

SAP MM

Materials Management

Beginner's Step-by-Step Guide

Purchase Requisition · RFQ · Purchase Order

Practical Hands-On Instructions for New SAP Users

■ Procurement

■ MM Module

■ Free Guide

■ Beginners

This guide walks you through the three core procurement documents in **SAP Materials Management (MM)**: the **Purchase Requisition (PR)**, the **Request for Quotation (RFQ)**, and the **Purchase Order (PO)**. Each chapter provides transaction codes, field-by-field instructions, and practical tips so you can confidently navigate SAP from day one.

What You Will Learn

- ✓ Navigate SAP GUI & use transaction codes
- ✓ Create and manage Purchase Requisitions (ME51N)
- ✓ Issue and maintain RFQs / Quotations (ME41 / ME47)
- ✓ Create Purchase Orders manually & from PR (ME21N)
- ✓ Understand document flow and approval concepts

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CHAPTER 01

SAP MM Overview & Prerequisites

Understanding the landscape before you start

1.1 What is SAP MM?

SAP Materials Management (MM) is a core module within the SAP ERP system that handles all procurement and inventory management processes. It covers the entire Procure-to-Pay (P2P) cycle — from identifying a material need to paying the supplier invoice.

MM Sub-Module	Purpose
Purchasing	Manage vendors, PRs, RFQs, POs, contracts
Inventory Management	Goods receipts, transfers, stock overview
Invoice Verification	Match invoices to POs (MIRO)
Material Master	Central repository of material data
Vendor Master	Central repository of vendor/supplier data

1.2 The Procurement Cycle at a Glance

1	Need Identified A department needs goods or services.
2	Purchase Requisition (PR) Internal document requesting procurement. T-code: ME51N
3	Request for Quotation (RFQ) Sent to vendors for pricing. T-code: ME41
4	Quotation Comparison Compare vendor quotes. T-code: ME49
5	Purchase Order (PO) Legal binding order issued to vendor. T-code: ME21N
6	Goods Receipt (GR) Material received and posted. T-code: MIGO
7	Invoice Verification Vendor invoice matched to PO. T-code: MIRO
8	Payment Finance department releases payment.

1.3 Navigating SAP GUI

SAP GUI (Graphical User Interface) is the desktop client used to access SAP. When you log in, you see the **SAP Easy Access Menu**. The fastest way to reach any screen is by typing the **transaction code (T-code)** directly in

the **Command Field** (top-left box) and pressing **Enter**.

■ **TIP:** Always press F1 on any field to see its help documentation inside SAP.

Action	Keyboard Shortcut / Step
Open a T-code	Type code in Command Field → Enter
Go back one screen	F3 or the green back arrow
Save a document	Ctrl + S or click the floppy-disk icon
Display menu path	SAP Menu → Logistics → Materials Management → Purchasing
Search for a value	F4 in any field opens a value-help (search) pop-up
Create a new session	System → Create Session (or Ctrl+N)

1.4 Key Master Data You Need

Before creating procurement documents, the following master data must already exist in your SAP system (set up by your Basis/MM consultant or administrator):

Master Data	T-code to View	What It Contains
Material Master	MM03	Material number, description, unit, valuation class
Vendor Master	XK03	Vendor number, address, bank details, payment terms
Purchasing Info Record	ME13	Agreed price & conditions between vendor & material
Plant / Storage Location	—	Organizational unit where materials are managed

CHAPTER 02

Purchase Requisition (PR)

Transaction Codes: ME51N (Create) | ME52N (Change) | ME53N (Display)

2.1 What is a Purchase Requisition?

A **Purchase Requisition (PR)** is an internal document used by a department to formally request that the purchasing department procure goods or services. It is NOT sent to the vendor — it is purely an internal request. Once approved, the purchasing team converts it into an RFQ or Purchase Order.

■ **TIP:** A PR can be created manually (ME51N) or automatically by MRP (Materials Requirements Planning) when stock falls below reorder point.

