

Application Setup and Implementation for Inventory Management - 1

Student Guide

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Preface

Profile

Before You Begin This Course

Before you begin this course, you should have the following qualifications:

- Working experience with inventory management and control concepts

Prerequisites

- There are no prerequisites for this course.

How This Course Is Organized

Application Setup and Implementation for Inventory Management - 1 is an instructor-led course featuring lecture and hands-on exercises. Online demonstrations and written practice sessions reinforce the concepts and skills introduced.

Related Publications

Oracle Publications

Title	Part Number
-------	-------------

None

Additional Publications

- System release bulletins
- Installation and user's guides
- *read.me* files
- *Oracle Magazine*

Typographic Conventions

Typographic Conventions in Text

Convention	Element	Example
Bold italic	Glossary term (if there is a glossary)	The <i>algorithm</i> inserts the new key.
Caps and lowercase	Buttons, check boxes, triggers, windows	Click the Executable button. Select the Can't Delete Card check box. Assign a When-Validate-Item trigger to the ORD block. Open the Master Schedule window.
Courier new, case sensitive (default is lowercase)	Code output, directory names, filenames, passwords, pathnames, URLs, user input, usernames	Code output: <code>debug.set ('I', 300);</code> Directory: <code>bin</code> (DOS), <code>\$FMHOME</code> (UNIX) Filename: Locate the <code>init.ora</code> file. Password: User <code>tiger</code> as your password. Pathname: Open <code>c:\my_docs\projects</code> URL: Go to <code>http://www.oracle.com</code> User input: Enter <code>300</code> Username: Log on as <code>scott</code>
Initial cap	Graphics labels (unless the term is a proper noun)	Customer address (<i>but</i> Oracle Payables)
Italic	Emphasized words and phrases, titles of books and courses, variables	Do <i>not</i> save changes to the database. For further information, see <i>Oracle7 Server SQL Language Reference Manual</i> . Enter <code>user_id@us.oracle.com</code> , where <i>user_id</i> is the name of the user.
Quotation marks	Interface elements with long names that have only initial caps; lesson and chapter titles in cross-references	Select "Include a reusable module component" and click Finish. This subject is covered in Unit II, Lesson 3, "Working with Objects."
Uppercase	SQL column names, commands, functions, schemas, table names	Use the SELECT command to view information stored in the <code>LAST_NAME</code> column of the EMP table.

Convention	Element	Example
Arrow	Menu paths	Select File→ Save.
Brackets	Key names	Press [Enter].
Commas	Key sequences	Press and release keys one at a time: [Alternate], [F], [D]
Plus signs	Key combinations	Press and hold these keys simultaneously: [Ctrl]+[Alt]+[Del]

Typographic Conventions in Code

Convention	Element	Example
Caps and lowercase	Oracle Forms triggers	When-Validate-Item
Lowercase	Column names, table names	SELECT last_name FROM s_emp;
	Passwords	DROP USER scott IDENTIFIED BY tiger;
	PL/SQL objects	OG_ACTIVATE_LAYER (OG_GET_LAYER ('prod_pie_layer'))
Lowercase italic	Syntax variables	CREATE ROLE <i>role</i>
Uppercase	SQL commands and functions	SELECT userid FROM emp;

Typographic Conventions in Navigation Paths

This course uses simplified navigation paths, such as the following example, to direct you through Oracle Applications.

(N) Invoice > Entry > Invoice Batches Summary (M) Query > Find (B) Approve

This simplified path translates to the following:

1. (N) From the Navigator window, select Invoice > Entry > Invoice Batches Summary.
2. (M) From the menu, select Query > Find.
3. (B) Click the Approve button.

Notations :

(N) = Navigator

(M) = Menu

(T) = Tab

(I) = Icon

(H) = Hyperlink

(B) = Button

Typographical Conventions in Help System Paths

This course uses a “navigation path” convention to represent actions you perform to find pertinent information in the Oracle Applications Help System.

The following help navigation path, for example—

(Help) Oracle Applications Library > Oracle Financial Applications > General Ledger > Journal Entry > Entering Taxable Journal Entries

—represents the following sequence of actions:

1. In the navigation frame of the help system window, expand the General Ledger entry.
2. Under the General Ledger entry, expand Journals.
3. Under Journals, select Enter Journals.
4. Review the Enter Journals topic that appears in the document frame of the help system window.

Getting Help

Oracle Applications provides you with a complete online help facility.

Whenever you need assistance, simply choose an item from the Help menu to pinpoint the type of information you want.

To display help for a current window:

1. Choose Window Help from the Help menu, click the Help button on the toolbar, or hold down the Control key and type 'h'.

A web browser window appears, containing search and navigation frames on the left, and a frame that displays help documents on the right.

The document frame provides information on the window containing the cursor. The navigation frame displays the top-level topics for your responsibility, arranged in a tree control.

2. If the document frame contains a list of topics associated with the window, click on a topic of interest to display more detailed information.
3. You can navigate to other topics of interest in the help system, or choose Close from your web browser's File menu to close help.

Searching for Help

You can perform a search to find the Oracle Applications help information you want. Simply enter your query in the text field located in the top-left frame of the browser window when viewing help, then click the adjacent Find button.

A list of titles, ranked by relevance and linked to the documents in question, is returned from your search in the right-hand document frame. Click on whichever title seems to best answer your needs to display the complete document in this frame. If the document doesn't fully answer your questions, use your browser's Back button to return to the list of titles and try another.

Application Setup and Implementation for Inventory Management - 1

Chapter 1

Application Setup and Implementation for Inventory Management - 1

Application Setup and Implementation for Inventory Management - 1

Release 11i

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Objectives

After completing this course, you should be able to do the following:

- **Recognize the major setup steps and considerations for the Inventory Management Application**
- **Recognize the profile options**
- **Understand the different levels in the inventory organization structure**
- **Recognize the global versus the inventory organization level setup steps**
- **Setup enterprise structures, units of measure, the manufacturing calendar and the inventory organization parameters**

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Agenda

Agenda

- Overview of Oracle inventory management
- General setup and implementation steps
- Setting profile options
- Setting up enterprise organizations
- Defining subinventories, locators and the calendar
- Setting up units of measure
- Summary

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Lesson 1 - Introduction to Oracle Inventory Management

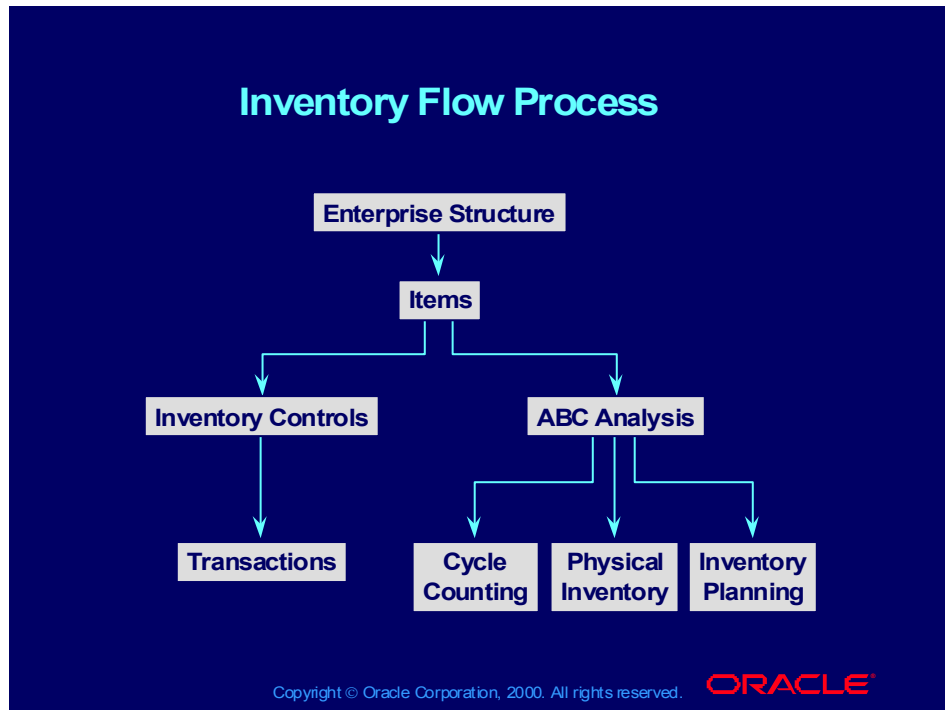
Lesson 1 - Introduction to Oracle Inventory Management

- **Introduction to Oracle inventory management**
- General setup and implementation steps
- Setting profile options
- Setting up enterprise organizations
- Defining subinventories, locators and the calendar
- Setting up units of measure
- Summary

