

11i Implement and Use Purchasing

Volume 2 - Student Guide

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Editor

Vic Mitchell

Technical Contributors and Reviewers

Carol Borison, Shannon Burnett, Marilyn Montgomery

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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 Create, Maintain, and Approve Requisitions

Chapter 6

11i Create, Maintain, and Approve Requisitions

Oracle Internet Procurement > Shop Shopping Lists

Oracle Internet Procurement > Shop Non-Catalogue Requests

Oracle Internet Procurement > Shopping Cart

Oracle Internet Procurement > Compare

Oracle Internet Procurement > Checkout

Oracle Internet Procurement > Power Checkout

Oracle Internet Procurement > Requisitions Status Approvals

Oracle Purchasing > Requisitions

Oracle Purchasing > Distributions

Oracle Purchasing > Requisition Preferences

Oracle Purchasing > Requisition Templates

Oracle Purchasing > Supplier Item Catalog

Oracle Purchasing > Approve Document

Oracle Purchasing > Notifications Summary

Oracle Purchasing > Requisitions Header Summary

11i Create, Manage and Approve Requisitions

11i Create, Manage and Approve Requisitions

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Objectives

After this course you should be able to:

- Explain how requisitions fit in the procurement process
- Explain how the purchase requisition creation business needs are satisfied by the Oracle Internet Procurement Solution
- Create and approve purchase requisitions in both Oracle Internet Procurement and Oracle Purchasing.
- Discuss how requisitions are initiated in other Oracle Applications.

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Agenda

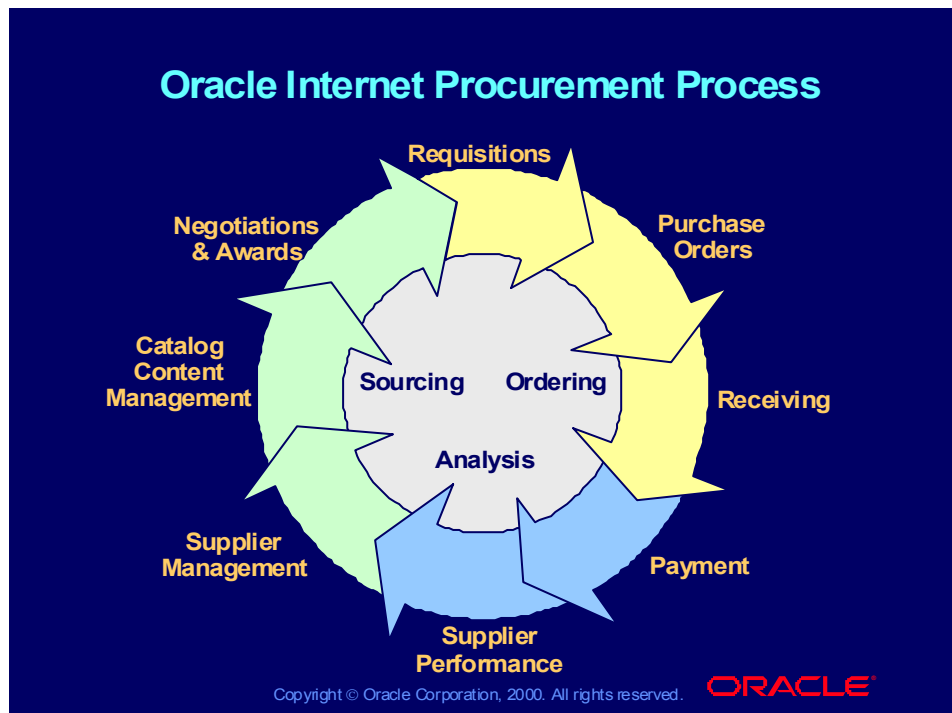
Agenda

- **Understanding the purchase requisition process**
- **Using requisitions in the Oracle Internet Procurement solution**
- **Creating and approving requisitions in Oracle Internet Procurement**
- **Creating and approving requisitions in Oracle Purchasing**
- **Creating requisitions in other Oracle Applications**
- **Summary**

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Oracle Internet Procurement Process



Why Purchase Requisitions?

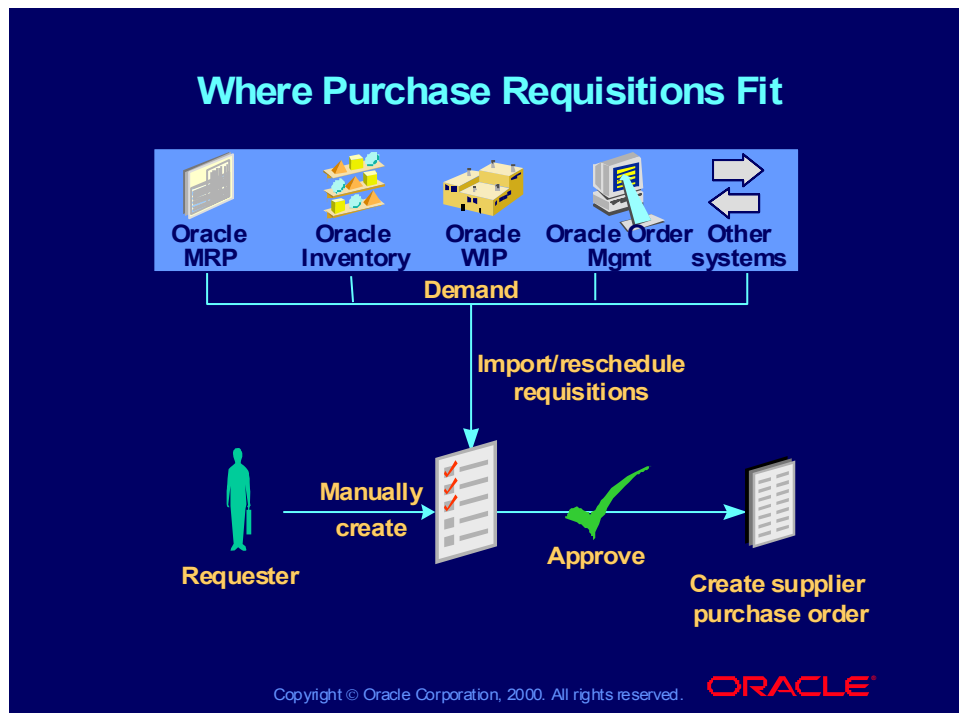
Why Purchase Requisitions?

- **Purchase requisitions allow you to decentralize the requisitioning of goods and services.**
- **Purchase requisitions allow you to source your requisition with the best suppliers and at the lowest cost**
- **Purchase requisitions ensure that the appropriate management approval is given before purchase orders are created.**

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Where Purchase Requisitions Fit



Business Needs Associated with Purchase Requisitions

Business Needs Associated with Purchase Requisitions

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

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Agenda

Agenda

- Understanding the purchase requisition process
- **Using requisitions in the Oracle Internet Procurement solution**
- Creating and approving requisitions in Oracle Internet Procurement
- Creating and approving requisitions in Oracle Purchasing
- Creating requisitions in other Oracle Applications
- Summary

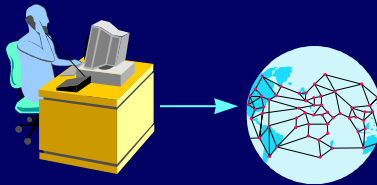
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Why Oracle's Internet Procurement Solution?

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

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Oracle's Internet Procurement Suite

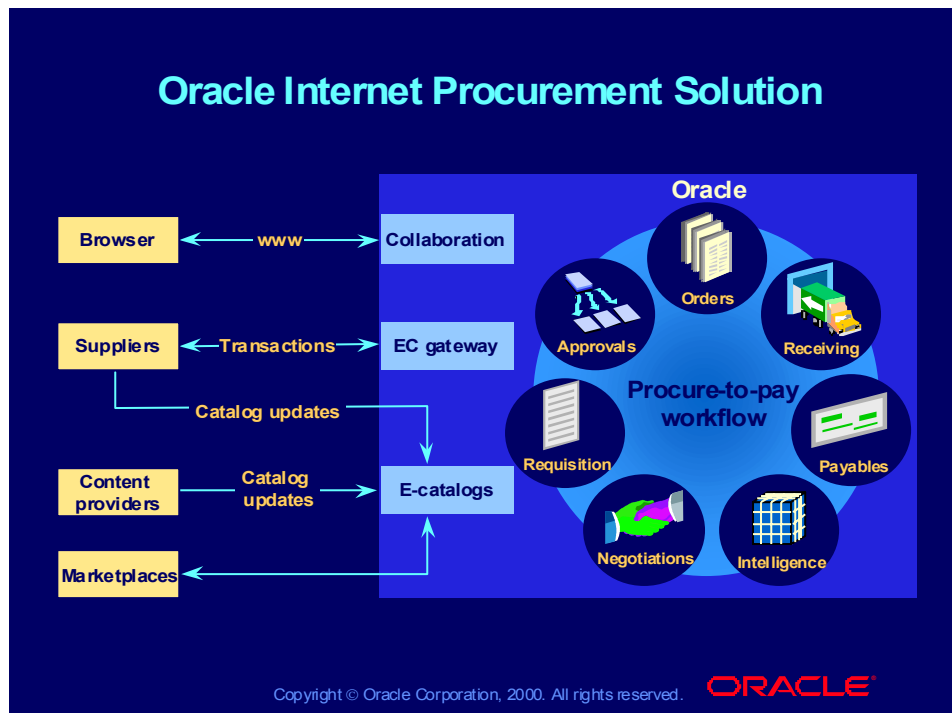
The following products are optional components of the Oracle Internet Procurement Suite.

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

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Oracle Internet Procurement Solution



Oracle's Internet Procurement Solution

- Streamlined, decentralized 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

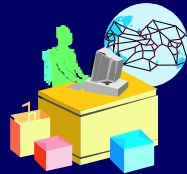
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Creating Purchase Requisitions

Creating Purchase Requisitions

You can create purchase requisitions in either:



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



Oracle Purchasing

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ORACLE

Agenda

Agenda

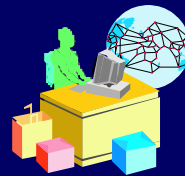
- Understanding the purchase requisition process
- Using requisitions in the Oracle Internet Procurement solution
- **Creating and approving requisitions in Oracle Internet Procurement**
- Creating and approving requisitions in Oracle Purchasing
- Creating requisitions in other Oracle Applications
- Summary

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Oracle Internet Procurement

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



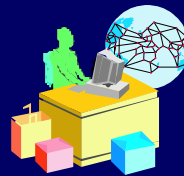
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Oracle Internet Procurement

You can use Oracle Internet Procurement to requisition the following kinds of purchases:

- Production
- Non-production
- MRO (maintenance, repair and operations)
- Capital
- Administrative
- Service



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Oracle Internet Procurement: Product Features

- **Standardized web shopping experience**
- **Next generation catalog engine**
- **Complete catalog and content management**
- **Streamlined requisition process**

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Home Page

The Home Page offers one click access to everything you need to do in Internet Procurement:

- **Initiate the creation of a requisition**
- **Search for or select items to order from the catalog or a supplier site.**
- **View and respond to your notifications**
- **View the status of your requisitions**
- **View your company's latest purchasing news**
- **Review your company's purchasing policies**

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Customizing the Home Page

Your Purchasing administrator can customize what is in the Purchasing News and Purchasing Policies. Your company can also change the logo on the home page to their own company's logo. You can also have a subset of suppliers listed, instead of the entire list your company has relationships with as well as which categories to display.

Demonstration

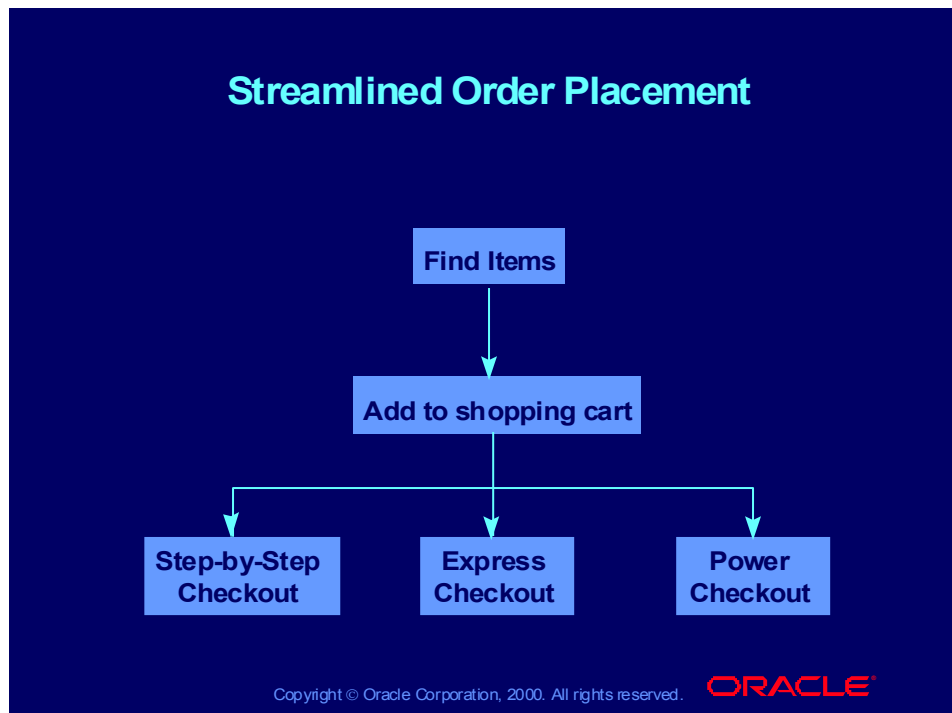
In Oracle Internet Procurement we will demonstrate how to:

- **Navigate around the Home Page**

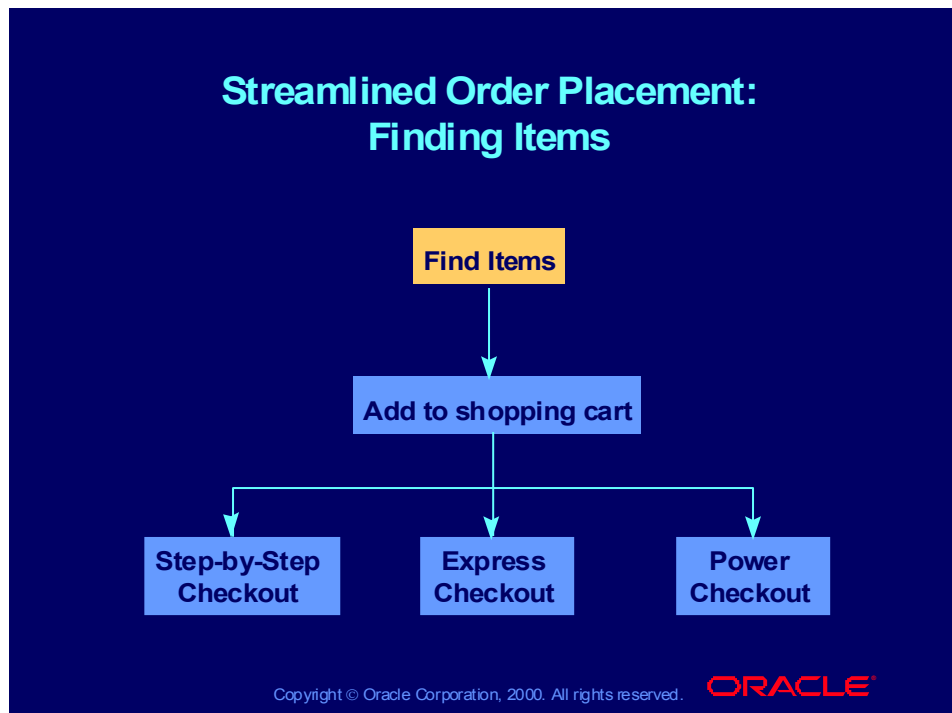
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Streamlined Order Placement



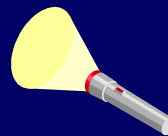
Streamlined Order Placement: Finding Items



Finding Items

You can use the following methods to find an item to add to your requisition:

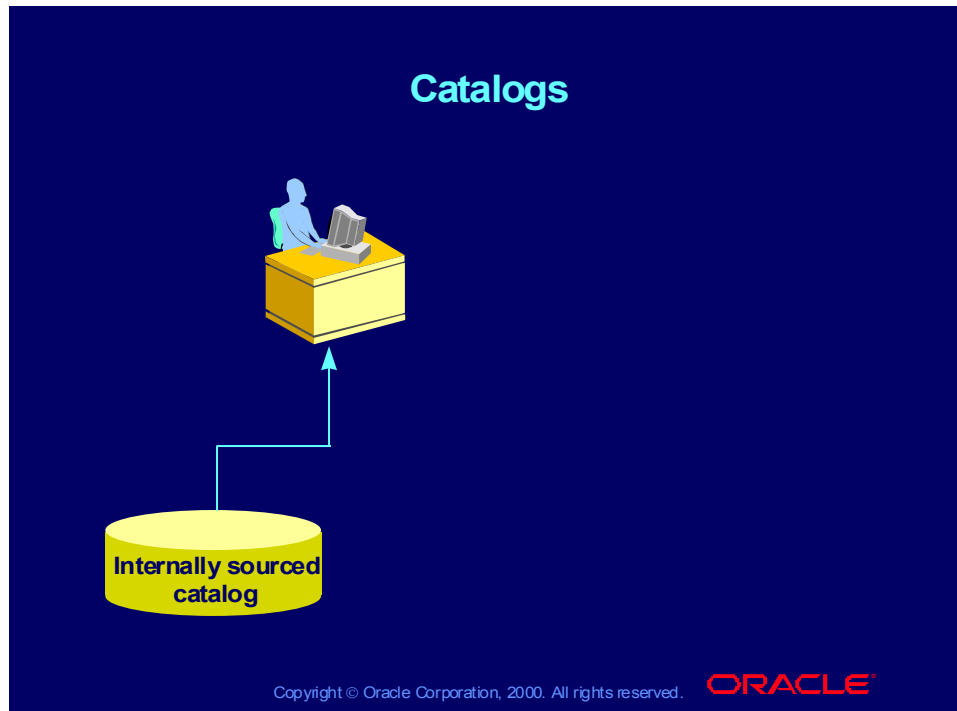
- **Search online catalog**
- **Browse categories**
- **Browse shopping lists**
- **Shop supplier sites**



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Catalogs

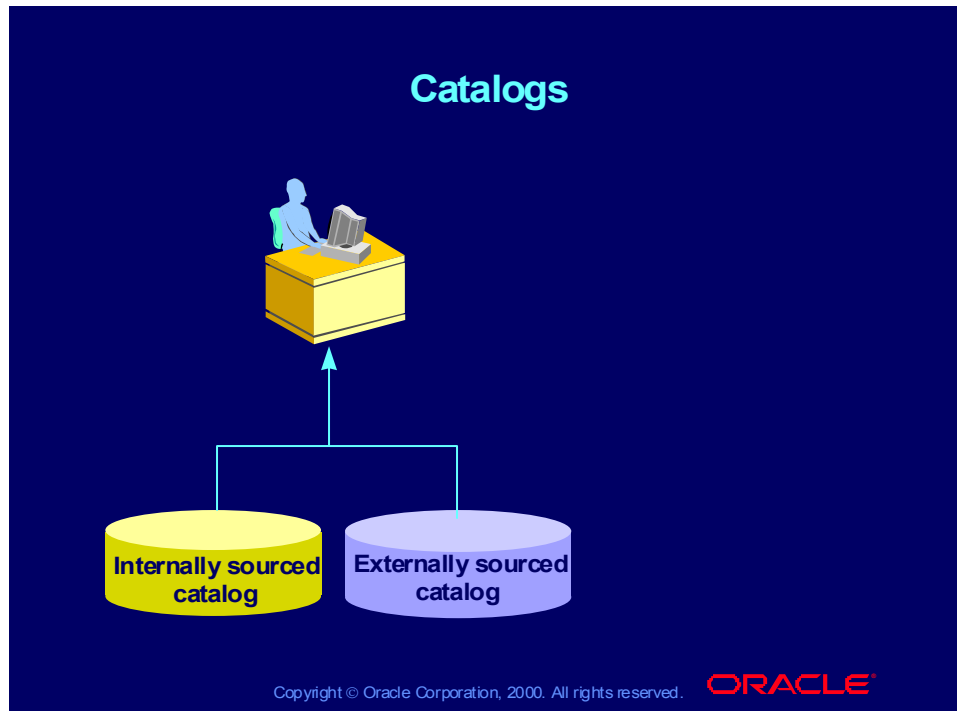


Catalogs from Internal Sources

Catalogs from internal sources include the following:

- Items from the item master
- Requisition templates
- Blanket purchase orders
- Catalog quotation information
- Approved supplier lists

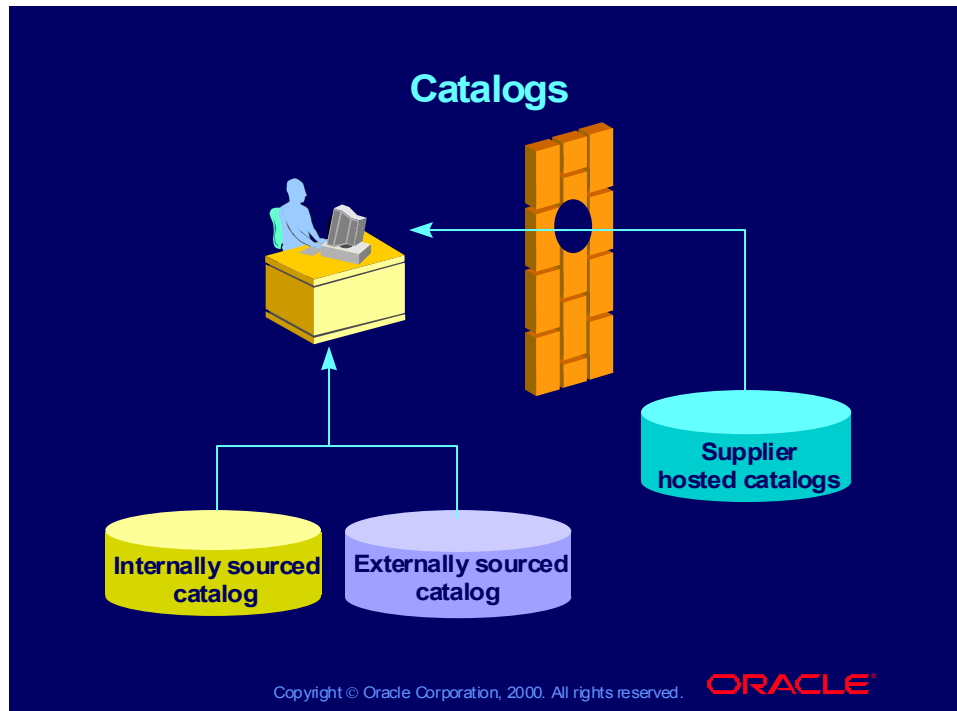
Catalogs



Catalogs from External Sources

Catalogs from external sources is made up of content that is provided by a supplier or by companies that provide third party content management services. These catalogs are loaded into Oracle Internet Procurement using XML files or spreadsheets.

Catalogs



Supplier Hosted Catalogs

These are external third party catalogs which are hosted by a supplier or catalog provider.

Search

Search

- When doing a search, you are searching the online catalog (internal and externally sourced).
- Combines text search, parametric search, and categorization
- You can use the following search criteria:
 - part number
 - description
 - supplier
 - price
 - currency

(N) Home (T) Shop (T) Catalogs

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(Help) Shopping Tips > Looking for Items

(Help) Shopping Tips > Catalog Search Tips

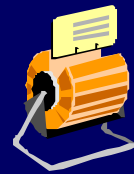
Reducing Number of Results

If your search returns with a large number of entries, you can do a secondary search of the results by using Filter Results. This allows you to further narrow the entries by selecting those results for a certain supplier, manufacturer, etc.

Results can be displayed by relevance and include the major applicable categories.

Browse Categories

- A category represents a grouping of items within the internal catalog.
- You can browse categories to select items from.
- Access to different categories is assigned to each user.



(N) Home (T) Shop (T) Catalogs

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Shopping Lists

- Shopping lists contain items that you or your company frequently order.
- There are two different kinds of shopping lists:
 - Personal
 - Corporate
- Can contain non-catalog request items.



(N) Home (T) Shop (T) Shopping Lists

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(Help) Shopping Tips > Shopping Lists

Personal Shopping List

- You can create your own personal shopping list of favorite items that you frequently request.
- To expedite the selection process, you can order items from your list.



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Corporate Shopping List

Corporate Shopping List

- Corporate shopping lists are public.
- They contain requisition templates for frequently ordered sets of items.
- You can order all the items on a corporate list or by selecting individual items off a list.



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Example

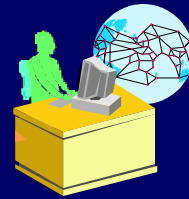
An example of a corporate shopping list, would be for office supplies. The list would contain the standard set of office supplies a new hire would need.

Shopping at Supplier Sites

Shopping at Supplier Sites

- You can shop for items from a supplier web site that your company has an arrangement with.
- To requisition an item off of a supplier site, you will need to do a non-catalog request.

(N) Home (T) Shop (T) Catalogs



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(Help) Shopping Tips > Shopping at Supplier Sites

Non Catalog Requests

Non Catalog Requests

- Use to requisition items that are not in the catalog.
- You can order the following types of items:
 - Goods billed by quantity (per unit)
 - Service billed by quantity (rate)
 - Goods or services billed at a fixed amount.
- You must:
 - Enter basic information about the item (description, uom, price)
 - Associate it to a category
 - Optionally designate a supplier for the item

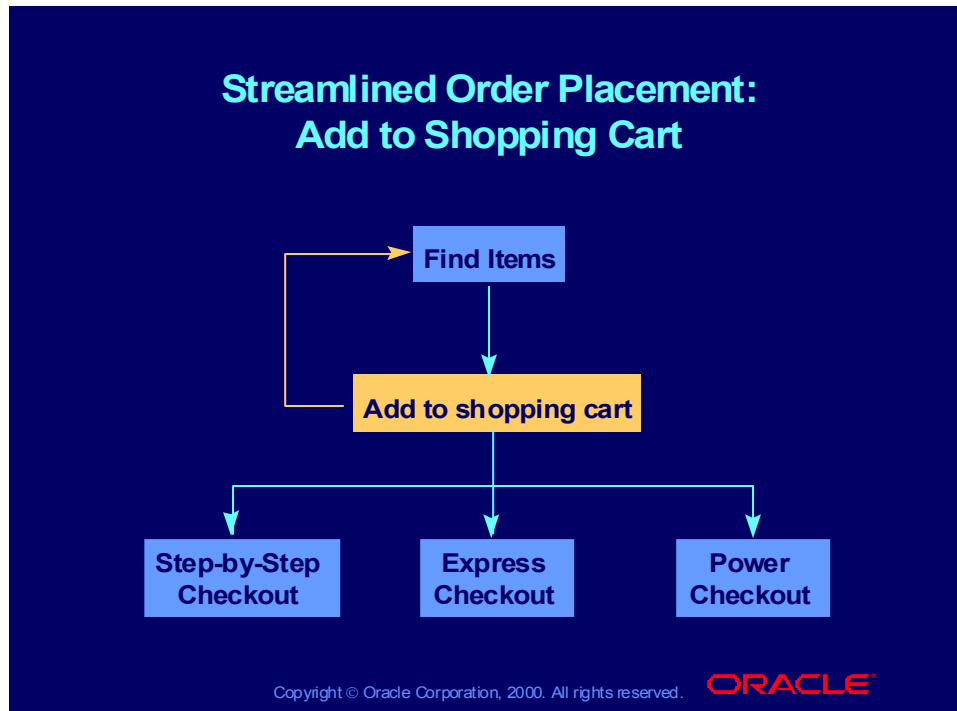
(N) Home (T) Shop (T) Non Catalog Requests

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(Help) Shopping Tips > Non-Catalog Requests

Streamlined Order Placement: Add to Shopping Cart



Shopping Cart

Shopping Cart

- Contains items that you have selected to order in the current session.
- You can update the quantity of line items.
- Recalculates your requisition total as you select or delete items.
- You can save the contents of the shopping cart to order items at a later time.

(N) Home (T) Shop (B) Go (B) Add to Cart

(N) Home (B) Shopping Cart



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(Help) Creating Requisitions > Your Shopping Cart

(Help) Creating Requisitions > Saving Carts

Compare Items

Compare Items

- You can compare two or more items before selecting them for your shopping cart.
- You can also view an image of the items if they are available.



(N) Home (T) Shop (B) Go (B) Compare

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(Help) Shopping Tips > Comparing Catalog Items

Special Item Information

Special Item Information

- After adding an item to your cart, you may be required to enter more information about it.
- Example: To requisition business cards, you would have to supply name, position, address, phone, etc.



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(Help) Creating Requisitions > Special Item Information

Information Templates

Information templates are created and associated to an item or category by your Purchasing system administrator. These templates list the attributes field names that data should be entered. Any of the fields can be designated as mandatory. These templates are set up in Oracle Purchasing.

Demonstration

In Oracle Internet Procurement we will demonstrate how to:

- **Search for items to add to a shopping cart**
- **Add a non-catalog item to the shopping cart.**
- **Save and then retrieve the shopping cart**

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Practice

Practice

In Oracle Internet Procurement, you will

1. Create a requisition that contains catalog and non-catalog items.
2. Save the contents of your shopping cart.

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Practice Scenario

You, Terry Green, have been assigned the task of setting up a seminar on Effective Management. You need to create a requisition for the facilitator of this seminar, Alan Adams from Advantage Corp. Alan charges a fixed rate of \$1500 per seminar. You also have to order classroom supplies for the participants. You require 20 pens (MS21662) and 20 writing tablets (MS43771). You need to create a requisition for these services and items. Prior to submitting your requisition, save the contents of your shopping cart. Make note of your requisition number.

