SAP SD Interview Questions

In this section, we'll explore commonly asked Sales and Distribution (SD) interview questions related to different processes. Understanding these processes is crucial when attending interviews.

1. Basic Sales and Distribution Flow:
The SD flow represents the standard sequence of steps in the sales and distribution process:

Inquiry > Quotation > Sales order > Delivery (Picking, Packing, Loading, Post Goods Issue) > Billing > Payment.

2. Stock Transport Order (STO) Process:
The Stock Transport Order involves the transfer of goods between different plants within the same company code (Intra-company STO) or between plants of different company codes (Inter-company STO). The two types of STO are:

– Intra-company STO: Stock transfer between two plants of the same company code. Purchase order type is UB, and the delivery type is NL.
– Inter-company STO: Stock transfer between two plants of different company codes. Purchase order type is NB, and the delivery type is NLCC.

3. Consignment Process:
In the Consignment Process, goods are delivered to the customer but remain the property of the company until the customer uses them. The process involves four parts:

– Consignment Fill-up: Goods are issued to the customer's special stock without reducing the plant stock, and no billing occurs.
– Consignment Issue: Goods are issued from both the customer's special stock and the delivering plant, and billing takes place.
– Consignment Pick-up: Goods are issued from the special customer stock back to the plant without billing.
– Consignment Returns: Used to reverse a consignment issue and create a credit memo request or provide free material to the customer.

4. Rush Order:

In a Rush Order, the delivery is immediately created after saving the sales order, typically used when a customer requires immediate delivery. The standard sales order type is RO, and the delivery type LF is automatically created. Invoicing is done later.

5. Cash Order vs. Rush Order:
In a Cash Order, the delivery is immediately created after saving the sales order, and an invoice document is provided to the customer during the sales order processing. The invoice is not printed, and billing occurs later. The standard sales order type is CS, delivery type is BV, and billing type is BV.

6. Procure to Pay Process:
The Procure-to-Pay Process involves the following steps:

Planning > Purchase Requisition > Request for Quotation (RFQ) > Purchase Order > Goods Receipt > Vendor Invoice.

7. Subcontract Process:
Subcontracting refers to entering a contractual agreement with an external company (subcontractor) to perform specific work, often done to reduce production costs. Examples include powder coating, painting, and molding.

8. Returns Process:
The Returns Process involves allowing customers to return products due to damage or mismatch. It is usually done through the return order type RE. The return material is verified, and either a free material is sent to the customer or a credit memo request is created for refunding the amount.

9. Credit Memo Process:
A Credit Memo is used to refund the amount back to the customer. A credit memo request (a sales order) is created, which needs to be released to generate a billing document called a credit note or credit memo.

10. Make to Order and Make to Stock Scenarios:
In Make-to-Order, a production order is created for each sales order, and production is done based on customer demand. In Make-to-Stock, production or procurement is based on sales forecasts. Sales are done from existing stock.

11. Sales to Employee Scenario:

Employees can purchase goods at a discounted price from a shop set up within the company. Sales order output provides the invoice, and immediate delivery is created. Billing is done later via a background job, following order-related billing with no accounts receivables for customers.

12. Bill of Material (BOM) Scenario:
A BOM allows several materials to be combined and sold as a package.

13. Third-Party Scenario:
In the Third-Party Scenario, the customer places an order for a material not available in stock. The company orders the material from a third-party vendor, who directly delivers it to the customer. The invoice is provided to the customer by the company.

14. Direct Export, Deemed Export, and Merchant Export:
– Direct Export: Products manufactured by the company are directly exported to customers in other countries. The profit is directly accounted for by the company.
– Deemed Export: Products are sold to customers with export licenses, granting exemptions from Basic Excise Duty.
– Merchant Export: Similar to the third-party process, where the company orders goods from a vendor in a different country and directly delivers them to the customer. The company receives the invoice from the vendor and invoices the customer accordingly.

Understanding these processes will help you prepare for your SD interviews effectively.