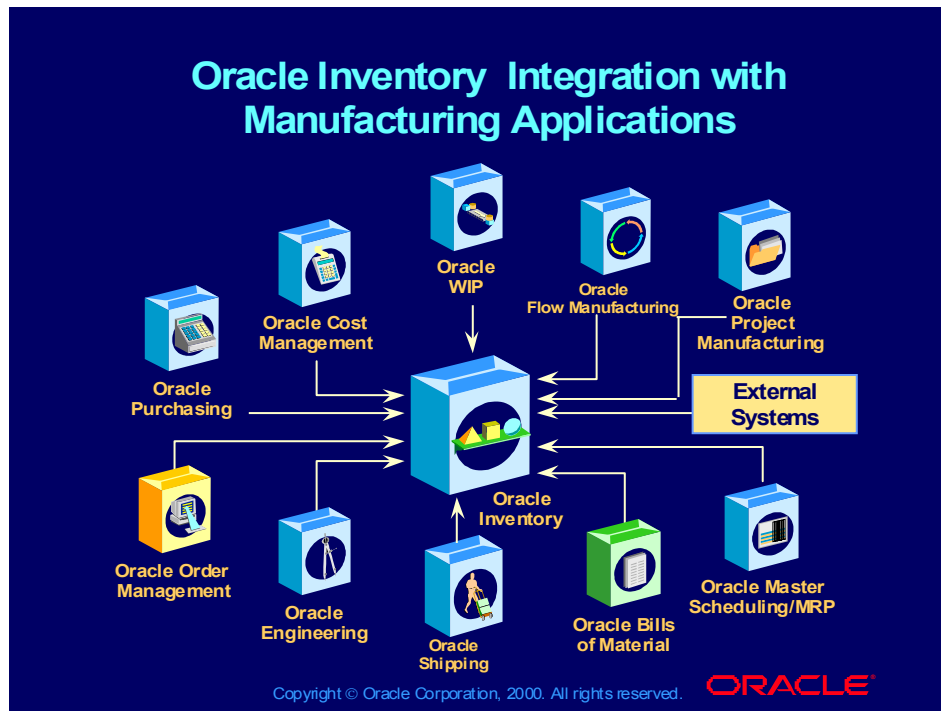
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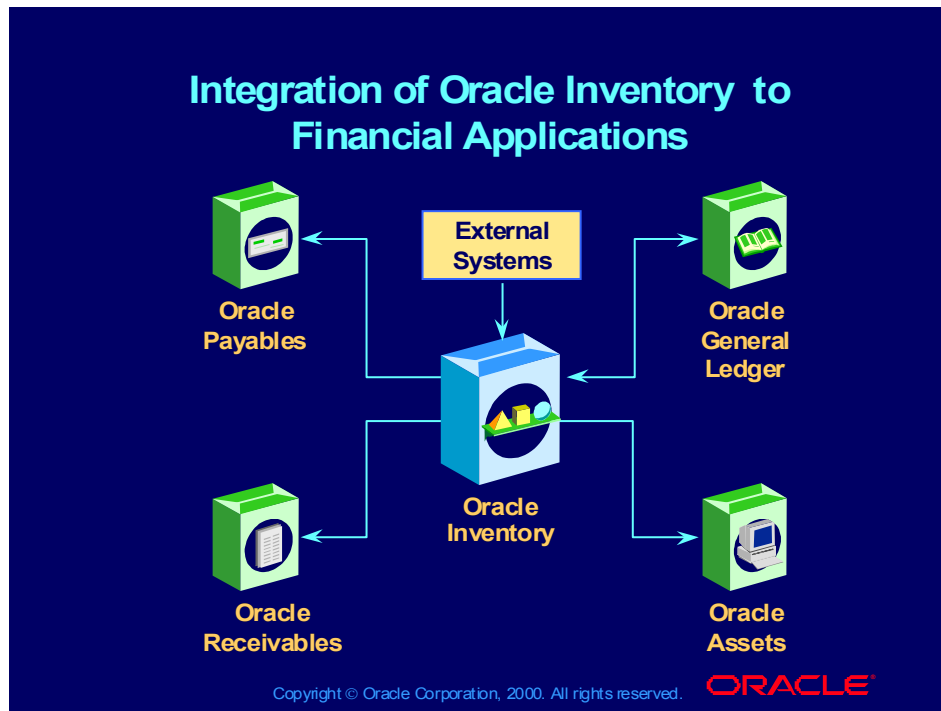
Inventory Flow Process



Oracle Inventory Integration with Manufacturing Applications



Integration of Oracle Inventory to Financial Applications



Review Question

Review Question

Oracle Inventory Management integrates with:

- 1. Oracle Assets**
- 2. External and Legacy Systems**
- 3. Oracle Cost Management**
- 4. Oracle Bills of Material**
- 5. All of the above**
- 6. 1, 3 & 4 only**

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Answer to Review Question

Answer to Review Question

Oracle Inventory Management integrates with:

1. Oracle Assets
2. External and Legacy Systems
3. Oracle Cost Management
4. Oracle Bills of Material
5. **All of the above**
6. 1, 3 & 4 only

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Lesson 2 - General Setup and Implementation Steps

Lesson 2 - General Setup and Implementation Steps

- Introduction to Oracle inventory management
- **General setup and implementation steps**
- Setting profile options
- Setting up enterprise organizations
- Defining subinventories, locators and the calendar
- Setting up units of measure
- Summary

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Applications Implementation Wizard

- The Wizard walks you through the setup tasks and forms you need to complete to implement Oracle Applications.
- It automatically detects the products installed on your implementation site and displays all the processes you need to run in the correct order.
- The processes guide you through the specific implementation steps required for your installation.

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Prerequisites Without The Wizard

- **If you do not use the Wizard, you need to complete several preliminary setup steps, including:**
 - Perform system-wide setup tasks such as configuring concurrent managers and printers
 - Manage data security, including setting up responsibilities, and assigning individual users to one or more of these responsibilities
 - Set up an Oracle Applications System Administrator responsibility.
 - Set up your Oracle Applications Set of Books.

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Application Setup

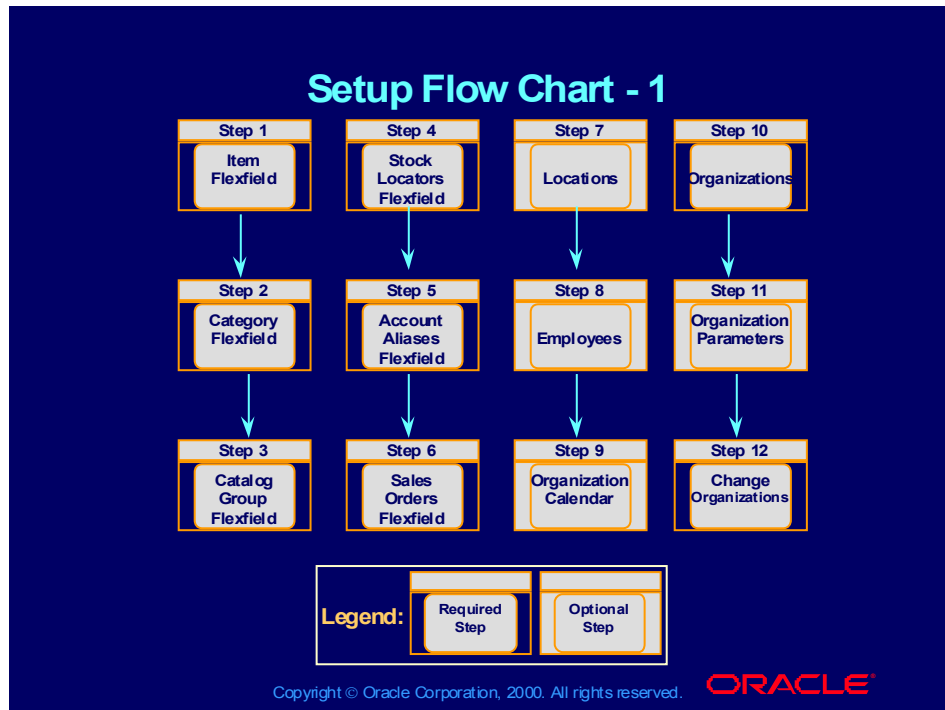
When performing the application setup without using the wizard there is a recommended sequence to the steps. Flowcharts reproduced from the inventory management user guide depict this sequence on the next slides.

Following the flowcharts are tables listing first, the required steps and then, the steps considered optional depending on the application functionality being implemented.