Steps

1. Log in as Terry Green.

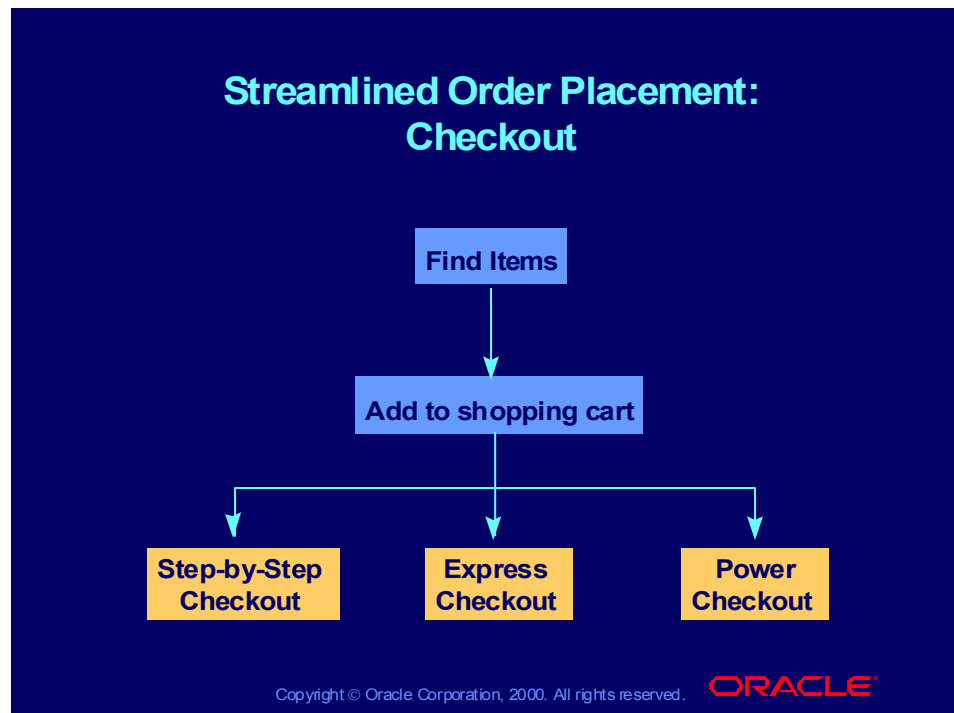
Oracle Internet Procurement (N) Home (T) Shop (T) Catalogs

2. Search for Pens and select **Go**.
3. On the Search Results page, select the “Pens, Box of 10” where the internal item number is MS21662. Select the **Add to Cart** button
4. Verify the pens are in your shopping cart. Update the quantity to 2 (There are 10 pens per box). Select the **Return to Shopping** hyperlink.
5. Repeat steps 2, 3 and 4 for the Paper Tablet (MS43771) for a quantity of 20.
6. On the Shop page, select the **Non-Catalog Request** tab. Select the radio button for Goods and Services Billed as an Amount. Select Consulting Services Category. Enter a description, a UOM of Day, and a quantity of 1. Enter the price of \$1500. As a supplier, select Advantage Corp, with Alan Adams as the contact. Select the **Add to Cart** button.

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7. From the Shopping Cart Contents page, select the Save Cart button.
8. In the Save Cart page, enter a name for your cart. Use your team number.

Streamlined Order Placement: Checkout



Checkout

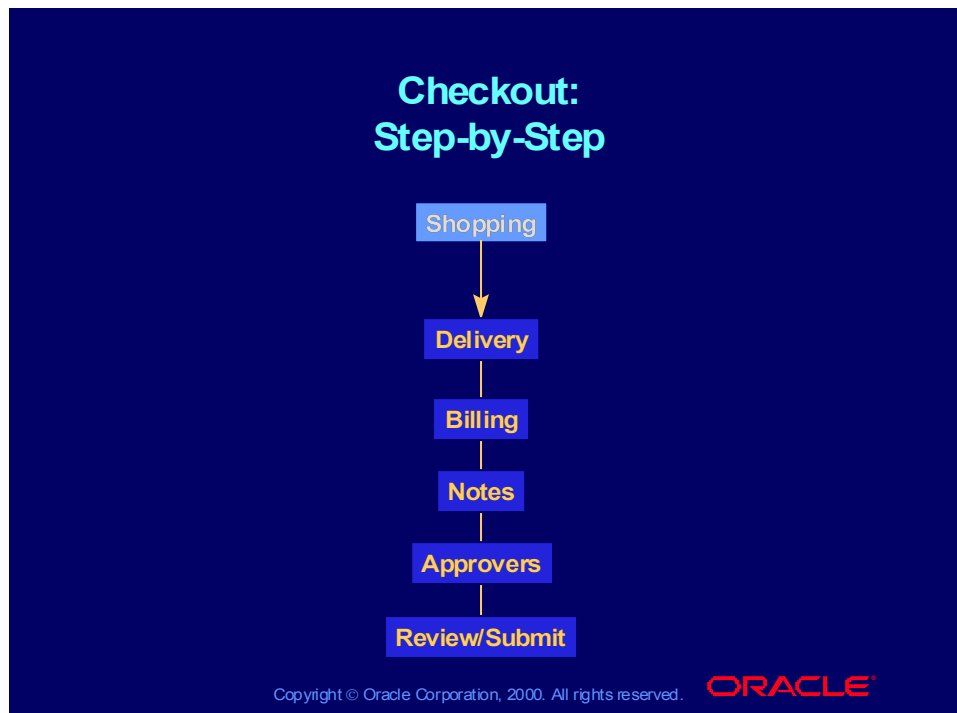
- A process for completing shopping cart orders.
- You can verify your order and update delivery and billing information.
- There are different levels of checkout to meet the needs of different experience levels.



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Checkout: Step-by-Step



(Help) Creating Requisitions > Checkout

Checkout: Delivery

Checkout: Delivery

Delivery

Billing

Notes

Approvers

Review/Submit

During the delivery stage, you can specify:

- Date you want it delivered
- Requester
- Location to deliver to
- Different delivery information for each line item
- A one-time address

(N) Home (T) Shop (B) Go (B) Add to Cart (B) Proceed to Checkout

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(Help) Creating Requisitions > One-Time Addresses

One-Time Addresses

If this item needs to be delivered to a unique location, you can specify a one-time address. You can add a one-time address on-the-fly while entering delivery information. This address will not be available for other requisitions to reference.

Checkout: Billing

Checkout: Billing

```
graph TD; Delivery[Delivery] --> Billing[Billing]; Billing --> Notes[Notes]; Notes --> Approvers[Approvers]; Approvers --> ReviewSubmit[Review/Submit];
```

During the billing stage, you can specify:

- Purchasing card
- Taxable status
- Project to bill to
- Different billing information for each line item
- Multiple charge accounts for a single line item

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Default Charge Accounts

When you create a requisition, the charge account will default to what your purchasing administrator has setup for you or your organization. You can update this account.

Procurement Card Support

- Procurement cards (p-card) are corporate credit cards assigned to an employee from a supplier.
- Automatically flags shopping cart lines for p-card payment and defaults in the appropriate p-card number.
- After approval and purchase order creation, a p-card order is generated and transmitted to the supplier.



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Procurement Card Setup

Procurement cards are set up in Oracle Account Payables.

Allocating Costs to Multiple Charge Accounts

Allocating Costs to Multiple Charge Accounts

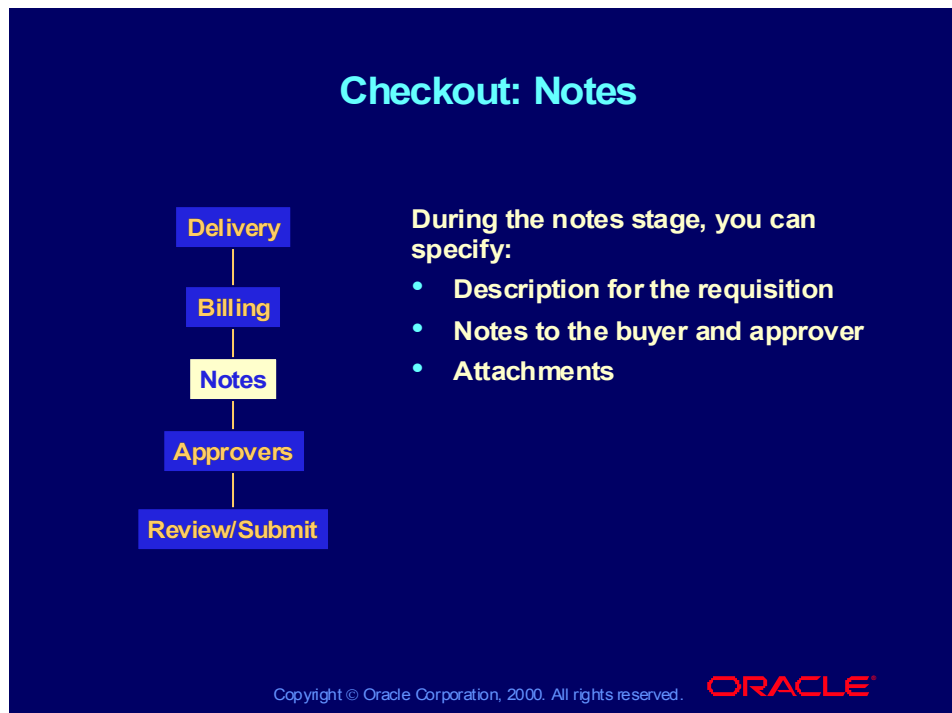
- You can allocate the cost of a line item to different charge accounts.
- You can do this by percent, quantity or amount.

<u>Item</u>	<u>Account</u>	<u>Distribution</u>
Copier Paper	01-510-000-1698	75%
	01-510-200-8596	25%

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Checkout: Notes



Attachments

Attachments

- An attachment provides additional information regarding the requisition.
- An attachment can be one of the following:
 - File
 - URL
 - Text
- You can associate multiple attachments to a requisition.



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Visibility of Attachments

You can designate where these attachments are to be viewed in the procurement cycle.

Internal to Requisition: The attachment is viewable only from the requisition.

To Buyer: The attachment is viewable from the purchase order that is created from the requisition.

To Approver: The attachment is viewable to approvers when they approve the requisition.

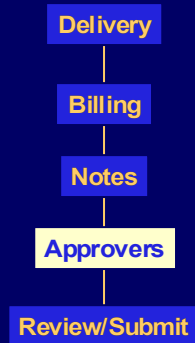
To Receiver: The attachment is viewable during receiving transactions.

To Supplier: Text and non-image file attachments can be transmitted via EDI to the supplier when the PO is created from the requisition.

Miscellaneous

Checkout: Approvers

Checkout: Approvers



During the approval stage, you can:

- Review your list of approvers
- Specify additional approvers *
- Change first approver *
- Delete non-mandatory approver *
- Add note to approver
- Attach justification attachment

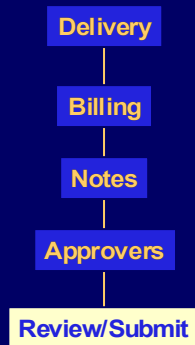
***Note:** These functions are only available if you are given the security privilege.

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Checkout: Review/Submit

Checkout: Review/Submit



During the review/submit stage, you can:

- View the details of the requisition before submitting it
- Submit the requisition for approval
- Can resubmit a rejected or returned requisition

Note: To change the requisition, you must use the Back button.

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Demonstration

In Oracle Internet Procurement we will demonstrate how to:

- **Perform a step-by-step checkout**

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Practice

In Oracle Internet Procurement, you will

- You will do step-by-step checkout and submit it for approval.

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Practice Scenario

Take the requisition you created through the step-by-step checkout and submit it for approval. Make note of your requisition number.

Steps

(N) Home (I) Shopping Cart

1. Select the **Shopping Cart** Icon at the top right of the page.
2. From the Shopping Cart Contents page, click the **Open Saved Cart** hyperlink. Select your cart and click the Open button.
3. From the Shopping Cart Contents page, select the **Proceed to Checkout** button.
4. For Enter Delivery Information, enter a Need-by-Date for 1 week from today. The requester is Terry Green and the deliver-to location is V1- New York City. Select the **Continue** button.
5. Review the Billing page, select **Continue** and review the charge accounts. Select **Continue** again.
6. In Enter Notes and Attachments, enter your name in the Requisition Description field. Select **Continue**.
7. In the Review Approver List and Enter Justifications page, notice that you have authorization to approve this requisition. Select the **Add Approvers** hyperlink. Select Connor Horton to as an additional approver. Select **Continue**.

8. Review your requisition, and submit it for approval. Make note of your requisition number.

Setting Your Checkout Defaults

Setting Your Checkout Defaults

- Setup your delivery and billing information so it defaults when creating requisitions.
- Speeds up the requisition process.
- These values are updatable during the requisition process.
- Setup in the My Profile page.
- Defaults can be set for:
 - number of days you need your items
 - requester name
 - ship-to location
 - subinventory

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(Help) My Profile > Checkout Defaults

(Help) My Profile > Preferences

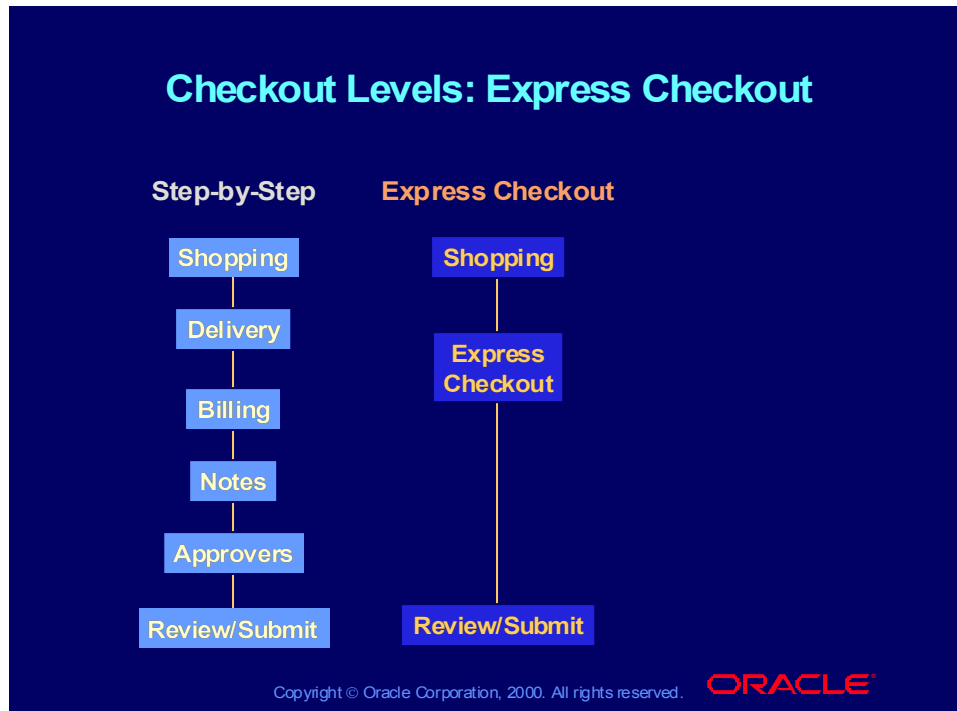
(Help) My Profile > Changing Your Password

Personal Profile

You can also set the following personal preferences:

- Preferred date format
- Result set size (for number of requisitions listed in Receiving and Requisition Status pages)
- Password

Checkout Levels: Express Checkout



Express Checkout

Express Checkout

- **Quicker, more convenient checkout**
- **Checkout is completed in one step**
- **Targeted to users who do a high volume of requisitions**
- **Uses delivery and billing preferences specified in My Profile page.**

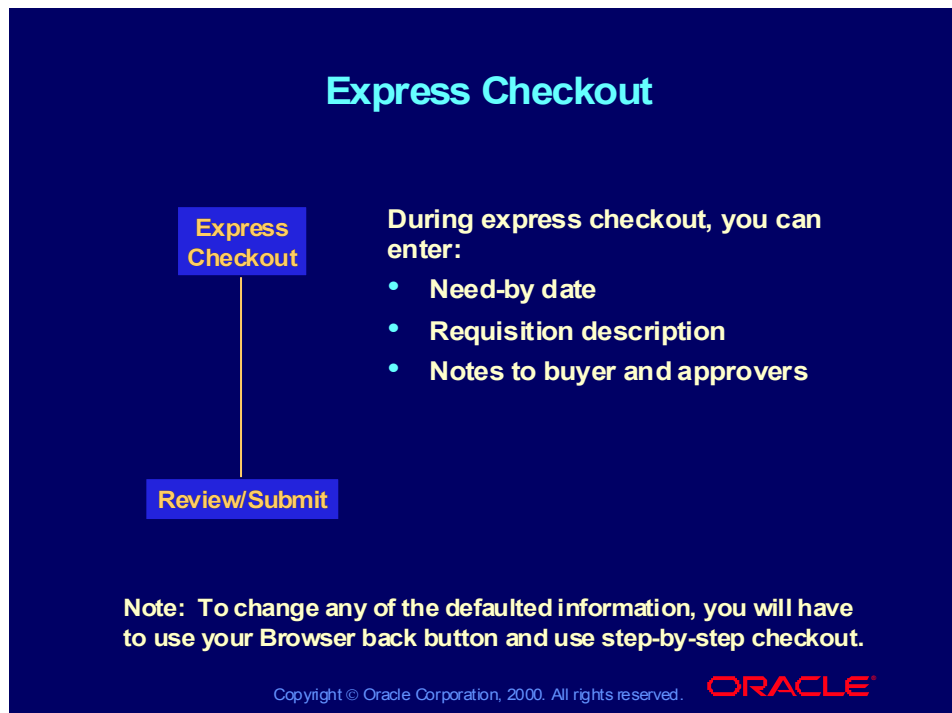
(N) Home (T) Shop (B) Go (B) Add to Cart (B) Express Checkout

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(Help) Creating Requisitions > Express Checkout

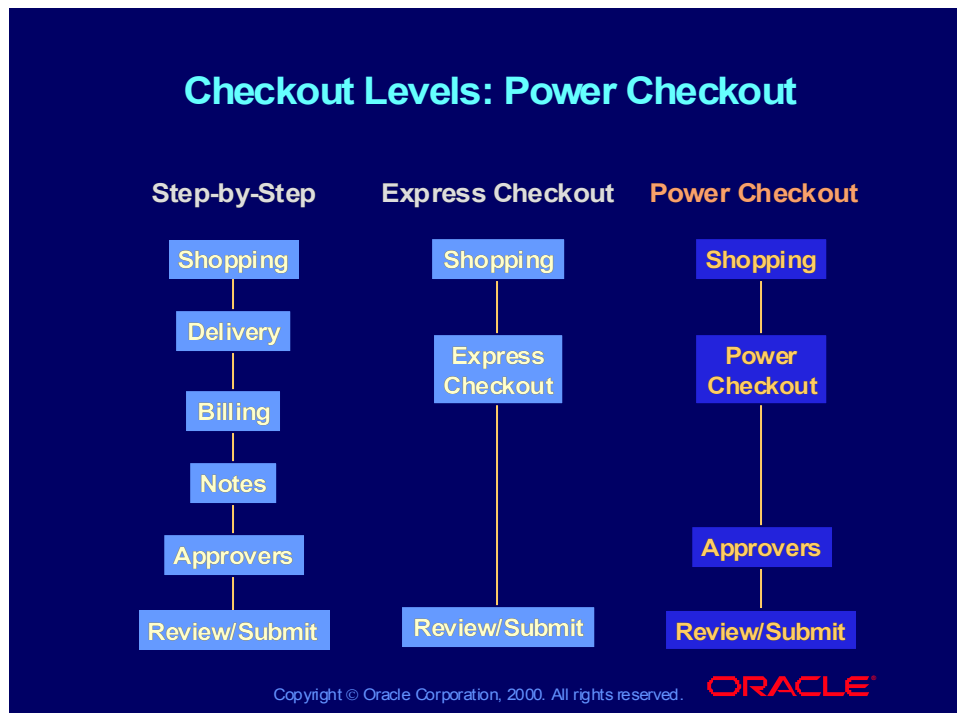
Express Checkout



Updating Requisitions During Express Checkout

Express checkout limits what you can update during checkout. For example, you will not be able to update many of the fields that you can during the step-by-step checkout process. The values for these fields are defaulted in based on your preferences and other settings within the application.

Checkout Levels: Power Checkout



Power Checkout

- Use for large requisitions where billing and delivery information is not the same for each line.
- You can update an individual line or a group of lines.
- Updates to checkout information is all performed in one page.

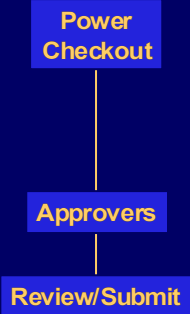
(N) Home (T) Shop (B) Go (B) Add to Cart (H) Power Checkout

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(Help) Creating Requisitions > Power Checkout

Power Checkout



```
graph TD; A[Power Checkout] --> B[Approvers]; B --> C[Review/Submit];
```

- During power checkout, you can:
- Enter/update all the information available during the step-by-step process.
- Review and edit approvers similar to step-by-step checkout.

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Demonstration

In Oracle Internet Procurement we will demonstrate how to:

- **Perform an express checkout**
- **Perform a power checkout**

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Emergency Requisition

Emergency Requisition

- Use when you need to expedite the delivery of an item.
- A purchase order number is assigned when the requisition is created.
- You can designate a requisition as an emergency requisition on the Shopping Cart Contents page.
- You can verify the purchase order number when you submit your requisition.



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(Help) Creating Requisitions > Emergency Requisitions

Emergency versus Urgent

You can also flag your requisition as urgent. By doing this, the requisition will appear on a buyers requisition pool in a priority position rather than its usual place. This does not reserve a purchase order number like an emergency requisition does.

Copying Requisitions

Copying Requisitions

- You can copy requisitions from the Requisition Status page.
- You can copy requisitions of any status.
- Copying a requisition copies the items from the original requisition into a shopping cart.
- The new requisition will need to be taken through the checkout process.

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(Help) Requisition Status > Copying Requisitions

Canceling Requisitions

Canceling Requisitions

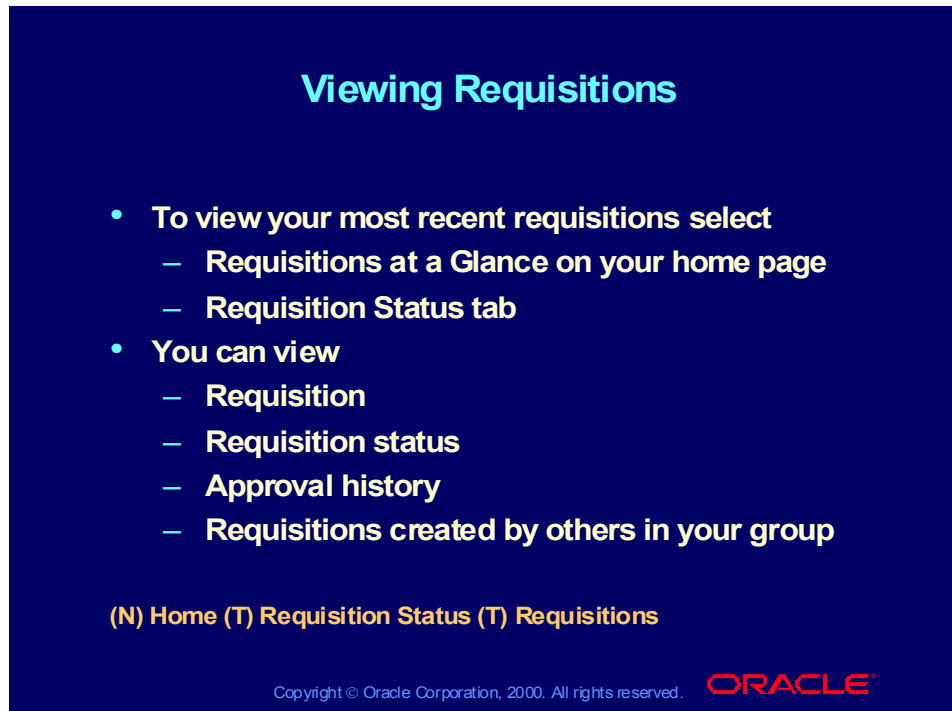
- You can cancel requisitions that have been submitted for approval from the Requisition Status page.
- The following rules apply to canceling requisitions:
 - Cancel requisitions of any status.
 - Cannot cancel individual requisition lines.
 - Cannot cancel requisitions once it has a line converted to a purchase order.

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(Help) Requisition Status > Canceling Requisitions

Viewing Requisitions



Viewing Requisitions

- To view your most recent requisitions select
 - Requisitions at a Glance on your home page
 - Requisition Status tab
- You can view
 - Requisition
 - Requisition status
 - Approval history
 - Requisitions created by others in your group

(N) Home (T) Requisition Status (T) Requisitions

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(Help) Requisition Status > Finding Requisitions

(Help) Requisition Status > Expanded Requisition Search

Viewing Others Requisitions

You can view requisitions created by others in your group if your purchasing system administrator has set up the security to allow this.

Setting the Number of Requisitions Displayed

The number entered in the Result Set Size field on the My Profile page, determines the number of requisitions listed on the Requisition Status page.

Demonstration

In Oracle Internet Procurement we will demonstrate how to:

- **View requisitions, their status and action history**

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Practice

Practice

In Oracle Internet Procurement, you will

1. You will view your requisition and create a second requisition by copying the first requisition.
2. You will perform an express checkout of the second requisition.

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Practice Scenario

Interest in the seminar is so strong that you schedule another session with Alan. Copy your first requisition, but this time change the quantity of supplies to accommodate 40 attendants. Perform an express checkout and submit for approval.

Steps

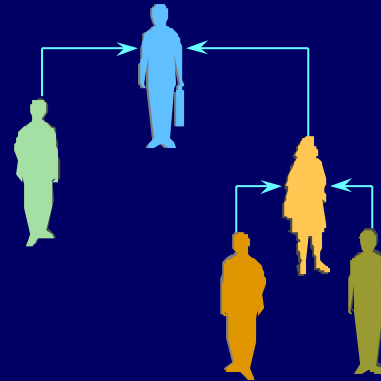
(N) Home (T) Requisition Status

1. In the Requisition Status page, view the requisition you just created by selecting on the requisition number.
2. Select the **Copy to Cart** button.
3. Review the Shopping Cart Contents page. Update the quantity for the pens and the paper. Select the **Express Checkout** button.
4. Select a Need-by-Date for 2 weeks from now, and enter your team number as the requisition description. Submit your requisition.

Overview of Requisition Approval

Overview of Requisition Approval

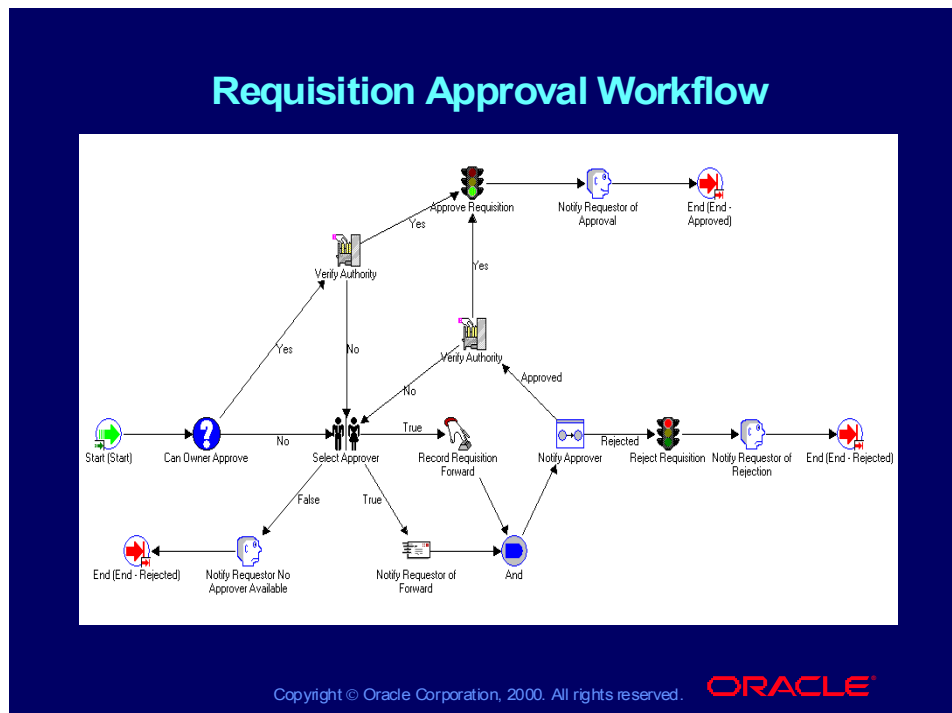
- Online approval and security options enforce approval hierarchy.
- Control requisition route according to management structure
- Control approvals by amount, cost center, account and location



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Requisition Approval Workflow



Approvals and Oracle Workflow

Whenever you submit a requisition for approval, Oracle Internet Procurement/Purchasing uses Oracle Workflow technology in the background to handle the approval process. Workflow uses the approval controls and hierarchies you define to route documents for approval. You can use the Workflow Builder to modify your approval process. The requisition approval workflow consists of processes, which are viewable in the Workflow Builder as a diagram, some of whose objects and properties you can modify.

Approving Requisitions

- Find requisitions awaiting your approval on the
 - To Do list on home page
 - Approvals section of the Requisition Status page
- Approve or reject requisitions
- Edit requisitions that are awaiting your approval
- Forward or reassign requisitions to another approver
- Specify a proxy approver for your planned absences

(N) Home (T) Requisition Status (T) Approvals

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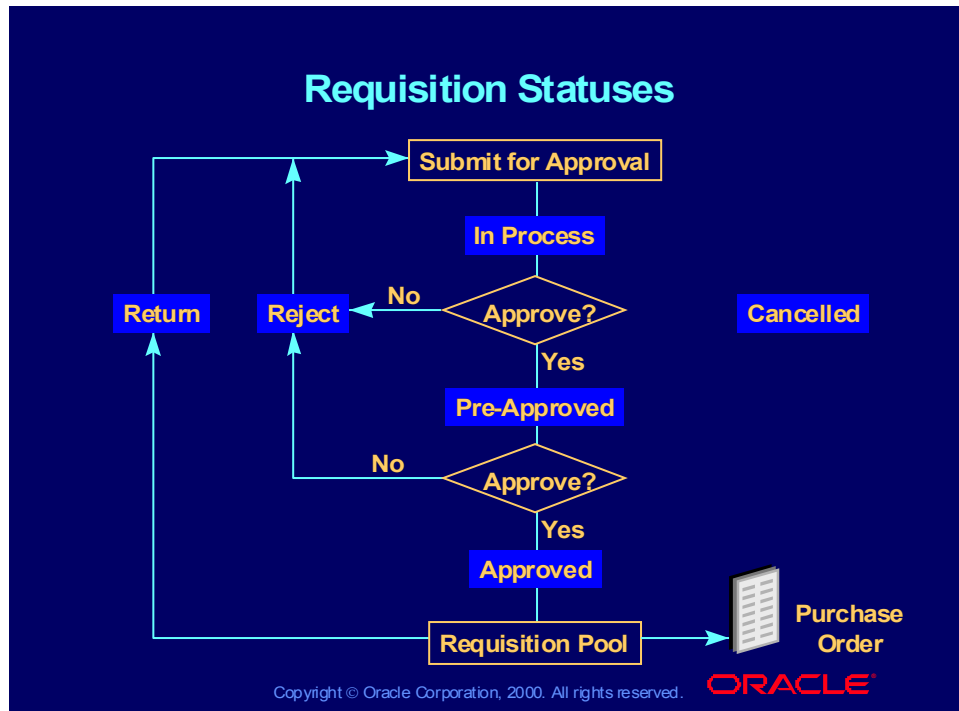
(Help) Approving Requisitions > Finding Requisitions to Approve

(Help) Approving Requisitions > Editing Requisitions in Your Approval Queue

Editing Requisitions as an Approver

When editing a requisition that is awaiting your approval, you can edit all aspects of the requisition as if you were the originator. This includes changing quantities, deleting items and adding items. When done editing, you will have to go through the checkout process for your changes to take effect.

