

11i Implement and Use Purchasing

Volume 3 - Student Guide

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Preface

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 <i>algorithm</i> inserts the new key.
Caps and lowercase	Buttons, check boxes, triggers, windows	Click the Executable button. Select the Can't Delete Card check box. Assign a When-Validate-Item trigger to the ORD block. Open the Master Schedule window.
Courier new, case sensitive (default is lowercase)	Code output, directory names, filenames, passwords, pathnames, URLs, user input, usernames	Code output: <code>debug.set ('I', 300);</code> Directory: <code>bin (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 Automatic Purchase Order Creation

Chapter 11

11i Automatic Purchase Order Creation

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Objectives

After this course, you should be able to:

- **Discuss the need for automatic purchase order creation within Oracle Internet Procurement**
- **Autocreate purchase orders from requisitions**
- **Autorelease blanket releases from blanket purchase agreements**
- **Explain how Oracle Workflow automates these processes**

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Agenda

Agenda

- **Understanding Automatic Purchase Order Creation**
- **Purchase Orders Using Autocreate**
- **Releases from the Autorelease Process**
- **Automatic Document Creation Using Workflow**
- **Oracle Applications Role in Automatic Purchase Order Creation**
- **Summary**

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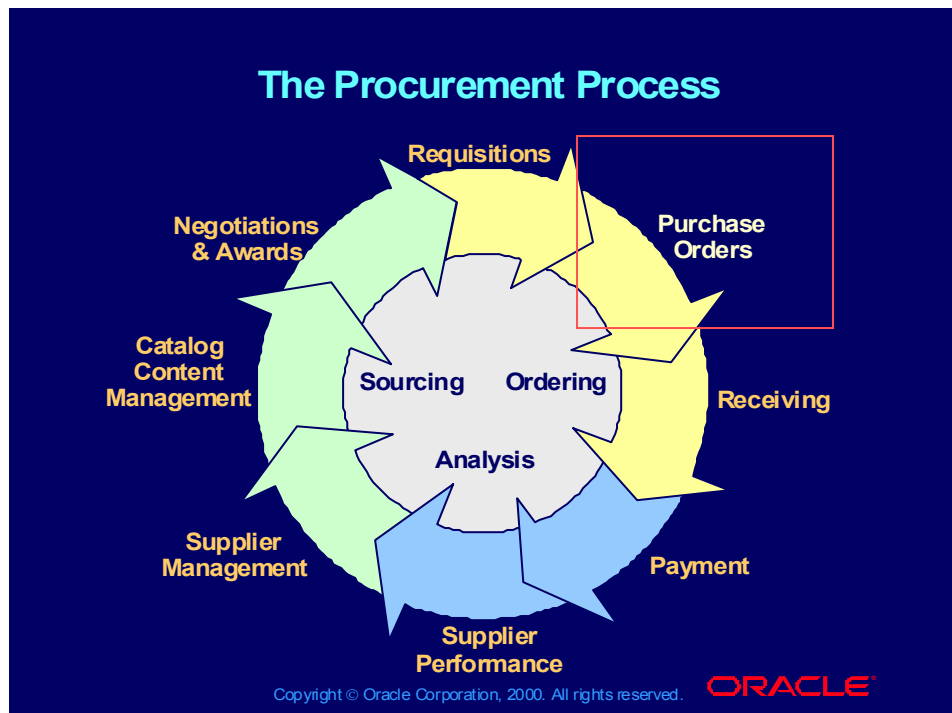
Understanding Automatic Purchase Order Creation

- Where does automatic purchase order creation fit in the procurement business process?
- Where do purchase orders come from?
- Who automatically creates purchase orders?
- Why automatic creation of purchase orders?

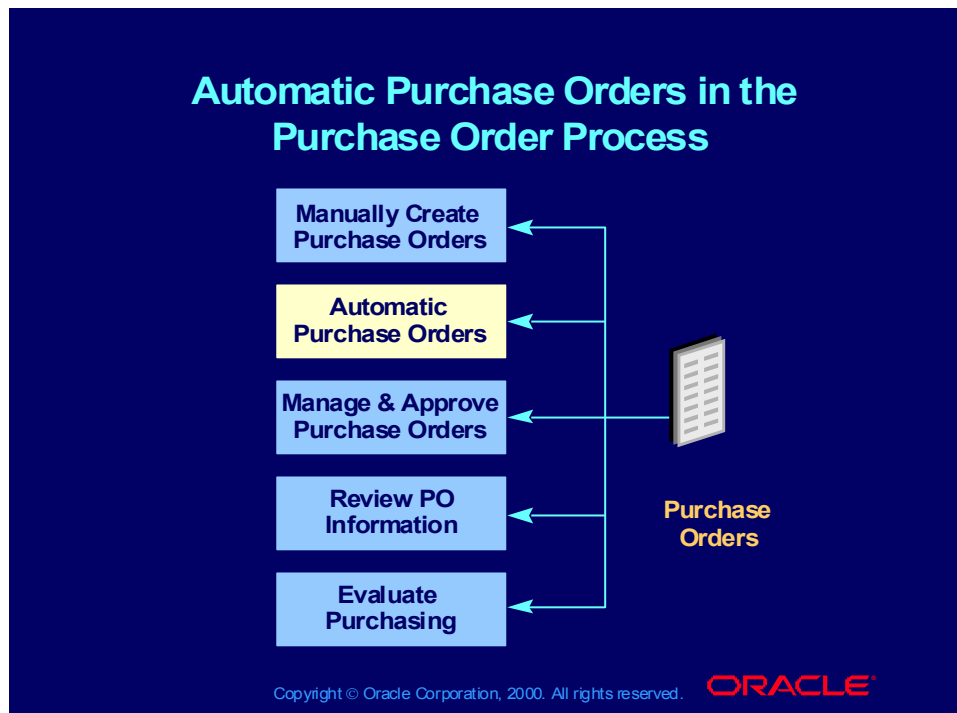
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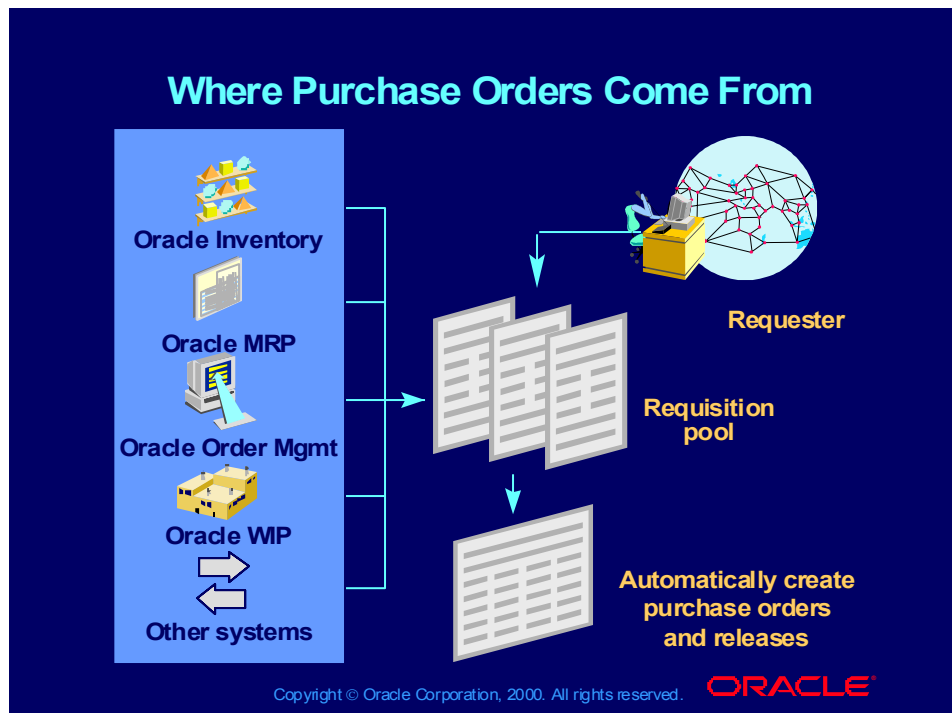
The Procurement Process



Automatic Purchase Orders in the Purchase Order Process



Where Purchase Orders Come From



Who Needs to Automatically Create Purchase Orders?

Who Needs to Automatically Create Purchase Orders?

Oracle ERP

- Buyer
- Buyer-planner
- Planner

Oracle Internet Procurement

- Any employee

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Why Automatic Creation of Purchase Orders?

Why Automatic Creation of Purchase Orders?

- Automatic replenishment of common supplies
- Automatic ordering of goods and services that have been previously approved
- Simplify consolidation of similar requests
- Ensure ordering from negotiated sources
- Need for goods or services is fulfilled as quickly as possible
- Streamline procurement process

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Agenda

Agenda

- Understanding Automatic Purchase Order Creation
- **Purchase Orders Using Autocreate**
- Releases from the Autorelease Process
- Automatic Document Creation Using Workflow
- Oracle Applications Role in Automatic Purchase Order Creation
- Summary

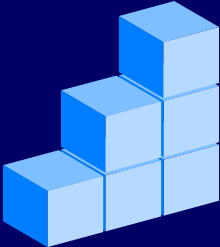
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Autocreate Step by Step

Autocreate Step by Step

- Find requisition lines
- Select criteria for automatic creation
- Autocreate a purchasing document
- Optional functions:
 - Add to existing document
 - Modify requisition lines
 - Return requisition lines



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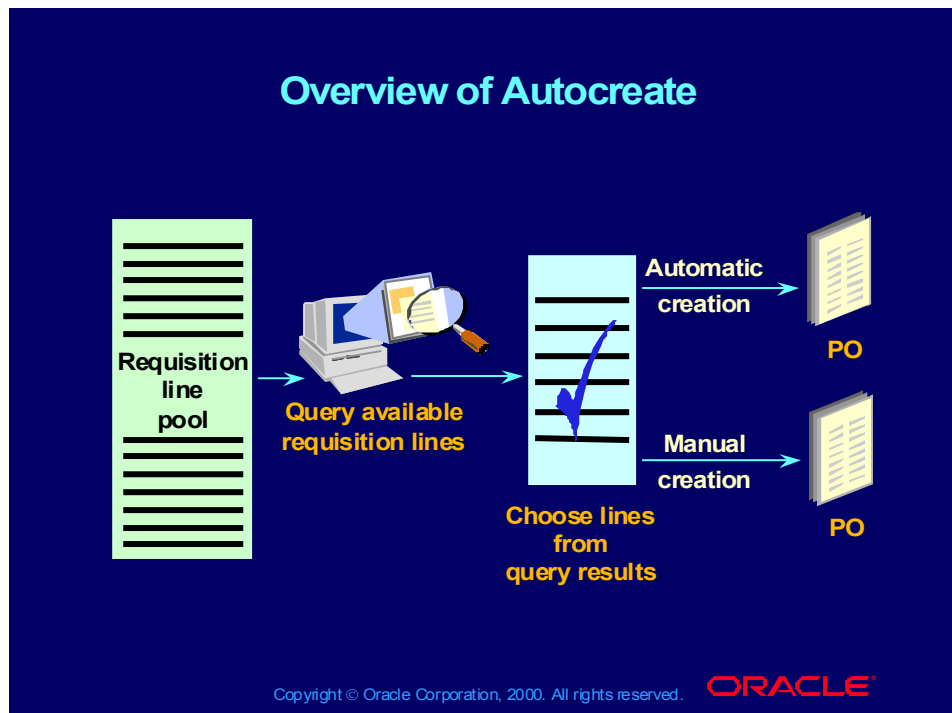
AutoCreate Purchase Orders

The AutoCreate Document window in Oracle Purchasing has features that simplify the creation of purchase orders. All purchase requisition lines available for autocreate go into a single requisition pool from which buyers can choose to place onto a document. You also choose whether you want to create a new purchase order or add the requisition line to an existing purchase order.

“Purchase Order Autocreate” is an *Oracle Purchasing Users Guide* topic or available as a Help topic available from:

(Help) Oracle Purchasing > Purchase Orders > Autocreate

Overview of Autocreate



“Autocreate Documents Overview” is an *Oracle Purchasing Users Guide* topic or available as a Help topic available from:

(Help) Oracle Purchasing > Autocreate > Overview

Finding Requisition Lines

Finding Requisition Lines

1 Enter search criteria

Approved Requisition
Supplier Sourcing
Supplier
Document Type
Supplier List
Currency
Minimum Amount

Requestor
Preparer
Buyer
Supplier Site
Document
Ship-To
Rate Type

Item
Status

Item, Rev
Category
Description
Line Type

2 Click Find

Clear Find

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Finding Requisition Lines

Purchasing Responsibility

(N) Purchasing > Autocreate

“Finding Requisition Lines for Autocreate” is an *Oracle Purchasing Users Guide* topic or available as a Help topic available from:

(Help) Oracle Purchasing > Autocreate > Finding Requisition Lines for Autocreate

Selecting Criteria for Automatic Creation

Selecting Criteria for Automatic Creation

Requisition	Line	Item	Category	Description	UOM	Qty
422	1	CM22	PROD9	MAIN PART	EA	15
437	1	CM22	PROD9	MAIN PART	EA	85

1 Select document creation criteria

Action
Document Type
Grouping

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Selecting Autocreate Criteria

“Selecting Autocreate Criteria” is an *Oracle Purchasing Users Guide* topic or available as a Help topic available from:

(Help) Oracle Purchasing > Autocreate > Selecting Autocreate Criteria

Autocreate Documents Criteria

Autocreate Documents Criteria

Action	Create, Add To
Document Type	Standard PO, Planned PO, Blanket Release, RFQ
Grouping	Default, Requisition

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Selecting Criteria for Automatic Creation

Selecting Criteria for Automatic Creation

2 Select requisitions

Requisition	Line	Item	Category	Description	UOM	Qty
422	1	CM22	PROD9	MAIN PART	EA	15
437	1	CM22	PROD9	MAIN PART	EA	85

Action: [Create](#)
Document Type: [Standard PO](#)
Grouping: [Default](#)

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Selecting Criteria for Automatic Creation

Selecting Criteria for Automatic Creation

Requisition	Line	Item	Category	Description	UOM	Qty
422	1	CM22	PROD9	MAIN PART	EA	15
437	1	CM22	PROD9	MAIN PART	EA	85

Action: **Create**
Document Type: **Standard PO**
Grouping: **Default**

3 Click Automatic

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Autocreate New Document Window

Autocreate New Document Window

Req	Document	
42	Supplier	Supplier Site
43		

Acti
Doc
Gro

Currency Source: Default
First Requisition Line
Specify

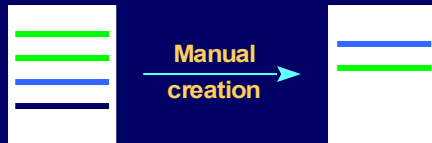
Create Cancel

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Manual Creation Mode

Manual Creation Mode

- Find requisitions
- Select criteria for automatic creation
- Clicking Manual brings up the Document Builder
- Manually combine the requisition lines to build the document line by line
 - Control line location on document
 - Control how lines are combined



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Manual Creation Mode

“Using the Document Builder” is an *Oracle Purchasing Users Guide* topic or available as a Help topic available from:

(Help) Oracle Purchasing > Autocreate > Using the Document Builder

Add To Existing Document

Add To Existing Document

- First step in Autocreate is to select Action type:
 - Select Create for new document
 - Select Add To for additional lines on an existing document
- Select the requisition lines to add
- Select creation mode:
 - Automatic to simply add the selected lines
 - Manual to add the lines as you wish
- Identify the existing document number to add to

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Manual Add To

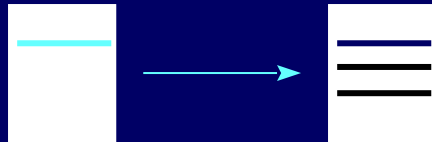
“Using the Document Builder” is an *Oracle Purchasing Users Guide* topic or available as a Help topic available from:

(Help) Oracle Purchasing > Autocreate > Using the Document Builder

Modify Requisition Lines

Modify Requisition Lines

- Highlight requisition line to be modified
- Navigate to Modify Lines window
- Split existing requisition lines
 - To be autocreated for different suppliers
 - To be autocreated as different items



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Modify Requisition Lines

Purchasing Responsibility

(N) Purchasing > Autocreate (B) Find (M) Tools > Modify

“Modifying Requisition Lines” is an *Oracle Purchasing Users Guide* topic or available as a Help topic available from:

(Help) Oracle Purchasing > Autocreate > Modifying Requisition Lines

Return Requisition Lines

- Highlight requisition line to be returned
- Navigate to Return Requisitions window
- Return requisition line to requestor with reason for return. For example:
 - Goods or services no longer available
 - Price increase requires requisition reapproval
- Remaining lines on requisition are automatically returned to requestor

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Review Question

Which of the following documents can be created using the autocreate window?

1. Request for quotation
2. Blanket release
3. Standard purchase order
4. Planned purchase order
5. All of the above

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Review Question

Which of the following documents can be created using the autocreate window?

1. Request for quotation
2. Blanket release
3. Standard purchase order
4. Planned purchase order
- 5. All of the above**

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Review Question

Review Question

If you wanted the currency for a purchase order to be different from the requisition you would specify it in the new document window.

True

False

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Review Question

Review Question

If you wanted the currency for a purchase order to be different from the requisition you would specify it in the new document window.

True

False

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Review Question

Review Question

The manual mode of autocreate means that you must type most of the document information in.

True

False

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ORACLE

Review Question

Review Question

The manual mode of autocreate means that you must type most of the document information in.

True

False

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Demonstration

In Oracle Purchasing we will demonstrate how to:

- **Find requisitions ready for autocreate**
- **Choose the autocreate criteria**
- **Select one of the requisitions**
- **Automatically autocreate a purchase order**

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Guided Practice 1: Creating a Purchase Order Using Autocreate

Guided Practice 1: Creating a Purchase Order Using Autocreate

In this practice you will enter and approve a requisition. Then you will use the Autocreate window to find it and automatically create a purchase order from it.

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You have been asked to complete a purchase requisition for pens (MS21662).

For the requisition:

- Order quantity is 25
- Specify destination type of Inventory
- Organization is Seattle Manufacturing
- Location is Seattle
- Need-by-Date is today
- Save the requisition and submit for approval.

You are then to use the Autocreate window to create a purchase order from your requisition.

For the purchase order:

- Use only the requisition just created above.
- Create a new standard purchase order
- Use the automatic mode to create.
- Save the purchase order and submit for approval.

Steps

Oracle Purchasing (N) Requisitions > Requisitions

1. In the item field, use the list of values to select the item MS21662.

2. In the quantity field, enter an order quantity of 25.
3. In the need-by date field, use the list of values to select today's date.
4. In the destination type field, use the list of values to select Inventory.
5. In the organization field, use the list of values to select Seattle Manufacturing.
6. In the location field, use the list of values to select Seattle.
7. Save your work. Make note of your requisition number.
8. Select the Submit for Approval option button.

Oracle Purchasing (N) Autocreate

9. Press the Clear button in the Find window.
10. Enter your requisition number from above in the Requisition field.
11. Click on the Find button at the bottom of the window.
12. Select Standard PO in the Document Type field.
13. Select your requisition line shown in the window.
14. Click on the Automatic button at the bottom of the window.
15. Accept the defaults appearing on the New Document window and click on the Create button.
16. Accept the new purchase order number by clicking the OK button.
17. Approve the purchase order.

Agenda

Agenda

- Understanding Automatic Purchase Order Creation
- Purchase Orders Using Autocreate
- **Releases from the Autorelease Process**
- Automatic Document Creation Using Workflow
- Oracle Applications Role in Automatic Purchase Order Creation
- Summary

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Why Automatic Release Generation? Business Needs

- Automatically create release as demand for a specific item occurs
- Control method of approval:
 - Automatic
 - Manual
- Autorelease process that is initiated automatically

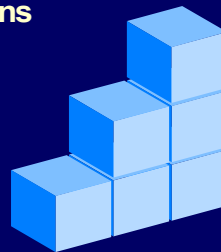
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Automatic Release Generation: Step by Step

Automatic Release Generation: Step by Step

- Create and approve blanket purchase agreements
- Define Approved Supplier List (ASL)
- Define Sourcing Rules
- Create and approve requisitions
- Run Autorelease process



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“Automatic Release Generation” is an *Oracle Purchasing Users Guide* topic or available as a Help topic available from:

(Help) Oracle Purchasing > Purchase Orders > Automatic Release Generation

What is an Approved Supplier List?

What is an Approved Supplier List?

- Links items and/or commodities to suppliers
- Define active suppliers
- Specify reference blanket agreement
- Contains attributes that control Purchasing and Supplier Scheduling functions
- ASL can be global for the entire organization or limited to specific departments



Approved Supplier List

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“Approved Supplier List” is an *Oracle Purchasing Users Guide* topic or available as a Help topic available from:

(Help) Oracle Purchasing > Supply Base Management > Approved Supplier List

Approved Supplier List Overview



Automatic Release ASL Requirements



**Approved
Supplier List**

- Specify the item or commodity
- Specify the approved blanket purchase agreement
- Specify the release generation method
- Ensure the supplier is active

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Sourcing Rules?

Sourcing Rules?

- Allow the procurement process to automatically choose the right supplier from the ASL
 - Rankings
 - Effective dates
- Link the primary supplier item number with your internal item number
- Define replenishment sources for an organization
- Other applications use allocation percentages and rankings to choose from multiple sources

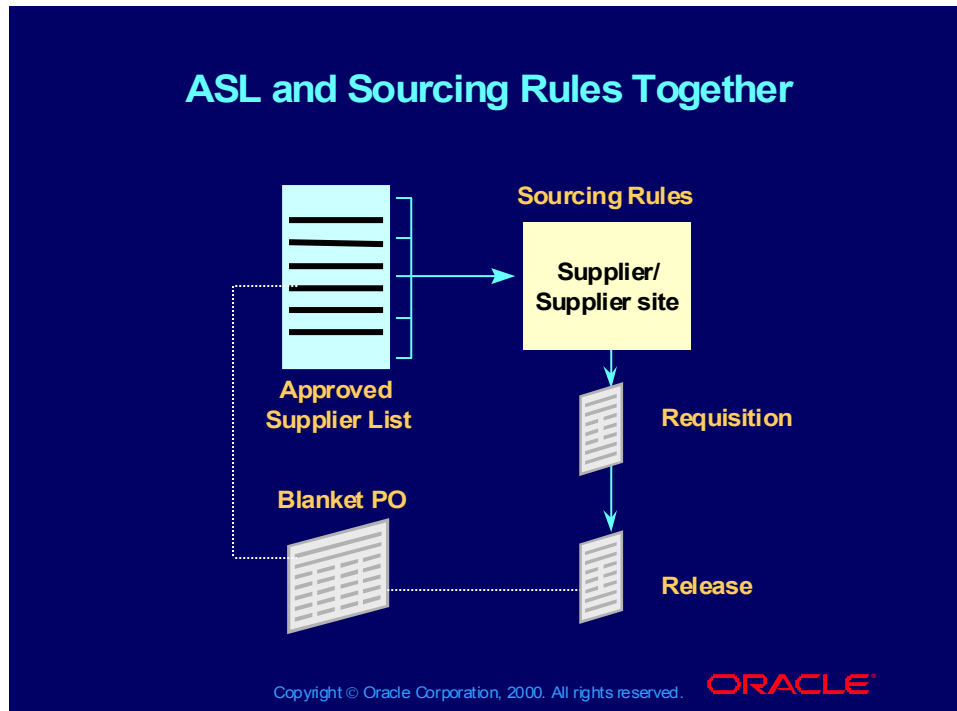
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“Defining Sourcing Rules” is an *Oracle Purchasing Users Guide* topic or available as a Help topic available from:

(Help) Oracle Purchasing > Supply Base Management > Overview of Automatic Sourcing > Defining Sourcing Rules


ASL and Sourcing Rules Together



Running Autorelease

Running Autorelease

- Can be manually run from the standard Submit Request window
- Can be set up to run periodically from the Submit Request window
- Can be set to run automatically after requisition import (ERP)
- Can be incorporated into the PO Create Documents workflow



Autorelease

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Running Autorelease

Purchasing Responsibility

(N) Oracle Purchasing > Reports

System profile: PO: Release During ReqImport set to Yes will cause Autorelease to be run after the requisition import process completes.

Review Question

Review Question

Autocreate could also be used to create releases.

True

False

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Review Question

Review Question

Autocreate could also be used to create releases.

True

False

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Review Question

Review Question

Which of the following documents can be created using the Autorelease process?

1. Blanket purchase order
2. Blanket release
3. Standard purchase order
4. Planned release
5. None of the above

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Review Question

Which of the following documents can be created using the Autorelease process?

1. Blanket purchase order
- 2. Blanket release**
3. Standard purchase order
4. Planned release
5. None of the above

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Review Question

Review Question

Which of the following determines the supplier to actually use from the approved suppliers list?

1. Financial Options: Supplier Entry
2. Purchasing Options: Defaults
3. Sourcing Rules
4. Supplier Site
5. Preferences

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Review Question

Which of the following determines the supplier to actually use from the approved suppliers list?

1. Financial Options: Supplier Entry
2. Purchasing Options: Defaults
- 3. Sourcing Rules**
4. Supplier Site
5. Preferences

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Guided Practice 2: Creating A Blanket Release Using Autorelease

Guided Practice 2: Creating A Blanket Release Using Autorelease

In this practice you will enter and approve a requisition. Then you will use the Autorelease process to create your blanket release.

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You have been asked to complete a purchase requisition for releasing item MS13139.

For the requisition:

- Order quantity is 50
- Specify destination type of Inventory
- Organization is Seattle Manufacturing
- Location is Seattle
- Need-by-Date is today
- Save the requisition and submit for approval.

Wait for your instructor to run the Create Releases process.

Verify that the blanket release was created for your requisition.

Steps

Oracle Purchasing (N) Requisitions > Requisitions

1. In the item field, use the list of values to select the item MS13139.
2. In the quantity field, enter an order quantity of 50.
3. In the need-by date field, use the list of values to select today's date.
4. In the destination type field, use the list of values to select Inventory.

5. In the organization field, use the list of values to select Seattle Manufacturing.
6. In the location field, use the list of values to select Seattle.
7. Save your work. Make note of your requisition number.
8. Select the Submit for Approval option button.

Wait for your instructor to submit the Create Releases process.

Oracle Purchasing (N) Purchase Orders > Purchase Order Summary

9. Press the Clear button in the Find window.
10. Enter your item number from above in the Item field of the Item tabbed region.
11. Check the View Releases checkbox.
12. Click on the Find button at the bottom of the window.
13. Verify that the release just created is in the list of created releases.
14. Click on the just created release.
15. Click on the Tools menu and select View Action History.
16. Verify the words Auto Release in the Note field.

Agenda

Agenda

- Understanding Automatic Purchase Order Creation
- Purchase Orders Using Autocreate
- Releases from the Autorelease Process
- **Automatic Document Creation Using Workflow**
- Oracle Applications Role in Automatic Purchase Order Creation
- Summary

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Workflow Overview

- Oracle Workflow accomplishes three important business requirements:
 - Routing information
 - Defining and modifying business rules
 - Delivering electronic notifications
- Oracle Workflow is a tool that consists of these components:
 - Oracle Workflow builder & loader
 - Workflow engine
 - Notification system
 - Workflow monitor

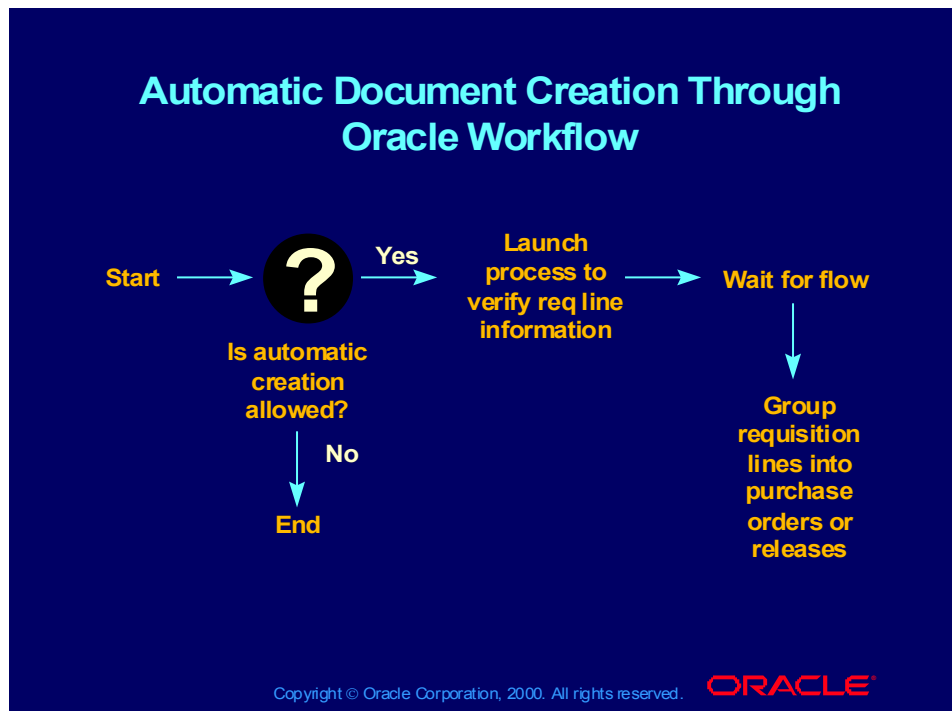
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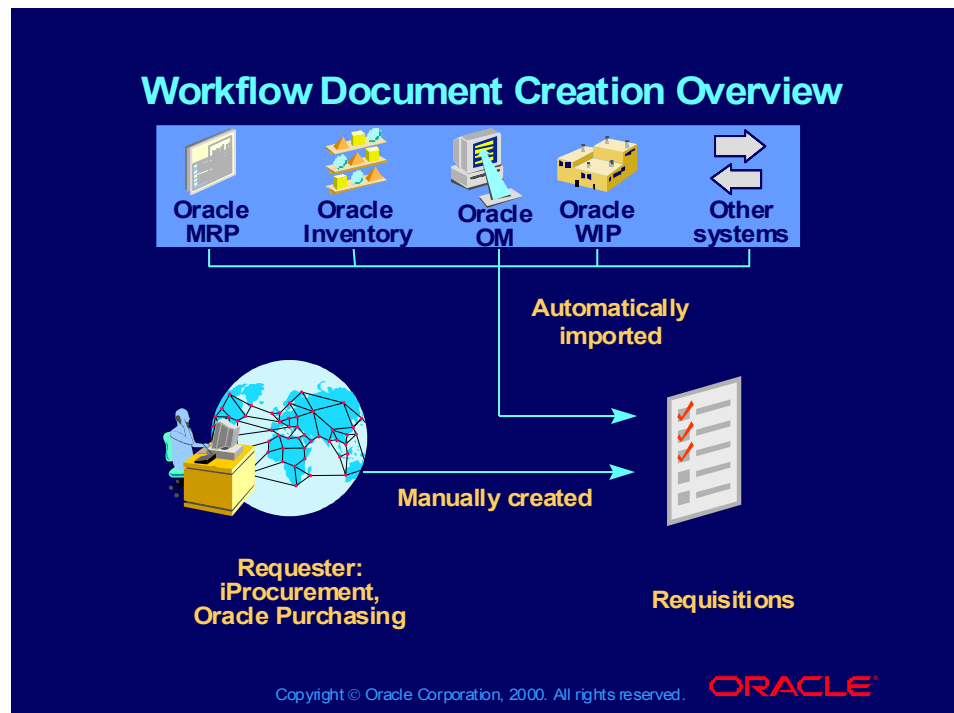
Workflow

“Workflow for Creating Purchase Orders and Releases” is an *Oracle Purchasing Users Guide* topic or available as a Help topic available from: (Help) Oracle Purchasing > Procurement Workflows > Purchase Order and Release Creation Workflow > Workflow for Creating Purchase Orders and Releases

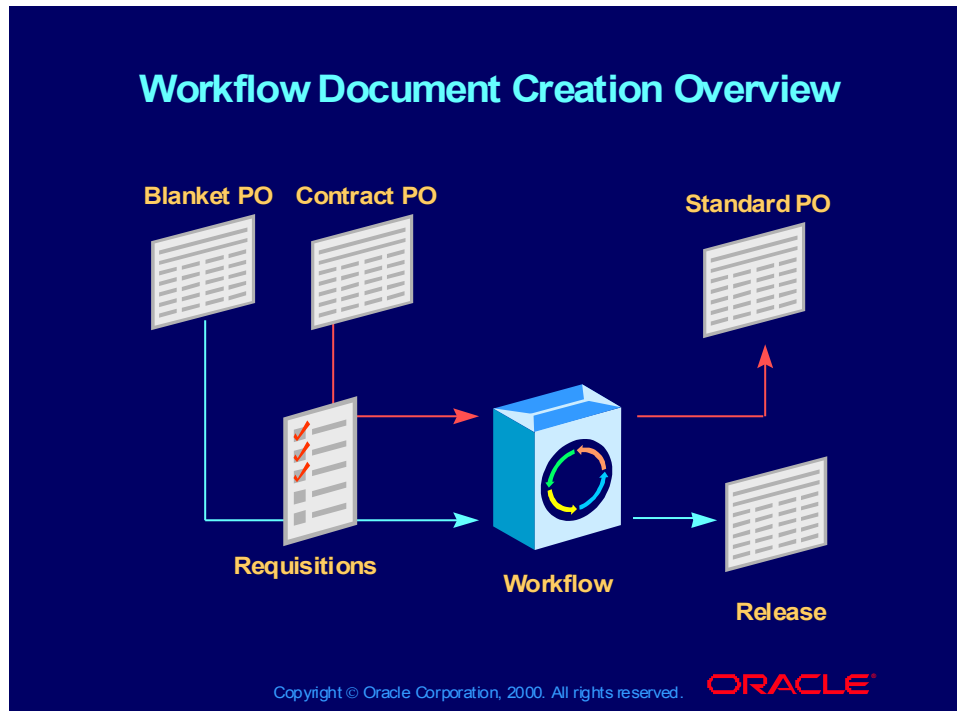
Automatic Document Creation Through Oracle Workflow



Workflow Document Creation Overview



Workflow Document Creation Overview



Workflow Document Creation Sources

- **Blanket purchase agreements are required for creation of blanket releases:**
 - Must be approved
 - Must have ASL
 - Must have Sourcing rules
- **Contract purchase agreements are required for creation of standard purchase orders:**
 - Must be approved

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Workflow Document Creation Summary

- Releases created from blanket purchase agreements
- Standard purchase orders created from contract purchase agreements
- Documents created automatically based on approved requisitions from:
 - Manual entry to iProcurement
 - Manual entry to Oracle Purchasing
 - Automatic import from other ERP systems
- Documents subject to standard approval rules
- Workflow can be customized to fit business rules

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Review Question

Review Question

Oracle Workflow does which of the following?

1. Make sure everyone works hard
2. Monitors process flow
3. None of the above

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Review Question

Review Question

Oracle Workflow does which of the following?

1. Make sure everyone works hard
- 2. Monitors process flow**
3. None of the above

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Agenda

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What Are the Business Needs for Automatically Created Purchase Orders?

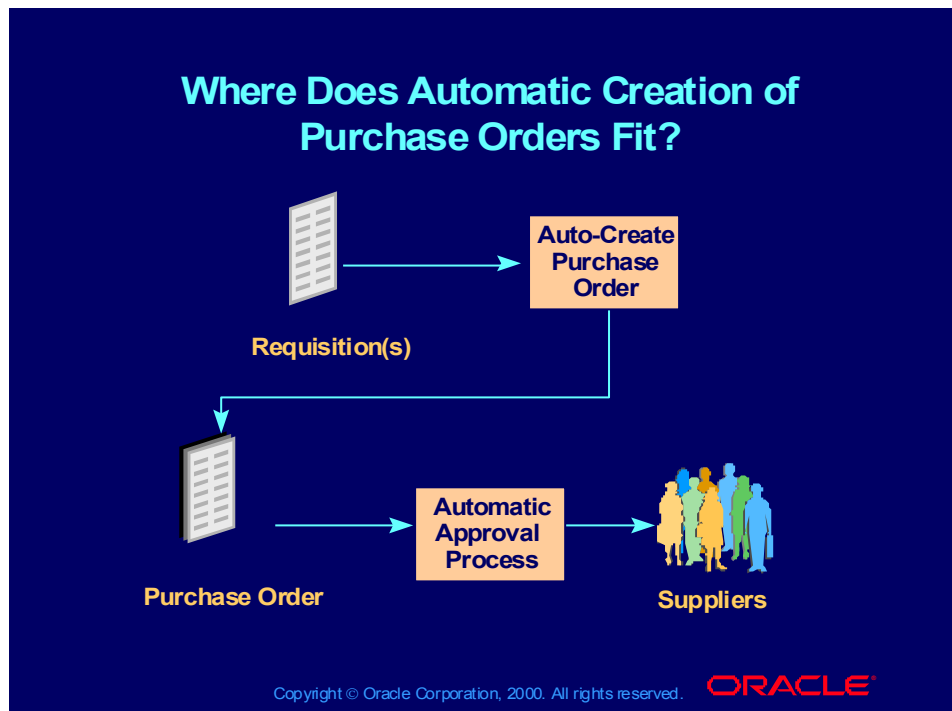
What Are the Business Needs for Automatically Created Purchase Orders?

- Expedite the creation of purchase orders from requisitions
- Automate the creation of purchase orders whenever possible
- Provide different tools to automatically create purchase orders:
 - Different levels of human control
 - Different sources of requisitions

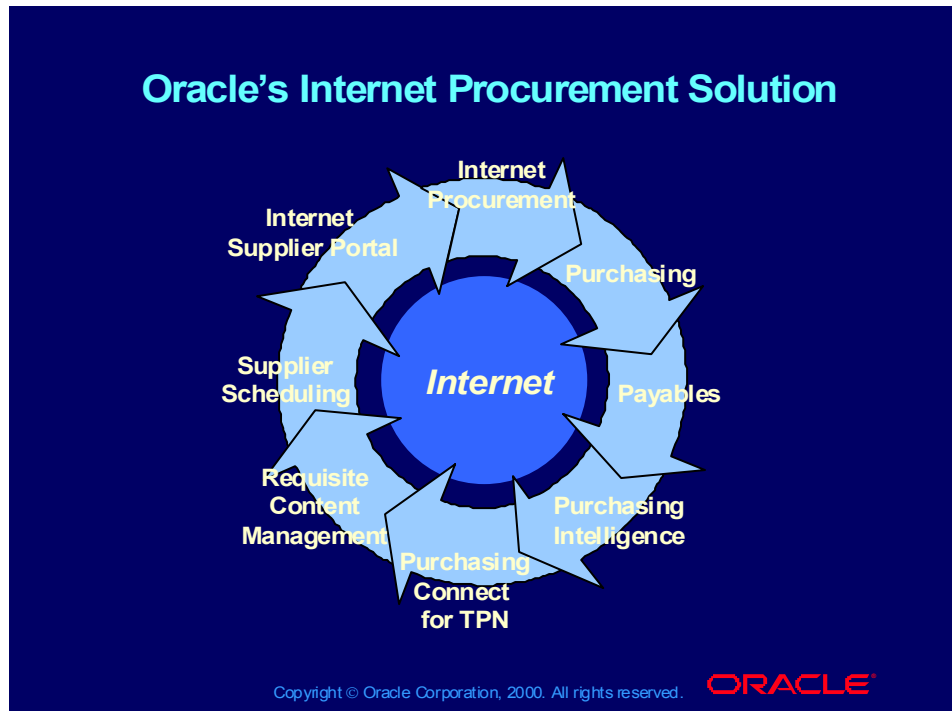
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Where Does Automatic Creation of Purchase Orders Fit?



Oracle's Internet Procurement Solution



Oracle's Internet Procurement Solution

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

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Automatic Purchase Order Creation Using Oracle Internet Procurement Suite

- **All critical information defaults**
- **Flexible automatic creation process**
- **Electronic purchase orders:**
 - **Fax**
 - **EDI**
 - **XML**
 - **Internet Supplier Portal**
- **Flexible and automated approval process**

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Automatic Purchase Order Creation Using Oracle Internet Procurement Suite

Automatic Purchase Order Creation Using Oracle Internet Procurement Suite

Internet Procurement Suite enables you to:

- **Create purchase orders easily**
- **Create purchase orders from:**
 - **Requisitions**
 - **Quotations**
 - **Other purchase orders**
- **Create one time and repeated purchase orders**
- **Flexible approval and security controls**

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Agenda

Agenda

- Understanding Automatic Purchase Order Creation
- Purchase Orders Using Autocreate
- Releases from the Autorelease Process
- Automatic Document Creation Using Workflow
- Oracle Applications Role in Automatic Purchase Order Creation
- **Summary**

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Automatic Purchase Order Creation Summary

In this course, you have learned to:

- **Discuss the need for automatic purchase order creation within Oracle ERP and Oracle Internet Procurement**
- **Autocreate purchase orders from requisitions**
- **Autorelease blanket releases from blanket purchase agreements**
- **Explain how Oracle Workflow automates these processes**

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For More Information

- **Oracle Internet Procurement:**
<http://www.oracle.com/applications/internetprocurement/index.html>
- **Oracle Purchasing Users Guide, Release 11i**

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11i Overview of Receiving and Inspection Management

Chapter 12

11i Overview of Receiving and Inspection Management

11i Overview of Receiving and Inspection Management

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Objectives

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

- **Describe how the receiving and inspection process occurs in the context of the procurement process.**
- **Identify the main benefits, features, and functions of the receiving and inspection process.**
- **Explain how the receiving and inspection process business needs are satisfied by the Oracle Internet Procurement solution**

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Agenda

Agenda

- **Understanding the receiving and inspection process**
- **Oracle Applications in the receiving and inspection process**
- **The receiving and inspection process**
- **Summary**

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Understanding the Receiving and Inspection Process

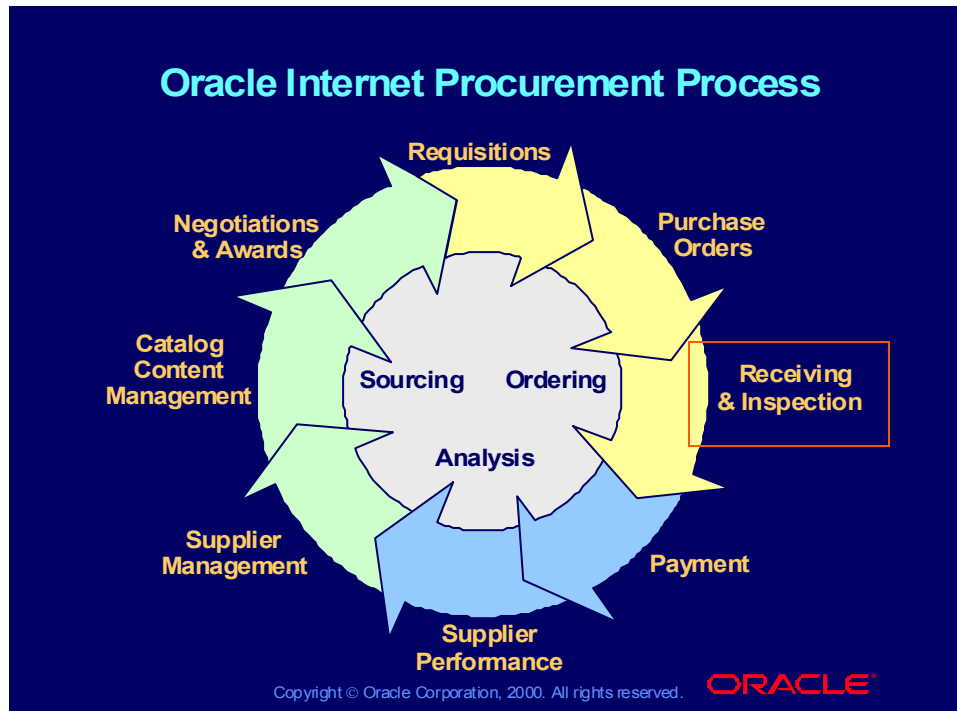
Understanding the Receiving and Inspection Process

- Procurement business process model
- Receiving and inspection within the procurement process
- Receiving and Inspection as part of the business process

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Oracle Internet Procurement Process



Why Receiving and Inspection?

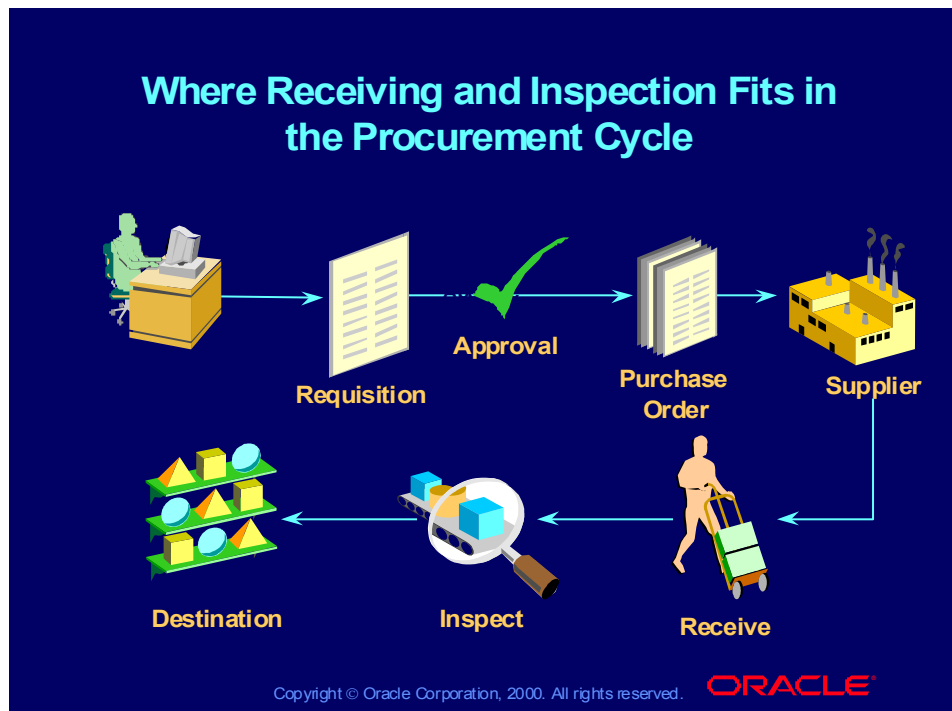
Why Receiving and Inspection?

