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*This chapter describes the process for creating a new document type for a purchase requisition and assigning a newly defined number range. Next, the chapter covers the purchase requisition approval process.*

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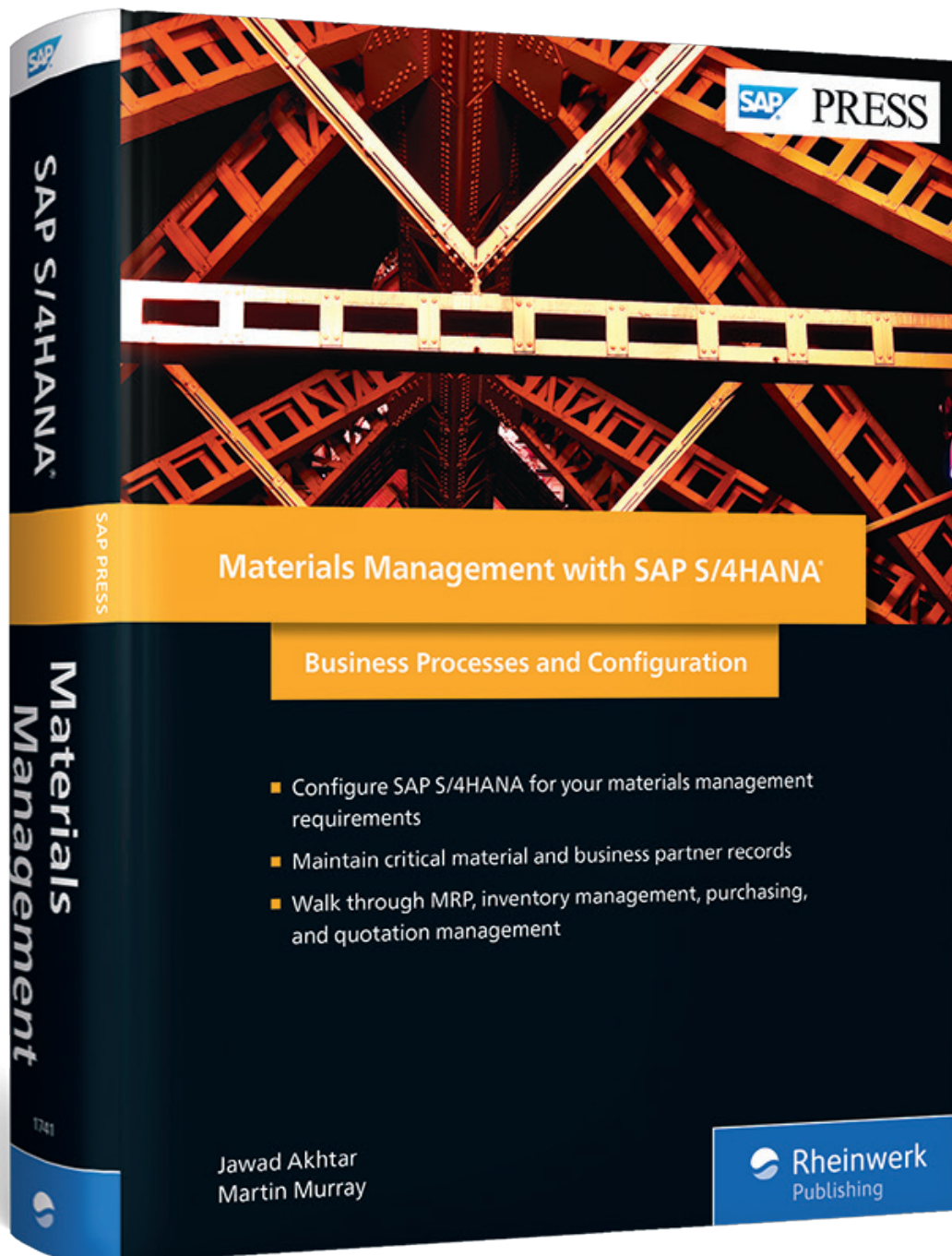
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## Chapter 10

# Purchase Requisitions

*A purchase requisition is the procedural method by which users or departments can request the purchase of goods and services. A purchase requisition can be entered manually by a user or can be generated automatically as a result of a demand from materials requirements planning (MRP).*

A purchase requisition is the first step in the demand for material either entered by the requisitioner or generated out of a requirements system such as MRP. A requisition contains the material or services to be procured, a required date of delivery, and a quantity. The purchase requisition doesn't contain a vendor and is generally not printed out because it's an internal company document.

In this chapter, we'll begin by covering the configuration basics for creating a new document type of a purchase requisition and assigning a newly defined number range. The configured purchase requisition document type is then put to the test in the associated business processes, including creating purchase requisitions with a material and without a material. Next, the chapter covers the purchase requisition approval process (known as the *release procedure*). Both types of release procedures—with and without classification—are covered, including configuration basics, master data, and business processes.

### 10.1 Configuring a New Purchase Requisition Document Type

You can configure document types for purchase orders (POs), purchase requisitions, requests for quotations (RFQs), quantity or value contracts, and scheduling agreements. The configuration steps for these documents are all quite similar; therefore, we'll focus only on the process for purchase requisitions. You'll follow these same steps to define document types for the other document categories.

In the following sections, we'll provide a step-by-step approach to defining a new number range for the purchase requisition, configuring a new purchase requisition document type, and then assigning the newly defined number range to the purchase requisition. We'll also show you how to create a purchase requisition with the newly configured purchase requisition document type.

### 10.1.1 Defining a Number Range

Every purchasing document type must have a number range, which can be internal, external, or both. To define the number range, follow the menu path **Purchasing • Purchase Requisition • Define Number Ranges**. Click on the **Change Intervals** button. You'll see a list of existing number ranges. Add a new number range by clicking on the **Insert Line** button, as shown in Figure 10.1.

Enter a number range key in the **No** column and then make entries in the **From No.** and **To Number** fields. To make a number range external, select the **External Number Ranges** checkbox; to make a number range internal, leave this checkbox unselected, as shown in Figure 10.2.

No	From No.	To Number	NR Status	Ext
01	0010000000	0019999999	10005452	<input type="checkbox"/>
05	1010000000	1019999999	1010000049	<input type="checkbox"/>
06	1020000000	1029999999	1020000019	<input type="checkbox"/>
07	1030000000	1039999999	1030000109	<input type="checkbox"/>
08	1040000000	1049999999	1040000029	<input type="checkbox"/>
09	1050000000	1059999999	1050000009	<input type="checkbox"/>

Figure 10.1 Interval Maintenance of a Purchase Requisition

**Note**

Number range intervals can't overlap each other, and number ranges are year-independent in MM.

Figure 10.2 shows the number range key **02** in the **No** column, which starts **From number 2000000000** and **To number 2999999999**. Save your entries.

No	From No.	To Number	NR Status	Ext
02	2000000000	2999999999	0	<input type="checkbox"/>
01	0010000000	0019999999	10005452	<input type="checkbox"/>

Figure 10.2 New Interval of a Purchase Requisition

### 10.1.2 Defining Document Types

To configure a document type for purchase requisitions, follow the navigation path **Materials Management • Purchasing • Purchase Requisition • Define Document Types**. Figure 10.3 shows the different purchase requisitions that have been already configured. A standard purchase requisition has the **Type NB**. The configuration allows internal (**NoRgeInt**) and external (**NoRge Ext**) number ranges to be defined for each requisition type.

To create a new purchase requisition document type, select the standard purchase requisition document **Type NB**, as shown in Figure 10.3, and choose **Copy as**.

Type	Doc. Type	Doc. Type Descript.	ItmInt.	NoRgeInt	NoRge Ext	FieldSel.	Control	OvRe...	Layout
FO	Framework Requisition		10	01	02	FOF		<input type="checkbox"/>	SRV
NB	Purchase Requisition		10	01	02	NBB		<input type="checkbox"/>	
RV	Outl. Agmt Requisition		10	01	02	RVB	R	<input type="checkbox"/>	

Figure 10.3 Available Document Types of Purchase Requisition

As shown in Figure 10.4, maintain the new purchase requisition document type **ZNB** and maintain the previously configured internal number range (**NoRegInt**) as **02**. Also, maintain a short description of the new purchase requisition document type (**Doc. Type Descript.**). When you press **Enter**, the **Specify object to be copied** popup will appear. In this window, you'll choose whether you want to copy all dependent entries of the reference document type NB into newly configured document type ZNB or not. Choose **copy all**, and the screen shown Figure 10.5 will appear.

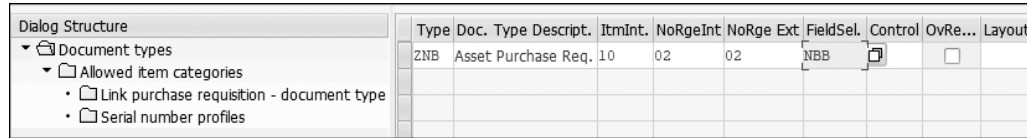


Figure 10.4 Newly Created Purchase Requisition Document Type ZNB

Figure 10.5 shows information about the number of dependent entries in purchase requisition document type NB that have been copied to our newly configured purchase requisition document type ZNB, which in this example is 170 entries.

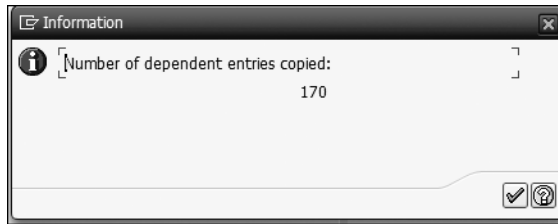


Figure 10.5 Number of Dependent Entries Copied

The screen shown in Figure 10.6 will appear where you can make changes, as needed. Select the line item ZNB and then double-click on **Allowed item categories** on the left-hand side.

