>Width</i> | 19 |
| <i>Height</i> | 6 |
| <i>Weight</i> | 5kg |

Choose *Add*.

2-4 Run the *Items List* report by item group.

Set the *Group* field to **Scanners**. Do your two newly created items appear in the list?

2-5 Customize the search criteria for items in marketing documents and reports.

2-5-1 Customize the window *List of Items*.

Hint: The List of Items window is found in marketing documents and reports as a selection box for the Item No. field.

In the *Form Settings* make the following settings:

Add the field item group.

For the *Displayed Name*, type in, for example, **Group**.

Check the box in the **Group** column.

Cancel the *List of Items*, and start the search again to see the effect.

How has the search for items changed?

2-5-2 Open the Purchase Analysis report. Do you see the same grouping by item category in the item search?

2-5-3 True or False: The changes to the *List of Items* function are applicable for all users?

2-5-4 Restore the original settings in the *List of Items* window.



Unit: Items

Topic: Item Groups

2-1 Check the item group defaults set for PCs.

Choose *Administration* → *Setup* → *Inventory* → *Item Groups*

Switch to *Find* mode.

Enter PC in the *Item Group Name* field.

2-1-1 Which default values for items can be set at the item group level?

The item group contains defaults for unit of measure group, planning method, procurement method, order interval, order multiple, minimum order quantity, lead time, cycle group, and valuation method.

2-1-2 What is the default procurement method for this group? When is a procurement method used?

The procurement method is set to “Make”. The procurement method is used when you run materials requirement planning. If an MRP run determines that additional quantity of an item is needed, the procurement method is used to determine whether a production order or purchase order is required.

2-2 Create a new item group for scanners with the following values.

Make sure you are in *Add* mode.

| Field Name or Data Type | Values |
|---------------------------------|-----------------------|
| <i>Item Group Name</i> | Scanners |
| <i>Default UoM Group</i> | Manual |
| <i>Planning Method</i> | MRP |
| <i>Procurement Method</i> | Buy |
| <i>Minimum Order Qty.</i> | 5 |
| <i>Default Valuation Method</i> | Moving Average |

Choose *Add* to save the item group.

2-3 Create item master records that belong to this group.

2-3-1 Create the item Photo Scanner.

Choose ***Inventory*** → ***Item Master Data***.

Make sure you are in *Add* mode.

When you enter the following values, confirm the system message to update item information according to the item group chosen.

| Field Name or Data Type | Values |
|-------------------------|----------------------|
| <i>Item No.</i> | A2000 |
| <i>Description</i> | Photo Scanner |
| <i>Item Group</i> | Scanners |
| <i>Inventory Item</i> | Set indicator |
| <i>Sales Item</i> | Set indicator |
| <i>Purchase Item</i> | Set indicator |

Was the UoM group automatically assigned?

Yes, it came in from the item group.

Choose the *Purchasing Data* tab page.

| Field Name or Data Type | Values |
|-------------------------|---------------|
| <i>Preferred Vendor</i> | V10000 |
| <i>Length</i> | 18 |
| <i>Width</i> | 10 |
| <i>Height</i> | 4.5 |
| <i>Weight</i> | 3kg |

Choose *Add*.

View the inventory data page. Which values have defaulted from the item group?

The valuation method field value of moving average has defaulted in from the item group.

2-3-2 Create the item Digital Flatbed Scanner.

Choose ***Inventory*** → ***Item Master Data***.

Make sure you are in *Add* mode.

When you enter the following values, confirm the system message to update item information according to the item group chosen.

| Field Name or Data Type | Values |
|-------------------------|--------------------------------|
| <i>Item No.</i> | A2001 |
| <i>Description</i> | Digital Flatbed Scanner |
| <i>Item Grouping</i> | Scanners |
| <i>Inventory Item</i> | Set indicator |
| <i>Sales Item</i> | Set indicator |
| <i>Purchase Item</i> | Set indicator |

Choose the *Purchasing Data* tab page.

| Field Name or Data Type | Values |
|-------------------------|---------------|
| <i>Preferred Vendor</i> | V10000 |
| <i>Length</i> | 14 |
| <i>Width</i> | 19 |
| <i>Height</i> | 6 |
| <i>Weight</i> | 5kg |

Choose *Add*.

- 2-4 Run the *Items List* report by item group.

Choose **Reports** → **Inventory** → **Items List**

In the *Items List - Selection Criteria* window, set the *Group* field to **Scanners**.

Do your two newly created items appear in the list?

The two new items should appear in the list since they belong to the item group for scanners. If they do not appear in the list, ensure that you have not selected the *Hide Items with No Quantity in Stock* checkbox.

2-5 Customize the search criteria for items in marketing documents and reports.

2-5-1 Customize the window **List of Items**.

Open a marketing document such as a sales order.

Sales – A/R → Sales Order

Choose a business partner then move your cursor to the **Item No.** field. Choose the drop down to open the list of Items.

Choose the **Form Settings** icon in the toolbar.

Into the first free row, enter the **Field Name Item Group** by using the drop-down list.

For the **Displayed Name**, type in, for example, **Group**. Check the box in the **Group** column and choose **Update** and **OK**.

Cancel the **List of Items**, and start the search again.

How has the search for items changed?

The **List of Items** window opens again, but is now grouped by the item group. You can expand one group by clicking + icon or you can choose **Expand All** to view all the groups.

2-5-2 Open the Purchase Analysis report. Do you see the same grouping by item category in the item search?

Reports → Sales and Purchasing → Purchase Analysis

Select the **Items tab**.

Choose the drop-down icon in the **Code From** field.

Yes. Wherever the **List of Items** window is used, you will find the same search format.

2-5-3 True or False: The changes to the **List of Items** function are applicable for all users?

True.

2-5-4- Restore the original settings in the **List of Items** window.

List of Items → Form Settings

Choose the **Restore Default** button.

Choose **Update** and then **OK**.

Close all windows.

Exercises



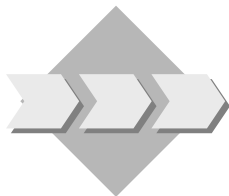
Unit: Items

Topic: Units of Measure



At the conclusion of this exercise, you will be able to:

- View an item and its assigned units of measure
- Check which units of measure are used as a default in transactions and reports
- View the setup for units of measure.



In this exercise, you review an existing item and its units of measure. You examine the relationship between the units in the UoM group. Then you check which units are used as defaults in a goods receipt PO and in inventory reports. Finally, you view the transactions to setup global units of measure.

- 3-1 Open the item for recycled paper (R00002) to view the Unit of Measurement Group and assigned units of measure.

| Field Name or Data Type | Values |
|-------------------------|---------------|
| <i>Item Number</i> | R00002 |

3-1-1 Which UoM group is assigned to this item?

3-1-2 What units belong to this UoM group? What is the base unit for the group?

3-1-3 When the item is received into stock, which unit is used?

3-1-4 What is the default unit used in purchasing documents?

3-1-5 What is the default unit used in sales documents?

- 3-1-6 A bar code appears in the header of the item. Is this the only bar code assigned to the item? Why does this bar code appear in the header?

- 3-1-7 Can pricing be set up by unit of measure?

- 3-2 Create a purchase order for recycled paper.

Create a purchase order with the following information:

| Field Name or Data Type | Values |
|-------------------------|---------------|
| <i>Vendor</i> | V1010 |
| <i>Item No.</i> | R00002 |
| <i>Quantity</i> | 5 |

- 3-2-1 Which unit of measure is used in the Goods Receipt PO?

- 3-2-2 Post the Goods Receipt PO and check the Inventory Posting List to see the units posted for the transaction.

Enter the selection criteria to run the report.

| Field Name or Data Type | Values |
|-------------------------|---------------|
| <i>Code From</i> | R00002 |
| <i>Code To</i> | R00002 |

- 3-3 Which unit of measure is used in the inventory report?

- 3-3-1 Where are global units of measure set? What information can be entered in this transaction?

- 3-3-2 If you wanted to have a new unit of measure for paper, what steps would you need to take?

Solutions



Unit: Items

Topic: Units of Measure

- 3-1 Open the item for recycled paper (R00002) to view the Unit of Measurement Group and assigned units of measure.

Choose *Inventory* → *Item Master Data*

| Field Name or Data Type | Values |
|-------------------------|---------------|
| <i>Item Number</i> | R00002 |

- 3-1-1 Which UoM group is assigned to this item?

The UoM group Paper is assigned to this item.

- 3-1-2 What units belong to this UoM group? What is the base unit for the group?

Choose the link arrow to the left of the *UoM group* field.

The UoM group Paper contains the units: pack, small pack, 6pack, carton and pallet. The pack is the base unit of measure in this group.

- 3-1-3 When the item is received into stock, which unit is used?

Choose the *Inventory Data* tab. Look at the value in the *UoM Code* field.

The inventory unit of measure is a pack. This unit is used when this item is received into stock.

- 3-1-4 What is the default unit used in purchasing documents?

Choose the *Purchasing Data* tab. Look at the value in the *Purchasing UoM Code* field.

The default is the pallet.

3-1-5 What is the default unit used in sales documents?

Choose the *Sales Data* tab. Look at the value in the *Sales UoM Code* field.

The default is the pack.

3-1-6 A bar code appears in the header of the item. Is this the only bar code assigned to the item? Why does this bar code appear in the header?

Choose the *Browse* button to the right of the unit of measure Pack. The *Bar Codes* window opens. Multiple bar codes can be set up for an item. Choose a unit of measure on the left and you can see the bar codes for this item and unit of measure. One bar code for each unit can be set as the default. Defaults appear in bold. Pack is set as the default UoM and the first bar code is set as its default, therefore this bar code appears on the header of the item.

3-1-7 Can pricing be set up by unit of measure?

Yes, you can view the prices by unit of measure by choosing a price list from the drop down on the left then choosing the *Browse* button to the right of the unit price field.

3-2 Create a purchase order for recycled paper.

Choose **Purchasing - A/P → Goods Receipt PO**

| Field Name or Data Type | Values |
|-------------------------|---------------|
| <i>Vendor</i> | V1010 |
| <i>Item No.</i> | R00002 |
| <i>Quantity</i> | 5 |

3-2-1 Which unit of measure is used in the Goods Receipt PO?

Double-click on the row number to open the Row Details –

Look at the *UoM Name* field to see the unit of measure currently being used.

Find the *Inventory UoM* field further down in the list. If the value is No, then the *UoM name* field displays the purchasing UoM name. If the value is set to Yes, the *UoM name* field displays the inventory UoM name.

Set the value of *Inventory UoM* to No, so that pallet is used.

3-2-2 Post the Goods Receipt PO and check the Inventory Posting List to see the units posted for the transaction.

Choose **Add** then choose **Yes**.

Open the Inventory Posting List.

Choose **Inventory → Inventory Reports → Inventory Posting List**

Enter the following data on the *Items* tab.

| Field Name or Data Type | Values |
|-------------------------|---------------|
| <i>Code From</i> | R00002 |
| <i>Code To</i> | R00002 |

Choose **OK**.

3-3 Which unit of measure is used in the inventory report?

The Inventory UoM.

- 3-3-1 Where are global units of measure set? What information can be entered in this transaction?

Choose *Administration → Setup → Inventory → Units of Measure*

This table holds the units of measure available for UoM groups. Each unit of measure can have listed dimension, volume and weight.

- 3-3-2 If you wanted to have a new unit of measure for paper, what steps would you need to take?

You would need to add the new unit to the global units of measure table. Then add the new unit of measure and its relationship to a pack into the Paper UoM group.

Exercise



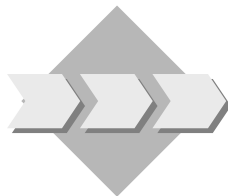
Unit: Items

Topic: Valuation Methods



At the conclusion of this exercise, you will be able to:

- Describe settings for perpetual inventory
- Create and use an item with the FIFO valuation method
- Create and use an item with the standard cost valuation method
- View the inventory audit report



In this exercise, you view the settings to activate perpetual inventory and set a default valuation method. You create two items with different valuation methods and then see how costs are tracked in purchasing and sales transactions. Then you view the inventory audit report to see the cumulative quantity and stock value for each item.

4-1 View settings for perpetual inventory.

4-1-1 Check the settings for perpetual inventory in the Company Details transaction.

View the setting for perpetual inventory. Once perpetual inventory is turned on for a company can it be reset to non-perpetual inventory?

Can the company's default valuation method be changed?

What does the Manage Item Cost per Warehouse checkbox control?

4-2 Create and use an item that will be managed by the FIFO valuation method.

4-2-1 Create the item **VM1001**.

Enter the following values:

| Field Name or Data Type | Values |
|-------------------------|--------------------------|
| <i>Item No.</i> | VM1001 |
| <i>Description</i> | VM Processor 1001 |
| <i>Inventory Item</i> | Set indicator |
| <i>Sales Item</i> | Set indicator |
| <i>Purchase Item</i> | Set indicator |
| <i>Item Group</i> | Items |
| <i>UoM Group</i> | Hardware |

Was the valuation method automatically assigned?

Enter the following values on the *Inventory Data* tab page.

| Field Name or Data Type | Values |
|--------------------------------------|----------------------|
| <i>UoM Code</i> | Each |
| <i>Valuation Method</i> | FIFO |
| <i>Manage Inventory by Warehouse</i> | Set indicator |

Add the item.

4-2-2 Create a goods receipt PO to receive the item into stock.

Enter the following values.

| Field Name or Data Type | Values |
|-------------------------|---------------|
| <i>Vendor</i> | V1010 |
| <i>Item No.</i> | VM1001 |
| <i>Quantity</i> | 5 |
| <i>UoM Code</i> | Each |
| <i>Unit Price</i> | 100 |

Document Number _____

Add the document.

4-2-3 Reopen the Goods Receipt PO to see the journal entry

What accounts and values have been posted?

4-2-4 Duplicate the Goods Receipt PO but change the price to 200 each.

Enter the following values. The item and quantity should have been copied into the new document.

| Field Name or Data Type | Values |
|-------------------------|--------------|
| <i>Vendor</i> | V1010 |
| <i>UoM Code</i> | Each |
| <i>Unit Price</i> | 200 |

Document Number _____

Add the Goods Receipt PO.

- 4-2-5 Create a delivery for this item using the following data.

| Field Name or Data Type | Values |
|-------------------------|---------------|
| <i>Customer</i> | C20000 |
| <i>Item No.</i> | VM1001 |
| <i>Quantity</i> | 7 |
| <i>UoM Code</i> | Each |
| <i>Unit Price</i> | 300 |

Document Number _____

Save the delivery.

- 4-2-6 View the journal entry for the delivery.

What accounts and values have been posted? Why is the posting for this amount?

- 4-2-7 View the postings for the item in the Inventory Posting List.

Enter the selection criteria for the report:

| Field Name or Data Type | Values |
|-------------------------|---------------|
| <i>Code From</i> | VM1001 |
| <i>Code To</i> | VM1001 |

Which documents are shown in this report?

- 4-3 Create and use an item that will be managed by the standard cost valuation method.

4-3-1 Create the item V1002.

Enter the following values.

| Field Name or Data Type | Values |
|-------------------------|--------------------------|
| <i>Item No.</i> | VM1002 |
| <i>Description</i> | VM Processor 1002 |
| <i>Item Group</i> | Items |
| <i>UoM Group</i> | Hardware |
| <i>Inventory Item</i> | Set indicator |
| <i>Sales Item</i> | Set indicator |
| <i>Purchase Item</i> | Set indicator |

Enter the following values on the *Inventory Data* tab:

| Field Name or Data Type | Values |
|-------------------------|-----------------|
| <i>UoM Code</i> | Each |
| <i>Valuation Method</i> | Standard |
| <i>Item Cost</i> | 100 |

Add the item.

- 4-3-2 Create a goods receipt PO to receive the item into stock.

Choose **Purchasing – A/P → Goods Receipt PO**

Enter the following values.

| Field Name or Data Type | Values |
|-------------------------|---------------------|
| <i>Vendor</i> | V10000 |
| <i>Item No.</i> | VM1002 |
| <i>Quantity</i> | 5 |
| <i>UoM Code</i> | Each |
| <i>Unit Price</i> | 100 |
| <i>Tax Code</i> | Exempt Input |

Document Number _____

Save the document.

- 4-3-3 Reopen the Goods Receipt PO to see the journal entry.

What accounts and values have been posted?

Leave the *Goods Receipt PO* window open.

- 4-3-4 Duplicate the Goods Receipt PO but change the price to 200 each.

The system will duplicate the item and quantity in the document.

Enter the following values.

| Field Name or Data Type | Values |
|-------------------------|---------------------|
| <i>Vendor</i> | V10000 |
| <i>Unit Price</i> | 200 |
| <i>Tax Code</i> | Exempt Input |

Document Number _____

Save the document.

- 4-3-5 Reopen the Goods Receipt PO to see the journal entry for the second goods receipt PO.

What accounts and values have been posted?

- 4-3-6 Create a delivery for this item using the following data.

| Field Name or Data Type | Values |
|-------------------------|---------------|
| <i>Vendor</i> | C23900 |
| <i>Item No.</i> | VM1002 |
| <i>Quantity</i> | 7 |
| <i>UoM Code</i> | Each |
| <i>Unit Price</i> | 300 |

Document Number _____

Save the document.

- 4-3-7 View the journal entry for the delivery.

What accounts and values have been posted? Why is the posting for this amount?

4-4 Compare the postings of the items in the Inventory Audit Report.

Enter the selection criteria:

| Field Name or Data Type | Values |
|-------------------------|--------------------|
| <i>Code From</i> | VM1001 |
| <i>Code To</i> | VM1002 |
| <i>System Date From</i> | Leave blank |
| <i>System Date To</i> | Leave blank |

4-4-1 Why are there two rows for the delivery of item VM1001?

4-4-2 What is the cumulative value of the remaining quantity of 3? Why does it show this value?

4-4-3 Look at the rows for the standard cost item VM1002. Does the cost reflect the purchase price in the goods receipt PO documents?



Unit: Items

Topic: Valuation Methods

4-1 View settings for perpetual inventory.

4-1-1 Choose *Administration* → *System Initialization* → *Company Details*

Choose the *Basic Initialization* tab.

View the setting for perpetual inventory. Once perpetual inventory is turned on for a company can it be reset to non-perpetual inventory?

Notice that the checkbox is grayed out and cannot be changed.

For more information, choose **F1** to open the online help. Scroll down to the *Perpetual Inventory* entry in *Company Initialization: Basic Initialization Tab* help page. The note warns us that after the first inventory transaction is posted, this option is disabled, and its status cannot be changed.

Can the company's default valuation method be changed?

Yes, it is still possible to change the company default for valuation method.

What does the Manage Item Cost per Warehouse checkbox control?

This checkbox gives you the ability to calculate inventory pricing for each individual warehouse rather than calculating inventory pricing for all warehouses combined. The checkbox appears only if you have selected the *Use Perpetual Inventory* option.

4-2 Create and use an item that will be managed by the FIFO valuation method.

4-2-1 Create the item **VM1001**.

Choose ***Inventory*** → ***Item Master Data***.

Make sure you are in *Add* mode.

When you enter the following values, confirm the system message to update item information according to the item group chosen.

| Field Name or Data Type | Values |
|-------------------------|--------------------------|
| <i>Item No.</i> | VM1001 |
| <i>Description</i> | VM Processor 1001 |
| <i>Inventory Item</i> | Set indicator |
| <i>Sales Item</i> | Set indicator |
| <i>Purchase Item</i> | Set indicator |
| <i>Item Group</i> | Items |
| <i>UoM Group</i> | Hardware |

Was the valuation method automatically assigned?

Choose the *Inventory Data* tab page.

Yes, it came in from the item group.

Enter the following values on the *Inventory Data* tab page.

| Field Name or Data Type | Values |
|--------------------------------------|----------------------|
| <i>UoM Code</i> | each |
| <i>Valuation Method</i> | FIFO |
| <i>Manage Inventory by Warehouse</i> | Set indicator |

Choose *Add*.

- 4-2-2 Create a goods receipt PO to receive the item into stock.

Choose **Purchasing – A/P → Goods Receipt PO**

Enter the following values.

| Field Name or Data Type | Values |
|-------------------------|---------------|
| <i>Vendor</i> | V1010 |
| <i>Item No.</i> | VM1001 |
| <i>Quantity</i> | 5 |
| <i>UoM Code</i> | Each |
| <i>Unit Price</i> | 100 |

Document Number _____

Choose *Add*.

Then choose *Yes*.

- 4-2-3 Reopen the Goods Receipt PO to see the journal entry

Choose the *Last Data Record* icon.

Choose the *Accounting* tab.

Choose the link arrow to the right of the *Journal Remark* field.

What accounts and values have been posted?

A credit of 500 was posted to a goods received not invoiced account. A debit of 500 was posted to an inventory account.

Close the journal entry window to return to the goods receipt PO.

Leave the *Goods Receipt PO* window open.

4-2-4 Duplicate the Goods Receipt PO but change the price to 200 each.

Right-click to open the context menu.

Choose *Duplicate*.

Enter the following values.

| Field Name or Data Type | Values |
|-------------------------|--------------|
| <i>Vendor</i> | V1010 |
| <i>UoM Code</i> | Each |
| <i>Unit Price</i> | 200 |

Document Number _____

Choose *Add*.

Then choose *Yes*.

4-2-5 Create a delivery for this item using the following data.

Choose *Sales – A/R → Delivery*

| Field Name or Data Type | Values |
|-------------------------|---------------|
| <i>Customer</i> | C20000 |
| <i>Item No.</i> | VM1001 |
| <i>UoM Code</i> | Each |
| <i>Quantity</i> | 7 |
| <i>Unit Price</i> | 300 |

Document Number _____

Choose *Add*.

Then choose *Yes*.

4-2-6 View the journal entry for the delivery.

Choose the *Last Data Record* icon.

Choose the *Accounting* tab.

Choose the link arrow to the right of the *Journal Remark* field.

What accounts and values have been posted? Why is the posting for this amount?

A credit of 900 was posted to an inventory account.

A debit of 900 was posted to a cost of sales account.

The value of 900 comes from a value of a quantity of 5 valued at 100 each and a quantity of 2 valued at 200 each.

Close the journal entry window and the delivery document.

4-2-7 View the postings for the item in the Inventory Posting List.

Choose ***Inventory*** → ***Inventory Reports*** → ***Inventory Posting List***

Enter the selection criteria for the report:

| Field Name or Data Type | Values |
|-------------------------|---------------|
| <i>Code From</i> | VM1001 |
| <i>Code To</i> | VM1001 |

Which documents are shown in this report?

The delivery and the two goods receipt PO documents are shown in the report. This report is a quick and easy way to see the documents, warehouses, accounts, quantity and price for posting transactions.

4-3 Create and use an item that will be managed by the standard cost valuation method.

4-3-1 Create an item managed by the standard cost valuation method.

Choose ***Inventory*** → ***Item Master Data***.

Make sure you are in *Add* mode.

Enter the following values.

| Field Name or Data Type | Values |
|-------------------------|--------------------------|
| <i>Item No.</i> | VM1002 |
| <i>Description</i> | VM Processor 1002 |
| <i>Item Group</i> | Items |
| <i>UoM Group</i> | Hardware |
| <i>Inventory Item</i> | Set indicator |
| <i>Sales Item</i> | Set indicator |
| <i>Purchase Item</i> | Set indicator |

Choose the *Inventory Data* tab page.

Enter the following values:

| Field Name or Data Type | Values |
|-------------------------|-----------------|
| <i>Valuation Method</i> | Standard |
| <i>Item Cost</i> | 100 |

Answer *Yes* to updating the price in all warehouses.

Choose *Add*.

- 4-3-2 Create a goods receipt PO to receive the item into stock.

Choose **Purchasing – A/P → Goods Receipt PO**

Enter the following values.

| Field Name or Data Type | Values |
|-------------------------|---------------------|
| <i>Vendor</i> | V10000 |
| <i>Item No.</i> | VM1002 |
| <i>UoM Code</i> | Each |
| <i>Quantity</i> | 5 |
| <i>Unit Price</i> | 100 |
| <i>Tax Code</i> | Exempt Input |

Document Number _____

Choose *Add*. Choose *Yes* to accept the system message.

- 4-3-3 Reopen the Goods Receipt PO to see the journal entry.

Choose the *Last Data Record* icon.

Choose the *Accounting* tab.

Choose the link arrow to the right of the *Journal Remark* field.

What accounts and values have been posted?

A credit of 500 was posted to a goods received not invoiced account. A debit of 500 was posted to an inventory account.

Close the journal entry window to return to the goods receipt PO.

Leave the *Goods Receipt PO* window open.

4-3-4 Duplicate the Goods Receipt PO but change the price to 200 each.

Right-click to open the context menu.

Choose *Duplicate*.

The document will duplicate the item and quantity.

Enter the following values.

| Field Name or Data Type | Values |
|-------------------------|---------------------|
| <i>Vendor</i> | V10000 |
| <i>UoM Code</i> | Each |
| <i>Unit Price</i> | 200 |
| <i>Tax Code</i> | Exempt Input |

After entering the vendor, choose *Yes* to copy the values.

Document Number _____

Choose *Add*. Choose *Yes* to accept the system message.

4-3-5 Reopen the Goods Receipt PO to see the journal entry for the second goods receipt PO.

Choose the *Last Data Record* icon.

Choose the *Accounting* tab.

Choose the link arrow to the right of the *Journal Remark* field.

What accounts and values have been posted?

A credit of 1000 was posted to a goods received not invoiced account.
There are two debits.

A debit of 500 was posted to an inventory account for the standard cost of the item.

A second debit was posted to a variance account for the difference in the price.

Close the journal entry window and the goods receipt PO window.

4-3-6 Create a delivery for this item using the following data.

Choose *Sales – A/R → Delivery*

| Field Name or Data Type | Values |
|-------------------------|---------------|
| <i>Vendor</i> | C23900 |
| <i>Item No.</i> | VM1002 |
| <i>Quantity</i> | 7 |
| <i>UoM Code</i> | Each |
| <i>Unit Price</i> | 300 |

Document Number _____

Choose *Add*. Choose *Yes* to accept the system message.

4-3-7 View the journal entry for the delivery.

Choose the *Last Data Record* icon.

Choose the *Accounting* tab.

Choose the link arrow to the right of the *Journal Remark* field.

What accounts and values have been posted? Why is the posting for this amount?

A credit of 700 was posted to an inventory account.

A debit of 700 was posted to a cost of sales account.

The value of 700 comes from the standard cost of the item at 100 each.
No matter what you pay to purchase the item, the standard cost remains unchanged.

Close the journal entry window and the delivery document.

- 4-4 Compare the postings of the items in the Inventory Audit Report.

Choose *Inventory* → *Inventory Reports* → *Inventory Audit Report*

| Field Name or Data Type | Values |
|-------------------------|--------------------|
| <i>Code From</i> | VM1001 |
| <i>Code To</i> | VM1002 |
| <i>System Date From</i> | Leave blank |
| <i>System Date To</i> | Leave blank |

Choose *OK*.

Expand each item to view the transactions for each item.

- 4-4-1 Why are there two rows for the delivery of item VM1001?

Because the delivery involved two layers, two warehouse transactions were created for the delivery. The first shows the issuing of the quantity of 5 in the oldest FIFO layer. The next row shows the issuing of the remaining quantity of 2 from the second FIFO layer.

- 4-4-2 What is the cumulative value of the remaining quantity of 3? Why does it show this value?

The column for the cumulative quantity shows a value of 600. There is a quantity of 3 at a value of 200 each.

- 4-4-3 Look at the rows for the standard cost item VM1002. Does the cost reflect the purchase price in the goods receipt PO documents?

No, the standard cost remains at 100 regardless of the purchase price of the item.

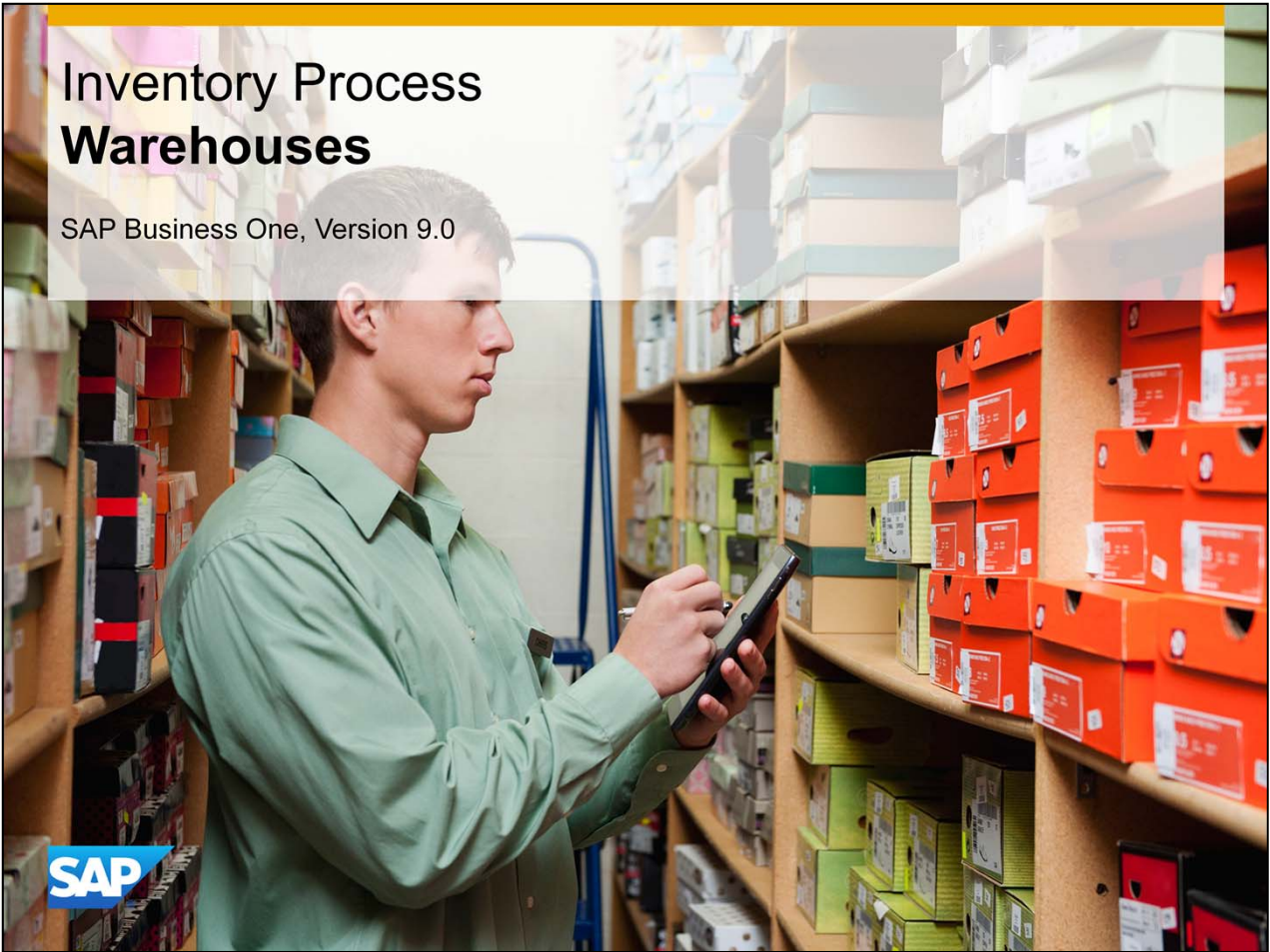
Unit 5: Inventory

Contents

- Warehouses
- Goods Movements
- Serial Numbers and Batches
- Physical Inventory

Inventory Process Warehouses

SAP Business One, Version 9.0



- Welcome to the topic on warehouses.

Objectives



At the end of this topic, you will be able to:

- Create a warehouse
- View a warehouse's bin location structure
- Describe the drop shipment process

- In this topic, we will discuss the importance of warehouses in the business processes. We will create a warehouse and view the available options. We take a quick look at using bin locations for warehouse management. Then we look at how a virtual warehouse can be set up for the drop ship process.

