

The SAP logo is displayed in white, bold, sans-serif capital letters within a dark blue trapezoidal shape that tapers to the right. The background of the entire page is a dark blue gradient with a subtle grid pattern and light blue bokeh effects.

SD



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About the Tutorial

SAP SD (Sales and Distribution) is one of the significant modules of SAP ERP. It is used to store the customer and product data of an organization. SAP SD helps to manage the shipping, billing, selling and transportation of products and services of a company.

The SAP Logistics module manages customer relationship starting from raising a quotation to sales order and billing of the product or service. This module is closely integrated with other modules like SAP Material Management and PP.

This is an introductory tutorial that covers the basics of SAP SD and how to deal with its various modules and sub-modules.

Audience

This tutorial will be extremely useful for professionals who aim to understand the basics of SAP SD and implement it in practice. It is especially going to help consultants who are mainly responsible for implementing sales, billing, and transportation of products.

Prerequisites

It is an elementary tutorial and you can easily understand the concepts explained here with a basic knowledge of how an organization deals with their customers and products. However, it will help if you have some prior exposure to inventory and how to deal with billing and shipping.

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1. SAP SD – Introduction

SAP Sales and Distribution is one of the key components of SAP ERP system and is used to manage shipping, billing, selling and transportation of products and services in an organization.

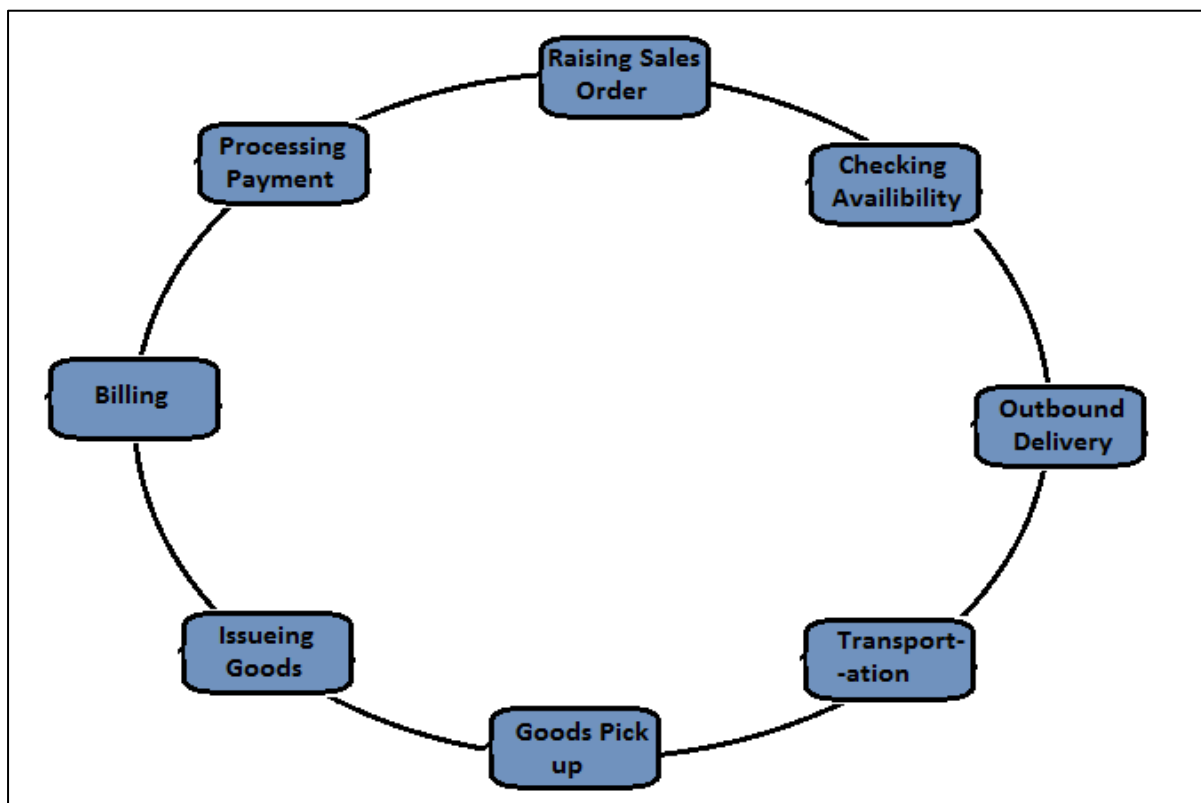
SAP Sales and Distribution module is a part of SAP Logistics module that manages customer relationship starting from raising a quotation to sales order and billing of the product or service. This module is closely integrated with other modules like SAP Material Management and PP.

Key Components in SAP SD

The key components in SAP Sales and Distribution module are:

- Customer and Vendor Master Data
- Sales Support
- Shipping of Material
- Sales Activities
- Billing related
- Transportation of products
- Credit Management
- Contract Handling and Management
- Foreign Trade
- Information System

SAP Sales and Distribution Cycle:



SAP SD – Organizational Structure

SAP provides many components to complete SAP Sales and Distribution organizational structure like Sales Areas, Distribution Channels, Divisions, etc. The SAP SD organization structure majorly consists of two steps:

- Creation of Organization elements in SAP system, and
- second is to link each element as per requirement.

On top of this organization structure in the SD module, sales organization is at highest level and is responsible for distribution of goods and services. SAP recommends to keep the number of sales organization in an organizational structure to be minimum. This will help in making the reporting process easy and ideally it should have a single sales organization.