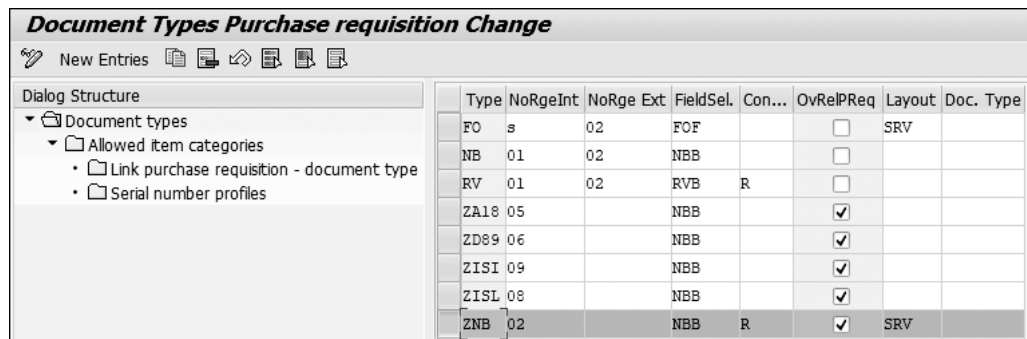


Figure 10.6 Newly Configured Purchase Requisition Document Type ZNB

Figure 10.7 shows the list of item categories that were copied directly from the purchase requisition document type NB. On this screen, you can eliminate or add item categories allowed for the purchase requisition document type ZNB.

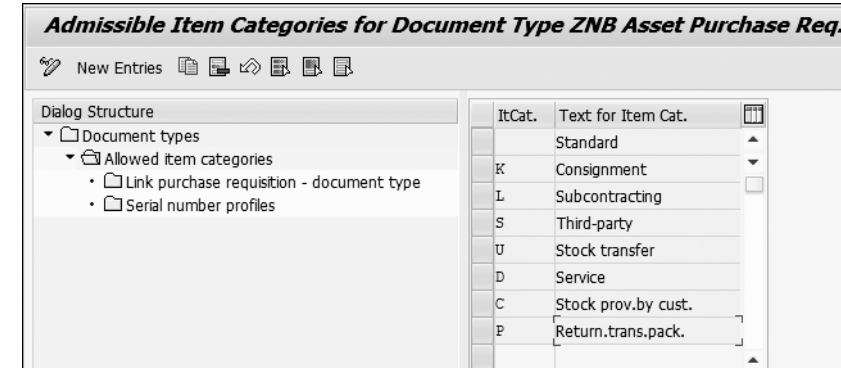


Figure 10.7 Allowed Item Categories of Purchase Requisition Document Type ZNB

Access the screen shown in Figure 10.8 by choosing **Serial number profiles** and make purchase requisitions of document type ZNB required or optional to a serial number for equipment when creating a purchase requisition.

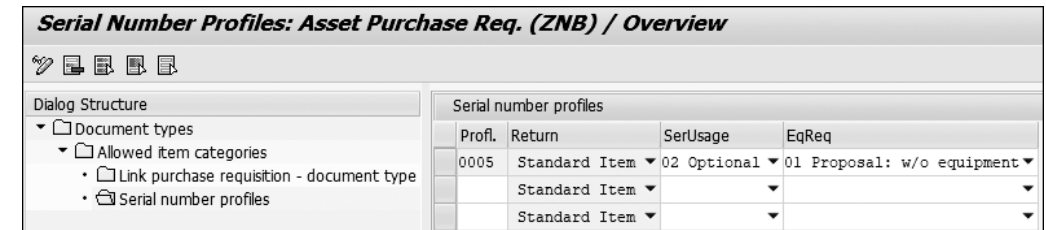


Figure 10.8 Serial Number Profile for Purchase Requisitions

With these configuration steps complete, let's now test whether the SAP system can successfully create a newly configured purchase requisition of document type ZNB with the new number range starting with 200000000.

**Note**

During the course of an SAP implementation project, the MM consultant and the client should agree on all the purchasing document numbers and associated number ranges to be configured to meet various business scenarios. Our example covered creating purchase requisition document type ZNB, which business users need to use when requesting (in the form of a purchase requisition) the purchase of an asset.

### 10.1.3 Creating a Purchase Requisition with a Material Master Record

Requisitions are most commonly created by using an item or service with a material master record. A purchase requisition can be created using Transaction ME51N via by following the navigation path **Logistics • Materials Management • Purchasing • Purchase Requisition • Create**.

This transaction allows a requisitioner to define what fields are visible on the screen when entering the requisition data. Many fields can be reviewed and entered. Figure 10.9 shows the **Material**, the **Short Text** description, **Quantity**, **Unit**, and **Delivery Date** fields. In addition to the fields shown in Figure 10.9, the following information can be entered in the requisition line item: material group, plant, storage location, requisitioner, purchasing organization, manufacturer's part number, purchasing information record, desired vendor, and requirement tracking number.

Sta...	Item A	I	Material	Short Text	Quantity	Unit	C	Delivery Date	Material Group	Plant	Stor. Location	PGr	Requisitioner	TrackingNo
	10		10000088	Stainless Steel	100	MT	D	05.06.2018	Material grou...	Omega...	Shopfloor st...	004	Jawad	454

Item: 1 [ 10 ] 10000088 , Stainless Steel

Material Data: Material 10000088, Short Text Stainless Steel, Batch, Revision Level, Material Group 01, Material group 1, Supplier Material, IUID Relevant

Figure 10.9 Purchase Requisition Screen for Transaction ME51N

A requisition for materials that have a material master record requires the requisitioner to enter the following information:

- Material number of item or service
- Quantity to be procured
- Unit of measure
- Date of delivery of the material

The requisition process will populate default information into the **Purchase Requisition** screen. Examples of this information include the material group and purchasing group. In the following sections, we'll evaluate some of the important fields for purchase requisitions.

#### Document Type

The document type for a purchase requisition is important because it defines the internal and external number ranges used for requisitions and because it defines the valid item categories and follow-on functions. For our example, we'll use our newly configured purchase requisition document type ZNB.

#### Purchase Requisition Number

A purchase requisition number can be defined as an internal or an external number. In our example, the internal number range (**NoRgeInt**) has been configured with range number 02.

#### Item Category

Refer to Figure 10.9, which shows the item category field (I), another control field that allows a purchase requisition to follow the correct path for that category of purchase requisition. The SAP system includes a set of predelivered item categories:

- **Blank**: Standard
- **K**: Consignment
- **L**: Subcontracting
- **S**: Third party
- **D**: Service
- **U**: Stock transfer

The item category allows for the selective display of certain fields and not others. For example, if a purchase requisition item has an item category K for consignment, then invoice receipts won't be allowed.

#### Account Assignment Category

An account assignment category field (**A**) determines what type of accounting assignment data is required for purchase requisitions. Examples of account assignments are cost centers, cost objects, SAP General Ledger (SAP G/L) accounts, and assets.

The account assignment categories can be configured in the IMG. You can create a new account assignment category by following the navigation path **Materials Management • Purchasing • Account Assignment • Maintain Account Assignment Categories**, as shown in Figure 10.10.

**Change View "Account Assignment Categories": Details**

Acct Assignment Cat.

**Detailed information**

Acct. assg. changeable    Consumption posting     Distribution   
 AA Chgable at IR    Account Modification     Partial invoice   
 Derive acct. assgt.    ID: AcctAssgt Scrn     Single account assig  
 Del.CstsSep.    Special Stock

Goods receipt     GR non-valuated     Invoice receipt  
 GR Ind. Firm     GR NonVal. Firm     IR Ind. Firm

**Fields**

Field Label	Mand.Ent.	Opt.Entry	Display	Hidden
Asset	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
Asset Subnumber	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
Business Area	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
Business process	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
CO/PP Order	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
Commitment Item	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
Cost Center	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Cost Object	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
Cost Type	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>

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Figure 10.10 Fields Control of Account Assignment Category

A purchasing user can create a new account assignment category and configure its fields. For example, some companies may not want certain fields to appear or to be changeable when using particular account assignments. The configuration allows the fields, such as **Asset**, **Business Area**, and **Cost Object**, to be mandatory entries (**Mand.Ent.**), optional entries (**Opt.Entry**), display-only fields (**Display**), or **Hidden**. The accounting department is primarily involved in creating new account assignment categories.

Required account assignment data is needed for specific account assignments, as follows:

- **Asset (A)**  
Asset number and subnumber
- **Production order (F)**  
Production order number
- **Cost center (K)**  
Cost center and G/L account number
- **Sales order (C)**  
Sales order and G/L account number
- **Project (P)**  
Project number and G/L account number
- **Unknown (U)**  
None

The next four fields can be entered on the line item of the purchase requisition, as shown earlier in Figure 10.9.

#### Plant/Storage Location

The plant and storage location fields can be entered if the location where the material must be shipped is known. If only one receiving dock exists for the whole plant, then this dock can be defaulted.

#### Purchasing Group

A purchasing group number is a number for the buyer (or buyers) of a material. If a purchasing group is entered at the order level, then this group will be defaulted for each of the purchase requisition line items.

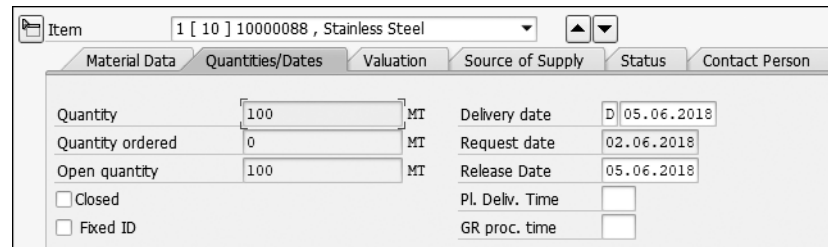
#### Requirement Tracking Number

This requirement tracking number (RTN) doesn't represent the requisition or the requisitioner but is a free-form field in which a tracking number can be entered. This field can be used by the person entering the RFQ to uniquely identify specific POs. For example, if purchasing agents are entering a number of POs for a project, they may want to enter a unique RTN so that the POs can be located together instead of having to know each individual PO number.

**Requisitioner**

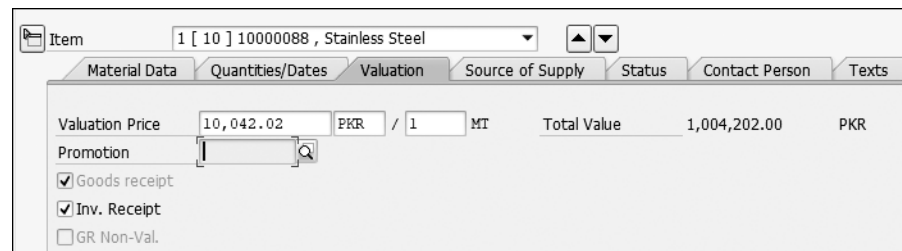
This field is another free-form field where a purchasing user can add the requisitioner’s name to search and order the purchase requisitions. For example, if one person is tasked with entering all purchase requisitions for a department, that person can enter the name of the person who actually wrote the requisition in the **Requisitioner** field.

