



# MEETING MINUTES

## State of Louisiana ERP Project

*Blueprint Workshop / Inventory Management & Warehouse Management Goods Movement*

Session: LOG-IM/WM-002

When: 10/15/08

Location: DOTD Bldg, East Wing, 5<sup>th</sup> Floor, Room 507

### Attendees:

No.	Name	Agency	Invited?	Day 1	Day 2	Comments
1.	Anderson, Shannon	DPS	Y	N	n/a	
2.	Ardoin, Diane	DOTD	Y	Y	n/a	
3.	Bielkiewicz, Erin	DPS	Y	N	n/a	optional attendee
4.	Bickham, Thomas	DOC	Y	N	n/a	optional attendee
5.	Breaux, Margaret	DOTD	Y	Y	n/a	
6.	Cali, Dom	ERP Team	Y	N	n/a	optional attendee
7.	Denham, Brad	ERP Team	Y	N	n/a	
8.	Dutt, Dev	ERP Team	Y	Y	n/a	
9.	Elliott, Sterrie	ERP Team	Y	Y	n/a	
10.	Evans, Karen	Veterans	Y	N	n/a	
11.	Guedry, Mary	LDWF	Y	N	n/a	
12.	Hebert, Sharon	ERP Team	Y	N	n/a	
13.	Hill, Bobby	ERP Team	Y	N	n/a	
14.	Hinesman, Rodney	ERP Team	Y	N	n/a	
15.	Humm, Lori	ERP Team	Y	N	n/a	optional attendee
16.	Jarreau, Mary	DOTD	Y	Y	n/a	
17.	Kees, Wynette	LDWF	Y	N	n/a	optional attendee
18.	Ladhur, Jack	ERP Team	Y	Y	n/a	
19.	Lawrence, Bernadette	DOTD	Y	Y	n/a	
20.	Leerhoy, Michael	ERP Team	Y	Y	n/a	
21.	Lellig, John	ERP Team	N	Y	n/a	Present 9-11:30am
22.	Maranto, Cynthia	ERP Team	Y	Y	n/a	
23.	Nolan, Debbie	DVA	Y	N	n/a	
24.	Olivier, Herbert	ERP Team	Y	Y	n/a	
25.	Perkins, David	DVA	Y	N	n/a	optional attendee
26.	Pierce, Karen	ERP Team	Y	Y	n/a	
27.	Roubique, Margaret	DOC	Y	N	n/a	

28.	Rogers, Belinda	ERP Team	Y	N	n/a	
29.	Sloper, Sondra	DVA (see comment)	N	Y	n/a	Representing DHH
30.	Taylor, Danny	DPS	Y	Y		
31.	Templet, Marty	DOC	Y	Y		
32.	Trahan, Sandy	ERP Team	N	Y		
33.	Trivedi, Mandar	ERP Team	Y	Y		
34.	Wright, Mark	ERP Team	Y	N		

<i>Agenda Item and Notes</i>	<i>Owner(s)</i>	<i>Action Items &amp; Assignments</i>	<i>Comments / Follow-up</i>
<b>1. Logistics, Ground Rules, &amp; Introductions</b>	Karen Pierce	•	
<b>2. Workshop Objectives</b>	Karen Pierce	•	
<ul style="list-style-type: none"> <li>• Goods Receipt</li> <li>• Transfer Options: <ul style="list-style-type: none"> <li>➢ between Storage Locations within a Plant</li> <li>➢ between Plants</li> <li>➢ for Material Status Change</li> </ul> </li> <li>• Goods Issue for: <ul style="list-style-type: none"> <li>➢ Cost Center</li> <li>➢ Sales Order</li> <li>➢ PM Work Order</li> </ul> </li> <li>• Scrapping</li> <li>• Inspection Stock and Blocked Stock</li> <li>• Control Data in Account Determination for IM</li> </ul>			
<b>3. Project Overview/Timeline</b>	Karen Pierce	•	
<b>4. Business Process Review</b>	Mike Leerhoy Dev Dutt	•	Handouts:  PowerPoint slides IM Material Movement Types List
-SAP Terms Glossary -Process improvement opportunities -SAP concepts & functionality -Leading practices -Enterprise readiness Challenges			
<b>5. Action Items</b>		<ul style="list-style-type: none"> <li>• Look into necessity of printed goods receipts slip vs. using online system</li> <li>• How will SAP handle production orders and/or sales orders currently utilized by DOTD and LPAA (inter-agency transfers)</li> <li>• SME's to provide samples of issuing documents</li> </ul>	

