

Application Setup and Implementation for Inventory Management - 2

Student Guide

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Table of Contents

Application Setup and Implementation for Inventory Management - 2	1-1
Application Setup and Implementation for Inventory Management - 2	1-2
Objectives	1-3
Agenda	1-4
Lesson 1 - Setting up to Control and Enter Items	1-5
Using an Item Master Organization	1-6
Setting Up Item Definition	1-7
Item Attributes	1-8
Specifying Item Attribute Control Levels	1-9
Specifying Item Attribute Controls	1-11
Item Templates	1-13
Item Categories	1-15
Item Categories Setup	1-16
Item Cataloging	1-17
Additional Item Definition Tables	1-21
Deletion Constraints	1-25
Deletion Groups	1-26
Review Question	1-27
Answer to Review Question	1-28
Lesson 2 - Setup for Inventory Transactions	1-29
Transaction Setups	1-30
Transaction Processing Profile Options	1-31
Transaction Processing Modes	1-33
Transaction Processing Modes Form Level Processing	1-35
Transaction Managers	1-36
Control Options and Restrictions	1-39
Transaction Types	1-43
Transaction Source Types	1-44
Transaction Action	1-45
Predefined Transaction Types - 1	1-46
Predefined Transaction Types - 2	1-47
Predefined Transaction Types - 3	1-48
Predefined Transaction Types - 4	1-49
Predefined Transaction Types - 5	1-50
Predefined Transaction Types - 6	1-51
Transaction Reasons	1-52
Account Aliases	1-53
Inter-Organization Shipping Network	1-54
Other Tables for Transactions	1-56
Review Question	1-59
Answer to Review Question	1-60
Lesson 3 - Setup for Move Orders	1-61
Move Orders	1-62
Move Order Source Types	1-63
Setting Up for Move Orders	1-66
Review Question	1-70
Answer to Review Question	1-71
Lesson 4 - Setup for Shortage Messages	1-72
Shortage Alerts and Notifications	1-73
Setting Up Shortage Alerts and Notifications	1-78
Review Question	1-79

Answer to Review Question	1-80
Lesson 5 - Setup for Cycle Counting	1-81
ABC Analysis and Cycle Counting	1-82
Setup for ABC Analysis	1-84
Cycle Counting	1-90
Cycle Counting Setup	1-91
Review Question.....	1-102
Answer to Review Question	1-103
Review Question.....	1-104
Answer to Review Question	1-105
Lesson 6 - Setup for Physical Inventory	1-106
Physical Inventory	1-107
Physical Inventory Setup	1-108
Review Question.....	1-113
Answer to Review Question	1-114
Lesson 7 - Summary	1-115
Summary.....	1-116

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 - 2 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 - 2

Chapter 1

Application Setup and Implementation for Inventory Management - 2

Application Setup and Implementation for Inventory Management - 2

Release 11i

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Objectives

Objectives

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

- **Setup to enter and control items**
- **Perform setup required for inventory transactions**
- **Setup to use move orders**
- **Setup to use shortage messages**
- **Setup cycle counting**
- **Setup a physical inventory**

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Agenda

Agenda

- **Setting up to enter and control items**
- **Setup for inventory transactions**
- **Setup for move orders**
- **Setup for shortage messages**
- **Setup for cycle counting**
- **Setup for physical inventory**
- **Summary**

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Lesson 1 - Setting up to Control and Enter Items

Lesson 1 - Setting up to Control and Enter Items

- **Setting up to enter and control items**
- Setup for inventory transactions
- Setup for move orders
- Setup for shortage messages
- Setup for cycle counting
- Setup for physical inventory
- Summary

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Using an Item Master Organization

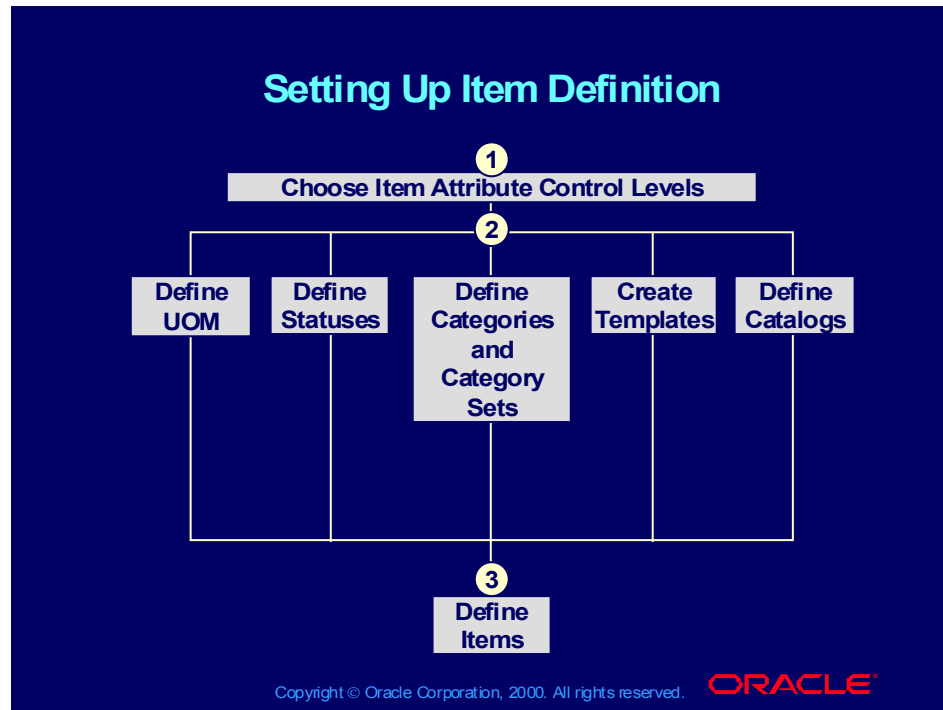
Items are entered in an item master organization and then assigned to be used in child organizations