Figure 10.11 shows the item details of a purchase requisition. The **Closed** indicator can be set if the purchase requisition no longer needs to be converted into a PO. Selecting the **Fixed ID** checkbox will prevent automatic changes to the purchase requisition during an MRP run. The data on planned delivery time (**Pl. Deliv. Time**) and the goods receipt processing time (**GR proc. time**) are taken from the material master if these details are maintained in the material master.



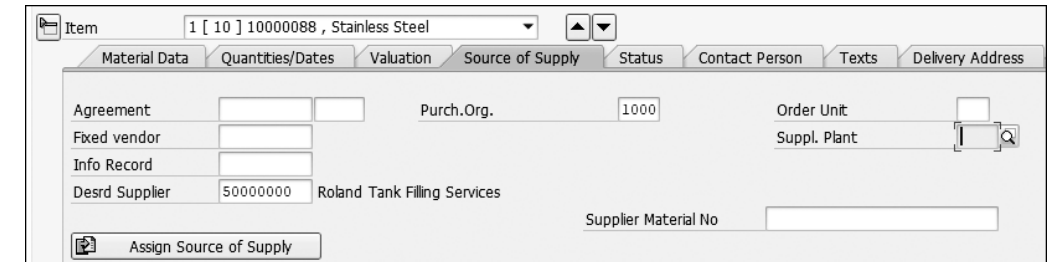
**Figure 10.11** Quantities/Dates Details in a Purchase Requisition

Figure 10.12 shows the **Valuation** tab of a purchase requisition. The **Valuation Price** is taken directly from the material master if the material had previously been procured. The valuation price at the item level also forms the basis of triggering a release (approval) procedure.



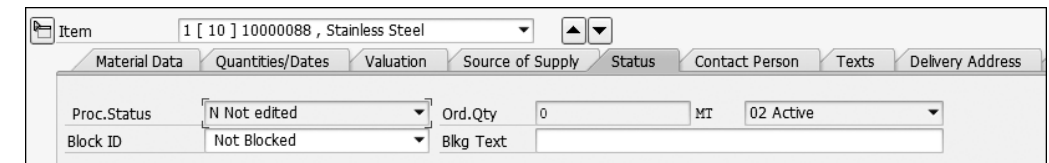
**Figure 10.12** Purchase Requisition: Valuation Tab

Figure 10.13 shows a procurement planner to assign sources of supply to the purchase requisition. This step can be performed manually by clicking on the **Assign Source of Supply** button or can be done automatically, as we’ll discuss later in this section.



**Figure 10.13** Purchase Requisition: Source of Supply Tab

Figure 10.14 shows the **Status** tab in which information is continually updated when more business processes are performed, such as releasing purchase requisitions or creating POs. You can also block a purchase requisition from further processing to ensure the purchase requisition isn’t mistakenly converted into an RFQ, an agreement, or a PO.



**Figure 10.14** Purchase Requisition: Status Tab

Save the purchase requisition in the newly configured document type ZNB, and the system will show an information message displaying the newly defined internal number range is correctly configured and assigned to the newly configured purchase requisition document type ZNB.

**10.1.4 Creating a Purchase Requisition without a Material Master Record**

When creating a purchase requisition without a material master record for the item, then the purchase requisition must have an account assignment to direct costs to a specific account.

The account assignment categories described in the previous section allow a requisitioner to allocate the costs of the purchase to the correct accounts.

To enter a purchase requisition for an item without a material master record, the transaction is the same as before: Transaction ME51N. The requisitioner can enter information on the initial screen or leave the initial screen blank to go directly to the line item screen.

In the detailed line item screen, information must be entered because no material master record exists to refer to. The requisitioner must enter a short description of the following:

- **Material**
- **Account assignment category**
- **Quantity to be supplied**
- **Unit of measure**
- **Delivery date**
- **Plant**
- **Purchasing group**
- **Material group**

The required information will correspond to the account assignment category was entered in the line item. Figure 10.15 shows the required account information.

The screenshot shows the SAP 'Create Purchase Requisition' interface. At the top, there's a title bar 'Create Purchase Requisition' and a menu bar with options like 'Document Overview On', 'Hold', 'Park', 'Personal Setting', 'Save As Template', and 'Load from Template'. Below the menu bar, there's a header section with 'NB Purch.requis. Stan...' and 'Source Determination'. A table with columns 'St.', 'Item', 'A', 'I', 'Material', 'Short Text', 'Quantity', 'Unit', 'C', 'Deliv. Date', 'Material Group', 'Plant', and 'Storage Location' is visible. The first row shows '10 K' for Item and 'Cost Center Material' for Material, with a quantity of '30' and unit 'EA'. Below the table, there's an 'Item' section with a dropdown menu showing '1 [ 10 ] Cost Center Material'. At the bottom, there are several tabs: 'Material Data', 'Quantities/Dates', 'Valuation', 'Account Assignment', 'Source of Supply', 'Status', 'Contact Person', and 'Text'. The 'Account Assignment' tab is selected, showing fields for 'AccAssCat' (K Cost center), 'Distribution' (Single account assignm...), 'CoCode' (3000 BestRu...), 'Unloading Point', 'Recipient', 'G/L Account' (400000), 'Business Area' (9900), 'CO Area' (2000), 'Cost Center' (1000), 'Profit Center' (3402), and 'Earmarked Funds'.

Figure 10.15 Purchase Requisition Line Item with No Material Master Record

## 10.2 Processing a Purchase Requisition

After a purchase requisition has been created, it can be further amended using the change process, which we'll discuss next. This section also discusses the methods for displaying purchase requisitions.

### 10.2.1 Changing a Purchase Requisition

A purchase requisition can be changed as part of the material planning process, that is, by an MRP controller or by a requisitioner prior to being processed by the purchasing department. A purchasing requisition can be changed using Transaction ME52N or by following the navigation path **Logistics • Materials Management • Purchasing • Purchase Requisition • Change**.

### 10.2.2 Displaying a Purchase Requisition

A number of methods to display purchase requisitions are available, which we'll describe next.

#### Purchase Requisition: Display

A purchase requisition can be displayed using Transaction ME54N or by following the navigation path **Logistics • Materials Management • Purchasing • Purchase Requisition • Display**.

#### Purchase Requisition: List Display

To show a list of purchase requisitions, use Transaction ME5A (Display Purchase Requisitions) or follow the navigation path **Logistics • Materials Management • Purchasing • Purchase Requisition • List Displays • General**.

Transaction ME5A allows a requisitioner to enter a wide range of selection criteria to display the valid requisitions. Some common examples of selection criteria include **Purchase requisition**, **Document Type**, **Material**, **Requirement tracking number**, and **Delivery Date**. Enter the newly configured **Document type** "ZNB" and **Plant** "1000" and execute. The screen shown in Figure 10.16 will appear.

Figure 10.16 shows a list of newly configured purchase requisitions of document type ZNB in detail.



**List Display of Purchase Requisitions**

Rel	Item S	Delet.ind.	I	A	Material	Short Text	Quantity	Unit	C	Deliv. Date	Matl Group	Plant	SLoc	PGR	Requisitioner	TrackingNo	Vendor	Fixed vend		
<b>Purchase Requisition 2000000000</b>																				
10	N				10000088	Stainless Steel	100	MT	D	20180605	01	1000	1004	004	Jawad	454	50000000			
<b>Purchase Requisition 2000000001</b>																				
10	N				10000088	Stainless Steel	100	MT	D	20180605	01	1000	1004	004	Jawad	454				
<b>Purchase Requisition 2000000002</b>																				
10	N				10000088	Stainless Steel	100	MT	D	20180605	01	1000	1004	004	Jawad	454	50000000			
<b>Purchase Requisition 2000000003</b>																				
10	N				10000088	Stainless Steel	10	MT	D	20180602	01	1000	1004	004						
<b>Purchase Requisition 2000000004</b>																				
10	N				10000088	Stainless Steel	100	MT	D	20180604	01	1000	1004	004	Jawad					
<b>Purchase Requisition 2000000005</b>																				
10	N				10000088	Stainless Steel	10	MT	D	20180604	0004	1000	1004	004						
<b>Purchase Requisition 2000000006</b>																				
10	N				10000088	Stainless Steel	10	MT	D	20180602	0004	1000	1004	004	Jawad	545		50000000		
<b>Purchase Requisition 2000000007</b>																				
10	N				10000088	Stainless Steel	15	MT	D	20180602	0004	1000		004	Jawad	725				
<b>Purchase Requisition 2000000008</b>																				
10	N				10000088	Stainless Steel	10	MT	D	20180604	0004	1000		004				50000000		
<b>Purchase Requisition 2000000009</b>																				
10	N				10000088	Stainless Steel	10	MT	D	20180602	0004	1000	1004	004						
<b>Purchase Requisition 2000000010</b>																				
10	N				10000088	Stainless Steel	10	MT	D	20180602	0004	1000	1004	004	Jawad					

Figure 10.16 List of Purchase Requisitions

### Purchase Requisitions by Tracking Number

Transaction MELB can be used to select purchase requisitions by their RTNs. This number doesn't represent the requisitioner but instead can be a tracking number entered by the requisitioner to identify a particular person's purchase requisitions.

This transaction can be found using the navigation path **Logistics • Materials Management • Purchasing • Purchase Requisition • List Displays • By Account Assignment • Transactions per Tracking Number**.

### 10.2.3 Closing a Purchase Requisition

A purchase requisition can be closed if an indicator is set within the item detail screen. Normally, the purchase requisition is closed when the amount requested on the line item of the purchase requisition is equal to the amount that has been purchased via a PO.

To close a line item on a purchase requisition, the requisitioner needs to access Transaction ME52N (Change Purchase Requisition). The line item to be flagged for deletion must be selected, and the requisitioner should select **Delete**. The **Delete** indicator on the line item will be checked, as shown in Figure 10.17.

