LOGISTIC EXECUTION – PAGE 1

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Purpose
This sales scenario with detailed outbound logistic steps will cover all processes from order entry, freight cost simulation, delivery and transport, shipment planning and cost determination until billing of order and shipment with FI/CO interaction (transport scenario: direct run).

The determination and calculation of shipment costs is carried out using the pricing condition by transportation planning point, service agent, shipment cost item, and shipping type as well as geographical considerations (for example, country, postal code, tariff zone) for condition determination.

To be able to plan and execute shipments, it is important to have an overview of planned shipment activities as well as shipments already underway at all times. Therefore with the Graphical Information System (GIS) you gain an overview of a transportation network or itinerary.

The planning and processing of transportation is based on the shipment document.
In this scenario the transportation processes include the following functions:
• Transportation planning and shipment completion
• Shipment costs calculation
• Shipment costs settlement
• Service agent selection
• Management of shipment costs

The transportation scenario is only designed for procedures in outbound shipment processing. Therefore only shipments based on sales orders and outbound deliveries will get a shipment document.
With the transportation planning point the transportation planning and shipment completion is carried out. The transportation planning point is assigned to a company code for purpose of shipment costing and settlement.
The scenario allows a collective shipment of several deliveries to several destinations executed by one service agent in one mode of transport (Truck).

During the transportation planning step with the shipment due list, you check which outbound deliveries are due for shipment. Here you select particular outbound deliveries that should be delivered in one shipment.

Afterwards you can execute a shipment cost simulation for different service agents to determine the most favorable result. The geographical location of description is taken into consideration as well as price conditions and scales for the determination of the shipment costs.

Freight costs depend on certain influential sizes, which are illustrated with scales (weight and postal code, for example). The different scales-levels are assigned to different price values.

Doing the shipment execution you complete the formalities involved in getting a shipment ready for dispatching to the customer. While processing the shipment certain activities are carried out when a certain status is set for that shipment.For example the printed out of the transportation documents are done when the loading begin status is set in the shipment. Additionally the goods issue for the deliveries in the shipment is posted automatically when the shipment completion status is reached and saved.

Finally the settlement of shipment costs is executed. After the shipment costs are determined in the shipment, they are transmitted to accounting and they are settled with the service provider in this scenario monthly (settlement period). This scenario uses the automatic settlement with the self-billing procedure and not the manual settlement with billing by the transportation service agent. Therefore first a purchase order is created monthly automatically by the system for the service agent. When completed every shipment results in a service entry sheet that refers to this PO. With the self-billing procedure (Evaluated Receipt Settlement procedure -ERS) you settle the shipment costs monthly with the service agent without having to receive an invoice.

As the Initial requirement from the Bagla Group Of industries need to generate the transport vendor bill by the system with the Z report.