2.2 Creating a Purchase Requisition — ME51N

Follow these steps to create a PR from scratch:

- 1 Log in & Open ME51N**
Type **ME51N** in the SAP command field and press Enter. The 'Create Purchase Requisition' screen opens.
- 2 Set the Document Type**
The default document type is **NB** (Standard PR). Leave it as-is for a regular material purchase. Change to **FO** for framework orders if needed.
- 3 Enter the Header Note (Optional)**
Click the 'Header' tab to add a free-text note describing the overall request. This is visible to the approver.
- 4 Fill in Line Item – Material Number**
In the 'Item Overview' area, enter the **Material** number. If you don't know it, press **F4** to search by description or material group.
- 5 Enter Quantity & Unit of Measure**
Enter the required **Quantity** (e.g., 100) and confirm the **Unit** (e.g., EA = Each, KG = Kilogram, PC = Pieces).
- 6 Enter Delivery Date**
Enter the **Delivery Date** — the date by which you need the material delivered. Format: DD.MM.YYYY. Do not enter a past date.
- 7 Enter Plant & Storage Location**
Enter the **Plant** (e.g., 1000) where the material will be delivered. Optionally enter the **Storage Location** (e.g., 0001).
- 8 Enter Purchase Group**
The **Purchasing Group** (Purch. Group) identifies the buyer responsible. Enter the correct code for your department (e.g., Z01).

9 Add Account Assignment (Optional)

If the purchase is for a cost center, press the **Account Assignment** tab. Enter Category (e.g., K = Cost Center), Cost Center, and GL Account.

10 Check and Save

Click the **Check** button (or press Ctrl+F2) to validate entries. If no errors, click **Save** (Ctrl+S). SAP displays the PR number (e.g., 10001234).

2.3 Key Fields Explained

Field	Description	Example
Material	SAP material number	100-100
Short Text	Description if no material number	Office Chair
Quantity	How many units are needed	50
Unit	Unit of measure	EA (Each)
Delivery Date	Requested delivery date	30.06.2025
Plant	Receiving plant / location	1000
Purch. Group	Purchasing team/buyer code	Z01
Item Category	Blank=Stock, K=Cost Center, D=Service	(blank)
Acct. Asst. Cat.	Cost assignment (if non-stock)	K = Cost Center

2.4 Changing and Displaying a PR

Action	T-code	Notes
Change a PR	ME52N	Enter PR number; only open/pending PRs can be changed
Display a PR	ME53N	View-only; no changes possible
List PRs	ME5A	Search PRs by various criteria
Release (Approve) a PR	ME54N	If approval workflow is activated

■ **TIP:** After saving, note the PR number displayed at the bottom of the screen. You will need it to convert the PR into an RFQ or PO.

Request for Quotation (RFQ)

T-codes: ME41 (Create) | ME47 (Enter Quotation) | ME49 (Compare Prices)

3.1 What is an RFQ?

A **Request for Quotation (RFQ)** is a document sent to one or more vendors inviting them to submit their prices for specified goods or services. In SAP, after vendors respond, you enter their quotations into the system and use the **Price Comparison** (ME49) to select the best offer.

■ **TIP:** You can create an RFQ directly (ME41) or by referencing an existing PR. Referencing a PR automatically copies item details.

3.2 Creating an RFQ — ME41

1	<p>Open ME41</p> <p>Type ME41 in the command field and press Enter. The 'Create RFQ' initial screen appears.</p>
2	<p>Select RFQ Type</p> <p>The default is AN (Standard RFQ). Accept the default or select from the dropdown. Enter the Quotation Deadline — the date by which vendors must respond.</p>
3	<p>Enter Purchasing Organization & Group</p> <p>Enter your Purchasing Organization (e.g., 1000) and Purchasing Group (e.g., Z01). These control which buyers manage this RFQ.</p>
4	<p>Reference a PR (Recommended)</p> <p>In the 'Source of Supply' section, check 'Reference to PR'. Enter the PR number. SAP will copy item details (material, quantity, delivery date) automatically.</p>
5	<p>Enter Vendor</p> <p>Go to the Vendor Address tab or 'Org. Data' tab and enter the Vendor number (e.g., 100001). One RFQ is created per vendor — repeat for each vendor you wish to invite.</p>
6	<p>Review/Add Line Items</p> <p>Verify the line items populated from the PR (or enter manually): Material, Qty, Delivery Date, Plant. Add any additional text in the item text tab.</p>
7	<p>Save the RFQ</p> <p>Press Ctrl+S. SAP generates an RFQ number (e.g., 6000012345). Repeat the process for each vendor you want to invite.</p>
8	<p>Print & Send to Vendor</p> <p>Go to Messages → select output type (e.g., print, email). The system generates a formal RFQ document to send to the vendor.</p>