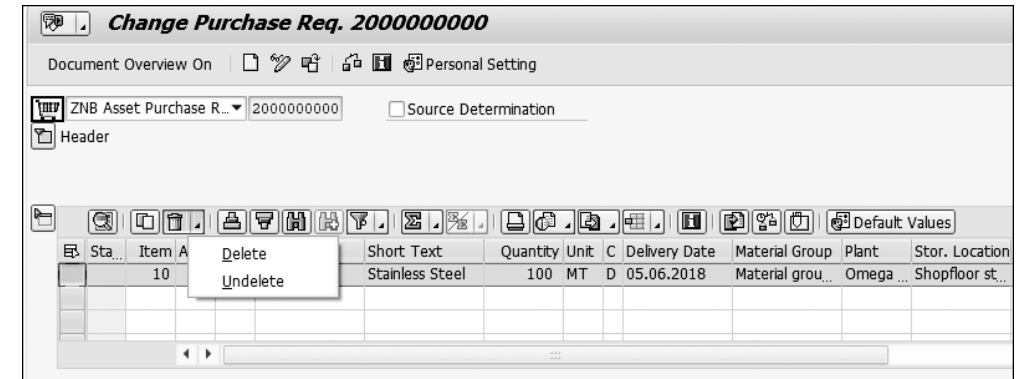


Figure 10.17 Deleting a Purchase Requisition

### 10.2.4 Follow-On Functions

As the purchase requisition is processed, follow-on functions can be carried out before the purchase requisition is converted to a PO.

Transaction ME56 allows a purchasing user to select a range of purchase requisitions to assign a source. The purchase requisitions can be selected via a large range of selection criteria, including material group, item category, delivery date, cost center, and so on.

Transaction ME56 can be found by following the navigation path **Logistics • Materials Management • Purchasing • Purchase Requisition • Follow-on Functions • Assign**.

The initial screen allows entry of a large selection of variables to create a list of purchase requisitions for vendor assignment.

After the selection criteria have been entered into the initial screen of Transaction ME56, the transaction will return a number of relevant purchase requisitions based on that search criteria.

Figure 10.18 shows the purchase requisitions that were returned as a result of the selection criteria entered. You can select the purchase requisitions that will be assigned a vendor.

After selecting purchase requisitions, you can choose to have the vendor assigned automatically to the purchase requisitions by selecting the **Assign Source of Supply** option from the green document icon, as shown at the bottom of Figure 10.18. The results are shown in Figure 10.19.

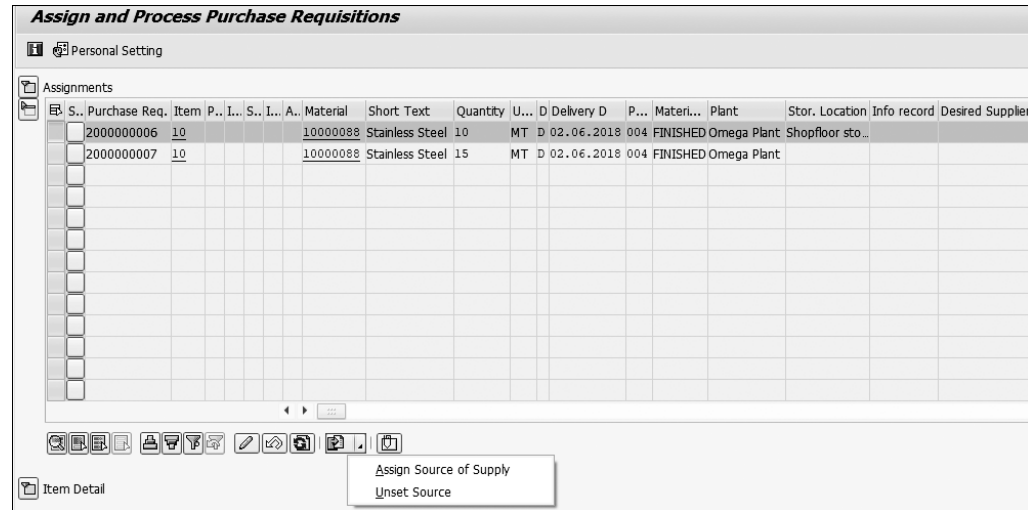


Figure 10.18 Assigning a Source of Supply to a Purchase Requisition

Figure 10.19 shows the assignment of not just the **Fixed Supplier 5000000** but also the associated **Info Record 5300000358** as seen on the right-hand side of the screen for purchase requisition **2000000006**.

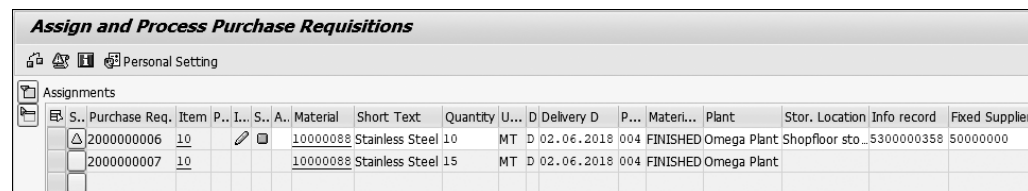


Figure 10.19 Assigning a Source of Supply to Purchase Requisitions

### 10.3 Indirectly Created Requisitions

A purchase requisition may be created if some business process needs materials or services. An indirectly created purchase requisition is usually created when a user performs another business function, such as creating a production order or a maintenance order.

#### 10.3.1 Purchase Requisition Created by Production Order

In a production order, two elements determine how operations take place. The *routing* is the sequence of the operations that should take place, and the *bill of materials (BOM)* is the recipe used to produce the final material.

A purchase requisition can be generated automatically when the routing in a production order involves an operation where material needs to be sent out for external processing, for example, in subcontracting work.

Another way a purchase requisition can be produced is when a BOM calls for a material that is a nonstock item. This situation may occur when a special item is required for a production order or if the material is no longer purchased by the company. For example, a company that produces furnaces may need to incorporate a special filter for furnaces made for customers based in California. The clean air laws in California may require a special part to be ordered and fitted during the production process. This triggers a purchase requisition for the special part and possibly a purchase requisition for a subcontractor to fit the part.

#### 10.3.2 Purchase Requisition Created by Plant Maintenance Order

This type of order produces purchase requisitions that are similar to the production order. The maintenance order is created for plant maintenance (PM) operations on a technical object (in other words, equipment) at the plant. Similar to a production order, a maintenance order has a list of operations that must be performed. The operations give the maintenance user a step-by-step list of what needs to be performed and the materials and equipment needed for each step.

In the operation, a certain nonstock material may be needed, which may cause a purchase requisition to be created. A maintenance order may also have an operation that requires an external operation be performed by a subcontractor, which will also cause an indirect purchase requisition to be created.

#### 10.3.3 Purchase Requisition Created by Project System

The project system (PS) functionality in SAP S/4HANA uses objects called *networks*, a set of instructions that tell users what tasks need to be performed, in what order, and by what date.

A network has two options for creating material requirements. The network can create purchase requisitions for nonstock materials and external services, similar to the

production and maintenance orders. The network can also be configured to allow the creation of purchase requisitions as soon as the network is released.

### 10.3.4 Purchase Requisition Created by Materials Planning

Consumption-based planning or the material requirements planning (MRP) functionality can create purchase requisitions based on its calculations. When creating POs, MRP calculates quantities and delivery dates. The planning run can also produce planned orders for in-house production, but these orders can be converted to purchase requisitions.

A purchase requisition is an internal purchasing suggestion that can be modified before being converted into a PO. After the MRP controller has determined the accuracy of the external purchasing requirements, the controller can convert some planned orders to purchase requisitions and perhaps convert some purchase requisitions to POs. The level of interaction between the planning department and the purchasing department will determine what procedures are in place to allow the MRP controller to create purchase requisitions and POs.

In this section, we covered purchase requisitions. The next section covers the approval process for purchasing documents, known as release procedures.

## 10.4 Release Procedures

Release procedures are approval procedures for purchasing documents such as purchase requisitions and purchase orders (POs). The manner in which these procedures are configured is called a *release strategy*. A release strategy involves a process whereby an approver verifies document data (such as material, quantity, and value) and then authorizes the purchase. The process takes place online, which saves time and is more efficient than previous manual approval processes.

The SAP system provides two different types of release procedures:

### ■ Release procedure without classification

A release procedure without classification can be configured only for item level releases in purchase requisitions. Therefore, this release procedure can only be used for internal documents (such as purchase requisitions). This limitation arises because external documents (such as POs) must be sent to vendors and therefore can't be partially approved. In a release procedure without classification, you can set the release based on the following four criteria:

- Plant
- Value
- Material group
- Account assignment category
- **Release procedure with classification**

A release procedure with classification offers many more criteria to define the release strategy. You can use either of these procedures (with or without classification) for purchase requisitions. But, for POs and RFQs, you must use a release procedure with classification. Before getting into the release procedure configuration steps, let's define the key terms used in release procedures, as follows:

  - Release strategy: Defines the entire approval process and consists of release conditions, release codes, and release prerequisites.
  - Release conditions/criteria: Determines which release strategy applies for a particular purchasing document. For example, if the value of a requisition item is \$100, a certain strategy may be required; if the value of the item is \$10,000, a different strategy may be required. If purchasing documents fulfill release conditions, they must be approved before they can be processed further.
  - Release code/point: A two-character key that represents an individual or department responsible for giving approval. Each person involved in the release procedure signifies an approver in a release transaction using his/her the release code.
  - Release prerequisite: Sets the order in which approval must take place. For example, a manager must approve a document before the vice president approves it.
  - Release status/indicator: Represents the current status of the item or document such as blocked and released. For example, if the document isn't fully approved, it may have been blocked.

Now that you have an understanding of the basic concepts behind release strategies, let's move on to the configuration steps involved. We'll discuss both types of configuration: without classification and with classification.

### 10.4.1 Release Procedures without Classification

To configure release procedures without classification, follow the menu path **Materials Management • Purchasing • Purchase Requisition • Release Procedure • Set Up Procedure Without Classification**. This SAP system will display five activities, as shown in Figure 10.20.