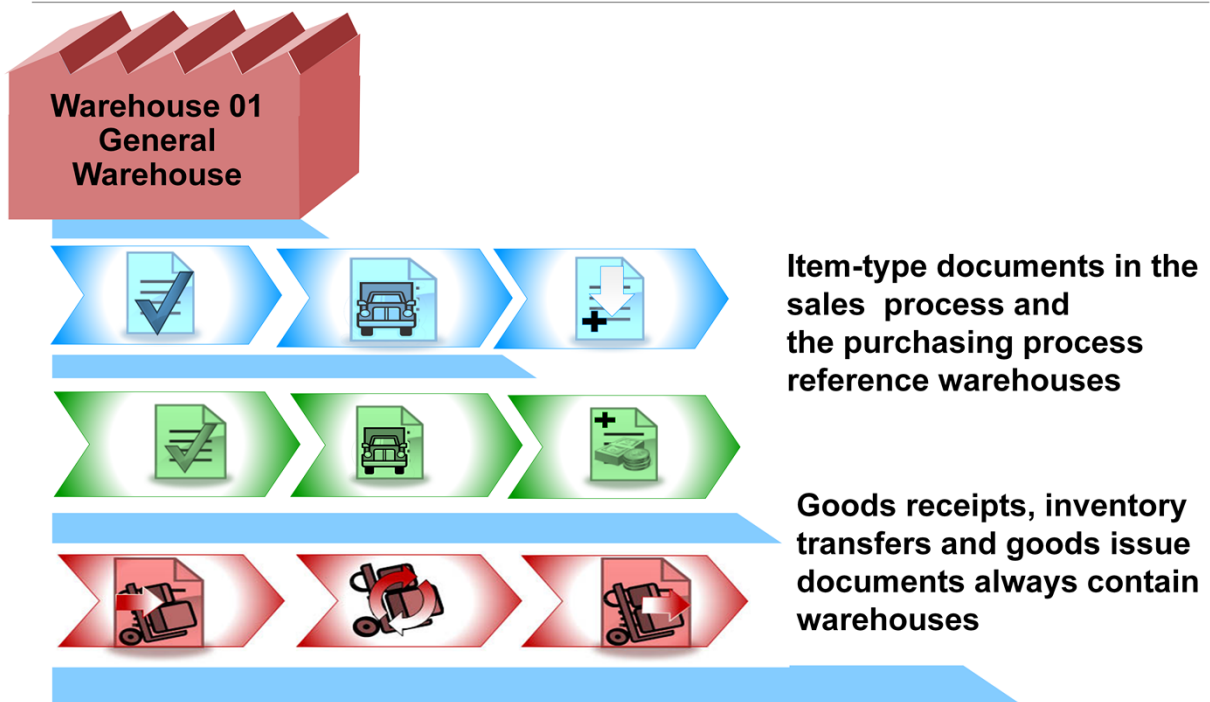
Business Example



- Your company makes, buys and sells items that are stored in multiple warehouses.
- One of the warehouses is controlled by bin locations.
- Another of the warehouses is physically located at a vendor so it is represented in your system as a drop ship warehouse.
- Business is growing in a new region, so you create a new warehouse to expand your distribution

- Your company makes, buys and sells items that are stored in multiple warehouses.
- One of the warehouses is controlled by bin locations.
- Another of the warehouses is physically located at a vendor so it is represented as a drop ship warehouse.
- Your business is growing in a new region, so you create a new regional warehouse to expand your distribution.

Warehouses and Documents



- Documents in the sales and purchasing reference a warehouse whenever they contain items.
- Inventory documents such as the goods receipt, inventory transfer and goods issue always reference a warehouse.
- Because warehouses are so key in any process involving items, we will look at how warehouses are defined and what they signify.

Warehouses



- A warehouse represents a location where goods are stored.

Defining a warehouse

General

Address Information Location

☐ **Drop Ship**

☐ **Nettable**

☐ **Enable Bin Locations**

Show Location in Web Browser

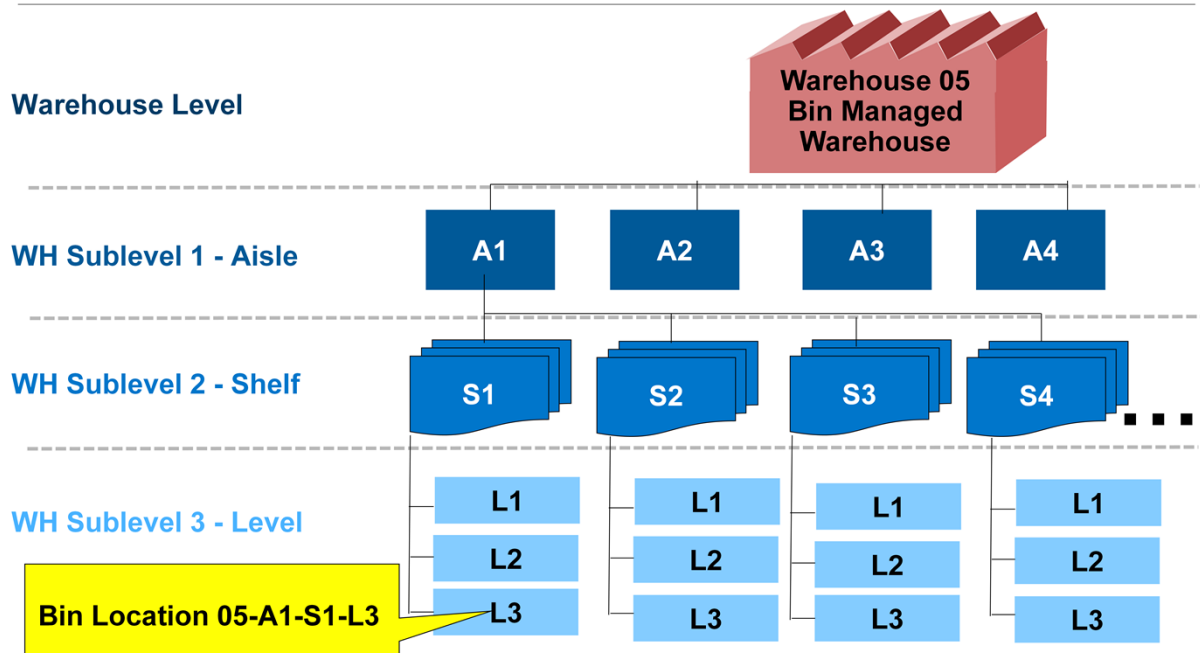
Warehouse 02 Regional Warehouse

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- The first step in defining a warehouse is to enter a *Warehouse code* and a *Warehouse name*.
- Then you need to specify where the warehouse is by entering location information. This location information is important, because typically the address of the warehouse associated with the first document row is used as the ship-to address.
- Most warehouses are created for physically storing items, but a warehouse can also be set up as a virtual warehouse to manage business processes where goods are shipped directly to your customers from one of your vendors. We call this a drop ship warehouse. If you choose to set a warehouse as a drop ship warehouse, you will have the additional option to manage serial numbers and batches in the drop ship warehouse.
- Another option is whether you want this warehouse to be considered in material requirements planning.
- A third option, new in 9.0, is the option to use bin locations as sublevels within your warehouses. This option would not be available if this is a drop ship warehouse.
- Other fields for tax information may be visible depending on the localization.

Bin Locations in the Warehouse



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- One option to improve logistics of warehouse processes is to implement bin location management.
- Bin location management helps you keep track of the items in a warehouse down to the physical bins that store the items.
- Using bin location management can help you optimize storage space, quickly locate items, and plan out efficient routes for picking.
- In our business example, Warehouse 5 is managed with bin locations. The warehouse is broken out into 4 levels.
- The top level is the warehouse.
- Below the warehouse, the first sublevel is made of 4 aisles: A1 through A4.
- Each aisle is made up of 6 shelves S1 through S6, and each shelf as 3 levels.
- The bin location code is made up of the warehouse code plus each sublevel. Here we see the third level of shelf 1 on aisle 1 has a bin location code of 05-A1-S1-L3.

Bin Locations in Business Processes

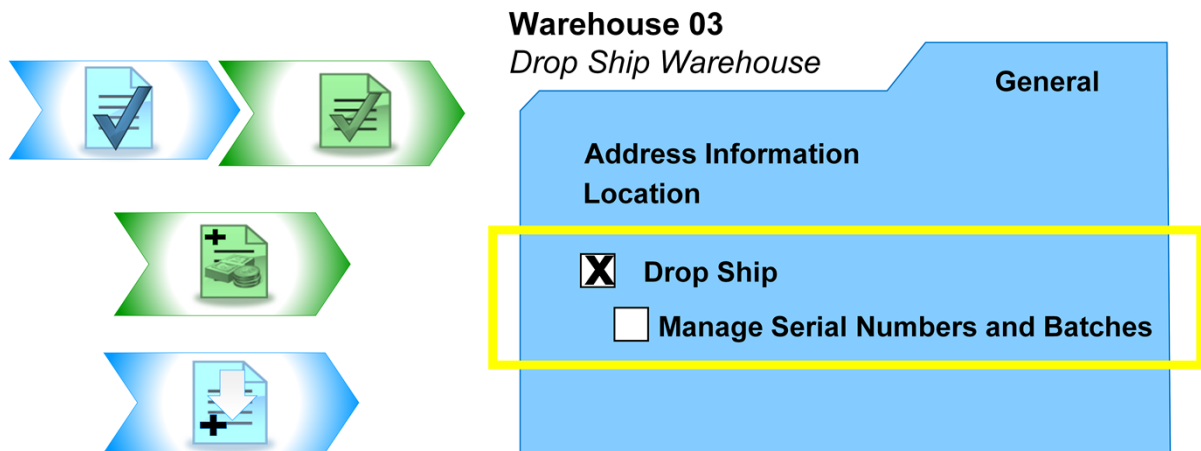


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- Here is a quick glance of the main business processes showing steps in the process that include bin locations. Bin locations are available on all documents that have inventory movements.

Drop Ship Process



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- Sometimes, you have products you sell that you do not make or store. Instead, your company serves as a middleman between your customers and vendors. In those circumstances you can set up a drop ship warehouse.
- When a customer orders a product from a drop ship warehouse, the system opens the procurement confirmation wizard when you save the sales order.
- The wizard creates a purchase order for the preferred vendor of the item.
- The ship-to address in the purchase order is the ship-to address of the customer in the sales order.
- When the vendor receives the purchase order, they ship the product directly to the customer.
- The vendor invoices you for the cost of the product, and you invoice the customer for the sales amount.
- With the drop ship process, there is no effect on inventory quantities or values. No goods movements are posted. No journal entry is made to reflect inventory value changes. Therefore, the drop ship warehouse is not displayed on inventory reports.
- To set up a warehouse, mark the Drop Ship checkbox. If you would like to include the ability to track serial numbers or batches in a drop shipment, then also mark the Manage Serial Numbers and Batches checkbox.

Summary



Here are some key points:

- Warehouses are specified in all inventory documents and in any sales and purchasing document containing items.
- Bin location management can be used to optimize storage space, quickly locate items and plan efficient routes for picking.
- A bin location code consists of the warehouse plus each sublevel.
- Bin locations can be specified on all documents that have inventory movements once bin location management is activated.
- You can set up a drop ship warehouse to represent a vendor's location. Then when you save a sales order for that warehouse, the procurement wizard suggests a purchase order to the vendor. The items are sent directly to the customer. The vendor invoices you and you invoice the customer.

- Warehouses are specified in all inventory documents and in any sales or purchasing document containing items.
- Bin location management can help you optimize storage space, quickly locate items, and plan out efficient routes for picking.
- The bin location code consists of the warehouse code plus each sublevel.
- Bin locations can be specified on all documents that have inventory movements once bin location management is activated.
- You can set up a drop ship warehouse to represent a vendor's location. Then when you save a sales order with a product from the drop ship warehouse, the procurement confirmation automatically suggests creating a purchase order to the vendor. The items are sent directly to the customer from the vendor. The vendor invoices you for the cost of the product, and you invoice the customer for the sales amount.

Inventory Goods Movements

SAP Business One, Version 9.0



- Welcome to the topic on goods movements in inventory.

Objectives



At the end of this topic, you will be able to:

- Create a goods receipt
- Create a good issue
- Enter an inventory transfer document

- In this topic, we will look at how to move goods in, out and between warehouses. You will learn how to create goods receipts and goods issues. You will see how to create an inventory transfer document to move items between two warehouses, one of which is managed with bin locations.

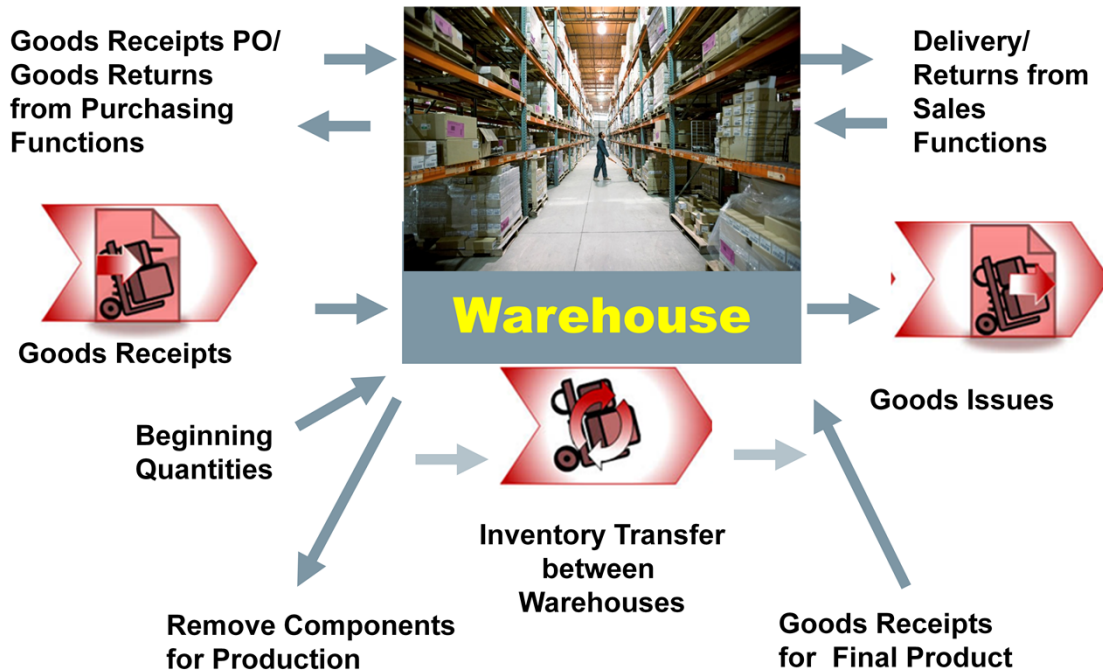
Business Example



- Your company makes, buys and sells items that are stored in multiple warehouses.
- You transfer items between warehouses to improve availability
- Sometimes you receive items into stock that do not come through the regular purchasing or production processes
- Sometimes stock is issued out of the warehouse as samples for trade fairs or other marketing purposes
- Periodically damaged stock is removed from the warehouse

- Imagine that your company makes, buys and sells items that are stored in multiple warehouses.
- You transfer items between warehouses to improve availability.
- Sometimes you receive items into stock that do not come through the regular purchasing or production processes.
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- Periodically damaged stock is removed from the warehouse.

Warehouse Management Overview

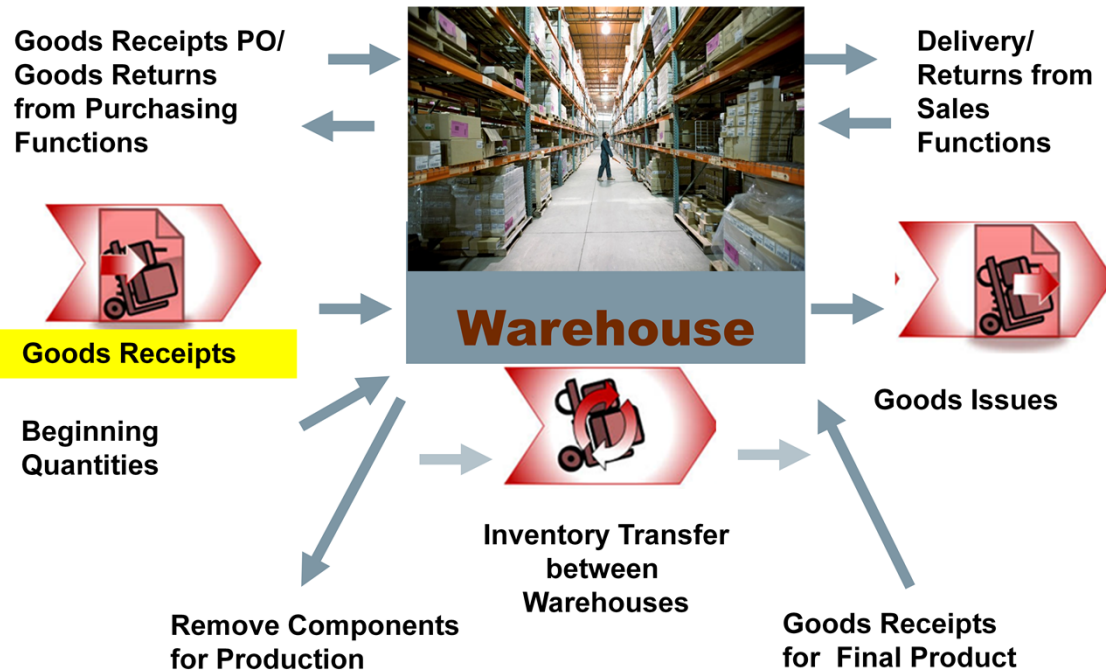


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- This graphic shows an overview of the different possibilities of stock movements, including some of the stock movements initiated from purchasing, production, and sales documents.
- We will focus on the red business process arrows in this topic – these are the basic inventory goods movements.

Warehouse Management Overview

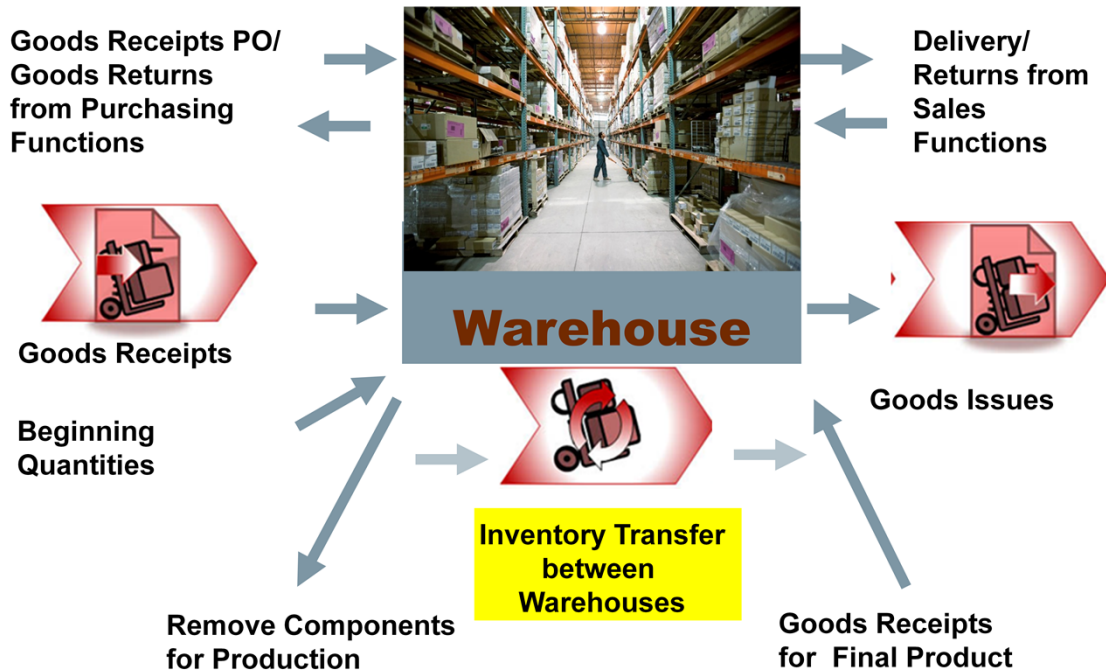


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- Goods receipt documents are used for receiving inventory that is not purchased or produced. One example might be receiving a sample from a vendor for inspection. You choose to receive it into the warehouse on a goods receipt rather than on a goods receipt PO because the item is not relevant for pricing or purchasing analysis reports.

Warehouse Management Overview

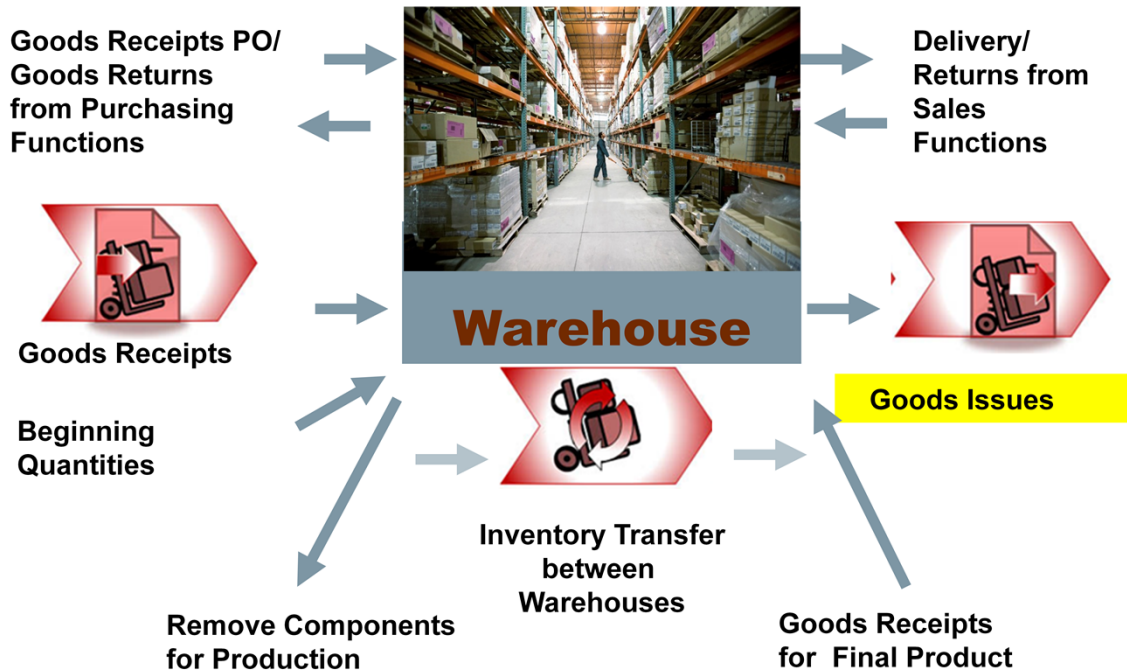


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- Inventory Transfers are used to move stock between warehouses.

Warehouse Management Overview



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- Goods issues can be useful for cases where items are damaged, perhaps by a flood in a warehouse. If water damage renders them useless and unable to sell, they are removed from the warehouse.

Goods Receipts / Goods Issue

The screenshot shows the SAP 'Goods Receipt' window. At the top, there are two overlapping window titles: 'Goods Issue' and 'Goods Receipt'. The 'Goods Receipt' window contains the following fields and sections:

- General Information 1:** A blue box highlighting the top section containing 'Number' (22), 'Primary' (dropdown), and 'Price List' (Last Purchase Price).
- Table Window:** A blue box highlighting a table with 5 columns: '#', 'Item No.', 'Quantity', 'Price', and 'Total'. The first row contains: 1, A1000, 10, 10 EUR, 100 EUR.
- General Information 2:** A blue box highlighting the bottom section containing 'Remarks' and 'Journal Remark' (Goods Receipt).

Red arrows with forklift icons point to the 'Goods Issue' and 'Goods Receipt' window titles.

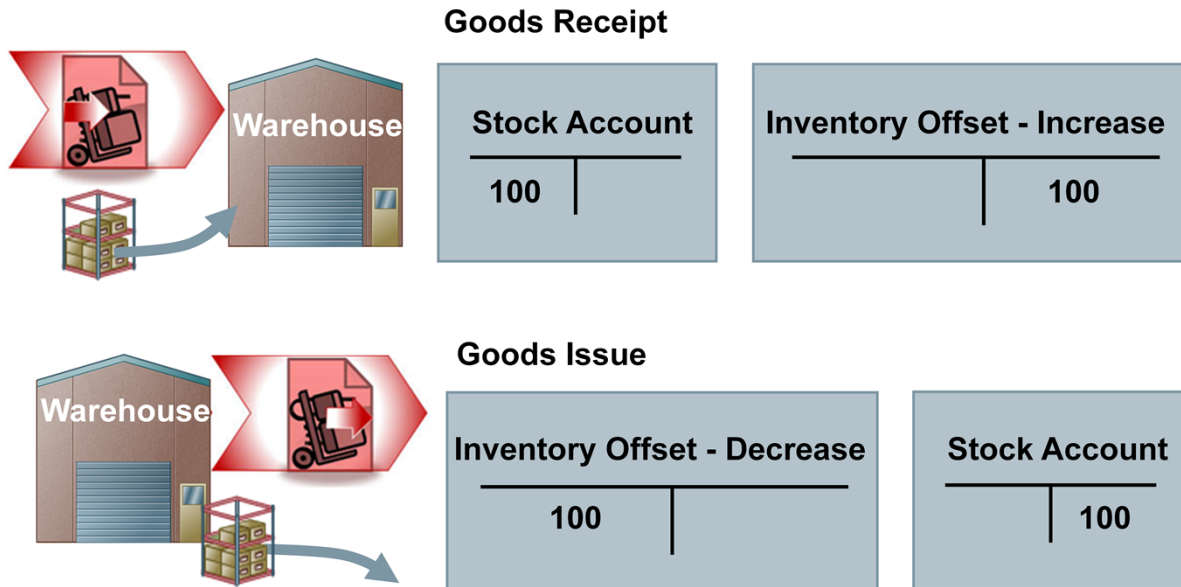
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- The goods receipt and goods issue windows are very similar.
- Both documents require you to enter the warehouse affected.
- If you do not specify a warehouse, the system will use the default warehouse from the item master record.
- Unlike marketing documents used in the sales and purchasing processes, you cannot enter a business partner.
- One difference between the two documents:
 - Goods receipts allow you to enter the price of item entering warehouse.
 - Goods issues, on the other hand, use the item cost to calculate the value of the accounting transaction and the price field is for informational purposes only.

Inventory Postings

☒ Inventory Item



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- If a company is using perpetual inventory, saving an inventory transaction creates a journal entry automatically.
- Here we see a graphic representation of the postings for a goods receipt (on top) and a goods issue (on the bottom).
- A goods receipt creates a journal entry that posts the value of the received goods on the debit side of the stock account and the credit side of the inventory offset – increase account.
- A goods issue creates a journal entry that posts the value of the issued goods on the debit side of the inventory offset – decrease account and the credit side of the stock account.

Transferring Stock



**Inventory
Transfer**

☒ Inventory Item



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- When you have multiple warehouses, you might need to transfer inventory from one warehouse to another.
- Here's an example. A sales order has just come in for 5 pieces of an item.
- Warehouse 01 has 4 pieces and the fifth piece is located in warehouse 02.
- We can transfer the one piece from warehouse 02 to warehouse 01, so that all the items can be delivered from one warehouse.

Transferring Stock

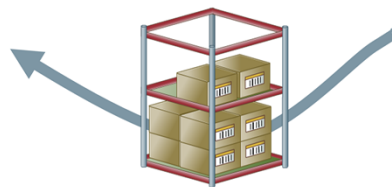


**Inventory
Transfer**

☒ Inventory Item

| Inventory account (Warehouse 01) | |
|-------------------------------------|--|
| 100 | |

| Inventory account (Warehouse 02) | |
|-------------------------------------|-----|
| | 100 |



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- When you add an inventory transfer from warehouse 02 to warehouse 01, the system posts a journal entry. The journal entry posts the value of the transferred goods on the debit side of the stock account of warehouse 01 and on the credit side of the inventory account of warehouse 02.

Customer Consignment

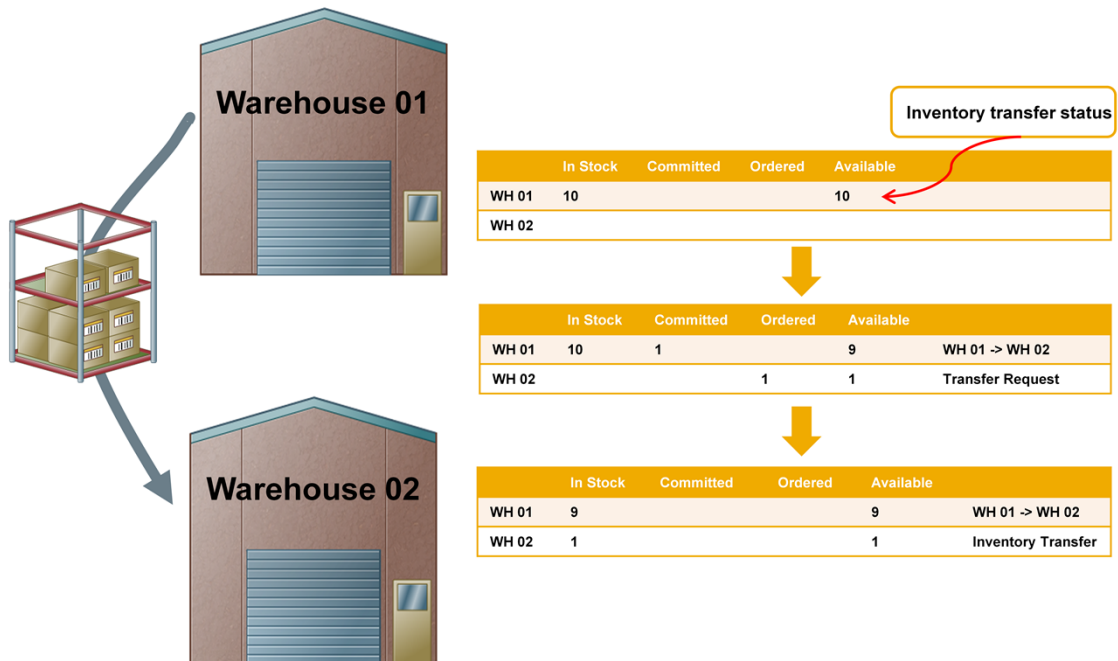


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- Inventory transfer documents can also be used to transfer items to a consignment warehouse at a customer's site. Unlike the goods receipt or goods issue documents, inventory transfers have fields for a business partner, a contact person and ship-to address.
- When items are withdrawn from the consignment warehouse at the customer site, you create an A/R invoice for the items and quantities used. Each row references the consignment warehouse so that inventory is shown as removed from the warehouse when the invoice is saved.

Inventory Transfer Request

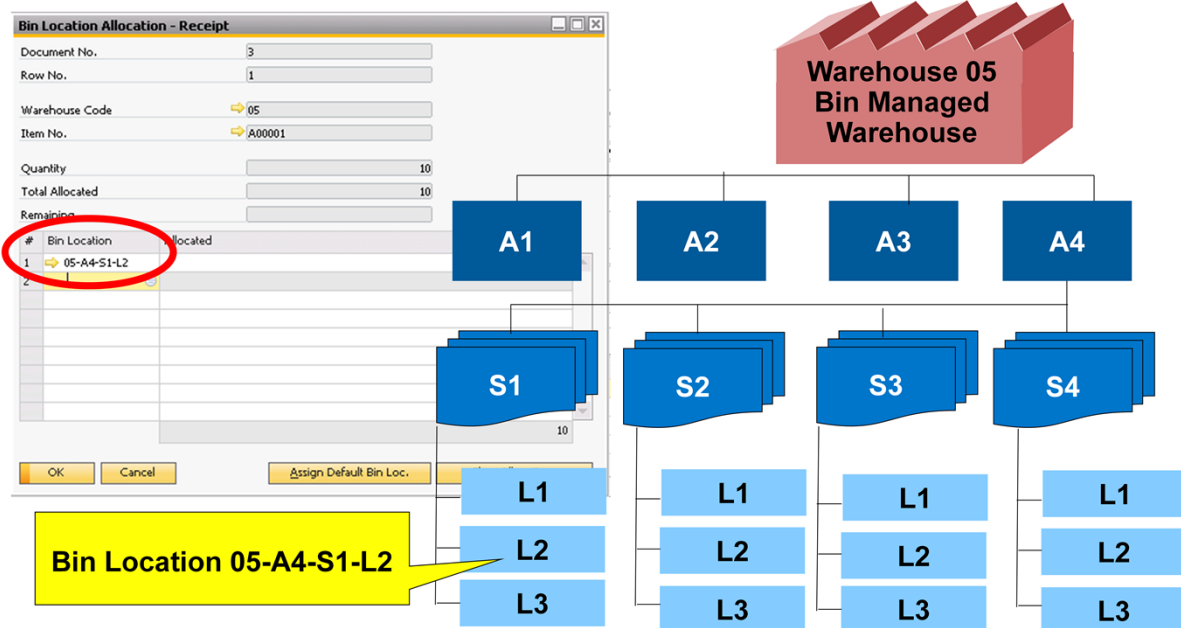


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- Inventory transfer requests commit items to move from one warehouse to another with no effect on inventory movements or financials. Only once the request is closed is the stock transferred and the financial posting made.
- When the inventory transfer request has the status *Open*:
 - For the issuing warehouse, the requested quantity is regarded as *Committed*.
 - For the receiving warehouse, the requested quantity is regarded as *Ordered*.
- When the inventory transfer request has the status *Closed*:
 - For the issuing warehouse, the requested quantity is released from the *Committed* quantity. If you copy this request fully into an inventory transfer, the quantity is subtracted from the *In Stock* quantity.
 - For the receiving warehouse, the requested quantity is released from the *Ordered* quantity. If you copy this request fully into an inventory transfer, the quantity is added to the *In Stock* quantity.