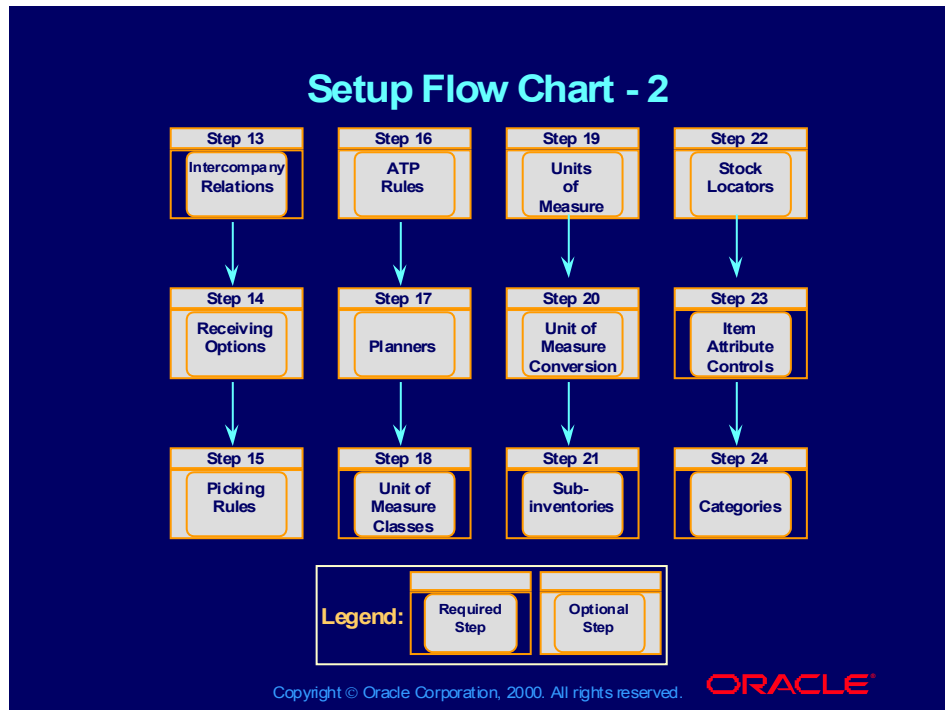
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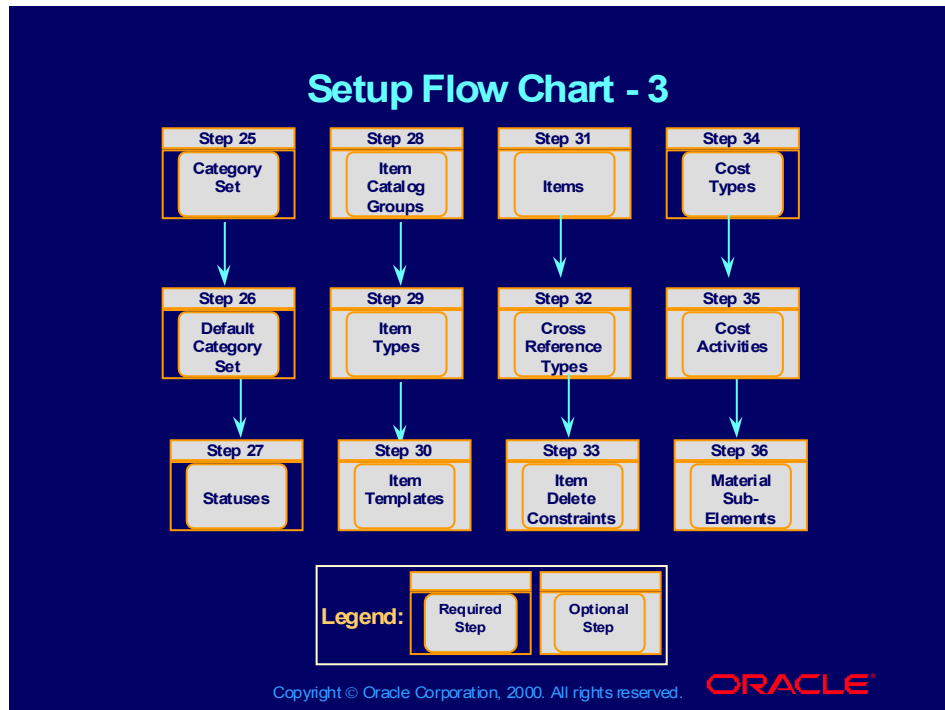
Setup Flow Chart - 1



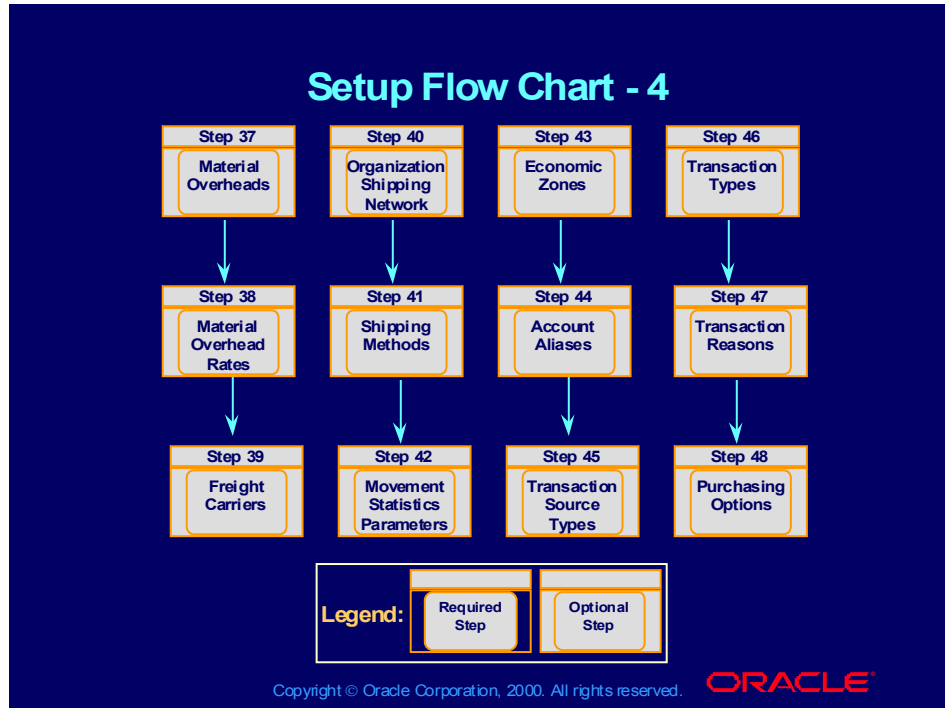
Setup Flow Chart - 2



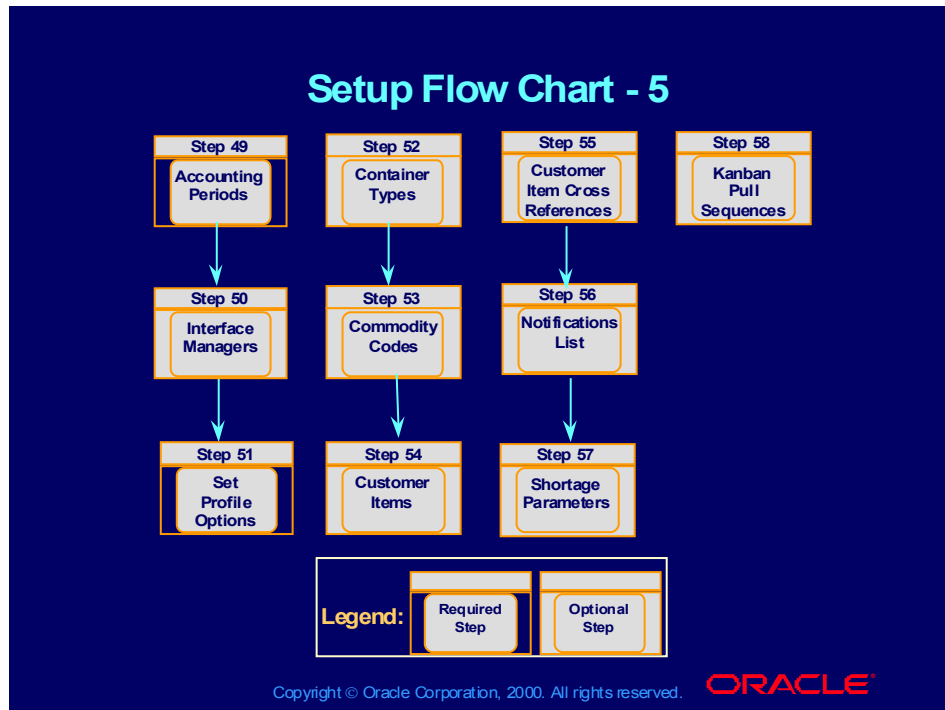
Setup Flow Chart - 3



Setup Flow Chart - 4



Setup Flow Chart - 5



Required Setup Steps - 1

Required Setup Steps - 1

Step	Activity	Level *
1	Define Item Flexfield	Global
2	Define Item Categories Flexfield	Global
3	Define Item Catalog Group Flexfield	Global
4	Define Stock Locators Flexfield	Global
5	Define Account Aliases Flexfield	Global
6	Define Sales Orders Flexfield	Global
10	Define Organizations	Organization

*** Defined once globally or for each organization**

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Required Setup Steps - 2

Required Setup Steps - 2

Step	Activity	Level *
12	Change Organizations Common Apps.	Organization
13	Defining Intercompany Relations	Global
18	Define Unit of Measure Classes	Global
21	Define Subinventories	Organization
23	Define Item Attribute Controls	Global
24	Define Categories	Either Level
25	Define Category Sets	Either Level

*** Defined once globally or for each organization**

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Required Setup Steps - 3

Required Setup Steps - 3

Step	Activity	Level *
26	Define Default Category Sets	Global
27	Define Statuses	Global
34	Define Cost Types	Global
49	Define Accounting Periods	Global
51	Set Profile Options	Global

* Defined once globally or for each organization

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Optional Setup Steps - 1

Optional Setup Steps - 1

Step	Activity	Level *
7	Define Locations	Global
8	Define Employees	Global
9	Define Organization Calendar	Either Level
11	Define Organization Parameters	Organization
14	Define Receiving Options	Global
15	Define Picking Rules	Global
16	Define ATP Rules	Organization

