



Purchase Requisition
Approvals / Workflow
LOG-MM-008
Oct 7, 2008

LaGov

Version 3.2
Updated: 10/07/2008



Agenda

- Logistics, Ground Rules & Introduction
- Workshop Objectives
- Project Overview/Timeline
- Business Process Review
 - SAP terms glossary
 - Process improvement opportunities
 - SAP concepts & functionality
 - Leading practices
 - Enterprise readiness challenges
- Action Items
- Questions



Today's Workshop Objectives

- As Is Requisition Workflow and Approval Process Overview
 - Review Current Approval Process for Commodity Requests
 - Review Current Approval Process for Professional Service Requests
 - Review Current Approval Process for Asset Requests

- As Is Types of Requisition Approvals

- As Is Threshold Overview



Today's Workshop Objectives

- Review of SAP Glossary
- Overview of SAP Requisition Workflow Approval Process
- Review of SAP Concepts
- SRM Workflow Approval Screenshots
- Capture To-Be Approval Process For Procurement (Commodity/Service) Requisitions
- Next Steps – Action Items
- Questions



LaGov Blueprint Schedule Tentative



As-Is Overview



As-Is Requisition Approval Workflow

- As-Is Approvals Summary
- As-Is AGPS Types of Requisition Approvals
- As-Is AGPS Types of Requisition Thresholds
- As-Is Requisition Thresholds Examples
- As-Is AGPS Delegation of Authorities
 - Commodity
 - Agency
 - Global
- State Purchasing Review of Purchases



As-Is Requisition Approval Workflow (continued)

- As-Is High-level AGPS Requisition Approval Process

- AGPS Screen Captures
 - Sequence of Approvals
 - Installation Approval
 - Approval List by Primary Approver
 - Pending Approver Worklist – Items to Approve
 - Approval Summary
 - Approval Detail and History
 - Disapproval Reasons

- As-Is AGPS Requisition Overall Approval Totals



As-Is Requisition Approval Workflow (continued)

- As-Is AGPS Commodity Approval Totals by Agency
- Service Requisition Approvals by Agency
- As-Is DOTD Requisition Workflow
- OSP Requisition Workflow Approvals



As-Is AGPS and CFMS Requisition Workflow and Approvals Summary

- Requisition workflow for service contracts occurs outside of CFMS
- Requisition workflow for commodities occurs in AGPS
- Upon creation of a requisition, workflow (approval) routing is built but not submitted through workflow routing until the user changes the requisition status to a 145 (Initiate Approvals)
- A denial reason code is required upon disapproving a requisition (81 - Incorrect Document Type, 83 – Incorrect Account Coding, etc.)
- Multiple levels of approvals can exist (groups of approvals)
- For each requisition, the approval history can be seen through multiple screens (PAPV – User Approval Detail, HDET – History Detail, BAPV – Installation Approval Table, etc.)



As-Is AGPS Requisition Workflow and Approvals Summary

- Changes to a Requisition must go through the same workflow as a creation of a new requisition
- Cancellation of a Requisition does not require workflow approvals
- If an Agency lowers the status code, disapproves, or cancels installation approvals, pending approvals will be cancelled automatically
- AGPS does not generate email notifications (Approver must check in system to see if any approvals are waiting)
- Mass updates can be performed for the primary user (used during re-organization or staff changes)



As-Is AGPS Requisition Workflow and Approvals Summary (cont'd)

- In AGPS Agencies can identify alternate approvers for each approval type (AA – Agency Approval, OB – Object Code Approval, etc.)
- Once the Agency has created their approval routing, the routing is automatically activated each day by OIS
- AGPS does not have escalation workflow based on time



As-Is AGPS Types of Requisition Approvals

*** Approval Types in Yellow are Active**

Groups of Approvals	Approval Type	Approval Description
Commodity	AA	Agency Approval (Authorizes item to be purchased)
	CA	Commodity Approval (Authorizes a non-contract item to be purchased)
Commodity - Contract	KC	Contract Commodity Approval (Authorizes a contract item to be purchased)
	OR	Contract Override Approval (Authorizes contract items on an Open Market Requisition (OMR) to be purchased)
Commodity Threshold	AT	Agency/Commodity Approval (Authorizes item to be purchased above a certain dollar threshold)
	CO	Commodity CRO Dollar Limit Approval (Authorizes contract item to be purchased above a certain dollar threshold)
	CT	Commodity Threshold Approval (Authorizes item to be purchased above a certain dollar threshold)



As-Is AGPS Types of Requisition Approvals (cont'd)

* Approval Types in Yellow are Active

Groups of Approvals	Approval Type	Approval Description
Finance	FN	Financial (Authorizes equipment to be purchased using LEAF Funding or a third party for financing)
	OB	Object Code Approval (Authorizes object code being used to pre-encumber funds)
Threshold	DA	Commodity/Agency DPA Dollar Limit Approval (Authorizes a cumulative purchase for an item to be purchased for a DPA)
	DT	Document Threshold Approval (Authorizes requisition above a certain dollar threshold by requisitioning agency)
	RT	Requisition Agency Threshold Approval (Authorizes requisition above a certain dollar threshold by requisitioning agency)
Special Levels (Requisition or Purchasing Agency)	WI	Whim Approvals (see following slide)



As-Is AGPS Types of Requisition Approvals (cont'd)

- WHIM Approval (Ad-Hoc) – Buyers can manually create approvals for a requisition when the requisition is built for their approval by mistake

Example Process:

- a. User incorrectly assigns commodity code to a requisition that is greater than the agency's approval level.
- b. Requisition is sent to incorrect buyer at OSP
- c. Buyer can manually create an approval record (WHIM) that will direct the requisition to the correct buyer/approver
- d. After creating the record, the original buyer approves the order, with the note "Approved for forwarding purposes only."
- e. The order is then "waiting" for the manually built approval.



As-Is AGPS Types of Requisition Thresholds

- State Purchasing routing supplements Agency routing depending on the commodities and threshold limits (delegated authority)
- Threshold limits are determined by State Purchasing and the Requisitioning Agency
- Types of threshold (limit by dollar amount) approvals in AGPS
 - Commodity
 - Requisitions



As-Is Requisition Thresholds Examples

Requisition Thresholds			
Agency	Agency Number	Delegated Authority	Purchase Limit
DOC	400PUR	\$25000	\$0
DHH	305PUR	\$20000	\$0
DOI	165DOI	\$5000	\$500
DPS	418121	\$25000	\$500
DEQ	855D03	\$10000	\$0
DSS	357PUR	\$10000	\$0

Commodity Thresholds	
Commodity	Limit
Freight	\$500
Software Systems: Application, Maintenance	\$100,000
Communication: Networking, linking etc	\$100,000
Database: Management Software, tools	\$100,000
Professional: Hospital / Pharm,Acy,Legal	\$100,000
Accounting / Financial: Bookkeeping	\$100,000
Real Estate Property Management	\$100,000

*** Values are from AGPS AGCY & COMM Screens**



As-Is AGPS Types of Requisition Thresholds by Commodity

Commodity Number	Approval Agency	Approval Amount	CRO Approval Amt	DPA Approval Amt	DPA Indicator
204-68-018659		0	0	\$500.00	C
208-00-000000		0	0	\$100,000.00	C
208-10-000000		0	0	\$100,000.00	C
208-27-000000		0	0	\$100,000.00	C
208-30-000000		0	0	\$100,000.00	C
208-37-000000		0	0	\$100,000.00	C

- Designates the approval category for which an approval may be built for this commodity
 - Establishes a dollar threshold for purchase of a commodity
 - Indicates dollar limit at which a CRO approval will be generated
 - Indicates dollar limit at which a DPA approval will be generated
 - Indicates which type(s) of DPA approval will build. Valid entries are 'A', 'C', & 'N'
- A - Use agency DPA limits**
C - Use commodity DPA limits
N - No DPA limits



As-Is AGPS Types of Requisition Thresholds Requisitioning Agency

Agency Number	Delegated Authority Limit	Purchase Limit Agency
100502	\$1,000.00	\$1,000.00
100521	\$500.00	\$500.00
100PUR	\$1,000.00	\$1,000.00
103PUR	\$1,000.00	\$1,000.00
105PUR	\$500.00	\$500.00
107001	\$999,999,999.99	\$0.00
107007	\$1,000.00	\$1,000.00
107030	\$500.00	\$500.00

■ **Delegated Authority** - If greater than zero, will override global delegation of purchase authority dollar limit.

■ **Purchase Limit** - Used to indicate the dollar threshold of this agency for processing of requisitions or orders.