Agenda Item and Notes	Owner(s)	Action Items & Assignments	Comments / Follow-up
6. Key Decisions		<ul style="list-style-type: none"> <li>Do not need automatic R-Mail notification for goods received</li> </ul>	
7. Organizational Impact		<ul style="list-style-type: none"> <li>DHH requirement of a hard copy of GR (inventory control unit)</li> <li>Training Issue – Account assignment on POs for inventory items</li> </ul>	
8. Parking Lot		<ul style="list-style-type: none"> <li>How to handle non-valuated items in inventory (bank bags, DOTD produced forms, DOTD sheeting)</li> <li>Look into how inventory will be affected by PO items that are mistakenly not assigned to an account.</li> <li>Forced in receipts on POs that are marked delivery complete (encumbrance cancelled when delivery marked complete B4 all items received)</li> <li>Discuss under and over delivery tolerances with Finance and Procurement. IM / WM group not in favor of under delivery tolerance due to the encumbrance funds issue. But do need to look closer at overages.</li> </ul>	
9. FRICE-W - Forms - Reports - Interfaces - Conversions - Enhancements - Workflow		<ul style="list-style-type: none"> <li>(F) – Create a standardized goods receipt form (DHH)</li> <li>(W) – Workflow for goods issue approvals for walk up customers (unplanned issues w/o reference PO)</li> </ul>	
10. Integration Points		<ul style="list-style-type: none"> <li>With Finance to integrate GL account codes with inventory movement types</li> <li>With Finance to discuss valuation classification codes with plants</li> <li>With Finance to determine valuation class codes between IM and Financial Accounting</li> </ul>	

## 11. Discussion

Karen – In opening statements:

- Advised that this session could possibly last only one day. In anticipation of it lasting one day, asked if everyone would be in favor of moving the 10/21 session (Inventory & Warehouse – Stocking Taking) to tomorrow (10/16). All were in agreement except Marty Templet – would have to miss 1/2 day tomorrow.
- Changes to Blueprint Schedule. The MRP Plant Driven Blueprint Session on 11/5-6/08 will possibly be cancelled since we are finding that the Plan Driven MRP will not be utilized. If cancelled, the other Blueprint Sessions dates will move up.
- Blueprints will be complete by Thanksgiving. Playback sessions will be scheduled sometime after November.
- While explaining post it note sheets on the wall, gave updated status of a previous action item (to see if fuel, hot mix and concrete would be handled as a special procurement type, Vendor Consignment). Still being discussed, but looking like these items will not be handled as Vendor Consignment.

AS-IS

Karen – In this blueprint session we've decided to give a high level version of our AS-IS flow. Everyone has pretty much the same process as shown on our slides, but may have different steps to get there.

Mandar – If attendees require a more detailed explanation of the As-Is process, visio diagrams (more detailed flow charts) can be sent out upon request.

AS-IS Goods Receipt Process

Karen – (Noted that second box on slide #10 should say “packing slip” instead of “picking slip”. This correction was made 10/16 on the slide deck in G: drive.) Currently our received items are verified against a PO and packing slip and then, in some instances, sent to the lab for quality inspection. (It was noted that in SAP, Quality Inspection will not only include items sent for lab testing, but will also include inspection of items received at the warehouse location and damaged items that need to be inspected.) After the lab tests the items, the info is entered into the system, items are assigned to an aisle bin location, and then moved to that location. The paperwork is then sent to be paid.

