

## Managing Procurement with SAP Business One®

**Integrate optimised procurement with the entire business**

# Integrate optimised procurement with the entire business

Managing procurement effectively in your company requires a business application designed for small businesses and midsize companies.

The software must support **integrated procurement management**.

It must help you optimize purchasing practices and control costs.

The SAP Business One® application is that software.

You need support for purchasing planning, vendor selection, purchase order management, and vendor invoice payment. In order to work rapidly and surely based on a holistic view, you require procurement software that is integrated across business functions, including accounting and warehouse management software. And a detailed view of your vendors and a centralised vendor data repository are must-haves so you can make the best purchasing decisions, identify opportunities to save costs, and manage supplier relationships.

So where do you go? To SAP Business One for best-practice functionality, support for core procurement activities, and a purchasing process integrated from request for quote to invoice payment. Powered by the SAP HANA® platform, you get the latest in-memory computing technology at a price you can afford.

Available on premise or in the cloud and accessible on your mobile device – the choice is yours.



# Streamline and automate procurement processes

## Streamline and automate procurement processes

Handle returns and special charges

Find the right supplier, get the best price

Centralise information with master data management

Integrate warehouse, production, and accounting

Gain real-time visibility through powerful reporting

With SAP Business One, purchase orders can be created in a few steps and sent directly to the vendor with requests for purchase quotations (see the table on the next pages). To ensure timely delivery of goods, you can create purchase orders from sales orders.

Purchase orders support multiple currencies and item categories, such as materials or services. When a purchase order item is entered, predefined price lists and discounts can be applied automatically. Shipping and billing information can be entered, giving your vendor all the data necessary to process your order. Taxes are automatically calculated and, applied to reflect shipping location.

A “landed cost” feature allows you to manage charges from international transactions involving customs and other import- and export-related expenditures.

Goods receipts and vendor invoices can be created simply by transferring relevant data from purchase orders. Upon receipt of a vendor invoice, you can automatically create an accounts payable invoice by referencing a purchase order or goods receipt. Create, view, and edit vendor-related activities using the SAP Business One mobile app.

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Objectives

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Solution

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Benefits

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Quick Facts

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**PURCHASING MANAGEMENT FEATURES OF SAP BUSINESS ONE ®**

Procurement

Item and Vendor Master Data

Warehouse, Production, and Accounting Integration

Create purchase orders and goods receipts in easy-to-follow steps; use internal purchase requests for new or existing items; create blanket orders

Manage detailed item and vendor data centrally in a user-friendly interface; assign appropriate details, including unit of measure, bar code, alternative items, and vendor catalog numbers

Benefit from real-time synchronisation of goods receipts and inventory levels in the warehouse

Create purchase quotations using a wizard that sends an e-mail to your vendors automatically with a URL that enables them to update their offer online

Manage vendor information with payment terms and methods; perform purchase analyses for vendor master records and generate graphical displays of the results

Perform purchase planning using the material requirements planning wizard

Link purchasing documents and view document trails for audit and research purposes

Maintain detailed item purchasing information for price lists and tax information

Automatically create an accounts payable invoice from a purchase order or goods receipt; update the related vendor and expense accounts

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Objectives

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**Solution**

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Procurement

Item and Vendor Master Data

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## Handle returns and special charges

Some of the most commonly used return and special charge or expense processes are supported in SAP Business One. Items or services can be returned to the vendor using the goods return function, and SAP Business One will immediately make the necessary adjustments to your inventory and accounts payable balances with the corresponding vendor.

Notes and text fields are available so you can give your vendor detailed information about why items are being returned.

SAP Business One accounts for additional expenses, such as shipping and handling fees, insurance, and service charges, all of which can impact the total purchase expense.

To help ensure these charges are reflected in the true cost of the items purchased, SAP Business One can record and associate them with the purchased items. This provides you with more precise insight into pricing when comparing vendors, leading to more accurate profitability data.



SAP Business One streamlines your returns processing and automatically updates inventory and accounts payable.

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## Find the right supplier, get the best price

Detailed purchasing and pricing reports give you a comprehensive overview of your purchasing history, including information about the items you bought, your suppliers, the prices you paid, and transaction dates. This makes it easier to compare suppliers and prices, identify which supplier can meet your business needs, and negotiate to get the best possible price. Put simply, you can make more effective purchasing decisions and manage your supplier relationships better.

For example, after you create a purchase request in SAP Business One, a wizard generates purchase quotation requests and e-mails them to your vendors. The vendors can then publish or update their offers online. This allows you to compare and choose a vendor based on multiple criteria, including price and planned delivery schedule. Once an offer is selected, the software can convert it readily into a purchase order.



SAP Business One helps you make more effective purchasing decisions, identify opportunities to save money, and manage supplier relationships better.

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Objectives

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**Solution**

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## Centralise information with master data management

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Master data management is a cornerstone of process integration in SAP Business One. Item and vendor master records are maintained centrally and used in business transactions.