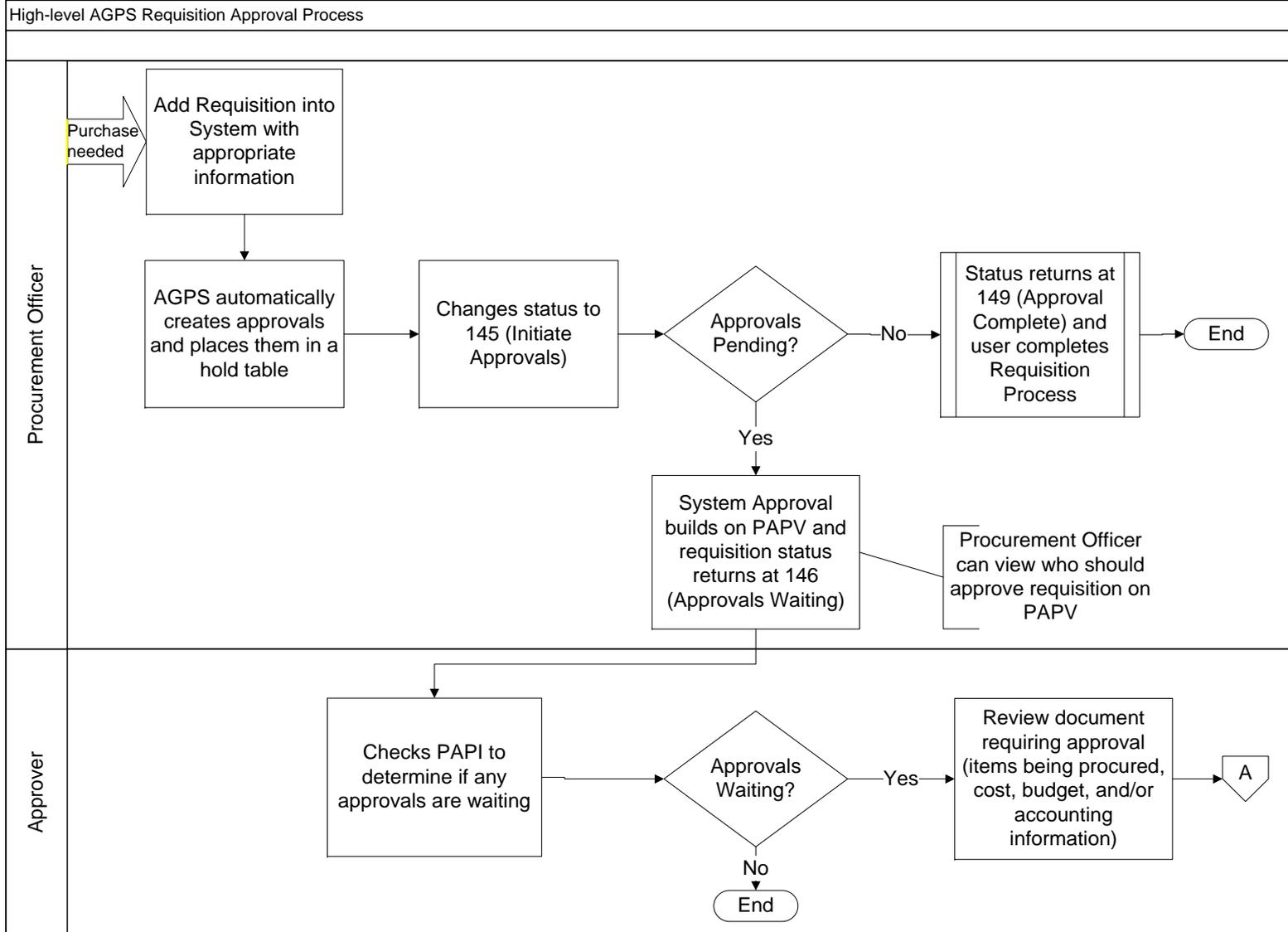
As-Is Global Thresholds

TRANS: BIN2	
BUYER \$ LIMIT.....:	.00
BUYER SUPV \$ LIMIT.....:	.00
UNIT SUPV \$ LIMIT.....:	.00
ASST SUPV \$ LIMIT.....:	.00
BUREAU SUPV \$ LIMIT.....:	.00
DIRECTOR \$ LIMIT.....:	.00
DELEGATED PURCH \$ LIMIT.:	.00
LOW DOLLAR ORDER \$ LIMIT:	1000.00
CONTRACT REVIEW \$ LIMIT.:	20000.00
ALLOW VEND DISC TO CHG...:	Y
ALLOW ALL-IN-ONE.....:	Y
SCHED PAYMENT DAYS.....:	030
PAYMENT VOUCHER NBR.....:	5932787
CONT. OVERRIDE EDIT.....:	Y
CONTRACT UOM.....:	N

- **Global Delegated Purchasing Limit -**
Global dollar limit for delegation of purchase authority to other than a central purchasing agency. Over ridden if Agency Delegation of Authority is specified.
- **Contract Override Edit**
 - Y indicates that user can bypass contract if the Open Market Release (OMR) Requisition is electronically approved by State Purchasing.
 - N indicates that the state contract must be used.

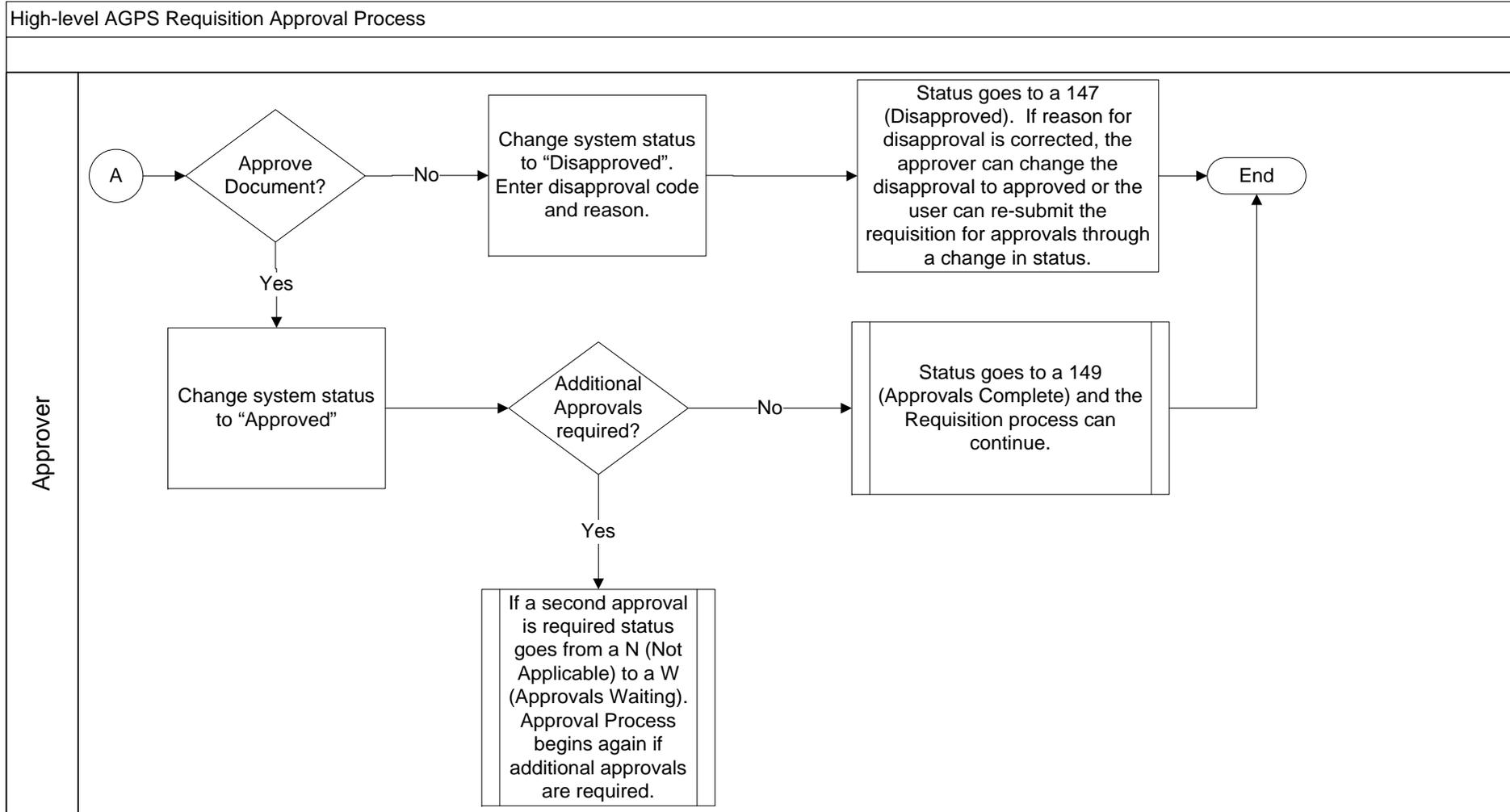


High-level AGPS Requisition Approval Process





High-level AGPS Requisition Approval Process Continued





As-Is AGPS Screen Captures Sequence of Approvals

Sequence of AGPS Approvals - Agency may use a combination of below Requisition Approvals

TRANS: BAPR

APPROVAL STAGE...: 1 : REQUISITION STAGE

TYPE	TITLE	TYPE	TITLE
AA 1.	AGENCY APPROVAL	RT 2.	REQ AGENCY THRESHOLD APPROVAL
DT 3.	DOCUMENT THRESHOLD APPROVAL	OB 4.	OBJECT CODE APPROVAL
AT 5.	AGENCY/COMMODITY APPROVAL	FN 6.	FINANCIAL APPROVAL
CT 7.	COMMODITY THRESHOLD APPROVAL	CA 8.	COMMODITY APPROVAL
KC 9.	CONTRACT COMMODITY APPROVAL	CO 10.	CRO APPROVAL
OR 11.	CONTRACT OVERRIDE APPROVAL	DA 12.	COMMODITY/AGENCY DPA APPROVAL
WI 13.	WHIM APPROVAL		



As-Is AGPS Screen Captures Installation Approval

```
INSTALLATION APPROVAL TABLE TRANS: BAPV
KEY IS TYPE APPROVAL, APPROVAL CATEGORY, APPROVAL SEQUENCE,
APPROVAL AGENCY AND APPROVER USERID

TYPE APPROVAL.....: AA           : AGENCY APPROVAL
APPROVAL CATEGORY...: 100PUR        : OFFICE OF THE GOVERNOR
APPROVAL SEQUENCE...: 01
APPROVAL AGENCY....: 100PUR        : OFFICE OF THE GOVERNOR
APPROVER USERID....: Z100 A61      : TERRENCE GINN
STATUS.....: 1           : ACTIVE
ALTERNATE 1 USERID..: Z107 C93      : GENE KNECHT
ALTERNATE 1 STATUS..: 1           : ACTIVE
ALTERNATE 2 USERID..: Z107 B14      : MARIANNE PATIN
ALTERNATE 2 STATUS..: 1           : ACTIVE
ALTERNATE 3 USERID..: Z100 A56      : ROGER ARVIE
ALTERNATE 3 STATUS..: 1           : ACTIVE
DATE LAST STATUS CHG. 01/31/08    USER ID LAST STATUS CHG: Z107G83
MAINTAINING AGCY....: 107          : DIVISION OF ADMINISTRATION
USER ID LAST CHG....: Z107G83      DATE LAST CHG: 01/31/08
```



