# Introduction to SAP ERP

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ERP / SAP

- What are Enterprise Resource Planning (ERP) Systems?
- SAP mean System Applications and Products
  - Incredibly large, extensive software packages used to manage a Company's business processes.
  - Standard software packages that must be configured to meet the needs of a company
  - Database programs with the following functions:
    - Input
    - Storage/Retrieval
    - Manipulation
    - Output

28,610+ Tables in SAP
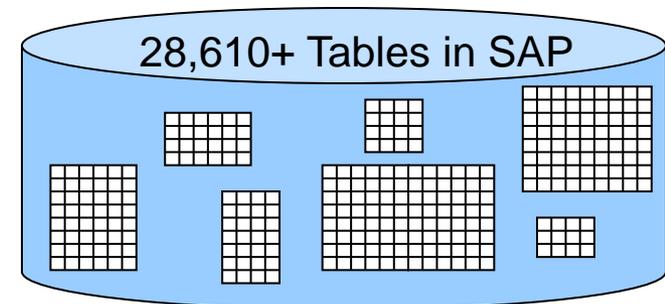
ERP /SAP

- Who are the big ERP vendors?
  - SAP, the German juggernaut
    - System, Anwendungen, Product in der Datenverarbeitung, or
    - Systems, Analysis and Products in Data Processing.
    - Don't be a sap!
    - It is implemented in every fortunes 500 companies at least 9 out of 10
  - Oracle/PeopleSoft/J. D. Edwards (J.D. Orisoft)
  - Microsoft Great Plains, aimed at smaller companies
   - SAP Business One is competing product

WHY ERP /SAP

- Well integrated SAP has been implemented 9 out of 10 fortune 500 companies
- It brings discipline in the Company
- Has various authorization level, Complete tract record of entries, correction and movements.
- Drilldown facility for mapping the complete transaction
- Brings over all efficiency in the organization
- Best for growth of business
- Brings various controlling mechanism
- Export / import of data to external source

WHY ERP /SAP

- It can be implemented in various languages
- It can handle multiple currencies
- Auto bank reconciliation
- Scope for work from home or gives freedom to work form remote location
- It gives opportunity to use same data to address more then one period.
- Provided confidence to auditors
- It enhance your carrier

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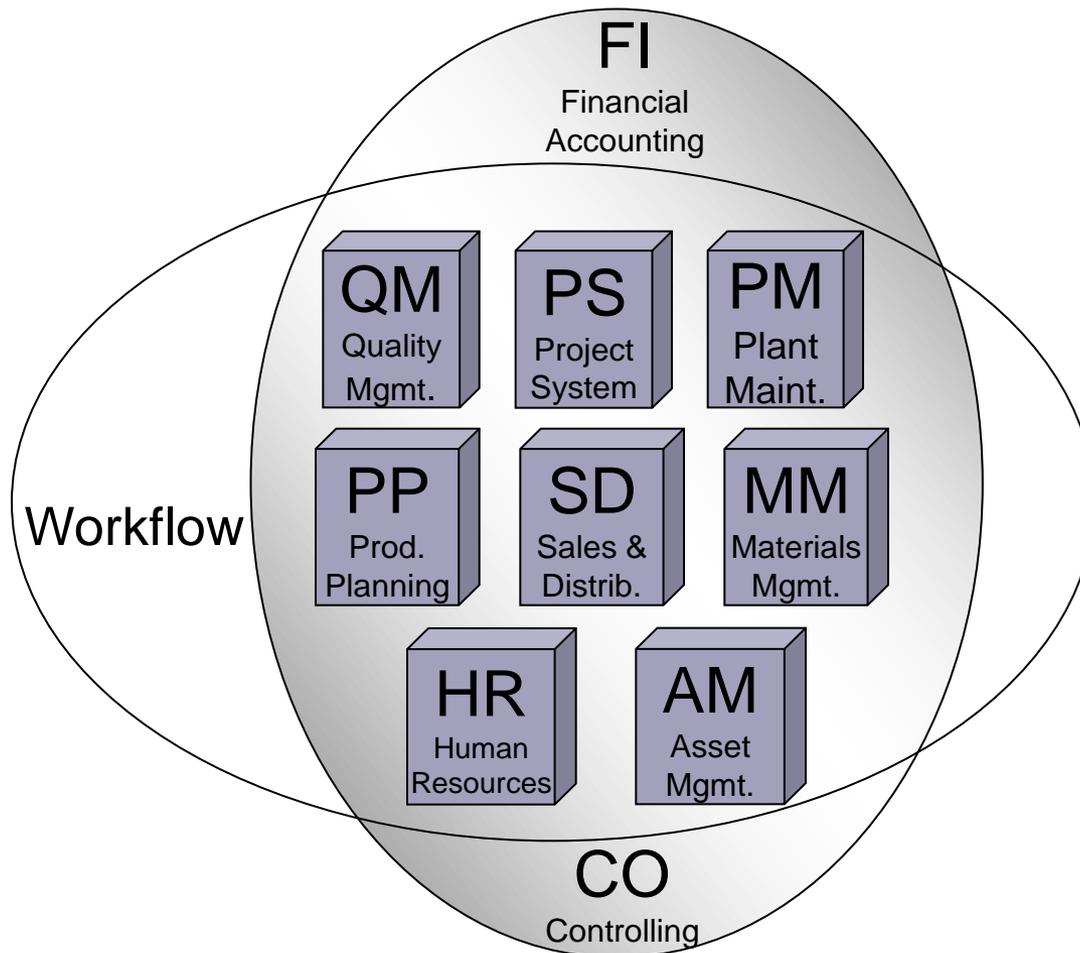
SAP R/3 Enterprise