AS-IS Goods Issue Process

Karen – DPS is currently using an on-line shopping cart. The warehouse makes the decision if they can have all of the quantity requested or reduce the amount ordered. Then they create a pick list, pull items and enter into system.

AS-IS Obsolete/Scrap Process

Karen – Items are identified as obsolete. Then they can be scrapped to LPAA or bid out as scrap. Inventory is adjusted, obsolete items are removed from inventory and delivered to LPAA or disposed of.

Ryan – Are there any approvals needed at the agency level to destroy items once they are identified as obsolete?

Karen – No, not now for us. But I believe Margaret and Diane, as District Managers, do give final approvals for disposal. (Margaret and Diane confirmed that this was correct.)

Marty – We have approvals, but can send to LPAA on BF11. The BF11 is the paperwork submitted to have the items removed from inventory and/or destroyed.

### GLOSSARY

Mike – Briefly explained terms on glossary. In explaining Goods Receipt, commented that we are not sure if production orders will be in scope or not. Also explained that when a Goods Receipt or Goods Issue is posted, a material document and an accounting document is generated which debits inventory and credits the account. This is done in the background. Stock Transfers are done within the same plant so they do not generate an accounting document – only a material document.

### GENERAL MM OVERVIEW

Mike – IM is limited to only one bin in each storage location.

Karen – This does not mean that you cannot have more than one area to store the same material in. You can set up two different areas that store the same material as two different storage locations. You can also do a stock transfer to move the material between the two storage locations.

Mike – Another example is that you can set up one storage location for picking and another for bulk storage. You will do a stock transfer to move the material from the bulk storage location to the picking storage location.

### INVENTORY MANAGEMENT ONLY

Mike – A goods movement is initiated by either a Purchase Order, Production Order, or Without Reference. Without Reference is usually not used.

Karen – I think that we would use the Without Reference for moving inventory that was purchased on a procurement card. Does DOTD use P-Card purchases?

Diane and Margaret – P-Card purchases are used, but not allowed for inventory items.

#### IM GOODS ISSUE –

Mike – A Goods Issue is initiated through either a Material Document, Reservation, Production Order, or BOM. A BOM (Bill of Material) is an item that is composed of several different materials.

Karen – Is that the same as a kit?

Mike – It is similar to a kit. It is referenced as one material number. That material number will list all components listed on the order.

Mike – The materials for Goods Issue are pulled from the warehouse or from consignment. Consignment is material that is received in inventory, visual as far as quantity is concerned, but doesn't have a value. As Karen mentioned, it is still under investigation as to whether fuel will be considered as consignment or not. For each and every move made to a material, a document is created to record the move to either a Cost Object (Cost Center, Asset No., Project No., or Sales Order), Scrap or Sampling.

Discussions began on the requirement for the G/L account as well as the Cost Center when a Goods Issue is made. Will the G/L accounts be automatically tied to the material or not? This was added to Integration Points to discuss with Finance to have the G/L accounts integrated with inventory functions so the warehouse will not have to manually enter G/L accounts.

#### IM TRANSFERS

Mike – Stock Transfers are physical movements – plant to plant, storage location to storage location. Transfer Postings are logical movements to move the status of the material – one material number to another material number, quality inspection to unrestricted use, etc.

Margaret – If the price is not the same from plant to plant, will the price change?

Diane – Prices differ even within the same district, i.e. there is a bid difference in price from north LA to south LA.

Mike – It will not change in value if the cost is the same, but will create a G/L posting either way. If a goods movement happens between plants and the plants have a difference in the cost of the item, an accounting document will be posted to allocate the difference in cost. Then the inventory value will be affected at each plant.

Karen – Are you talking about goods issues?

Mike – No.

Karen – So if moving materials within the same plant (stock transfers), no G/L account posting occurs. But if District 03 issues to District 08, will it still be a goods issue and money move?