- **Item Master Organization**
 - Usually the first Inventory organization that is set up. Its single purpose is for entering items. It has no subinventories and is not used for inventory transactions.
- **Child Organization**
 - An inventory organization with at least one subinventory that is set up for processing inventory transactions. It is not used to enter items. It gets a list of items from the master.

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Setting Up Item Definition



Item Attributes

Item attributes are fields in the item table used to store specific characteristics of an item, such as item status, unit of measure, revision control, etc.. Attributes can be controlled at either the master or the organization level.

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Specifying Item Attribute Control Levels

Attributes Controlled at the Master Level

- An item has the same value for such attributes in all organizations in which it is defined.
- You can enter and update the values of Master-level attributes only by using the Master Item window. Oracle Inventory reflects your changes in all organizations that carry the item.

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Specifying Item Attribute Control Levels

Attributes Controlled at the Organization Level

- An item may have different values for such attributes in each organization in which it is defined.
- When you define your items in the item master, you can specify defaults for organization-level attributes.
- You can update the values of organization-level attributes only by using the Organization Item window in each organization that carries the item.

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Specifying Item Attribute Controls

Status Control

- Defines whether certain status attributes are set or modified with defaults each time a status code is assigned to an item .
- The status attributes that can be controlled with the item status codes:
 - BOM Allowed
 - Build in WIP
 - Customer Orders Enabled
 - Invoice Enabled
 - Transactable
 - Purchasable
 - Internal Orders Enabled
 - Stockable

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Specifying Item Attribute Controls

Status Control

- An unlimited number of status codes can be defined by the user
- One or more of these status codes can be assigned to an Item for implementation on a future date. The status codes then automatically change on their user specified effectivity dates.

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Item Templates

- **Templates are defined sets of attributes that you can use over and over to create many similar items. Templates make initial item definition easier and more consistent.**
- **Templates can be applied at any time after the item is created.**
- **Multiple templates can be applied to a single item.**
- **Templates can hold a complete set of attributes or a partial set. If a partial set, then only values stored in the template overwrite those on the item.**

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Item Templates

Users can define their own templates or predefined templates include:

- ATO Model
- ATO Item
- Kit
- PTO Model
- Phantom Item
- Purchased
- Subassembly
- Freight
- ATO Option Class
- Finished Good
- Outside Processing Item
- PTO Option Class
- Planning Item
- Reference Item
- Supply Item
- Product Family

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Item Categories

- Use categories and category sets to group your items for various reports and programs.
- A category is a logical classification of items that have similar characteristics.
- A category set is a distinct grouping scheme and consists of multiple categories.
- Some application modules, Inventory , for example require that all items are assigned to a category. The user specifies a default category for this purpose in each of these modules.

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Item Categories Setup

- Define the flexfield structures for the item categories flexfield.
- Define categories.
- Define category sets and assign the categories to the sets. Each set can use a different flexfield definition if required.
- Assign default category sets to each functional area, like Purchasing, Planning and Inventory
- Assign items to categories. An item can be assigned to only one category within a set.

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Item Cataloging

- While the catalog group flexfield is a required setup, item cataloging is optional.
- Use item cataloging to add descriptive information to items and to partition the Item Master into groups of items that share common characteristics. You configure in advance what is required to uniquely define an item in each group. When you define your items, you assign them to an item catalog group.

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Item Cataloging

- To define your catalog, you set up as many distinct item catalog groups as you need. Each group has unique characteristics (called descriptive elements) that completely describe items belonging to the group.
- When you assign an item to an item catalog group, you define values for the descriptive elements that apply to your item. For example, an item catalog group called Computer could have a descriptive element called Processing Speed. Possible values for Processing Speed might be 100MHZ, 133MHZ, and so on.

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Item Cataloging

- **Benefits of cataloging items:**
 - Provide standard language in referring to items, enabling companies in the same industry to communicate effectively without needing to name their items identically.
 - Store a detailed description of what an item is without having to embed that meaning in the item number.
 - Use descriptive elements as search criteria for items.

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Item Cataloging

- **Benefits of cataloging items:**
 - Update the item description with a concatenated value of the item catalog group information.
 - Find common existing parts when developing an engineering prototype.
- **Drawback of item cataloging:**
 - catalog elements entered by users are not validated by the system

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Additional Item Definition Tables

- **Container Types**
 - Used in assigning the physical attributes of an item
- **Picking Rules**
 - When you define an item you choose a picking rule to determine the order in which revisions, lots, subinventories, and locators are picked for orders. Oracle Shipping Execution submits requests to Oracle Inventory, which uses the information you enter in the Picking Rules window to generate pick lists for sales orders.