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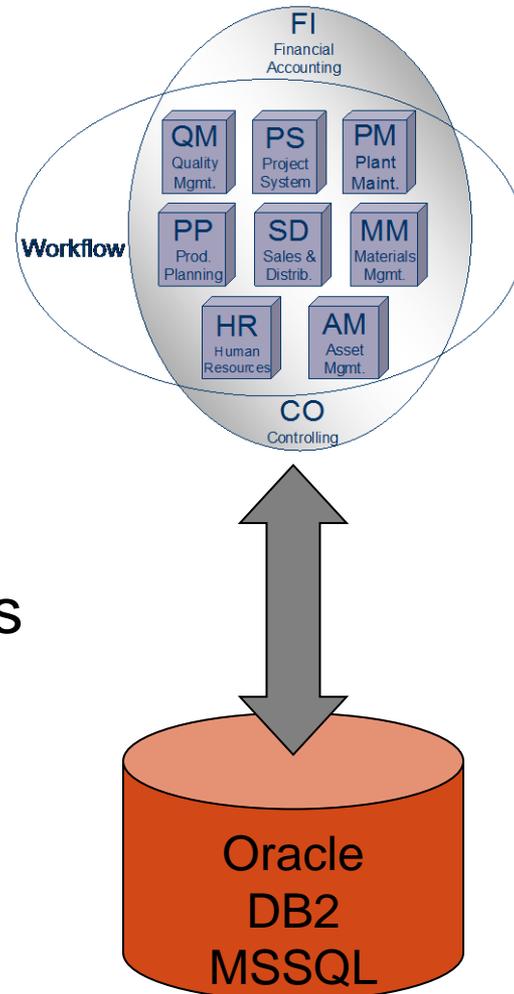
SAP can use a
number of
database programs
to actually store
the data.

Configuration

- Configuration is the process of making standard software fit your business. SAP, as an example, has:
  - Over 8000 configuration decisions
  - Data structuring
    - Sales divisions, distribution channels
  - Rewriting Code (Modifications)
    - Not recommended because of compatibility problems when updated versions of the software are installed.
  - Customization
    - Writing code at SAP-specified user exits
  - Third-party software solutions

