

SAP MM - INVENTORY MANAGEMENT

http://www.tutorialspoint.com/sap_mm/sap_mm_inventory_management.htm

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Procurement process starts with gathering requirements and ends with procuring goods from vendors. Once goods are procured from vendor they need to be placed in company's premises in correct place so that they can be consumed when required. This introduces the term known as inventory management. Inventory management deals with placing and handling stock received from vendors in correct place within company's premises. The key points about inventory management are as follows:

- Inventory management deals with management of stock either on value or quantity basis.
- Planning, entry and keeping records of all goods movement comes under inventory management.
- Goods movement will create a document that will update all stock quantity and value in inventory that is known as material document.
- Material document will be referred by a document number and document year.

Inventory management deal with the following terms which are as follows:

- Movement Type
- Goods Receipt
- Reservation
- Goods Issue

Movement Type

Movement type describes the type of stock posting in inventory. It represents the posting in stock is due to which type of order like whether stock is posted against goods receipt or goods issue. The important movement types in sap mm are as follows:

- 101 - Goods receipt for purchase order or order
- 103 - Goods receipt for purchase order into GR blocked stock
- 201 - Goods issue for a cost centre
- 261 - Goods issue for an order
- 301 - Transfer posting plant to plant in one step
- 305 - Transfer posting plant to plant in two steps - placement in storage
- 311 - Transfer posting storage location to storage location in one step
- 313 - Stock transfer storage locations to storage location in two steps - removal from storage.

Movement types can be reached out by following the below steps:

Path to reach Movement Type:

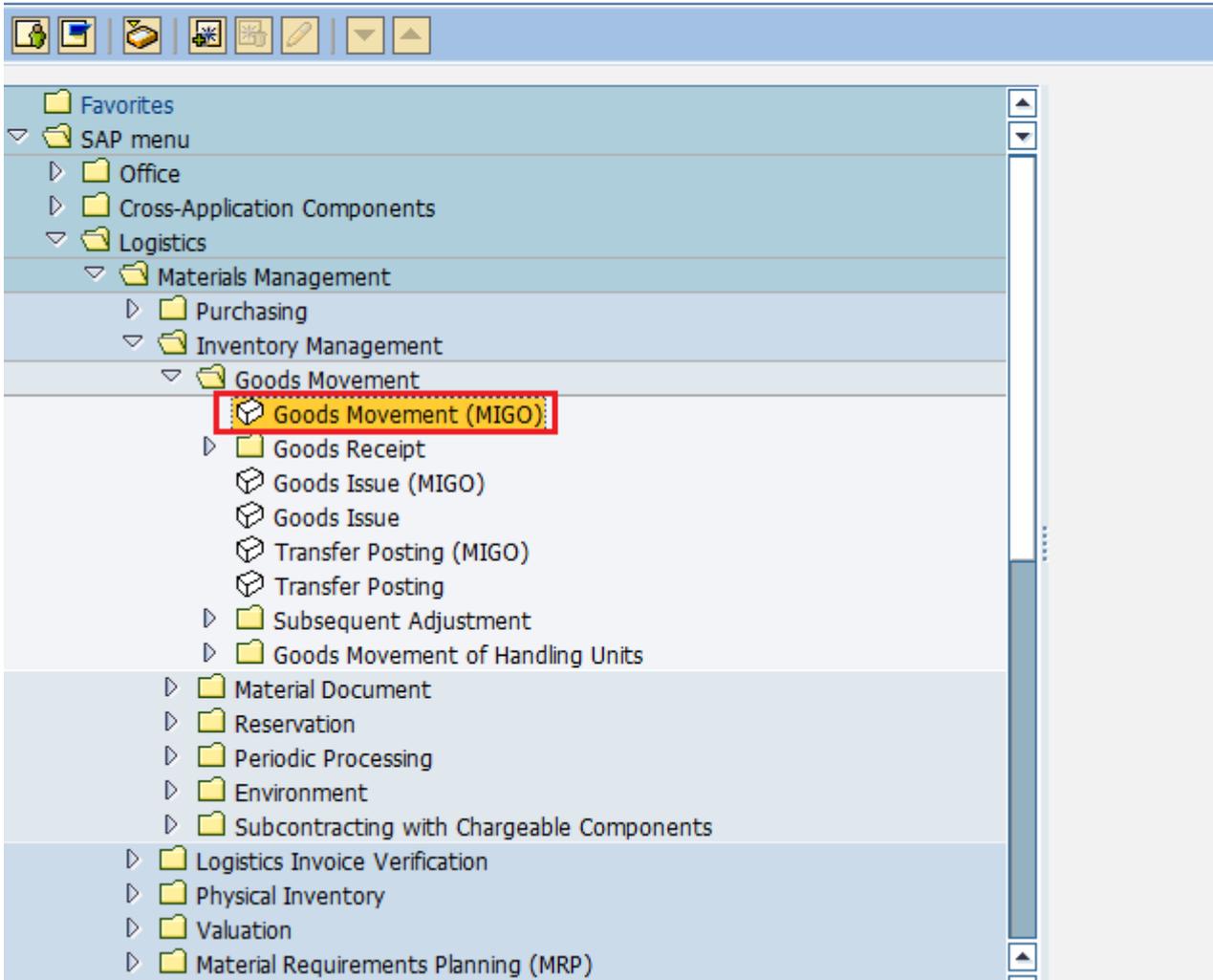
Logistics => Materials Management => Inventory Management => Goods Movement => Goods Movement *MIGO*

