

# **11i Implement and Use Purchasing**

**Volume 1 - Student Guide**

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# Preface

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## Profile

### Before You Begin This Course

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

- Knowledge of the procure-to-pay process in your organization.
- Working experience with Oracle Applications and Oracle Self Service.

### Prerequisites

- Oracle Navigation.

### How This Course Is Organized

*11i Implement and Use Purchasing* 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
<i>Oracle Purchasing User's Guide</i>	<i>A82913-01</i>
<i>Oracle Payables User Guide</i>	<i>A81180-02</i>
<i>Oracle Inventory User's Guide</i>	<i>A83507-01</i>

### 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 <b><i>algorithm</i></b> 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 (DOS), \$FMHOME (UNIX)</code> 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 LAST_NAME 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) General Ledger > Journals > Enter Journals

—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.

# **11i Overview of Supplier Management**

## **Chapter 1**

## 11i Overview of the Supplier Management Process

---



### Objectives

**After completing this overview you should be able to do the following:**

- **Describe the benefits of using the Supplier Management Process**
- **Discuss the relationship of the Supplier Management Process to Internet Procurement**
- **Describe the Supplier Management Process key tasks and flow**

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## Agenda

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### Agenda

- **Supplier Management Overview**
- **Relationship to R11i Applications**
- **Implementing the Supplier Management Process**
- **iSupplier Portal: Supplier Self Management**
- **Summary**

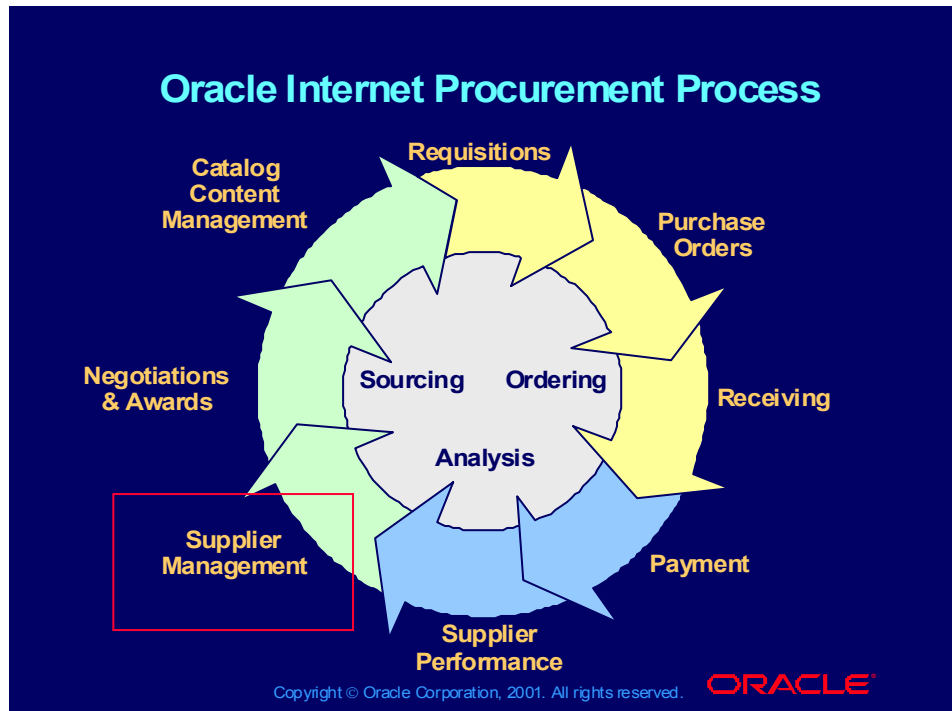
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## Oracle Internet Procurement Process

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### Oracle Internet Procurement Process

- Refocuses purchasing on strategic sourcing
- Provides contract visibility and compliance
- Automates the entire procurement business process
- Automates propagation and sharing of data
- Extends process efficiencies across the supply chain
- Enables significant cost savings

### Supplier Management Overview

**Suppliers are the hub of the procurement process. To use them in this process you must be knowledgeable about:**

- **Setting up supplier default information**
- **Entering and maintaining supplier information**
- **Creating an approved supplier list**
- **Designating which suppliers to source from**
- **Evaluating supplier performance**

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## Agenda

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### Agenda

- Supplier Management Overview
- Relationship to R11i Applications
- Implementing the Supplier Management Process
- iSupplier Portal: Supplier Self Management
- Summary

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### Relationship to 11i Applications

The Supplier Management Process facilitates the flow of supplier information to and from:

- Oracle Payables System
- Oracle Purchasing System
- Oracle Inventory System

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## Oracle Accounts Payable

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### Oracle Accounts Payable

**Oracle Payables enables you to:**

- Set up suppliers and supplier sites
- Set up supplier contacts
- Enter and approve invoices
- Pay invoices
- Post transactions to the general ledger



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Oracle Payables is a high-productivity accounting solution that helps you maintain strong financial controls. You can maximize supplier discounts, prevent duplicate payments, and pay for only the goods and services you order and receive.

Oracle Payables helps you resolve business issues quickly by providing accurate responses to your inquiries.

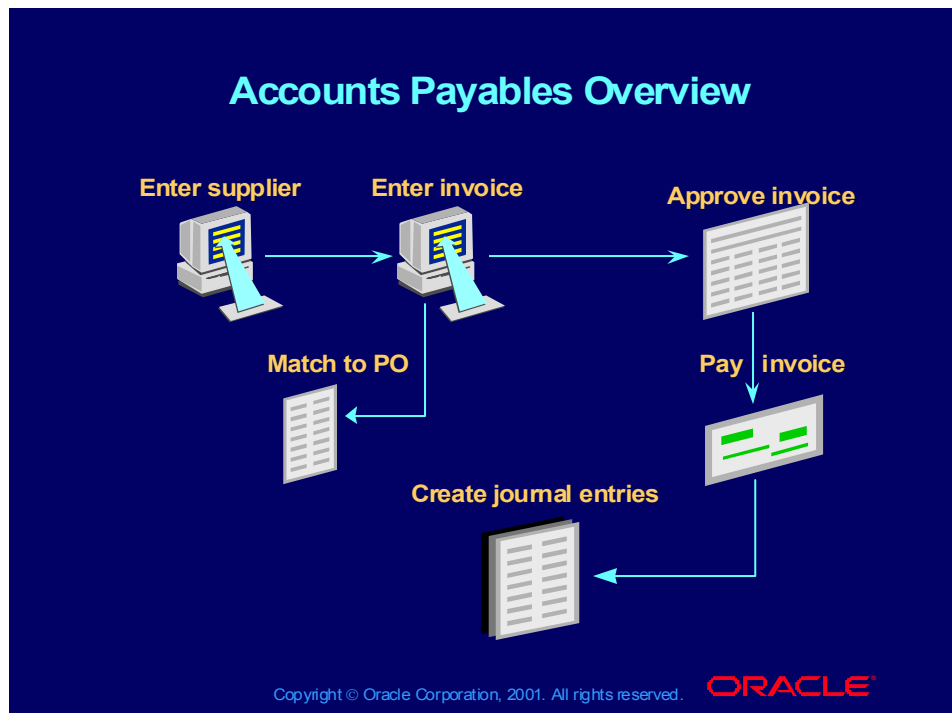
Oracle Payables contains four major processes:

- **Set up Suppliers:** Before entering invoices for a new supplier (vendor), you need to setup the supplier in Oracle Payables or Oracle Purchasing.
- **Enter and approve invoices:** You can enter and approve invoices individually or in batches.
- **Pay invoices:** You can also pay approved invoices individually or in batches by check or electronically.
- **Post transactions to the general ledger:** You can transfer the invoice and payment accounting distributions and audit information to the general ledger interface. You can then use your general ledger system to import this information and create journal entries.

The next slide illustrates where Oracle Payables uses Supplier information.

## Accounts Payables Overview

---



### Oracle Purchasing

**Oracle Purchasing enables you to:**

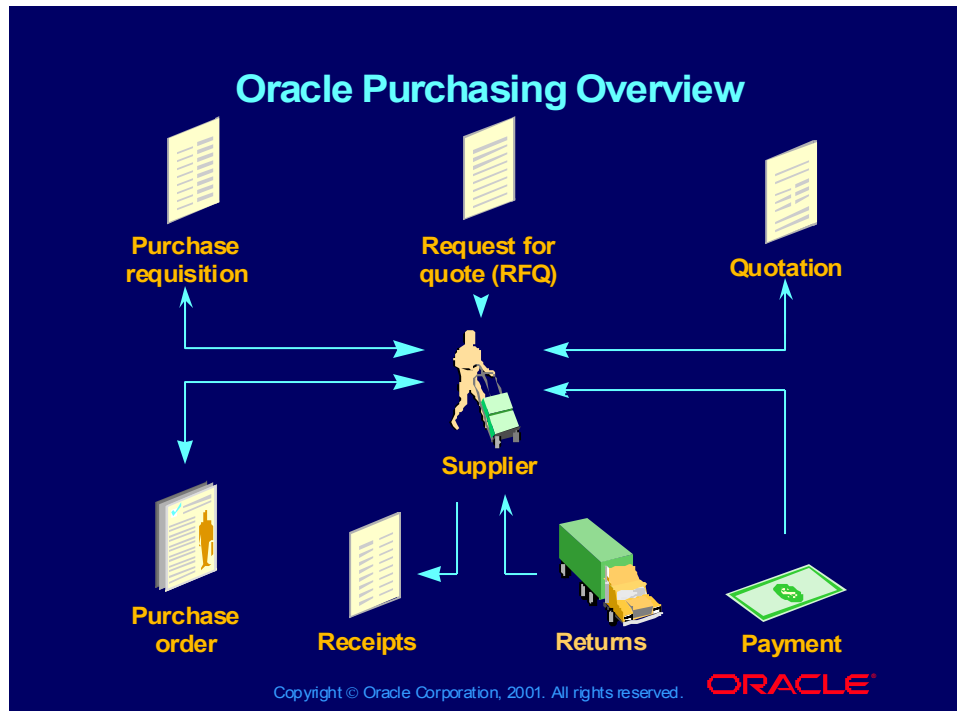
- **Set up the Supplier Base**
- **Regulate document access and controls**
- **Control purchasing activity and utilize accurate, automatic pricing using approved suppliers and supplier lists**
- **Consolidate purchase requirements from multiple warehouses, plants, or locations**
- **Negotiate from a position of strength based on easy access to purchase volume statistics and supplier performance reports**

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## Oracle Purchasing Overview

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### Using Supplier Information

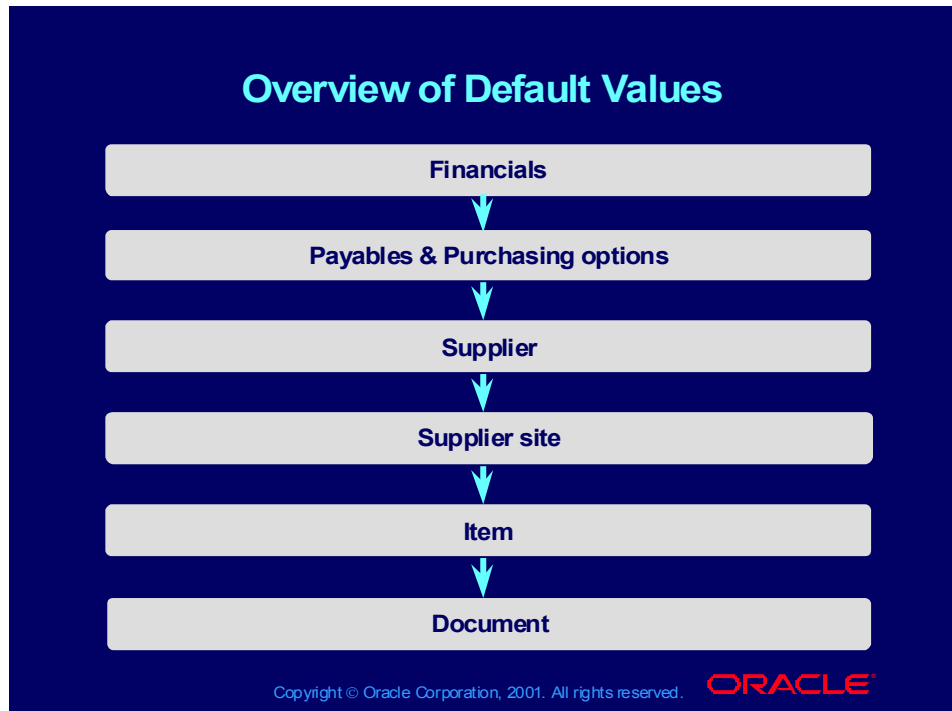
Supplier information is a vital component of Oracle Internet Procurement. The following examples list the areas in which you use suppliers.

- A recommended supplier is optionally entered on a requisition.
- A supplier is needed to send a request for quote.
- That same supplier is used when entering a quotation.
- Purchase orders need supplier information.
- You receive goods or services from a supplier.
- You return goods to a supplier.
- You must pay the supplier for the goods or services purchased.



## Overview of Default Values

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### Overview of Default Values in Oracle Applications

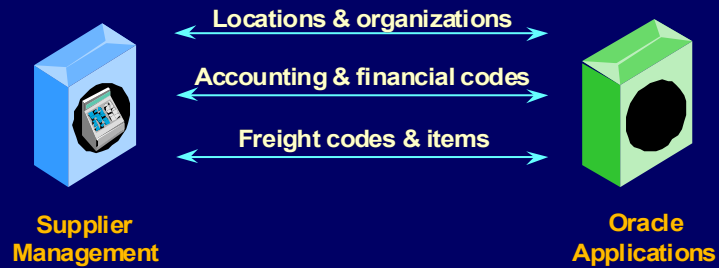
A hierarchy of options and defaults to expedite and control data entry:

- Options and defaults set at one level automatically cascade down to all lower levels in the hierarchy.
- Although you only need to define these options and defaults once, you can update them at any time to change controls and defaults for future transactions.
- You can override options and defaults at lower levels in the hierarchy.

---

## Integrating with Oracle Applications

### Shared information



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### All Applications

When any Oracle Applications and Oracle Internet Procurement are used in conjunction, they share many different pieces of information.

## Review Question

---

### Review Question

**Which of the following Oracle applications is NOT part of Supplier Management?**

1. Oracle Inventory
2. Oracle Payables
3. Oracle Receivables
4. Oracle Purchasing
5. All of the above

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## Review Question

---

### Review Question

**Which of the following Oracle applications is NOT part of Supplier Management?**

1. Oracle Inventory
2. Oracle Payables
- 3. Oracle Receivables**
4. Oracle Purchasing
5. All of the above

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## Agenda

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### Agenda

- Supplier Management Overview
- Relationship to R11i Applications
- **Implementing the Supplier Management Process**
- iSupplier Portal: Supplier Self Management
- Summary

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### Implementing Supplier Management

#### Considerations:

- Modeling your organizational structure in Oracle Internet Procurement
- Supplier set up issues
- Defining approved suppliers
- Creating rules to specify preferred suppliers
- Determine supplier rating criteria

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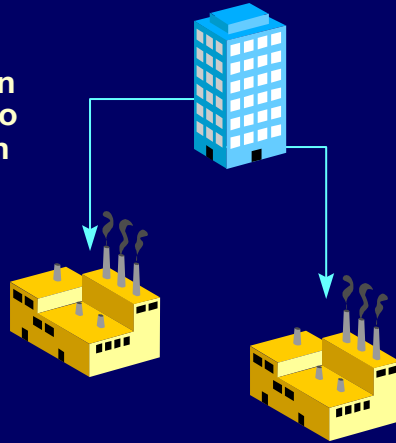
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## Multiple Organization Overview

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### Multiple Organization Overview

Your business environment may require multiple organizations. An *organization* allows you to segment your business in a logical way to facilitate planning, purchasing, receiving, and other business requirements.



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### Multiple Organization Overview

**An organization has a set of books, a costing method, and a valid list of items. Organizations can have multiple classifications and multiple locations. Reasons for multiple organizations include:**

- **Use of different costing methods within your business**
- **Need for different item usage and attribute control for items not used in all organizations**
- **Separation of inventory records among the organizations**

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### Supplier Set Up

**Before using Internet Procurement:**

- **Avoid creating duplicate suppliers**
- **Establish naming conventions**
- **Merge consolidated suppliers**
- **Plan how to maintain suppliers**

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### Defining Approved Suppliers

**An Authorized Supplier List (ASL) is:**

- **A repository of information that links items and commodities to the suppliers/supplier sites**
- **Assigns and stores statuses to item/supplier site combinations**
- **Defines attributes for an ASL entry that control Purchasing and Supplier Scheduling functions**

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## Approved Suppliers List Overview

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### ASL Overview

The Approved Supplier List is a repository of information that links items and commodities to the supplier and supplier sites that supply them, for a specific ship-to organization or the entire enterprise.

## Rules to Specify Preferred Suppliers: Sourcing Rules

---

### **Rules to Specify Preferred Suppliers: Sourcing Rules**

- **Used to specify preferred suppliers, distributors, and manufacturers**
- **Link the primary supplier item number with your internal item number**
- **Define replenishment sources for an organization**
- **May be defined in Oracle Planning, Oracle Purchasing, Oracle Supply Chain Planning, or Oracle Supplier Scheduling**
- **Use allocation percentages and rankings for multiple sources**

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## Supplier Rating

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### Supplier Rating

Oracle Internet Procurement provides several ways to analyze supplier performance:

- Oracle Payables inquires and reports
- Oracle Purchasing inquires and reports
- Oracle Purchasing Intelligence
  - Built in analysis
  - User defined



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### Supplier Rating

It is important to plan how you will rate your suppliers so that the information needed to perform the rating is easily available.

