State of Louisiana ERP Project
Blueprint Workshop/Material Master Records

Session: LOG-MD-001
08/19/2008 – 08/21/2008, 8:30 to 4:30
Location: DOTD East Wing – ERP War Room

Attendees:

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<th>No.</th>
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**Agenda Item and Notes**

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<td>2. Workshop Objectives</td>
<td>Belinda Rogers • None</td>
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### 3. Project Overview/Timeline

| Belinda Rogers | None |

### 4. Business Process Review

| Brad Denham | None |

- SAP Terms Glossary
- Process improvement opportunities
- SAP concepts & functionality
- Leading practices
- Enterprise readiness challenges

Hard copies were provided of SAP Glossary and PowerPoint slides.

### 5. Action Items

| Karen Pierce, Sterrie Elliott | Recommendations on major categories of material |
| N/A | Can an object be assigned to a Material Master? |
| N/A | Assets in inventory (Assets “in weeds” discussion will take place in Requisitioning Blueprint) |
| N/A | Small group discussion with Financial Team Re: Asset shell creation/Asset tracking/Asset location |
| Sterrie Elliott, Carla Parent | DOTD visit internal number assignment |
| N/A | Co-operative contracts, contracts at DOTD available for statewide use (ex: hot mix contract) Outline Agreements Workshop |
| N/A | Existing materials in SAP (DOTD) |
| N/A | What approvals are available in WM/Goods issue? |
| N/A | IBM will “deep dive” into State’s text needs/requirements at the Requisitioning Blueprint and we will revisit text use at Material Master afterwards |
| Adam LaTour | Discussion needed with procurement/contract team Re: current statewide commodity contracts prior to Blueprint meeting |
| N/A | Review with DOTD: "Headers" |
| N/A | Small group discussion with IBM about text |
| N/A | Task force to identify, |
6. Key Decisions
- UNSPSC code will replace NIGP commodity code
- Internal number satisfies group, need to re-visit with DOTD – will internal number work for them?
- Open security so that agencies can view (not update) data within another plant
- Noun nomenclature will be used for short and long text fields
- Multiple Units of Measure (UoM’s) will be utilized.

7. Organizational Impact
- Work group as owners/maintainers of Material Master Records
- MRP Analyst?
- Agency internal catalog numbers

8. Parking Lot
- Kits - Bills of materials and backflush
- Info records- contracts?
- Fuel contract prices
- Unit of measure or packaging changes after bid award (new Material Master #?) This item was resolved later in the Blueprint discussion
- Long text of Material Master is not on requisition / RFQ (Later determined that long text is on the requisition)
- Inactivate at Material Master (for contract purposes) will prevent agencies from using for bid purposes
- Will a standard valuation method be required statewide?
- In vendor master Blueprint we need to address Bill-To & accounts payable (DOTD)
- Even if “K” (contract), you can edit terms on release order?
- When an existing contract is being rebid does the long description go on the bid document?
9. Cross reference table => NIGP to UNSPSC or “other” commodity codes to UNSPSC
   Conversion strategy needed for material/inventory/bins etc
   How and what historical data (inventory) will be converted from Legacy Systems to SAP?
   DOTD’s header record with specific sizes, colors, etc in their Materials Catalog
   E – Enhancement – investigate matchcode search by long text

FRICE-W

10. Touch base on general accounts payable procedure at the field level/segregation of duties & accounts payable role.

Integration Points

11. Discussion


Main Topic: Material Master Data
Objective is to provide a clear understanding regarding the purpose and importance of the material master

Agenda:
Logistics, Ground Rules and Introduction
Workshop Objectives
Project Overview / Timeline
   Near-Term Blueprint workshops review
Business Process Review
Action items
Questions

As–Is Overview:
Identify business requirements
Find integration points
Define Master Data
Define To-Be processes
Discussion of Material Data
Procurement/Commodity contract overview
Stock overview
Current System Alignment

Key decisions to make: (Slide 9)
   General Use of Material Master Record
   Numbering of Material Records
   Use of UNSPSC as Key Material Attribute
   Use of Units of Measure
   Format of Text Descriptions
   Others Key Attributes TBD...

