About the Tutorial

SAP SRM (Supplier Relationship Management) is a SAP product that facilitates the procurement of goods via a web-based platform. Organizations can procure all type of products like direct and indirect material, services and this can be integrated with SAP ERP modules and other non-SAP backend systems for accounting and planning.

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

Audience

This tutorial has been prepared for professionals who aspire to learn the fundamentals of SAP SRM. Consultants and project team members who have already been implementing SAP SRM Server can also draw benefits from this tutorial and refresh their knowledge.

Prerequisites

The course is designed for beginners with little or no knowledge of SAP SRM. But you need to have a basic understanding of SAP Basics to make the most of this tutorial.

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SAP SRM allows you to optimize your procurement process to work effectively with suppliers to get long term benefits and also to perform forecasting, procurement cycle and to work with partners. You can reduce the time span and costing of procurement cycle using innovative methods to manage business processes with key suppliers.

SAP SRM supports the full procurement cycle, i.e., starting from source and purchase to pay through complete procurement process with suppliers and effectively managing supplier to build long-term relationship.

SAP SRM helps you to emphasize supplier performance management and helps you to streamline the procurement operations, put compliance with contracts and purchasing policies, and improve overall cost management and expenditure.

Key Benefits and Functionalities

There are various benefits and key functionalities that you can achieve by using SAP SRM product and by integrating with other SAP ERP modules and non-SAP systems for planning and optimization.

Following are the key benefits of SAP SRM:

Catalog Management
Suppliers can easily manage catalog data and this data can easily be integrated with business processes like accounting, finance and planning.

Procure to Pay Optimization
Using SAP SRP product, you can streamline procure to pay lifecycle and improve communication with supplier and cost management.

Self Service Procurement
End-users can search products using multiple product catalog and helps them to find and purchase product that are compliant with purchase and procurement policy of the company.

Reporting Functionality
Using SAP Supplier Relationship management, you can create reports related to procurement activities, compliance and contract management, and managing costing in procurement process.
Contract Management

You can manage contracts using secure central repository. This helps to reduce compliance violations and allows end-users to follow business processes during self-service procurement.

Technical Benefits of SAP SRM

Following are the technical benefits of SAP SRM:

- **Live Auction Cockpit** to perform real time monitoring and bidding process in procurement process.

- **SAP NetWeaver Business Intelligence** to perform data warehousing, analytics and web-based reporting.

- **Easy transactions** between SAP SRM and online transaction processing system OLTP.

- **SAP bidding engine** to create quotations and to process them.
To check SAP SRM software navigation, you can login to SRM system using SAP GUI client. Select SRM system and enter the user name and password. It will display the SAP Easy Access Supplier Relationship Management screen.

In SAP menu, you have various folders like:

- Master Data
- Business Partner
- Products
- Payment Cards

To open Organization model, you can run T-code or go from Master data -> Process Organization Model.

When you build an organization structure, it is created downward. At the top, you have root organization structure and then you have other organization units like subsidiary, business units, etc.
You can also access SAP SRM Portal Desktop using web URL. The portal area is divided into the following parts:

- At the top, you have SRM Work Centers.
- To the left, you have Navigation area.
- At the bottom, you have Content area.

As per the SRM user role, the left side navigation area is displayed. If you have access, you can see additional fields in SRM portal. On the left side, you can select work set and Person Object Work list will be displayed on the right side.

The results of selected query are displayed in a table form.
You can select any of the rows in the table and can use the top buttons like display, edit, delete, preview, refresh and export, etc.

In the following screenshot, you can see a table with a three-step approach to add goods to a shopping cart and complete and order.

In the shopping cart, you can add, delete, copy, paste or duplicate an item in shopping cart. Note that you need to create a separate shopping cart for each supplier.

Performing search is easy and user-friendly. It eases the process of creating a Purchase Order for a few materials and some suppliers.

In SAP GUI, you can see the following configuration options under SAP SRM:
You can expand SAP SRM to see various settings under SRM system:
You can perform various functions in SAP SRM. Using the SAP SRM portal, a user can use self-service option for different options.

The key functions in SAP SRM include the following:

**Navigation**
In SAP SRM, screens are easy to navigate. SRM portal has a user-friendly and easy to manage look.

**Searching**
In SAP SRM portal, you can easily perform search for different products and suppliers. Search criteria is easy to use.

You can also restrict the number of entries in Search.

To see the details, select the object and click the OK button.
Purchase Orders
You can create purchase orders for a few of the material type. POs are also automatically created for some materials and suppliers.

Account Assignment
A user can also define default account preferences. Cost assignments can be defined as per quantity, percentage or value of the material. You can also search G/L codes online using search option.

Workflow
In SAP SRM, the approval process for Purchase Orders is very easy. This allows organization to perform goods requisition in an easy and simple manner.

Copying and Deleting
A user can use copying option to copy the items in the shopping cart. Edit option can be easily used to edit the address, cost distribution, etc.

Deletion is also easy in shopping cart as you can easily select a good in cart and delete it.
4. SAP SRM — Software Components

There are various application and technology components that are a part of SAP Supplier Relationship Management product. Application components include components that are required to create RFx and submit bids, for financial management, BI needs, Enterprise portal for application interaction and other various components to perform different functions.

Technology component consists of NetWeaver Process Integration to integrate with SAP and non-SAP external systems, SAP GUI for configuration, and R/3 plugin for Master Data.

Let’s see each of the components under application and technology in detail:

**SAP Supplier Relationship Management Server**

SAP SRM server includes SAP SRM server and SAP Bidding engine. SAP SRM is based on SAP NetWeaver application server and is available for different platforms and database. You can check all the releases of SAP SRM on SAP Market place under **Product Availability Matrix (PAM)**.

**SAP SRM Bidding Engine**

SAP SRM Bidding Engine can be used to create and process requests for bids; bidders can submit bids and other functions in RFx.

Bidding engine defines the rules for bidding and bidders can use it to submit bids in the system.

**SAP NetWeaver BI**

In SAP SRM spend analysis, BI is primarily used and requires Application server ABAP on the same system. It may also require Java Application server and SAP Enterprise portal.

**SAP NetWeaver Enterprise Portal**

This is used as an entry point for users to manage applications and information related to SRM. It provides role-based and secure access to applications and services.

**Online Transaction Processing System**

Various systems can be used for backend transaction processing to manage material and financial queries. SAP ERP system can be used and data exchange occurs between SAP SRM and SAP ERP system.

You can also install SAP SRM as standalone without a backend system.
Live Auction Cockpit Server

LAC web presentation server is a J2ee based software application. This provides the user with an option of real time bidding, real time monitoring and reverse auction options.

Apart from these, technology component also includes SAP Process Integrator for integrating processes from different systems, SAP GUI for configuration and R/e plug in for data exchange between one or more R/3 systems and other components.
End of ebook preview

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