## Review Question

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### Review Question

**Correctly modeling our organization within Oracle applications is not important because it can be easily changed at any time.**

True

False

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## Review Question

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### Review Question

**Correctly modeling our organization within Oracle applications is not important because it can be easily changed at any time.**

True

**False**

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## Agenda

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### Agenda

- Supplier Management Overview
- Relationship to R11i Applications
- Implementing the Supplier Management Process
- **iSupplier Portal: Supplier Self Management**
- Summary

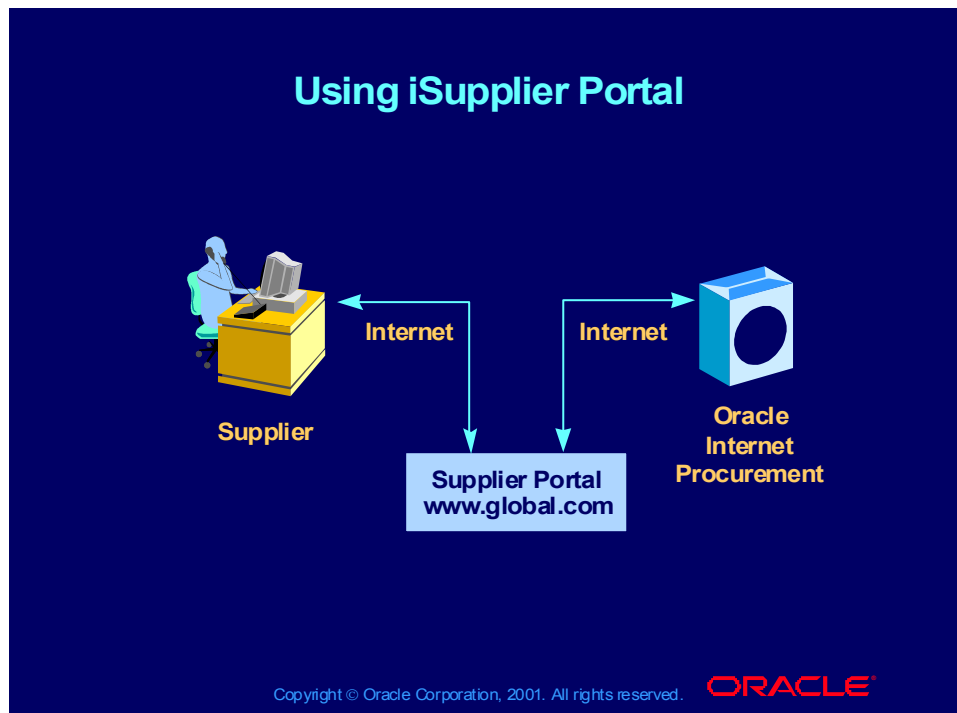
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## Using iSupplier Portal

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### iSupplier Portal

- Gives suppliers direct access to information
- Provide suppliers visibility across the plan-to-procure-to-pay lifecycle
- Suppliers can perform transactions on the internet
- A collaborative environment where suppliers become integrated partners
- Suppliers pro-actively service themselves, accessing the information they need to serve you - their customer

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### **iSupplier Portal Features**

- **Not a replacement to the Oracle Payables application - but an extension**
- **Self-Service Inquiries**
  - **RFQs**
  - **Purchase Orders and Change History**
  - **Receipts, Open Deliveries, Delivery Performance and Returns**
  - **Invoice and Payment Information**
  - **Supplier Item Summary**
  - **Consolidated Shipping/Planning Schedules**
- **Supplier Self-Registration**
- **Immediate Workflow Notifications**

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### Review Question

**Which of the following are benefits of using iSupplier Portal?**

1. Reduce operating costs
2. Free up procurement staff time
3. Compress procurement cycle times
4. Improve supplier service
5. All of the above

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### Review Question

**Which of the following are benefits of using iSupplier Portal?**

1. Reduce operating costs
2. Free up procurement staff time
3. Compress procurement cycle times
4. Improve supplier service
- 5. All of the above**

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## Agenda

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### Agenda

- **Supplier Management Overview**
- **Relationship to R11i Applications**
- **Implementing the Supplier Management Process**
- **iSupplier Portal: Supplier Self Management**
- **Summary**

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### Supplier Management Process Summary

- **Setup Oracle applications to manage supplier base**
- **Manage supplier base**
- **Administer supplier contracts and legal documents**
- **Evaluate and qualify a supplier**
- **Create and manage approved supplier list**
- **Create and manage preferred suppliers**
- **Analyze supplier performance**

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### Supplier Management Overview Summary

In this course you have learned to:

- Describe the benefits of using the Supplier Management Process
- Discuss the relationship of the Supplier Management Process to Internet Procurement
- Describe the Supplier Management Process key tasks and flow

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### For More Information

- **Oracle Internet Procurement:**  
<http://www.oracle.com/applications/internet/procurement/index.html>
- **Oracle Web Supplier Portal:**  
<http://www.oracle.com/applications/internet/procurement/index.html>  
(Click on Promote And Leverage Supplier Efficiencies)
- **Oracle Purchasing Intelligence:**  
<http://www.oracle.com/applications/internet/procurement/index.html>  
(Click on Reduce and Control Procurement Costs)

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# **11i Managing the Supply Base**

## **Chapter 2**

### 11i Managing the Supplier Base

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### Objectives

**After completing this course, you should be able to:**

- Describe how to set up suppliers
- Explain the supplier merge process

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## Agenda

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### Agenda

- **Setting up suppliers**
- **Merging suppliers**

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## How Oracle Products Use Supplier Information

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### How Oracle Products Use Supplier Information

Four Oracle financial applications use the Supplier and Supplier Site windows:

- Oracle Payables
- Oracle Purchasing
- Oracle Assets
- Oracle Property Manager

If you use more than one of these products, supplier information is shared with the other products.

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**(Help) Oracle Financial Application > Oracle Payables Suppliers > About Suppliers > How Your Product Uses Supplier Information**

## Agenda

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### Agenda

- **Setting up suppliers**
- Merging suppliers

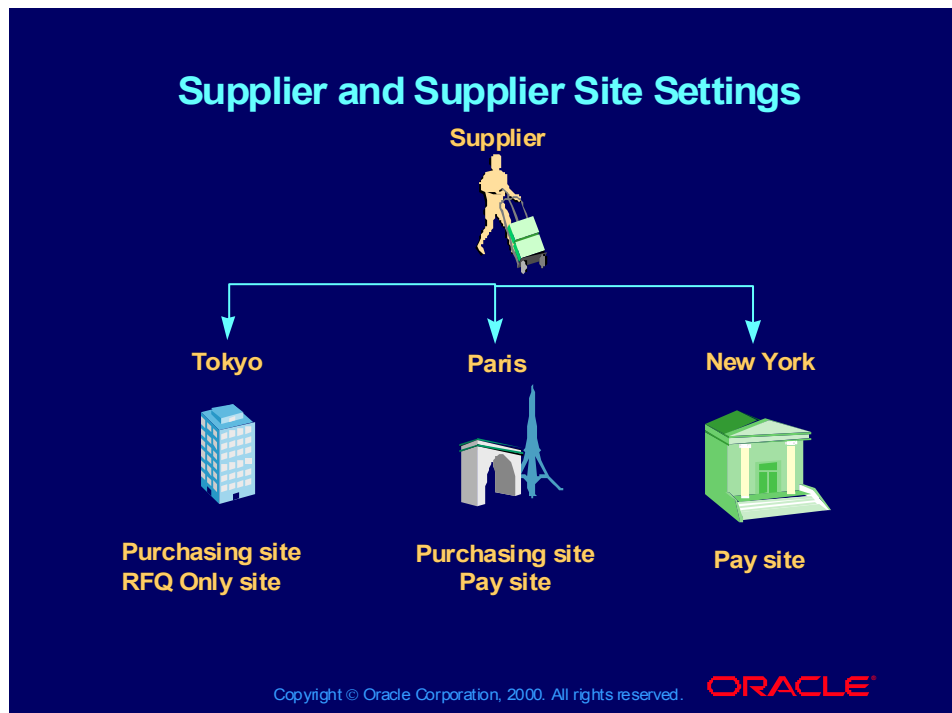
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## Supplier and Supplier Site Settings

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### Supplier and Supplier Site Settings

- For every supplier, you can create an unlimited number of supplier sites with different addresses and contacts. For example, for a single supplier, you can buy from several different sites and send the payments to only one site.
- You can perform the following functions for a supplier site when you assign the following types to the site.
  - Pay: You can enter invoices for the site.
  - Purchasing: You can create purchase orders for the site.

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**(Help) Oracle Financial Applications > Oracle Payables > Suppliers > About Suppliers > About Suppliers**

### Supplier and Supplier Site Settings

- **RFQ Only:** You can create request for quotations in Oracle Purchasing for the site. You cannot create purchase orders in an RFQ Only site.
- **Procurement Card:** Supplier site that accepts the credit card brands of your procurement cards.
- **For every supplier site, you can enter contact information (name, address, and telephone number) specific to that site. Contact information is for your reference only. It is not used by the system for reporting purposes.**

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### Supplier and Supplier Site Settings

**Supplier and Supplier Site settings can set controls in your system and help automate transaction entry for a supplier site. For example, options such as payment terms, invoice currency, and pay group for a supplier site default to an invoice when you enter or import it.**

**Defaults for many options are set in the following order and can be overridden at any time:**

- 1. Financials Options**
- 2. Payables Options**
- 3. Supplier**
- 4. Supplier Site**

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## Review Question

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### Review Question

**You can have only one pay site for a supplier.**

- 1. True**
- 2. False**

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## Answer to Review Question

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### Answer to Review Question

**You can have only one pay site for a supplier.**

1. True

2. False

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## Avoiding Duplicate Suppliers

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### Avoiding Duplicate Suppliers

Before setting up a new supplier, verify that the supplier does not already exist in the system by comparing it to existing suppliers. The verification eliminates the possibility of having duplicate suppliers and invoices in the system and improves the system performance. To review existing suppliers:

- Perform a Find or Query on the supplier name.
- Submit the Suppliers Report.
- Submit the Supplier Audit Report to obtain a listing of suppliers whose names are the same up to a specific number of characters.

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**(Help) Oracle Financial Applications > Oracle Payables > Suppliers > Identifying Duplicate Suppliers**

### Avoiding Duplicate Suppliers

**To avoid entering duplicate suppliers, set up a naming convention that minimizes the risk of separate entities for the same supplier under different names. For example, if you consistently spell the full name of the supplier, you would not enter both Oracle Corporation and Oracle Corp.**

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## Entering Basic Supplier Information

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**(Help) Oracle Financial Applications > Oracle Payables > Suppliers > Suppliers and Supplier Sites Header Field Reference > Suppliers and Supplier Sites Header Field Reference**

### Entering Detailed Supplier Information

Enter detailed supplier information such as:

- General
- Classification
- Payment
- Bank Accounts
- Electronic Data Interchange (EDI)
- Invoice Tax
- Withholding Tax
- Tax Reporting

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## Entering Supplier Information in the General Region

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### Entering Supplier Information in the General Region

The General tabbed region contains additional reference fields, including:

- Parent Supplier Name
- Number (of the parent supplier)
- Customer Number

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**(Help) Oracle Financial Applications > Oracle Payables > Suppliers > Suppliers and Supplier Sites Window Reference > General Region of the Suppliers Window**

## Entering Supplier Information in the Classification Region

---

### Entering Supplier Information in the Classification Region

Except for Type and Employee name, classification information is not used by the system and is for your reference only.

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**(Help) Oracle Financial Applications > Oracle Payables > Suppliers > Suppliers and Supplier Sites Window Reference > Classification Region of the Suppliers Window**

## Entering Supplier Information in the Control Region

---

### Entering Supplier Information in the Control Region

In the Control tabbed region, you can prevent payment of multiple supplier invoices by applying a hold to the supplier rather than on each individual invoice. There are several types of supplier related holds that you can select for a supplier.

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**(Help) Oracle Financial Applications > Oracle Payables > Suppliers > Suppliers and Supplier Sites Window Reference > Control Region of the Suppliers and Supplier Sites Windows**

## Entering Supplier Information in the Payment Region

---

### Entering Supplier Information in the Payment Region

The defaults in the Payment tabbed region come from the information that you enter in the Financials Options window, except for the defaults for Pay Group and Allow Interest Invoices, which come from the Payables Options window.

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**(Help) Oracle Financial Applications > Oracle Payables > Suppliers > Suppliers and Supplier Sites Window Reference > Payment Region of the Suppliers and Supplier Sites Windows**

## Entering Supplier Information in the Bank Accounts Region

---

### Entering Supplier Information in the Bank Accounts Region

Use the Bank Accounts tabbed region to record supplier bank account information that you use for making electronic payment transactions.

**Prerequisite:** In the Bank Accounts window, define the bank accounts for which your supplier is the account holder.

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**(Help) Oracle Financial Applications > Oracle Payables > Suppliers > Suppliers and Supplier Sites Window Reference > Bank Accounts Region of the Suppliers and Supplier Sites Windows**

## Entering Supplier Information in the Electronic Data Interchange Region

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### Entering Supplier Information in the Electronic Data Interchange Region

If you pay your supplier with electronic payments, enter Electronic Data Interchange (EDI) information such as:

- EDI Location
- EDI ID Number
- Payment Method
- Payment Format
- Remittance Method
- Remittance Instructions

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**(Help) Oracle Financial Applications > Oracle Payables > Suppliers > Suppliers and Supplier Sites Window Reference > Electronic Data Interchange Region of the Suppliers and Supplier Sites Windows**



## Entering Supplier Information in the Invoice Tax Region

---

### Entering Supplier Information in the Invoice Tax Region

The Invoice Tax tabbed region contains the following tax options:

- Invoice Tax Code
- Use Offset Tax
- Calculation Level
- Allow Calculation Level Override
- Rounding Rule
- Distribution Amounts Include Tax

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**(Help) Oracle Financial Applications > Oracle Payables > Suppliers > Suppliers and Supplier Sites Window Reference > Invoice Tax Region of the Suppliers and Supplier Sites Windows**

## Entering Supplier Information in the Withholding Tax Region

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### Entering Supplier Information in the Withholding Tax Region

- Use the Withholding Tax tabbed region to enter withholding tax information for a supplier and supplier site.
- You have access to this region only if you selected the Use Withholding Tax check box in the Payables Options window.
- The options that you select for a supplier default to the new supplier sites that you enter, and then default to invoices that you enter for the site.

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**(Help) Oracle Financial Applications > Oracle Payables > Suppliers > Suppliers and Supplier Sites Window Reference > Withholding Tax Region of the Suppliers and Supplier Sites Windows**

## Entering Supplier Information in the Tax Reporting Region

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### Entering Supplier Information in the Tax Reporting Region

The Tax Reporting tabbed region contains 1099 information such as whether the supplier is Federal or State reportable, the Reporting Site, Reporting Name, and Verification Date.

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**(Help) Oracle Financial Applications > Oracle Payables > Suppliers > Suppliers and Supplier Sites Window Reference > Tax Reporting Region of the Suppliers Window**

## Entering Supplier Information in the Purchasing Region

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### Entering Supplier Information in the Purchasing Region

- All supplier purchasing values default to new supplier sites that you enter.
- Supplier site values default to purchase orders and purchase requisitions. You can override any purchasing defaults during supplier site entry and purchasing document entry.

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**(Help) Oracle Financial Applications > Oracle Payables > Suppliers > Suppliers and Supplier Sites Window Reference > Purchasing Region of the Suppliers and Supplier Sites Windows**

## Entering Supplier Information in the Receiving Region

---

### Entering Supplier Information in the Receiving Region

All supplier receiving values default to new purchase orders you enter for a supplier. You can override any receiving defaults during purchase order entry.

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**(Help) Oracle Financial Applications > Oracle Payables > Suppliers > Suppliers and Supplier Sites Window Reference > Receiving Region of the Suppliers and Supplier Sites Windows**

### Demonstration

**This demonstration covers how to enter supplier information.**

**Purchasing Responsibility  
(N) Supply Base > Suppliers > Entry**

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## Entering Supplier Information

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### Entering Supplier Information

Oracle Payables Supplier Information		
Information Type	Enter at Supplier	Enter at Supplier Site
General	Yes	Yes
Classification	Yes	No
Contacts	No	Yes
Accounting	Yes	Yes
Control	Yes	Yes
Payment	Yes	Yes
Bank Accounts	Yes	Yes

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## Entering Supplier Information

---

### Entering Supplier Information

Oracle Payables Supplier Information		
Information Type	Enter at Supplier	Enter at Supplier Site
EDI	Yes	Yes
Invoice Tax	Yes	Yes
Withholding Tax	Yes	Yes
Tax Reporting	Yes	Yes
Purchasing	Yes	Yes
Receiving	Yes	No

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## Review Question

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### Review Question

**Which one of the following information types can you enter at the supplier site only?**

- 1. Bank**
- 2. Contacts**
- 3. Accounting**
- 4. Classification**
- 5. Withholding Tax**

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### Answer to Review Question

**Which one of the following information types can you enter at the supplier site only?**

1. Bank
- 2. Contacts**
3. Accounting
4. Classification
5. Withholding Tax

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## Overview of Entering Information at the Supplier Site Level

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### Overview of Entering Information at the Supplier Site Level

**Except for the Receiving and Classification categories, all categories of information that are entered at the supplier level can also be entered at the supplier site level. If an option exists at the supplier level, the value you enter there defaults to new supplier sites.**

**Note: Contacts information is entered only at the supplier site level.**

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## Entering Detailed Supplier Site Information

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### Entering Detailed Supplier Site Information

Enter detailed supplier site information such as:

- Site uses and telephone numbers
- Site addresses

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### Entering Flexible Address Format Information

- Oracle applications enable you to enter customer, supplier, bank, check, and remit-to addresses in country-specific formats. For example, if you have customers in the United Kingdom, you can enter British addresses in the format recommended by the Royal Mail.
- Use descriptive flexfields to enter and display address information in the appropriate formats. The flexfield window is then displayed if the country you enter has a flexible address style assigned to it.
- If no address style is associated with the country, the standard format is used.

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## Entering Supplier Site Information in the General Region

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### Entering Supplier Site Information in the General Region

In the General tabbed region, select the appropriate Site Uses check boxes to indicate which specific business functions are performed at each site, along with telephone information for that site.

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**(Help) Oracle Financial Applications > Oracle Payables > Suppliers > Suppliers and Supplier Sites Window Reference > General Region of the Supplier Sites Window**

## Entering Supplier Site Information in the Contacts Region

---

### Entering Supplier Site Information in the Contacts Region

In the Contacts tabbed region, enter contact information specific to that site. Contact information is for your reference only. It is not used by the system for reporting purposes.

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**(Help) Oracle Financial Applications > Oracle Payables > Suppliers > Suppliers and Supplier Sites Window Reference > Contacts Region of the Suppliers and Supplier Sites Windows**

## Entering Supplier Site Information in the Accounting Region

---

### Entering Supplier Site Information in the Accounting Region

In the Accounting tabbed region, enter default GL accounts for the liability account number, the prepayment account number, and the future dated payment account number. You can also enter a default distribution set for all invoices entered for the supplier site.

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**(Help) Oracle Financial Applications > Oracle Payables > Suppliers > Suppliers and Supplier Sites Window Reference > Accounting Region of the Suppliers and Supplier Sites Windows**



## Entering Employees as Suppliers

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### Entering Employees as Suppliers

You must enter an employee as a supplier before you can pay the employee's expense reports. You can enable the Automatically Create Employee as Supplier Payables option to automatically enter an employee as a supplier during Invoice Import, or you can enter the employee manually as a supplier in the Suppliers window.

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**(Help) Oracle Financial Applications > Oracle Payables > Suppliers > About Suppliers > Entering Employees as Suppliers**

### Demonstration

**This demonstration covers how to enter supplier site information.**

**Purchasing Responsibility  
(N) Supply Base > Suppliers > Entry (B) Sites**

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## Practice 1 Overview

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### Practice 1 Overview

**This practice covers the following topics:**

- **Entering supplier information**
- **Entering supplier site information**

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## Practice 1 Instructions

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### Practice 1 Instructions

**Your supervisor has notified you that the company will be purchasing materials and services from two new suppliers. Supplier #1 provides materials and Supplier #2 provides services.**

**Supplier #1**

- **Name: You decide**
- **Type: Manufacturing**
- **Payment Terms: Immediate**
- **Site: Your hometown and a fictional address**
- **Site Uses: Pay and Purchasing site**
- **Contact: Yourself**

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### Practice 1 Solutions

1. Navigate to the Suppliers window.  
Purchasing Responsibility (N) Supply Base > Suppliers > Entry
2. Enter your supplier name.
3. In the Classification tabbed region, enter the supplier type.
4. In the Payments tabbed region, enter the payment terms for your supplier.
5. Navigate to the Supplier Sites window.  
(B) Sites
6. Enter your supplier site name and address.
7. In the Contacts tabbed region, enter the contact information.
8. Save your work.
9. Repeat the above steps to create the second supplier.
10. To set the invoice limit amount for supplier #2, in the Control tabbed region of the Suppliers window, enter the limit amount.

## Practice 1 Instructions

---

### Practice 1 Instructions

- **Terms Date Basis: Invoice**

#### **Supplier #2**

- **Name: You decide**
- **Type: Supplier    Invoice Amount Limit: \$15,000**
- **Payment Terms: Immediate**
- **Site: Your favorite vacation spot**
- **Site Uses: Pay and Purchasing site**
- **Contact: Your favorite person**
- **Site 2: You decide and enter contact information**
- **Terms Date Basis: Invoice**

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## Searching and Reviewing Supplier Information Online

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### Searching and Reviewing Supplier Information Online

You can find suppliers by using the Find Suppliers window or by entering a query directly into the Suppliers window.

In the Find Suppliers window, you can enter a variety of search criteria, including tax status, parent supplier, and payment priority range. You can use the Find feature to initiate a query for one supplier or for a group of suppliers.

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**(Help) Oracle Financial Applications > Oracle Payables > Suppliers > Reviewing and Adjusting Suppliers**

### **Maintaining Supplier and Supplier Site Information**

When you make changes to values that default to Oracle Payables documents, the changed value defaults only to new documents that you subsequently enter or create. For example, if you change the Pay Group for a supplier site, the new Pay Group defaults to new invoices that you enter, but the change does not affect existing invoices.

Also, if you change a supplier value that defaults to supplier sites, the change affects only new supplier sites that you create, not existing supplier sites.