ERP (LaGOV) project organization overview:

Various legacy systems:
AGPS
Venice
Faster
Current Master Data snapshots:
Venice
PIMS

Terminology will be somewhat different and very important!

To do: Capture category of major goods so we can map these to the various material types

Opportunity for future process improvements that need to be looked at in future blueprint sessions – Kits, BOM, Manufacturing back flush

Current Process in regards to alignment with terminology in SAP:
- Stock number + Header number at times implies a vendor relationship
- UoM - number maps to a measure through a mapping table
  - Sometimes “delete” is placed in the description and the quantity is set to 1 which will trigger that the item is no longer needed
- MRP is currently done manually – A report is generated for MRP planning – DHH has 1000 items – DOTD as approx 5000 materials
- Raw material – do you use raw materials to produce a finished goods? – DOTD - yes (i.e. traffic signs, kits).
- BOM - do you maintain (i.e. kit)? – Not maintained in the system – would like to use kits in the future. <<Process Improvement Opportunity as identified previously>>

Stock Items are mainly consumable. Assets are not tracked in the inventory system. They are tracked in the Assets system.

DHH does have short and long text fields. They also have the ability to capture Hazard material codes.

A user can access various criteria including material master numbers when searching for contracts when creating a document

Normally you would look up the material number and then search for the contract.

The break down of the current commodity code number can be commodity code + spec number.

Free text field requisitions will still need a commodity code (i.e. UNSPC codes).

The State’s current listing of contracts ties vendors to commodity codes as well as to specifications, unit of measure, and description. The search is initiated via group when using the hard copy and then by description. When using the web to search, an end user has multiple search criteria to use. The web is used for searching and looking at the specification. Then the end user can go to the legacy system to look at the details for a particular item. These 2 systems need to be kept in sync and broken up by volume as there is so much data.

Users will have access to stock inventory reports to assist with the creation of requisitions.

Assets are associated with business areas rather than plants? Asset location / creation needs clarification from Assets on this as to where the shell will be created and how assets will be tracked.

Action Item - What approvals are available in warehouse management? Can we do stock transfers and are approvals built into it?

Training, security will be important, but dealt with in greater detail later. Security will be enforced so that all agencies can see all materials, but material purchases will be restricted to the plants that have access.

We cannot restrict materials down to storage locations. Only when a material has been extended to plant can they use it on the requisition.

Brad Denham: Discussion of current description forms

Review of Glossary:
A match code search is a search that can be performed in a requisition to assist with identifying certain selection criteria. The search can be performed in many fields in the material master record including the short text field.

The Material group is a high level grouping – i.e. UNSPSC codes.

The Material Type defines which preset screens are required and which are optional (i.e. for non-valuated items you may want to restrict accounting view as there is no cost associated with the item).

Moving Average Price (MAP) – Not associated with a specific vendor – similar to current weighted average price.

The Moving Average Price (MAP) is a price stored for all vendors over time for a particular item. It is an average. An example could be when you have multiple ink cartridges at various prices and you want to charge back departments. You could use MAP to calculate the charge. (DOTD also has a district price). Currently DOTD does not enter a MAP until a purchase is made, unless the item is fabricated. However SAP requires this field to be populated. One penny can be entered as a placeholder, and then when the good receipt occurs the system adjusts the MAP to the true average.

Karen Pierce: Gave example of ink cartridges in stock, purchased at different times, different prices – priced out at weighted average price.

Danny Taylor: Is MAP based on warehouse location or statewide? – Specific location.

MAP, buyer code, UoM, material number, material type, and basic data text are all forms of attributes at the material master record.

Materials Resource Planning (MRP)
An MRP analyst can exist at the plant level. MRP transactions will give the opportunity to view and select certain items to turn into requisitions if required.

A Plant designation should be established when the organization wishes to valuate inventory with a unique cost – i.e. unique valuations across various district for the same material. Administrative units can also be plants.