- Record the receipt of ordered and unordered items.
- Transfer inbound material to final destinations.
- Inspect inbound material to ensure conformance to specifications and quality levels.
- Record returns to suppliers.

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Where Receiving and Inspection Fits in the Procurement Cycle



Business Needs Associated with Receiving and Inspection

Business Needs Associated with Receiving and Inspection

- **Automate the receiving process**
- **Keep accurate counts of received material and receiving transaction history**
- **Monitor and control the quality of inbound material**
- **Reduce administrative costs and inefficiencies**

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Student Interaction

What problems has your organization encountered during the receiving and inspection process?

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Student Interaction

- Are there others at your organization who are directly responsible for receiving and inspection?
- Who are they?

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Student Interaction

What are your company's business needs associated with receiving and inspection?

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Agenda

Agenda

- Understanding the receiving and inspection process
- **Oracle Applications in the receiving and inspection process**
- The receiving and inspection process
- Summary

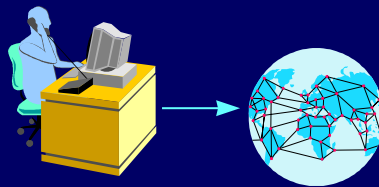
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Why Oracle's Internet Procurement Solution?

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 iProcurement (Self Service Purchasing)
- Oracle iSupplier Portal
- Oracle Purchasing Intelligence
- Oracle Supplier Scheduling
- Oracle Workflow

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Oracle's Internet Procurement Suite

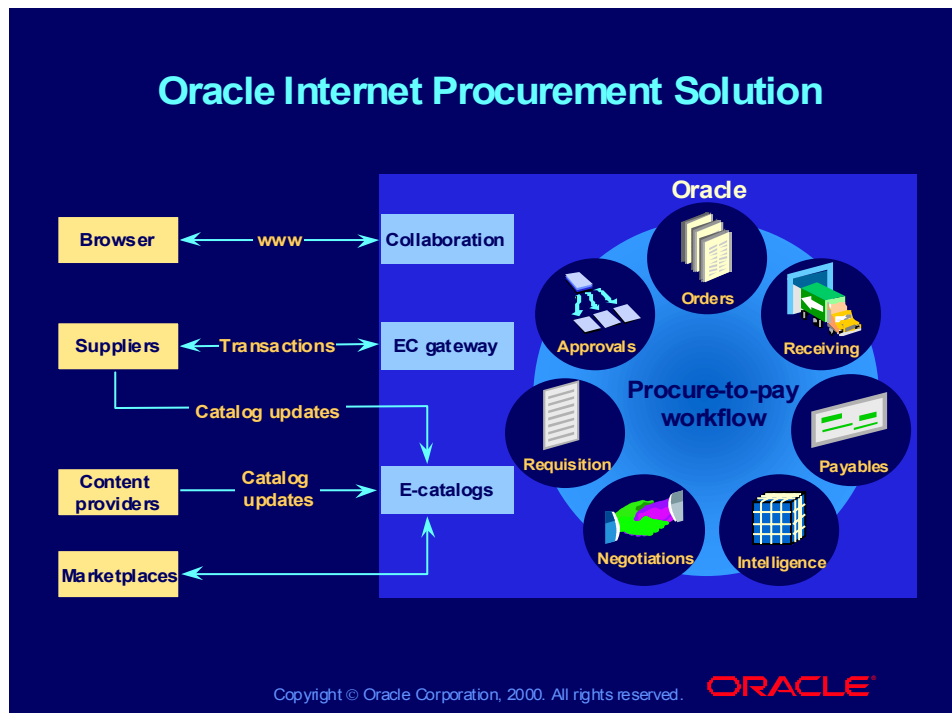
The following products are optional components of the Oracle Internet Procurement Suite.

- 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 iSupplier Portal
- All functions performed through an Internet browser
- Buyers can evaluate suppliers and pricing through the Purchasing Intelligence System

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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 iSupplier Portal

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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 iSupplier Portal

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Review Question

Review Question

True or False: You can only do receiving transactions in Oracle Purchasing.

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

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Review Question

Review Question

True or False: You can only do receiving transactions in Oracle Purchasing.

1. True
- 2. False**

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Agenda

Agenda

- Understanding the receiving and inspection process
- Oracle Applications in the receiving and inspection process
- **The receiving and inspection process**
- Summary

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Receiving

Receiving

You can do receiving transactions in either:

Oracle Purchasing



Oracle iProcurement
(Self-Service Purchasing)



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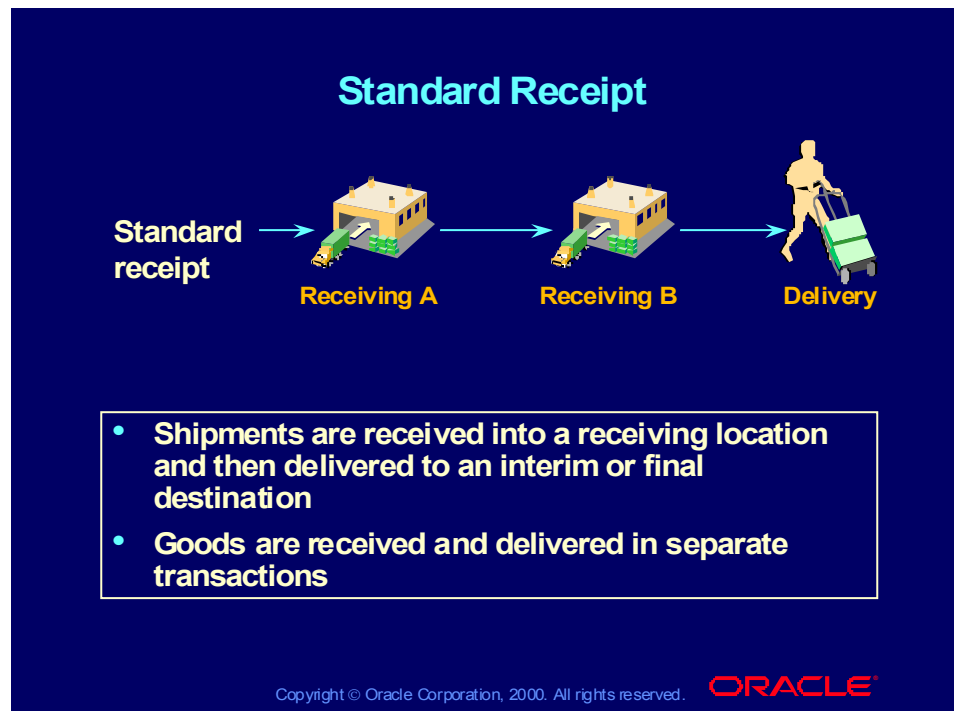
Receiving in Oracle Purchasing

- **Receiving is a transaction that signals that the goods ordered on a purchase order have arrived.**
- **Oracle Purchasing allows the following methods of receiving:**
 - **Standard receipt**
 - **Direct receipt**
 - **Inspection required**

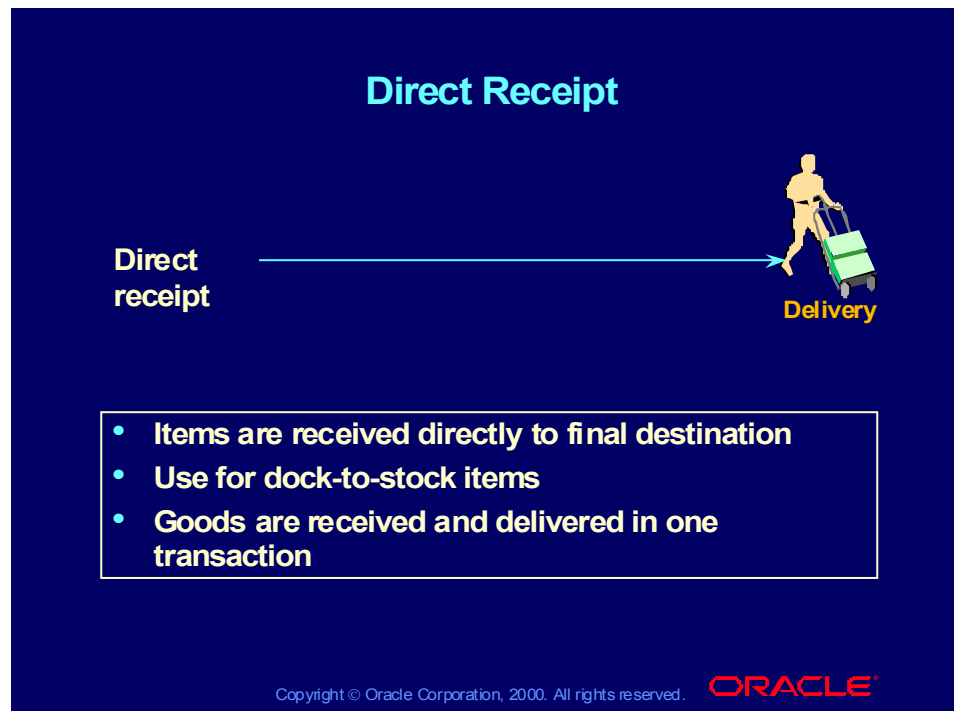
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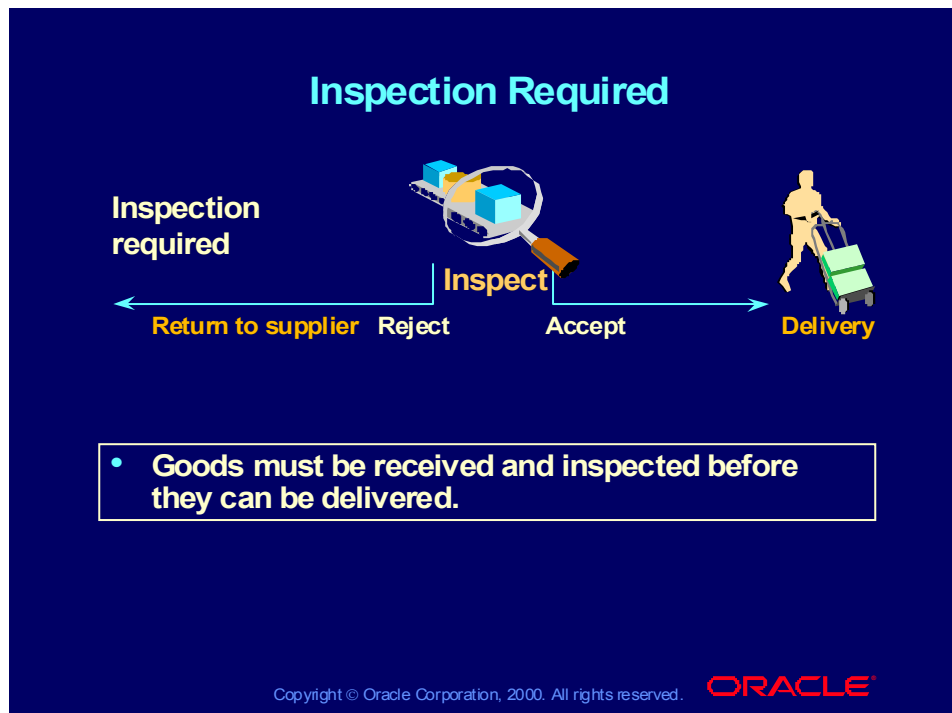
Standard Receipt



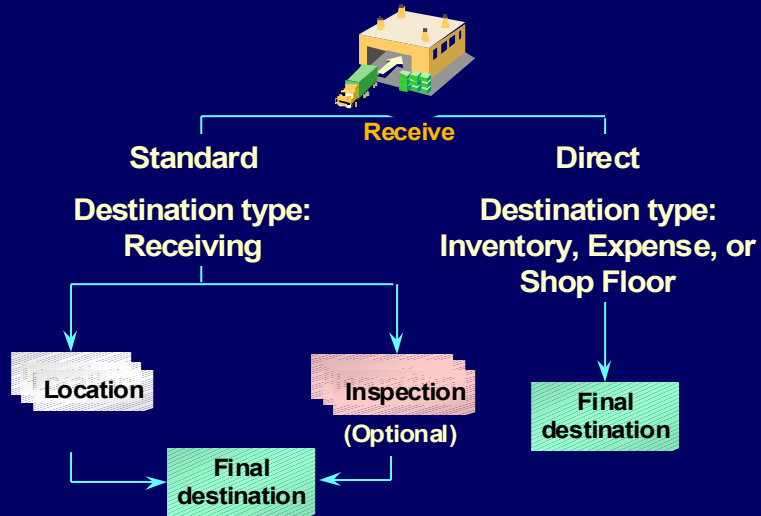
Direct Receipt



Inspection Required



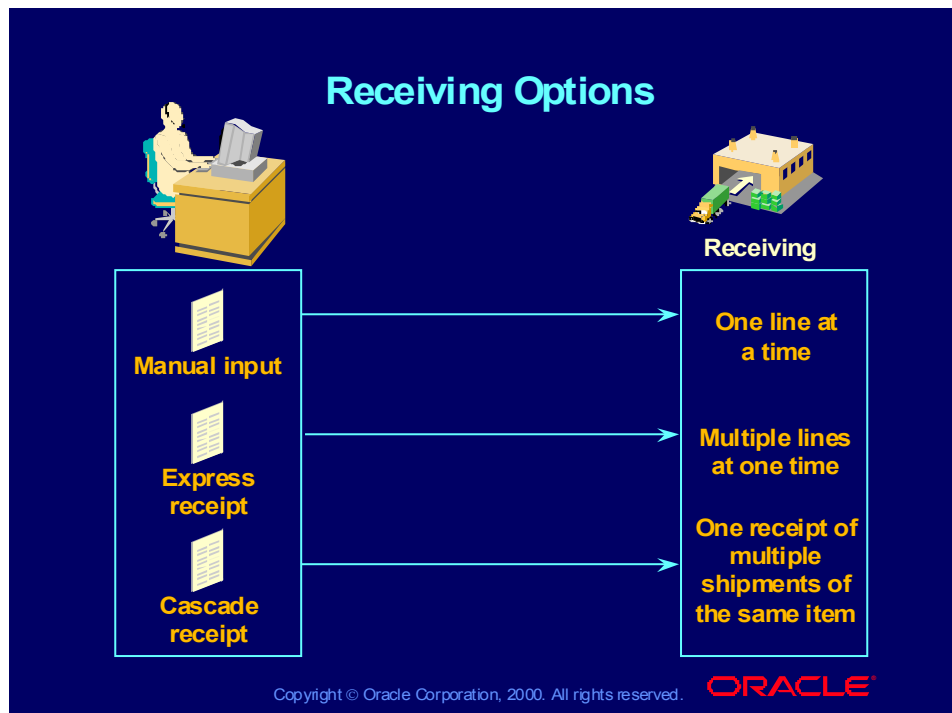
Overview of Receipt Types



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Receiving Options



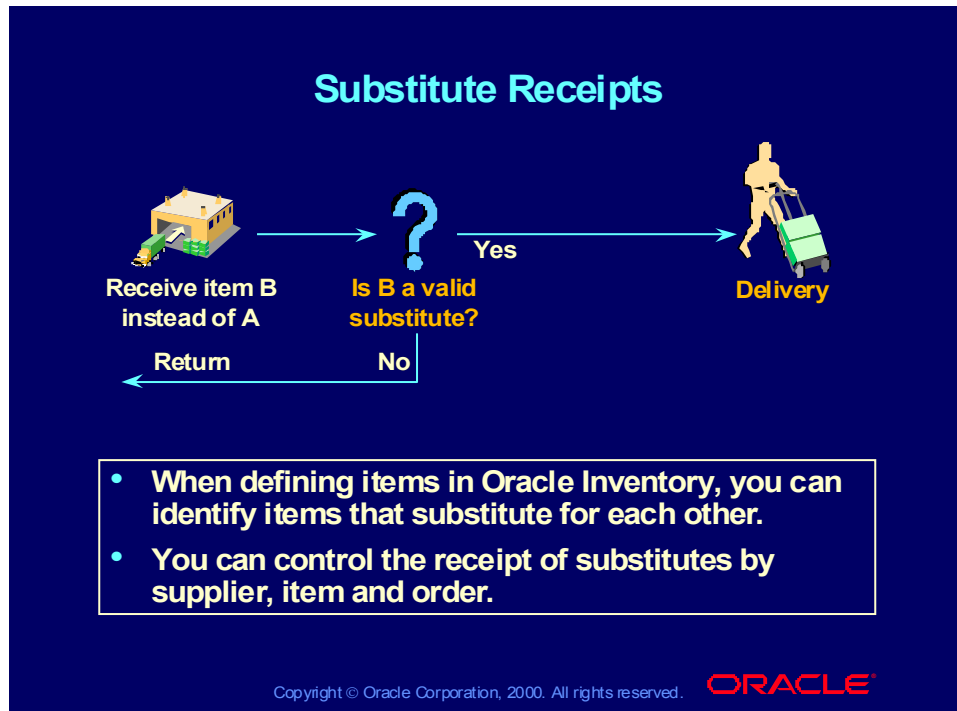
Receiving Tolerances

- You can set receiving tolerances for quantities and for on-time delivery.
- You can determine what actions occur when the receipt is outside of the tolerance
 - None
 - Reject
 - Warning
- You can define receiving tolerances at the organization, item, and/or order level.

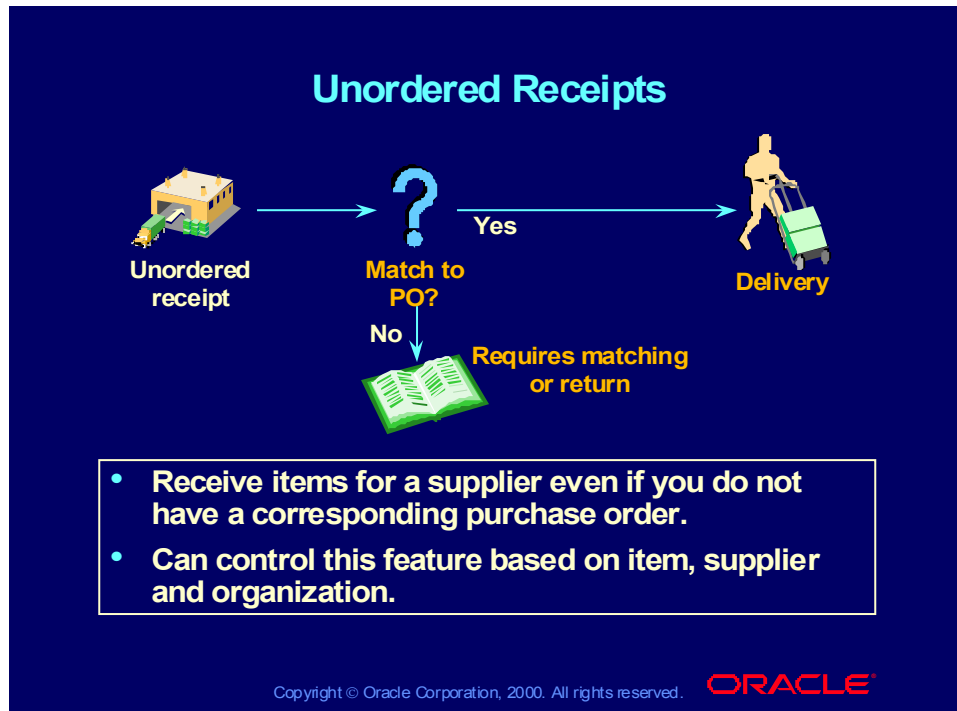
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Substitute Receipts



Unordered Receipts



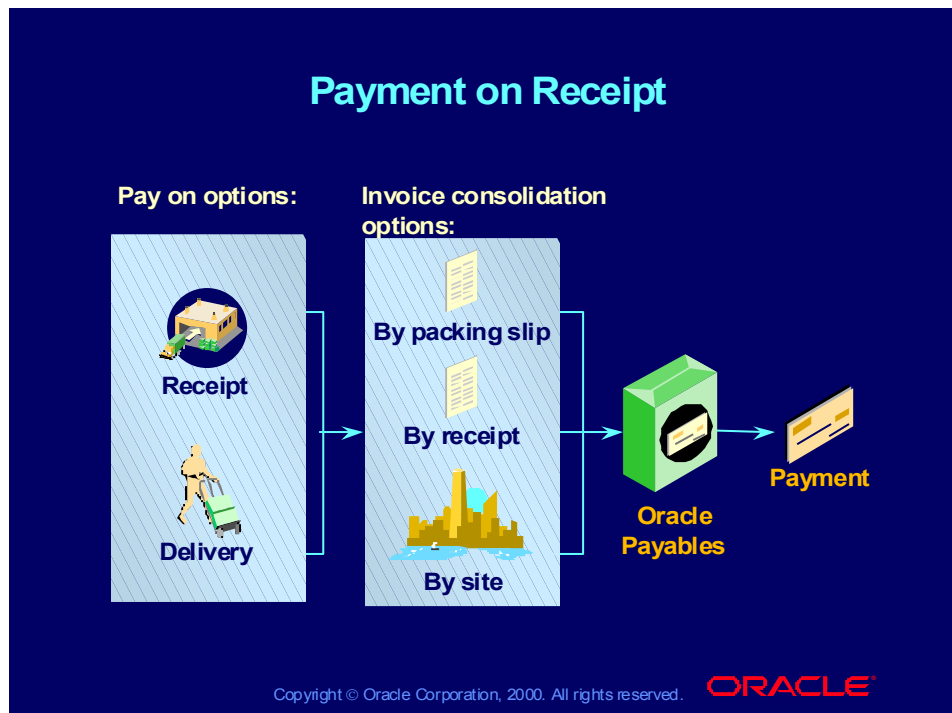
Payment on Receipt

- Streamline the procure-to-pay process
- Generate payments to suppliers based on receipt transactions
- Setup Oracle Purchasing and Oracle Payables to pay suppliers based on
 - Receipt or delivery
 - Level of invoice consolidation
- Also known as Evaluated Receipt Settlement (ERS) and Self Billing.

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Payment on Receipt



Oracle Internet Procurement (SSP) Desktop Receiving

Oracle Internet Procurement (SSP) Desktop Receiving

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



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Review Question

Review Question

Which of the following best describes the ability to receive items within one transaction from a single supplier across multiple shipments?

- 1. Standard receipt**
- 2. Direct receipt**
- 3. Express receipt**
- 4. Cascade receipt**

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Review Question

Review Question

Which of the following best describes the ability to receive items within one transaction from a single supplier across multiple shipments?

1. Standard receipt
2. Direct receipt
3. Express receipt
- 4. Cascade receipt**

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Review Question

An unordered receipt refers to

- 1. Receiving an item that does not have a corresponding purchase order**
- 2. Returning an item to the supplier**
- 3. Receiving a substitute item**
- 4. None of the above**

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Review Question

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An unordered receipt refers to

- 1. Receiving an item that does not have a corresponding purchase order**
2. Returning an item to the supplier
3. Receiving a substitute item
4. None of the above

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Review Question

Review Question

True or False: To do an inspection you must do a direct receipt.

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

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Review Question

Review Question

True or False: To do an inspection you must do a direct receipt.

1. True
- 2. False**

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Inspection

- **Inspection is a procedure you perform to ensure that items received confirm to your quality standards.**
- **The receiving inspection step can be performed using**
 - **Oracle Purchasing**
 - **Oracle Quality**

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Oracle Purchasing Inspections



**Oracle
Purchasing**



Inspection

- Enter the number of items that are accepted or rejected.
- You can enter text on the disposition of items.

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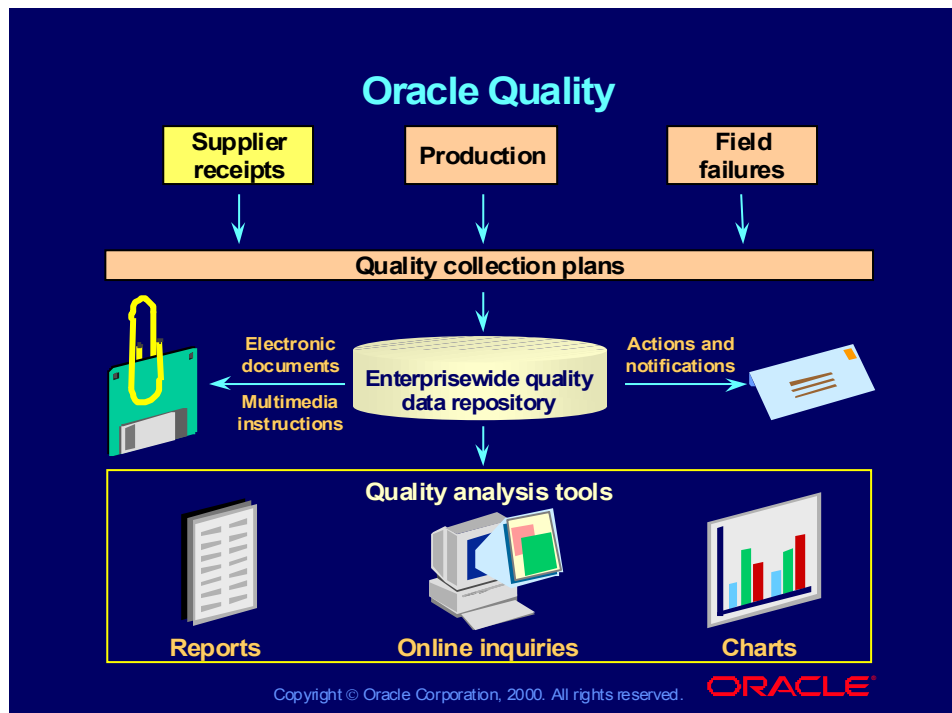
Oracle Quality Inspections



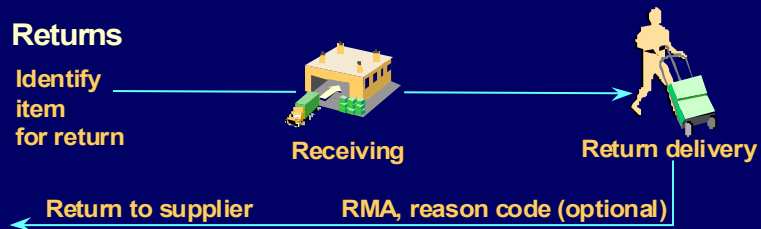
- Enter the number of items that are accepted or rejected.
- Collect additional attribute and variable data for collection elements in your collection plan.
- Analyze data using charts, descriptive statistics and custom reports.
- Trigger certain actions based on the results of the inspection.

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Returns



- Return items that have been received damaged or have not passed inspection
- Inventory level will adjusted if material was moved to inventory

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Corrections

Corrections



Identify
error in
receiving

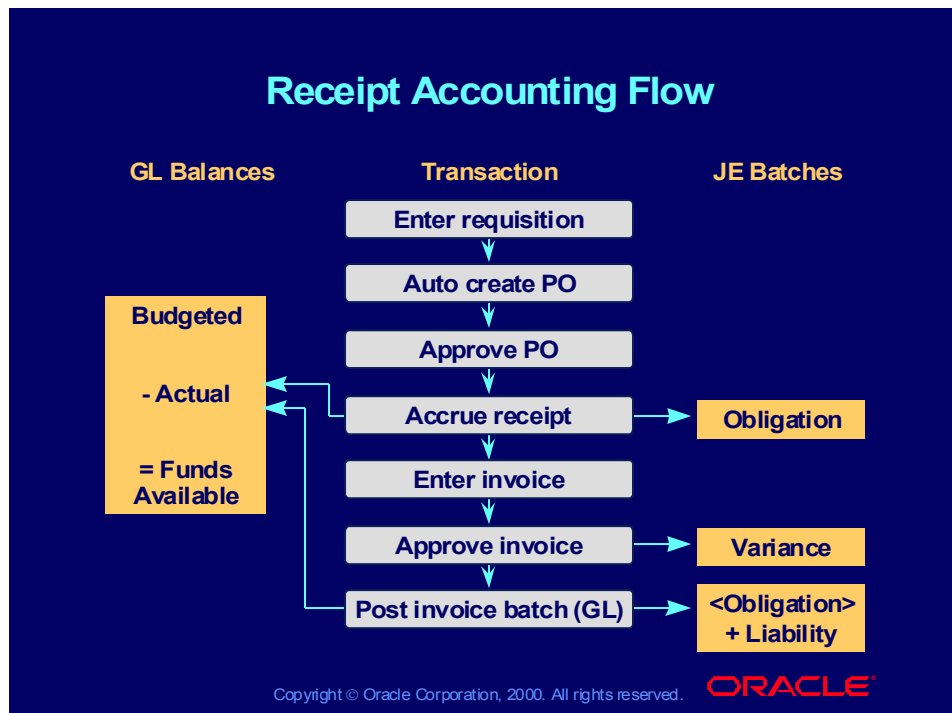
Correct as
many
transactions
as necessary

- Correct prior receiving transactions
- Adjusts inventory levels if material was moved to inventory

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Receipt Accounting Flow



Receiving Accounting Transactions

Oracle Purchasing uses the quantity received and the purchase order price to update the Inventory AP Accrual and the Receiving Inspection accounts. This accounting entry always occurs, regardless of one- or two-step receiving.

Impact of Receiving on Costing

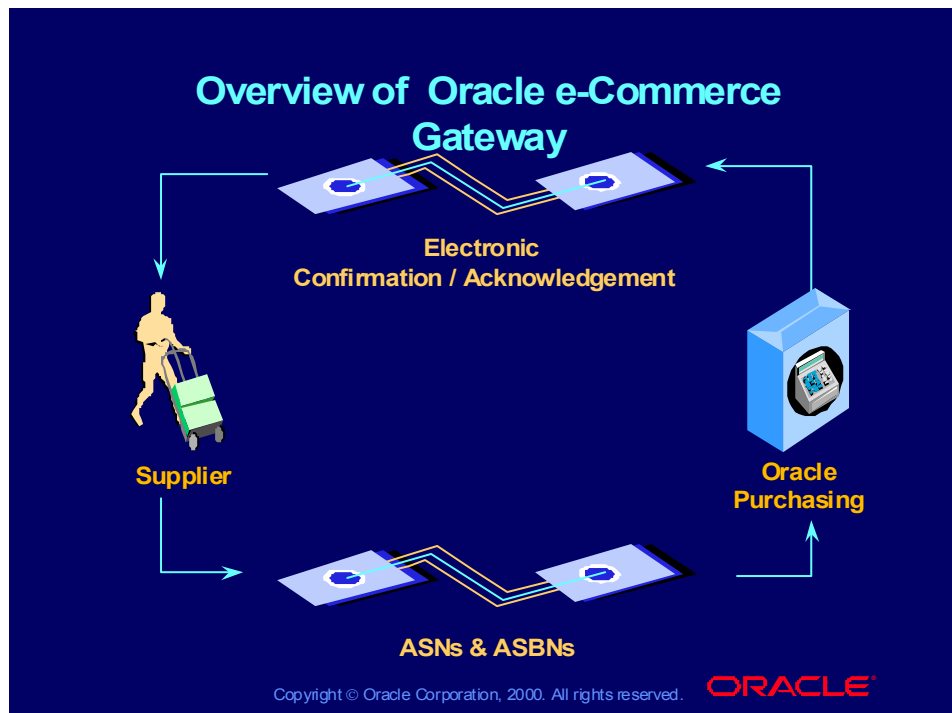
- Receipts impact item costs when using Average Costing.
- Average costs for an item are updated by the purchase order price when the item is received and delivered.
- Conversely, when an item is returned to the supplier or a correction is done, the average costs are updated.



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Overview of Oracle e-Commerce Gateway



ASN and ASBNs

- A supplier can notify the receiving organization that a shipment is coming by sending
 - Advanced shipment notices (ASN)
 - Advanced shipment and billing notices (ASBN)
- To process ASNs and ASBNs, you must have Oracle e-Commerce Gateway installed.
- Once validated, you can use it to automate the receiving process.
- Using Oracle iSupplier Portal, suppliers can enter ASNs and ASBNs online.

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Receiving Transaction Information

- **Receiving transactions record the movement of the item through the receiving and inspection process.**
- **Transactions provide a history that allows you to track an item from source to destination.**
- **You can view receiving transaction information online or via reports.**



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Receiving and Inspection Documentation

- You can print Receipt Travelers.
- You can prepare for incoming receipts by printing the Expected Receipts report.
- You can produce summary and detail receiving transaction reports by item, supplier, purchase order number, and/or receiving date range.



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Review Question

Review Question

Which of the following products is required to perform data collection when doing inspections?

- 1. Oracle Supplier Scheduling**
- 2. Oracle Workflow**
- 3 Oracle iSupplier Portal**
- 4. Oracle Quality**

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Review Question

Which of the following products is required to perform data collection when doing inspections?

1. Oracle Supplier Scheduling
2. Oracle Workflow
3. Oracle iSupplier Portal
- 4. Oracle Quality**

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Review Question

Which of the following actions can you not do with Oracle Quality when doing receiving inspection?

- 1. Send acknowledgement to an ASN**
- 2. Collect attribute and variable data for collection elements**
- 3. Analyze data using charts and descriptive statistics**
- 4. Trigger an email to buyer**

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Review Question

Which of the following actions can you not do with Oracle Quality when doing receiving inspection?

- 1. Send acknowledgement to an ASN**
2. Collect attribute and variable data for collection elements
3. Analyze data using charts and descriptive statistics
4. Trigger an email to buyer

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Review Question

Review Question

True or False: If material has been moved into inventory, inventory levels are adjusted when doing a return but not when doing a correction.

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

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Review Question

Review Question

True or False: If material has been moved into inventory, inventory levels are adjusted when doing a return but not when doing a correction.

1. True
- 2. False**

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Review Question

Which of the following does not apply to ASNs and ASBNs?

- 1. They are used to automate the receiving process.**
- 2. They can be manually entered by the supplier.**
- 3. If received in EDI format, Oracle e-Commerce Gateway is required.**
- 4. They communicate the planning requirements of the supplier.**

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Review Question

Which of the following does not apply to ASNs and ASBNs?

1. They are used to automate the receiving process.
2. They can be manually entered by the supplier
3. If received in EDI format, Oracle e-Commerce Gateway is required.
4. **They communicate the planning requirements of the supplier.**

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Agenda

Agenda

- Understanding the receiving and inspection process
- Oracle Applications in the receiving and inspection process
- The receiving and inspection process
- **Summary**

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Receiving and Inspection Process Summary

In this course, you have learned to:

- Describe how the receiving and inspection process occurs in the context of the procurement process.
- Identify the main benefits, features, and functions of the receiving and inspection process.
- Explain how the receiving and inspection process business needs are satisfied by the Oracle Internet Procurement solution

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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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11i Manage Received Goods

Chapter 13

11i Manage Received Goods

Oracle Purchasing > Quality Inspection CodesDistribution

Job Title*

Oracle Internet Procurement: Manage Received Goods

Release 11i

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Objectives

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

- **Receive against purchase orders**
- **Document receiving transactions**
- **Review the summary details of receiving transactions**

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Agenda

Agenda

- **Manage Received Goods**
- Enter Purchase Order Receipts
- Enter Transfer Details
- Correct Receiving Transactions
- Enter Returns
- Perform Receiving Inquiries
- Identify Implementation and Setup Requirements

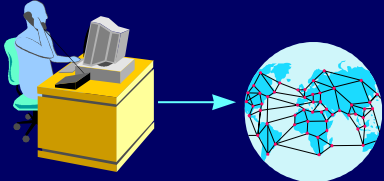
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Why Oracle's Internet Procurement Solution?

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



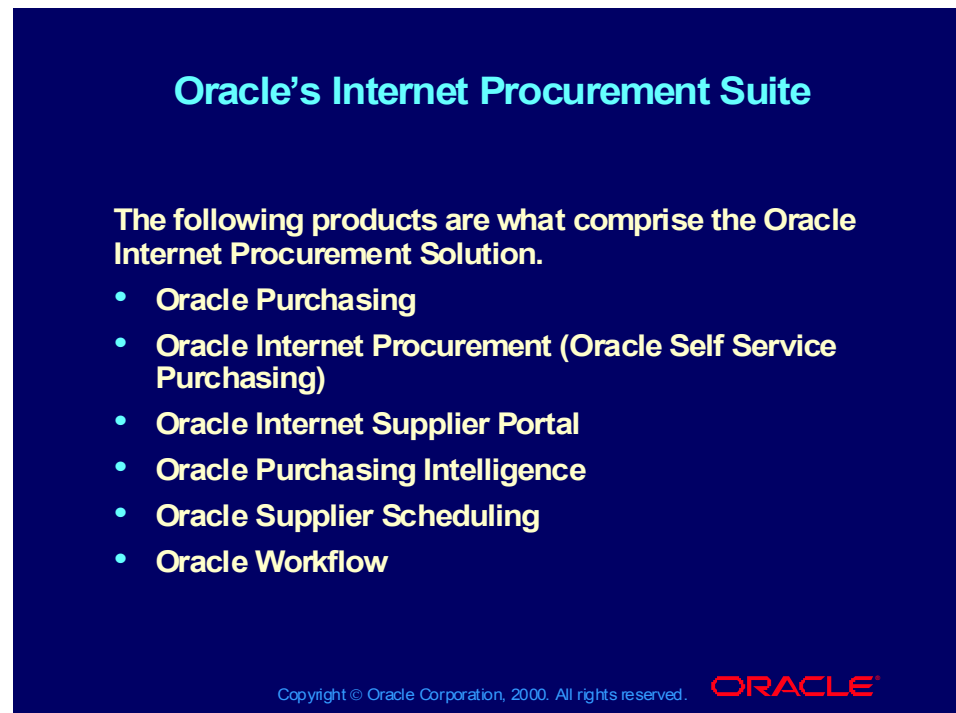
Internet Procurement

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Benefits

Using Oracle's Internet Procurement Solutions, companies can control both production purchasing and non-production procurement or MRO (Material, Repair, and Operations). Companies can track and control spending, manage supplier performance, and leverage all collected data to negotiate better contract terms from suppliers.

- Boost Efficiency Internally and Across the Supply Chain
- Minimize Rogue Buying
- Full Service Purchasing
- Develop More Dynamic Contracts

A blue rectangular slide with white text. At the top, the title 'Oracle's Internet Procurement Suite' is centered. Below it, a paragraph states 'The following products are what comprise the Oracle Internet Procurement Solution.' followed by a bulleted list of six products. At the bottom right is the Oracle logo, and at the bottom left is a small copyright notice.

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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Components

Oracle Purchasing

A complete procurement solution that you can use to process requisitions, purchase orders, request for quotes, and receipts.

Oracle Self-Service Purchasing

Provides secure, self-service access to your business and purchasing systems. Employees can review product catalogs, submit requisitions, route them for approval and track status, and receive against purchase orders.

Oracle Internet Supplier Portal

Provides access by suppliers across the supply chain to pertinent information from your company, such as requests for quotation, purchase orders, agreements, schedules, and so forth.

Oracle Purchasing Intelligence

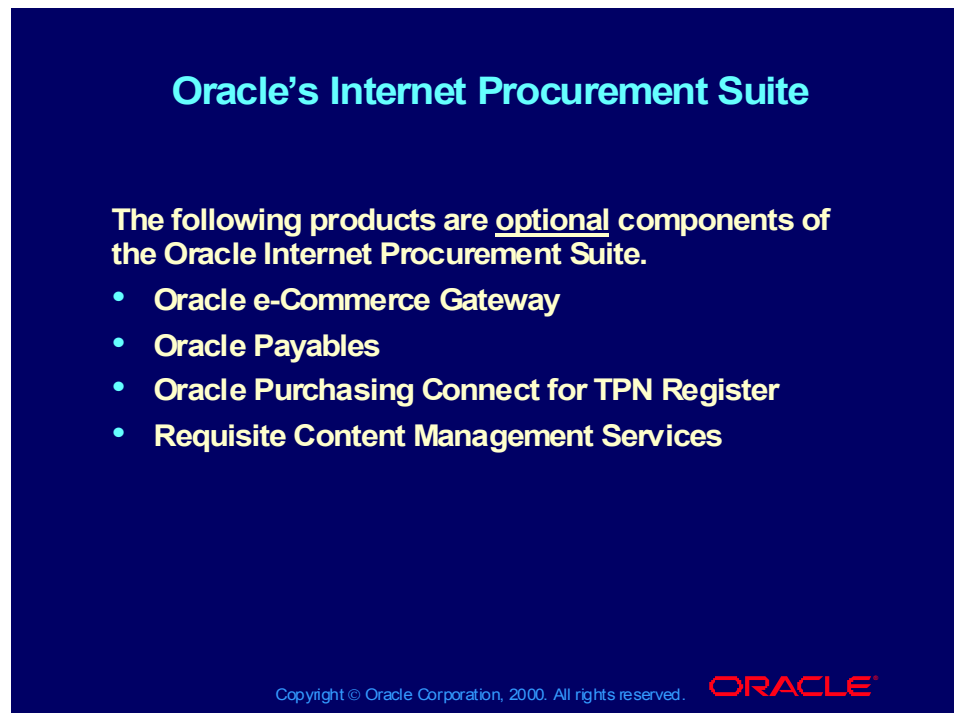
Composed of predefined analyses ranging from simple Internet reports to multidimensional data analysis that your company can use to identify significant cost savings.

Oracle Supplier Scheduling

A complete solution for communicating forecast and shipping requirements to suppliers.

Oracle Workflow

Uses Oracle Workflow to automate the entire plan-to-procure-to-pay life cycle. It handles the routing of key transactions in user-defined notifications.

A blue rectangular slide with white text. At the top, the title "Oracle's Internet Procurement Suite" is centered. Below it, a paragraph states that the following products are optional components of the suite. A bulleted list follows, listing four products: Oracle e-Commerce Gateway, Oracle Payables, Oracle Purchasing Connect for TPN Register, and Requisite Content Management Services. At the bottom right is the Oracle logo, and at the bottom left is a copyright notice for Oracle Corporation, 2000.

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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Components (continued)

Oracle EDI Gateway

Can be used to automate many high-volume business transaction processes. Your company can use the EDI Gateway and the Internet to reduce cycle times for both sourcing and requisitioning.

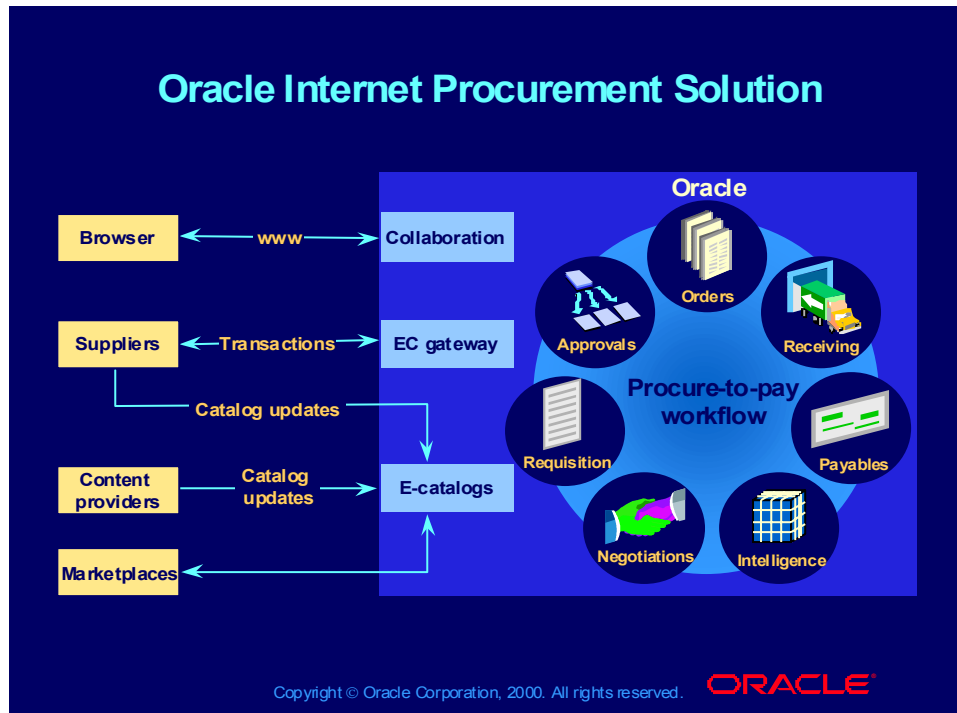
Oracle Payables

An accounting solution that provides strong financial control, prevents duplicate payment, pays only for the goods and services ordered and received, and maximizes supplier discounts.

TPN Register and Requisite Technology

These are third party content providers that offer catalog subscriptions with full maintenance and management of the supplier and buying communities through virtual catalogs.