Requisition Statuses



Demonstration

In Oracle Internet Procurement we will demonstrate how to:

- Approve a purchase requisition

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Practice

Practice

In Oracle Internet Procurement

- **As an approver, you will review and approve the requisition.**

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Practice Scenario

Your boss, Connor Horton, sits down to the requisitions that are awaiting his approval. Because of the availability of writing tablets and pens in the supply cabinet, she deletes those items from the requisition.

Steps

1. Log in as Connor Horton so that you can review and approve the requisitions.
2. Either under To Do List on the Home Page or on the Requisition Status page, review requisitions awaiting your approval. Do you see both requisitions that you created earlier? Why not?
3. Select the requisition. On the Notifications Details window, select the Update Requisitions hyperlink.
4. To delete the pen and tablet line items, select the Delete hyperlink for each of them. Then select the Approver Checkout button.
5. You don't wish to make any more changes. Keep clicking on the Continue button until you get to the Submit page. Click on the Submit button.
6. Select Continue to return to the Notifications Detail page. Select Approve as your approval action and click on the Submit button.

Agenda

Agenda

- Understanding the purchase requisition process
- Using requisitions in the Oracle Internet Procurement solution
- Creating and approving requisitions in Oracle Internet Procurement
- **Creating and approving requisitions in Oracle Purchasing**
- Creating requisitions in other Oracle Applications
- Summary

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Oracle Purchasing Requisitions

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

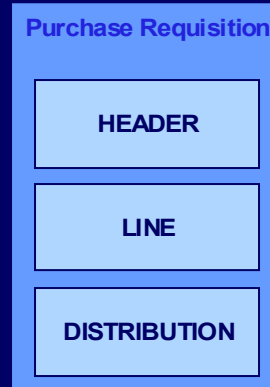
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Purchase Requisition Elements

Purchase Requisition Elements

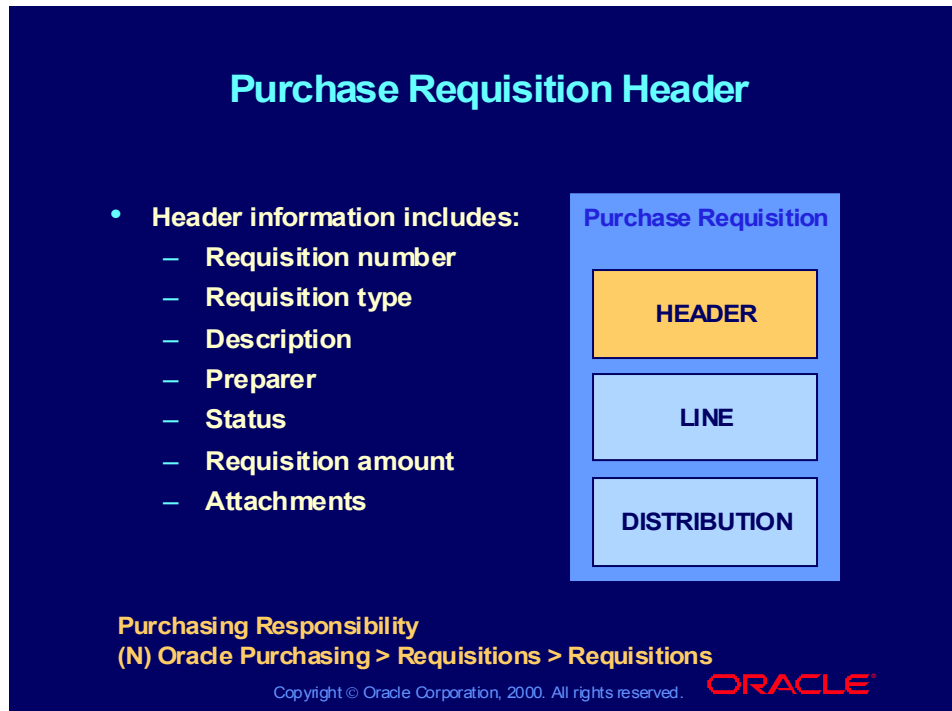
- **Header** contains detail relating to the overall purchase requisition. Only one header per requisition.
- **Requisition line** contains details about the goods or services you want to order. There must be at least one line per requisition.
- **Distribution** contains the internal accounting distributions.



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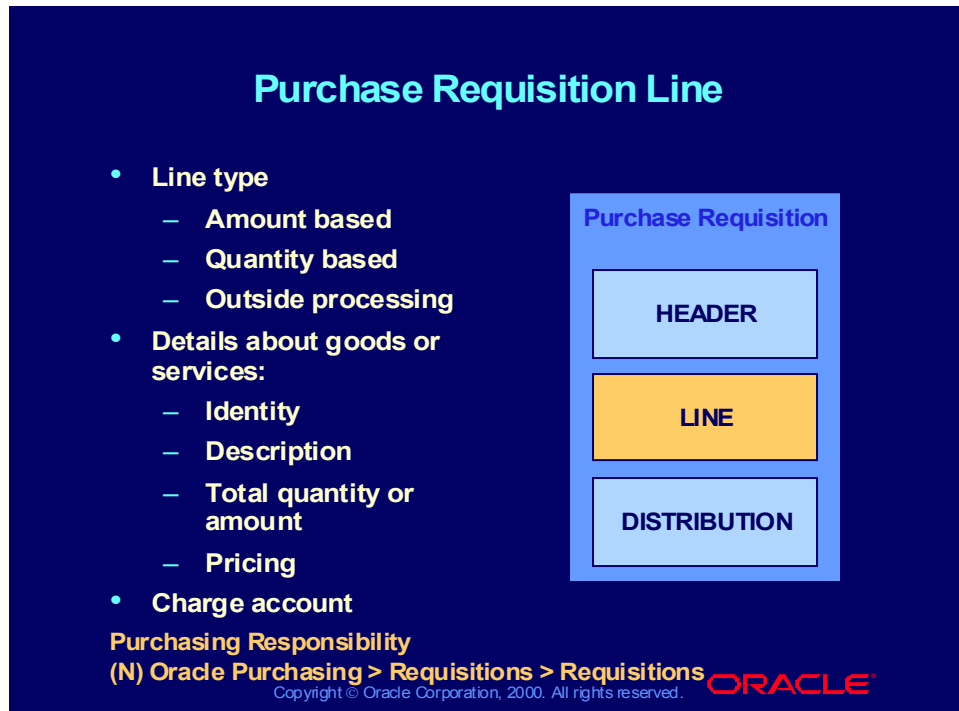
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Purchase Requisition Header



(Help) Oracle Manufacturing Applications > Oracle Purchasing > Requisitions > Entering Requisition Headers

Purchase Requisition Line

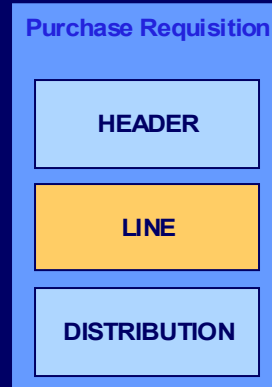


(Help) Oracle Manufacturing Applications > Oracle Purchasing > Requisitions > Entering Requisition Lines

Purchase Requisition Line

Purchase Requisition Line

- Need-by date
- Taxable status
- Destination type
 - Expense
 - Inventory
 - Shop floor
- Requestor
- Organization
- Location/Subinventory
- Note to buyer/receiver
- Urgent flag
- Attachments



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Purchase Requisition Distribution

Purchase Requisition Distribution

- Allocate cost of requisition line across multiple accounts.
- Uses Account Generator rules to automatically provide account values
- Can override the charge account number when destination type is Expense.

Purchase Requisition

HEADER

LINE

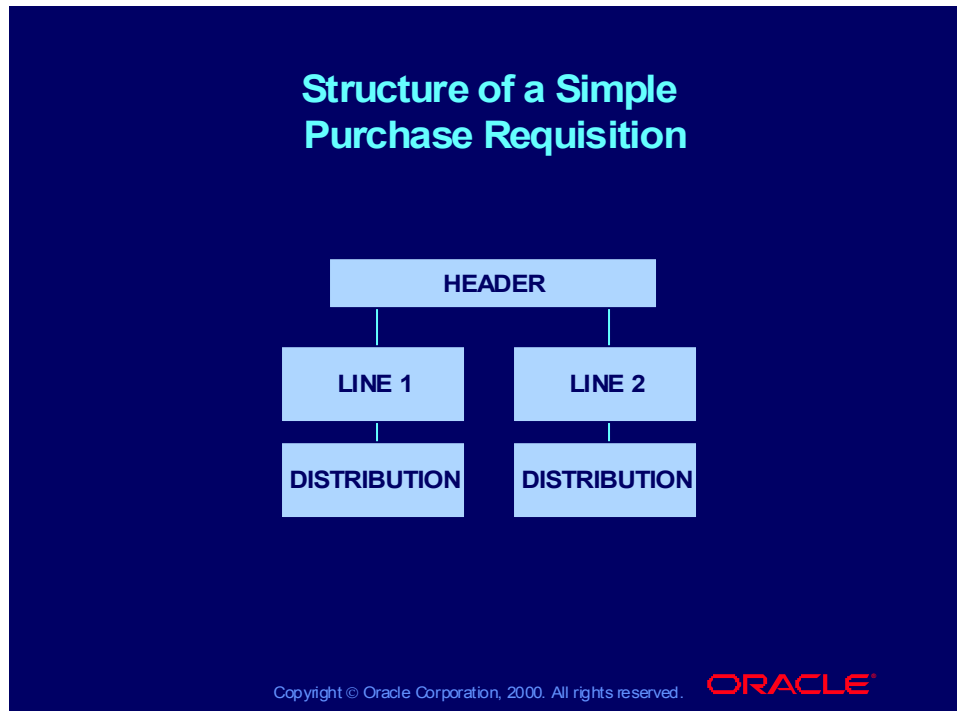
DISTRIBUTION

Purchasing Responsibility
(N) Oracle Purchasing > Requisitions > Requisitions (B) Distributions

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(Help) Oracle Manufacturing Applications > Oracle Purchasing > Requisitions > Entering Requisition Distributions

Structure of a Simple Purchase Requisition



Requisition Preferences

Requisition Preferences

- Preferences provide default values when creating requisitions.
- Speeds and simplifies creating requisitions.
- You can override defaults or preferences in the purchase requisition.
- Preferences are only in effect for the current session.

Purchasing Responsibility

(N) Oracle Purchasing > Requisitions > Requisitions

(M) Tools > Preferences

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(Help) Oracle Manufacturing Applications > Oracle Purchasing > Requisitions > Entering Requisition Preferences

Examples of Requisition Preferences

Examples of Requisition Preferences

Some of the fields that you can set defaults for:

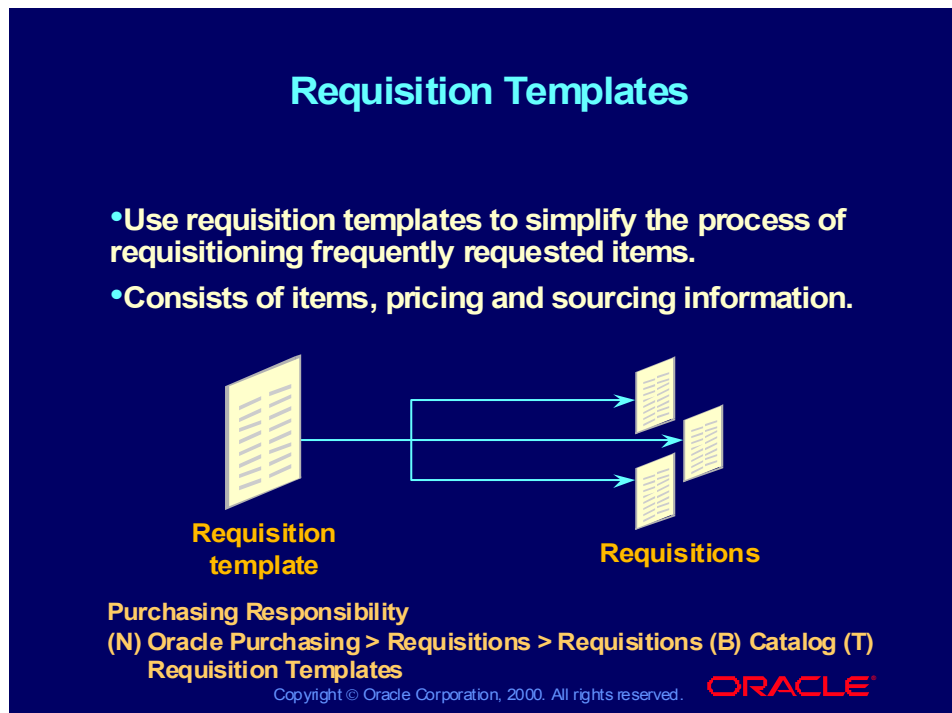
- Need-by-date
- Charge Account
- Justification
- Notes to Receiver/Buyer
- Requestor
- Organization
- Ship-to location
- Taxable
- Destination Type
- Project Information



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Requisition Templates



(Help) Oracle Manufacturing Applications > Oracle Purchasing > Requisitions > Using Requisition Templates

Creating Templates

You can specify the items individually or you can reference an existing requisition or purchase order. You can combine multiple documents to create one template.

Supplier Item Catalog

View the Supplier Item Catalog to:

- Add lines to an existing requisition
- Add items to a new requisition
- View purchase and price history



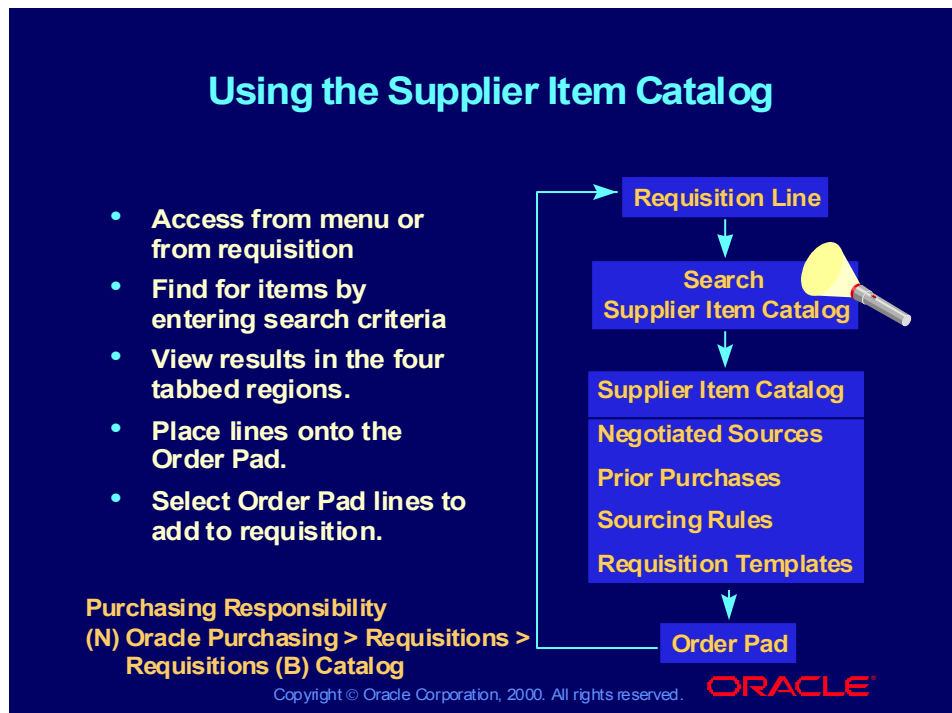
You can view items and their sources by:

- Negotiated sources
- Prior purchases
- Sourcing rules
- Requisition templates

Create requisitions lines

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Using the Supplier Item Catalog



(Help) Oracle Manufacturing Applications > Oracle Purchasing > Supply Base Management > Overview of the Supplier Item Catalog

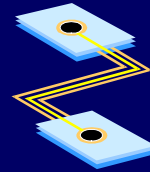
Tab Region Access

Access to tab regions is controlled by function security. You can set which region displays initially by setting the profile PO: Default Supplier Item Catalog.

Loading Price/Sales Catalogs

Loading Price/Sales Catalogs

- Supplier can send you latest price and sales catalog electronically using electronic data interchange (EDI).
- Using the Purchasing Documents Open Interface, process data and import catalog data into Oracle Purchasing as
 - Blanket purchase agreement lines
 - Catalog quotations

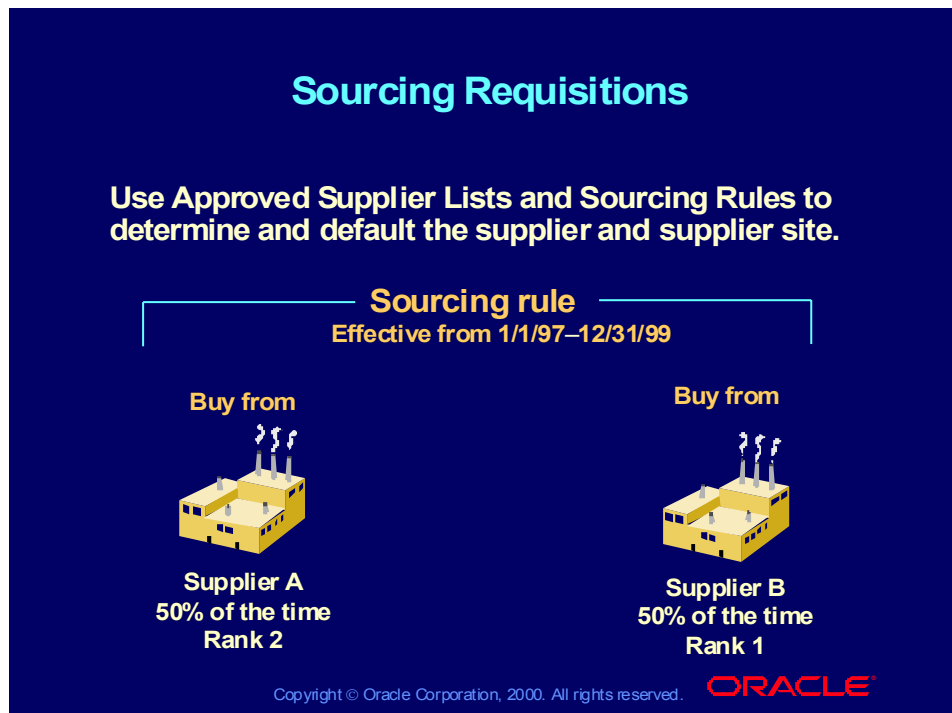


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(Help) Oracle Manufacturing Applications > Oracle Purchasing > Supply Base Management > Receiving Price/Sales Catalog Information Electronically

Sourcing Requisitions



(Help) Oracle Manufacturing Applications > Oracle Purchasing > Supply Base Management > Overview of Automatic Sourcing

Sourcing Rules

Sourcing Rules let you define relationships between the Approved Supplier List and your business rules for sourcing items and commodities.

Automatically allocate planned orders across different suppliers using percentage splits.

- Define global or local rules for individual items and entire commodities.
- Maintain sourcing details at supplier and/or site.
- Define effectivity dates for each rule.
- Assign sourcing rules at different levels using an assignment set.
- Classify and rank multiple sources.

Sourcing rules define replenishment sources for an organization or a groups of organizations which can then be applied to specific items. Sourcing rules that are made up of multiple suppliers, allow you to assign allocation percentages to each supplier and rank them if the percentages are equal.

Requisition Actions

Requisition Actions

You can also do the following with requisitions:

- **Update requisitions**
- **Cancel/Final close requisitions**
- **View status and action history of requisitions.**
- **Print requisitions**
- **Review requisition assignments and assign/reassign requisitions to buyers**

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(Help) Oracle Manufacturing Applications > Oracle Purchasing > Requisitions > Managing Requisitions

Demonstration

In Oracle Purchasing we will demonstrate how to:

- **Create a purchase requisition**
- **Find items using the Supplier Item Catalog and select items using the Order Pad.**

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Practice

Practice

In Oracle Purchasing, you will

- **Create a purchase requisition.**

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Scenario

You have been asked to complete a purchase requisition for writing tablets (MS43771) and pens (MS21662).

For the writing tablets:

- Order quantity is 10.
- Destination is Expense
- Organization is Vision Operations
- Location is San Francisco
- Need-by-Date is today
- Add a note to the buyer: Place the order immediately!
- Flag this requisition as urgent!
- Add a justification for your boss to read when approving.

For the pens:

- Order quantity is 5
- Add a note to the receiver to make sure this shipment is inspected.
- Specify destination type of Inventory
- Organization is Seattle Manufacturing
- Location is Seattle
- Need-by-Date is today
- Save the requisition.

When you submit your requisition for approval, add Catherine Baker as an approver.

Steps

Log on to Oracle Purchasing as Terry Green.

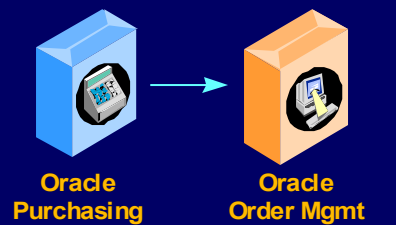
Oracle Purchasing (N) Requisitions > Requisitions

1. In the item field, use the list of values to select the item MS43771.
2. In the quantity field, enter an order quantity of 10.
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 Expense.
5. In the organization field, use the list of values to select Vision Operations.
6. In the location field, use the list of values to select San Francisco.
7. Select the Source Details tab. In the note to buyer field, ask the buyer to place the order immediately.
8. Select the Details tab. Select the urgent checkbox. In the justification field, add a note for your boss.
9. Save your work.
10. Go to the second line.
11. In the item field, use the list of values to select the item MS21662.
12. In the quantity field, enter an order quantity of 5.
13. In the need-by date field, use the list of values to select today's date.
14. In the destination type field, use the list of values to select Inventory.
15. In the organization field, use the list of values to select Seattle Manufacturing.
16. In the location field, use the list of values to select Seattle.
17. Select the Details tab. In the notes to receiver field, enter a note to get this inspected.
18. Save your work. Make note of your requisition number.
19. Select the Submit for Approval option button.
20. Check the Forward checkbox. Forward to Catherine Baker to approve.
- 20 Click OK.

Internal Requisitions

Internal Requisitions

- Enable you to request and transfer material from one inventory location to another inventory or expense location.
- Requires Oracle Order Management, Oracle Shipping Execution, Oracle Inventory and Oracle Purchasing.

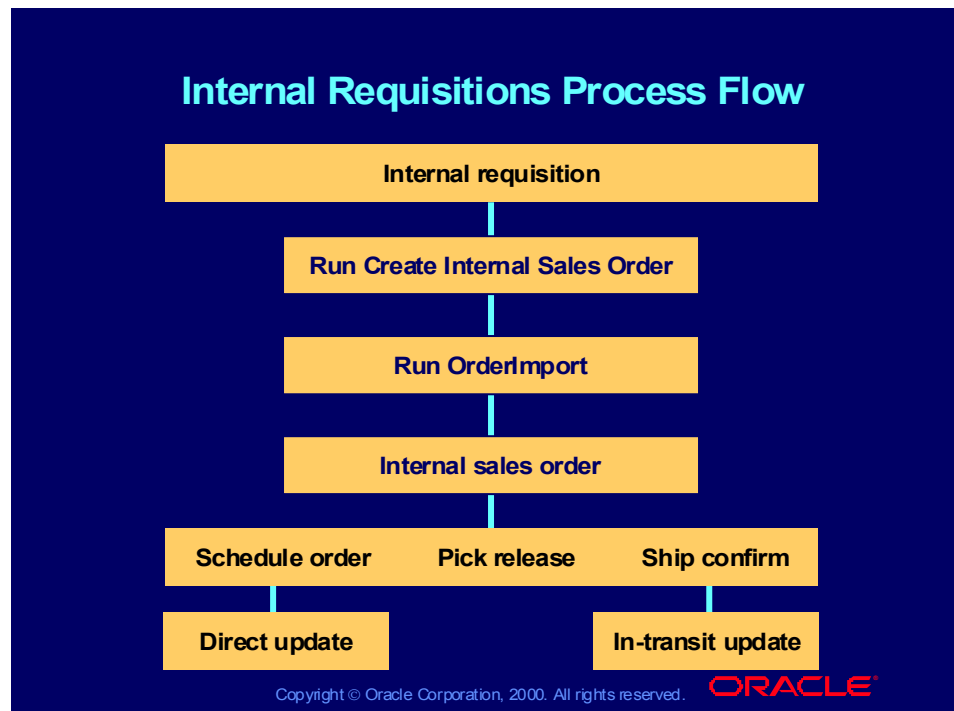


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(Help) Oracle Manufacturing Applications > Oracle Purchasing > Requisitions > Internal Requisitions > Overview of Internal Requisitions

Internal Requisitions Process Flow



Internal Requisitions

- Automatically generate min-max, reorder point and subinventory replenishment requisition for both internal and external sources.
- Automatically assign MRP-generated requisitions to internal or external sources.
- Create online internal requisitions for both inventory and expense destinations using the same forms you use to create purchase requisitions. Optionally combine inventory and supplier-sourced lines on the same requisition.
- Pick release and ship internal sales orders to the requesting employee or inventory organization.
- Use intransit inventory to track items as they move between organizations.
- Receive, inspect, transfer and deliver intransit shipments using the same process you use to receive supplier-sourced shipments.
- Maintain full supply and demand visibility throughout the internal requisition process.

Submitting Requisitions for Approval

Submitting Requisitions for Approval

- Route requisitions according to approval structure.
- Uses predefined or customized workflows in Oracle Workflow.
- Authorization limits can be set by amount, charge account, item category and location.
- Resubmit a rejected requisition.

Purchasing Responsibility

(N) Oracle Purchasing > Requisitions > Requisitions (B) Approve

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(Help) Oracle Manufacturing Applications > Oracle Purchasing > Document Approval, Security and Control > Submitting a Document for Approval

PO Requisition Approval Workflow

The PO Requisition Approval workflow is initiated at the following points in Purchasing:

When you choose Submit for Approval (and then choose OK) in the Approve Document window in Purchasing or submit a requisition for approval in Oracle Self-Service Purchasing.

When you respond to a reminder in the Notifications Summary window reminding you to submit a document for approval that has not yet been submitted.

When you run Requisition Import. If the requisitions are incomplete or preapproved, Requisition Import launches the PO Requisition Approval workflow to approve the requisitions, unless you specify not to.

Approving Requisitions

Approving Requisitions

- Review and approve or reject requisitions on-line.
- Forward requisitions to an alternate approver.
- Can update requisition before approving it.
- Approve requisition by
 - Workflow Notification Viewer
 - Notifications web page
 - Responding to a notification e-mail

Purchasing Responsibility

(N) Oracle Purchasing > Notifications Summary

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(Help) Oracle Manufacturing Applications > Oracle Purchasing > Document Approval, Security and Control > Viewing and Responding to Notifications

Demonstration

In Oracle Purchasing we will demonstrate how to:

- **Approve a purchase requisition using the Notification Viewer.**

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Document Security, Approval Limits, and Approval Routing

Document Security, Approval Limits, and Approval Routing

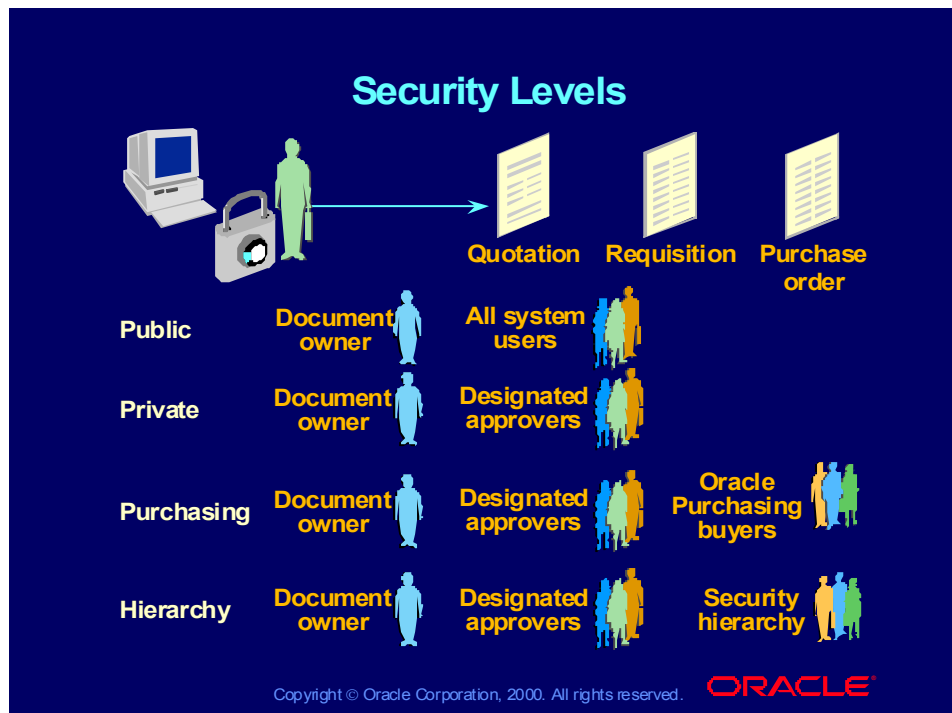
- **Concerns over document security:**
 - Who can see it?
 - Who can update it?
- **Concerns over document approval:**
 - Who can approve it?
- **Concerns over document routing:**
 - Who can I send it to?