The standard price selection is typically used for sales. DOTD uses a standard price for fabricated items and will be able to mix and match prices on the various materials.

The storage location is typically a delivery address.

Material Master Record (MMR) – contains all basic information needed to manage a material in SAP. Supports procurement, inventory and planning. MMR is independent of vendor (carries no vendor information). This data can be carried in the Info Record (if used). Materials master number is one field; MMR is a record of all the information for that field. The materials master number is a part of the master record (MMR). The terms are used interchangeably. The abbreviation MMR will be used for both in these notes.

Discussion regarding the utilization of MMR and UNSPSC

Brad Denham: “Terms listed are specific to the MMR”
For Louisiana State Government, Client and Company Code will probably be the same.
Material Group is where we will probably apply the UNSPSC.
“Non-Valuated Material” – Material with no associated price.

Patti Wallace: In SAP, will each item have to have a unique MMR?
Brad Denham – probably.
Patti Wallace: Will each agency have the ability to create its own MMRs?
Belinda Rogers: No, but you will have flexibility to uniquely define in other places.
Llewellyn DeFoe: Currently every item has to have a commodity code. If item is not in master record, must pull a generic code into requisition.
Karen Pierce: If it is a one time purchase, you don’t need an MMR.
Brad Denham: Just include a good detailed description, so that if it becomes a common item, it can be captured.
Adam LaTour: Commodity code is always required, can be used to report on similar items when not assigned an MMR. UNSPSC will probably cover this.
Patti Wallace: What is the purpose of the MMR if you have UNSPSC?
Belinda Rogers, Karen Pierce: More specific information about items, can house more detailed specs.
Adam LaTour: Report and track to unique items, rather than categories

Patti Wallace: I’ve heard that one location or group will create MMR. – Probably.
Carla Parent: Will each agency be able to have its own internal catalogs? – There are options, so probably.
A material group (commodity group) is used to classify commodities as well as services. The codes for Services are pretty extensive. The code set is updated fairly regularly. State Users group was noted to be set up. State has elected to use UNSPSC.

**UNSPSC will be used for commodity codes, will replace NIGP codes**

The advantages of using UNSPSC codes are that they allow you classify materials and services in a way that spend analysis can be completed across the State. 

<<See further discussion of UNSPSC later in these notes>>

Views – Different users will use the material master differently with the use of various views. Different views are used for different functions. The views are 2 dimensional i.e. organizational as well as operational.

Info Record – Union of MMR and vendor information – whether to use and how to best use is still TBD

Unit of Measure – the abbreviation UoM will be used in these notes

Need to add terms below to the glossary:
  - Product Category – i.e. same as Material Group
  - Material Master
  - MMR
  - View or Logical View

Brad Denham, Sterrie Elliott, Carla Parent: Discussion of “Delete when balance = Zero” – how it’s done in different systems

Brad Denham, Sterrie Elliott, Carla Parent, Karen Pierce: Discussion of Kits, Raw Materials to Finished Materials, Items that are “checked out” – response: items are consumables, not expected to be returned.

Adam LaTour, Belinda Rogers: Discussion of how the MMR will help with several areas; invoicing, PO, identification of items, contract and vendor ID, UoM; helps create documents quickly, efficiently.

MMR contains the details for a particular item (material)
  - Llewellyn DeFoe: How will we use MMRs? We won’t remember individual numbers. Will several similar items have the same MMR?
  - Patti Wallace, Ryan Sides: MM database, record, number – need a distinction between these.
  - Adam LaTour, Karen Pierce: Defined the three terms – record and number are one to one, basically the same.

Carla Parent: Question about items with changing prices (ex: fuel prices)

Adam LaTour: Price is not part of MMR – several ways to change/update the contract but it will probably have to be done manually.

**As-Is for how Master Data is currently used:**

Brad Denham: Let’s discuss As-Is for how Master Data is currently used.

Carla Parent: Commodity code is tied to master record

Brad Denham: How does a Buyer search the system?

