SAP SD- Sales and Distribution Module Introduction

SAP ERP (Enterprise Resource Planning) system consists of a number of modules. Each of the modules covers a certain business area of a company that uses SAP. These modules include Finance Accounting, Controlling, Production Planning, Materials Management, Business Intelligence, Human Resources, etc.

SAP SD (Sales and Distribution) is one of the worth noting modules of SAP ERP. It encloses all the information regarding customer and services. In an organization, it deals with shipping, selling and transportation of goods and services.

SAP SD is specially designed to facilitate the following business processes in an enterprise:

- Customer Master and Material Master data
- Sales Orders
- Deliveries
- Pricing
- Billing
- Credit Management

SAP ERP Sales and Distribution is a component of the logistics module and it assists the customers in issues related to the quotations, sales order and billing. It is in collaboration with the MM and PP modules. It enables organizations to update their sales price, and observe open orders and other forecast.

SAP SD Modules

Sales & Distribution (SD) is one of the prominent modules of SAP R/3 services. This module comprises of several constituents called sub-modules. These include:

**SAP-SD-MD (Master Data):** SAP SD user has a master data that tracks each and every transaction within the data. The SD master data comprises of both customer and material data, record of price conditions, and credit management. This module includes processes of order and cash.

**SAP-SD-BF (Basic Functions):** SAP SD configuration results in an effective process across all basic functions involved in sales and distribution area. Here, examples of the basic functions can be pricing, output, etc. The amount of pricing used for a particular sale and the output result from the same and so on.

**SAP-SD-SLS (Sales):** As the term suggests, SAP SD sales handle the minute details of every sale that is taking place. From recording the product to customer details, pricing, feedback and the sales process, everything is tracked through this module.

**SAP-SD-SHP (Shipping):** Sales are closely related to shipping and delivery. A Product needs to be rightly shipped and delivered to the customer. There are different methods of shipping and this module tracks each product used for each delivery. The entire process from being shipped to delivered or return back is recorded through this module.

**SAP-SD-TBA (Transportation):** This component works hand in hand with the shipping. The mode of transportation for each product differs and this module keeps track of all the transportation data.

**SAP-SD-FTT (Foreign Trade):** This component helps a department to handle the data related to foreign trade including both imported and exported products. This module works best for enterprises involved with trade across nations.

**SAP-SD-BIL (Billing):** Billing is the key part in any transaction. Consumers prevail the choice of either paying through online media or else through cash on delivery. This particular module keeps track of all the billing data in an appropriate manner.

**SAP-SD-CAS (Sales Support):** From selling a product to maintaining it for a process, customers constantly interact with the sales team. The data exchanged between the sales team and customers while delivering support for a product is recorded and reported through this module.

These are some of the multiple components involved in SAP SD user for effective process work within sales and distribution area.

Below are some of the key areas covered by the above modules:

- Pre-sales actions, comprising of Inquiry and Quotation creation.
- Sales Order processing, viz. Sales Order (SO) creation.
- Shipping, including Outbound Delivery document creation.
- Billing, which takes into count both Billing document and invoice creation.

The characteristics of SD include:

- Implements business processes used in selling, and billing of goods and services.
- Integrates data flow to the remaining modules of SAP.
- Multilingual/Multicurrency: Several languages can be used. Conversion between currencies is automatic and connecting to SAP’s real-time currency rate database in Germany enables operational use.
- Adaptable functionality. R/3 customizes the product through the IMG function.
- Pricing Flexibility. In SD, you can create complete pricing schemes that are dependent on customers, goods sold, special promotions, etc. Rebate processing options are also very sophisticated and comprehensive.
- Simple Order Entry. The user enters basic order details all on one window. From this window, there is simple access to all the levels of
the order, namely header, item, and schedule line information.

- **Comprehensive Reporting.** The Sales Information System (SIS) allows data to be stored, consolidated, and reported upon by the user in a variety of formats.
- **Effective Batch Processing of Orders, shipments, and other sales documents based on order types, customer, or material.**