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Additional Item Definition Tables

- **Item Types**
 - A QuickCode table you use when you define an item. You can use the types provided by Oracle Inventory or create your own.
- **Cross Reference Types**
 - Cross-reference types define relationships between items and entities such as old item numbers or supplier item numbers.
 - For example, you can create a cross-reference type Old to track the old item numbers, and a type Supplier to track supplier part numbers.

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Additional Item Definition Tables

- **Customer Items**
 - Allows the entry of customer part numbers and the customer(s) they are associated with.
 - These items can also be associated with commodity codes and container types
- **Customer Item Cross References**
 - Used to define cross references between your inventory items and the customer items defined above.

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Additional Item Definition Tables

- **Commodity Codes**
 - Customer Item Commodity Codes are used to group customer items and can be entered during the definition of customer items.

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Deletion Constraints

- If you want to enforce specific business rules and add custom checks before Oracle Inventory allows deletion of an item, you must define item deletion constraints to supplement the standard predefined item deletion conditions.
- Never remove any of the predefined deletion conditions.

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Deletion Groups

- You can delete items that have incorrect attribute information. For example, if you make a mistake in entering an item number, use the Deletion Groups window to delete the item.
- If you decide to purge the item immediately after incorrectly defining it and before using it anywhere in the system, you will be able to delete it.

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Review Question

Review Question

Which of these are Status Attributes?

- 1. Build in WIP**
- 2. BOM Allowed**
- 3. Transactable**
- 4. Purchasable**
- 5. All of the above**
- 6. 1, 3 & 4 only**

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Answer to Review Question

Answer to Review Question

Which of these are Status Attributes?

1. Build in WIP
2. BOM Allowed
3. Transactable
4. Purchasable
5. **All of the above**
6. 1, 3 & 4 only

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Lesson 2 - Setup for Inventory Transactions

Lesson 2 - Setup for Inventory Transactions

- Setting up to enter and control items
- **Setup for inventory transactions**
- Setup for move orders
- Setup for shortage messages
- Setup for cycle counting
- Setup for physical inventory
- Summary

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Transaction Setups

- **Transaction Processing Profile Options (TP:INV)**
- **Transaction Managers**
- **Transaction Types**
 - **Transaction Source Types**
- **Inter-org Shipping Networks**
- **Other Tables**
 - **Shipping Method**
 - **Economic Zones**
 - **Movement Statistics**
 - **Inter Company Relations**

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Transaction Processing Profile Options

- **Oracle Inventory provides you with the following transaction processing profile options:**
 - **Cycle Count Approvals**
 - **Cycle Count Entries**
 - **Enter Replenishment Count**
 - **Inter–Organization Transfer**
 - **Miscellaneous Issue and Receipt**
 - **Receive Customer Returns**

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Transaction Processing Profile Options

- **Oracle Inventory provides you with the following transaction processing profile options:**
 - **Return to Customer**
 - **Transaction Processing Mode**
 - **Transfer Between Subinventories**
 - **Update Average Cost**
 - **Server Side On-line Processing**

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Transaction Processing Modes

- You can set processing control globally for all transactions or you can choose different options for each type of transaction. Choose between the following modes:
 - On line processing
 - Background Processing
 - Immediate concurrent processing
 - Form level processing
- You establish the method of transaction processing by choosing the processing mode when you set up the profile option “TP:INV Transaction Processing Mode”

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Transaction Processing Modes

Transaction Processing Modes

- **On line processing** Processes transactions while you wait and returns control to you once it finishes.
- **Background processing** Returns control immediately to you. With this option, Oracle Inventory processes transactions on a periodic basis via the Inventory Transaction Manager.
- **Immediate concurrent processing** Spawns a concurrent process when you commit the transaction and returns control immediately to you, allowing you to continue working.
- **Form level processing** Processes transactions using the processing control option you choose for that particular type of transaction.

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Transaction Processing Modes Form Level Processing

Transaction Processing Modes Form Level Processing

- **When using form level processing, you must also set the Inventory profile options for**
 - **Inter–Organization Transfer**
 - **Miscellaneous Issue and Receipt,**
 - **Receive Customer Return,**
 - **Return to Customer**
 - **Transfer Between Subinventories.**

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Transaction Managers

- They control the number of transaction workers, processing intervals, and number of transactions processed by each worker during each interval.
- These run at the periodic intervals you specify until you delete them with the concurrent manager.

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Transaction Managers

- The material cost transaction manager must run to cost material transactions.
- The move transaction manager must run so that assemblies received from an outside processing supplier can be moved to the next operation.
- You do not have to launch the other transaction managers if you decide to process all your transactions on-line and do not use the transaction interface.

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Transaction Managers

Transaction Managers

- **Material transaction manager** Immediately executes a material transaction after you save your changes in a transaction window.
- **Move Transaction Manager** Processes move transactions in Oracle Work in Process and move transactions you import.
- **Resource cost trans. manager** Processes resource transactions in Oracle Work in Process and resource transactions you import
- **Material cost transaction manager** Costs material transactions in Oracle Inventory and Oracle Work in Process in the background.