Oracle Internet Procurement Solution



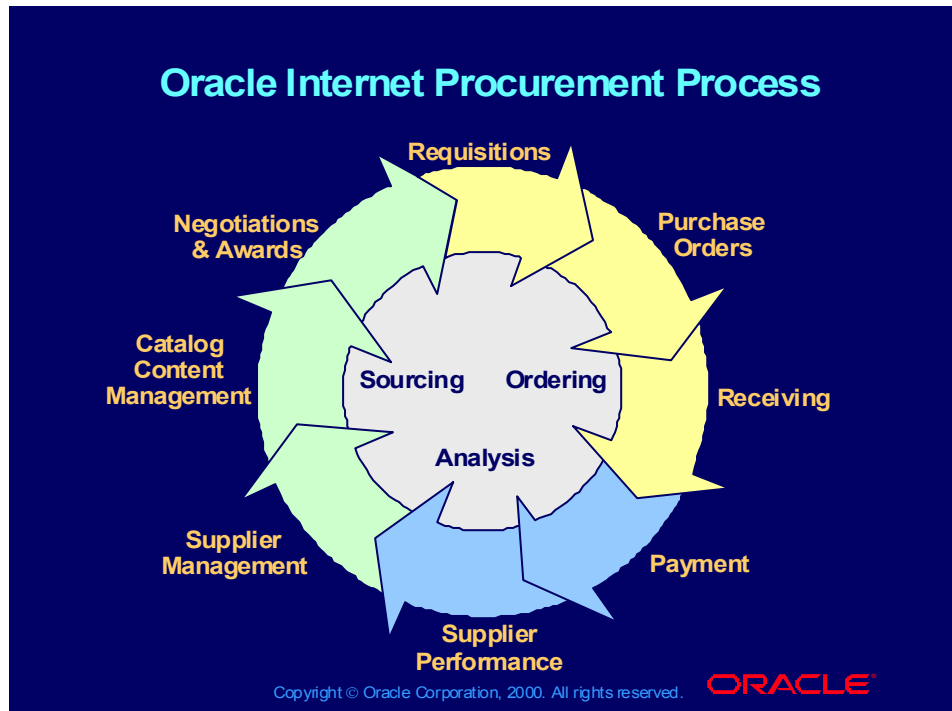
Oracle's Internet Procurement Solution

- 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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Oracle Internet Procurement Process



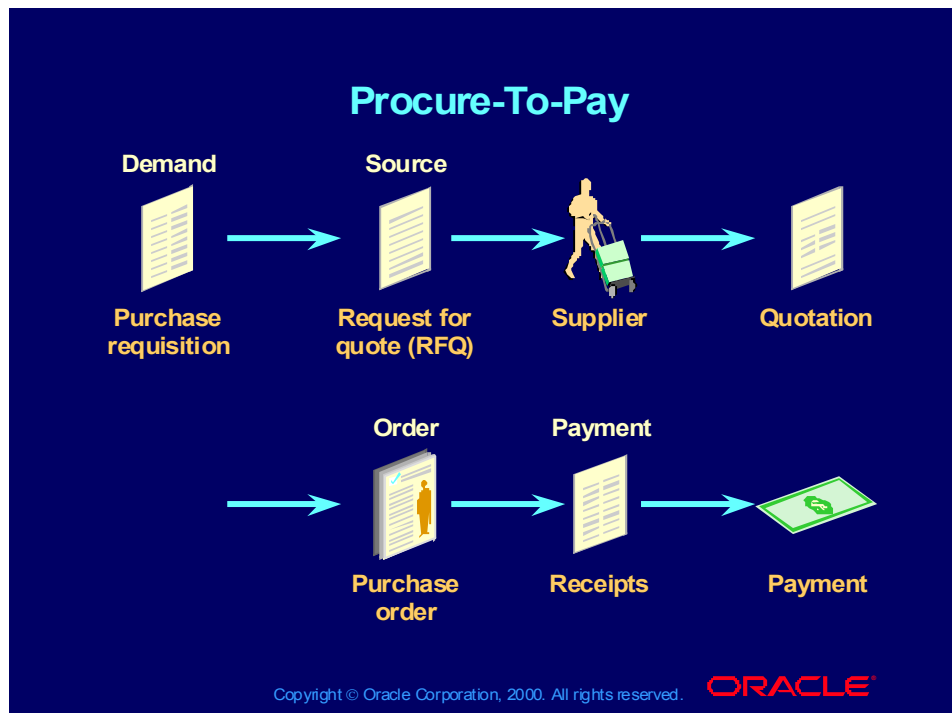
Definition

Internet-based procurement is using the Internet to support strategic purchasing and supply chain management activities for the complete procurement cycle.

This includes:

- Sourcing: Request for Quote, Supplier Selection, Contract Terms and Conditions, Catalog Management
- Ordering: Requisition and Purchase Order Generation, Order Management, and Fulfillment
- Payment
- Reporting and Analysis: Supplier Performance, Commodity Analysis, Internal Compliance, Robust Intelligence-gathering, Decision-support, and Process Functionality
- This solution will provide maximum and continual cost, productivity, and process improvements.

Procure-To-Pay



Procure-to-Pay

The Ordering component of Internet Procurement covers the ordering and payment activities that lead to the purchase of and payment for a company's goods and services.

Demand

The procurement process generates and manages supply orders. The demand for purchase items may be a one-time event or may recur in either predictable or random time intervals.

Sourcing

The procurement sourcing process covers the business activities related to the search, qualification, and selection of suitable suppliers for requested goods and services.

Ordering

The procurement ordering process includes purchase order placement by the buying organization and purchase order execution by the supplying organization.

Receipt

The receipt process acknowledges that a purchase order has been duly executed. For orders of physical goods, it will typically include the receipt, inspection and delivery of the goods to inventory or to another designated location. For orders of services, it will typically consist of a notification from the requester or the approving person that the service has been performed as agreed.

Payment

The payment process consists of those activities involved in the payment for ordered goods and services.

Nonproduction Procurement

Nonproduction Procurement

Oracle supports demand from nonproduction sources such as:

- **Office supplies**
- **Computer equipment**
- **Spare parts**
- **Marketing advertising services**
- **Facilities**

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Procurement of Nonproduction (or MRO) Items

All of a company's operating and support departments need to purchase goods and services in the course of their business activities. Nonproduction or MRO (maintenance, repair, and operations) purchases are characteristically low dollar, small lot purchases made on a recurring basis. However, because so many different items need to be purchased, the volume and total cost can be high. Examples of nonproduction purchase items include:

- Office supplies
- Computer equipment
- Shop floor supplies
- Marketing advertising services
- Once demand for purchase items is identified and communicated, a purchase requisition is completed and approved and the item is sourced from a selected supplier.

Production Items

Production Items

Oracle Applications supports the estimation and procurement of production demand.

- Planned MRP orders
- Customer orders
- Inventory replenishment requests
- Capital projects
- Interorganization material requests
- Shop floor requests

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Item Master

Must be direct delivery receipt.

No inventory controls:

- Serial
- Lot
- Locator
- Revision

Overview of Receiving

Overview of Receiving

With Oracle Purchasing you can:

- **Receive goods and services**
- **Transfer goods**
- **Inspect goods**
- **Return goods**
- **Correct receipt errors**
- **Receive substitute items**
- **Receive unordered items**
- **Review your transaction history**

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Overview

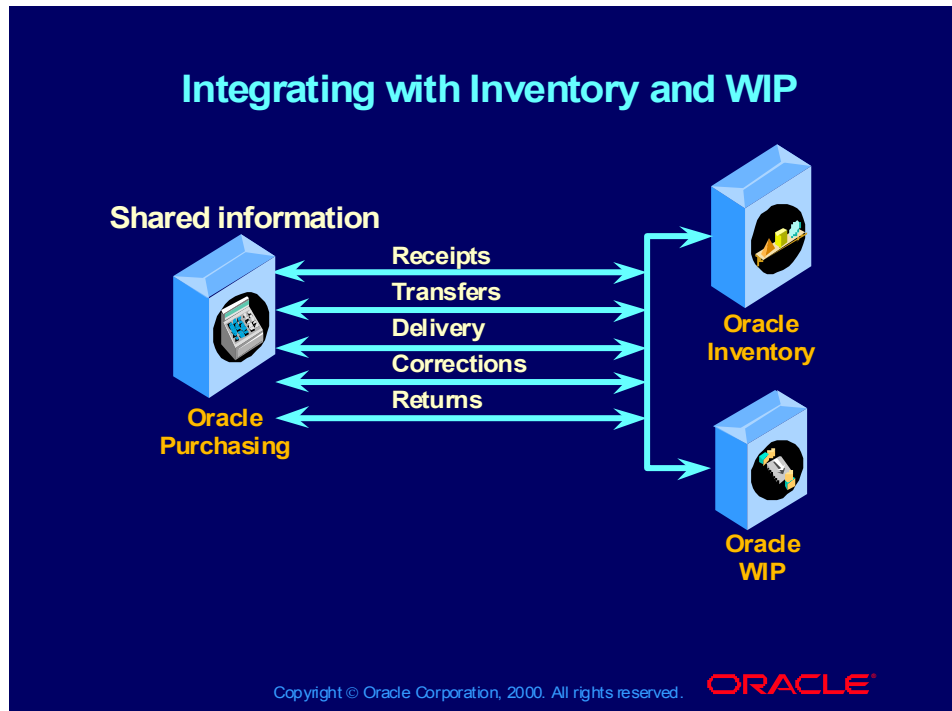
Oracle Purchasing lets you control the items you order through receiving, inspections, transfer and delivery. You can use these features to control the quantity, quality, and internal delivery of the items you receive.

Major features you can use include:

- Define receiving tolerances and rules at the organization supplier, item and order level, with the lowest level overriding previous levels.
- Use Express Receipt to receive an entire purchase order with a few keystrokes.
- Use Advance Shipment Notices (ASNs) and Advance Shipment and Billing Notices (ASBNs) to enter receipts in the Enter Receipts window, reducing data entry time.
- Use the Cascade function to distribute a given quantity of an item from a single supplier across multiple shipments and distributions.
- Record receipt of unordered items, research receipt and match the delivery to an existing purchase order.
- Record delivery of items from receiving or inspection locations to their final destination. You can also record transfers of items to different locations in the receiving and inspection area.
- Define which of your items require inspection. You can accept or reject items and provide detailed information about your inspection results.

- Record returns to suppliers.
- Correct receiving transaction errors.
- Review your transaction history.

Integrating with Inventory and WIP



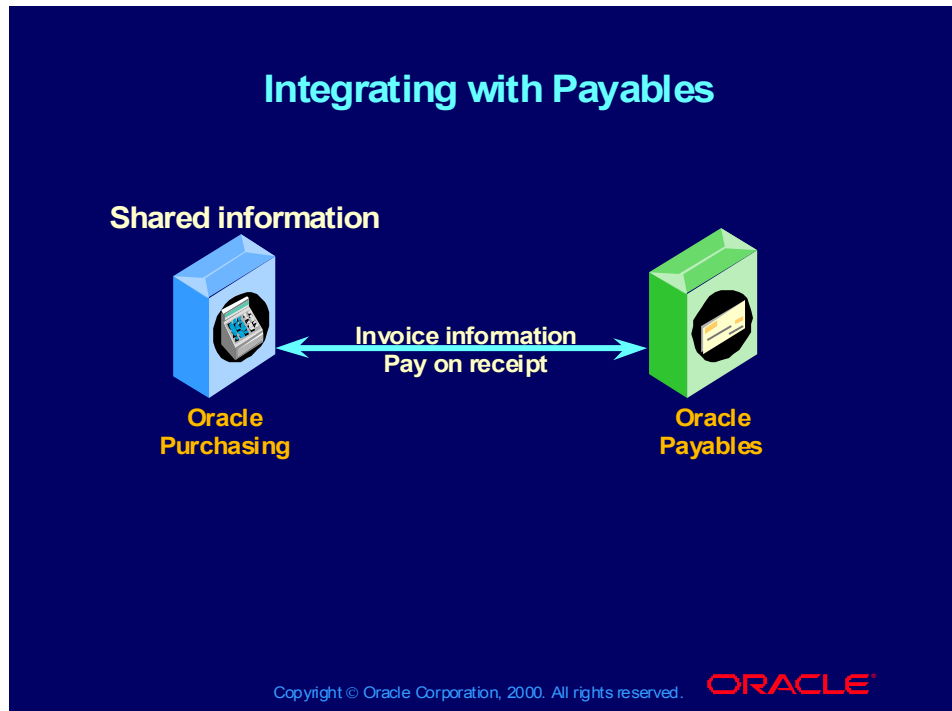
Receiving with Oracle Inventory and Oracle Work in Process

When Oracle Inventory, Oracle Work in Process, and Oracle Purchasing are used in conjunction they share receipt information, inventory supply or work in process job records. The following information updates the inventory supply records:

Receipts

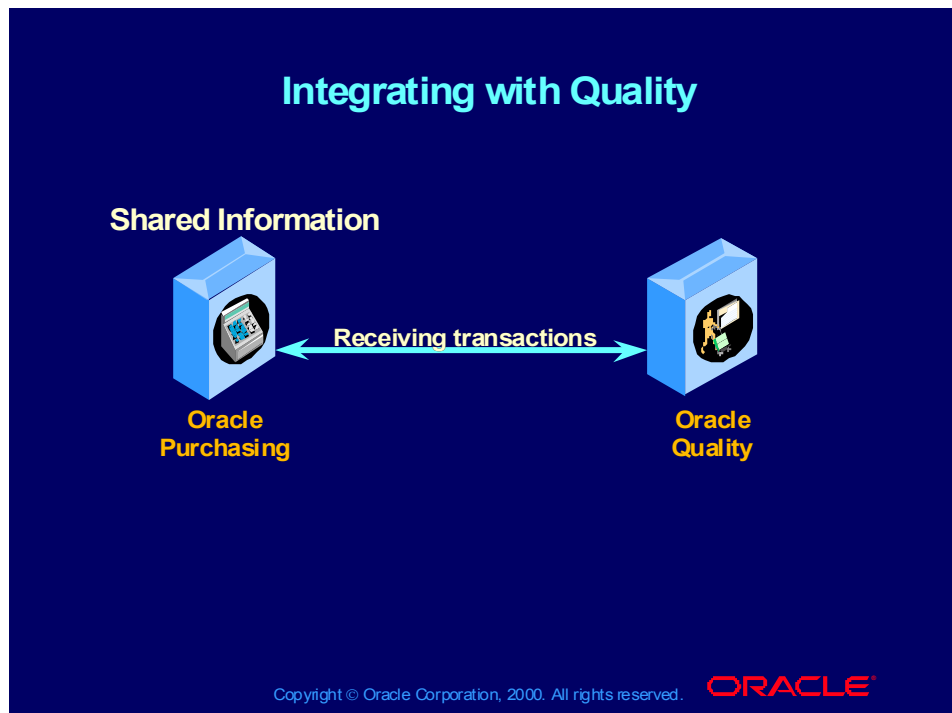
- Transfers
- Delivery
- Corrections
- Returns

Integrating with Payables



Receiving Payments with Oracle Payables

When Oracle Payables and Oracle Purchasing are used in conjunction they continue to streamline the procurement process by generating payments to suppliers based on receipt transactions.

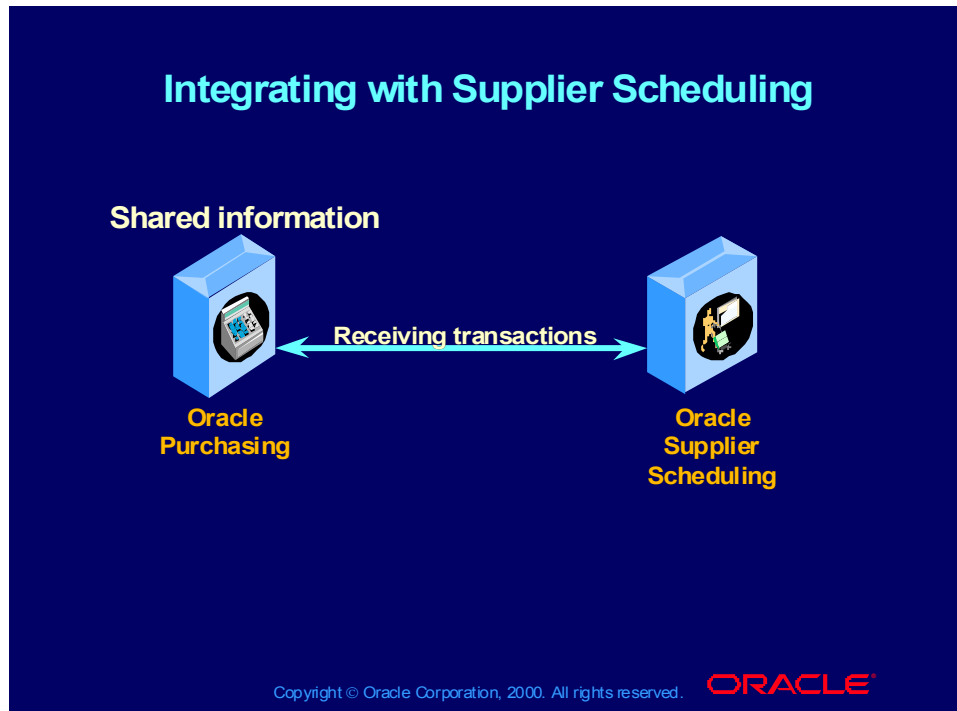


Receiving with Oracle Quality

When Oracle Quality and Oracle Purchasing are used in conjunction, you can directly control quality at the supply end of the supply chain. For quality control of products from a supplier, the following choices are available:

- Inspect
- Accept
- Reject

Integrating with Supplier Scheduling

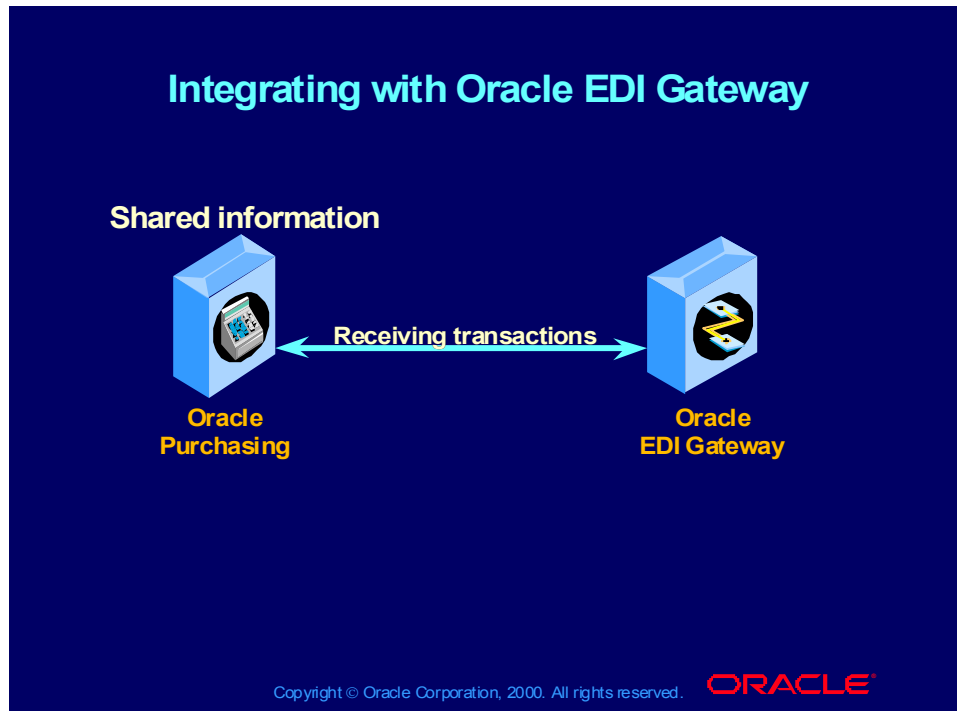


Receiving with Oracle Supplier Scheduling

When Oracle Supplier Scheduling and Oracle Purchasing are used in conjunction they share receipt information. The following information is shared:

- Receipts
- Corrections
- Returns

Integrating with Oracle EDI Gateway



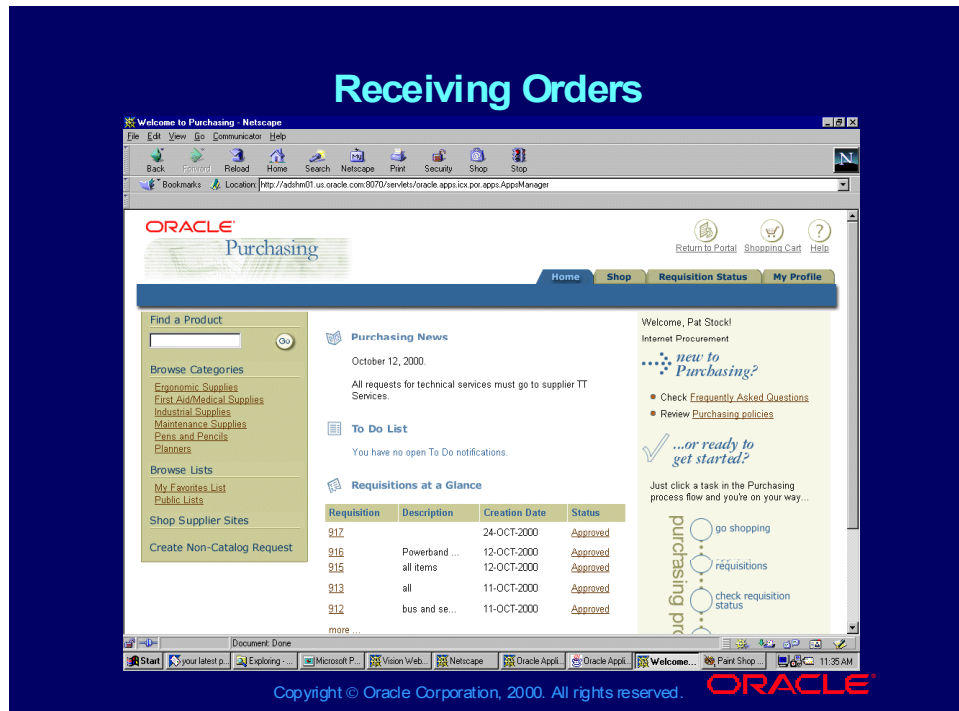
Receiving with Oracle EDI Gateway

When Oracle e-Commerce Gateway and Oracle Purchasing are used in conjunction, advanced shipment notices (ASN) and advanced shipment and billing notices (ASBNs) are transmitted via EDI from a supplier to let the receiving organization know that a shipment is coming.

Technical Note

Oracle e-Commerce Gateway must be installed in order to process ASNs and ASBNs with billing information.

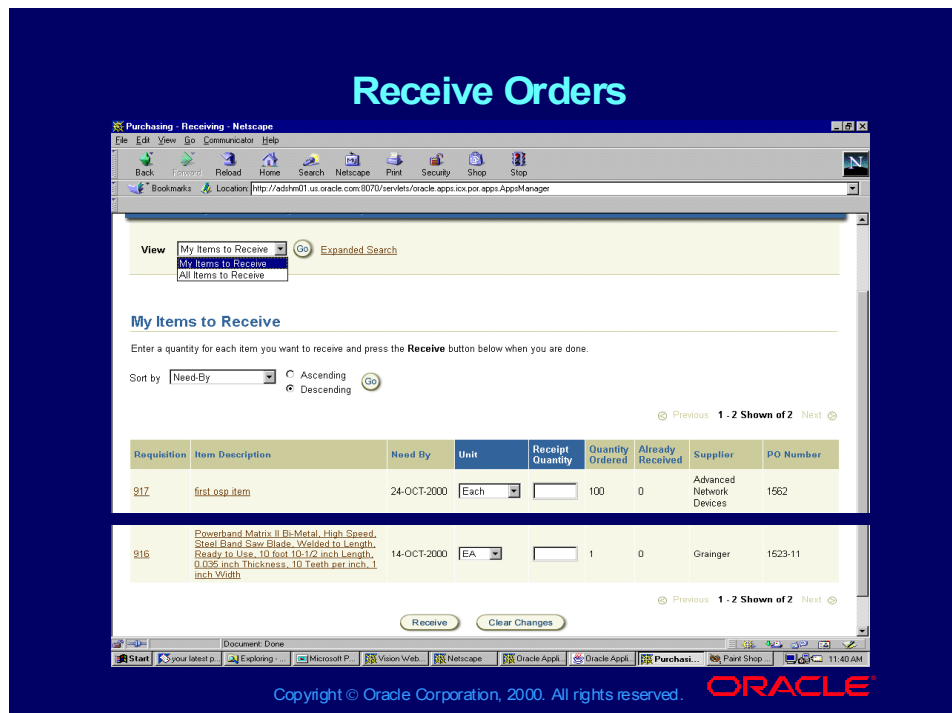
Receiving Orders



Receiving Orders

You can receive your orders in Oracle iProcurement. To receive orders, click the Receive Items link.

Receive Orders



Receive Orders

(N) Purchasing Process > Receive Items

How to Receive Orders

To receive orders in iProcurement search for the requisition you are receiving against, enter the quantity you are receiving and click the Receive button.

Agenda

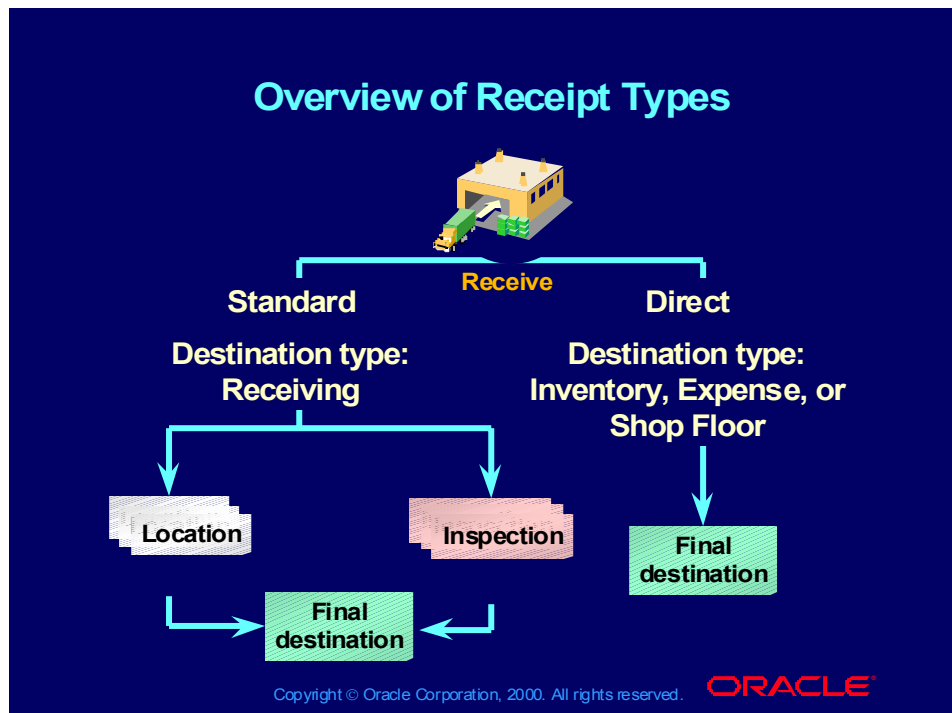
Agenda

- Manage Received Goods
- Enter Purchase Order Receipts
- Enter Transfer Details
- Correct Receiving Transactions
- Enter Returns
- Perform Receiving Inquiries
- Identify Implementation and Setup Requirements

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Overview of Receipt Types



Overview of Receipt Types

Receiving is a transaction which signals the goods ordered on a purchase order have arrived. All receipts are done on the same screen, for internally and externally sourced shipments.

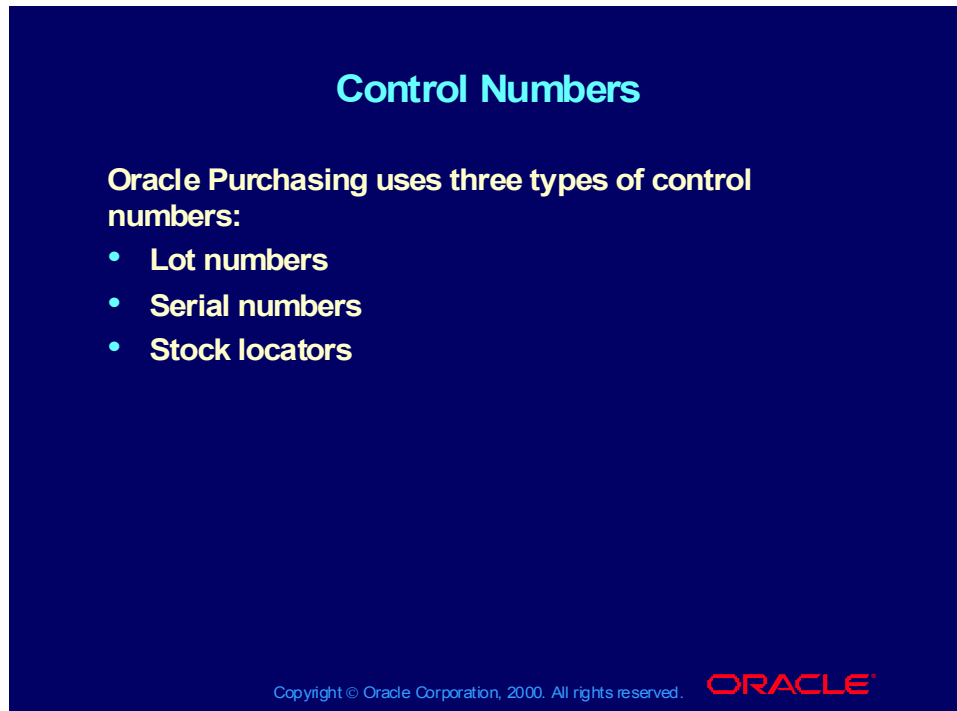
• Receipt Types

- Standard Receipt: A receipt routing in which shipments are received into receiving locations and then delivered in a separate transaction. Standard receipts can be inspected or transferred before delivery.
- Direct Receipt: Direct receipt limits receipt of items directly to the final destination, also known as dock to stock receipt. The final destination includes the requestor, inventory, or the shop floor.

• Receipt Routing is a method of controlling transaction entry by specifying routing steps for receipts.

- Standard Receipt: Goods must be received and delivered in separate transactions.
- Direct Receipt: Goods are received and delivered in one transaction.
- Inspection Required: Inspection is a procedure you perform to ensure that items received confirm to your quality standards. Goods must be received and inspected before they can be delivered.

Control Numbers

A presentation slide with a dark blue background. The title "Control Numbers" is at the top in light blue. Below it, the text "Oracle Purchasing uses three types of control numbers:" is in white. A bulleted list follows: "Lot numbers", "Serial numbers", and "Stock locators", all in white. At the bottom right is the Oracle logo in red. At the bottom left, in small white text, is "Copyright © Oracle Corporation, 2000. All rights reserved.".

Control Numbers

Oracle Purchasing uses three types of control numbers:

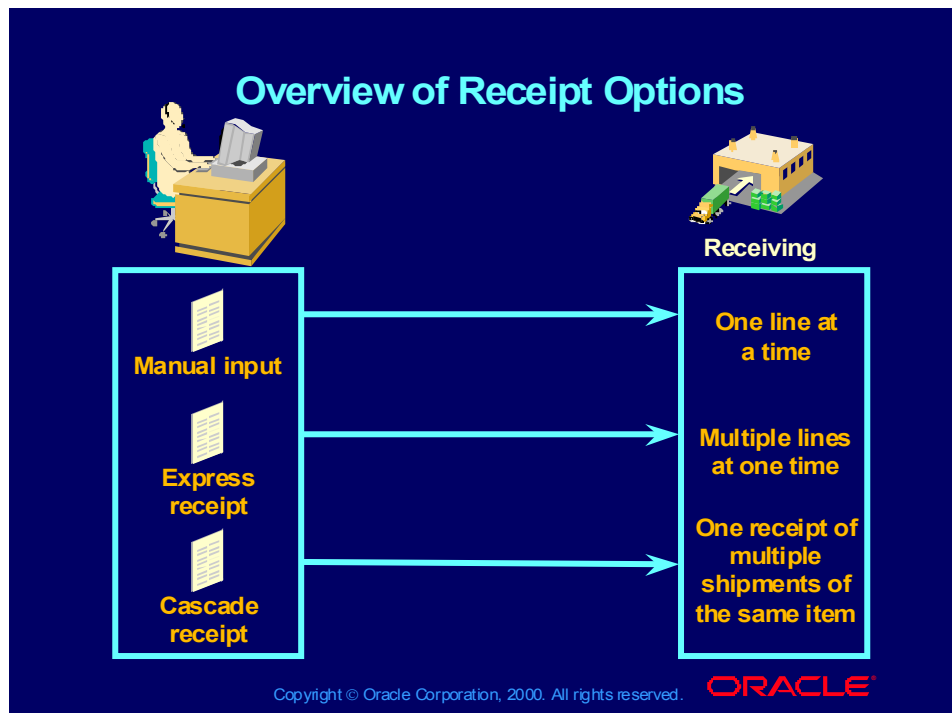
- Lot numbers
- Serial numbers
- Stock locators

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Control Numbers

- Assign lot and serial numbers to items as they are transacted to their destinations by direct receipt or delivery and to track these items by lot and serial number.
- Assign lot and serial numbers to items as you are entering individual deliveries or performing direct receipts. You can access the Lot and Serial Numbers window directly from each transaction that you enter and assign lot and/or serial numbers to each unit of the item in the transactions.
- Stock Locators are used for deliveries to inventory destinations. Oracle Purchasing uses the locator controls defined in Oracle Inventory.

Overview of Receipt Options



Receiving Receipts

You have three methods from which to choose to receive goods:

- Manually input data
- Express Receipt
- Cascade Receipt

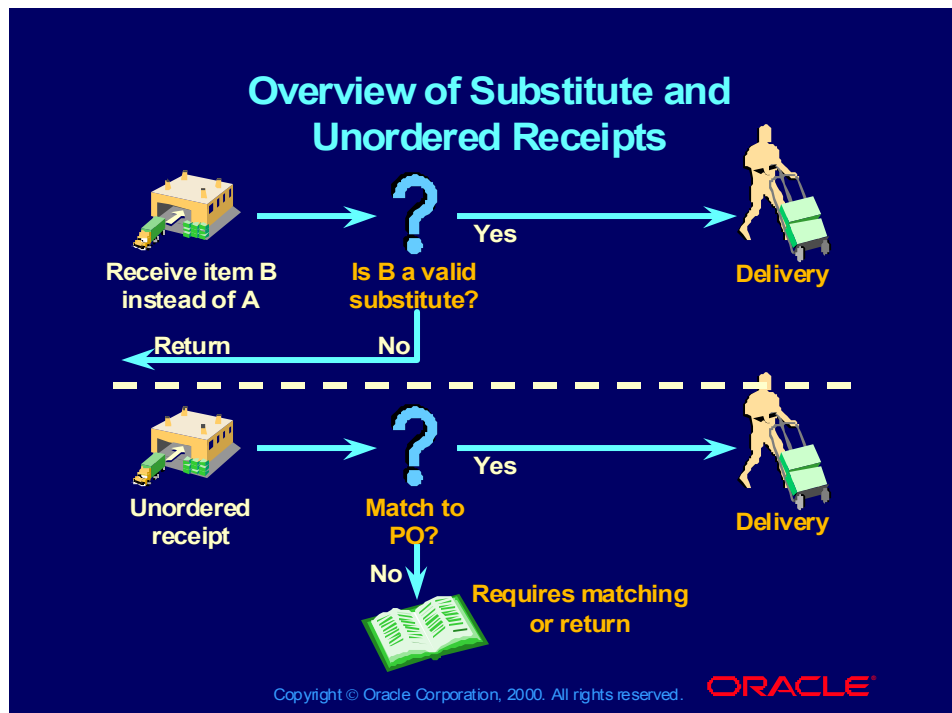
Express Receipts

The express function is a quick method of entering receipts and receiving transactions. This function is available if you have specified or inferred a source document. With a few keystrokes you can receive the entire open order quantity of a purchase order.

Cascade Receipts

The cascade function facilitates the distribution of a given quantity of an item from a single supplier across multiple shipments and distributions. This function is available if you have specified or inferred a source document.

Overview of Substitute and Unordered Receipts



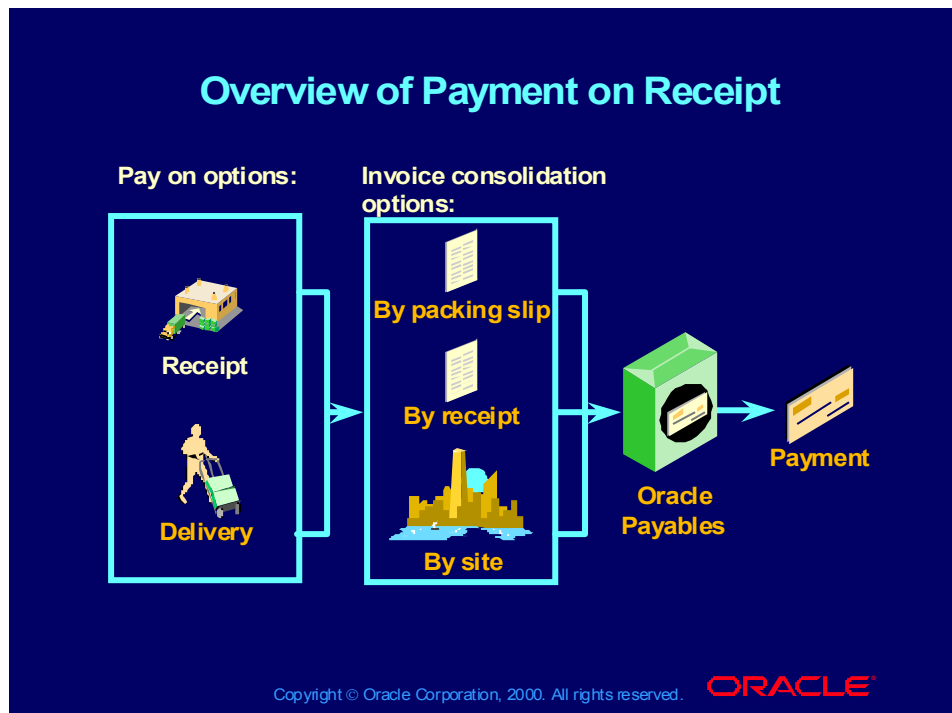
Substitute and Unordered Receipts

When entering items in the Item Master, you have the ability to identify parts that can be substituted for each other. In Oracle Purchasing, you can receive predefined substitute items when you allow suppliers to ship alternatives to the item you order.

Unordered Receipts

You can receive items from a supplier when you do not have a corresponding purchase order. These items are tracked on the system while you wait for a buyer to specify which purchase order should be used, or if the items are to be returned to the supplier.

Overview of Payment on Receipt



Payment on Receipt

Oracle Purchasing works in conjunction with Oracle Payables to streamline the procurement process by generating payments to suppliers based on receipt transactions.

- You can setup your suppliers to be paid either on receipt or delivery and choose the level of invoice consolidation: packing slip, receipt or across all for a supplier site, after receipt or delivery transactions are created.
- After receipt or delivery transactions are created, you must run the Payment on Receipt Auto Invoice Program.
- After processing the Payment on Receipt program, Oracle Purchasing automatically creates an invoice in Oracle Payables and matches it to the corresponding purchase orders.
- The invoices are then paid using standard Oracle Payables payment processing functionality.

Note:

Payment on Receipt is also known by alternative names such as Evaluated Receipt Settlement (ERS) and Self-Billing.

Payment on Receipt Enhancements

Payment on Receipt Enhancements

- **Offset period to support Corrections and Adjustments**
- **Document level control**
- **User-defined Invoice prefix**

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Definitions

Pay on Receipt Offset

The number of days the system allows before automatically creating an invoice. This provides greater process control and gives you time to make receiving corrections, adjustments, and returns. When the invoice generation process runs, all receipt transactions that occurred during the offset period are taken into account when the invoice is created.

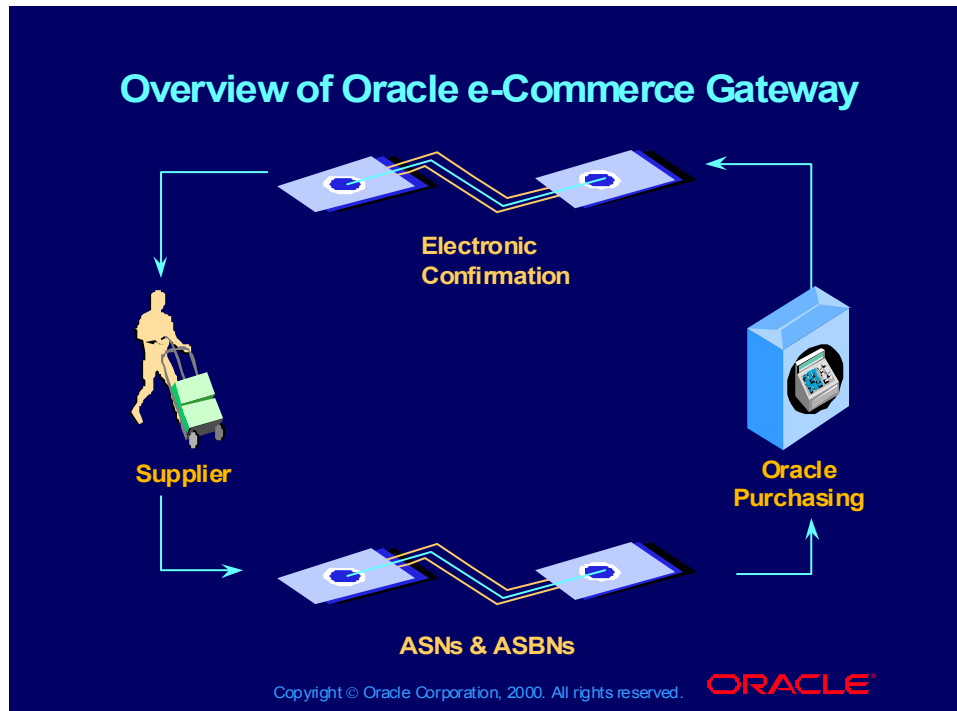
Document-level Control

Set up the Payment on Receipt process for individual purchase orders and releases.

User-defined Invoice Prefix

Define your own invoice number prefix to easily identify invoices created by the Payment on Receipt process, instead of using the default 'ERS-' prefix.

Overview of Oracle e-Commerce Gateway



Overview

You can use Oracle Payables and Oracle e-Commerce Gateway to import invoice data from your suppliers. Through the EDI translator of your choice, Oracle EDI Gateway receives invoice information from suppliers and creates an inbound invoice data file (ASC X12 810/EDIFACT INVOICE). For more information see *Oracle e-Commerce Gateway Release 11i User's Guide*.

Finding Expected Receipts

Finding Expected Receipts

Use the Find Expected Receipts window to find source documents for:

- expected receipts from suppliers
- unordered receipts

(N) Oracle Purchasing > Receiving > Receipts

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(Help) Oracle Manufacturing Applications > Oracle Purchasing > Receiving > Finding Expected Receipts

Creating the Receipt Header

Creating the Receipt Header

Use the Receipt Header window to enter header information, for all types of receipts, the system will use to search on.

**(N) Oracle Purchasing > Receiving > Receipts (B)
Find**

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(Help) Oracle Manufacturing Applications > Oracle Purchasing > Receiving > Entering Receipt Header Information

Entering Receipts

Entering Receipts

Use the Receipts window to select the lines to receive from the shipments that meet the search criteria or enter the receipt line information for unordered items.

**(N) Oracle Purchasing > Receiving > Receipts (B)
Find**

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(Help) Oracle Manufacturing Applications > Oracle Purchasing > Receiving > Entering Receipt Lines

Entering Receipts

- Enter Express Receipts, Cascade Receipts or Lot-Serial information by selecting the appropriate button at the bottom of the Receipts window.
- Substitute items by using the list of values in the Item field that are allowed to be shipped by the supplier.

Matching Unordered Receipts

Matching Unordered Receipts

Use the Match Unordered Receipts window to find and match unordered receipts to purchase order shipments.

(N) Oracle Purchasing > Receiving > Match Unordered Receipts (B) Find

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(Help) Oracle Manufacturing Applications > Oracle Purchasing > Receiving > Matching Unordered Receipts

Invoice Matching to Receipts

Invoice Matching to Receipts

- **Determine acquisition cost with more accuracy**
 - Match to material item receipt
 - Link other invoice charges to receipt
- **Enhanced receiving holds**

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Invoice Matching to Receipts

- You can now match an invoice within Oracle Payables to one or more receipt transactions.
- This is in addition to the existing ability to match to purchase order shipments or purchase order distributions.
- You can now also associate freight, tax, and miscellaneous charges from invoices to the related receipt.

Establishing Payment on Receipt

Establishing Payment on Receipt

Use the **Supplier Sites** window to set up a supplier to be paid upon receipt

**(N) Oracle Purchasing > Supply Base > Suppliers (B)
Find (B) Open (B) Open**

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**(Help) Oracle Manufacturing Applications > Oracle Purchasing >
Supply Base Management > Suppliers and Supplier Sites Window
Reference**

Submitting Pay on Receipt AutoInvoice Program

Submitting Pay on Receipt AutoInvoice Program

Use the Submit Request window to:

- run the Pay on Receipt AutoInvoice concurrent process after performing receipt transactions
(N) Oracle Purchasing > Reports > Run
- run the inbound Datafile Import process to import ASNs and ASBNs to Oracle e-Commerce Gateway
(N) Oracle e-Commerce Gateway > Reports > Run
- run the receiving transaction processor to import ASNs and ASBNs from Oracle e-Commerce Gateway
(N) Oracle e-Commerce Gateway > Reports > Run

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(Help) Oracle Manufacturing Applications > Oracle Purchasing > Reports and Processes > Payment on Receipt

(Help) Oracle Manufacturing Applications > Oracle e-Commerce Gateway > Reports > Interface File Data Report

Agenda

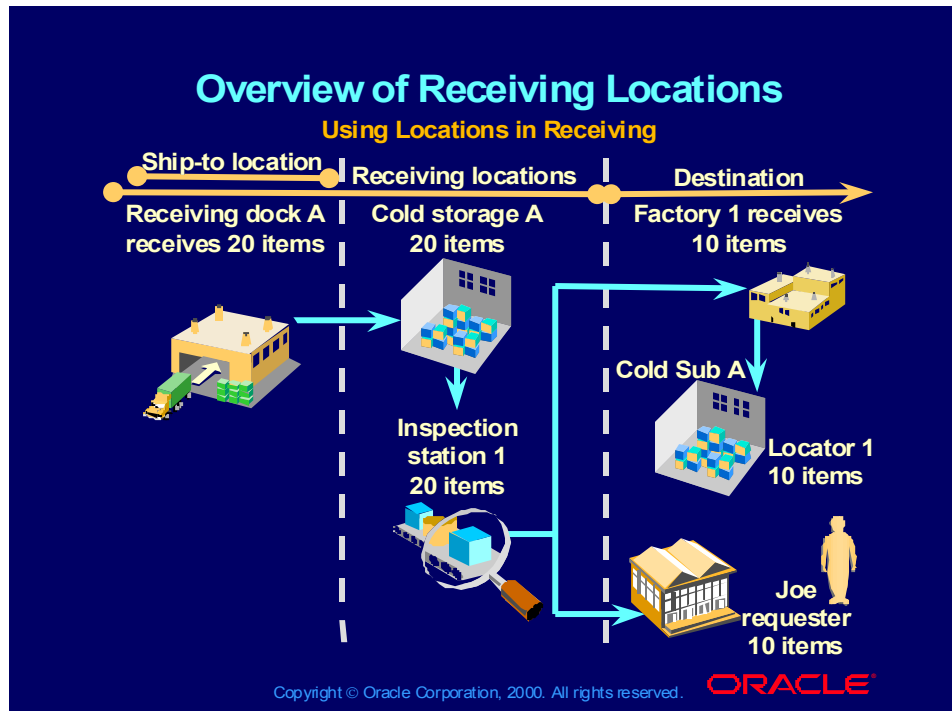
Agenda

- **Manage Received Goods**
- **Enter Purchase Order Receipts**
- **Enter Transfer Details**
- **Correct Receiving Transactions**
- **Enter Returns**
- **Perform Receiving Inquiries**
- **Identify Implementation and Setup Requirements**

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Overview of Receiving Locations



Receiving Transaction

You record inspections, deliveries and material movements within receiving and inspection by entering receiving transactions. The transactions provide a history that allows you to track an item from its source to its destination.