A typical manufacturing company

Three-tier Client/Server Architecture

USER PCs

Application Server

Application Server

Database Server

Application Server

Application Server

USER PCs
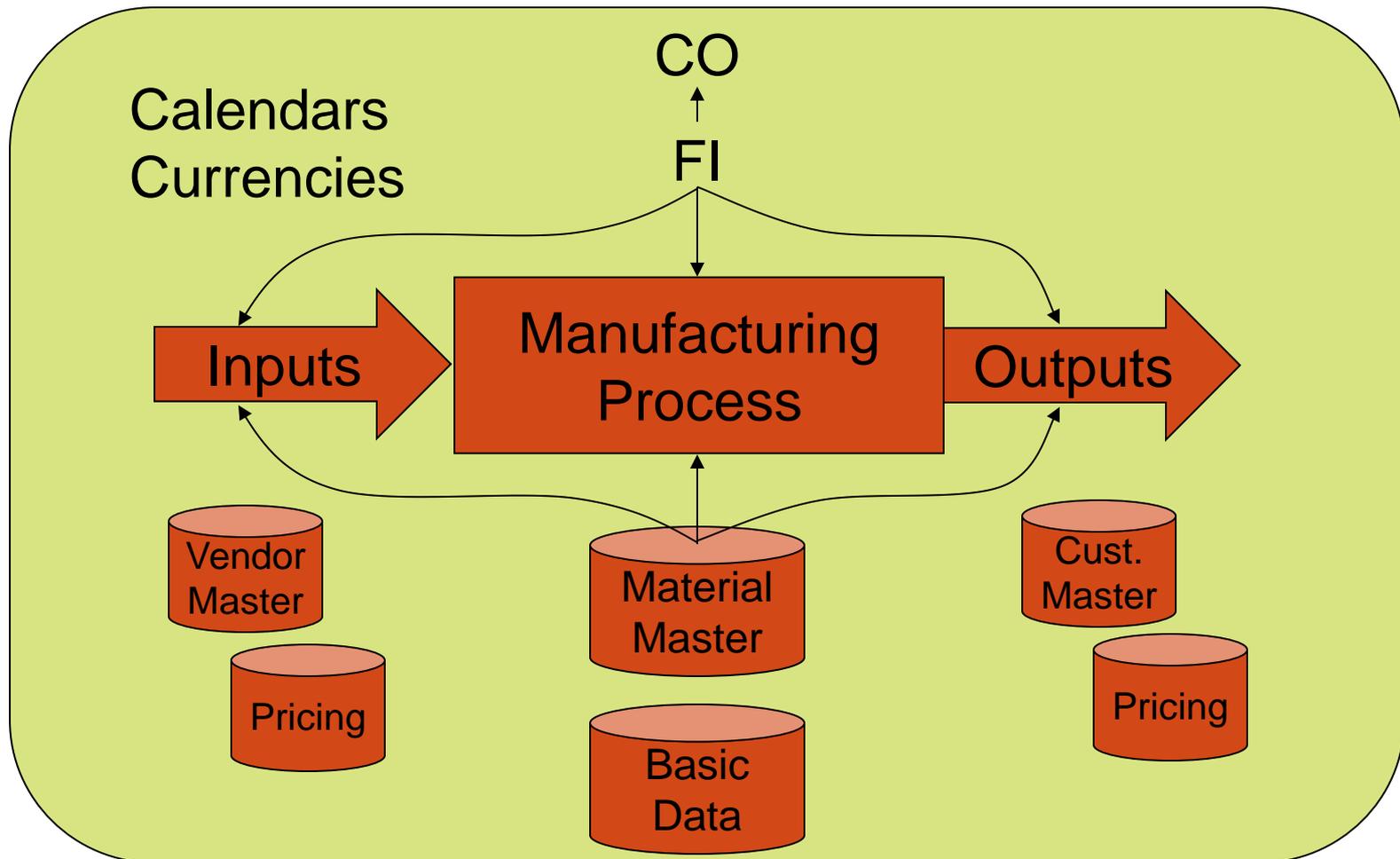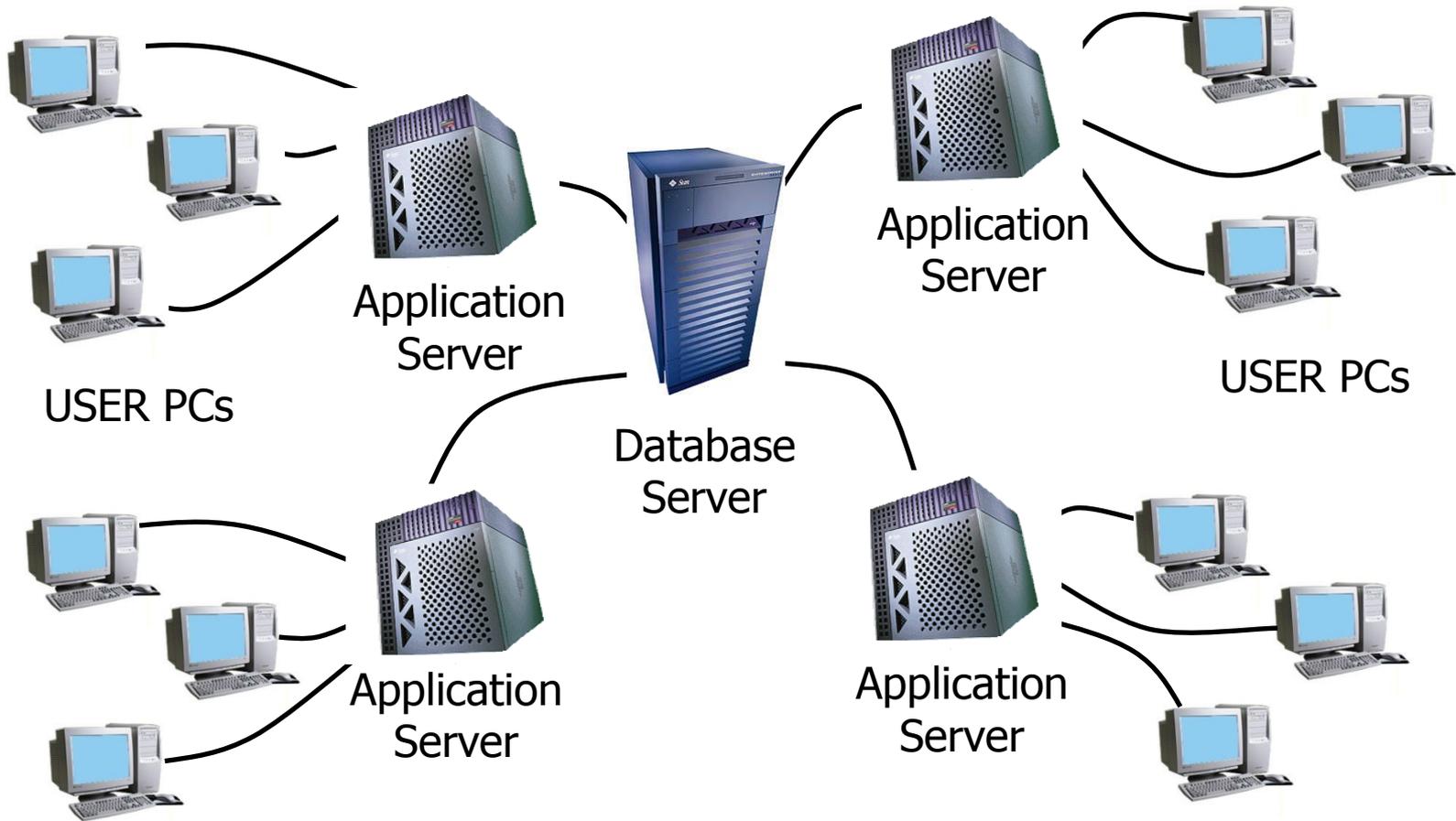
Two-tier Client/Server Architecture (configuration typical for training)

