System Enhancement To Filter Duplicate SAP Dummy Purchase Orders

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Introduction

Our current process is that we generate Dummy purchase order (PO) out of 3 sources, namely invoices from users, Accounts Payable Invoice Management System (APIMS) from Finance Shared Services (FSS) and Certified True Copy (CTC) from vendors. As a consequence of the current process, we do unintentionally create Duplicate Dummy PO and these proceed to be Goods Receipt (GR) into SAP. This project aims to minimize duplicate GR and Invoice Receipt.

Methodology

Fishbone diagram was adopted to help identify, sort and display all possible causes of the high number of Duplicate Dummy PO.

Fishbone Diagram
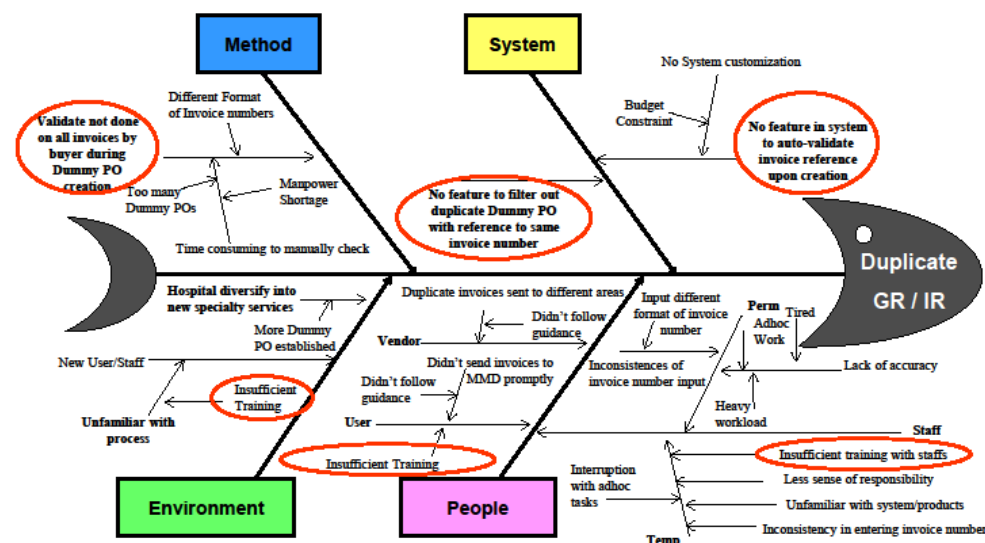
Abbreviation for Dummy PO:

In SAP, Dummy PO refers to the business process where a purchase order is generated from a contract, which is triggered by invoice, in order to perform GR for an item received.

Root Cause Analysis And Solutions

No	Root Causes	Solution To Root Causes	Is Solution Feasible?	Why Feasible or not Feasible?
1	Validation not done on all invoice by buyer during Dummy PO	To reiterate the importance of validation of invoice reference (ref) number during Dummy PO creation	No	Limited manpower and time consuming
2	Insufficient training of temporary or new staff	To educate temporary or new user on the workflow	No	MMD conducts 2 roadshows per annum and uploads briefing slides. However compliance to workflow is not fully complied with.
3	No feature in system to auto-validate invoice ref number upon Dummy PO creation (to eliminate creation of Dummy PO)	Request Information System Department (ISD) to create program that auto-validate invoice ref number	Yes	Able to eliminate duplicate Dummy PO creation
4	No feature to filter out duplicate Dummy PO with ref to same invoice ref number	Request ISD to generate report to filter out any duplicate Dummy PO	Yes	Able to filter out the duplicate Dummy PO in report so that buyer can delete the Duplicate Dummy PO

Reason Of Selection

Solution 4 was selected because the cost of implementation is much lower as compared to solution 3. Cost of implementation for solution 4 is $4,361.00.

Solution 3 was not selected as it was a real-time solution and will required substantial system resources to execute.

Result

The report helps to filter Duplicate Dummy PO thus reducing number of APIMS and GR reversals.

Conclusion

The system enhancement to filter Duplicate SAP Dummy PO will reduce re-work and increase productivity.