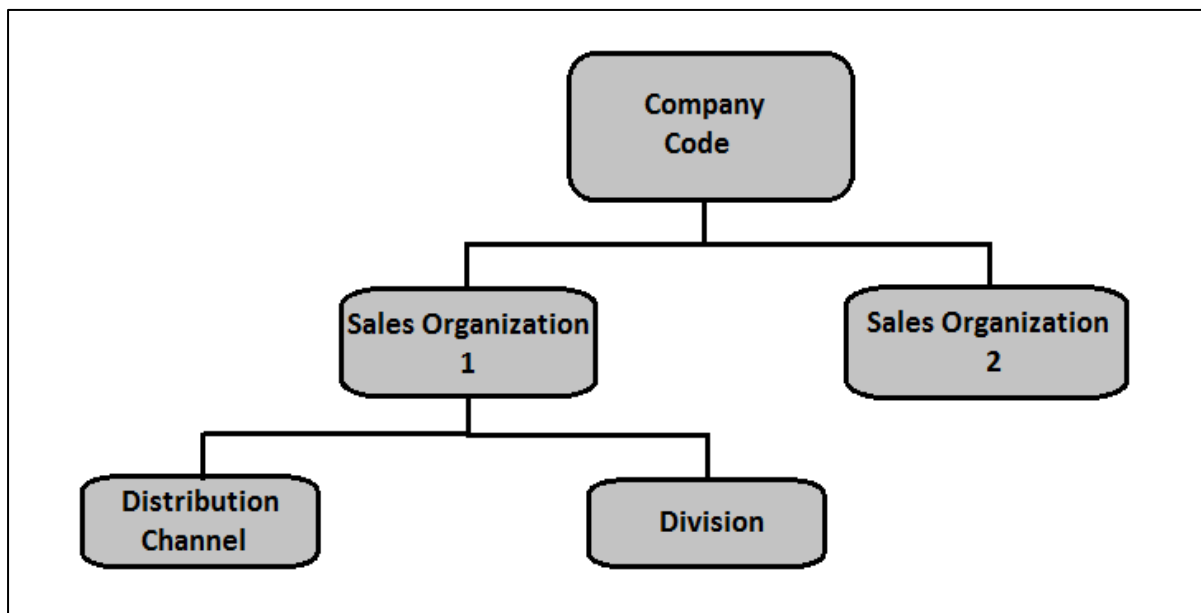
The next level is distribution channel, which tells the medium by which the products and services are distributed by an organization to its end users. Division in an organizational structure, which represents a product or service line in a single organization.

A sales area is known as entity, which is required to process an order in a company. It comprises of sales organization, distribution channel and a division.

In SAP SD organizational structure, each sales organization is assigned to a company code. Then the distribution channel and divisions are assigned to sales organization and all of these comprise to make a sales area.

In the first step of an SD organizational structure, sales organization is assigned to a company code and then is to define a distribution channel and then division to a sales organization.

The following diagram shows the organizational structure of a Sales and Distribution module:



Material Management

Material Management is one of the key modules in SAP ERP System and covers the day to day business operations related to inventory and procurement. This module is closely integrated with other modules of R/3 systems like Finance Accounting and Controlling, Sales and Distribution, Quality Management, Product Planning.

Integration with Sales and Distribution SD Module

Consider an example of creating a sales order in SAP SD, it involves copying the details of items from Material Management. Availability check of the item and price details are also taken from MM, but this can be controlled in the SD module. To create inbound and outbound delivery of goods for a sales order, shipping details, loading point etc. also comes from the Material Master.

The item that is placed using a Sales order must be extended to the sales area of an organization to sales order/customer, otherwise it won't be possible to transact with this material. This confirms that there is a link between SAP SD and MM module, when a sales order is created and fulfilled. Similarly, there are many other links between two modules.

Finance and Accounting

SAP FI stands for Financial Accounting and it is one of the important modules of SAP ERP. It is used to store the financial data of an organization. SAP FI helps to analyze the financial condition of a company in the market. It can integrate with other SAP modules like SD, PP, SAP MM, SAP SCM etc.

For SAP FI-MM, use **T-code: OBYC**

Configuration Accounting Maintain : Automatic Posts - Procedures		
Group <input type="text" value="RMK"/> Materials Management postings (MM)		
Procedures		
Description	Transaction	Account determ.
Rev.from agency bus.	AG1	<input checked="" type="checkbox"/>
Sales fr.agency bus.	AG2	<input checked="" type="checkbox"/>
Exp.from agency bus.	AG3	<input checked="" type="checkbox"/>
Expense/revenue from consign.mat.consum.	AKO	<input checked="" type="checkbox"/>
Expense/revenue from stock transfer	AUM	<input checked="" type="checkbox"/>
Subsequent settlement of provisions	BO1	<input checked="" type="checkbox"/>
Subsequent settlement of revenues	BO2	<input checked="" type="checkbox"/>
Provision differences	BO3	<input checked="" type="checkbox"/>
Inventory posting	BSD	<input checked="" type="checkbox"/>
Change in stock account	BSV	<input checked="" type="checkbox"/>
Inventory posting	BSX	<input checked="" type="checkbox"/>
Revaluation of other consumables	COC	<input checked="" type="checkbox"/>
Delkredere	DEL	<input checked="" type="checkbox"/>
Materials management small differences	DIF	<input checked="" type="checkbox"/>
Purchase account	EIN	<input checked="" type="checkbox"/>
Purchase offsetting account	EKG	<input checked="" type="checkbox"/>
Freight clearing	FR1	<input checked="" type="checkbox"/>
Freight provisions	FR2	<input checked="" type="checkbox"/>

In case of a standard sales order, you create an outbound goods delivery to the customer. Here movement 601 takes place. This movement is configured in MM and movement of

goods hit some G/L account in FI. This shows the integration between SAP SD, FI and MM module.