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Control Options and Restrictions

- **The following options and restrictions must be set before performing inventory transactions:**
 - **Locator Control**
 - **Lot Control**
 - **Serial Number Control**
 - **Revision Quantity Control**
 - **Subinventory and Locator restrictions for specific items**

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Control Options and Restrictions

- **Locator Control**
 - Use locator control if you divide your subinventories into physical areas such as aisle, rack, or bin locations. You can turn on locator control for the whole organization, for a specific subinventory, or a particular item.
- **Lot Control**
 - You can enable lot control for specific items in your inventory and optionally assign expiration dates to them. When using lot control, you must assign lot numbers when you receive the item into inventory. Thereafter, when you transact this item, you must provide a lot number.

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Control Options and Restrictions

- **Serial Number Control**
 - You can enable serial number control for specific items in your inventory to track individual units. If you enable serial number control for an item, you must provide a serial number every time you transact it.
- **Revision Quantity Control**
 - You can define and enforce revision quantity control for any item to track quantities by revision. If you enable revision quantity control for an item, you must provide a revision number every time you transact it.

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Control Options and Restrictions

- **Subinventory and Locator restrictions for specific items**
 - If some of your items have fixed locators where you stock them, you can restrict the subinventories and locators they are transacted to and from by defining a list of valid subinventories and locators for your item.
 - Then enable the item attributes restricting the item to a list of subinventories and locators, all Inventory transaction windows ensure that you transact the item to and from a subinventory and locator included in the restricted list.

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Transaction Types

- A transaction type is the combination of a transaction source type and a transaction action.
- It is used to classify a particular transaction for reporting and querying purposes.
- Oracle Inventory also uses transaction types to identify certain transactions to include in historical usage calculations for ABC analysis or forecasting.
- A number of transaction types are predefined in Oracle Inventory. The user can also define additional types by setting up new combinations of source types and actions.

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Transaction Source Types

Transaction Source Types

The type of entity against which Oracle Inventory charges a transaction. Used with a transaction action, it uniquely identifies the type of transaction performed. Oracle Inventory provides the following predefined transaction source types (additional types are user defined):

- Purchase Order
- Account Alias
- Move Order
- Internal Order
- Standard Cost Update
- Internal Requisition
- Sales Order
- Cycle Count
- Periodic Cost Update
- Physical Inventory
- Account
- RMA (Return Material Authorization)
- Inventory
- Job or Schedule

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Transaction Action

A generic type of material movement or cost update. Used with a transaction source type, a transaction action identifies a transaction type. Oracle Inventory provides the following transaction actions:

- Assembly completion
- Issue from stores
- Subinventory transfer
- Direct organization transfer
- Cycle count adjustment
- Physical inventory adjustment
- Intransit receipt
- Intransit shipment
- WIP assembly scrap
- Cost update
- Receipt into stores
- Negative component issue
- Delivery adjustments
- Negative component return
- Assembly return

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Predefined Transaction Types - 1

Predefined Transaction Types - 1

Type	Action	Source Type
PO Receipt	Receipt into Stores	Purchase Order
Return to Supplier	Issue from Stores	Purchase Order
PO Delivery Adjmt	Delivery Adjmt	Purchase Order
Sales Order Issue	Issue from Stores	Sales Order
Account Issue	Issue from Stores	Account
Account Receipt	Receipt into Stores	Account
WIP Assy Return	Assembly Return	Job or Schedule

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Predefined Transaction Types - 2

Predefined Transaction Types - 2

Type	Action	Source Type
WIP Cost Update	Cost Update	Job or Schedule
WIP Compt Issue	Issue from Stores	Job or Schedule
WIP Compt Return	Receipt into Stores	Job or Schedule
WIP Assy Compl	Assy Completion	Job or Schedule
Replenishment Supply Subinv	Subinventory Transfer	Job or Schedule
WIP Assy Scrap	WIP Assy Scrap	Job or Schedule
Acct Alias Issue	Issue from Stores	Account Alias

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Predefined Transaction Types - 3

Predefined Transaction Types - 3

Type	Action	Source Type
Acct Alias Receipts	Receipt into Stores	Account Alias
Intnl Req Intran Rec	Intransit Receipt	Internal Req
Intnl Req Del Adjmt	Delivey Adjustments	Internal Req
Internal Order Issue	Issue from Stores	Internal Order
Internal Order Subinventory Transfer	Subinventory Transfer	Internal Order
Internal Order Direct Organization Transfer	Direct Organization Transfer	Internal Order

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Predefined Transaction Types - 4

Predefined Transaction Types - 4

Type	Action	Source Type
Intnl Order Intran Shpt	Intransit Shipment	Internal Order
Cycle Count Adjmt	Cycle Count Adjmt	Cycle Count
Physical Inv Adjmt	Physical Inv Adjmt	Physical Inventory
Std Cost Update	Cost Updates	Std Cost Update
Rect of Cust Return	Receipt into Stores	RMA
Reject Cust Return	Issue from Stores	RMA
Inv Subinv Transfer	Subinv Transfer	Inventory

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Predefined Transaction Types - 5