Bin Locations



- If a warehouse is managed by bin locations, then a bin location will be required on inventory documents for any items stored in that warehouse.
- Bin locations represent a physical shelf or bin where items are located. Bin location codes consist of the warehouse code plus the code for each sublevel.
- You can define default bin locations for goods receipt and rules for automatically determining bin locations for goods issues.
- To manually specify a bin location, right-click on the quantity field in a row to open the Bin Location Allocation window.
- In this window you can specify quantities and bin location codes for the item on that row.

Summary



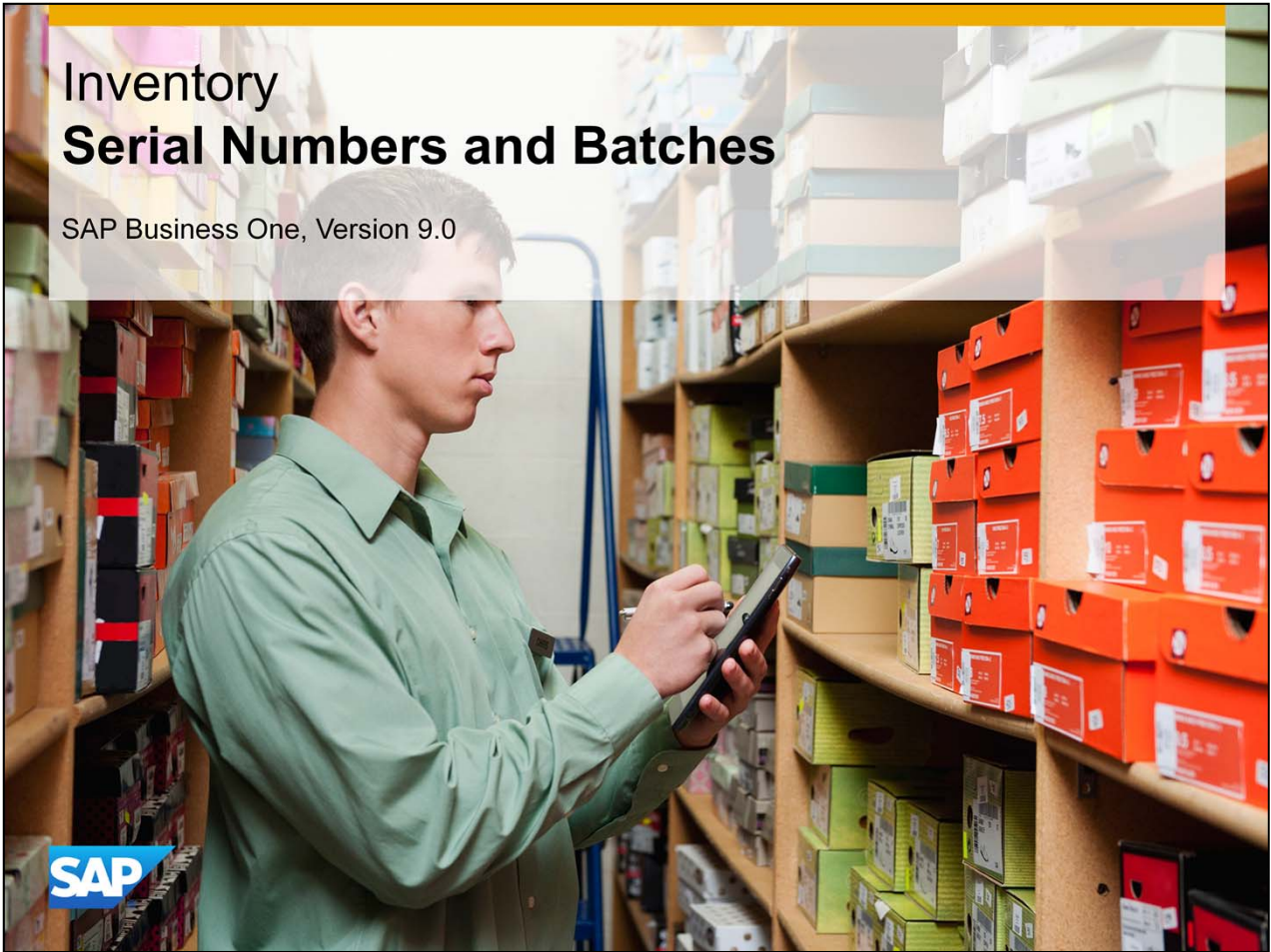
Here are some key points:

- Goods movements are recorded by marketing documents and inventory transactions.
- The three main inventory transactions are: goods receipt, goods issue, and inventory transfer.
- A warehouse is required on all inventory documents.
- You cannot enter a business partner on goods receipt or goods issue.
- An inventory transfer request can be used to commit the movement of stock from one warehouse to another.
- If you activate bin locations for a warehouse, then a bin location is required every time you use that warehouse on inventory documents.
- When using perpetual inventory, each goods movement creates a journal entry.

- Goods movements are recorded by both marketing documents and inventory transactions.
- The three main inventory transactions are: goods issue, inventory transfer and goods receipt. A goods receipt is used to receive items into a warehouse. A goods issue is used to transfer goods out of a warehouse. And the inventory transfer is used to transfer items between warehouses.
- A warehouse is required on all inventory documents. If one is not manually entered into the transaction, the default warehouse for the item will be assigned.
- You cannot enter a business partner on a goods receipt or goods issue, unlike marketing documents which always require business partners.
- An inventory transfer request can be used to commit the movement of stock from one warehouse to another. It is possible to specify a business partner on an inventory transfer.
- If you activate bin locations for a warehouse, then a bin location is required every time you use that warehouse on inventory documents.
- When using perpetual inventory, each goods movement automatically creates a journal entry.

Inventory Serial Numbers and Batches

SAP Business One, Version 9.0



- Welcome to the topic on serial numbers and batches.

Objectives



At the end of this topic, you will be able to:

- List the business reasons for using serial numbers and batch management
- Create and use a batch-managed item
- Create and use an item managed by serial numbers

- In this topic, we will explore two of the methods for tracking items you purchase, make or sell: serial numbers and batches.
- We will look at how to create and use a batch-managed items.
- We will look at how to create items and use items managed with serial numbers.

Business Example



- Your company would like to more closely track items that they make, buy and sell throughout each item's lifecycle.
- Some of the items, such as computers, are managed by serial numbers. Each individual computer has a serial number to track sales and service for that item.
- Other items, such as printer cartridges, are purchased in lots and are managed by batches in order to track expiration dates.

Imagine that:

- Your company would like to more closely track items that they make, buy and sell through their lifecycle.
- Some of the more expensive items, such as laptops and desktop computers, are managed by serial numbers. Each individual laptop or computer has a serial number so that you can easily track sales and service for that particular laptop or computer.
- Others items, such as printer cartridges, are purchased in lots and are managed by batches in order to track expiration dates.

Serial Numbers



- Serial Numbers
 - Used to track individual objects

- Serial numbers can help you track items down to the level of each individual object in your warehouse, so you know exactly which one was sold to a customer.
 - Serial numbers are also very useful as a way to track service history for a customer's purchase.
 - Here are two criteria that can be used to decide if an item should be serialized:
 - Is the item a high value item?
 - Should the item be tracked for security or repair reasons?
- If the answer to both questions is yes, then the item is a good candidate for serial numbers.

Serial Numbers and Batches



- Serial Numbers

- Used to track individual objects



- Batches

- Used to track groups of items with common characteristics

- In contrast, batches are used to track a quantity of an item with characteristics in common. These characteristics might be attributes you define such as a shade of color, granularity or PH balance. The characteristics could be dates, such as expiration dates, manufacturing date, or the date the items were received into inventory.
- A good example of a batch-managed item would be milk. Each batch of milk has a sell-by date. It is very important to track this date and make sure the milk is sold before its expiration date.

Management Method



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- You have the option to set the serial numbers or batch numbers to be assigned on every transaction or to be assigned on release only.
- This is controlled by the “management method” field on the item master record. The two options are called “on every transaction” and “on release only”.

On Every Transaction

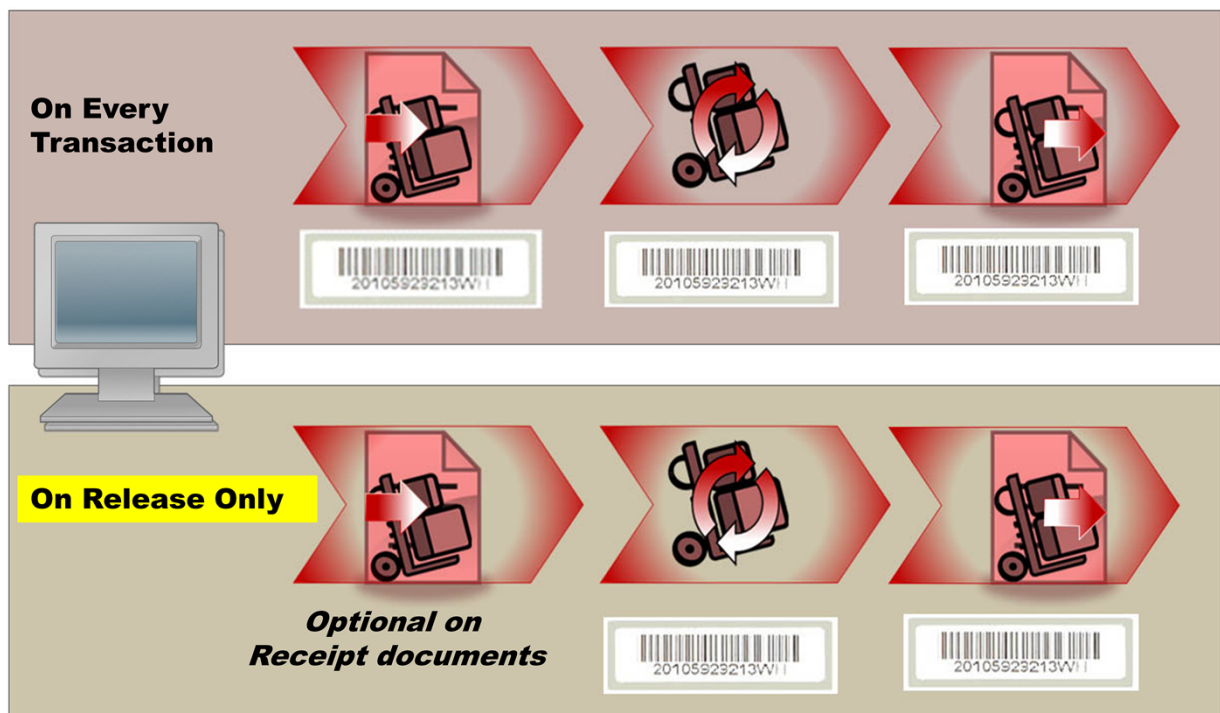


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- If you choose “on every transaction” then you must assign serial number attributes for every single unit at the first point it enters inventory.
- Thereafter, the system will prompt you for a serial number on every transaction where the item is issued out of inventory or returned to inventory.
- This way you know exactly which objects are in inventory and which objects have been shipped to a customer.
- This method is useful when you need to track the individual objects at all times, and where the receiving personnel have the appropriate information at the time the units are received.
- When you first receive the serialized items into stock, you can choose the option to enter serial numbers manually or to create serial numbers automatically using a serial number string of your choice.

Release Only

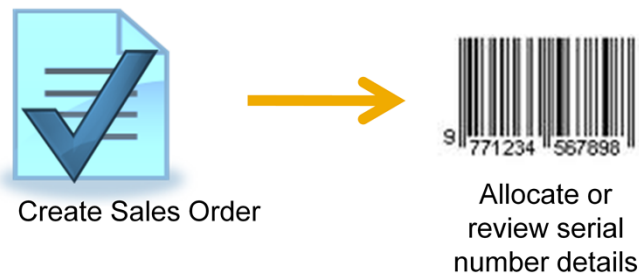


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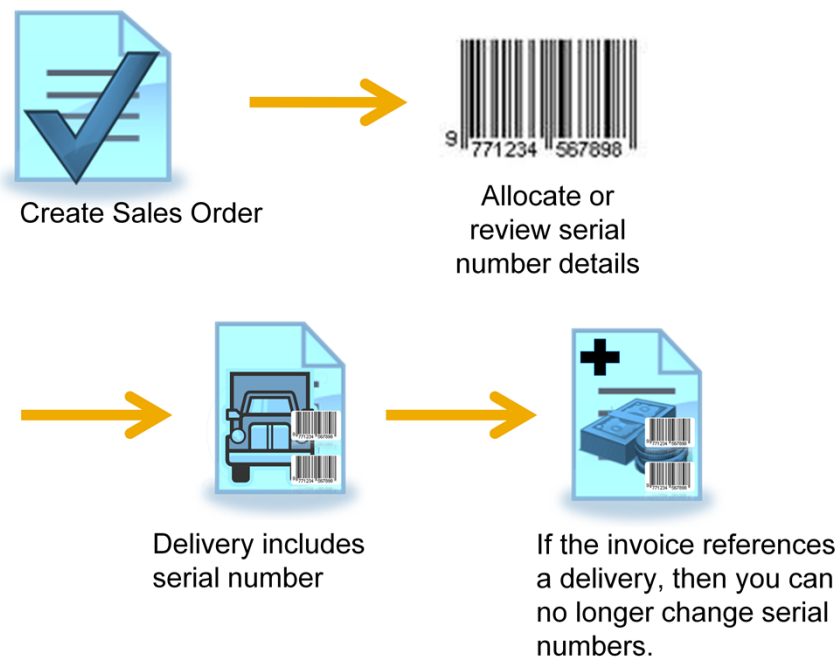
- “On release only” means that serial numbers are only required on documents that issue an item out of a warehouse.
- Release documents not only include: Goods issue, delivery, A/R invoices and goods issues to production, but also inventory transfers between warehouses and return and credit documents.
- When you use “On Release Only” at the time of purchase, there is no need to enter serial number attributes. However, when you remove the item from inventory, the serial numbers for these objects must be created first using the Serial Item Management window.
- An alternate option is to choose “automatic serial numbering creation on receipt”. When you purchase the serialized item, the system automatically creates successive numerical serial numbers for the quantity you have purchased. With this option, you can immediately release these objects without further operations. You can update the serial number attributes at a later stage, using the Serial Item Management window. This is especially useful when a large quantity is produced or purchased.
- Why might you choose “on release only”?
- One example might be if you manufacture an item and would like to issue it into inventory without a serial number. This way, you can wait to assign the serial number until item is picked for delivery. “Release Only” gives you the flexibility to not worry about serial numbers inside the warehouse.

Optional Allocation



- Unlike release documents that issue stock from inventory, serial and batch information is always optional on sales orders, because sales orders do not have any effect on inventory, except to create a commitment. If you would like this commitment to capture information about a specific serialized item or specify a batch to be sold, then you can do so in the sales order.
- Reserving specific serial numbers or batches at the time of the sales order allows for better control and inventory planning. Perhaps you build some customized computers as special orders for customers. In that case, you may wish to designate a serial number in the sales order that will follow the computer through the customizing process until the delivery.
- This optional assignment is also possible in an inventory transfer request or an A/R reserve invoice.

Optional Allocation



- Once you have allocated the serial number in the sales order, the serial information will be copied to target documents for picking, delivery or invoicing
- After the serial number is assigned to a sales order, you cannot select it for another document, without canceling the serial number allocation in the original document. Closing or canceling the sales order automatically cancels its serial number allocation.
- When you copy the sales order to a target document, such as a delivery, the Serial Number window will open automatically so that you can confirm that this is the serial number you wish to use or you can update it with a new serial number.
- However, once the serialized item leaves the warehouse on a delivery document, you can no longer view or change the serial numbers on an A/R invoice. If a credit memo is created, then you will be able to view the serial number window to confirm or update serial numbers.

Summary



Here are some key points:

- Serial numbers track each individual unit of an item.
- Batches track a quantity of an item with characteristics in common.
- You have the option to set the serial numbers or batch numbers to be assigned on every transaction or to be assigned on release only.
- The management method “on every transaction” mandates that you assign serial number attributes for every single unit at the first point it enters inventory.
- “On release only” means that serial numbers are only required on documents that issue an item out of a warehouse.
- You can optionally assign serial and batch information on sales orders, inventory transfer requests and A/R reserve invoices.

- Serial numbers track each individual unit of an item.
- Batches track a quantity of an item with characteristics in common.
- You have the option to set the serial numbers or batch numbers to be assigned on every transaction or to be assigned on release only.
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- “On release only” means that serial numbers are only required on documents that issue an item out of a warehouse.
- You can optionally assign serial and batch information on sales orders, inventory transfer requests and A/R reserve invoices.

Inventory Physical Inventory

SAP Business One, Version 9.0



- Welcome to the topic on physical inventory.

Objectives



At the end of this topic, you will be able to:

- Describe the process steps for counting inventory

- In this topic, we go through the process steps for counting inventory.

Business Example



Your company needs to have an accurate count of the stock physically in the company warehouses.

The company uses perpetual inventory which tracks the receipt and use of inventory and calculates the quantity on hand.

The company needs an annual physical count of inventory for financial and tax reasons, so they have set up an inventory cycle linked to cycle count recommendations.

If the physical count reveals any discrepancies from the quantity recorded in the system, the quantity difference is posted.

Imagine that:

- Your company needs to have an accurate count of the stock physically in the company warehouses.
- The company uses perpetual inventory which tracks the receipt and use of inventory and calculates the quantity on hand.
- The company wants a physical count of inventory for financial and tax reasons, so they have set up an periodic counts linked to cycle count recommendations.
- If the physical count reveals any discrepancies from the quantity recorded in the system, the quantity difference is posted.

Inventory Counting



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- Inventory Counting is a recurrent activity in every item-based business. Matching the actual items availability and the quantities saved in the system is crucial for inventory management.
- You can set up inventory cycles with recommendations for periodic counts to be triggered annually, monthly, weekly or even daily.

Inventory Counting Process

Cycle Count Determination

| | |
|---------|----------------|
| A items | 6 times / year |
| B items | 6 times / year |
| C items | 1 time / year |

Cycle Count Alert
for A items

Cycle Count
Recommendation
Select items



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- The first step in managing physical inventory is setting up the cycle counts.
- Cycle counting is the process of counting inventory items throughout the year based on a schedule, so that all items are counted at least once a year. Generally the primary focus is on items that move more frequently, with less attention given to items that move less frequently.
- First you set up the inventory cycles you need. You can set cycles for different intervals.
- Then set up the cycle count determination to get recommendations.
- You can define your inventory cycle counts by item group or, if you are using bin location management, by warehouse sub-levels.
- Once you have made these settings, you can then go into the inventory cycle count definition to set up alerts for the item groups or warehouse sublevels that need counting.
- When you receive the alert you can choose which of the recommended items you wish to count at that time.

Inventory Counting Process

Cycle Count Determination



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- Once items are selected, you can freeze the items for counting. Freezing an item ensures that the item in the selected warehouse or bin is blocked from any business inventory transaction until the item has been counted and relevant postings made.
- When the inventory document is ready, you then print a count sheet for the stocktakers to fill out. You can choose to include or exclude a display of the quantities recorded by the system.
- During the counting, you use a centralized inventory counting document to record and manage the inventory count process.
- The last step is to post any quantity differences that the stock takers detect. From the inventory counting document, you can copy the differences into an inventory posting document.

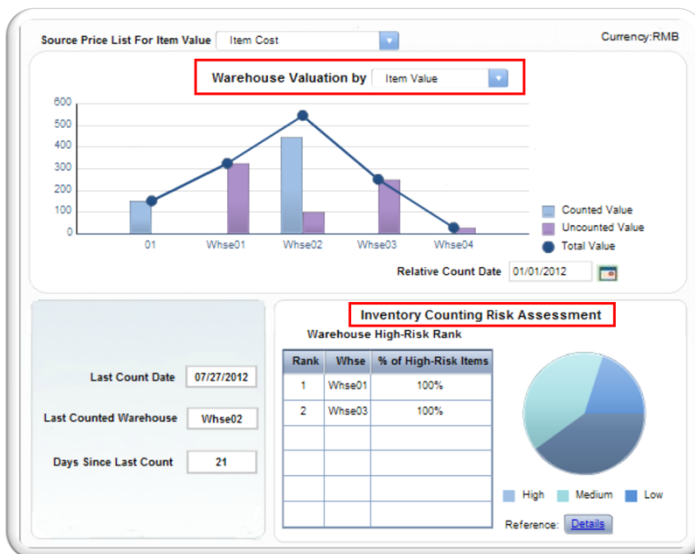
Multiple Stock Takers



- Multiple stock takers can count inventory items in the same area
- They each enter their own results
- You can then compare the results

- Multiple stock takers can count the inventory within same the area.
- For example, two employees can count the stock for the items in one section of a warehouse.
- After counting, they each enter their results.
- You can then compare the results of the two stock takers.

Reporting



Available Reports:

- Inventory Counting Transactions Report
- Inventory Counting Recommendation & Risk Assessment dashboard
- Inventory documents viewable in Open Items

- The Inventory Counting Transactions Report allows you to view the results from inventory counts with details on items counted, where and when they were counted, whether any discrepancies were noted and whether any correction postings were made. You can link from this report directly into the inventory counting and inventory posting documents.
- An inventory counting recommendation & risk assessment dashboard report supports you in analyzing the risk for inventory counting per warehouse. The risk assessment is defined per item per warehouse using a number of pre-defined parameters such as 'days since last inventory count', 'transaction volume' or 'item value' for example.
- Additionally all the inventory counting documents are viewable in the Open Items list along with sales, purchasing and inventory goods movement documents.
- These information from these reports supports a dynamic and transparent counting and inventory posting process.
- You have the ability to really analyze quantities and differences while the inventory count is in process, and has been completed, and to compare differences between two inventory takers.

Summary



Here are some key points:

- Inventory Counting is done periodically in every item-based business to match the actual physical count to the quantities saved in the system.
- You can set up inventory cycles with recommendations for periodic counts to be triggered annually, monthly, weekly or even daily.
- Cycle counts can be tied to warehouses, warehouse sublevels, bin locations, item groups or items.
- Alerts remind you about items due for inventory counting.
- The inventory counting document coordinates counting by multiple stock takers, records the results, manages the process and allows you to copy any differences into inventory posting documents.

- Inventory Counting is done periodically in every item-based business to match the actual physical count to the quantities saved in the system.
- You can set up inventory cycles with recommendations for periodic counts to be triggered annually, monthly, weekly or even daily.
- The cycles can be tied to warehouses, warehouse sublevels, bin locations, item groups or items.
- Alerts remind you about items that are due for inventory taking.
- The inventory counting document coordinates counting by multiple stock takers, records the results, manages the process and allows you to copy any differences into inventory posting documents.

Exercises



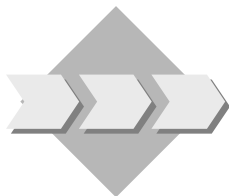
Unit: Inventory

Topic: Warehouse Management



At the conclusion of this exercise, you will be able to:

- Create a warehouse
- View bin locations in a bin managed warehouse
- (Optional) View a drop ship warehouse
- (Optional) Sell drop-shipped items



In this exercise, you create a new regional warehouse for your company. You view bin locations set up in an existing warehouse.

Optionally, you view the master data for a drop ship warehouse and use the warehouse in the sales process.

1-1 You have decided to add a new warehouse for your company.

1-1-1 Create a new warehouse and assign it the warehouse code **06** and the name **Regional Warehouse**. Enter any domestic location, street, city and country for the warehouse.

Enter the following information on the *General* tab page:

| Field Name or Data Type | Values |
|-------------------------|-----------------|
| <i>Warehouse Code</i> | 06 |
| <i>Warehouse Name</i> | Regional |
| <i>Location</i> | <any> |
| <i>Street/City</i> | <any> |
| <i>Country</i> | <Domestic> |

1-2 View the bin location structure set up in Warehouse 05.

1-2-1 What are the sublevels set up for the warehouse?

1-2-2 How many aisles are set up in the warehouse? How many bin locations are located in each aisle?

1-2-3 Run the Bin Location list. What information is available in the list? What other options are available from this report?

1-3 Optional exercise for the drop ship process

1-3-1 View the settings on the drop ship warehouse, warehouse 03. Can you have serial numbered items shipped directly to a customer from the vendor?

1-3-2 Create a sales order for a customer with an item that will be delivered directly from the vendor.

| Field Name or Data Type | Values |
|-------------------------|---------------------|
| <i>Customer</i> | C23900 |
| <i>Delivery Date</i> | Today's Date |
| <i>Item</i> | C00001 |
| <i>Quantity</i> | 3 |
| <i>Item</i> | C00002 |
| <i>Quantity</i> | 1 |

1-3-3 **C00001** is to be delivered directly from the vendor to the customer. How do you accomplish this?

Sales Order Document Number _____

1-3-4 Navigate to the purchase order to see the ship to address. Which address does it display – OEC Computers' address or the customer's ship-to address?

Purchase Order Document Number _____

- 1-3-5 Your vendor **V1010** has delivered the material directly to your customer and sends the invoice to you. Enter the *A/P invoice* referring to the purchase order. Do any stock postings take place?

A/P Invoice Document Number _____

- 1-3-6 Now that you have entered the A/P invoice from the vendor, create an A/R invoice referring to the sales order. Do any stock postings for the drop ship item take place?

A/R Invoice Document Number _____

Solutions



Unit: Inventory

Topic: Warehouses

1-1 You have decided to add a new warehouse for your company.

1-1-1 Create a new warehouse and assign it the warehouse code **06** and the name **Regional Warehouse**. Enter any domestic location, street, city and country for the warehouse.

Choose *Administration* → *Setup* → *Inventory* → *Warehouses*.

Enter the following information on the *General* tab page:

| Field Name or Data Type | Values |
|-------------------------|-----------------|
| <i>Warehouse Code</i> | 06 |
| <i>Warehouse Name</i> | Regional |
| <i>Location</i> | <any> |
| <i>Street/City</i> | <any> |
| <i>Country</i> | <Domestic> |

Choose *Add*.

1-2 View the bin location structure set up in Warehouse 05.

1-2-1 What are the sublevels set up for the warehouse?

Choose **Administration → Setup → Inventory → Bin Locations → Warehouse Sublevel Codes**

There are three sublevels shown: Aisle, Shelf and Level.

The first sublevel appears in the dropdown for *Warehouse Sublevel*.

The other sublevels can be seen by clicking on the dropdown box.

Or choose **Inventory → Inventory Reports → Bin Location List**

Choose the *Sublevels* tab.

1-2-2 How many aisles are set up in the warehouse? How many bin locations are located in each aisle?

Choose **Administration → Setup → Inventory → Bin Locations → Warehouse Sublevel Codes**

The table displays the four aisles (A1-A4). The numbers of bin locations for each aisle are listed in the table. For example, you can see that aisle 1 contains 18 bin locations.

Or choose **Inventory → Inventory Reports → Bin Location List**

On the Sublevels tab, use the drop down box for the first sublevel (Aisles). You see 4 aisles (A1-A4) plus the system bin location.

1-2-3 Run the Bin Location list. What information is available in the list? What other options are available from this report?

Choose *OK* to run the report.

The report shows each bin location with item quantity and number of items in the bin. From the report, you can navigate to the Inventory Posting List and Bin Location Content report, as well as clear or replenish bin locations.

1-3 Optional exercise for the drop ship process

- 1-3-1 View the settings on the drop ship warehouse, warehouse 03. Can you have serial numbered items shipped directly to a customer from the vendor?

Choose *Administration* → *Setup* → *Inventory* → *Warehouses*

If the checkbox for Managing Serial and Batch is selected then you can use the drop ship warehouse to have serial numbered items shipped directly to a customer.

- 1-3-2 Create a sales order for a customer with an item that will be delivered directly from the vendor.

Choose *Sales-A/R* → *Sales Order*.

| Field Name or Data Type | Values |
|-------------------------|---------------------|
| <i>Customer</i> | C23900 |
| <i>Delivery Date</i> | Today's Date |
| <i>Item</i> | C00001 |
| <i>Quantity</i> | 3 |
| <i>Item</i> | C00002 |
| <i>Quantity</i> | 1 |

- 1-3-3 **C00001** is to be delivered directly from the vendor to the customer. How do you accomplish this?

Assign the **drop ship warehouse (03)** to the row with item **C00001**.

If the warehouse field is not visible, use the Form Settings icon to add the *Whse* column.

Sales Order Document Number _____

Add the sales order.

(If the *Item Availability Check* window appears, choose **Continue**.)

The *Procurement Confirmation Wizard* opens.

Choose *Next*.

The system displays the preferred vendor.

The system proposes a purchase order as the target document.

Choose *Next*.

- 1-3-4 Navigate to the purchase order to see the ship to address. Which address does it display – OEC Computers' address or the customer's ship-to address?

Open the sales order you just created. To view and navigate to the purchase order, you can either use **Form Settings** to add the column **Target Doc** or open the *Relationship Map*. The ship-to address is found on the *Logistics* tab.

Purchase Order Document Number _____

The purchase order uses the customer's **ship-to address**.

- 1-3-5 Your vendor **V1010** has delivered the material directly to your customer and sends the invoice to you. Enter the **A/P invoice** referring to the purchase order. Do any stock postings take place?

Choose **Purchasing-A/P → A/P Invoice**

Choose Vendor V1010

Copy from → Purchase Orders

Choose your purchase order from the list. Enter today's date as the posting date and choose *Add*.

A/P Invoice Document Number _____

To navigate to the corresponding journal entry:

Reopen the A/P Invoice by choosing the **Last Data Record** icon.

Then go to the *Accounting* tab page, and select the link arrow beside *Journal Remark*. There is **no** stock account involved.

The answer can also be checked with:

Inventory → Inventory Reports → Inventory Posting List:

The Drop Ship Warehouse is not selectable in the *By Warehouse* tab.

- 1-3-6 Now that you have entered the A/P invoice from the vendor, create an A/R invoice referring to the sales order. Do any stock postings for the drop ship item take place?

Choose ***Sales-A/R → A/R Invoice***.

Choose Customer **C23900**

Copy from → Sales Orders

Choose your sales order from the list.

A/R Invoice Document Number _____

Add the invoice.

Re-open the invoice by using the ***Last Data Record*** icon.

View the journal entry from the A/R invoice's *Accounting* tab

No stock postings for the drop ship item take place.

Exercises



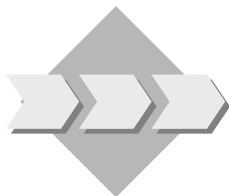
Unit: Inventory

Topic: Goods Movements



At the conclusion of this exercise, you will be able to:

- Create a goods receipt to a warehouse
- Transfer items between warehouses
- Create a goods issue from a warehouse
- Run the *Inventory in Warehouse* report



In this exercise, you create a new regional warehouse for your company. Then you proceed to receive items into the warehouse, transfer items between warehouses, and issue items out of the warehouse. Then you run the *Inventory in Warehouse* report to view the stock situation

2-1 Create a goods movement to the new warehouse that you created in the previous topic. (If you have not created a new warehouse, use a warehouse of your choice.)

2-1-1 You have 10 units of item C00008 that have been refurbished. Create a goods receipt to receive them into the new warehouse.

Note: if the warehouse field does not appear, use *Form Settings* to add it to the document. A default warehouse may be set in *Form Settings*, so the other option is to restore the default settings.

| Field Name or Data Type | Values |
|-------------------------|---------------|
| <i>Item No</i> | C00008 |
| <i>Quantity</i> | 10 |
| <i>Whse</i> | 06 |

Goods Receipt number: _____

- 2-1-2 You need to move 5 units of item **C00008** from Warehouse **06** to Warehouse **05** (the bin managed warehouse). Use the *Inventory Transfer* transaction to move the items.

| Field Name or Data Type | Values |
|-------------------------|--------------------|
| <i>From warehouse</i> | 06 |
| <i>Item No</i> | C00008 |
| <i>To Warehouse</i> | 05 |
| <i>Quantity</i> | 5 |
| <i>Bin Location</i> | 05-A4-S1-L1 |

To check the quantity available in Warehouse 06 put the cursor in the *To Warehouse* field and choose **Ctrl+Tab**.