Carla Parent, Sterrie Elliott: Web based search, first by group (first 2 numbers in master record), can search on “anything”.

List is broken into volumes – search is within a volume. There is more information in the legacy system than in the web application. Includes specifications, items can be charged to inventory or to a job or section.

Belinda Rogers: Explanation of how AGPS works, after hearing about DOTD system. Everything is “there”, but you have to move around a lot to find all of your information. Includes or is tied to the vendor data base. Vendors are registered by category, not down to the item level. Key word search must start with first word.

AGPS utilizes commodity codes and they are sometimes not on contract. The last 6 digits are zero if the item is not on a contract. The end user can complete a key word search, but the system only searches on leading words. New commodity codes are added when a new contract is established. Different items can share the same item number, but later numbers should be unique.

Kenya Lipscomb: OSP maintains/creates commodity records. In LaPAC, vendor is registered by category.

Belinda Rogers, Llewellyn DeFoe, and Karen Pierce: Configuration of codes has changed over the years. As a result, the detail and information can be variable, presented different ways. The current commodity code structure does not necessarily identify a single, specific item.

General discussion of “Punch-out” catalogs.

Some punch-out vendors are using the same version of the UNSPSC code. Some vendors may not be using this classification. If they are, we will be able to track the code from the punch out to the PO within our application. The advantages of using these codes for procurement reporting are abundant. One of the key decisions made was to use UNSPSC codes for the State of LA.

Most of the items on punch out catalogs are not inventory items. These will not need to be on the material master.
Brad Denham: Do Requisitioners have an option to define where items are acquired?
Karen Pierce: It's a manual process, search in warehouse first.
Brad Denham: In SAP, you can allow Requisitioners to see options.

Materials Requirements Planning (MRP): Discussed options for replenishment. Options can be set at individual Plant level.
Patti Wallace: A Plant may or may not valuate inventory? - True, but where you valuate inventory, you must define a Plant.

Supplier Relationship Management (SRM): a special procurement module of SAP
Sterrie Elliott: Need to define “Bin” – sub unit of Storage Location (This should be added to the glossary)
Sonya Pulliam: Does Plant designation have anything to do with Asset Inventory? – No, done in other areas (BI?) of SAP.
Karen Pierce: Everything refers back to cost centers.

Carla Parent: DOTD uses Commodity Codes combined with Specifications. How will this be handled? – Already discussed to some extent, but needs to be further reviewed and resolved.


Belinda Rogers: UNSPSC.org - Free, extensive, updated frequently, there is a State Users Group; State of Louisiana is a member. There is Public Sector support and differentiation from private sector. Currently 12 states are utilizing UNSPSC.

Kenya Lipscomb: Open and standard global classification system.
This will be the Commodity Code in SAP.
4 level hierarchy set up: Segment; Family; Class; Commodity (2 digits each)
Compared to current commodity Code in AGPS
Other data currently in AGPS will be captured in the MMR.

Belinda Rogers: W. W. Grainger already uses UNSPSC. This should simplify punch-out contracting (with any vendor using UNSPSC).

Sonya Pulliam: What is the difference in the accounting code tied to the MMR and the Expense Code?
Karen Pierce: Explained that items are not expensed until in inventory, therefore expense is not in the MMR. Expensing is done in another module.

General discussion of Chart of Accounts, Item Codes, Assets:
Can assets be recorded in MMR? –
   Adam LaTour – No, but explained how assets are handled (and charged) in SAP.
Patti Wallace: We don’t want the end user to determine asset coding.

General discussion of who, how and where asset coding will be handled
Karen Pierce: We would like to see it assigned at PO stage. This is still being debated. Whenever an item is coded as an asset, an asset shell is created. If it is later changed to not be an asset, the shell must still be dealt with.

Numbering and Number Ranges - Internal Assignment (no intelligence) vs. External (intelligent)
SAP Recommendation: Internal Assignment. UNSPSC will be directly associated with MMR, so item groups are maintained in UNSPSC.

