

## R/3 SYSTEM

Purchasing, inventory management, warehouse management, invoice verification and a sophisticated information system: These are the key components of SAP® Materials Management (MM).

# PRODUCT OVERVIEW...

## MM MATERIALS MANAGEMENT SYSTEM

### REAP THE BENEFITS OF LEAN MATERIALS MANAGEMENT

#### SUCCESSFUL PURCHASING SAVES TIME AND MONEY

The R/3 system handles all the routine tasks and provides individualized default data when you process purchasing documents. It doesn't matter if your purchase requisition has been created as a result of a planning run, cost center requirement or sales order. The integrated nature of R/3 always enables your buyer to identify the source of demand. If desired, purchasing documents may be subject to a flexible approval process. Your buyers have the essential purchasing tools at their fingertips to turn requisitions into purchase orders, including information from recent supplier prices, supplier quotations, and long-term contracts. You can also

compare prices automatically in every purchasing transaction. Also, Vendor Evaluation enables you to select the vendor providing the best quality and service. These features keep purchasing costs to a minimum. The automatically updated purchase order history informs you whether goods or invoices have been received, keeping you constantly up-to-date on every transaction.

#### PLAN DYNAMICALLY WITH EXACT INVENTORY MANAGEMENT

At the moment of goods receipt, R/3 checks whether the materials and quantities delivered match those actually ordered. It can also inform your buyers via SAPmail® that goods have been received and if any variances have occurred. Inventory Management can automatically transfer the data to Quality Management (QM) for checking. Every goods receipt/issue immediately updates material stock quantities. Simultaneously, the value of the receipt or issue including delivery costs, such as freight, customs charges and taxes, is updated in Financial Accounting (FI). Additionally, you can carry out complete physical inventory or, if you prefer, you can activate cycle counting. In each case, R/3 assists you with user friendly input tools and automatic analyses. R/3 also supports a number of valuation procedures including LIFO and FIFO. A full suite of inventory controlling functions is available, including ABC analysis.

Create Purchase Order : Item Overview

Purchase order Edit Header Item Environment System Help

Item details Header details Vendor address

Purchase order Order type NB Order date 06/20/1994  
Vendor 55 Johnsons Sports Equipment Currency US\$

PO items

Item	Material	Short text	Mat. grp.	
D I A	PO quantity	OU Net price	Per OPU n Deliv. date Plnt SLoc	
<input type="checkbox"/>	10	MB-1004	Mountain Bike SL	000000001
		1.000	PC 359.00 1 PC D 08/01/1994	US02 0001
<input type="checkbox"/>	20	000000000000001009	Bicycle 'Racing'	000000001
		1.000	PC 310.00 1 PC D 09/01/1994	US01
<input type="checkbox"/>	30	000000000000001010	Bicycle 'Junior Edition'	100000011
		1.000	PC 185.00 1 PC W 38/1994	US01
<input type="checkbox"/>	40			
				D 08/01/1994
<input type="checkbox"/>	50			
				D 08/01/1994
<input type="checkbox"/>	60			

OVR NUM 14:04



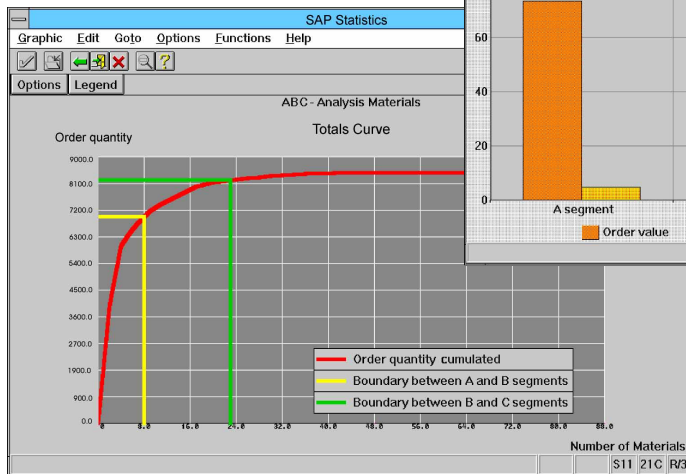
# MM MATERIALS MANAGEMENT SYSTEM

## FULL-FLEDGED STRATEGIES ENHANCE THE EFFICIENCY OF YOUR WAREHOUSE

Only by taking advantage of the right putaway and removal strategies - be they LIFO or FIFO - can you ensure efficient stock turnover and low warehousing costs. The Warehouse Management component can help you manage even the most complex warehouse structures with complete ease. Your stock is efficiently managed in blocks, high racks or fixed storage bins according to your exact requirements. Transport routes are kept as short as possible. R/3 Warehouse Management also allows you to take full advantage of barcode technology, saving you valuable time and reducing error rates. Inventory Management and Sales and Distribution (SD) benefit from close integration to Warehouse Management. This integration enables you to perform putaways and removals simply. R/3 is also equipped with an integrated communications interface which enables Warehouse Management to link up smoothly to your warehouse control unit.

## DON'T PAY ANY MORE THAN YOU HAVE TO

Do you insist on precise invoices? The Invoice Verification component proposes the ordered quantities and amounts to be invoiced as well as any cash discount and tax. The accounts payable clerk only has to intervene when the prices and quantities in the invoice vary from those in the purchase order. You can set tolerance limits for every type of variance



such as quantity, price or date. If a tolerance limit is exceeded, the system can automatically block the invoice for payment. R/3 now supports „pay on receipt“ with a fully-automated Evaluated Receipt Settlement (ERS) system which periodically creates invoices for goods receipts referencing ERS orders. When an invoice is posted, the data is automatically passed on to Financial Accounting (FI), Asset Accounting (FI-AA), and Cost Accounting (CO). The new Logistics Invoice Verification function enables the decoupling of Invoice Verification from Financial Accounting, thus allowing R/3 to be distributed over multiple systems.

## STAY ONE STEP AHEAD

The Purchasing Information System and Vendor Evaluation provide you with all the key information to help you prepare for negotiations with vendors. Purchase orders, goods receipts and invoices are all reflected in the Purchasing Information System as soon as they are entered. Additionally, Vendor Evaluation provides you with all relevant information to help

you maintain a quality supplier relationship according to your individual criteria, such as timely delivery, product quality and adherence to terms and conditions. Your decision-making is supported by detailed analyses of prices, materials or material groups, delivery information and price history.

## INTEGRATED SERVICES MANAGEMENT

R/3 Materials Management not only enables you to efficiently procure goods, but provides you with sophisticated tools to purchase, take delivery of and accept services - fast, reliably and on-time.

## TECHNOLOGY AND SERVICE

R/3 software is based on Client/Server Architecture. R/3 is designed as an open system for use on operating systems from a variety of vendors. Along with the software, SAP offers you a complete spectrum of services: professional consulting in organizational and technical issues ranging from project planning to system implementation, qualified staff training, and 24-hour hotline support.

SAP's quality management system for software development meets the international ISO 9001 standards.

Find out more. Just call or write us.

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