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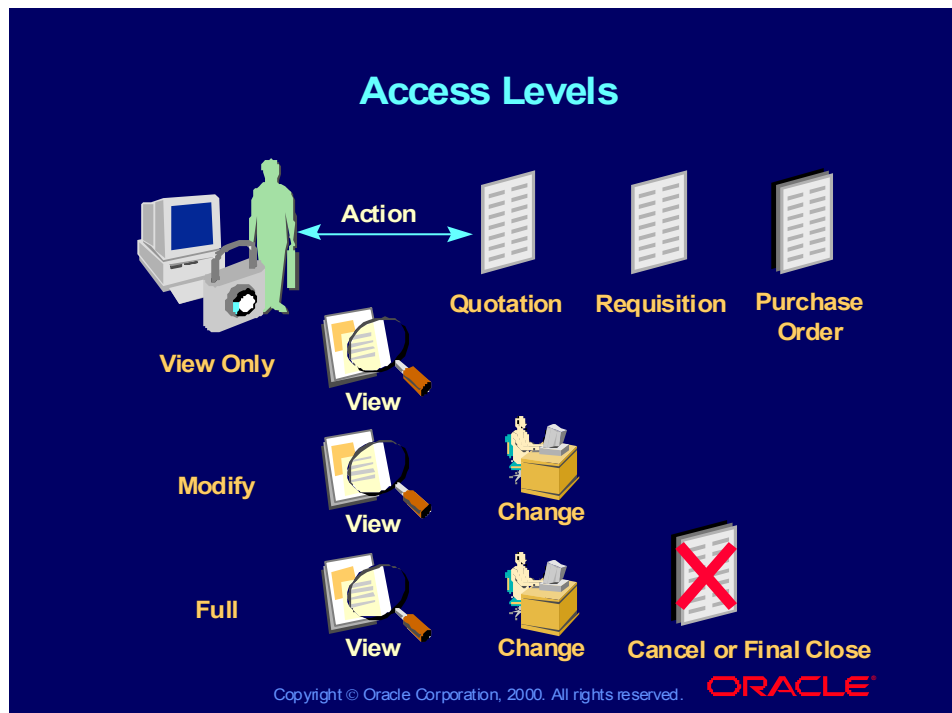
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(Help) Oracle Manufacturing Applications > Oracle Purchasing > Document Approval, Security and Control > Setting Up Document Approval and Security

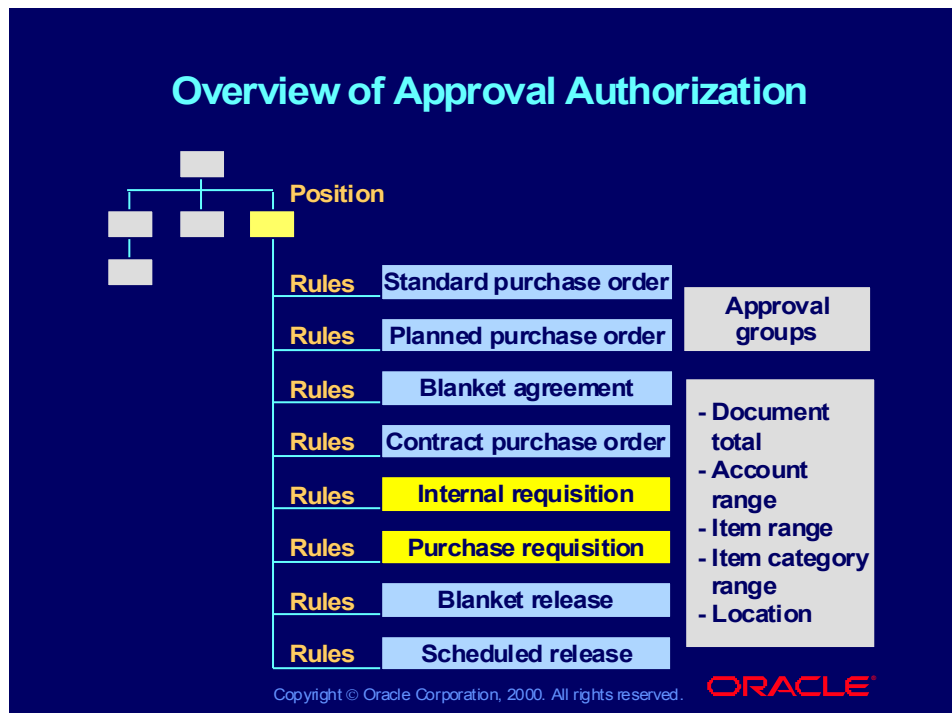
Security Levels



Access Levels



Overview of Approval Authorization



Options for Security, Approval Limits, and Approval Routing

Options for Security, Approval Limits, and Approval Routing

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

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View Requisition Information

View Requisition Information

- Use the Requisition Summary window to do inquiries at the header, line or distribution levels.
- Use search criteria to retrieve requisition information
- Drill down for more detail
- Enter a new requisition
- View action history of requisition
- View associated purchase order
- View associated sales order

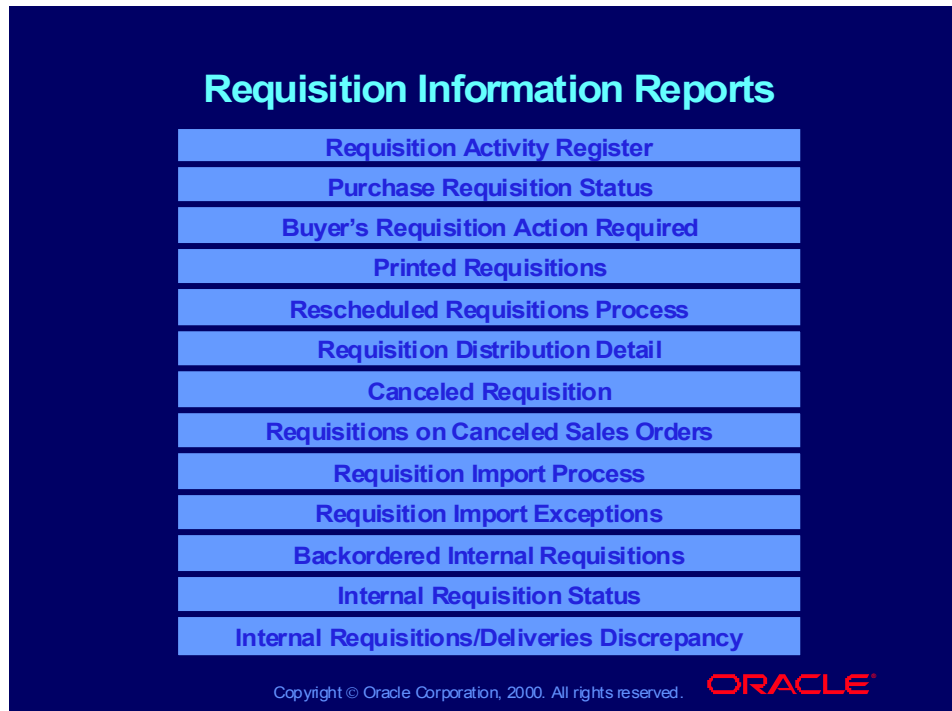
Purchasing Responsibility
(N) Oracle Purchasing > Requisition Summary

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(Help) Oracle Manufacturing Applications > Oracle Purchasing > Requisitions > Finding Requisitions

Requisition Information Reports



(Help) Oracle Manufacturing Applications > Oracle Purchasing > Requisitions > Reports and Processes

Demonstration

In Oracle Purchasing we will demonstrate how to:

- **View requisition information using the Requisition Summary window.**

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Practice



Practice

In Oracle Purchasing, you will

- **As an approver, approve your requisition.**

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Scenario

You are Catherine Baker and you need to review your notifications to approve any pending requisitions.

Steps

Log into Oracle Purchasing as Catherine Baker.

Oracle Purchasing (N) Notifications Summary

1. View your notifications. Select the requisition you created earlier and open it..
2. Select approve from the list of values, and select the submit button.

Agenda

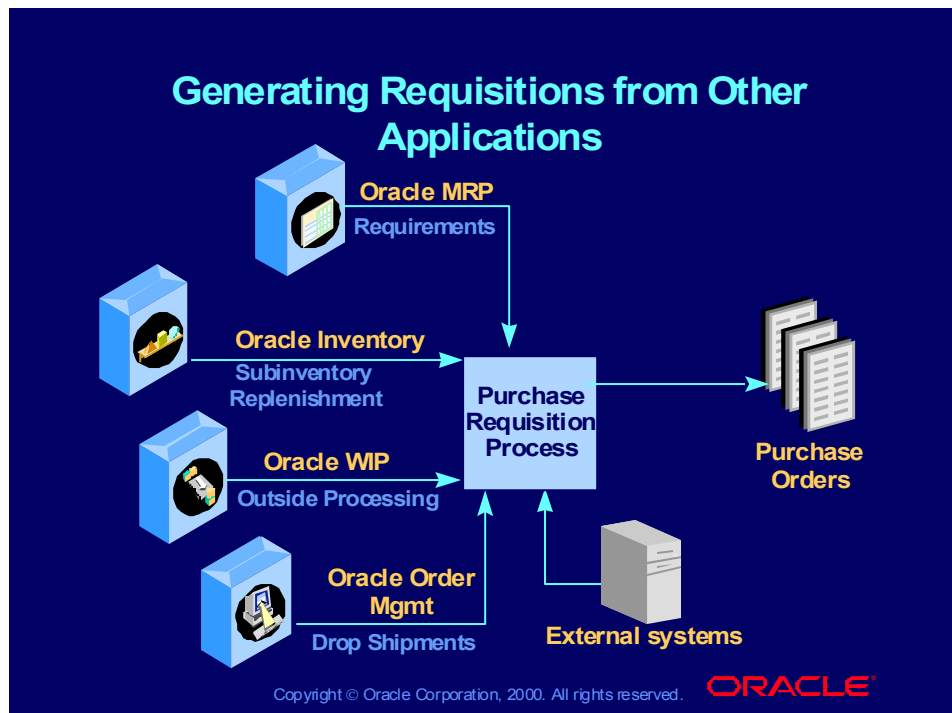
Agenda

- Understanding the purchase requisition process
- Using requisitions in the Oracle Internet Procurement solution
- Creating and approving requisitions in Oracle Internet Procurement
- Creating and approving requisitions in Oracle Purchasing
- **Creating requisitions in other Oracle Applications**
- Summary

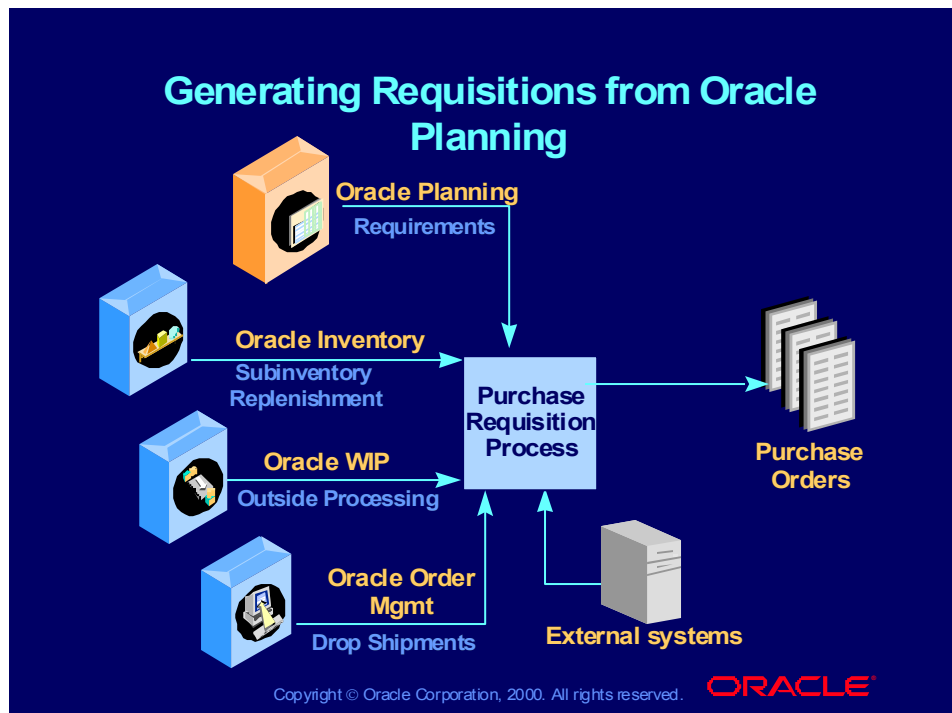
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Generating Requisitions from Other Applications



Generating Requisitions from Oracle Planning

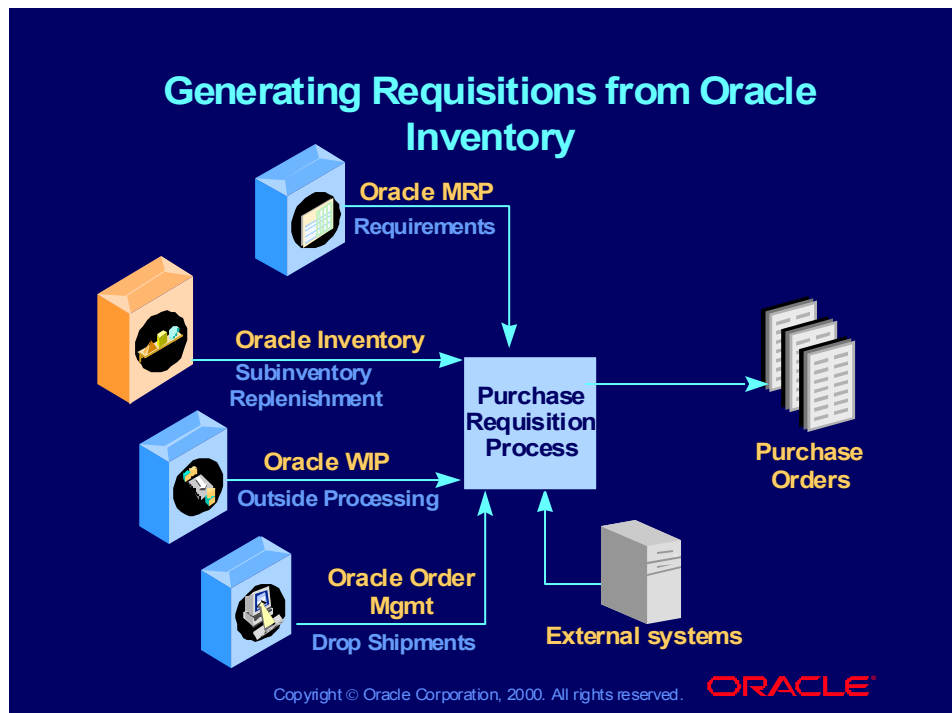


(Help) Oracle Manufacturing Applications > Oracle Purchasing > Requisitions > Requisitions Overview (H) Overview of Implementing Planning Recommendations

Oracle Master Scheduling/MRP

You can use the Planner Workbench Supply window or the Supply/Demand window to implement planning recommendations. Oracle Master Scheduling/MRP populates the Requisition Open Interface table with requirements determined by MRP planning.

Generating Requisitions from Oracle Inventory



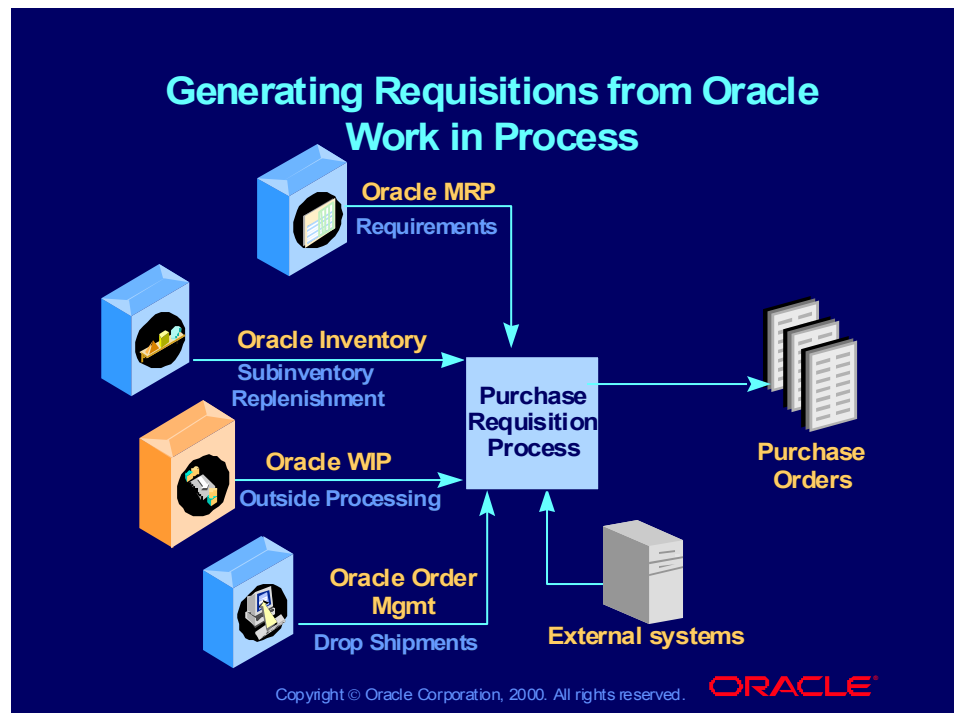
(Help) Oracle Manufacturing Applications > Oracle Purchasing > Requisitions > Requisitions Overview (H) Overview of Inventory Planning and Replenishment

Oracle Inventory

Oracle Inventory populates the Requisition Open Interface table with requirements determined by the following planning methods:

- Reorder point planning
- Min-max planning
- Subinventory replenishment planning
- Kanban orders

Generating Requisitions from Oracle Work in Process

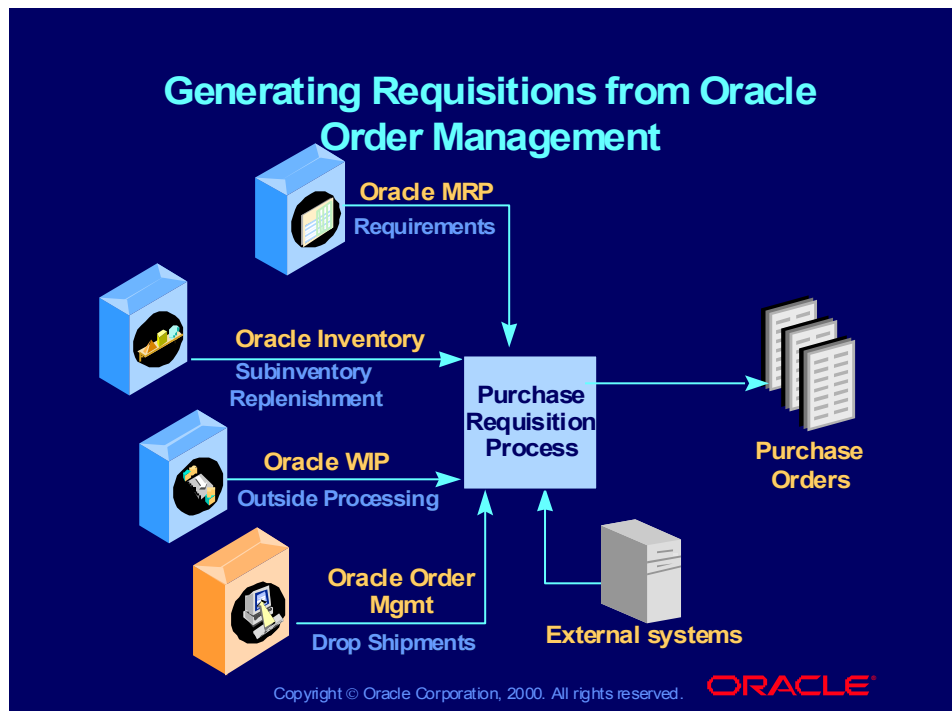


(Help) Oracle Manufacturing Applications > Oracle Purchasing > Requisitions > Requisitions Overview (H) Overview of Outside Processing

Oracle Work in Process

Oracle Work in Process automatically generates a purchase requisition when you move a job or assembly into the queue of an operation that is an outside processing operation.

Generating Requisitions from Oracle Order Management

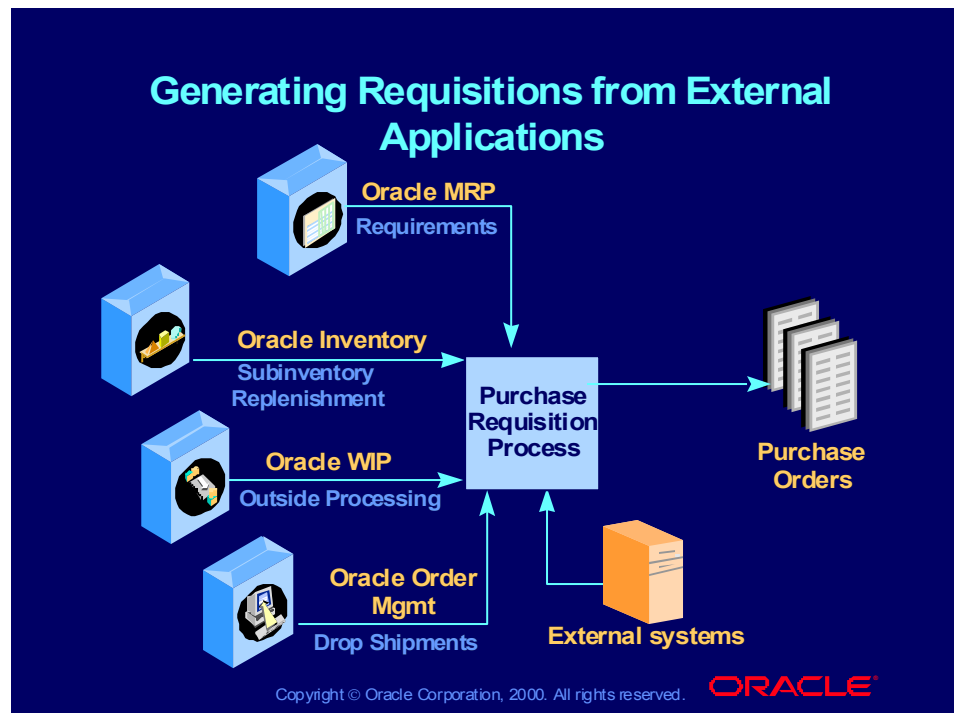


(Help) Oracle Manufacturing Applications > Oracle Order Management > Orders > Drop Shipments

Oracle Order Management

Oracle Order Management initiates requisitions when an drop shipment order is entered that requires fulfillment directly from a supplier

Generating Requisitions from External Applications

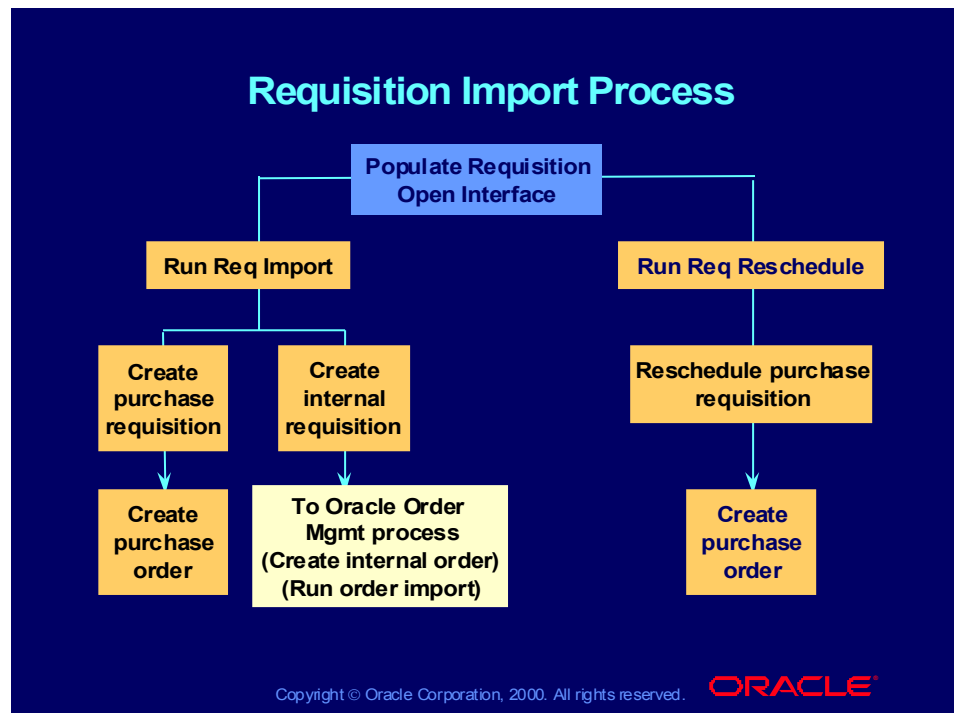


(Help) Oracle Manufacturing Applications > Oracle Purchasing > Requisitions > Reports and Processes > Requisition Import Process

Requisitions from External Systems

You can import requisitions from non-Oracle systems. Requisition Import lets you integrate Purchasing with new or existing applications such as Material or Distribution Requirement Planning systems. You can import requisitions as often as you want. You can then review or place these requisitions on purchase orders.

Requisition Import Process



Requisition Import

Master Scheduling/MRP, Work In Process, Order Management, and Inventory all provide requisition information to the requisition interface table from which Requisition Import creates requisitions. While requisitions can be imported with any approval status, they are most commonly approved since they correspond to specific production schedules, outside processing, or stock resupply. However, if you are using requisition encumbrance, Requisition Import changes the Approved status to Pre-Approved so that you can reserve funds for the requisition.

Reschedule Requisitions

Use the Reschedule Requisitions process to update requisition information for the rows that Master Scheduling/MRP has inserted into the rescheduling interface table. This information can include changes to need-by dates recommended by MRP as well as changes to requisition quantities made by means of the Planner's Workbench.

Demonstration

In Oracle Purchasing we will demonstrate how to:

- **Automatically create a purchase requisition from the requirements of Oracle Inventory min-max planning.**

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Agenda

Agenda

- Understanding the purchase requisition process
- Using requisitions in the Oracle Internet Procurement solution
- Creating and approving requisitions in Oracle Internet Procurement
- Creating and approving requisitions in Oracle Purchasing
- Creating requisitions in other Oracle Applications
- **Summary**

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Summary

You should now be able to:

- **Explain how requisitions fit in the procurement process**
- **Explain how the purchase requisition creation business needs are satisfied by the Oracle Internet Procurement Solution**
- **Create and approve purchase requisitions in both Oracle Internet Procurement and Oracle Purchasing.**
- **Discuss how requisitions are initiated in other Oracle Applications.**

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11i Issue RFQs to Obtain Bids & Quotations

Chapter 7

Issue RFQs to Obtain Bids and Quotations

Release 11i

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Objectives

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

- **Create requests for quotations**
- **Record quotation responses**
- **Define iSupplier Portal**
- **Describe Oracle Exchange and Oracle e-Commerce Gateway RFQ features**
- **Perform setup and implementation requirements for RFQs**

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Agenda

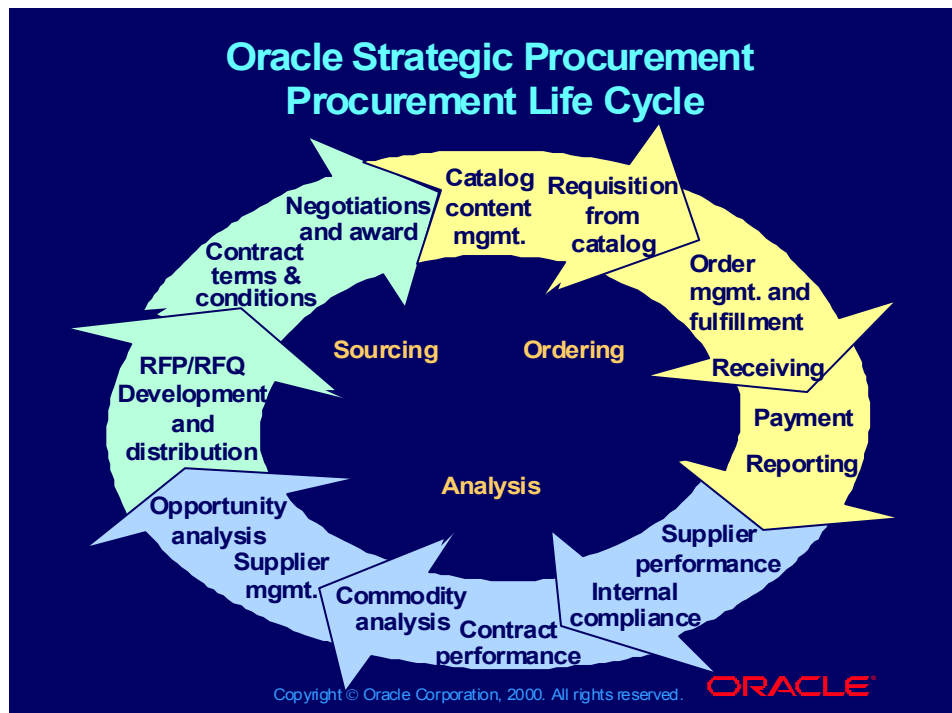
Agenda

- **RFQs and Supplier Sourcing Introduction**
- **Manually Creating Requests for Quotation (RFQ)**
- **Autocreating RFQs**
- **Entering Quotations**
- **Suppliers Responding by way of iSupplier Portal**
- **Oracle Exchange: Creating a Buyer's Auction**
- **Setup and Implementation Considerations**

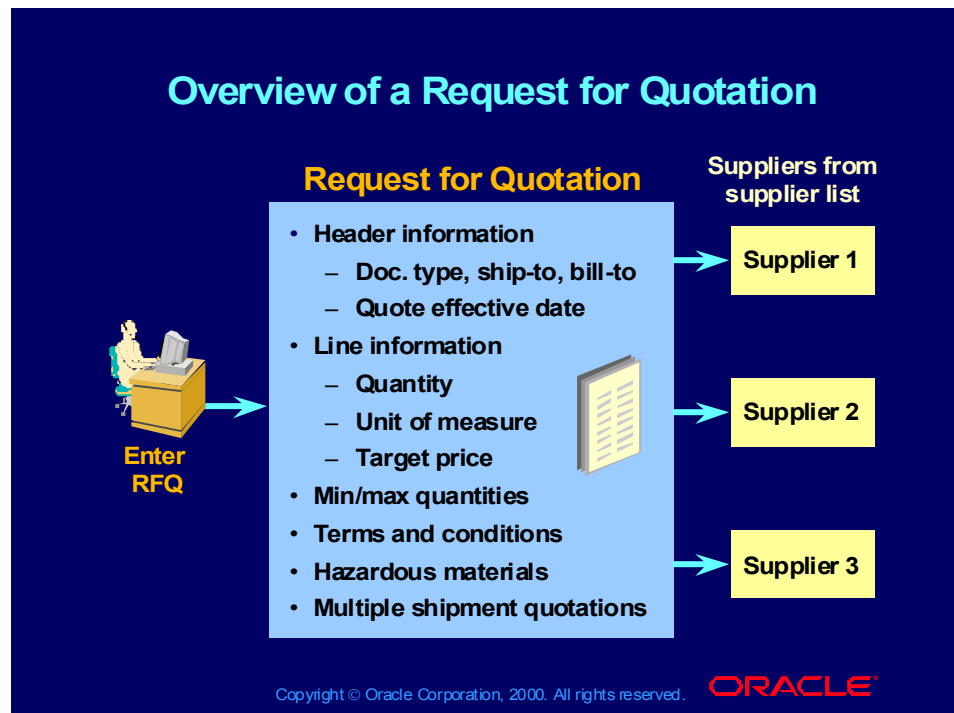
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Oracle Strategic Procurement Procurement Life Cycle



Overview of a Request for Quotation



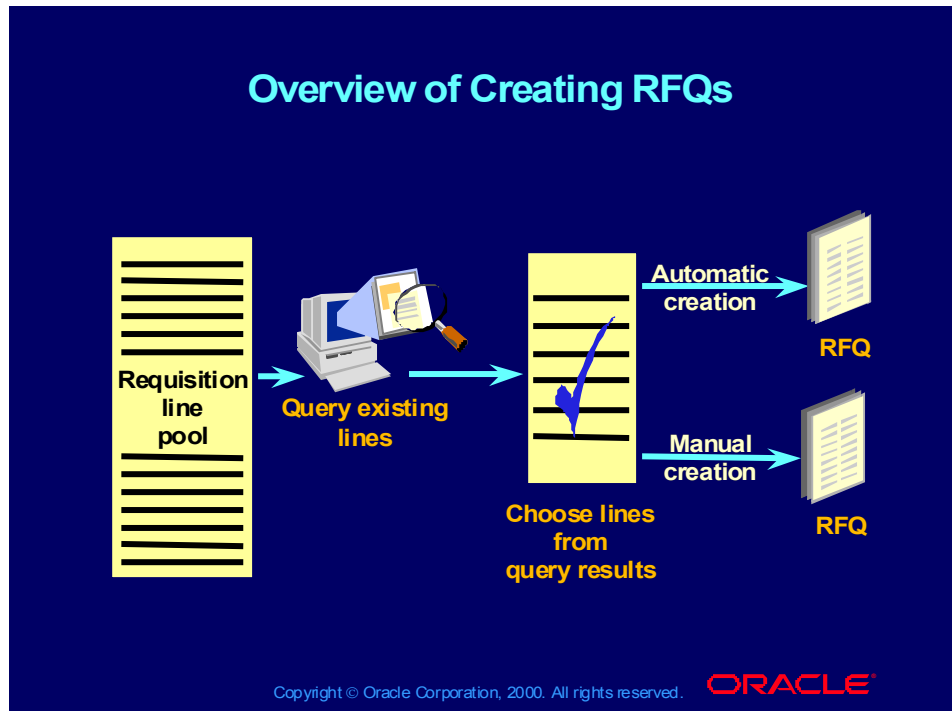
Request for Quotation

A request for quotation (RFQ) is a document you use to solicit supplier quotations for those goods or services. Not all purchase requisitions require an RFQ, and you do not need a purchase requisition to create an RFQ. However, if the RFQ required check box is selected on a requisition, an RFQ is required for that requisition.