* Defined once globally or for each organization

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Optional Setup Steps - 2

Optional Setup Steps - 2

Step	Activity	Level *
17	Define Planners	Global
19	Define Units of Measure	Global
20	Define Unit of Measure Conversions	Global
22	Define Stock Locators	Global
28	Define Item Catalog Groups	Global
29	Define Item Types	Global
30	Define Item Templates	Global

* Defined once globally or for each organization

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Optional Setup Steps - 3

Optional Setup Steps - 3

Step	Activity	Level *
31	Define Items	Either Level
32	Define Cross Reference Types	Global
33	Define Item Delete Constraints	Global
35	Define Cost Activities	Global
36	Define Material Sub-Elements	Global
37	Define Material Overheads	Global
38	Define Material Overhead Rates	Global

* Defined once globally or for each organization

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Optional Setup Steps - 4

Optional Setup Steps - 4

Step	Activity	Level *
39	Define Freight Carriers	Global
40	Define Organization Shipping Networks	Global
41	Define Shipping Methods	Global
42	Define Movement Statistics Parameters	Global
43	Define Economic Zones	Global
44	Define Account Aliases	Global
45	Define Transaction Source Types	Global

*** Defined once globally or for each organization**

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Optional Setup Steps - 5

Optional Setup Steps - 5

Step	Activity	Level *
46	Define Transaction Types	Global
47	Define Transaction Reasons	Global
48	Define Purchasing Options	Global
50	Request Interface Managers	Global
52	Define Container Types	Global
53	Define Commodity Codes	Global
54	Define Customer Items	Global

*** Defined once globally or for each organization**

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Optional Setup Steps - 6

Optional Setup Steps - 6

Step	Activity	Level *
55	Define Customer Item Cross Reference	Global
56	Define Notification List	Global
57	Define Shortage Parameters	Global
58	Define Kanban Pull Sequences	Global

*** Defined once globally or for each organization**

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Review Question

Review Question

Identify which of these setup steps are required:

1. Setup the Account Alias Flexfield
2. Setup Accounting Periods
3. Setup Stock Locators
4. Setup Subinventories
5. All of the above
6. 1, 2 & 4 only

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Answer to Review Question

Answer to Review Question

Identify which of these setup steps are required:

1. Setup the Account Alias Flexfield
2. Setup Accounting Periods
3. Setup Stock Locators
4. Setup Subinventories
5. All of the above
6. **1, 2 & 4 only**

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Lesson 3 - Setting Profiles

Lesson 3 - Setting Profiles

- Introduction to Oracle inventory management
- General setup and implementation steps
- **Setting profile options**
- Setting up enterprise organizations
- Defining subinventories, locators and the calendar
- Setting up units of measure
- Summary

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Profile Values

Profile values are one of the methods used to specify how Oracle Inventory processes and controls access to data. In general, profile values can be set at one or more of the following levels:

- **Site**
- **Application**
- **Responsibility**
- **User**

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Profile Values

- **Oracle Inventory users use the Personal Profile Values window to set profile values only at the user level.**
- **System administrators use the System Profile Values window to set profile values at the site, application, responsibility, and user levels.**
- **Required profiles have no default; they require input from a user or an administrator. Optional profiles have defaults which may be accepted or manually overridden.**

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Profile Options - 1

Profile Options - 1

These profiles are updateable at all levels:

Profile Option	Req'd	Default
INV: Allow Expense to Asset Transaction	No	Yes
INV: Default Item Status	No	Active
INV: Default Primary Unit of Measure	No	Each
INV: Dynamic Precision Option	No	-9,999,999.00
INV: Inter-Organization Currency Conv	No	Corporate
INV: Item Master Flexfield	Yes	No Default
INV: MinMax Reorder Approval	No	Approved

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Profile Options - 2

Profile Options - 2

These profiles are updateable at all levels:

Profile Option	Req'd	Default
INV: Proj Misc Trans Expenditure Type	No	User Entered
INV: RC Line Failure	No	Continue Processing
INV: Requisition Approval	No	Approved
INV: Save Search Items	No	N
INV: Updateable Customer Item	No	No
INV: Updateable Item Name	No	No
TP:INV: Cycle Count Approvals Form	No	Concurrent Processing

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Profile Options - 3

Profile Options - 3

These profiles are updateable at all levels:

Profile Option	Req'd	Default
TP:INV: Cycle Count Entries Form	No	Concurrent Processing
TP:INV: Enter Replenishment Count Form	No	Concurrent Processing
TP:INV: Inter-Organization Transfer Form	No	Online Processing
TP:INV: Misc Issue and Receipt Form	No	Online Processing
TP:INV: Transaction Processing Mode	No	Immediate Concurrent Processing
TP:INV: Transfer Between SubInv Form	No	Online Processing
TP:INV: Update Average Cost Form	No	Online Processing

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Profile Options - 4

Profile Options - 4

These profiles are updateable at all levels:

Profile Option	Req'd	Default
TP:INV: Server Side Online Processing	No	Concurrent Processing
INV: CCEOI Commit Point	Yes	No Default
INV: Override Negative Qty for Backflush	No	No
INV: Order Transact Form	No	Online Processing
INV: Purchasing by Revision	No	Yes
INV: Debug Trace	Yes	No Default
INV: Debug File (Include complete path)	Yes	No Default

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Profile Options - 5

Profile Options - 5

These profiles are updateable at all levels:

Profile Option	Req'd	Default
INV: FIFO for Original Receipt Date	No	No
INV: Debug Level	Yes	No Default
INV: Detail Serial Numbers	No	No

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Profile Options - 6

Profile Options - 6

These profiles are updateable only at the Site level:

Profile Option	Req'd	Default
INV: Accounting Category Set	Yes	No Default
INV: Capable to Promise	Yes	No Default
INV: External ATP	Yes	No Default
INV: Use Catalog Name in Item Desc.	No	No
INV: Minimum Number of Quantity Trees	No	500
INV: CCEOI Workers	Yes	No Default
INV: Detect Truncation on UOM Conversn	Yes	No Default

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Profile Options - 7

Profile Options - 7

These profiles are updateable at the Site, Application, and Responsibility levels.

Profile Option	Req'd	Default
INV: Intercompany Currency Conversion	No	Corporate
INV: Transaction Date Validation	No	Allow Date In Any Open Period

This profile is only updateable by the System Administrator at all levels (not by User)

Profile Option	Req'd	Default
INV: Product Family Item Template	No	Product Family

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Review Question

Review Question

Which of these profiles can be set at all levels?

- 1. INV: Item Master Flexfield**
- 2. INV: Default Item Status**
- 3. INV: Use Catalog Name in Item Description**
- 4. TP:INV Transaction Processing Mode**
- 5. All of the above**
- 6. 1, 2 & 4 only**

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Answer to Review Question

Answer to Review Question

Which of these profiles can be set at all levels?

1. INV: RC Requisition Approval
2. INV: Default Item Status
3. INV: Use Catalog Name in Item Description
4. TP:INV Transaction Processing Mode
5. All of the above
6. **1, 2 & 4 only**

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Lesson 4 - Setting up Enterprise Organizations

Lesson 4 - Setting up Enterprise Organizations

- Introduction to Oracle inventory management
- General setup and implementation steps
- Setting profile options
- **Setting up enterprise organizations**
- Defining subinventories, locators and the calendar
- Setting up units of measure
- Summary

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Organizations

- Before you use Oracle Inventory, you need to define one or more organizations. Organizations represent distinct entities in your company and can include separate manufacturing facilities, warehouses, distribution centers, and branch offices.
- Organizations can be classified and connected to model your overall enterprise structure. The classifications include:
 - Business Groups
 - Legal Entities (LE) / Government Reporting Entities (GRE)
 - Operating Units
 - Inventory Organizations

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Organizations

Classify the Organization.

- Choose an organization classification to describe the general purpose of your organization.
- Examples of organization classifications are Inventory Organization, Government Reporting Entity / Legal Entity, and HR Organization.
- Choose Inventory Organization as your organization classification to use your organization for inventory management.

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Inventory Organizations

- An inventory organization can be a physical entity like a warehouse where inventory is stored and transacted.

or

An inventory organization can be a logical entity like an item master organization which only holds items with no transactions

- An inventory organization can have its own location with a set of books, a costing method, a workday calendar, and a list of items.

or

An inventory organization can share one or more of these characteristics with other organizations

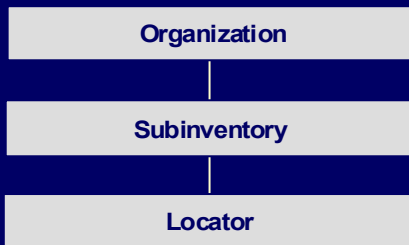
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Inventory Organization Structure Overview

Inventory Organization Structure Overview

Inventory Organizations are made up of one or more subinventories which can be made up of one or more locators.



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Enterprise Structure Considerations

- Consider the following issues when you plan your enterprise structure.
- **Sets of Books**
 - You can tie one Oracle General Ledger set of books to each inventory organization.
- **Costing Methods**
 - You can choose your costing method only at the organizational level. Costing organization is determined by the item attribute control level.
- **Item Costs**
 - Oracle Inventory keeps one standard cost per item per inventory organization.