Database and Application Server

User PCs
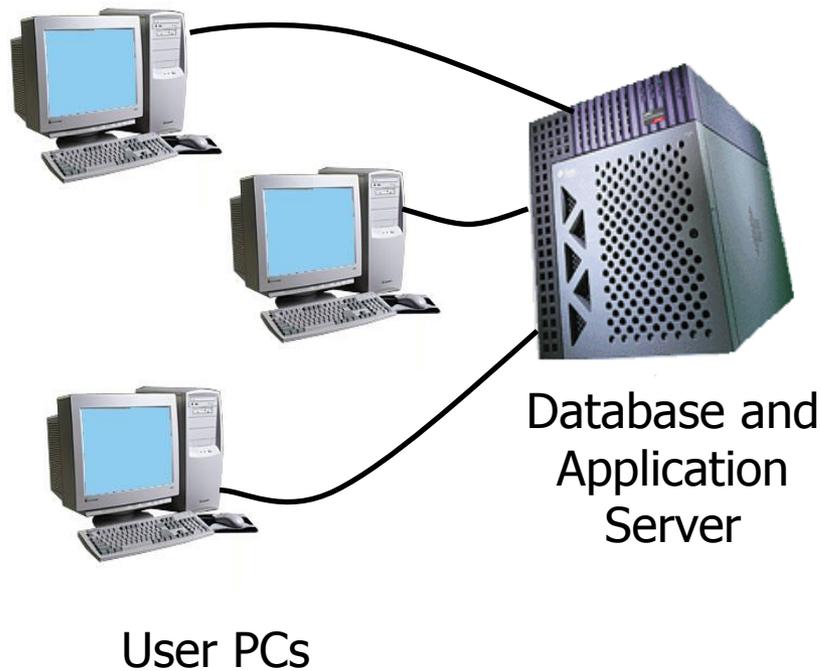
SAP vs MS Office

Database and Application Server

Nothing is saved on your PC. Only things saved on our Server at X location are saved, and they are saved for good.