Supplier Lists

Although you may send an RFQ to one supplier, usually you will want to send a request for quotation to many suppliers to ensure that you get the best price and terms possible. With Oracle Purchasing you create supplier lists so that you can predefine groups of suppliers to whom you want to send RFQs. You can establish supplier list according to criteria you define, such as item, manufacturing category, geographic location or more.

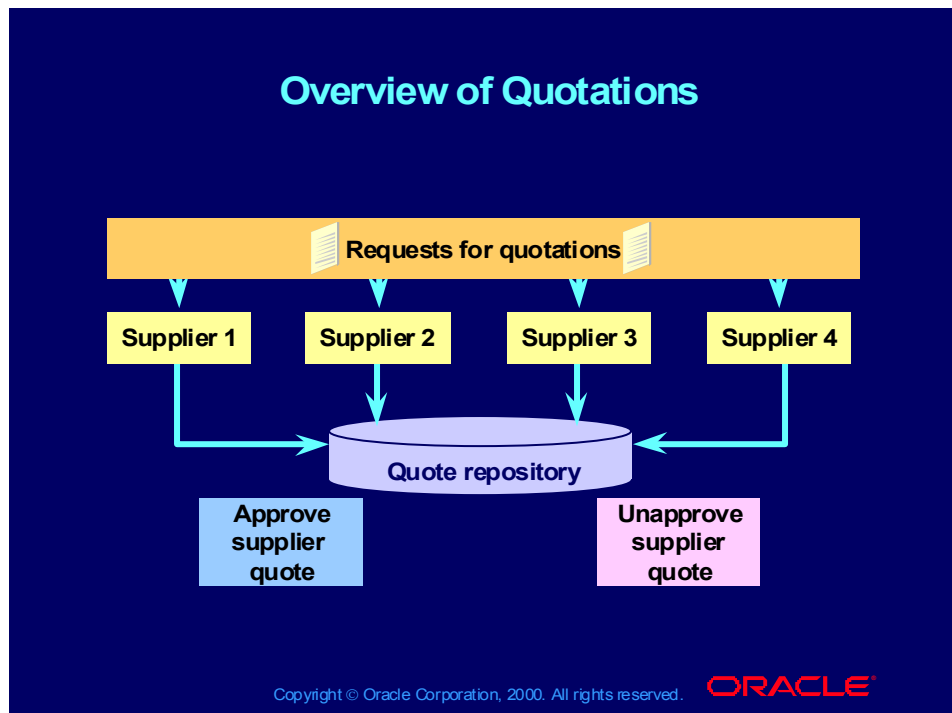
Overview of Creating RFQs



AutoCreating Request for Quotations

Oracle Purchasing provides automatic creation capabilities for documents. All purchase requisition lines available for autocreation go into a single requisition pool. Buyers can retrieve any of the requisition lines from the pool and use the AutoCreate Documents window to create request for quotations (RFQs).

Overview of Quotations



Quotations

A Quotation is a statement of the price, terms and conditions of sales a supplier offers you for an item or service. Suppliers consider quotations as an offer to sell when given in response to an inquiry such as a request for quotation.

A quotation may be verbal or written. You often get verbal quotations for minor purchases by telephone. You usually send a request for quotation if you want a written quotation from the supplier. Written quotations often have an effective date and an expiration date.

Purchasing lets you approve quotation shipment for specific purposes so that you can control the use of your sourcing information. You can approve quotation information for specific purposes so that you can control the use of your sourcing information.

Overview of the Approved Supplier List

Overview of the Approved Supplier List

When ordering items, you can restrict your supplier options to use only approved suppliers with the:

- Approved Supplier List
- Sourcing rules

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Approved Supplier List

For each commodity or individual item, you associate a list of suppliers and relevant information about this relationship. Oracle Purchasing enables you to set up and control your Approved Supplier List entries as global procurement policies, or as local procurement options for a given plant or organization. The Approved Supplier List is used in conjunction with Enhanced Sourcing rules. For more information see the *Manage the Approved Supplier List* component.


Enhanced Sourcing Rules

Enhanced Sourcing rules enable you to define relationships between the Approved Supplier List and your business rules for sourcing items and commodities. Sourcing defaults can dramatically increase operational efficiency.

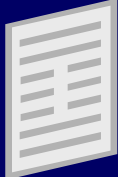
RFQ and Quotation Types

RFQ and Quotation Types

- **Catalog**
- **Standard**
- **Bid**



RFQs



Quotes

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Types of RFQs and Quotations

Catalog

- Used for high volume items or items which suppliers send information regularly
- Includes price breaks at different quantity levels
- Quotations can be used for automatic sourcing

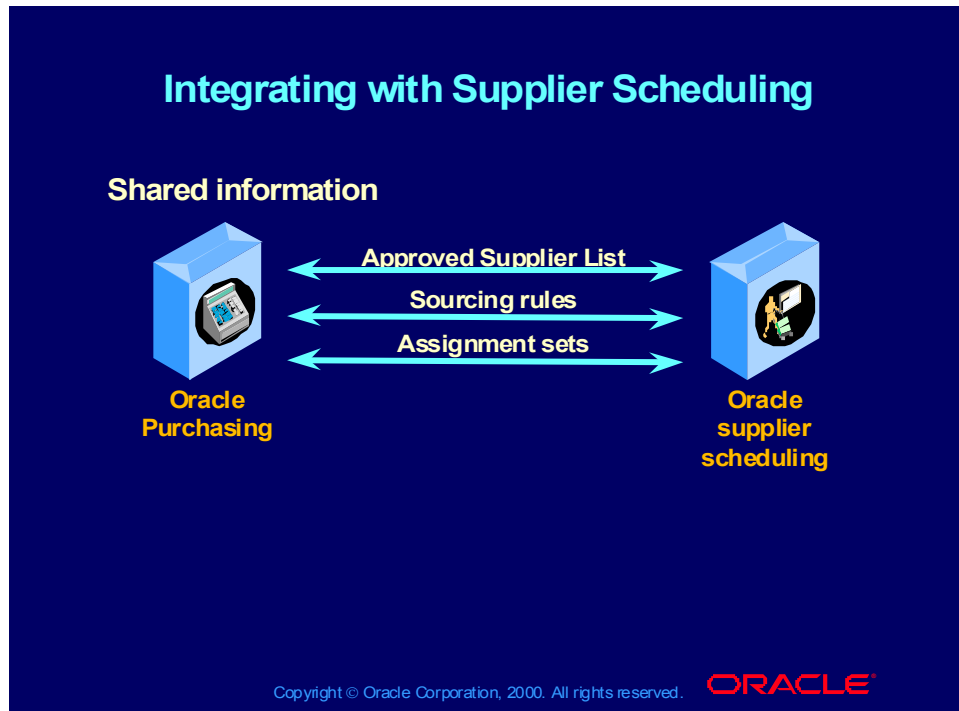
•Standard

- Used for items ordered once or infrequently but not for a specific, fixed quantity, location, and date
- Includes price breaks at different quantity levels

•Bid

- Used for a first time, single, large, or expensive item
- No price breaks

Integrating with Supplier Scheduling



Supplier Sourcing with Oracle Supplier Scheduling

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

- Approved Supplier List
- Sourcing rules
- Assignment sets

Agenda

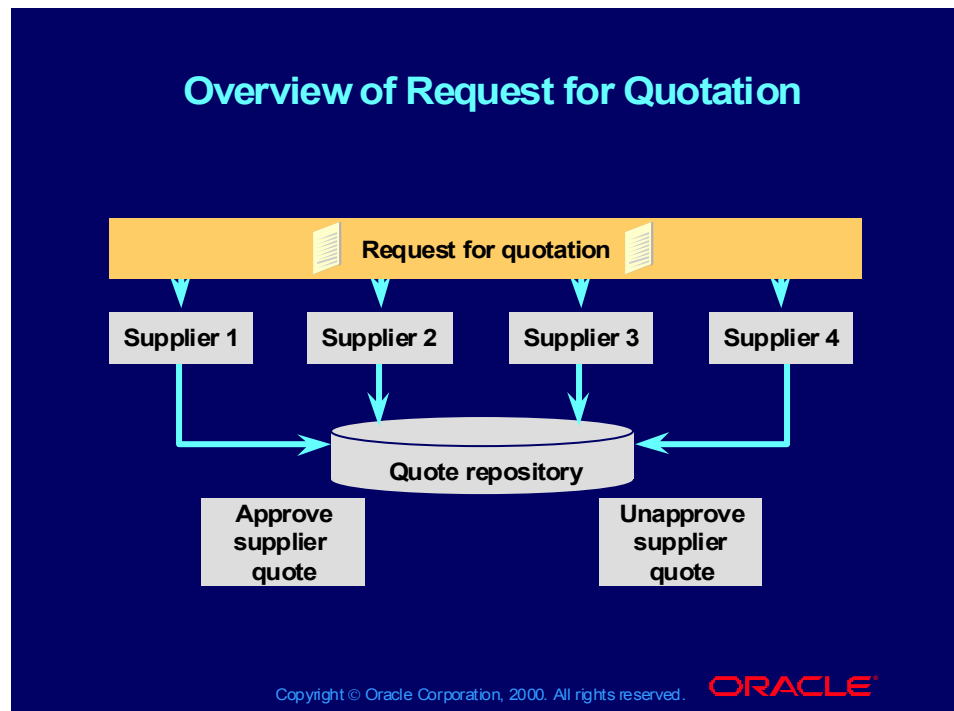
Agenda

- RFQs and Supplier Sourcing Introduction
- **Manually Creating Requests for Quotation (RFQ)**
- Autocreating RFQs
- Entering Quotations
- Suppliers Responding by way of iSupplier Portal
- Oracle Exchange: Creating a Buyer's Auction
- Setup and Implementation Considerations

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Overview of Request for Quotation



Request For Quotation

You can send the RFQ to as many suppliers you want and decide how much item information to provide to the suppliers. Each RFQ consists of header, line and shipment information. In the header you define the RFQ Document Type, the Ship-To and Bill-To locations and the Quote effectivity dates. The line region is where you define the goods or services for which you want the supplier to quote. Included in this information are your requirements such as unit of measure and optionally, a target price for negotiation purposes. You may also include minimum and maximum order quantities and classification for hazardous materials. You specify the terms and conditions for the RFQ. You can request as many shipments quotation as you want. You might want to provide multiple shipments if you want to receive quotations from your suppliers for different ship-to locations, quantities or other criteria.

Defining Supplier Lists

Defining Supplier Lists

Use the Supplier Lists window to create or locate unique lists of suppliers to aid in the procurement activities.

(N) Oracle Purchasing > Supply Base > Supplier List

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(Help) Oracle Manufacturing Applications > Oracle Purchasing > Supply Base Management > Defining Supplier Lists

Supplier Lists can be used repeatedly to decrease the amount of time spent creating an RFQ.

Note: When you copy a supplier list onto your RFQ supplier list, Oracle Purchasing copies every unique combination of supplier and supplier site that does not already appear on the current RFQ supplier list.

Creating a Request for Quotation

Creating a Request for Quotation

Use the RFQs window to:

- enter and edit a request for quotation
- review and edit an RFQ autocreated from on-line requisitions

(N) Oracle Purchasing > RFQs and Quotations > RFQs

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(Help) Oracle Manufacturing Applications > Oracle Purchasing > Supply Base Management > Creating RFQs

... > Entering RFQ Headers

... > Entering RFQ Lines

... > Entering RFQ Supplier Information

... > Entering RFQ Terms Information

... > Entering RFQ Shipment Information

... > Entering RFQ Price Break Information

Entering RFQ Lines

Entering RFQ Lines

Use the RFQs window to enter and edit RFQ lines.

(N) Oracle Purchasing > RFQs and Quotations > RFQs
(T) Items

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(Help) Oracle Manufacturing Applications > Oracle Purchasing >
Supply Base Management > Creating RFQs

- ... > Entering RFQ Headers
- ... > Entering RFQ Lines
- ... > Entering RFQ Supplier Information
- ... > Entering RFQ Terms Information
- ... > Entering RFQ Shipment Information
- ... > Entering RFQ Price Break Information

Selecting RFQ Currency Information

Selecting RFQ Currency Information

Use the Currency window to select the currency of the RFQ and enter exchange rate information (if applicable).

**(N) Oracle Purchasing > RFQs and Quotations > RFQs
(B) Currency**

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**(Help) Oracle Manufacturing Applications > Oracle Purchasing >
Supply Base Management > Creating RFQs**

- ... > Entering RFQ Headers**
- ... > Entering RFQ Lines**
- ... > Entering RFQ Supplier Information**
- ... > Entering RFQ Terms Information**
- ... > Entering RFQ Shipment Information**
- ... > Entering RFQ Price Break Information**

Editing RFQ Terms and Conditions

Editing RFQ Terms and Conditions

Use the RFQ Terms window to edit the RFQ terms and conditions defaulting from the Financials Options window.

**(N) Oracle Purchasing > RFQs and Quotations > RFQs
(B) Terms**

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**(Help) Oracle Manufacturing Applications > Oracle Purchasing >
Supply Base Management > Creating RFQs**

- ... > Entering RFQ Headers**
- ... > Entering RFQ Lines**
- ... > Entering RFQ Supplier Information**
- ... > Entering RFQ Terms Information**
- ... > Entering RFQ Shipment Information**
- ... > Entering RFQ Price Break Information**

Entering RFQ Price Break Information

Entering RFQ Price Break Information

Use the RFQ Price Breaks window to enter pricing information for an RFQ.

(N) Oracle Purchasing > RFQs and Quotations > RFQs
(B) Price Breaks

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(Help) Oracle Manufacturing Applications > Oracle Purchasing >
Supply Base Management > Creating RFQs

- ... > Entering RFQ Headers
- ... > Entering RFQ Lines
- ... > Entering RFQ Supplier Information
- ... > Entering RFQ Terms Information
- ... > Entering RFQ Shipment Information
- ... > Entering RFQ Price Break Information

Selecting Suppliers

Selecting Suppliers

Use the RFQ Suppliers window to:

- enter the suppliers that will receive the RFQ
- review supplier activity

**(N) Oracle Purchasing > RFQs and Quotations > RFQs
(B) Suppliers**

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**(Help) Oracle Manufacturing Applications > Oracle Purchasing >
Supply Base Management > Creating RFQs**

... > Entering RFQ Headers

... > Entering RFQ Lines

... > Entering RFQ Supplier Information

... > Entering RFQ Terms Information

... > Entering RFQ Shipment Information

... > Entering RFQ Price Break Information

Entering RFQ Shipment Information

Entering RFQ Shipment Information

Use the RFQ Shipments window to enter and review shipment information for BID RFQs.

(N) Oracle Purchasing > RFQs and Quotations > RFQs
(B) Shipments

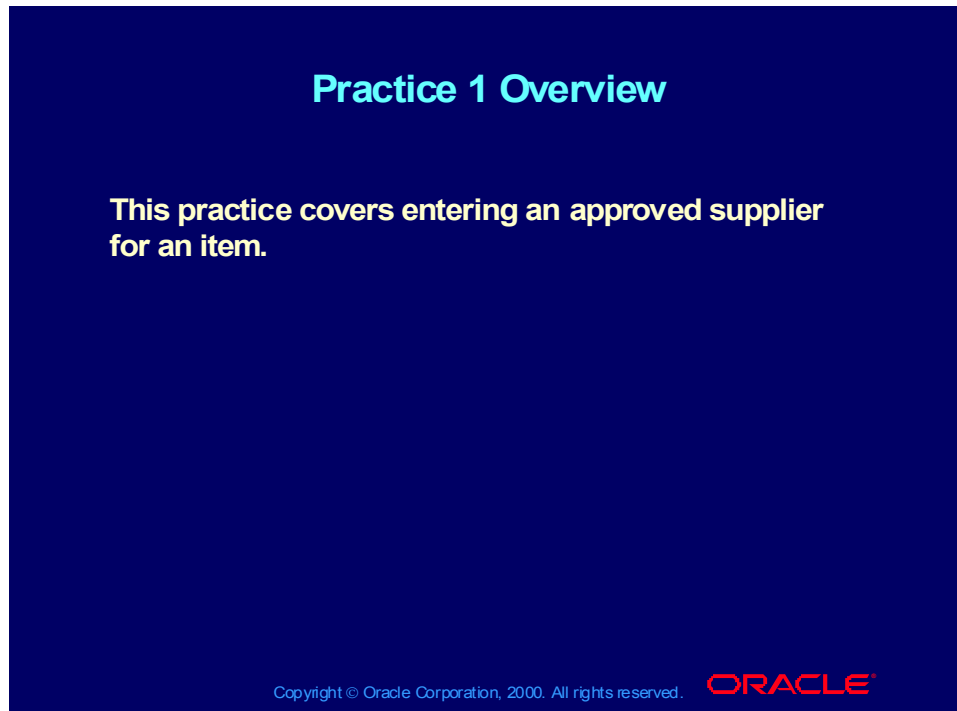
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(Help) Oracle Manufacturing Applications > Oracle Purchasing >
Supply Base Management > Creating RFQs

- ... > Entering RFQ Headers
- ... > Entering RFQ Lines
- ... > Entering RFQ Supplier Information
- ... > Entering RFQ Terms Information
- ... > Entering RFQ Shipment Information
- ... > Entering RFQ Price Break Information

Practice 1 Overview

A blue rectangular slide with white text. The title 'Practice 1 Overview' is at the top. Below it, a paragraph states: 'This practice covers entering an approved supplier for an item.' At the bottom right is the Oracle logo, and at the bottom left is the copyright notice: 'Copyright © Oracle Corporation, 2000. All rights reserved.'

Scenario

Your instructor has asked you to enter an approved supplier for an item you created. You will also use the supplier you created. Make this supplier approved for this item, select the Using AutoCreate release method.

Practice 1 Solutions

Practice 1 Solutions

This practice covers entering an approved supplier for an item.

- 1. Entering Key Attributes Tabbed Region**
- 2. Recording Details Tabbed Region**
- 3. Defining the Attributes of an ASL Entry**

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Practice 1 Solutions

Step 1: Key Attributes Tabbed Region

1. Open the Approved Supplier List window:

(N) Purchasing, Vision Operations > Supply Base > Approved Supplier List

2. Select M1 organization

3. Select Item from the Type drop-down list.

4. Select an item for which you will define an entry.

5. Go to the Suppliers region.

6. In the Business field, use the list of values to select the business type Direct.

7. In the Name field, use the list of values to select the supplier's name.

8. In the Site field, enter the appropriate supplier site.

9. In the Status field, use the list of values to select Approved.

10. Optionally enter the supplier item.

11. Optionally specify a review-by date. You can use this date to determine when a proactive business review should be performed for the supplier.

Step 2: Record Details Tabbed Region

1. In the Global field choose Yes or No from the drop-down list to indicate whether this item and supplier site combination should be available to all organizations.
2. In the Owning Organization field, the organization that owns this item and supplier site combination will default for you.
3. Click the Attributes button to access the Supplier-Item Attributes window.

Step 3: Defining the Attributes of an ASL Entry

1. In the Purchasing UOM field, use the list of values to select the purchasing UOM.
2. In the Release Method field, use the list of values to select the release method Release Using AutoCreate.
3. In the Source Documents region, select your Catalog Quotation.
4. Save your work.

Practice 2 Overview

Practice 2 Overview

This practice covers the following topics:

- **Creating a supplier list**
- **Creating an RFQ**

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Scenario

Your company requires that when you negotiate new contracts and agreements with suppliers a request for quotation be sent out to at least three suppliers.

Practice 2 Instructions with Solution

Practice 2 Instructions with Solution

1. Create a supplier list

- Name the supplier list (Make sure you have named it with a prefix of your initials)
- Make the list inactive in three months
- Use the list of values from the toolbar to select vendors and sites
- Add two suppliers you create to your list, as well as the following two suppliers: Advanced Network Devices and Advantage Corp.

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Practice 2 Solutions

Step 1: Create a Supplier List

1. Open the Supplier Lists window:

(N) Supply Base—>Supplier Lists

2. Name the Supplier List. (Make sure you have named it with a prefix XX—your initials or your terminal number.)

3. Make the list inactive in three months.

4. Add two suppliers you create to your list, as well as the following suppliers (use the list of values from the toolbar to select vendors and sites):

- Advanced Network Devices
- Advantage Corp

5. Save your work.

Practice 2 Instructions with Solution

Practice 2 Instructions with Solution

2. Create a catalog RFQ (request for quotation)

- Change status to active
- Let the due date fall two weeks from today
- Close date is two weeks and one day away
- Quote approval is required
- The quote is effective for one year starting today

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Practice 2 Solutions

Step 2: Create a Catalog RFQ

1. Open the RFQs window:

(N) RFQs and Quotations—>RFQs

2. In the Type field, use the list of values to select Catalog RFQ.

3. In the Status field, use the list of values to select Active.

4. Enter a date in the Due Date field two weeks from today.

5. Enter a date in the Close Date field two weeks and one day away.

6. In the Reply Via field, use the list of values to make your choice.

7. Enter a description in the Description field.

8. Select the Quote Approval Required check box.

9. In the Quote Effectivity fields, let the quote be effective from today's date to one year from today.

Practice 2 Instructions with Solution

Practice 2 Instructions with Solution

3. Complete the terms

- Enter a line for two items you've created
- Ask for price breaks at 10, 25, and 50 for each item
- Reference your supplier list
- Add a note to the supplier asking for an expedited response

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Practice 2 Solutions

Step 3: Complete the Terms.

1. Enter a line for two items you created.
2. Ask for price breaks at 10, 25, and 50 for each item. (Do not enter pricing, supplier will reply with pricing information.)
3. Reference your supplier list.
4. Complete the terms. Click the Terms button.
5. Add a note to the supplier asking for an expedited response.
6. Save your work.

Agenda

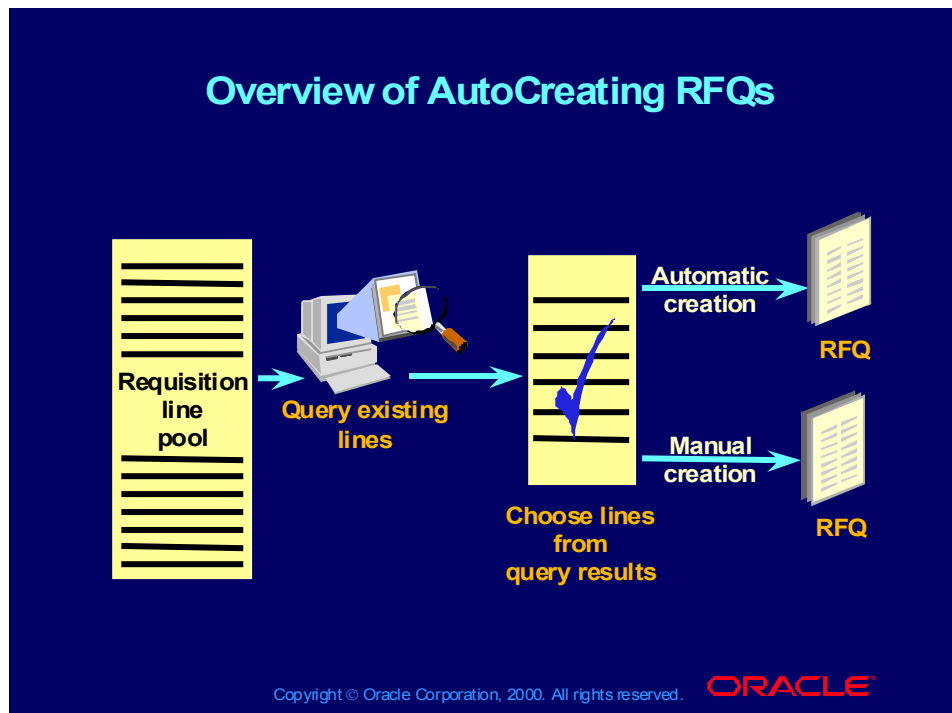
Agenda

- RFQs and Supplier Sourcing Introduction
- Manually Creating Requests for Quotation (RFQ)
- **Autocreating RFQs**
- Entering Quotations
- Suppliers Responding by way of iSupplier Portal
- Oracle Exchange: Creating a Buyer's Auction
- Setup and Implementation Considerations

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Overview of AutoCreating RFQs



AutoCreating RFQs

Automatic Creation

Automatic Creation Mode lets you create RFQs with a minimum number of keystrokes. You provide search criteria to locate the requisition lines you want to place on an RFQ. After reviewing the requisition lines, you select all lines that you want. Then you select the Automatic button to create the RFQ.

Manual Creation

Manual Creation Mode lets you specify which requisition lines you want to place on a document. You decide which requisition lines you want to combine and where you want them to appear on the document. Then you select the Manual button to create the document.

Finding Requisition Lines

Finding Requisition Lines

Use the Find Requisition Lines window to specify search criteria for requisition lines that you will use to autocreate RFQs.

(N) Oracle Purchasing > AutoCreate

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(Help) Oracle Manufacturing Applications > Oracle Purchasing > AutoCreate > Finding Requisition Lines for AutoCreate

AutoCreating RFQs

Use the AutoCreate Documents window to create an RFQ or other order documents.

(N) Oracle Purchasing > AutoCreate (B) Find

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(Help) Oracle Manufacturing Applications > Oracle Purchasing > AutoCreate > Selecting AutoCreate Criteria

Using the New Document Window: Automatic Mode

Using the New Document Window: Automatic Mode

Use the New Documents window to complete the automatic creation mode of autocreating RFQs.

**(N) Oracle Purchasing > AutoCreate (B) Find
(B) Automatic**

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(Help) Oracle Manufacturing Applications > Oracle Purchasing > AutoCreate > Entering Document Information and Completing AutoCreate

Automatic Creation Mode

1. When you choose Create as your action and are in Automatic creation mode, the New Document window is displayed.
2. Enter the New Document details and click create.
3. A new document is created.
4. Accept or edit the new document.

Using the Document Builder: Manual Mode

Using the Document Builder: Manual Mode

Use the AutoCreate Documents window to complete the manual creation mode of autocreating RFQs.

**(N) Oracle Purchasing > AutoCreate (B) Find
(B) Manual**

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**(Help) Oracle Manufacturing Applications > Oracle Purchasing >
AutoCreate > Using the Document Builder**

Adding to a Document

Adding to a Document

Use the Add to Document window when adding to an existing RFQ document.

**(N) Oracle Purchasing > AutoCreate (B) Find
(B) Manual or Automatic**

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**(Help) Oracle Manufacturing Applications > Oracle Purchasing >
AutoCreate > AutoCreate Document Options**

Practice 3 Overview

Practice 3 Overview

This practice covers the following topics:

- Finding requisition lines
- Selecting autocreation criteria

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Practice 3 Solutions

Practice 3 Solutions

This practice covers the following topics:

- **Finding requisition lines**
- **Selecting autocreation criteria**

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Practice 3 Solutions

1. Open the Find Requisition Lines window:
(N) AutoCreate
2. In the Approved field, select Yes and leave all other fields blank.
3. Click Find to initiate the search and open the AutoCreate Documents window.
4. To select your requisition, click the control button on your keyboard and left click your mouse.
5. Click the Automatic button.
6. In the New Document window, accept the default, and click Create to complete autocreation of the document.
7. Click OK.
8. The AutoCreate to RFQs window appears.
9. Fill in the remaining fields.
10. Save your work.