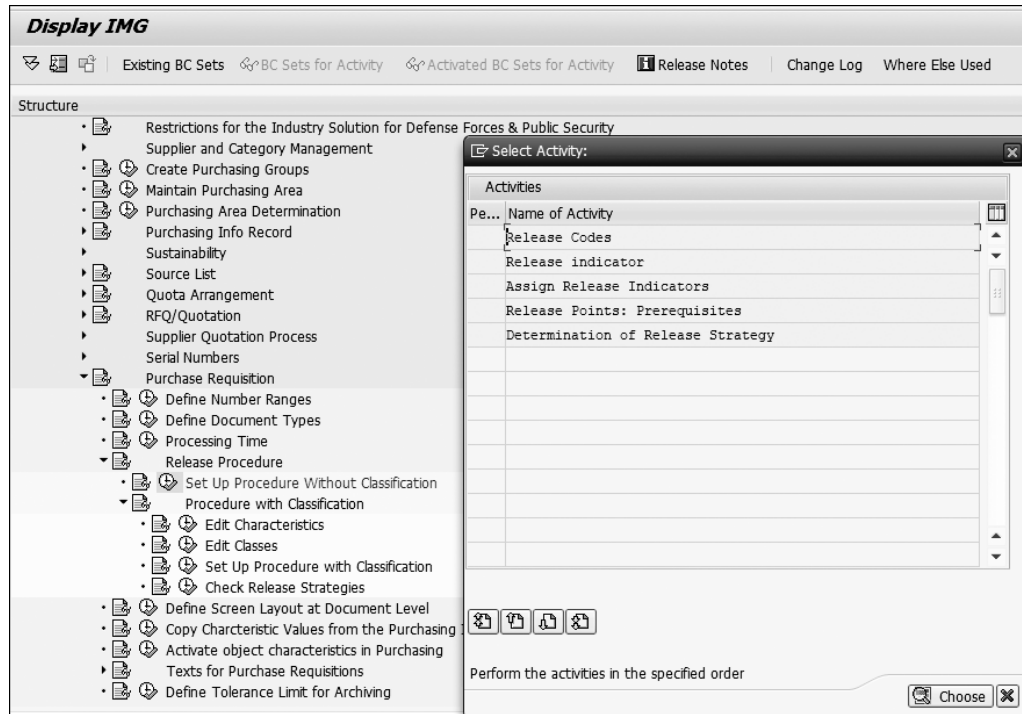


Figure 10.20 Setting Up a Release Procedure without Classification

You'll need to select and perform each activity, one by one, as discussed in the following sections.

### Selecting Release Codes

A *release code* is used to approve the document and are references to specific users. Click on **New Entries** and enter a two-digit **Release code** key and **Description**, as shown in Figure 10.21. The release code can be either a numeric or an alphanumeric entry.

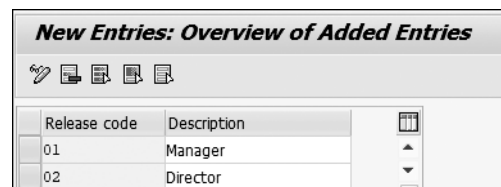


Figure 10.21 Release Codes

### Selecting the Release Indicator

The *release indicator* specifies the release status of the purchase requisition, which can define the release indicator, as shown in Figure 10.22. Click on **New Entries** and enter the following:

- **Fixed for MRP**  
If you select this checkbox, the purchase requisition can't be changed by material requirements planning (MRP).
- **Released for quot.**  
This indicator specifies that quotations and RFQs may be processed with reference to purchase requisitions. If you select this checkbox, the purchase requisition is available for RFQ and quotation processing.
- **Rel. for ordering**  
This indicator specifies whether POs can be generated with reference to purchase requisitions.

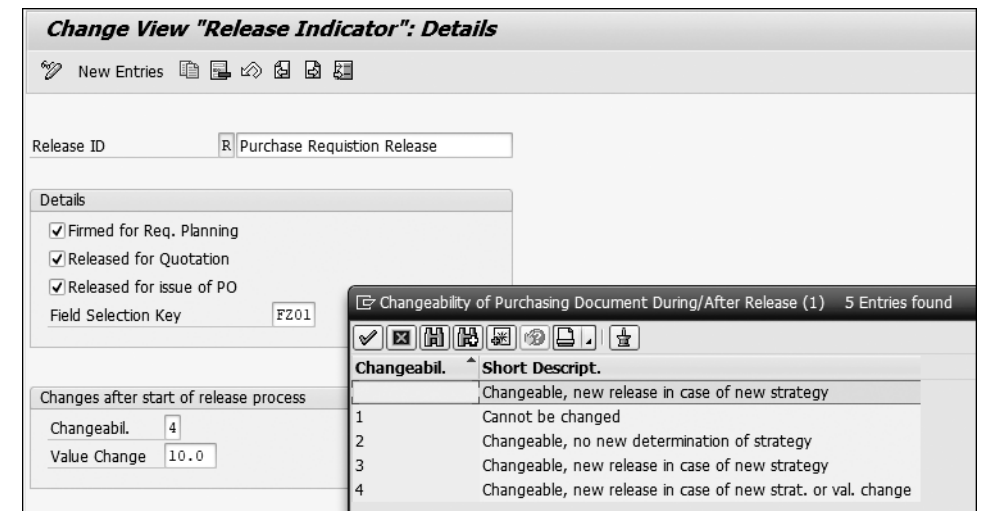


Figure 10.22 Release Indicator in a Release Procedure without Classification

- **Field selection key**

When setting up a release strategy and release indicators, you can use the field selection key to determine whether certain fields in a purchase requisition may or may not be changed with approval. For example, let's say you need to prevent changes to the requested quantity in a purchase requisition after the release

indicator has been set in the purchase requisition. For this requirement, you would configure the order quantity field as **Display only** in the field selection key.

■ **Changeabil.**

This field defines how the system reacts if a purchasing document is changed after the start of the release procedure, as shown in Figure 10.22.

■ **Value chgs.**

This field specifies the percentage by which the value of the purchase requisition can be changed after the release procedure has started. If the requisition is changed by more than the specified limit entered in this field, the requisitions will be subjected again to the release procedure.

**Assigning Release Indicators**

In this step, you'll assign the release indicators to a release strategy, as shown in Figure 10.23. Click the **New Entries** button, enter the release strategy code, select the release indicator, and save.

This indicator specifies the release sequence, that is, which release point(s) must have a released requisition before the current individual or department is allowed to release that requisition. For example, as shown in Figure 10.23, for release strategy **R1**, release indicators **1** and **2** have been defined. If release indicator 1 is set, the RFQ can be created from the purchase requisition. Release indicator 2 can be set only after release indicator 1 is set, and release indicator 2 means that RFQs or POs can be created.

Rel.Str.	C1	C2	C3	C4	C5	C6	C7	C8	Rel. ID	Description
R1									X	Blocked
R1	X								1	Request for quotation
R1	X	X							2	RFQ/purchase order

Figure 10.23 Assigning a Release Indicator to a Release Strategy

**Selecting Release Points as Prerequisites**

In this step, you'll configure the sequence of release codes and the prerequisites purchase requisitions must fulfill before they can be released. As shown in Figure 10.24,

for this release strategy, we have two release codes: R1 and R2. Release code R1 has no prerequisite, which means it can approve the purchase requisition. Release code R2, however, does have a prerequisite: The purchase requisition must be approved by release code R1 before it can be approved by release code R2. (Remember, release codes are references to specific people.) Test the sequence and its prerequisites by clicking on the **Simulate release** button. A popup window will appear where you can test the release strategy.

Rel.Strat.	Release code	Description	C1	C2	C3	C4	C5	C6	C7	C8
R1	01	Manager	X							
R1	02	Director	+	X						

Figure 10.24 Prerequisites of Release Points

**Determining When to Apply a Specific Release Strategy**

In this step, you'll define when a purchase requisition should be considered for a release procedure and which release strategy is applicable. As mentioned earlier, a release strategy without classification can be configured with only four criteria: account assignment category, material group, plant, and value. As shown in Figure 10.25, for account assignment category **K** (cost center), material group **004**, plant **1000**, and value **1,000.00 PKR**, the release strategy R1 is applicable. When a purchase requisition is created with these attributes, the system will automatically assign release strategy R1 and will follow the approval process configured in this strategy.

AcctAssCat	Mat. Grp	Plnt	Value of purch. req.	Crcy	Release strategy
K	0004	1000	1,000.00	PKR	R1

Figure 10.25 Release Strategy Determination

In this section, we covered release procedures without classification. The next section delves into release procedures with classification.

## 10.4.2 Release Procedures with Classification

A release procedure with classification can be defined for internal documents (purchase requisitions) and external documents (POs, RFQs, contracts, and scheduling agreements). You'll need to define both characteristics and classes for release procedures with classification. We'll discuss these steps next.

Before you start configuring release strategies with classification in the SAP system, we'll need to identify and define the combination of parameters that will trigger the release. PO-triggering criteria can be a combination of document type, plant, and purchasing organization along with value depending on the number of release codes assigned when the document is created. In SAP, the relevant structure—CEKKO (Communication Release Strategy Determination Purch. Document)—provides a list of all the possible fields that can be used for configuring a release strategy. To view all the fields in structure CEKKO, use Transaction SE12 where you'll enter the structure name and then click on the **Display** button. Figure 10.26 shows the various fields available for configuring release strategies for a PO.

**Dictionary: Display Structure**

Structure: CEKKO Active  
Short Description: Communication Release Strategy Determination Purch. Document

Attributes Components Input Help/Check Currency/quantity fields

Built-In Type 1 / 31

Component	Typing Method	Component Type	Data Type	Length	Deci...	Short Description
BUKRS	1 Types	BUKRS	CHAR	4		0 Company Code
BSTYP	1 Types	BSTYP	CHAR	1		0 Purchasing document category
BSART	1 Types	BSART	CHAR	4		0 Order Type (Purchasing)
BSAKZ	1 Types	BSAKZ	CHAR	1		0 Control indicator for purchasing document type
LIFNR	1 Types	ELIFN	CHAR	10		0 Vendor's account number
SPRAS	1 Types	SPRAS	LANG	1		0 Language Key
EKORG	1 Types	EKORG	CHAR	4		0 Purchasing organization
EKGRP	1 Types	BKGRP	CHAR	3		0 Purchasing Group
WAERS	1 Types	WAERS	CUKY	5		0 Currency Key
BEDAT	1 Types	BEDAT	DATS	8		0 Purchase Order Date
LLIEF	1 Types	LLIEF	CHAR	10		0 Goods Supplier
KUNNR	1 Types	KUNNR	CHAR	10		0 Customer Number
RESWK	1 Types	RESWK	CHAR	4		0 Supplying (issuing) plant in case of stock transport order
LBLIF	1 Types	LBLIF	CHAR	10		0 Field not used
INCO1	1 Types	INCO1	CHAR	3		0 Incoterms (Part 1)
KIWR1	1 Types	KIWR1	CURR	15		2 Target Value for Header Area per Distribution

Figure 10.26 Structure CEKKO for PO

### Note

While our example in this section covers release procedures with classification for purchase orders, you can use the same concepts and logic when configuring release procedure for purchase requisitions.

The structure for purchase requisitions is CEBAN, the field BSART is used for the order type, and GNETW is used for the total order value. Later in this section, we'll also show you how the newly configured purchase requisition document type ZNB has a release procedure activated at the item level of a purchase requisition using these two fields (BSART and GNETW).