If you want a change to affect documents that you enter or create for an existing supplier site, be sure to make the changes at the supplier site level.

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**(Help) Oracle Financial Applications > Oracle Payables > Suppliers > Adjusting Suppliers**

## Supplier Reports

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Supplier Reports	
Oracle Payables Supplier Reports	
Report Name	Description
Suppliers Report	Review supplier, supplier site, and supplier site contacts information
Supplier Audit Report	Review supplier names that are similar, to help identify potential duplicate suppliers
New Supplier/New Supplier Site Listing	Review new supplier sites
Supplier Payment History	Review the payment history, including void payments, for a supplier or a group of suppliers
Supplier Paid Invoice History	Review the payment history, including discount and partial payment information, for a supplier or group of suppliers

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**(Help) Oracle Financial Applications > Oracle Payables > Suppliers > Supplier Reports**



## Supplier Reports

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### Supplier Reports

Oracle Payables Supplier Reports	
Report Name	Description
Supplier Mailing Labels	Use this report to create mailing labels for supplier sites
Purchase Order Header Updates Report	Review purchase orders updated by the Supplier Merge Program
Supplier Merge Report	Review the suppliers, sites, and invoices updated by the Supplier Merge Process
Supplier Balance Revaluation Report	Identify suppliers with credit (negative) balances
Supplier Customer Netting Report	Review the net balance in Oracle Payables and Oracle Receivables for any suppliers or customers who have the same NIF or VAT code

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### Practice 2 Overview

**This practice covers the following topics:**

- **Searching for suppliers**
- **Reviewing and updating supplier and supplier site information**
- **Submitting the New Supplier/New Supplier Listing Report**

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## Practice 2 Instructions

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### Practice 2 Instructions

**You want to review and change some supplier and supplier site information for the two new suppliers that you just created.**

- **Find your first supplier and add a second site.**
- **Find your second supplier and make the second supplier site inactive.**
- **Submit the New Supplier/New Supplier Listing Report.**

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### Practice 2 Solutions

Step 1: Search for the first supplier and add a new site

1. Navigate to the Suppliers window.

Purchasing Responsibility (N) Supply Base > Suppliers >Entry

2. Click on the Find icon from the Toolbar or select Find from the View menu.

3. Enter the search criteria for the supplier name that you previously entered.

4. Select the Find button in the Find Suppliers window.

5. To add a new site, navigate to the Supplier Sites window.

(B) Sites

6. Insert a new record by selecting the New icon.

7. Enter your new supplier site name and address.

8. In the Contacts region, enter the contact information.

9. Save your work.

10. Review the information in the other tabbed regions of the Supplier Sites window.

Step 2: Search for the second supplier and inactivate the second site

1. Remain in the Suppliers window.

2. Click on the Find icon from the Toolbar or select Find from the View menu.

3. Enter the search criteria for the second supplier that you previously entered.

4. Select the Find button in the Find Suppliers window.

5. Select the Sites button. Oracle Payables opens the Supplier Sites window.
6. Choose the second site.
7. In the Inactivate On field, enter today's date.
8. Save your work.

Step 3: Submit the New Supplier/New Supplier Site Listing report

1. Navigate to the Submit Request window.

(N) Reports > Run > (B) Single Request (B) OK

2. In the Name field, enter New Supplier/New Supplier Site Listing.

3. In the Parameters window, enter:

- Start Date: Today's date
- List Suppliers or Sites?: New Suppliers
- Order By: Supplier Name

4. Click OK.

5. Choose Submit. Note your Request ID \_\_\_\_\_.

6. Review the report by navigating to the Requests window.

- (N) Requests

7. Select the Specific Requests button.

8. Enter your request ID in the Request ID field.

9. Choose the Find button.

10. Once the report is completed, select the View Output button to see the report.

### Review Question

**Which one of the following reports would you use to review suppliers, supplier sites, and supplier site contacts information?**

- 1. Suppliers Report**
- 2. Supplier Audit Report**
- 3. Supplier Merge Report**
- 4. Supplier Customer Netting Report**
- 5. New Supplier/New Supplier Site Listing**

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### Answer to Review Question

**Which one of the following reports would you use to review suppliers, supplier sites, and supplier site contacts information?**

- 1. Suppliers Report**
2. Supplier Audit Report
3. Supplier Merge Report
4. Supplier Customer Netting Report
5. New Supplier/New Supplier Site Listing

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## Agenda

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### Agenda

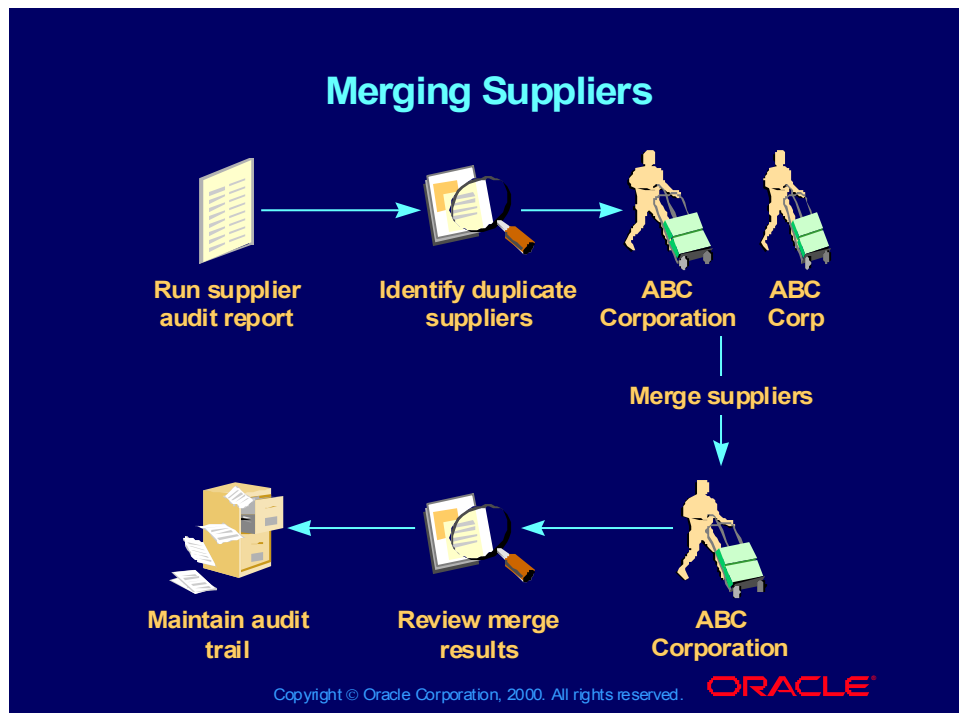
- Setting up suppliers
- **Merging suppliers**

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## Merging Suppliers

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### Overview of Merging Suppliers

Although the system prevents you from entering duplicate supplier names, you may inadvertently define the same supplier by using two different names. For example, you might enter ABC Corporation and ABC Corp, or you might enter a contractor under his name and his company name. You might also create duplicate suppliers if you import suppliers from another accounts payable system.

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### Overview of Merging Suppliers

Use Supplier Merge to combine two or more suppliers that you identify as duplicates. You can update purchase orders and invoices for the old supplier to refer to the new supplier. The Supplier Merge window also enables you to merge supplier sites so that any sites assigned to an old supplier can be reassigned to the new supplier.

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## Merging Suppliers

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### Merging Suppliers

When you merge suppliers, you transfer invoices, purchase orders, or both from one supplier and site to another supplier and site. You can transfer to a new supplier and site unpaid invoices only or all invoices (including paid and partially paid invoices). Oracle Payables will not transfer invoices if the merge process would create a duplicate invoice for a supplier.

**Note:** The merge process cannot be undone.

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**(Help) Oracle Financial Applications > Oracle Payables > Suppliers > Supplier Merge Program**

### Merging Suppliers

**For best auditing results, transfer both paid and unpaid invoices to a new supplier and site so you can identify duplicate payments easily. Also, transfer both purchase orders and invoices to a new supplier and site so all invoice and purchase order information refers to the same supplier.**

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### Merging Suppliers

**After you have merged suppliers, Oracle Payables automatically prints the Purchase Order Header Updates Report and the Supplier Merge Report as an audit trail of your supplier merge activity. The Supplier Merge Report also lists any duplicate invoices that it did not merge. Research the duplicated invoice. You can then update the invoice number if the invoice has not been paid or accounted.**

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### Demonstration

**This demonstration covers how to merge supplier information.**

**Purchasing Responsibility  
(N) Supply Base > Supplier Merge**

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### Identifying Duplicate Suppliers

- **Review supplier records periodically to achieve the following:**
  - Prevent duplicate invoices
  - Improve system performance
  - Provide accurate supplier reporting
- **Use the Suppliers Report and the Supplier Audit Report to help identify duplicate suppliers.**

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### Maintaining Reports As an Audit Trail

- Oracle Payables does not maintain an online audit trail for merged supplier records.
- To review merged records, Oracle Payables automatically prints the Purchase Order Header Updates Report and Supplier Merge Report.
- Keep these reports as an audit trail.

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**(Help) Oracle Financial Applications > Oracle Payables > Suppliers > Supplier Merge Report**

**(Help) Oracle Financial Applications > Oracle Payables > Suppliers > Purchase Order Header Updates Report**



## Review Question

---

### Review Question

**In the Supplier Merge window, you can merge both suppliers and supplier sites.**

- 1. True**
- 2. False**

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## Answer to Review Question

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### Answer to Review Question

**In the Supplier Merge window, you can merge both suppliers and supplier sites.**

**1. True**

2. False

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## Summary

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### Summary

**In this lesson, you should have learned how to:**

- **Set up suppliers**
- **Explain the merge suppliers process**

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# **11i Setup and Implementation for Inventory Management**

## **Chapter 3**

## 11i Setup and Implementation for Inventory Management - 1

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### **11i Setup and Implementation for Inventory Management - 1**

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### Objectives

**After completing this module, 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

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### 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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### Introduction to Oracle Inventory Management

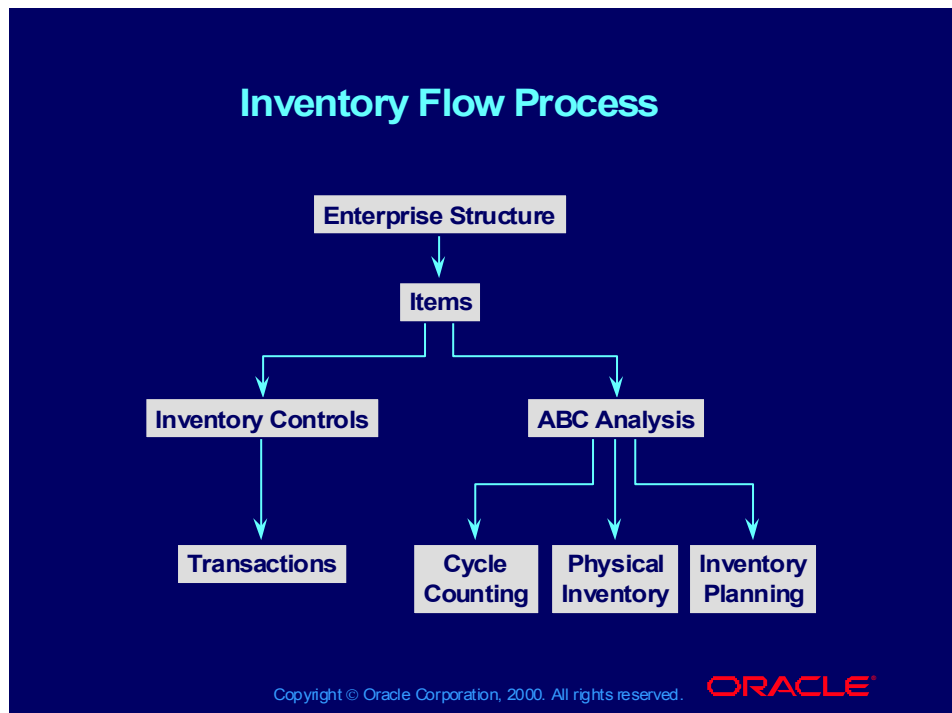
- **Introduction to Oracle inventory management**
- General setup and implementation steps
- Setting profile options
- Setting up enterprise organizations
- Defining subinventories, locators and the calendar
- Setting up units of measure
- Summary

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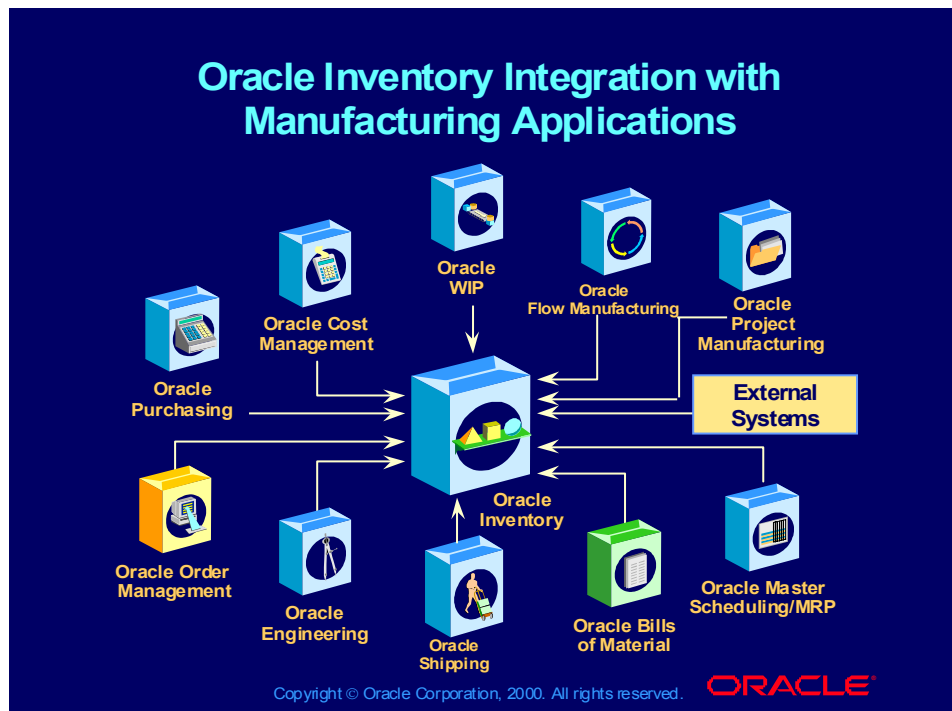
## Inventory Flow Process

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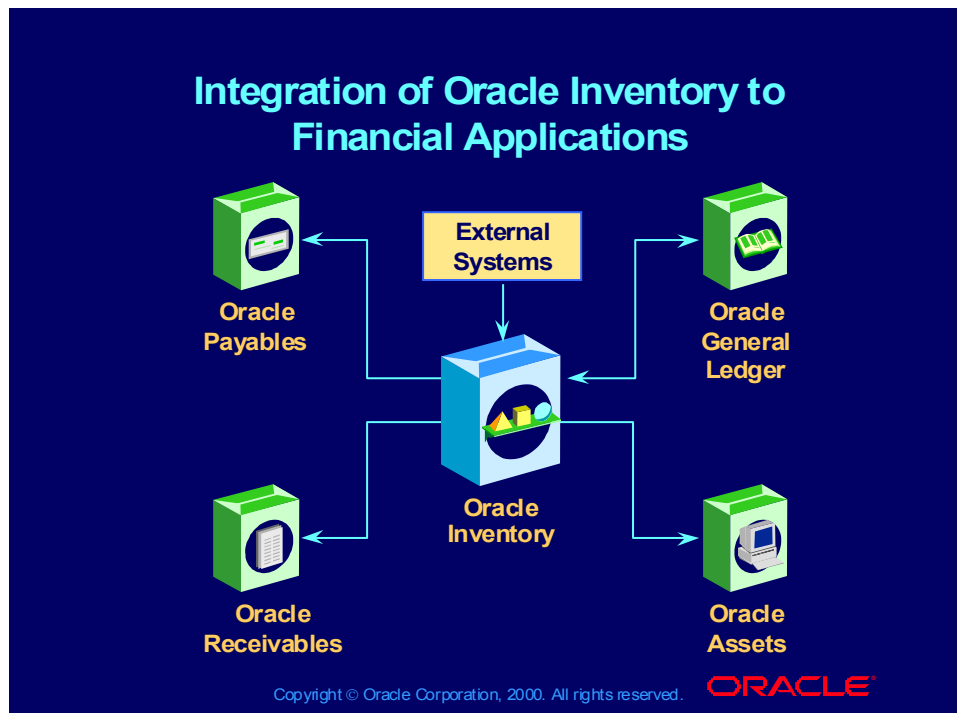


# Oracle Inventory Integration with Manufacturing Applications

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## Integration of Oracle Inventory to Financial Applications



## Review Question

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### 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

**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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### 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.**

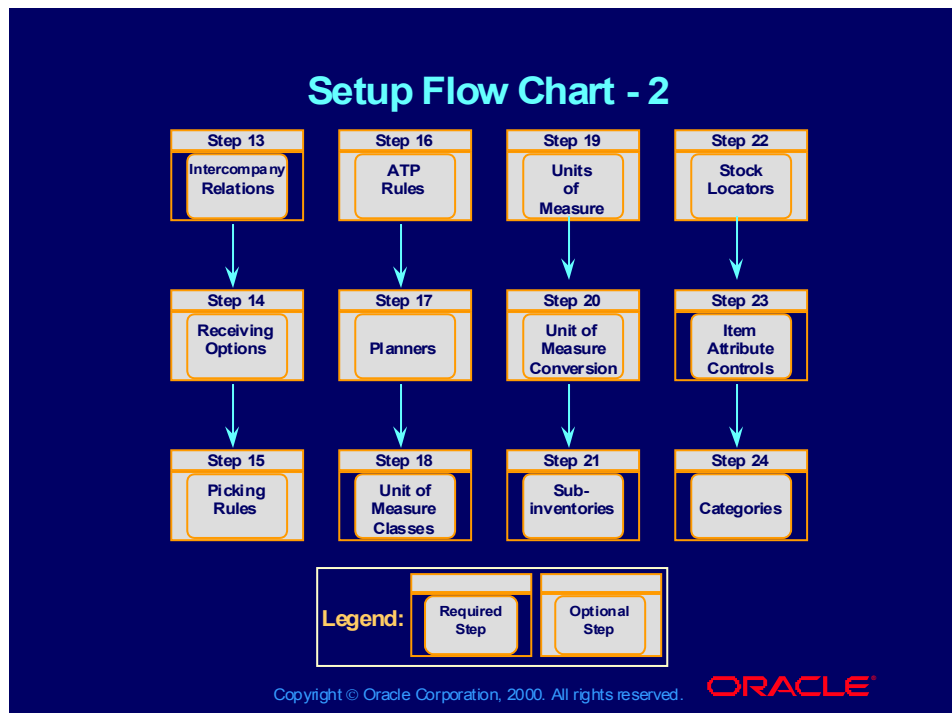
**Following the flowcharts are tables listing first, the required steps and then, the steps considered optional depending on the application functionality being implemented.**