In the opened window, a default receiving bin location appears in the *Bin Location* field. Delete the bin location and choose the correct bin Location from the list. In case no bin location appears, choose the bin location from the list and choose the CTRL+B keyboard combination in the *Quantity* field to enter the quantity to transfer automatically.

Inventory Transfer Number: _____

- 2-1-3 How much stock is currently stored in the new warehouse (06)?
Run the *Inventory in Warehouse* report.

Which items and quantities are shown for inventory in this warehouse?

- 2-1-4 There is a flood in the new warehouse (Warehouse 06) and 2 units of C00008 are so damaged that you will scrap these units. Post a goods issue from the warehouse for this item.

| Field Name or Data Type | Values |
|-------------------------|-------------------------------|
| <i>Item No</i> | C00008 |
| <i>Quantity</i> | 2 |
| <i>Whse</i> | 06 |
| <i>Remarks</i> | Scrapped damaged units |

Goods Issue number: _____

- 2-1-5 Check the current stock situation for item **C00008** in warehouses **05** and **06**.

Solutions



Unit Inventory

Topic: Goods Movement

2-1 Create a goods movement to the new warehouse that you created in the previous topic. (If you have not created a new warehouse, use a warehouse of your choice.)

2-1-1 You have 10 units of item C00008 that have been refurbished.
Create a goods receipt to receive them into the new warehouse.

Inventory → Inventory Transactions → Goods Receipt

Note: if the warehouse field does not appear, use *Form Settings* to add it to the document. A default warehouse may be set in *Form Settings*, so the other option is to restore the default settings.

| Field Name or Data Type | Values |
|-------------------------|---------------|
| <i>Item No</i> | C00008 |
| <i>Quantity</i> | 10 |
| <i>Whse</i> | 06 |

Goods Receipt number: _____

Choose *Add*.

Confirm the system message.

- 2-1-2 You need to move **5** units of item **C00008** from Warehouse **06** to Warehouse **05** (the bin managed warehouse). Use the *Inventory Transfer* transaction to move the items.

Inventory → Inventory Transactions → Inventory Transfer

| Field Name or Data Type | Values |
|-------------------------|--------------------|
| <i>From warehouse</i> | 06 |
| <i>Item No</i> | C00008 |
| <i>To Warehouse</i> | 05 |
| <i>Quantity</i> | 5 |
| <i>Bin Location</i> | 05-A4-S1-L1 |

To enter a bin location, choose the orange link arrow of the *Bin Location* field. In the opened window, a default receiving bin location appears in the *Bin Location* field. Delete the bin location and choose the correct bin Location from the list.

In case no bin location appears, choose the bin location from the list and choose the CTRL+B keyboard combination in the *Quantity* field to enter the quantity to transfer automatically.

You can also enter the value 5 manually.

To check the quantity currently available in Warehouse 06, you can put the cursor in the *To Warehouse* field and choose **Ctrl+Tab**.

Inventory Transfer Number: _____
Choose **Add**.

- 2-1-3 Now how much stock is currently stored in the new warehouse?

Inventory → Inventory Reports → Inventory in Warehouse Report.
Choose the ***By Warehouse*** tab.

Enter Warehouse **06**.

Choose **OK**.

Which items and quantities are shown for inventory in this warehouse?

- 2-1-4 There is a flood in Warehouse 06 and 2 units of C00008 are so damaged that you will scrap these units. Post a goods issue from the warehouse for this item.

Choose *Inventory* → *Inventory Transactions* → *Goods Issue*.

| Field Name or Data Type | Values |
|-------------------------|-------------------------------|
| <i>Item No</i> | C00008 |
| <i>Quantity</i> | 2 |
| <i>Whse</i> | 06 |
| <i>Remarks</i> | Scrapped damaged units |

Goods Issue number: _____

Choose *Add*.

Confirm the system message to save the goods issue.

- 2-1-5 Check the current stock situation for item **C00008** in warehouses **05** and **06**.

Choose *Inventory* → *Inventory Reports* → *Inventory in Warehouse Report*.

Deselect all warehouses except **05** and **06**.

Exercises



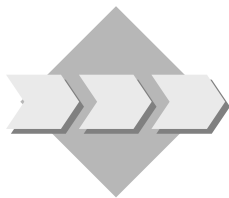
Unit: Inventory

Topic: Serial Numbers and Batches



At the conclusion of this exercise, you will be able to:

- Create an item managed by batches
- Create batches for items received into stock
- Create an item managed by serial numbers
- Automatically create serial numbers according to a pattern
- Sell and deliver serialized and batch-managed items
- Run the serial number transactions report



In this exercise, you create items managed by both batches and serial numbers. You receive the items into inventory. Then you sell both items and deliver them to the customer. Afterwards, you run the serial number transaction report to see transactions for your newly created serial numbered items.

3-1 Create an item managed by batches.

3-1-1 Enter the following data in the item master data window.

| Field Name or Data Type | Values |
|--|-------------------------------------|
| <i>Item No.</i> | DPC44 |
| <i>Item Description</i> | Printer Cartridge, Black Ink |
| <i>Unit Price (Base Price Pricelist)</i> | 10 |
| <i>Manage Item By</i> | Batches |
| <i>Management Method</i> | On Every Transaction |

3-2 Create an item managed by serial numbers.

3-2-1 Enter the following information for the new item.

| Field Name or Data Type | Values |
|--|-----------------------------|
| <i>Item No.</i> | K2000 |
| <i>Item Description</i> | Laptop Computer |
| <i>Unit Price (Base Price Pricelist)</i> | 700 |
| <i>Manage Item By</i> | Serial Number |
| <i>Management Method</i> | On Every Transaction |

3-3 Receive the vendor's delivery of the batch-managed and serialized items into inventory.

3-3-1 Create a goods receipt PO to receive the two items.

| Field Name or Data Type | Values |
|-------------------------|--------------|
| <i>Vendor</i> | V1010 |
| <i>Item No.</i> | K2000 |
| <i>Quantity</i> | 5 |
| <i>Item No.</i> | DPC44 |
| <i>Quantity</i> | 150 |

Use the context menu to navigate to the *Serial Number Setup* window.

Create serial numbers by automatic creation for item K2000. The serial numbers should run from K2-000001 through K2-000005. Use the browse button for the serial number field.

| Field Name or Data Type | Values |
|-------------------------|-----------------|
| <i>String</i> | K2- |
| <i>Type</i> | String |
| <i>Operation</i> | No Oper. |
| <i>String</i> | 000001 |
| <i>Type</i> | Number |
| <i>Operation</i> | Increase |

In the *Automatic Serial Numbers Creation* window, enter this additional information.

| Field Name or Data Type | Values |
|---------------------------|--------------------------------|
| <i>Manufacturing Date</i> | <2 weeks ago> |
| <i>Lot Number</i> | 10 |
| <i>Mfr Warranty Start</i> | <today> |
| <i>Mfr Warranty End</i> | <year from today> |

You will see the newly created serial numbers listed in the *Serial Numbers – Setup* window.

Now it is time to enter the batch information for the second row in the *Batches Setup* window.

Add two fields to the created batches section of the report using *Form Settings*.

| Field Name or Data Type | Values |
|--------------------------|-----------------------------|
| <i>Batch Attribute 1</i> | Checkbox for Visible |
| <i>Expiration Date</i> | Checkbox for Visible |

Enter the following details for the batches in the *Batches Setup* window:

| Field Name or Data Type | Values |
|--------------------------------|------------------------------|
| <i>Batch</i> | 103 |
| <i>Quantity</i> | 50 |
| <i>Batch Attribute 1</i> | Malaysia |
| <i>Expiration Date</i> | Six months from today |
| <i>Batch</i> | 104 |
| <i>Quantity</i> | 50 |
| <i>Batch Attribute 1</i> | Puerto Rico |
| <i>Expiration Date</i> | 10 months from today |
| <i>Batch</i> | 105 |
| <i>Quantity</i> | 50 |
| <i>Batch Attribute 1</i> | Malaysia |
| <i>Expiration Date</i> | 18 months from today |

Update the batch information.

Save the goods receipt PO.

Goods Receipt PO number: _____

3-4 A customer wants to order 2 of each of these items.

3-4-1 Create a sales order

| Field Name or Data Type | Values |
|-------------------------|-----------------------------|
| <i>Customer</i> | C30000 |
| <i>Delivery Date</i> | <Today's Date> |
| <i>Item No.</i> | K2000 |
| <i>Quantity</i> | 1 |
| <i>Item No.</i> | DPC44 |
| <i>Quantity</i> | 10 |

Add the sales order.

Sales Order Number: _____

3-4-2 Create a delivery for your sales order.

Copy the sales order information to a delivery. Choose a serial number for your first item.

Choose a batch for your second item.

Add the delivery.

Delivery Number: _____

3-4-3 Run the serial number transaction report.

| Field Name or Data Type | Values |
|-------------------------|--------------|
| <i>Item No. from</i> | K2000 |

Which transactions are listed for K2000?

Solutions



Unit: Inventory

Topic: Serial Numbers and Batches

3-1 Create an item managed by batches.

3-1-1 Open the item master data window.

Choose **Inventory** → **Item Master Data**

Choose the **Add** icon from the menu bar.

| Field Name or Data Type | Values |
|--|-------------------------------------|
| <i>Item No.</i> | DPC44 |
| <i>Item Description</i> | Printer Cartridge, Black Ink |
| <i>Unit Price (Base Price Pricelist)</i> | 10 |
| <i>Manage Item By</i> | Batches |
| <i>Management Method</i> | On Every Transaction |

Choose **Add**.

3-2 Create an item managed by serial numbers.

3-2-1 Enter the following information for the new item.

| Field Name or Data Type | Values |
|--|-----------------------------|
| <i>Item No.</i> | K2000 |
| <i>Item Description</i> | Laptop Computer |
| <i>Unit Price (Base Price Pricelist)</i> | 700 |
| <i>Manage Item By</i> | Serial Number |
| <i>Management Method</i> | On Every Transaction |

Choose **Add**.

3-3 Receive the vendor's delivery of the batch-managed and serialized items into inventory.

3-3-1 Create a goods receipt PO to receive the two items.

Choose **Purchasing – A/P → Goods Receipt PO**

| Field Name or Data Type | Values |
|-------------------------|--------------|
| <i>Vendor</i> | V1010 |
| <i>Item No.</i> | K2000 |
| <i>Quantity</i> | 5 |
| <i>Item No.</i> | DPC44 |
| <i>Quantity</i> | 150 |

Open the context menu by right-clicking on the first item's quantity.

Choose **Batch/Serial Numbers**.

The **Serial Number – Setup** window opens.

Choose **Automatic Creation**.

Choose the **Browse Button <...>** for the **Serial Number** field.

Enter the information below:

| Field Name or Data Type | Values |
|-------------------------|-----------------|
| <i>String</i> | K2- |
| <i>Type</i> | String |
| <i>Operation</i> | No Oper. |
| <i>String</i> | 000001 |
| <i>Type</i> | Number |
| <i>Operation</i> | Increase |

Choose **OK**.

In the *Automatic Serial Numbers Creation* window, enter this additional information.

| Field Name or Data Type | Values |
|---------------------------|-------------------|
| <i>Manufacturing Date</i> | <2 weeks ago> |
| <i>Lot Number</i> | 10 |
| <i>Mfr Warranty Start</i> | <today> |
| <i>Mfr Warranty End</i> | <year from today> |

Choose *Create*.

You will see the newly created serial numbers listed in the *Serial Numbers – Setup* window.

Choose *Update* and *OK*.

You have returned to the *Goods Receipt PO* main window. Now it is time to enter the batch information for the second row.

Open the context menu by right-clicking on the second row's item quantity. Choose *Batch/Serial Numbers*.

The *Batches – Setup* window opens.

Add two fields to the created batches section of the report.

Choose *Form Settings*.

Add fields from the *Created Batches* section.

Select the radio button for *Created Batches*, then choose *OK*.

Add the following fields:

| Field Name or Data Type | Values |
|--------------------------|-----------------------------|
| <i>Batch Attribute 1</i> | Checkbox for Visible |
| <i>Expiration Date</i> | Checkbox for Visible |

Choose *OK*.

In the *Created Batches* section of the *Batches Setup* window, enter the following details:

| Field Name or Data Type | Values |
|--------------------------------|------------------------------|
| <i>Batch</i> | 103 |
| <i>Quantity</i> | 50 |
| <i>Batch Attribute 1</i> | Malaysia |
| <i>Expiration Date</i> | Six months from today |
| <i>Batch</i> | 104 |
| <i>Quantity</i> | 50 |
| <i>Batch Attribute 1</i> | Puerto Rico |
| <i>Expiration Date</i> | 10 months from today |
| <i>Batch</i> | 105 |
| <i>Quantity</i> | 50 |
| <i>Batch Attribute 1</i> | Malaysia |
| <i>Expiration Date</i> | 18 months from today |

Choose *Update* and *OK*.

Save the goods receipt PO by choosing *Add*.

Goods Receipt PO number: _____

Confirm the system message. Choose *Yes*.

3-4 A customer wants to order 2 of each of these items.

3-4-1 Create a sales order

Choose **Sales – A/R → Sales Order**

| Field Name or Data Type | Values |
|-------------------------|-----------------------------|
| <i>Customer</i> | C30000 |
| <i>Delivery Date</i> | <Today's Date> |
| <i>Item No.</i> | K2000 |
| <i>Quantity</i> | 1 |
| <i>Item No.</i> | DPC44 |
| <i>Quantity</i> | 10 |

Choose **Add**.

Sales Order Number: _____

3-4-2 Create a delivery for your sales order.

Open your sales order. Choose **Copy To → Delivery**

Choose the serial number for your first item. Open the context menu and choose **Batch/Serial Numbers**.

Choose one of the serial numbers shown by highlighting a row in the *Available Serial Numbers* section and using the arrow button (in the middle) to move the selection to the *Selected Serial Numbers* section.

Choose **Update**, then **OK**.

Choose a batch for your second item. Open the context menu and choose **Batch/Serial Numbers**.

Choose **Auto Select** for the system to choose the first batch.

Choose **Update**, then **OK**.

Add the delivery.

Delivery Number: _____

Choose **Yes** to confirm the system message.

3-4-3 Run the serial number transaction report.

Choose ***Inventory → Inventory Reports → Serial Number Transactions Report.***

| Field Name or Data Type | Values |
|-------------------------|--------------|
| <i>Item No. from</i> | K2000 |

Choose *OK*.

The *Serial Number Transactions Report* window opens.

If there is more than one row, click on the row number of the row with the serial number you delivered.

Which transactions are listed?

Exercises



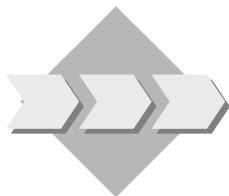
Unit: Inventory

Topic: Physical Inventory



At the conclusion of this exercise, you will be able to:

- Set up an inventory cycle and cycle counts
- Record inventory counting
- Post additional inventory for serialized items
- Run the inventory counting transactions report



In this exercise, you set up an annual inventory cycle and cycle count determination for an item group in warehouse 01.

After receiving an alert, you document an inventory count by two counters and record the results. You compare results and post some additional inventory that was found by the counters. You assign a serial number to the additional unit found.

Then you run the inventory counting transactions report, view the results and the journal entry for the inventory posting.

4-1 Set up an inventory cycle.

4-1-1 Set up an annual inventory cycle for selected items.

Enter the values below:

| Field Name or Data Type | Values |
|-------------------------|-------------------------|
| <i>Cycle Code</i> | Annual Inventory |
| <i>Recurrence</i> | Annually |

Accept today's date as the date proposed.

4-1-2 Set up the cycle count determination for warehouse 01 for the rainbow printers and assign an alert for the cycle count.

4-2 Perform the inventory count and post any differences.

4-2-2 You receive an alert in your inbox that stocktaking is required. Select the item A00006 for counting.

4-2-3 Set up the parameters for the inventory count. You would like help in counting the printers. Add Fred Buyer as the second inventory counter. Leave the inventory counting document open to perform the next step.

4-2-4 Freeze the item that is to be counted and save the inventory counting document.

4-2-5 Preview the inventory counting document.

Use the following selection criteria:

| Field Name or Data Type | Values |
|--|---------------------------------------|
| <i>Options for Printed Item List</i> | Show In-Whse Qty On Count Date |
| <i>Select the inventory count(s) you want to print</i> | Both |

Choose **OK**.

Scroll through the document.

What is the current quantity recorded as in stock for this item?

Why might you want to hide the inventory quantity?

4-2-6 The count takes place. You find that there are two more printers in the warehouse than are showing in the warehouse reports. Fred Buyer finds that there is one more printer.

Enter the results of the count.

| Field Name or Data Type | Values |
|------------------------------|----------------------------|
| <i>Counter 1 Count field</i> | In-stock number + 2 |
| <i>Counter 2 Count field</i> | In-stock number +1 |

4-2-7 Compare and resolve the two stocktakers results.

When the two counters enter different results, the row is highlighted in red until the result is resolved. Assume that you and Fred recounted the item quantities and decided that Fred's count is correct.

4-2-8 Post the differences to inventory.

Since this item A00006 is controlled by serial numbers on every transaction, you need to assign a serial number to the item.

Enter a serial number that falls after the last serial number on the list. (For example, if the last number on the list is A6-000352, enter A6-000353 in the Serial Number field.)

4-3 Preview the results from the Inventory Transactions Counting Report.

Choose ***Open and Closed Inventory Counting*** in the selection criteria and run the report.

What information is available in this report?

How can you view any financial posting associated with the Inventory Posting document?



Unit: Inventory

Topic: Physical Inventory

4-1 Set up an inventory cycle.

4-1-1 Set up an annual inventory cycle for selected items.

Administration → Setup → Inventory → Inventory Cycles.

Enter the values below:

| Field Name or Data Type | Values |
|-------------------------|-------------------------|
| <i>Cycle Code</i> | Annual Inventory |
| <i>Recurrence</i> | Annually |

Accept today's date as the date proposed and choose *Add*.

4-1-2 Set up the cycle count determination for warehouse 01 for the rainbow printers and assign an alert for the cycle count.

Administration → Setup → Inventory → Cycle Count Determination.

Double-click on WH01.

For the rainbow printers, assign **Annual Inventory** in the dropdown box for the *Cycle Code* column.

Choose *Yes* to acknowledge the system message to change the cycle code for all items in the item group.

Select the checkbox in the *Alert* column.

Set your user to receive the alert.

Then choose *Update* and *OK*.

- 4-2 Perform the inventory count and post any differences.
- 4-2-2 You receive an alert in your inbox that stocktaking is required. Select the item A00006 for counting.
- Choose the **Messages/Alerts Overview** icon in the tool bar.
- Double-click on the **Stocktaking Required** row in the Messages/Alerts overview window.
- Select the checkbox for A000006.
- Choose the **Inventory Counting** button.
- The **Inventory Counting** window opens.
- Note that you can also find the cycle count recommendation by choosing the menu path: **Inventory → Cycle Count Recommendations**
- When you choose **OK**, you will see the three items recommend for the count with selection checkboxes.
- 4-2-3 Set up the parameters for the inventory count. You would like help in counting the printers. Add Fred Buyer as the second inventory counter. Leave the inventory counting document open to perform the next step.
- If you have closed the Inventory Counting window, you can reopen it from the menu path: **Inventory → Inventory Transactions → Inventory Counting Transactions → Inventory Counting**.
- In the **Inventory Counting** window, select **Validation** as the **Counting Type**. Choose **Fred Buyer** as the second counter.
- 4-2-4 Freeze the item that is to be counted and save the inventory counting document.
- In the **Inventory Counting** window, select the **Freeze** checkbox
Choose **Add**.

4-2-5 Preview the inventory counting document.

Navigate back to the Inventory Counting document you just saved by choosing the **Last Data Record** icon.

Choose **Preview** in the tool bar.

Use the following selection criteria:

| Field Name or Data Type | Values |
|--|---------------------------------------|
| <i>Options for Printed Item List</i> | Show In-Whse Qty On Count Date |
| <i>Select the inventory count(s) you want to print</i> | Both |

Choose **OK**.

Scroll through the document.

What is the current quantity recorded as in stock for this item?

Why might you want to hide the inventory quantity?

You might want to hide the quantity to avoid putting a particular number in the counters' minds in advance of the count.

Close the preview window.

4-2-6 The count takes place. You find that there are two more printers in the warehouse than are showing in the warehouse reports. Fred Buyer finds that there is one more printer.

Inventory → Inventory Transactions → Inventory Counting Transactions → Inventory Counting.

Choose the **Last Data Record** icon to find your Inventory Counting transaction.

Enter the results of the count.

| Field Name or Data Type | Values |
|------------------------------|----------------------------|
| <i>Counter 1 Count field</i> | In-stock number + 2 |
| <i>Counter 2 Count field</i> | In-stock number +1 |

Choose **Update**.

4-2-7 Compare and resolve the two stocktakers results.

When the two counters enter different results, the row is highlighted in red until the result is resolved. Assume that you and Fred recounted the item quantities and decided that Fred's count is correct.

Change the value in the *Counter 1 Count* field to match the value in the *Counter 2 Count* field.

Choose **Update**.

4-2-8 Post the differences to inventory.

In the **Inventory Counting** window, choose the button **Copy to Inventory Posting**. Choose **Counter 2 Count**.

The **Inventory Posting** window opens.

Save the posting by choosing **Add**.

Since this item A00006 is controlled by serial numbers on every transaction, you need to assign a serial number to the item.

Enter a serial number that falls after the last serial number on the list. (For example, if the last number on the list is A6-000352, choose **Create...** enter A6-000353 in the Serial Number field then choose **OK**.)

Then choose **Update**.

Choose **OK**.

In the **Inventory Posting** window, choose **Add** to post the variance.

Choose **Yes** to accept the system message.

Then close the windows with **Window → Close All**.

4-3 Preview the results from the Inventory Transactions Counting Report.

Inventory → Inventory Reports → Inventory Counting Transactions Report.

Choose **Open and Closed Inventory Counting** in the selection criteria and run the report.

What information is available in this report?

This report displays what has been counted, where and when it was counted, the quantity that was counted, any discrepancies, and links to documents.

How can you view any financial posting associated with the Inventory Posting document?

To view the journal entry, choose the link to the inventory posting document, then choose the link at the bottom of the window for the journal remark.

Unit 6: Pricing

Contents

- Pricing Concepts
- Managing Pricelists
- Period and Volume Discounts
- Discount Groups
- Special Prices for Business Partners

Pricing Pricing Concepts

SAP Business One, Version 9.0



- Welcome to the topic on pricing concepts.

Objectives



At the end of this topic, you will be able to:

- Describe the concepts behind pricing in SAP Business One:
 - Types of prices
 - Items and price lists
 - Associating prices with business partners
 - Pricing in a document

- In this topic, we will explore how pricing is handled in SAP Business One. We look at types of prices that can be set up for items in the system. We talk about items and price lists. We will look at how those prices are associated with a business partner and how the prices are brought into a document.

Business Example



- Your company has multiple price lists which are used for different groups of customers.
- Some customers receive special prices because of their relationship with your company
- Customers may also receive discounts based on properties of the items sold
- Periodically you give discounts on the list price based on volume purchases or during sales events

Imagine that:

- Your company has price lists for different groups of customers.
- Some customers, such as your best customers, receive special pricing.
- Customers can additionally receive discounts based on item groups or properties of the items sold
- Periodically you give discounts on the list price based on volume purchases or during sales events

Pricing in Business One

Price Lists

**Period and
Volume
Discounts**

**Discount
Groups**

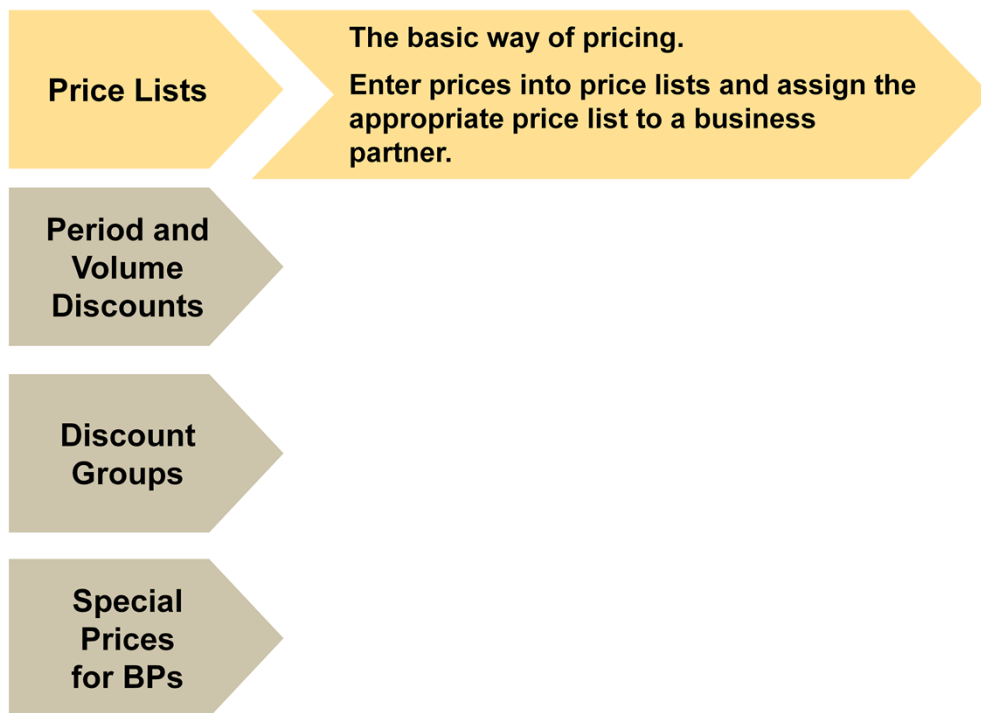
**Special
Prices
for BPs**

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- Businesses have needs for flexibility in pricing. Different customers receive different prices based on the circumstances of the sale.
- For example, a one-time customer pays a higher price than a regular customer or one of your resellers. Similarly a customer buying a larger volume will get a better price than a customer buying only one. Internet customers get a lower price than customer who need customer service in a store environment. That is why SAP Business One has several ways to handle pricing.
- Let us look at some of the different tools available to set up pricing.
- In SAP Business One, we have price lists, period and volume discounts, discount groups and special prices for business partners.

Pricing in Business One

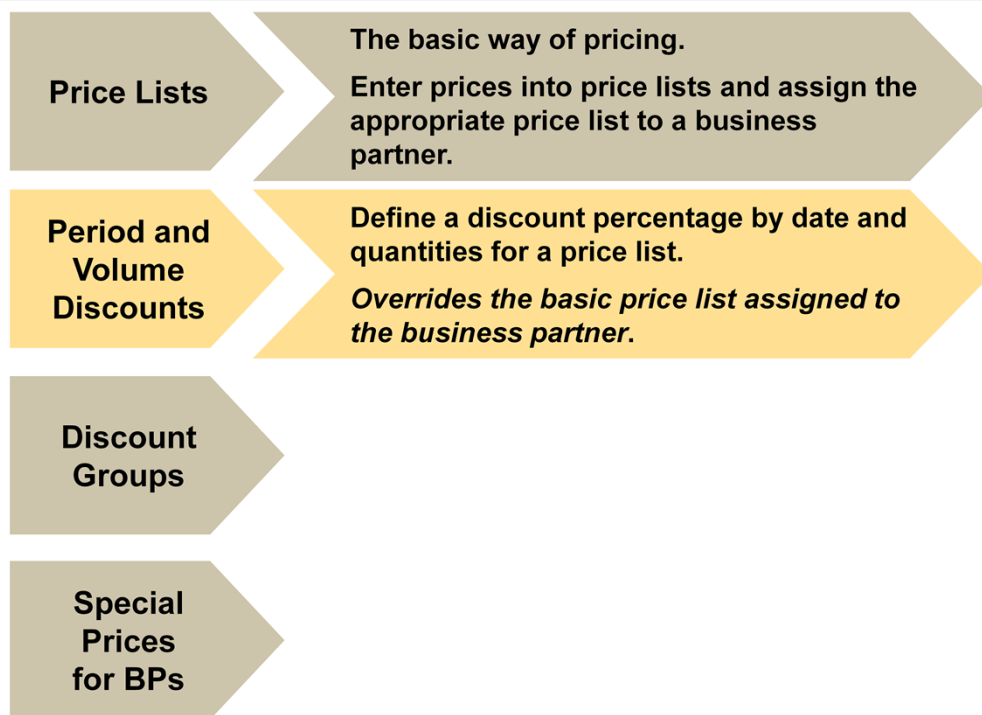


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- The first and most basic way of pricing is price lists.
- You can set up price lists for different groups of customers.
- On each price list you can enter a price for each item and unit of measure.
- Then when a business partner who belongs to that price list buys an item, they get the right price for their customer group.

Pricing in Business One

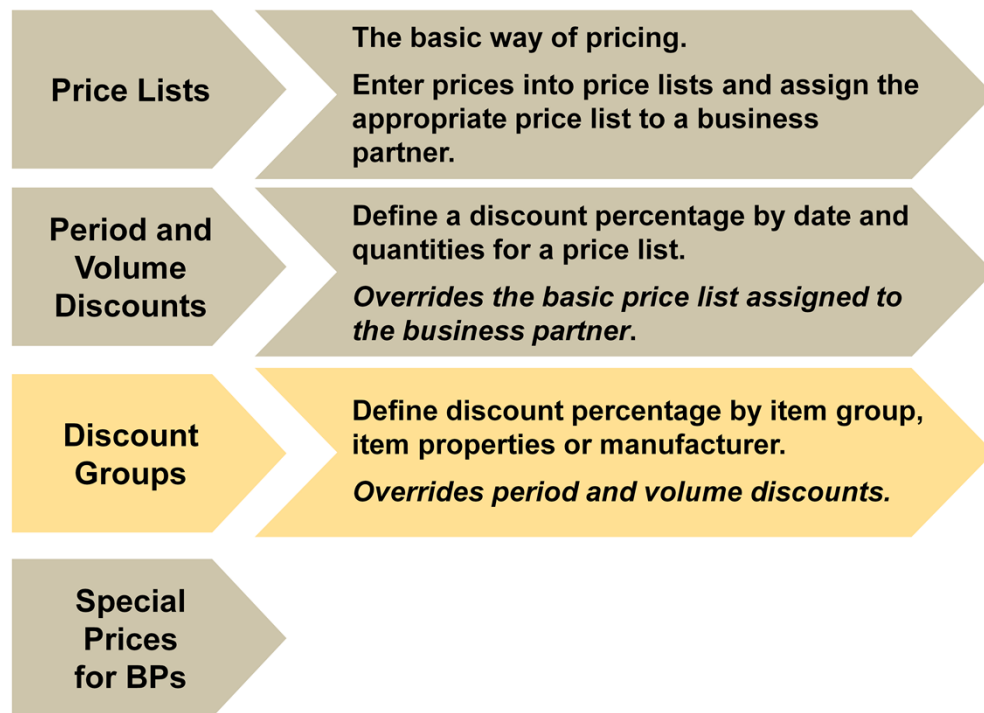


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- A basic price for the product may not be enough.
- You may want to set up sale prices for a limited time period. You may want to give a discount when a customer buys in volume.
- Period and volume discounts allow you to define discounts by dates and based on volume based on an existing price list. The discounts entered here will override the basic price in the business partner's assigned price list.
- The unit of measure used for the purchase must match the unit of measure defined in the discount for the discount to apply.

