## SAP MM - DEFINING ORGANIZATIONAL STRUCTURE

http://www.tutorialspoint.com/sap\_mm/sap\_mm\_defining\_structure.htm

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As discussed organization structure is the framework of company which describes the entire structure and functioning of a company. Organization structure is designed in a way that it is split into different levels and each level is placed according to hierarchy. These levels have relationship to one another. The various levels in a standard organization are as follows:

- Company
- Company code
- Plant
- Storage Location
- Purchasing Organization
- Purchasing Group

All the Definitions in SAP will be done through Display IMG screen as shown below:

Path to reach Definition: IMG => Enterprise Structure => Definition

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#### **Create Company**

Company is the topmost organizational unit after client which incorporates individual financial accounting statements of several company codes. A company can have many company codes. In SAP it is optional to create company. Following steps will take you through the procedure of creating company.

Path to Create Company: IMG => Enterprise Structure => Definition => Financial Accounting => Define Company TCode: OX15

On display IMG screen select Define Company execute icon by following the above path.

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Fill in all necessary details like name of company, address of company with street number, city, country and postal code. Click on save icon. A new company will be created.

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## **Create Company Code**

A company code is the smallest organizational unit after company for which stand-alone financial accounting's, profit and loss statements can be withdrawn. Many company codes can be assigned to one company. Following steps will take you through the procedure of creating company code:

Path to create Company Code: IMG => Enterprise Structure => Definition => Financial Accounting => Edit, Copy, Delete, Check Company Code TCode: OX02

On display IMG screen select Edit, Copy, Delete, Check Company Code execute icon by following the above path.

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Fill in all necessary details like Company code, company name along with city, country, currency, language. Click on save icon. A new company code will be created.

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Additional data
City
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### **Create Plant**

Plant is an organizational unit within a company where activities take place. A plant will produce goods and makes goods available for the company. Following steps will take you through the procedure of creating Plant:

Path to create Plant: IMG => Enterprise Structure => Definition => Logistic General => Define, Copy, Delete check plant TCode: OX10

On display IMG screen select Define, Copy, Delete check plant execute icon by following the above path.

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## Select Define Plant icon to create a new plant.

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Fill in all necessary details like plant name along with detailed information like Language, House no.,city, country, region, postal code. Click on save icon. A new plant will be created.

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#### **New Entries: Details of Added Entries**

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PO Box
Postal Code
City
Country Key
Region
County code
City code
Tax Jurisdiction
Factory calendar
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screen and you must maintain them separately.

All other addr. data can only be maintained in addr. screen. The changes can only be seen in the overview and detail view after they have been saved.

## **Create Storage Location**

Storage location is an organizational unit which actually differentiates between different material stocks in a Plant. Storage location is a place where stock is kept physically. Plant can be consisting of multiple storage location. All data is stored at storage location level for a particular storage location. Following steps will take you through the procedure of creating Storage location:

Path to Create Storage Location: IMG => Enterprise Structure => Definition => Materials Management => Maintain Storage Location TCode: OX09

On display IMG screen select Maintain Storage Location execute icon by following the above path.

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Enter the name of plant for which you want to create storage location.

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Enter the name of storage location along with the description of storage location. Click on save icon after filling required information. A new Storage Location will be created.

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## **Create Purchasing Organization**

Purchasing Organization is an organizational unit under company or plant which is responsible for procurement activities according to requirements. It is responsible for external Procurement. Purchasing organization can be specific to plant or company. Following steps will take you through the procedure of creating Purchasing Organization:

Path to Create Purchasing Organization:

IMG => Enterprise Structure => Definition => Materials Management => Maintain Purchasing Organization TCode: OX08

On display IMG screen select Maintain Purchasing Organization execute icon by following the above path.

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## **Create Purchasing Group**

Purchasing group is an organizational unit which is responsible for everyday procurement activities within an organization. Following steps will take you through the procedure of creating Purchasing Group:

Path to Create Purchasing Group: IMG => Materials Management => Purchasing => Create Purchasing Group TCode: OME4

On display IMG screen select Maintain Purchasing Group execute icon by following the above path.

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