SAP > Modules

- FICO
- FI Handles the company financials
- CO Handles the company full Cost Accounting cycle
- http://www.guru99.com/sap-fico-training-tutorials.html

SAP > Modules

- FI >> Organizing Structure

- 1. Creating a Company
- 2. Assigning the Code

SAP > Modules

- **FI >> General Ledgers**
- 1. Creating a Chart of Accounts
- 2. Creating COA Groups
- 3. Create G/L Accounts
- 4. Create retained earnings account
- 5. Fiscal Year variant (i.e. Calendar & FY)
- 6. Assign Company Code to Fiscal Year variant
- 7. Hold and Park Documents features

SAP > Modules

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SAP > Modules

◆ CO >> Cost & Profit Centre

◆ 1. Creating various cost centre
◆ 2. Internal Order and closing in to cc
◆ 3. Defining Profit Centre
◆ 4. Creating Profit Centre hierarchy
◆ 5. Assigning CC and MC to PC

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SAP > Modules

- ## SD >> Sales & Distribution

- 1. It complete Sales cycle
- 2. Order Procurement
- 3. Invoicing
- 4. Shipping

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SAP > Modules

- **SD >> Sales & Distribution**

- 1. Customer master & Material master
- 2. Sales
- 3. Delivery
- 4. Billing
- 5. Pricing
- 6. Credit Management
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Delivery Process

EXPECTED DESPATCH DATE

MARKET/REGION

RECEIVE THE DA
(PPC+DESPATCH)

DA ENTRY IN
SYSTEM
(PPC)

ENTRY THE DESPATCH DETAIL

VERIFY
STOCK

NO STOCK

PRODUCTION

YES

DAILY DESPATCH
PLAN TO
DESPATCH DEPTT.
(PPC)

GENERATION OF
INVOICE/CHALLAN
(DESPATCH)

DAILY SALES
REPORT(PPC)

SENT TO
REGION/DIRECT
(DESPATCH)