Document Flow

This shows how a transaction in one system effects the details in other systems of an SAP module.

Consider the following transaction –

For SAP FI-MM, use **T-code: OBYC**

Whenever there is a delivery created with reference to a sales order, goods movement takes place in the system.

Configuration Accounting Maintain : Automatic Posts - Procedures		
Group <input type="text" value="RMK"/> Materials Management postings (MM)		
Procedures		
Description	Transaction	Account determ.
Rev.from agency bus.	AG1	<input checked="" type="checkbox"/>
Sales fr.agency bus.	AG2	<input checked="" type="checkbox"/>
Exp.from agency bus.	AG3	<input checked="" type="checkbox"/>
Expense/revenue from consign.mat.consum.	AKO	<input checked="" type="checkbox"/>
Expense/revenue from stock transfer	AUM	<input checked="" type="checkbox"/>
Subsequent settlement of provisions	BO1	<input checked="" type="checkbox"/>
Subsequent settlement of revenues	BO2	<input checked="" type="checkbox"/>
Provision differences	BO3	<input checked="" type="checkbox"/>
Inventory posting	BSD	<input checked="" type="checkbox"/>
Change in stock account	BSV	<input checked="" type="checkbox"/>
Inventory posting	BSX	<input checked="" type="checkbox"/>
Revaluation of other consumables	COC	<input checked="" type="checkbox"/>
Delkredere	DEL	<input checked="" type="checkbox"/>
Materials management small differences	DIF	<input checked="" type="checkbox"/>
Purchase account	EIN	<input checked="" type="checkbox"/>
Purchase offsetting account	EKG	<input checked="" type="checkbox"/>
Freight clearing	FR1	<input checked="" type="checkbox"/>
Freight provisions	FR2	<input checked="" type="checkbox"/>

Example

In case of a standard sales order in the SD module, you create an outbound goods delivery to the customer. Availability check and retail price of that product is checked in the MM module. Here, movement 601 takes place. This movement is configured in the MM and movement of goods hit some G/L account in FI. Every such movement of goods hits General Ledger account in FI.

The accounts posting in FI is done with reference to the billing documents like credit and debit note, invoice etc. created in SD and hence this is the link between SD and FI. This shows the document flow between different modules.

Process Chain

SD module is closely integrated with other SAP modules. The following tables will give you a brief idea on how SD is linked with other modules:

Sales Order

Link Points	Module Involved
Availability Check	MM
Credit Check	FI
Costing	CO/MM
Tax Determination	FI
Transfer of Requirements	PP/MM

Billing

Integration Point	Module
Debit A/R	FI/CO
Credit Revenue	FI/CO
Updates G/ L (Tax, discounts, surcharges, etc.)	FI/ CO
Milestone Billing	PS

Goods Delivery and Issue of goods

Integration	Module
Availability Check	MM
Credit Check	FI
Reduces stock	MM
Reduces Inventory	FI/CO
Requirement Eliminated	PP/MM

2. SAP SD – Customer and Material Master Data

Master data is one of the key factors in Sales and Distribution module. There are two levels of masters in SD.

The first level master includes:

- Customer Master
- Material Master
- Pricing Conditions

While, the second level master is:

- Output condition

Create a Customer Master Record

The customer master data contains the information about business transaction and how transactions are recorded and executed by the system. A Master contains the information about the customers that an organization uses to do business with them.

Key tables in Customer Master

Table Name	Key	Description
KNA1	KUNNR	General Information
KNB1	KUNNR, BUKRS	Company Code
KNVV	VKOGRG, VTWEG, SPART, KUNNR	Sales Area
KNBK	KUNNR, BANKS, BANKL, BANKN	Bank Data
VCNUM	CCINS, CCNUM	Credit Card
VCKUN	CCINS, CCNUM, KUNNR	Credit Card Assignment
KNVK	PARNR	Contact Person
KNVP	VKORG, VTWEG, SPART, PARVW, KUNNR	Partner Functions

Main Transaction Codes in a Customer Master

XD01, XD02, XD03	Used to create/change/display customer centrally
VD01, VD02, VD03	Used to create/change/display customer sales area
FD01, FD02, FD03	Used to create/change/display customer company code
XD04	Display change documents
XD05	Used to block Customer – Global, order, delivery, billing, sales area, etc.
XD06	Used for deletion
XD07	Change Account Group
VAP1	Create Contact Person