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More Enterprise Structure Considerations

- **Movement Between Inventory Organizations**
 - You can use intransit inventory for Interorganization transfers.
- **Planning Method**
 - You can perform reorder point planning at the organization level.
 - You can perform min-max planning at both the organization and the subinventory levels.
- **In Multi-Org**
 - You can tie one government reporting entity / legal entity to each inventory organization.
 - You can tie one operating unit to each inventory organization.

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More Enterprise Structure Considerations

- **Forecasting**
 - Oracle Inventory forecasts item usage at the organization level only.
- **Accuracy Analysis**
 - You can perform physical inventory at both the organization and the subinventory levels.
 - You can perform ABC classifications at both the organization and the subinventory levels.
 - You can perform cycle counting at both the organization and the subinventory levels.

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Use of Organizations in Oracle Order Management

- You can create an item validation organization which is a logical entity listing all the items that you sell to customers.
- You can create multiple item validation organizations that share the same item master organization.
- A minimum of one item validation organizations is required per set of books.
- A maximum of one item validation organization per operating unit is allowed to determine the items that may be sold in each operating unit.

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Organization Setup

- **Set of Books**
 - Tie each organization to a general ledger set of books.
- **Inventory Parameters**
 - Use the Organization Parameters window to complete your organization definition for inventory purposes.
 - Define receiving parameters if you receive items on purchase orders, internal orders, and intransit Interorganization shipments.

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Inventory Parameters

- The item master organization should be the first inventory organization for which parameters are defined.
- You must also specify the item master organization. The system defaults this field to the organization for which parameters are being entered. It must be changed then, for any organization which is not a master organization.
- You must define the control options and account defaults for your organization before you can define items or perform any transactions.
- You must assign a unique short code to your organization and use this code to identify the organization with which you want to work.

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Additional Organizational Setups

- **Setting up Locations**
 - Define information describing the physical locations of Employees and Organizations
 - Locations are shared between Inventory Management, Purchasing and Human Resource Management
 - Flagged as global, locations are available to all Business Groups
 - Each organization can be associated with only one location
 - One or more organizations can be associated with the same location

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Additional Organizational Setups

- **Entering Employees**
 - Used primarily to record the employees who perform cycle and physical inventory counts
- **Defining Planners**
 - Used to identify persons who are responsible for planning items or groups of items

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Additional Organizational Setups

- **Defining Freight Carriers**
 - Allows assignment of a general ledger account to one or more carriers to collect costs associated with their use.
 - A carrier can be assigned to each inter-organization transfer

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Additional Organizational Setups

- **Material Shortage Parameters**
 - Defines the parameters for the system to determine when unsatisfied demand, exceeds available quantity of incoming supply. This condition can be used by the system to trigger shortage alerts and notifications.
- **Organization Access**
 - This controls access to organizations based on the user responsibility assigned to a user by the system administrator.
 - When implemented for one user responsibility, it is then required for all other user responsibilities accessing the same organization.

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Practice Exercise 4 Instructions

Practice Exercise 4 Instructions

Set up and name a location for your organization.

Set up and name your organization for your team.

Fill in specific organization parameters:

- Inventory Parameters**
- Costing Information**
- Revision, Lot, Serial**
- ATP, Pick, Item Sourcing**
- Inter-org Information**
- Other Accounts**
- Project Information**
- Receiving Information**

Tie your team organization to your team location.

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Practice Exercise 4-1

Practice Exercise 4-1

Define a Location

Description: Define a location to be associated with an inventory organization

Path: Inventory > Setup > Organizations > Locations

Prompt:	Enter:
Name	TXX-LOCATION
Description	TXX Location
	Stay on Address Details Tab
Address Style	United States
Address Line 1	123 MAIN STREET
Address Line 2	
Address Line 3	

Continue

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Practice Exercise 4-1

Practice Exercise 4-1	
Define a Location	
Prompt:	Enter:
City	Select: Atlanta
State	GA
Zip Code	30010
County	Select: Fulton
Country	Select: United States
Telephone	
Ship-to Location	Click on OK
Ship-to Site	Goto Shipping Details Tab
	TXX-LOCATION
	Check the Box

Continue

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Practice Exercise 4-1

Practice Exercise 4-1

Define a Location

Prompt:	Enter:
Bill-to Site	Check the Box
Office Site	Check the Box
Internal Site	Check the Box
Receiving Site	Check the Box
	Click on the <u>Save</u> icon

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Practice Exercise 4-2

Practice Exercise 4-2

Define an Organization

Description: Define an Organization and its related information

Path: Inventory > Setup > Organizations > Organizations

Prompt:	Enter:
	Click on the New button
Name	TXX-ORG
Type	Plant
Dates: From	Use the default
Dates: To	
Location	TXX-LOCATION
Internal or External	Internal

Continue

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Practice Exercise 4-2

Practice Exercise 4-2

Define an Organization

Prompt:	Enter:
Location Address	Use the default
Internal Address	Click on <u>Save</u> icon

Organization Classifications

Prompt:	Enter:
Name	Inventory Organization
Enabled	Check the Box
	Click on <u>Save</u> icon
	With cursor in Name
	Click on Others button

Continue

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Practice Exercise 4-2

Practice Exercise 4-2

Define an Organization

Additional Organization Information Window

Prompt:	Enter:
	Select <u>Accounting Information</u>
	Click on OK then press tab
Set of Books	Vision Operations (USA)
Legal Entity	Vision Operations
Operating Unit	Vision Operations
	Click on OK
	Click on OK
	Click on Save button
	Click on Others button

Continue

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Practice Exercise 4-2

Practice Exercise 4-2

Define an Organization

Additional Organization Information Window

Prompt:	Enter:
	Select <u>Inventory Information</u>

Organization Parameters

Prompt:	Enter:
	Stay on the <u>Inventory Parameters</u> tab
Organization Code	TXX
Master Organization	Vision Operations
Calendar	Vision01
Process Enabled	Do not check the box

Continue

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Practice Exercise 4-2

Practice Exercise 4-2

Define an Organization

Organization Parameters

Prompt:	Enter:
Demand Class	
Move Order Timeout Period	60
Move Order Timeout Action	Approve Automatically
Allow Negative Balances	Check the Box
Locator Control	Determined at Subinv Level
	Go to <u>Costing Information</u> Tab
Costing Organization	<i>Display - Cannot be changed</i>
Costing Method	Standard

Continue

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Practice Exercise 4-2

Practice Exercise 4-2

Define an Organization

Organization Parameters

Prompt:	Enter:
Transfer Detail to GL	Summary
Reverse Encumbrance	Do not check the box
Default Material Sub-Element	
<u>Valuation Accounts</u>	
Material	01-000-1410-0000-000
Outside Processing	01-000-1450-0000-000
Material Overhead	01-000-1420-0000-000
Overhead	01-000-1430-0000-000
Resource	01-000-1440-0000-000

Continue

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These accounts cannot be changed if inventory transaction have occurred in the organization.

Practice Exercise 4-2

Practice Exercise 4-2

Define an Organization

Organization Parameters

Prompt:	Enter:
Expense	01-520-7530-0000-000
Starting Revision	Go to <u>Revision, Lot, Serial</u> tab
Lot Control: Uniqueness	A
Lot Control: Generation	Across items
Zero Pad Suffix	At item level
Lot Control: Prefix	Do not check the box
Lot Control: Total Length	LOT#
	30

Continue

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Practice Exercise 4-2

Practice Exercise 4-2

Define an Organization

Organization Parameters

Prompt:	Enter:
Serial Control: Uniqueness	Within Inventory Items
Serial Control: Generation	At Organization Level
Serial Control: Prefix	SER#
Serial Control: Starting Nbr	
	Go to <u>ATP, Pick, Item</u>
	<u>Sourcing</u> tab
ATP Defaults Rule	Total ATP, No DC
Picking Defaults Rule	RevSub
Picking Defaults: Subinv	

Continue

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Practice Exercise 4-2

Practice Exercise 4-2

Define an Organization

Organization Parameters

Prompt:	Enter:
Picking Defaults: Locator Order	
Item Sourcing Detail: Type	Supplier
Item Sourcing Detail: Org	
Item Sourcing Detail: Subinv	
	Go to <u>Inter-org</u>
	<u>Information</u> tab
Inter-org Transfer Charge	Pick Predefined Percent
Predefined Percent	10

Continue

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Practice Exercise 4-2

Practice Exercise 4-2

Define an Organization

Organization Parameters

Prompt:	Enter:
<u>Inter-org Transfer Accounts</u>	
Transfer Credit	01-520-5290-0000-000
Purchase Price Variance	01-520-5210-0000-000
Receivable	01-000-1810-0000-000
Payable	01-520-2370-0000-000
Intransit Inventory	01-000-1460-0000-000
	Go to <u>Other Accounts</u> Tab

Continue

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Practice Exercise 4-2

Practice Exercise 4-2

Define an Organization

Organization Parameters

Prompt:	Enter:
Purchase Price Variance	01-520-5210-0000-000
Invoice Price Variance	01-520-5220-0000-000
Accounts Payable Accrual	01-000-2220-0000-000
Encumbrance	
<u>Profit and Loss Accounts</u>	
Sales	01-520-4110-0000-000
Cost of Goods Sold	01-520-5110-0000-000