Pricing in Business One

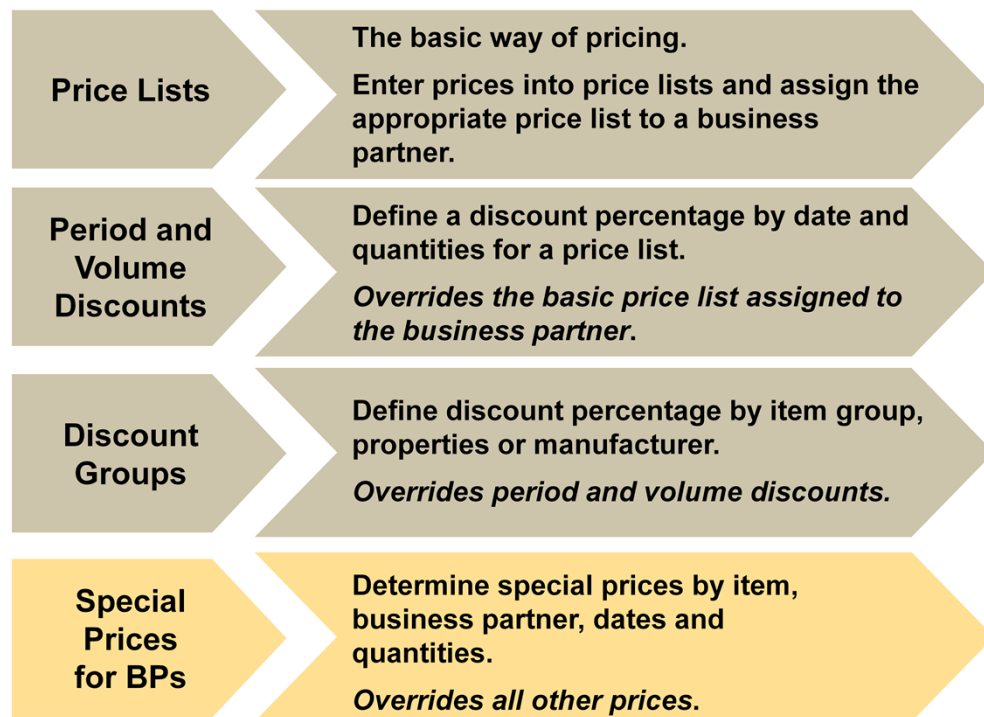


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- The next level of pricing is the discount groups.
- You can add discounts based on item group, item properties, and item's manufacturer. These types of prices are called discount groups.
- If a sales order line item is relevant for a discount group price, then that price will override a price based on a period or volume discount or a price list price.

Pricing in Business One

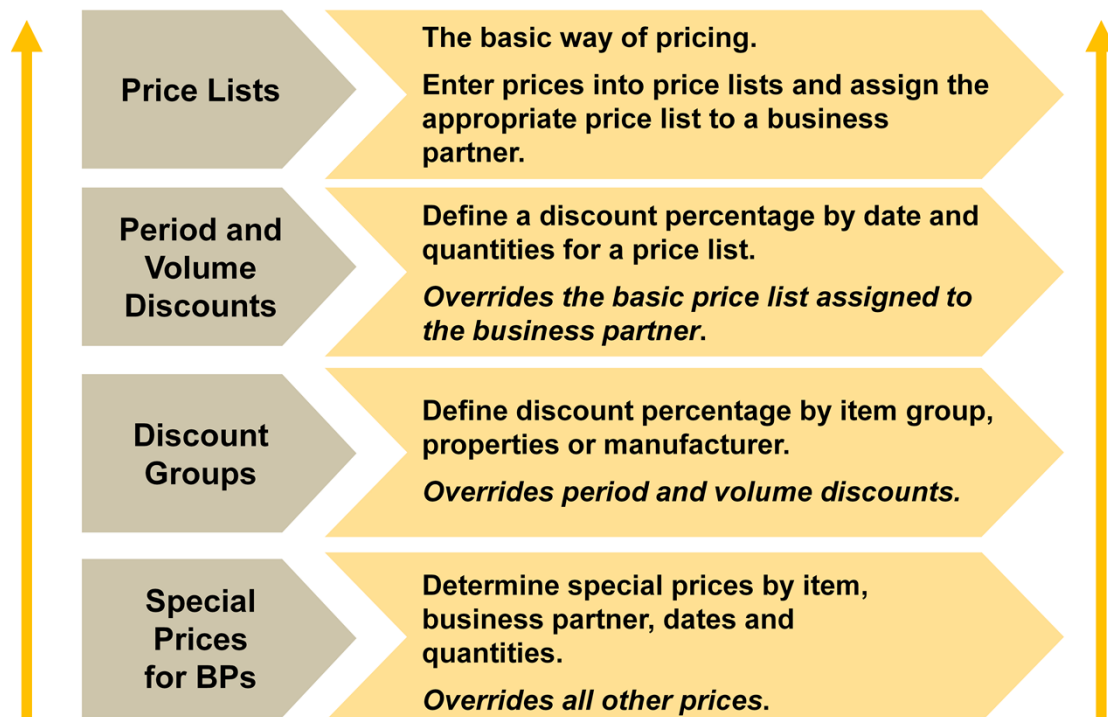


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- Some times you want to give an even better deal to your favorite customers. In that case, you can use special prices for business partners.
- You can base your discounts on any price list, or simply enter them manually.
- You can define discounts by date range and quantities and units of measure.
- Special prices defined for a business partner override all other prices.
- However, please note that the unit of measure defined in the special price must match the unit of measure specified in the row for the discount to apply.

Pricing in Business One



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- You will notice that the four types of prices range from the most general “price lists” to the most specific “special prices for business partners”.
- When the system searches for a price, it looks for the most specific type of price first. So, that means it starts with the types of prices listed in the opposite order of how they have been introduced on this slide.
- The system starts looking for a special price for that business partner.
- If no special price exists for that business partner, it looks for discount groups.
- If no discount group applies, it looks for period and volume discounts.
- If no period and volume discount, it uses the price list assigned to the business partner to find the price.
- As of the 9.0 release, the system also looks at for pricing associated for the unit of measure used on the row.

Price Lists

Price Lists

The basic way of pricing.

Enter prices into price lists and assign the appropriate price list to a business partner.

- Price lists provide flexibility in pricing
- Price lists are used in both sales and purchasing

- Let us start by looking at price lists.
- Managing multiple price lists allow you to provide flexibility in pricing.
- For example, you want to offer customers that make regular purchases from you or who purchase large quantities a lower price than customers who only make occasional purchases or purchase small quantities of an item. Pricing could also be based on the size of a customer.
- Price lists are not only used in sales, but like all of the pricing functionality, they are used in purchasing as well. Typically you will have one or more price lists set up to represent your vendors' prices for regularly purchased items.

Item Prices


Item Master

Item Number **A1001**

| Price List | Purchase Price List | |
|------------------------|---------------------|--------|
| | | 299.00 |
| Price List Low Volume | | 499.00 |
| Price List High Volume | | 599.00 |
| Price List 04 | | 799.00 |
| Price List 05 | | |
| Price List 06 | | 299.00 |
| ... | | |

- Every item in your system is automatically linked to every price list. You can set an indicator in General Settings that removes items without prices from price lists.
- When you look in an item master, you will see that you can view prices for multiple price lists directly in the item master.
- You can assign prices for the item in all but two of the price lists. Two of the default price lists are maintained by the system and cannot be maintained by users: *Last Evaluated Price* and *Last Purchase Price*.
- However, even though it is possible, you may not wish to maintain pricing for the other price lists directly in the item master because this overrides automatic pricing in a price list.

Price list concept

| Items Master | | Business Partner Master Data | |
|--------------|---|--|--|
| Item Number | A1001 | C1001 | |
| Price List | Purchasing Price  299.00 | Payment Terms | |
| | Price List High Volume 499.00 | Price List Price List High Volume | |
| | Reseller 599.00 | | |
| | Price List 04 799.00 | | |
| | Price List 05 | | |
| | Price List 06 | | |
| | ... | | |

- When you create a business partner, a price list is assigned to each business partner. Price lists can default from the customer's customer group or from the assigned payment terms if no price list is assigned to the customer group.
- A business partner is assigned to only one price list.
- You can view and change the defaulted price list in the business partner master.

Price list concept

The screenshot illustrates the SAP Price List concept across three main views:

- Items Master:** Shows Item Number **A1001**. Under the Price List section, it lists:
 - Purchasing Price: 299.00
 - Price List High Volume: 499.00
 - Reseller: 599.00
 - Price List 04: 799.00
 - Price List 05
 - Price List 06
 - ...
- Business Partner Master Data:** Shows Business Partner **C1001**. Under the Price List section, it lists:
 - Price List High Volume
- Document:** Shows Business Partner **C1001**. It contains a table with columns Item and Price. An orange arrow points from the 'Price List High Volume' in the Business Partner Master Data to the 'Price' column in the Document table.

- When you create a marketing document, the system brings in the price list associated with the business partner to the header of the document.
- You can see the assigned price list in the *Form Settings* window for the document.
- You can override the assigned price list in the document either by changing it directly or by changing the payment terms. If you change the payment terms, the system will prompt you to ask if you want to change the price list or not.

Price list concept

Items Master

Item Number **A1001**

Price List **Purchasing Price** 299.00

Price List High Volume 499.00

Reseller 599.00

Price List 04 799.00

Price List 05

Price List 06

...

Business Partner Master Data

C1001

Payment Terms

Price List **Price List High Volume**

Document

Business Partner **C1001**

| Item | Price |
|--------------|-------|
| A1001 | |

- As you enter items in the document, the system proposes a price for each item based on the price list or any discounts or special prices you have defined.

Price Source in Documents

- Price source field provides information about the source of a price or discount on the item row

Form Settings - Sales Order

Table Format Row Format Document

Find

Column Visible Active

Base Type

Base Ref.

Base Key

Base Price

Price Source

Width

Height

Volume

Vol. Unit

Weight

Tax Amount (LC)

Block No.

OK Cancel Restore Default

Sales Order

Customer C30000 No. Primary 285

Name Microchips Status Open

Contact Person Judy Brown Posting Date 12/14/2012

Customer Ref. No. Delivery Date 12/14/2012

BP Currency \$ Document Date 12/14/2012

Contents Logistics Accounting Attachments

| # | Item No. | Quan... | Unit Price | Disc... | Tax C... | Total (LC) | Price Source | UoM... |
|---|----------|---------|------------|---------|----------|------------|-------------------------------------|--------|
| 1 | A00001 | 1 | 400.00 \$ | 0.000 | NY | 400.00 \$ | Special Prices for Business Partner | Manual |
| 2 | A00002 | 1 | 200.00 \$ | 0.000 | NY | 200.00 \$ | Special Prices for Business Partner | Manual |
| 3 | A00004 | 1 | 625.00 \$ | 20.000 | NY | 500.00 \$ | Active Price List, Discount Groups | Manual |
| 4 | C00001 | 1 | 500.00 \$ | 0.000 | NY | 500.00 \$ | Active Price List | Manual |
| 5 | I00005 | 1 | 112.50 \$ | 30.000 | NY | 78.75 \$ | Period and Volume Discounts | Manual |
| 6 | | | | 0.000 | | | | |

Sales Employee Bill Levine

Owner

Total Before Discount 1,678.75 \$

Discount %

Freight

- Since a document can contain prices not only from the price list, but also from other types of special pricing: period and volume discounts, discount groups and special prices for business partners, it is useful to be able to identify the source of the price.
- The price source field provides information on the source of prices and discounts on the item row.
- The field can contain one of the following values:
 - Inactive Price list. This indicates that the price list for the business partner is inactive.
 - Active Price List. This means that the price is taken from the business partner price list, with no discounts.
 - Active Price List, Discount Groups. In this case, the price is taken from the discount group associated with the business partner.
 - Special Prices for Business Partners. This means that the price is taken from the *Special Prices for Business Partners* window.
 - Period and Volume Discount. This shows that the price is taken from the *Period and Volume Discounts* window.
- This field can be especially useful to check if everything is working properly when you first set up pricing.
- To view the price source field, set it as visible and active in Form Settings.

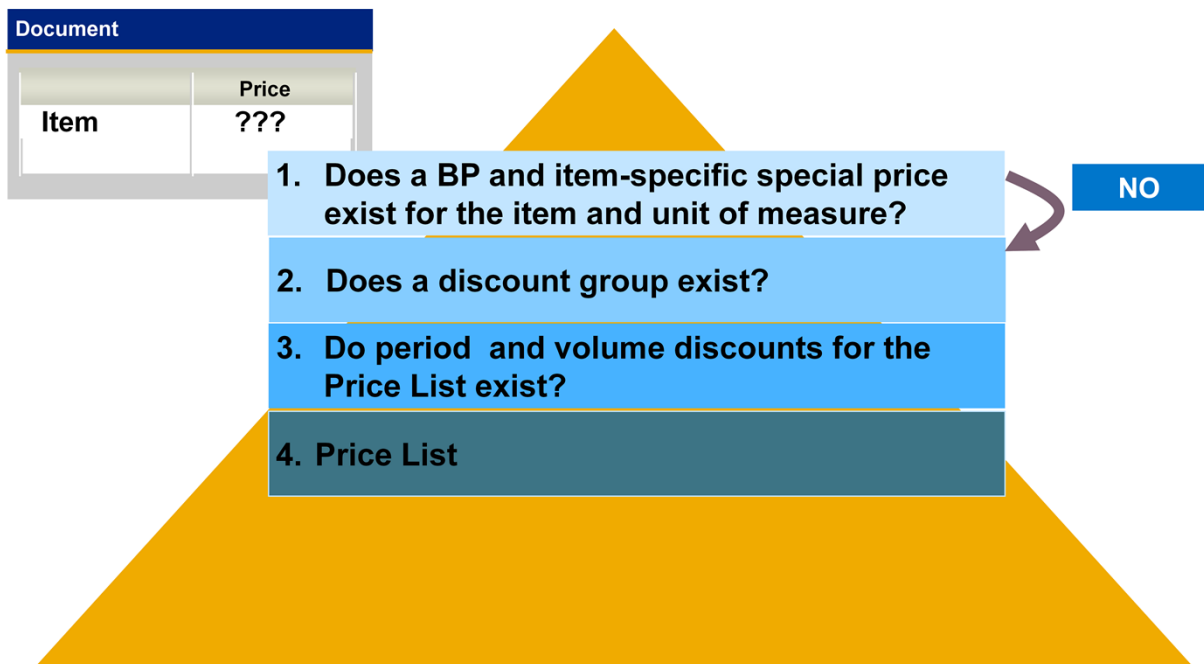
Price Determination in SAP Business One

| Document | |
|----------|--------------|
| Item | Price ??? |

1. Does a BP and item-specific special price exist for the item and unit of measure?
2. Does a discount group exist?
3. Do period and volume discounts for the Price List exist?
4. Price List

- So let us recap how the system finds pricing when you create a marketing document.
- Since you can define several prices in the system for the same item, the system needs to use a certain logic to find the valid price, starting with the most specific price.
- The system uses the above list of priorities to find the valid price. Once it has found the price, it enters the result in the document.

Price Determination in SAP Business One

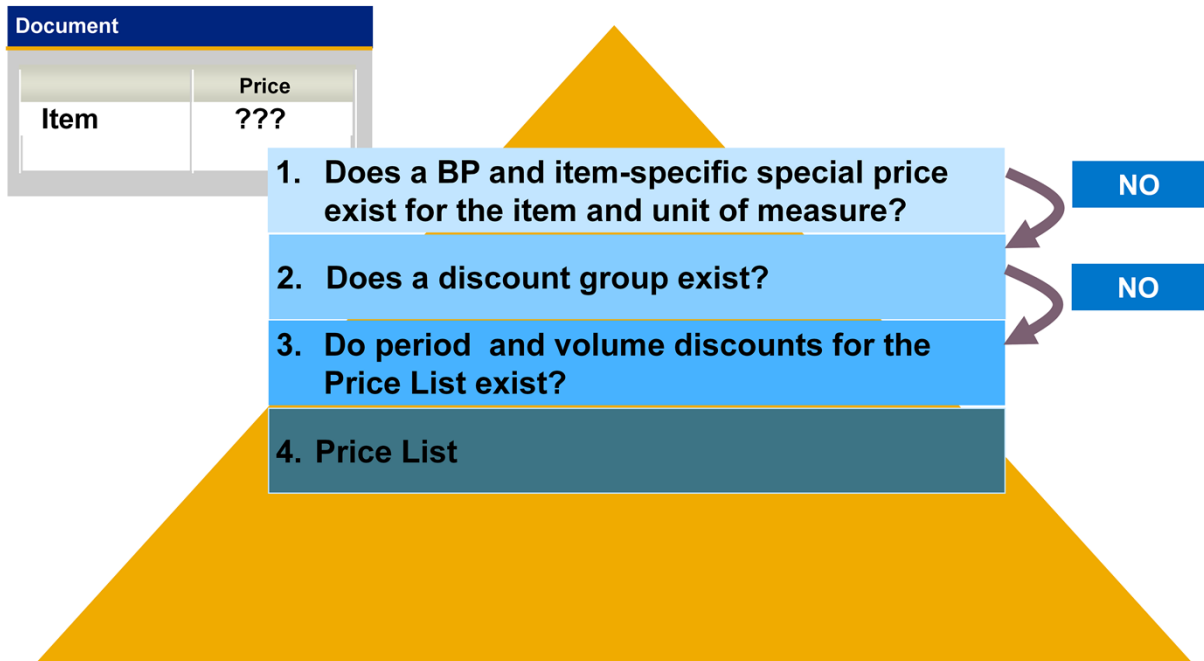


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- First, the system looks for a business partner and item specific special price.
- If none exists, then it looks for a discount group associated with that business partner.

Price Determination in SAP Business One

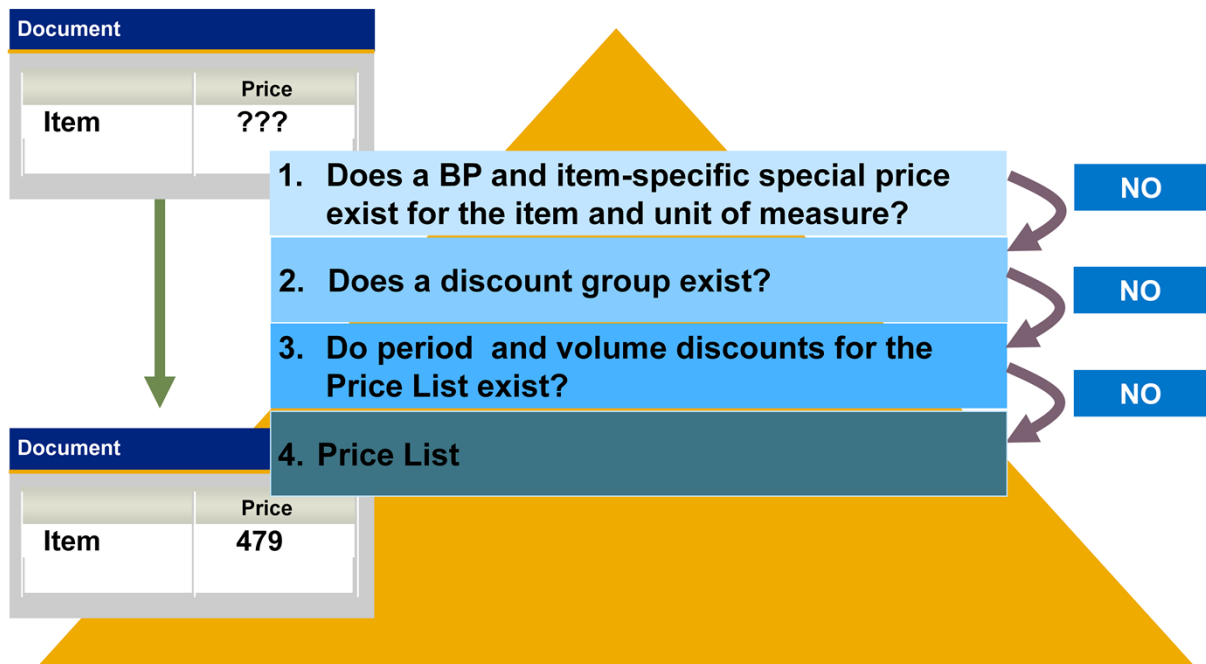


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- If no discount group exists, then it looks for period and volume discounts for the selected price list.
- Then it looks for a period and volume discount. The system looks to see if the item and unit of measure specified in the row match the period and volume discount for the pricelist.

Price Determination in SAP Business One



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- If no valid period and volume discount for this price list exists for this item and unit of measure, then it uses the basic price list assigned to the document.
- If a specific price exists for the unit of measure in the document, then that price will be used. However, the price list does not need to contain an entry for the specific unit of measure used in the document. A price will be automatically calculated for the item based on the relationships in the unit of measure group.

Summary



Here are some key points:

- There are 4 types of prices: price lists, period and volume discounts, discount groups and special pricing for business partners.
- When you create a document, the system brings in the price list associated with the business partner.
- You can change the assigned price list in the document.
- The system proposes a price for each item in the document.
- The system looks first for the most specific price and continues until it finds an applicable price.
- The pricing hierarchy order is: special prices for a business partner, discount groups, period and volume discounts, price list.
- The price source field shows the source of prices on the row.

- There are 4 types of pricing in SAP Business One: price lists, period and volume discounts, discount groups and special pricing for business partners.
- When you create a marketing document, the system brings in the price list associated with the business partner to the header of the document. You can view the assigned price list in the *Form Settings* window.
- You can change the assigned price list in the document either by changing it directly or by choosing different payment terms. If you change the payment terms, the system will prompt you to ask if you want to change the price list or not.
- As you enter items in the document, the system proposes a price for each item based on the price list or any special prices you have defined.
- The system looks first for the most specific price and continues until it finds an applicable price.
- The pricing hierarchy order is: special prices for a business partner, discount groups, period and volume discounts based on the price list associated with the marketing document, and finally prices in the price list.
- The price source field shows the source of prices and discounts on the document row.

Pricing Managing Pricelists

SAP Business One, Version 9.0



- Welcome to the topic on managing pricelists.

Objectives



At the end of this topic, you will be able to:

- Describe how to manage pricelists in SAP Business One.

- In this topic, you learn how to manage pricelists in SAP Business One.

Business Example



Your company maintains multiple pricelists to give appropriate pricing for different types of customers. Therefore you tie the pricelists to customer groups. When a new customer master record is created, the pricelist defaults from the customer group assigned to the customer master.

You set some pricelists to update automatically when a base pricelist changes.

Some pricelists are seasonal so they are managed with validity dates. New pricelists are marked as inactive until they are ready to be used.

- Your company maintains multiple price lists to give appropriate pricing for different types of customers. Therefore you tie the price lists to customer groups. When a new customer master record is created, the price list defaults from the customer group assigned to the customer master.
- You set some pricelists to update prices automatically when a base pricelist changes. For example, you base some sales prices on a pricelist based on purchase price.
- Some price lists are seasonal so they are managed with validity dates. New price lists are marked as inactive until they are ready to be used.

Pricelist concept

| Item Master | |
|-------------|-------------------------------|
| Item Number | A1001 |
| Price List | Purchasing Price 299.00 |
| | Price List High Volume 499.00 |
| | Reseller 599.00 |
| | Price List 04 799.00 |
| | Price List 05 |
| | Price List 06 |
| | ... |

| Business Partner Master Data | |
|------------------------------|------------------------|
| Business Partner | C1001 |
| Price List | Price List High Volume |

| Document | |
|------------------|-------|
| Business Partner | C1001 |
| Item | Price |
| A1001 | |

- SAP Business One uses price lists as the basis for pricing in the sales and purchasing process.
- Price lists contain the pricing for items.
- Each business partner has a price list assigned. You can see the assigned price list in the business partner master record.
- When an business partner is entered into a marketing document, the price list is associated with the document. When you enter an item in the document, the price for that item is drawn from the price list associated with that document.

Pricelists



- ❑ **SAP Business One provides 10 price lists.**
- ❑ **You can add, change or delete prices in price lists to maintain your pricing strategy.**
- ❑ **You can use:**
 - ❑ **All 10 price lists**
 - ❑ **Just a few of them, or**
 - ❑ **Create additional as needed.**

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- SAP Business One provides 10 pricelists.
- You can add, change or delete prices in these lists to manage your pricing strategy.
- You can use all 10 pricelists, use just a few of them or create additional as needed.

Maintaining Pricelists

☒ **Update Entire Price List**

☐ **Update by Selection**

| # | Price List Name | Base Price List | Factor | Rounding Method | Group |
|---|---------------------|---------------------|--------|-----------------|-------|
| 0 | Last Purchase Price | | | | |
| 1 | Purchasing Price | Last Purchase Price | 1.0 | No Rounding | Gr.1 |
| 2 | Large Customers | Purchasing Price | 1.5 | / | Gr.2 |
| 3 | Small Customers | Purchasing Price | 2.0 | / | Gr.2 |
| 4 | | | | | |

- In the price list window, you see all the pricelists.
- One nice feature of this window is that you can set automatic pricing for pricelists using factors.
- When you base a price list on another price list you tell the system how to calculate the prices in the factor column.
- For example if you want to double the prices from the original price list, the factor would be 2.0.
- We can see the Large Customer list has a factor of 1.5 over the Purchasing Price list. That means that if an item is \$10 in the purchase price list, then the large customer list would have that same item at \$15.
- In our example, whenever a price is updated for an item in the Purchasing Price List, the prices for that item in the Large Customers price list and the Small Customers price list are automatically updated based on the numbers in the factor column.
- From this window, you can update an entire price list or filter the items by various criteria such as item group, vendor or so on.

Automatic or Manual Updates

| # | Name | Base Price List | Factor | Rounding Method | Group |
|---|-------------|-----------------------|--------|-----------------|-------|
| 3 | Small Cust. | Purchasing Price List | 2 | No Rounding | Gr.1 |



double-click

- You can double-click a row to open the price list and maintain the individual item prices.

Automatic or Manual Updates

| # | Name | Base Price List | Factor | Rounding Method | Group |
|---|-------------|-----------------------|--------|-----------------|-------|
| 3 | Small Cust. | Purchasing Price List | 2 | No Rounding | Gr.1 |

Price Maintenance



double-click

| # | Item number | Description | Base Price | Factor | Price | Man. |
|---|-------------|-------------|------------|--------|-------|--------------------------|
| 1 | A0001 | Printer | 85 | 2 | 190 | <input type="checkbox"/> |
| 2 | A0002 | Tablet | 800 | 2 | 1,600 | <input type="checkbox"/> |
| 3 | A0003 | Desktop | 1200 | 2 | 2,400 | <input type="checkbox"/> |
| 4 | A0004 | Scanner | 50 | 2 | 100 | <input type="checkbox"/> |

- Once you open a price list, you see all the items in the system and the net prices assigned.
- Here we see the Small Customer price list is based on the Purchasing Price list.
- The prices are calculated using a factor of 2.
- Notice that the chair currently has an automatic price calculation of 190 which is twice the base price of 85.

Automatic or Manual Updates

| # | Name | Base Price List | Factor | Rounding Method | Group |
|---|-------------|-----------------------|--------|-----------------|-------|
| 3 | Small Cust. | Purchasing Price List | 2 | No Rounding | Gr.1 |

Price Maintenance



double-click

| # | Item number | Description | Base Price | Factor | Price | Man. |
|---|-------------|-------------|------------|--------|-------|-------------------------------------|
| 1 | A0001 | Printer | 85 | 2 | 190 | <input type="checkbox"/> |
| 2 | A0002 | Tablet | 800 | 2 | 1,600 | <input checked="" type="checkbox"/> |
| 3 | A0003 | Desktop | 1200 | 2 | 2,400 | <input type="checkbox"/> |
| 4 | A0004 | Scanner | 50 | 2 | 100 | <input type="checkbox"/> |

Prices that are maintained are **NOT** automatically updated in accordance with the factor.

- If we change the price for the table manually, then manual checkbox is automatically flagged. Once a price is maintained manually, it will not be updated automatically from that point forward.
- It is also possible to select the manual checkbox without changing the price. This way the price will remain as it is, no matter if the base price changes.
- If we decide to include this item in the automatic update for the future, we need to deactivate this indicator.

Units of Measure



double-click

| # | Item number | Description | Base Price | Factor | Price | Man. |
|---|-------------|---------------|------------|--------|-------|-------------------------------------|
| 1 | AL0001 | Laser Printer | 90 | 2 | 180 | <input type="checkbox"/> |
| 2 | AP2010 | Paper A1 | 1 | 2 | 2 | <input checked="" type="checkbox"/> |
| 3 | AP2020 | Printer Paper | 2 | 2 | 4 | <input type="checkbox"/> |
| 4 | B00320 | Copy Paper | 1 | 2 | 2 | <input type="checkbox"/> |

Item_B00320

| # | UoM Code | Base Price | Reduce By % | Unit Price | Auto |
|---|----------|------------|-------------|------------|-------------------------------------|
| 1 | Pack | 2 | | 2 | <input type="checkbox"/> |
| 2 | 6Pack | 12 | 5 | 2 | <input checked="" type="checkbox"/> |
| 3 | Carton | 45 | 15 | 4 | <input checked="" type="checkbox"/> |

- If you wish, you can maintain prices for each unit of measure for an item that has an assigned unit of measurement group.
- A new table for UoM prices was added to pricelists with release 9.0. To set the unit of measure pricing, select the pricelist, then *double-click* the item row in the price list to open the UoM prices window.
- You can add a row for each unit of measure by selecting the *UoM Code* from the item's UoM group
- The system automatically calculates the unit price for each unit of measure based on UoM Group definitions, but you can change the unit price either by entering a new unit price or by entering a percentage discount in the *Reduce By %* column. The reduction is calculated immediately and reflected in the unit price.
- Select the Auto checkbox in the row if you want the UoM prices to be updated according to the discount reduction, whenever the inventory UoM prices are updated in the Price List window. If the Auto checkbox is not selected in the row, the UoM prices are not updated when you update the prices of the inventory UoM in the Price List window.

Default Price for Unit

| Sales Order | | | | | | | | | |
|-------------------|--|------------|--|---------------|--|------------|--|-----|--|
| Customer | | C30000 | | No. | | Primary | | 273 | |
| Name | | Microchips | | Status | | Open | | | |
| Contact Person | | Judy Brown | | Posting Date | | 11/30/2012 | | | |
| Customer Ref. No. | | | | Delivery Date | | 11/30/2012 | | | |
| BP Currency | | \$ | | Document Date | | 11/30/2012 | | | |

| Contents | | | | | | | | | |
|-------------------|----------|-------------------|----------|--------------|---------|------------|------------|-----------|------------|
| Item/Service Type | | Item | | Summary Type | | No Summary | | | |
| # | Item No. | Item Description | Quantity | Unit Price | Disc... | Tax C... | Total (LC) | UoM Code | UoM Group |
| 1 | B00320 | Copy Paper - bulk | 1 | 6.25 \$ | 0.000 | NY | 6.25 \$ | Ream | Bulk Paper |
| 2 | B00320 | Copy Paper - bulk | 1 | 75.00 \$ | 0.000 | NY | 75.00 \$ | Case | Bulk Paper |
| 3 | B00320 | Copy Paper - bulk | 1 | 37.50 \$ | 0.000 | NY | 37.50 \$ | Half case | Bulk Paper |
| 4 | | | | 0.00 | | | | | |

- If unit of measure selected in document has no price defined in price list, the price is calculated according to the proportions defined in the UoM Group.

| Group Definition - Bulk Paper - Setup | | | | | |
|---------------------------------------|----------|-----------|---|----------|----------|
| # | Alt. Qty | Alt. UoM | = | Base Qty | Base UoM |
| 1 | 1 | Ream | = | 1 | Ream |
| 2 | 1 | Half case | = | 6 | Ream |
| 3 | 1 | Case | = | 12 | Ream |
| 4 | 1 | Pallet | = | 40 | Ream |

Ream = \$6.25

Half case = 6 * \$6.25 = \$37.50

- If a unit of measure selected in a marketing document row has no price defined in the price list, the system will calculate a price according to the proportions defined for the UoM group.
- In the example shown, there is no price set for the Half Case unit of measure, which is equivalent to 6 Reams of paper as defined in the UoM group. There is a price set for the Ream unit of measure, which is the inventory UoM. Therefore the price is calculated based on six times the price of the Ream.

Exact Pricing for Additional Currencies

Primary Currency



Additional Currency 1



Additional Currency 2



- For each entry in the price list, you can maintain 3 prices with different currencies:
 - The Primary currency
 - Additional Currency 1
 - Additional Currency 2

- For each entry on the price list, you can maintain up to 3 prices with different currencies (the primary currency and two additional currencies). This is useful when you want an exact price in a different currency rather than depending on the currency conversion done inside a document.
- You can maintain the pricing in alternate currencies not only at the item level, but also for each unit of measure for an item.
- The additional currency fields are hidden initially, but you can display them using Form Settings.