TCode: MIGO

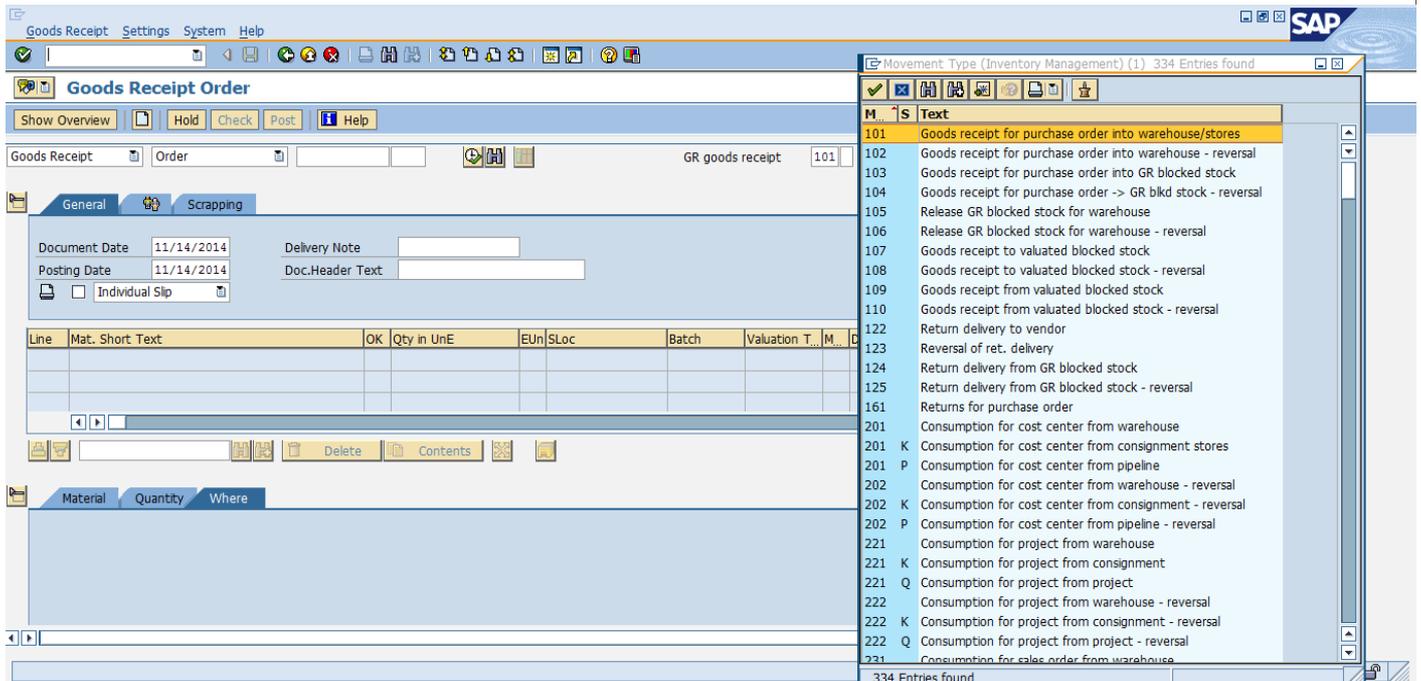
On SAP Menu screen select Goods Movement *MIGO* execute icon by following the above path.



SAP Easy Access



Select GR Goods Receipt drop-down. You will get a lot of standard movement types and you can choose one according to your requirement.



Goods Receipt

Goods receipt is the phase in which the material is received by the ordering party and the condition and quality are verified. Depending upon the movement type stock is posted in inventory with the help of goods receipt. Goods receipt will show increase in warehouse stock. Goods receipt has two scenarios which are as follows.