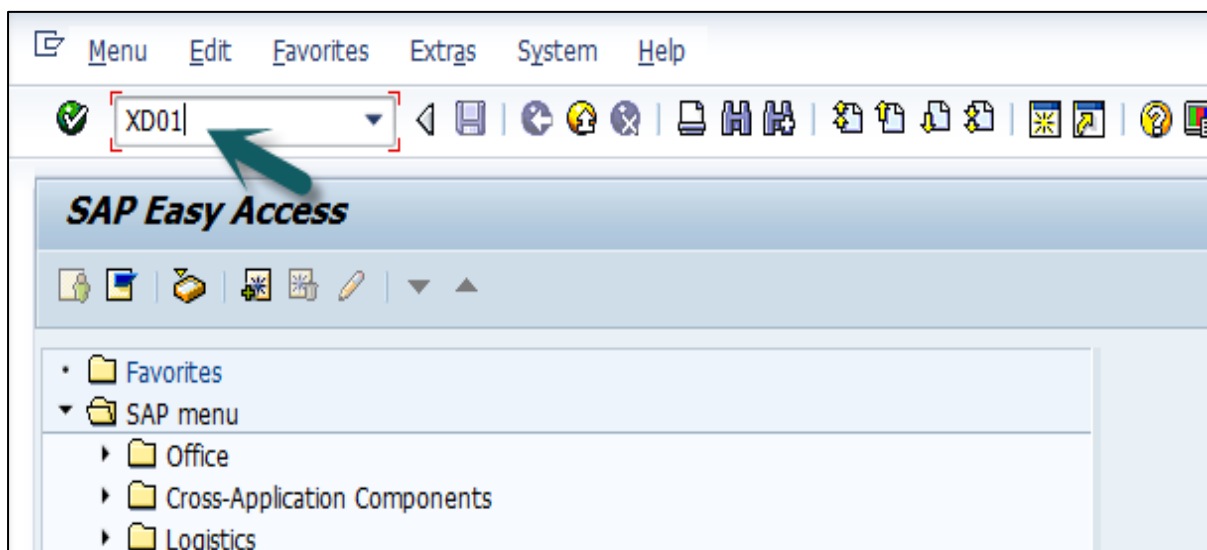
Creating a Customer Master Data

To create a customer master data, you need to use an Account group.

T-Code: XD01/VD01/FD01

Note that if you use –

- **XD01** – This Includes sales area in the customer master and data is stored in tables KNA1, KNB1 and KNVV.
- **VD01** – This includes sales area & data, which will be stored in tables KNA1, KNB1 and KNVV and there is no company code data in this.
- **FD01** – This is company code level & data is stored in tables KNA1 and KNB1.



Then a new window will open. Enter the following details:

- Select the Account Group from the list.
- Enter the customer number and select the company code.

Then you can enter the Sales Area details like –

- Sales Organization
- Distribution Channel
- Division

In case you want to take reference from an existing customer to create customer master, you can use the reference option.

Once all the details are selected, click the **Tick** mark.

The screenshot shows the 'Customer Create: Initial Screen' in SAP. The 'Account group' is set to 'TV01', 'Customer' is '1111', and 'Company code' is '0001'. The 'Sales area' section is expanded, showing 'Sales Organization' as '0001', 'Distribution Channel' as '01', and 'Division' as '00'. There are two buttons: 'All sales areas...' and 'Customer's sales areas...'. The 'Reference' section is also visible with empty fields for 'Customer', 'Company code', 'Sales organization', 'Distribution channel', and 'Reference division'. A green arrow points to the 'Tick' mark icon at the bottom right of the window.

A new window will open to enter the customer master data. This customer master data has 3 key sections:

- General Data like Title, Name, Address, etc.
- Company Code Data and
- Sales Area Data.

Create Customer: General Data

Other Customer Additional Data, Empties Additional Data, DSD Sales Area Information, DSD Data for Invoice Summary (Japan)

Customer A

Address Control Data Payment Transactions Marketing Unloading Points Export Data Contact Person

Preview Internat. versions

Name
 Title Mr.
 Name John Denver

Search Terms
 Search term 1/2

Street Address
 Street/House number 348, Akbar Road Raj Nag...
 Postal Code/City 1100069
 Country IN Germany Region 30

PO Box Address
 PO Box

Note that this region fields define the tax calculation like VAT, CST, etc. The next step is to go to Control Data and enter the following details.

Create Customer: General Data

Other Customer Additional Data, Empties Additional Data, DSD Sales Area Information, DSD Data for Invoice Summary (Japan)

Customer A John D

Address Control Data Payment Transactions Marketing Unloading Points Export Data Contact Person

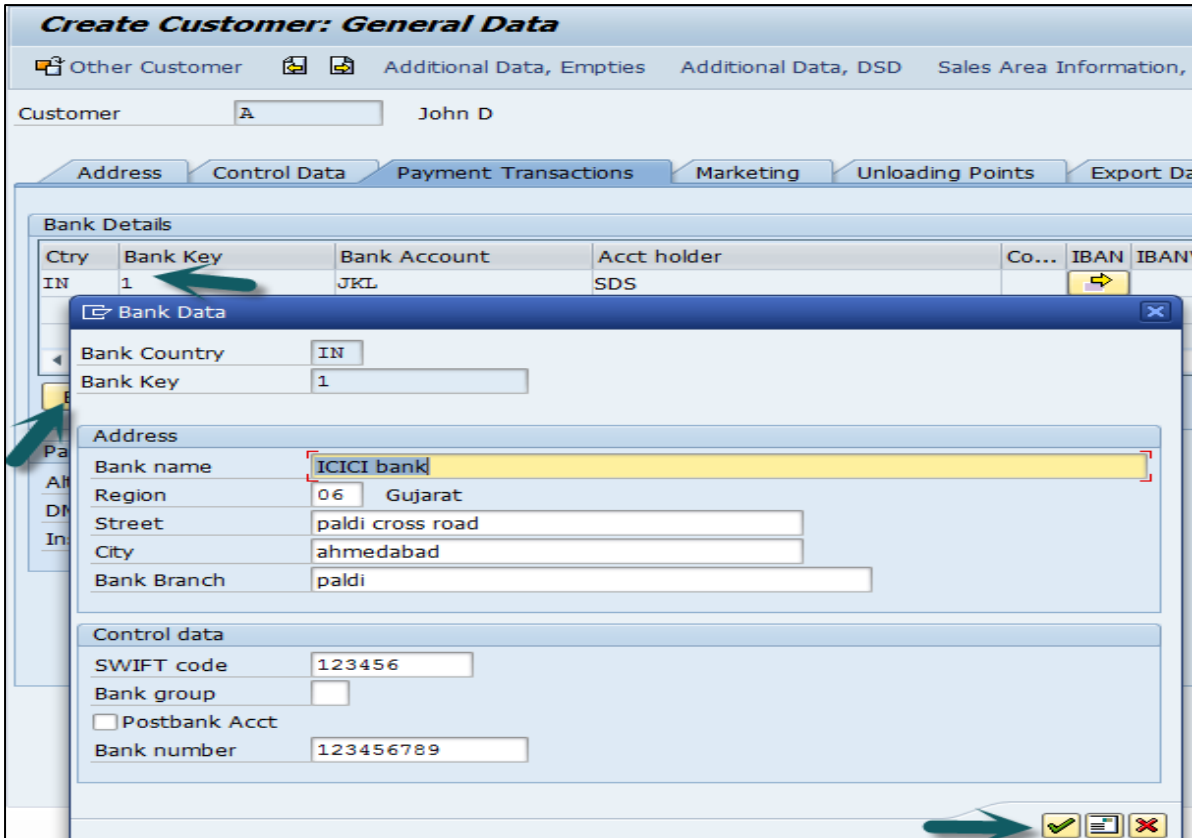
Account control
 Vendor 3560 Authorization
 Trading Partner Corporate Group