Receiving Transactions allow you to:

- Transfer goods from one location to another
- Document inspection results
- Deliver goods to their required destination
- It is the destination type that tells the system if the material is in the receiving space or its final destination.

Finding Receiving Transactions

Finding Receiving Transactions

Use the Find Receiving Transactions window to find receiving transactions that show quantities that have been received but not yet delivered

(N) Oracle Purchasing > Receiving > Receiving Transactions

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(Help) Oracle Manufacturing Applications > Oracle Purchasing > Receiving > Receiving Transactions

Entering Receiving Transactions

Entering Receiving Transactions

Use the Receiving Transactions window to record inspection, delivery and material movement within receiving.

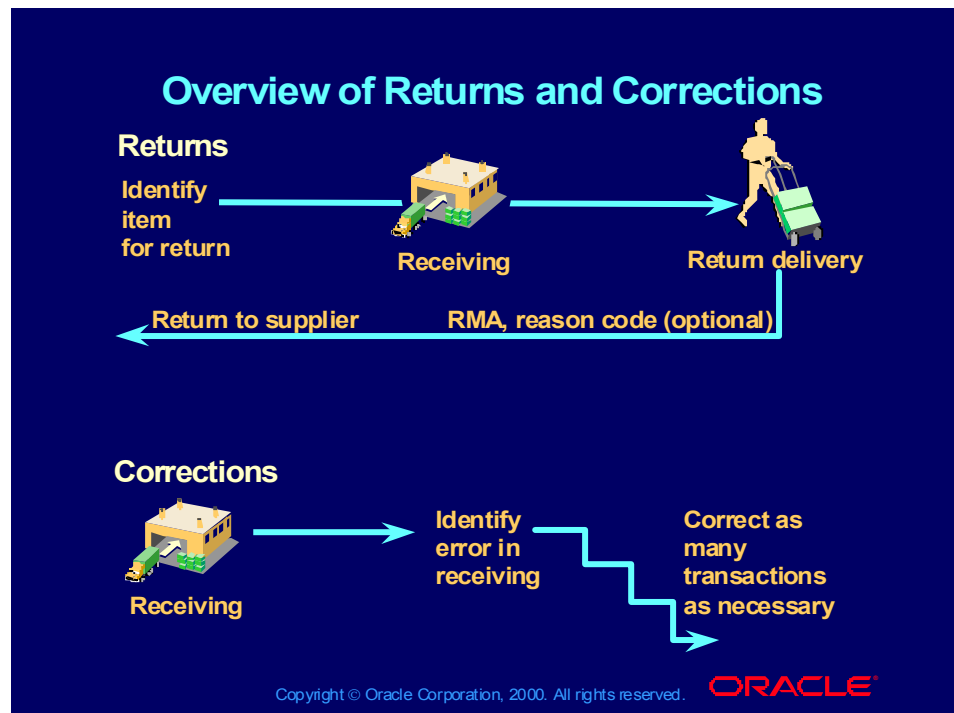
(N) Oracle Purchasing > Receiving > Receiving Transactions (B) Find

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(Help) Oracle Manufacturing Applications > Oracle Purchasing > Receiving > Receiving Transactions

Overview of Returns and Corrections



Returns

- You can return delivered items to receiving and return received or delivered externally sourced items to the supplier if the purchase order has neither been canceled nor finally closed.
- You can also return to the supplier unordered receipts that have not been matched.
- You can also optionally specify additional return information such as a Reason Code and RMA (Return Material Authorization) number.

•Corrections

- Oracle Purchasing provides the capability to correct any receiving transaction, except another correction and a return to a receiving transaction.
- Each transaction is done individually correcting the previous transactions until all applicable transactions are corrected.

Finding Returns

Finding Returns

Use the Find Returns window to locate purchasing documents for which returns can be entered.

(N) Oracle Purchasing > Receiving > Returns

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(Help) Oracle Manufacturing Applications > Oracle Purchasing > Receiving > Returns

Entering Returns

Entering Returns

Use the Receiving Returns window to enter returns against receipts, deliveries, transfers, acceptances, and rejections.

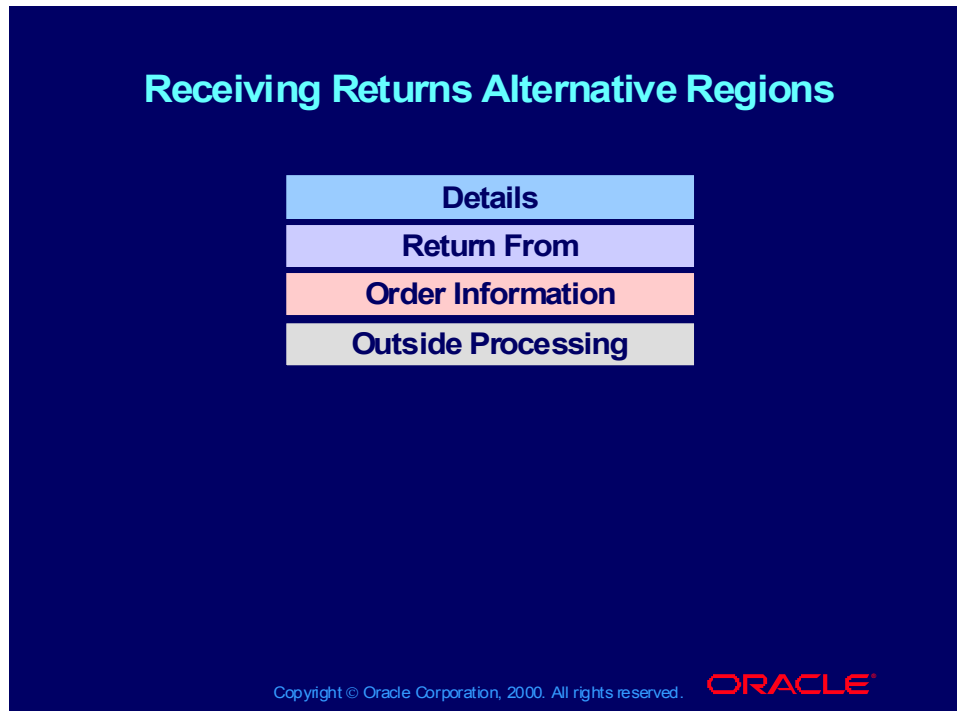
(N) Oracle Purchasing > Receiving > Returns (B) Find

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(Help) Oracle Manufacturing Applications > Oracle Purchasing > Receiving > Returns

Receiving Returns Alternative Regions



Alternative Regions

Alternative Regions	Relative Return Information
Details	Transaction Date, Reason, Supplier Lot, Comments, Packing Slip, Supplier Item, Hazard, UN Number
Return From	Destination Type, Location, Person, Subinventory, Locator
Order Information	Order Type, purchase Order, Release, Line Shipment, Supplier, Quantity Ordered, UOM
Outside Processing	Job/Schedule, Line, Operation Sequence, Department

Finding Corrections

Finding Corrections

Use the Find Corrections window to search for receiving transactions that require corrections.

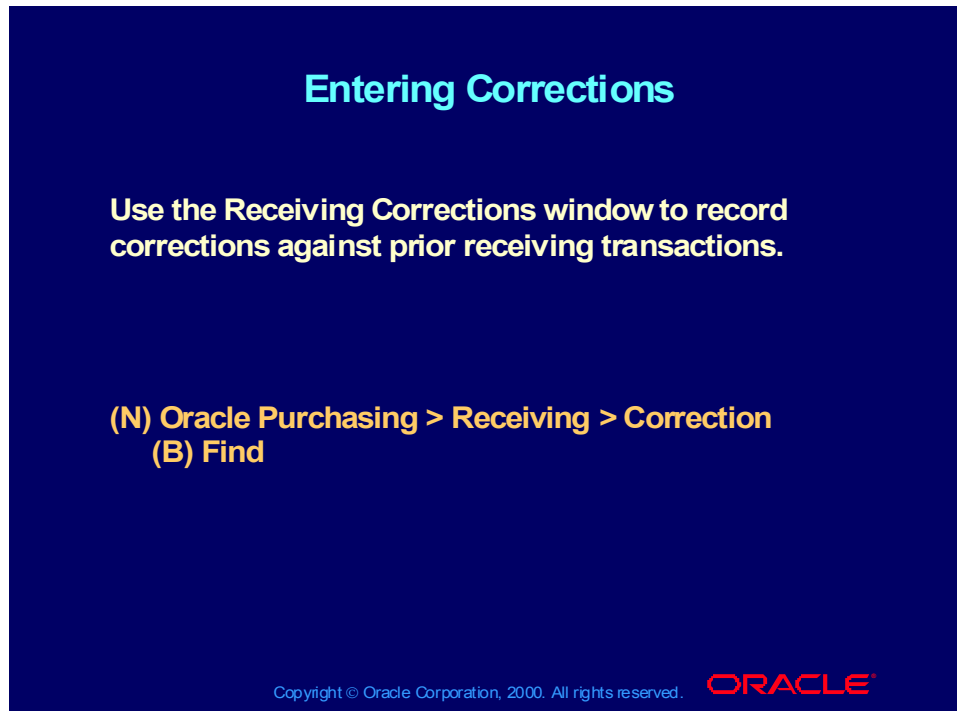
(N) Oracle Purchasing > Receiving > Corrections

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(Help) Oracle Manufacturing Applications > Oracle Purchasing > Receiving > Corrections

Entering Corrections



(Help) Oracle Manufacturing Applications > Oracle Purchasing > Receiving > Corrections

Receiving Corrections

A correction must be processed and the window needs to be reaccessed before you can enter your next correction. To reaccess the window, simply choose Window from the menu bar and select Find Corrections. When the Find Corrections window appears, click the Find button to reaccess the Receiving Corrections window.

Shipment Status of a Line

Shipment Status of a Line

Use the Purchase Order Shipments window to:

- view the status of a returned line
- view the status of a corrected line
- view the status of a received line
- view the status of an inspected line

(N) Oracle Purchasing > Purchase Order Summary
(B) Find (B) Open (B) Shipments

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(Help) Oracle Manufacturing Applications > Oracle Purchasing >
Using the Purchase Order Summary Windows

... > Using the Purchase Order Headers Summary Window

... > Using the Purchase Order Lines Summary Window

... > Using the Purchase Order Shipments Summary Window

... > Using the Purchase Order Distributions Summary Window

Agenda

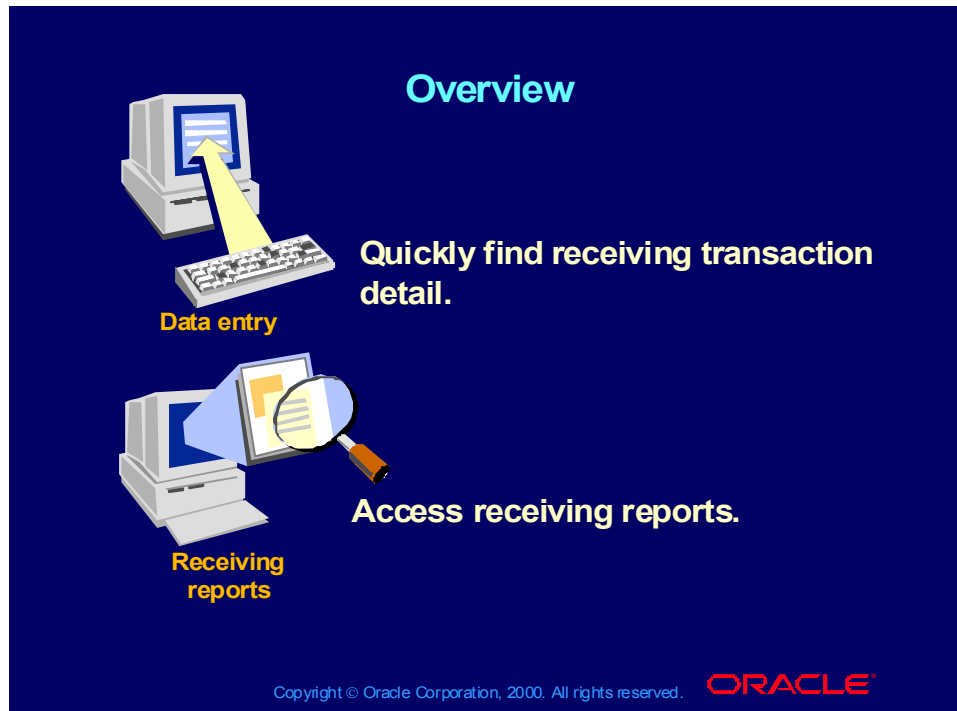
Agenda

- Manage Received Goods
- Enter Purchase Order Receipts
- Enter Transfer Details
- Correct Receiving Transactions
- Enter Returns
- **Perform Receiving Inquiries**
- Identify Implementation and Setup Requirements

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Overview



Finding Receiving Transaction Information

Receiving transactions record:

- receipts
- inspections
- deliveries
- material movements
- Use the Receipt Transactions Summary window to review these transactions.

•Receiving Reporting

- You can use the report options available in Oracle Purchasing to access numerous reports to view receiving information.
 - What goods are expected today, tomorrow, next week?
 - Has a particular order been received?
 - What expected shipments are overdue?
 - What suppliers have sent us more than we ordered?

Finding Receiving Transactions

Finding Receiving Transactions

Use the Find Receiving Transactions window to review transaction history of an item from its source to its destination.

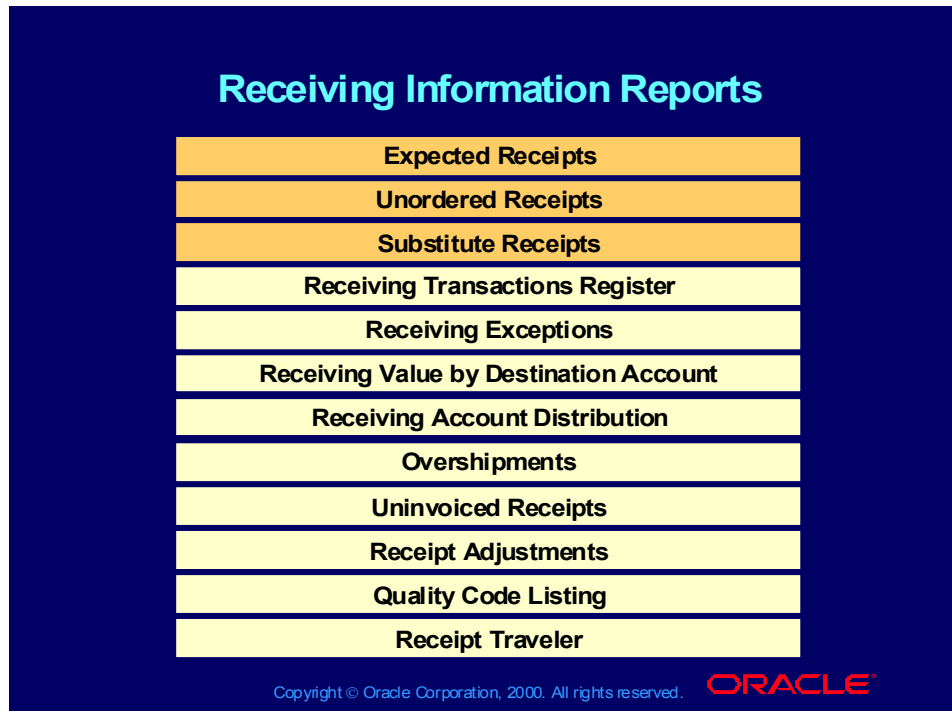
(N) Oracle Purchasing > Receiving > Receiving Transaction Summary (B) Find

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(Help) Oracle Manufacturing Applications > Oracle Purchasing > Receiving > Receiving Transactions

Receiving Information Reports



Receipt Information Reports

You can use the report options available in Oracle Purchasing to access numerous reports to provide you with receiving information.

Expected Receipts Report

You can review all or specified expected receipts for a particular date or a range of dates.

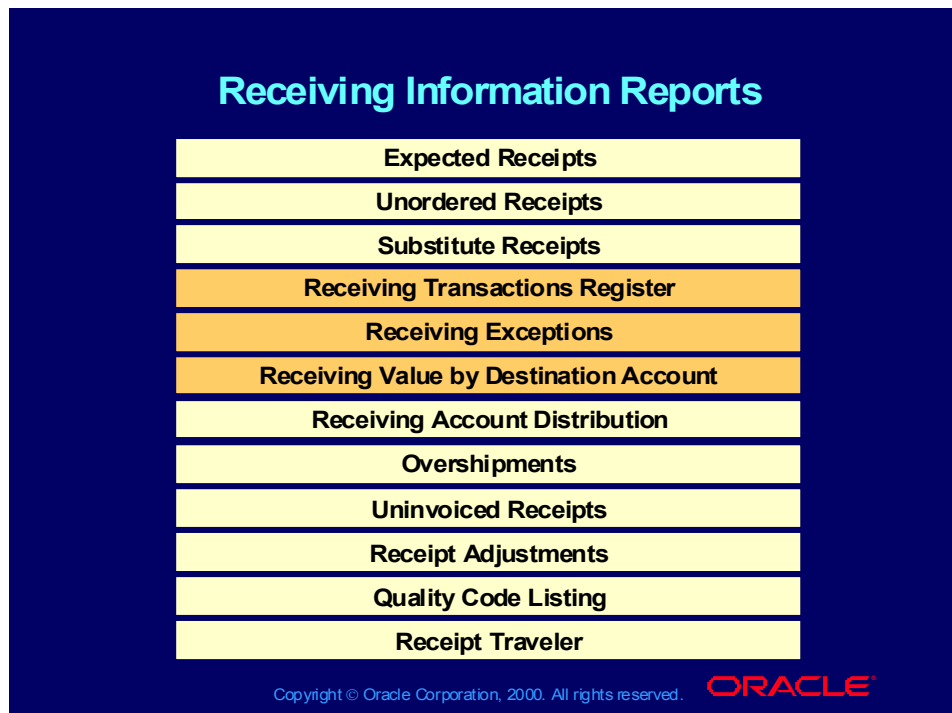
Unordered Receipts

Use this report to review all or selected unordered receipts. Unordered receipts refer to received items that receiving personnel could not match to PO's.

Substitute Receipts Report

Use this report to review all or specific substitute receipts.

Receiving Information Reports



Receipt Information Reports (continued)

Receiving Transaction Register

Use this report to review detail information about your receiving transactions.

Receiving Exceptions Report

Use this report to review receipts you placed on exception hold.

Receiving Value by Destination Account Report

Use this report to review your received items, which have not yet been delivered, by purchase order destination and distribution account.

Receiving Information Reports

Receiving Information Reports	
Expected Receipts	
Unordered Receipts	
Substitute Receipts	
Receiving Transactions Register	
Receiving Exceptions	
Receiving Value by Destination Account	
Receiving Account Distribution	
Overshipments	
Uninvoiced Receipts	
Receipt Adjustments	
Quality Code Listing	
Receipt Traveler	

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Receipt Information Reports (continued)

Receiving Account Distribution Report

Use this report to review the accounting distributions created by your receiving transactions.

Overshipments

Purchase order receipts with a quantity received greater than the quantity ordered. You can also use this report to identify service overcharges or vendors who delivery more than the requested quantity.

Uninvoiced Receipts

Use this report to review all or specific uninvoiced receipts.

Receiving Information Reports

Receiving Information Reports	
Expected Receipts	
Unordered Receipts	
Substitute Receipts	
Receiving Transactions Register	
Receiving Exceptions	
Receiving Value by Destination Account	
Receiving Account Distribution	
Overshipments	
Uninvoiced Receipts	
Receipt Adjustments	
Quality Code Listing	
Receipt Traveler	

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Receipt Information Reports (continued)

Receipt Adjustments Report

Use this report to review purchase order shipments or internal requisition lines with corrections or returns to vendor.

Quality Code Listing

Use this report to review the inspection quality codes.

Receipt Traveler

Use the Receipt Traveler to facilitate receiving inspection and delivery of goods you received within your organization.

General Ledger Drilldown

General Ledger Drilldown

- Enables you to view your receiving accounting entries from the Receiving Transactions Summary window
- View accounting entries in T-account format

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General Ledger Drilldown

You can now view receiving accounting entries from within Oracle Purchasing to simplify resolving accounting questions.

General Ledger Drilldown Implementation

- GL and PO periods opened
- Daily rates defined
- Receiving accounts defined for organization
- Receiving transaction manager active
- Transactions imported and posted to GL

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Agenda

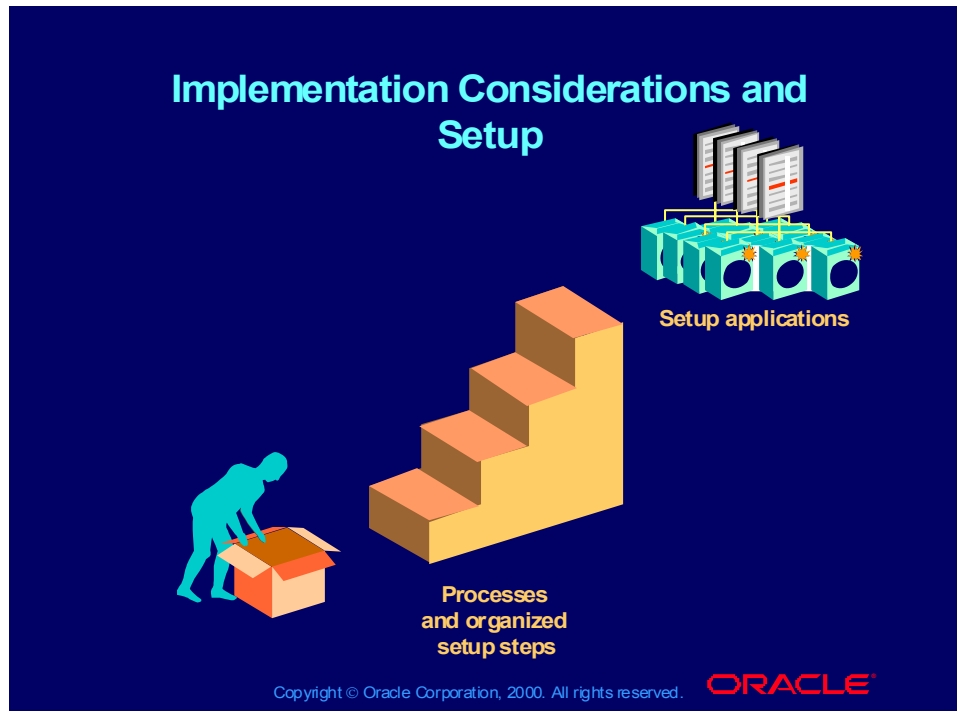
Agenda

- **Manage Received Goods**
- **Enter Purchase Order Receipts**
- **Enter Transfer Details**
- **Correct Receiving Transactions and Enter Returns**
- **Perform Receiving Inquiries**
- **Identify Implementation and Setup Requirements**

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Implementation Considerations and Setup



Setting Purchasing Options

Setting Purchasing Options

Use the Purchasing Options window to define options that govern receipts in your system.

(N) Oracle Purchasing > Setup > Organizations > Purchasing Options

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(Help) Oracle Manufacturing Applications > Oracle Purchasing > Setting Up > Purchasing Options > Defining Purchasing Options

Setting Purchasing Controls for Receiving Functions


Receiving Control	Purchasing Options Window Alternative Region
Invoice Matching	Default
Invoice Close Tolerance	Default
Receipt Close Tolerance	Default
Receipt Close Point	Control
Expense Accrual Point	Accrual
Expense AP Accrual Account	Accrual
Receipt Numbering	Numbering

Receiving Setup

Receiving Setup

Setup requirements and options enable you to:

- Establish receiving and control default information:
 - Receive before or after the due date
 - Receive substitute and unordered items
- Define batch or immediate processing capability
- Provide or restrict authorization to create, modify, and approve documents



Setup requirements and options

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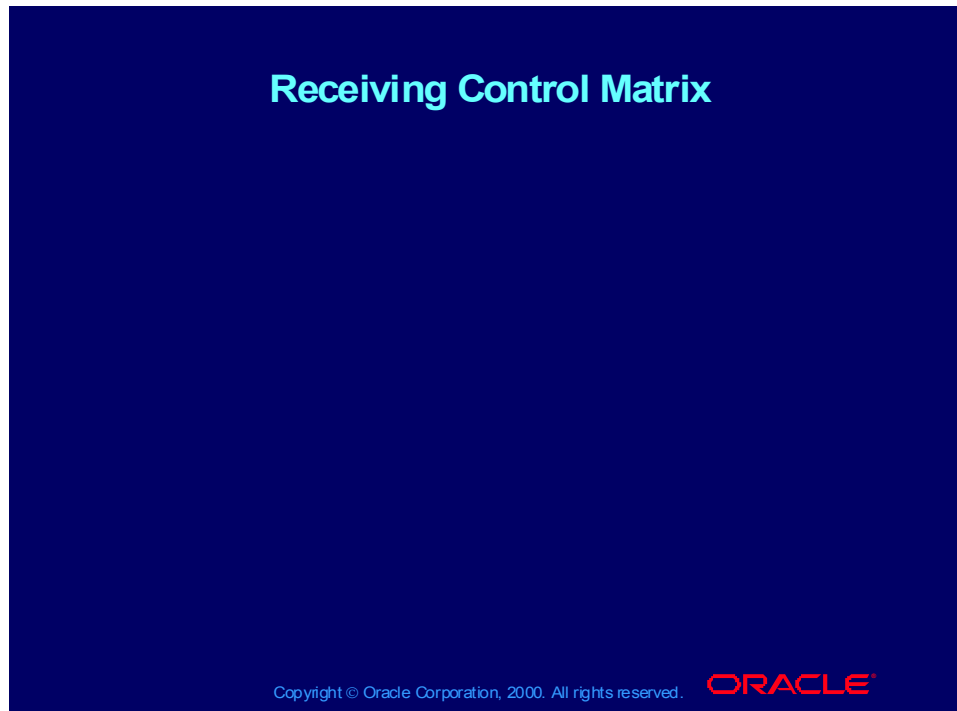
Oracle Purchasing Setup Options

You can set receiving controls and options at one or more of the following levels:

- System
- Organization
- Supplier
- Item
- Order

•**Note:** Controls at any level override those at a higher level. Example, item-level controls override supplier controls but are overridden by order controls.

Receiving Control Matrix



	Purchasing Options Window (System)	Receiving Options Window (Org)	Supplier Window (Supplier)
Invoice Matching	X		X
Invoice Close Tolerance	X		
Receipt Close Tolerance	X		
Receipt Close Point	X		
Expense Accrual Point	X		
Expense AP Accrual Account	X		
Receipt Numbering		X	
Allow Substitute Items		X	X
Allow Unordered Items		X	X
Allow Express Transactions		X	
Allow Cascade Transactions		X	
Allow Blind Receipt		X	
Enforce Ship-To Location		X	X
Overreceipt Tolerance		X	X
Early/Late Receipt Tolerance		X	X
Receiving Account			X

Receipt Routing	X	X
Fail All ASN Lines if One Line Fails		
Print Receipt Traveler		
Processing Mode		

Receiving Control Matrix (continued)



	Item Window (Item)	PO Shipments Window (Order)	User Profile Window (User)
Invoice Matching	X	X	
Invoice Close Tolerance	X	X	
Receipt Close Tolerance	X	X	
Receipt Close Point			
Expense Accrual Point			
Expense AP Accrual Account			
Receipt Numbering			
Allow Substitute Items	X	X	
Allow Unordered Items	X		
Allow Express Transactions			
Allow Cascade Transactions			
Allow Blind Receipt			
Enforce Ship-To Location	X	X	
Overreceipt Tolerance	X	X	
Early/Late Receipt Tolerance	X	X	
Receiving Account			

Receipt Routing	X	X	
Fail All ASN Lines if One Line Fails			X
Print Receipt Traveler			X
Processing Mode			X

Setting Receiving Options

Setting Receiving Options

Use the Receiving Options window to define options that govern receipts in your system.

(N) Oracle Purchasing > Setup > Organizations > Receiving Options

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(Help) Oracle Manufacturing Applications > Oracle Purchasing > Receiving > Receiving Controls, Options, and Profiles

Receiving Options

Most of the options you set here can be overridden for specific suppliers, items, and purchase orders.

Setting Receiving Personal Profile Values

Setting Receiving Personal Profile Values

Use the Personal Profile Values window to set default profile values for receiving transactions.

(N) Oracle Purchasing > Personal Profiles

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(Help) Oracle Manufacturing Applications > Oracle Purchasing > Setting Up > Personal Profiles

Setting Receiving Personal Profile Values

You can establish the ability to override routing, print a receipt traveler, and determine when your receiving transactions are processed in the Receiving area of the Personal Profile Value window.

- RCV: Allow routing override: Yes/No
- RCV: Fail All ASN Lines if One Fails: Yes/No
- RCV: Print Receipt Traveler: Yes/No
- RCV Processing Mode:
 - Immediate: Receiving transactions are processed immediately and you can continue to create transactions.
 - Batch: Oracle Purchasing returns control immediately when you commit a transaction and processes all your transactions periodically at defined intervals.
 - Online: Receiving transactions will process online and you will not be able to create another transaction until the current transaction is finished.

Implementation Considerations for Invoice Matching to Receipts

Implementation Considerations for Invoice Matching to Receipts

Invoice Match Option, has been added:

- **to the Shipments window in Purchase Orders**
- **under the More tab in the Releases window**

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Exchange Rate Based on Receipt

Exchange Rate Based on Receipt

- Automatically capture exchange rate at time of receipt
- Facilitates acquisition/landed cost calculation
- Accurate purchase price variance (PPV) for high fluctuation currencies
- Measures exchange rate variance (ERV) as difference between AP invoice and material receipt value

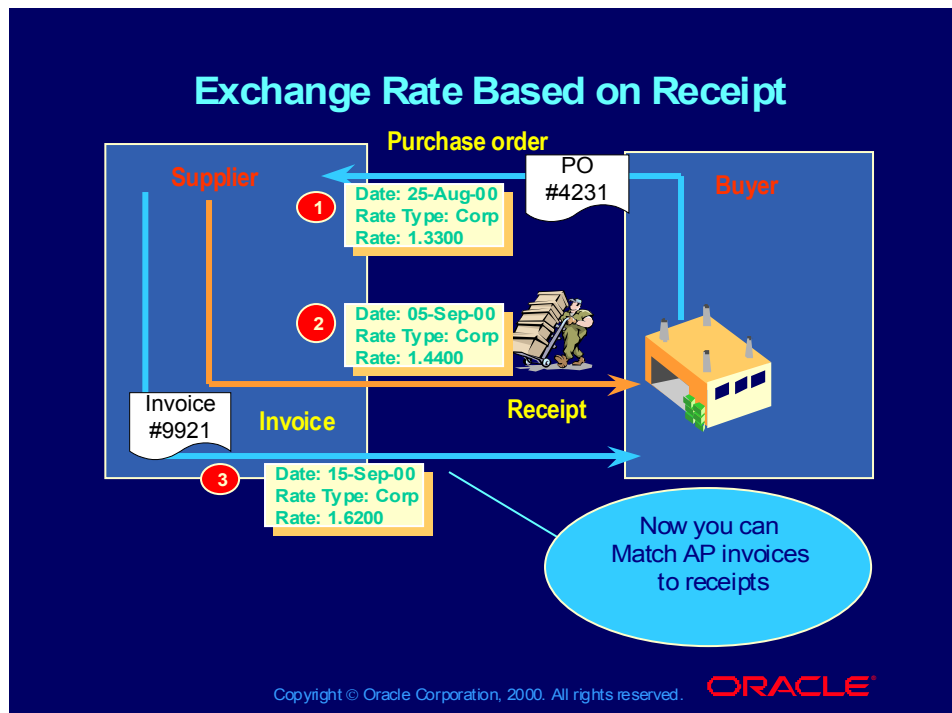
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Exchange Rates

- Captures exchange rate information on receipt.
- Recalculate the item price and the nonrecoverable tax based on the new exchange rate.
- Meets legal requirement to record and value goods purchased from foreign suppliers at the exchange rate existing on date of receipt

Exchange Rate Based on Receipt



Payment on Receipt Implementation Considerations

Payment on Receipt Implementation Considerations

- **Offset period to support corrections and adjustments**
 - **Profile option: PO: ERS Aging Period**
 - **Parameter for process submission**
- **Document level control**
 - **Extra field on PO-Header: Pay on Receipt**
 - **Supplier site must be pay on receipt**
- **User-defined Invoice prefix**
 - **Profile option: PO: ERS Invoice Number Prefix**
 - **Lowest level = responsibility**

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System Profile Options

(N) System Administrator—>Profiles—>System—> Query PO: ERS%

Payment on Receipt Enhancements Profile Options

- Support for corrections and adjustments.
- Set up payment on receipt for individual documents.
- Payment on receipt invoices can have a user defined prefix.

•PO: ERS Aging Period

•The aging period is the number of days payment on receipt waits after the receipt date before automatically creating the invoice.

•PO: ERS Invoice Number Prefix

•This profile option enables you to change or shorten the default ERS prefix on invoices created through payment on receipt to something that better characterizes these invoices for your business.

Material Shortage Messages

Material Shortage Messages

- **Notifies receiver that a shortage exists in Work in Process or Order Management**
- **Expedites the receiving process**

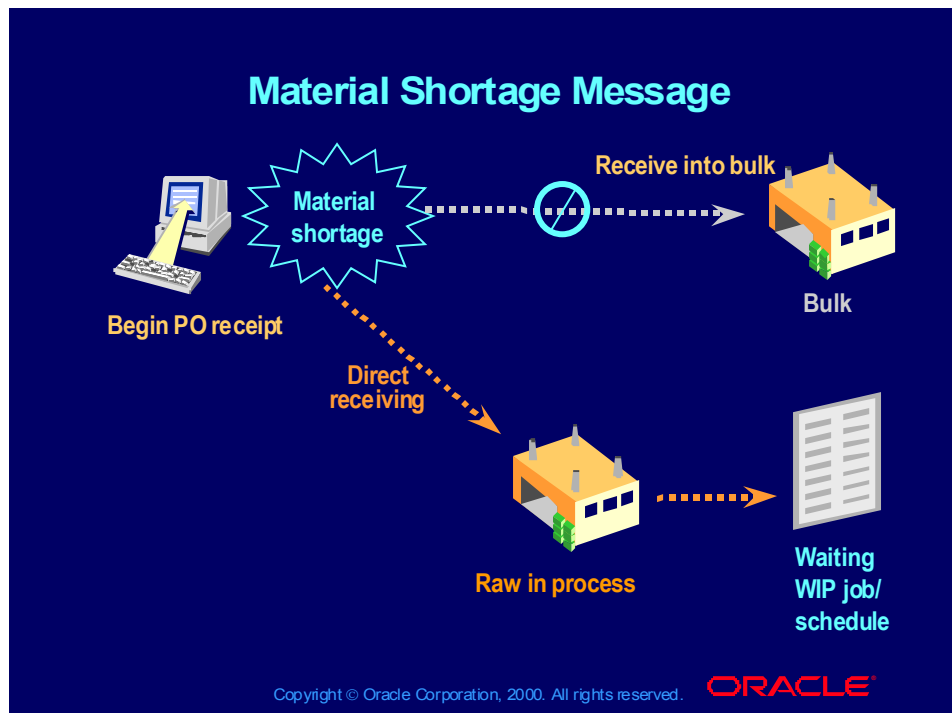
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Overview

- You can enable inventory items to display shortage messages upon receipt.
- Upon receiving a shortage message the receiver can expedite the item to where it is needed.

Material Shortage Message



Creating Quality Inspection Codes

Creating Quality Inspection Codes

Use the Quality Inspection Codes window to define and update inspection codes for when items are received and inspected.

(N) Oracle Purchasing > Setup > Purchasing > Quality Inspection Codes

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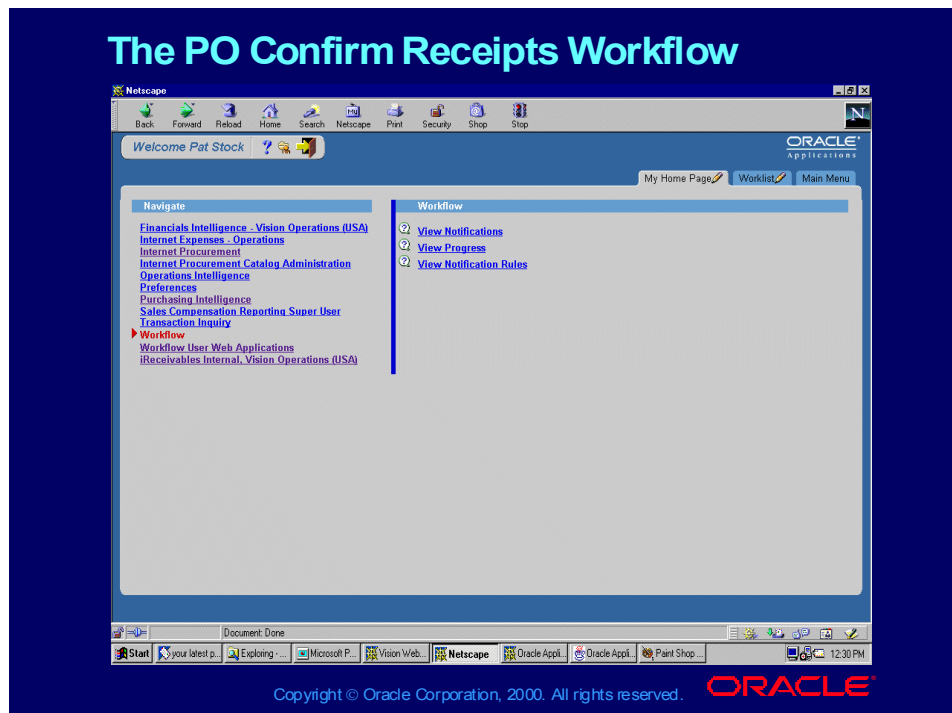
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(Help) Oracle Manufacturing Applications > Oracle Purchasing > Setting Up > Defining Quality Inspection Codes

Quality Inspection Codes

You can define as many codes for inspection as you want. Each code must have a corresponding numerical ranking, which provides an inspection scale.

The PO Confirm Receipts Workflow



PO Confirm Receipts Workflow

PO Confirm Receipts is a Workflow-driven desktop receiving feature available as part of Oracle iProcurement. Workflow sends a notification to the requester to confirm receipts on the due date. Requesters can navigate to the relevant documents and confirm the receipt of orders online.

This workflow sends a notification for items with a Destination or Deliver-to type of expense, a Routing of Direct Delivery, and a Need-By date that is equal to or later than the current date.

Setup Steps for Workflow

Setup Steps for Workflow

The embedded Oracle workflows require the initiation of some concurrent programs and the completion of certain setup steps in Oracle Applications.

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Workflow Setup Steps

The embedded Oracle workflows require the initiation of some concurrent processes and the completion of setups in Oracle Applications. To ensure proper workflow processing you will need to perform a series of tasks that are summarized below:

Start the PO Document Approval Manager

(N) System Administrator > Concurrent Manager > Administer

Start the Workflow Background Process

(N) System Administrator > Requests > Run

Start the Workflow Notification Mailer

(N) System Administrator > Requests > Run

Start the Confirm Receipts Workflow Receipts Select Orders Program

(N) System Administrator > Requests > Run

Set the PO: Workflow Processing Mode profile option to Online or Background

(N) System Administrator > Profiles > System

Specify the approval workflow in the Document Type window

(N) Oracle Purchasing > Setup > Purchasing > Document Types

11i Purchasing Setup and Implementation

Chapter 14

11i Purchasing Setup and Implementation

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Objectives

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

- **Describe the technology that makes Oracle Internet Procurement work**
- **Understand the Oracle Purchasing setup steps that influence the procurement process**
- **Describe the basic process flows within Oracle Purchasing**
- **Implement Oracle Purchasing to fit the needs of your business process**

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Agenda

Agenda

- **Understanding purchasing implementation**
- **Critical Setup Steps**
- **Accounting Setup**
- **Oracle Inventory Setup**
- **Supplier/Sourcing Setup**
- **Purchasing Document Setup**
- **Receiving Setup**
- **Summary**

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Understanding Purchasing Setup & Implementation

Understanding Purchasing Setup & Implementation

- **Purchasing implementation within the business process model**
- **Purchasing integration that affects setup and implementation**
- **Oracle Internet Procurement technology**

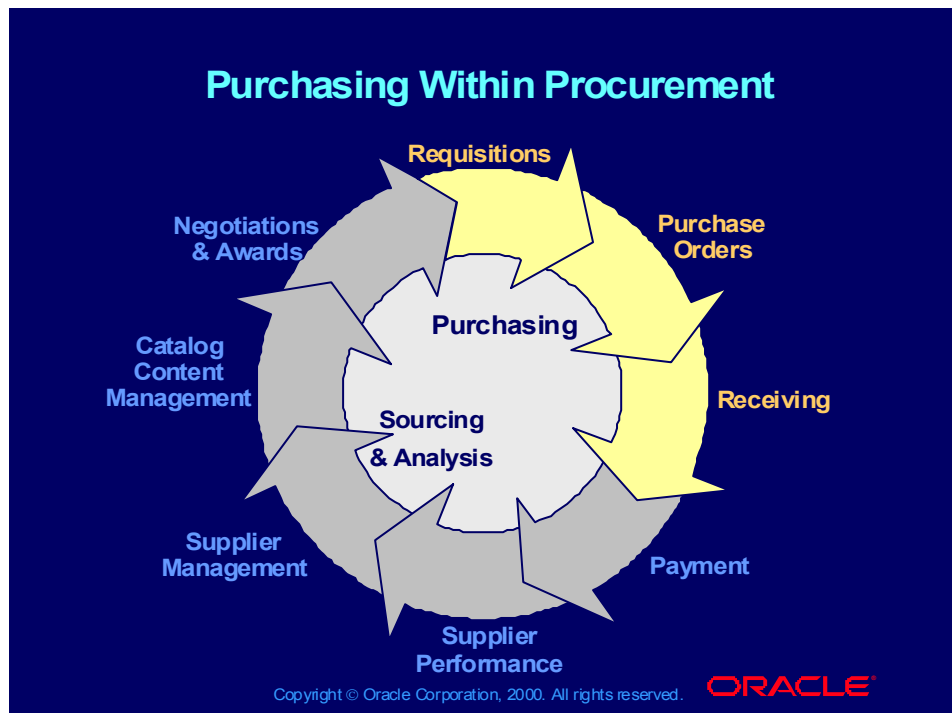
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Purchasing Setup & Implementation

This course provides a comprehensive understanding of the architecture and setup of Oracle Purchasing functionality. This includes topics such as integration points with other Oracle applications, Oracle Purchasing workflows, and the critical setup points that affect how Oracle Purchasing can best fit your business needs.

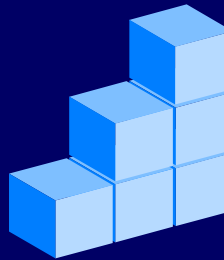
Purchasing Within Procurement



Purchasing Setup & Implementation Process Components

Purchasing Setup & Implementation Process Components

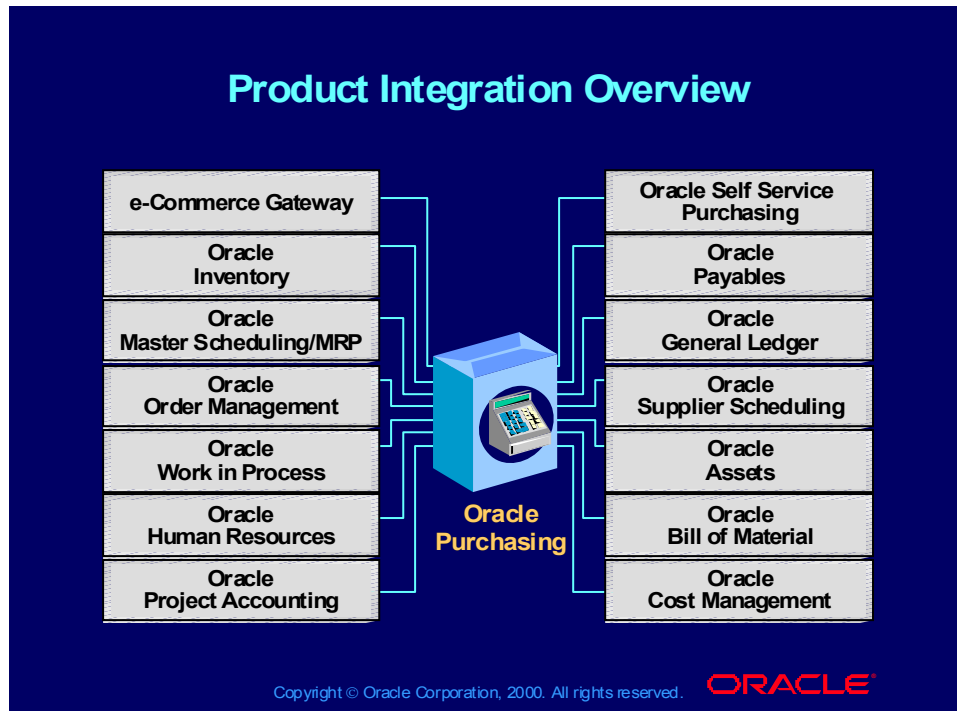
- Accounting
- Suppliers
- Items
- Supplier Sourcing
- Document Approval
- Requisitions
- Purchase Orders
- Workflow
- Receiving



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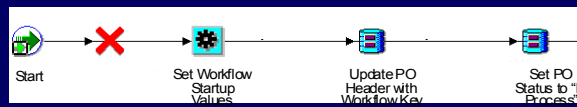
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Product Integration Overview



Oracle Workflow

- Provides notifications to concerned parties
- Automates document creation
- Automates document approval
- View status using graphical Workflow Monitor



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Internet Procurement Architecture

Oracle Internet Procurement uses a three-tier architecture

- **Database server**
- **Application servers**
- **Desk-top client machines with web browser**

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Review Question

Review Question

Which of the following resources would NOT be required for Oracle Purchasing implementation?