- Creation of Goods Receipt
- Cancellation of Goods Receipt

Creation of Goods Receipt

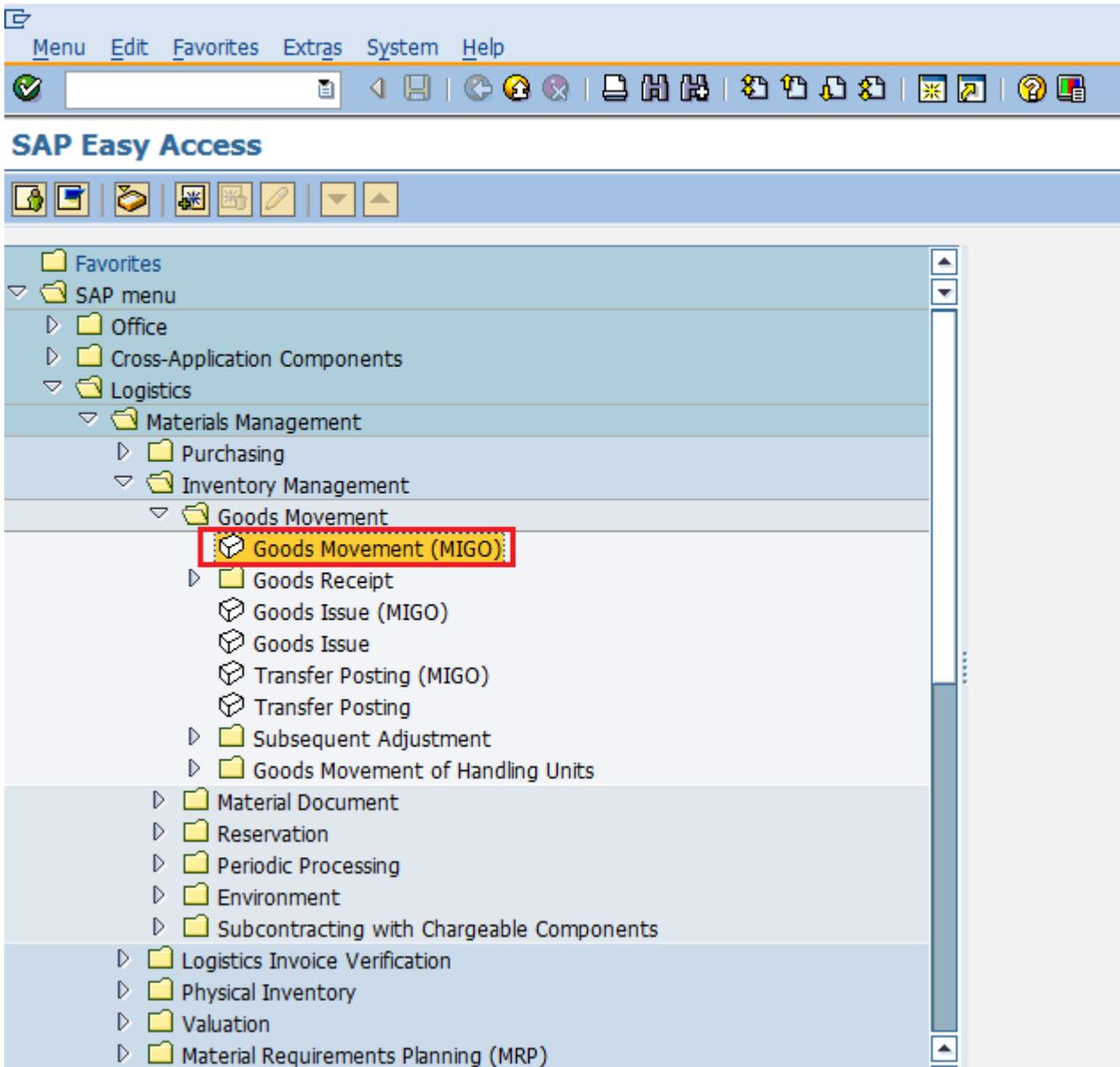
Goods receipt can be posted by following the below steps.

Path to post Goods Receipt:

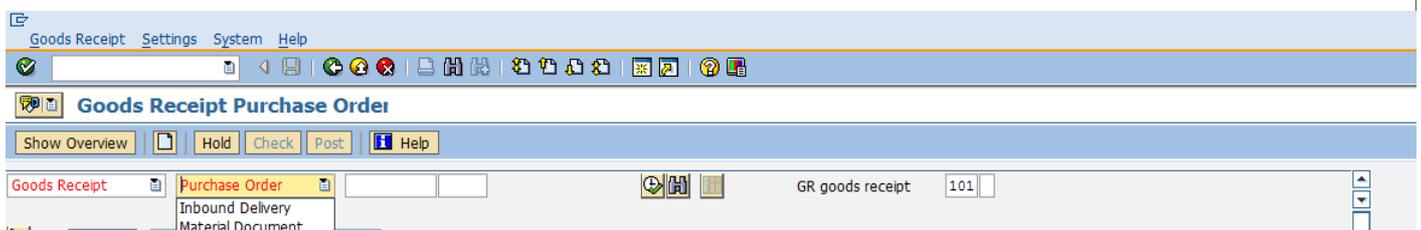
Logistics => Materials Management => Inventory Management => Goods Movement => Goods Movement *MIGO*