3.3 Entering Vendor Quotations — ME47

Once vendors reply with their prices, you record their quotations in SAP using ME47.

1	Open ME47 Type ME47 in the command field and press Enter.
2	Enter the RFQ Number Type the RFQ number you received earlier (e.g., 6000012345) and press Enter.
3	Enter Net Price In the 'Conditions' section of each line item, enter the Net Price quoted by the vendor per unit (e.g., ■1,250.00 per EA).
4	Enter Delivery Date Confirm or update the vendor's proposed Delivery Date .
5	Enter Conditions (Optional) If there are discounts, surcharges, or freight costs, enter them in the Conditions tab using the relevant condition types (e.g., RA01 for discount).
6	Mark as Complete Check the No Further Quotation checkbox if the vendor has declined to quote.
7	Save Press Ctrl+S to save the quotation. Repeat for all vendors' RFQs.

3.4 Comparing Quotations — ME49

After entering all vendor quotations, use ME49 to compare them side by side.

1	Open ME49 Type ME49 in the command field and press Enter.
2	Enter Selection Criteria Enter the collective RFQ number or individual RFQ numbers. Select the Purchasing Organization . Click Execute (F8).
3	Review the Comparison Report SAP displays all vendors' prices side-by-side. The cheapest price is highlighted in green (mean value comparison).
4	Set the Award Select the winning vendor's item and click Select . Reject other vendors by marking their items as rejected (this sends rejection notifications).
5	Convert to PO From the selected quotation, go to Follow-on Functions → Purchase Order to convert directly into a PO (or do it manually via ME21N).

RFQ T-code	Purpose
ME41	Create a new RFQ
ME42	Change an existing RFQ
ME43	Display an RFQ
ME44	Maintain RFQ (supplement)

ME47	Enter vendor quotation/price
ME48	Display quotation
ME49	Price comparison of quotations

CHAPTER 04

Purchase Order (PO)

T-codes: ME21N (Create) | ME22N (Change) | ME23N (Display)

4.1 What is a Purchase Order?

A **Purchase Order (PO)** is a legally binding document issued to a vendor authorising the purchase of goods or services at agreed terms. It is the most important procurement document in SAP MM. A PO can be created manually, from a PR, from an RFQ/Quotation, or from a contract.

■ **TIP:** A PO has two main sections: the **Header** (vendor, payment terms, delivery terms) and **Line Items** (materials, quantities, prices, delivery dates).

4.2 Creating a Purchase Order Manually — ME21N

1	Open ME21N Type ME21N in the command field and press Enter. The 'Create Purchase Order' screen opens.
2	Select Order Type The default is NB (Standard Purchase Order). Other types: FO (Framework Order), UB (Stock Transfer Order).
3	Enter Vendor In the Vendor field, enter the vendor number (e.g., 100001). Press Enter — the vendor name and default data populate automatically.
4	Set Purchasing Organization & Group Confirm the Purchasing Org. (e.g., 1000) and Purchasing Group (e.g., Z01). These should default from your user settings.
5	Set PO Date The PO Date defaults to today. Change only if back-dating is allowed.
6	Review Header Data Click the Header tab to review/set: Payment Terms (e.g., NT30 = Net 30 days), Incoterms (e.g., EXW, CIF), Currency (e.g., INR, USD).
7	Enter Line Item – Material In the item overview, enter the Material number (or short text for service/unknown material). Press Tab to move to the next field.
8	Enter PO Quantity Enter the PO Quantity (e.g., 50 EA). Confirm the unit of measure.
9	Enter Net Price Enter the agreed Net Price per unit. If a Purchasing Info Record exists, the price may populate automatically.
10	Enter Delivery Date Enter the Delivery Date requested (Date by which goods should arrive).