As-Is AGPS Screen Captures Approvals by Primary Approver

TRANS: BAPP

INSTALLATION APPROVALS BY PRIMARY APPROVER

KEY IS PRIMARY APPROVER, TYPE APPROVAL, AND APPROVAL CATEGORY

PRIMARY APPROVER.....: Z107 B14 : MARIANNE PATIN

	APPROVAL			APPROVER
TYPE	CATEGORY	SEQ	AGENCY	STATUS
RT	100PUR	01	100PUR	1
RT	100502	01	100502	1
RT	100521	01	100521	1
RT	101PUR	01	101PUR	1
RT	105PUR	01	105PUR	1
RT	107A01	01	107A01	1
RT	107P44	00	107P44	1
RT	107P44	01	107P44	1
RT	107007	01	107007	1



As-Is AGPS Screen Captures

Pending Approver Worklist – Items to approve

```
USER APPROVAL INDEX          TRANS: PAPI
KEY IS APPROVER, APPROVAL STATUS, DOCUMENT NUMBER,
DOC SUFFIX, APPROVAL SEQUENCE AND TYPE
APPROVER: Z419B52   : LAWANDA FOSTER

          DOCUMENT
APPROVAL  NUMBER/          DOC
STATUS    DESCRIPTION SUFFIX SEQUENCE TYPE TITLE
001   W    1317650      000     02    OMR  OPEN MARKET COMPETITIVE BID
          06084821916
001   W    1317651      000     02    OMR  OPEN MARKET COMPETITIVE BID
          4911815
```



As-Is AGPS Screen Captures Approval Summary

```
ENTER FUNCTION:                TRANS: PASM
KEY IS DOCUMENT, SUFFIX, SEQ, TYPE, CATEGORY, AND APPROVER    DATE: 09/23/08
DOCUMENT: 1317664      : MEDDATA - PHARMACY                    TIME: 17:32:34
SUFFIX.: 000  SEQ: 01   APP TYPE: AA : AGENCY APPROVAL        TERM: $D1K
APP CAT: 304129  APPROVE/DISAPPROVE.: W  DISAPP REASON:      COMMENTS: N
APPROVER OF RCD:                :
DOC TYPE: OMR      : OPEN MARKET REQUISITION                DATE CREATED: 09/18/08
REQ AGENCY: 304129 : DHH-METROPOLITAN HUMAN SVCS DIS FY: 09  REF#: 304188
PURCH AGCY: 304PUR : METROPOLITAN HUMAN SERVICES DIS # ACCT LINES: 01
BILL-TO: 305ACT - B1      DOCUMENT TOTAL:      $3,300.00  # ITEMS..: 00001
SHIP-TO: 304129 - S1     : DHH-METROPOLITAN HUMAN SVCS DI
CONTACT: LOUISE HELMSTETTER                PHONE NO: 504 - 896 - 1450 -
----- COMMODITY LINE SCROLL: D -----
LINE: 00001 STAT: 105 COMM: 209 67 000000
      QTY:      12.000 U/M: MO      PRICE:      275.00000 AMOUNT      3300.00
      DESC1: PROFESSIONAL: HOSPITAL/PHARMACY, LEGAL, SHIP-TO: 304129 - S1
      DESC2: PRESCRIPTION ASSISTANCE PROGRAM
----- ACCOUNTING DIST SCROLL: D -----
ACCT DIST: 01 STATUS: 1 FR/TO: 00001 / 00001 AGENCY: 304129 AMT:      3300.00
      FUND      :      ORG      : 2512      FUNCTION      :
      ACTIVITY  :      APROP UNIT :      JOB NUMBER  :
      OBJECT    : 2825      SUB-OBJECT :      BS ACCOUNT  :
      REPORT CAT : 7016
```

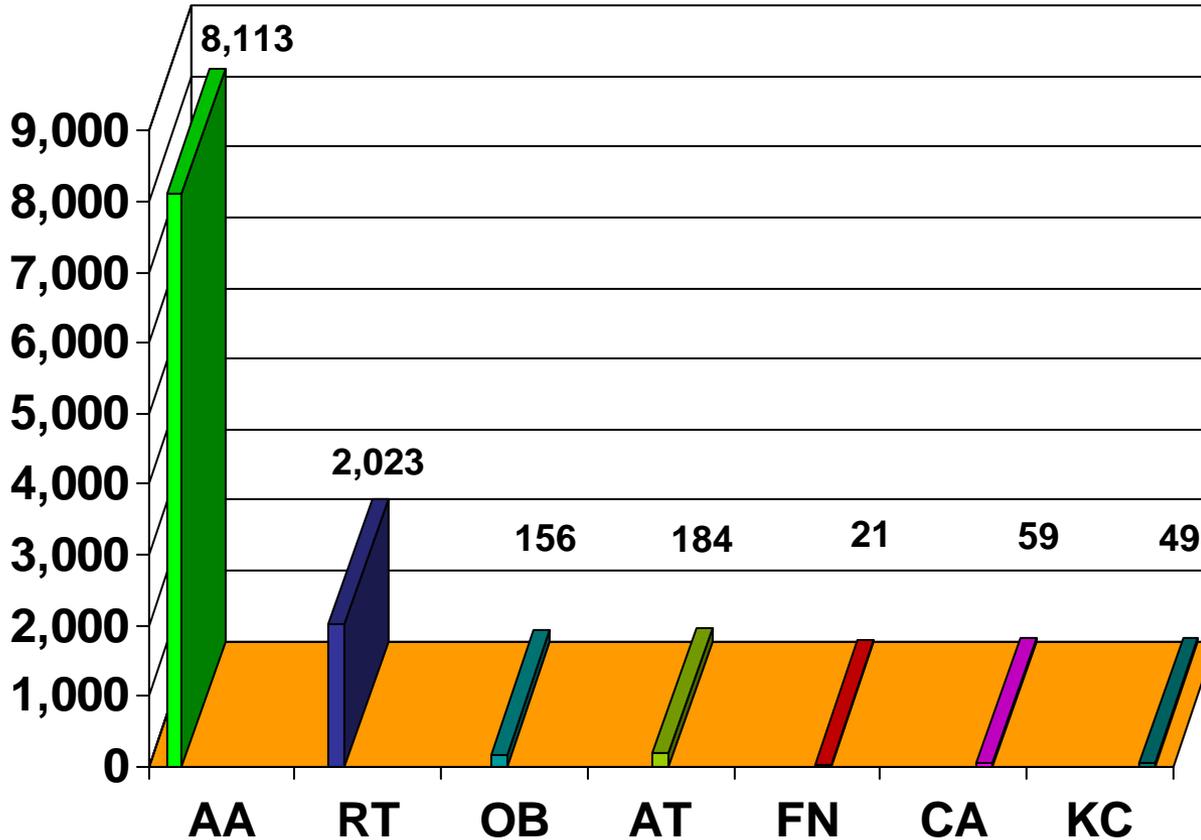


As-Is AGPS Screen Captures Disapproval Reasons

TRANS: BTAB	
RD DISAPPROVAL REASON CODE	
TABLE ENTRY	TITLE-BTAB
70	MIN PURCHASE AMOUNT UNACCEPT
71	DOES NOT MEET SPECIFICATIONS
72	UNIT OF MEASURE CHG UNACCEPT
73	MIN QUANTITY UNACCEPTABLE
75	UNACCEPTABLE TERMS AND COND
77	PRICE SUBJECT TO CHANGE
80	INCOMPLETE SET-UP DATA
81	INCORRECT DOCUMENT TYPE
82	INCORRECT CLASS/SUBCLASS
83	INCORRECT ACCOUNT CODING
84	INVAL. PAY TERMS/RECOUP/RETAIN
85	INCORRECT CONTRACT AMOUNT
86	INCORRECT VENDOR/LOCATION NO.



As-Is AGPS Requisition Overall Approval Totals



- AA – Agency
- RT – Req Agency Threshold
- OB – Object Code
- AT – Agency Commodity
- FN – Finance
- CA – Commodity
- KC – Commodity/Contract

Total Number of AGPS Requisitions: 12,191



As-Is AGPS DHH Commodity Approval Totals

Requisitions for 2008 Total: 1,583	
Approval Type	Per Approval Type
AA	1067
OB	34
AT	151
CA	2

Purchase Orders for 2008 Total: 36,565	
Approval Type	Per Approval Type
AA	22843
DT	751
OB	647
AT	2217
FN	47
CA	4
KC	40
DA	102

Note

Not all Requisitions / PO have approvals



As-Is AGPS DOI Commodity Approval Totals

Requisitions for 2008 Total: 4	
Approval Type	Per Approval Type
N/A	0

Purchase Orders for 2008 Total: 24	
Approval Type	Per Approval Type
AA	14



As-Is AGPS DSS Commodity Approval Totals

Requisitions for 2008 Total: 1,221	
Approval Type	Per Approval Type
AA	1064
OB	10
FN	1

Purchase Orders for 2008 Total: 15,053	
Approval Type	Per Approval Type
AA	12571
DT	673
OB	249
FN	14
KC	7
DA	46



As-Is AGPS DPS Commodity Approval Totals

Requisitions for 2008 Total: 4,652	
Approval Type	Per Approval Type
AA	4219
RT	1852
FN	8
CA	7

Purchase Orders for 2008 Total: 1041	
Approval Type	Per Approval Type
AA	120
RT	1
AT	7
KC	1
DA	2



As-Is AGPS DEQ Commodity Approval Totals

Requisitions for 2008 Total: 85	
Approval Type	Per Approval Type
N/A	0

Purchase Orders for 2008 Total: 385	
Approval Type	Per Approval Type
AA	22
AT	1
CA	2
KC	6
DA	1



