



# FIT ABC ORDER BUNDLING IN SAP

## Requirements

In the purchasing process, the effective transformation of purchase requisitions into orders is a crucial element of daily work. In doing so, it is essential to optimize the quantity and number of order transactions so that the lowest possible procurement costs are achieved without putting at risk the dates by which the material is required.

A further criterion that is always to be taken into account during purchasing in order to correctly assess an order proposal is the material's ABC code. With the ABC analysis, the materials can be classified in SAP based on consumption or demand, according to their importance. It would be extremely detrimental if the procurement department purchased all C materials on time while neglecting important A components.

## The Solution

To help you meet these requirements, Freudenberg IT (FIT) has developed a system (based on the ABC classification of the materials) which, when transforming purchase requisitions into an order, evaluates the materials according to their importance for the company and optimizes the order delivery dates.

The A materials are always considered as the most important components. So as not to endanger anticipated planned access to A materials, these order proposals are accepted unaltered. If there are also order proposals for B or C stock to the same supplier or supply factory, these order proposals are scheduled to match the A stock (delivery date moved forward).

This bundling of A, B and C materials into shared delivery dates means that ordering and transport costs can be reduced without putting the on-time procurement of important A components at risk.

The processing is carried out in three main steps:

- Maintaining the selection screen for selecting the order proposals to be processed.
- Checking the list screen showing the result of the bundling. For further optimization, the total value and total weight of selected purchase requisitions can be displayed, and desired changes and corrections to the quantity and delivery date can be carried out manually prior to transformation into an order.
- Transformation of the selected purchase requisitions into an order takes place when the list screen is saved. Additionally, a test run can be carried out prior to the real transformation, which may indicate existing master data that is not being maintained.

The bundling of purchase requisitions when creating an order can be used both for external procurement at suppliers and also in internal procurement for stock transfer orders between two factories. To allow for meaningful bundling, only the purchase requisitions need to be assigned to a supplier or supply factory. This can be easily accomplished, for example, in the course of scheduling using a standard SAP system.

### Benefits

ABC Order Bundling allows you to optimally enhance your procurement processes with the efficient ABC combining scheme. And because consumption- or demand-oriented ABC classification of materials is already used within almost every company, FIT ABC Order Bundling is the ideal tool for most buyers.

Combining with the delivery dates of the important A materials results in a reduced cycle of deliveries and a corresponding reduction of ordering and transport costs. The extensive selection alternatives, e.g. according to buyer group, scheduler, class of goods, supplier (or supply factory) and supply date, offer every opportunity to perform the selection of purchase requisitions according to demand.

The selections carried out can be saved as versions, so the next time around the same selection can be quickly called up again. The tool also supports the use of selection variables for version administration.

In the list screen, users can check "at a glance" where order proposals have been bundled and which delivery date adjustments this involves. The previous delivery date from the order proposal is also displayed as additional information.

As an extra feature in addition to the above-mentioned options for manually correcting the quantity and date, users are also able to delete order proposals from the list if transformation into an order item is not desired at the present time (and without having to start again with a new selection).

These features leave buyers with the necessary freedom to intervene on a manual level while still fully benefiting from the wealth of convenient automated functions.