Agenda

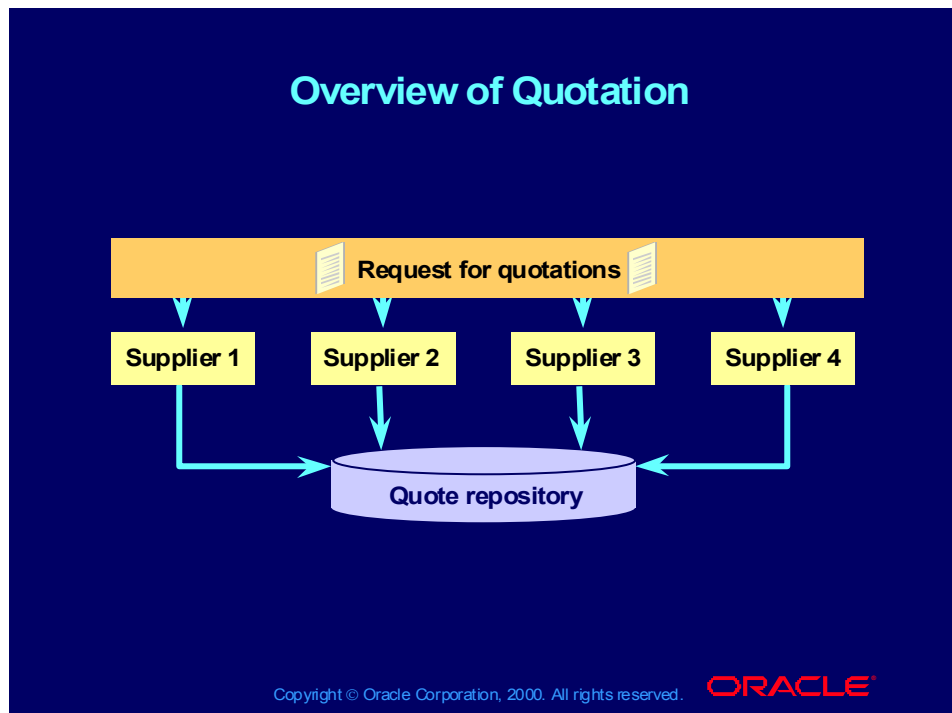
Agenda

- RFQs and Supplier Sourcing Introduction
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- **Entering Quotations**
- Suppliers Responding by way of iSupplier Portal
- Oracle Exchange: Creating a Buyer's Auction
- Setup and Implementation Considerations

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Overview of Quotation

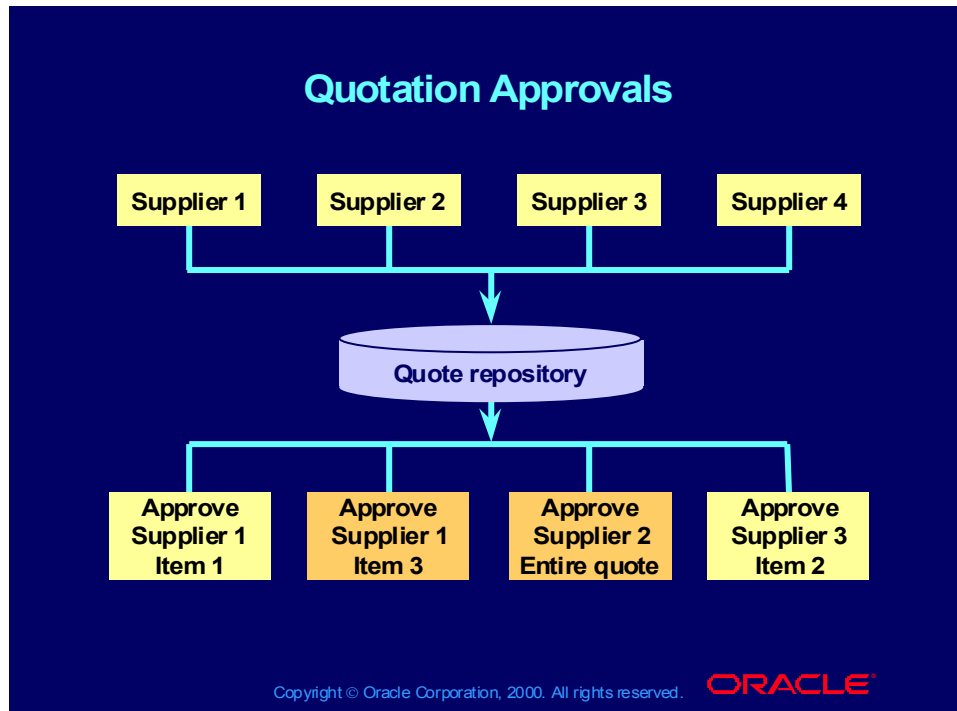


Overview

Oracle Purchasing provides you with predefined quotation types.

- Bid
- Catalog
- Standard
- Quotations
- When a supplier responds to a request for quotation, either verbal or written, you will want to have a record of the pricing and terms commitments that are made. You have two options to record quotation information:
 - You can manually enter the quotation in the system or,
 - You can use the Copy Documents window to create quotation directly from RFQs.

Quotation Approvals



Quotation Approvals

Depending on your business requirements, you may approve or unapprove entire quotations or a specific shipment in a quotation. You need to approve quotation shipment if you want requestors or buyers to be able to reference the shipments on purchase orders or requisition. Oracle Purchasing lets you approve quotation shipment for specific purposes so that you can control the use of your sourcing information. Status of a quotation must be Active to be able to approve.

Creating Quotations

Creating Quotations

Use the Quotations window to:

- enter and edit quotations
- review and edit quotations copied from RFQs

(N) Oracle Purchasing > RFQs and Quotations > Quotations

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(Help) Oracle Manufacturing Applications > Oracle Purchasing > Supply Base Management > Creating Quotations

... > Entering Quotation Headers

... > Entering Quotation Lines

... > Entering Quotation Terms Information

... > Entering Quotation Shipment Information

... > Entering Quotation Price Break Information

Entering Quotation Lines

Entering Quotation Lines

Use the Quotations window to enter and edit quotation lines.

(N) Oracle Purchasing > RFQs and Quotations > Quotations (T) Items

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(Help) Oracle Manufacturing Applications > Oracle Purchasing > Supply Base Management > Creating Quotations

- ... > Entering Quotation Headers**
- ... > Entering Quotation Lines**
- ... > Entering Quotation Terms Information**
- ... > Entering Quotation Shipment Information**
- ... > Entering Quotation Price Break Information**

Editing Default Currency

Use the Currency window to edit the default currency of the quotation and enter exchange rate information (if applicable).

(N) Oracle Purchasing > RFQs and Quotations > Quotations (B) Currency

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(Help) Oracle Manufacturing Applications > Oracle Purchasing > Supply Base Management > Creating Quotations

- ... > Entering Quotation Headers**
- ... > Entering Quotation Lines**
- ... > Entering Quotation Terms Information**
- ... > Entering Quotation Shipment Information**
- ... > Entering Quotation Price Break Information**

Editing Terms and Conditions

Use the Quotations Terms window to enter terms and conditions information for quotations.

(N) Oracle Purchasing > RFQs and Quotations > Quotations (B) Terms

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(Help) Oracle Manufacturing Applications > Oracle Purchasing > Supply Base Management > Creating Quotations

- ... > Entering Quotation Headers**
- ... > Entering Quotation Lines**
- ... > Entering Quotation Terms Information**
- ... > Entering Quotation Shipment Information**
- ... > Entering Quotation Price Break Information**

Entering Price Breaks

Entering Price Breaks

Use the quotation Price Breaks window to enter pricing information for catalog quotations.

(N) Oracle Purchasing > RFQs and Quotations > Quotations (B) Price Breaks

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(Help) Oracle Manufacturing Applications > Oracle Purchasing > Supply Base Management > Creating Quotations

- ... > Entering Quotation Headers**
- ... > Entering Quotation Lines**
- ... > Entering Quotation Terms Information**
- ... > Entering Quotation Shipment Information**
- ... > Entering Quotation Price Break Information**

Entering Shipment Information

Entering Shipment Information

Use the Quotation Shipment window to enter shipment information for bid quotations.

(N) Oracle Purchasing > RFQs and Quotations > Quotations (B) Shipments

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(Help) Oracle Manufacturing Applications > Oracle Purchasing > Supply Base Management > Creating Quotations

- ... > Entering Quotation Headers**
- ... > Entering Quotation Lines**
- ... > Entering Quotation Terms Information**
- ... > Entering Quotation Shipment Information**
- ... > Entering Quotation Price Break Information**

Autocreating a Quotation

Autocreating a Quotation

Use the Copy Document window to create quotations directly from RFQs.

(N) Oracle Purchasing > RFQs and Quotations >
RFQs (M) Tools > Copy Document

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(Help) Oracle Manufacturing Applications > Oracle Purchasing >
Supply Base Management > Copying Quotations from RFQs

Finding Quotations for Approval

Finding Quotations for Approval

Use the Find Quotations window to search for quotations to approve.

**(N) Oracle Purchasing > RFQs and Quotations >
Quote Analysis (B) Find**

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**(Help) Oracle Manufacturing Applications > Oracle Purchasing >
Supply Base Management > Finding Quotations for Approval**

Analyzing Quotations

Analyzing Quotations

Use the Analyze Quotations window to review and approve general or specific quotation information of an item or a purchasing category.

**(N) Oracle Purchasing > RFQs and Quotations >
Quote Analysis (B) Find > Analyze Quotations**

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**(Help) Oracle Manufacturing Applications > Oracle Purchasing >
Supply Base Management > Approving Quotation Shipments**

Approving Entire Quotations

Approving Entire Quotations

Use the Approve Entire Quotation window to approve or unapprove all shipments for a single quotation.

**(N) Oracle Purchasing > RFQs and Quotations >
Quote Analysis (B) Find > Analyze Quotations >
Approve Entire Quotation**

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**(Help) Oracle Manufacturing Applications > Oracle Purchasing >
Supply Base Management > Approving Entire Quotations**

Copy Documents

Copy Documents

- Reduces redundant data entry
 - Standard PO → Standard PO
 - Blanket PO → Blanket PO
 - Planned PO → Planned PO
 - Bid Quotation → Standard PO
 - Bid Quotation → Planned PO
 - Catalog Quote → Blanket Purchase Agreement
- Automatically assigns next document number

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Copy Documents

(N) Query PO > Tools > Copy Document > Include/Exclude Attachments

You can copy one purchase order to another. For example, if you want to renew a blanket purchase agreement that contains hundreds of lines, you can copy the previous agreement to a new agreement and change the effectivity dates. You can create new purchase orders and agreements by copying standard, blanket, planned purchase orders, as well as bid and catalog class quotations.

Note: If manual numbering is set up, then add document number. Cancelled lines are copied (not cancelled).

Approve after copy

There is no validation at time of copy, but at time of approval, except encumbrance:

- Item attributes
- Supplier site
- Encumbrance

Practice 4 Overview

Practice 4 Overview

This practice covers the following topics:

- **Creating a quotation automatically**
- **Approving an entire quotation**

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Practice 4 Solutions

Practice 4 Solutions

This practice covers the following topics:

- **Creating a quotation automatically**
- **Approving an entire quotation**

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Practice 4 Solutions

Step 1: Automatically create a quotation from an RFQ. Copy the entire RFQ, but do not include an attachment.

1. Open the Copy Document window:

(N) RFQs and Quotations—>RFQs (M) View —> Find (M) Tools—>Copy Document.

2. In the Copy Document window, select Edit to choose the list of values.

3. Use the list of values to choose the copy-from action: Entire RFQ.

Note: Enter a quotation number if you are using manual quotation numbering. If your setup is for automatic quotation numbers, Oracle Purchasing will assign a number when you save your work.

4. Use the list of values to enter the type.

5. Use the list of values to enter the supplier.

6. Use the list of values to enter the site.

7. Use the list of values to enter the contact.

8. Click OK to copy the RFQ.

9. Enter supplier pricing. Include price breaks for requested quantity.

10. Change the status to Active.

11. Save your work.

Step 2: Approve an Entire Quotation

1. Click the Approve button.
2. In the Approve Entire Quotation window, select Edit to choose the List of Values.
3. Use the list of values to enter the approval type of your quotation.
4. Use the list of values to enter the approval reason.
5. Use the list of values to enter the effective date range.
6. Enter comments about the approval in the Comments field.
7. Click OK to approve.

Agenda

Agenda

- RFQs and Supplier Sourcing Introduction
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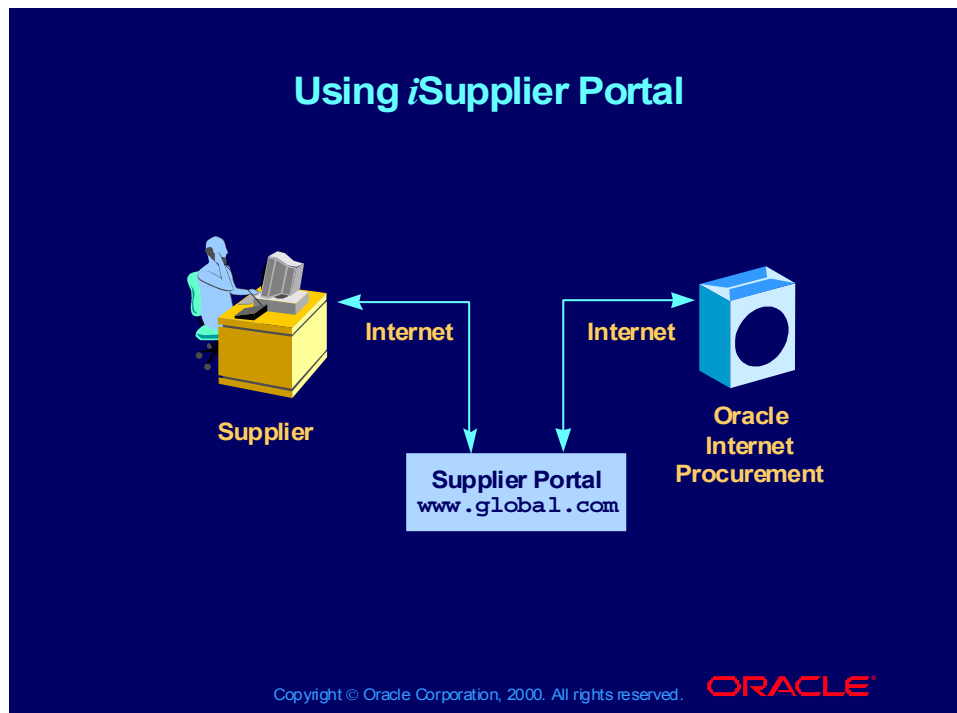
Oracle iSupplier Portal Overview

- Gives suppliers direct access to information that affects them
- Gives suppliers visibility across the plan-to-procure-to-pay lifecycle
- Suppliers can perform transactions using the Internet
- Provides a collaborative environment where suppliers become integrated partners

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Using iSupplier Portal



Benefits of iSupplier Portal

Suppliers proactively service themselves, accessing the information they need to serve you — the customer — better:

- **Reduces operating costs**
- **Frees up staff time**
- **Compresses cycle times**
- **Improves service**

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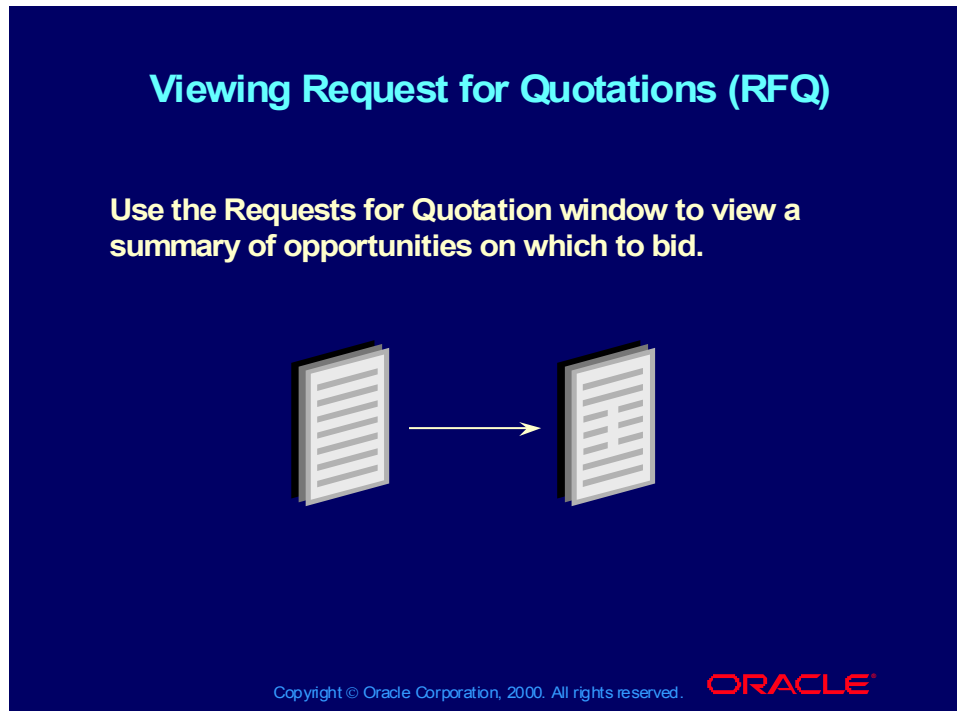
Information Available for Supplier Review

- RFQs
- Purchase orders and change history
- Receipts, open deliveries, delivery performance, and returns
- Invoice and payment information
- Supplier item summary
- Consolidated shipping and planning schedules

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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 eCommerce Gateway. Drill-down capabilities allow suppliers to drill-down to RFQ details.

Agenda

Agenda

- RFQs and Supplier Sourcing Introduction
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- Setup and Implementation Considerations

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Overview - Auctions



Overview - Auctions

- **Auction Type**
 - Buyer's Auction
 - Seller's Auction
- **Process Flow**
 - Create Auction
 - Place Bid
 - Award Auction
 - Inquiries

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Overview

Oracle Internet Procurement will support RFQs & Quotations that are a result of a Buyer Auction (Reverse Auction) in Oracle Exchange.

Buyer's Auction:

Buyer publishes items they want to purchase

Seller's Auction:

Seller publishes items they want to sell

Creating an Auction

Creating an Auction

- **Business terms and conditions**
 - Auction currency and price precision
- **Load items**
 - Online, Spreadsheet, Catalog items
 - Setup bid attributes for each item
- **Bid controls**
 - Autoextend, Open vs. Sealed, Bid All items
- **Invite members or non-members to bid**
- **Review and Publish**

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XML

Enables the auctioneer, at the time of auction award, to generate an XML PO which can be integrated into a wide variety of back-end systems, including ERP applications.

Placing a Bid

Placing a Bid

- Search by auctioneer, item or events
- View auction details and current best bid
- Bid on price, lead time and quantity
- Attribute based bidding
- Review bid changes and submit
- View bid status and monitor bidding action
- Optionally, export auction and bid offline

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AutoExtend

- Ability to automatically extend the auction closing time if a new lowest priced bid is received within the last specified number of minutes.
- Auction extends from the time the new lowest bid was received
- Prevents a bidder from undermining the ability of other bidders to re-bid on the current best price

Awarding an Auction

Awarding an Auction

- View bid history
- Export all bids for offline analysis
- Compare all active bids for each item
- Award each item to multiple bidders
- Automatically notify bidders of award decision

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Proxy Bid

- Bidder enters current bid, proxy bid inc/dec, and proxy max/min bid. As better bids are received, the system will automatically re-bid based on the entered information
- Once bidding reaches min/max price, bidder can manually bid or reset proxy bidding
- Bidder can proxy bid on some items and manually bid on other items

•Power Bid

- When re-bidding, the bidder can elect to change all current bid prices systematically by a specified %.

•AutoRefresh

- After placing a bid, a bidder can monitor the bidding in an auction or event at pre-specified automatic intervals.
- Continual updates allow bidder to watch changes rather than hit reload

Agenda

Agenda

- RFQs and Supplier Sourcing Introduction
- Manually Creating Requests for Quotation (RFQ)
- Autocreating RFQs
- Entering Quotations
- Suppliers Responding by way of iSupplier Portal
- Oracle Exchange: Creating a Buyer's Auction
- **Setup and Implementation Considerations**

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Setup Requirements

Setup Requirements

Setup requirements and options enable you to:

- Choose sourcing rules
- Create and control default information
- Provide or restrict authorization to create, modify, and approve documents



Setup requirements
and options

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Oracle Purchasing Setup Options

Setup is required in Oracle Purchasing to facilitate supplier sourcing activities such as these:

- Sourcing options
- Requests for quotations
- Quotations

Implementation Considerations

Implementation Considerations

Issues to consider:

- RFQ and quotation usage
- Supplier sourcing conversion
- Supplier sourcing maintenance
- Data mapping
- Data cleanup

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Issues to Consider

1. RFQ and quotation usage
 - What types of purchases will require RFQ's and quotations?
 - Will approval of quotations be required?
2. Supplier sourcing conversion
 - Will current RFQ's and quotations be converted?
 - How will existing RFQ's and quotations be converted; automated conversion, manual data entry, or both?
3. Supplier sourcing maintenance
 - Who will create and maintain RFQ and Quotation data?
4. Data mapping
 - How will your data mapping be done?
 - What data in legacy system will determine values in Oracle Purchasing tables?
 - How will additional fields be derived and loaded?
5. Data clean up
 - Will expired quotations be converted?

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Requisition Numbering

Requisition Numbering

Use the Purchasing Options window to setup automatic numbering for:

- RFQs
- Quotes

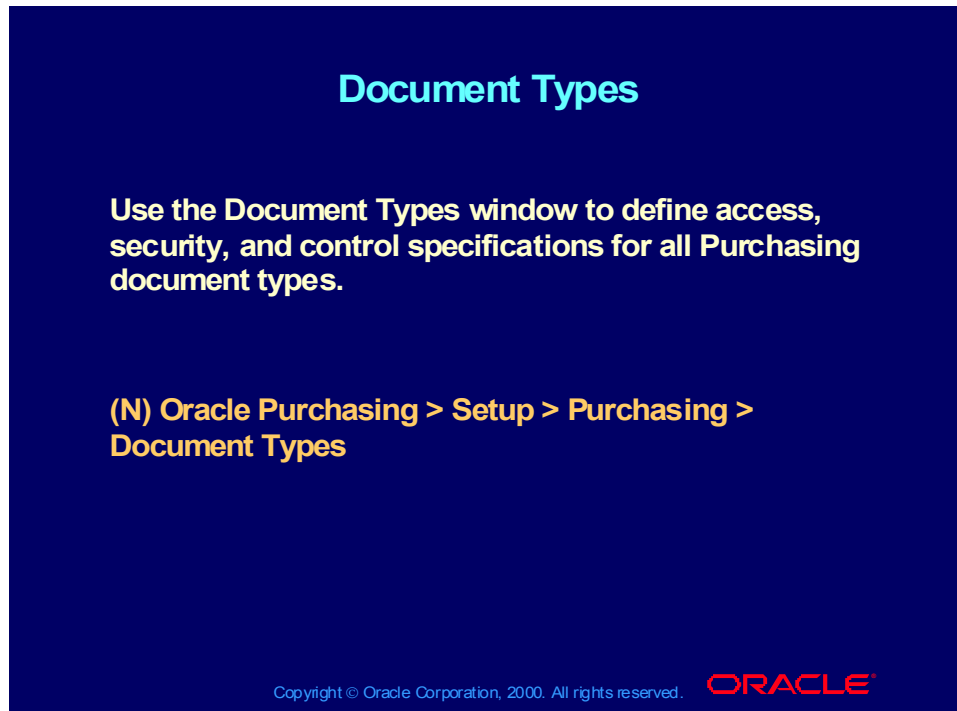
(N) Oracle Purchasing > Setup > Organizations > Purchasing Options (T) Numbering

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

Document Types



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

Line Types

Line Types

Use the Line Types window to clearly differentiate orders for goods from those for Amount-based services or outside processing.

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

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

Hazard Classes

Hazard Classes

Use the Hazard Classes window to identify and classify hazardous materials and print information on your RFQs and purchase orders to ensure that your suppliers pack, label, and ship hazardous materials according to the regulations.

(N) Oracle Purchasing > Setup > Purchasing > Hazard Classes

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(Help) Oracle Manufacturing Applications > Oracle Purchasing > Setting Up > Defining Hazard Classes

UN Numbers

Use the UN Numbers window to:

- define United Nations identification numbers for hazardous material.
- associate a hazard class with multiple identification numbers.
- assign an identification number and hazard class to each item you define.

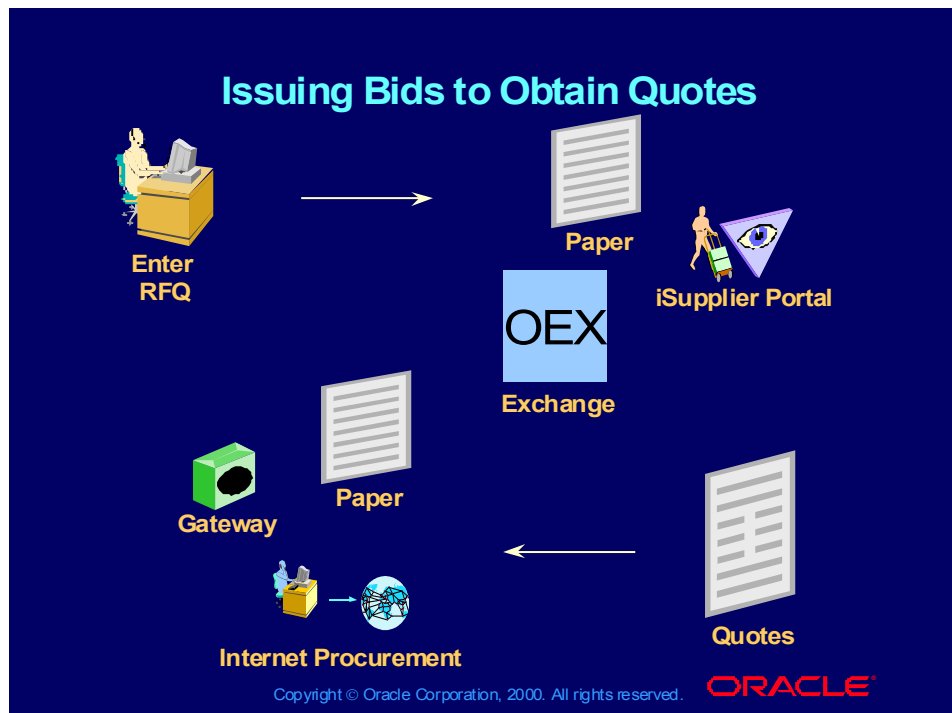
(N) Oracle Purchasing > Setup > Purchasing > UN Numbers

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(Help) Oracle Manufacturing Applications > Oracle Purchasing > Setting Up > Defining UN Numbers

Issuing Bids to Obtain Quotes



Summary

Summary

In this course, you should have learned how to:

- Create requests for quotations
- Record quotation responses
- Describe Oracle Exchange and Oracle e-Commerce Gateway RFQ features
- Perform setup and implementation requirements for RFQs

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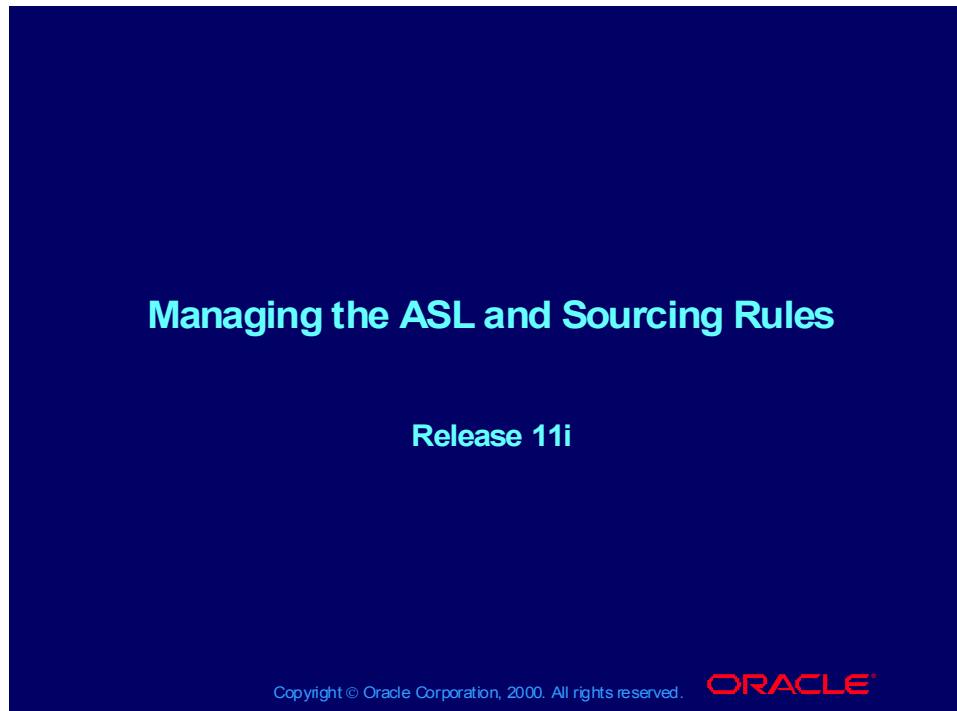
Summary

Oracle Purchasing provides you with request for quotation (RFQ) and quotation features to handle your sourcing needs. You can create an RFQ from requisitions, match supplier quotations to your RFQ, and automatically copy quotation information to purchase orders.

Although you do not need a purchase requisition to create requests for quotation, they often provide the signal to procure material. Oracle Purchasing lets you source your items so you can negotiate the best deals with your suppliers.

11i Manage Approved Supplier List & Sourcing Rules

Chapter 8



Notations:

(N) = Navigator

(T) = Tab

(I) = Icon

(H) = Hyperlink

(B) = Button

(Help) = Oracle Applications Help System

Objectives

After this lesson, you should be able to:

- Explain how the ASL and sourcing rules fit in the greater procurement process.
- Explain how sourcing rules relate to the ASL.
- Define the process flow of creating and managing an ASL and defining sourcing rules.
- Use the application to create and manage an ASL and define sourcing rules.
- Use the application to create an assignment set to assign sourcing rules to different levels.

