GLOSSARY OF SAP ECC SD (SALES AND DISTRIBUTION)

A Quick Reference Guide to SAP Terminologies

Concept/Term	Definition
Sales Area	Combination of Sales Organization, Distribution Channel, and Division. Determines the sales process.
Sales Organization	Highest level in SD for sales reporting and control. Responsible for product sales.
Distribution Channel	Means through which products reach customers, e.g., wholesale or retail.
Division	Product line or range grouped for reporting and control.
Customer Master	Central record that stores all relevant information about a customer.
Material Master	Central data repository for all materials, used in multiple modules.
Sales Document	A document representing a sales process step, like inquiry or order.

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Concept/Term	Definition
Inquiry	A sales document type used to request information about products.
Quotation	A formal offer to a customer with pricing and terms, valid for a period.
Sales Order	A confirmed request from a customer for products/services under conditions.
Delivery	Outbound logistics document that initiates goods picking, packing, and shipping.
Billing Document	Document that represents the invoice to the customer for delivered goods/services.
Credit Memo	A billing document that credits a customer account due to returns or price adjustments.
Debit Memo	A billing document to debit the customer, usually due to underbilling.

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Concept/Term	Definition
Schedule Line	Specifies delivery dates and quantities in a sales order line item.
Item Category	Determines item behavior in sales documents (pricing, inventory, etc.).
Partner Function	Role a business partner plays in a transaction (e.g., sold-to, ship-to).
Pricing Procedure	A schema that controls how prices, discounts, and taxes are calculated.
Condition Type	A component of pricing, such as base price, discount, or freight.
Access Sequence	Strategy used to search for condition records in pricing.
Output Type	Controls how and what kind of output (invoice, order confirmation) is sent.

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Concept/Term	Definition
Text Type	Type of textual information added to sales documents or master data.
Availability Check	Process of checking material stock to fulfill a customer order.
Delivery Block	Restriction applied to stop further processing of delivery until cleared.
Billing Block	Restriction preventing billing until an issue is resolved.
Copy Control	Defines how data is copied from one document to another.
Document Flow	Displays linked documents across the sales process.
ATP (Available-to-Promise)	Quantity of stock that can be committed to customer orders.

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Concept/Term	Definition
Route	Path goods take from plant to customer, used in shipping.
Shipping Point	Physical location where deliveries are processed.
Transportation Planning Point	Organizational unit that plans and executes transportation activities.
Loading Group	Group of materials with similar loading characteristics.
Delivery Type	Configuration that controls delivery document behavior.
Picking	Activity of selecting and preparing goods for shipping.
Packing	Process of grouping items into shipping packages.

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SAP ECC Sales and Distribution Key Concepts

Concept/Term	Definition
PGI (Post Goods Issue)	Process that reduces inventory and posts delivery in SAP.
Rebate	A type of condition providing incentives based on volume or value.
Return Order	Document created to process returned goods from customers.
Credit Limit	The maximum allowed credit for a customer.
Risk Category	Classification of customers for credit risk management.
Credit Control Area	Organizational unit managing credit limits across company codes.
Sales Office	Represents a physical or logical location involved in sales.

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Concept/Term	Definition
Sales Group	A team or individual salesperson responsible for sales activities.
Sales Document Type	Defines behavior of a sales document (order, quote, return).
Customer Group	Classification of customers for pricing, discounts, or output.
Material Listing	Restricts what materials a customer can buy.
Material Exclusion	Blocks certain materials from being sold to a customer.
Condition Record	Data entry that holds pricing conditions for a condition type.
Intercompany Billing	Billing between two company codes within the same group.

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Concept/Term	Definition
Cross-Company Sales	Sales process where delivery and billing happen between different companies.
Pro Forma Invoice	An invoice issued for customs or internal purposes, not for actual billing.
Incoterms	Standard international trade terms defining shipping responsibilities.
Partial Delivery	Allows delivery of a portion of ordered goods.
Delivery Split	Occurs when a sales order results in multiple deliveries.
Sales Document Header	Contains data valid for the entire document (e.g., order date).
Sales Document Item	Contains data specific to each line item in the document.

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SAP ECC Sales and Distribution Key Concepts

Concept/Term	Definition
Rejection Reason	A predefined code used to document why an order or line item was rejected.
Incompletion Log	Tool that identifies missing mandatory data in sales documents.
Forward Scheduling	Calculates delivery dates by starting from the order date and adding lead times.
Backward Scheduling	Determines delivery date by working backward from the requested delivery date.
Free Goods	Promotional item delivered free of charge with an order under certain conditions.
Contract	A long-term sales agreement defining terms for future orders.
Scheduling Agreement	A type of contract with specific delivery schedules for ordered items.

Concept/Term	Definition
Factoring	Outsourcing of receivables management to a third party (factoring company).
SD-FI Integration	The link between Sales & Distribution and Financial Accounting for automatic postings.
Taxes (MWST, UTXJ)	Condition types used for tax calculations in pricing procedures.
Order Reason	Code used to track why a customer placed a particular order.
Rebate Agreement	Master data setup to manage rebates and track accruals over time.
Customer Hierarchy	Structure that groups customers for pricing or reporting purposes.
Dynamic Credit Check	Real-time check of open orders, deliveries, and invoices to manage credit exposure.

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