As-Is Requisition Approvals in AGPS

**Agency
Approval**

**Requisition
Threshold
Approval**

**Object Code
Approval**

**Agency
Commodity
Approval**

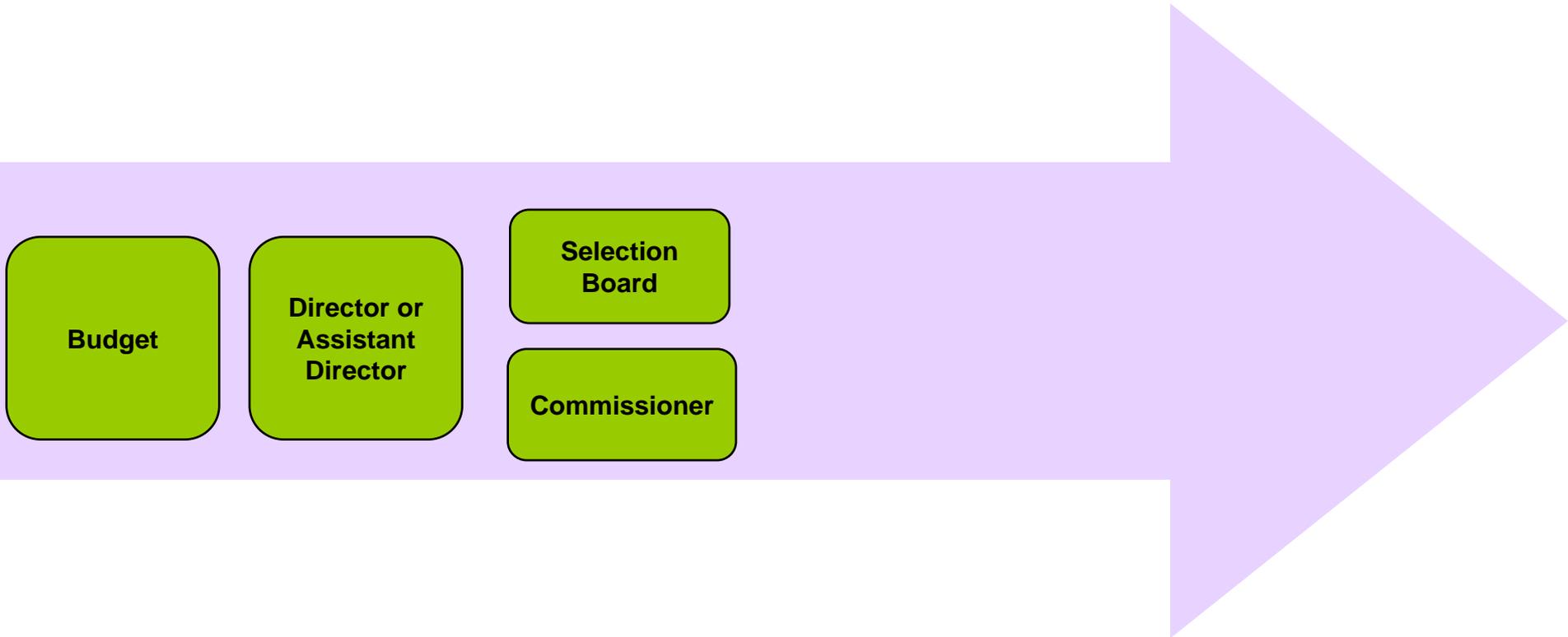
**Financial
Approval**

**Commodity
Approval**

**Commodity
Approval
Contracts**

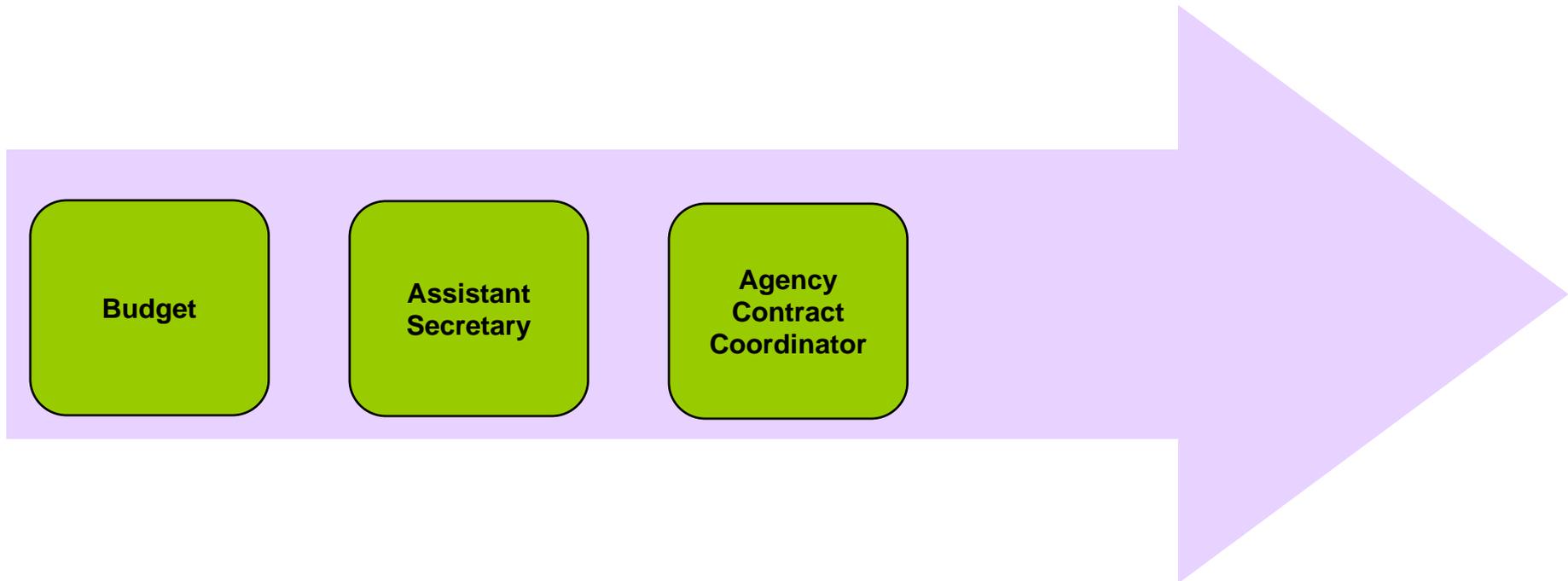


As-Is DOA-Facility Planning Service Requisition Approval



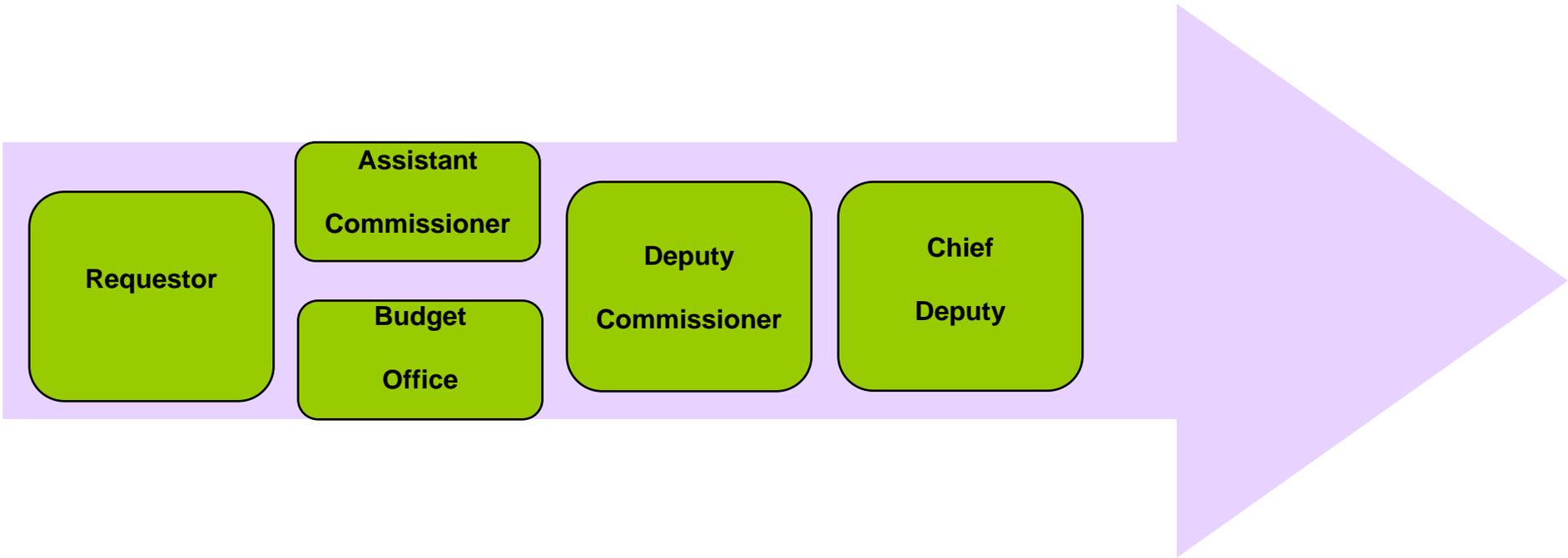


As-Is for DHH Service Requisition Approvals



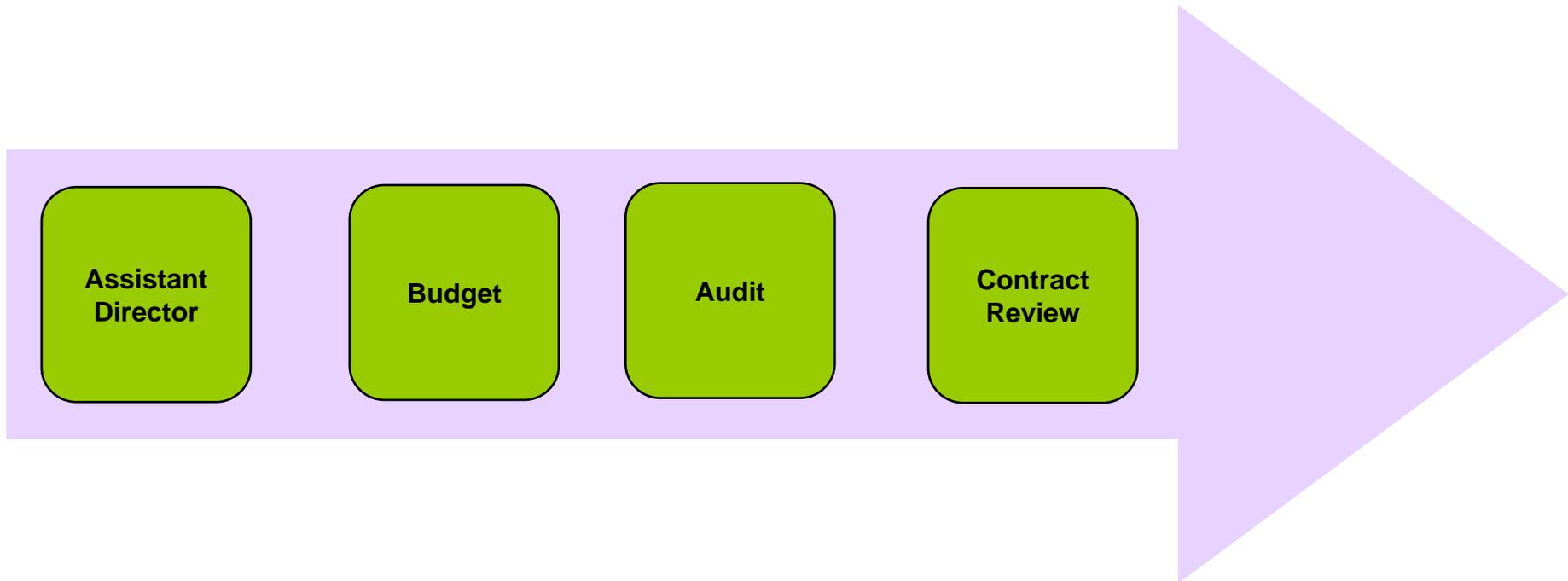


As-Is for DOI Service Requisition Approvals



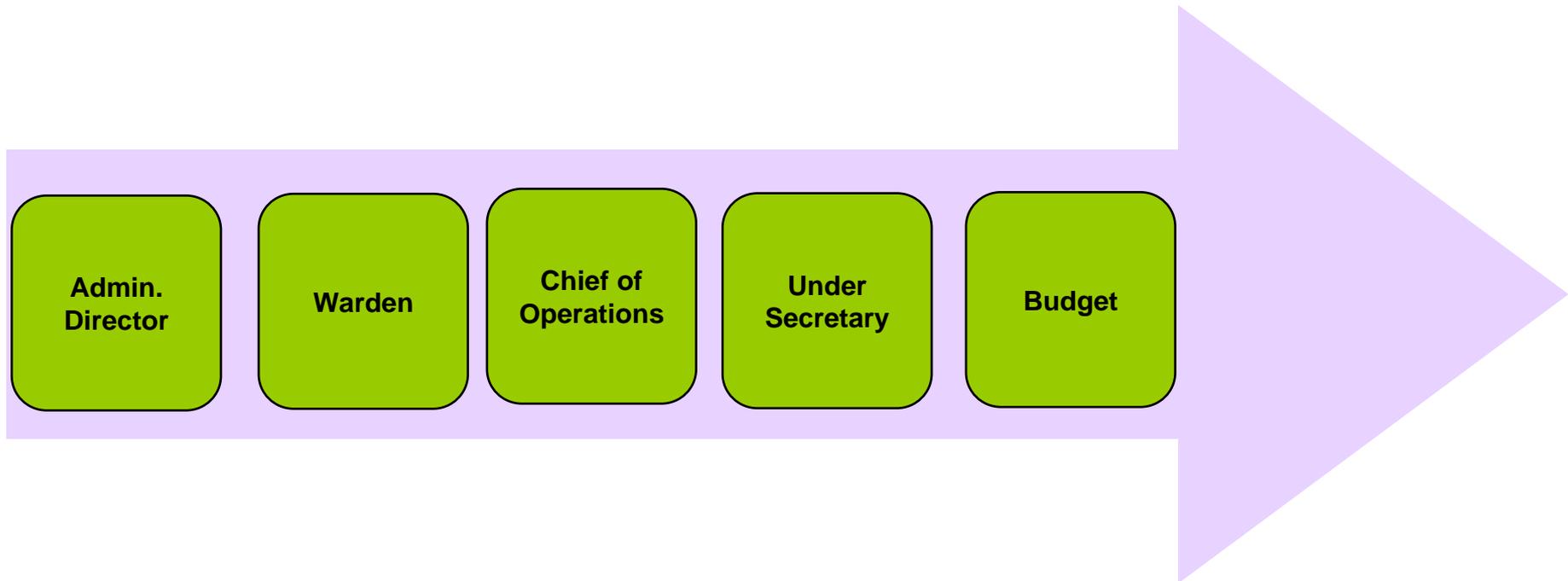


As-Is for DSS Service Requisition Approvals



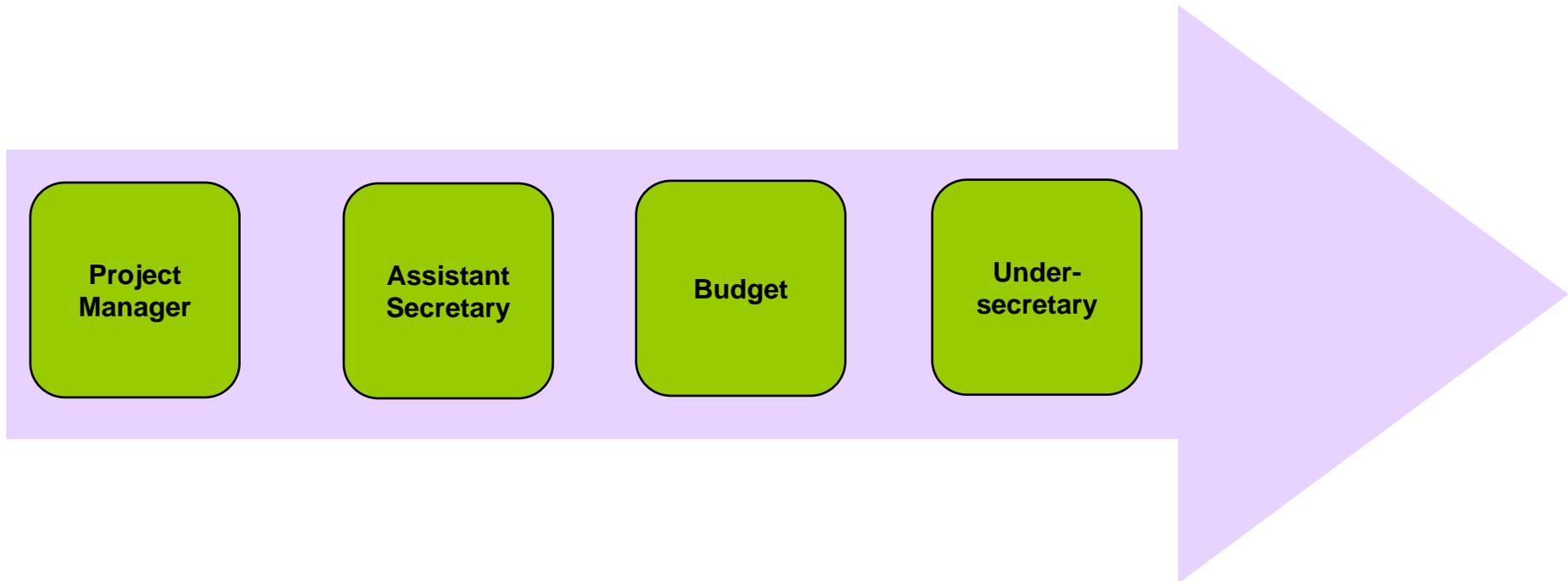


As-Is for DOC Service Requisition Approvals