Continue

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Practice Exercise 4-2

Practice Exercise 4-2

Define an Organization

Organization Parameters

Prompt:	Enter:
	Click on the <u>Save</u> icon Close the window Click on the Others Button Select <u>Receiving Information</u>
<u>Receipt Date:</u>	
Days Early	5
Days Late	5
Action	Warning

Continue

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Practice Exercise 4-2

Practice Exercise 4-2

Define an Organization

Receiving Options

Prompt:	Enter:
<u>Over Receipt Controls:</u>	
Tolerance	5
Action	Warning
<u>Miscellaneous:</u>	
Allow Substitute Receipts	Check the Box
Allow Unordered Receipts	Check the Box
Allow Express Transactions	Check the Box
Allow Cascade Transactions	Check the Box
Allow Blind Receiving	Do not check the box

Continue

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Practice Exercise 4-2

Practice Exercise 4-2

Define an Organization

Receiving Options

Prompt:	Enter:
Receipt Routing	Standard Receipt
Enforce Ship-To	Warning
ASN Control Action	Warning
<u>Receipt Number Options:</u>	
Entry	Automatic
Type	Numeric
Next Receipt Number	1001
Receiving Inventory Account	01-000-1410-0000-000
	Click on the <u>Save</u> icon

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Practice Exercise 4-3

Practice Exercise 4-3

Update the Organization

Description: Tie the Location to the Organization

Path: Inventory > Setup > Organizations > Locations

Prompt:	Enter:
Inventory Organization	Enter Query (F11) TXX-LOCATION Execute Query (CTRL F11) Go to <u>Other Details</u> tab TXX Click on <u>Save</u> icon

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Lesson 5 - Defining Subinventories, Locators and the Calendar

Lesson 5 - Defining Subinventories, Locators and the Calendar

- Introduction to Oracle inventory management
- General setup and implementation steps
- Setting profile options
- Setting up enterprise organizations
- **Defining subinventories, locators and the calendar**
- Setting up units of measure
- Summary

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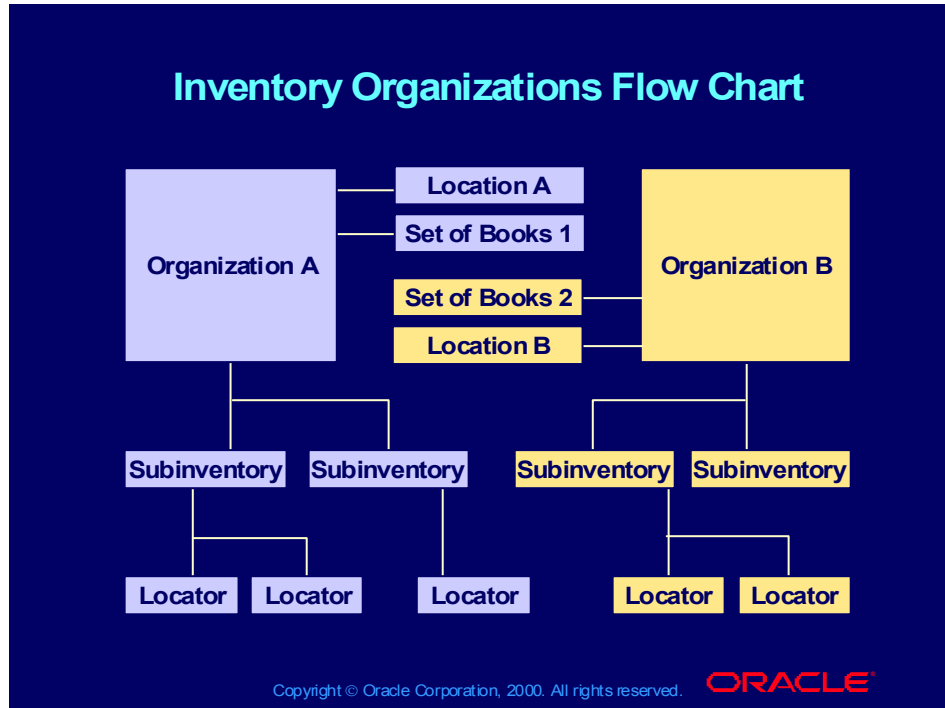
Defining Subinventories

- You define one or more subinventories for each inventory organization. A subinventory is a physical or logical grouping of your inventory, such as raw material, finished goods, defective material, or a freezer compartment.
- The subinventory is the primary place where items are physically stocked.
- A subinventory must be specified for every inventory transaction
- Subinventories can be further divided into areas designated as locators.

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Inventory Organizations Flow Chart



Use of Subinventories in Other Applications

- **Oracle Engineering**
 - You can assign subinventories to an operation for completion operations in the Routing Details window.
- **Oracle Work in Process**
 - Subinventories are mandatory for all WIP material and completion transactions.
- **Oracle Order Entry**
 - Subinventories are mandatory for all shipment transactions.

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Defining Subinventories

Defining Subinventories

Specify characteristics about each subinventory:

- **Name and Description**
- **Quantity-tracked subinventory**
- **Asset subinventory**
- **Reservable subinventory**
- **Nettable subinventory**
- **Include in ATP**
- **Subinventory-level locator control**
- **Picking order**
- **Inactive Date**
- **Leadtime applied to items stored within**
- **Item replenishment information**

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Defining Subinventories

Defining Subinventories

For standard costing enter subinventory level inventory accounts:

- Material account
- Outside processing account
- Material overhead account
- Overhead account
- Resource account
- Expense account
- Encumbrance account

For average costing these accounts default from the organization and cannot be modified.

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These accounts cannot be changed if inventory transaction have occurred in the subinventory.

Defining Locators

- **Locators are optional structures within subinventories.**
- **Locators are the third level in the enterprise structuring scheme of Oracle Inventory .**
- **Locators may represent rows, aisles, or bins in warehouses. You can receive items directly into and ship items directly from locators.**

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The Workday Calendar

- You can define the workday calendar in both Oracle Inventory and Oracle Bills of Material.
- It defines which days are worked within an organization and which shifts are available to be worked.
- The workday calendar is the Oracle term for a manufacturing calendar.
- The workday calendar is separate from the Oracle General Ledger calendar.
- Each organization references a workday calendar.

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Organization Calendar

- If you perform forecasting, planning, available-to-promise analysis, or cycle counting, you must first define your workday calendar.
- You must also specify a calendar in order to save your inventory parameters.
- When defining a calendar Oracle Inventory assumes a workday pattern that includes all days, between the start and end dates unless you specify another workday pattern.

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Workday Calendar Integration with Other Modules

Workday Calendar Integration with Other Modules

To Calculate Available Workdays for							
Activity Module	Items and Assemblies					Resources	
	Cycle Count	Forecast	Promise	Plan	Schedule	Plan	Schedule
Inventory	✓	✓	✓	✓			
MPS/MRP		✓		✓			
Capacity						✓	
WP					✓		✓

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Organization Calendar

- Take care to adjust the start date and/or workday pattern to correctly identify the first workday each week.
- You can assign workday exceptions to the base calendar to denote holidays, scheduled maintenance, or overtime.
- Before using a calendar you must 'build' it.

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Organization Calendar Exception Templates

- If you want Oracle Inventory to keep track of the exception days, you can enter them each manually or you can associate an exception template with your workday calendar.
- You can create an exception template for each unique list of holidays.
- You can create a different exception template for shifts that have different exception dates.

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Workday Calendar

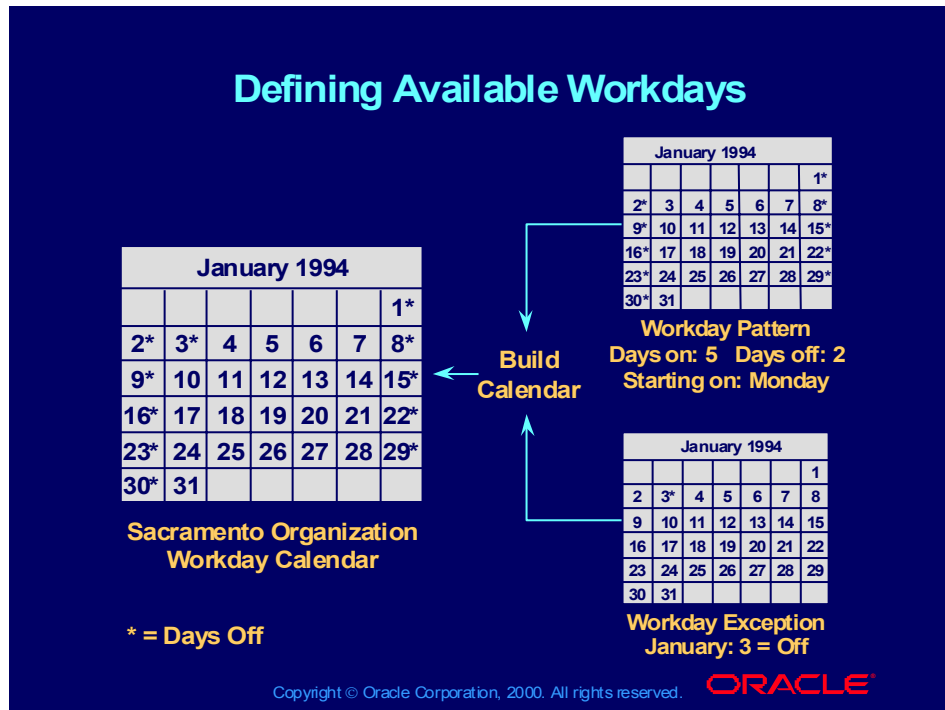
Workday Calendar

Workday Calendar Details	
Term	Definition
Days on	The number of consecutive workdays before a day off.
Days off	The number of consecutive workdays off before a day on.
Workday exception template	A template that defines workday or shift exceptions.
Workday exceptions	Dates that define plant workday variations, including scheduled maintenance or extended downtime.
Shift exception	Dates that define shift workday variations such as holidays. (Shift exceptions override workday exceptions.)