Reference data/area
 Location no. 1 Location no. 2 Check digit
 Industry
 Train station
 Express station
 Transport.zone Location code

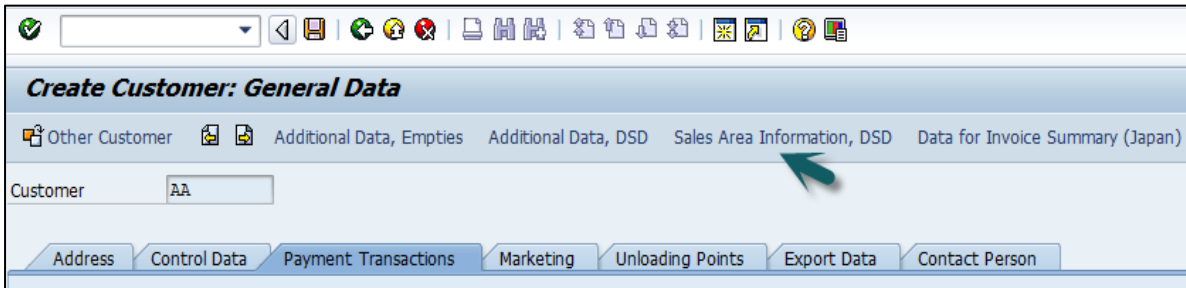
Tax information
 Tax Number 1 Tax number type 21
 Tax Number 2 Tax type
 Tax Number 3
 Tax Number 4

Equalizatn tax
 Natural person
 Sales/pur.tax

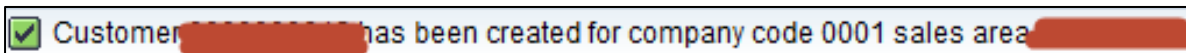
Then you have to enter the particulars in Payment Transaction tab and enter the details of – Bank City, Bank Key, Bank Account and Account Holder Name. You can also add more details by clicking on the Bank data button.



The next step is to go to the Sales Area data and enter the details – Shipping Data, Customer Pricing and Partner Functions, etc.



Next is to click on the Save icon at the top and you will get a confirmation that the customer has been created with #.



If you have to make any further changes to the customer’s master data, you can use **T-Code: XD02**.

3. SAP SD – Create Partner Function

Partner function allows you to identify which functions a partner has to perform in any business process. Consider a simplest case, where all the customer functions are performed by the partner customer. As these are mandatory functions, they have to be defined as obligatory functions in a SD system.

These functions are categorized as per partner type in Sales and Distribution system. The below partner types are Customer, Vendor, Personnel, Contact Person and common partner functions as per these partner types are –

- Partner Type Customer
 - Sold-To-Party
 - Ship-To –Party
 - Bill-To-Party
 - Payer

- Partner Type Contact Person
- Partner Type Vendor
- Forwarding Agent
- Partner Type Personnel
- Employee Responsible
- Sales Personnel

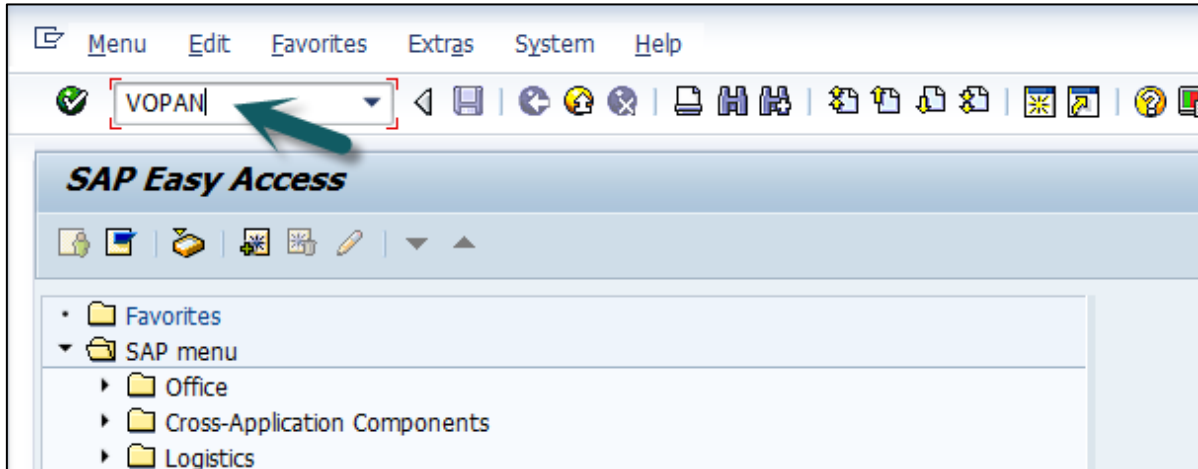
The following tables show the main partner types and their corresponding partner function in Sales and Distribution:

Note that if a partner belongs to a different partner type, in this case you need to create a master records for that partner.