General discussion of options, problems with External Assignment, pros and cons of Internal Assignment
Adam LaTour said that you cannot assign old material numbers at the Plant level. No text in the MMR can be entered at the Plant level. Text in MMR is entered at the Company Code level, and is statewide.
   Discussion with DOTD needs to take place off-line.

A suggestion was made to use the segment number as the Number ranges are normally not used to classify material.
Patti Wallace: Can attributes be assigned to MMR? Can these be used to retain old material numbers at the Plant level?

Brad Denham: Side note – PO item text can be used to add additional information at the PO level. This will appear below the short and long text fields brought into the PO from the MMR.

Kenya Lipscomb: Text can be added at the Purchasing Org level, so any Plant assigned to a Purchasing Org can also use this field for more specific information, as long as it works for all of the Plants assigned to the Purchasing Org.
Purchasing text is set at the purchasing organization level and can be configured to print on the PO in addition or in substitute to the Material long description. This will be determined when we look at the PO forms (i.e. Purchase order).

An example was shown to display how texts are viewed on the PO.

Material Master – Views (Slide 41: List of Views)
Materials are assigned to Plants (at the Plant level) for use. For every item that a Plant is allowed to see, all views are open.

Carla Parent: Can the overall Master be viewed?
Adam LaTour: Yes, you would have to run a report to view. The contract would have to be extended out to all plants that are going to utilize it.

Carla Parent: Can users see – even if they can’t use – MMRs that they are not specifically allowed to use (view only access)?
Adam LaTour: This is an option.

General discussion on the pros and cons of being able to see data that you can’t use – Reports on Matchcodes should be able to provide this functionality – other methods also exist

Master views – essentially show different process groups.

Accounting View links back to GL account when a material goes into inventory
Pricing information is used when evaluating inventory pricing. It’s not vendor specific.

Standard pricing can be used when we want to put a markup on an item when we have added some intrinsic value to a material.

Classification tab can be used to add additional attributes to a material, i.e. user specific. However, classification is global and not plant specific.

The price that will default to the requisition if you purchased a material from a material master would propose the price in the material master to the requisition from the standard or moving average price.

Carla Parent: At DOTD, we do some cooperative contracts so that other entities can purchase from these. Not all vendors in these contracts are willing to extend to all other entities. Can this be handled?
- Contract issue, to be addressed in Outline Agreements workshop, added to Action Items

For contracts that are created by one agency but are used by all other agencies, two things need to happen (i.e. statewide use – Outline agreement)
1 – Material needs to be extended
2 – Change the Purchasing Org from agency specific to a floating Purchasing Org (State wide)

General discussion on what approvals, authorizations are available in Goods Issue (Warehouse Management)

Warehouse bins are specified at the storage location.

Unit of Measurement (UoM) – Base Unit, other units

Further discussion of Plant level Views – some confusion on what is in the MMR as opposed to other records (vendors, costs, etc.), and what different Views exist for different Plants.

Also discussed pulling from inventory vs. placing an order from a vendor

Carla Parent: DOTD Districts have already converted to an SAP ISIS system. Need to determine what numbering system they are using, and will this create a problem / issue with double conversion if they have to use Internal Assignment for new numbering.

GL Account will be linked with commodity code behind the scenes of the Material Master so a default account will be assigned.

There are custom records that may contain materials (i.e. in current system)

DPS wants people to look at the warehouse and then if there is not enough in stock create a requisition. The process maybe as follows: create a stock transfer (Issue) for the amount in the warehouse and then create a requisition for the difference. Then MRP will create a requisition to replenish the warehouse.

Brad Denham: Asked the group to identify Material Groups, Text Fields, Valuations, Min-Max levels, Buyer codes, Base UoM, other data found in MMR

MMRs are used in requisitions, contracts, POs, RFQ, etc.

3 way match: GR, Invoice and PO
Adam LaTour: ECC – “Backend” System where Master Data is maintained
SRM – Transactional System where you will do most of your work

MM01 – Creation of MMR – Entry Screen

Question was raised about whether you should change an MMR description if packaging size / quantity changes (ex.: Honey buns go from 8.2 oz to 7.5 oz) or do you have to create a new MMR? – SAP strongly recommends that you create a new MMR.