Mike – Yes, it will move from one valuation to another and will do a weighted average.

Karen – If it's the same price, but valued differently, will it affect the money?

Mike – No, it will do a weighted average to the plant that it is going to. Valuation level will probably be at plant level, especially if only one company code is used.

Integration Point added to discuss the valuation of plants with Finance.

#### IM MATERIAL AND ACCOUNTING DOCUMENTS

Mike – When a Goods Receipt is posted, a Material Document is automatically generated, as well as an Accounting Document. Both documents have a header level which includes the reference number, activity, date/time stamp, etc. Both documents also have an item level which includes items specific information, i.e. material number, item quantity, etc.

#### EFFECTS OF AN IM GOODS RECEIPT POSTING

Karen – SAP is capable of printing a Goods Receipt Slip that will give a list of all items received in the system. This is an on/off field. Do we need this?

Sondra – DHH has a separate inventory control group that the warehouse has to balance with at each year end. Part of the process is that the warehouse has to turn in a receipt for everything received (and issued), so yes, DHH needs the printed Goods Receipt Slip.

Karen – DPS does not do this. Accounting looks in the system for the receipt. If we use this field in SAP, it would probably be global and the Goods Receipt Slip will look the same no matter what department uses it.

Mandar – Need to add to FRICE-W to create a standardized goods receipt form.

Karen – The Goods Receipt will identify the plant, warehouse, and the section receiving the item, right?

Mike – It can be done.

Karen - Need to also add an Action Item to look into the necessity of printing a standardized GR Slip vs. utilizing the online system to see the information.

Karen – SAP is also capable of sending an R-Mail notification to the Purchasing Group or Requester, advising them of items received. Do we need this?

Mike – The question is, do you need to notify anyone else (i.e. the end user, Purchasing) if you have received inventory? Or does only the Warehouse Manager need to be notified?

Diane – If a hard copy is printed and sent to Accounting, then they will know it is OK to pay when they receive the invoice.

Karen – One of the features of SAP is that it will have a three way match before paying the invoice. The system will look for the PO quantity, Goods Receipt quantity, and invoice quantity before allowing the invoice to be paid. So I see no value in printing or sending the R-Mail notification.

Jack – The system users will be able to see all three way match items in one view on the screen, so they can always track in the system. SAP has full traceability.

Was added as Key Decision – Do not need R-Mail notification.

Also added to Organization Impacts – DHH/Developmental Center requirement of hard copy receipt (for Inventory Control Unit).

Jack – Typically you would want to see a receiving report of all items received during a certain period, but not individual receipt reports for each Goods Receipt.

## STOCK TYPES

Mike – Unrestricted Stock is the stock that is available for use. Quality Inspection Stock is in inventory that is valued, but not available until the inspection has been done. Consignment Stock is in inventory, but not valued. Blocked stock can be valued (Blocked Stock) or non-valued (GR blocked stock).

Karen – Can you have an item in stock that you keep track of, but has a zero value? You need to track the item so you know when to reorder. An example is bank bags that are used to make nightly deposits. They are given to use by the bank, but we are not charged for them. They are issued statewide and currently we have to give them a value of \$.01 to track in inventory. Would this be considered a non-stocked item in SAP?

Mike – You can handle this in two ways:

- 1) You can manipulate the movement so that it does not create a financial document (G/L posting).
- 2) You can put it as a non-valued material type. That keeps track as far as quantity, but has no value.

Was added to Parking Lot – How to handle non-valued items in inventory?  
(DPS – Bank bags; DOTD – specially produced forms, sheeting)

## IM GOODS MOVEMENT AND STOCK IN QUALITY INSPECTION

Mike – You can set the system default to put items in Quality Inspection status upon receipt.

## IM REVERSAL (REVERSING ENTRY) AND RETURN DELIVERY

Mike – SAP allows full tracking of returns or reversals through different IM movement types. Reversals are used when an error was made upon entry of the Goods Receipt. The Reversal will reverse the Goods Issue to allow a correct re-entry. Different movement types are used for returns to vendors.