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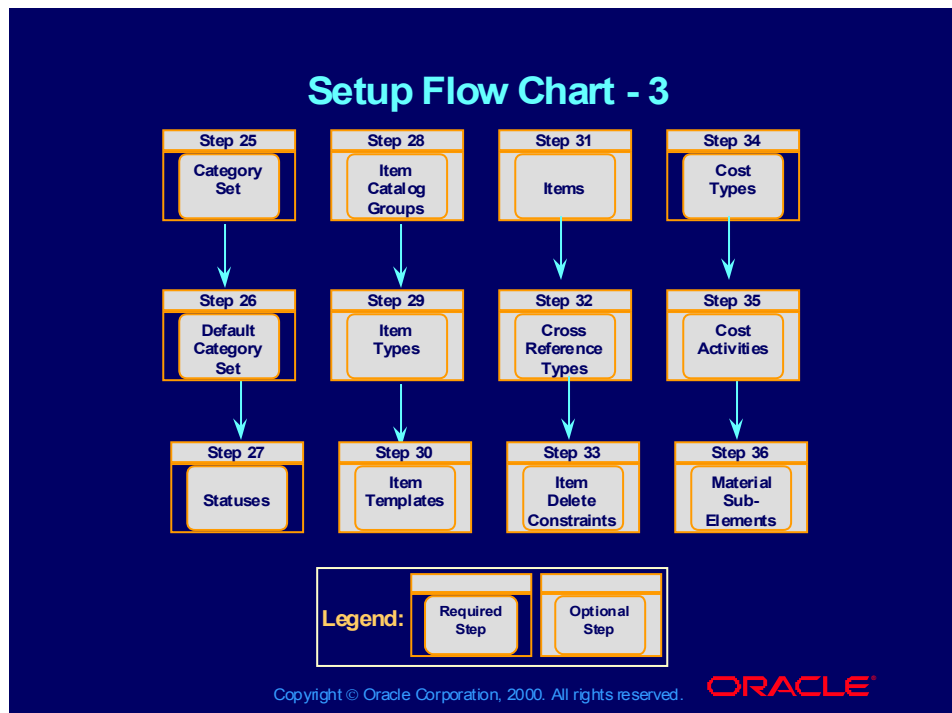
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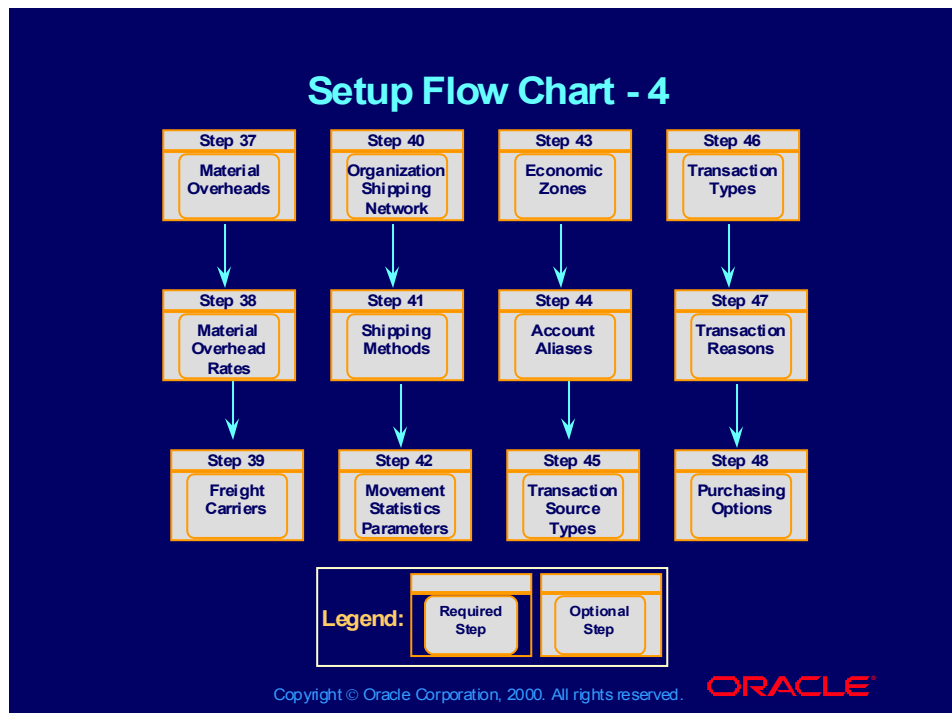
## Setup Flow Chart - 2



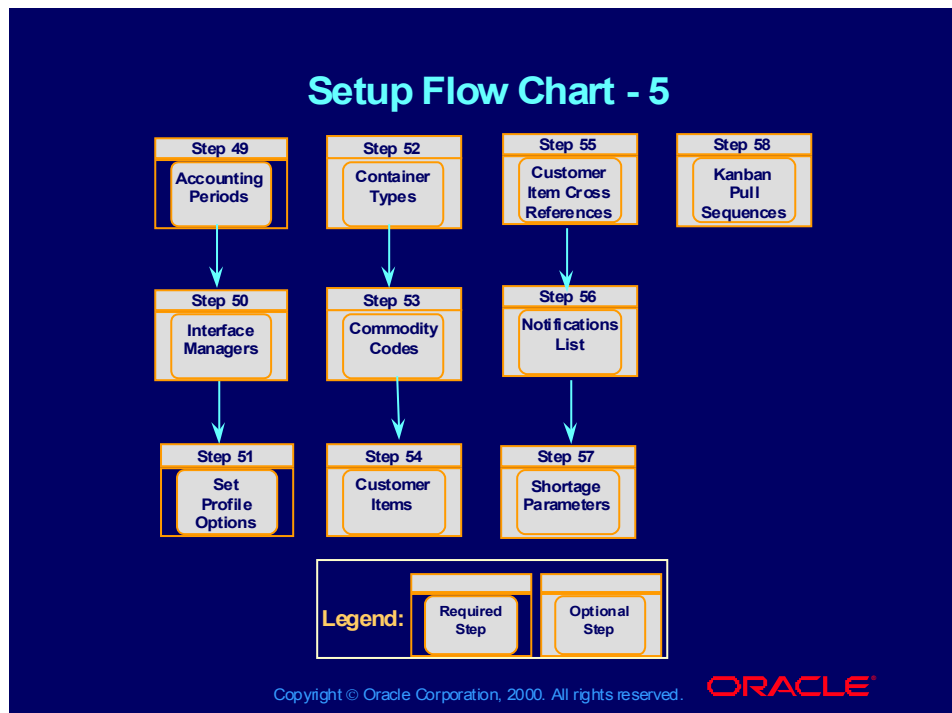
## Setup Flow Chart - 3



## 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

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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

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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

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### 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

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### 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

**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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### 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

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### 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

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

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### 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

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

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### 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

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### 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

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### 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. 1, 2 & 4 only**

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### 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. **1, 2 & 4 only**

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### 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

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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.

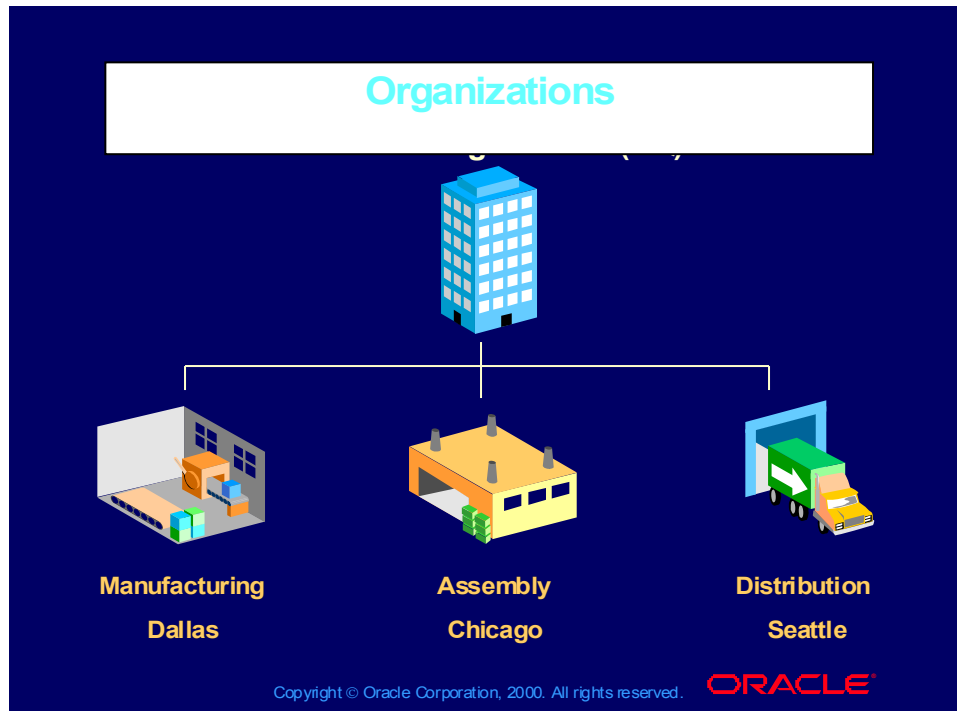
Organizations can be classified and connected to model your overall enterprise structure. The classifications include:

- Business Groups
- Legal Entities (LE) / Government Reporting Entities (GRE)
- Operating Units
- Inventory Organizations



## Organizations

---



### Classify the Organizations

Choose an organization classification to describe the general purpose of your organization. For example, Inventory Organization, Government Reporting Entity / Legal Entity, and HR Organization.

Choose your Inventory Organization as your organization classification to use your organization for inventory management.

### 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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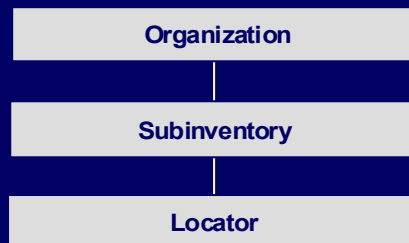
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## Inventory Organization Structure Overview

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### 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

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### Enterprise Structure Considerations

Consider the following issues when you plan your enterprise structure:

- Sets of Books
- Costing Methods
- Item Costs
- Movement Between Inventory Organizations
- Planning Method
- In Multi-Org
- Forecasting
- Accuracy Analysis



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### 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.

### Movement Between Inventory Organizations

You can use intransit inventory for interorganization transfers.

### Planning Method

You can perform reorder point planning at the organizational level, and you can perform min-max planning at both the organization and subinventory level.

### In Multi-Org

You can tie one government reporting entity/legal entity to each inventory organization. You can also tie one operating unit to each inventory organization.

### Forecasting

Oracle Inventory forecasts item usage at the organization level only.

### Accuracy Analysis

You can perform a physical inventory, ABC classifications, and cycle counting at both the organization and subinventory levels.

### 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 1 Instructions

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### Practice 1 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 1

---

### Practice 1

#### Define a Location

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

**Manufacturing and Distribution Manager Responsibility**  
(N) 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 1

---

### Practice 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	Go to Shipping Details Tab
	TXX-LOCATION
	Check the Box

**Continue**

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## Practice 1

---

### Practice 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 2

---

### Practice 2

#### Define an Organization

**Description:** Define an Organization and its related information.

**Manufacturing and Distribution Manager Responsibility**  
**(N) Inventory > Setup > Organizations > Organizations**

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

**Continue**

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## Practice 2

---

### Practice 2

#### Define an Organization

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

#### Organization Classifications

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

**Continue**

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## Practice 2

---

### Practice 2

#### Define an Organization

#### Additional Organization Information Window

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

**Continue**

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## Practice 2

---

### Practice 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 2

---

### Practice 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 2

---

### Practice 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 2

---

### Practice 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 2

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### Practice 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 2

---

### Practice 2

Define an Organization

**Organization Parameters**

Prompt:	Enter:
Picking Defaults: Locator Order	Supplier
Item Sourcing Detail: Type	
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 2

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### Practice 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 2

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### Practice 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 Encumbrance	01-000-2220-0000-000
<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 2

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### Practice 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 2

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### Practice 2

#### Define an Organization

#### Receiving Options

Prompt:	Enter:
<b><u>Over Receipt Controls:</u></b>	
Tolerance	5
Action	Warning
<b><u>Miscellaneous:</u></b>	
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 2

---

### Practice 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 3

---

### Practice 3

#### Update the Organization

**Description:** Tie the Location to the Organization.

**Manufacturing and Distribution Manager Responsibility**  
**(N) 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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## Defining Subinventories, Locators and the Calendar

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### 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.

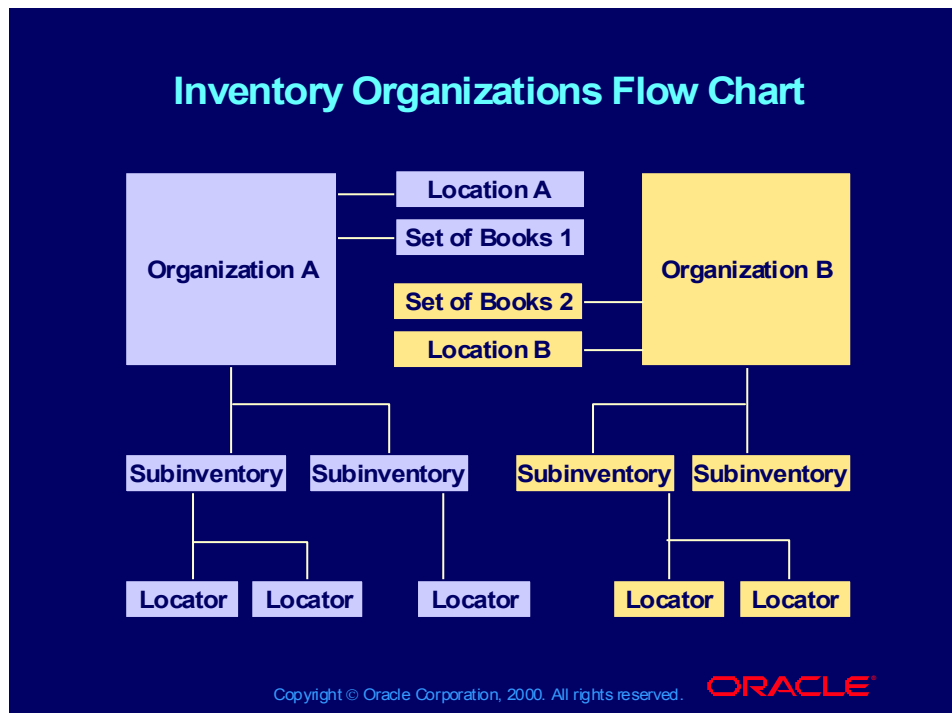
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## Inventory Organizations Flow Chart

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### 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

**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
- Lead-time applied to items stored within
- Item replenishment information

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### 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						✓	
WIP					✓		✓

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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

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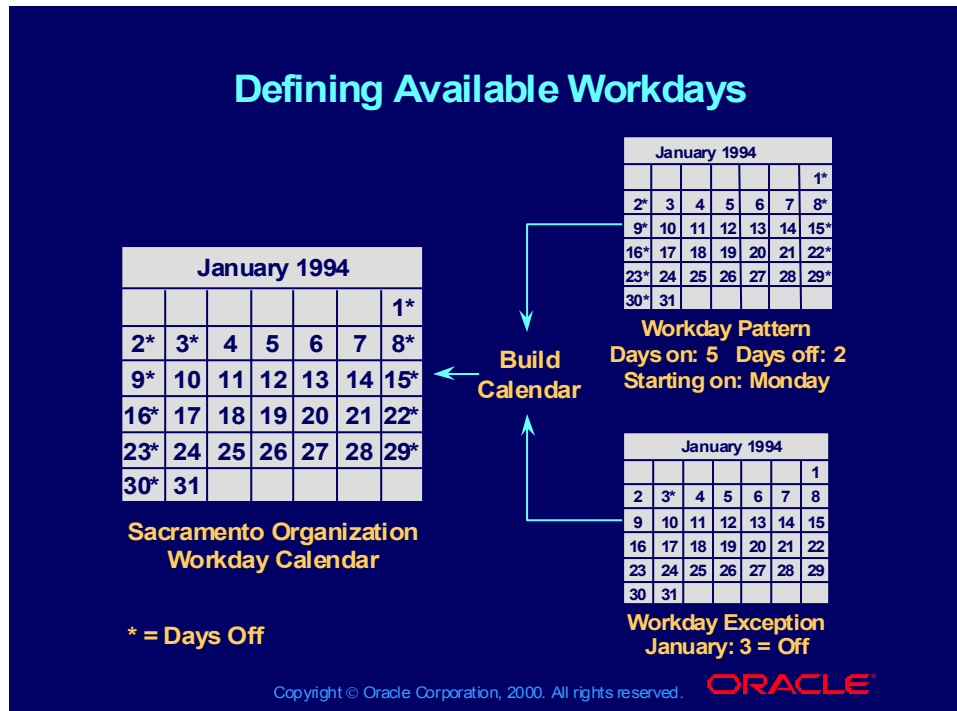
### Workday Calendar

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.)

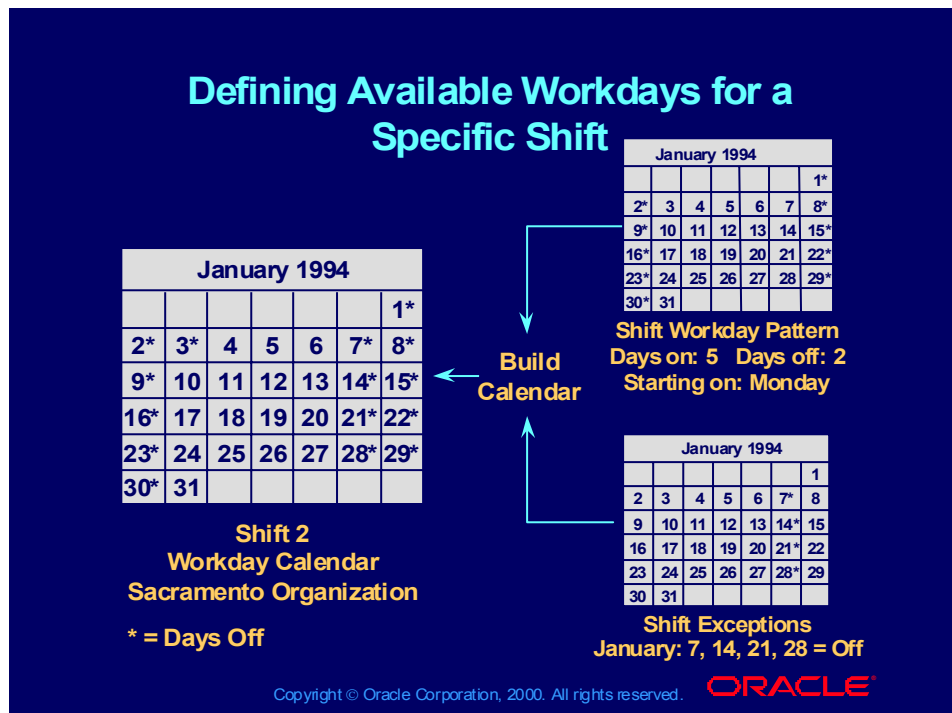
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## Defining Available Workdays



## Defining Available Workdays for a Specific Shift



## Practice 4 Instructions

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### Practice 4 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 4

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### Practice 4

#### Define a Calendar Exception Set Name

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

**Manufacturing and Distribution Manager Responsibility**  
**(N) Inventory > Setup > 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 4

---

### Practice 4

#### 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 5

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### Practice 5

#### Define a new Workday Calendar

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

**Manufacturing and Distribution Manager Responsibility**  
(N) Inventory > Setup > Organizations > Calendars

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 5

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### Practice 5

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 5

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### Practice 5

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 5

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### Practice 5

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 5

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### Practice 5

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 5

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### Practice 5

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 5

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### Practice 5

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 5

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### Practice 5

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 5

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### Practice 5

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 5

#### 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 6

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### Practice 6

#### Define Subinventories

**Description:** Define two subinventories for your organization.

**Manufacturing and Distribution Manager Responsibility**  
(N) 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 6

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### Practice 6

#### 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 6

---

### Practice 6

#### 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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### 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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**Note:** After an item has been saved with a unit of measure, the unit of measure can not be changed.

### 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

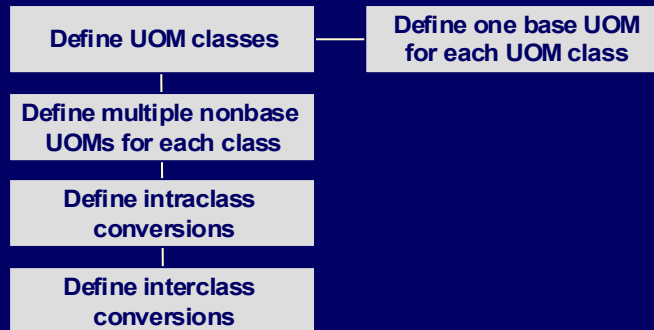
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### Units of Measure Setup

**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

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

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

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### 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 7 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 7

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### Practice 7

#### Define a Unit of Measure Class

**Description:** Define and update unit of measure classes.

**Manufacturing and Distribution Manager Responsibility**  
(N) Inventory > Setup > Unit of Measures > Classes

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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**Note:** Be sure to add a new row for this practice.