- 1. Customers**
- 2. Suppliers**
- 3. Accounting**
- 4. Employees**
- 5. Organizations**

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Review Question

Review Question

Which of the following resources would NOT be required for Oracle Purchasing implementation?

1. Customers
2. Suppliers
3. Accounting
4. Employees
5. Organizations

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Review Question

Review Question

Oracle Workflow is a required component for Oracle Internet Procurement.

True

False

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Review Question

Review Question

Oracle Workflow is a required component for Oracle Internet Procurement.

True

False

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Agenda

Agenda

- Understanding purchasing implementation
- **Critical Setup Steps**
- Accounting Setup
- Oracle Inventory Setup
- Supplier/Sourcing Setup
- Purchasing Document Setup
- Receiving Setup
- Summary

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Critical Steps in Purchasing Implementation

Critical Steps in Purchasing Implementation

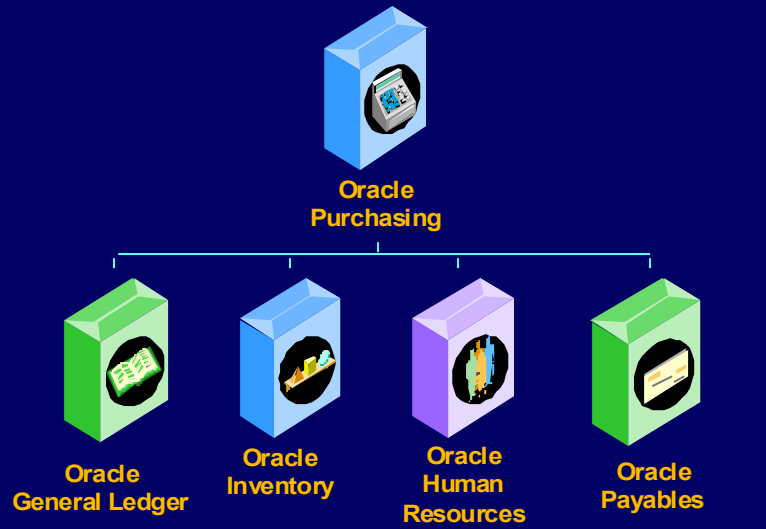
- Integration points with other Oracle products
- Required set up steps for Oracle Purchasing



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Key Purchasing Dependencies



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Required Setup Steps Common to all Oracle Applications



Required Setup Steps Common to all Oracle Applications

- Set Up System Administrator
- Define Accounting Key Flexfields
- Set Up Calendars, Currencies, and Set of Books
- Define Human Resources Key Flexfields
- Define Locations
- Define Organizations and Organization Relationships

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“Overview of Setting Up” is an *Oracle Purchasing Users Guide* topic or available as a Help topic available from:

(Help) Oracle Purchasing > Setting Up > Overview of Setting Up

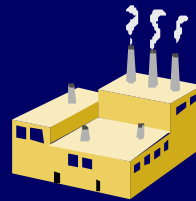
Set Up System Administrator

Minimum sysadmin setup is to create super user responsibility for Purchasing & System Administrator and set up a printer.

Required Setup Steps Common to all Manufacturing Applications

Required Setup Steps Common to all Manufacturing Applications

- Define Inventory Key Flexfields
- Define Units of Measure
- Define Item Attributes, Codes, and Templates
- Define Categories
- Set Up Personnel
- Set Up Oracle Workflow
- Open Inventory and Purchasing Accounting Periods



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Required Setup Steps for Oracle Purchasing

Required Setup Steps for Oracle Purchasing



- **Set Up Approval Information**
- **Define Lookups**
- **Define Purchasing Options**
- **Define Buyers**
- **Define Line Types**
- **Purchasing Database Administration**
- **Define Financial Options**

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Required Setup Steps for Oracle Purchasing

Required Setup Steps for Oracle Purchasing

- Define Receiving Options
- Set Up Transaction Managers and Resubmission Intervals
- Define Suppliers
- Set Up Purchasing Workflow Options
- Submit Workflow-related Processes
- Define Manufacturing System and User Profiles



**Oracle
Purchasing**

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Review Question

Review Question

Oracle Purchasing is NOT dependant on which of the following products?

- 1. Oracle General Ledger**
- 2. Oracle Inventory**
- 3. Oracle Receivables**
- 4. Oracle Payables**
- 5. Oracle HRMS**

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Review Question

Oracle Purchasing is NOT dependant on which of the following products?

- 1. Oracle General Ledger**
- 2. Oracle Inventory**
- 3. Oracle Receivables**
- 4. Oracle Payables**
- 5. Oracle HRMS**

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Demonstration

In Oracle Purchasing we will demonstrate how to:

- **Use Help to obtain details on the setup steps to implement Oracle Purchasing**
 - Setup flowchart
 - Setup checklist
 - Setup detailed steps
- **View the same information available from the Oracle Purchasing Users Guide**

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Agenda

Agenda

- Understanding purchasing implementation
- Critical Setup Steps
- **Accounting Setup**
- Oracle Inventory Setup
- Supplier Sourcing Setup
- Purchasing Document Setup
- Receiving Setup
- Summary

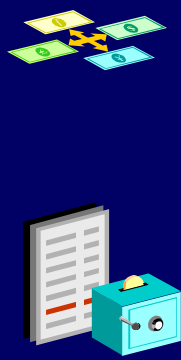
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Accounting Setup

Accounting Setup

- Setup requirements and options enable you to:
 - Establish currency controls and exchange rates
 - Create and control default information
 - Define accounting controls for ordering and receiving



The illustration shows four banknotes (yellow, green, blue, and red) floating in the air, with a yellow arrow pointing from the yellow note to the green note. Below the banknotes is a white document with a red line and a blue folder with a yellow tab.

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This course assumes that you have completed the basic setup for Oracle Applications. These are the required setup steps covered in the first two slides in the previous section of this course. This section on accounting presents an overview of how those setup steps will affect Purchasing.

“Overview of Setting Up” is an *Oracle Purchasing Users Guide* topic or available as a Help topic available from:

(Help) Oracle Purchasing > Setting Up > Overview of Setting Up

Accounting Setup for Oracle Purchasing

Accounting Setup for Oracle Purchasing



- Types of accounting periods
- Defining your accounting calendar
- Define foreign currencies
- Creating types of conversion rates
- Entering daily conversion rates

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See step three of the setup steps in *Overview of Setting Up* in the Purchasing references. Note that in most organizations many of these steps will be performed by the group responsible for setting up the General Ledger. You may want to verify that it has been completed before beginning the Purchasing setup steps.

“Overview of Setting Up” is an *Oracle General Ledger Users Guide* topic or available as a Help topic available from:

(Help) Oracle General Ledger > Setup > Overview of Setting Up

Accounting Setup for Oracle Purchasing

Accounting Setup for Oracle Purchasing

- Set of books
- Accrual options
- Defining accounts
- Charge accounts
- Receiving accrual account
- Rate variance gain and loss accounts



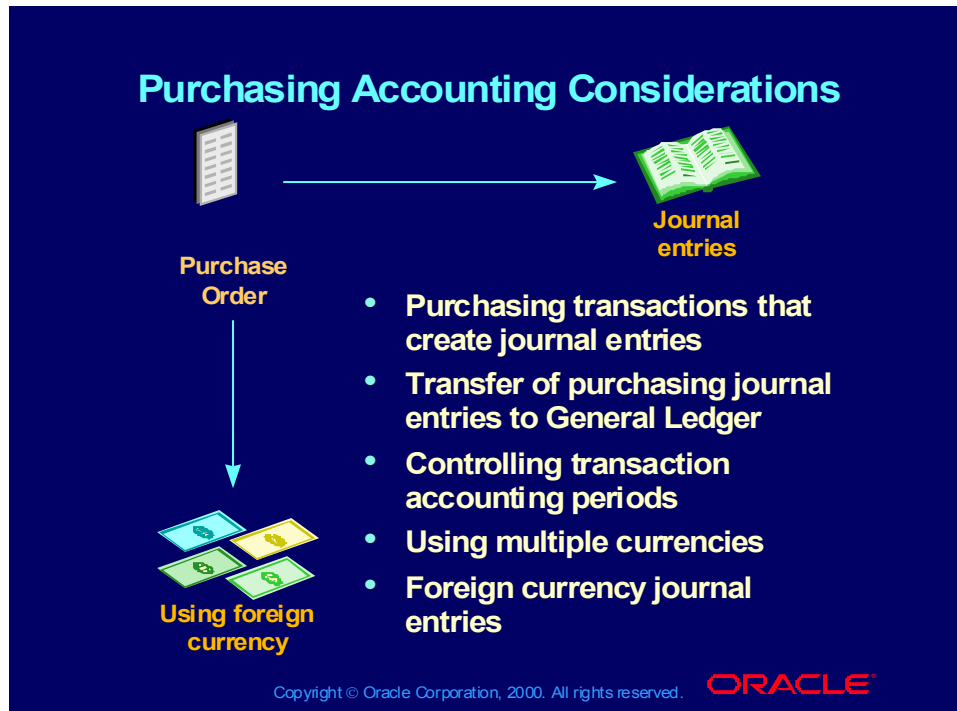
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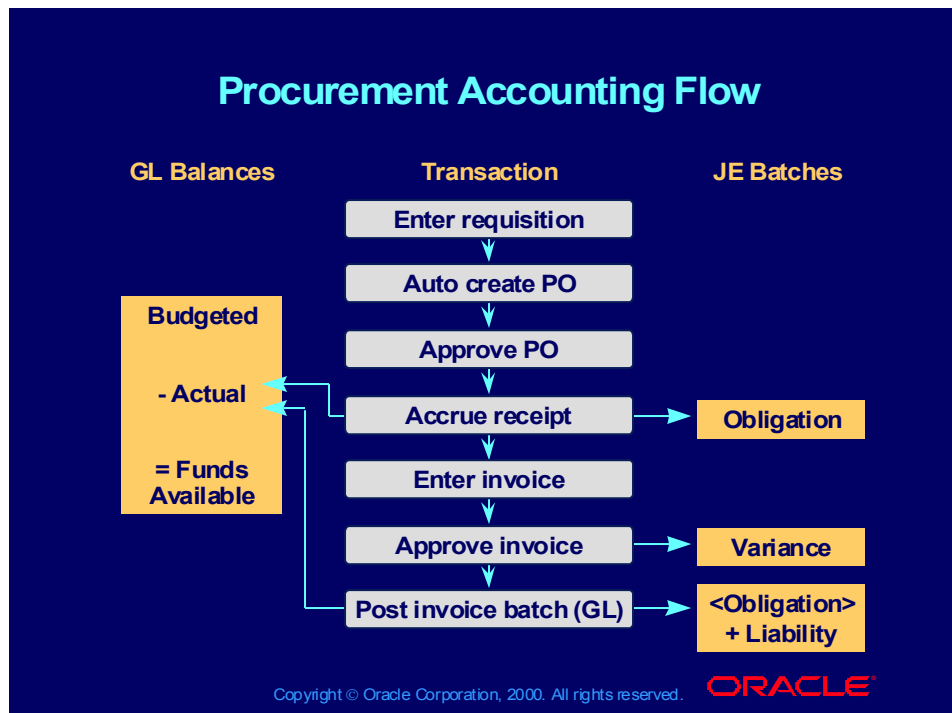
“Defining Accounts” is an *Oracle General Ledger Users Guide* topic or available as a Help topic available from:

(Help) Oracle General Ledger > Setup > Planning and Installation > Defining Accounts

Purchasing Accounting Considerations



Procurement Accounting Flow

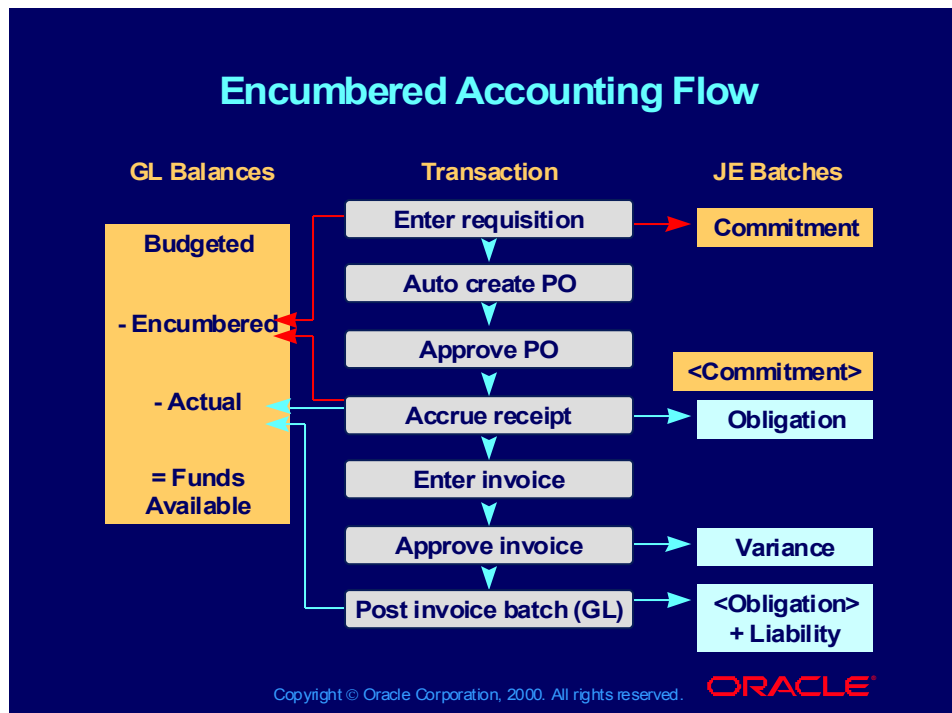


A generalized procurement standard accounting flow. Note that there are variations based item destination and accrual flag settings.

“Overview of Receipt Accounting” is an *Oracle Purchasing Users Guide* topic or available as a Help topic available from:

(Help) Oracle Purchasing > Receiving > Overview of Receipt Accounting

Encumbered Accounting Flow



A generalized procurement encumbered accounting flow. Note that there are variations based item destination and accrual flag settings. Although this example shows the encumbrance with the requisition, the encumbrance can occur on either the requisition or the purchase order.



“Overview of Receipt Accounting” is an *Oracle Purchasing Users Guide* topic or available as a Help topic available from:

(Help) Oracle Purchasing > Receiving > Overview of Receipt Accounting

Perpetual Versus Periodic Accruals

Perpetual Versus Periodic Accruals

- **Perpetual accruals are created as goods and services are received.**
- **Periodic accruals are created at period end.**



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“Defining Accrual Options” is an *Oracle Purchasing Users Guide* topic or available as a Help topic available from:

(Help) Oracle Purchasing > Setting Up > Defining Purchasing Options > Defining Accrual Options

Perpetual Accruals Versus Periodic Accruals

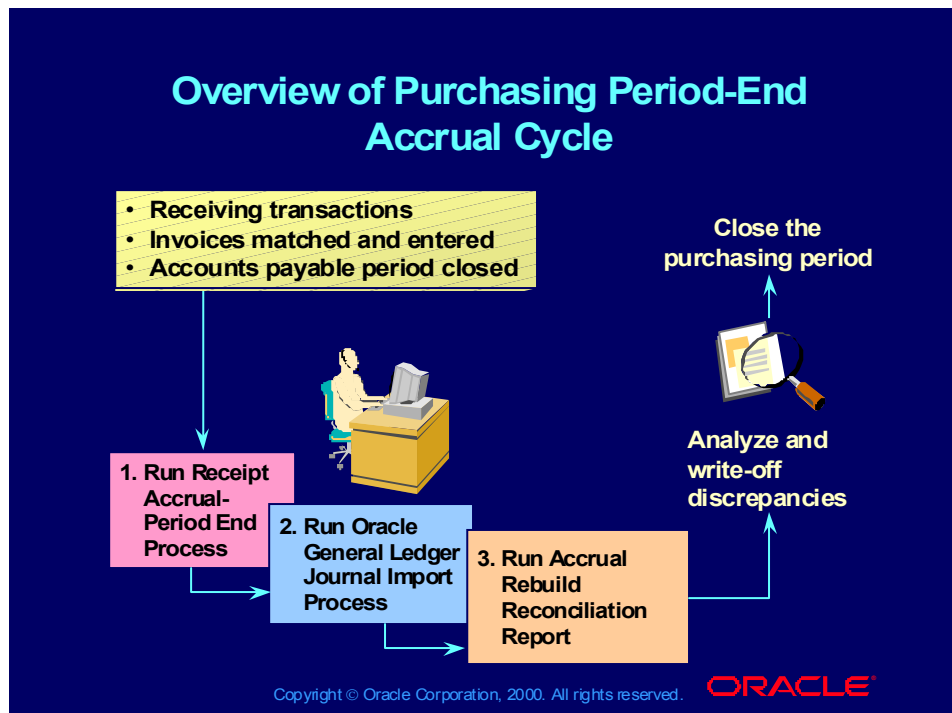
Perpetual Accruals

- Record uninvoiced receipt liabilities immediately upon receipt of goods and services.
- Actual journal entries are created for the amount of the receipt, debiting the charge account and crediting the purchase order Accrued Liability Account.

Periodic Accruals

- Record uninvoiced receipt liabilities at the end of the accounting period by running the Receipt Accruals - Period-End program.
- Journal entries (accrual type) are created for the amount of the receipt liabilities, debiting the charge account and crediting the Receipt Accrued liability account.

Overview of Purchasing Period-End Accrual Cycle



An important example of interaction between Oracle Purchasing and Oracle General Ledger that may influence accrual setup decisions during implementation.

Currency Use on Requisitions and Purchase Orders

Currency Use on Requisitions and Purchase Orders

Requisitions	Purchase Orders
Use multiple currencies	Specify one foreign currency for each purchase order
Req total expressed in functional currency	Currency cannot be changed once document is approved
Automatically updates function and foreign price using the specified rate	Unapproved document changes do not automatically convert the line prices to the new currency
Can automatically source Blanket agreements or catalog quotations	

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Requisitions and Purchase Orders Differences

Requisitions

- Oracle Purchasing maintains requisitions in functional currency, but includes foreign currency references for sourcing. The requisition total is expressed in functional currency
- Specify a single foreign currency reference for each requisition line. This currency cannot be changed once you approve the document.
- Oracle Purchasing automatically updates the functional unit price if you enter the foreign currency unit price using the specified rate. Oracle Purchasing also updates the foreign currency price if you update the functional unit price.

Purchase Orders

- Specify a single foreign currency for each purchase order. This currency cannot be changed one you approve the document.
- If you change the currency on an unapproved document, Oracle Purchasing does not automatically convert the line prices to the new currency.

Purchasing Accounting Common Setups

Purchasing Accounting Common Setups

Setup	Where Done in Purchasing
Expense Accrual	Purchasing Options*
Inventory Accrual	Purchasing Options*
Define Set of Books	Setup > Organizations > Set of Books
Accounting Periods	Setup > Financials > Accounting
Accounting Calendar	Setup > Financials > Accounting
Define Accounts	Setup > Financials > Accounting
Taxes	Setup > Financials > Accounting
Foreign Currencies	Setup > Financials > Currency
Currency Conversions	Setup > Financials > Currency

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*The Purchasing Options window will be discussed in detail later in this course.

Purchasing Responsibility

(N) Purchasing > Setup > Organization > Purchasing Options

Review Question

Review Question

Perpetual accruals insure that the obligation for received goods are in the accounting system for at the time of receipt.

True

False

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Review Question

Review Question

Perpetual accruals insure that the obligation for received goods are in the accounting system for at the time of receipt.

True

False

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Accounting Setup Demonstration

In Oracle Purchasing we will demonstrate how to:

- **Verify that the EUR (Euro) currency is enabled for Vision Operations**
- **Query the Vision Operations Set of Books**
- **Check to see if the accounting period is open for this month**

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Accounting Implementation Considerations

Issues to consider:

- Interface processing
- Integration issues



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Agenda

Agenda

- Understanding purchasing implementation
- Critical Setup Steps
- Accounting Setup
- **Oracle Inventory Setup**
- Supplier/Sourcing Setup
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- Summary

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Oracle Inventory Setup

- **With Inventory setup requirements and options you can:**
 - **Establish multiple organizations to segment your business in a logical way**
 - **Facilitate planning, purchasing, receiving, and other business requirements:**
 - **Creating business calendars**
 - **Create and control predefined items**

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This course assumes that you have completed the basic setup for Oracle Applications. These are the required setup steps covered in the first two slides in the Required Setups section of this course. This section on inventory presents an overview of how the inventory setup steps will affect Purchasing.

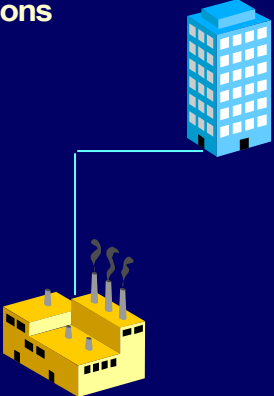
“Overview of Setting Up” is an *Oracle Purchasing Users Guide* topic or available as a Help topic available from:

(Help) Oracle Purchasing > Setting Up > Overview of Setting Up

Inventory Setup Requirements

Inventory Setup Requirements

- Defining inventory organizations
- Defining locations
- Units of measure
- Item setup
- Item attribute controls
- Defining item attributes
- Status codes



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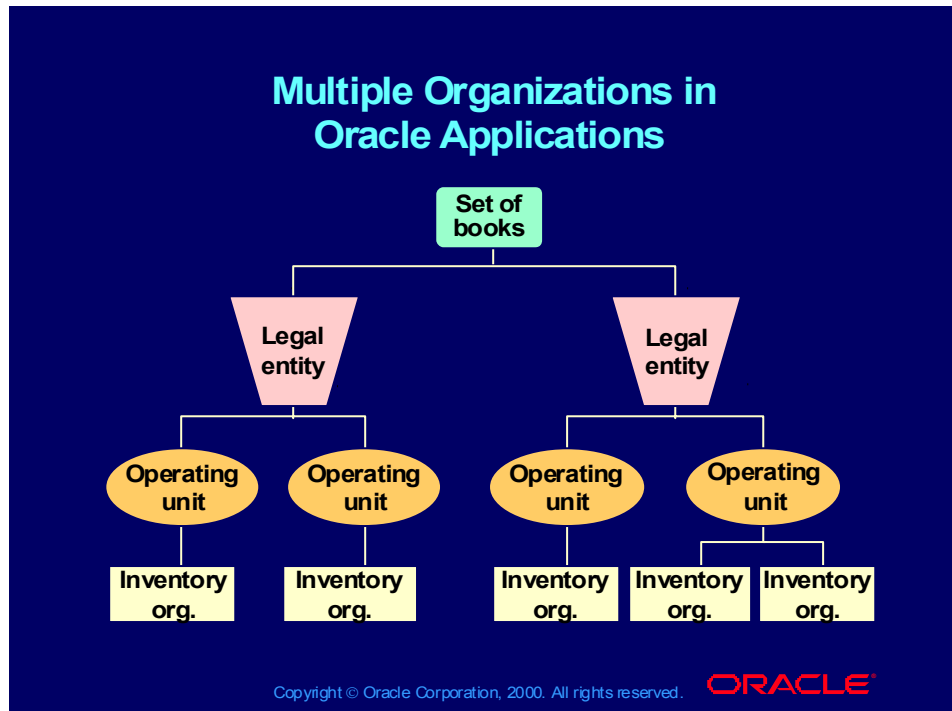
“Organizational Management Overview” is an *Using Oracle HRMS - The Fundamentals* topic or available as a Help topic available from:

(Help) Oracle HRMS > Organizational Management > Organizational Management Overview

Also see “Organization Parameters Window” is an *Oracle Inventory Users Guide* topic or available as a Help topic available from:

(Help) Oracle Inventory > Setting Up > Organization Parameters Window

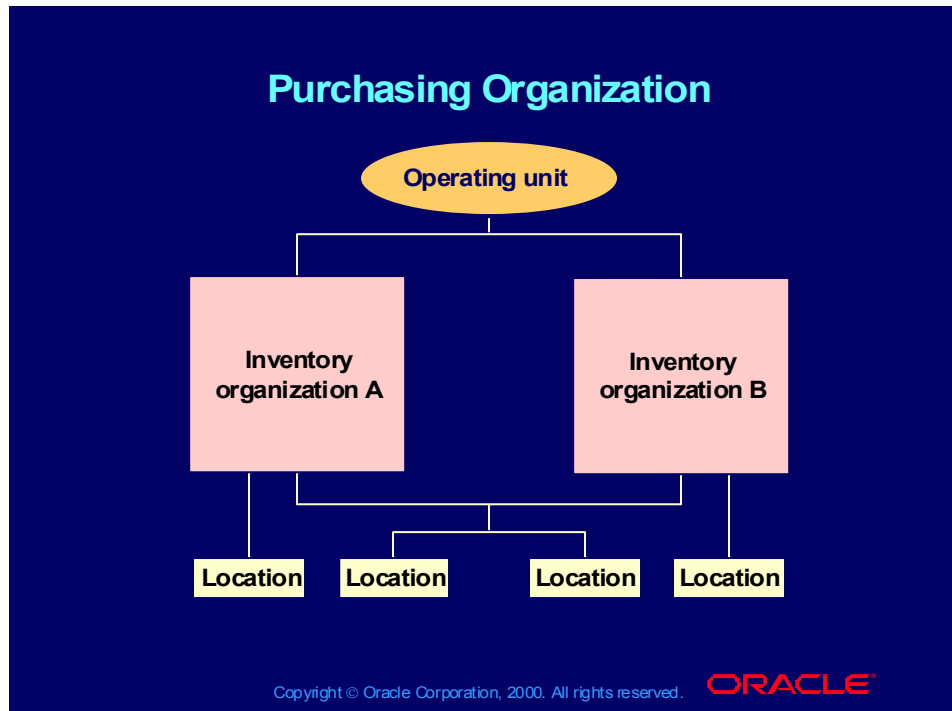
Multiple Organizations in Oracle Applications



Generic sample Oracle Applications installation.

“Multiple Organization Setup” is an *Multiple Organizations in Oracle Applications* topic.

Purchasing Organization



Purchasing and the Operating Unit

Inventory organizations share transactions between other inventory organizations within the operating unit and either own or share locations. Setups and transactions are limited to the operating unit assigned to the responsibility creating them.

“Overview of Inventory Structure” is an *Oracle Inventory Users Guide* topic or available as a Help topic available from:

(Help) Oracle Inventory > Setting Up > Overview of Inventory Structure

Oracle Inventory Valuation Methods Standard Versus Average Cost

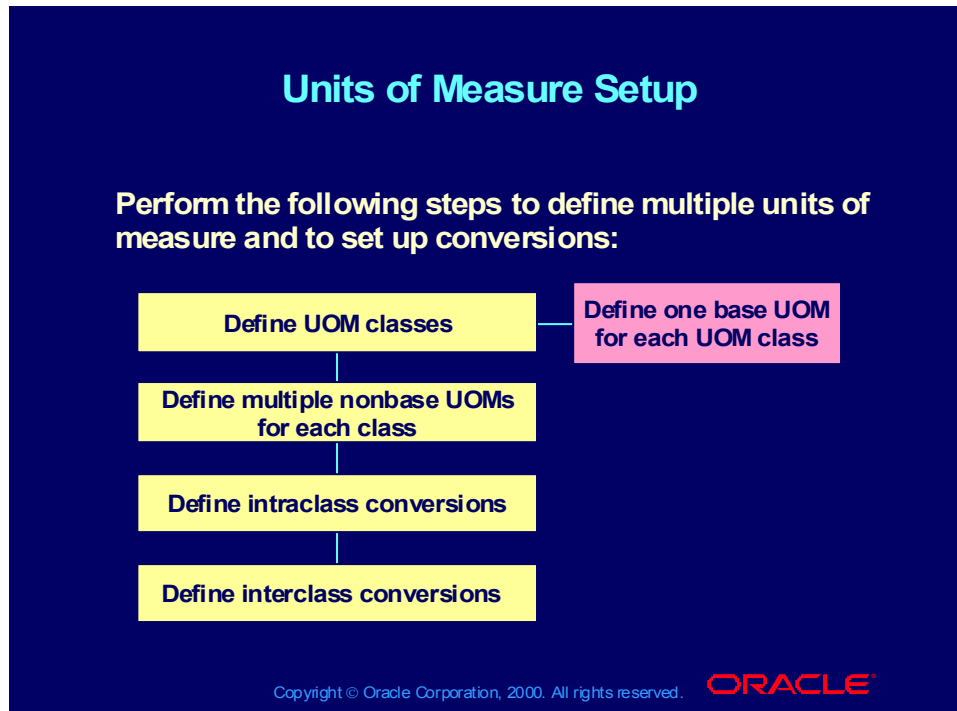
**Oracle Inventory Valuation Methods
Standard Versus Average Cost**

<p>Standard cost is static Std cost = \$4.00 Current inventory 100 each Add 50 each at \$5.00</p> <p>Inventory will show 150 each at a standard cost of \$4.00 each and a PPV of 50 each at \$1.00.</p>	<p>Average cost is dynamic Average cost = \$4.00 Current inventory 100 each Add 50 each at \$5.00</p> <p>Inventory will show 150 each at a new average cost of \$4.33 and no PPV.</p>
--	--

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“Cost Structure, Standard Costing and Average Costing” is an *Oracle Cost Management Users Guide* topic or available as a Help topic available from:
(Help) Oracle Cost Management > Cost Structure, Standard Costing and Average Costing

Units of Measure Setup



“Units of Measure” is an *Oracle Inventory Users Guide* topic or available as a Help topic available from:

(Help) Oracle Inventory > Units of Measure

Inventory Setup Considerations

- **Item Catalog Groups**
- **Item Type QuickCodes**
- **Categories**
- **Category Set**
- **Assigning Categories to an Item**
- **Defining Default Category Sets**

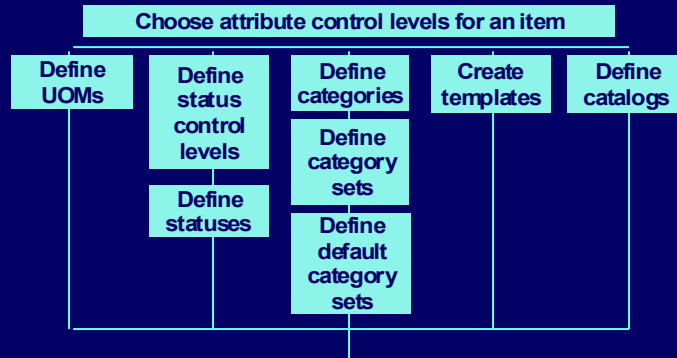
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Inventory Item Setup

Inventory Item Setup

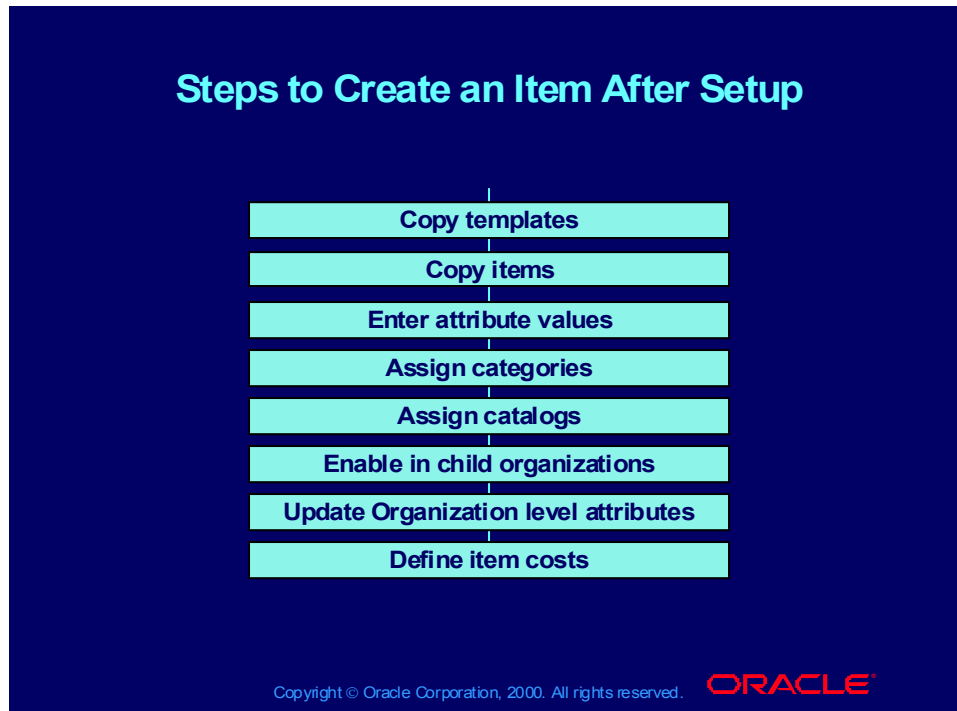
The following graphic summarizes all the steps that you need to take to define and maintain items:



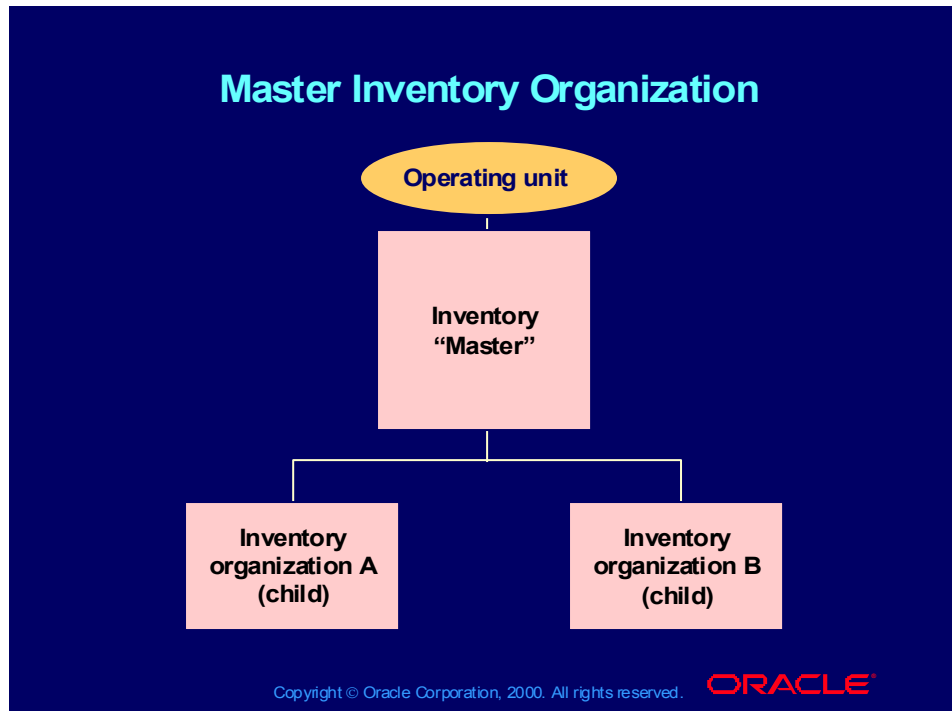
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Steps to Create an Item After Setup



Master Inventory Organization



“Master Level vs. Organizational Level” is an *Oracle Inventory Users Guide* topic or available as a Help topic available from:

(Help) Oracle Inventory > Items > Master Level vs. Organizational Level

Inventory Common Setups

Inventory Common Setups

Setup	Where Done in Purchasing
Define Location	Setup > Organizations > Locations
Define Organization	Setup > Organizations > Organizations
Unit of Measure (All)	Setup > Units of Measure
Item Templates	Setup > Items > Templates
Items	Items > Master Items
Default Category Sets	Setup > Items > Categories
Organizational Items	Items > Organization Item

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*The Purchasing Options window will be discussed in detail later in this course.

Purchasing Responsibility

(N) Purchasing > Setup > Organization > Purchasing Options

Inventory Implementation Considerations

Issues to consider:

- **Numbering conventions**
- **Item conversion**
- **Data mapping**
- **Data cleanup**
- **Item maintenance**
- **Integration issues**



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Review Question

Review Question

**If a location is assigned to an inventory organization
it can still be used by another inventory organization.**

True

False

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Review Question

Review Question

If a location is assigned to an inventory organization
it can still be used by another inventory organization.

True

False

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Review Question

Review Question

How many base units of measure (UOM) can there be for each class of UOM(for example, area)?

- 1. As many as needed**
- 2. Two**
- 3. Just one**
- 4. All of the above**

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Review Question

Review Question

How many base units of measure (UOM) can there be for each class of UOM(for example, area)?

1. As many as needed
2. Two
3. **Just one**
4. All of the above

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Inventory Setup Demonstration

In Oracle Purchasing we will demonstrate how to:

- **Identify the costing method for Vision Operations**
- **Identify the item master inventory organization for Vision Operations**
- **Identify the base class for the unit of measure square meter**
- **Defining a new master item using the Purchasing template**

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Agenda

Agenda

- Understanding purchasing implementation
- Critical Setup Steps
- Accounting Setup
- Oracle Inventory Setup
- **Supplier/Sourcing Setup**
- Purchasing Document Setup
- Receiving Setup
- Summary

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Supplier/Sourcing Setup

- **Supplier Setup**
- **Supplier Sourcing Setup**
- **Implementation Considerations**

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Supplier Setup

Supplier Setup

- **Supplier setup requirements and options enable you to:**
 - Define supplier data that will default to all documents
 - Create lists from which to choose when entering data



Setup requirements and options

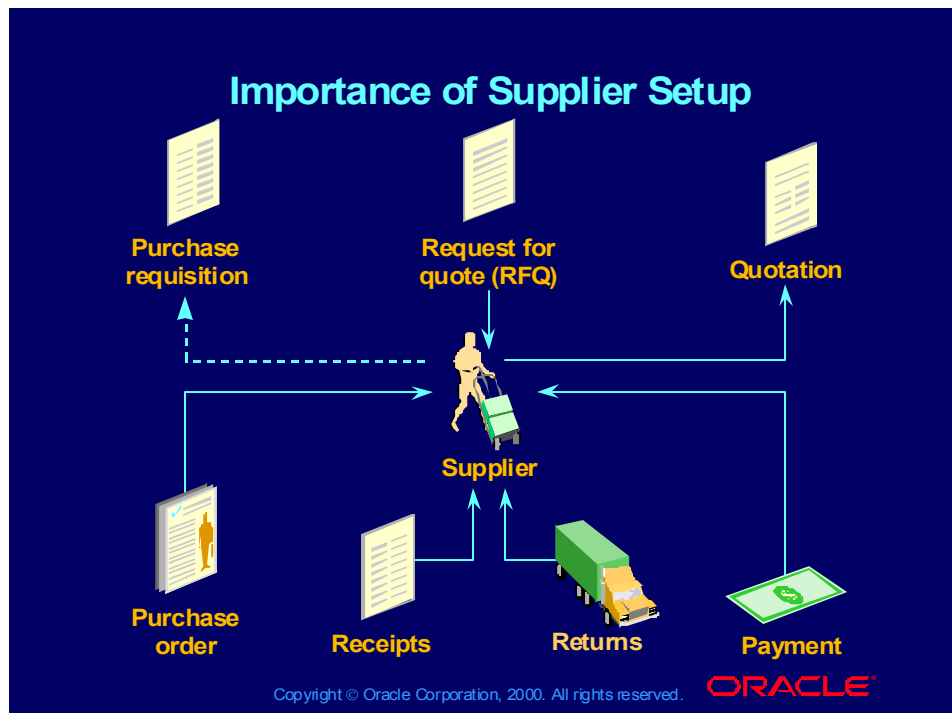
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Detailed Information on Setting up Suppliers

“Entering Suppliers” is an *Oracle Payables Users Guide* topic or available as a Help topic available from:

(Help) Oracle Payables > Suppliers > Entering Suppliers

Importance of Supplier Setup



Supplier information is used in every stage of your procurement cycle.