Karen – If you have received and paid for a shipment of envelopes and find out later that they are all stuck and unusable, would you use this movement type?

Mike – Yes. You can use a return to vendor movement type which has a field for a mandatory entry named “reason for movement”. In this field you would indicate why the item was returned.

Jack – Can you print a return to vendor sheet to go with the returned items?

Mike – Yes.

#### IM GOODS RECEIPT AGAINST A PURCHASE ORDER ASSIGNED TO AN ACCOUNT

Mike – Purchase Orders for non-inventory items may or may not require a GR. Best practice is to do a GR on all items received so you have tracking capability.

Karen – This would be a good way to track items we receive at our warehouse for other sections, but do not put in our inventory or hit our inventory budget. You would still do a GR, but then notify the requestor that the items are in the warehouse. At the time of the GR posting, the items are expensed out to the cost center of the end user, which is referenced on the PO.

Sondra – Could also be used for property.

Marty – At unit level (prison), we submit a form to State Purchasing for a PO. On that form we put the price that we have on file. If the price is different from the price that State Purchasing has on file, the form is kicked back. At that time, we change the price to match the State Purchasing price.

Karen – In SAP the requisition will be created in the SRM module, then sent through the approvals process, then to the ECC system to see if item is available at the warehouse. If available at the warehouse, a reservation is created. If not available at the warehouse, the system checks to see if there is a state contract for the item. If a state contract exists, an automatic PO will be created against the contract. If no state contract, then lastly the request is sent to Purchasing to go out on a bid request for the purchase. The pricing is not part of the requisition, but on the PO instead and is determined based on where the item was supplied from, i.e. material master record, contract, bids, etc.

Ryan – It depends on where the cost is associated. The chain is contracts, info records, bids and source list. Coding will be pre-defined in the system.

Mike – General comment – Inventory materials are normally bought without an account assignment. If no account assignment is on the PO (i.e. not coded as K for cost center or A for Asset), it automatically goes into your inventory.

Danny – Who determines the cost center – the requestor? If they leave the cost center blank in error, will it come to my inventory?

Mike – If it is ordered in error without an account assignment and comes to inventory, you can then turn around and expense it out to the cost center once it is received at the warehouse.

Added to Organizational Impacts - Training issue for account assignments on POs for inventory items.

Karen – I have another question. Inventory items have to have a material master. PO items do not have to have a material master. Will PO items without a material master automatically go to inventory if no account assignment is entered?

Mike – If there is no material master for the item, the system will flag the request and require the account assignment to be entered.

Added to Parking Lot – Look into how inventory will be affected by PO items that are mistakenly not assigned to an account.

Mike - All requisitions generated at MRP will have a blank account assignment. The plant owns the item until it is goods issued.

#### SETTING THE "DELIVERY COMPLETE" INDICATOR

Mike – You can set the Delivery Complete indicator via one of three options:

- 1) will close PO automatically if full quantity is received
- 2) can set the indicator manually at the time of GR
- 3) can set the indicator manually in the PO

Be very careful on handling the residual GR's. Make sure that items were received before setting the delivery complete indicator manually.

Margaret/Diane – How do you handle the Delivery Complete indicator for open ended POs (Blanket POs)?

Karen – You would do it manually at the time of GR. If you want to continue to receive against the Blanket PO, but have run out of quantity, you would add more quantity to the Blanket PO instead of selecting the Delivery Complete indicator.

#### UNDER DELIVERY AND OVER DELIVERY QUANTITY CHECKS

Mike – Delivery tolerances can be set for over and under deliveries. They are set on the info record or directly in the PO.

Karen – Our current system will allow a 10% overage for all commodities that is not automatically paid. This is a statewide variance set by State Purchasing. Approval for additional expenditures is required. I have a concern with setting the Delivery Complete indicator for under deliveries - I don't want to lose the encumbered funds on those items that were on the PO, but not received.