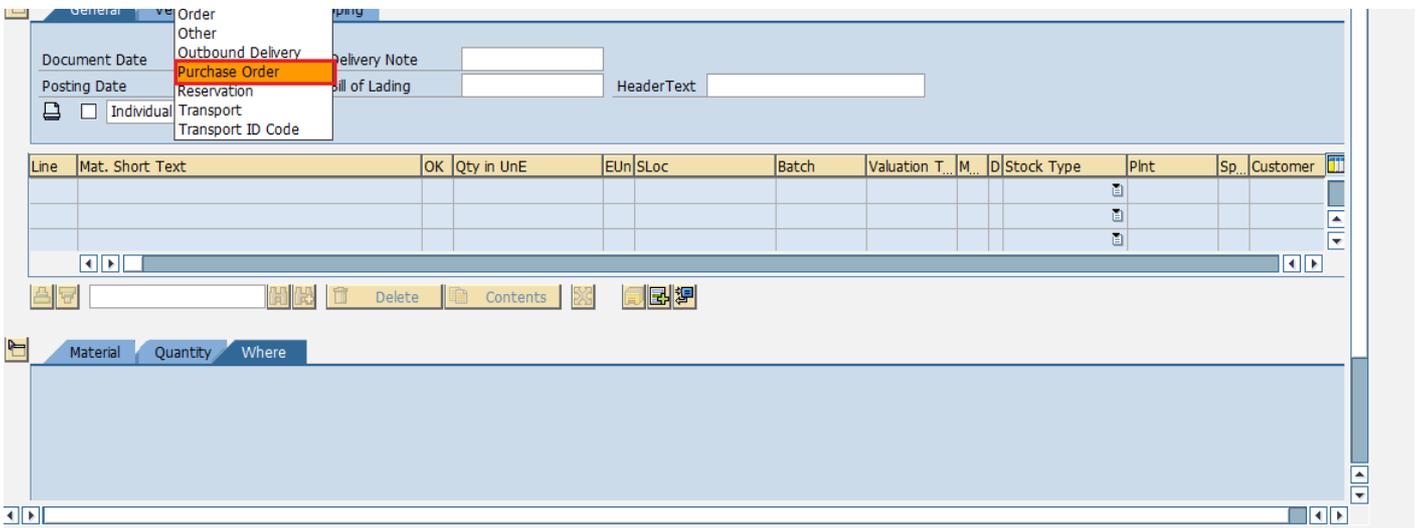
TCode: MIGO

On SAP Menu screen select Goods Movement *MIGO* execute icon by following the above path.