## Practice 8

---

### Practice 8

#### Define Units of Measure

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

**Manufacturing and Distribution Manager Responsibility**  
(N) Inventory > Setup > Unit of Measures > Unit of Measures

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

**Continue**

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**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.

## Practice 8

---

### Practice 8

#### 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-CASE
UOM	GXX
Description	TXX-CASE UOM

**Continue**

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## Practice 8

---

### Practice 8

#### 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-CASE
UOM	GXX
Description	TXX-CASE UOM
Base Unit	Do not check the box
Class	TXX-QTY

**Continue**

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## Practice 8

---

### Practice 8

#### Define Units of Measure

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

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## Practice 9

---

### Practice 9

#### 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.

**Manufacturing and Distribution Manager Responsibility**  
**(N) 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 (Default)
Conversion	12

**Continue**

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## Practice 9

---

### Practice 9

#### Define Unit of Measure Conversions

##### On the **Standard** tab

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

**Continue**

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## Practice 9

---

### Practice 9

#### 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

**Continue**

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## Practice 9

---

### Practice 9

#### 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 9

---

### Practice 9

#### 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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### 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

**In this module 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

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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# **11i Define and Maintain Items**

## **Chapter 4**

### **11i Define and Maintain Items**

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### Objectives

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

- Identify the product functionality governed by item attributes and status codes
- Define items using your own part-numbering scheme
- Establish relationships and cross-references between items
- Define item deletion restraints
- Define item categories and category sets
- Enter your items into industry catalogs

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## Agenda

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### Agenda

- **Defining Item Statuses and Attributes**
- **Defining Items**
- **Defining Categories and Category Sets**
- **Defining Catalog Items**
- **Summary**

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### Overview of Item Statuses and Attributes

- **Item attributes** are the collection of information about an item.
- **Status attributes** are item attributes that enable key functionality for each item.
- An item status is defined by selecting the value check boxes for the status attributes.
- Status attributes, item status and item attributes can be controlled at the item level or organization levels.

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### Defining Control Levels

#### Master-Level Control

- To update Master level item attributes or status attributes use the Master Items window. If an attribute is controlled at the Master level, the value of the attribute applies to all organizations in which the item is assigned.

#### Organization-Level Control

- An item attribute or status attribute that you maintain at the Organization level can have different values for an item in each organization that uses it.

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## Item Attribute Relationships

---

### Item Attribute Relationships

When you define an item, Oracle Inventory enforces particular relationships between some of the item attributes:

- **Required Attributes**
- **Interdependent Attributes**
- **Updateable Attributes**
- **Control Level Dependencies**

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#### **Required Attributes**

You must enter a value for the attribute based on the settings for other related attributes

#### **Interdependent Attributes**

You can only enter certain values depending on other attribute values.

#### **Updateable Attributes**

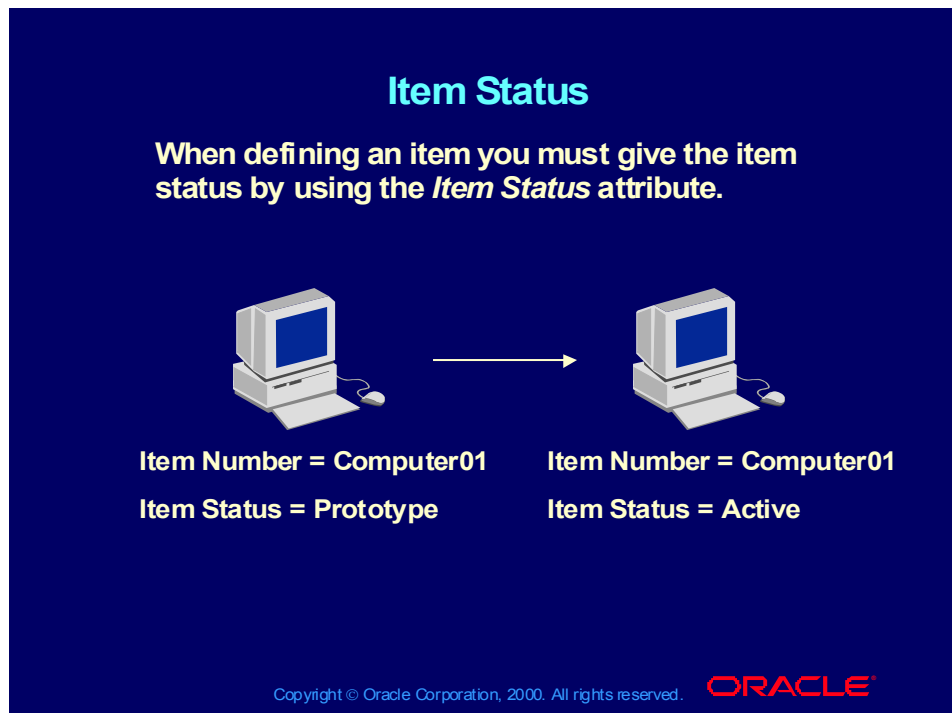
You can update values under certain conditions.

#### **Control Level Dependencies**

You can update the control level of some attributes only under special conditions and with certain consequences.

## Item Status

---



The *Item Status* attribute has a user defined set of yes/no values for the status attributes. The values are applied to the status attributes when you choose an item status code when defining an item. For example, in the beginning of a product development cycle you can set the Item Status attribute to *Prototype* with all of the status attributes defaulted to yes except for *Customer Orders Enabled*. When the item is ready you can change the *Item Status* attribute to *Active* to allow all functions for the item.

More detailed information on Item Status can be found by following this path using online help:

(Help) Oracle Inventory > Setting Up > Item Set Up and Control > Status Attributes and Item Status

## Pending Item Status

---

### Pending Item Status

- You can assign one or more pending statuses for an item, to be implemented on future dates. These statuses become effective on their assigned effective dates.
- You can view the status history of an item if needed.

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More detailed information on Pending Item Status can be found by following this path using online help:

(Help) Oracle Inventory > Setting Up > Item Set Up and Control > Defining and Viewing Pending Statuses

### Status Attributes

- Status attributes enable and disable the functionality of an item over time.
- Each status attribute allows you to enable the item for particular use. For example if you set the status attribute *Purchasing* to yes then you can place the item on a purchase order.
- The status attributes are related to the item defining attributes. You cannot enable a status attribute if you do not set the corresponding item attribute to yes.

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More detailed information on Status Attributes can be found by following this path using online help:

(Help) Oracle Inventory > Setting Up > Item Set Up and Control > Status Attributes and Item Status Control



### Status Attribute Interdependencies

Each status attribute is dependent on at least one other attribute. For example you cannot have *Stockable* set to *yes* if you have *Inventory Item* set to *No*.

The following slides show the interdependencies for the status attributes.

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## Status Attribute Interdependencies

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### Status Attribute Interdependencies

Attribute	Must be set to	If
Stockable	No	Inventory tem is set to <i>No</i>
Transactable	No	Stockable is set to <i>No</i>
Purchasable	No	Purchased is set to <i>No</i>
Build in WIP	No	Inventory tem is set to <i>No</i> or BOM tem Type is NOT set to <i>Standard</i>

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## Status Attribute Interdependencies

---

### Status Attribute Interdependencies

Attribute	Must be set to	If
Customer Orders Enabled	No	Customer Ordered Item is set to <i>No</i>
Internal Orders Enabled	No	Internal Ordered Item is set to <i>No</i>
BOM Allowed	No	Inventory Item is set to <i>No</i>
Invoice Enabled	No	Invoiceable Item is set to <i>No</i>

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## Status Attributes and Functionality

---

Status Attributes and Functionality		
Status Attribute	Functional Area	Functionality
Stockable	Inventory	Allows you to store the item in an asset subinventory
Transactable	Inventory, Order Management, Purchasing, WIP	Allows you to transact the item Inventory, Order Management, Purchasing and WIP
Purchasable	Purchasing	Allows you to place the item on a purchase order
Build in WIP	Work in Process	Allows you to build the item on a discrete job and/or a repetitive schedule

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This table can be located on the online help:

(Help) Oracle Inventory > Setting Up > Item Set Up and Control > Status Attributes and Item Status Control

## Status Attributes and Functionality

---

### Status Attributes and Functionality

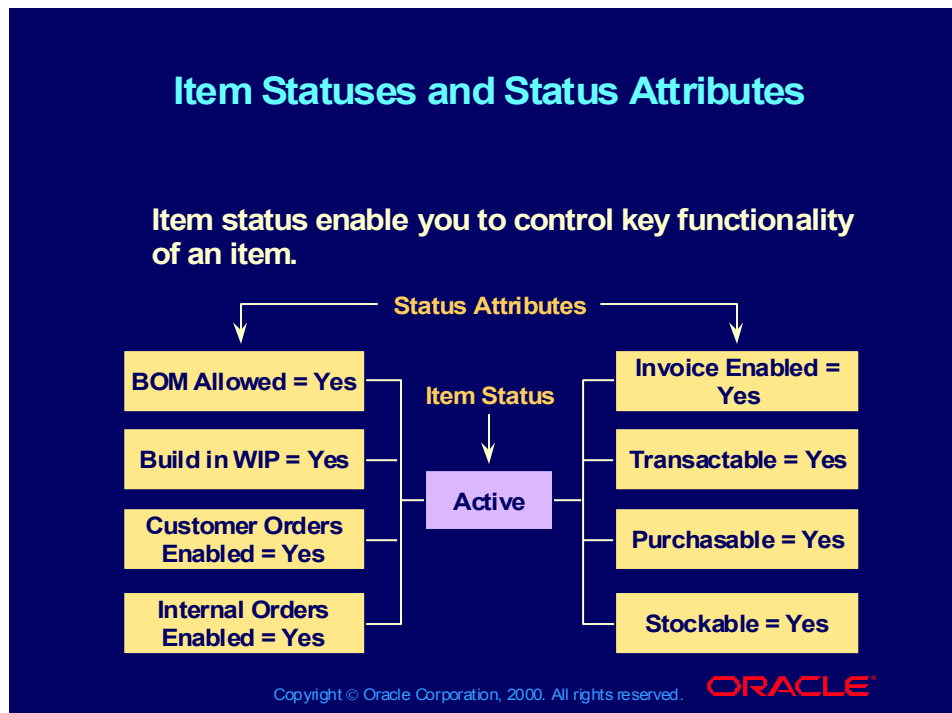
Status Attribute	Functional Area	Functionality
Customer Orders Enabled	Order Management	Allows you to place the item on a sales order
Internal Orders Enabled	Inventory, Order Management, Purchasing	Allows you to create an internal sales order for the item
BOM Allowed	Bills of Material	Allows you to create a bill of material for the item
Invoice Enabled	Receivables	Allows you to create an invoice for the item

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## Item Statuses and Status Attributes

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### Defining and Using Status Steps

1. Define a control level for each status attribute
2. Define a status control level for each status attribute
3. Define the item status by selecting the Value check box for each status attribute
4. Assign a status to the Item
5. Assign a pending status to the item
6. Run update pending status

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### New Item Attributes in 11i

- *Inventory*
  - Check Material Shortage
  - Network Logistics Trackable
  - Asset Creation
- *Purchasing*
  - Tax Code
- *Bills of Material*
  - Effectivity Control

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### New Item Attributes in 11i

- ***Physical Attributes***
  - Collateral Item**
  - OM Indivisible**
  - Event**
  - Electronic Format**
  - Downloadable**
  - Equipment**
- ***Work in Process***
  - Over Completion Tolerance Type**
  - Over Completion Tolerance Value**

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### New Item Attributes in 11i

- *Order Management*
  - Over Shipment Tolerance
  - Under Shipment Tolerance
  - Over Return Tolerance
  - Under Return Tolerance

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## Practice 1 Overview

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### Practice 1 Overview

During this practice, we will:

- **Navigate through Master Items**
- **Locate Status Attributes**
- **Identify Status Attributes**

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## Practice 1

---

### Practice 1

**Query item number AS18947 and answer the following questions:**

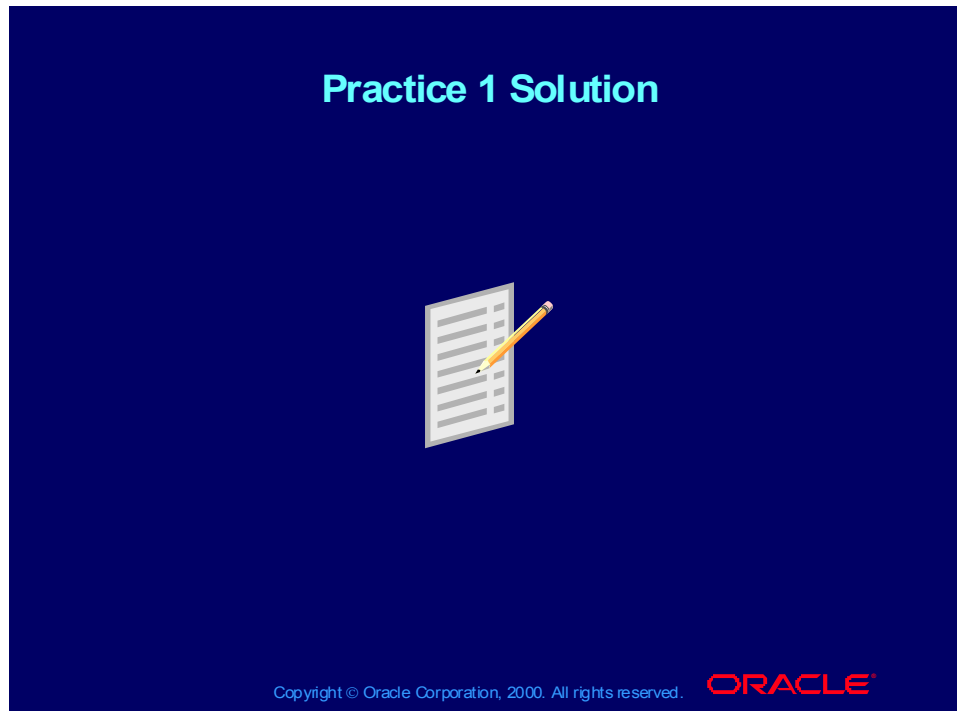
- 1. What is the BOM Item Type for this part?**
- 2. Is this item under revision control?**

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## Practice 1 Solution

---



### Practice 1 Solutions

Query item #AS18947 and answer the following questions:

#### What is the BOM Type for this part?

1. Open the Master Item screen.

Manufacturing and Distribution Manager responsibility  
Inventory > Items > Master Items

(N)

2. Query item #AS18947
3. Select the Bills of Material tab
4. Locate the BOM Type field

#### Is the item under revision?

1. From the Bills of Material tab, select the Main tab
2. Locate the Revision field

## Practice 2 Overview

---

### Practice 2 Overview

During this practice, we will:

- **Navigate through Master Items**
- **Locate Status Attributes**
- **Identify Status Attributes**

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## Practice 2

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### Practice 2

**Query item # AS54888 and answer the following questions:**

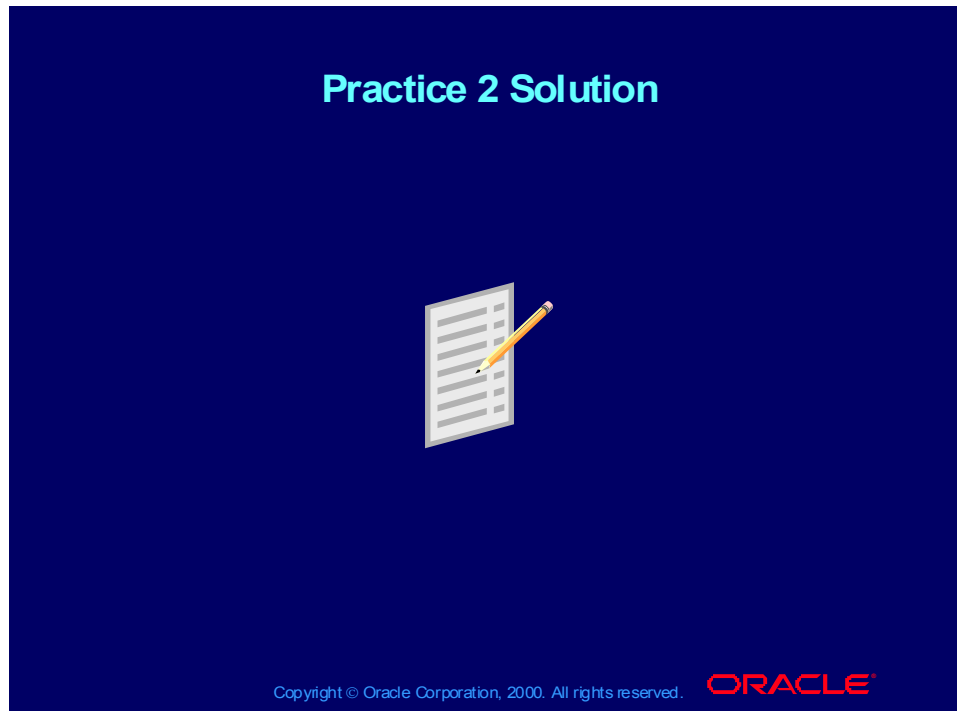
- 1. What is the status of this item?**
- 2. Can I have a BOM for this item?**
- 3. Can I build this item in WIP?**
- 4. Can a customer order this item?**
- 5. Can I invoice a customer for this item?**
- 6. Can I order this item internally from another organization in my company?**

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## Practice 2 Solution

---



### Practice 2 Solutions

Query item #AS54888 and answer the following questions:

**What is the status of this item?**

1. Open the Master Item screen.

Manufacturing and Distribution Manager responsibility

(N)

Inventory > Items > Master Items

2. Query item #AS54888
3. From the Main tab, find the Item Status field
4. Record the current item status

**Can I have a BOM for this item?**

1. Select the Bills of Material tab
2. Locate the BOM Allowed check box
3. Is the box checked?
4. Record your answer

**Can I build this item in WIP?**

1. Select the Work in Process tab
2. Locate the Build in WIP check box
3. Is the box checked?
4. Record your answer

**Can a customer order this item?**



1. Select the Order Management tab
2. Locate the Customer Orders Enabled check box
3. Is the box checked?
4. Record your answer

**Can I invoice a customer for this item?**

1. Select the Invoicing tab
2. Locate the Invoiceable Item check box
3. Is the box checked?
4. Record your answer

## Agenda

---

### Agenda

- Defining Item Statuses and Attributes
- **Defining Items**
- Defining Categories and Category Sets
- Defining Catalog Items
- Summary

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### Defining items

- With the Master Item window, you can define and update items and the attributes associated with them (such as description, unit of measure or lot control).
- Much of the information for an item is optional. You define only the information you need to maintain the item.
- An item cannot be defined at the Organizational level. Oracle will automatically switch to the Master Item window when defining a new item.

