

SAP SRM Deployment Scenarios - All You Need to Know



Applies to:

SAP SRM 7.0.

Summary

SAP SRM deployment scenario impacts the way an organization's business processes will be implemented. It is one of the most critical decisions to be taken early in the design stage of SRM projects. This document helps consultants and customers by providing a comprehensive comparison of 3 scenarios gathered from author's experience of many customer implementations.

Author: Ramakrishna Potluri

Company: SAP Labs

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Author Bio

Ramakrishna (Ramki) is a product owner in SAP Labs. Ramki has 19 years of industry experience, including 14 years in ERP product management and implementations, and 5 years in all materials management functions in the automotive industry. While consulting at IBM and SAP, he provided his expertise to customers of all sizes across verticals (including the automotive, oil and gas, airlines, utilities, retail, engineering, pharmaceuticals, chemical and property management industries) in transforming supply chain management processes using SAP applications. Ramki co-authored a book on SAP SRM: [Consultants Guide to SAP SRM](#). He holds an MBA in Finance from XLRI.

Table of Contents

Introduction	3
Comparison of Deployment Scenarios	3
A. Indirect Procurement	3
B. Direct Procurement.....	5
C. Service Procurement with Service Hierarchies	6
D. Other Considerations.....	6
Related Content.....	9
Copyright.....	10

Introduction

SAP SRM provides multiple options in the form of deployment scenarios to choose the level of integration with backend ERP systems. Choosing a deployment scenario is one of the first decisions to be taken in an SAP SRM implementation project and impacts the way business processes are designed.

You can choose to have a fully integrated scenario which leverages strong functionality provided by SAP MM in ordering & execution while leveraging the user friendly shopping, central purchasing capability (Demand aggregation, RFX, Live auction, Central contracting) and supplier collaboration functionality of SRM. This is facilitated by **Classic deployment**. You can also choose to use SRM as the main application for all purchasers thus providing a single central system for purchasers even when you have multiple ERP systems in use by opting for **Extended Classic deployment**. If you do not have any ERP system in your organization, you can just use SRM with very minimal accounting system integration by choosing **Standalone deployment**. You can also choose to combine the deployments by selecting different deployments for different spend categories.

In this article, we compare each of the deployments against all the decision parameters one may come across. The decision parameters are particularly influenced by SAP ERP as most customers try to explore the features being used in their ERP and see if they are available in SAP SRM as well.

Comparison of Deployment Scenarios

We will start the comparison for each major category of procurement (Indirect, Direct & Services). In the end, we will also look at various other parameters considering the capabilities supported in ERP to determine which deployment best leverages these capabilities.

A. Indirect Procurement

Indirect procurement refers to procurement for consumption and hence an account assignment is required. The receipts of indirect procurement are directly consumed instead of stocking them before consumption.

Comparison of deployments for indirect procurement is given in below table :

Parameter	Classic	Extended Classic	Standalone
Shopping Cart	Created in SRM	Created in SRM	Created in SRM
Shopping cart Approval	Done in SRM	Done in SRM	Done in SRM
Shopping cart follow-on documents without sourcing	Purchase requisition or Reservation or Purchase Order in backend ERP system	Purchase Order in SRM; Purchase order copy is available in backend ERP system.	Purchase Order in SRM.
External Requirements	Purchase requisition is created in the Backend System and transferred to SRM as shopping cart in sourcing	Purchase requisition is created in the Backend System and transferred to SRM as shopping cart in sourcing.	Not applicable
Approval of External requirements	Only approved purchase requisitions are transferred from backend. No approval in SRM.	Only approved purchase requisitions are transferred from backend. No approval in SRM.	Not applicable
Purchase Order creation	Purchase order is created in backend system from shopping cart process or from sourcing process.	Purchase order is created in SRM. A copy is created in Backend.	SRM Server