Jack – Normally a tolerance is set by amount (small amounts). You don't normally put a tolerance on items.

Karen – Just because the tolerance is built in, it doesn't mean that you have to abide by it.

Sondra – The DHH warehouse calls for approval before accepting any over deliveries.

Karen – No one changes PO's without a change order.

Jack – The tolerance will follow all the way through the PO.

Margaret – Our PO tolerance is 10%. My expectations are to get all items listed on the PO and not close the PO until all items are received.

Mike - The Purchasing Valuation Key is global, so different plants cannot set different tolerances per material at different levels. If on your contract line item you specify a plant, the tolerance will apply to all PO's issued at that plant. If no plant is specified on the contract, the tolerances will apply globally across all plants for that material.

Added to Parking Lot - Discuss under and over delivery tolerances with Finance and Procurement. IM / WM group not in favor of under delivery tolerance due to the encumbrance funds issue. But do need to look closer at overages.

## RESERVATIONS

Mike – A reservation specifies a certain material and quantity that is needed on a certain date. This reservation will mark the stock as reserved. The reservation can be created automatically or manually. The pick list functionality and/or strategies are much more robust in WM and more limited in IM.

Sondra – How many characters are in the stock numbers?

Mike – Eighteen, but can go up to 40.

## IM GOODS ISSUE

Mike – Goods Issues can be planned (references a material document or reservation) or unplanned (without reference).

Karen – Example of without reference or unplanned goods issue is our walk up customers. These can be handled as individual entries. Walk up customers will have to give us the cost center and the G/L account they want the items expensed to. No approvals are needed.

Sondra – Is the item tracked to who it was issued to? Can we assign a tracking number?

Mike – We will have to look into that.

Sondra - Our walk up customers have to get approval from another office before getting the item. With the approval, they get an account to expense it to.

Diane – We have a list of persons authorized to pull from the stockroom. Walk ups must have an approved document signed by one of those persons.

Diane – Question regarding the effects of a Goods Issue creating an accounting document. Please explain how this works in regards to the issue of items to walk up customers.

Mike – Walk up customers will need an account to charge the item to (i.e. project number, asset account number, work order reference, or cost center and G/L account - if G/L account is not defaulted). The other side is the inventory account, which is automatically determined. The accounting document will credit the inventory account and debit the accounting number.

Karen – I believe the G/L accounts will be defaulted through the material master. You will never see the accounting document. That's why walk ups must provide accounting information. Troop G will now need to know their account number (cost center) and not just the Troup No. We may keep a listing in the warehouse for reference.

Mike – You will usually need a cost object (G/L account) and a cost center. The point of consumption is where the cost center is associated.

Herb – What happens if there is goods reserved and another reservation comes in after the fact that would deplete the inventory to less than safety stock?

Mike – Possible ways around this is MRP will recognize the reservations, do an availability check and take the required dates into account, or you can do a forced GI.

## IM TRANSFERS

Mike – The one-step transfer procedure is when the transfer it is done right away and does not need to be tracked in transit.

Sterrie - The inventory is reduced in one location and increased in the other with one transaction, correct?

Mike – Yes. The two-step transfer procedure is when you pull the stock from one location and move to another via one movement type; and then do a second movement type to move it to a third location. This procedure allows the items to be tracked in transit.

Karen – Explained the handout of IM movement types. The list contains all available movement types in SAP, but you will not have a need for all of them. This list just gives you an idea of what is available. Please review and let us know if you have situations that would not be covered by the listed movement types.

Mary – What is the difference in 101-GR goods receipt, 131-goods receipt, and 132-goods receipt?

Mike – They have a special purpose, but I don't recall at present.