11	<p>Enter Plant & Storage Location Enter the receiving Plant and optionally Storage Location. These tell SAP where to post the goods receipt.</p>
12	<p>Account Assignment (if applicable) If this is a direct consumption item (not into stock), select Account Assignment Category (e.g., K for Cost Center) and fill in the Cost Center and GL Account.</p>
13	<p>Check the PO Press the Check button or Ctrl+F2. Review and fix any warning/error messages shown in the message area at the bottom.</p>
14	<p>Save the PO Press Ctrl+S. SAP generates a PO number (e.g., 4500012345). This number is printed on the order sent to the vendor.</p>

4.3 Creating a PO from a Purchase Requisition

The most efficient method — copies all data from the approved PR into the PO.

1	<p>Open ME21N Type ME21N and press Enter. On the initial screen, click Document Overview On (left panel icon).</p>
2	<p>Open Selection Variant In the left panel, click the folder icon and select Purchase Requisitions. Enter the PR number or selection criteria and press Execute.</p>
3	<p>Adopt the PR Select the PR line item(s) and click Adopt (or drag to the PO work area). All item details copy across automatically.</p>
4	<p>Assign Vendor Enter the Vendor number in the header. This is the only new data required.</p>
5	<p>Verify and Save Review the PO details, then press Ctrl+S to save. The system links the PO back to the original PR for traceability.</p>

4.4 PO Header Tabs Explained

Tab	Key Fields
Org. Data	Purchasing Org., Purchasing Group, Company Code
Delivery/Invoice	Delivery Date, Incoterms, Invoice Address
Conditions	Pricing conditions, discounts, freight charges
Texts	Header text visible on the printed PO
Address	Vendor address for correspondence
Communication	Output messages (print, email, EDI)
Partners	Ordering address, goods supplier, invoicing party

4.5 PO Item Tabs Explained

Tab	Key Fields
Material Data	Material number, description, material group
Quantities/Dates	PO quantity, delivery date, still to deliver qty
Conditions	Net price, discounts, effective price per unit
Account Assignment	Cost center, WBS element, GL account
Delivery	Reminder days, acknowledgement required
Invoice	Tax code, GR-based invoice verification flag
Texts	Item text visible on printed PO line

■ **TIP:** Always enable **GR-Based Invoice Verification** in the Invoice tab. This ensures the vendor's invoice can only be processed after a Goods Receipt is posted.

■ **NOTE:** Use ME2M (POs by Material) or ME2L (POs by Vendor) to list and monitor open POs.

CHAPTER 05

Document Flow & Approvals

Linking PR → RFQ → PO and understanding release strategies

5.1 End-to-End Document Flow

In SAP MM, all procurement documents are linked together in a transparent **document flow**. You can always trace back from a PO to its originating PR, or forward from a PR to its resulting GR.

Step	Document	T-code	Status After
1	Purchase Requisition	ME51N	Open / Released
2	Request for Quotation	ME41	Sent to Vendor
3	Quotation (Vendor Response)	ME47	Entered in SAP
4	Price Comparison	ME49	Best Vendor Selected
5	Purchase Order	ME21N	Ordered
6	Goods Receipt	MIGO	Delivered (stock updated)
7	Invoice Verification	MIRO	Invoice Parked/Posted
8	Payment	F110 (Finance)	Paid

5.2 Viewing Document Flow

From within any document (PR, PO, GR), you can view the full document chain:

1 Open the Document

Open the PO (ME23N), PR (ME53N), or GR (MIGO Display) you want to trace.

2 Click Document Flow

In the menu bar go to **Environment** → **Document Flow** (or press Shift+F5). A tree view shows all linked documents (PR → PO → GR → Invoice).

3 Navigate Between Documents

Double-click any document in the tree to jump directly to it. This is the fastest way to investigate procurement history.

5.3 Release (Approval) Strategy

Most companies configure an **approval workflow** for PRs and POs above a certain value. Until a document is fully released, it cannot be converted or sent to vendors.

