



# **GLOSSARY OF SAP ECC MM (MATERIALS MANAGEMENT)**

**A Quick Reference Guide to  
SAP Terminologies**

Concept/Term	Definition
SAP ECC MM (Materials Management)	A module in SAP ECC that manages procurement, inventory, and material valuation processes in the supply chain.
Purchase Order (PO)	A document created in SAP MM to request the purchase of materials or services from an external vendor.
Goods Receipt (GR)	The process of receiving goods into inventory in SAP MM, validating the delivery, and updating stock quantities.
Inventory Management (IM)	A part of SAP MM that tracks and manages stock levels, movements, and storage locations for materials in real-time.
Material Master	A central repository of information in SAP MM containing data related to materials such as description, unit of measure, and procurement type.

Concept/Term	Definition
Vendor Master	A record in SAP MM that contains all relevant information about a vendor, including name, payment terms, and contact details.
Purchase Requisition (PR)	An internal document in SAP MM requesting the purchase of goods or services, which can be converted into a purchase order.
Material Type	A classification in SAP MM that determines how a material is procured, valued, and managed (e.g., raw materials, finished goods).
Procurement Process	The sequence of activities in SAP MM that includes the creation of purchase requisitions, purchase orders, goods receipt, and invoice verification.
Stock Transfer	The movement of materials between different storage locations or plants, tracked and recorded in SAP MM.

Concept/Term	Definition
Goods Issue (GI)	The process of issuing goods from inventory, typically in SAP MM for production, sales, or other purposes, reducing stock levels.
Invoice Verification (IV)	The process of comparing invoices with purchase orders and goods receipts to ensure accuracy before payment in SAP MM.
Material Valuation	The method of determining the value of materials in SAP MM based on factors like procurement costs, standard cost, or moving average.
Consignment Stock	Stock owned by a vendor but stored at the buyer's location until consumed, managed in SAP MM for inventory control and accounting.
Subcontracting	A procurement process in SAP MM where materials are provided to a vendor for further processing or assembly before being returned.

Concept/Term	Definition
Batch Management	A functionality in SAP MM that tracks materials by batch numbers for quality control, traceability, and regulatory purposes.
Stock Overview	A report in SAP MM that provides a comprehensive view of stock levels, movements, and valuation across different storage locations.
Purchase Info Record	A record in SAP MM that stores data about the relationship between a vendor and a material, including pricing, lead times, and conditions.
Sourcing	The process of identifying and selecting suppliers for materials, managed through SAP MM's vendor selection and procurement functionalities.
Vendor Evaluation	A process in SAP MM for assessing vendor performance based on criteria like price, quality, and delivery reliability.

Concept/Term	Definition
Release Strategy	A mechanism in SAP MM that defines the approval process for purchase orders and requisitions based on various conditions such as value and material type.
Material Requirement Planning (MRP)	A process in SAP MM that ensures material availability for production and sales by calculating the need for materials based on demand and supply.
Forecasting	The process of predicting future material requirements based on historical data and trends, supported by SAP MM to ensure proper inventory levels.
Replenishment	The process of ordering or restocking materials to maintain inventory levels within predefined thresholds, facilitated in SAP MM through MRP or manual orders.
MRP Run	A process in SAP MM that generates material procurement proposals based on stock levels, production plans, and sales forecasts.

Concept/Term	Definition
Stock Transport Order (STO)	A document used in SAP MM for transferring materials between different plants, managing inter-plant stock movements.
Purchase Order History	A record in SAP MM that tracks the status and details of all goods and services received through purchase orders, including quantities and prices.
Quotation Management	A functionality in SAP MM for requesting, evaluating, and managing vendor quotations during the procurement process.
Material Ledger	A tool in SAP MM used to track the value of materials in inventory, integrating cost accounting and inventory management for accurate material costing.
Product Lifecycle Management	The process of managing the lifecycle of materials, including procurement, usage, and disposal, supported by SAP MM for optimal resource planning.



Concept/Term	Definition
Goods Movement	The process of moving goods between storage locations, including goods receipt, goods issue, and stock transfers in SAP MM.
Purchase Order Confirmation	A vendor's acknowledgment of the terms, quantities, and prices in the purchase order, recorded in SAP MM to confirm that the order has been accepted.
Supplier Relationship Management (SRM)	A strategic approach to managing supplier relationships, including procurement processes, within SAP MM to enhance collaboration and improve efficiency.
Material Master Record	The central data record for materials in SAP MM, containing essential details like material number, description, unit of measure, and procurement type.
Material Group	A classification of materials in SAP MM for grouping similar items together for easier management and reporting purposes.



Concept/Term	Definition
Stocktaking	The process of physically counting inventory to reconcile discrepancies in stock quantities in SAP MM, ensuring accurate records.
Internal Purchase Order	A purchase order created for internal procurement needs, such as goods for internal use, managed in SAP MM for internal stock transfers.
Open Purchase Orders	A list of purchase orders that have not yet been fully processed or closed, often tracked in SAP MM for procurement management.
Vendor Master Data	A record in SAP MM containing key information about a supplier, including payment terms, delivery conditions, and contact details.
Stock Types	Different categories of stock in SAP MM, such as unrestricted, quality inspection, blocked, or consignment, to manage stock movements and statuses.

Concept/Term	Definition
Quality Inspection	The process in SAP MM to ensure that materials meet quality standards before they are accepted into inventory or used in production.
Service Entry Sheet	A document in SAP MM that records services provided by a vendor, used for invoicing and goods receipt of services.
Contract Management	The management of long-term agreements between the buyer and vendor in SAP MM for procurement over a specified period or quantity.
MRP Controller	The individual or role responsible for monitoring and managing the Material Requirements Planning (MRP) process within SAP MM to ensure timely procurement.
Stock Transfer Posting	A transaction in SAP MM to record the movement of materials between stock locations or organizational units.

Concept/Term	Definition
Material Master Views	Different sections in the material master record in SAP MM, such as purchasing, inventory, and accounting views, for managing data in multiple business processes.
Goods Receipt Processing	The SAP MM process that updates the inventory when goods are received, ensuring the quantity and quality match the purchase order.
Transfer Posting	The process of transferring materials between storage locations or plants within the organization, managed through SAP MM.
Material Requirement	The demand for materials based on production needs or sales orders, calculated through MRP and managed in SAP MM.
Delivery Scheduling	The process of determining and managing delivery dates for goods, ensuring timely receipt and processing in SAP MM.