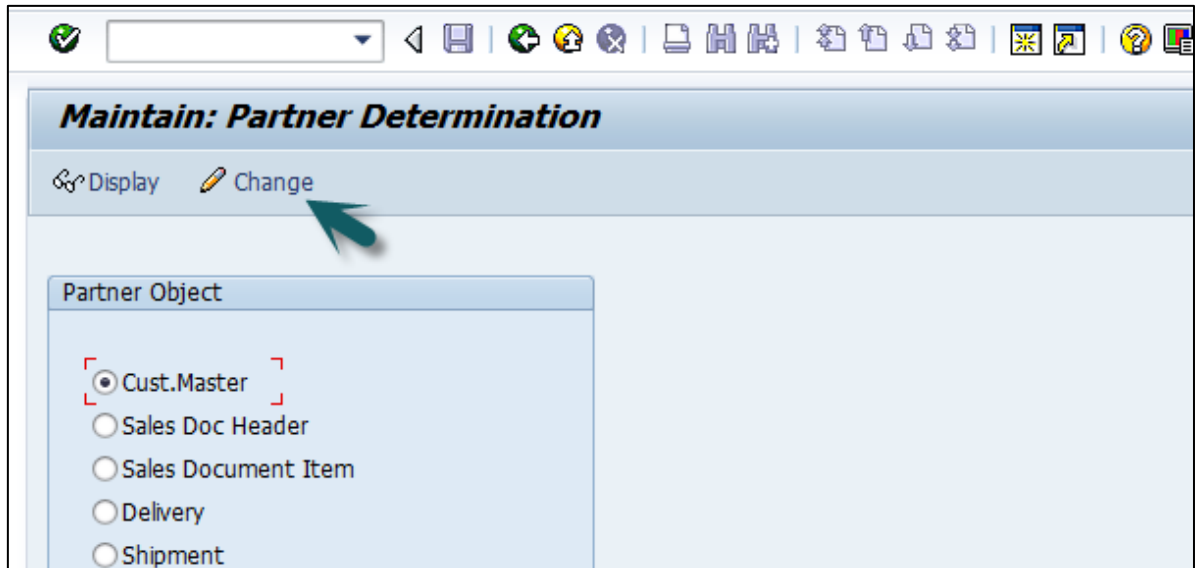
Partner Type	Partner Function	Entry from System	Master Record
Customer (CU)	Sold-to party (SP) Ship-to party (SH) Bill-to party (BP) Payer (PY)	Customer number	Customer master record
Vendor (V)	Forwarding agent (fwdg agent)	Vendor number	Vendor master record
Human resources (HR)	Employee responsible (ER) Sales personnel (SP)	Personnel number	Personnel master record
Contact person (CP)	Contact person (CP)	Contact partner number	(created in customer master record, no master record of its own)

Creating a Partner Function:

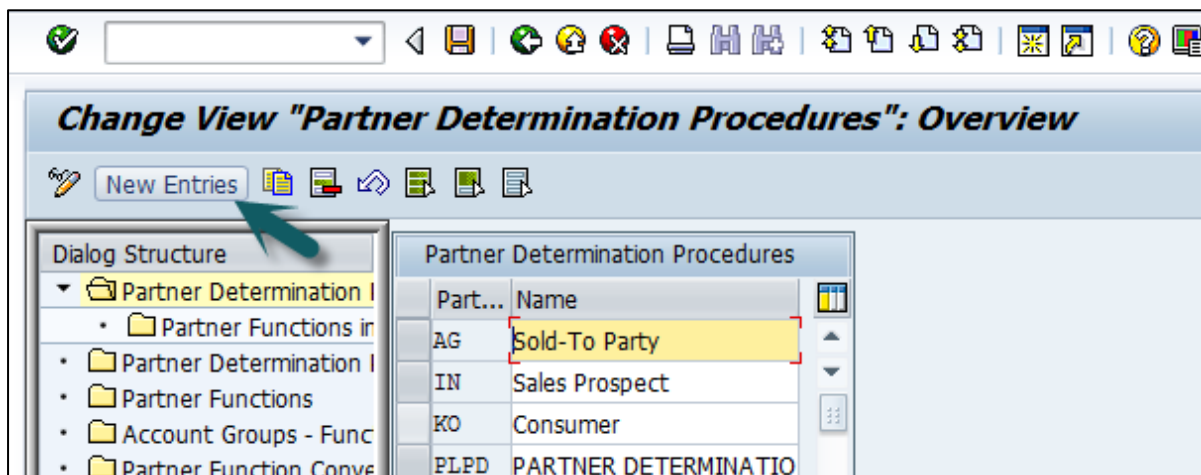
Use T-Code: **VOPAN**



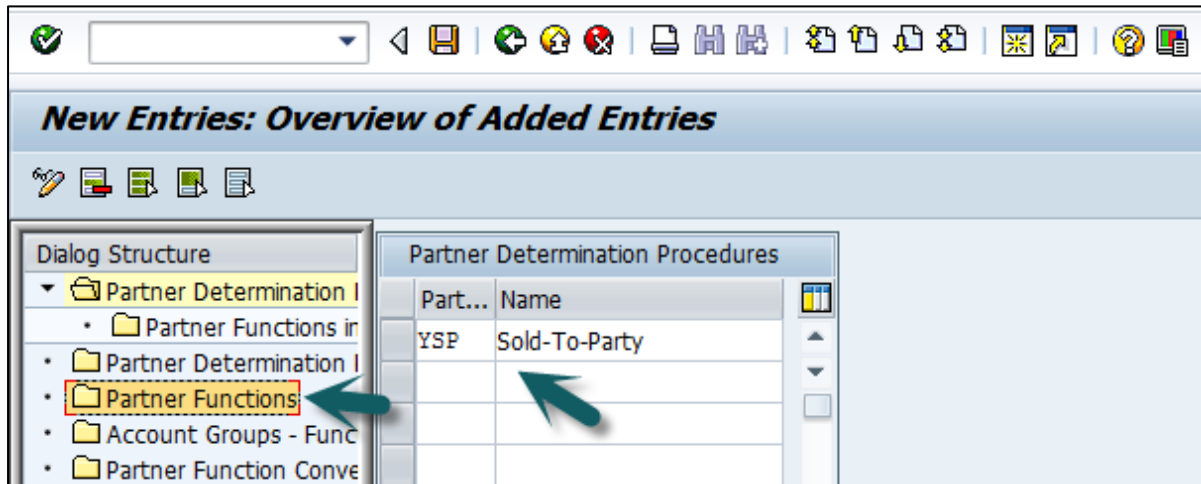
A new window will open. Select the Partner Object and click the Change button.



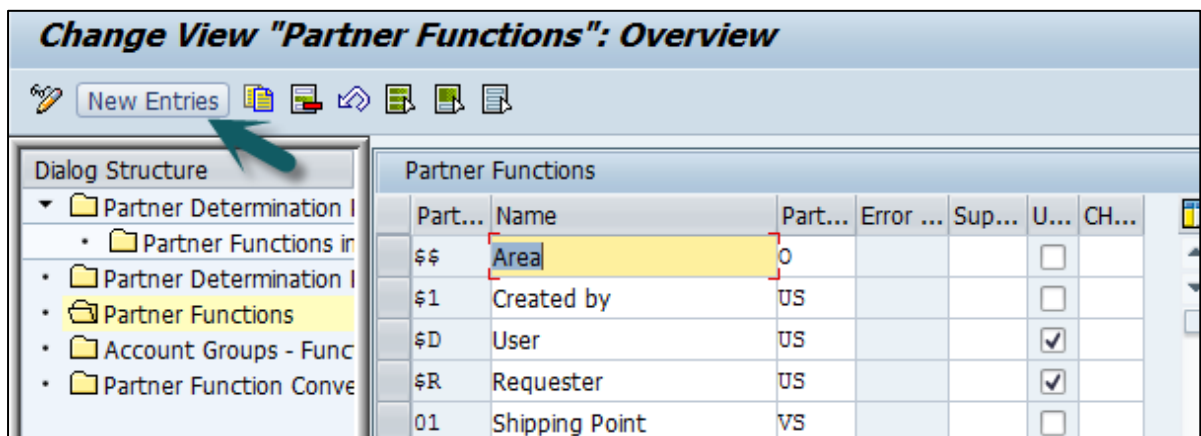
It will open a new window with the name Partner Determination Procedures. Go to New Entries.



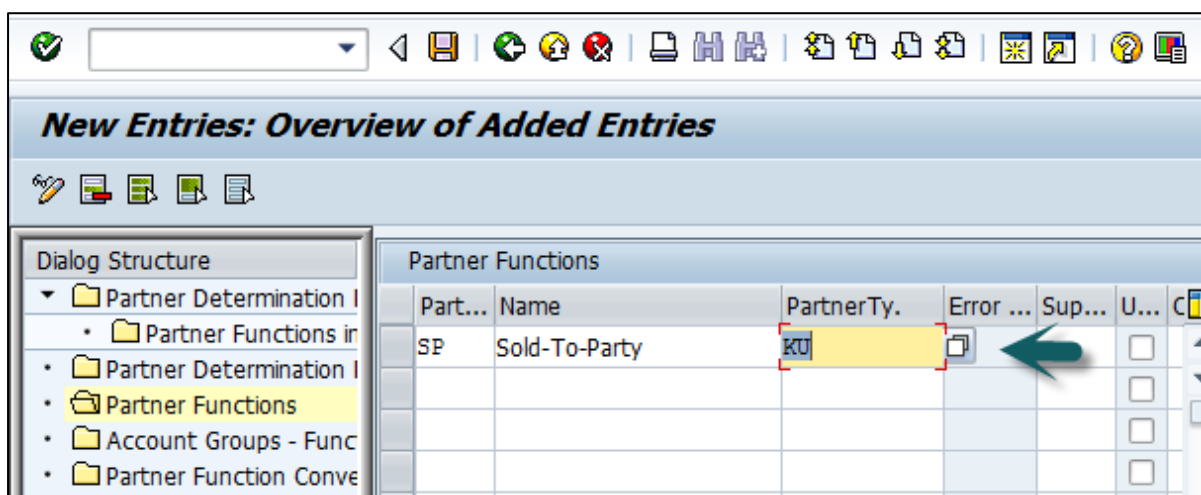
Enter the name and partner determination procedure and double click on Partner Function in left pane.



Click the New Entries button.



Enter the Partner function details – Name, Type, etc. KU- stands for Customer.