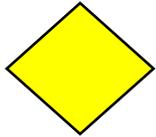


As-Is for DEQ Service Requisition Approvals

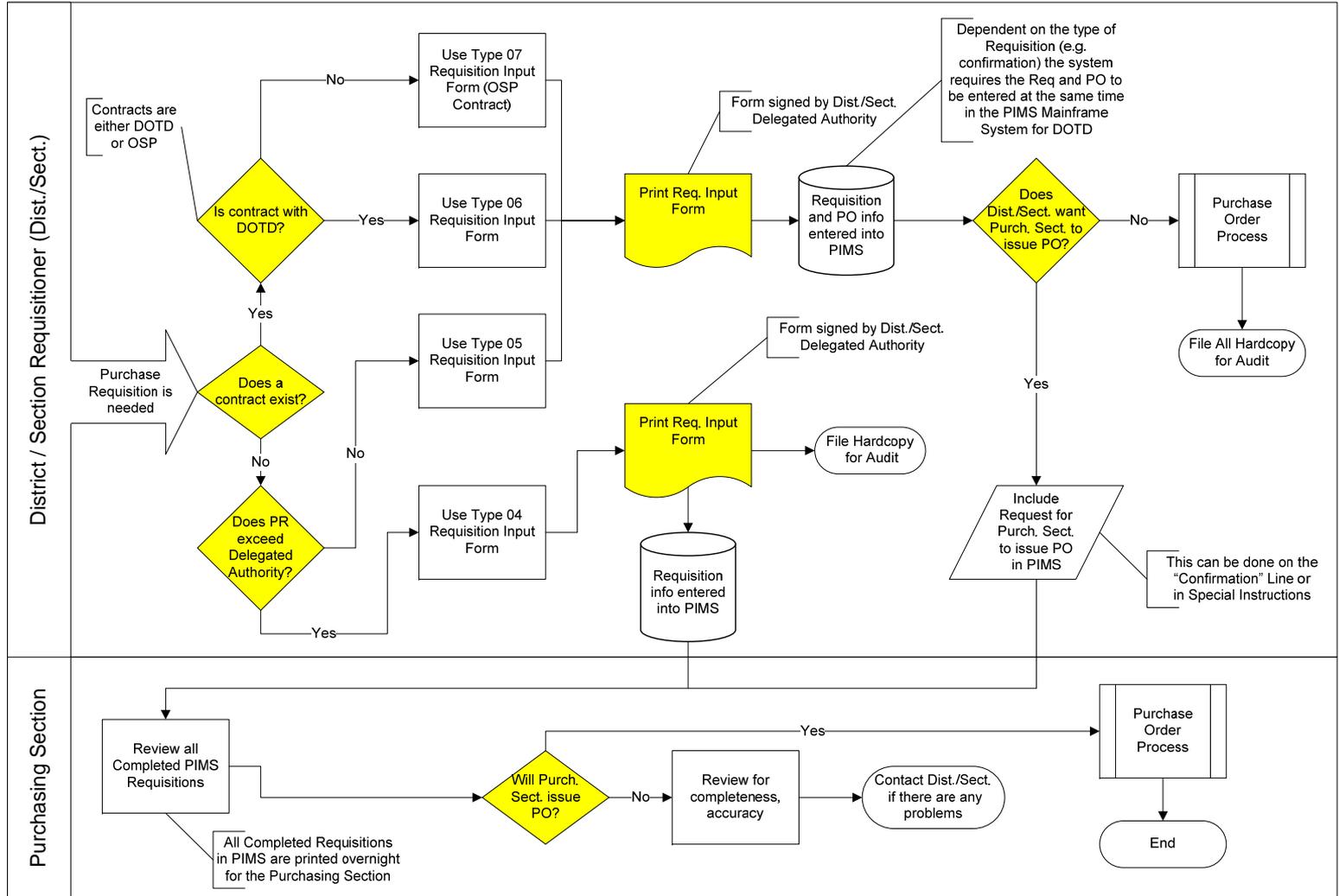




DOTD As-Is Commodities Purchasing Requisition Process



**Workflow/
Approval
Trigger**





DOTD Commodities Requisition Approval Workflow

- District / Section Requisitioner (D/SR) prints and completes appropriate Input Form
- Delegated Authority for D/S approves Input Form
- D/SR enters PR in PIMS
 - If PR is a Confirmation, D/SR also enters PO information
- Requisitions completed in PIMS are printed by overnight run for Purchasing Section
- Purchasing Section reviews all requisitions
 - If D/SR will issue PO, no action is required if there are no errors
 - If Purchasing Section will issue PO, they begin the solicitation process

