

# Items

## Item Master Data

SAP Business One, Version 9.0



Welcome to the topic on item master data.

## Objectives

---



At the end of this topic, you will be able to:

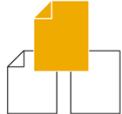
- Describes the contents of the item master

© 2013 SAP AG. All rights reserved.

In this topic, we will explore the contents of the item master.

## Business Example

---



Your company has a large number of items.

To better manage the daily business, items are set up as master data records.

Default data for purchasing, sales and inventory transactions are contained in the item master records.

© 2013 SAP AG. All rights reserved.

Your company has a large number of items. To better manage the needs of daily business, items are set up as master data records. Default data for purchasing, sales and inventory transactions are contained in item master records.

## Item Master



© 2013 SAP AG. All rights reserved.

- SAP Business One enables you to manage all the items that you purchase, manufacture, sell, or keep in stock.
- The way we define what these items are and how they are handled is through the item master data record.
- An item master data record is created for each product and identified with a unique code. You would create an item master for a product at the level of a universal product code or a catalog number.
- Item master data is at the heart of almost every process in SAP Business One. It controls how the item acts in the sales, purchasing, production, MRP, inventory, and service modules.
- An item master data record stores essential information such as if the item is purchased or sold, the price of the item, the inventory level, and how purchasing of the item is forecast and planned.
- This data is used automatically by the system in the processes for purchasing, sales, production, managing your warehouse, and accounting.

## Item Master



- Items used in an accounting or inventory transaction cannot be deleted
- Items can be marked inactive.

© 2013 SAP AG. All rights reserved.

- One important rule applies to item master data. If a master data record is used in a marketing document or in an accounting or inventory transaction (such as an A/P invoice, A/R Invoice, Journal Entry and so on), it cannot be deleted.
- But what about obsolete items? Perhaps you no longer wish to sell a particular model of monitor, but since it has been stocked and sold in the past you cannot delete it.
- What can you do?
- Instead you can mark the item as inactive so it can no longer be added to sales orders. The inactive checkbox can also be used for products that are not yet ready for sales and purchasing transactions.
- You can choose to exclude these inactive items from system reports. Later on, when you archive old data and these items no longer have transactions related to them in the database, it is possible to delete them completely.

## Structure of the Item Master Record

Item Master Data						
<u>General Area</u>				<i>Item Categories</i>		
<i>Item Number</i>						
<i>Description</i>						
<i>Description in Foreign Language</i>						
<i>Item Type</i>						
<i>Item Group</i>						
<i>Unit of Measure Group</i>						
<i>Price List....</i>						
<u>General</u>		<u>Purchasing</u>	<u>Sales</u>	<u>Inventory</u>	<u>Planning</u>	<u>Properties</u>
Manufacturer		Purchasing Units of Measurement	Sales Unit of Measurement	Valuation Method	Planning Method	Up to 64 different Items Properties
Shipping Type		Customs Group	Packaging Unit	Warehouses	Procurement Method	
Serial and Batch Numbers			Dimensions	Stock Quantities	Order Information	
Valid / Inactive /Advance with Dates		Tax Information		Item Cost	Lead Time	
...		Dimensions		...	...	

© 2013 SAP AG. All rights reserved.

- Like other types of master data, such as the business partner, there are two main sections in an item master record: the header and the tabs.
- The header contains general information about the item. A unique ID number must be assigned as the code.
- The tabs contain more detailed information for processing the item.

## Item Categories

Inventory Item you make and sell:

- Inventory Item
- Sales Item
- Purchased Item



Service for sale:

- Inventory Item
- Sales Item
- Purchased Item

Expenditures:

- Inventory Item
- Sales Item
- Purchased Item



© 2013 SAP AG. All rights reserved.

- The header is also where you can assign item categories. The item categories control whether that item can be purchased, sold, or stored in inventory. An item can belong to multiple categories.
- Designating the item as an inventory item means that the item can be used in inventory transactions.
- Similarly marking an item for purchasing or sales means that the item can be bought or sold on marketing documents.
- If you mark an item as inventory only, you cannot buy or sell that item.
- Perhaps you have an item that you never purchase, instead you manufacture the item in-house and then sell it. This item would be marked for inventory and sales.
- A second example would be a service that you sell. In this case, the item would be marked only for sales, and not for purchasing or inventory.
- A third example could be expenditures, like office supplies, that you purchase for use in your business. You might choose not receive these into inventory because they are used directly after purchase. This item then would be a purchased item but not an inventory item.

## Purchasing and Sales tabs

The screenshot shows the SAP Item Master Data interface. At the top, there's a toolbar with various icons and a dropdown menu. Below it, the main area has several tabs: General, Purchasing Data, Sales Data, Inventory Data, Planning Data, Properties, Remarks, and Attachments. The Purchasing Data tab is currently selected. In the General tab, there are fields for Item No. (R00001), Description (Printer Paper A4 White), Foreign Name, Item Type (Items), Item Group (Items), UoM Group (Paper), Price List (Base Price), and Unit Price (2002856881310). There are also checkboxes for Inventory Item, Sales Item, and Purchase Item. The Purchasing Data tab contains fields for Preferred Vendor (V30000), Mfr Catalog No., Purchasing UoM Code (pallet), Purchasing UoM Name (pallet), Items per Purchase Unit (48), Package Type (pallet), and Quantity per Package (1). It also includes dimensions (Length: 84cm, Width: 60cm, Height: 24cm, Volume: 120,360 cc, Weight: 120kg) and tax details (Customs Group: Customs Exempt, Tax Type: Regular Tax). The Sales Data tab is visible at the bottom.