### Master Data Setup

In this example, let's assume that we want to configure a release strategy based on the combination of two fields: **Document Type** (CEKKO-BSART) and **Purchase order total value** (CEKKO-GNETW).

We'll need to create individual characteristics for each field and then group these characteristics into a release class. To create a characteristic, use Transaction CTO4 or follow the configuration menu path **Materials Management • Purchasing • Purchase Order • Release Procedure for Purchase Orders • Edit Characteristic**, as shown in Figure 10.27.

**Change Characteristic**

Characteristic: BP\_DOCTYPE

Change Number: [ ]

Valid From: 05.06.2018

Validity: [ ]

Basic data Descriptions Values Addnl data Restrictions

Reference to Table Field

Table Name: CEKKO Field Name: BSART

Figure 10.27 Table Field for Structure (Table Name) CEKKO

Provide the characteristic name **BP\_DOCTYPE** and then click on **Create** button to create the characteristic. Now, we'll refer to the fields from structure CEKKO by providing the reference to this structure (**CEKKO**) and corresponding field (**BSART** for

document type). Since this characteristic is created for a document type, specify the structure and field name given in Figure 10.27. Once you enter the structure name and field name, the system will generate a warning message: “Format data taken from Data Dictionary (press enter).” This warning message indicates that the data type of the characteristic will be taken from the data dictionary of this structure in SAP.

In the **Basic Data** tab of the characteristic screen, as shown in Figure 10.28, provide an appropriate description. If you want to configure the release strategy for a single document type, you’ll need to select **Single Value** radio button in the **Value Assignment** block. If multiple document types are required, then select the **Multiple Values** radio button.

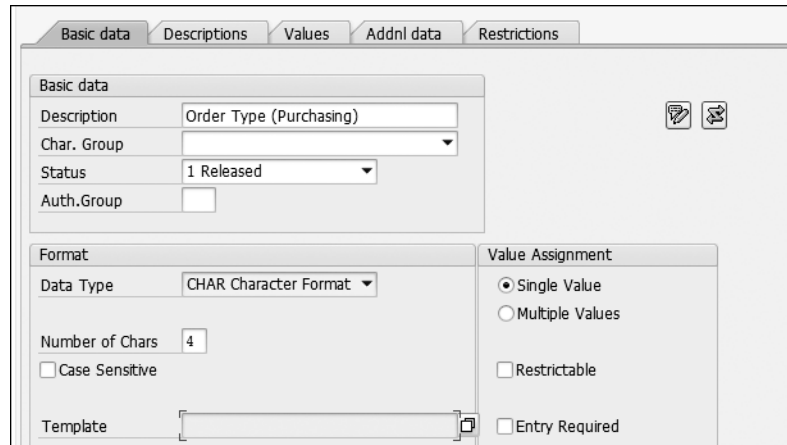


Figure 10.28 Basic Data of a Characteristic

Now, navigate to **Values** tab and provide the document types required in this release strategy. For our example, we’ll use PO document type **NB**, which is a standard PO, as shown in Figure 10.29.

**Note**

The values shown in Figure 10.29 are not available as a **[F4]** selections or in drop-down lists. Be sure these values are typed in correctly and exactly match with the procurement document types.

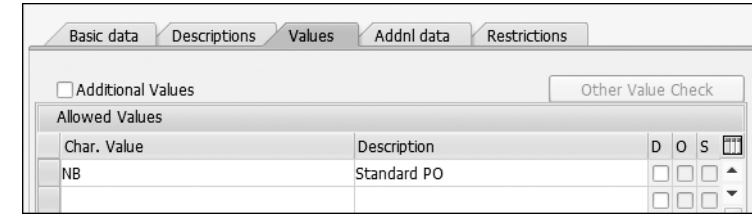


Figure 10.29 Characteristic Values

To ensure that these characteristics are used only in classes made for purchase order releases, we’ll need to provide a restriction in the characteristic by entering class type **032** in the **Restrictions** tab. Save the characteristic.

Using the same method, let’s create another characteristic **BP\_NETVAL**, which is for **Purchase order Net value**, as shown in Figure 10.30.

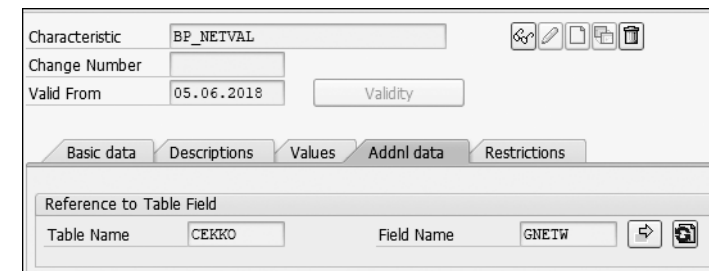


Figure 10.30 Table CEKKO and Its Associated Field Name GNETW

When entering the structure name **CEKKO** and field **GNETW** for the purchase order net value, the system will ask for a currency since this field is related to numbers and the net value of a purchase order. Maintain the local currency, which in this example is **PKR** (Pakistani Rupees), for the characteristic, as shown in Figure 10.31. If you have multiple criteria for different ranges of values, these criteria must be provided in the **Values** tab with the **Multiple Values** radio button selected in the **Basic Data** tab. Since there will be intervals in the purchase order values, you’ll have to configure the characteristic to allow the values in intervals by selecting the **Interval vals allowed** checkbox under the **Value assignment** block in **Basic data** tab.

Figure 10.31 Maintaining Currency and Value Assignments in a Characteristic

For this characteristic, values are to be defined in intervals, as shown in Figure 10.32. This first interval denotes that the net value of a PO must be less than (<) than 100.00 PKR, while the second interval denotes PO values of more than or equal (>=) to 101.00 PKR.

Char. Value	D	O
< 100.00 PKR	<input type="checkbox"/>	<input type="checkbox"/>
>= 101.00 PKR	<input type="checkbox"/>	<input type="checkbox"/>

Figure 10.32 Allowed Interval of Characteristic Value

Once we have all the characteristics ready, we'll need to group them into a class.

### Creating Classes and Assigning Characteristics

To create a class, use Transaction CLO2 or follow the configuration menu path **Materials Management • Purchasing • Purchase Order • Release Procedure for Purchase Orders • Edit Class**.

In the main screen of Transaction CLO2, provide an appropriate **Class Name (BP\_RELPO)** and click the **Create** button. Make sure that the **Class type** is 032 (Release

**Strategy**). In the detailed screen, provide an appropriate description. Assign the two characteristics we created earlier to this class, as shown in Figure 10.33.

Char.	Description	Data T	Num...	Decimal Pla	Unit	R..
BP_DOCTYPE	Order Type (Purchasing)	CHAR	4	0		<input type="checkbox"/>
BP_NETVAL	Total net order value	CURR	15		2 PKR	<input type="checkbox"/>

Figure 10.33 Assigning Characteristics to a Class

### Note

Classes and characteristics are treated as master data in the SAP system. As a result, classes and characteristics aren't transported from development systems to quality and production systems through transport requests. Instead, you must manually create them in each client or automatically upload them via Application Linking and Enabling (ALE), provided by SAP. Transactions BD91, BD92, and BD93 can be used to transfer classes and characteristics via ALE. You can manually assign classes and characteristics to release strategies in each client by using Transaction CL24N. See Chapter 24 on the classification system for more information.

### Configuration Basics of Release Procedure

After creating a class, the next step is to configure the elements required in the release strategy. To configure release procedure for PO, follow the configuration menu path **Materials Management • Purchasing • Purchase Order • Release Procedure for Purchase Orders • Define Release Procedure for Purchase Orders**.

The following elements are required:

- Release Groups
- Release Codes
- Release Indicator
- Release Strategies
- Workflow



To begin, follow these steps:

1. Select **Release Group** and click the **Choose** button. Click on the **New Entries** button to create a new release group. In the new record, provide an appropriate name such as “BP” in the **Rel.Grp** field and, in the **Class** field, maintain the class name “BP\_RELPO,” which we created in the previous step, as shown in Figure 10.34. Save your entries.

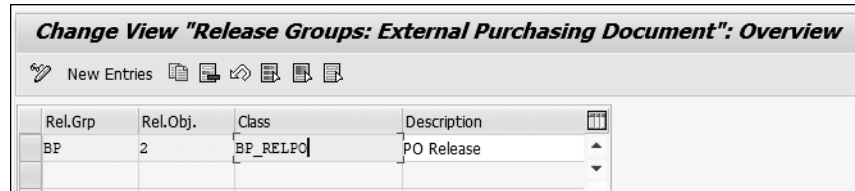


Figure 10.34 Release Group

2. Select release codes and click the **Choose** button. As shown in Figure 10.35, click on the **New Entries** button to create release codes for the release strategy. The number of release codes depends on number of approval levels. In our example, we’ll only create two release codes: **10** and **20** for **Buyer** and **Manager**, respectively. Ensure you create these release codes under the same release group (**Grp**) **BP** that was configured in the previous step.

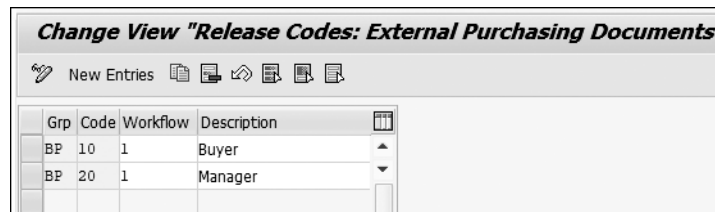


Figure 10.35 Release Codes

3. Select a release indicator, as shown in Figure 10.36 This screen indicates the **Release ID** for initial and released statuses. Release **ID 0** indicates a **Blocked** status, and release **ID 1** indicates a **Released** status. The **Chgable** field contains the parameter that will define how the system reacts if a purchasing document is changed after the start of the release procedure. In other words, once an order is released, we can still change the values in the purchase order, which will trigger a new release status. If the field is allowed to change, we can define the % of change allowed, which in this example is 10.0%.