Predefined Transaction Types - 5

Type	Action	Source Type
Inv Direct Org Transfer	Direct Org Transfer	Inventory
Inv Intransit Receipt	Intransit Receipt	Inventory
Inv Intransit Shipment	Intransit Shipment	Inventory
Miscellaneous Issue	Issue from Stores	Inventory
Miscellaneous Receipt	Receipt into Stores	Inventory
Inv Delivery Adjmt	Delivery Adjmt	Inventory
Average Cost Update	Cost Update	Inventory

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Predefined Transaction Types - 6

Predefined Transaction Types - 6

Type	Action	Source Type
WIP Neg Compt Issue	Neg Compt Issue	Job or Schedule
WIP Compt Neg Return	Neg Compt Return	Job or Schedule
Inter-project Borrow	Subinv Transfer	Inventory
Inter-project Payback	Subinv Transfer	Inventory
Inter-Project Transfer	Subinv Transfer	Inventory

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Transaction Reasons

- A standard means of classifying or explaining the reason for a transaction.
- The reasons are user definable.
- Transaction reasons can be used in all transaction forms.
- You can use these standard transaction reasons with any type of material transaction.
- Oracle Inventory provides transaction reporting and inquiring capabilities by transaction reason.

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Account Aliases

- **An account alias is an easily recognized name or label representing a general ledger account number.**
- **You can view, report, and reserve against an account alias.**
- **During a transaction, you can use the account alias instead of an account number to refer to the account.**

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Inter–Organization Shipping Network

- **Describes the relationships and accounting information that exists between a shipping (from) organization that ships inventory to a destination (to) organization.**

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Inter–Organization Shipping Network

- You can specify if transfers will go through intransit. If so, you also can determine
 - Shipping methods
 - GL accounts to use in transit
 - material ownership during transfers
 - Planning leadtimes
 - Transfer charges
 - Default receipt routing
 - If internal orders are required

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Other Tables for Transactions

- **Economic Zones**
 - Supports Oracle Inventory movement statistics functionality for gathering, reviewing, and reporting statistical information associated with material movements.
 - Used to define the economic zones in which you conduct business. Oracle Inventory uses this information to determine which material movement transactions take place in a reporting jurisdiction.

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Other Tables for Transactions

- **Shipping Method**
 - A QuickCode used to define specific shipping methods. For example: Ground, Express, or Air.
- **Movement Statistics Parameters**
 - Used to define the parameters for gathering movement statistics. Oracle Inventory uses this information to validate entry of statistical movement transactions and to properly report the information.

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Other Tables for Transactions

- **Intercompany relations**
 - Used with Accounts Receivable and Accounts Payable to define, query, and update intercompany relations between two operating units in a multi-organization environment. Specifies the handling of a sale in one set of books with the shipment of goods from another set of books (across companies).

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Review Question

Review Question

Which transaction manager immediately executes a material transaction after you save your changes in a transaction window?

- 1. Material cost transaction manager**
- 2. Move transaction manager**
- 3. Resource cost transaction manager**
- 4. None of the above**

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Answer to Review Question

Answer to Review Question

Which transaction manager immediately executes a material transaction after you save your changes in a transaction window?

1. Material cost transaction manager
2. Move transaction manager
3. Resource cost transaction manager
4. **None of the above**

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The material transaction manager is the correct answer.

Lesson 3 - Setup for Move Orders

Lesson 3 - Setup for Move Orders

- Setting up to enter and control items
- Setup for inventory transactions
- **Setup for move orders**
- Setup for shortage messages
- Setup for cycle counting
- Setup for physical inventory
- Summary

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Move Orders

- **Move orders are requests for the movement of material within a single organization. They formalize the process to request the movement of material within a warehouse or facility for purposes like replenishment, material storage relocations, and quality handling.**
- **Move orders are generated manually or automatically depending on the source type used.**
- **Move orders are restricted to transactions within an organization. Transfers between organizations, require an internal requisition.**

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Move Order Source Types

- **Move Order Requisitions**
 - A manually generated request, available for subinventory and account transfers.
 - These requests can optionally go through a workflow based approval process before they become move orders ready to be sourced and transacted.

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Move Order Source Types

Move Order Source Types

- **Replenishment Move Orders**
 - MinMax planning replenishment
 - Replenishment counting supplies
 - Kanban replenishment supplies

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Move Order Source Types

- **Pick Wave Move Orders**
 - Pick wave move orders are pre-approved requests for subinventory transfers to bring material from a source location in the warehouse to a staging subinventory.
 - These move orders are generated automatically by the Oracle Shipping Execution pick release process.

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Setting Up for Move Orders

- **Define the subinventory source type**
 - To automatically create move orders using min–max planning and replenishment counting, you must define the subinventory source type at one of the following levels:
 - Subinventory
 - Item Subinventory,
 - To automatically create move orders using the kanban system, you must define the subinventory source type at the pull sequence level.

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Setting Up for Move Orders

- **Define approval process parameters**
 - To require planner approval define two parameters at the organization level:
 - Move Order Timeout Period
 - Move Order Timeout Action
 - You can also specify individuals to be notified if a shortage occurs.