**Necessary information for marketing documents:**

- **Units of Measure**
- **Dimensions**
- **Packaging**
- **Tax**
- **Links to Analysis**
- **Purchasing tab additionally contains:**
  - **Preferred vendors**
  - **Manufacturer catalog numbers**

© 2013 SAP AG. All rights reserved.

- The purchasing data and sales data tabs contain the information necessary for using that item on marketing documents.
- The sales data tab contains information on the item's sales units of measure, sales item dimensions, packaging for sales, and tax details.
- Similarly, the purchasing data tab contains information on the item's purchasing unit of measure with its dimensions, packaging and tax details.
- Additionally, the purchasing data tab has information about specific vendors and manufacturer catalog numbers.
- When you create a marketing document, the relevant information for the item defaults into the document.
- Both tabs offer you a link to reporting via icons for Sales Analysis and Purchase Analysis for the item.

## Inventory Data tab and Stock Levels

#	WH Code	WH Name	In Stock	Committed	Ordered	Available
1	► 01	General Warehouse	688	38	100	750
2	► 02	East Coast	40	10	10	40
3	► 03	West Coast	40			40
4	► 04	Drop Ship				
			768	48	110	830



© 2013 SAP AG. All rights reserved.

- The inventory data tab shows us up-to-date information on stock levels and demand for the item for each warehouse. This information is updated dynamically so shows a true picture at any time.
  - A matrix displays:
    - The quantity currently in stock
    - The committed quantity, which is the quantity ordered by customers
    - The ordered quantity, which represents either quantity ordered for purchase by your company but not yet delivered or the quantity on production orders for an item produced in-house
    - And in the last column, it displays each the quantity available for sales orders. The available quantity is calculated by adding together the in stock and ordered quantities then subtracting any committed quantity.
- You can set a warehouse to be the default warehouse for transactions. If you do not set a default, the first one appearing in the matrix will be the default.
- Other fields on this tab page, such as the valuation method and inventory unit of measure are discussed more in later topics.

## Planning Data



**Item Master Data**

<b>Item Number</b>	<b>P1001</b>
<b>Description</b>	<b>Printer</b>
...	

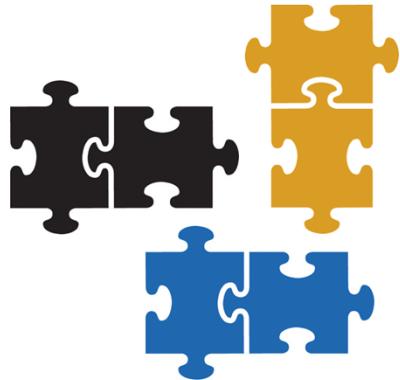
**Planning Data**

<b>Planning Method</b>	<b>MRP / None</b>
<b>Procurement Method</b>	<b>Make / Buy</b>
<b>Order Interval</b>	<b>Weekly / Monthly / ...</b>
<b>Order Multiple</b>	<b>12</b>
<b>Minimum Order Qty.</b>	<b>5</b>
<b>Lead Time</b>	<b>10 Days</b>

© 2013 SAP AG. All rights reserved.

- The planning tab contains information for planning your inventory requirements.
- On this tab, you can control whether the item is considered in material requirement planning.
- And if it is relevant for planning you can indicate whether this is an item that is purchased or built in-house and set a lead time for calculating how long it will take to restock the item. The other fields on this tab support the materials requirement planning process.

## Item Properties

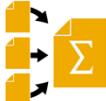


- Add more information about how item fits into company
- 64 properties available for:
  - Reporting
  - Marketing purposes
  - Pricing

© 2013 SAP AG. All rights reserved.

- Item properties give you a way to add more information about how this item fits into your company lines of business, sales territories and marketing goals.
- On this tab you can classify the item with up to 64 different properties which you can use for reporting, marketing purposes and even for determining pricing.
- For example, a particular laptop might be classified according to the type of user (professional, student), condition (new, refurbished), and other properties such as screen size, processor brand, price range, system memory, touchscreen or not, operating platform, and much more.

## Summary



Here are some key points:

- Item Master Data controls how an item acts in business processes. The data is used automatically in processes for purchasing, sales, production, warehouse management, service and accounting.
- A master data record used in transactions cannot be deleted, but it can be marked inactive.
- Item categories control whether an item can be purchased, sold or stored in inventory. An item can belong to multiple categories.
- The inventory data tab tracks the in-stock, committed, ordered, and available quantities for an inventory item.
- Available quantity = in-stock + ordered – committed.

© 2013 SAP AG. All rights reserved.

- Item master data controls how an item acts in the business processes. The data is used automatically by the system in the processes for purchasing, sales, production, warehouse management, service, and accounting.
- A master data record is used in transactions and cannot be deleted until those transactions are archived, but the item can be marked inactive.
- Item categories control whether an item can be purchased, sold, or stored in inventory. An item can belong to multiple categories. Designating the item as an inventory item means that the item can be used in inventory transactions. Similarly marking an item for purchasing or sales means that the item can be bought or sold on marketing documents. If you mark an item as inventory only, you cannot buy or sell that item.
- The inventory data tab tracks the in-stock, committed, ordered, and available quantities for an inventory item in each warehouse.
- The available quantity is equal to the total of the in-stock and ordered quantities minus any committed quantity.

## Thanks

---



You have completed the topic on item master data.

Thank you for your time!

© 2013 SAP AG. All rights reserved.

You have completed the topic on item master data. Thank you for your time.