Price Lists Validity

- Set pricelists as inactive until ready to use.
- Pricelists can be active for specific date range

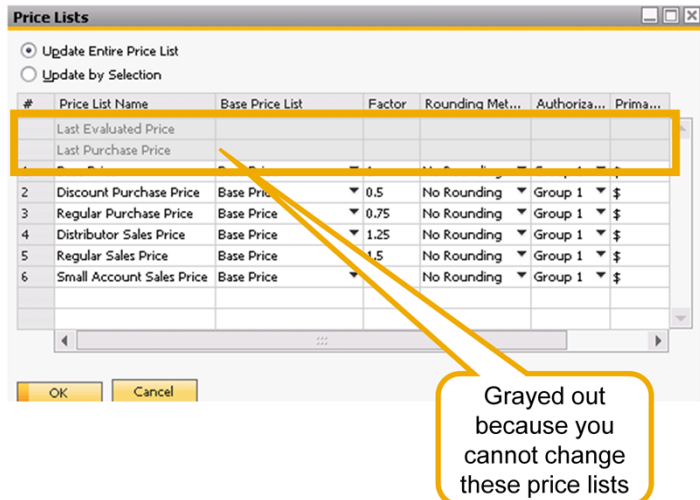
| # | Price List Name | Base Price List | Factor | Rounding Method | Group | Active | Valid From | Valid To |
|---|---------------------|---------------------|--------|-----------------|-------|-------------------------------------|------------|----------|
| 0 | Last Purchase Price | | | | | <input checked="" type="checkbox"/> | | |
| 1 | Purchasing Price | Last Purchase Price | 1.0 | No Rounding | Gr.1 | <input checked="" type="checkbox"/> | | |
| 2 | Large Customers | Purchasing Price | 1.5 | / | Gr.2 | <input checked="" type="checkbox"/> | | |
| 3 | Small Customers | Purchasing Price | 1.6 | / | Gr.2 | <input type="checkbox"/> | | |
| 4 | | | | | | | | |

- As of release 9.0, you can set a price list as inactive until you are ready to use it. A company can now set up pricing in advance, and activate a price list when required. In the previous releases, this function was only available at the special prices level, not at the price list level.
- You can also set a price list to be active for a specific date range. This allows companies to offer price changes for a limited period. The pricing will only be effective when the first validity date is reached. When the range is no longer valid, the price list becomes inactive.
- If you use an inactive price list in a document, no pricing will appear. If a marketing document refers to an *inactive* price list, such as in an order for a customer associated with an inactive price list, the item price is zero and the unit price field is shown as empty in the document row. When you add a document associated with an inactive price list, the system will warn you about the zero price. If an active price list has a date range, then the document posting date must fall within the date range, otherwise the price list will be considered inactive. For other windows such as the item master data, the system date is used for the comparison with the price list date range.
- A price list can be deactivated at any time, even if it is already assigned to a business partner.

System-maintained price lists

Two price lists automatically maintained:

- ❑ **Last Evaluated Price – updated by Inventory Simulation Report**
- ❑ **Last Purchase Price – updated when an item enters inventory with its original price**



- There are two price lists which you do not maintain:
 - The Last Evaluated Price list
 - The Last Purchase Price list
- The system maintains these price lists automatically.
- The Last Evaluated Price List is automatically updated when you run the Inventory Valuation Simulation Report. This price is calculated only for the item's inventory unit of measure and only in primary currency.
- The Last Purchase Price is automatically updated when an item enters inventory with its original price.
- These 2 price lists are grayed out in the Price Lists window because you cannot change these price lists.

Last Purchase Price Pricelist

**Base
Pricelist**

***Last Purchase
Price***

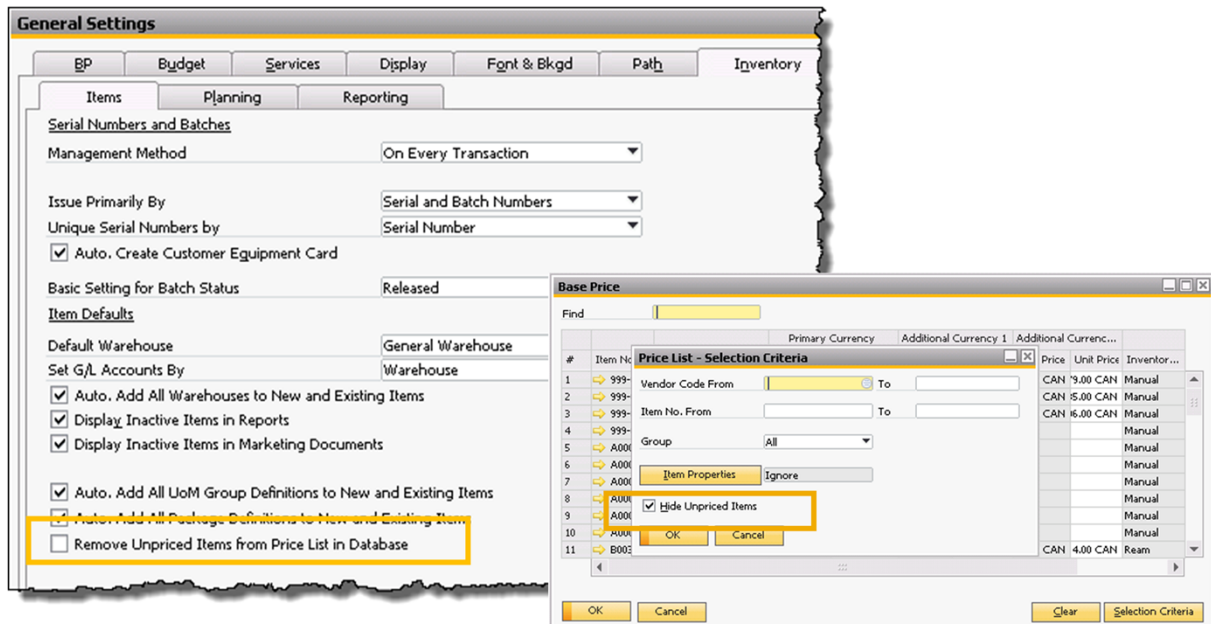
**Automatic
update only**

When you post one of the following transactions in the system, the system updates the *last purchase price*:

- A/P Invoice
- Miscellaneous goods receipts
- Entering a positive inventory balance
- Landed Cost Document
- Manufacturing a product with automatic calculation of last purchase prices for all components

- Last purchase price is updated by: accounts payable invoices, goods receipts and goods receipt POs, inventory postings for initial quantities or adjustments for positive stock differences, landed costs documents and automatic calculation of last purchase price for bills of materials used in production. Canceling any of the documents will not affect this price.
- If none of these actions listed in the graphic have been performed in the system for an item, the *Last Purchase Price* pricelist will not contain a price for the item.
- You can base other price lists on the *Last Purchase Price*. You cannot, however, change the prices in the *Last Purchase Price* pricelist manually.

Removing Items Without Prices



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- As a default, every item appears on every price list. For a company with huge numbers of items and specialty price lists, this could make manipulating items unwieldy.
- As of release 9.0, an option exists to remove items without prices from price lists.
- By selecting a checkbox in *General Settings*, all items with zero price will be immediately removed from the items table (ITM1). This will substantially reduce the size of this table and improve performance. Be aware that this action is not recorded in the log file, since there are no price changes. When the checkbox is selected there are no UI changes for the user. If the checkbox is subsequently deselected, all the removed items will be restored to the ITM1 table so they can be used in normal business operations. Note that no backup is needed before the restore is made.
- This checkbox is not relevant for the *Last Purchase Price* and the *Last Evaluated Price* pricelists. All items remain associated with these two price lists.
- After choosing the option in *General Settings*, items with no price are still displayed to users when they view price lists. If you would like to view the price lists without seeing these items, choose the option, *Hide Unpriced Items*, in the *Price list – Selection Criteria* window. A similar option exists in price list reports.

Summary



Here are some key points:

- You maintain purchasing and sales prices in pricelists.
- There are 10 default price lists. You can define more.
- You can define prices for all pricelists except the last purchase price and evaluated price pricelists.
- Every item is linked to every pricelist.
- You have the option to remove zero price items from all pricelists except the last purchase price and evaluated price pricelists.
- A pricelist can be based on another pricelist by using a factor. In this way prices can be automatically updated when the base pricelist changes.
- If a pricelist price is changed manually, it can no longer automatically change.
- You can set validity dates for pricelists or mark a pricelist as inactive.

- You maintain purchasing and sales prices in pricelists.
- There are 10 default price lists. You can define more.
- You can define prices for all pricelists except the last purchase price and evaluated price pricelists.
- Every item is linked to every pricelist.
- You have the option to remove zero price items from all pricelists except the last purchase price and evaluated price pricelists.
- A pricelist can be based on another pricelist by using a factor. In this way prices can be automatically updated when the base pricelist changes.
- If a pricelist price is changed manually, it can no longer automatically change.
- You can set validity dates for pricelists or mark a pricelist as inactive.

Pricing Period and Volume Discounts

SAP Business One, Version 9.0



- Welcome to the topic on period and volume discounts.

Objectives



At the end of this topic you will be able to:

- Set up period and volume discounts for price lists.

- In this topic, we will set up period and volume discounts for price lists.

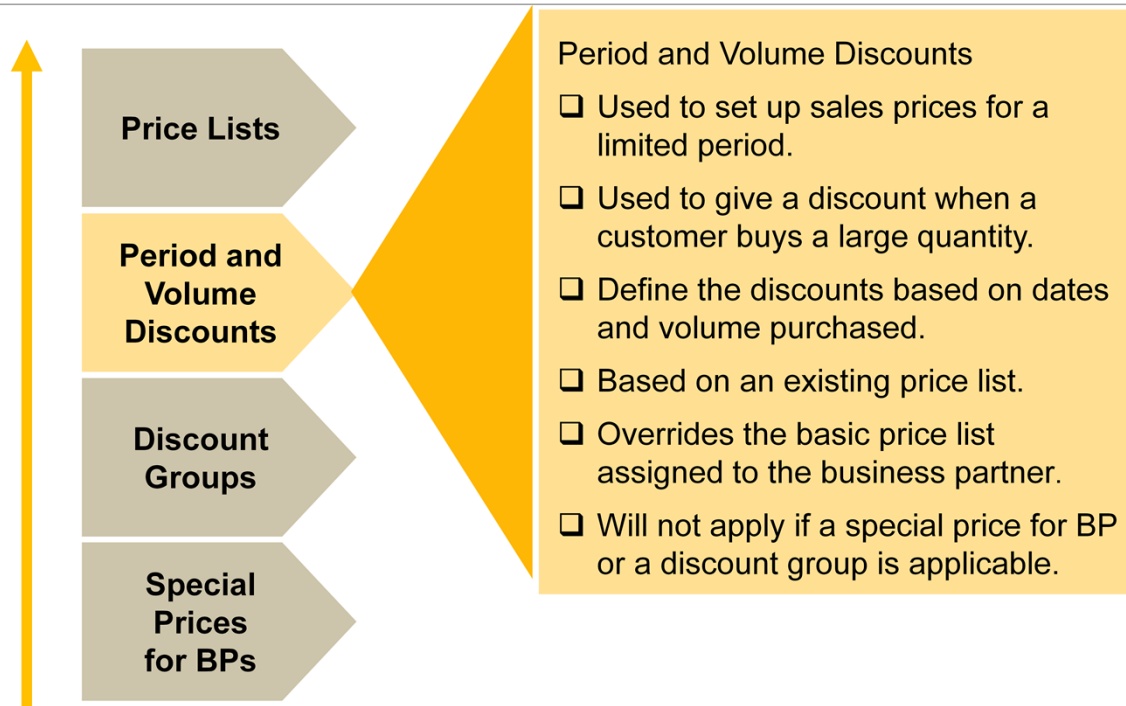
Business Example



- Your company periodically gives discounts on the list price based on volume purchases or during sales events.
- Period and volume discounts on particular price lists are set up in advance for seasonal sales.

- Imagine that: Your company periodically gives discounts on the list price based on volume purchases or during sales events. Period and volume discounts on particular price lists are set up in advance for seasonal sales.

Discounts for Time and Quantity



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- A basic price for the product may not be enough.
- You may want to set up sale prices for a limited time period. You may want to give a discount when a customer buys a large quantity.
- Period and volume discounts allow you to define discounts by dates and based on volume based on an existing price list.
- The discounts entered here will override the basic price in the business partner's assigned price list as long as the unit of measure specified in the discount matches the unit of measure in the row.
- The discounts will not apply if a special price for the business partner or a discount group is applicable for the customer or item.

Seasonal Sale Example



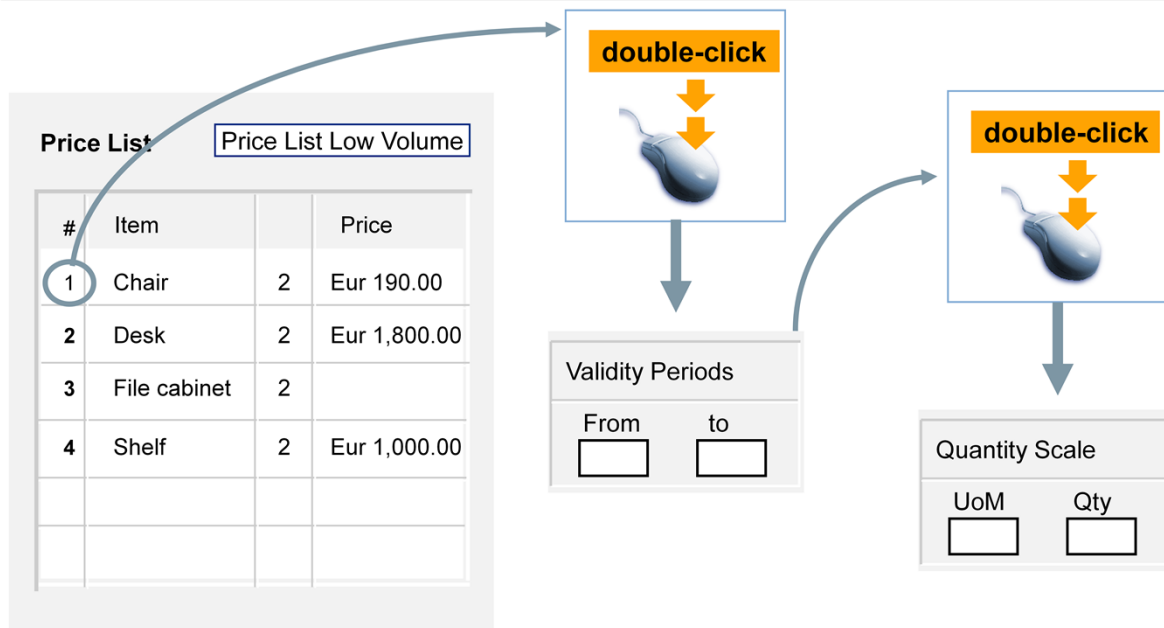
**5% off all office furniture
in month of September**



**3% additional for
set of 4 chairs**

- You can use period and volume discounts to define special prices for price lists. A special price can apply to a defined period or to a quantity scale.
- For example, you decide to have a autumn sale on office furniture. You want to give a 5% discount off of the price of desks and chairs on the small accounts sales price list for the month of September. During that period you will also give an additional discount of 3% for anyone who buys a set of 4 chairs or more.

Entering Period and Volume Discounts



- In SAP Business One, time-based discounts are set up first then the volume discounts are defined for those validity periods. Open the price list, then double-click to open the validity period window. After entering the validity, double-click again to open the window to set the quantity needed for the discount.
- When a marketing document uses this price list, the business partner will be eligible for the period and volume discounts.

Setting up the discount

Period and Volume Discounts

Price List: **Base Price**

Find:

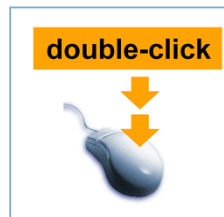
| # | Item No. | Item Description | Primary Currency | Source Price | UoM |
|---|----------|------------------|------------------|---------------------|-----|
| 1 | OF2003 | Office Chair | 148.75 \$ | Unit Price - Manual | |
| 2 | | | | Unit Price - Manual | |

Buttons: OK, Cancel, Add, Add Items

1. **Select Pricelist**
2. **Select Items**
3. **Select Source Price**

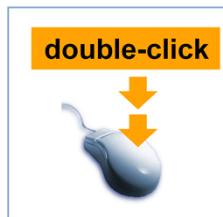
- In the Periods and Volume Discounts window, you first select the pricelist for which you want to define discounts.
- Then add the items individually or by ranges and groups.
- Then select a source price for the discount. Since a pricelist price can be defined in a primary currency and two additional currencies, the dropdown box allows you to name which currency's price is used as a base for the special price in the *Period Discount* and *Volume Discount* windows.
- In our scenario, we want to set up a discount for office chairs for the primary currency price in Small Accounts Sales Price List. So we choose the price list, select the item for office chairs and select the unit price in the primary currency.

Enter Validity Dates

[illegible]

- Then double-click to open the *Period Discounts* window.
- Enter the date range for the discount.
- You can enter the discount by percentage or by changing the price after discount.
- The *Auto* checkbox controls whether the discount will be automatically recalculated when the price list is updated.
- In our example, we enter the dates for our autumn sale then add the 5% discount for the period.
- If we wanted to make sure the price did not increase during the sale period, even if the price list changes, then we could uncheck the *Auto* checkbox.

Entering Volume-based Discounts



Volume Discounts for Price List

| | Quantity | Discount | Special Price |
|---|----------|----------|---------------|
| 1 | 4.000 | 8.000 | 136.85 \$ |
| 2 | 0.000 | 0.000 | 148.75 \$ |
| | | | |
| | | | |
| | | | |

OK Cancel

- Enter the quantity required to receive the discount.
- Then enter total discount percentage or special price for each unit of quantity.

- To add further discounts based on volume, double-click on a row to open the Volume Discounts for Pricelist window.
- Enter the quantity required to receive the discount. Then enter the total discount percentage or special price for each unit of quantity.
- Here we can enter the additional 3% discount for the 4 chairs.
- We enter 4 for the quantity and then, since our base discount is 5%, we enter 8% to give the additional 3% off of the price list price.

Entering Volume Per Unit

Period and Volume Discounts

Price List: Small Account Sales Price

| # | Item No. | Item Description | Unit Price | Source Price | UoM |
|---|----------|------------------------|------------|---------------------|-----|
| 1 | OF2003 | Office Chair | 148.75 \$ | Unit Price - Manual | |
| 2 | R00001 | Printer Paper A4 White | 8.75 \$ | Unit Price - Pack | |

Period Discounts

| | Valid From | Valid To | Price List | Disc... | Price after Dis... | Auto |
|---|------------|------------|-----------------------|---------|--------------------|-------------------------------------|
| 1 | 09/01/2013 | 09/30/2013 | Small Account Sales P | 0.000 | 8.75 \$ | <input checked="" type="checkbox"/> |
| 2 | | | Small Account Sales P | 0.000 | 8.75 \$ | <input checked="" type="checkbox"/> |

Volume Discounts for Price List

| UoM Code | UoM Name | Quantity | Discount | Special Price |
|----------|----------|----------|----------|---------------|
| Carton | Carton | 0.000 | 5.000 | |

List of Units of Measure

| # | Code | Unit Name |
|---|---------|------------|
| 1 | 6Pack | 6 Pack |
| 2 | Carton | Carton |
| 3 | Pack | Pack |
| 4 | Pallet | Pallet |
| 5 | SmlPack | Small Pack |

Volume discount for each UoM

- Define volume based discounts for each unit of measure for an item
- Add a new row to bring in additional units
- You can add discounts for units even if they are not defined in the *Period Discounts* window.

- If you have multiple units of measure set up for an item, you can define volume based discounts and prices for each unit of measure in the item's Unit of Measurement Group.
- In the same window (*Volume Discounts for Price List*), just add a new row to bring in each additional unit of measure.
- You can add a volume discount for any of the item's units of measurement, even if the unit is not defined in the selected price list in the *Period Discounts* window for this item.
- However, if the unit is deleted later on from the unit of measurement group for the item, then the discount will also be removed from this table.

Copying existing discounts

Period Discounts - Items - Selection Criteria

☐ Select Items Without Period Discounts
☒ Select Items of Same UoM Group

| # | Select | Item No. | Item Description | UoM Group | Period Discounts |
|----|-------------------------------------|-----------|-------------------------------|-----------|------------------|
| 49 | <input type="checkbox"/> | MRP_Item1 | MRP_Item1 | Manual | Not Defined |
| 50 | <input type="checkbox"/> | MRP_Item2 | MRP_Item2 | Manual | Not Defined |
| 51 | <input type="checkbox"/> | MRP_Item3 | MRP_Item3 | Manual | Not Defined |
| 52 | <input type="checkbox"/> | MRP_Item4 | MRP_Item4 | Manual | Not Defined |
| 53 | <input type="checkbox"/> | MRP_Item5 | MRP_Item5 | Manual | Not Defined |
| 54 | <input type="checkbox"/> | OF2003 | Office Chair | Manual | Defined |
| 55 | <input type="checkbox"/> | P10001 | PC - 8x core, DDR 32GB, 2TB | Manual | Not Defined |
| 56 | <input type="checkbox"/> | P10002 | PC - 12x core, 64GB, 5 x 150G | Manual | Not Defined |
| 57 | <input type="checkbox"/> | P10003 | PC Set 1 | Manual | Not Defined |
| 58 | <input type="checkbox"/> | P10004 | PC Set 2 | Manual | Not Defined |
| 59 | <input checked="" type="checkbox"/> | R00002 | Printer Paper A4 Recycled | Paper | Not Defined |

OK Cancel **Copy Discounts**

- Once you have some period and volume discounts set up for some items you may wish to copy these discounts to other items.
- In the *Period and Volume Discount* transaction, begin by selecting a price list from the dropdown box.
- Then select the item whose definition of period or volume discount you wish to copy by double-clicking the row.
- Choose the *Copy Discounts* button.
- Now select the items that should be given the same discount. The default is to select all the items.
- You have two additional options for defining how the copy is done:
 - The first option is: *Select Items Without Period Discounts* – This is used to copy the discounts only to items that do not yet have any period and volume discounts.
 - The second option is: *Select Items of the Same UoM Group* – This allows you to limit the copying of the discounts to items with the same unit of measurement group and only for the units defined for the target items.
- For example, if we have a period discount on packs of one type of paper, we could decide to copy the same discount to other paper with the same units of measure.

Summary



Here are some key points:

- Period and volume discounts allow you to define discounts by validity dates and volume for an existing price list.
- The discounts entered here override the basic price in the business partner's assigned price list.
- Setting up a period and volume discount involves multiple windows. First you choose an item and its price from the price list, then set up a validity period before opening a third window to define volume discounts for the validity period.
- You can add a volume discount for any of the item's units of measurement, even if the unit is not defined in the selected price list in the *Period Discounts* window for this item. However, the unit of measure in the discount must match the unit of measure in the document row for the discount to apply.
- You can copy period and volume discounts to other items.

- Period and volume discounts allow you to define discounts by validity dates and based on volume for an existing price list.
- The discounts entered here override the basic price in the business partner's assigned price list.
- Setting up a period and volume discount involves multiple windows. First you choose an item and its price from the price list, then set up a validity period before opening a third window to define volume discounts for the validity period.
- You can add a volume discount for any of the item's units of measurement, even if the unit is not defined in the selected price list in the *Period Discounts* window for this item. However, the unit of measure specified in the discount must match the unit of measure in the document row for the discount to apply.
- You can copy period and volume discounts to other items, either by selecting all items, specific items or by using the options to select items without period discounts or items of the same UoM group.

Pricing Discount Groups

SAP Business One, Version 9.0



- Welcome to the topic on discount groups.

Objectives



At the end of this topic, you will be able to:

- ☐ Set up discount groups

- In this topic, you will learn how to set up discount groups.

Business Example



Your company wants to introduce some new discounts.

Some of these offers will be based on specific customer groups.

Other offers will be available to all business partners but based on specific items or manufacturers.

Some customers will be eligible for multiple discounts on the same product, but others will receive only one of the discounts.

One offer will be a “pay for 3 – get 1 free” deal for a range of products.

To create these discount offers, they will use discount groups.

- Imagine that your company wants to introduce some new discounts.
- Some of these offers will be based on specific customer groups, other offers will be available to all business partners but based on specific items or manufacturers.
- Some customers will be eligible for multiple discounts on the same product, but others will receive only one of the discounts.
- One offer will be a “pay for 3 – get one free” deal for a range of products such as mobile phones, ink cartridge refills and DVD discs.
- To create these discount offers, you can use discount groups.

Discount Basis

Discount Groups

%

Discount groups can be assigned to:

- Specific Business Partners
- Business Partner Groups
- All Business Partners

Discount groups can be based on:

- Specific Items
- Item Groups
- Item Properties
- Item Manufacturers

- Discount groups are the most flexible type of pricing.
- You can assign a discount group to a specific business partner, a business partner group or even to all business partners.
- The discounts are defined for specific items or item groups, a combination of item properties or an item manufacturer.
- Multiple discounts can be defined within the discount group. For example, within the same discount group you can have a discount on an item group as well as a discount for a specific manufacturer.
- Discounts can be set at a percentage or be calculated by quantity purchased.
- Let us go through the different combinations of discounts you can create using discount groups.

Creating a discount group

- ❑ **5% off item group for printers**
- ❑ **1 free case of recycled paper when buying two cases**
- ❑ **2% off products manufactured by Rainbow**
- ❑ **3% items with the item property of business products**



- The first step in creating a discount group is to think of the kinds of discounts that would be appropriate to one or more business partners and group them together inside the discount group.
- For example you may wish to give retail customers 5% off printers and an offer of 1 free case of recycled paper when they buy 2 cases. A different set of discounts may apply to the customer group for large customers. For them, you might offer 2% off products from the manufacturer Rainbow and 3% off any items that have the item property of business products.
- Once you know the type of discounts you wish to group together, the first step in creating the discount group is to choose the business partners that the discounts will apply to.

Assigning Discount Groups

Assign to:

- ☐ Specific BP
- ☐ Customer Group
- ☐ Vendor Group
- ☐ All BPs

Selection option for Specific BP, Customer and Vendor group, and All BP's

| Type | Item | Item Description | Discount % | Paid Qty | Free Qty | Max. Free Qty |
|----------------|------|-------------------------|------------|----------|----------|---------------|
| All BPs | 1 | I00022 Android phone | 0.000 | 0.000 | 0.000 | 0.000 |
| Customer Group | 2 | I00046S Bluetooth speak | 0.000 | 0.000 | 0.000 | 0.000 |
| Vendor Group | 3 | I111111 Droid phone | 0.000 | 0.000 | 0.000 | 0.000 |
| Specific BP | | | | | | |

☒ Active From: To:

- Previous to 9.0, discount groups could only be assigned to specific business partners.
- Now, discount groups can be assigned not only to specific business partners, but to business partner groups (such as vendor or customer groups) or even be assigned to all business partners.
- Since you can now assign a discount for groups and for all business partners, SAP has provided the option to exclude specific business partners from discount groups. We will come back to that later on in this topic.
- Now we will take a look at the specific types of discounts available in every discount group and how they are applied.

Discount Groups for Item Groups

Discount Groups

Type: Customer Group Group Name: Sales Accounts

Item Groups Properties Manufacturers Items

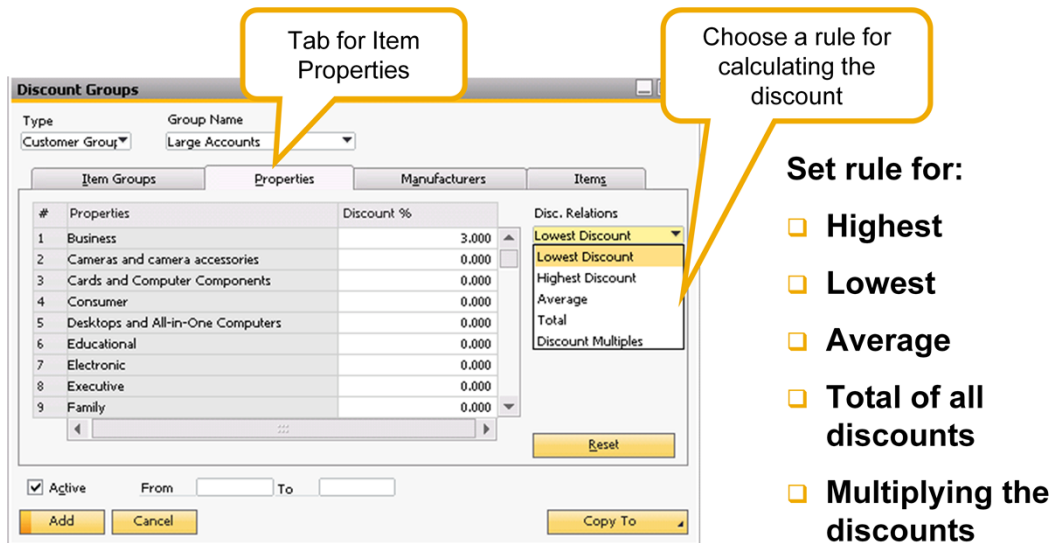
| # | Group | Discount % |
|---|------------------|------------|
| 1 | Accessories | 0.000 |
| 2 | Items | 0.000 |
| 3 | J.B. Printers | 5.000 |
| 4 | PC | 0.000 |
| 5 | Rainbow Printers | 5.000 |
| 6 | Servers | 0.000 |
| 7 | Storage | 0.000 |

Buttons: New Group, Reset, Add, Cancel, Copy To

Active: ☒ From: To:

- Four tabs are available in every discount group for defining discounts: Item Groups, Properties, Manufacturers and Items.
- First we will look at item groups.
- The item group tab displays all the item groups defined for the company.
- You enter the discount you desire on the row for each item group.
- The default form settings show only the option for percentage discounts, however, you can add the fields for giving free items based on quantity purchased in the Form Settings window.
- Once you have set a discount based on an item group, all items belonging to that item group are automatically included in the discount.
- This means that when a new item master is assigned to an item group, it will automatically be added to any discount group that is based on that item group.

Discount Groups for Properties



Tab for Item Properties

Choose a rule for calculating the discount

Set rule for:

- ☐ Highest
- ☐ Lowest
- ☐ Average
- ☐ Total of all discounts
- ☐ Multiplying the discounts

| # | Properties | Discount % |
|---|-----------------------------------|------------|
| 1 | Business | 3.000 |
| 2 | Cameras and camera accessories | 0.000 |
| 3 | Cards and Computer Components | 0.000 |
| 4 | Consumer | 0.000 |
| 5 | Desktops and All-in-One Computers | 0.000 |
| 6 | Educational | 0.000 |
| 7 | Electronic | 0.000 |
| 8 | Executive | 0.000 |
| 9 | Family | 0.000 |

Disc. Relations: Lowest Discount, Lowest Discount, Highest Discount, Average, Total, Discount Multiples

Reset

Active: ☒ From: To: Add Cancel Copy To

- Another option is to use item properties as way to indicate items that should be discounted.
- A nice feature of discount groups at the item properties level is that SAP Business One allows you to define a discount for several properties at once.
- Additionally, you can use a rule to decide which discount is used by the system for the calculation:
 - The highest discount -The property with the highest discount will determine the overall discount calculated for the item.
 - The lowest discount -The property with the lowest discount will determine the overall discount calculated for the item.
 - The average discount -The system calculates the average of all the discounts for the properties. The average is used as the discount.
 - Discount totals - The system adds together all discounts of the properties that apply to the item. The total (up to 100%) is used as the discount.
 - Discount multiples – The system multiplies the discounts of the properties that apply to the item.

Discount Groups for Manufacturers

Discount Groups

Type: Customer Group Group Name: Large Accounts

Item Groups Properties **Manufacturers** Items

| # | Manufacturer | Discount % |
|----|----------------|------------|
| 1 | A+ Electronics | 0.000 |
| 2 | Accent Inc | 0.000 |
| 3 | -I-Tech | 0.000 |
| 4 | I-Tech | 0.000 |
| 5 | J.B. | 0.000 |
| 6 | LeMon | 0.000 |
| 7 | OEC | 0.000 |
| 8 | PCM | 0.000 |
| 9 | Prosoft | 0.000 |
| 10 | Rainbow | 2.000 |

☒ Active From: To: Add Cancel Copy To New Manufacturer Reset

Set discount for a manufacturer

Can add new manufacturers to the list

- Another way to define a discount group is by manufacturer.
- For example, imagine that you sell Rainbow-brand printers and accessories. The manufacturer, Rainbow, offers you a lower price as a distributor for all their products. You would like to pass on some of these savings by discounting all Rainbow products by 2% for large customers.
- You can set up a discount group for the large accounts customer group which includes a 2% discount for all products manufactured by Rainbow.

Discount Groups for Items

The screenshot shows the "Discount Groups" application window. At the top, there are tabs for "Item Groups", "Properties", "Manufacturers", and "Items". The "Items" tab is currently selected. Below the tabs is a table with four columns: "#", "Item Code", "Item Description", and "Discount %". The table contains two rows of data:

| # | Item Code | Item Description | Discount % |
|---|-----------|----------------------|------------|
| 1 | Z00001 | Tablet PC 64GB Black | 5.000 |
| 2 | Z00002 | Tablet PC 64GB White | 4.000 |

To the right of the table are three buttons: "Clear Table", "Add", and "Reset". Below the table, there is a section with a checked "Active" checkbox, a date range from "08/15/2013" to "09/15/2013", and "Add" and "Cancel" buttons. At the bottom right, there is a "Copy To" button.

Two callout boxes provide additional information:

- A yellow callout box points to the "Items" tab with the text: "Tab to define discounts by item code".
- A yellow callout box points to the "Add" button with the text: "Add items to the table".