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Setting Up for Move Orders

- **Define approval process parameters**
 - To bypass the approval process and automatically approve move order requisitions, enter 0 days for the Move Order Timeout Period and select Automatically Approve for the Move Order Timeout Action.
 - The approval process is also not enabled for organization items without an assigned planner

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Setting Up for Move Orders

- **Define item transaction defaults**
 - You can define this default to automatically populate the destination locator on the move order line from an organization item.
 - **Note:** You do not need to perform this step if you specify the locator at the time you create or detail the move order lines.

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Review Question

Review Question

Which of the following are valid move order source types?

- 1. Move Order Requisitions**
- 2. MinMax Planning Replenishment**
- 3. Pick wave move orders**
- 4. Kanban Replenishment**
- 5. Replenishment move orders**
- 6. All of the above**
- 7. 1, 3 and 5 only**

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Answer to Review Question

Answer to Review Question

Which of the following are valid move order source types?

1. Move Order Requisitions
2. MinMax Planning Replenishment
3. Pick wave move orders
4. Kanban Replenishment
5. Replenishment move orders
6. All of the above
- 7. 1, 3 and 5 only**

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Lesson 4 - Setup for Shortage Messages

Lesson 4 - Setup for Shortage Messages

- Setting up to enter and control items
- Setup for inventory transactions
- Setup for move orders
- **Setup for shortage messages**
- Setup for cycle counting
- Setup for physical inventory
- Summary

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Shortage Alerts and Notifications

- A material shortage occurs whenever outstanding demand exceeds the available quantity for incoming supply of material.
- Oracle Inventory can check, during a receipt transaction, to see if the material received is needed elsewhere in the organization.
- If a shortage exists, the system can notify you, either by a real-time, material shortage alert or a workflow-based notification.

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Shortage Alerts and Notifications

- **The following receipt transaction forms can generate shortage alerts and notifications.**
 - Receipts
 - Receiving Transactions
 - Miscellaneous Transactions
 - WIP Material Transactions
 - WIP Completions
 - Work-Orderless Completions

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Shortage Alerts and Notifications

- The shortage alert appears in the window during the transaction with the option to go to the View Potential Shortages form, showing where the shortage exists.
- Alerts are automatic once they are set up.
- Notifications are optional and can be sent to a pre-specified list of individuals.

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Shortage Alerts and Notifications

- **Sources of Demand**
 - In generating shortage alerts and notifications, the system can consider one or more of the following to be sources of demand:
 - WIP jobs
 - WIP schedules
 - Sales order lines that have been pick released and detailed but for which adequate quantity was not sourced

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Shortage Alerts and Notifications

- **Supply Types**
 - The system considers only the transaction types you select to be supply for the unsatisfied demand. Shortage alerts and notifications can only be triggered for system or user defined transaction types that have transaction actions of:
 - Receipt into stores
 - Intransit receipt
 - Direct organization transfer
 - Assembly completion
 - Negative component issue

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Setting Up Shortage Alerts and Notifications

- Define the shortage parameters the system will use to detect material shortages.
- Define the transaction types that will trigger shortage alerts and notifications.
- Define which items in the system will trigger a shortage alert or notification when they are in demand.
- Define the individuals to be notified.

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Review Question

Review Question

When does Oracle Inventory Management check to see if material is needed elsewhere in the organization?

- 1. During issue transactions**
- 2. During move transactions**
- 3. During receipts**
- 4. During transfers**
- 5. During all of the above**

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Answer to Review Question

When does Oracle Inventory Management check to see if material is needed to cover shortages elsewhere in the organization?

1. During issue transactions
2. During move transactions
3. **During receipts**
4. During transfers
5. During all of the above

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Lesson 5 - Setup for Cycle Counting

Lesson 5 - Setup for Cycle Counting

- Setting up to enter and control items
- Setup for inventory transactions
- Setup for move orders
- Setup for shortage messages
- **Setup for cycle counting**
- Setup for physical inventory
- Summary

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ABC Analysis and Cycle Counting

- **An ABC analysis determines the relative value of a group of inventory items based on a user-specified valuation criterion. "ABC" refers to the rankings you assign your items as a result of this analysis, where "A" items are ranked higher than "B" items, and so on.**
- **Cycle counting is the periodic counting of individual items throughout the course of the year to ensure the accuracy of inventory quantities and values.**

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ABC Analysis and Cycle Counting

- You can optionally use the ABC analyses you compile to drive your cycle counts, where you might count items of high value (A items) very frequently, items of lower value less frequently, and items of lowest value very infrequently.

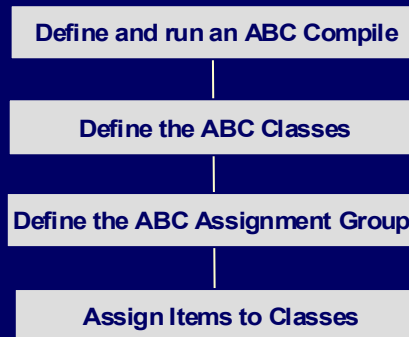
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Setup for ABC Analysis

Setup for ABC Analysis

- **Steps to setup ABC Analysis**



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Setup for ABC Analysis

- **Defining and Running an ABC Compile**
 - You can define and compile an ABC analysis for:
 - your entire organization
 - a specific subinventory within your organization
 - You choose the compilation criterion, the scope of your analysis, the cost type to use in determining item values, and any additional information that may be conditionally necessary, based on your compilation criterion.