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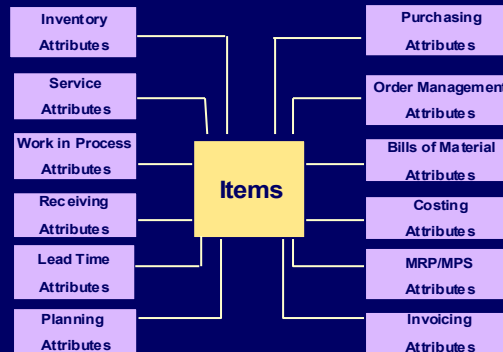
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## Defining Items

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### Defining Items

**An item is a part or service that you purchase, sell, plan, manufacture, stock, distribute, or prototype. The following Oracle Applications use items:**

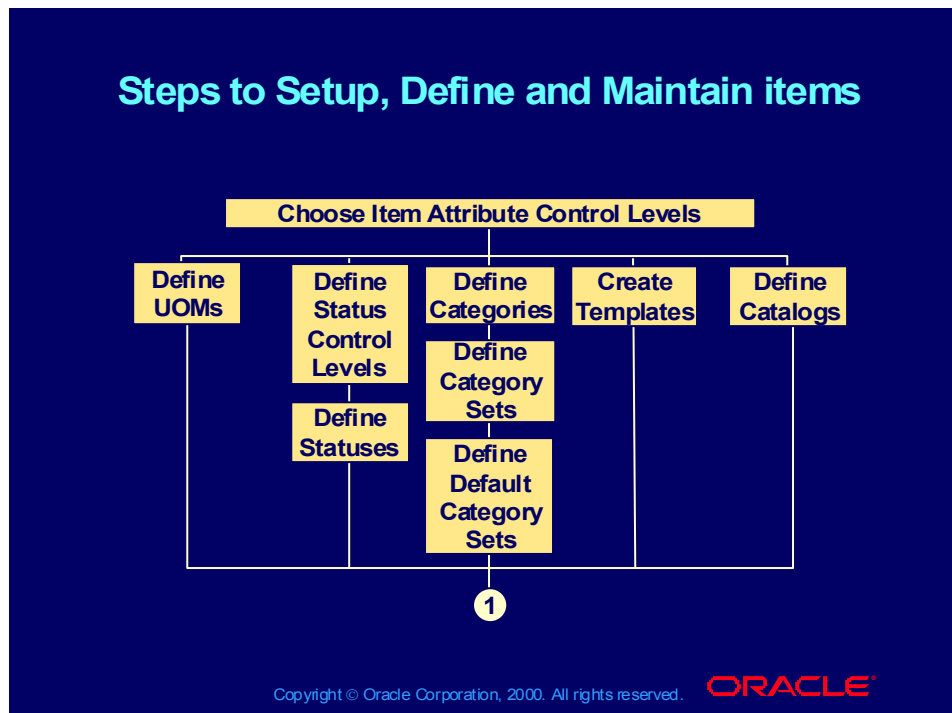


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## Steps to Setup, Define and Maintain items

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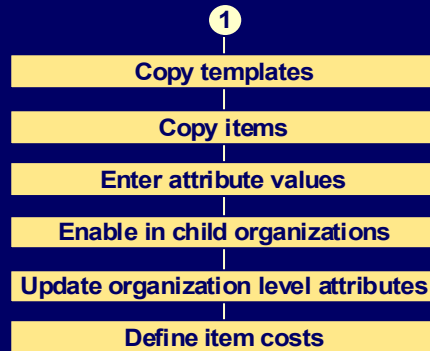
### Steps to Define and Maintain Items:

1. Create the item templates.
2. Use the templates and existing items to define items.
3. Enter values for additional item attributes.
4. Assign a status to the item.
5. Assign categories to the item.
6. Enable the item in other organizations.
7. Update the organizational-level attributes values.
8. Define the item relationships.
9. Search for items.
10. Delete items

## Steps to Setup, Define and Maintain items

---

### Steps to Setup, Define and Maintain items



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## Item Templates

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### Item Templates

- An item template can be assigned when creating an inventory item. The template contains values for any number of item attributes. Oracle Inventory has several predefined templates that you can use to define and update items or you can create your own templates.
- If you regularly define many items that share the same values for a number of attributes, you may want to define item templates to avoid duplicating effort.
- You can only use “Copy” once when adding and item.
- You can predefine templates with relatively few attributes enabled because you can apply more than one template to define one item.

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You can view the list of templates shipped with Oracle by following this navigational path using online help:

(Help) Oracle Manufacturing Applications > Oracle Inventory > Setting Up > Item Setup and Control > Item Templates

## Customizing Templates

---

### Customizing Templates

- You can enable attributes and assign them values in each template that you create.
- When you apply a template to an item, Oracle Inventory updates only the attributes that are enabled for the template.
- The order in which templates are applied is extremely important

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More detailed information on Customizing Templates can be found by following this path using online help:

(Help) Oracle Manufacturing Applications > Oracle Inventory > Setting Up > Item Setup and Control > Item Templates > Defining Item Templates



### Master Item vs. Organizational Item

- You can designate whether an item attribute is defined/maintained at the Master level or the Organization level.
- Attributes at the Master level are the same across all organizations that the item is assigned to.
- If an attribute is maintained at the Organization level, you can have different values in each organization the item is assigned.

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## Master Item vs. Organizational Item

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### Master Item vs. Organizational Item

- **Some attributes can be maintained at only the Master level or the Organizational Level.**
- **Unit of Measure should be maintained at the Master level.**
- **If using multiple organizations, the Min-Max attribute should be maintained at the organization level.**

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You can find a list of attributes that can be maintained at only the Master or Organization level in the online help. Use the following path to locate this list:  
(Help) Oracle Manufacturing Applications > Oracle Inventory > Items > Master Level vs. Organizational Level

### Organization Assignment and Organization Item

- You can enable your item in all child organizations under your master organization or choose child organizations where you use the item.
- Oracle Inventory propagates your item to all organizations in which you want to define it.
- You can enter or change organizational attributes for item attributes which are enabled in that organization. For example, go to an organization to choose reorder point planning for an item, and then go to another organization and choose Min-Max planning for the same item.

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### Defining Item Relationships

- You can specify the following types of relationships for items:
  - Item cross-references
  - Substitute items
  - Related items
  - Manufacturer part numbers
  - Customer item numbers
- You can define relationships between items to improve purchasing management and item searching capabilities. You can receive substitute items in Oracle Purchasing.

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## Cross-Reference Types

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### 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 cross-reference type *Supplier* to track supplier part numbers.**
- **You can assign multiple cross-reference types to a single item.**

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More detailed information on Cross-Reference Types can be found by following this path using online help:

(Help) Oracle Manufacturing Application s> Oracle Inventory > Setting Up > Item Setup and Control > Defining Cross-Reference Types

## Customer Items Detail

---

### Customer Items Detail

- A customer item that is defined at the Customer level is recognized across all address and address categories for that customer.
- You can set Customer item defaults, such as customer address and telephone numbers.

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More detailed information on Customer Items Detail can be found by following this path using online help:

(Help) Oracle Manufacturing Applications > Oracle Inventory > Setting Up > Item Setup and Control > Defining Customer Items

## Defining Customer Item Cross-Reference

---

### Defining Customer Item Cross-Reference

- **Customer item cross-reference creates a relationship between customer item numbers and your item numbers.**
- **Customer item cross-referenced items can be activated, deactivated, updated and so on.**

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More detailed information on Defining Customer Item Cross-Reference can be found by following this path using online help:

(Help) Oracle Manufacturing Applications > Oracle Inventory > Setting Up > Item Setup and Control > Defining Customer Item Cross-Reference

### Import Items

By using the Item Interface you can:

- Import items from any source
- Convert inventory items from another inventory system
- Migrate assembly and component items from a legacy manufacturing system
- Convert purchased items from a custom purchasing system
- Import new items from a Product Data Management package.

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## Import Items

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### Import Items

- When you import items through the Item Interface, you create new items in your Item Master organization or assign existing items to additional organizations.
- You can specify values for all the item attributes, or you can specify just a few attributes and let the remainder default or remain null.
- The Item Interface also lets you import revision details, including past and future revisions and effectivity dates.
- Validation of imported items is done using the same rules as the item definition forms, so you are insured of valid items.

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More detailed information on Importing Items can be found by following this path using online help:

(Help) Oracle Manufacturing Applications > Oracle Inventory > Items > Open Item Interface

### 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.
- The major use of item deletion is to correct data entry errors. For example, if you defined an item with the wrong primary unit of measure, you can use the delete function to remove the item from your database. 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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## Deletion Constraints

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### Deletion Constraints

- After an item is used, for example in an assembly, Oracle Inventory automatically creates references to it.
- Oracle Inventory checks all possible references to an item and does not allow it to be deleted until every reference is removed.

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In the online help, you can find a list of entities that Oracle Inventory checks before deleting an item. Use the following path to locate this list:

(Help) Oracle Manufacturing Applications > Oracle Inventory > Items > Item Deletion

## Practice 3 Overview

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### Practice 3 Overview

During this practice, we will:

- Create Item Templates
- Define Items by copying item templates
- Assign items to an organization

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## Practice 3

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### Practice 3

#### Practice 3 Agenda

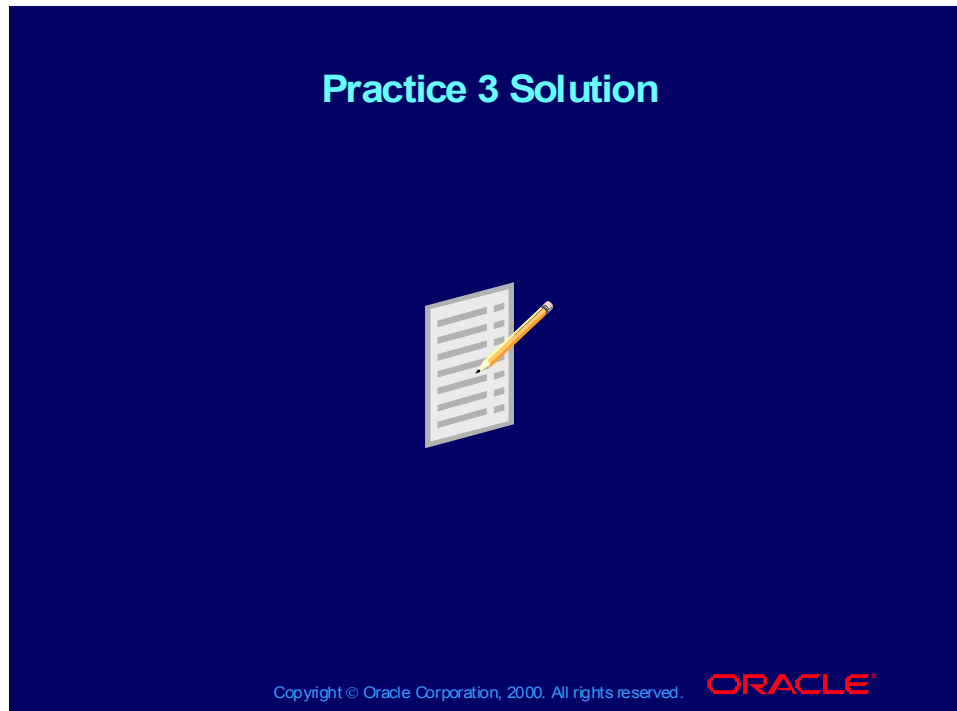
1. Create a unique Item template.
2. Create an item by copying from the unique template that you created.

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## Practice 3 Solution

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### Practice 3 Solutions

#### Create a unique item template.

1. Navigate to the Item Templates window.

Manufacturing and Distribution Manager responsibility (N)  
Inventory > Setup > Items > Templates

2. Select the New button
3. Enter a unique template name "XXTEMPLATE" where XX is your initials
4. Enter template description "ITEM TEMPLATE"
5. Enter M1 for the organization
6. Click on the alternate region menu to set the following attributes:

BOM Item Type	Standard
Costing Enabled	Yes
Inventory Asset Value	Yes
Inventory Item	Yes
Build in WIP	Yes
Customer Ordered	Yes
Shippable	Yes
OE Transactable	Yes
Invoiceable Item	Yes
User Item Type	Finished Good

Item Status (Enter your status that you entered)  
Primary UOM Each

6. Save your work

**Create an item by copying from the template that you created in step 1.**

1. Navigate to the master item window (N) Inventory > Items > Master Items
2. Enter a unique item number “XXITEM” where XX is your initials
3. Enter the item description “TEMPLATE ITEM”
4. From the Tools pull down menu, select “Copy From”
5. Select the template that you created
6. (B)Apply, (B)Done
7. Save your work
8. From the Tools pull down menu, select Organizational Assignments
9. Select the check box for the M1 organization
10. Save your work

## Agenda

---

### Agenda

- Defining Item Statuses and Attributes
- Defining Items
- **Defining Categories and Category Sets**
- Defining Catalog Items
- Summary

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### Categories and Category Sets

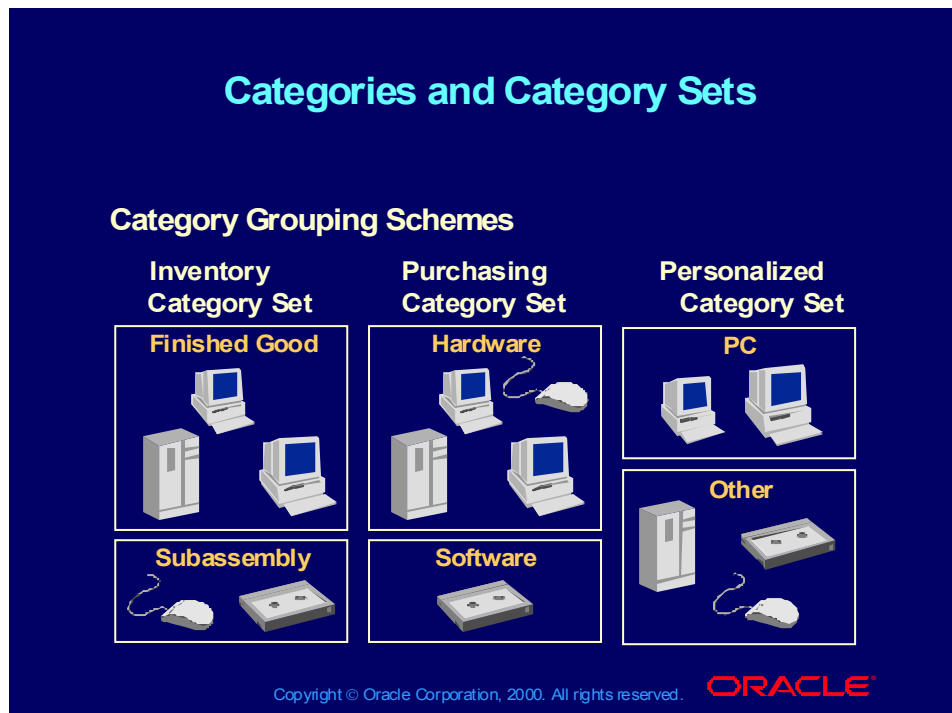
- **Categories are logical groupings of items that have similar characteristics.**
- **A category set is a distinct category grouping scheme and consists of categories.**
- **You can define categories and category sets to create personalized lists of items to limit the ranges of items appearing on reports or processes.**
- **Categories are a key flexfield and need to be structured.**

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## Categories and Category Sets

---



### Category Use

**You can use categories in applications other than Oracle Inventory, for example:**

- **Cost Management**
- **Purchasing**
- **Scheduling and MRP**
- **Engineering**

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### Uses of Categories in Oracle Inventory

**Categories are used mainly for reporting purposes. Below are some examples of how categories can be used:**

- **Inventory Items:** You can use categories to group inventory items.
- **Summarizing Demand Histories:** You can summarize demand history for a particular category of items.
- **Loading Forecasts:** You can compile a statistical or focus forecast for a particular category of items.

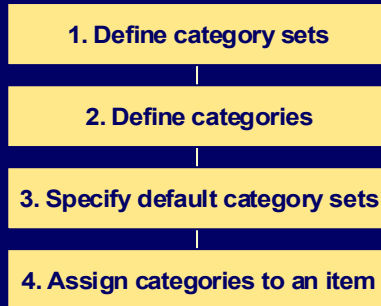
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## Steps to Define Categories and Category Sets

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### Steps to Define Categories and Category Sets



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### Assigning Multiple Categories

- You can choose one category for each additional category set that you want to associate with the item.
- If you assign an item or organization-level category set in the item master (for example, in the Master Item window), Oracle Inventory does not propagate that category set to the child organizations, unless it is a default category set.

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### Practice 4 Overview

During this practice, we will:

- Add a category to a predefined category set
- Assign items to the new category
- Create new items and assign them to the new category

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### Practice 4

#### Practice 4 Agenda

1. Your instructor has created a category set called **Computers** and four categories in advance. In this exercise you will add a product line category for your **Computers (XX)Line**.
2. Assign your category to the computers category set and assign your parts to your new category. Assign your items created earlier to the product line category **(XX)Line**.

(continued)

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### Practice 4

#### Practice 4 Agenda (continued)

3. Create two new items and assign them to your newly created product line category. Change the following attributes before you save:

*Item Status* to the prototype status that you created earlier in this module

*Primary UOM* to Each

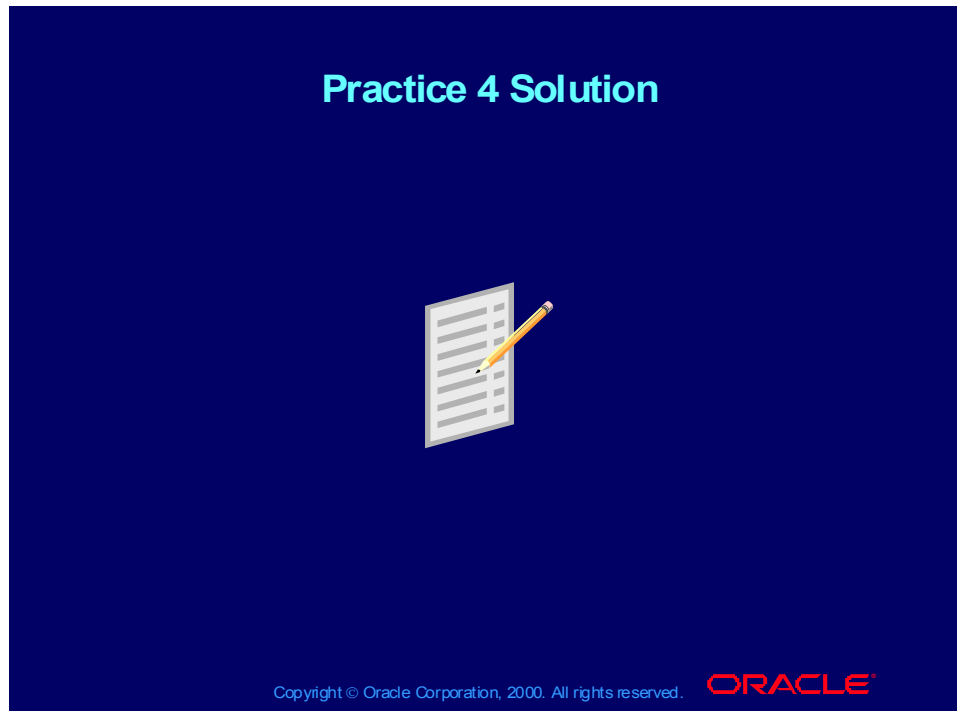
4. Put this item number in your (XX)Line category and save.