In some cases, minimum amounts / quantities or ranges are specified, but low bid is based on exact price (ex.: soft drink can size bid range is 12 to 16 oz, but bid selection is based on cost per oz). – SAP can handle this, but recommends creating separate MMR for each specific size. – State sees this as a problem, since manufacturers often do not package in the same units across the industry. This would require the creation of many MMRs for essentially the same product.

<< in later discussion, it was determined that the master record could have a range (ex. 14 oz. – 16 oz.) as long as the P.O. reads what the contractor is sending for verification of when received>>

Further discussion of generic descriptions, units vs. brand names, specific manufacturer’s stock numbers

Currently, all State purchasing contracts start with a Requisition. In SAP, most contracts will start with a Requisition, but they can also start from an RFQ or PO. State cannot advertise a proprietary name or specification, so you cannot pull that data from a previous contract to RFQ.

Purchase Order Text screen – used for special notes, delivery instructions, etc.

Accounting screen – Standard (S) or Moving Average (V) price, price control (S or V)

Note: There are many text field locations in the MMR. Text options discussion will be deferred to other Blueprints. Once more information about current needs and practices is known, decisions will be made.

Brad Denham: Explained the “Automatic PO” option, Purchasing Value Key, other fields in the Purchasing view.

Carla Parent: Will IBM help with conversion of stock numbering system from current set up? – Both IBM and State will work on conversions, with both having specific responsibilities. State will be asked to provide existing data in a specific format for conversion.

MRP screens – replenishment options, also how SAP can do this automatically based on history, other factors (ex.: seasonal), many other options – 4 screens worth.

Discussion of LIFO – FIFO and why LIFO would ever be used. – This is an accounting option, not a material issue option. Actual inventory could still be rotated.

Belinda Rogers: We saw in Boot camp, while creating a PO, SAP showed whether there was an Outline Agreement when I selected an MMR. Is that detail kept in the MMR? – No, it is associated with the Requisition or PO.

If I want to see all of the MMRs on a contract, can I search by UNSPSC since this isn’t part of the MMR?
- Belinda Rogers and Adam LaTour will continue off-line.

General discussion with example “floor wax”. We may have 80 active contracts with floor wax. UNSPSC will not be brand specific. Will reporting bring up all 80 contracts? Adam LaTour – This is why you should use individual MMRs for each specific product, size, etc., but your report will only bring up contracts for your Plant. Belinda Rogers – all 80 of these contracts are available to every Plant, Purchasing Org. This needs further discussion off-line with the right group.
- Discussion will continue off-line.

“Variant” is a template for reports used regularly. Saved variants can be named, defined, opened up to global use, etc.

Carla Parent: Do we have an allowance for custom reports? Belinda Rogers - It depends on what you had in the RFP for reporting needs.

Reports are exportable and can be downloaded to Excel.

There are limited drill down options within reports.

There is also an icon that opens reports into an excel spreadsheet.

Future blueprint will decide who will actually create the MMR.
MMR is created in ECC, and is systematically replicated in SRM.
MMR in SRM will be set to external so it can adopt the same numbers from ECC.
SRM:
It is anticipated that SRM will be set up in the “Extended Classic” format (defines the relationship between SRM and ECC).

When A Requisition is created in SRM, a requestor must find the correct MMR, and will run a search. This allows most of the work in creating a Requisition to be spread out over a large group of (minimally trained) people. When the MMR is selected, SRM will populate some of the required fields based on pre-defined criteria. As required, the Requisition is then pushed to the proper approver (may be the Buyer) as part of work flow. After approval(s), the PO can be created automatically or by the Buyer. SRM will search through existing contracts and list all available vendors for each MMR. MM will identify exact matches. A search on UNSPSC will identify a broader range of similar items (floor wax example).

Adam LaTour informed Group that the transaction will be conducted in SRM and the core maintenance will be done ECC; however this will be seamless to the users.

