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ULTIMATE GUIDE TO SAP EXTENDED WAREHOUSE MANAGEMENT (EWM)



Introduction

SAP EWM (Extended Warehouse Management) is a powerful, real-time warehouse management solution that enables efficient handling of complex logistics tasks, providing control over inventory and goods movements. It includes functionalities for inbound and outbound processes, internal warehouse movements, and stock management.

Key Benefits

- Optimized space utilization and efficient warehouse operations.
- Real-time stock visibility and management.
- Automation of complex logistics processes.



Warehouse Layout Essentials:

- **Warehouse Number:** The unique identifier for each warehouse.
- **Storage Types:** Divisions within the warehouse, like high-rack storage, bulk storage, etc.
- **Storage Sections:** Categories within storage types for specific handling requirements.
- **Storage Bins:** Defined physical locations where materials are stored.

Setting Up Your Warehouse Layout:

- Organize materials based on storage needs, creating a layout that optimizes space and supports fast retrieval.



SECTION 2: INBOUND PROCESS IN SAP EWM

Objective: Efficiently manage the inbound process from purchase order creation through to goods storage, incorporating deconsolidation and value-added services for optimized warehouse management.

Inbound Process Overview

1. Purchase Order Creation:

- The process begins with creating a purchase order in ERP, specifying the items, quantities, and vendor details for the expected goods.

2. Inbound Delivery Creation:

- Once the goods are dispatched by the vendor, an inbound delivery document is created in ERP. This document contains information on the expected goods and serves as the reference for the inbound process in EWM.

3. Goods Receipt and Handling Unit Creation:

- Upon receiving the goods, the warehouse team performs a goods receipt to confirm that items have arrived.
- Handling Units (HUs) are created at this stage, allowing for the bundling and tracking of items through the inbound process.

4. **Deconsolidation:**

- Deconsolidation is necessary if mixed pallets or handling units contain multiple product types. Goods are separated by type, destination, or storage requirements before proceeding, which enables efficient putaway.

5. **Value-Added Services (VAS):**

- If required, Value-Added Services are applied to the products. These can include labelling, repackaging, kitting, or any other special handling required to prepare the goods for storage or customer specifications.

6. **Putaway Process:**

- EWM calculates an optimal storage location based on the warehouse layout and the characteristics of the goods.
- The putaway task is executed, and items are moved to their assigned bins, where they are stored until needed for outbound processing.



SECTION 3: OUTBOUND PROCESS IN SAP EWM

Objective: Accurately pick, pack, and dispatch goods to fulfill customer orders, ensuring efficient transportation and traceability

Outbound Process Overview:

1. Initiate Sales Order in ERP:

- Start the outbound process by creating a sales order in ERP, listing the items that need to be picked, packed, and shipped to the customer.

2. Create Outbound Delivery Document:

- An outbound delivery document is generated, confirming the items to be picked and packed for shipment. This document serves as a reference for the outbound process in EWM.

3. Picking:

- SAP EWM generates picking tasks for warehouse personnel, specifying the exact storage bins where each item is located.
- The warehouse team retrieves the items from their designated locations, ensuring that the quantities match the outbound delivery requirements.

4. **Packing:**

- Items are packed according to customer specifications, prepared for secure and efficient transport.
- Handling Units (HUs) are updated to maintain traceability, bundling items as required by the shipment plan.

5. **Loading:**

- The packed items, now in handling units, are moved to the loading area and prepared for transport.
- During loading, each handling unit is scanned and checked against the outbound delivery document to ensure accuracy and completeness.

6. **Goods Issue Confirmation:**

- Once the loading is complete, the goods issue is confirmed in EWM. This step updates the inventory records, decreases warehouse stock, and triggers the billing process in ERP.
- The goods issue confirmation marks the final stage in the outbound process, indicating that items are ready for delivery to the customer.



SECTION 4: INTERNAL WAREHOUSE MOVEMENTS

Objective: Manage various in-warehouse tasks to ensure optimal stock levels, support accurate inventory counts, and enhance warehouse efficiency.

Internal Movements:

1. Replenishment:

- Ensure that storage bins maintain optimal stock levels by defining replenishment rules, moving stock from bulk storage to picking bins as required.

2. Bin-to-Bin Transfers:

- Ad-hoc movements between bins help keep the warehouse organized and allow for flexibility in item locations.

3. Physical Inventory:

- Conduct regular inventory counts to reconcile system records with actual stock, helping maintain accurate records.



SECTION 5: MONITORING AND REPORTING IN SAP EWM

Objective: Monitor warehouse operations in real-time, providing visibility into stock levels, task completion, and overall efficiency.

1. **Warehouse Monitor:**

- The Warehouse Monitor gives a comprehensive overview of warehouse activities, including inbound and outbound tasks, stock movements, and open orders.

2. **Stock Overview:**

- A stock overview report helps visualize the quantities and locations of materials, identifying low-stock items and tracking warehouse capacity usage.

3. **Handling Unit Tracking:**

- Monitor handling units for precise tracking and control of materials throughout the warehouse, from receipt to dispatch.



SECTION 6: BEST PRACTICES FOR SAP EWM

1. Automate Replenishment and Picking Tasks:

- Use automation rules to streamline picking and replenishment, boosting productivity and reducing errors.

2. Mobile Solutions for Real-Time Updates:

- Equip warehouse operators with mobile devices to update data on the go, providing real-time accuracy and operational efficiency.

3. Optimize Storage Bin Utilization:

- Regularly assess and reassign storage bins to make the most of your available space and reduce retrieval times.

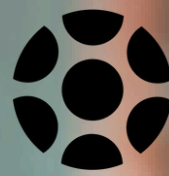
4. Ongoing Team Training:

- Continuously train your team on SAP EWM functionalities and updates, fostering a knowledgeable and agile workforce.



SUMMARY

SAP EWM (Extended Warehouse Management) streamlines warehouse management with structured layouts, inbound and outbound processes, and internal stock movements. It supports real-time tracking, handling unit management, and efficient order fulfilment. Best practices include automating tasks, using mobile updates, optimizing storage, and regular team training, enhancing overall warehouse efficiency and accuracy.



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