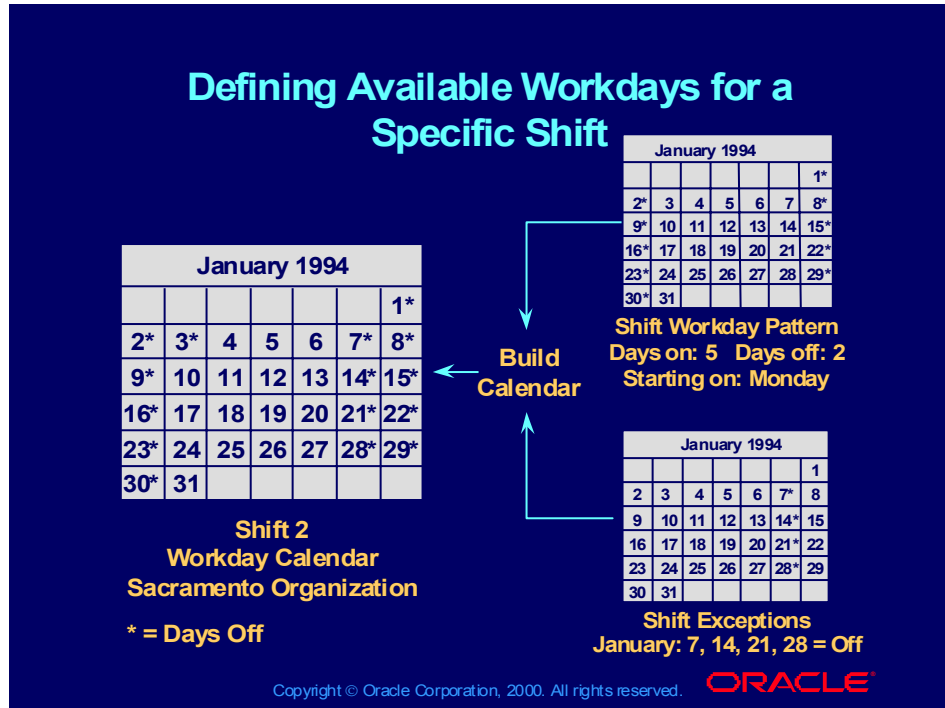
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Defining Available Workdays



Defining Available Workdays for a Specific Shift



Practice Exercise 5-1 Instructions

Practice Exercise 5-1 Instructions

You are starting up Oracle at your company. You need to define subinventories and set up the workday calendar.

- **Create and name your exception set.**
 - Define the start and end dates with days off and days on.
 - Define your workday pattern.
 - Enter your shift times.
 - Build your calendar.
 - Review your calendar.
- **Define two subinventories for you organization**

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Practice Exercise 5-1

Practice Exercise 5-1

Define a Calendar Exception Set Name

Description: Add a Workday Exception set to identify calendar exceptions.

Path: Inventory > Setup > Organizations > Calendar > Exception Templates

Prompt:	Enter:
Template	TXX-EXCEP
Description	TXX MFG EXCEPTION
Dates	01-JAN-2001
	01-JAN-2002
	01-JAN-2003

Continue

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Practice Exercise 5-1

Practice Exercise 5-1

Define a Calendar Exception Set Name

Prompt:	Enter:
Dates	25-DEC-2000 25-DEC-2001 25-DEC-2002 25-DEC-2003
Days On	Unchecked for all dates Click on the <u>Save</u> icon

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Practice Exercise 5-2

Practice Exercise 5-2

Define a new Workday Calendar

Description: Define the workday calendar with calendar type, days on, days off, start and end dates.

Path: Inventory > Setup > Organizations > Calendars

Work Calendar Window

Prompt:	Enter:
Name	TXX-CAL
Description	TXX Standard Calendar
Quarterly Calendar Type	4/4/5 Week Pattern
Calendar Date Range: From	03-JAN-2000
Calendar Date Range: To	31-DEC-2004
	Click on Workday <u>P</u> attern

Continue

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Practice Exercise 5-2

Practice Exercise 5-2

Define a new Workday Calendar

Workday Patterns Window

Prompt:	Enter:
Seq	1
Days On	5
Days Off	2
Description	Regular Workday Pattern Click on <u>Save</u> icon Close the window

Continue

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Practice Exercise 5-2

Practice Exercise 5-2

Define a new Workday Calendar

Assign Workday Exceptions

Prompt:	Enter:
	Click on <u>D</u> ates Click on Exception <u>L</u> ist Click on Load

Load Exceptions Window

Prompt:	Enter:
Load From Template	Template TXX-EXCEP Click on OK

Continue

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Practice Exercise 5-2

Practice Exercise 5-2

Define a new Workday Calendar

Load Exceptions Window

Prompt:	Enter:
	Click on OK Close the Calendar Window Click on Shift

Shift Window for TXX-CAL

Prompt:	Enter:
Shift Number	1
Description	First Shift 7:00 to 15:00 Click on Workday Patterns

Continue

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Practice Exercise 5-2

Practice Exercise 5-2

Define a new Workday Calendar

Workday Patterns (under Shifts)

Prompt:	Enter:
Seq	1
Days On	5
Days Off	2
Description	Regular Shift Pattern Close the window Click on Times for 1st shift

Continue

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Practice Exercise 5-2

Practice Exercise 5-2

Define a new Workday Calendar

Shift Times (under Shifts)

Prompt:	Enter:
Start Time	07:00
Stop Time	11:15
Start Time	11:45
Stop Time	15:00
	Click on the <u>Save</u> icon
	Close the window

Continue

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Practice Exercise 5-2

Practice Exercise 5-2

Define a new Workday Calendar

Shifts Window (first blank line)

Prompt:	Enter:
Shift Number	2
Description	Second Shift 15:00 to 23:00 Click on Workday Patterns

Workday Patterns (under Shifts)

Prompt:	Enter:
Seq	1
Days On	5
Days Off	2

Continue

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Practice Exercise 5-2

Practice Exercise 5-2

Define a new Workday Calendar

Workday Patterns (under Shifts)

Prompt:	Enter:
Description	Regular Workweek Pattern Close the window Click on Times for 2nd Shift

Shift Times (under Shifts)

Prompt:	Enter:
Start Time	15:00
Stop Time	18:45
Start Time	19:15

Continue

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Practice Exercise 5-2

Practice Exercise 5-2

Define a new Workday Calendar

Shift Times (under Shifts)

Prompt:	Enter:
Stop Time	23:00
	Click on the <u>Save</u> icon
	Close Shift Times window
	Close Shifts window

In the Workday Calendar window review you calendar dates by clicking on the Dates button. Verify 25-DEC-1999 is a different color.

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Practice Exercise 5-2

Define a new Workday Calendar

- While still in the Workday Calendar Window , run the calendar build process
 - Tools Menu > Build
- Verify your requested job has completed
 - View > Requests > Find
- Verify your calendar built correctly
 - Setup > Calendar > Find

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Practice Exercise 5-3

Practice Exercise 5-3

Define Subinventories

Description: Define two subinventories for you organization.

Path: Inventory > Setup > Organizations > Subinventories

Prompt:	Enter:
Name	Click on New button
Description	TXX-STORES
Quantity Tracked	TXX Stores
Asset Subinventory	Check the Box
Depreciable	Check the Box
Include in ATP	Check the Box

Continue

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Practice Exercise 5-3

Practice Exercise 5-3

Define Subinventories

Prompt:	Enter:
Allow Reservation	Check the Box
Nettable	Check the Box
Locator Control	Item Level
Picking Order	
Inactive On	
	Click on the <u>Save</u> icon
	Click on the New button
Name	TXX-SHOP
Description	TXX Shop Floor
Quantity Tracked	Check the Box

Continue

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Practice Exercise 5-3

Practice Exercise 5-3

Define Subinventories

Prompt:	Enter:
Asset Subinventory	Check the Box
Depreciable	Check the Box
Include in ATP	Check the Box
Allow Reservation	Do not check the box
Nettable	Check the Box
Locator Control	None
Picking Order	
Inactive On	
	Click on the <u>Save</u> icon

Continue

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Lesson 6 - Setting up Units of Measure

Lesson 6 - Setting up Units of Measure

- Introduction to Oracle inventory management
- General setup and implementation steps
- Setting profile options
- Setting up enterprise organizations
- Defining subinventories, locators and the calendar
- **Setting up units of measure**
- Summary

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Units of Measure

- Define units of measure for tracking, moving, storing, and counting items.
- Each item that you define in Oracle Inventory must have a primary unit of measure.
- Each transaction that you perform in Oracle Inventory must have a unit of measure associated with the transaction quantity and a conversion defined back to the primary unit of measure.
- Multiple related units of measure are grouped together in a class with a base unit of measure
- Oracle Inventory uses the base unit of measure to perform conversions between units of measure in each class and between two different unit of measure classes.