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## Practice 4 Solution

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### Practice 4 Solutions

**Your instructor has created a category set called Computers and four categories in advance. In this exercise you will add a product line category for your computers (XX)Line.**

1. Navigate to the Category Codes window and select the New button.  
Manufacturing and Distribution Manager responsibility (N)  
Inventory > Setup > Items > Categories > Category Codes
2. Enter the Structure Name "Product Family"
3. Enter the Category "(XX)Line" where XX is your initials
4. Enter the Description "(XX)Line Computers" where XX is your initials
5. Save your work

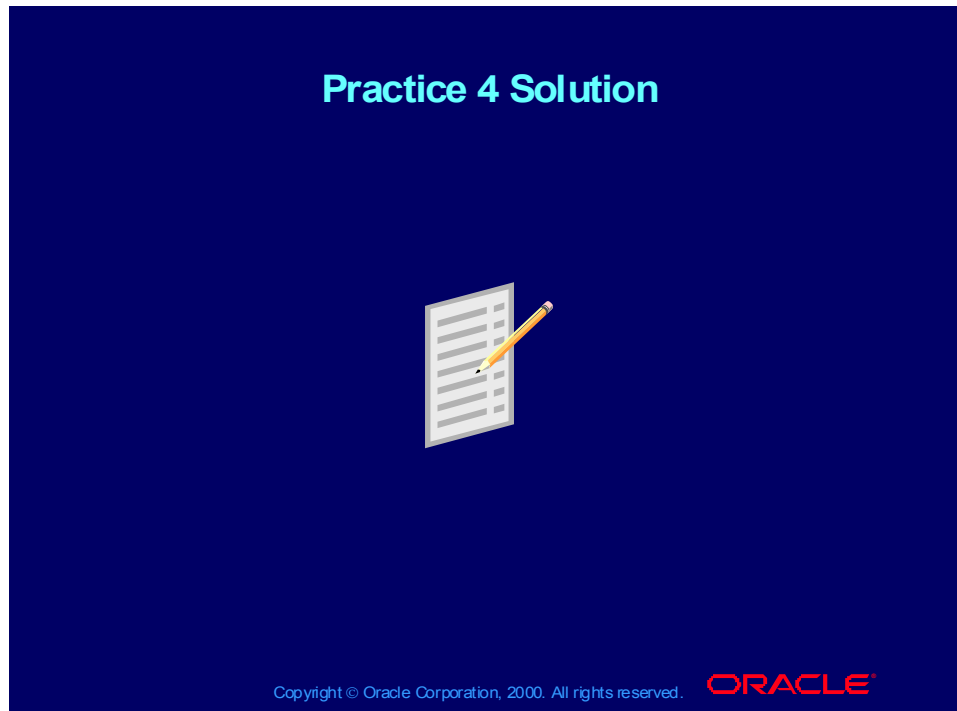
**Assign your category to the Computers Category Set and assign your parts to your new category. Assign your new items created earlier to your new category (XX)Line.**

1. Find the "Computers" Category Set.  
Manufacturing and Distribution Manager responsibility (N)  
Inventory > Setup > Items > Categories > Category Sets
2. Select the View pull down menu
3. Select Find
4. Choose the "Computers" Category Set.
5. Tab to the Category Set Details

6. Add your new category name “(XX)Line” to the validation list
7. Save your work
8. Press the Assign button
9. Assign the item numbers that you created earlier to the product line category.
10. Save your work

## Practice 4 Solution

---



### **Practice 4 Solutions (continued)**

**Create two new items and assign them to your newly created product line category.**

1. Create two new items as in Practice 3, however before saving your new items, change the following item attributes:

-*Item Status* to the prototype status you created earlier

-*Primary UOM* to Each

2. Save your work

**With your new item open in the Master Items window, assign you new numbers to your (XX)Line category.**

1. Select the Tools pull down menu

2. Select Categories

3. Assign your items to the “Computers” Category Set in your (XX)Line

4. Save your work

5. Assign your items to the M1 Organization

6. Save your work

## Agenda

---

### Agenda

- Defining Item Statuses and Attributes
- Defining Items
- Defining Categories and Category Sets
- **Defining Catalog Items**
- Summary

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### Defining Catalog Items

- You can use item cataloging to add descriptive information to items and to partition your 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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## Overview

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### Overview



**Part #33-690**

<b>Catalog Group</b>	<b>Vehicles</b>
<b>Use</b>	<b>Support</b>
<b>Air/Surface</b>	<b>Land, road</b>
<b>Weight</b>	<b>3000 kg</b>
<b>Engine type</b>	<b>Diesel</b>
<b>Primary color</b>	<b>Brown</b>
<b>Secondary colors</b>	<b>Green, tan</b>
<b>Axles</b>	<b>Four</b>
<b>Tire type</b>	<b>500 mm rad</b>

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## Overview

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### Overview



**Part #33-689**

<b>Catalog Group</b>	<b>Furniture</b>
<b>Use</b>	<b>Filing</b>
<b>Shape</b>	<b>Cube</b>
<b>Weight</b>	<b>70 kg</b>
<b>Length</b>	<b>50 cm</b>
<b>Width</b>	<b>50 cm</b>
<b>Height</b>	<b>75 cm</b>
<b>Primary material</b>	<b>Iron</b>
<b>Primary color</b>	<b>Beige</b>

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## Defining and Using Item Catalogs

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### Defining and Using Item Catalogs

1. Define the item catalog group.
2. Define descriptive elements within each catalog group.
3. Assign items to catalog groups.
4. Enter descriptive element values for each item.
5. Update item descriptions with catalog group and descriptive element values.
6. Search for items by using descriptive elements as the search criteria.

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## Agenda

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### Agenda

- Defining Item Statuses and Attributes
- Defining Items
- Defining Categories and Category Sets
- Defining Catalog Items
- **Summary**

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### Summary

**You should now be able to:**

- **Identify the product functionality governed by item attributes and status codes**
- **Define items using your own part-numbering scheme**
- **Establish relationships and cross-references between items**
- **Define item deletion restraints**
- **Define item categories and category sets**
- **Enter your items into industry catalogs**

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# **11i Overview of the Requisition Process**

## **Chapter 5**

## 11i Overview of the Purchase Requisition Process

---

### **11i Overview of the Purchase Requisition Process**

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### Objectives

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

- **Describe how purchase requisitions fit within the procurement process**
- **Identify the main benefits, features, and functions of the purchase requisition process**
- **Explain how purchase requisition process business needs are satisfied by the Oracle Internet Procurement solution**

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### Student Interaction

**How long have you worked with the purchase requisition process?**

- 1. 0 to 1 years**
- 2. 1 to 3 years**
- 3. 3 to 5 years**
- 4. 5 years or longer**

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### Student Interaction

**How long have you worked with Oracle Internet Procurement?**

- 1. 0 to 1 years**
- 2. 1 to 3 years**
- 3. 3 to 5 years**
- 4. 5 years or longer**

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### Student Interaction

**Are you comfortable with Oracle Applications navigation?**

- 1. Yes**
- 2. No**

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## Agenda

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### Agenda

- **Understanding the purchase requisition process**
- **Oracle Applications in the purchase requisition process**
- **The purchase requisition process**
- **Summary**

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### Understanding the Purchase Requisition Process

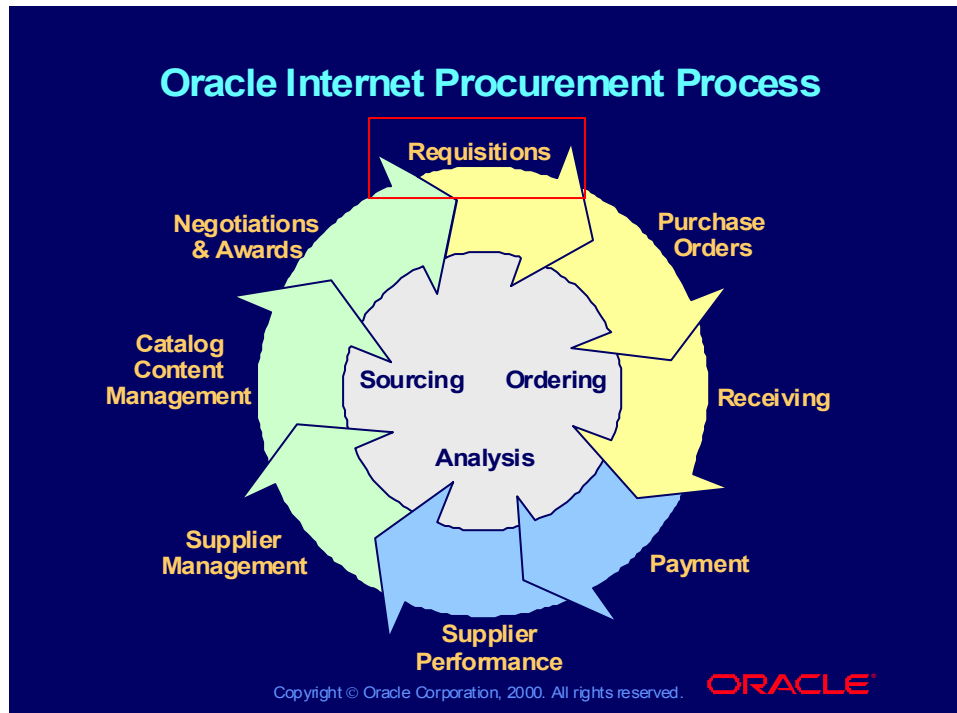
- Procurement business process model
- Purchase requisitions within the procurement process
- Purchase requisition as part of the business process
- Business example of purchase requisitions

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## Oracle Internet Procurement Process

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## Why Purchase Requisitions?

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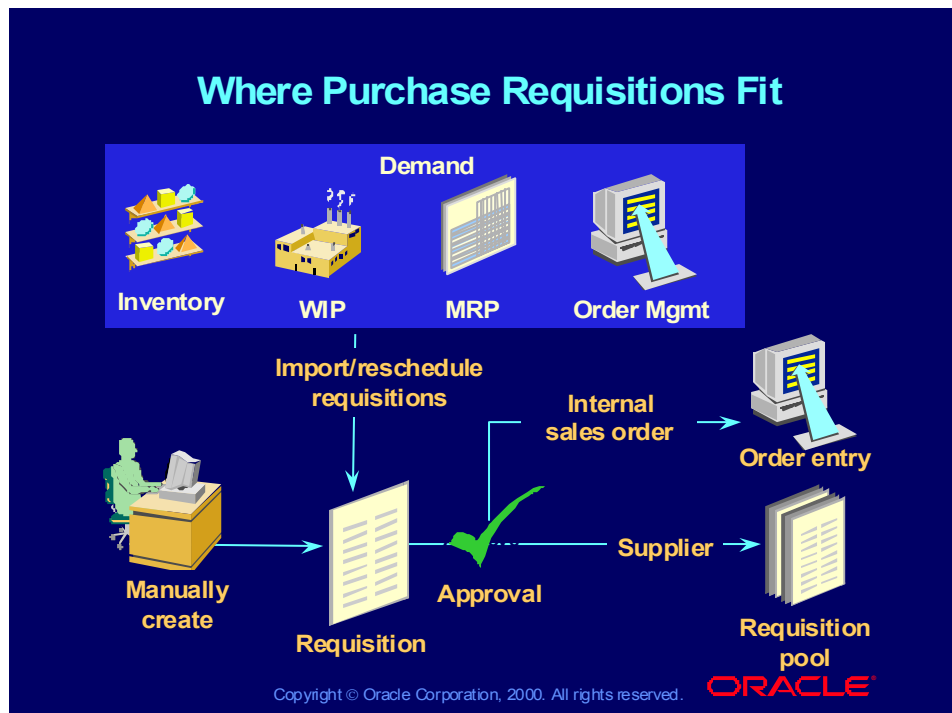
### Why Purchase Requisitions?

- **Purchase requisitions allow you to decentralize your purchasing department by having requesters**
- **Purchase requisitions allow you to source your requisition with the best suppliers and at the lowest cost**
- **Purchase requisitions ensure that the appropriate management approval is given before purchase orders are created.**

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## Where Purchase Requisitions Fit



## Business Needs Associated with Purchase Requisitions

### **Business Needs Associated with Purchase Requisitions**

- **Automate the procurement process**
- **Monitor and control spending amounts by approval authorizations**
- **Simplify the interaction with suppliers**
- **Free buyers from daily transactions to focus on negotiation management and supplier analysis**
- **Reduce administrative costs and inefficiencies**

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## Who Acts on Purchase Requisitions?

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### Who Acts on Purchase Requisitions?

- Employee
- Buyer or buyer-planner
- Approvers
- Suppliers
- Purchasing staff

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### Student Interaction

**What problems has your organization encountered using purchase requisitions?**

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### Student Interaction

- Are there others at your organization who are directly responsible for purchase requisitions?
- Who are they?

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### Student Interaction

**What are the business needs associated with purchase requisitions?**

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## Agenda

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### Agenda

- Understanding the purchase requisition process
- Oracle Applications in the purchase requisition process
- The purchase requisition process
- Summary

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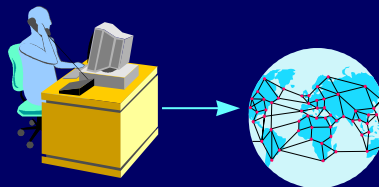
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## Why Oracle's Internet Procurement Solution?

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### Why Oracle's Internet Procurement Solution?

- An integrated suite of e-business applications for the enterprise
- Well organized, extremely comprehensive product
- Highly extensible and customizable to meet your business requirements



Internet Procurement

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### Oracle's Internet Procurement Suite

The following products are what comprise the Oracle Internet Procurement Solution.

- Oracle Purchasing
- Oracle Internet Procurement (Oracle Self Service Purchasing)
- Oracle Internet Supplier Portal
- Oracle Purchasing Intelligence
- Oracle Supplier Scheduling
- Oracle Workflow

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### Oracle's Internet Procurement Suite

The following products are optional components of the Oracle Internet Procurement Suite.

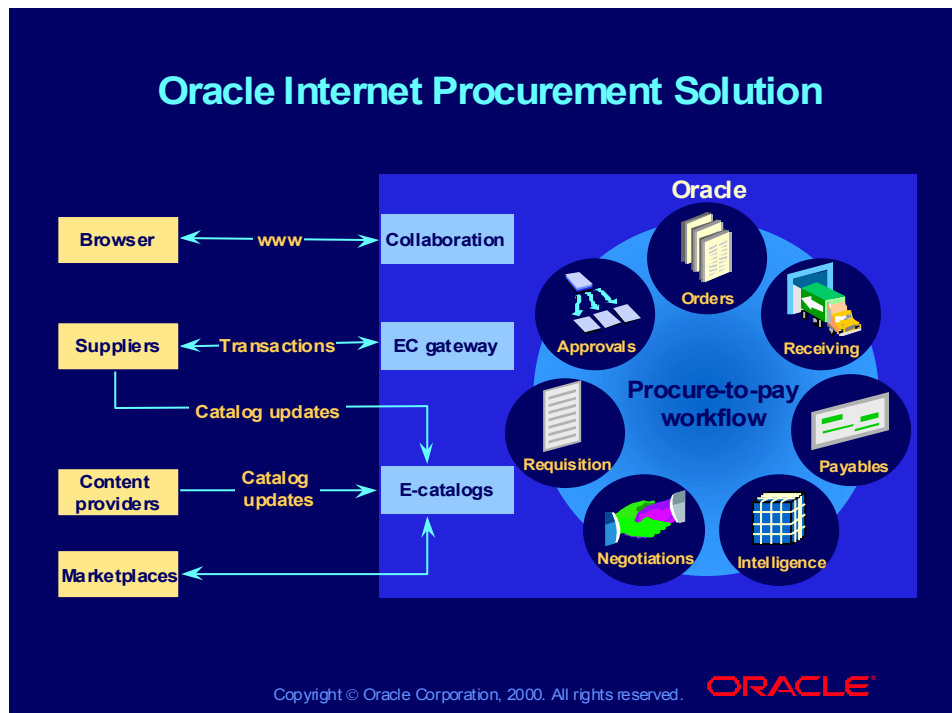
- Oracle e-Commerce Gateway
- Oracle Payables
- Oracle Purchasing Connect for TPN Register
- Requisite Content Management Services

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# Oracle Internet Procurement Solution



### Oracle's Internet Procurement Solution

- Streamlined, decentralized procurement process
- Paperless flow through entire procurement cycle
- Suppliers review their own information in Oracle Internet Supplier Portal
- All functions performed through an Internet browser
- Buyers can evaluate suppliers and pricing through the Purchasing Intelligence System

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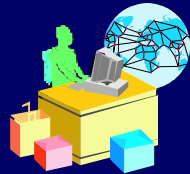
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## Creating Purchase Requisitions

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### Creating Purchase Requisitions

You can create purchase requisitions in either:



**Oracle Internet Procurement  
(Oracle Self-Service Purchasing)**



**Oracle Purchasing**

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### Review Question

**Which of the following is not part of the Oracle Internet Procurement solution?**

- 1. Oracle e-Commerce Gateway**
- 2. Oracle Purchasing**
- 3. Oracle Release Management**
- 4. Oracle Purchasing Intelligence**
- 5. Oracle Internet Supplier Portal**

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## Review Question

---

### Review Question

**Which of the following is not part of the Oracle Internet Procurement solution?**

1. Oracle e-Commerce Gateway
2. Oracle Purchasing
- 3. Oracle Release Management**
4. Oracle Purchasing Intelligence
5. Oracle Internet Supplier Portal

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## Review Question

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### Review Question

**True or False: You can only create requisitions in Oracle Purchasing.**

- 1. True**
- 2. False**

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## Review Question

---

### Review Question

**True or False: You can only create requisitions in Oracle Purchasing.**

1. True
- 2. False**

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## Agenda

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### Agenda

- Understanding the purchase requisition process
- Oracle Applications in the purchase requisition process
- **The purchase requisition process**
- Summary

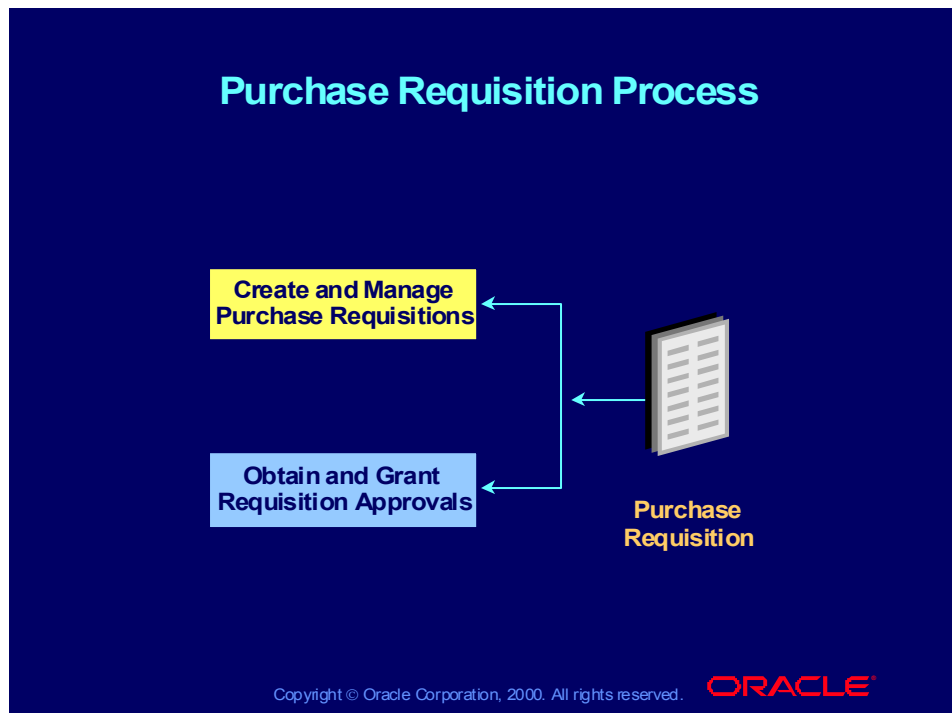
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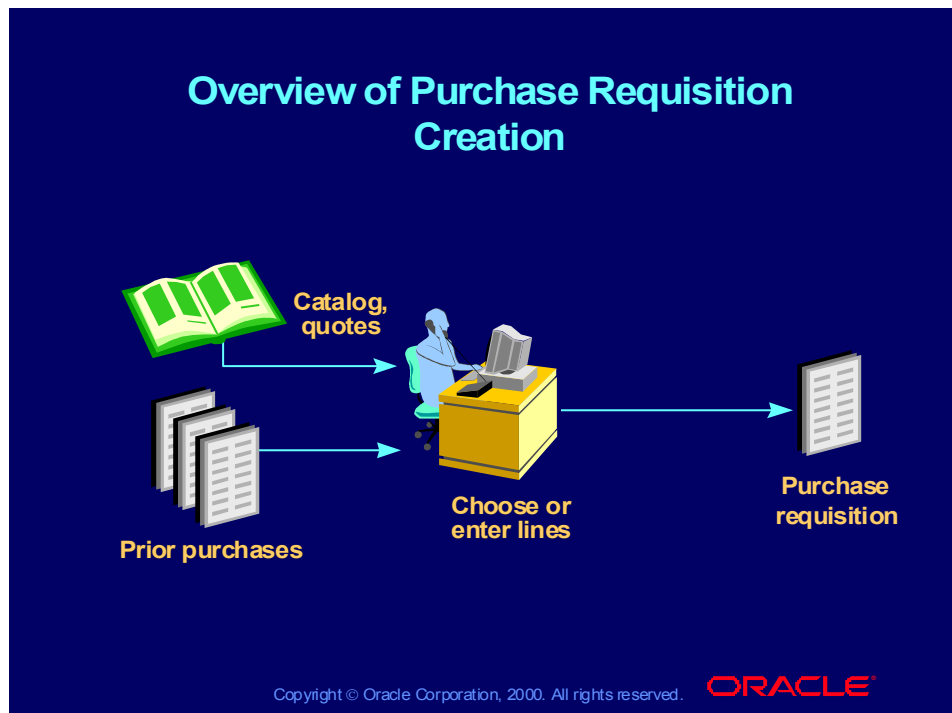
## Purchase Requisition Process

---



## Overview of Purchase Requisition Creation

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### Oracle Internet Procurement

- Formerly known as Oracle Self-Service Purchasing
- Is a Web shopping solution for all employees.
- Automates finding and requisitioning goods and services.
- Uses on-line catalogs with powerful search capabilities.