- The fourth tab is the Items tab.
- Here you can list individual items that you want to discount. Unlike the other tabs, the list is empty until you add the items you wish to discount. This makes sense if you think about the large number of items that a company can have.
- Here we see a discount group set up for all business partners to promote tablets in a back-to-school sale.

Free Goods

Free Goods Discounts can be set on all 4 tabs

The screenshot shows the SAP Free Goods configuration interface. The 'Form Settings - Discount Groups' dialog box is open, displaying a table of discount groups. The table has columns for Item Description, Discount %, Paid Qty, Free Qty, and Max. Free Qty. The 'Paid Qty' column is highlighted with an orange box, and a callout points to it with the text 'Discount according to quantity purchased'.

| Item Description | Discount % | Paid Qty | Free Qty | Max. Free Qty |
|---------------------|------------|----------|----------|---------------|
| < Cartridge - Black | 0.000 | 2.000 | 1.000 | 4.000 |
| < Cartridge - Color | 0.000 | 4.000 | 2.000 | 8.000 |

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- Companies often need to offer incentive pricing with free goods.
- Free goods discounts can be set on all four tabs.
- There are 3 fields for setting a variable discount according to the quantity purchased.
- The fields are hidden until you select them in Form Settings and then widen the window or scroll to view the additional fields.

Free Goods

Discount Groups

Type: All BPs

| # | Item Code | Item Description | Discount.. | Paid Qty | Free Qty | Max. Free Qty |
|---|-----------|-----------------------|------------|----------|----------|---------------|
| 1 | I00031 | Ink Cartridge - Black | 0.000 | 2,000 | 1,000 | 4,000 |
| 2 | I00032 | Ink Cartridge - Color | 0.000 | 4,000 | 2,000 | 8,000 |

Buy 3 cartridges, get 1 free.
Maximum 4 free cartridges.

Buttons: Clear Table, Add, Reset, Copy To

- To set up a variable discount according to the quantity purchased:
 - You specify the paid quantity in the first column. This is the quantity that a customer will pay or that you would purchase from a vendor. In this example the paid quantity is 2.
 - The second column specifies the quantity that is given for free when the paid quantity is purchased. In this example, the customer receives 1 free item for every two purchased.
 - The last field is optional, but specifies a limit for the free items. In the example this is set to 4. A customer will receive up to 4 free items if 8 are purchased. If more than 8 are purchased, the customer still receives only 4.
- Note that purchased items and the free items must have the same item code. The functionality does not cover the purchase of items with a different item as the free item.

Free Goods Discount Calculation

| Item # | Paid Qty | Free Qty | Max. Free Qty |
|--------|----------|----------|---------------|
| I00031 | 2 | 1 | 4 |

| Quantity Purchased | Discount % | Total (LC) | Comments |
|--------------------|------------|----------------|---------------------------|
| 2 | 0 | Unit Price * 2 | No discount |
| 3 | 33.33 | Unit Price * 2 | Pay for 2 and get 1 free |
| 4 | 25 | Unit Price * 3 | Pay for 3 and get 1 free |
| 5 | 20 | Unit Price * 4 | Pay for 4 and get 1 free |
| 6 | 33.33 | Unit Price * 4 | Pay for 4 and get 2 free |
| 12 | 33.33 | Unit Price * 8 | Pay for 8 and get 4 free |
| 15 | 26.67 | Unit Price * 8 | Pay for 11 and get 4 free |

- Let us explore how the discount is actually calculated.
- In the example shown, the discount group is set up as follows:
 - The paid quantity is set to 2
 - The free quantity is set to 1
 - The maximum number of free items is 4.
- If the customer purchases a quantity of 2, no discount is applied.
- If the customer purchases a quantity of 3, the discount is applied giving 33.33% off of the regular price. In other words, the customer buys 3 but gets 1 of the 3 for free.
- If the customer purchases 4 items, they only get the discount based on a quantity of 3 purchased, therefore the discount percentage is reduced from a third to a quarter.
- If the customer purchases a quantity of 6 items, the discount is 33.33%. The customer pays for 4 items and gets 2 items for free.
- The customer essentially gets 1 free item with every 3 items purchased, up to the maximum limit of 4 free items.
- So, if the if the customer purchases 12 items (4 * 3 items), they will get the maximum number of free goods.

Free Goods in the Sales Order

The screenshot shows the SAP Sales Order interface. At the top, there are fields for Customer (C23900), Name (Parameter Technology), Contact Person (Daniel Brown), Customer Ref. No., BP Currency (\$), No. (Primary), Status (Open), Posting Date (12/06/2012), Delivery Date, and Document Date (12/06/2012). Below this is a table with columns: Item/Service Type, Item, Quantity, Unit Price, Disc..., Tax C..., and Total (LC). The table has two rows: Row 1 shows Item No. 100031, Quantity 3, Unit Price 40.00 \$, Disc... 33.33, Tax C... PA, and Total (LC) 80.00 \$. Row 2 is empty. Below the table, there are fields for Sales Employee (Brad Thompson), Owner, Freight, Rounding, Tax, and Total (84.80 \$). Two callouts are present: one pointing to the Quantity field in Row 1 saying 'When quantity is changed to 3...' and another pointing to the Disc... field in Row 1 saying 'Discount is automatically applied based on purchased quantity'.

| # | Item No. | Quantity | Unit Price | Disc... | Tax C... | Total (LC) |
|---|----------|----------|------------|---------|----------|------------|
| 1 | 100031 | 3 | 40.00 \$ | 33.33 | PA | 80.00 \$ |
| 2 | | | | | | |

- When item quantity entered in row, the system automatically enters the calculated discount % in the row
- If customer returns an item, customer will receive refund based on the discounted price.

- We can see the effect of the multiple quantity discount in a sales order.
- When the item quantity is entered in the row, the system automatically enters the calculated discount percentage in the row.
- When the item quantity entered is 3, the system automatically enters a discount of 33.33% in the Discount field in the sales order row.
- If the customer later returns one of the items, the customer will receive a refund based on the discounted purchase price.
- In this example, the customer would receive one third of the total price paid for the three items.

Free Goods or Percentage

| # | Item Code | Item Description | Discount... | Paid Qty | Free Qty | Max. Free Qty |
|---|-----------|-----------------------|-------------|----------|----------|---------------|
| 1 | I00031 | Ink Cartridge - Black | 0.000 | 3.000 | 1.000 | 2.000 |
| 2 | I00032 | Ink Cartridge - Color | 0.000 | 4.000 | 2.000 | 8.000 |

Mutually exclusive discounts:

- Fixed discount by percentage
- Variable discount according to purchased quantity

- When you enter discounts on a tab, you must choose whether you want to give free goods or a percentage-based discount.
- You define the discount *either* by a fixed discount percentage or a variable discount according to the purchased quantity.
- In other words, the two types of discount are mutually exclusive.
- In the example, we see the discount percentage column is grayed out because we have defined discount according to purchased quantity for an item on the Items tab.

Price Determination



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- When the system searches for a price, it looks for the most specific type of price first.
- First the system looks for special prices for business partners.
- If none exist, then the system searches for discount groups.
- The system will look for discount groups that apply this business partner, the business partner groups associated with that business partner or a discount group that applies to all business partners.
- Once discount groups are found, the system not search for other pricing types.
- There are some factors controlling whether a discount group will be found when a marketing document is created.

Validity settings

- Can set discount groups active or inactive, with optional date range

Discount Groups

Type: Specific BP BP Code: C107 BP Name: Hillsdale School

Item Groups Properties Manufacturers Items

| # | Group | Discount % |
|---|--------------|------------|
| 1 | Accessories | 0.000 |
| 2 | HP Printers | 15.000 |
| 3 | IBM Printers | 15.000 |
| 4 | Items | 0.000 |
| 5 | PC | 15.000 |
| 6 | Servers | 0.000 |

☒ Active From: 11/01/2012 To: 03/30/2013

OK Cancel New Group Reset Copy To

- One of the factors controlling whether a discount group is applied in a document is the validity settings.
- Like all prices, you have the option to mark a discount group as inactive or set a range of validity dates for a discount group.
- You can mark the discount group as active or inactive. Discount groups are active by default.
- If a date range is set for an active discount group, the discount will apply to a marketing document if the document posting date falls in the active date range.

Excluding BPs or Items



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- Another factor for applying a discount group in a marketing document may be that an a business partner or item is excluded from discount groups.
- Even though you set up a discount group to apply to all business partners you have the option to exclude a business partner from all discount groups.
- Perhaps this customer has some very specific contractual agreements or you perhaps choose not to apply any discount groups for new customers until they have purchased a certain amount.
- Similarly you have the option to exclude an item from all discount groups even if that item would normally be included in a discount based on item group, item properties or manufacturer. Perhaps it is a seasonal item that you never discount during peak season sales.
- In any of those cases you can choose to exclude the business partner or item in the master data record.

Excluding BPs

The screenshot shows the 'Business Partner Master Data' form in SAP, specifically the 'Payment Terms' tab. The form contains various fields for business partner information. A yellow box highlights the checkbox labeled 'Do Not Apply Discount Groups' under the 'Payment Terms' section. The checkbox is currently checked.

- *Do Not Apply Discount Groups* checkbox located on the *Payment Terms* tab.
- If selected, any discount group that would apply is ignored in documents.
- Checkbox affects only discount groups not other special prices.
- You can still set discounts manually in documents.
- Discounts from base documents are copied to target documents regardless of this checkbox.

- The checkbox is located on the *Payment Terms* tab of the business partner master data. The checkbox is unchecked by default.
- If you select the *Do Not Apply Discount Groups* checkbox, any discount group that would apply normally will be ignored in marketing documents for this business partner.
- This checkbox affects only discount groups and not other special prices.
- Even if the checkbox is marked for a business partner, you can still set a discount manually in the header area or the row of a document.
- When copying a document to a target document, the discounts from the base document are copied to the target document regardless of what is defined in the *Do Not Apply Discount Groups* checkbox.
- For example, there could be a sales order created before the checkbox was marked for a business partner.

Exclude Item from Discount Groups

Item Master Data

Item No. Manual 999-010 ☒ Inventory Item
 Description Basic laptop ☒ Sales Item
 Foreign Name ☒ Purchase Item
 Item Type Items
 Item Group Items
 UoM Group Manual Bar Code
 Price List Base Price Unit Price Primary Curr 100%

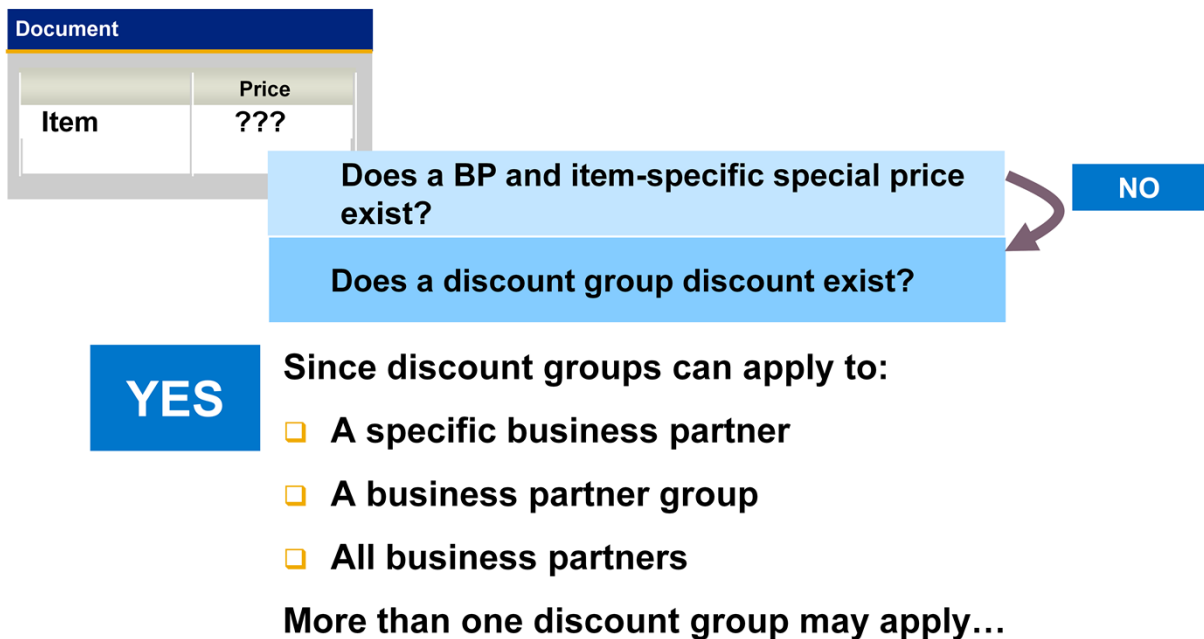
General Purchasing Data Sales Data Inventory Data Planning Data Properties A

☒ Tax Liab
☐ Do Not Apply Discount Groups
 Manufacturer OEC
 Additional Identifier
 Production Data
☐ Phantom Item
 Issue Method Manual
 Service Attributes
 Warranty Template

- Same checkbox on item master.
- You can still manually apply discounts in documents.
- Discounts are copied to target documents even if checkbox is set.

- The same checkbox appears in the item master data to exclude a specific item from discount groups. This might be useful for a seasonal item which you do not want to discount during the prime season.
- As with the business partner setting, you can still manually apply discounts for the item in marketing documents.
- Discounts from a base document are copied to the target document even if the *Do Not Apply Discount Groups* checkbox is set.

Multiple Discounts



- After the system has eliminated a special price for the business partner and item in a sales document row, the system looks for a discount group.
- However, since discount groups can apply to a specific business partner, a business partner group and to all business partners with overlapping validity periods, the system may find more than one discount group.
- In fact, even within a discount group, multiple discounts could apply, for example if a discount group contains a 3% on an item group that contains items that are also eligible for a 5% discount by manufacturer.
- In all those cases, the system must determine how to apply the multiple discounts found.
- The way to handle the issue of multiple discounts is to set a rule for determining the effective discount.

Effective Discount Rule

Business Partner Master Data

Code: Manual C00079 Customer
 Name: JB Enterprises
 Foreign Name:
 Group: Construction
 Currency: US Dollar
 Federal Tax ID:

Payment Terms: 2P10Net30
 Interest on Arrears %:
 Price List: Small Account Sales Price
 Total Discount %:
 Credit Limit: 0.00
 Commitment Limit: 0.00
 Dunning Term: Standard
 Automatic Posting: No

☐ Do Not Apply Discount Groups

Effective Discount: Lowest
 Business Partner Bank: Lowest
 Bank Country: Highest
 Bank Name: Average
 Bank Code: Total
 Account: Multiplied

Customer Groups - Setup

| # | Group Name | Price List | Effective Discount |
|----|----------------|-------------------------|--------------------|
| 1 | Customers | | Lowest |
| 2 | Large Accounts | | Average |
| 3 | Distributors | Distributor Sales Price | Highest |
| 4 | Small Accounts | | Lowest |
| 5 | Government | | Lowest |
| 6 | High Tech | | Lowest |
| 7 | Construction | Regular Sales Price | Lowest |
| 8 | Production | | |
| 9 | Non-Profits | | |
| 10 | Schools | | |
| 11 | Top Tier | | |
| 12 | | | |

System Message
 Do you want to replace the price lists for all business partners in the groups?
 Yes No

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- You can set the rule for effective discount for a business partner or for a business partner group. You can select one of five settings for the effective discount – Lowest, Highest, Average, Total or Multiplied:
 - *Lowest Discount* - The lowest available discount is taken (This is the default).
 - *Highest Discount* - The highest available discount is taken.
 - *Average* - The average of all available discounts is taken.
 - *Total* - The sum of all available discounts is taken
 - *Multiplied* - The system multiplies all available discounts and uses the result as the discount.
- When you create a new business partner record, the system will ask if you want to bring in the effective discount from the business partner group. If you say “no”, the new business partner will default to the lowest effective discount. You can change this at any time in the business partner master data.
- Note: effective discount is obviously disabled if you have checked the *Do Not Apply Discount Groups* checkbox.
- You can also change the effective discount in the business partner groups setup windows. If you select a new effective discount value, you will be asked whether to update all existing business partner records for the group.

Advantages of Discount Groups

- **New items automatically included in applicable discount groups**
- **Can include or exclude items**
- **Can include or exclude business partners**
- **Can set up pricing for free goods**
- **Reporting for discount groups**

- A big advantage in using discount groups is when you create new items, they are automatically included any discount groups that apply. For example, let us say you have a discount group for products assigned to the item group for scanners. Anytime you create a new item and assign it to the item group for scanners, it will automatically belong to the discount group for scanners.

Summary



Here are some key points:

- Discount Groups can be set up for specific BPs, BP groups or all BPs.
- Within a discount group you can set discounts on item groups, properties, manufacturers or items.
- If multiple discounts for properties are set in a discount group, a rule is used to determine how to apply the discounts.
- Discounts can be based on a fixed percentage or on a variable quantity purchased. The latter is used for giving free goods.
- New items are automatically added to any applicable discount groups based on item groups, properties or manufacturers.
- Items and business partners can be excluded from discount groups.
- Discount groups can have validity periods or be marked as inactive.
- Effective discount rules resolve situations where multiple discount groups apply in a marketing document.

- Here are some key points that show the advantages and flexibility of discount groups.
- Discount Groups can be set up for specific BPs, BP groups or all BPs.
- Within a discount group you can set discounts on item groups, properties, manufacturers or items.
- If multiple discounts for properties are set in a discount group, a rule is used to determine how to apply the discounts.
- Discounts can be based on a fixed percentage or on a variable quantity purchased. The latter is used for giving free goods.
- New items are automatically added to any applicable discount groups based on item groups, properties or manufacturers.
- Items and business partners can be excluded from discount groups.
- Discount groups can have validity periods or be marked as inactive.
- Effective discount rules resolve situations where multiple discount groups apply in a marketing document.

Pricing Special Prices for Business Partners

SAP Business One, Version 9.0



- Welcome to the topic on special prices for business partners.

Objectives



At the end of this topic, you will be able to:
Set up special prices for business partners.

- In this topic, you will learn how to set up special prices for business partners.

Business Example



- Some customers receive special prices for items because of their relationship with your company.
- Sometimes these prices are set up in relation to a particular price list.
- Other times these prices are set up specifically for this business partner and item without a referring to any price list.

- Imagine that some customers receive special prices because of their relationship with your company.
- Sometimes these prices are set up in relation to a particular price list, such as the price list assigned to that business partner.
- Other times, the prices are set up specifically for this business partner without referring to any price list.
- This is done using special prices for business partners.

Special Prices for Business Partners

For a specific business partner

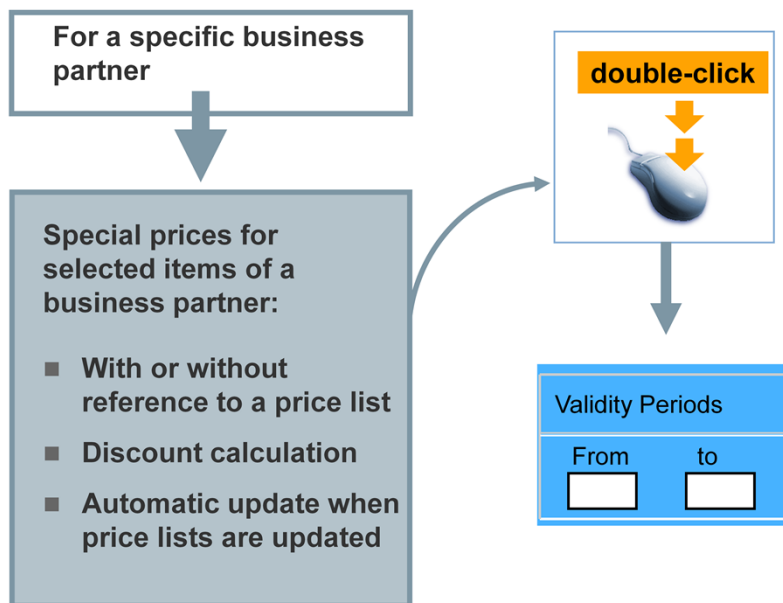


Special prices for selected items of a business partner:

- With or without reference to a price list
- Discount calculation
- Automatic update when price lists are updated

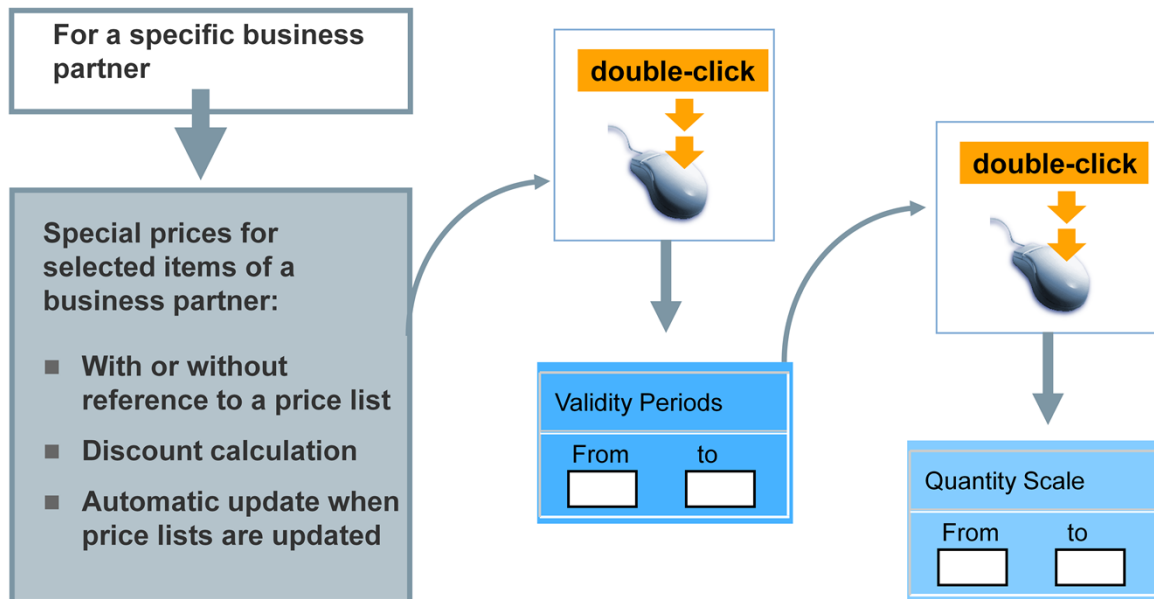
- Special prices for business partners enable you to give a discount (or surcharge) on items for a specific business partner.
- The special prices are very flexible. You can create a special price with or without reference to a price list, and it does not even have to be the price list associated with the customer.
- You can set a standard percentage discount or surcharge for the business partner that will default into the rows as you add items for special pricing. You can change this percentage after adding the item.
- You can even set the special price to be updated and recalculated when the price list it references is updated.

Special Prices for Business Partners



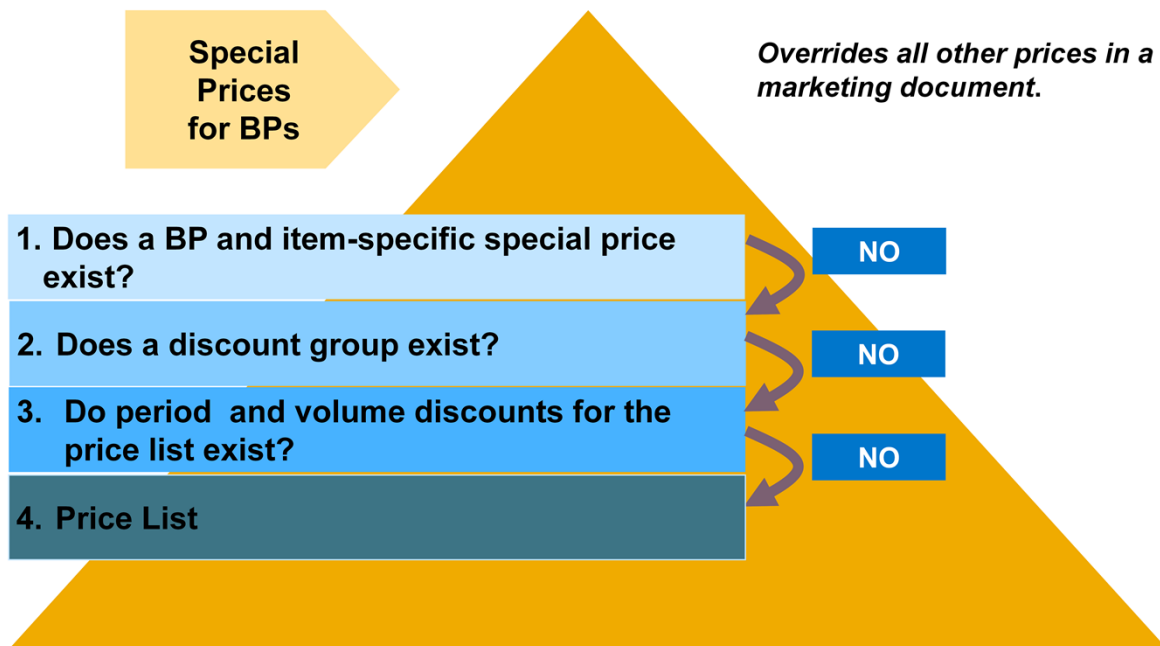
- Just like price lists, special prices for business partners can have period and volume discounts.
- You double-click on the special price to open up fields to enter dates for when the price is valid.

Special Prices for Business Partners



- When you double-click a second time, you can then define a volume discount based on a quantity scale for the validity period you just defined.
- Just as with period and volume discounts, any item belonging to a unit of measure group will allow you to set prices by units belonging to that UoM group.
- Once you have defined a special price for one item, you can choose copy discounts to copy the date range and percentages for other items selected for that business partner.

Pricing in Business One



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- Special prices defined for a business partner override all other prices in a marketing document. This is because they are the most specific price that can be defined in SAP Business One.
- It is the first price the system searches for.
- If a special price for this business partner is not found then the system will search next for discount group, then period and volume discounts for the price list assigned to the document, and finally for a price in the price list.
- For a special price to apply to an item in a document, the date must be within the validity period and the unit of measure in the row must match the unit of measure in the definition of the special price.

Copying special prices



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- One nice feature of special prices is that once you set up a special price, you can copy that price to other business partners
- For copying special prices from one business partner to other ones the following copy rules exist:
 - **Replace All Items:**
The system copies all the special prices and possibly overwrites existing ones.
 - **Replace Only Existing Items:**
The system overwrites all the special prices that exist in the source business partner (BP) and target BP records. It does not add any new special prices.
 - **Do Not Replace Items:**
The system adds new special prices, but does not change existing ones.
- In the transaction you choose the business partner who currently has the special prices you wish to copy, then choose the target business partners by code, business partner group or business partner properties.

Update Special Prices Globally

- 4 tabs for updating special prices globally:
 - Change discount by increasing or decreasing percentage
 - Change item prices by percentage
 - Refresh special prices from linked price list
 - Delete special prices.



- There is a transaction to update all the special prices globally inside SAP Business One.
- The transaction contains four tabs each with a different choice on how to update the prices. You select the relevant tab to: change the discount by increasing or decreasing the discount percentage, change the item prices by a percentage, refresh special prices from their linked price list or delete existing special prices.
- On all these tabs you have selection criteria to choose prices by business partners, customer or vendor group, or business partner properties.

Summary



Here are some key points:

- You can use special prices for business partners to set a discount or surcharge on items for a specific business partner.
- The special price can be with or without reference to any price list.
- You can set a default percentage for the rows. You can change this percentage after adding items.
- You can set the special price to be automatically recalibrated when the reference price list is updated.
- The same options available in period and volume discounts are available for special prices. You can set a validity period and/or prices based on a quantity scale. If an item belongs to a UoM group, you can set quantity discounts by unit of measure.

- You can use special prices for business partners to set a discount or surcharge on items for a specific business partner.
- The system searches first for special prices for business partners before looking for any other price type. If it finds a special price for the business partner, then that price will be used in the marketing document row.
- The price can be with or without reference to any price list. The price list referenced does not have to be the price list associated with the business partner.
- You can set a standard percentage for the business partner that will default into the rows as you add items for special pricing. You can change this percentage after adding the item.
- You can set the special price to be automatically recalibrated when the price list it references is updated.
- The same options available in period and volume discounts are available for special prices. You can set a validity period and/or prices based on a quantity scale. If an item belongs to a UoM group, you can set quantity discounts by unit of measure; however the unit of measure in the row must match the unit of measure specified in the discount in order to apply.



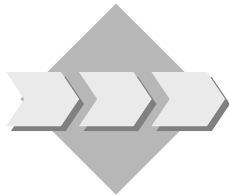
Unit: Pricing

Topic: Pricing Concepts



At the conclusion of this exercise, you will be able to:

- Answer questions about how prices are calculated in marketing documents
- View the options for price list assignment for the customer master
- Create a sales order and view the source of the prices in the rows
- Manually change prices in a sales document



In this exercise, you display your knowledge of pricing concepts by answering a series of questions on pricing.

You view the assigned price list in a customer master record and view the places where price lists can be assigned.

You add the Price Source field to the Sales Order window so that you can view the source of prices in the sales order.

Then you create a sales order for the customer and view the sources of prices in the rows. Assuming the role of a sales manager, you authorize changes in pricing in the sales order you created.

1-1 Display your knowledge of pricing concepts.

1-1-1 SAP Business One uses a pricing hierarchy to search for prices for items in a marketing document. List the four types of prices and the order in which the system looks for the price?

Fill in this box with your answers:

| Order | Price type |
|-------|------------|
| #1 | |
| #2 | |
| #3 | |
| #4 | |

What rationale does the system use for this search? Why this particular order?

1-2 View the customer master for customer C42000 to see the values assigned for price list, payment terms and customer group.

What value is set for customer group?

What value is set for the price list?

What value is set for payment terms?

What is the price list associated with the payment terms?

Is there a price list associated with the customer group?

1-3 Create a sales order for customer C42000.

- 1-3-1 Create a sales order for customer **C42000** and item **A00005**. View the price source field to see the source of the price.

| Field Name or Data Type | Values |
|-------------------------|---------------------|
| <i>Customer</i> | C42000 |
| <i>Delivery Date</i> | Today's date |
| <i>Item</i> | A00005 |
| <i>Quantity</i> | 1 |

What price is determined for the item?

What is the source of the price?

Tip: If the **Price Source** field is not visible in the row, use the **Form Settings** icon to add the field.

How can you view the active price list for the document?

- 1-3-2 Change the price manually to 245 GBP (or appropriate price and currency for your localization).

What value displays in the Price Source field?

- 1-3-3 Add a second row in the sales order for a quantity of 3 for item I00008.

What price is determined for the item? What is the source of the price?

Add a 3% discount for the item. Now what is the source of the price?

- 1-3-4 Save the sales order

Sales Order Number: _____



Unit: Pricing
Topic: Pricing Concepts

- 1-1 Display your knowledge of pricing concepts.
- 1-1-1 SAP Business One uses a pricing hierarchy to search for prices for items in a marketing document. List the four types of prices and the order in which the system looks for the price?

Enter your answers in the box below:

| Order | Price type |
|-------|------------|
| #1 | |
| #2 | |
| #3 | |
| #4 | |

What rationale does the system use for this search? Why this particular order?

First the system looks for a Special Price for the Business Partner for this item with the same unit of measure.

Then the system looks for an applicable discount group price.

Next the system looks for a period and volume discount for the item with the same unit of measure.

Lastly, the system looks for the price list price for the price list of the document.

This order is used to find the most specific price that exists first.

- 1-2 View the customer master for customer C42000 to see the values assigned for price list, payment terms and customer group.

Business Partners → Business Partner Master Data

Make sure you are in *Find* mode.

What value is set for customer group?

The **Group** field displays Distributors.

What value is set for the price list?

Choose the **Payment Terms** tab.

The **Price List** field shows Distributor Sales Price.

What value is set for payment terms?

Choose the **Payment Terms** tab.

The **Payment Terms** field shows 2P10Net30.

What is the price list associated with the payment terms?

Choose the link arrow next to the **Payment Terms** field.

The price list associated with 2P10Net30 is Base Price.

Is there a price list associated with the customer group?

Choose the menu path: **Administration → Setup → Business Partners → Customer Groups**

Scroll to the right on the row for the Distributors customer group.

There is no price list assigned.

1-3 Create a sales order for customer C42000.

1-3-1 Create a sales order for customer **C42000** and item **A00005**. View the price source field to see the source of the price.

Choose *Sales-A/R* → *Sales Order*

| Field Name or Data Type | Values |
|-------------------------|---------------------|
| <i>Customer</i> | C42000 |
| <i>Delivery Date</i> | Today's date |
| <i>Item</i> | A00005 |
| <i>Quantity</i> | 1 |

What price is determined for the item?