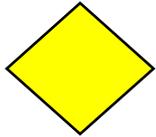


As-Is DOTD Requisition Workflow/Approvals PIMS System

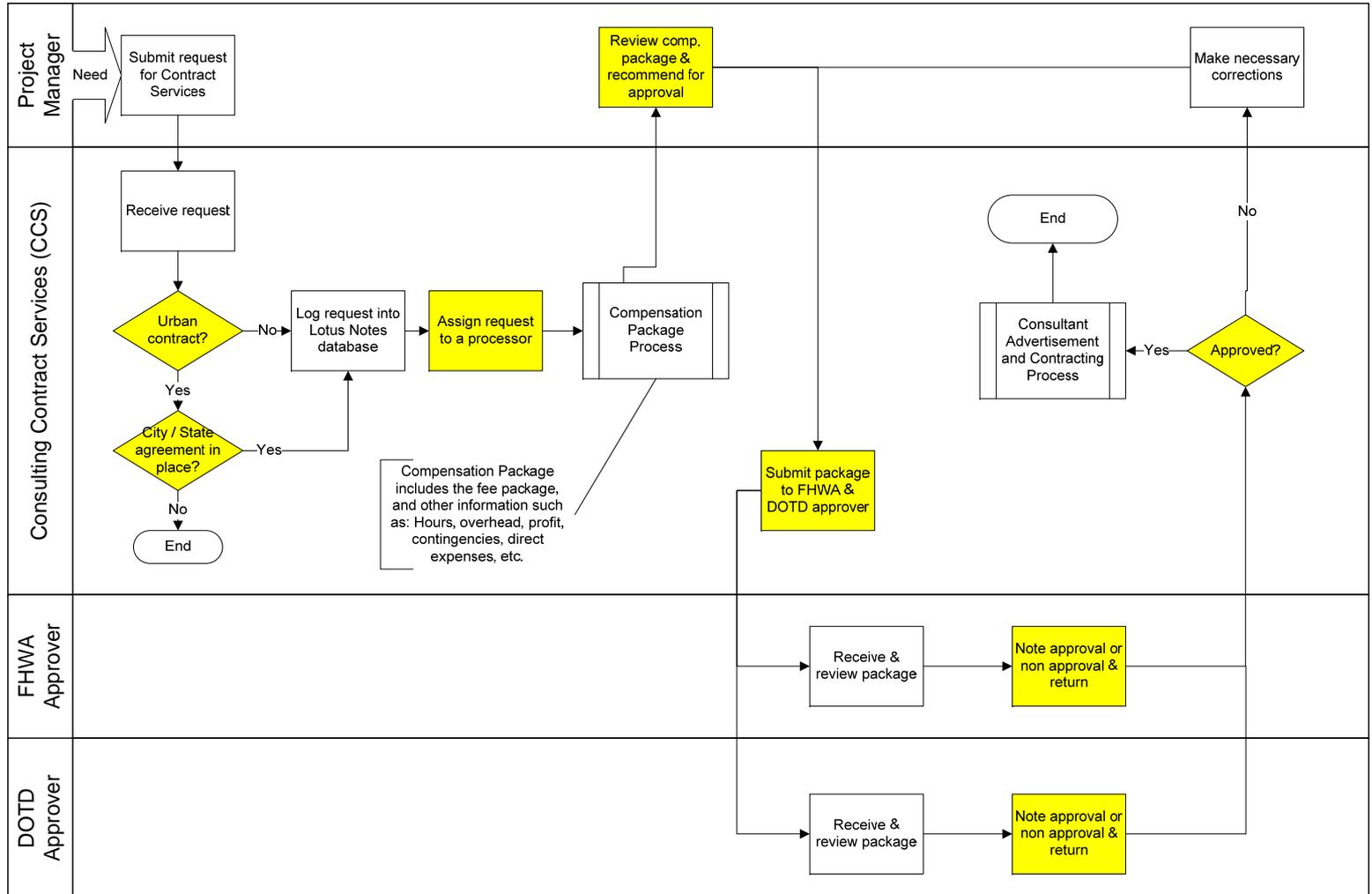
PIMS security type	NUMBER OF USERS ASSIGNED	DESCRIPTION
TYPE01	8	With an 01, most everything (inq, edit & delete) in PIMS can be done
TYPE02	204	An 02 is what all the users normally receive. This security type is restricted to most edits and deletes
TYPE03	1	Reserved for inventory updates
TYPE04	1	Reserved for inventory adjustments
TYPE05	1	Reserved for the auditors
TYPE06	2	Reserved for Inventory Adjustments (transactions 47 & 48 only)
TYPE07	1	Reserved for Overage and shortage (transaction 53)



DOTD As-Is Requisition for Professional Services



**Workflow/
Approval
Trigger**





DOTD Professional Services Requisition Approval Workflow

- Request letter from Project Manager (PM) sent to Consultant Contract Services (CCS)
 - Signed by PM
 - Approved by Division Head
 - Includes request for competitive or non-competitive
- CCS reviews request
 - If noncompetitive, letter is sent to DOTD Secretary for approval
- Request for advertisement is prepared by CCS



DOTD Professional Services Requisition Approval Workflow Continued

- Request for advertisement is sent to PM. PM approves by email.
- Request for advertisement is sent to both FHWA and DOTD Approver
 - FHWA transmission letter is stamped by FHWA Official for approval
 - DOTD Approver transmission letter is signed by Approver or designee
- When all required approvals are received, CCS proceeds to advertisement



OSP Requisition Workflow Approvals

- **Financed Purchase**

Requisition is entered as an EQP type, which builds system approval to the Finance Manager at OSP.

After system approval, agency submits finance paperwork to OSP if ordering from contract or submits requisition to OSP for bidding. If > \$50,000, OSP sends to State Budget Office for approval.

- **Construction Repair**

Facility Planning & Control approval is required on Capital Outlay projects. If not already approved, OSP buyer advises agency; agency obtains approval and forwards to OSP.



OSP Requisition Workflow Approvals

- Proprietary or Sole Source Purchase (DA)
 - If within agency's DPA, statutes require approval by head of agency.
 - If over agency's DPA, statutes require approval by Director of State Purchasing. OSP's internal delegation policy may allow approval by Assistant Director or Manager, depending on the amount.

- RFP Process
 - Request to use RFP process is reviewed by OSP buyer, routed through Manager, Assistant Director, and approved by Director, then forwarded to Com of Admin for approval



OSP Requisition Workflow Approvals

- IT Purchase - Hardware, Hardware Maintenance, Software, Software Maintenance
 - If \geq \$100,000, requires approval of IT-10 by DOA/OIT
 - If \geq \$100,000, requires review by Procurement Support Team.
 - If \geq \$100,000, purchases not from state contract require bidding by OSP

- Renewal Process
 - Upon receipt of agency's request for renewal of a term contract handled by OSP, buyer evaluates and may make recommendation to approval. Final app may be by Buyer, Manager, AD, or Dir, depending on the amount and OSP's internal delegation policy.



SAP Concepts



SAP Glossary

- **Attribute** – A property or value that describes and defines an object or an entity in detail (blonde hair, blue eyes, 5'2" tall, 120 lbs...are all attributes of a human)
- **Client** – A grouping or combination of legal, organizational, business and/or administrative units with a common purpose; a self-contained unit in an SAP system with separate master records and its own set of tables ("The State of Louisiana")
- **Company Code** – This level represents an independent accounting unit within a client. Each company code has its own balance sheet and its own profit and loss statement. Example : a subsidiary company, member of a corporate group ("The State")
- **ECC** – Enterprise Central Component (the core SAP system where financials and most logistics transactions are processed)
- **Matchcode** – A search technique which enables a user to locate a particular database record (such as an account number or material master record) by entering information contained in the record (Key word Search)
- **Reconciliation Account** – A G/L account to which transactions in the subsidiary ledgers (such as in the customer, vendor, or assets areas) are updated automatically
- **Dunning** – A reminder or warning letter used to remind vendors to deliver the material from the purchase orders.



SAP Glossary (continued)

- **Minority indicator** – A business that is owned and controlled by one or more socially and economically disadvantaged persons
- **Tolerance Group** – It is a percentage or a value that is the limit to which an event can deviate
- **Partner Functions** – A term, such as "sold-to party" or "payer", that describes a person or organization with whom you do business
- **Invoice verification** – A term that describes the entering and checking of incoming (vendor) invoices
- **Account Groups** – An object that attributes that determine the creation of master records
- **Flagging for deletion** – A label that identifies a data record to be deleted from the database
- **AVL (Approved Vendor List)** – Object in SAP for source determination which identifies vendors approved to supply specific commodities and services.
- **Purchasing Organization** – An organizational unit in Logistics, subdividing an enterprise according to the requirements of Purchasing



SAP Glossary (continued)

- **Supplier Self Service (SUS)** – The SAP web based application which enables vendors to self register with the state, view purchase orders, respond to purchase orders, enter confirmations, enter invoices and view the status of supplied services and/or commodities
- **Supplier Relationship Management (SRM)** – The SAP application which enables the procurement process via an web enabled user interface
- **Supplier Screening** – The list of suppliers that have registered to supply items awaiting analysis and approval. They are not seen in the procurement processes until they are approved by the buyer
- **Supplier** – The listing of suppliers that have been accepted as qualified sources of supply for goods and services in SAP SRM
- **Shopping cart** – The object in the SRM application leveraged for the requisition data. This document is what is created by the requisitioner in the application to create requests for procurement.
- **Buy on Behalf Of (BOBO)** – SAP term describing the entry of a shopping cart on behalf of another user. This is performed by the secretary in the SRM system.
- **Confirmations** – The goods receipt function in SRM
- **Workflow** – The SAP functionality for online distribution of electronic documents for approval/review.