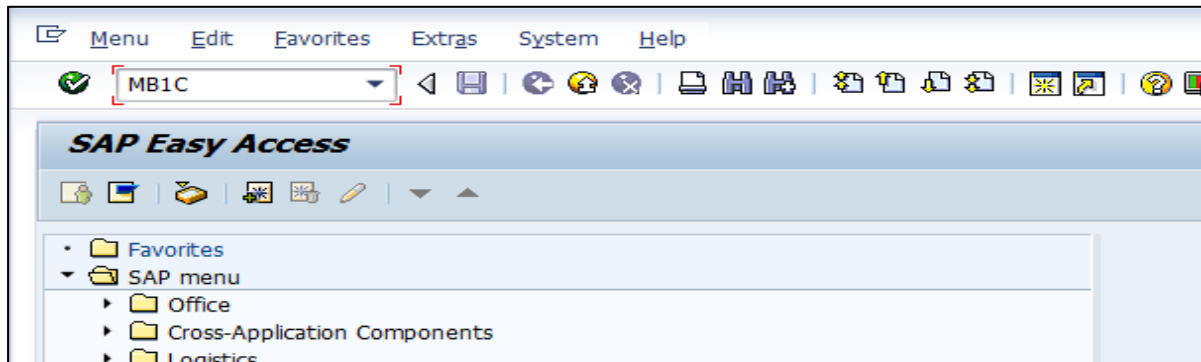
Next is to click on the Partner Function under Partner Determination Procedure node and enter the details Partner Det. Procedure, Name, Partner Function.

Then, we need to assign this partner determination procedure to the Partner Object. The Partner Object would be a Customer for this example. Then Click on Account Groups and Select the Account group name from the list. Once it is done, Click **Save**, it will save the partner function.

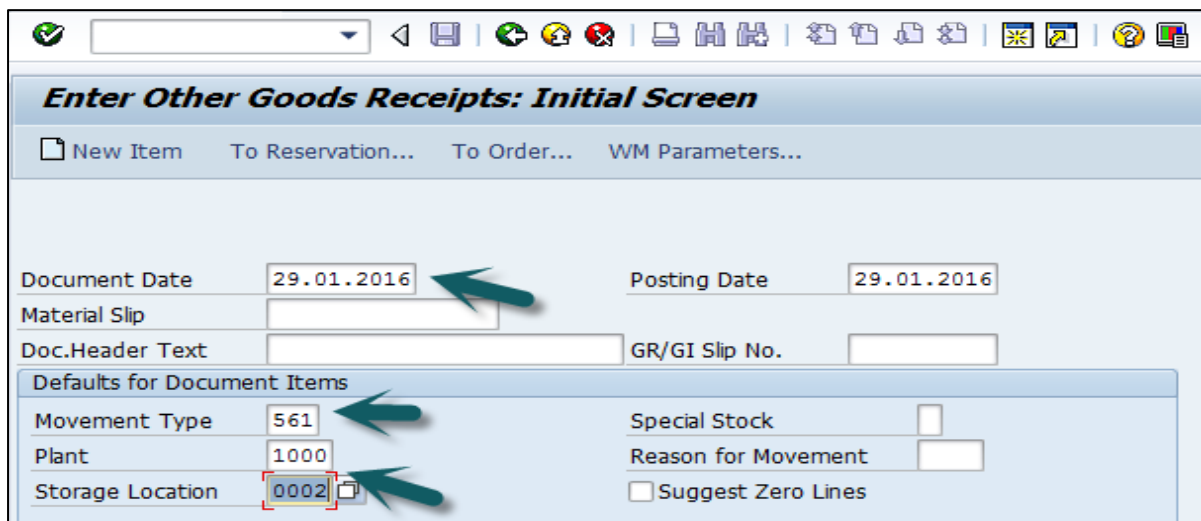
4. SAP SD – Create Material Stock

Suppose you have implemented SAP in your company and now you want to put all your stocks in the SD system. For this, use **T-Code: MB1C** **Movement Type: 561** this is for Good receipts without reference.

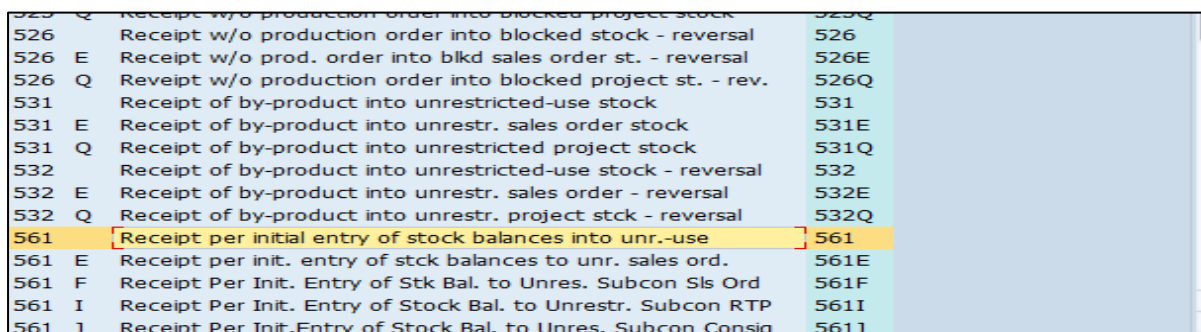
Movement Type: 501 – this is used for receiving goods with a Purchase Order.



A new window will open. Enter the document date, Plant and storage location, Movement type, etc.



Select the Movement type from the list and Press Enter after selecting all the details.



A new window will open. Enter the material code and quantity for which stock needs to be created and then click Save.

Enter Other Goods Receipt: New Items

To Reservation... To Order... To Purchase Order...

Movement Type GI entry of st. bals

F	Item	Material	Quantity	UnE	SLoc	Batch	Re	Plnt
1		950	10		0002		1000	1000
2					0002		1000	1000
3					0002		1000	1000

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End of ebook preview

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