Parameter	Classic	Extended Classic	Standalone
Purchase Order change	Purchase order is maintained only in backend ERP System	Changes can be done only in SRM.	SRM Server
Purchase Order display	Complete document in Backend ERP System and important data in Shopping cart follow-on documents.	Both SRM and Backend ERP system.	SRM
Goods Receipt or Service Entry	Backend System (can be entered as confirmation in SRM also which creates GR in ERP)	Backend System (can be entered as confirmation in SRM also which creates GR in ERP)	Confirmations are entered in SRM (but no GRs are created in ERP).
Invoice	Backend System (can be entered in SRM also which inturn create Logistics invoice in ERP)	Backend System (Invoices can be entered in SRM also which inturn create Logistics invoice in ERP)	Entered in SRM (accounting document is created in the backend)
Use of Supplier Self Services (SUS)	Use SUS with MM	Not supported fully. Refer note 543544 . Consulting solution available to enable full SUS functionality: 700350	Use SUS with SRM
Use of Account assignment categories with Special Stocks in ERP	Not supported (See note 586231). Use ERP for requisitioning also.	Not supported (See note 586231)	Not supported (See note 586231)
External staffing process specific functionalities like, service agents search, requesting for availability of specific consultants through RFx, Time recording online by service agents etc,	Not supported	Not supported	Supported

B. Direct Procurement

Direct procurement refers to procurement for stock and hence no account assignment is given. Comparison of deployments for direct procurement is given in below table :

Parameter	Classic	Extended Classic	Standalone
Shopping Cart	Created in SRM with 'Order as Direct material'.	Created in SRM with 'Order as Direct material'.	Not Applicable
Shopping cart follow-on documents without sourcing	Purchase Order in SRM; Purchase order copy is available in backend system. (Purchase order in ERP is planned to be available in SRM 7.0 EhP2 – Need to be confirmed with SAP officially)	Purchase Order in SRM; Purchase order copy is available in backend system.	Not Applicable
External Requirements	Purchase requisition is created in the Backend System and transferred to SRM as shopping cart in sourcing.	Purchase requisition is created in the Backend System and transferred to SRM as shopping cart in sourcing.	Not applicable
Approval of External requirements	Only approved purchase requisitions are transferred from backend. No approval in SRM.	Only approved purchase requisitions are transferred from backend. No approval in SRM.	Not applicable
Purchase Order creation	Purchase order is created in SRM. A copy is created in Backend. (Purchase order in ERP is planned to be available in SRM 7.0 EhP2 – Need to be confirmed with SAP officially)	Purchase order is created in SRM. A copy is created in Backend.	Not Applicable
Purchase Order change	PO can be changed in SRM only (Purchase order in ERP can be changed in SRM 7.0 EhP2 – Need to be confirmed with SAP officially)	PO can be changed in SRM only	Not Applicable
Goods Receipt or Service Entry	Backend System (can be entered as confirmation in SRM also which creates GR in ERP)	Backend System (can be entered as confirmation in SRM also which creates GR in ERP)	Not Applicable
Invoice	Backend System (can be entered in SRM also which inturn create Logistics	Backend System (Invoices can be entered in SRM also which inturn create	Not Applicable

Parameter	Classic	Extended Classic	Standalone
	invoice in ERP)	Logistics invoice in ERP)	
Use of Supplier Self Services (SUS)	Not supported fully. Refer note 543544 Consulting solution available to enable full SUS functionality: 700350 (Purchase order in ERP is planned to be available in SRM 7.0 EhP2 & hence MM-SUS can be used – Need to be confirmed with SAP officially)	Not supported fully. Refer note 543544 . Consulting solution available to enable full SUS functionality: 700350	Not Applicable

C. Service Procurement with Service Hierarchies

Service procurement with service hierarchies is used to manage complex services buying. Complex services are typically structured in hierarchies. This process is known as **External Services Management** (MM-SRV) in SAP ERP and **Service Procurement Classic** in SAP SRM. Service procurement classic is an excellent example of harmonized integration to leverage strengths of both ERP and SRM. Only classic scenario is supported and all parameters described under 'Indirect procurement' for classic scenario are applicable here too.