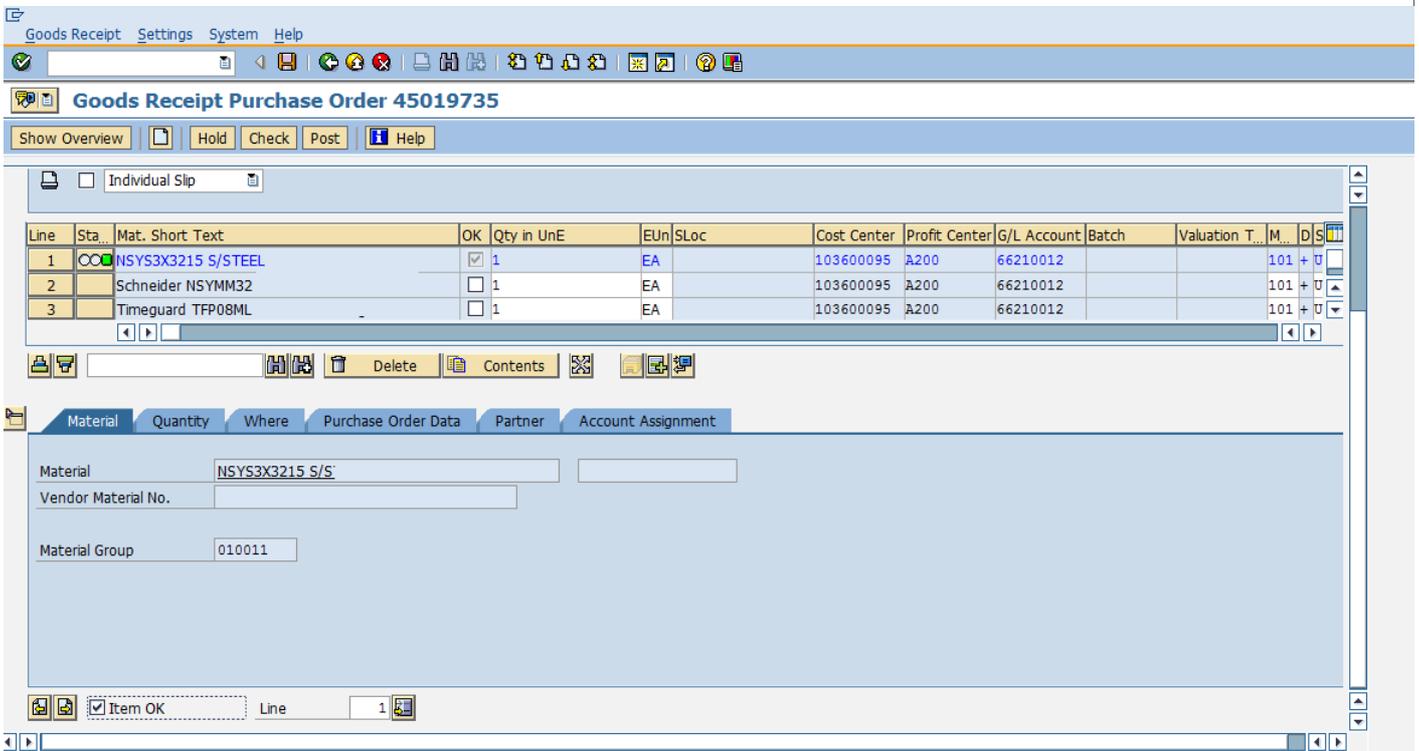


Goods receipt can be posted against various documents. Select the required document from the drop-down. For example in this case we are selecting purchase order. Select the movement type according to the requirement.





It will fetch all the details from the selected reference document like material, quantity, plant. Select check tab to check the document. Then click on save. A material document number will be generated. Goods receipt is now posted against a purchase document.



Cancellation of Goods Receipt

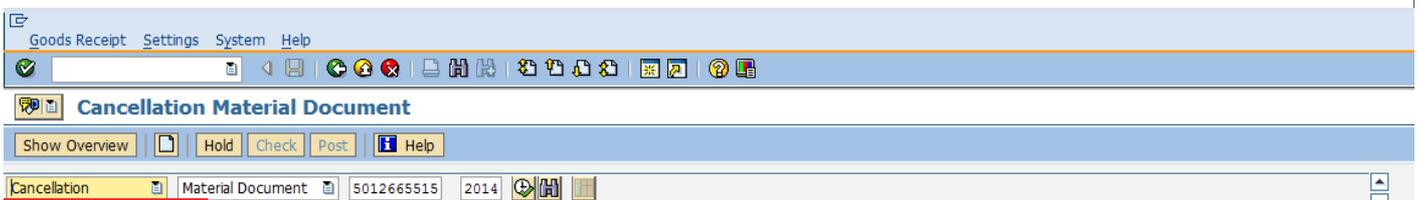
Sometimes goods receipt is not posted correctly. So goods receipt needs to be cancelled and it can be cancelled by following the below steps.

Path to cancel Goods Receipt:

Logistics => Materials Management => Inventory Management => Goods Movement => Goods Movement *MIGO*

TCode: MIGO

On the same MIGO screen select from drop-down Cancellation against a material document number. Provide the material document number.



Cancellation
 Display
 Goods Receipt
 Goods Issue
 Place in Storage
 Release GR Blocked Stock
 Remove from Storage
 Return Delivery
 Subsequent Adjustment
 Subsequent Delivery
 Transfer Posting

Scraping

Delivery Note
 Bill of Lading
 HeaderText

OK	Qty in UnE	EUn	SLoc	Batch	Valuation T...	M...	D	Stock Type	Plnt	Sp...	Customer

Material Quantity Where

It will fetch all the details from the material document. Select check tab to check the document. Then click on save. A material document number will be generated. Goods receipt is now cancelled.

Goods Receipt Settings System Help

Cancellation Material Document 50126655

Show Overview Hold Check Post Help

Individual Slip

Line	Sta...	Mat. Short Text	OK	Qty in UnE	EUn	SLoc	Cost Center	Profit Center	G/L Account	Batch	Valuation T...	M...	D	S
1	CC	NSYS3X3215 S/STEEL	<input checked="" type="checkbox"/>	1	EA		103600095	A200	66210012				102	- U

Material Quantity Where Purchase Order Data Partner Account Assignment

Material: NSYS3X3215 S/STEEL
 Vendor Material No.:
 Material Group: 010011

Item OK Line: 1

Reservation

Sometimes, stock need to be blocked in advance so that it can be available at a particular point of time. This is known as reservation. Reservation ensures that stock is available and it can be used when required. Reserved quantity can be viewed by TCode MMBE. Provide the material number and plant. Reserved quantity can be seen in the reserved tab as shown below.