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Agenda

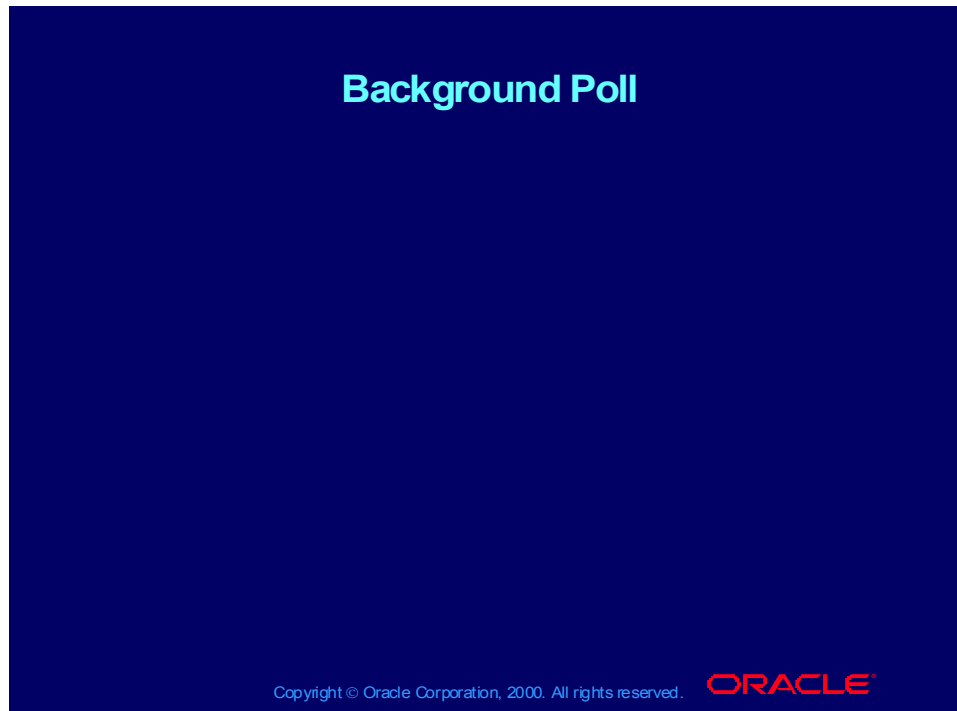
Agenda

- **Procurement Business Needs**
- **ASL**
- **Sourcing Rules**

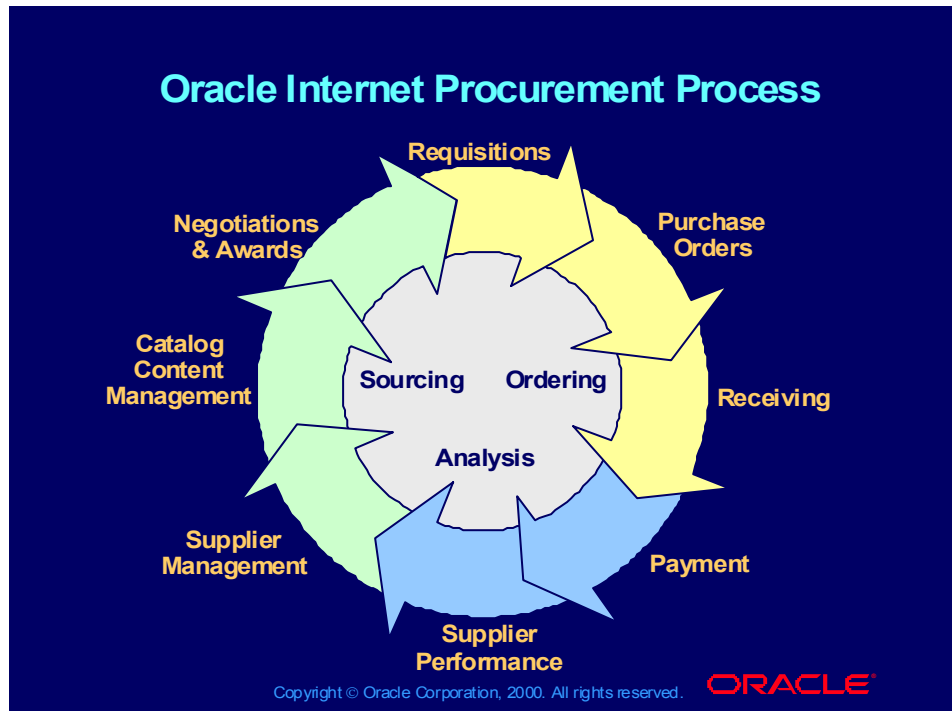
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Background Poll



Oracle Internet Procurement Process



Oracle Internet Procurement Process

- Refocuses purchasing on strategic sourcing
- Empowers employees at the desktop
- Provides contract visibility and compliance
- Automates the entire procurement business process
- Extends process efficiencies across the supply chain
- Enables significant cost savings

Approved Supplier List (ASL)

- The ASL is a repository of information that links items and commodities to the suppliers/supplier sites.
- Assign statuses to item/supplier site combinations.
- Define attributes for an ASL entry that control Purchasing, Supplier Scheduling, and Planning functions.
- Sourcing rules do not affect ASL entries.

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ASL - Business Needs

- Define global or local ASL entries.
- Approve suppliers, distributors, and manufacturers.
- Set approval/certification status.
- Define your own approval statuses.
- Link the primary supplier item number with your internal item number.
- Review ASL information flexibly.
- Specify a Review By date.
- Define reference information.
- Control procurement activity.

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ASL - Business Needs

- Define global or local ASL entries.
- Approve suppliers, distributors, and manufacturers.
- Set approval/certification status at the appropriate level for your business.
- Define your own approval statuses and associate them with specific business rules.
- Link the primary supplier item number with your internal item number. This designated item will default to Purchase Order and Requisition lines.
- Review ASL information in a flexible inquiry format.
- Specify a Review By date indicating a proactive, planned review of the business with a long-standing supplier partner.
- Define reference information, including planning constraints such as lead time, for the supplier/item combination.
- Control procurement activity by preventing purchase order approval or supplier schedule confirmation for certain supplier/item combinations.

Sourcing Rules

- Define replenishment sources for an organization
- Are defined in Oracle Planning, Oracle Purchasing, Oracle Supply Chain Planning, or Oracle Supplier Scheduling
- Use allocation percentages and rankings for multiple sources

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Sourcing Rules - Business Needs

Sourcing Rules - Business Needs

- Define global or local rules.
- Assign sourcing rules at different levels using an assignment set.
- Define effective dates for each rule.
- Classify and rank multiple sources.
- Maintain sourcing details at supplier and site.
- Automatically allocate planned orders across different suppliers.

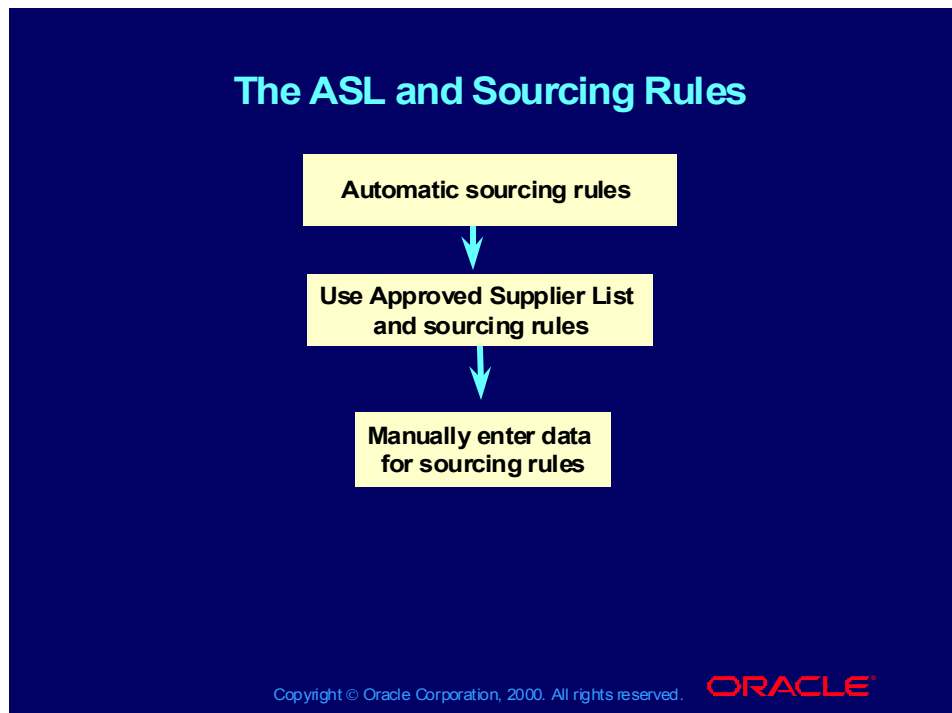
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Sourcing Rules - Business Needs

- Define global or local rules for individual items and entire commodities.
- Assign sourcing rules at different levels using an assignment set.
- Define effective dates for each rule.
- Classify and rank multiple sources.
- Maintain sourcing details at supplier and site.
- Automatically allocate planned orders across different suppliers using percentage splits.

The ASL and Sourcing Rules



Profile Options for Sourcing Rules

Oracle Internet Procurement provides two options for managing your sourcing selection:

- The ASL used in conjunction with Enhanced Sourcing Rules,
 - or
- The AutoSource Rules feature.

The Enhanced Sourcing Rules profile option allows you choose how you want to manage your supplier sourcing rules.

Set the Profile Option to Yes

This allows you to use the ASL and Enhanced Sourcing Rules to define relationships between the ASL and your business rules for sourcing items and commodities.

Set the Profile Option to No

This allows you to create AutoSource Rules which allow you to specify, for predefined items, a list of preferred suppliers and any associated source documents to automate supplier sourcing.

Review Question

Which of the following pertain to sourcing rules?

- 1. Approve suppliers, distributors, and manufacturers.**
- 2. Classify and rank multiple sources.**
- 3. Automatically allocate planned orders across different suppliers.**
- 4. Link the primary supplier item number with your internal item number.**

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Review Question

Which of the following pertain to sourcing rules?

- 1. Approve suppliers, distributors, and manufacturers.**
- 2. Classify and rank multiple sources.**
- 3. Automatically allocate planned orders across different suppliers.**
- 4. Link the primary supplier item number with your internal item number.**

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Agenda

Agenda

- **Procurement Business Needs**
- **ASL**
- **Sourcing Rules**

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ASL Overview






ASL Overview

The ASL is a repository of information that links items and commodities to the supplier and supplier sites that supply them, for a specific ship-to organization or the entire enterprise. For each commodity or individual item, you associate a list of suppliers and relevant information about this relationship. iProcurement lets you setup and control your ASL entries as global procurement policies, or as local procurement options for a given plant or organization. You can:

- Assign a certification status which includes business rules and restrictions.
- Have supply agreements.
- Create entries for items or entire commodities.
- Associate supplier item number with internal part numbers.
- Define a purchasing unit of measure and other purchasing/scheduling attributes.
- Identify manufacturers and distributors.
- Maintain ASL details at supplier and/or site.
- Specify source document information and release generation method.
- Integrate with Supplier Scheduling reference the ASL to determine how certain business decisions should be made. For example, you cannot approve purchase orders or confirm schedules for suppliers who have the certification status of Debarred.

Supplier Statuses

Supplier Statuses	
Approved 	Allow: PO Approval Allow: Sourcing Allow: Schedule Confirmation Allow: Manufacturer Link
New 	Allow: PO Approval Allow: Sourcing Prevent: Schedule Confirmation Allow: Manufacturer Link
Debarred 	Prevent: PO Approval Prevent: Sourcing Prevent: Schedule Confirmation Prevent: Manufacturer Link

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Supplier Statuses

Each item/supplier site combination must be assigned a status. These statuses are defined by your organization based on your business needs. When you define a status, you define a set of business rules that control whether an action is allowed or prevented. For each status and action combination, indicate whether the action is allowed or prevented.

The four predefined actions for business rules you can associate with each status are:

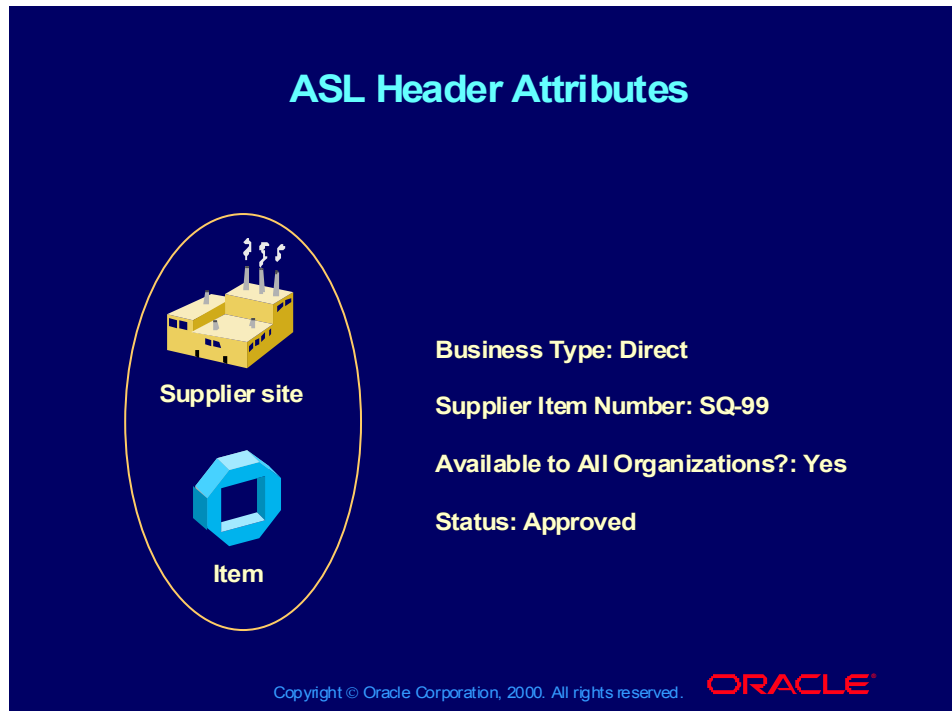
- **PO Approval:** Approval of a purchase order to a supplier
- **Sourcing:** When sourcing planned orders, Planning should assign suppliers with this business rule set to Allowed
- **Schedule Confirmation:** Confirmation of a schedule for a supplier
- **Manufacturer Link:** Associates a manufacturer with a distributor in the ASL
- Once you define a set of statuses, you can then associate a status with an item/supplier site combination in the ASL.

Supplier Statuses

Supplier Statuses	
Approved 	Allow: PO Approval Allow: Sourcing Allow: Schedule Confirmation Allow: Manufacturer Link
New 	Allow: PO Approval Allow: Sourcing Prevent: Schedule Confirmation Allow: Manufacturer Link
Debarred 	Prevent: PO Approval Prevent: Sourcing Prevent: Schedule Confirmation Prevent: Manufacturer Link
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Supplier Statuses (continued)

ASL Header Attributes



ASL Header Attributes

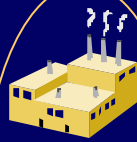
For each item/supplier site relationship you can define a set of attributes that control the procurement process. This set of attributes can be global (available to all organizations) or local to one organization. Local attributes override global attributes.

Attributes set at the ASL header level are:


- Business type
- Manufacturer or supplier item number
- Global or local
- Status

Supplier Site/Item Attributes

Supplier Site/Item Attributes



Supplier Site



Item

Purchasing Attributes

Purchasing UOM:	Each
Release Method:	Automatic Release/Review
Source Document:	Agreement 96969

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Supplier Site/Item Attributes

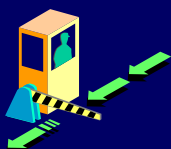
The attributes associated with the purchasing process allow you to define:

- The unit of measure (UOM) for the purchasing transaction involving the item from that particular supplier or supplier site
- The method for creating release requirements for a supplier
- References to the blanket agreement or quotation with which this item/supplier site combination is associated

Release Generation Methods

Release Generation Methods

- **Automatic Release/Review**
- **Automatic Release**
- **Release Using Autocreate**

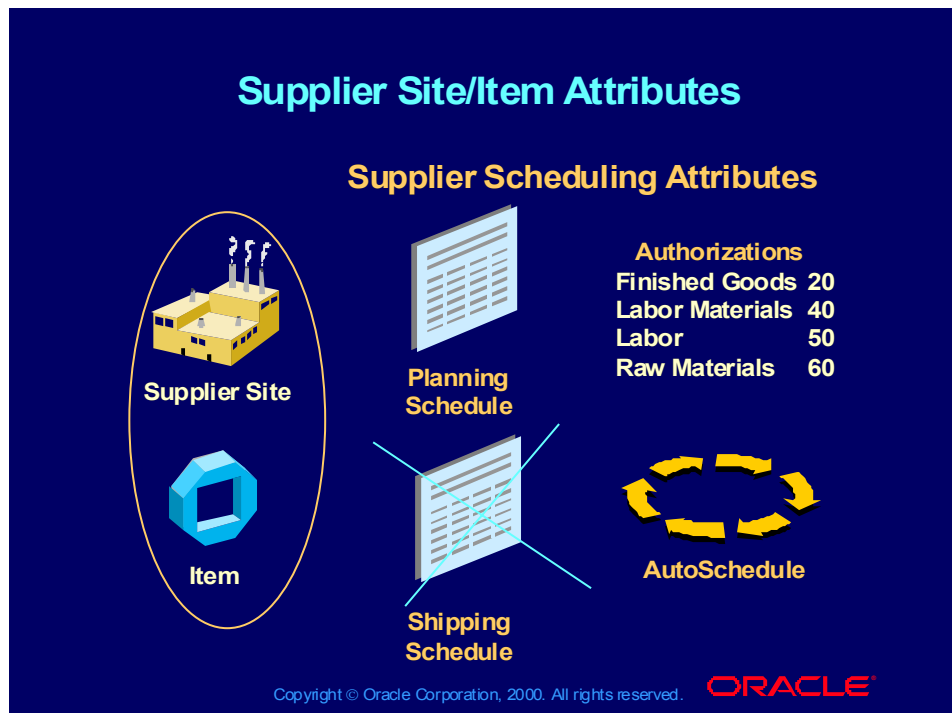


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Release Generation Methods

- Automatic Release/Review: automatically generate releases, approve in a separate step.
- Automatic Release: automatically generate approved releases with status “Incomplete.”
- Release Using Autocreate: use the Autocreate form to create releases.

Supplier Site/Item Attributes



Supplier Site/Item Attributes (continued)

Each item/supplier site combination can have a different set of attributes defined for enabling planning and shipping schedules. You can enable either schedule, or both, and designate whether you want to create them automatically.

For example, two suppliers supply the same item to an organization. You can enable just the planning schedule for one supplier and enable both the planning and shipping schedule for the other supplier.

Demonstration

In Oracle Internet Procurement, we will demonstrate how to:

- **Define supplier statuses.**
- **Create an ASL.**
- **Define Attributes for an ASL Entry.**
- **Search the ASL.**
- **Use iHelp for assistance in completing Oracle Internet Procurement windows.**

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iHelp

You can use the iHelp to assist you in entering an order. Use iHelp for:

- **An explanation of the Toolbar icons**
- **An explanation of each region of the Navigator**
- **Detailed information about each Oracle Internet Procurement window**

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Using iHelp

- **Search for information by entering your query in the Search field and clicking the Find button.**
 - **Click on the Search Instructions to find how to query effectively.**
- **Open a window and pull down the Help menu to get help for that window.**

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Practice Overview

This practice covers the following topics:

- **Defining supplier statuses**
- **Creating an ASL entry**
- **Searching the ASL**
- **Viewing the ASL Summary**

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Guided Practice: Defining Supplier Statuses

Guided Practice: Defining Supplier Statuses

1. Define Supplier Statuses

- a. Enter a unique status name.
- b. Enter a description of the status.
- c. Optionally, select the Approved Supplier List Default check box.
- d. Optionally, enter a date this status will be inactive.
- e. Select a control level.
- f. Select a business rule.

(N) Supply Base—>Supplier Statuses

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Guided Practice: Defining Supplier Statuses (continued)

1. Define Supplier Statuses:

- a. Enter a unique status name.
- b. Enter a description of the status.
- c. Select the Approved Supplier List Default check box if you want this status to default into ASL entries. Only one status can be the ASL default.
- d. Optionally, enter a date this status will be inactive.
- e. In the business rules section, select a control level to apply to the business rule, either Allow or Prevent.
- f. From the list of values in the Rule field, select the business rule that you want to control.

Guided Practice: Creating and Managing an ASL

Guided Practice: Creating and Managing an ASL

2. Create an ASL Entry

- a. Select Item from the Type list of values.
- b. Enter the item for which you will define an entry, that must exist in the Item Master.
- c. Enter a business type in the Business field.
- d. Enter the supplier name and a required supplier site.
- e. Specify the status of this supplier.

(N) Supply Base—>Approved Supplier List

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Guided Practice: Creating and Managing an ASL

2. Create an ASL Entry

- a. Select Item from the Type list of values.

Note: Oracle Supplier Scheduling only uses ASL entries for an item, not a commodity.

- b. Enter the item for which you will define an entry, that must exist in the Item Master (CM13139).
- c. Navigate to the Suppliers region and enter a business type in the Business field.
- d. Enter the supplier name and a required supplier site (Advanced Network Devices, Santa Clara).
- e. Specify the status of this supplier in relation to the item.

Guided Practice: Creating and Managing an ASL

Guided Practice: Creating and Managing an ASL

Key Attributes Alternative Region

- f. Optionally, enter the primary supplier item number in the Supplier Item field.**
- g. If you defined the business type as Distributor, enter the name of the manufacturer that supplies this item to the distributor.**
- h. Specify a date by which you would like to review the performance and business of a supplier.**

(N) Supply Base—>Approved Supplier List

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Guided Practice: Creating and Managing an ASL (continued)

Key Attributes Alternative Region

- f. Optionally, enter the primary supplier item number in the Supplier Item field.
- g. If you defined the business type as Distributor, enter the name of the manufacturer that supplies this item to the distributor.
- h. Specify a date by which you would like to review the performance and business of a supplier.

Guided Practice: Creating and Managing an ASL

Guided Practice: Creating and Managing an ASL

Record Details Alternative Region

- i. Select Yes or No from the Global pop-up list to indicate whether this item/supplier site combination should be available to all organizations.**

(N) Supply Base—>Approved Supplier List

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Guided Practice: Creating and Managing an ASL (continued)

Record Details Alternative Region

- i. Select Yes or No from the Global pop-up list to indicate whether this item/supplier site combination should be available to all organizations.

The organization that owns this item/supplier site combination defaults to the organization in which you are defining it.

Guided Practice: Creating and Managing an ASL

Guided Practice: Creating and Managing an ASL

Source Documents Alternative Region

- j. Select Attributes from the Approved Supplier List window.**
- k. Select either the Global option or Create Local to specify the level at which the attributes will be used.**
- l. Enter the purchasing unit of measure.**

(N) Supply Base—>Approved Supplier List (B) Attributes

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Guided Practice: Creating and Managing an ASL (continued)

Source Documents Alternative Region

- j. Select Attributes from the Approved Supplier List window.
 - k. Select either the Global option or Create Local to specify the level at which the attributes will be used.
- Note: Global ASL entries can have both global and local attributes. Local ASL entries can have only local attributes. Local attributes override global attributes.
- l. Enter the purchasing unit of measure.

Guided Practice: Creating and Managing an ASL

Guided Practice: Creating and Managing an ASL

Source Documents Alternative Region

- m. Select a release method from the list of values in the Release Method field.
- n. Enter a reference document by entering the document type, number, and line in their respective fields.

(N) Supply Base—>Approved Supplier List (B) Attributes

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Guided Practice: Creating and Managing an ASL (continued)

Source Documents Alternative Region

- m. Select a release method from the list of values in the Release Method field.
- n. Enter a reference document by entering the document type, number, and line in their respective fields.

Guided Practice: Creating and Managing an ASL

Guided Practice: Creating and Managing an ASL

Supplier Scheduling Alternative Region

- o. Enable planning and/or shipping schedules by selecting the appropriate check boxes.
- p. If this item will be automatically scheduled, select the Enable AutoSchedule check box.
- q. Enter the default bucket pattern and schedule type for each schedule created by AutoSchedule.

(N) Supply Base—>Approved Supplier List (B) Attributes

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Guided Practice: Creating and Managing an ASL (continued)

Supplier Scheduling Alternative Region

- o. Enable planning and/or shipping schedules by selecting the appropriate check boxes.
- p. If this item will be automatically scheduled, select the Enable AutoSchedule check box.
- q. Enter the default bucket pattern and schedule type for each schedule created by AutoSchedule.

Guided Practice: Creating and Managing an ASL

Guided Practice: Creating and Managing an ASL

Supplier Scheduling Alternative Region

- r. Select the Enable Authorizations check box to define authorizations for the planning schedule.
- s. Specify the type of authorization in the Authorization field.
- t. In the Cutoff Days field, enter the number of days this authorization covers from the schedule start date.

(N) Supply Base—>Approved Supplier List (B) Attributes

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Guided Practice: Creating and Managing an ASL (continued)

Supplier Scheduling Alternative Region

- r. Select the Enable Authorizations check box to define authorizations for the planning schedule. You can enable authorizations only if planning schedules are enabled.
- s. Specify the type of authorization in the Authorization field.
- t. In the Cutoff Days field, enter the number of days this authorization covers from the schedule start date.

You can enter information into the Supplier Scheduling alternative region only if you have specified a supplier site.

Guided Practice: Searching the ASL

Guided Practice: Searching the ASL

3. Search Approved Supplier List

- a. Enter the criteria for searching the list.
- b. Click Find.
- c. To view the entire selected record, click Open.

(N) Supply Base—> Summary Approved Supplier List

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Guided Practice: Searching the ASL

3. Search Approved Supplier List

You can search the Approved Supplier List using multiple criteria to narrow your search:

- a. Enter the criteria for searching the list.
- b. Click Find.

Note: To create a new ASL entry from this window click New.

The results of your search are displayed in the Approved Supplier List Summary folder. Folder technology enables you to tailor the presentation of the data to fit your needs.

- c. To view the entire selected record, click Open.

ASL Summary

- **The ASL is a repository of information that links items and commodities to the suppliers/supplier sites.**
- **Assign statuses to item/supplier site combinations.**
- **Define attributes for an ASL entry that control Purchasing and Supplier Scheduling functions.**
- **Sourcing rules do not affect ASL entries.**

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Agenda

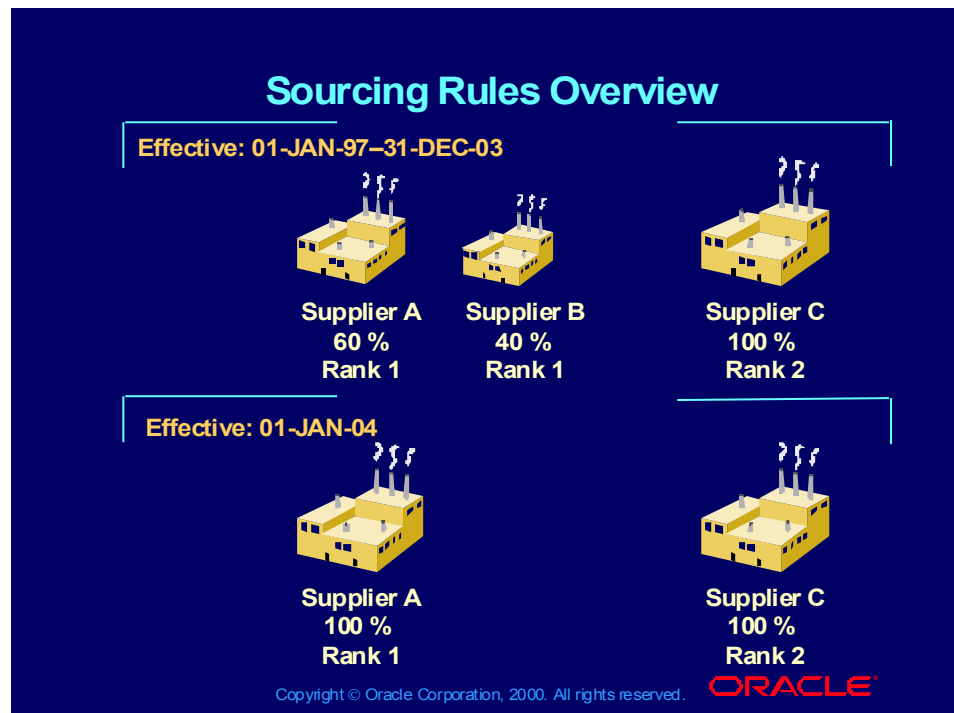
Agenda

- **Procurement Business Needs**
- **ASL**
- **Sourcing Rules**

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Sourcing Rules Overview

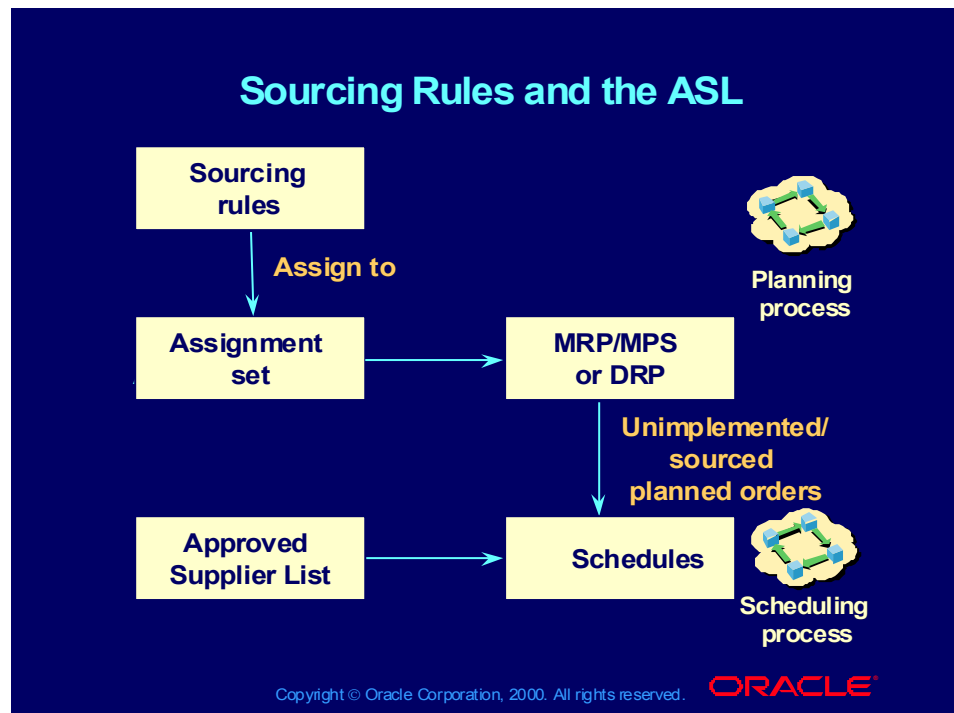


Sourcing Rules Overview

Sourcing Rules let you define relationships between the ASL and your business rules for sourcing items and commodities. Sourcing defaults can dramatically increase operational efficiency.

- Automatically allocate planned orders across different suppliers using percentage splits.
 - Define global or local rules for individual items and entire commodities.
 - Maintain sourcing details at supplier and/or site.
 - Define effectivity dates for each rule.
 - Assign sourcing rules at different levels using an assignment set.
 - Classify and rank multiple sources.
 - Sourcing rules define replenishment sources for an organization or a groups of organizations which can then be applied to specific items.
- Sourcing rules that are made up of multiple suppliers, allow you to assign allocation percentages to each supplier and rank them if the percentages are equal.