INFORMATION TO
REGION
(DESPATCH)
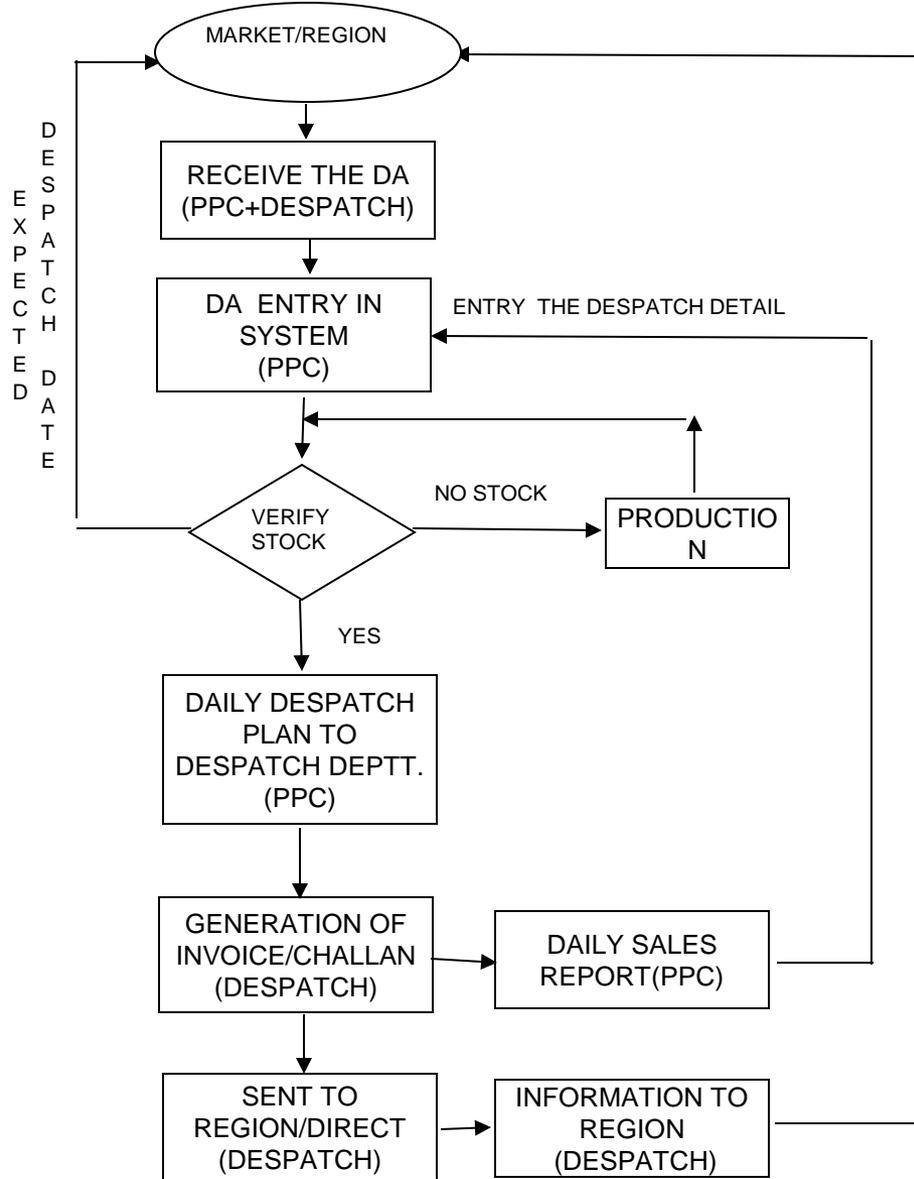
SAP >> CRM
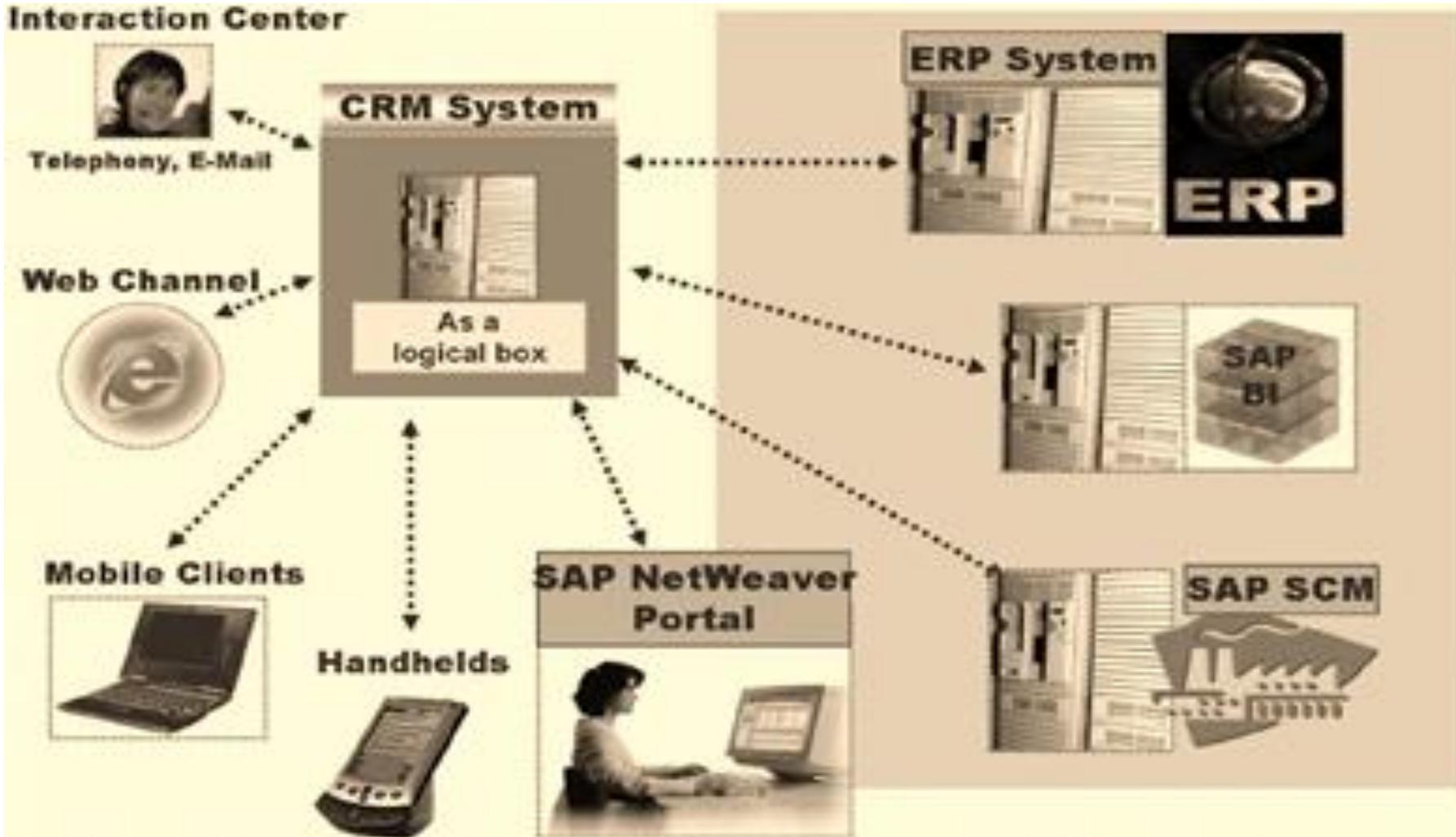
SAP>> MM(Material Management) Module