Item master data can be applied to inventory, purchasing, and sales items and fixed assets. The data contains the information needed to maintain an efficient purchasing process, such as item number, description, packaging units of measure, dimensions, prices, and tax types. You can apply price lists and costing models to purchase items and get an up-to-date view of purchase order values and inventory valuations.

Similarly, vendor information is stored with all relevant information in master data records. Payment details are administered with terms and payment methods to support accurate, on-time vendor invoice payments. The application provides a graphical overview of vendor activities, capturing, linking, and displaying every document created during a specific purchasing process for audit and analysis purposes.

Using the application's multibranch functions, you can support centralized purchasing processes in multiple business units, such as different sales locations. Multiple locations can share information on customers and vendors, which can, for example, help personalise interactions when you do business with a single vendor at different locations.



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Objectives

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Quick Facts

## Integrate warehouse, production, and accounting

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**Integrate warehouse, production, and accounting**

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Integrating purchasing into other core business processes transparently and in real time is a key feature of SAP Business One. For example, when a goods receipt for an ordered item is posted, the software automatically updates inventory in the warehouse and informs the warehouse manager of the expected delivery date. Upon receipt of a vendor invoice, SAP Business One automatically creates an accounts payable invoice, adds payment terms, and calculates the due date. It also updates the related vendor and expense accounts. Because SAP Business One captures information at every step of a transaction, you always know what's on hand in inventory and always have the up-to-the-minute financial status of your business from your desktop or mobile device.

SAP Business One supports purchasing planning and helps you set your reorder points correctly so you avoid unnecessary purchasing that would otherwise result in inventory carrying costs. Using the material requirements planning wizard in SAP Business One, you can forecast and plan your material and nonmaterial needs and schedule your purchases accordingly. SAP Business One gives you detailed information about what items are needed and when. Its order recommendations take into account lead times, providing the optimal purchase date for a timely delivery of the products you order.

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Objectives

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**Solution**

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## Gain real-time visibility through powerful reporting

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**Gain real-time visibility through powerful reporting**

SAP Business One comes with a selection of report templates to give you a head start on your purchasing reporting. Because SAP® Crystal Reports® software is integrated, you can create dashboards rapidly to gain an overview of what matters most to your business, whether you're using your desktop or your mobile device. You can review lists of top vendors, year-to-date purchases, open orders, and payables, for example. You can run detailed procurement reports, such as purchasing analyses, while the report organiser in SAP Business One helps you manage your reports and facilitates distribution to buyers and business partners.

As your business accumulates purchasing data, even highly complex, data-intensive analysis can be done in real time with SAP Business One. With analytics functionality powered by SAP HANA, the software makes it possible to perform ad hoc analysis with easy-to-use tools, and it delivers timely reports embedded in transactional screens. These features give your employees access to the information they need when they need it to make crucial decisions.



The powerful reporting features of SAP Business One give you clear visibility into the procurement process.

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Objectives

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Solution

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Quick Facts

## Profit from integrated purchasing processes

### Profit from integrated purchasing processes

SAP Business One helps you manage procurement in your company and was designed to streamline purchasing practices and control costs for small and midsize businesses. It automates procurement processes and integrates them across all business functions, from purchase order creation to inventory updates and invoice payment. It captures shipping and handling fees and insurance and service charges to help you assess the true cost of items purchased. With more precise pricing and accurate profitability data, you're in a better position to compare vendors.

SAP Business One maintains item and vendor master records centrally and integrates them in all necessary business transactions. This makes it possible to share information enterprise-wide, so everyone who needs it has access to up-to-date, accurate information on, for example, purchases, sales, or inventory status. This resolves an issue imposed by spreadsheet-based systems, for example. Reports and dashboards give you clear visibility into the procurement process at all times, helping you identify issues and bottlenecks.



The flow of information between purchasing, sales, and accounting is streamlined.

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## Objectives

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## Solution

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## Benefits

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## Quick Facts

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### Summary

Managing complex purchasing processes requires integration across business functions, centralised data, and real-time visibility. Available as an on-premise deployment or in the cloud, the SAP Business One® application provides procurement management functionality, helping you optimise and streamline your business's entire purchasing process.

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### Solution

- Create purchase orders and goods receipts in multiple currencies, link purchasing documents, and manage returns
- Manage detailed item purchasing information
- Process accounts payable invoices and credit memos, plan your material needs, and schedule your purchases accordingly
- Generate reports with real-time data

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### Objectives

- Streamline and integrate manual, nonintegrated procurement processes to drive down process and purchase costs
- Increase visibility into procurement activities and vendor performance to improve decision making
- Gain access to timely and accurate information – while in the office or working remotely using a mobile device – to support better-informed decisions

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### Benefits

- Reduce costs
- Streamline the entire procurement process
- Gain full transparency into purchasing activities, suppliers, and their performance
- Make better-informed buying decisions