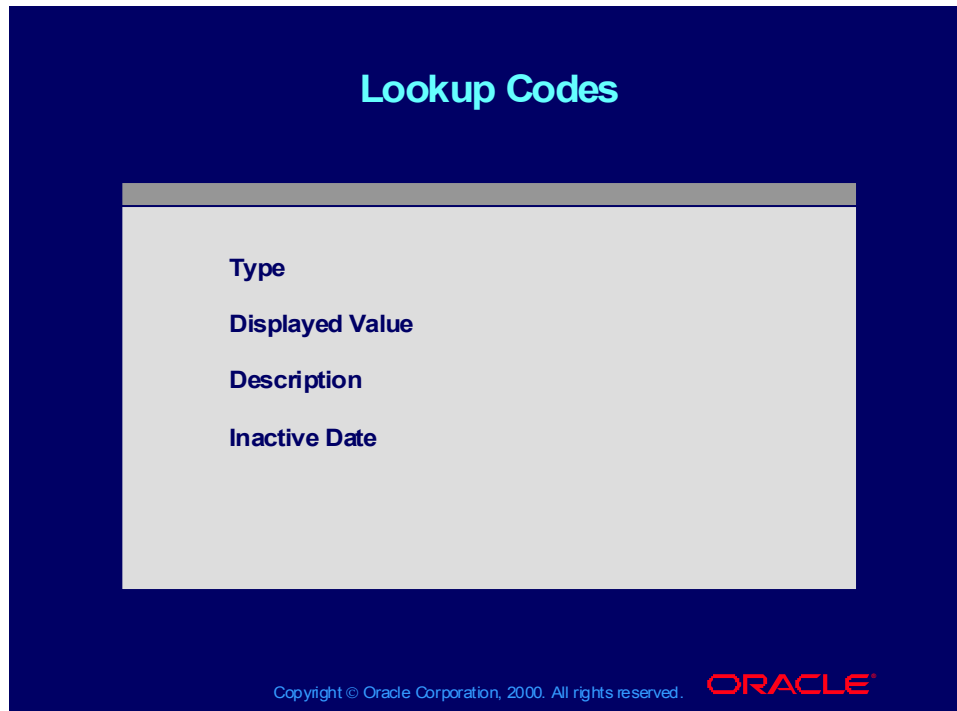
Supplier Setup Considerations

- **Lookup Codes**
- **Financial Options**
 - **Supplier -- Payables Region**
 - **Supplier Entry**
- **Payment Terms**
- **Enter suppliers**

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Lookup Codes



Lookup Codes

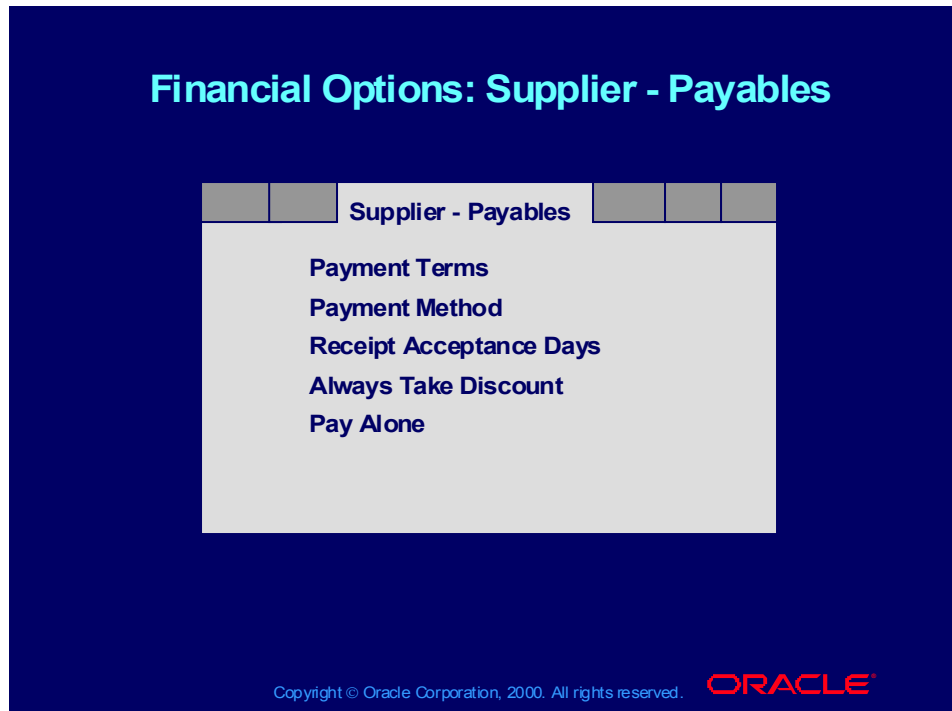
Purchasing Responsibility

(N) Purchasing > Setup > Purchasing > Lookup Codes

“Defining Lookup Codes” is an *Oracle Purchasing Users Guide* topic or available as a Help topic available from:

(Help) Oracle Purchasing > Setting Up > Defining Lookup Codes

Financial Options: Supplier - Payables



Financial Options: Supplier - Payables

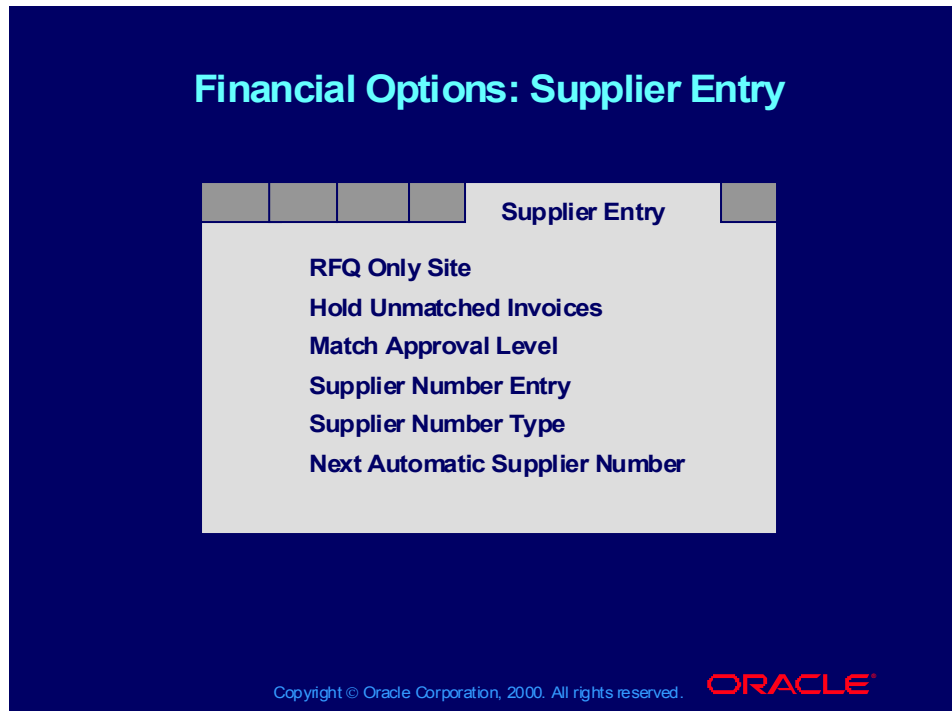
Purchasing Responsibility

(N) Purchasing > Setup > Organizations > Financial Options (T) Supplier - Payables

“Supplier-Payables Financial Options” is an *Oracle Payables Users Guide* topic or available as a Help topic available from:

(Help) Oracle Payables > Payables Setup > Financial Options Window > Supplier-Payables Financial Options

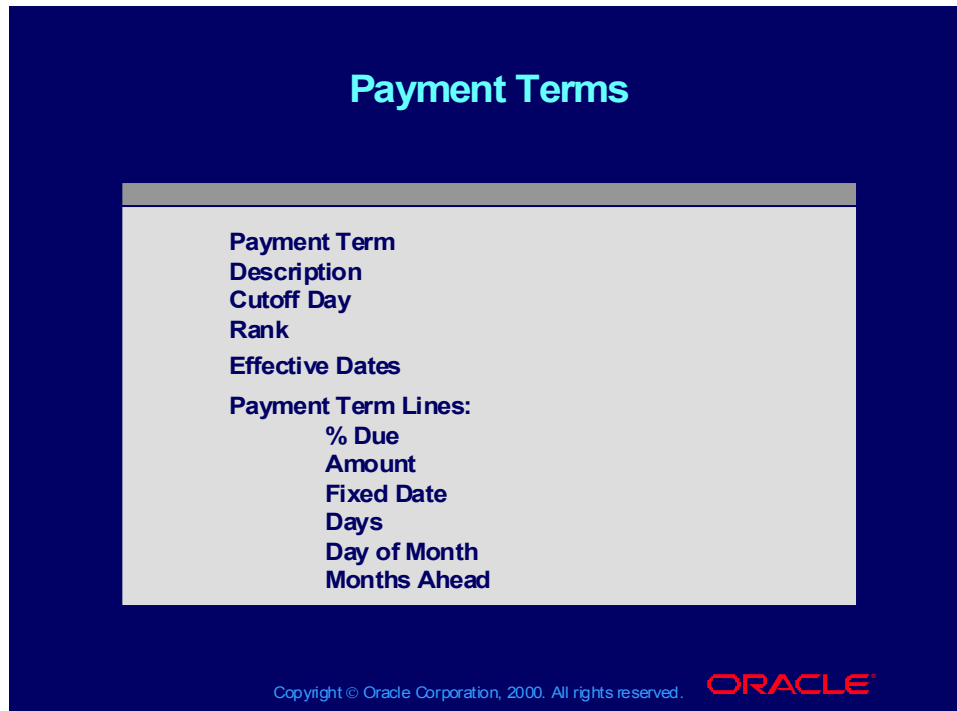
Financial Options: Supplier Entry



“Supplier Entry Financial Options” is an *Oracle Payables Users Guide* topic or available as a Help topic available from:

(Help) Oracle Payables > Payables Setup > Financial Options Window > Supplier Entry Financial Options

Payment Terms



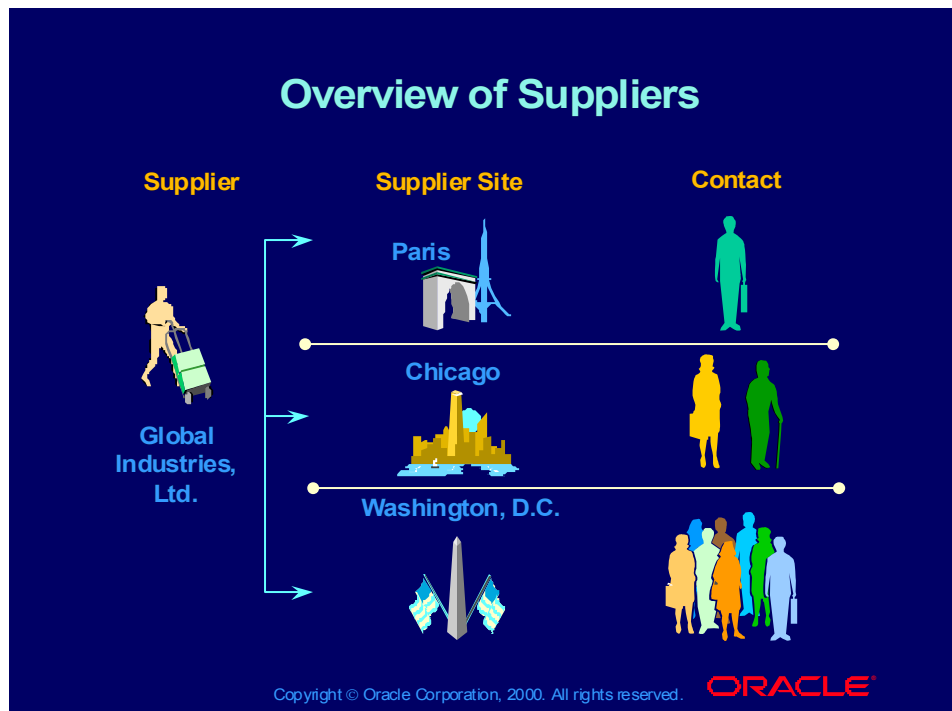
Payment Terms

Purchasing Responsibility

(N) Purchasing > Setup > Financials > Payment Terms

“Payment Terms” is an *Oracle Payables Users Guide* topic or available as a Help topic available from:

(Help) Oracle Payables > Payables Setup > Payment Terms



Suppliers

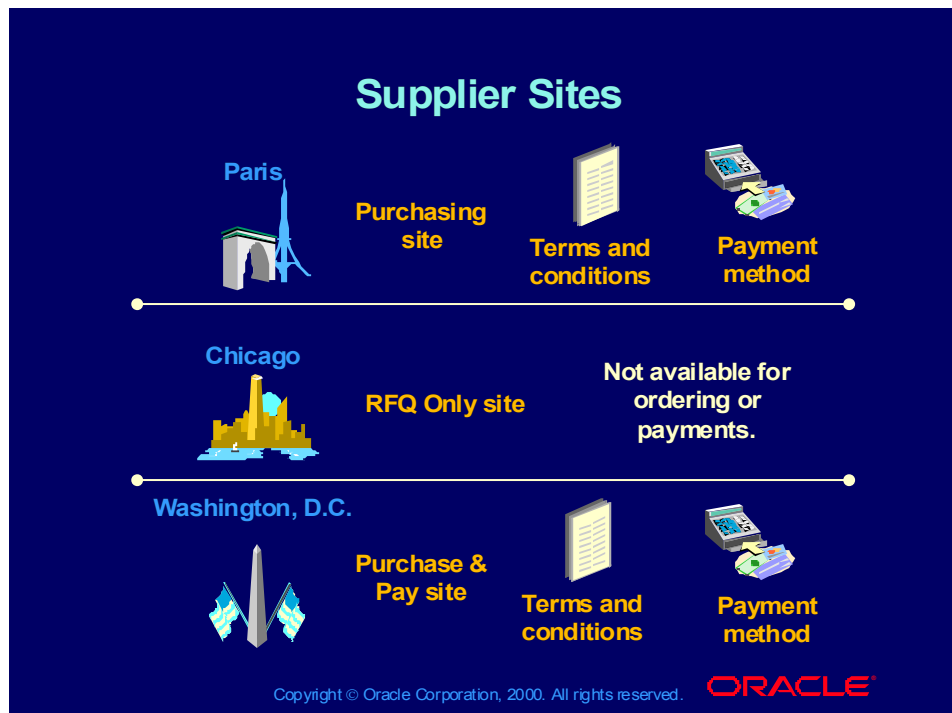
You may want to consider entering your primary suppliers as part of the initial implementation. Individual supplier sites could be entered as needed.

Purchasing Responsibility

(N) Purchasing > Supply Base > Suppliers

“Entering Suppliers” is an *Oracle Payables Users Guide* topic or available as a Help topic available from:

(Help) Oracle Payables > Suppliers > Suppliers > Entering Suppliers



Supplier Sites

Purchasing Responsibility

(N) Purchasing > Supply Base > Suppliers (B) Sites

“Entering Suppliers” is an *Oracle Payables Users Guide* topic or available as a Help topic available from:

(Help) Oracle Payables > Suppliers > Suppliers and Supplier Sites Window Reference

Supplier Implementation Considerations

- **Issues to consider:**
 - Naming conventions
 - Supplier conversion
 - Data mapping
 - Data cleanup
 - Supplier maintenance
 - Integration issues
 - Supplier qualifications



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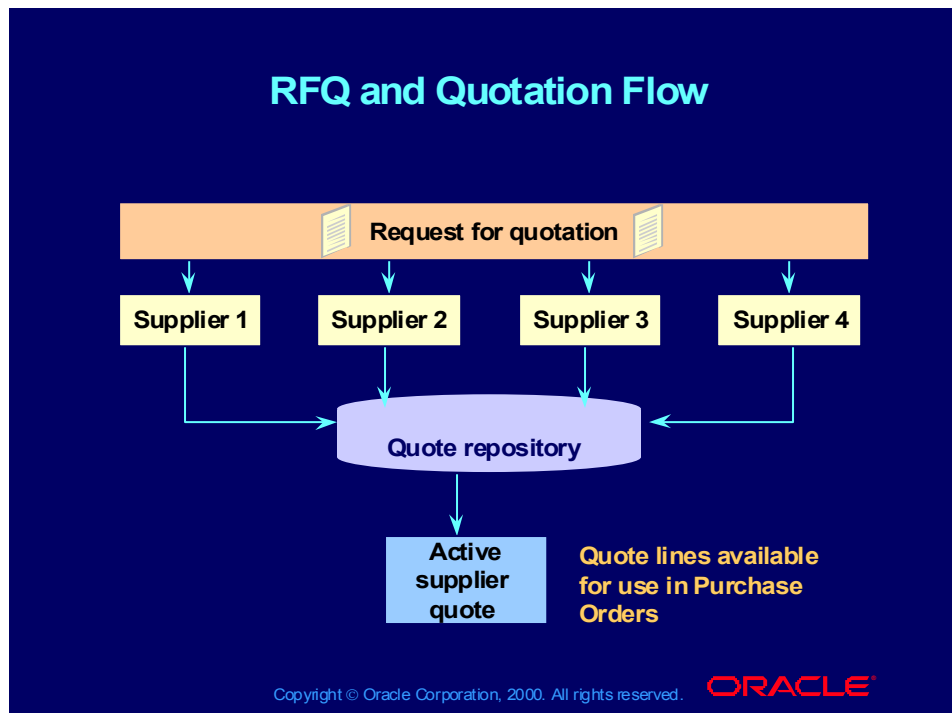
Supplier Sourcing Setup Considerations

- **Supplier sourcing has no required setups**
- **For existing supplier agreements consider setting up:**
 - **Quotations**
 - **Approved Supplier List**
 - **Sourcing Rules**

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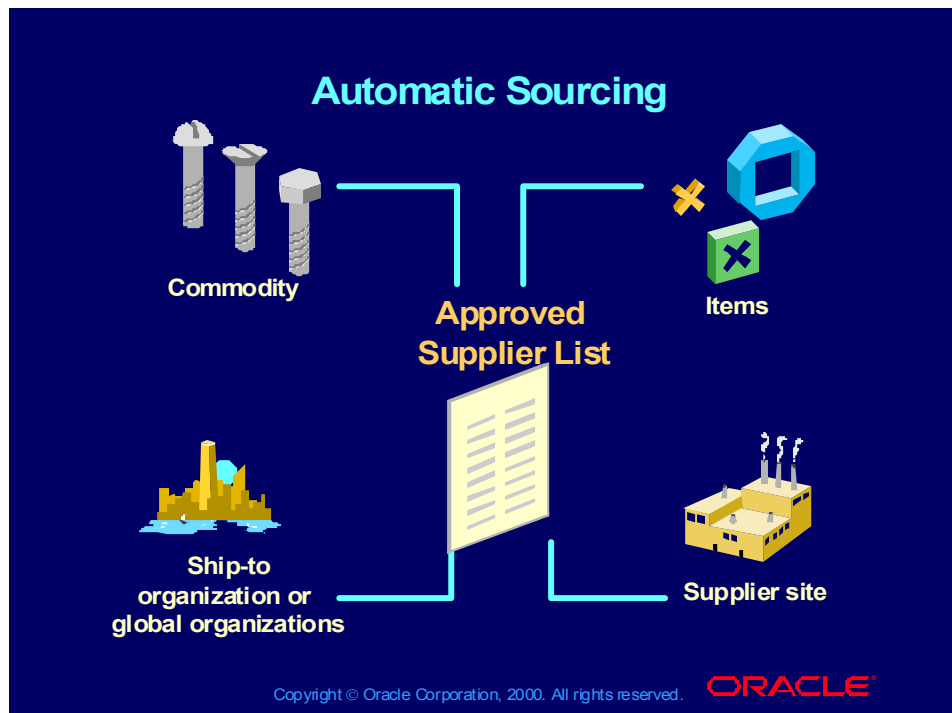
RFQ and Quotation Flow



“Overview of Sourcing, RFQ’s, and Quotations” is an *Oracle Purchasing Users Guide* topic or available as a Help topic available from:

(Help) Oracle Purchasing > Supply Base Management > Overview of Sourcing, RFQ’s, and Quotations

Automatic Sourcing



“Approved Supplier List” is an *Oracle Purchasing Users Guide* topic or available as a Help topic available from:

(Help) Oracle Purchasing > Supply Base Management > Approved Supplier List

Supplier/Sourcing Implementation Considerations

- **Issues to consider:**
 - RFQ and quotation usage
 - Automatic sourcing rules
 - Supplier sourcing conversion
 - Supplier sourcing maintenance
 - Data mapping
 - Data cleanup



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Review Question

Review Question

If you were entering a new supplier site, where would the default fields come from?

- 1. Financial Options**
- 2. Supplier**
- 3. Organization setup**
- 4. All of the above**

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Review Question

Review Question

If you were entering a new supplier site, where would the default fields come from?

1. Financial Options
2. Supplier
3. Organization setup
4. All of the above

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Review Question

Review Question

Automatic sourcing rules associated with a supplier quotation could simplify ordering and save money.

True

False

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Review Question

Review Question

Automatic sourcing rules associated with a supplier quotation could simplify ordering and save money.

True

False

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Supplier Setup Demonstration

In Oracle Purchasing we will demonstrate how to:

- **Review the Supplier Entry Financial Options settings**
- **Enter a supplier**
- **Enter a supplier site**

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Agenda

Agenda

- Understanding purchasing implementation
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- **Purchasing Document Setup**
- Receiving Setup
- Summary

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Purchasing Documents Implementation Considerations

When you implement Oracle Purchasing, you have the opportunity to:

- **Evaluate current procurement business processes and requirements**
- **Map business requirements to Oracle functionality**
- **Incorporate the best business practices**

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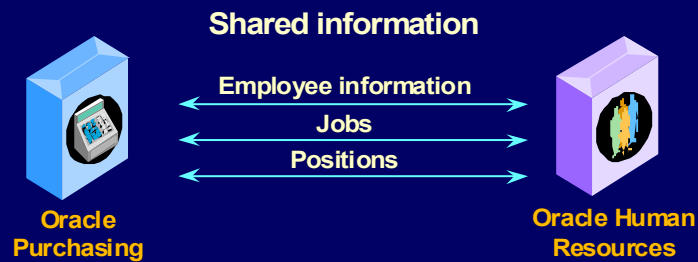
Purchasing Documents Setup

- **Approval Setup**
- **Document Control Setup**
- **Requisition Setup**
- **Purchase Order Setup**
- **Workflow Setup**
- **Implementation Considerations**

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Integrating with Human Resources



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Integration with HR

When Oracle Human Resources is used in conjunction with Oracle Purchasing they share employee information, job, and position information. You should consider your requirements from both perspectives before deciding on a configuration of security, approval, and routing features.

Employees are used as requesters, buyers, approvers, planners, receivers, and contacts in Oracle Purchasing.

Approval Setup

Approval Setup

- **Approvers must be setup as employees**
 - Supervisor or position approval hierarchies
- **Setup approval rules by:**
 - Defining approval groups
 - Defining approval assignments
- **Document types**
 - Security
 - Approval
 - Routings

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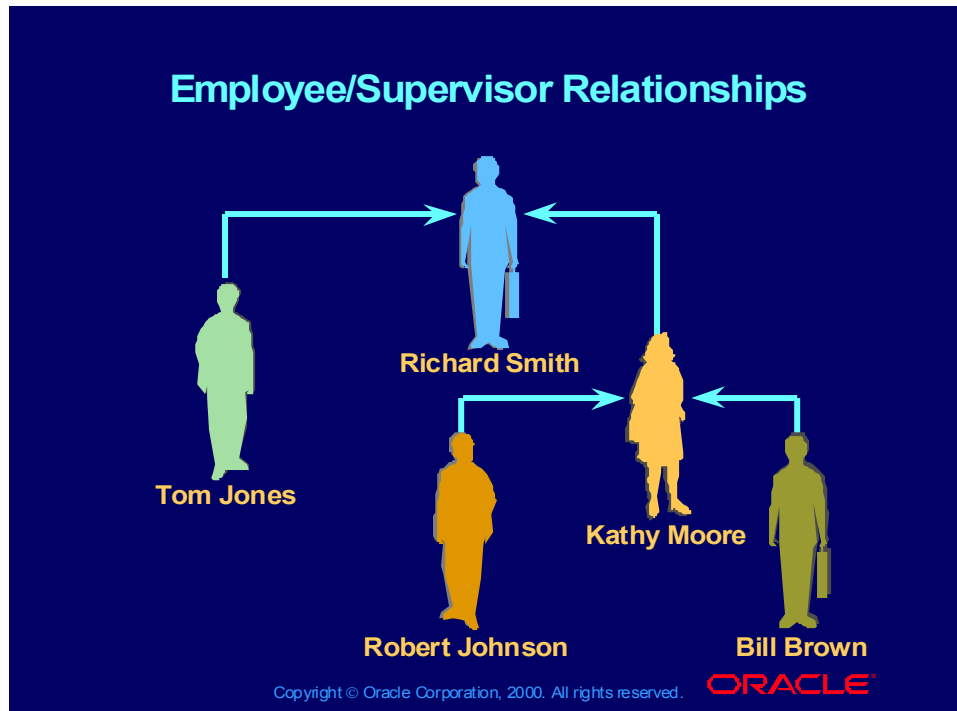
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Employee Setup

“Employee Management” is an *Using Oracle HRMS - The Fundamentals* topic or available as a Help topic available from:

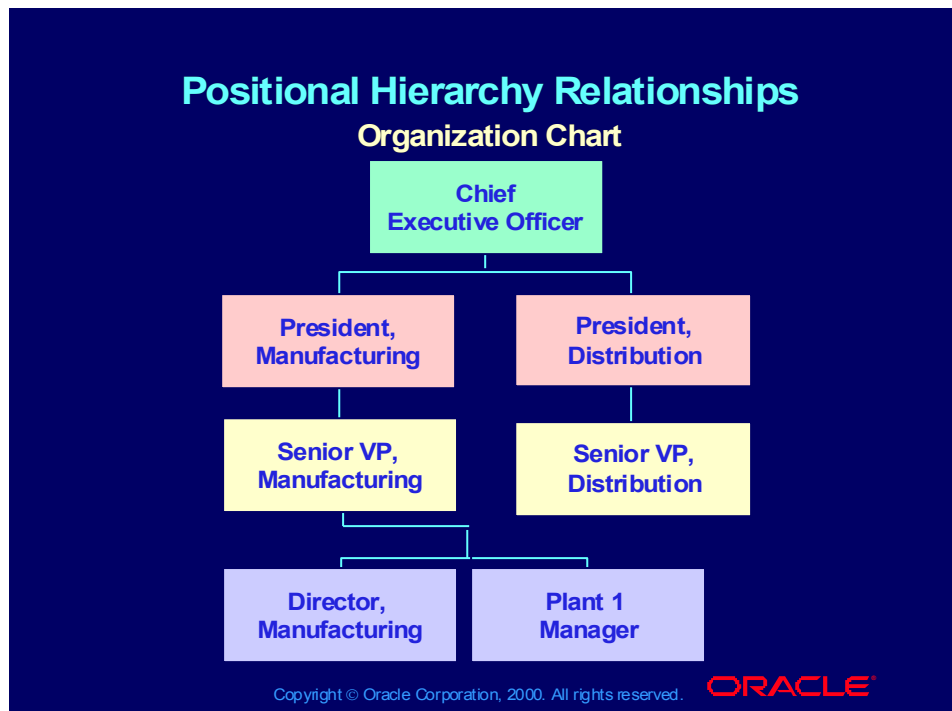
(Help) Oracle HRMS > Employee Management > How To

Employee/Supervisor Relationships



“Setting Up Document Approval and Security” is an *Oracle Purchasing Users Guide* topic or available as a Help topic available from:

(Help) Oracle Purchasing > Document Approval, Security, and Control > Setting Up Document Approval and Security



Position Hierarchy

Oracle Purchasing allows you to use the relationships that best model the way your company works. You define this relationship when setting up your personnel.

“Position Hierarchies” is an *Oracle Purchasing Users Guide* topic or available as a Help topic available from:


(Help) Oracle Purchasing > Document Approval, Security, and Control > Position Hierarchies

Approval Groups

Approval Groups

Approval group is a set of rules to limit approvals by:

- Document total
- Account range
- Item range
- Item category range
- Location



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Approval Groups

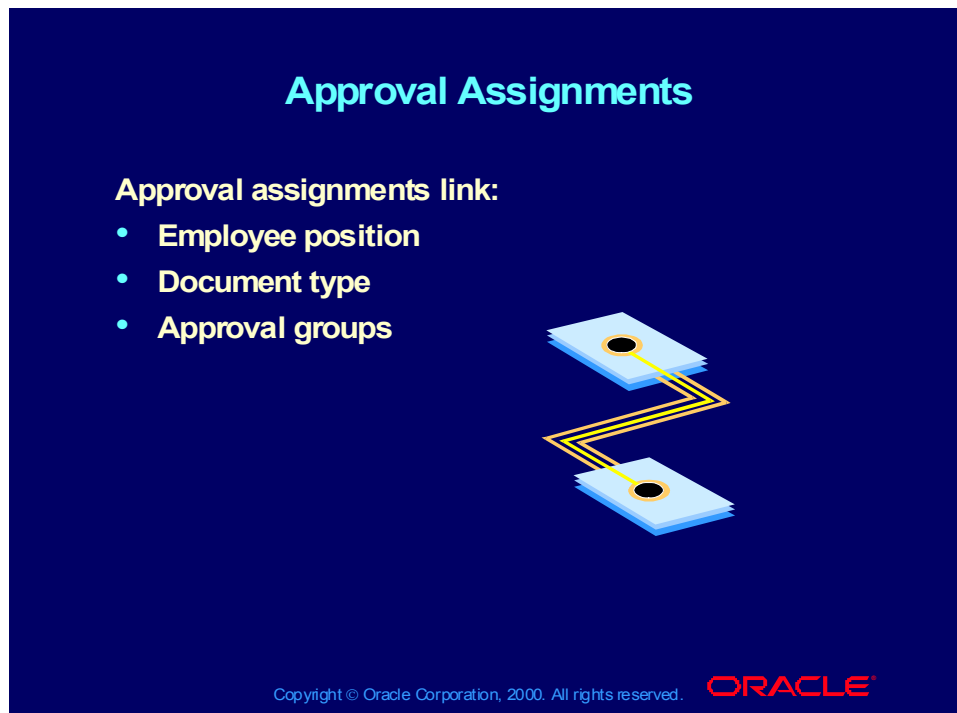
Purchasing Responsibility

(N) Purchasing > Setup > Approvals > Approval Groups

“Defining Approval Groups” is an *Oracle Purchasing Users Guide* topic or available as a Help topic available from:

(Help) Oracle Purchasing > Setting Up > Defining Approval Groups

Approval Assignments



Approval Assignments

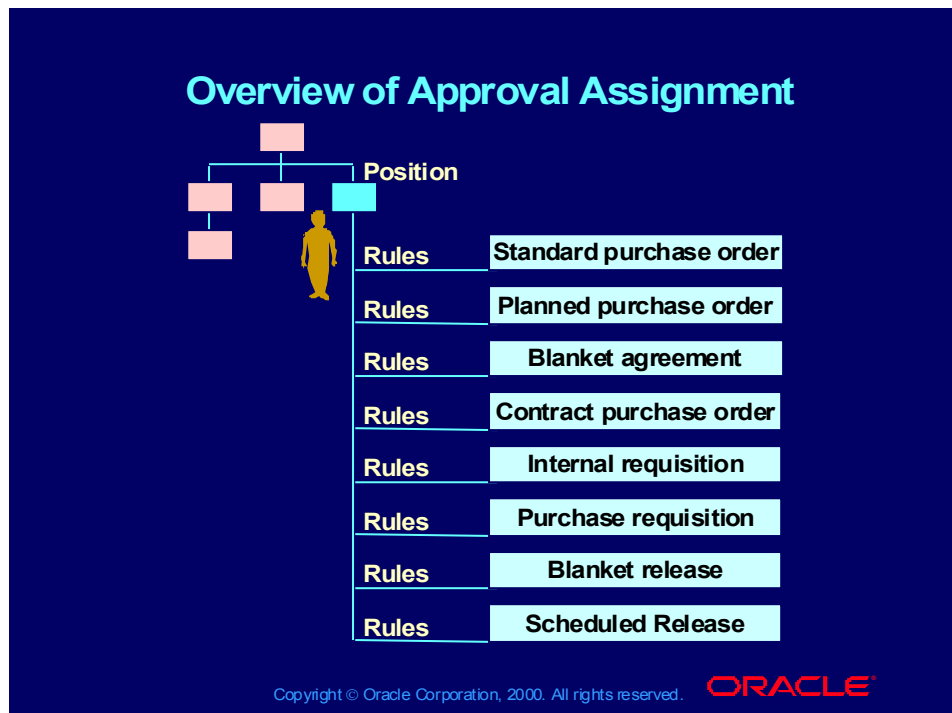
Purchasing Responsibility

(N) Purchasing > Setup > Approvals > Approval Assignments

“Assigning Approval Groups” is an *Oracle Purchasing Users Guide* topic or available as a Help topic available from:

(Help) Oracle Purchasing > Setting Up > Assigning Approval Groups

Overview of Approval Assignment



Document Security, Approval, and Routing

- **Document security**
 - Who can see it?
 - Who can update it?
- **Document approval**
 - Who can approve it?
 - How much can be approved?
 - Which kinds of documents can be approved?
- **Document routing**
 - Who can I send it to?

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Review Question

Review Question

Document approval is limited to just the total dollar amount of the document in Oracle Internet Procurement.

True

False

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Review Question

Review Question

Document approval is limited to just the total dollar amount of the document in Oracle Internet Procurement.

True

False

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Document Types Setup

Enables you to control security and approval flow

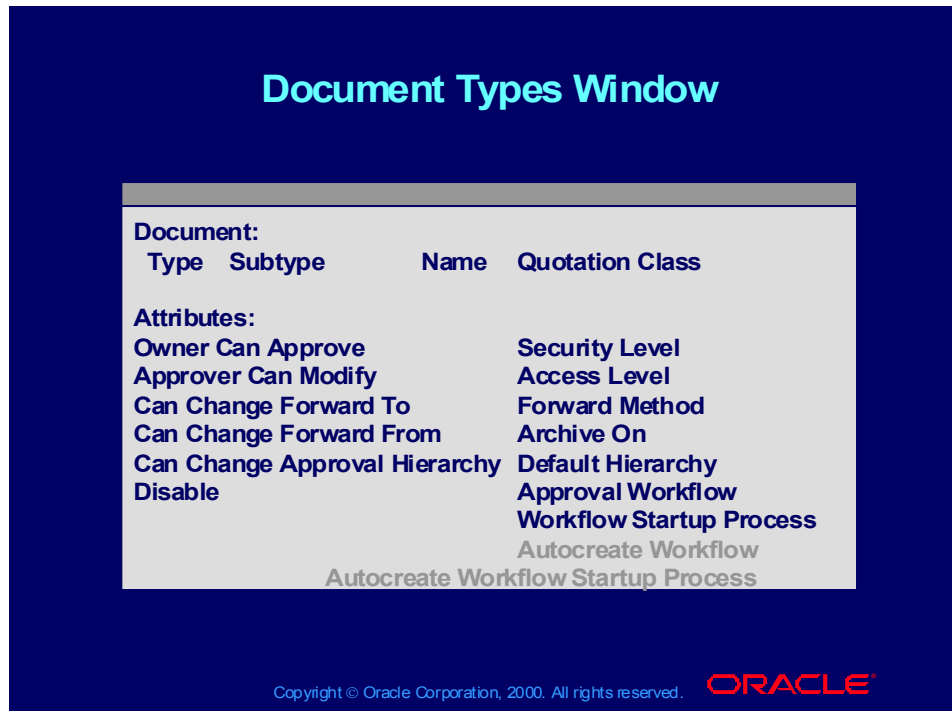
- By Purchasing document type
- Security controls
- Approval controls



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Document Types Window



Document Types

Purchasing Responsibility

(N) Purchasing > Setup > Purchasing > Document Types

“Defining Document Types” is an *Oracle Purchasing Users Guide* topic or available as a Help topic available from:

(Help) Oracle Purchasing > Setting Up > Defining Document Types

Review Question

Review Question

What is the most important window for setting up requisition approvals in Oracle Internet Procurement?

- 1. Document Type**
- 2. Approval Assignments**
- 3. Enter Employee**
- 4. Approval Groups**
- 5. All of the above**

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Review Question

What is the most important window for setting up requisition approvals in Oracle Internet Procurement?

1. **Document Type**
2. Approval Assignments
3. Enter Employee
4. Approval Groups
5. All of the above

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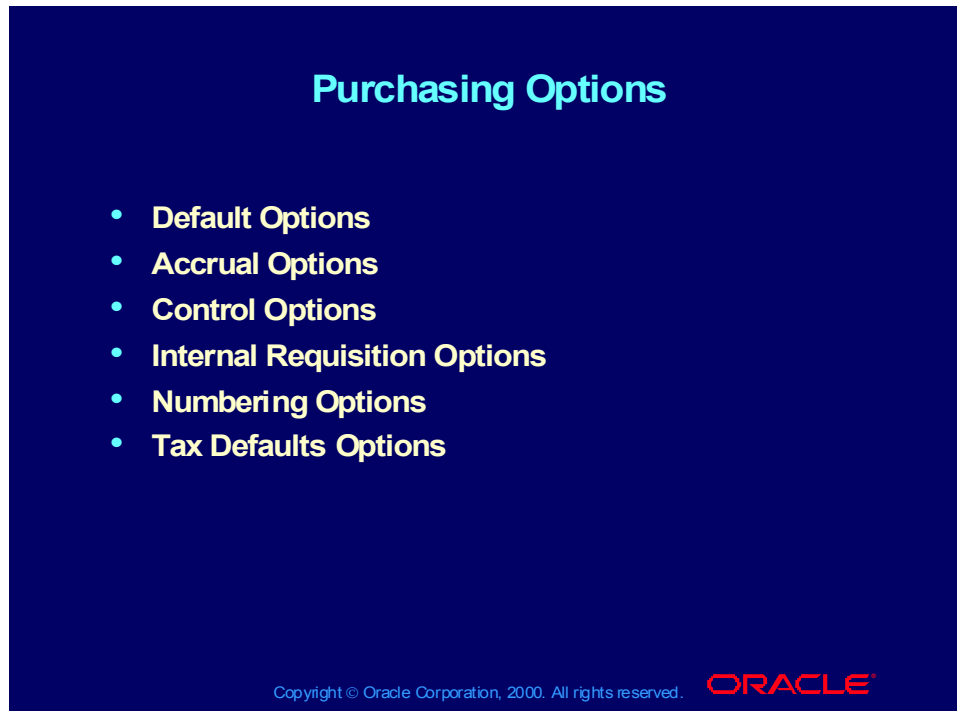
Document Control Setup

- **Purchasing Options**
- **Financial Options**
- **Line Types**
- **Common Document Setups**

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Purchasing Options



Purchasing Options

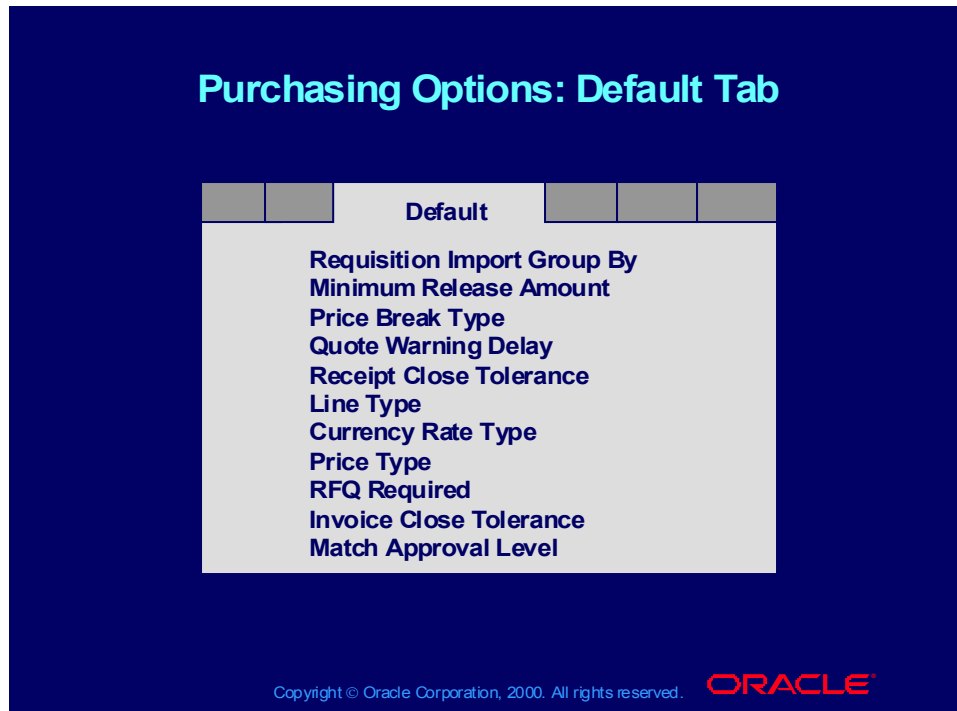
Purchasing Responsibility

(N) Purchasing > Setup > Organization > Purchasing Options

“Defining Purchasing Options” is an Oracle Purchasing Users Guide topic or available as a Help topic available from:

(Help) Oracle Purchasing > Setting Up > Defining Purchasing Options

Purchasing Options: Default Tab



“Defining Default Options” is an *Oracle Purchasing Users Guide* topic or available as a Help topic available from:

(Help) Oracle Purchasing > Setting Up > Defining Default Options

Purchasing Options: Accrual Tab

Purchasing Options: Accrual Tab

Accrual					
Accrue Expense Items					
Accrue Inventory Items					
Expense AP Accrual Account					
Accrual Account Description					

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“Defining Accrual Options” is an *Oracle Purchasing Users Guide* topic or available as a Help topic available from:

(Help) Oracle Purchasing > Setting Up > Defining Accrual Options

Purchasing Options: Control Tab



“Defining Control Options” is an *Oracle Purchasing Users Guide* topic or available as a Help topic available from:

(Help) Oracle Purchasing > Setting Up > Defining Control Options

Purchasing Options: Internal Requisition Tab

**Purchasing Options:
Internal Requisition Tab**

			Internal Requisition		
--	--	--	----------------------	--	--

Order Type

Order Source

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“Defining Internal Requisition Options” is an *Oracle Purchasing Users Guide* topic or available as a Help topic available from:
(Help) Oracle Purchasing > Setting Up > Defining Internal Requisition Options

Purchasing Options: Numbering Tab

Purchasing Options: Numbering Tab

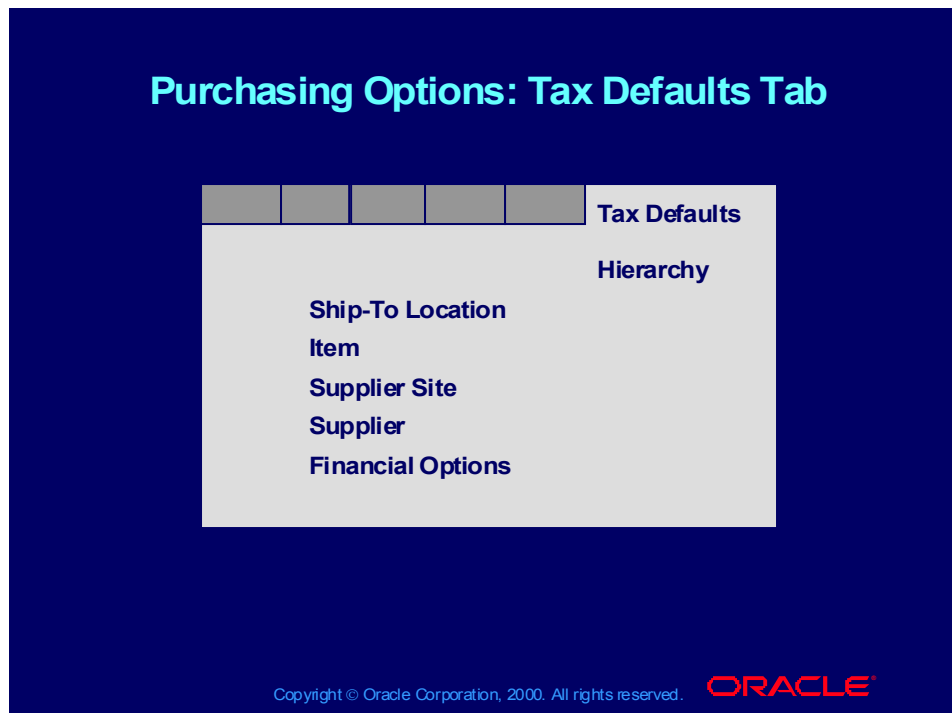
				Numbering	
	Entry	Type		Next Number	
RFQ Number					
Quotation					
PO Number					
Requisition					

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“Defining Numbering Options” is an *Oracle Purchasing Users Guide* topic or available as a Help topic available from:

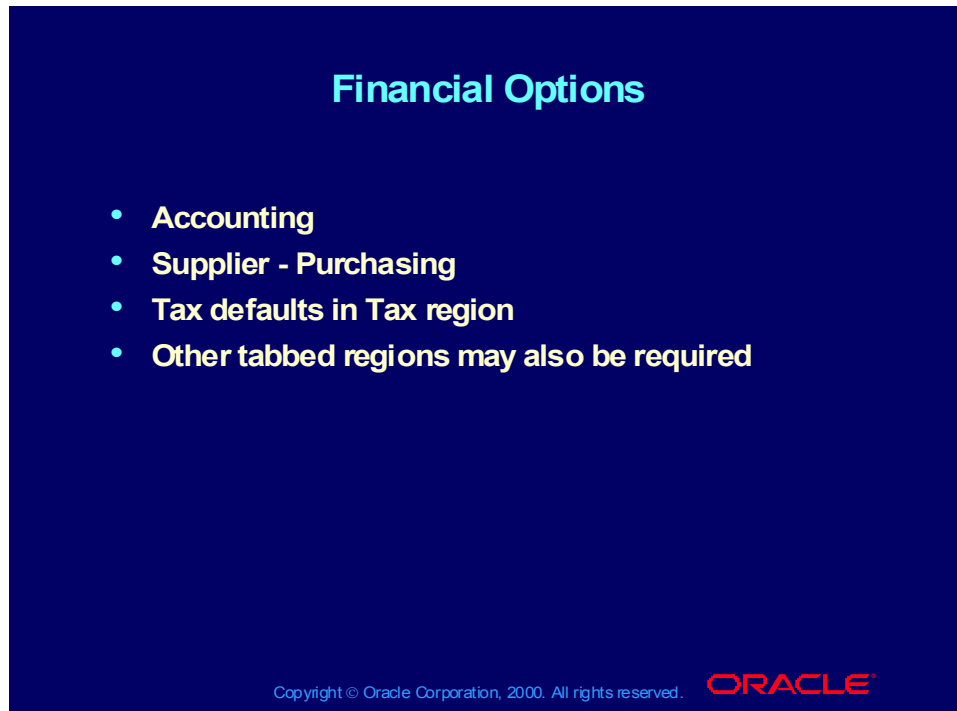
(Help) Oracle Purchasing > Setting Up > Defining Numbering Options

Purchasing Options: Tax Defaults Tab



“Defining Tax Default Options” is an *Oracle Purchasing Users Guide* topic or available as a Help topic available from:

(Help) Oracle Purchasing > Setting Up > Defining Tax Default Options

A blue rectangular slide with the title "Financial Options" in white text at the top center. Below the title is a bulleted list of four items: "Accounting", "Supplier - Purchasing", "Tax defaults in Tax region", and "Other tabbed regions may also be required". At the bottom right of the slide is the Oracle logo in red, and at the bottom left is the copyright text "Copyright © Oracle Corporation, 2000. All rights reserved." in small white font.

Financial Options

- Accounting
- Supplier - Purchasing
- Tax defaults in Tax region
- Other tabbed regions may also be required

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Financial Options

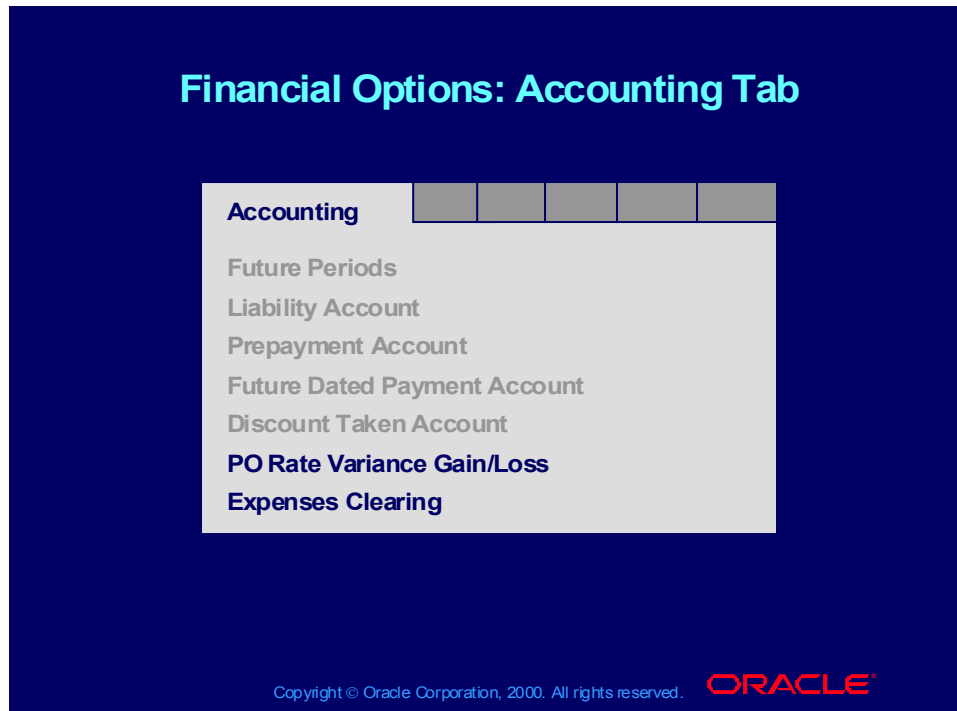
Purchasing Responsibility

(N) Purchasing > Setup > Organization > Financial Options

“Defining Financial Options” is an *Oracle Payables Users Guide* topic or available as a Help topic available from:

(Help) Oracle Payables > Payables Setup > Financial Options > Defining Financial Options

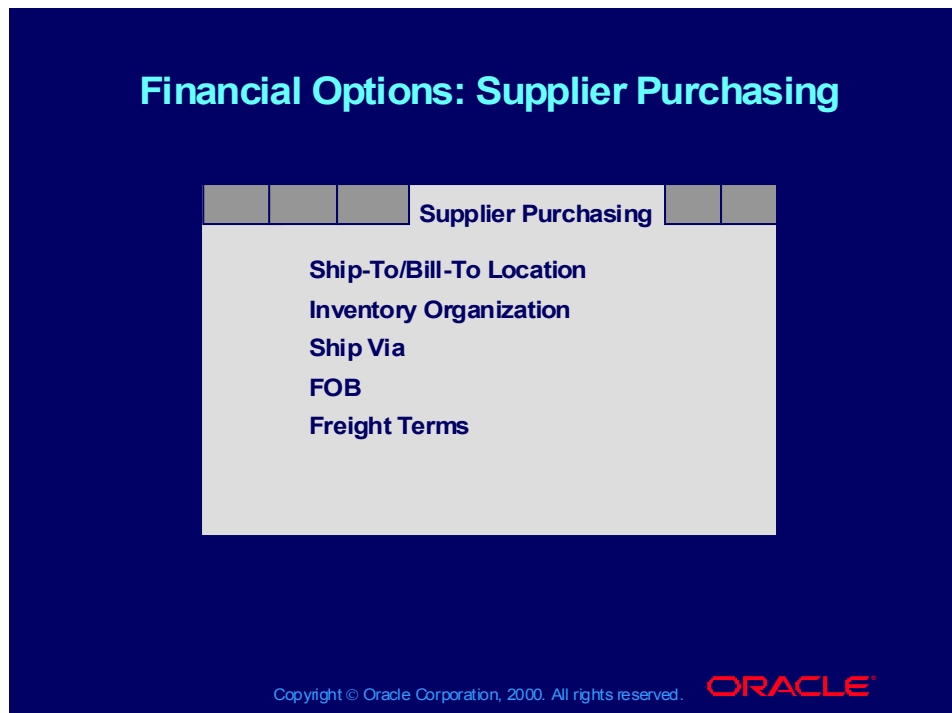
Financial Options: Accounting Tab



“Accounting Financial Options” is an *Oracle Payables Users Guide* topic or available as a Help topic available from:

(Help) Oracle Payables > Payables Setup > Financial Options Window > Accounting Financial Options

Financial Options: Supplier Purchasing



“Supplier-Purchasing Financial Options” is an *Oracle Payables Users Guide* topic or available as a Help topic available from:

(Help) Oracle Payables > Payables Setup > Financial Options Window > Supplier-Purchasing Financial Options

Financial Options: Tax Tab

The screenshot shows a window titled "Financial Options: Tax Tab" with a dark blue background. At the top, there is a row of six small, empty square boxes. To the right of these boxes is a tab labeled "Tax". Below the boxes and the tab is a light gray rectangular area containing a list of options. The options are: "Rounding Rule", "Precision", "Minimum Accountable Unit", "Default Tax Code", "Member State", "VAT Registration Number", "Enable Recoverable Tax", "Default Recovery Rate", and "Cash Basis Encumbrance". The "Default Tax Code", "Enable Recoverable Tax", and "Default Recovery Rate" are bolded. At the bottom of the window, there is a copyright notice: "Copyright © Oracle Corporation, 2000. All rights reserved." and the Oracle logo.