When packaging changes are made, a contract amendment is needed and the new material is added. This will ensure that future spending analysis is done on the same metrics and units. This will also help to ensure that the vendor analysis is correct.

PO text is typically used for an expanded description of the item.

When a material is on a contract, inactivation of that material can be accomplished through either the material master or the contract.

It may be possible to use External Material group as an alternate to UNSPSC code – i.e. NIGP code

Automatic PO flag is used for low dollar amount with a preferred and trusted vendor. This flag can automate certain transactions to remove the workload from the buyer’s desk.

GR processing time is added to the lead time when running MRP to estimate a more accurate delivery date.

Materials can be added to a source list with multiple vendors. The source list can be utilized to proportion orders of that material to multiple vendors (i.e. 1 vendor has 70% and second vendor as 30%).

A conversion strategy is needed to convert existing materials.

A Serialization number is not currently used.

When an existing contract is being rebid does the long description go on the bid document? <<There was no answer to this question, so it was added to the Parking Lot after the Blueprint>>

SAP will define by material type which views are required.

Storage type indicates the type of storage used for that particular material (i.e. cold storage, floor storage, bulk).

Classification type tab can be used to define custom attributes for an MMR.

MRP – VB & V1 – Historical data will need to be built to use these options.

Backflush – When a material is used to create another material the MRP quantity is triggered only when new material is created. Then the MRP order is initiated.

No history will be needed to initially manage min and max levels.

Will there be a standardized costing approach applied across the State (i.e. one method to evaluate inventory, standard cost or moving average)? – Value of standardization not determined at this time.

John Oglesby: The State has various advertising requirements (newspaper, internet) for different kinds of bids. Does SRM do anything with this? – No.

Brad Denham: Review of MMR Views, levels of entry, reports, “Select Options” and “Parameters” (search field types), Variants, use of UNSPSC, SRM – ECC relationship, Units of Measure

Karen Pierce: If we have to use a standard price for statewide MMRs, can we also get / use a weighted average price at the Plant level? – No, it’s one or the other, but there are other ways to get the information you need. The standard price in the MMR is not the same as a specific contract or vendor price.

Brad Denham: Classification View – allows you set up unique parameters / variables, create some custom labels. Classification is not at the Plant level, it is global.
Text will keep history of changes. Text at the bottom of the requisition is passed to the PO. Printing this on the PO is an option.

Header texts come from requestors.
The PO text is editable on the PO but not on requisitions.
Delivery text can be defaulted.
Item note is an internal comment for a specific material.

Live session, go to MM02 – Matchcode search – Basic Data 1 fields – there are several places where you can enter information, most are not seen unless you specifically direct the system to go to them (ex.: “Internal Comment”).

Text fields - Internal comments are not sent anywhere (i.e. you can have a process to record the changes by adding comments every time a change is being made).

Purchasing text on the material master is global. Note that there are multiple text fields. Plant specific text can be entered manually on a PO.

Note: buyers should always review the text so that unwanted texts do not go to the vendor.

Sonya Pulliam: Current system has location specific delivery information text that is printed on every PO. Can this be done in SAP? – Yes, but it is not done in the MMR.

Delivery address is line item specific. If the delivery address is the same for all lines then the delivery address will be at the header level. If there are different lines using different plant and storage location addresses then the addresses will be printed in the body of the PO.

Discussion took place regarding vendor address and how the remit and ordering address default into the various documents (i.e. into the PO). Partner functionality needs to be reviewed to see if it would suffice for this relationship. State of LA has decentralized invoice processing (i.e. some of the delivery locations).

Long description prints on the PO. This is edited and added via a text editor.

Brad Denham: Requisition text – ME53N – header section, main body and tabs specific to a single item

Sterrie Elliott: When requesting an item to be purchased, I usually take an average price and add 20% to make sure enough money is set aside. How do I deal with this in SAP? – This needs to be done on the financial side. We need an off-line discussion with the financial group to see how should be handled.

Carla Parent: Current DOTD system has headers that are printed in the PO above the items. Can this be added in the SAP PO?