Parameter	Classic	Extended Classic	Standalone
Service Procurement Classic	Supported from SRM 7.0 & ERP 60 EhP4 (External Requirement, RFx & central contract support service hierarchies)	Not Applicable	Not Applicable

D. Other Considerations

There are many other parameters which should be considered before one takes a decision. The final decision depends upon how important a particular parameter is for the organization.

Parameter	Classic	Extended Classic	Standalone
Country Localizations (country specific taxation etc)	All country localizations supported by ERP PO can be supported as PO is in ERP.	Cannot guarantee support of all country specific localizations.	Not supported
Intrastat	Supported as PO is in ERP	Partly supported	Not supported
Partner functions,	Supported as PO is in ERP	Partly supported	Partly supported
Complex Pricing Procedure, Header conditions, freight conditions with freight vendor, Metal prices conditions etc	Supported as PO is in ERP	Partly supported	Partly supported

Parameter	Classic	Extended Classic	Standalone
Quality Management integration	Supported as PO is in ERP	Not supported	Not supported
PO Response from Vendor (SUS) & comparison of response with PO along with approval of changes	Not supported	Supported	Supported
One system for purchasers despite multiple backends	Purchasers use ERP	Yes	Yes
Multiple company POs	Not supported directly. However, items to be delivered to other companies can be added in ERP PO.	Not supported	Not Supported
Batch Management & Serial number mgmt	Supported in ERP PO	Not supported.	Not Supported
Split valuation	ERP supports.	Not supported	Not supported
Framework orders	ERP supports.	Not supported	Not supported
Stock Transfer, Subcontracting, consignment and pipeline materials	ERP supports.	Not supported	Not supported
Industry specific materials (e.g. Oil & Gas, Retail generic etc)	ERP supports.	Not supported	Not supported
Fund Management commitments for direct materials	ERP PO supports	Not supported	Not supported
Cash management commitments	Supported	Not supported	Not supported
Asset Procurement	ERP PO supports	Not Fully supported	Not Fully supported
Foreign Trade	ERP PO supports	Not Fully supported	Not supported
Configurable Material	ERP PO supports	Not supported	Not supported
Confirmation controls with multiple confirmations (Acknowledgement, Inbound delivery, arrival at port, customs clearance etc)	ERP PO supports	Not supported	Not supported
Multiple units of measure in a flexible way	ERP PO supports	Not supported	Not supported
MPN, EAN/UPC usage	ERP PO supports	Not supported	Not supported

Parameter	Classic	Extended Classic	Standalone
etc			
Procurement card	Not Supported	Supported (from SRM 7.0)	Supported
Public Sector procurement Industry solution (PPS)	Not supported	Supported	Not applicable
Industry solutions (e.g. retail, Oil&Gas)	ERP supports. SRM shopping cart or RFx may not support industry specific materials (e.g. Oil&Gas specific fields in product master, generic materials in retail).	SRM may not support industry specific materials (e.g. Oil&Gas specific fields in product master, generic materials in retail)	SRM may not support industry specific materials (e.g. Oil&Gas specific fields in product master, generic materials in retail)
SRM as an Add-on on ERP (One client deployment)	Supported	Not applicable	Not applicable
Approval workflow	SAP Workflow can be enabled in ERP MM release strategy for approvals. Comparatively less flexible than SRM workflow.	Workflow with flexible configuration is supported.	Workflow with flexible configuration is supported.
EDI transmission of PO	Supported	Not supported	Not supported
XML transmission of purchasing documents	Not supported. However, ERP POs can trigger an IDOC which is converted into XML in SAP-PI.	Supported	Supported

Related Content

[SAP SRM Technical Scenarios – Decision Matrix](#) : A very good article providing a decision matrix to select a deployment scenario.

[SRM Technical Scenarios – SDN Wiki article](#)

[SRM Technical Scenarios – SAP online help](#)

Disclaimer

The content in this article should not be construed as official SAP document. The content is based on author's experience in implementing SRM projects and should be considered as his personal opinion.

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