## ACCOUNT DETERMINATION

Mike – The Valuation Class is established on the Accounting View of the Material Master at Plant level. The Valuation class with the material type determines which inventory account (G/L account) the material will hit (operating supplies, etc.). You may have multiple valuation classes within the provided valuation class of materials that need to be reportable. We will need to make definitions of the State's requirements for valuation classes to be sure to cover their needs.

Discussions began on what standard Valuation Classes are offered in SAP. It was concluded that the standard SAP Valuation Classes may not be acceptable and may need to be more detailed depending on reporting requirements (i.e. operating supplies should be broken down to janitorial supplies, office supplies, etc.) Integration Point was noted to discuss with Finance to determine Valuation Class codes between IM and Financial Accounting.

## INVENTORY MANAGEMENT AND WAREHOUSE MANAGEMENT INTEGRATION – floor turned over to Dev

### MOVEMENT TYPES OVERVIEW

Diane – What is a quant?

Dev – It is a count of a given category, i.e. within a bin, where we have two different materials. The quant would be the count for each of those materials.

Dev – A GR is done and the material goes to an Interim Storage Location. This is an IM movement type. Then it is moved to a specific bin. This then becomes a WM movement type.

Mandar – If you have WM, you must have IM. But you can have IM without WM.

### TRUCK UNLOADING

Sondra – Will barcoding be in use at WM as well as IM?

Dev – Yes.

Karen – The truck comes in, you do your inspections, note any discrepancies on the delivery ticket, sign the delivery ticket, and the truck leaves. Quality Inspection here is a visual inspection.

### WM GOODS RECEIPT

Dev – A Transfer Order (TO) has to be created to move materials to and from the warehouse. The putaway TO can be created automatically for those items that go into a fixed bin area. You can override the automatic system proposal on the TO of where the material will be placed and put the material in another location.

Karen – EAN (European Article Number) is a pallet label that can be used to identify what items (material numbers) are in a box that is received. State can use EAN number functionality if they want it. Generally, no agency is currently using it on their legacy system.

Karen – Say the quantity is OK to do the GR. Scan the barcode on the item and the barcode on the bin and the system updates the GR. When an item is sent for QI, a label can be created, printed, and customized to put on the material.

## IM / WM GOODS RECEIPT

Dev – The Transfer Requirement is the connection between IM and WM to move to WM. The TO identifies the Storage Type, Storage Section (if applicable), and the Storage Bin of where the material needs to be putaway.

Karen – Remember that the TO can not be confirmed unless both the “from area” (GR area) and the “to area” (aisle/bin location) is identified/scanned.

## WM PUTAWAY

Dev – The WM Putaway is the confirmation that the product has been placed into storage in the correct location.

## WM CROSS-DOCKING

Dev – Cross-docking is used when material is received via a GR and immediately moved to an outbound area. The material can be identified for cross-docking on the material master as the storage type, so it will automatically move from the GR area to the Cross-Dock area.

Karen – If you know that the material will be cross-docked at the time that the PO is created, you can indicate cross-docking on the PO. We had an office starting a new section and needed 500 folders. Instead of pulling from inventory, we had it flagged for cross docking so when it was received, it was not placed on the shelf.

## QUALITY INSPECTION STOCK

Dev – QI stock can be new stock from vendor that needs testing, visual inspection of materials at time of delivery, or items that need to be inspected for possible repair.

Karen – Example for QI for repairs is a used alternator sent for inspection to see if it can be repaired.

## SCRAPPING

Dev – If you have damaged material, this would be a reason for using the transactions to move the material from unrestricted inventory to scrap. This moves the material from one G/L account to another.

Karen – The reason for this would be for tracking in the G/L account. You would need a reason code to justify it on the accounting side.

Dev – Obsolete items may not be obsolete for global use. If global, request the centralized Material Master Records maintainer to flag the item for global deletion. If obsolete only for your plant, ask the centralized MMR maintainer to remove you plant from the MMR.

Karen – Currently GI's are performed to “sell” items to LPAA and to “sell” items to other departments. How will SAP handle?

Added to Action Items List.