List Edit Goto Extras Environment System Help

Stock Overview: Basic List

Selection

Material: 4000003
 Material Type: ZLAG
 Unit of Measure: EA Base Unit of Measure: EA

Stock Overview

Client/Company Code/Plant/Storage Location/Batch/Special Stock B On-Order Stock Stock in transit Reserved Sched.for delivery Returns Rcpt reservation

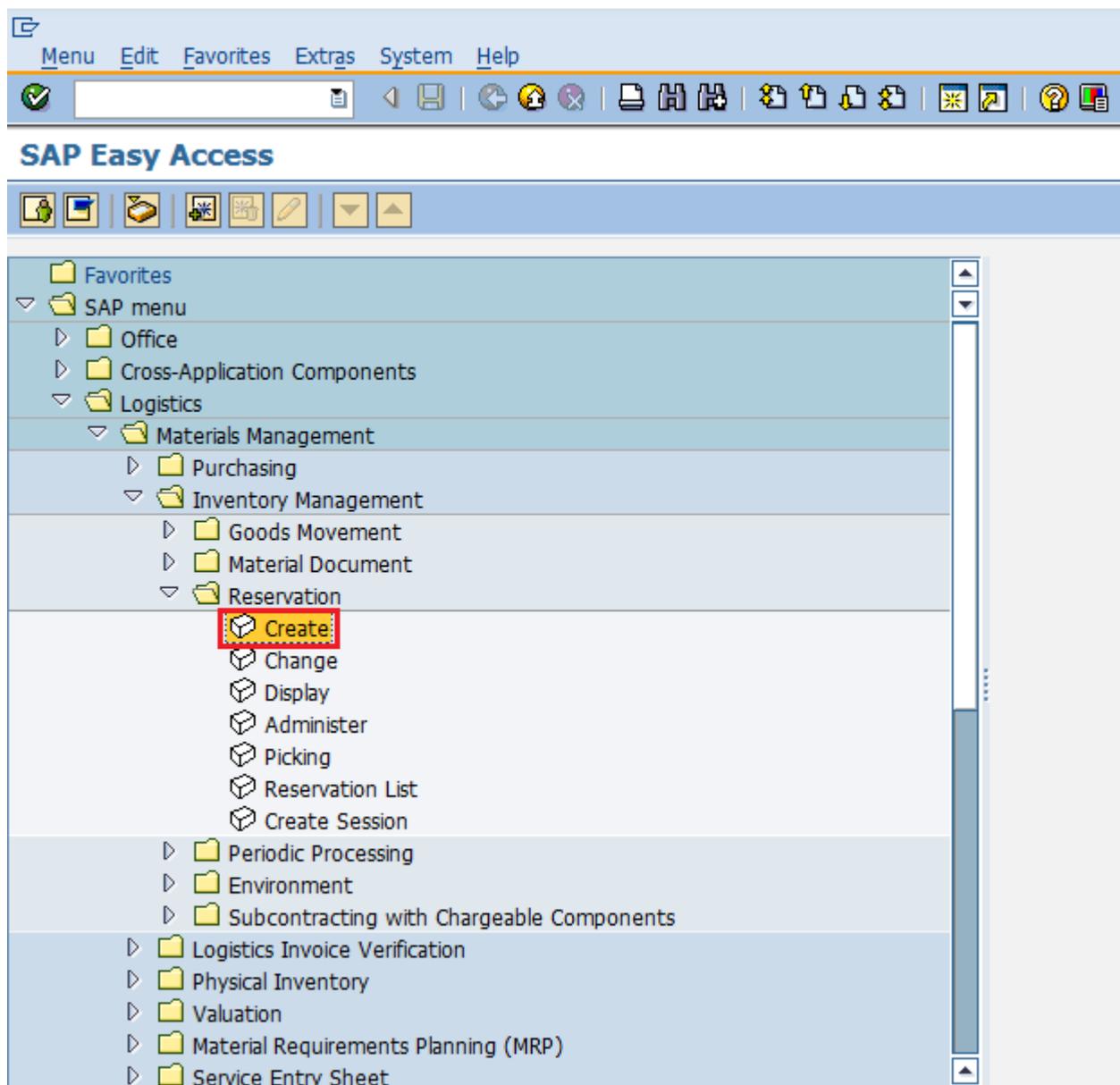
Client/Company Code/Plant/Storage Location/Batch/Special Stock	On-Order Stock	Stock in transit	Reserved	Sched.for delivery	Returns	Rcpt reservation
Full Client/Company Code/Plant/Storage Location/Batch/Special Stock	0.000					
10	0.000					
1AC	10.000					

Reservation can be created by following the below steps.