Document	Release T-code	Description
PR Individual Release	ME54N	Release a single PR
PR Collective Release	ME55	Release multiple PRs at once

PO Release	ME28	Release a PO (if configured)
Check Release Status	ME53N	View 'Release Strategy' tab

■ **NOTE:** If your PR or PO is stuck, check the Release tab in display mode (ME53N / ME23N) to see which approver needs to act.

CHAPTER 06

Quick Reference

T-codes, Field Glossary & Troubleshooting Tips

6.1 Essential T-codes Cheat Sheet

T-code	Description	Area
ME51N	Create Purchase Requisition	PR
ME52N	Change Purchase Requisition	PR
ME53N	Display Purchase Requisition	PR
ME54N	Release (Approve) PR	PR
ME55	Collective Release of PRs	PR
ME5A	List/Search Purchase Requisitions	PR
ME41	Create Request for Quotation	RFQ
ME42	Change RFQ	RFQ
ME43	Display RFQ	RFQ
ME47	Maintain Quotation (Enter Vendor Price)	RFQ
ME48	Display Quotation	RFQ
ME49	Price Comparison	RFQ
ME21N	Create Purchase Order	PO
ME22N	Change Purchase Order	PO
ME23N	Display Purchase Order	PO
ME28	Release Purchase Order	PO
ME2M	POs by Material	PO
ME2L	POs by Vendor	PO
MIGO	Goods Receipt / Goods Issue	GR/GI
MIRO	Enter Vendor Invoice (Invoice Verification)	Invoice
MM03	Display Material Master	Master Data
XK03	Display Vendor Master	Master Data
ME13	Display Purchasing Info Record	Master Data

6.2 Common Field Glossary

Term	Meaning
Plant	An organisational unit where production/storage occurs (e.g., 1000 = Mumbai)
Purchasing Org.	Organisational unit responsible for procurement (e.g., 1000)
Purchasing Group	Buyer or group of buyers (e.g., Z01 = Mechanical Buyers)
Material Group	Category of material (e.g., 001 = Raw Materials, 002 = Packaging)
Account Assignment	Indicates direct consumption: K=Cost Center, P=Project, A=Asset
Item Category	Blank=Stock, K=Consignment, L=Subcontracting, D=Service, B=Limit
Net Price	Price excluding tax per unit of measure
Incoterms	Delivery terms (e.g., EXW=Ex Works, CIF=Cost+Insurance+Freight)
GR-Based IV	Goods Receipt Based Invoice Verification — prevents invoice without GR
Release Strategy	Approval workflow based on value or material group thresholds
Info Record	Master record storing vendor–material pricing agreements

6.3 Troubleshooting Common Errors

Error Message	Likely Cause	Fix
No source of supply found	No info record or contract for the material/vendor	Create a Purchasing Info Record (ME11) or maintain a source list
Document blocked for release	PR/PO is pending approval	Ask the approver to release using ME54N or ME28
Vendor not defined	Vendor number not maintained or wrong company code	Check vendor in XK03 or extend to your company code (XK01)
Material not found	Wrong material number or not extended to this plant	Extend material master to the plant using MM01/MM50
Net price missing	No price entered and no info record	Manually enter the net price on the item condition tab
Delivery date in past	Entered date is earlier than today	Change the delivery date to a future date

6.4 Best Practices for Beginners

1. Always search for material and vendor numbers using F4 — never guess the codes.
2. Save your work frequently (Ctrl+S) to avoid losing data in case of timeout.
3. Use ME5A to review all open PRs before creating new ones — avoid duplicates.
4. Check the document flow (Shift+F5) whenever you need context on a transaction.
5. If a PO output is not sent, go to Messages (Print Preview) and check for output errors.
6. Keep a note of all document numbers (PR#, RFQ#, PO#) for easy tracking.
7. For large value purchases, confirm your company's release strategy thresholds before raising a PR.
8. Never change or delete a document without understanding its downstream impact.

Disclaimer: This guide is for educational purposes. Actual SAP screens may vary by version (ECC 6.0 / S/4HANA) and company configuration. Always follow your organisation's SAP procedures and consult your MM consultant for system-specific guidance.