						Tax
						Rounding Rule
						Precision
						Minimum Accountable Unit
						Default Tax Code
						Member State
						VAT Registration Number
						Enable Recoverable Tax
						Default Recovery Rate
						Cash Basis Encumbrance

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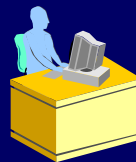
“Supplier-Purchasing Financial Options” is an *Oracle Payables Users Guide* topic or available as a Help topic available from:

(Help) Oracle Payables > Payables Setup > Financial Options Window > Supplier-Purchasing Financial Options

Line Types

Enables you to aid document line entry

- **Line valuation method**
- **Inactive date**
- **Defaults**



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Line Types

Line Types

Name
Description
Value Basis
Outside Processing
Inactive Date

Default:
Category
Receipt Required
UOM
Price

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Line Types

Purchasing Responsibility

(N) Purchasing > Setup > Purchasing > Line Types

“Setting Up - Purchasing Services” is an *Oracle Purchasing Users Guide* topic or available as a Help topic available from:

(Help) Oracle Purchasing > Setting Up > Defining Line Types

Purchasing Documents Demonstration

In Oracle Purchasing we will demonstrate how to:

- **Review the Purchase Order Document Types settings**
- **Verify the Purchasing Options settings**
- **Review the Purchasing related Financial Options settings**
- **Identify the Goods line type settings**

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Review Question

Review Question

We would use the Purchasing Options window to specify which approval workflow to use.

True

False

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Review Question

Review Question

We would use the Purchasing Options window to specify which approval workflow to use.

True

False

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Review Question

The Financial Options Supplier Purchasing window is important because it determines which of the following?

- 1. Goods line type**
- 2. Approval workflow**
- 3. Default buyer**
- 4. Inventory organization**
- 5. All of the above**

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Review Question

Review Question

The Financial Options Supplier Purchasing window is important because it determines which of the following?

1. Goods line type
2. Approval workflow
3. Default buyer
4. Inventory organization
5. All of the above

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Review Question

Review Question

We would use the Lines type window to set the default buyer for a specific type of line.

True

False

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Review Question

Review Question

We would use the Lines type window to set the default buyer for a specific type of line.

True

False

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Document Control Summary

- **Purchasing Options** setup control defaults and flow of document creation
- **Financial Options** setup controls defaults and what items Purchasing can use
- **Document Types** setup determines security and approval flow
- **Line Types** setup simplifies document line entry

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Common Purchasing Documents Setup

Setup requirements and options enable you to:

- Number your documents automatically or manually
- Create and control default information
- Create special use items
- Provide or restrict authorization to create, modify, and approve documents



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Setup of Inventory Item Attributes to be Used by Purchasing

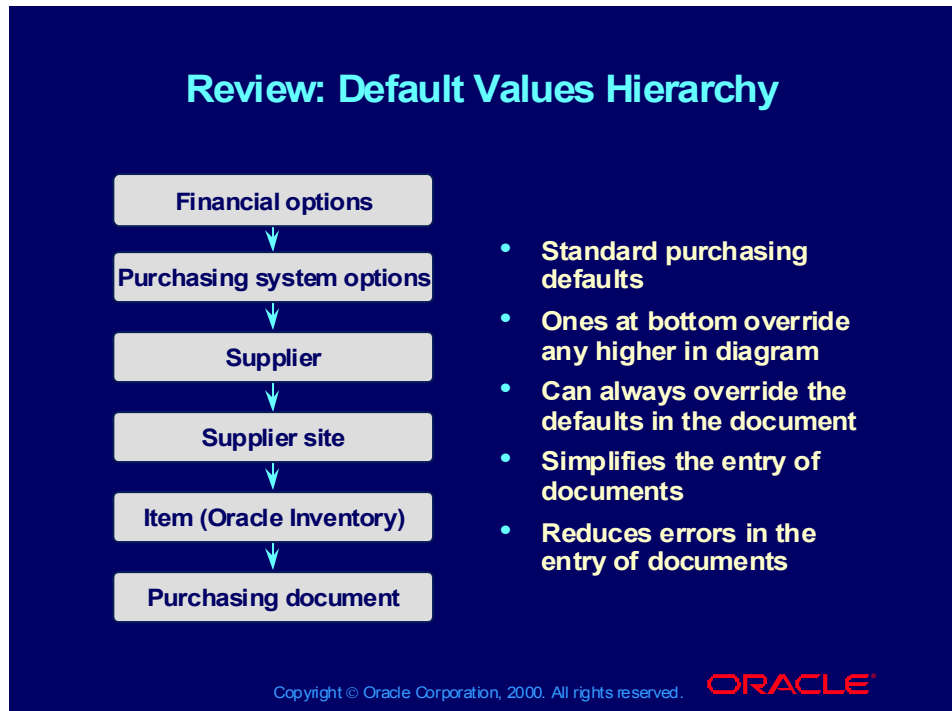
Setup of Inventory Item Attributes to be Used by Purchasing

Attribute	Values
Purchased item	Yes or No
Purchasable	Yes
Default buyer	User defined
List price	User defined
Internal orders	Yes
Market price	User defined

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Review: Default Values Hierarchy



Reminder of the Importance of Setup

“Purchase Order Defaulting Rules” is an *Oracle Purchasing Users Guide* topic or available as a Help topic available from:

(Help) Oracle Purchasing > Purchase Orders > Purchase Order Defaulting Rules

Purchasing Documents Common Setups

Purchasing Documents Common Setups

Setup	Where Done
Numbering	Purchasing Options
Line Types	Line Types
Defaults	Items, Purchasing Options
Security Level	Document Types
Access Level	Document Types
Blanket Notification	Purchasing Options
Display Inverse Rates	Profile Options (GL)

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Profiles

Display Inverse Rates - Journals: Display Inverse Rate

Common Purchasing Setup for Outside Processing Items

Common Purchasing Setup for Outside Processing Items

- **Required Purchasing setup requirements:**
 - Define outside processing line types
 - Define outside processing items and attributes
- **Optional Purchasing setup requirements:**
 - Define supplier sourcing rules
 - Define quantity received tolerances and controls
 - Define receiving routing controls

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Requisition Considerations

- Who can create them?
- What suppliers will source them?
 - Requisition templates
 - Supplier catalogs
- Who needs to approve them?
- Can they be internally sourced?

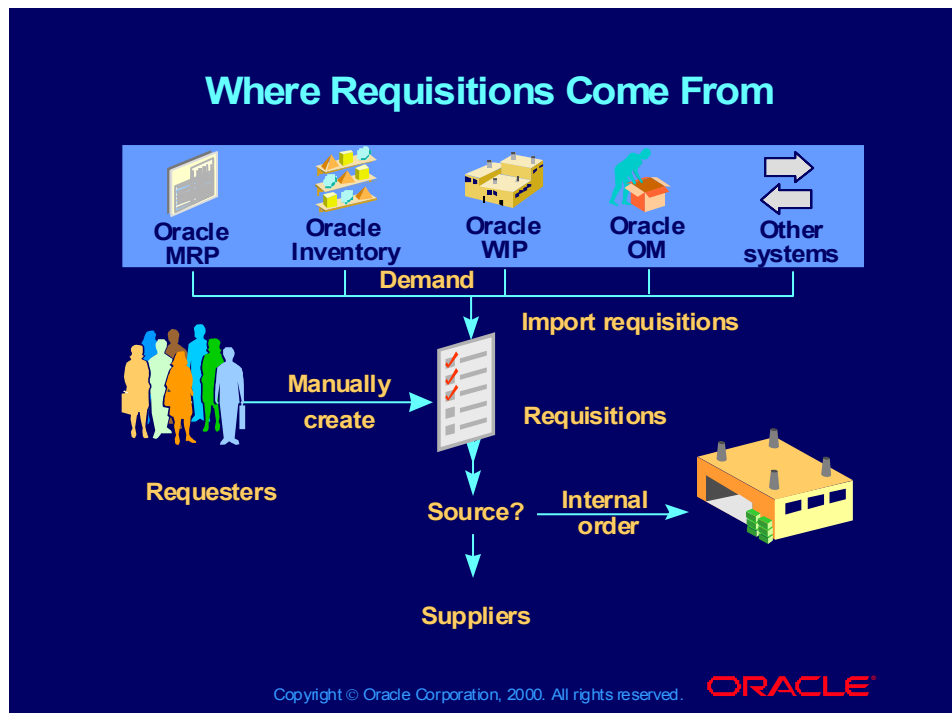


Requisitions

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Where Requisitions Come From



Setup for Internal Requisitions

Setup for Internal Requisitions

- **Purchasing setup requirements:**
 - Define internal requisition deliver-to sites
 - Control online requisition sourcing
 - Define purchasing options: Internal requisitions
 - Define concurrent program resubmission intervals:
 - Order import
 - Create internal sales order

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Set up for Internal Requisitions

Oracle Purchasing, Oracle Inventory and Oracle Order entry have their own set up requirements.

“Overview of Internal Requisitions” is an *Oracle Purchasing Users Guide* topic or available as a Help topic available from:

(Help) Oracle Purchasing > Requisitions > Internal Requisitions

Requisition Setups

Requisition Setups	
Setup	Where Done
Requisition Type	Personal Profiles
Full Lot Quantities	Purchasing Options
Disposition Messages	Purchasing Options
Supplier Item Catalog Starting Region	Personal Profiles

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Profiles

Requisition Type - PO: Legal Requisition Type

Supplier Item Catalog - PO: Default Supplier Item Catalog

Requisition Implementation Considerations

- Requisition sources
- Requisition usage
- Requisition conversion
- Data mapping
- Interface processing
- Integration issues




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Purchase Order Considerations

Purchase Order Considerations

- **Buyers must be defined**
 - Define employees
 - Define buyers
- **Security setup**
 - Security
 - Access
- **When to archive**



The illustration shows a pink silhouette of a person standing with their arms outstretched, looking up at a thought bubble. Inside the thought bubble are icons for a green truck, a blue building, and a computer monitor. Below the person are three question marks: one green and two blue.

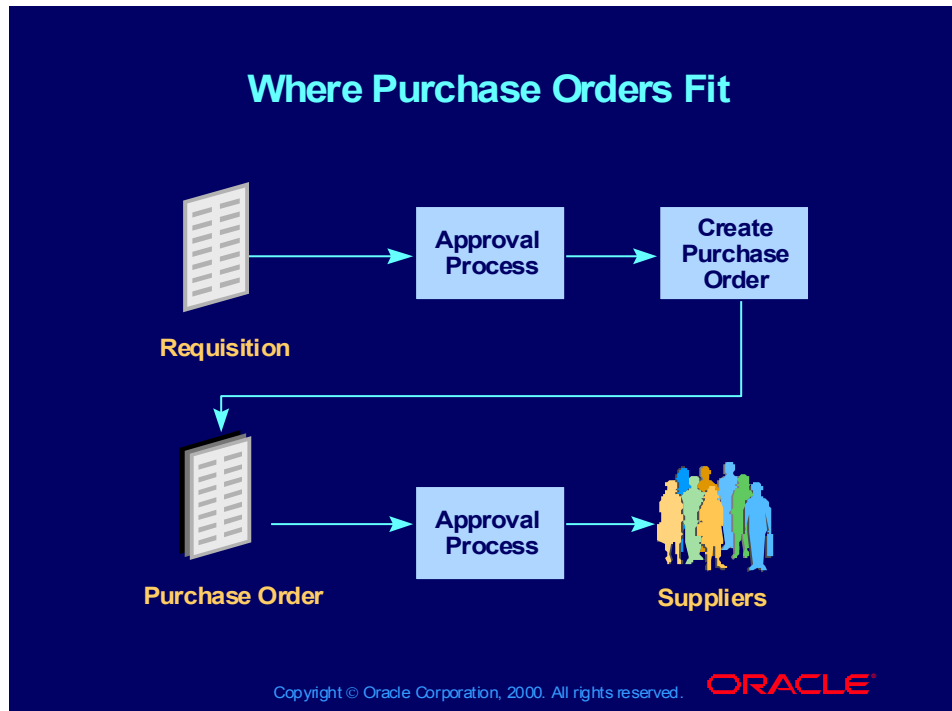
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“Defining Buyers” is an *Oracle Purchasing Users Guide* topic or available as a Help topic available from:

(Help) Oracle Purchasing > Setting Up > Defining Buyers

Refer to the section in this course on document types for more details on security and archiving.

Where Purchase Orders Fit



Purchase Order Setups

Purchase Order Setups

Setup	Where Done
Enforce Buyer Name	Purchasing Options
Archive When	Document Types
Price Tolerance	Items, Purchasing Options
Vendor Holds	Purchasing Options
RFQ Required	Items, Purchasing Options
Cancel Requisition	Purchasing Options
Display Autocreated Document	Personal Profiles

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Profiles

Display Autocreated Document - PO: Display Auto-Created Document

Purchase Order Implementation Considerations

- Use of purchase orders
- Conversion of purchase orders
- Data mapping
- Data cleanup
- Integration issues



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Review Question

Which of the following is a setup step that does not apply to all purchasing documents?

- 1. Line Type**
- 2. Item defaults**
- 3. Financial Options Supplier Purchasing**
- 4. Purchasing Options Price Tolerance**
- 5. All of the above**

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Review Question

Review Question

Which of the following is a setup step that does not apply to all purchasing documents?

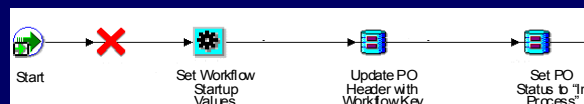
1. Line Type
2. Item defaults
3. Financial Options Supplier Purchasing
4. Purchasing Options Price Tolerance
5. All of the above

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Oracle Workflow

- Automates charge account generation
- Automates document creation
- Automates document approval
- Provides notifications to concerned parties
- View status using graphical Workflow Monitor
- Allows drag and drop process customization



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Oracle Workflow is an important part of the Internet Procurement solution. It provides a customizable tool for critical process flows.

Workflow Considerations

- **Key Purchasing workflows:**
 - Account Generator
 - Requisition Approval
 - Purchase Order Approval
 - Create Purchase Orders and Releases
- Optional workflow modifications
- Other Purchasing workflows

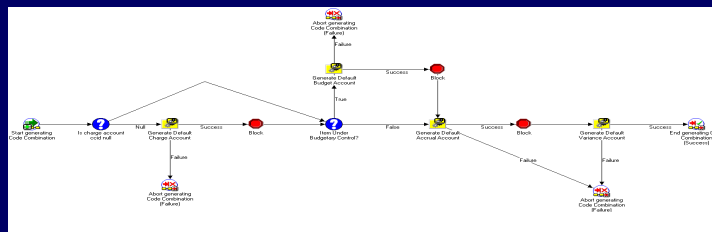
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Account Generator Workflow

Account Generator Workflow

- The account generator workflow will automatically build account distributions for:
 - Charge accounts
 - Budget accounts (if using budgetary control)
 - Accrual accounts
 - Variance accounts



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“Using the Account Generator Workflow” is an *Oracle Purchasing Users Guide* topic or available as a Help topic available from:

(Help) Oracle Purchasing > Procurement Workflows > Using the Account Generator Workflow

Prerequisites to Using the Account Generator Workflow

Prerequisites to Using the Account Generator Workflow

- Define your Accounting Flexfield structure for each set of books.
- Define flexfield segment values and validation rules.
- Set up Oracle Workflow.
- Choose whether you want to use the default Account Generator processes, or if you need to customize them to meet your accounting needs.

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Account Generator Modifications

Account Generator Modifications

- No modifications are required.
- You can not modify any Lookup Types.
- You can not modify any Attributes.
- You may want to customize the generator account construction rules to fit your business requirements.

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“Overview of the Account Generator” is an *Oracle Applications Flexfields Guide* topic or available as a Help topic available from:

(Help) Applied Technology > Oracle Applications Flexfields > Overview of the Account Generator

Account Generator Profile Options

- **Account Generator: Purge Runtime Data**
 - Setting this profile option to Yes ensures that the Oracle Workflow data used to generate accounting flexfield code combinations using the Account Generator is purged after the Account Generator has completed.

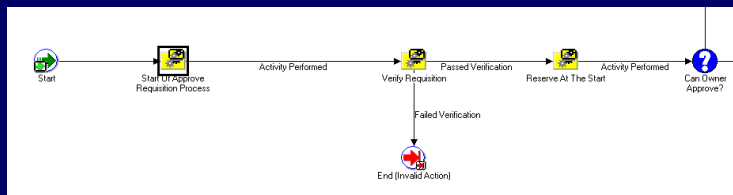
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Requisition Approval Workflow

Requisition Approval Workflow

- This workflow uses the approval controls and hierarchies you defined to route your requisition for approval.
- No required modifications to use this workflow.



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“Requisition Approval Workflow” is an *Oracle Purchasing Users Guide* topic or available as a Help topic available from:

(Help) Oracle Purchasing > Procurement Workflows > Requisition Approval Workflow

Requisition Approval Workflow Processes

- Main Requisition Approval Process
- Start Of Approve Requisition Process
- Verify Requisition
- Reserve At The Start
- Verify Approval Authority
- Reserve Before Approve
- Approve Requisition
- Print Document Process
- Approve And Forward Req
- Notify Approver
- Find Approver
- Return Requisition to Submitter
- Forward Requisition
- Reject Requisition

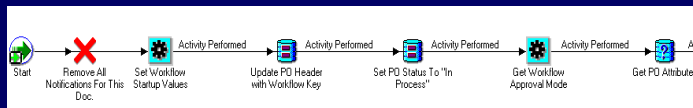
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Purchase Order Approval Workflow

Purchase Order Approval Workflow

- This workflow uses the approval controls and hierarchies you defined to route your purchase order for approval.
- No required modifications to use this workflow.



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“Requisition Approval Workflow” is an *Oracle Purchasing Users Guide* topic or available as a Help topic available from:

(Help) Oracle Purchasing > Procurement Workflows > Requisition Approval Workflow

Approval Workflow Profile Options

- **PO: Workflow Processing Mode**
 - **Online** - Completes an entire approval workflow process before letting you proceed to the next activity, but provides you with an updated Status (for purchase orders) as soon as it finishes.
 - **Background** - Enables you to proceed to the next activity while the approval process completes in the background.

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Optional Approval Workflow Modifications

- **Notifications**
 - Notifications can be modified to meet your individual business needs.
 - Use caution with reply types.
- **Messages**
 - All of the messages can be modified to meet your individual business needs.
- **Lookup Types**
 - All of the lookup types can be modified to meet your individual business needs.
 - Use caution with reply types.

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Optional Modifications

Note that not all notifications, messages, or lookup types will be supported by Oracle if modified.

See the *Oracle Purchasing Users Guide* or *help* regarding the specific workflow for details about which specific attributes and processes may be modified.

Create Documents Workflow

Create Documents Workflow

- **Creates standard purchase orders or blanket releases automatically from approved requisition lines.**
- **Works like Autocreate does, except that it does so automatically.**
- **Purchase Order Approval workflow is called for each document that is created successfully by the Create Documents workflow (with automatic approval enabled).**



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“Create Documents Workflow” is an *Oracle Purchasing Users Guide* topic or available as a Help topic available from:

(Help) Oracle Purchasing > Procurement Workflows > Purchase Order and Release Creation Workflow

Create Documents Workflow Attribute Modifications

- **No modifications required, but the following should be carefully reviewed.**
- **Is Automatic Creation Allowed?**
 - The default value of this attribute is set to 'Y,' meaning that automatic document creation is allowed for approved requisition lines.
- **Is Automatic Approval Allowed?**
 - The default value of this attribute is set to 'N' for No, meaning that documents are not automatically approved after they are created.
- **Should Workflow Create the Release?**
 - The default value of this attribute is set to 'Y,' meaning that the workflow tries to create the release.

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“Choosing Workflow Options” is an *Oracle Purchasing Users Guide* topic or available as a Help topic available from:

(Help) Oracle Purchasing > Setting Up > Choosing Workflow Options

Create Documents Optional Modifications

- **Modifications can be made as follows:**
- **Notifications:**
 - Purchase Order Or Release Has Been Created
- **No Function Activities can be modified**
- **Messages:**
 - PO Document Created
- **No Lookup Types can be modified**

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Other Purchasing Workflows

Other Purchasing Workflows

- **Change Order Approval**
- **Confirm Receipt**
- **Price/Sales Catalog Change Notification**
- **PO Standard**
- **Process Navigator**
- **Send Notifications for Purchasing Documents**

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“Procurement Workflows” is an *Oracle Purchasing Users Guide* topic or available as a Help topic available from:

(Help) Oracle Purchasing > Procurement Workflows

Review Question

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

- 1. Account generator**
- 2. Create requisition**
- 3. Approve requisition**
- 4. Create documents**
- 5. Approve purchase order**

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Review Question

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

1. Account generator
2. **Create requisition**
3. Approve requisition
4. Create documents
5. Approve purchase order

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Review Question

Review Question

Workflow provides a flexible way of customizing Oracle Internet Procurement to fit your business processes.

True

False

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Review Question

Review Question

Workflow provides a flexible way of customizing Oracle Internet Procurement to fit your business processes.

True

False

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Review Question

Review Question

All customizations you make to Oracle Internet Procurement Workflows will be supported by Oracle Support Services.

True

False

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Review Question

Review Question

All customizations you make to Oracle Internet Procurement Workflows will be supported by Oracle Support Services.

True

False

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See the “Procurement Workflows” topic in the *Oracle Purchasing Users Guide* for supported modifications.

Agenda

Agenda

- Understanding purchasing implementation
- Critical Setup Steps
- Accounting Setup
- Oracle Inventory Setup
- Supplier/Sourcing Setup
- Purchasing Document Setup
- **Receiving Setup**
- Summary

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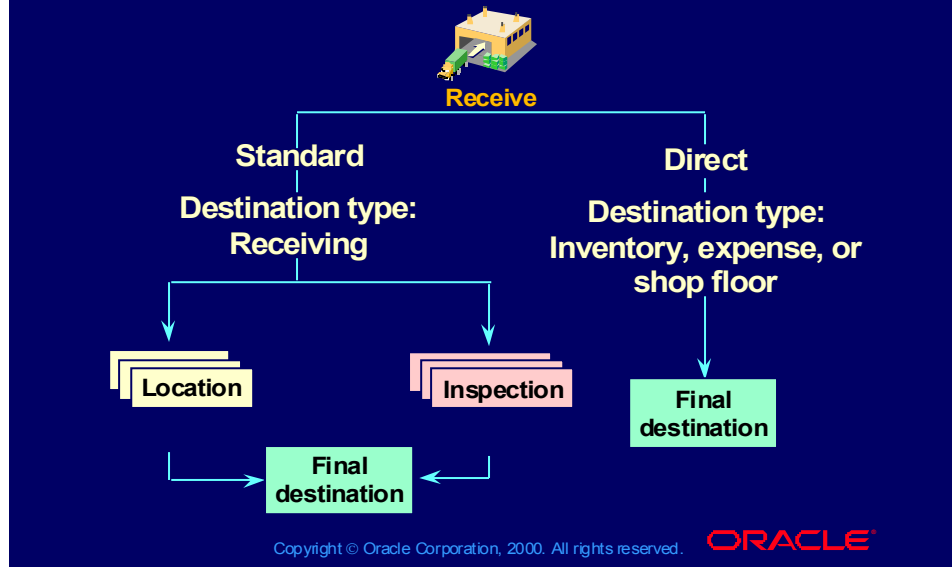
Receiving Setup

- **Receiving setup requirements and options enable you to:**
 - **Establish receiving and control default information:**
 - **Receive before or after the due date**
 - **Receive substitute and unordered items**
 - **Define batch or immediate processing capability**
 - **Provide or restrict authorization to create, modify, and approve documents**

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Overview of Receipt Types



“Overview of Receiving” is an *Oracle Purchasing Users Guide* topic or available as a Help topic available from:

(Help) Oracle Purchasing > Receiving > Overview of Receiving

Receiving Considerations

Receiving Considerations

- Receiving Controls
- Purchasing Options
- Receiving Options
- Receiving Personal Profile Settings
- Quality Inspection Codes

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Receiving Controls

“Receiving Controls, Options, and Profiles” is an *Oracle Purchasing Users Guide* topic or available as a Help topic available from:

(Help) Oracle Purchasing > Receiving > Overview of Receiving > Receiving Controls, Options, and Profiles

Purchasing Options Affecting Receiving

Purchasing Options Affecting Receiving

Receiving Control	Purchasing Options Region
Invoice Matching	Default
Invoice Close Tolerance	Default
Receipt Close Tolerance	Default
Receipt Close Point	Control
Expense Accrual Point	Accrual

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Purchasing Options Settings That Affect Receiving

Since you are receiving items ordered from a supplier many of the receiving controls are determined when the purchase order is created. See the Purchasing Documents section of this course for more details.

Receiving Options

Enables you to control features and default receiving information

- **Receipt numbers**
- **Tolerances**
- **Receiving method**



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Receiving Options

Receiving Options

Receipt Date:	Allow Substitute Receipts
Days Early	Allow Unordered Receipts
Days Late	Allow Express Transactions
Action	Allow Cascade Transactions
Over Receipt Control:	Allow Blind Receiving
Tolerance	
Action	Receipt Routing
Receipt Number:	Enforce Ship-To
Action	ASN Control Action
Type	
Next Number	
Receiving Inventory Account	

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Receiving Options

Purchasing Responsibility

(N) Purchasing > Setup > Organization > Receiving Options

“Defining Receiving Options” is an *Oracle Purchasing Users Guide* topic or available as a Help topic available from:

(Help) Oracle Purchasing > Setting Up > Defining Receiving Options

Receiving Personal Profile Settings

Receiving Personal Profile Settings

- RCV: Allow routing override
- RCV: Fail All ASN Lines if One Fails
- RCV: Print Receipt Traveler
- RCV: Processing Mode

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Receiving Personal Profile Settings

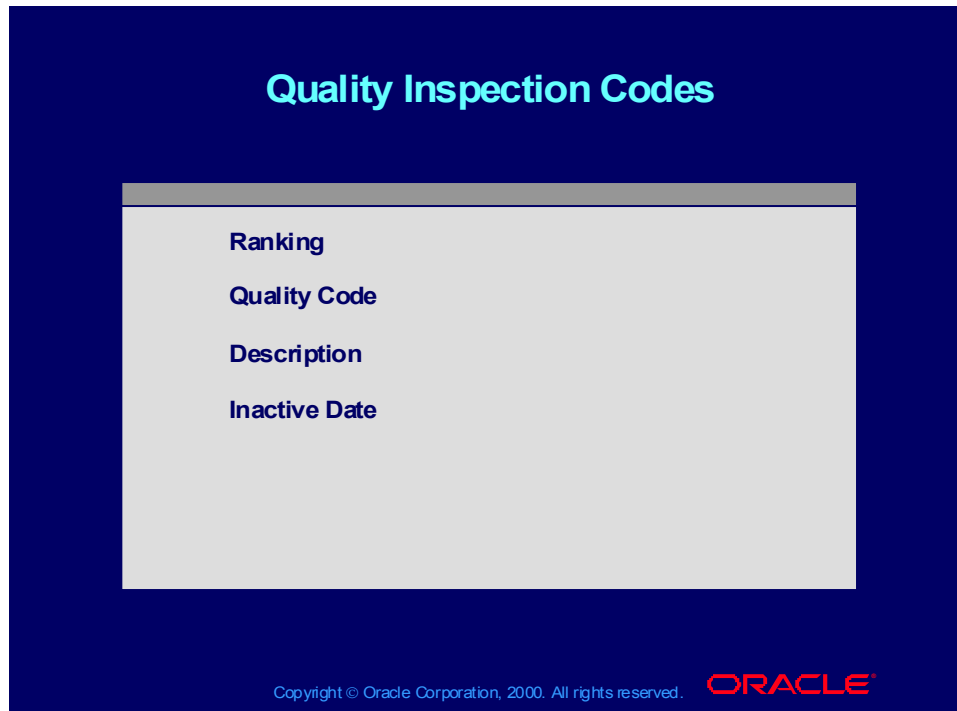
Purchasing Responsibility

(N) Purchasing > Personal Profiles

“Profile Options” is an *Oracle Purchasing Users Guide* topic or available as a Help topic available from:

(Help) Oracle Purchasing > Setting Up > Profile Options and Security Functions
> Profile Options

Quality Inspection Codes



Quality Inspection Codes

Purchasing Responsibility

(N) Purchasing > Setup > Purchasing > Quality Inspection Codes

“Defining Quality Inspection Codes” is an *Oracle Purchasing Users Guide* topic or available as a Help topic available from:

(Help) Oracle Purchasing > Setting Up > Defining Quality Inspection Codes

Receiving Implementation Considerations

- **Issues to consider:**
 - **Advanced shipment notices (ASN)**
 - **Payment on receipt**
 - **Lot and serial number tracking**
 - **RMA's**
 - **Receipt conversion**
 - **Interface processing**
 - **Integration issues**



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Review Question

Review Question

The profile option RCV: Processing Mode determines whether receipts are to be processed in background mode.

True

False

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Review Question

Review Question

The profile option RCV: Processing Mode determines whether receipts are to be processed in background mode.

True

False

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Review Question

Review Question

Although the type of receiving is set by the purchase order it can be changed at the time of receipt.

True

False

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Review Question

Review Question

Although the type of receiving is set by the purchase order it can be changed at the time of receipt.

True

False

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Review Question

Review Question

The Purchasing Options window applies to the operating unit but the Receiving Options window applies to an inventory organization.

True

False

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Review Question

Review Question

The Purchasing Options window applies to the operating unit but the Receiving Options window applies to an inventory organization.

True

False

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Receiving Setup Demonstration

In Oracle Purchasing we will demonstrate how to:

- Review the receiving related (RCV) profile settings
- Verify the Receiving Options settings

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Agenda

Agenda

- Understanding purchasing implementation
- Critical Setup Steps
- Accounting Setup
- Oracle Inventory Setup
- Supplier/Sourcing Setup
- Purchasing Document Setup
- Receiving Setup
- **Summary**

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Purchasing Setup and Implementation Summary

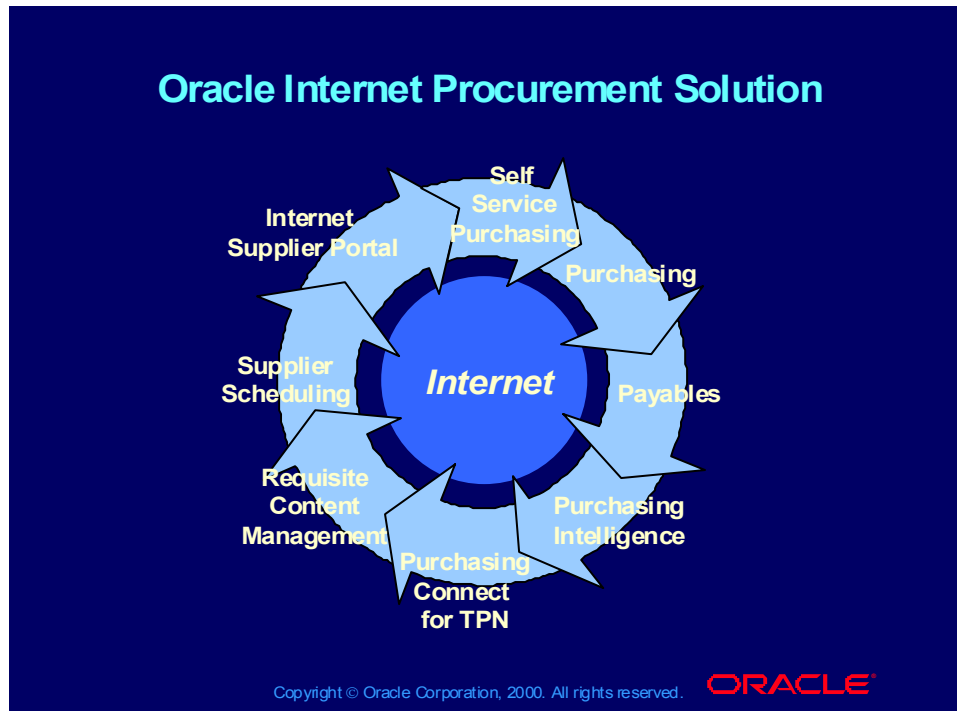
In this course, you have learned to:

- **Describe the technology that makes Oracle Internet Procurement work**
- **Understand the Oracle Purchasing setup steps that influence the procurement process**
- **Describe the basic process flows within Oracle Purchasing**
- **Implement Oracle Purchasing to fit the needs of your business process**

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Oracle Internet Procurement Solution



For More Information

- **Oracle Internet Procurement:**
<http://www.oracle.com/applications/internetprocurement/index.html>
- **Oracle General Ledger Users Guide, Release 11i**
- **Using Oracle HRMS - The Fundamentals, Release 11i**
- **Oracle Inventory Users Guide, Release 11i**
- **Oracle Payables Users Guide, Release 11i**
- **Oracle Purchasing Users Guide, Release 11i**

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Appendix A - 11i iSupplier Portal

Chapter 15

Appendix A - 11i iSupplier Portal

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Objectives

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

- **Describe the features and functions of Oracle's iSupplier Portal application**
- **Use Oracle's iSupplier Portal to enable current and potential suppliers to register and view information about their relationship with the manufacturer**
- **Explain the three seeded supplier responsibilities**
- **Use iSupplier Portal inquiries to view information needed to better anticipate purchasing needs and respond effectively**

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Objectives

- Enter advance shipment notices and advance shipment billing notices
- Acknowledge purchase orders
- Change a purchase order promise date for delivery items
- Maintain supplier capacity
- Observe business processes with iSupplier Portal workflows

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Agenda

Agenda

- Overview of Oracle iSupplier Portal
- Improving supplier relationships through information sharing
- On-line transactions between supplier and buyer
- Automating business processes with workflow

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Agenda

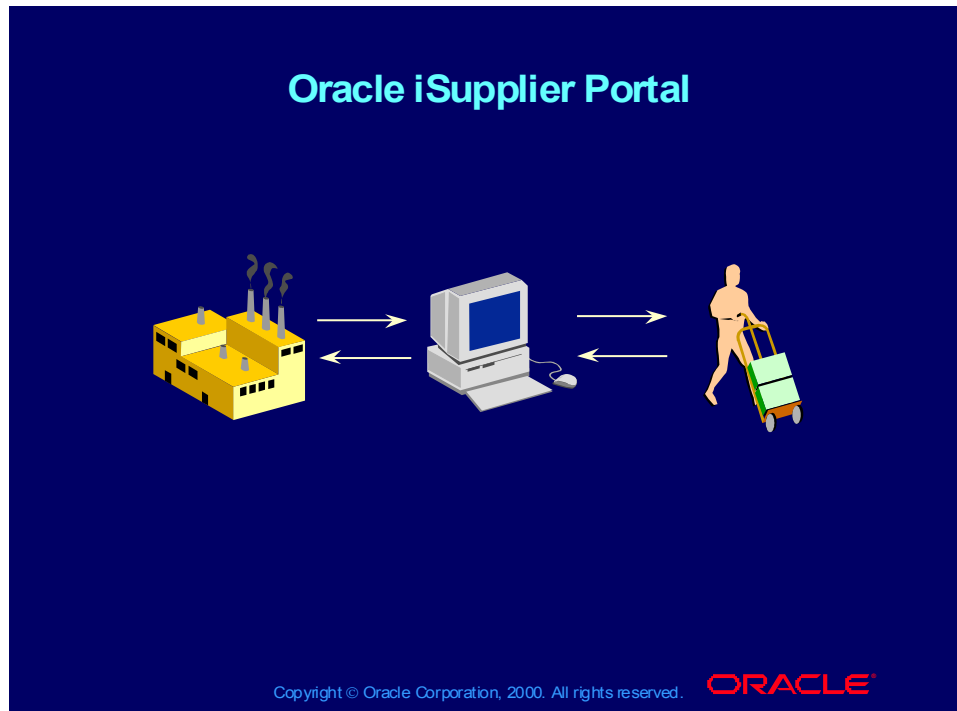
Agenda

- **Overview of Oracle iSupplier Portal**
- Improving supplier relationships through information sharing
- On-line transactions between supplier and buyer
- Automating business processes with workflow

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Oracle iSupplier Portal

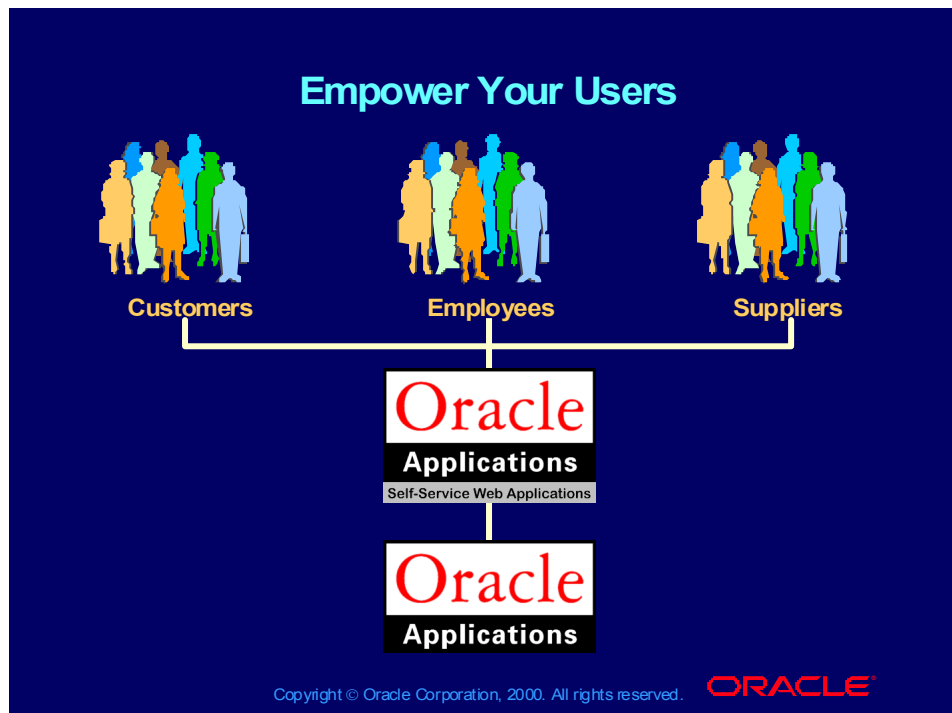


Oracle iSupplier Portal

Oracle iSupplier Portal is an optional component of the Oracle Internet Procurement solution that enables secure, self-service business transactions between companies and their authorized suppliers by way of the Internet.

It provides suppliers the ability to use a standard web browser to directly access information and enter business transactions in a secure, self-service environment.

Empower Your Users



About Oracle Self-Service Web Applications

Oracle Self-Service Web Applications (OSSWA) are designed for secure, self-service business transactions across the Internet and corporate intranets. Oracle iProcurement, Oracle Web Customers, and Oracle iSupplier Portal use Oracle's proven Web and workflow technologies to extend Oracle Applications' robust business processes, enabling your employees, customers, and suppliers to perform common business tasks. Oracle Self-Service Web Applications are part of Oracle Applications, an integrated suite of business solutions designed to support continuous process improvement for enterprises competing in time-critical markets.

Oracle Self-Service Web Applications lets you exploit the World Wide Web to open new markets—even consumer and small business markets that were previously impractical to enter. You can automate the business operations that include your employees, customers, suppliers, and business partners. With the supplier registration transaction, suppliers can initiate and step through a workflow-driven process for registering as a user of Oracle iSupplier Portal, a product of OSSWA. This process captures critical pieces of information such as name, e-mail address, phone number, location, and contact. These requests will be reconciled with existing supplier records in Oracle Purchasing and then approved in accordance with your business rules. Once approved, the Web user information will be sent to the supplier, and the supplier will have immediate access according to the privileges you grant.

Security Needs

Security Needs

- Control user access to the system
- Control user access to information
- Provide secured point-to-point communication between client and server
- Provide multiple entry points to the system



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Basic Security Business Needs

Oracle's Self Service Web Applications (OSSWA) offer security which provides you with the features you need to satisfy the following basic business needs:

Control of user privileges and access to the systems

Security of information by any attribute in the applications system (row-level security)

Capability of hiding any attributes from a Web page based on user privileges (column-level security)

Restrictions on which pages a valid user of the system can navigate to

Secured point-to-point communication between the client and the server

Multiple entry points to the systems

With a good security strategy, Oracle users can enter the systems from various points, such as a Workflow notification or other applications.

OSSWA Security Strategy

- User registration and password protection
- Record-level and column-level security (securing and excluding attributes)
- Time and hit limits for each connection
- Secure Sockets Layer (SSL) connections
- HTTP cookie technology
- Encryption technology

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Self-Service Web Applications Security Strategy

OSSWA's security strategy is composed of:

The user registration process and user-level password protection

Record-level security to ensure that each user views only the assigned set of data; known as securing attributes

Column-level security to ensure that specific data columns can be hidden from users; known as excluding attributes

Time and hit limits for each connection session

Secure Sockets Layer (SSL) connections to secure the communication line between the user and the systems.

HTTP cookie technology to ensure that the appropriate client is communicating with the appropriate server during a communication session

Encryption technology ensures that users cannot simply change the URL line to access unauthorized information.

Oracle iSupplier Portal

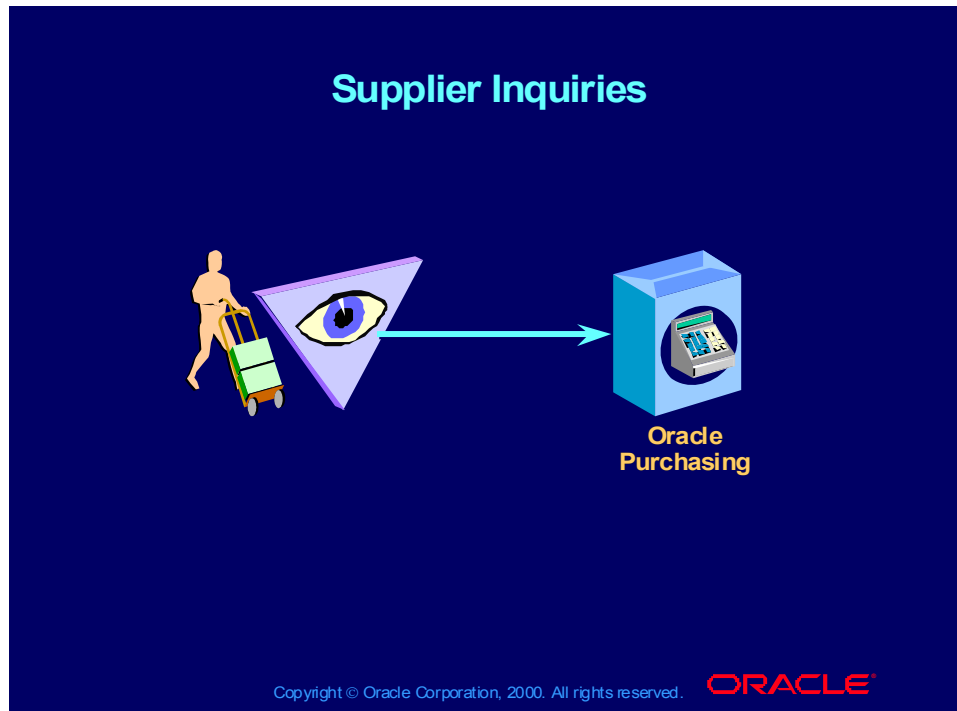
With Oracle iSupplier Portal, suppliers can use a standard web browser to:

- **Directly access information about purchase orders, supplier agreements, invoice and payment information, time-critical delivery information, and requests for quotation**
- **Provide information to manufacturers regarding shipments, purchase order acknowledgments, order rescheduling, capacity and outside processing.**

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Supplier Inquiries



Supplier Inquiries

One of the biggest options available in streamlining your Sourcing component is Oracle's iSupplier Portal (iSP). Formerly known as Web Suppliers, iSP gives suppliers the opportunity to become true partners in the procurement processes. After self-registering as a user in your system, suppliers can use iSP inquiries to view information they need to be able to better anticipate purchasing needs and respond effectively.