SAP Glossary (continued)

- **Spending Limit** – The total dollar amount of a request that an end user can create in the SRM system which would not require an approval/review.
- **Approval Limit** – The total dollar amount of a request that an end user approver has authorization to approve/review a request in SRM.
- **Substitution** – The ability in SRM to create a temporary substitute for an approver user with another system approver user. This is to facilitate the idea of an approver going on vacation
- **Approver** – End user in the SRM system which is responsible for approving or rejecting procurement documents (i.e. shopping cart, confirmation, invoices etc.)
- **Requester** – End user in the SRM system which creates requests for procurement (shopping carts).
- **Skip Level Approval** – Approval process which requires that only the approver with the appropriate approval limit performs the approval of the purchasing document (i.e. the document would skip over the lower level approvers and only be submitted to the one approver with the appropriate approval limit of that specific purchasing document).
- **Parallel Approval** – The approval process where the document is sent to several approvers simultaneously and requires that only one of the approvers actually approves the document. When the document has been approved by one of the approvers, the document is then removed from all the other approver inboxes.



Requisition Approval Process

- General Definition:

The process by which users in the SAP solution can review, change, approve and reject requests for purchase. The request documents (shopping carts) are automatically forwarded to the appropriate users in the system to facilitate the online approval of requests before they become purchase orders in the system.



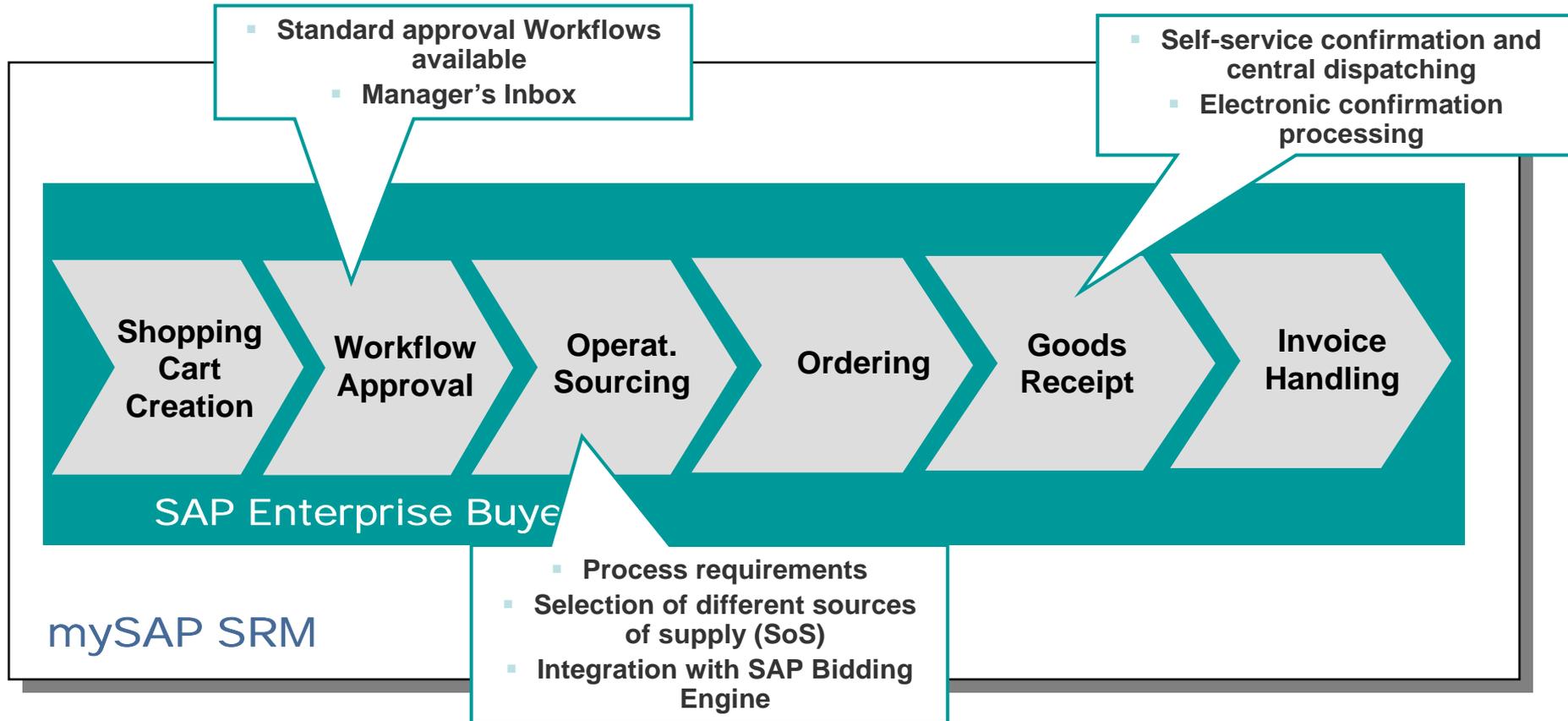
Requisition Approval Process (cont'd)

- A purchasing requisition defines a need for a good or service
- Some requisitions must be released (approved) before further processing can take place
- Criteria set during configuration determine which requisitions must be released
- The factors taken into consideration can include:
 - Value of the requisition
 - Material or material group being requisitioned
 - Requisitioner



Requisition Approval Process (cont'd)

- General SAP Requisition Process





Requisition Approval Process (cont'd)

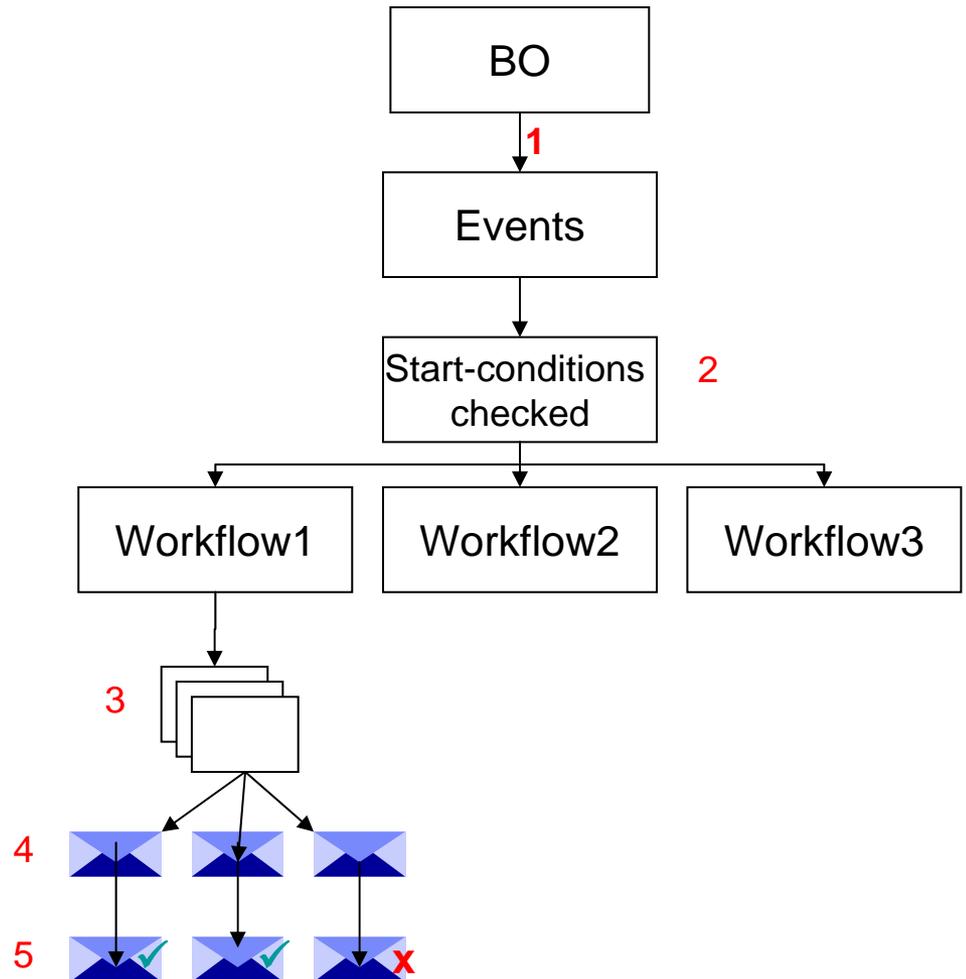
- Workflow Approval Phase
 - Outlines the process of approving shopping carts in the SRM system
 - Triggered at time of posting to the shopping cart for purchase by the requester
 - Can be done at the header or line item level
 - Substitutes for Approvers can be assigned in an Adhoc basis



Requisition Approval Process (cont'd)

Work Flow Relationship

- Business objects trigger events
- Events start workflows or evaluate start conditions, if multiple workflows exist
- Within the workflow, the actions are defined and run (i.e. generate work items, start other workflows, run reports, transactions...)
- Work-items are generated and sent to users according hierarchy
- Work-items are resolved, if all work-items are resolved, the workflow is finished





Requisition Approval Process (cont'd)

- SAP visualizes the approval chain on the requestor screen (Approval Preview)
- Requestor can add an approver or reviewer
- If the requestor orders the shopping basket then the Workflow is started immediately



Requisition Approval Process (cont'd)

- Dollar Related Workflow Attributes
 - Workflow can be triggered by total dollar amount of request
 - Total Dollar Amount can be the total amount of the entire request or the individual line item total amounts
 - The unit price of the line item can also be a trigger for a workflow approval in SRM