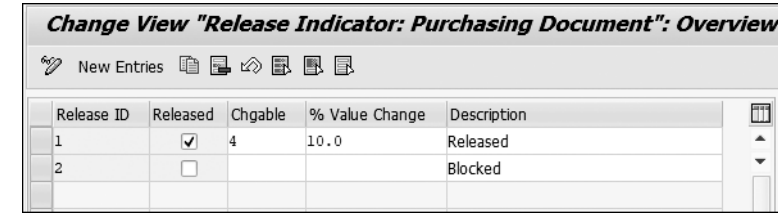


Figure 10.36 Release Indicator

4. Select release strategies, click on **New Entries** button, and enter the previously configured release group **BP**. After entering the release group, provide an appropriate release strategy (in our case, **BP**) and a short description, as shown in Figure 10.37. Double-click the **Release group BP** so that the screen shown in Figure 10.38 appears.

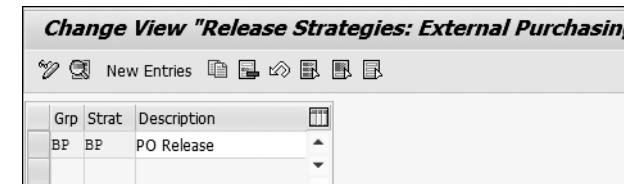


Figure 10.37 Release Strategy

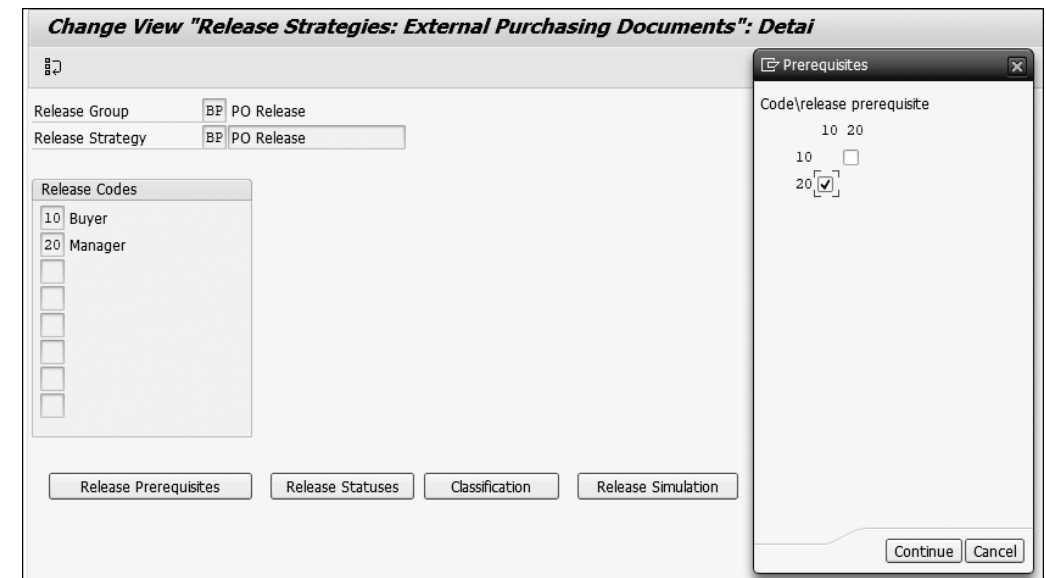


Figure 10.38 Detailed Configuration of a Release Strategy

On this screen, in our example, you'll keep only one level of approval for all POs below 100.00 PKR but require two levels of approvals for POs greater than or equal to 100 PKR. Thus, you'll need two release strategies. The first release strategy will have only one release code and will only be triggered for values less than 100.00 PKR in the characteristic BP\_NETVAL. For purchase orders with greater than or equal value to 100.00 PKR, you'll create another release strategy, which will involve both the release codes and the two levels of approvals needed in this case. The following steps demonstrate how to create this second release strategy (with two approvals):

- Maintain release codes **10** and **20**. Now click on the **Release prerequisites** button, shown in Figure 10.38, and select prerequisites for each release code. Figure 10.38 shows that no prerequisites exist for release code **10**, but for release code **20**, release code **10** must first be released. This prerequisite is achieved by selecting the checkbox from column **10** and next to the row **ID 20**. Save these settings.
- The next step is to click **Release statuses**, as shown in Figure 10.38, which will open the screen shown in Figure 10.39. The first stage of the release indicator will always show a **Blocked** status. After the first level of release by a user with release code 10, the overall status is still **Blocked**. When a document is released by a higher-level user having release code **20**, the document's overall status will be **Released**.

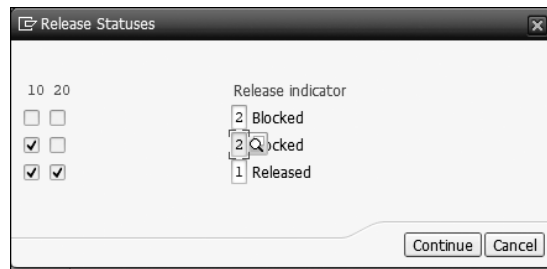


Figure 10.39 Release Statuses

- The next step is to select the classification values for the selected characteristics in release class. Click on the **Classification** button, as shown in Figure 10.38, to proceed. You'll need to select all the values from all the characteristics. If multiple values exist in a characteristic, you'll need to select the values that will be part of the release strategy. Maintain values for both characteristics; for example, as shown in Figure 10.40, the characteristic values state that **Purchase Order Document Type NB** and a **Total net order value greater than or equal to 100.00 PKR** will trigger this release strategy.

**Note**  
You can also directly maintain the values provided in the **Additional Values** option while creating the characteristics. Refer to Figure 10.32.

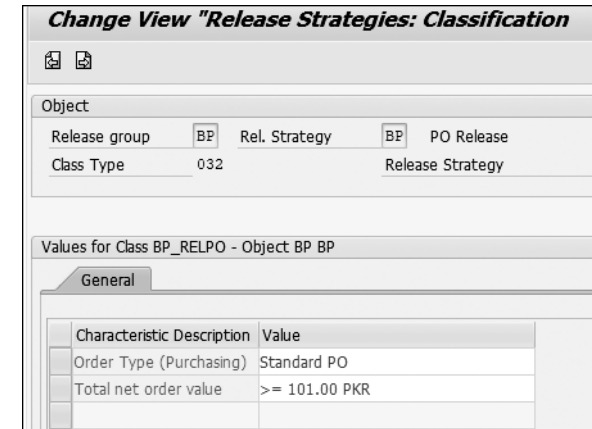


Figure 10.40 Classification in Release Strategy

5. You can simulate the entire release strategy to ensure all steps are correctly configured by choosing **Release simulation**, as shown in Figure 10.38. Place your cursor on release codes **10 20**, as shown in Figure 10.41, and click on **Simulate Release**, which will open the screen shown in Figure 10.42.

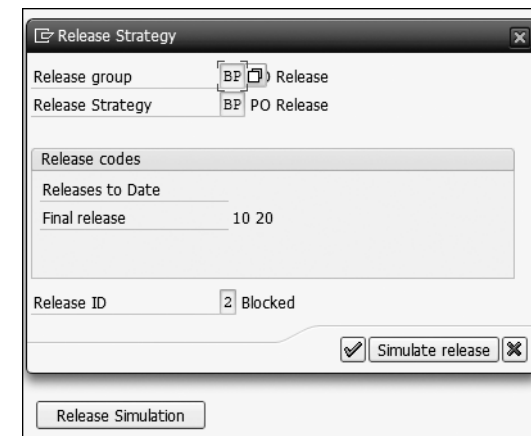


Figure 10.41 Simulating a Release Strategy

Figure 10.42 shows that releases are possible for both release codes **10** and **20**. First, place your cursor over release code **10** and click on **Set/reset release**. Repeat the same steps for release code **10**. If performed correctly, the **Release Options** will change to **Release already effected**, and the status will be changed to **Released**.

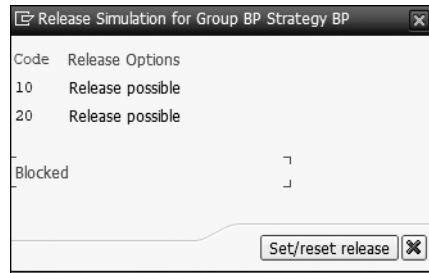


Figure 10.42 Release Simulation

6. As a last step, select **Workflow**, as shown in Figure 10.43. Choose **New Entries** to create records for involved users. Specify the release group, the appropriate release codes, and the user ID in the **Agent ID** column. The user IDs specified with agent type **US** indicates that the agent name is an SAP user ID. Create a line for each user involved in the release process and maintain an appropriate release code.

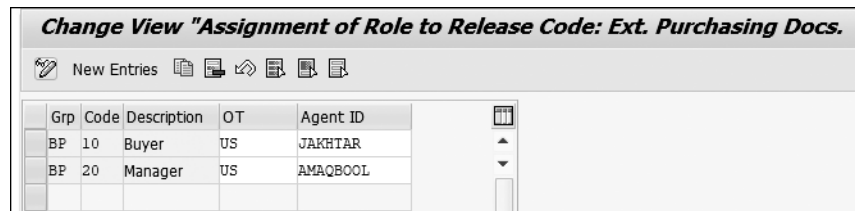


Figure 10.43 Configuring a Workflow

We’ve come to the end of release strategy configuration. Let’s now create a purchase order to test for completeness and correctness in the configured release strategy. If a purchase order is not released, then buyers will not be able to print out the purchase order. Also, in goods receipts, the message “ME 390 – Purchasing document XXXXXXXX not yet released” may arise.

**Business Processes of Release Strategy: Individual Release**

Create a purchase order using Transaction ME21N with document type NB and make the value of purchase order greater than 100 PKR to trigger the configured release strategy. Save the PO. In this example, the system has created PO number 4500000204.

To release the PO, access the screen shown in Figure 10.44 via Transaction ME29N. Notice the purchase order **Release Strategy** tab at the end of the PO header. The PO has all the details correctly configured and can now be released simply by clicking the release icon in the **Release options** column next to the release code.