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### Shopping Cart

- **Contains items that you have selected to order**
- **Recalculates your requisition total as you select or delete items**
- **Can save the contents of the shopping cart to order items at a later time**



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### Shopping List

- Create a list of items that you frequently order
- Order all items or certain items on the list
- Can be personal or public
- Can contain special order items



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### Checkout levels

- Different ways of shopping to meet the needs of different experience levels
  - Step-by-step checkout
  - Express checkout
  - Power checkout

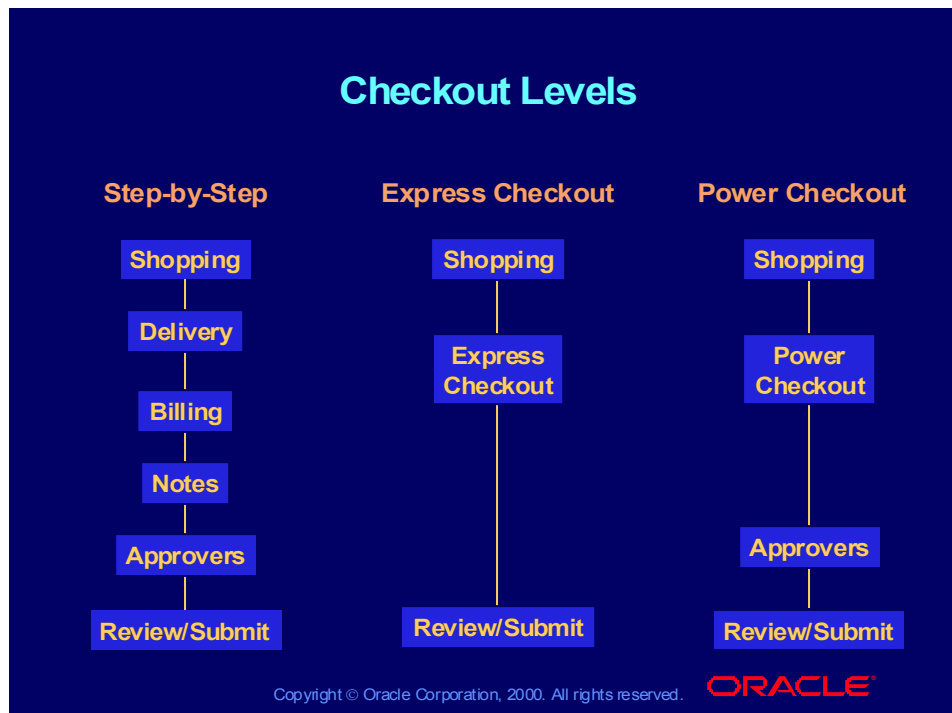


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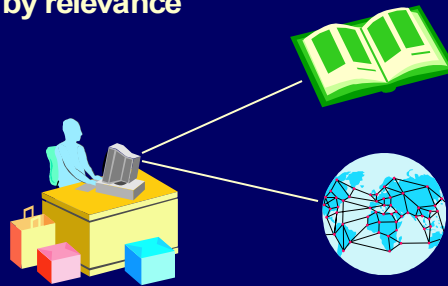
## Checkout Levels

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### Catalog and Content Management

- Online catalog
- Supplier site catalogs
- Search engine
  - Results ordered by relevance
- Special orders



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### Procurement Card Support

- **Automatically flags shopping cart lines for p-card payment**
- **After approval, p-card order is generated and transmitted to supplier**



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### Desktop Receiving

- Requesters are notified to confirm receipt on due date
- Requesters are able to acknowledge receipt



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### Oracle Purchasing

- Is the foundation of the Internet Procurement solution
- Processes requisitions initiated from other Oracle ERP modules
- Requisitions are sourced using sourcing rules and approved supplier list
- Uses supplier item catalog for selection of items



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### Oracle Purchasing Purchase Requisitions

The Oracle Purchasing enables you to:

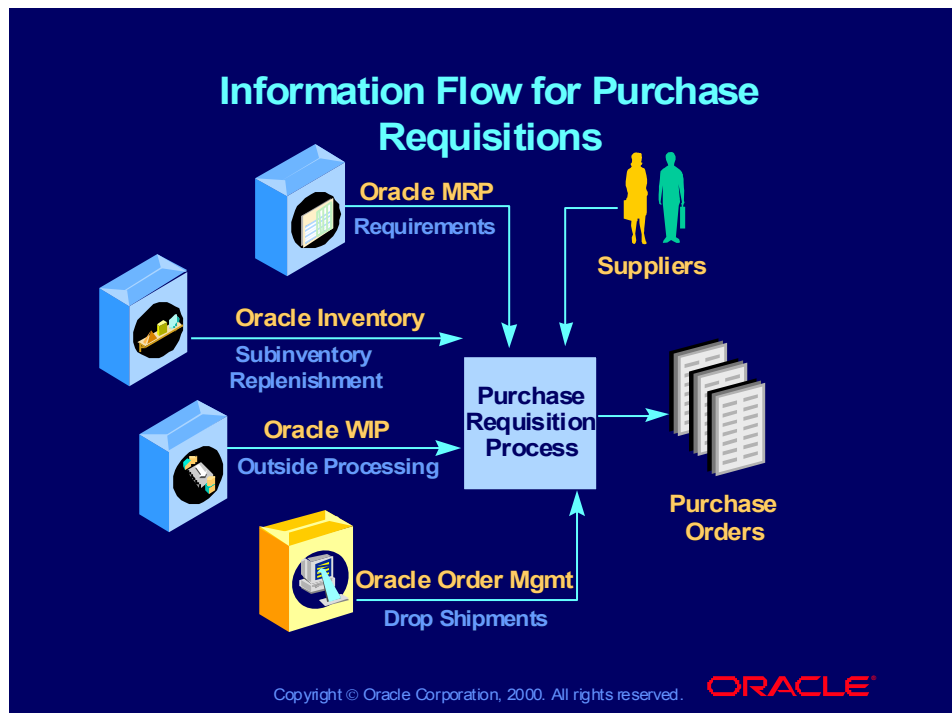
- Create, edit and review requisitions online.
- Review status and action history of your requisitions.
- Automatically source requisitions from open blanket purchase agreements and quotations.
- Utilize requisition templates for items you purchase frequently.
- Create internal requisitions.
- Distribute expenses across multiple cost centers.

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## Information Flow for Purchase Requisitions

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### **Purchase Requisition Management Integration**

- **Oracle Work In Process**
  - Outside processing
- **Oracle Planning**
  - MRP requirements
- **Oracle Inventory**
  - Reorder point planning
  - Min-max planning
- **Oracle Order Management**
  - Drop shipments
  - Internal requisitions

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### Review Question

**Which of the following is not a feature of Oracle Internet Procurement?**

- 1. Shopping cart**
- 2. Shopping list**
- 3. Catalog and content management**
- 4. Planning schedule**

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## Review Question

---

### Review Question

**Which of the following is not a feature of Oracle Internet Procurement?**

1. Shopping cart
2. Shopping list
3. Catalog and content management
- 4. Planning schedule**

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## Review Question

---

### Review Question

**If you do requisitions infrequently and need to alter where the item is to be delivered, you should use which of the following checkout levels**

- 1. Step-by-step**
- 2. Express**
- 3. Power**
- 4. Super-user**

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## Review Question

---

### Review Question

**If you do requisitions infrequently and need to alter where the item is to be delivered, you should use which of the following checkout levels**

- 1. Step-by-step**
2. Express
3. Power
4. Super-user

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## Review Question

---

### Review Question

**True or False: You cannot use Oracle Internet Procurement to do special orders.**

- 1. True**
- 2. False**

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## Review Question

---

### Review Question

**True or False: You cannot use Oracle Internet Procurement to do special orders.**

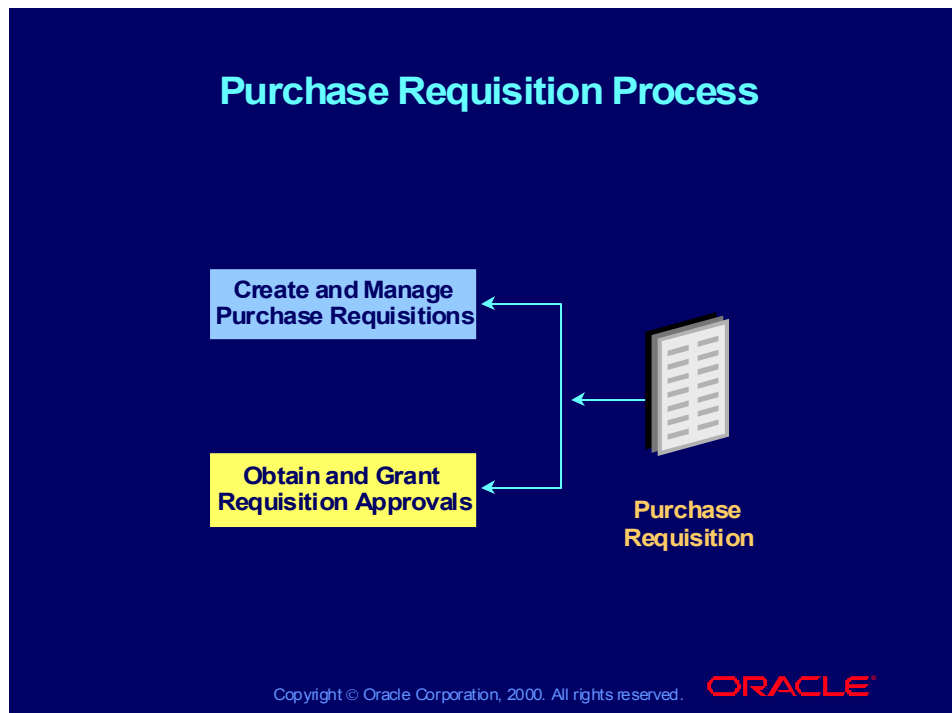
1. True
- 2. False**

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## Purchase Requisition Process

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## Overview of Obtain and Grant Requisition Approvals

---

### Overview of Obtain and Grant Requisition Approvals

- View, modify, approve and forward documents
- Respond to notifications via the Notification Viewer, web or e-mail
- Control approvals by amount, cost center, account
- Control requisition route according to management structure
- Reassign or forward requisitions for approval if approver is not available or on vacation
- Route requisition to next approver when timely response is not received

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## Document Security, Approval Limits, and Approval Routing

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### Document Security, Approval Limits, and Approval Routing

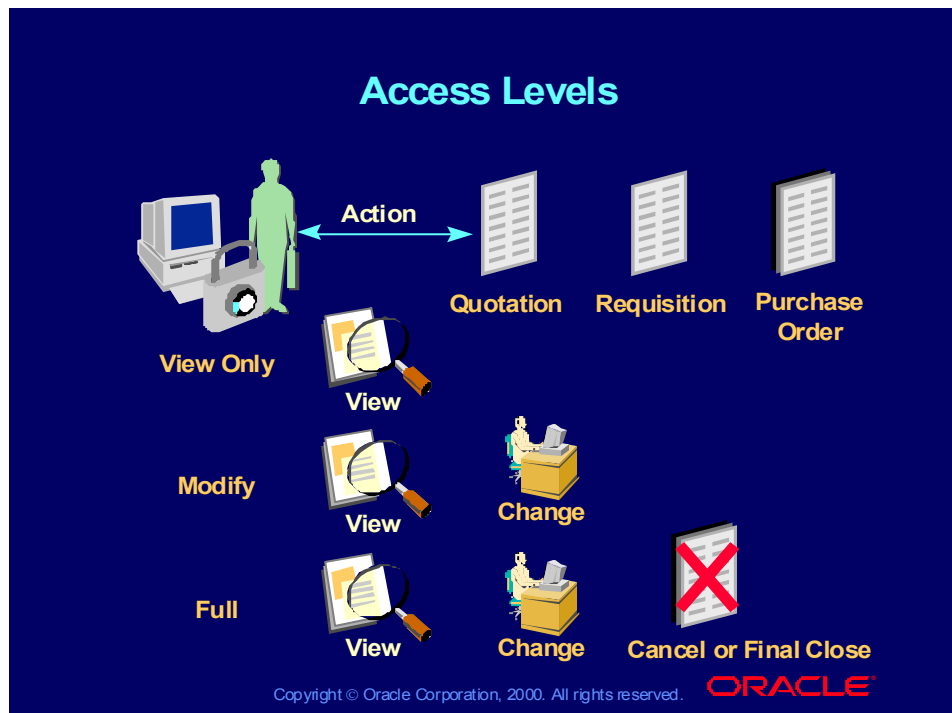
- Concerns over document security:
  - Who can see it?
  - Who can update it?
- Concerns over document approval:
  - Who can approve it?
- Concerns over document routing:
  - Who can I send it to?

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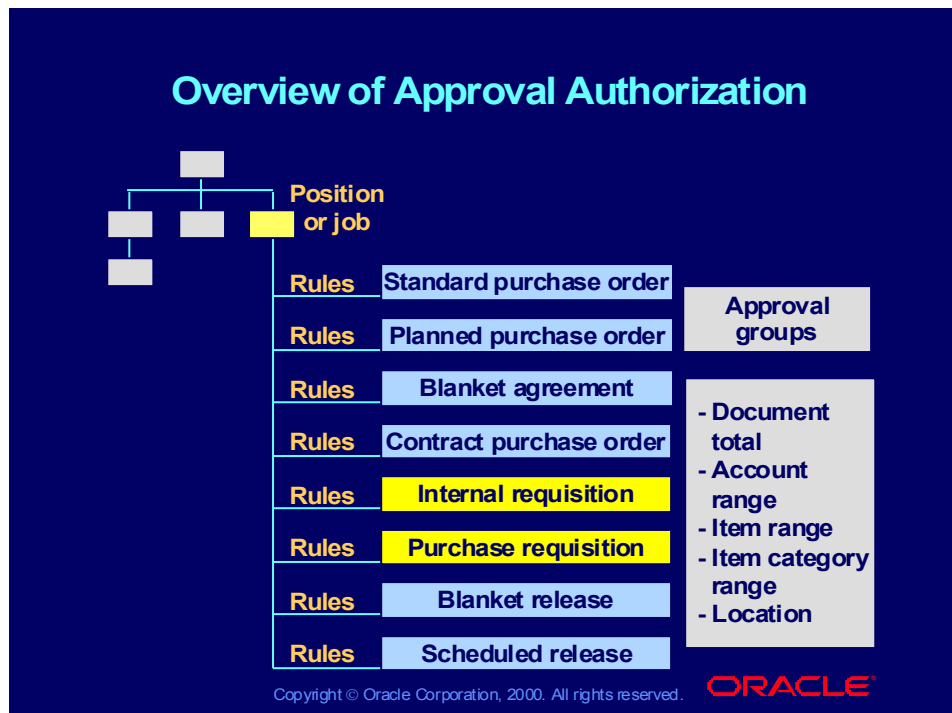
## Access Levels

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## Overview of Approval Authorization



## Options for Security, Approval Limits, and Approval Routing

---

### Options for Security, Approval Limits, and Approval Routing

- Security by document type and action
- Approvals by position or job and then:
  - Document type
  - Document total
  - Charge account number range
  - Items, categories, locations
- Can use either employee-to-supervisor routing or hierarchy routing
- Document security and approval to meet your business needs

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## Submitting Requisitions for Approval

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### Submitting Requisitions for Approval

- Can configure non-mandatory list of approvers when submitting requisition \*
- Can add approvers or resequence approvers \*
- Can track the approval status of requisition
- Can resubmit a rejected or returned requisition
- Uses Oracle Workflow

**\*Available in Oracle Internet Procurement via a system profile option.**

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# Requisition Approval Workflow

```

graph LR
    Start([Start]) --> CanOwnerApprove{Can Owner Approve}
    CanOwnerApprove -- Yes --> ApproveReq[Approve Requisition]
    CanOwnerApprove -- No --> SelectApprover[Select Approver]
    ApproveReq -- Yes --> NotifyReqAppr[Notify Requestor of Approval]
    ApproveReq -- No --> VerifyAuth1[Verify Authority]
    VerifyAuth1 -- Yes --> ApproveReq
    VerifyAuth1 -- No --> SelectApprover
    SelectApprover -- True --> RecordReqFwd[Record Requisition Forward]
    SelectApprover -- False --> NotifyReqNoAppr[Notify Requestor No Approver Available]
    RecordReqFwd --> And[And]
    And --> NotifyAppr[Notify Approver]
    NotifyAppr -- Rejected --> RejectReq[Reject Requisition]
    NotifyAppr -- Approved --> VerifyAuth2[Verify Authority]
    VerifyAuth2 -- Yes --> ApproveReq
    VerifyAuth2 -- No --> SelectApprover
    RejectReq --> NotifyReqRej[Notify Requestor of Rejection]
    NotifyReqRej --> EndRej([End - Rejected])
    NotifyReqNoAppr --> EndRej
    EndAppr([End - Approved])
  
```

The diagram illustrates a Requisition Approval Workflow. It begins with a 'Start' event, leading to a decision 'Can Owner Approve'. If 'Yes', the process moves to 'Approve Requisition'. If 'No', it proceeds to 'Select Approver'. From 'Approve Requisition', a 'Yes' leads to 'Notify Requestor of Approval' and then to 'End (End - Approved)'. A 'No' leads to 'Verify Authority'. 'Verify Authority' has two paths: 'Yes' loops back to 'Approve Requisition', and 'No' leads to 'Select Approver'. 'Select Approver' has two paths: 'True' leads to 'Record Requisition Forward', and 'False' leads to 'Notify Requestor No Approver Available', which then leads to 'End (End - Rejected)'. 'Record Requisition Forward' leads to an 'And' gateway, which then leads to 'Notify Approver'. 'Notify Approver' has two paths: 'Rejected' leads to 'Reject Requisition', which then leads to 'Notify Requestor of Rejection' and finally 'End (End - Rejected)'. 'Approved' leads to 'Verify Authority', which loops back to 'Approve Requisition' if 'Yes' or leads to 'Select Approver' if 'No'.

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### Approving Requisitions

- Home page lists requisitions awaiting your approval \*
- Can forward requisition to an additional approver
- Can update or delete lines from requisition
- Specify a proxy approver for your planned absences

\* Available in Oracle Internet Procurement

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## Review Question

---

### Review Question

**Which of the following access levels does not pertain to requisitions.**

- 1. View only**
- 2. Modify**
- 3. Add**
- 4. Full**

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## Review Question

---

### Review Question

**Which of the following access levels does not pertain to requisitions.**

1. View only
2. Modify
3. Add
4. **Full**

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## Review Question

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### Review Question

**True or False: When you are on vacation you can designate someone else to do your approvals for you.**

- 1. True**
- 2. False**

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## Review Question

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## Agenda

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### Agenda

- Understanding the purchase requisition process
- Oracle Applications in the purchase requisition process
- The purchase requisition process
- **Summary**

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### **Purchase Requisition Process Summary**

**In this course, you have learned to describe:**

- **Where purchase requisitions fit within the procurement process**
- **The main business benefits of the purchase requisition process**
- **How Oracle Internet Procurement fulfills the purchase requisition process business needs**

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### For More Information

- **Oracle Internet Procurement:**  
[http://www.oracle.com/applications/internet  
procurement/index.html](http://www.oracle.com/applications/internet_procurement/index.html)

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