- Added to the Action Items chart – Review w/ DOTD “Headers”
- Added to the FRICE-W – DOTD’s header record w/ specific sizes, colors, etc. in their materials catalog

Change Purchase Req. 2 – ME52N – text for specific instruction, internal comments per line item, optional to print these to PO. This can be used for one time instructions (ex.: due to hurricane, bill to warehouse, deliver to different storage location). Reverts to regular instructions next time the field is used.
- Request to make this a parking lot item.

Discussion on “Bill To” information being stored in the Vendor Master

Ship To information on the PO – is per line item – if they are all the same, the information will roll up to appear only in the PO header. SAP is looking for the “3 way match”. SAP can handle different Ship To addresses as long as the Goods Receipt (GR) is properly entered for every line item (from the different locations).

For DOTD, Ship To, Bill To needs to be at the Storage Location level
- Added to Parking Lot for DOTD (also see previous request to address “one time” instructions as a Parking Lot item)
- Also added to Integration Points chart

Denise Lea: What is a “Partner” in SAP? – Each distinct division (location, etc.) of a vendor is a “Partner”.

More general discussion about how vendor is tied to MMR, different addresses for different uses

Back to MMR, long text, short text

Short Text (40 characters) is used for the searchable, brief description. Long text is the general, detailed description of an item. Purchasing text is used for terms and conditions, and prints to the PO. Inspection text is used for giving instructions, requirements.
Carla Parent: Can / does long text (basic data text) print to the PO? The RFQ? – Answer deferred, to make sure the correct answer is given.
- DOTD (and other) concerns need be further discussed. LaGOV Team will schedule off-line meetings with the proper SMEs.

Karen Pierce: Will contract text overwrite MMR text? – It will add to, but won’t overwrite.
Brad Denham: SAP needs to see the current state text needs applications before we can answer how SAP can meet your needs.
- Added to Action Items chart

Purchase Order (ME21N) text:

Many different header (long text) options are already standard, and others can be added as needed.

Carla Parent: Can we see some examples of SAP PO’s? – Yes, examples from another Public Sector implementation can be provided. It is really more important, however, for SAP to see what you currently have and need, so we can make the SAP application meet your needs.

Brad Denham: Example PO from Fulton County Board of Education
- Header information is customized, contains all of the required boilerplate information, and includes FCBOE logo.
- Buyer contact, vendor, reference contract number, PO number, warehouse information are all automated.
- Comment field is included for vendor.
- Header text appears just above first line item.
- Material number, short text appears with each line item.
- Page two is the Standard Terms and Conditions.
- Continuation pages are automatically numbered; each includes the basic header information.
- Last page includes the total and the name of the authorized agent.

Denise Lea: Once the vendor has agreed, can the standard Terms and Conditions be a part of the vendor record? – Yes, and if you need to change it for a specific order, you can overwrite it on that PO.

Brad Denham: Example of what the “out of the box” PO looks like in SAP – very plain, but contains all of the basic information.

Noun nomenclature discussion
- 40 character limit on short description.
- Both short and long texts are printed to the PO, so you do not need a complete description in the short text.

Recommendation from SAP: Repeat the short text at the beginning of the long text, since both rarely appear together in documents.

A decision was made so that the state will be using Noun Nomenclature for material master description standardization.

Units of Measure (UoM) (Slide 59)
- Issue UOM is the way the inventory is issued.
- Order UOM is the way the item is purchased.
- Base UOM is the lowest range of material.

General discussion, review of yesterday’s discussion concerning ranges – suggested: MMR can contain a size range, with the PO providing the specific size the vendor will deliver (ex.: can size range between 12 and 15 fl. Oz.).
- This resolves an issue that was originally placed in the Parking Lot.

Key Decision: State will utilize multiple Units of Measure.

Belinda Rogers: Final review of all Blueprint Key Decisions

The development of a Task force was recommended to standardize and normalize the data conversions for material master elements.

Note: Whether to use Service Master (originally included in this Blueprint’s title) has not been determined at this time.