Registering as a Supplier



(N) Supplier Registration > New Supplier Account

(Help) iSupplier Portal Implementation Guide > Supplier Registration

Supplier Registration

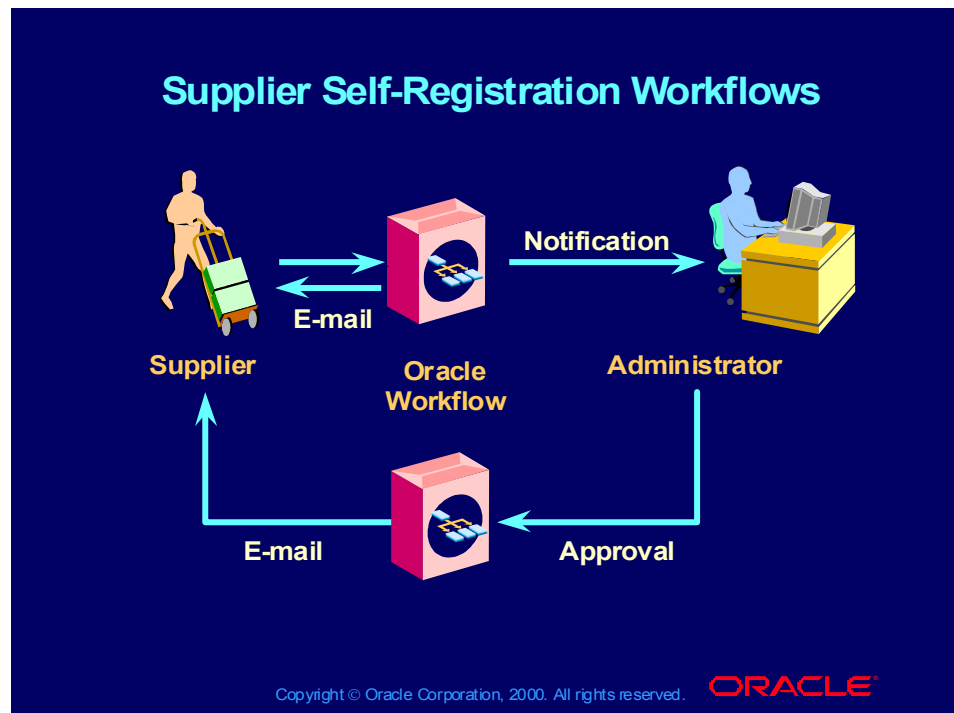
Use the Supplier Registration window to complete:

- Company name
- First and last name of the contact
- Email address of contact
- A unique user name under which to log in
- A password entered twice for verification
- Company address information

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Supplier Self-Registration Workflows



Supplier Responsibilities

Supplier Responsibilities

There are three seeded supplier responsibilities available in the iSupplier Portal application. They restrict the data the user can see.

- Full access
- By supplier
- By supplier site



Supplier

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Supplier Responsibilities

Full Access: The supplier will have the right to view any data for any supplier.

By Supplier: The supplier will be able to see only data associated with his or her company.

By Supplier Site: The supplier will be able to see only data associated with his or her supplier address (site).

Demonstration

This demonstration shows you how to:

- **Log in through a web browser as a supplier**
- **Register yourself as a supplier**



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Agenda

Agenda

- Overview of Oracle iSupplier Portal
- **Improving supplier relationships through information sharing**
- On-line transactions between supplier and buyer
- Automating business processes with workflow

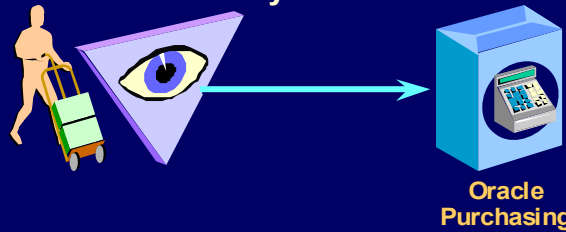
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Supplier Views

As a supplier, you can inquire across a range of views. To view inquiries:

- 1. Select the view from the supplier services menu.**
- 2. Select your search criteria and click the Search button.**
- 3. All results that match your search criteria appear.**



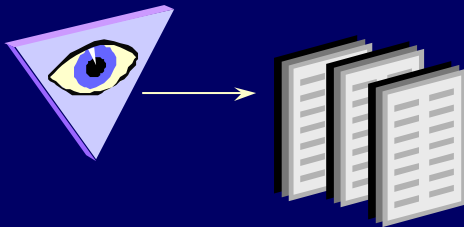
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Viewing Notifications

Viewing Notifications

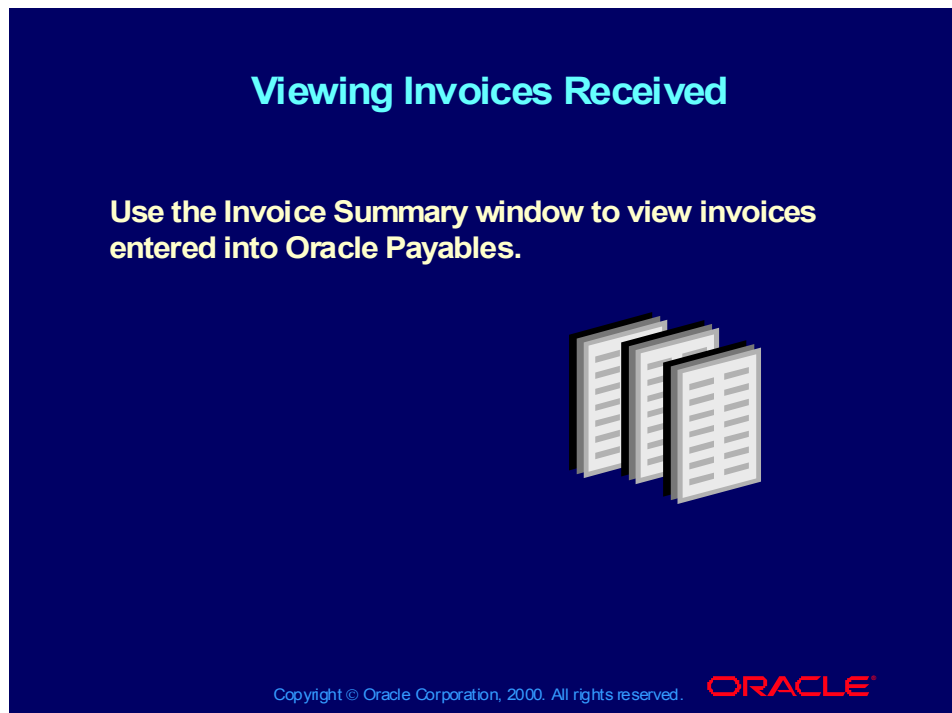
Use the **View Notifications** window to view all notifications related to the plan-to-procure-to-pay life cycle.



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(N) Supplier Services by Supplier > View Notifications

Viewing Invoices Received



Viewing Invoices Received

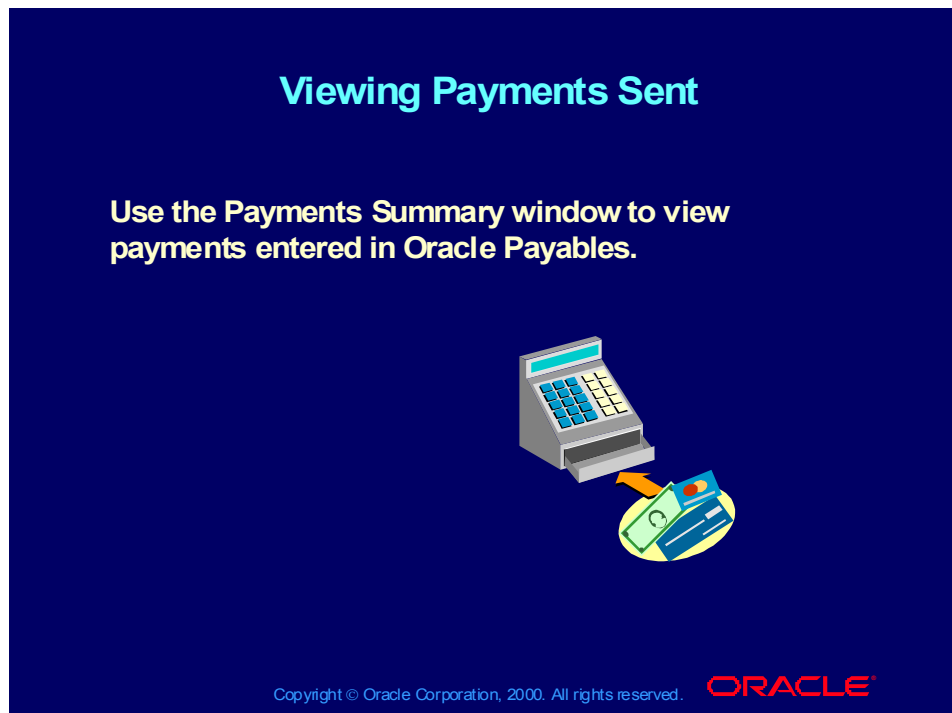
(N) Supplier Services by Supplier > View Invoices Received (B) Search

Suppliers can view invoices entered into Oracle Payables. Drill-down capabilities allow suppliers to:

- Drill down to associated POs

- Drill down to associated payments

Viewing Payments Sent



Viewing Payments Sent

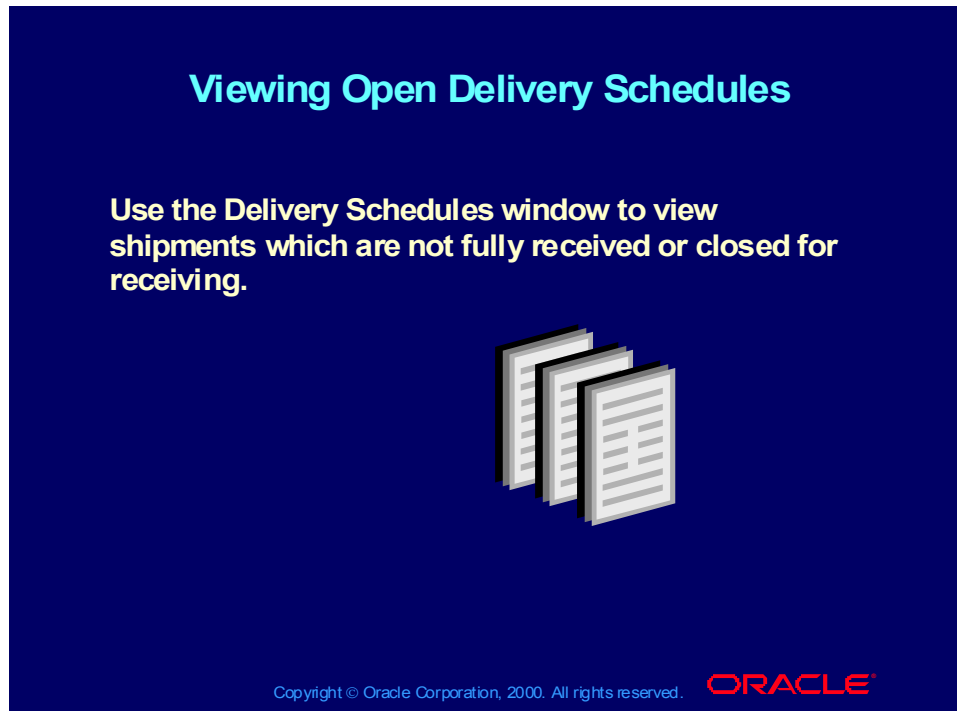
(N) Supplier Services by Supplier > View Payments Sent (B) Search

Suppliers can view payments entered in Oracle Payables. Drill-down capabilities allow suppliers to:

- Drill down to associated payment details

- Drill down to associated invoice details

Viewing Open Delivery Schedules



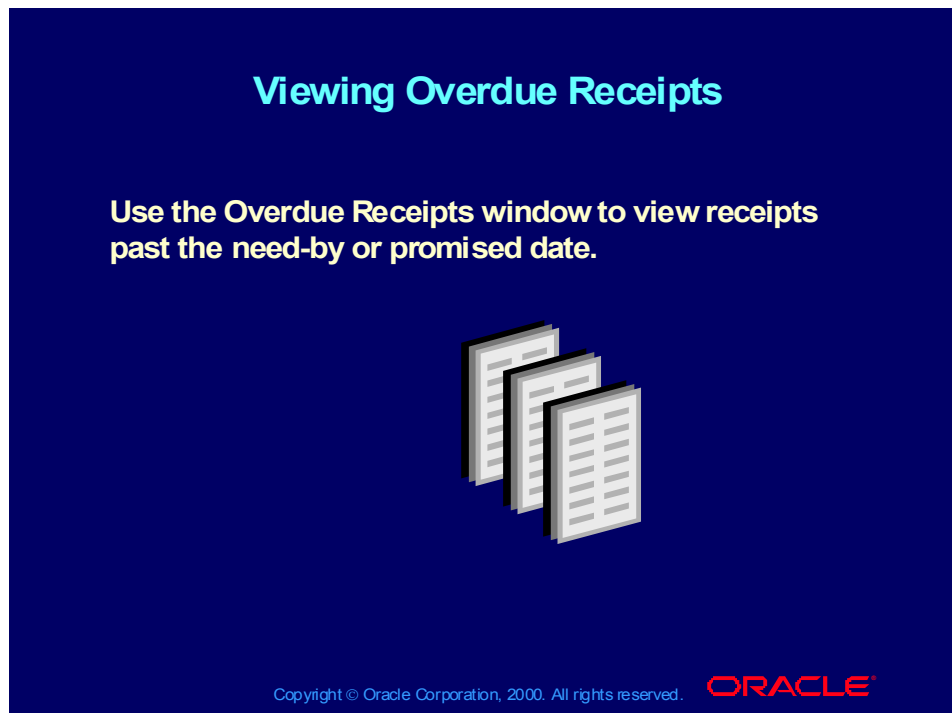
Viewing Open Delivery Schedules

(N) Supplier Services by Supplier > View Open Delivery Schedules (B) Search

Suppliers can view open shipments (shipments which are not fully received/closed for receiving). Drill-down capabilities allow suppliers to:

- Drill down to associated PO details
- Drill down to associated Ship-To location address details
- Drill down to associated Buyer contact details
- Drill down to associated Supplier location address details
- Drill down to associated Receipt history

Viewing Overdue Receipts



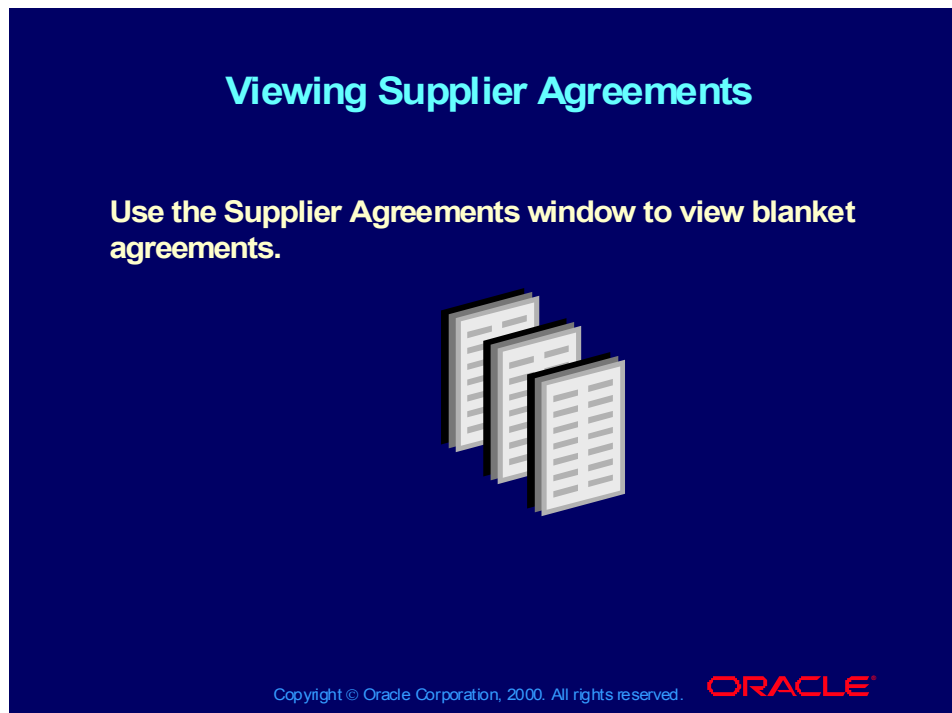
Viewing Overdue Receipts

(N) Supplier Services by Supplier > View Overdue Receipts (B) Search

Suppliers can view their overdue receipts (receipts past the need by/promised date). Drill-down capabilities allow suppliers to:

- Drill down to associated PO details
- Drill down to associated Ship-To location address details
- Drill down to associated Buyer contact details
- Drill down to associated Supplier location address details

Viewing Supplier Agreements



Viewing Supplier Agreements

(N) Supplier Services by Supplier > View Supplier Agreements (B) Search
Suppliers can view approved blanket agreements. Drill-down capabilities allow suppliers to:

- Drill down to associated releases
- Drill down to history of revisions
- Drill down to associated Buyer contact details
- Drill down to associated Supplier location address details

Viewing Supplier Item Summary

Viewing Supplier Item Summary

Use the **Supplier Items** window to view summary information such as purchase orders, receipts, and invoices for items which are single-sourced to you through the **Approved Supplier List (ASL)**.



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Viewing Supplier Items

(N) Supplier Services by Supplier > View Supplier Item Summary (B) Search
Suppliers can use this page to view items which are single-sourced to them through the Approved Supplier List (ASL). Drill-down capabilities allow suppliers to:

- Drill down to associated overdue receipts
- Drill down to associated purchase order lines
- Drill down to associated defects
- Drill down to associated returns
- Drill down to associated on-hand inventory balance
- Drill down to associated on-time delivery performance
- Drill down to associated receipt history

Viewing Purchase Orders

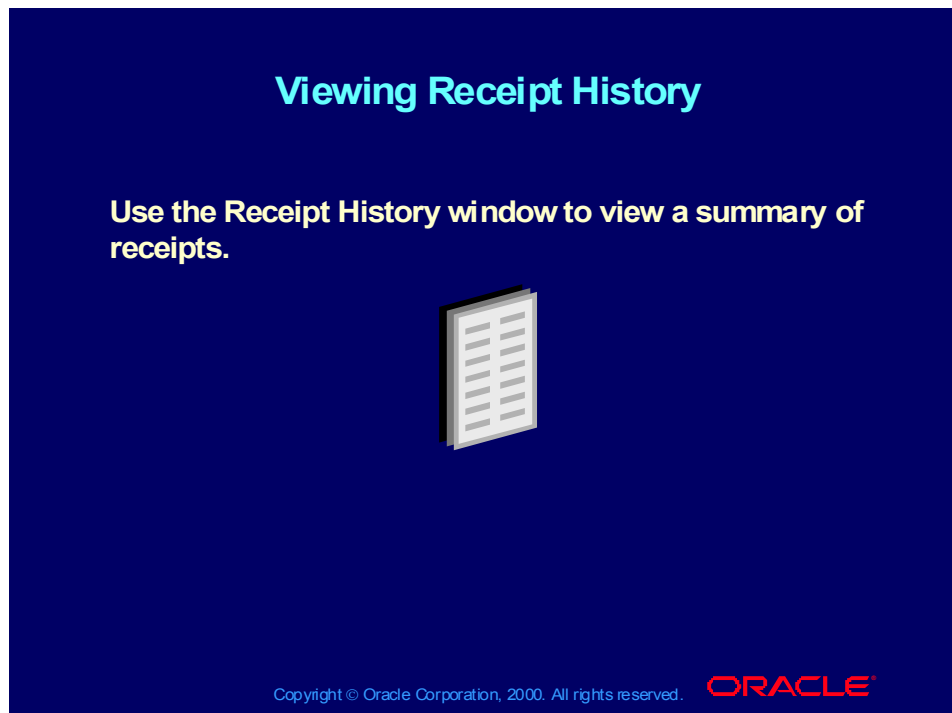


Viewing Purchase Orders

(N) Supplier Services by Supplier > View Purchase Orders (B) Search
Suppliers can view a summary of Approved Standard POs and Blanket Releases. Drill-down capabilities allow suppliers to:

- Drill down to shipment details
- Drill down to history of revisions
- Drill down to associated invoices
- Drill down to associated receipts
- Drill down to associated Ship-To location address details
- Drill down to associated Buyer contact details
- Drill down to associated Supplier location address details

Viewing Receipt History



Viewing Receipt History

(N) Supplier Services by Supplier > View Receipt History (B) Search

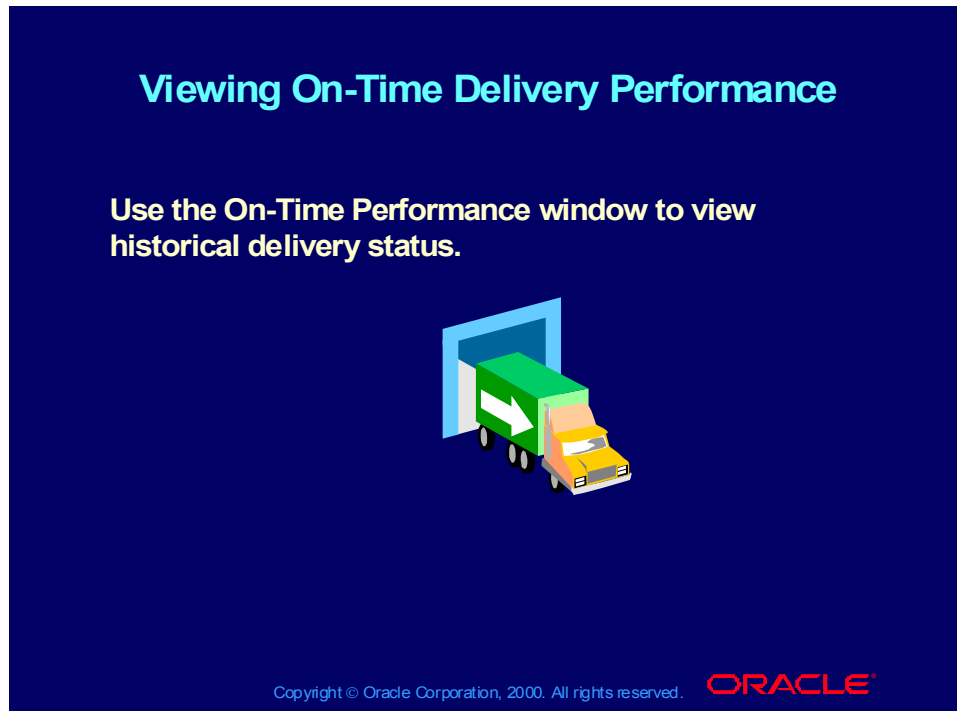
Suppliers can view receipt summary. Drill-down capabilities allow suppliers to:

- Drill down to receipt transaction details

- Drill down to associated defects

- Drill down to associated returns

Viewing On-Time Delivery Performance



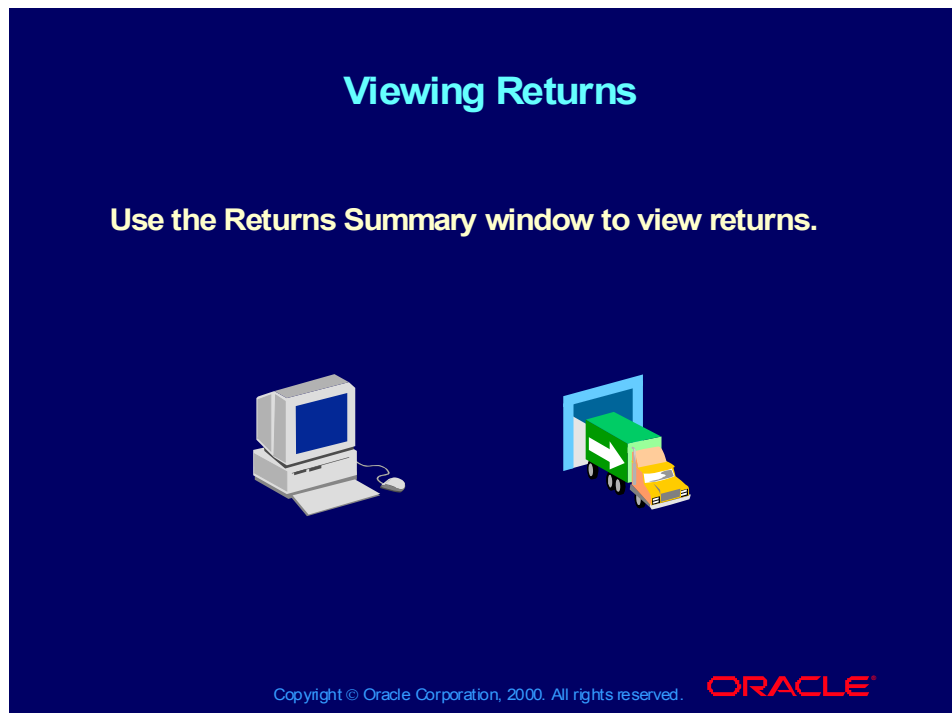
Viewing Delivery Performance

(N) Supplier Services by Supplier > View On-Time Delivery Performance (B) Search

Suppliers can view historical delivery status as either early or late. Drill-down capabilities allow suppliers to:

- Drill down to associated POs
- Drill down to associated receipts

Viewing Returns



Viewing Returns

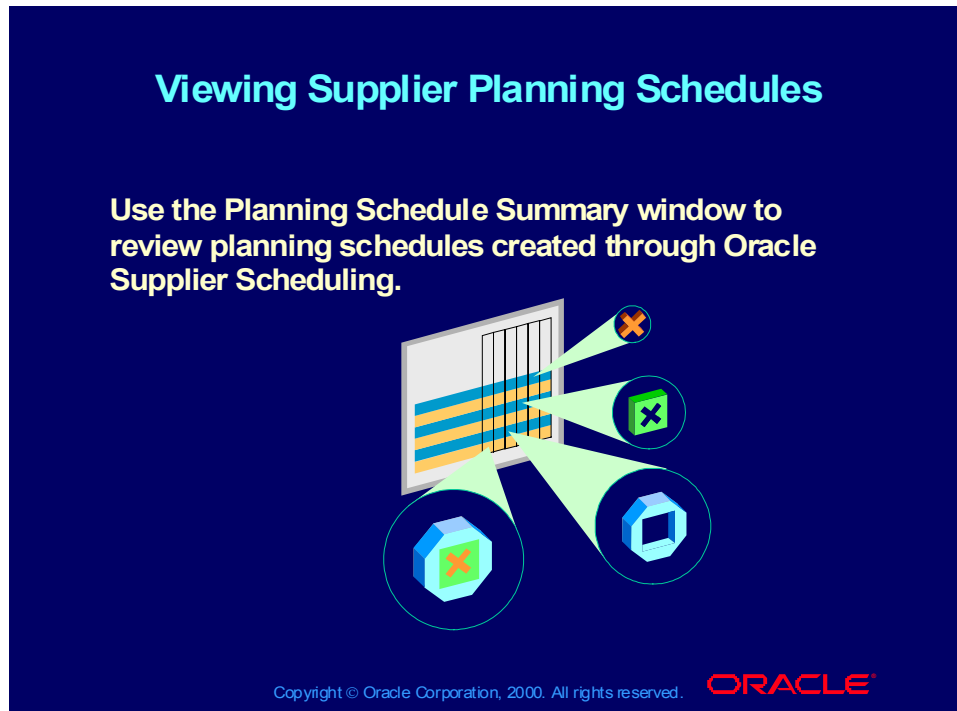
(N) Supplier Services by Supplier > View Returns (B) Search

Suppliers can view returns. Drill-down capabilities allow suppliers to:

- Drill down to associated receipt

- Drill down to associated purchase order

Viewing Supplier Planning Schedules



Viewing the Planning Schedule Summary

(N) Supplier Services by Supplier > View Supplier Planning Schedules (B)
Search

Suppliers can review their planning schedules created through Oracle Supplier Scheduling. They can search for schedules using various search criteria. The schedules include consolidated forecast and release information presented in the form of a horizontal schedule with a grid of standard time buckets. Suppliers can view individual blanket releases or requisitions that contribute to the demand conveyed on a particular schedule. This Web inquiry can also be used to convey resource authorization information. It can be used in conjunction with, or as a replacement for, the related EDI transactions.

Viewing Supplier Shipping Schedules

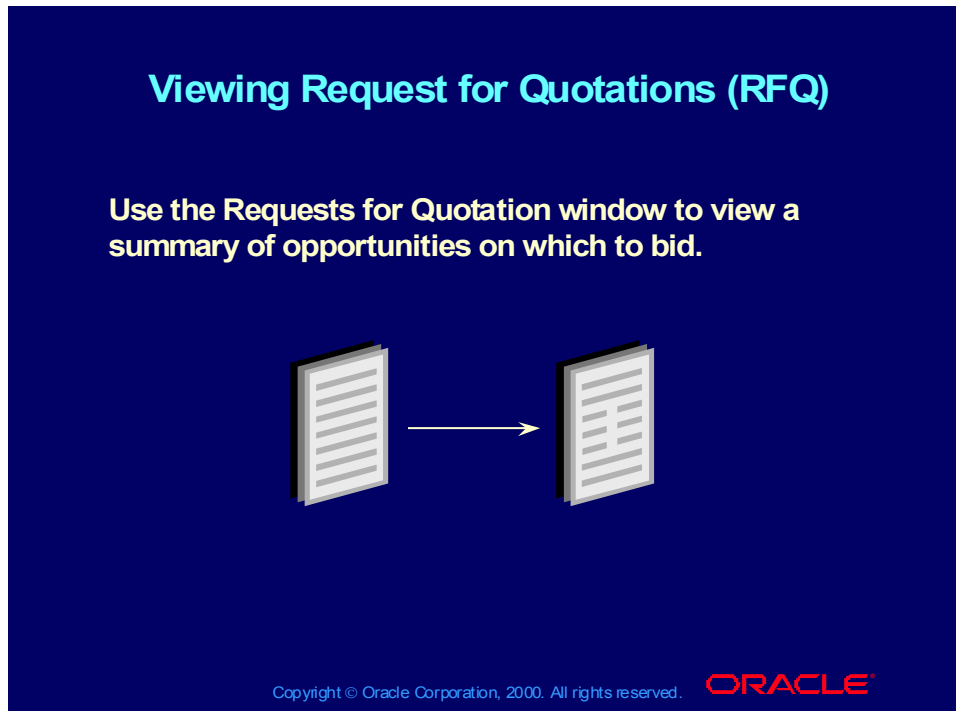


Viewing the Shipping Schedule Summary

(N) Supplier Services by Supplier > View Supplier Shipping Schedules (B) Search

Suppliers can review their shipping schedules created through Oracle Supplier Scheduling. They can search for schedules using various search criteria. The schedules include consolidated forecast and release information presented in the form of a horizontal schedule with a grid of standard time buckets. Suppliers can view individual blanket releases or requisitions that contribute to the demand conveyed on a particular schedule. This Web inquiry can also be used to convey resource authorization information. It can be used in conjunction with, or as a replacement for, the related EDI transactions.

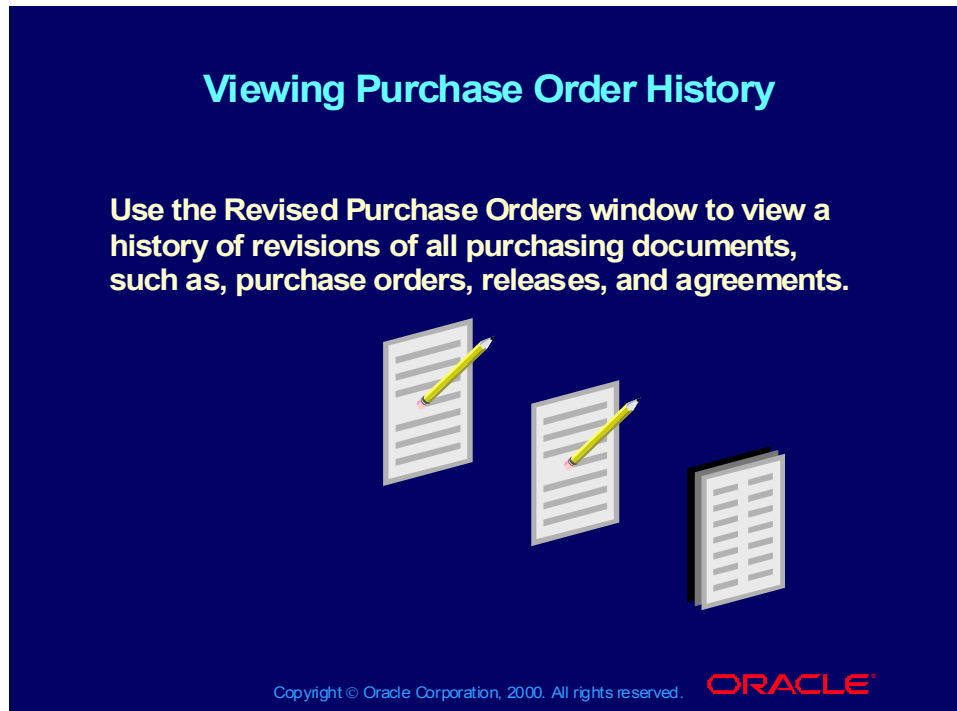
Viewing Request for Quotations (RFQ)



Viewing Requests for Quotation

(N) Supplier Services by Supplier > View Request for Quotations (B) Search Suppliers can review requests for quotation created in Oracle Purchasing. They can search for requests for quotation using various search criteria. They will have access to all documents for which they are listed as a potential supplier. The information displayed can be exported into a file that can be uploaded to the supplier's own system to generate a response. Those responses can then be sent back through the Oracle EDI Gateway. Drill-down capabilities allow suppliers to drill-down to RFQ details.

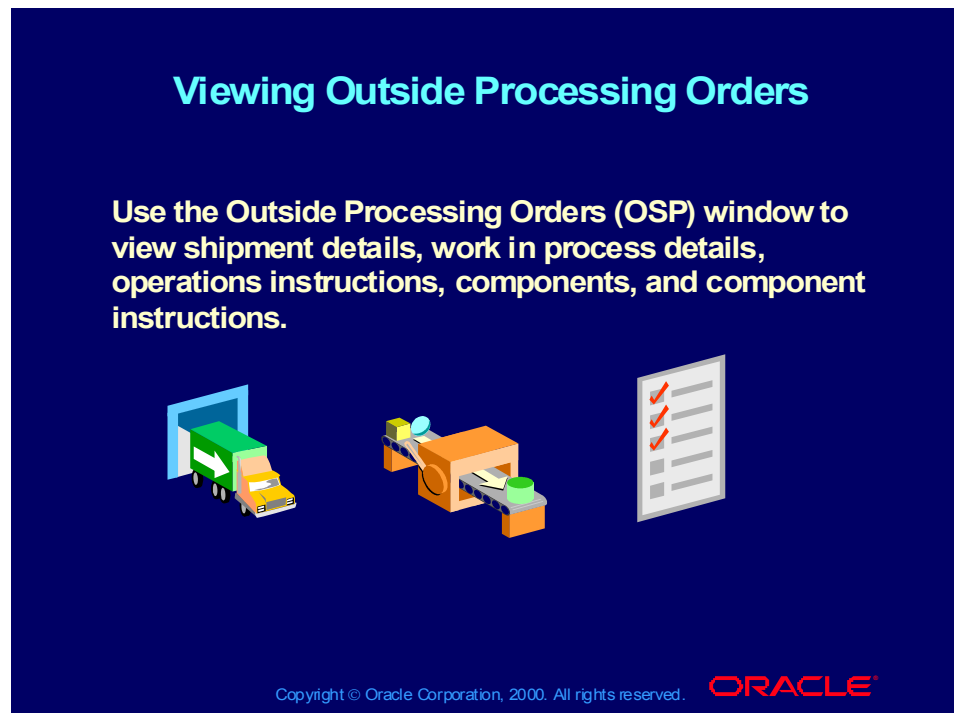
Viewing Purchase Order History



Viewing Purchase Order Revisions

(N) Supplier Services by Supplier > View Purchase Order History (B) Search
Suppliers can view a history of changes made to standard POs and blanket agreements. Suppliers can also view the most recent version of their purchase orders, as well as comparisons with the last revision, and with the original purchase order. The inquiry also allows them to view all revisions made to their purchase order at once. This information is displayed compactly: only the fields altered with their original and new values are shown (for example, a change in the need-by date will display the need-by date field name, and the new and old need-by dates).

Viewing Outside Processing Orders



(N) Supplier Services by Supplier > View Outside Processing Orders (B)
Search

(Help) iSupplier Portal Implementation Guide > View Outside Process Orders

Agenda

Agenda

- Overview of Oracle iSupplier Portal
- Improving supplier relationships through information sharing
- **On-line transactions between supplier and buyer**
- Automating business processes with workflow

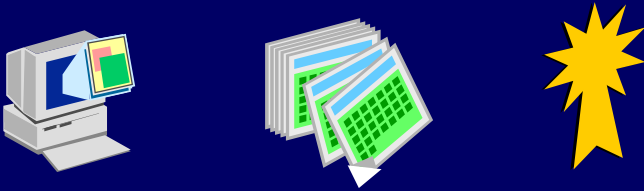
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Using the Outside Processing Workbench

Using the Outside Processing Workbench

Use the Outside Processing (OSP) Workbench window for viewing open outside processing purchasing documents (standard purchase orders and blanket agreements), changing the promise date for outside processing orders, and entering quality information.



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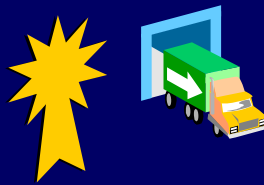
(N) Supplier Services by Supplier > View Outside Processing Workbench (B) Search

(Help) iSupplier Portal Implementation Guide > Use the Outside Processing Workbench

Entering Quality Plans for Shipments

Entering Quality Plans for Shipments

Use the Quality Shipments window to view and enter quality data for quality plans associated with purchase order shipments.



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(N) Supplier Services by Supplier > Quality Plans for Shipments (B) Search
(Help) iSupplier Portal Implementation Guide > Enter Quality Plans for Shipments

Entering Advance Shipment Notices (ASN) and Advance Shipment Billing Notices (ASBN)

Entering Advance Shipment Notices (ASN) and Advance Shipment Billing Notices (ASBN)

Use the **Advance Shipment Notice** window to let the receiving organization know that a shipment is coming. Search by:

- **Supplier site**
- **Ship-to location**



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(N) Supplier Services by Supplier > Enter Advance Shipment Notifications
(Help) iSupplier Portal Implementation Guide > Enter Advance Shipment Notifications

Advance Shipment Notifications

An advance shipment notice is an alternative to electronic data interchange (EDI). You can query and select from open Purchase Order shipments. In addition to the standard shipment notice, suppliers can also include billing information creating an Advanced Shipment Billing Notification (ASBN) which includes the invoice number and freight amount. Data is validated during submission and any errors are communicated instantly to the supplier.

Maintaining Supplier Capacity



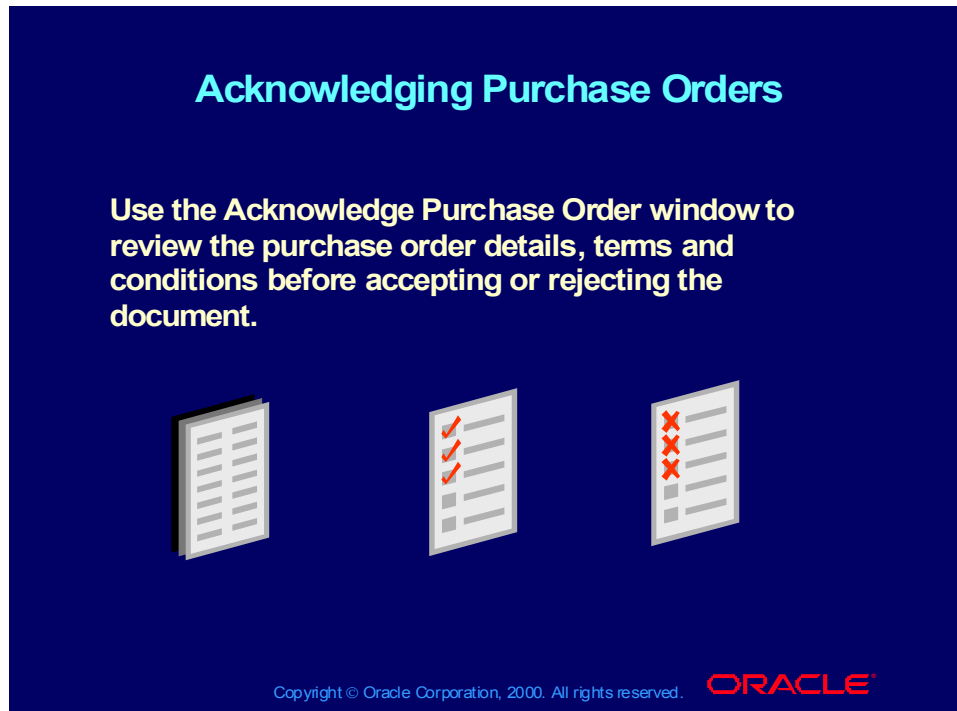
(N) Supplier Services by Supplier > Maintain Capacity

(Help) iSupplier Portal Implementation Guide > Maintain Capacity

Updating Manufacturing Capacity

Suppliers may view and initiate changes to capacity and capacity tolerances. These changes are updated immediately on the Approved Supplier List (ASL). Workflow notification is sent to the specified planning manager or the buyer. This results in improved planning and better supplier scheduling ability for the buyer.

Acknowledging Purchase Orders



(N) Supplier Services by Supplier > Acknowledge Purchase Order

(Help) iSupplier Portal Implementation Guide > Acknowledge Purchase Orders

Purchase Order Acknowledgment

Suppliers can acknowledge purchase orders on-line, verifying that they have agreed to and accepted the details on the purchase orders sent to them. The purchase order is automatically updated with the supplier's response. Both the buyer and supplier are notified when acceptance has not been recorded by the acceptance due date.

Changing a Purchase Order Promise Date

Changing a Purchase Order Promise Date

Use the Change Promised Date window to notify buying organizations of changes to promised dates on a purchase order.



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(N) Supplier Services by Supplier > Change Purchase Order Promise Date
(Help) iSupplier Portal Implementation Guide > Change Promised Dates for Delivery

Rescheduling Purchase Orders

If a purchase order must be altered due to production circumstances or other changes in market conditions, a supplier can now communicate a change in promised date on-line, along with a required explanation for the change. The request for change is routed within the purchasing organization for approval through workflow notifications. Approval action automatically updates the purchase order with the change in promise date, while rejection routes an exception notification to the supplier.

Agenda

Agenda

- Overview of Oracle iSupplier Portal
- Improving supplier relationships through information sharing
- On-line transactions between supplier and buyer
- **Automating business processes with workflow**

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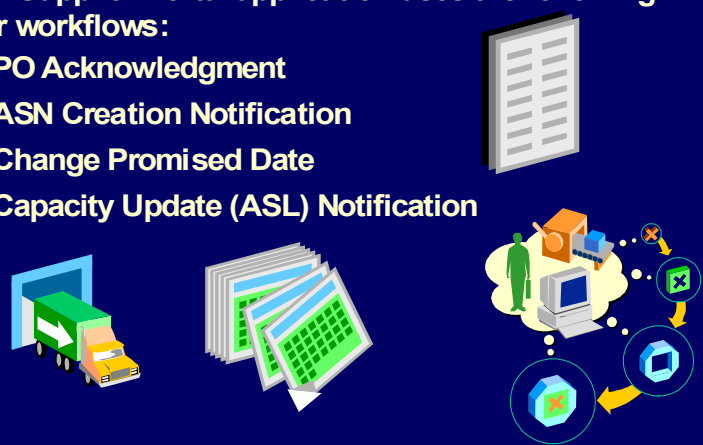
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iSupplier Portal Workflows

iSupplier Portal Workflows

The iSupplier Portal application uses the following four workflows:

- PO Acknowledgment
- ASN Creation Notification
- Change Promised Date
- Capacity Update (ASL) Notification



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Automating Business Processes with Workflow

The iSupplier Portal uses Oracle Workflow, Oracle's integrated workflow engine, to automatically enforce business rules and policies.

PO Acknowledgment

The PO Acknowledgment process enables suppliers to record acceptances through iSupplier Portal. The supplier receives a notification when a new document is created or an acceptance has not been recorded by the acceptance due date.

ASN Creation Notification

The ASN Creation Notification workflow contains two processes: buyer notification and supplier notification. It automatically notifies buyers when an ASN has been submitted and then notifies the supplier when ASNs have been verified or rejected.

Change Promised Date

The Change Promised Date workflow enables suppliers to communicate changes to promised dates to the buying organization.

Capacity Update (ASL) Notification

The Capacity Update (ASL) Notification workflow enables suppliers to enter and maintain their capacity constraints through iSupplier Portal.

Review Question

Review Question

Which of the following responsibilities gives the supplier the right to view any data for any supplier?

- 1. Full Access**
- 2. By Supplier**
- 3. By Supplier Site**

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Answer to Review Question

Which of the following responsibilities gives the supplier the right to view any data for any supplier?

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2. By Supplier
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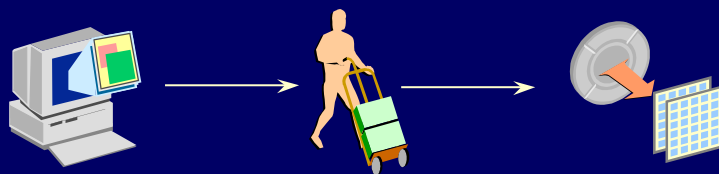
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Practice 1 Overview

Practice 1 Overview

This practice covers the following topics:

- Logging in as a supplier
- Registering as a supplier
- Viewing invoices received



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Practice 1 Instructions with Solution

Practice 1 Instructions with Solution

As a new supplier, you will log in through a standard web browser as a supplier and register yourself. You will then view all the invoices received and drill down to the header and detail information for one of the PO numbers.

- **Username: Supplier**
- **Password: Welcome**

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Practice 1 Solutions

1. Log in to the Vision database.
- (N) Supplier Registration > New Supplier Account
2. Enter your company name, first and last name of the contact, email address of the contact, a unique user name under which to log in, a password entered twice for verification and your company address information.
3. Click the Save button. If the system responds with a message that you aren't using a registered supplier name, click the Continue button to register yourself as a new supplier. The system will contact you by email to verify your request. Once your confirmation is received, your account will be activated and you will be notified.
4. Click the Back button until you are at the Supplier menu and select Supplier Services (by Supplier).
5. Select View Invoices Received.
6. Click the Search button to search for all invoices received and click OK on the warning message.
7. Select a PO Number to drill down to the PO header.
8. Select the PO Number again to drill down to the PO detail.
9. Click the Main Menu icon on the toolbar to return to the main menu.

Summary

In this course you should have learned how to:

- **Describe the features and functions of Oracle's iSupplier Portal application**
- **Use Oracle's iSupplier Portal to enable current and potential suppliers to register and view information about their relationship with the manufacturer**
- **Explain the three seeded supplier responsibilities**
- **Use iSupplier Portal inquiries to view information needed to better anticipate purchasing needs and respond effectively**

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Summary

- Enter advance shipment notifications
- Acknowledge purchase orders
- Change a purchase order promise date for delivery items
- Maintain supplier capacity
- Observe business processes with iSupplier Portal workflows

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