Requisition Approval Process (continued)

- Requester can have a predefined spending limit (Exceeding this amount can trigger an approval workflow)
- Approval agents can be defined with a predefined approval limit (the user can approve up to a certain total dollar amount)
- SRM will send the Approver Notification via eMail
- Approvers will be required to Logon to the SRM system to Perform the Approval Step



Requisition Approval Process (continued)

Approval Limits

- SRM Approval Workflow can Have Several Levels
- The Workflow can also Skip Levels and be Submitted only to the Appropriate Approver Based on Approval Limit
- Approval Limits Identify the Authorization of an Approver in the SRM system



Spending/Approval Limit Example

	Spending Limit	Approval Limit	SLApprover
Employee3	1000\$	0\$	Manager2
Manager2	5000\$	1500\$	Manager3
Manager3	10000\$	3000\$	Manager4
Manager4	20000\$	20000\$	Manager5

APPROVAL hierachy = Manager2, Manager3, Manager4,

- 1) Shopping cart total value of Employee3 = 500\$ → no approval needed
- 2) Shopping cart total value of Employee3 = 1200\$ → Approver = Manager2
- 3) Shopping cart total value of Employee3 = 4000\$ → Approver = Manager4
- 4) Shopping cart total value of Manager2 = 12000\$ → Approver = Manager5



Requisition Approval Process (continued)

Approval Limits

- This workflow is a one-step approval: if the approval limit for Manager2 is exceeded, the work item is automatically sent to the spending limit approver of Manager2 (= Manager3)...
- The approver is determined on the basis of the value for an attribute SLAPPROVER (spending limit approver), not on the basis of the next manager in the organizational plan.



Requisition Approval Process (cont'd)

How Do You Approve?

- Approval “workitem” appears in user’s inbox
- Each workitem can be executed to view more details, approve or reject
- May also:
 - reserve (take ownership if workitem has been sent to a group of users)
 - add attachments
 - resubmit (postpone action to a later date / time)
 - forward
- Offline Approvals are supported in SRM



Review of SAP Concepts



SAP Requisition Concepts

- Workflow requires a Certain amount of Development
- Workflow is very flexible and is an Online process
- Workflow can have more than one approver
- Workflow Approvals can be either at the Header or Line Item Level of the Shopping Cart, but not Both
- Workflow Approvals can be Multi Level or Skip Level



SAP Requisition Concepts

- Best to Limit the Number of Levels to 4 in SRM
- Best to Normalize the Spend Limits across the State
- Best to Normalize the Approval Limits across the State



Agency Follow Up Tasks

- Collect the following approval



SRM Workflow Approval Screenshots



SRM Shopping Cart Approval Preview

http://pwq2c-bbp.wdf.sap-ag.de:1080/scripts/wgate/bbpstart01bc2172/~... - Microsoft Internet Explorer

Enterprise Buyer e-Procurement - Shop Thursday November 23, 2000

Home Shop Check Status Confirm Goods Receipt Enter Invoice Inbox My Settings My Settings Change Attributes

Catalog Favorites **Special request**

Do you want to enter a description or a product? Description

Enter description

Description	Quantity	Requested delivery date	Product category	Goods	Service
	1,000	23.11.2000	Office materials (Local)		

Add to shopping cart

Name **pippi lotti power** Shopping cart items: 1 Total value: 0,00 DEM Last item: laptop Order

Item Overview

Description	Product	Quantity	Requested delivery date	Price	per	Actions
laptop		1 Piece	23.12.2000	4000,00 DEM	1 Piece	

Total value: 0,00 DEM

Default settings for items Approval preview Hold Create private template Order

Local intranet 100% 15:55



Features: Add Approver/Reviewer

The screenshot displays the SAP Enterprise Buyer interface in a Microsoft Internet Explorer browser window. The address bar shows the URL: `http://pwq2c-bbp.wdf.sap-ag.de:1080/scripts/wgate/bbpstart01bc2172/~=====`. The page title is "Enterprise Buyer" and the current page is "e-Procurement - Check Status and Change Shopping Cart".

On the left side, there is a navigation menu with the following items: Home, Shop, **Check Status** (highlighted), Confirm Goods Receipt, Enter Invoice, Inbox, My Settings, My Settings, and Change Attributes. The top right corner shows "Your Logo Here" and the date "Thursday, November 23, 2000".

The main content area shows shopping cart details: "Name of shopping cart: Prof Pippi Lotti Power" and "Item description: Laptop". There are buttons for "Delete item" and "Return to shopping cart". Below this, there are tabs for "Basic data", "Account assignment", "Purchase order text", "Internal note", "Attachments", **Approval**, and "History".

Under the "Approval" tab, there are two buttons: "Add reviewer" and "Add approver". Two red arrows point to these buttons. Below the buttons is a workflow diagram showing the status of the shopping cart:

- Shopping cart created**: Represented by a play button icon.
- Approval of shopping basket**: Represented by a shopping cart icon. The names of the approvers are listed below: [B.A. Arthur Manager1](#) and [Mohamed Doula](#).

The bottom of the screen shows the Windows taskbar with the Start button, several open applications (SAPN..., frank..., http/..., Micros..., Prese..., white..., workf...), and the system tray showing "Local intranet", "100%", and the time "16:05".



Functions in Inbox (Approval Step)

Smart message

Inbox: 182 Entries

Type	Description	Rec. on	Type	Size	Author	Attachment	Status	Approve	Reject
	Approve new user MILES (Mike Habel)	21.11.2000					In process		
	Shipping basket from Prof. Dr. pippi kotti power with value 623.629,12 DEM	20.11.2000					In process	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Shipping basket from Prof. Dr. pippi kotti power with value 623.629,06 DEM	20.11.2000					In process	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Erkaufswagen von Prof. Dr. pippi kotti power mit Wert 12.000,00 DEM annehmen	20.11.2000					Ready	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Erkaufswagen von Prof. Dr. pippi kotti power mit Wert 50.000,00 DEM annehmen	17.11.2000					Ready	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Erkaufswagen von Prof. Dr. pippi kotti power mit Wert 50.000,00 DEM annehmen	17.11.2000					Ready	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Shipping basket from Prof. Dr. pippi kotti power w...	18.11.2000	RAWY 1K		Monitor-System				

[Attachments](#) [Forward](#) [Reply](#) [Reply/Reply](#) [Details](#)

Dear manager,
Please approve this shipping basket with total value 623.629,06 DEM
Thanks,
Prof. Dr. pippi kotti power

Forwarded by:
Priority: 5 Medium
Status: In process

Created on: 20.11.2000 16:53:44
Processed: 21.11.2000 08:01:25
Attachments: None



Approval Of Shopping Cart

Microsoft Internet Explorer browser window showing the 'Enterprise Buyer' application interface for 'e-Procurement - Approve Shopping Cart'.

Navigation: Home, Shop, Shop with Limit, Check Status, Confirm Goods Receipt, Enter Invoice, Inbox, Analyses, My Settings.

Shopping Cart Details:

Number of shopping cart	1000002134
Name of shopping cart	EMPLOYEE1 20.11.2000 15:27
Total value	623.629,06 DEM
Changed on	20.11.2000
Created on	20.11.2000
Changed at	00:00:00
Name of requester	Prof. Dr. pippl lotti power
Last approver	

Approval Status:

- Shopping cart created
- In approval since: [B.A. Arthur Manager1](#), [Mohamed Douls](#)
- Not yet issued: [B.A. Armin MANAGER10](#), [sandeep.desai](#)

Item Details:

Description	100 Mb Zip Disk Cartridge, PC Format
Product	
Catalog	LOCAL_REQUISITE
Quantity	120
Unit of measure	PC
Price	15,00
Limit	0,00
Currency	DEM



The Employee Can See the Status

http://pwq2c-bbp.wdl.sap-ag.de:1080/scripts/wgate/bbpstart602514ee/~===== - Microsoft Internet Explorer

Enterprise Buyer e-Procurement - Approve Shopping Cart Thursday November 23, 2000

Home Shop Shop with Limit Check Status Confirm Goods Receipt Enter Invoice Inbox Analyses Shopping Carts per Cost Cen Controlling: Beschaffungsv Analyse der Anforderer: Be My Settings My Settings Change Attributes

Return to Inbox Add Reviewer Add Approver Approve Reject all Continue

Number of shopping cart	1000002134
Name of shopping cart	EMPLOYEE1 20.11.2000 15:27
Total value	623.629,06 DEM
Changed on	20.11.2000
Created on	20.11.2000
Changed at	00:00:00
Name of requester	Prof. Dr. pippi lotti power
Last approver	

Shopping cart created

In approval since
B.A. Arthur Manager1
Mohamed Douls

Not yet issued
B.A. Armin MANAGER10
sandeep desai

Basic Data Account Assignment Purchase order text Internal note Attachments

Documents
File name Send to vendor
Doc1.doc

Path Browse... Add
File name

Back to item overview

Local intranet



Offline Approval in a Mailing System



From: wf-admin@100.ebg.phr3.sap-ag.de
To: Rayan, Vasee
Cc:
Subject: #EBP_GEN#Approve shopping cart from Jim Bradley wi

Sent: Wed 10/17/2001 4:16 PM

Work item in R/3 System: EBG

Dear approver,
Please approve this shopping cart with the total value
1,299.00 USD.
Yours sincerely,
Jim Bradley

Creation date work item: 10/17/2001

To execute the work item, click the following URL:
[Log on](#)

Shopping cart

Description	Product	Qunt.	Unit	Rqstd deliv. date	Price	Curncy	per
Compaq Evo Notebook N150 w/ Mobile Intel		1.000	EA	20011017	1299.00	USD	1 EA

To approve or reject the shopping cart by e-mail, click one of the following links and choose "SEND"
[Approve by e-mail](#) [Reject by e-mail](#)



Next Scheduled Blueprint



Next Steps

- Prepare and send out meeting minutes to invitees.
- Draft Design Document is prepared.
- Follow up on action items identified during the workshop.
- Schedule off-line meeting (s) to discuss areas of special concern
- Plan follow on workshops, as required.
- Plan validation workshop.
- Ensure all to-do's are appropriately documented



Questions?