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Setup for ABC Analysis

- **Defining ABC Classes**
 - You use ABC classes to identify the value groupings to which your items belong.
 - You define these classes using your own terminology. For example, you might define classes High, Medium, Low, and later assign your items of highest rank to the High class, those of lower rank to the Medium class, and those of lowest rank to the Low class.
 - You can add to the list of classes you have already defined.

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Setup for ABC Analysis

- **ABC Assignment Groups**
 - ABC assignment groups link a particular ABC compile with a valid set of ABC classes.
 - This allows you to selectively reduce or increase the number of ABC classes you want to use in your item assignments for a particular ABC compile.
 - Oracle Inventory uses these groups when you automatically assign your items to ABC classes. It ensures that you divide your items into the number of groupings you specified in the ABC group.

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Setup for ABC Analysis

- **ABC Assignment Groups**
 - You assign items to ABC classes within a particular group. This allows you to assign items to different ABC classes in different groups. For example, suppose you define ABC groups “Cycle Counting” and “Planning”. You can assign different ABC classes to these two groups. You can then assign an item to a different ABC class in each group.
 - This allows you to prioritize items differently for cycle counting and planning.

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Setup for ABC Analysis

- **ABC Item Assignments**
 - You can assign and update ABC classes to an ABC assignment group where an ABC compile was also entered.
 - From the ABC Descending Value Report you determine the cutoff points for assigning ABC classes.
 - You can then use the classifications for other purposes such as determining how often you cycle count a given item.
 - The user can also manually override individual item assignments as needed.

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Cycle Counting

- **Cycle counting is the periodic counting of individual items throughout the course of the year to ensure the accuracy of inventory quantities and values.**
- **Accurate system on-hand quantities are essential for managing supply and demand, maintaining high service levels, and planning production.**
- **You can perform cycle counting instead of taking complete physical inventories, or you can use both techniques side-by-side to verify inventory quantities and values.**

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Cycle Counting Setup

- **Prerequisites**
 - Define the ABC classes.
 - Define the workday calendar.
 - When determining cycle count classes based on ABC analysis, you must compile an ABC analysis and assign your compiled items' ABC classes.

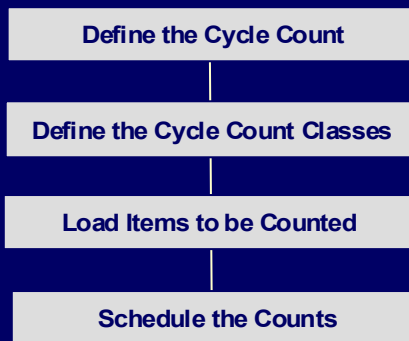
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Cycle Counting Setup

Cycle Counting Setup

- **Steps to setup Cycle Counting based on ABC Analysis**



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Cycle Counting Setup

- **Defining the Cycle Count**
 - **General**
 - Specify the name of the count
 - Identify the calendar to use
 - Specify the GL account for adjustments
 - **Enter control and scope information**
 - Enter the Count Controls
 - Determine Recount status of out-of-tolerance counts
 - Determine the subinventories to include

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Cycle Counting Setup

- **Defining the Cycle Count**
 - Enter serial number control and autoschedule information
 - Count options for serialized items
 - Select the adjustment options
 - Select scheduling options
 - Define adjustments and ABC information
 - Specify approval options
 - Optionally, choose initialization and update options

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Cycle Counting Setup

- **Defining Cycle Count Classes**
 - You can enter ABC classes to include in your cycle count.
 - You can also enter approval and hit/miss tolerances for your cycle count classes.
- **Load items to be counted**
 - Manually or
 - Specify an existing ABC group

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Cycle Counting Setup

- **Cycle Count Scheduling**
 - **Automatic**
 - Oracle Inventory uses the number of items in each cycle count class, the count frequency of each class, and the workday calendar of your organization to determine how many and which items you need to count during the scheduling frequency.
 - Set the Cycle Count Enabled item attribute to Yes for the items you want to include in the cycle count.
 - Enable automatic scheduling when you define your cycle count.

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Cycle Counting Setup

- **Cycle Count Scheduling**
 - **Automatic**
 - Request the schedule using the **Generate Automatic Schedule Requests** window.
 - Each time the auto scheduler runs, it schedules counts only for the schedule interval you defined for the cycle count header. So if your schedule interval is weeks, Inventory schedules all items that need to be counted on all of the workdays in the current week. If your schedule interval is days, then Inventory only schedules those items that are due for counting on the current date.

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Cycle Counting Setup

- **Cycle Count Scheduling**
 - **Manual**
 - You can manually schedule counts in addition to, or instead of those generated with automatic scheduling.
 - You can request counts for specific subinventories, locators, and items, and set the count for any inventory date. For example, you could enter a request to count item A wherever it can be found in subinventory X. Or you could request to count all item quantities in subinventory Y, locator B–100.