Path to create Reservation:

Logistics => Materials Management => Inventory Management => Reservation => Create
TCode: MB21

On SAP Menu screen select Create execute icon by following the above path.



Enter the date, movement type and plant for which reservation is to be made.

The screenshot shows the 'Create Reservation: Initial Screen' in SAP. The menu bar includes 'Reservation', 'Edit', 'Goto', 'Movement Type', 'Environment', 'System', and 'Help'. The toolbar contains various icons for navigation and actions. Below the title bar, there is a 'New Item...' button. The main area contains the following fields:

- Base date: 11/14/2014
- Check against cal.:
- Movement Type: 261
- Plant: 1AC
- Reference: Reservation

Enter the order number against which you want to make reservation. Provide the details of material and quantity that is to be reserved. Click on save. Reservation is now made for the order.

The screenshot shows the 'Create Reservation: New Items' screen in SAP. The menu bar includes 'Reservation', 'Edit', 'Goto', 'Environment', 'System', and 'Help'. The toolbar contains various icons. Below the title bar, there is a 'Delete Item(s)' button. The main area contains the following fields:

- Movement Type: 261 GI for order
- G/L Account: [Empty]
- Goods recipient: [Empty]
- Cost Center: [Empty]
- Order: [Yellow highlighted]

Below the fields is a table titled 'Items' with the following columns: F Itm, Material, Quantity in, UnE, Plnt, SLoc, Batch, RU, RP, M.

F Itm	Material	Quantity in	UnE	Plnt	SLoc	Batch	RU	RP	M
1								0	<input checked="" type="checkbox"/>
2								0	<input checked="" type="checkbox"/>
3								0	<input checked="" type="checkbox"/>
4								0	<input checked="" type="checkbox"/>
5								0	<input checked="" type="checkbox"/>
6								0	<input checked="" type="checkbox"/>
7								0	<input checked="" type="checkbox"/>
8								0	<input checked="" type="checkbox"/>
9								0	<input checked="" type="checkbox"/>
10								0	<input checked="" type="checkbox"/>

Goods Issue

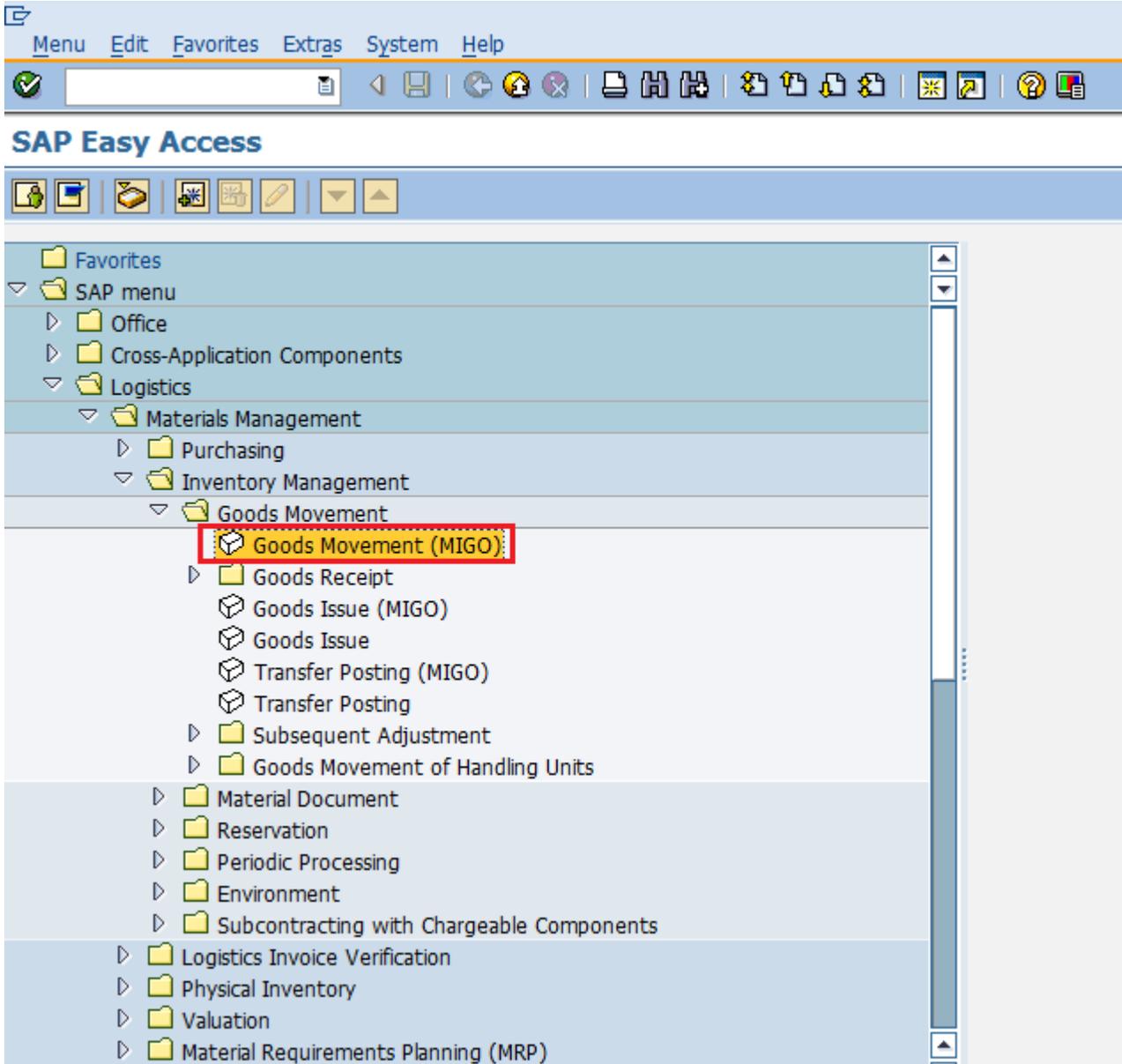
Goods issue means moving stock out of inventory that may be due to several reasons like withdrawing of material for sampling or returning the goods back to vendor. So, goods issue will result in decrease in quantity in warehouse. Goods issue can be done by following the below steps.