250.00 GBP (If you are in the UK localization).

What is the source of the price?

Tip: If the **Price Source** field is not visible in the row, use the **Form Settings** icon to add the field. Choose the **Table Format** tab in the **Form Settings** window, and mark the **Price Source** field as *Visible*.

The price comes from the active price list.

How can you view the active price list for the document?

Open the **Form Settings** window to view the price list on the **Document** tab's **Table** tab.

The Distributor's Sales price has defaulted from the customer master record.

1-3-2 Change the price manually to 245 GBP (or appropriate price and currency for your localization).

What value displays in the Price Source field?

Manual.

- 1-3-3 Add a second row in the sales order for a quantity of 3 for item I00008.
What price is determined for the item? What is the source of the price?

A price list unit price of 450 GBP is shown.

Add a 3% discount for the item. Now what is the source of the price?

Enter 3 in the **Discount** field on the row.

When the discount is added, the price source changes from the active price list to manual.

- 1-3-4 Save the sales order

Sales Order Number: _____

Choose **Add** to save the order.

Exercises



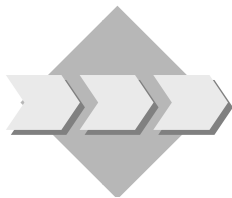
Unit: Pricing

Topic: Price Lists



At the conclusion of this exercise, you will be able to:

- Create a price list based on another price list
- Assign a price list to a customer group
- Deactivate a price list
- Set a validity period for a price list
- Calculate prices based on last purchase price



In this exercise, you create a new price list that will be based on another price list so that it is automatically updated when the base price list changes.

You will assign the price list to a customer group and see how it can be assigned to a customer via customer group.

You will deactivate the price list and see what happens when an inactive price list is used in a marketing document. Then you will activate the price list for a specified validity period.

The second portion of the exercise will be to set the Distributor Sales Price price list to be based on the last purchase price. Then you will create purchasing documents for a new item to see how and when the last purchase price list is updated.

2-1 Create a new price list.

2-1-1 Create a new price list called **Test**

Tip: In order to create a new price list, place your cursor on the row number and **Right mouse click** → **Add Row**.

2-1-2 The base price list is the **Base Price** and the factor is **2**

2-2 OEC Computers is adding a new line of office furniture for their retail store. Create 2 new items and give them basic prices.

2-2-1 Create a new item **OF2002 (Desk)** and assign it a purchase price (*Base Price*) of **300.00** units of your national currency.

| Field Name or Data Type | Values |
|---|-------------------|
| <i>Item</i> | OF2002 |
| <i>Description</i> | Desk |
| Price List (<i>Unit Price</i> first field) | Base Price |
| Price (<i>Unit Price</i> second field) | 300 |

2-2-2 Create a new item **OF2003 (Office Chair)** and assign it a purchase price (*Base Price*) of **300.00** units of your national currency.

| Field Name or Data Type | Values |
|---|---------------------|
| <i>Item</i> | OF2003 |
| <i>Description</i> | Office Chair |
| Price List (<i>Unit Price</i> first field) | Base Price |
| Price (<i>Unit Price</i> second field) | 85 |

2-3 Check if your items have the correct price on your new price list.

2-3-1 Call up the *Price List* screen and go to your **Test** price list. Check the price of your item.

The price of the new desk item should be **600.00** units of national currency and the price for the chair should be **170.00** units of national currency.

2-4 Assign your new price list to a Customer Group and use it in a sales document.

2-4-1 Assign your new Test price list to the customer group **Distributors**.

2-4-2 Create a quotation for items **OF2002** and **OF2003** for Customer **C42000** who belongs to that customer group.

| Field Name or Data Type | Values |
|-------------------------|---------------|
| <i>Customer</i> | C42000 |
| <i>Item</i> | OF2002 |
| <i>Item</i> | OF2003 |

2-4-3 View the price list assigned to the document. What is the price list? Why is this price list assigned?

2-5 Deactivate a price list.

2-5-1 Deactivate the **Test** price list.

2-5-2 Create a sales order for customer **C42000** and material **OF2002**.

| Field Name or Data Type | Values |
|-------------------------|---------------------|
| <i>Customer</i> | C42000 |
| <i>Delivery Date</i> | Today's date |
| <i>Item</i> | OF2002 |

When the item availability check appears, choose *Continue*.

2-5-1 What price list is used in the sales order?

2-5-2 Change the document's price list to the **Distributor Sales Price** price list. Then add your sales order.

Sales Order number: _____

2-5-3 Set the **Test** price list to be valid for 2 months.

Reactivate the price list and set the price list to valid until the end of the next month.

2-6 Calculate prices automatically using the *Last Purchase Price* list.

2-6-1 Change the *Distributor Sales Price* price list so that it is calculated based on the *Last Purchase Price* list. The values in the *Distributor Sales Price* price list should be 50% higher than the *Last Purchase Price*

For the *Distributor Sales Price* row, use the dropdown to set the following:

| Field Name or Data Type | Values |
|-------------------------------------|----------------------------|
| <i>Distributor Sales Price List</i> | Last Purchase Price |
| <i>Factor</i> | 1.5 |

Choose **Update**.

2-6-2 Create a new item master, **T2003 (Flat X-Large Monitor)**. Do not assign any price to this item. Check the price in the *Last Purchase Price* list. The list does not contain an entry yet.

| Field Name or Data Type | Values |
|-------------------------|--------------|
| <i>Item</i> | T2003 |

2-6-3 Now order 10 units of the new item, **T2003**, from vendor **V1010** at the price of **250.00** units of your national currency. Create a goods receipt posting with reference to the purchase order. Then display the *Distributor Sales Price* price list and check whether the last purchase price has updated the *Distributor Sales Price* list.

Purchasing-A/P → Purchase Order.

| Field Name or Data Type | Values |
|-------------------------|--------------|
| <i>Vendor</i> | V1010 |
| <i>Item</i> | T2003 |
| <i>Quantity</i> | 10 |
| <i>Unit Price</i> | 250 |

Purchase Order number: _____

- 2-6-4 Receive the items from the vendor.

Purchasing-A/P → Goods Receipt PO.

| Field Name or Data Type | Values |
|-------------------------|--------------|
| <i>Vendor</i> | V1010 |

Goods Receipt PO number: _____

Choose ***Inventory → Price Lists → Price Lists*** in order to check the price lists again.

The system will not automatically copy the last purchase price of **250.00** units of the national currency until the AP invoice is entered.

- 2-6-5 You can now post the AP invoice for item **T2003** with a purchase price of **250**. Check again whether the last purchase price has been updated and has therefore updated the Distributor Sales prices.

| Field Name or Data Type | Values |
|-------------------------|---------------------|
| <i>Vendor</i> | V1010 |
| <i>Posting Date</i> | Today's date |

A/P Invoice number: _____

- 2-6-6 Now find out if the prices in the Distributor Sales Price price list have been calculated. Confirm the result by checking the situation in the *Price Lists* menu.

Solutions



Unit: Pricing

Topic: Price Lists

2-1 Create a new price list.

2-1-1 Create a new price list called **Test**

Inventory → Price Lists → Price Lists.

In order to create a new price list, place your cursor on the row number and **Right mouse click → Add Row.**

2-1-2 The base price list is the **Base Price** and the factor is **2**

Save the price list by choosing *Update.*

Close the confirmation window.

Choose *OK.*

2-2 OEC Computers is adding a new line of office furniture for their retail store. Create 2 new items and give them basic prices.

2-2-1 Create a new item **OF2002 (Desk)** and assign it a purchase price (*Base Price*) of **300.00** units of your national currency.

Inventory → Item Master Data

Choose the **Add** icon.

| Field Name or Data Type | Values |
|---|-------------------|
| <i>Item</i> | OF2002 |
| <i>Description</i> | Desk |
| Price List (<i>Unit Price</i> first field) | Base Price |
| Price (<i>Unit Price</i> second field) | 300 |

Add the item.

- 2-2-2 Create a new item **OF2003 (Office Chair)** and assign it a purchase price (*Base Price*) of **300.00** units of your national currency.

Inventory → Item Master Data

Choose the **Add** icon.

| Field Name or Data Type | Values |
|---|---------------------|
| <i>Item</i> | OF2003 |
| <i>Description</i> | Office Chair |
| Price List (<i>Unit Price</i> first field) | Base Price |
| Price (<i>Unit Price</i> second field) | 85 |

Add the item.

- 2-3 Check if your items have the correct price on your new price list.

- 2-3-1 Call up the *Price List* screen and go to your **Test** price list. Check the price of your item.

Inventory → Price Lists → Price Lists

Select radio button ***Update Entire Price List***

Double click on the **Test** price list.

The price of the new desk item is **600.00** units of national currency and the price for the chair is **170.00** units of national currency.

2-4 Assign your new price list to a Customer Group and use it in a sales document.

2-4-1 Assign your new Test price list to the customer group **Distributors**.
Choose *Administration* → *Setup* → *Business Partners* → *Customer Groups*.

For the row with the customer group **Distributors**, enter the price list **Test**.

Choose *Update*.

Choose **Yes** to replace the price list for all existing customers in the customer group.

2-4-2 Create a quotation for items **OF2002** and **OF2003** for Customer **C42000** who belongs to that customer group.

Choose *Sales – A/R* → *Sales Quotation*

| Field Name or Data Type | Values |
|-------------------------|---------------|
| <i>Customer</i> | C42000 |
| <i>Item</i> | OF2002 |
| <i>Item</i> | OF2003 |

2-4-3 View the price list assigned to the document. What is the price list?
Why is this price list assigned?

Choose the *Form Settings* icon.

On the *Document* tab, see the value in the *Price List* field.

The new price list Test is assigned.

This is because you told the system to replace pricelists for all customers who belong to this customer group.

2-5 Deactivate a price list.

2-5-1 Deactivate the **Test** price list.

Open the price list window: **Inventory → Price Lists → Price Lists**

Choose the **Form Settings** icon.

Add the fields **Active**, **Valid From**, and **Valid To**.

Choose **OK**.

For the Test price list row, deselect **Active**.

2-5-2 Create a sales order for customer **C42000** and material **OF2002**.

Choose **Sales-A/R → Sales Order**.

| Field Name or Data Type | Values |
|-------------------------|---------------------|
| <i>Customer</i> | C42000 |
| <i>Delivery Date</i> | Today's date |
| <i>Item</i> | OF2002 |

When the item availability check appears, choose **Continue**.

2-5-1 What price list is used in the sales order?

The system will choose the **Test** price list for the document. However, no prices appear because the price list has been deactivated. In the Form Settings window, you can see the price list shown with the word "Inactive".

2-5-2 Change the document's price list to the **Distributor Sales Price** price list.

Form Settings → Document tab → Table tab in order to assign the **Distributor Sales Price** price list to the document. Choose **OK** and answer the question, "*Update prices in existing rows?*" with **Yes**. The system then uses the price of the **Distributor Sales Price** price list.

Add your sales order.

Sales Order number: _____

2-5-3 Set the **Test** price list to be valid for 2 months.

Reactivate the price list and set the price list to valid until the end of the next month.

Open the price list window: **Inventory → Price Lists → Price Lists**

For the Test price list row, select **Active**.

Enter validity dates from today to the end of next month.

2-6 Calculate prices automatically using the *Last Purchase Price* list.

- 2-6-1 Change the *Distributor Sales Price* price list so that it is calculated based on the *Last Purchase Price* list. The values in the Distributor Sales Price price list should be 50% higher than the Last Purchase Price.

Inventory → Price Lists → Price Lists

For the *Distributor Sales Price* row, use the dropdown to set the following:

| Field Name or Data Type | Values |
|-------------------------------------|----------------------------|
| <i>Distributor Sales Price List</i> | Last Purchase Price |
| <i>Factor</i> | 1.5 |

Choose ***Update***.

- 2-6-2 Create a new item master, **T2003 (Flat X-Large Monitor)**. Do not assign any price to this item. Check the price in the *Last Purchase Price* list. The list does not contain an entry yet.

Choose ***Inventory → Item Master Data***

Choose ***Data → Add***.

| Field Name or Data Type | Values |
|-------------------------|--------------|
| <i>Item</i> | T2003 |

Do not enter any price! Add the item.

There is currently no price listed for T2003 in any price list.

- 2-6-3 Now order 10 units of the new item, **T2003**, from vendor **V1010** at the price of **250.00** units of your national currency. Create a goods receipt posting with reference to the purchase order. Then display the *Distributor Sales Price* price list and check whether the last purchase price has updated the *Distributor Sales Price* list.

Purchasing-A/P → Purchase Order.

| Field Name or Data Type | Values |
|-------------------------|--------------|
| <i>Vendor</i> | V1010 |
| <i>Item</i> | T2003 |
| <i>Quantity</i> | 10 |
| <i>Unit Price</i> | 250 |

Add the purchase order.

Purchase Order number: _____

- 2-6-4 Receive the items from the vendor.

Purchasing-A/P → Goods Receipt PO.

| Field Name or Data Type | Values |
|-------------------------|--------------|
| <i>Vendor</i> | V1010 |

Copy from → Purchase Orders.

Choose your purchase order from the list

In the ***Draw Document Wizard***, choose ***Finish***

Add the Goods Receipt PO.

Goods Receipt PO number: _____

Confirm the system message.

Choose ***Inventory → Price Lists → Price Lists*** in order to check the price lists again.

The system will not automatically copy the last purchase price of **250.00** units of the national currency until the AP invoice is entered.

- 2-6-5 You can now post the AP invoice for item **T2003** with a purchase price of **250**. Check again whether the last purchase price has been updated and has therefore updated the *Distributor Sales Price*.

Choose **Purchasing-A/P → A/P Invoice**.

| Field Name or Data Type | Values |
|-------------------------|---------------------|
| <i>Vendor</i> | V1010 |
| <i>Posting Date</i> | Today's date |

Copy from → Goods Receipt PO.

Choose your Goods Receipt PO from the list

Choose **Finish** in the **Draw Document Wizard**

Add the A/P Invoice.

A/P Invoice number: _____

Confirm the system message.

- 2-6-6 Now find out if the prices in the Distributor Sales Price list have been calculated. Confirm the result by checking the situation in the *Price Lists* menu.

Inventory → Price Lists → Price Lists

Open the **Distributor Sales Price List**.

Yes, the price is updated and calculated as 50% higher than the Last Purchase Price.



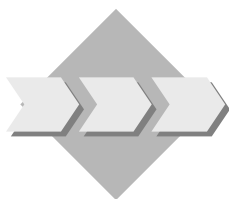
Unit: Pricing

Topic: Period and Volume Discounts



At the conclusion of this exercise, you will be able to:

- Set up a seasonal discount using period discounts
- Add an additional discount based on volume
- Copy the discount to additional items



In this exercise, you want to set up special prices for a price list for a seasonal sale.

You would like to give a 5% discount for desks and chairs for the Test price list for one month.

You would additionally like to add a 3% discount whenever a customer using this price list buys 4 chairs.

3-1 Add a seasonal discount for desks and chairs on the Test price list.

3-1-2 Begin by choosing the price list and then adding the two items you wish to discount into the ***Period and Volume Discount*** window.

| Field Name or Data Type | Values |
|-------------------------|---------------|
| <i>Code From</i> | OF2002 |
| <i>Code To</i> | OF2003 |

3-1-2 First set up a 5% discount for OF2002 for today through the end of next month. Enter the following values in the ***Period and Volume Discount*** window.

| Field Name or Data Type | Values |
|-------------------------|--------------------------|
| <i>Valid From</i> | Today's date |
| <i>Valid To</i> | End of next month |
| <i>Disc.</i> | 5 |

3-2 Copy the 5% period discount to chairs and add an additional 3% when a customer purchases 4 or more.

3-2-1 Copy the discount 5% discount from the desk to the chairs.

3-2-2 Give a total of 8% off on any purchase of 4 chairs to your seasonal sales price.

Enter the following information in the *Volume Discounts for Price List* window:

| Field Name or Data Type | Values |
|-------------------------|----------|
| <i>Quantity</i> | 4 |
| <i>Discount</i> | 8 |

3-3 Create a sales order for customer **C42000** and items **OF2002** and **OF2003**. Make sure that the system chooses the right price.

| Field Name or Data Type | Values |
|-------------------------|---------------------|
| <i>Customer</i> | C42000 |
| <i>Delivery Date</i> | Today's date |
| <i>Item</i> | OF2002 |
| <i>Quantity</i> | 1 |
| <i>Item</i> | OF2003 |
| <i>Quantity</i> | 4 |

Check the price by displaying the item master record and comparing the price in the document with the price in the *Test* price list.

View the price source field to check if your new discount is applied.

Sales Order Number: _____

Solutions



Unit: Pricing

Topic: Period and Volume Discounts

3-1 Add a seasonal discount for desks and chairs on the Test price list.

3-1-2 Begin by choosing the price list and then adding the two items you wish to discount into the ***Period and Volume Discount*** window.

Choose ***Inventory → Price Lists → Period and Volume Discounts***

Choose the price list ***Test*** in the dropdown box.

Choose the ***Add Items*** button.

| Field Name or Data Type | Values |
|-------------------------|---------------|
| <i>Code From</i> | OF2002 |
| <i>Code To</i> | OF2003 |

3-1-2 First set up a 5% discount for OF2002 for today through the end of next month.

Double-click on the first row number (with the item OF2002) to open the ***Period Discounts*** window.

Enter the following values in the ***Period and Volume Discount*** window.

| Field Name or Data Type | Values |
|-------------------------|--------------------------|
| <i>Valid From</i> | Today's date |
| <i>Valid To</i> | End of next month |
| <i>Disc.</i> | 5 |

Choose ***Update***.

3-2 Copy the 5% period discount to chairs.

3-2-1 Copy the discount 5% discount from the desk to the chairs.

Choose **Inventory** → **Price Lists** → **Period and Volume Discounts**
Choose the price list **Test** in the dropdown box.

Double-click on the row number of the discount you wish to copy
(OF2002)

In the Period Discounts window, choose the **Copy Discounts** button.
In the **Item – Selection Criteria** window, select the item for the chair
(OF2003).

To confirm the choice, choose **OK**.

Then choose **Update**.

3-2-2 Add an additional 3% discount (for a total of 8% off) on any purchase
of 4 chairs to your seasonal sales price.

Double-click the row for item **OF2003** to go to the period discount.

Then double-click again to go to the **Volume Discounts for Price List**
window.

Enter the following information:

| Field Name or Data Type | Values |
|-------------------------|----------|
| <i>Quantity</i> | 4 |
| <i>Discount</i> | 8 |

Choose **Update** in the **Volume Discounts for Price List** window.

Choose **Update** in the **Period Discounts window**.

Choose **Update** in the **Period and Volume Discounts** window.

Choose **OK**.

- 3-3 Create a sales order for customer **C42000** and items **OF2002** and **OF2003**. Make sure that the system chooses the right price.

Choose *Sales-A/R* → *Sales Order*

| Field Name or Data Type | Values |
|-------------------------|---------------------|
| <i>Customer</i> | C42000 |
| <i>Delivery Date</i> | Today's date |
| <i>Item</i> | OF2002 |
| <i>Quantity</i> | 1 |
| <i>Item</i> | OF2003 |
| <i>Quantity</i> | 4 |

Check the price by displaying the item master record and comparing the price in the document with the price in the *Test* price list.

View the price source field to check if your new discount is applied.

Sales Order Number: _____

Save the order.

Acknowledge any messages about lack of stock and choose *Add*.



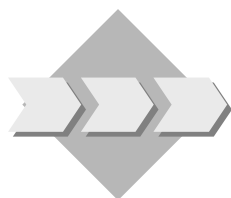
Unit: Pricing

Topic: Discount Groups



At the conclusion of this exercise, you will be able to:

- Create discount groups
- Copy discount groups
- Set effective discount rules in a business partner master
- Exclude a business partner from discount groups



In this exercise, you create two discount groups.

One of the discount groups gives discounts for printers belonging to the same item group and a free quantity of paper based on the quantity purchased. This discount group will be assigned to a new customer group you have created.

The other discount group applies to all customers and gives discounts for products of a specific manufacturer.

We test the interactions of these two discount groups on a customer who is eligible for both discount groups but receives the only the highest possible discount.

Then we will set this customer to be excluded from all discount groups.

4-1 You have some retail customers that have similar pricing so you would like to create a customer group with pricing and discounts designed specifically for these customers.

4-1-1 Create a customer group with the following information.

| Field Name or Data Type | Values |
|---------------------------|----------------------------------|
| <i>Customer Group</i> | Retail |
| <i>Price List</i> | Small Account Sales Price |
| <i>Effective Discount</i> | Highest Discount |

4-1-2 Create a new customer that belongs to this group.

Use the following values. Be sure to adopt the price list assigned to the customer group.

| Field Name or Data Type | Values |
|-------------------------|----------------------------------|
| <i>Code</i> | C88888 |
| <i>BP Type</i> | Customer |
| <i>Name</i> | <Any name you like> |
| <i>Group</i> | Retail |

4-2 Create a discount group for retail customers. The group will give a 2% discount on all printers and 1 free unit of recycled paper when a customer pays for 2 up to a maximum of 2 free units.

| Field Name or Data Type | Values |
|-------------------------|-----------------------|
| <i>Type</i> | Customer Group |
| <i>Group Name</i> | Retail |

4-2-1 Set a 2% discount for all printers by item groups.

Enter a **2%** discount for both J.B. Printers and Rainbow Printers.

4-2-2 Give a free unit of recycled paper (Item R00002) when a customer pays for 2 units up to a maximum of 2 free units.

Enter the discount information for the free quantities.

| Field Name or Data Type | Values |
|-------------------------|----------|
| <i>Paid Qty</i> | 2 |
| <i>Free Qty</i> | 1 |
| <i>Max. Free Qty</i> | 2 |

If these fields are not visible, use the **Form Settings** window to add these fields to the **Items** tab.

Ensure that the **Active** checkbox is selected for your discount group.

- 4-3 Create a second discount group for all customers which gives 3% off all products from the manufacturer Rainbow.
- 4-4 Create a sales order to test how the discount groups will apply to a customer eligible for both groups. Remember that this customer is set to receive the highest possible effective discount.

Enter the following information:

| Field Name or Data Type | Values |
|-------------------------|-----------------------------------|
| <i>Customer</i> | C88888 |
| <i>Item</i> | R00002 |
| <i>Qty</i> | 3 |
| <i>Item</i> | A00004 (Rainbow Color Jet) |
| <i>Qty</i> | 1 |

4-4-1 How was the free quantity of paper shown?

4-4-2 What happens when you increase the quantity for the paper to 12?

4-4-3 Which discount applied to the Rainbow printer?

4-4-4 What price source is listed for the two rows?

- 4-5 Set the customer to be excluded from all discount groups then test how this works.
- 4-5-1 Change the settings for customer C88888 so that this customer is excluded from all discount groups.
- 4-5-2 Create a sales order to test the settings.

Use the following information:

| Field Name or Data Type | Values |
|-------------------------|---------------|
| <i>Customer</i> | C88888 |
| <i>Item</i> | A00004 |
| <i>Qty</i> | 1 |

What appears in the ***Price Source*** field?



Unit: Pricing

Topic: Discount Groups

4-1 You have some retail customers that have similar pricing so you would like to create a customer group with pricing and discounts designed specifically for these customers.

4-1-1 Create a customer group with the following information.

Choose **Administration** → **Setup** → **Business Partners** → **Customer Groups**.

| Field Name or Data Type | Values |
|---------------------------|----------------------------------|
| <i>Customer Group</i> | Retail |
| <i>Price List</i> | Small Account Sales Price |
| <i>Effective Discount</i> | Highest Discount |

Choose **Update**.

Then choose **OK** to close the window.

4-1-2 Create a new customer that belongs to this group.

Create a new customer with the following values. Be sure to adopt the price list assigned to the customer group.

Choose **Business Partners** → **Business Partner Master Data**.
Change to **Add** mode.

| Field Name or Data Type | Values |
|-------------------------|----------------------------------|
| <i>Code</i> | C88888 |
| <i>BP Type</i> | Customer |
| <i>Name</i> | <Any name you like> |
| <i>Group</i> | Retail |

Choose **Add** to save the data record.

- 4-2 Create a discount group for retail customers. The group will give a 2% discount on all printers and 1 free unit of recycled paper when a customer pays for 2 up to a maximum of 2 free units.

Inventory → Price Lists → Special Prices → Discount Groups.

| Field Name or Data Type | Values |
|-------------------------|----------------|
| Type | Customer Group |
| Group Name | Retail |

- 4-2-1 Set a 2% discount for all printers by item groups.

Select the tab **Item Groups**.

Enter a **2%** discount for both J.B. Printers and Rainbow Printers.

- 4-2-2 Give a free unit of recycled paper (Item R00002) when a customer pays for 2 units up to a maximum of 2 free units.

Choose the **Items** tab.

Choose **Add**.

| Field Name or Data Type | Values |
|-------------------------|--------|
| Code From | R00002 |
| Code To | R00002 |

Choose **OK**.

Enter the discount information for the free quantities.

| Field Name or Data Type | Values |
|-------------------------|--------|
| Paid Qty | 2 |
| Free Qty | 1 |
| Max. Free Qty | 2 |

If these fields are not visible, use the **Form Settings** window to add these fields to the **Items** tab.

Ensure that the **Active** checkbox is selected for your discount group.

Choose **Add**.

- 4-3 Create a second discount group for all customers which gives 3% off all products from the manufacturer Rainbow.

Inventory → Price Lists → Special Prices → Discount Groups.

Choose **All BPs** in the **Type** field.

Choose the **Manufacturers** tab.

Enter **3** in the row for **Rainbow**.

Ensure that the **Active** checkbox is selected for your discount group.

Choose **Add**.

- 4-4 Create a sales order to test how the discount groups will apply to a customer eligible for both groups. Remember that this customer is set to receive the highest possible effective discount.

Sales-A/R → Sales Order

Enter the following information:

| Field Name or Data Type | Values |
|-------------------------|-----------------------------------|
| <i>Customer</i> | C88888 |
| <i>Item</i> | R00002 |
| <i>Qty</i> | 3 |
| <i>Item</i> | A00004 (Rainbow Color Jet) |
| <i>Qty</i> | 1 |

- 4-4-1 How was the free quantity of paper shown?

A 33% discount was given when the customer purchased 3 packs.

- 4-4-2 What happens when you increase the quantity for the paper to 12?

The discount is reduced by half to 16.67 because the customer is only eligible for a maximum free quantity of 2.

- 4-4-3 Which discount applied to the Rainbow printer?

The 3% discount for the manufacturer overrode the 2% discount for item groups because the customer has the setting for the highest effective discount.

4-4-4 What price source is listed for the two rows?

Active price list, discount groups

4-5 Set the customer to be excluded from all discount groups then test how this works.

4-5-1 Change the settings for customer C88888 so that this customer is excluded from all discount groups.

Choose the menu path: ***Business Partners → Business Partner Master Data.***

Enter **C88888** in the *Code* field to search for the business partner.

Choose the ***Payment Terms*** tab.

Select the checkbox ***Do Not Apply Discount Groups.***

4-5-2 Create a sales order to test the settings.

Sales-A/R → Sales Order

| Field Name or Data Type | Values |
|-------------------------|---------------|
| <i>Customer</i> | C88888 |
| <i>Item</i> | A00004 |
| <i>Qty</i> | 1 |

What appears in the ***Price Source*** field?

Active price list.

Cancel the sales order.

Exercises



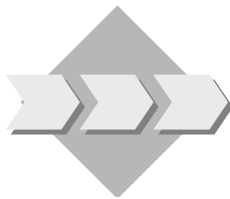
Unit: Pricing

Topic: Special Pricing for BPs



At the conclusion of this exercise, you will be able to:

- Set special prices for business partners
- Copy special prices from one business partner to another



In this exercise, you set up a special price for a customer with validity periods and percentage discounts based on quantities purchased.

You then copy the discounts from one business partner to another.

5-1 Set up a special price for a customer.

5-1-1 You have agreed on a special discount of 10% of the store price (**Small Account Sales Price** price list) for the item **C00008** with customer **C23900**.

| Field Name or Data Type | Values |
|----------------------------|----------------------------------|
| <i>BP Code</i> | C23900 |
| <i>Price List</i> | Small Account Sales Price |
| <i>Item No.</i> | C00008 |
| <i>Discount Percentage</i> | 10 |

- 5-1-2 You have also negotiated a special price with quantity-based discounts for item **C00005** (**5%** discount as of two units, **10%** as of four units) with the same customer. This quantity-based discount is to be valid for **three months**. Create a sales order for **5** units for customer **C23900** and materials **C00008** and **C00005**, check the prices.

Add item **C00005** to the special prices for business partners.

| Field Name or Data Type | Values |
|----------------------------|----------------------------------|
| <i>Item No.</i> | C00005 |
| <i>Price List</i> | Small Account Sales Price |
| <i>Discount Percentage</i> | 0 |

| Field Name or Data Type | Values |
|-------------------------|-----------|
| <i>Quantity.</i> | 2 |
| <i>Discount</i> | 5 |
| <i>Quantity</i> | 4 |
| <i>Discount</i> | 10 |

- 5-1-3 Create a sales order for **5** units of **C00005** and **C00008** and check that the prices are correct.

| Field Name or Data Type | Values |
|-------------------------|---------------------|
| <i>Customer</i> | C23900 |
| <i>Delivery Date</i> | Today's date |
| <i>Item</i> | C00008 |
| <i>Quantity</i> | 5 |
| <i>Item</i> | C00005 |
| <i>Quantity</i> | 5 |

Sales Order number: _____

- 5-1-4 After lengthy negotiations, you agree to grant customer **C20000** the same conditions for items **C00005** through **C00008**. Use the copy function for special prices.

Solutions



Unit: Pricing

Topic: Special Pricing for BPs

5-1 Set up a special price for a customer.

5-1-1 You have agreed on a special discount of 10% of the store price (**Small Account Sales Price** price list) for the item **C00008** with customer **C23900**.

Inventory → Price Lists → Special Prices → Special Prices for Business Partners.

| Field Name or Data Type | Values |
|----------------------------|----------------------------------|
| <i>BP Code</i> | C23900 |
| <i>Price List</i> | Small Account Sales Price |
| <i>Item No.</i> | C00008 |
| <i>Discount Percentage</i> | 10 |

- 5-1-2 You have also negotiated a special price with quantity-based discounts for item **C00005** (5% discount as of two units, 10% as of four units) with the same customer. This quantity-based discount is to be valid for **three months**. Create a sales order for **5** units for customer **C23900** and materials **C00008** and **C00005**, check the prices.

Add item **C00005** to the special prices for business partners.

Inventory → Price Lists → Special Prices → Special Prices for Business Partners.

| Field Name or Data Type | Values |
|----------------------------|----------------------------------|
| <i>Item No.</i> | C00005 |
| <i>Price List</i> | Small Account Sales Price |
| <i>Discount Percentage</i> | 0 |

Select the row containing item **C00005** and double-click to display a time interval.

Enter **today's date** in the *Valid Until* field.

Double-click this interval to display the quantity scale.

The *Special Prices Volume Discount* window appears.

Enter a quantity-based discount (5% discount as of two units, 10% as of four units).

| Field Name or Data Type | Values |
|-------------------------|-----------|
| <i>Quantity.</i> | 2 |
| <i>Discount</i> | 5 |
| <i>Quantity</i> | 4 |
| <i>Discount</i> | 10 |

Add the record by choosing **Update** in each window, then **OK**. Choose **Add** and **Yes**.

- 5-1-3 Create a sales order for **5** units of **C00005** and **C00008** and check that the prices are correct.

Choose *Sales-A/R* → *Sales Order*

| Field Name or Data Type | Values |
|-------------------------|---------------------|
| <i>Customer</i> | C23900 |
| <i>Delivery Date</i> | Today's date |
| <i>Item</i> | C00008 |
| <i>Quantity</i> | 5 |
| <i>Item</i> | C00005 |
| <i>Quantity</i> | 5 |

Add the sales order.

Sales Order number: _____

- 5-1-4 After lengthy negotiations, you agree to grant customer **C20000** the same conditions for items **C00005** through **C00008**. Use the copy function for special prices.

Inventory → *Price Lists* → *Special Prices* → *Copy Special Prices to Selection Criteria*.

At header level, enter the business partner from whom you want to copy the special prices (**C23900**) and choose a selection of partners to whom you want to copy the special prices (**C20000** in the *From* and *To* fields). Items: Code *From* **C00005** *To* **C00008**, radio-button: **Replace All Items**. This action will copy the discounts also to items C00006 and C00007 Choose **OK**

Choose **Yes** and **OK**.

Choose *Cancel* to close the window.