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Cycle Counting Setup

- **Cycle Count Scheduling**
 - **Physical Location Scheduling**
 - You can use this feature to execute location-based cycle counting. You first need to generate a schedule for counting each subinventory and locator. You then need to enter the schedule requests for each locator, specifying the schedule date.

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Cycle Counting Setup

- **Count Requests**
 - The request process takes the output of the automatic scheduler and your manual schedule entries, and generates a count request for each item number, revision, lot number, subinventory, and locator combination for which on-hand quantities exist.

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Cycle Counting Setup

- **Count Requests**
 - Requests are ordered first by subinventory and locator, then by item, revision, and lot.
 - Oracle Inventory assigns a unique sequence number to each count request that can be used for reporting, querying, and rapid count entry.

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Review Question

Review Question

Which of these statements about ABC analysis are True?

- 1. ABC analysis is required for Cycle Counting**
- 2. ABC analysis works with standard cost, not average cost.**
- 3. ABC classes can be used as criteria on some standard inventory reports**
- 4. There are only three predefined ABC Classes**
- 5. 3 only**
- 6. 1 and 3 only**

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Answer to Review Question

Answer to Review Question

Which of these statements about ABC Analysis are True?

1. ABC analysis is required for Cycle Counting
2. ABC analysis works with standard cost, not average cost.
3. ABC classes can be used as criteria on some standard inventory reports
4. There are only three predefined ABC Classes
- 5. 3 only**
6. 1 and 3 only

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Review Question

Review Question

Which of these statements about cycle counting are True?

- 1. Cycle counting is not allowed for serialized items**
- 2. Cycle counts require approval prior to posting to the general ledger**
- 3. Cycle counting schedules all class “A” items to be counted during every count interval.**
- 4. All counts scheduled by the system are identified by a sequence number**
- 5. All of the above**
- 6. 4 only**

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Answer to Review Question

Answer to Review Question

Which of these statements about cycle counting are True?

1. Cycle counting is not allowed for serialized items
2. Cycle counts require approval prior to posting to the general ledger
3. Cycle counting schedules all class "A" items to be counted during every count interval.
4. All counts scheduled by the system are identified by a sequence number
5. All of the above

6. 4 only

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Lesson 6 - Setup for Physical Inventory

Lesson 6 - Setup for Physical Inventory

- Setting up to enter and control items
- Setup for inventory transactions
- Setup for move orders
- Setup for shortage messages
- Setup for cycle counting
- **Setup for physical inventory**
- Summary

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Physical Inventory

- **A Physical Inventory is a process designed to count all the inventory for all items at one time. Adjustments are then reviewed and posted to the general ledger. This differs from Cycle Counting where a subset of items are counted and reconciled every period.**
- **Oracle Inventory provides a fully automated physical inventory feature that you can use to reconcile system-maintained item on-hand balances with actual counts of inventory.**

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Physical Inventory Setup

Physical Inventory Setup

- **Steps to setup for a physical inventory**

Define the physical inventory

Take snapshot of on-hand quantities

Generate and print the inventory tags

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Physical Inventory Setup

- **Defining a Physical Inventory**
 - A physical inventory is identified by a unique name you assign. You use this name to identify any activity, such as adjustments, pertaining to this physical inventory.

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Physical Inventory Setup

- **Defining a Physical Inventory**
 - You can define and maintain an unlimited number of physical inventories in Oracle Inventory.
 - You can define multiple physical inventories to count selected portions of your inventory, or you can count your total inventory.

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Physical Inventory Setup

- **Taking a Snapshot of Inventory Quantities**
 - Before you start a physical inventory, you take a snapshot of all system on-hand quantities for your items.
 - All tag counts you enter for this physical inventory are compared with these static quantities.
 - This allows you to resume normal inventory operations after you have entered your counts but before you have authorized all final physical inventory adjustments.

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Physical Inventory Setup

- **Generating Physical Inventory Tags**
 - You use physical inventory tags to record the physical counts of inventory items.
 - A tag contains the count for a group of a given item.
 - Although you can record only one item on a tag, multiple tags can reference the same item, with each tag referring to a unique physical location for an item.

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Review Question

Review Question

Which of these statements are false about physical inventories?

- 1. Normal inventory operations cannot resume until all the counts are entered**
- 2. You can count one or more items on a tag**
- 3. You can have more than one tag per item**
- 4. You can count all or a portion of your inventory with a physical inventory**
- 5. All of the above**
- 6. 1, 3 & 4 only**

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Answer to Review Question

Which of these statements are false about physical inventories?

1. Normal inventory operations cannot resume until all the counts are entered
2. You can count one or more items on a tag
3. You can have more than one tag per item
4. You can count all or a portion of your inventory with a physical inventory

5. # 2 only

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Lesson 7 - Summary

Lesson 7 - Summary

- Setting up to enter and control items
- Setup for inventory transactions
- Setup for move orders
- Setup for shortage messages
- Setup for cycle counting
- Setup for physical inventory
- **Summary**

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Summary

Summary

In this course you should have learned to:

- **Setup to enter and control items**
- **Perform the setup steps for inventory transactions**
- **Setup move orders**
- **Setup shortage alerts and notifications**
- **Setup ABC analysis and cycle counting**
- **Setup a physical inventory**

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