Path to post Goods Issue:

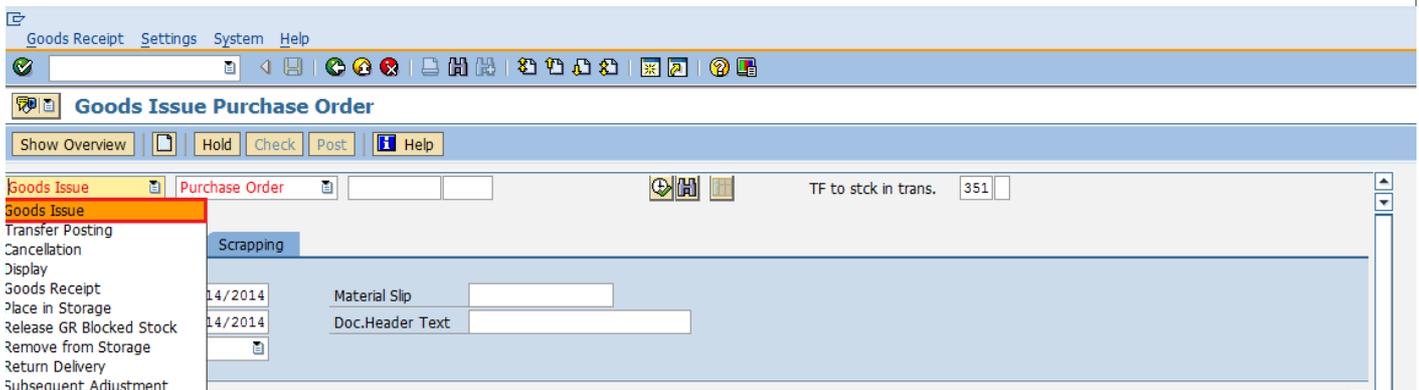
Logistics => Materials Management => Inventory Management => Goods Movement => Goods Movement *MIGO*

TCode: MIGO

On SAP Menu screen select Goods Movement *MIGO* execute icon by following the above path.



Select goods issue from drop-down. Goods issue can be posted against various documents. Select the required document from the drop-down. For example in this case we are selecting purchase order. Select the movement type according to the requirement.



Subsequent Delivery	OK	Qty in UnE	EUn	SLoc	Batch	Valuation T...	M...	D	Stock Type	Plnt	Sp...	Customer

It will fetch all the details from the selected reference document like material, quantity, plant. Select check tab to check the document. Then click on save. A material document number will be generated. Goods Issue is now posted against a purchase document.

Goods Receipt Settings System Help

Goods Issue Purchase Order 45019731:

Show Overview Hold Check Post Help

Document Date: 11/14/2014 Material Slip:

Posting Date: 11/14/2014 Doc.Header Text:

Individual Slip

Line	Mat. Short Text	OK	Qty in UnE	EUn	S...	SLoc	Batch	Valuation T...	M...	D	Stock Type	Plnt	Sp...	Custom
1	ROCK MED TSFR	<input type="checkbox"/>	100.000	LB					351	-	Unrestrict...	AVERY ISLA...		

Movement Type: 351 - TF to stck in trans. Stock type: Unrestricted use

Plant: AVERY ISLAND 1AC

Storage Location:

Goods recipient:

Unloading Point:

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