GLOSSARY OF SAP ORDER TO SHIPMENT

A Quick Reference Guide to SAP Terminologies

SAP Order to Shipment
Key Concepts

Concept/Term	Definition
SAP Order to Shipment	A comprehensive process in SAP that covers all activities from order creation to delivery, including inventory management, picking, packing, and shipment.
Sales Order	A document created in SAP to record a customer's order for goods or services, containing details like item, quantity, and delivery date.
Order Processing	The steps involved in managing and processing sales orders, from creation to shipping, including inventory checks, pricing, and approvals.
Availability Check	A process in SAP that verifies whether the requested products are available in inventory and can be delivered by the requested date.
ATP (Available to Promise)	A calculation in SAP that determines the earliest possible delivery date for customer orders based on available inventory and production plans.

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Concept/Term	Definition
Delivery Document	A document created in SAP to track the shipment of goods from the warehouse to the customer, containing details about items, quantities, and addresses.
Picking	The process of selecting goods from the warehouse based on customer orders to prepare them for shipment.
Packing	The process of grouping goods into packages for shipment, often optimized to reduce costs and ensure safe transport.
Shipping	The final step in the order fulfillment process where goods are sent to the customer, including carrier selection and dispatching.
Delivery Scheduling	The process of determining the date and time for delivering goods to customers, considering factors like lead time, customer preference, and available stock.

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Sales Order Processing (SOP)	The part of the order-to-shipment process that handles the management and execution of sales orders, including updates, confirmations, and status monitoring.
Delivery Creation	The process in SAP where a delivery document is generated based on an approved sales order, initiating the picking and shipping process.
Billing Document	A document generated in SAP after goods have been shipped, used to invoice the customer for the goods or services provided.
Invoice	A document sent to the customer for payment, detailing the amount owed for goods or services delivered.
Credit Management	The process in SAP that evaluates and manages the creditworthiness of customers, ensuring that credit limits are respected during the order process.

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Concept/Term	Definition
Sales Order Confirmation	A notification sent to customers confirming the acceptance and processing of their order, including details such as items, delivery dates, and pricing.
Goods Receipt (GR)	The process of recording the receipt of goods into inventory, typically after they are delivered to the customer or returned.
Sales Order Delivery	The process of linking a sales order to a delivery, initiating the physical handling of goods and preparing them for shipment.
Outbound Delivery	A document in SAP used to confirm the goods are ready for shipment, tracking the movement of goods from the warehouse to the customer.
Shipping Point	A location in SAP where deliveries are processed and goods are prepared for shipment, often linked to specific warehouses or dispatch centers.

Concept/Term	Definition
Transportation Management (TM)	A module that supports the planning, execution, and optimization of the movement of goods, integrating with the order-to-shipment process.
Freight Cost	The cost associated with transporting goods to customers, typically calculated based on distance, weight, or transport mode.
Transportation Planning	The process of determining the most efficient transportation route and method for shipping goods, often involving carrier selection and route optimization.
Freight Order	A document in SAP used to manage the transportation of goods, including carrier information, delivery dates, and costs.
Shipping Instruction	A set of guidelines provided to the carrier detailing how goods should be handled, including special handling or packaging requirements.

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Concept/Term	Definition
Delivery Confirmation	A process in SAP to confirm that goods have been successfully delivered to the customer, often involving the receipt of signed proof of delivery.
Partial Delivery	A situation in which a sales order is delivered in multiple shipments, often due to stock limitations or customer preferences.
Delivery Completion	The status in SAP that indicates all goods on a delivery document have been shipped or delivered to the customer.
Packaging Material	Materials used for packaging goods for shipment, such as boxes, pallets, or shrink wrap, and tracked in SAP for inventory and cost purposes.
Picking List	A document or report generated in SAP that lists the items to be picked from the warehouse for a specific order or delivery.

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Concept/Term	Definition
Customer Returns	A process in SAP to manage the return of goods by customers, including processing returns, updating inventory, and issuing refunds.
Return Order	A document in SAP used to process the return of goods from a customer, linked to the original sales order.
Replenishment	The process of restocking inventory in the warehouse to ensure products are available for customer orders, triggered by stock depletion or demand forecasts.
Sales and Distribution (SD)	A module in SAP that manages the entire sales process, including order management, delivery, and billing.
Pricing Procedure	The set of rules in SAP that determine how pricing is calculated for goods or services, based on factors such as discounts, taxes, and shipping.

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Concept/Term	Definition
Discounts and Allowances	Adjustments made to the sales price of goods based on promotional offers, negotiations, or special terms.
Condition Records	Stored pricing data in SAP that is used to determine the price, discount, or surcharge for a specific customer or transaction.
Cross-Docking	A logistics practice in which goods are directly moved from the receiving area to the shipping area without being stored in the warehouse.
Order-to-Cash (O2C)	A process in SAP that encompasses the entire workflow from order creation to payment receipt, including delivery, billing, and invoicing.
Bill of Lading	A document issued by the carrier to acknowledge receipt of goods for shipment, serving as a contract and title for the goods.

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**SAP Order to Shipment
Key Concepts**

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Concept/Term	Definition
Pick and Pack	A combined process of selecting goods from inventory (picking) and preparing them for shipment (packing).
Handling Unit	A unit that groups together items to be handled, stored, and shipped as a single package or container in SAP.
Inventory Check	The process of verifying stock availability to ensure that inventory is sufficient to fulfill customer orders before shipping.
Sales Order Fulfillment	The process of ensuring that all items in a sales order are delivered to the customer, including inventory management, picking, packing, and shipping.
SAP S/4HANA for Order-to-Cash	SAP's latest version of its ERP suite, offering integrated processes for order management, delivery, and billing in real time.

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Concept/Term	Definition
Customer Master Data	Information about customers stored in SAP, including contact details, shipping preferences, and credit terms, used throughout the order-to-shipment process.
Sales Order Processing (SOP)	The steps involved in managing and executing sales orders in SAP, including order entry, processing, delivery, and invoicing.
Order Acknowledgment	A confirmation from the seller to the customer that the order has been received and is being processed.
Packaging Instructions	Guidelines provided to ensure products are packaged according to customer or regulatory requirements before shipment.
Logistics Execution	The process of managing and overseeing all physical logistics activities, including goods receipt, storage, picking, and shipping.

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