- Master Data

- Purchasing

- Inventory

SAP>> MM(Material Management) Module

- **Master Data**
  - Materials master data creation
  - It consists of Description, allocation of code, Unit to measure, Category, Unit weight and Gross weight
  - Storage area reference
  - Re-ordering level

SAP>> MM(Material Management) Module

- **Purchasing**
  - Creation of purchase requisition
  - Conversion of purchase requisition in to purchase order
  - Quotation review, comparison & finalization.
  - Purchase order creation, release and edit

SAP>> MM(Material Management) Module

- **Pricing**
  - Creation procedure to arrive at landed price
  - Price calculation and conditions i.e. discount , tax ,rounding off, plus / minus tolerance

SAP>> MM(Material Management) Module

- **Inventory**
  - Over view of inventory management
  - Rule for Goods receipt
  - Location of inventory
  - Issue of goods
  - Transfer posting of goods
  - Physical verification of inventory
  - Special stock and special procurement

SAP>> MM(Material Management) Module

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SAP>> PP(Production Planning) Module

- Manufacturing Planning
- It is calculated net quantity to be produced after adjusting availability of Finished Goods and wip.
- The net quantity produced is calculated and BOM (Bill Of Material) is generated to trigger requirement of the Raw material, Consumables and packing material requirements.

SAP>> PP(Production Planning) Module

- It also generates material requisition slip for quantities to be sourced godown wise.
- Various production order is generated depending on the batch size
- Now this each order is now becomes base for allocation of Raw Material, production consumables, production, packing and overheads allocation

SAP>> PP(Production Planning) Module

- Each order is closed at the end of the period.
- Proper closed orders are considered for the Finished Goods(FG) to be transferred FG godown, while semi finished orders are carried forward for next period opening balance.
- FG is now input for SD

SAP>> IMPLEMENTATION STAP 1

- Top level decision promoter / MD /CEO
- Selection of the Consultant / implementation partner.
- Selection of modules to be implemented
- Section of business experts with reference to each module preferably one senior and two middle level executives.

SAP>> IMPLEMENTATION step 2

- The persons must be strong understanding of Business and deducted to work extra hours
- Identification of best practices to be adopted for business process under each module.
- Now SAP implementation and User team called LKU has to spent time on GAP analysis.

SAP>> IMPLEMENTATION Step 3

- GAP analysis is nothing but existing practice Vs best practice we have selected from SAP modules.

- The existing DATA in the legacy system has to be manipulated in such a way that in becomes input for SAP.

- Now next stage is setting the platform for the Hardware and testing SAP software.

SAP>> IMPLEMENTATION Step 4

- Testing has to be done on full cycle on each module till every thing righty appear in the FI and CO Module

- LKU will be give full detailed training on usage of every module

- Lastly legacy data to be transferred in SAP on a period (Financial Year / Calendar Year) cut off in order to make SAP fully operational

THE END

THANNKING YOU ALL FOR YOUR ATTENTION