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Once an item has been saved with a unit of measure, the unit of measure can not be changed again!

Use of Units of Measure in Oracle

- **Planning Products**
 - Forecasting and consumption
 - Master scheduling (MDS/MPS)
 - Material requirements planning (MRP)
- **Work in process**
 - Shop-floor moves
 - Resource transactions
 - Completion and return transactions
 - Inquiries and reports
- **Bills of Material and Engineering**
 - Defining bills of material
 - Defining engineering items

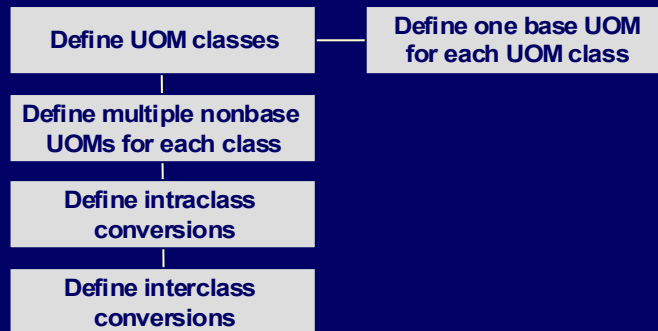
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Units of Measure Setup

Units of Measure Setup

Perform the following steps to define multiple UOMs and set up conversions:



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Units of Measure Classes

- You need to define unit of measure classes and the base unit of measure for each class.
- Unit of measure classes represent groups of units of measure with similar characteristics, such as volume or length.
- Oracle Inventory uses the base unit of measure to perform conversions between units of measure in each class and between two different unit of measure classes.

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Defining UOM Classes

Defining UOM Classes

A unit of measure class is a group of units of measure with similar characteristics. For example, “weight” can be a unit of measure class with units of measure such as kilogram, gram, pound, and ounce.

UOM Class	Base UOM	Other UOMs
Quantity	Each	Dozen, Box
Weight	Gram	Pound, Kilogram
Volume	Cubic inches	Cubic feet, CC

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Defining UOMs

Defining UOMs

A unit of measure (UOM) is a term that you must use, along with a numeric value, to specify the quantity of an item. For example, “each” is a unit of measure that you would use to specify the number of units of an item.

UOM Class	UOM	UOM Code	Base UOM?
Quantity	Each	EA	Yes
Quantity	Dozen	DZ	No
Quantity	Box	BX	No
Weight	Gram	GR	Yes
Weight	Kilogram	KG	No

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Units of Measure Conversions

- A unit of measure conversion is a mathematical relationship between two different units of measure. For example, 16 ounces = 1 pound, or 2.2 pounds = 1 kilogram.
- If you want to transact items in units of measure belonging to classes other than their primary UOM class, you must define conversions between the base units of measure in different UOM classes.

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Units of Measure Conversions

Units of Measure Conversions

UOM Class = Weight

UOM	Base UOM
lbs	Yes
kg	No
g	No

UOM Conversion

1 kg = 2.208 X lbs

1 g = 0.002208 X lbs

UOM Interclass Conversion

Item	Destination Base UOM	Destination UOM Class	Conversion	Source Base UOM	Source UOM Class
Keyboard	lbs	Weight	2	Each	Quantity
2 Each = 1 lb					

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Practice Exercise 6 Instructions

Practice Exercise 6 Instructions

- You are on the implementation team to set up the UOM classes and conversions for the new Oracle software. Use your unique identifier T(XX) to set up your UOM classes and save your entries.
- Use your unique identifier to set up multiple UOMs for your classes. Set up UOMs for Dozen, Gross, and Case and save your entries.
- Create standard conversions for your UOM in multiples of dozen, gross, and case. Also create an inter-class conversion.

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Practice Exercise 6-1

Practice Exercise 6-1

Define a Unit of Measure Class

Description: Define and update unit of measure classes

Path: Inventory > Setup > Unit of Measures > Classes

Note: Be sure to add a new row

Prompt:	Enter:
Name	Click on <u>New</u> icon
Description	TXX-QTY
Base Unit of Measure	TXX Quantity Class
UOM	TXX-EACH
Inactive Date	EXX
	Click on <u>Save</u> icon

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Practice Exercise 6-2

Practice Exercise 6-2

Define Units of Measure

Description: Define and update units of measure used for tracking, issuing, receiving and storing inventory items.

Path: Inventory > Setup > Unit of Measures > Unit of Measures

Note: Scroll down the screen to find the UOM Name TXX-EACH. This was created automatically when your class was defined in exercise 6-1.

Prompt:	Enter:
Name	Click on <u>New</u> Icon TXX-DOZEN

Continue

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Practice Exercise 6-2

Practice Exercise 6-2

Define Units of Measure

Prompt:	Enter:
UOM	DXX
Description	TXX DOZEN UOM
Base Unit	NO
Class	TXX-QTY
Inactive Date	
	Click on the <u>Save</u> icon
	Click on the <u>New</u> icon
Name	TXX-GROSS
UOM	GXX
Description	TXX-GROSS UOM

Continue

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Practice Exercise 6-2

Practice Exercise 6-2

Define Units of Measure

Prompt:	Enter:
Base Unit	Do not check the box
Class	TXX-QTY
Inactive Date	
	Click on the <u>Save</u> icon
	Click on the <u>New</u> icon
Name	TXX-GROSS
UOM	GXX
Description	TXX-GROSS UOM
Base Unit	Do not check the box
Class	TXX-QTY

Continue

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Practice Exercise 6-2

Practice Exercise 6-2

Define Units of Measure

Prompt:	Enter:
Inactive Date	
Name	Click on the <u>Save</u> icon
UOM	TXX-GROSS
Description	GXX
Base Unit	TXX-GROSS UOM
Class	Do not check the box
Inactive Date	TXX-QTY
	Click on the <u>Save</u> icon

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Practice Exercise 6-3

Practice Exercise 6-3

Define Unit of Measure Conversions

Description: Define and update the conversions between the base unit of measure and other units of measure within a class

Path: Inventory > Setup > Unit of Measures > Conversions

Prompt:	Enter:
	Stay on the <u>Standard</u> tab
	Click on <u>New</u> icon
Unit	TXX-DOZEN
Class	TXX-QTY
Conversion	12

Continue

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Practice Exercise 6-3

Practice Exercise 6-3

Define Unit of Measure Conversions

On the **Standard** tab

Prompt:	Enter:
Base Unit	TXX-EACH
Inactive Date	
	Click on <u>Save</u> icon
	Click on <u>New</u> icon
Unit	TXX-GROSS
Class	TXX-QTY
Conversion	144

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Practice Exercise 6-3

Practice Exercise 6-3

Define Unit of Measure Conversions

Prompt:	Enter:
Base Unit	TXX-EACH
Inactive Date	
	Click on <u>Save</u> icon
	Click on <u>New</u> icon
Unit	TXX-CASE
Class	TXX-QTY
Conversion	24

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Practice Exercise 6-3

Practice Exercise 6-3

Define Unit of Measure Conversions

Prompt:	Enter:
Base Unit	TXX-EACH
Inactive Date	
	Click on <u>Save</u> icon

Continue

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Practice Exercise 6-3

Practice Exercise 6-3

Define Unit of Measure Conversions

Prompt:	Enter:
	Go to <u>Inter-class</u> tab
	Click on <u>New</u> icon
Item	AS18947
Base Unit	TXX-EACH
Class	TXX-QTY
Conversion	2
Base Unit	EACH
Class	QUANTITY
	Click on <u>Save</u> icon

Continue

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Lesson 7 - Summary

Lesson 7 - Summary

- Introduction to Oracle inventory management
- General setup and implementation steps
- Setting profile options
- Setting up enterprise organizations
- Defining subinventories, locators and the calendar
- Setting up units of measure
- **Summary**

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Summary

Summary

In this course you should have learned to:

- Perform the general application setup steps for inventory management
- Set up the application profile options
- Understand using organizations to model the enterprise
- Set up an inventory organization and its associated tables
- Define subinventories, locators and the calendar
- Set up units of measure and conversions

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Review Question

Review Question

To define an inventory structure, you need to set up

1. organization only
2. Organization and UOM
3. UOM and workday calendar
4. Organization, UOM, and workday calendar
5. None of the above

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Answer to Review Question

Answer to Review Question

To define an inventory structure, you need to set up

1. Organization only
2. Organization and UOM
3. UOM and workday calendar
4. **Organization, UOM, and workday calendar**
5. None of the above

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