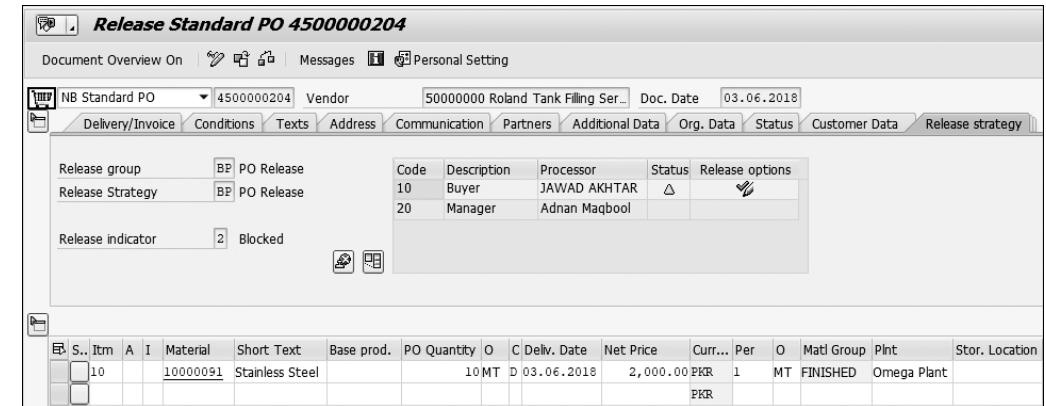


Figure 10.44 Purchase Order with Release Strategy

**Collective Release**

Access the screen shown in Figure 10.45 via Transaction ME28 for the release of individual POs. On the initial screen, enter the **Release Code** and any other relevant parameters so that the system only brings up relevant POs for release, which will open the screen shown in Figure 10.46.

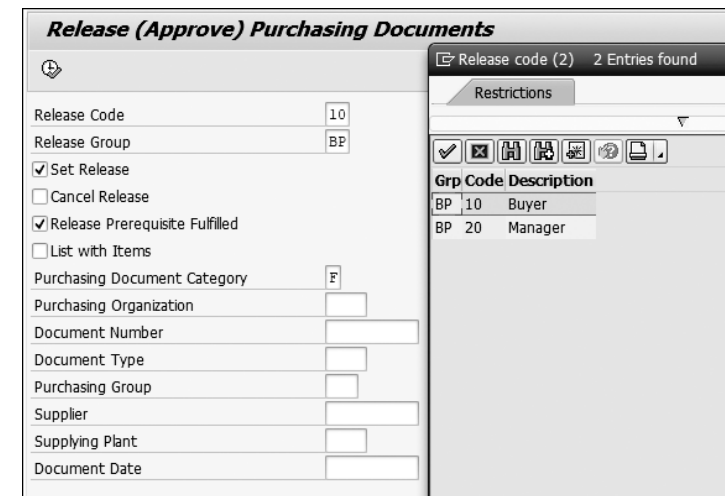


Figure 10.45 Approving Purchasing Documents

Figure 10.46 shows that PO 4500000204 with PO Type NB of Net price 2,000 PKR (which has a value greater than the 100 PKR required for a PO release strategy to work) can be released.

Release Purchasing Documents with Release Code 10													
Item	Release	Release State	Release Strategy	Release option	Type	Cat	PGr	POH	Doc. Date	Net Price	Crcy	Material	Short Text
Supplier/Supplying Plant 50000000 Roland Tank Filling Services													
Purchasing Document 4500000204													
10	2		BP		NB	F	004		03.06.2018	2,000.00	PKR	10000091	Stainless Steel

Figure 10.46 PO Release

### Release Strategy for Purchase Requisition

Now that you know the end-to-end configuration, master data, and business processes for release strategy for POs, you can replicate these steps for purchase requisitions.

For practice, and as an example, set up a release strategy for a purchase requisition by maintaining the purchase requisition document type to be the newly configured on ZNB and maintaining a purchase requisition value at the item level to be greater than 100.00 PKR (or local currency).

Access the screen shown in Figure 10.47 via Transaction ME54N for an individual release of a purchase requisition. Notice the details at the item level of the purchase requisition. For a collective release of purchase requisitions, use Transaction ME55.

#### Note

Releasing each line item separately is called an *item-level release*. A purchase requisition may contain one or more line items. With item-level release, a particular line item can be released while other line items may be pending for approval or rejection. You cannot perform item-level release procedures using a release procedure with classification for external documents because external documents (such as POs, RFQs, scheduling agreements, quantity or value contracts) are always released or blocked as whole documents. However, for internal documents, you can configure line item level approval or complete document approval using a release procedure with classification. To configure item-level release for a purchase requisition, follow the menu path **Materials Management • Purchasing • Purchase Requisition • Define Document Types**. As shown earlier in Figure 10.6, select the **OverReqRel** checkbox to enable the overall release of a purchase requisition. If you want item-level approval, don't select this checkbox.

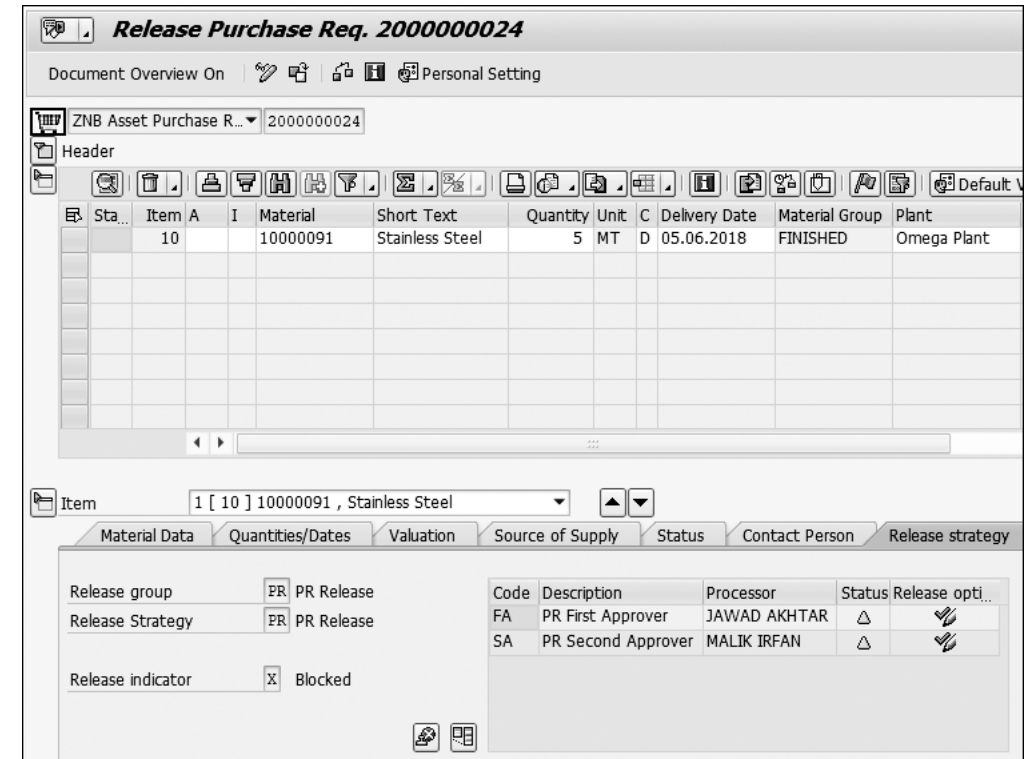


Figure 10.47 Purchase Requisition Release for Document Type ZNB

## 10.5 Summary

In this chapter, we examined the purchase requisition process. Most companies use a purchase requisition process to identify what material is needed and to allow the purchasing department to review and create the optimum POs for each vendor by taking into account the volume discounts and favorable terms offered by the vendor. Without purchase requisitions purchasing decisions would be made by end users and not by the purchasing department.

Chapter 11 follows up from the creation and processing of purchase requisitions to discuss the creation of RFQs. RFQs aren't universally used and may not be part of your company's purchasing policy. However, an RFQ can be an important purchasing tool, and you should understand how to create and process RFQs.

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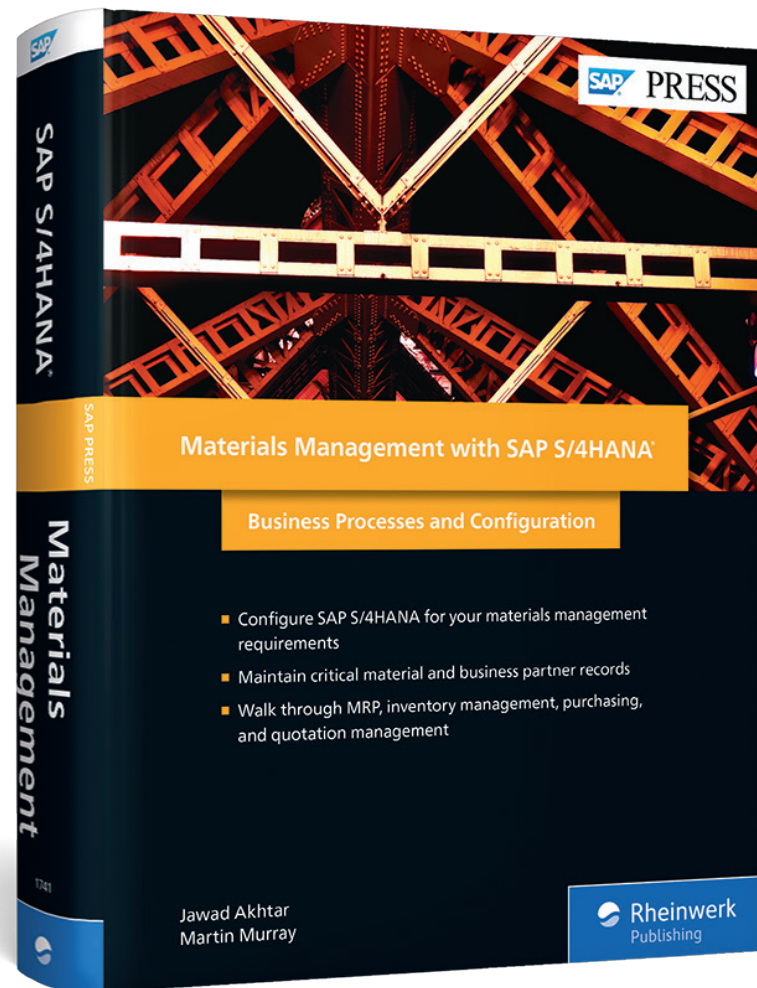
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## Materials Management with SAP S/4HANA: Business Processes and Configuration

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Akhtar is also a technical advisor to SAPexperts, an ASUG speaker, and a contributor to SearchSAP, where his “Ask the Expert” column shares real-life lessons and best practices gleaned from SAP implementations, ways to avoid common project pitfalls, and features of various SAP products that solve key business issues.



**Martin Murray** was a respected logistics consultant and worked with IBM for more than 15 years. He joined the computer industry upon his graduation from Middlesex University in 1986. In 1991, he began working with SAP R/2 in the materials management area for a London-based multinational beverage company, and in 1994 he moved to the United States to work as an SAP R/3 consultant.

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