Sourcing Rules and the ASL

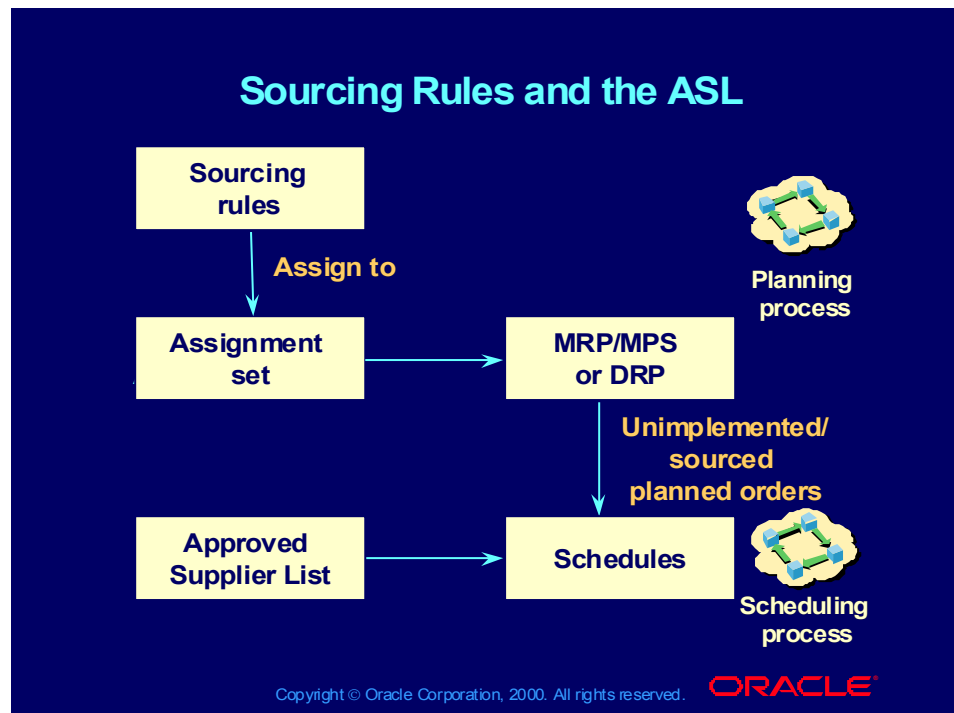


Sourcing Rules and the ASL

Once you define all sourcing rules, you must group them into a logical collection called an assignment set. Each sourcing rule in an assignment set is assigned to a particular level in your enterprise and the entire set can then be assigned to a material plan. You can assign sourcing rules at six levels:

- Item/organization combination
 - Item
 - Category/organization combination
 - Category
 - Organization
 - Global
- These levels are set up as a hierarchy where one level takes precedence over another from top to bottom. For example, a sourcing rule that is assigned at the item/ organization level takes precedence over a rule that is assigned at the item level. To assign sourcing rules at the category or category/organization levels, you must first set the MRP: Sourcing Rules Category Set site level profile option in the Profile Options window to the category set you want to use to enable these levels.

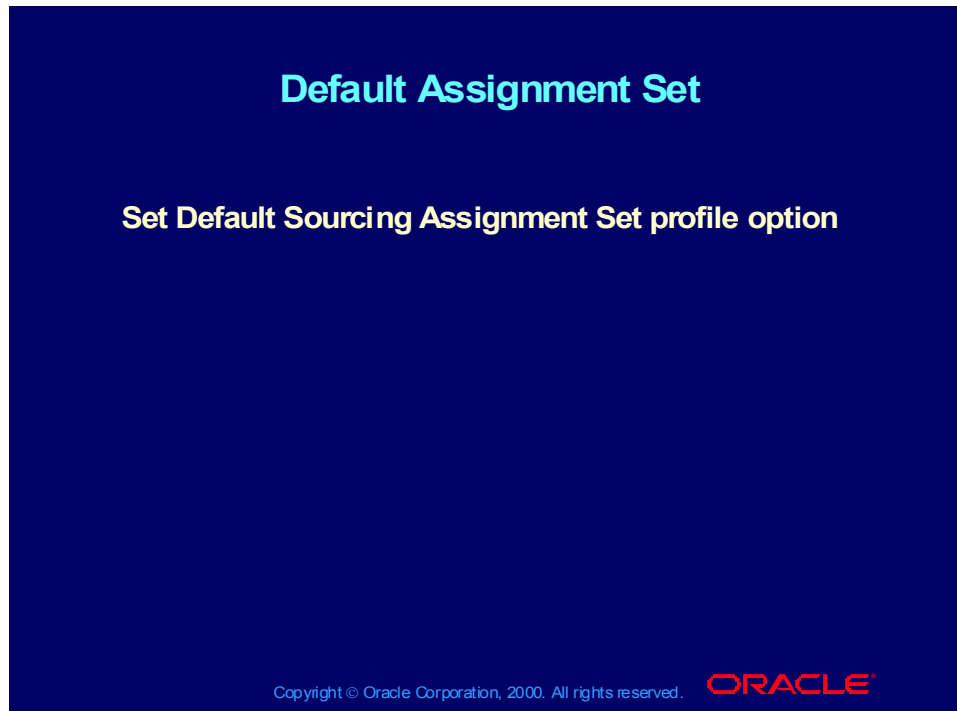
Sourcing Rules and the ASL



Sourcing Rules and the ASL (continued)

Sourcing rules provide information to the planning process regarding suggested suppliers of material. The ASL provides information to the schedule-creation process about which supplier is approved to supply the material. Planned orders created by the planning process are allocated to suppliers based on the sourcing rules in the assignment set defined for the material plan.

Default Assignment Set



Default Assignment Set

Using the MRP: Default Sourcing Assignment Set profile option in the Profile Options window, define a default assignment set for all plans for a site. The assignment set you specify in this profile option is automatically assigned to every MPS, MRP and DRP in the organization. You can override this default when you define the material plan options, but only in Oracle Supply Chain Planning.

Practice Overview

This practice covers the following topics:

- **Defining a sourcing rule**
- **Creating a default assignment set**

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Guided Practice: Creating Sourcing Rules

Guided Practice: Creating Sourcing Rules

1. Enter a unique sourcing rule name.
2. Indicate whether this sourcing rule is used for all organizations (global) or a single organization (local).
3. Click Copy From to duplicate all or parts of this sourcing rule for other items in your organization.
4. Enter effectivity dates of the sourcing rule.

(N) Supply Base—> Sourcing Rules

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Guided Practice: Creating Sourcing Rules

1. Enter a unique sourcing rule name.
2. Indicate whether this sourcing rule is used for all organizations (global) or a single organization (local).
When the allocation percentage for this sourcing rule equals 100, Planning Active is checked automatically.
Note: You cannot set the allocation percentage to less than or greater than 100 for sourcing rules that are already assigned in assignment sets.
3. Click Copy From to duplicate all or parts of this sourcing rule for other items in your organization.
4. Enter effectivity dates of the sourcing rule.

Guided Practice: Creating Sourcing Rules

Guided Practice: Creating Sourcing Rules

- 5. Select a sourcing type of Buy From.**
- 6. Enter the supplier name and supplier site.**
- 7. Enter an allocation percentage for each sourcing type.**
- 8. Enter a numeric rank value to prioritize each sourcing type.**

(N) Supply Base—> Sourcing Rules

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Guided Practice: Creating Sourcing Rules (continued)

5. Select a sourcing type of Buy From.
6. Enter the supplier name and supplier site (Advanced Network Devices, Santa Clara)
7. Enter an allocation percentage for each sourcing type.
Note: Allocation percentage includes the number of planned orders issued to the part for the entire the planning horizon. Your total allocation may not exceed 100.
8. Enter a numeric rank value to prioritize each sourcing type.

Guided Practice: Creating an Assignment Set

Guided Practice: Creating an Assignment Set

1. Enter an assignment set name and description.
2. Select an Assigned To type.
3. Enter an organization name if you entered an Assigned To of Item/Organization, Category/Organization, or Organization.

(N) Supply Base—> Assign Sourcing Rules

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Guided Practice: Creating Assignment Set

1. Enter an assignment set name and description.
2. Select an Assigned To type.
3. Enter an organization name if you entered an Assigned To of Item/Organization, Category/Organization, or Organization.

Guided Practice: Creating an Assignment Set

Guided Practice: Creating an Assignment Set

4. Enter an item to which you want to assign the rule if you chose an Assigned To type of item or item/organization. Enter a category if you chose Assigned To type of category or category/organization.
5. Enter Sourcing Rule as the Type.
6. Enter the name of the sourcing rule.

(N) Supply Base—> Assign Sourcing Rules

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Guided Practice: Creating Assignment Set (continued)

4. Enter an item to which you want to assign the rule if you chose an Assigned To type of item or item/organization (CM13139). Enter a category if you chose Assigned To type of category or category/organization.
5. Enter Sourcing Rule as the Type.
6. Enter the name of the sourcing rule.

Sourcing Rules Summary

Sourcing rules:

- Define replenishment sources for an organization
- Are defined in Oracle Supply Chain Planning, Oracle Purchasing, Oracle Planning, or Oracle Supplier Scheduling
- Are assigned at multiple levels
- Are used by the planning process to allocate unimplemented planned orders to suppliers
- Are used by Oracle Purchasing to automatically source POs to suppliers.

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Summary

You should be able to:

- Explain how the ASL and sourcing rules fit in the greater procurement process.
- Explain how sourcing rules relate to the ASL.
- Define the process flow of creating and managing an ASL and defining sourcing rules.
- Use the application to create and manage an ASL and define sourcing rules.
- Use the application to create an assignment set to assign sourcing rules to different levels.

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11i Overview of the Purchase Order Process

Chapter 9

11i Overview of the Purchase Order Process

11i Overview of the Purchase Order Process

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Objectives

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

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

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Student Interaction

How long have you worked with the purchase order process?

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

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3

Agenda

Agenda

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

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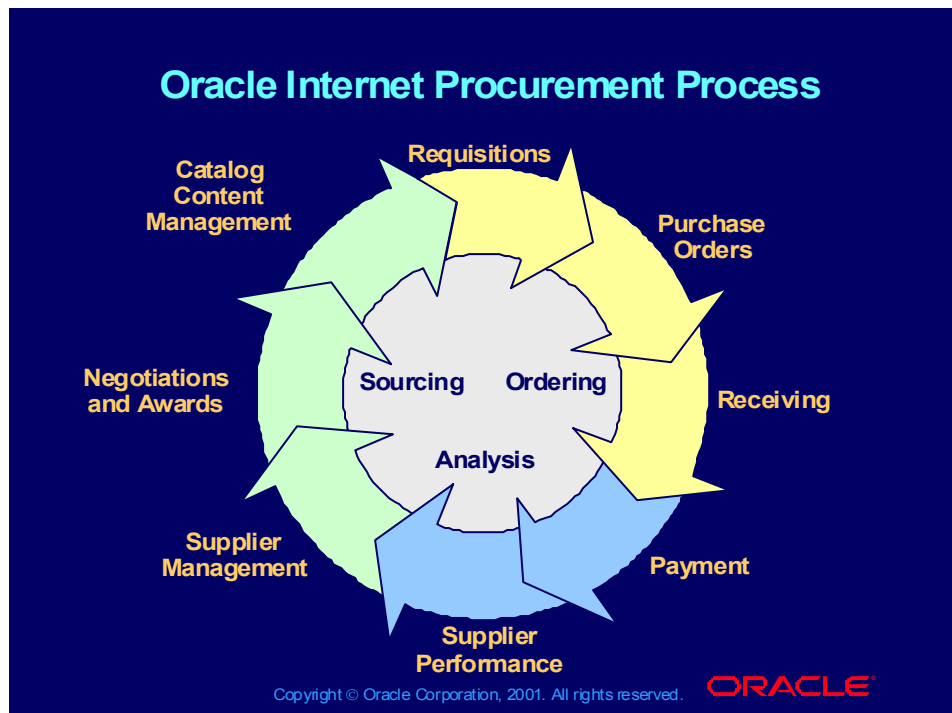
Understanding the Purchase Order Process

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

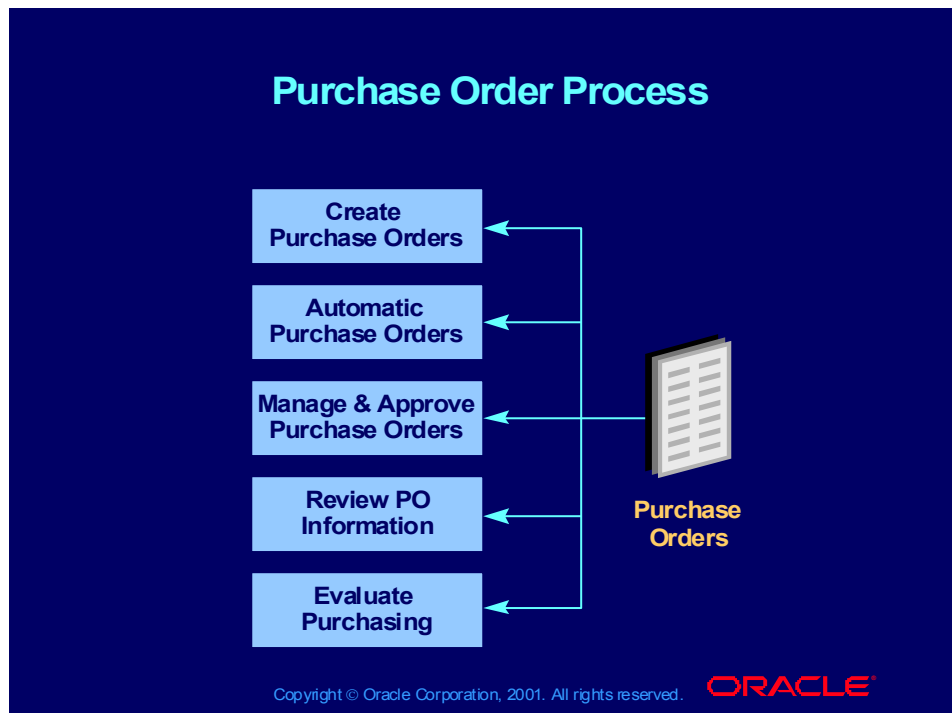
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Oracle Internet Procurement Process



Purchase Order Process



Process Inputs and Outputs

Process Inputs and Outputs

Process	Key Inputs	Key Outputs
Overall	<ul style="list-style-type: none">• Internal demand• External demand	<ul style="list-style-type: none">• Fulfilled order
Ordering	<ul style="list-style-type: none">• Requisition• Supplier catalog• Engineering specifications• Customer specifications	<ul style="list-style-type: none">• Purchase order• Blanket order release

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Why Purchase Orders?

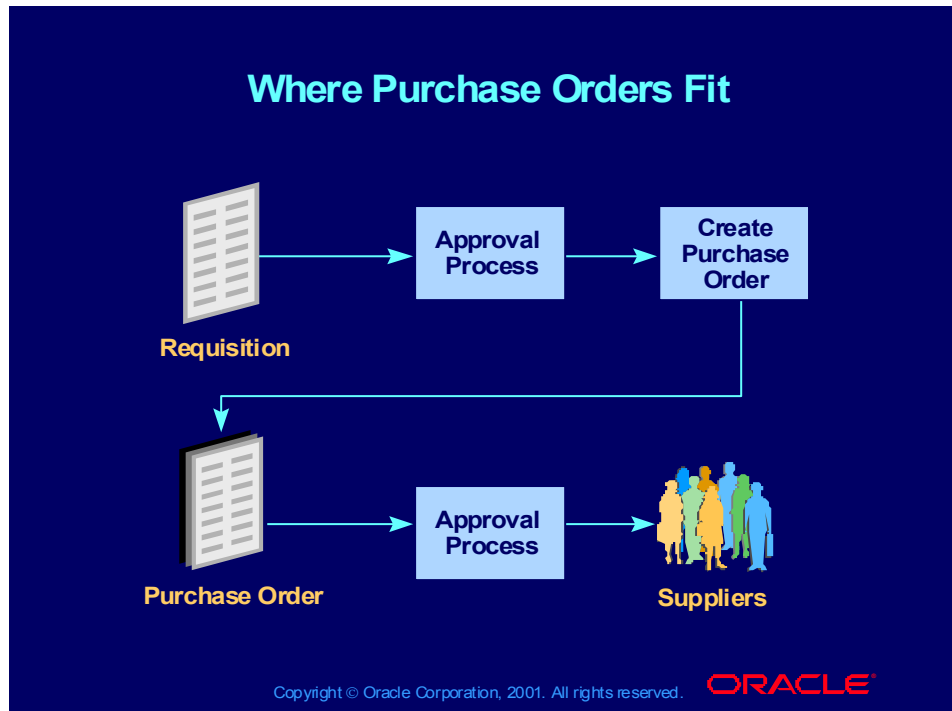
Why Purchase Orders?

- Purchase orders represent the finalization of the sourcing and requisitioning processes
- Purchase orders establish a contract with a supplier: external or internal
- Business need for goods or services is formalized

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Where Purchase Orders Fit



Student Interaction

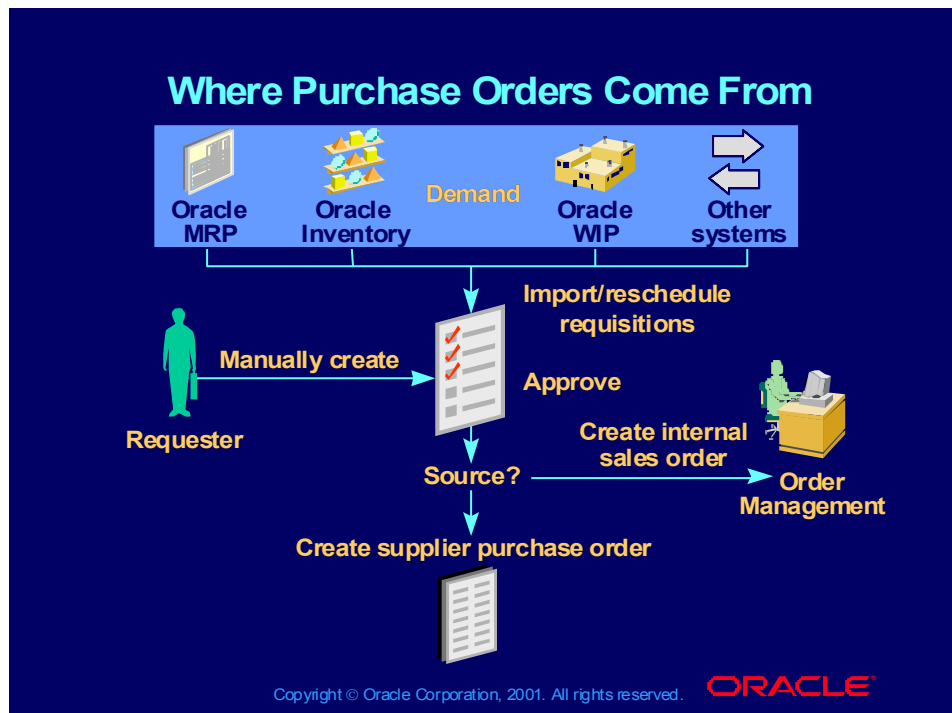
What problems has your organization encountered using purchase orders?

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Where Purchase Orders Come From



Who Acts on Purchase Orders?

Who Acts on Purchase Orders?

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

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Student Interaction

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

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Student Interaction

What are the business needs associated with purchase orders?

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Agenda

Agenda

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

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Business Needs Associated with Purchase Orders

Business Needs Associated with Purchase Orders

- **Create and manage buying arrangements with suppliers**
- **Do so in the most efficient (automatic) way possible**
- **Simplify the interaction with suppliers**
- **Free buyers from daily management for negotiations and supplier analysis**
- **Reduce administrative costs**

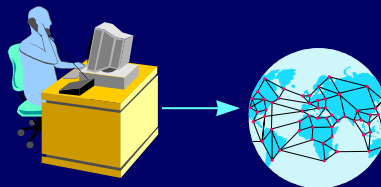
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Why Oracle Internet Procurement?

Why Oracle Internet Procurement?

- Part of 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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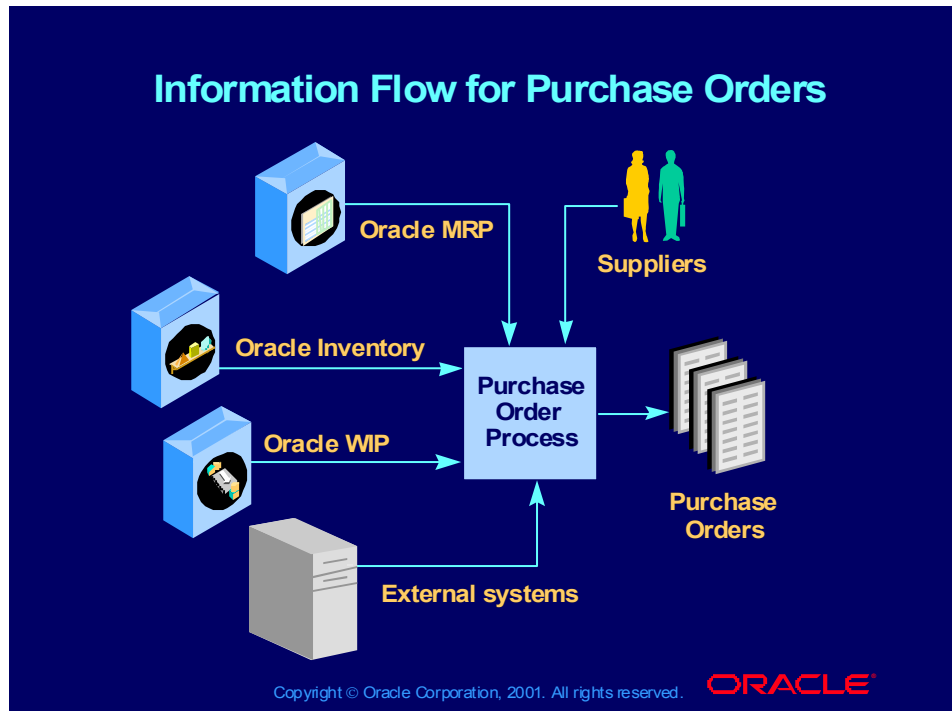
Oracle Internet Procurement

- Automatic purchase order creation
- Paperless flow through entire purchase order cycle
- Suppliers review their own information in Supplier Management Portal
- All functions performed through an Internet browser
- Buyers can evaluate suppliers and pricing through the Purchasing Intelligence System

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Information Flow for Purchase Orders



Purchase Order Management Interfaces

- Requisition import
- E-commerce gateway
- Purchase release
- Open document interface

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E-Commerce Capabilities

- **Order import enhancements:**
 - Error correction forms
 - Import of returns
 - Price and payment terms validation
- **New EDI transactions:**
 - Inbound order changes (860/ORDCHG)
 - Outbound order acknowledgments (855/865/ORDRSP)
- **XML enabled**

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Review Question

Why would you want to free your buyers from primarily administrative tasks?

- 1. Provide more time for meetings with planners.**
- 2. Focus buyers' attention on evaluating supplier pricing and performance.**
- 3. Give buyers time to update their online catalogs.**
- 4. Give buyers more time to play golf with suppliers.**
- 5. Give buyers time to keep their supplier spreadsheets updated.**

Review Question

Why would you want to free your buyers from primarily administrative tasks?

1. Provide more time for meetings with planners.
- 2. Focus buyers' attention on evaluating supplier pricing and performance.**
3. Give buyers time to update their online catalogs.
4. Give buyers more time to play golf with suppliers.
5. Give buyers time to keep their supplier spreadsheets updated.

Agenda

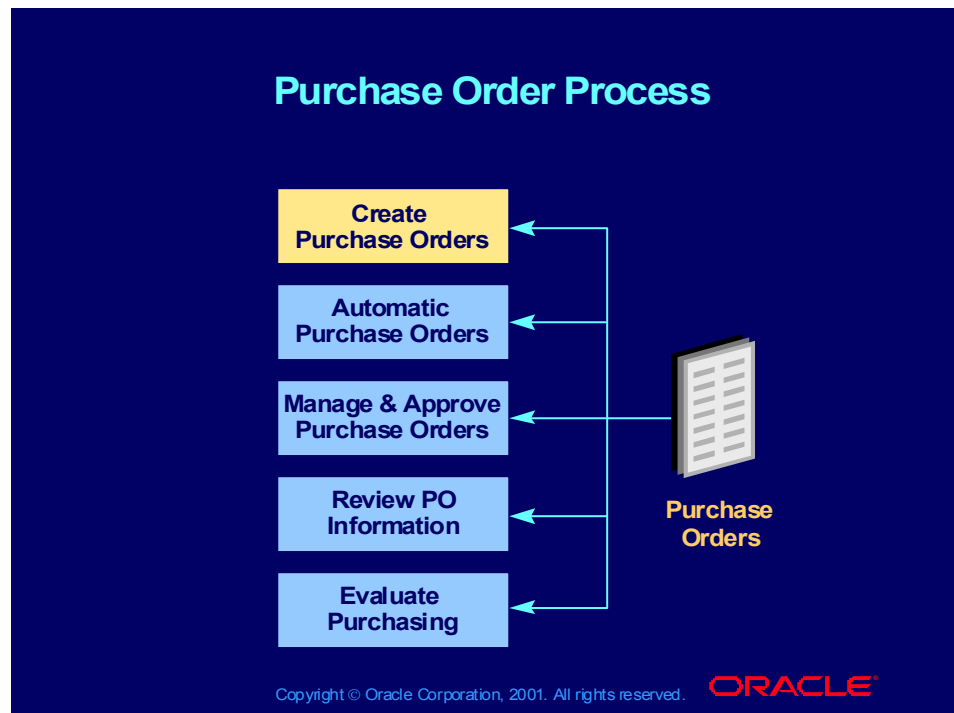
Agenda

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

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Purchase Order Process



Overview of Purchase Order Creation

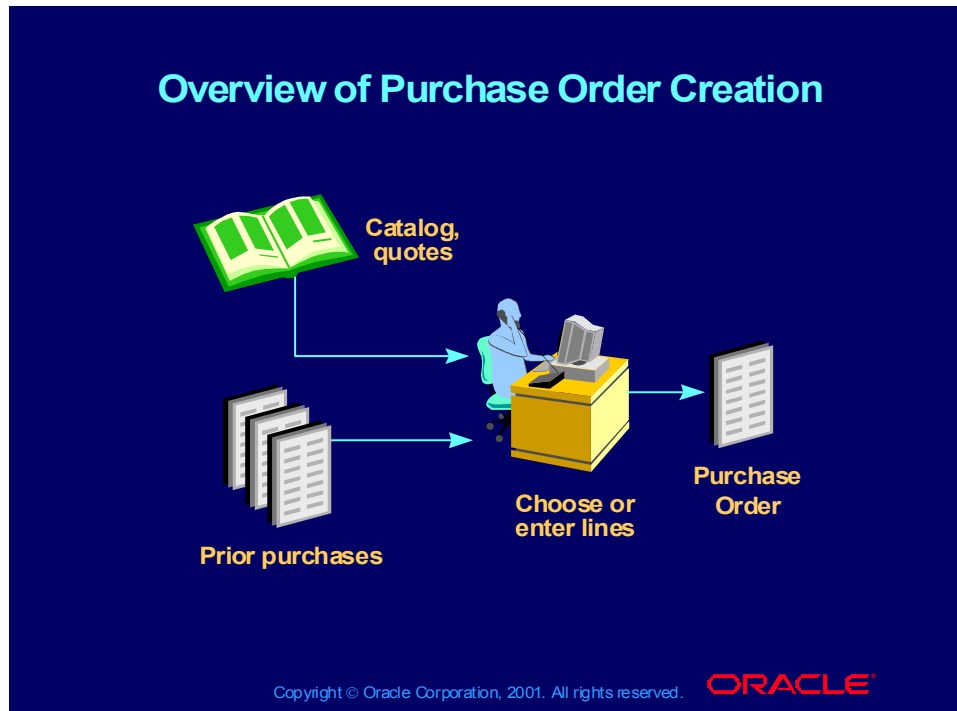
Oracle Internet Procurement enables you to:

- **Manually create purchase orders easily**
- **Create purchase orders from:**
 - **Purchase agreements**
 - **Templates**
 - **Quotations**
 - **Prior purchases**
- **Create one-time purchase orders**
- **Set up repeated purchases**

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Overview of Purchase Order Creation



Overview of Purchase Order Creation

You select the appropriate purchase order document type for your needs:

- **Standard purchase order**
- **Contract purchase order**
- **Blanket purchase agreement**
- **Planned purchase order**

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Review Question

Which of the following cannot be used to create purchase orders?

- 1. Requisition templates**
- 2. Supplier quotations**
- 3. Requests for quotes**

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Review Question

Which of the following cannot be used to create purchase orders?

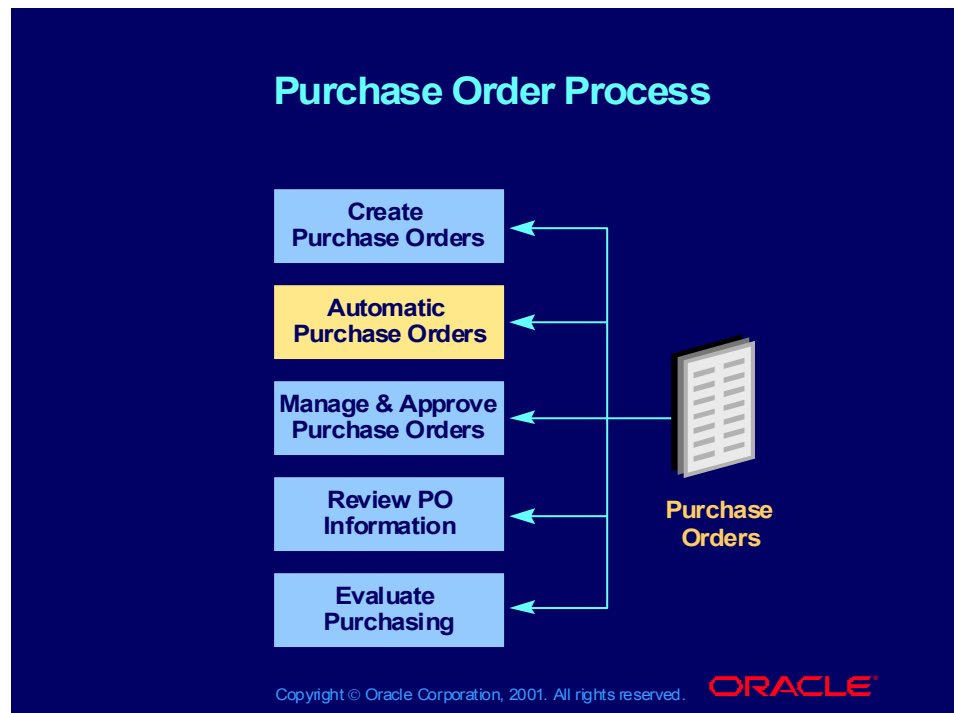
1. Requisition templates
2. Supplier quotations
- 3. Requests for quotes**

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Purchase Order Process



Overview of Automatic Purchase Order Creation

- Automated creation of purchase orders using the AutoCreate window
- Automatic creation of purchase order releases using the AutoRelease process
- Automatic creation of purchase orders and releases using the Create Documents workflow

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Overview of AutoCreate

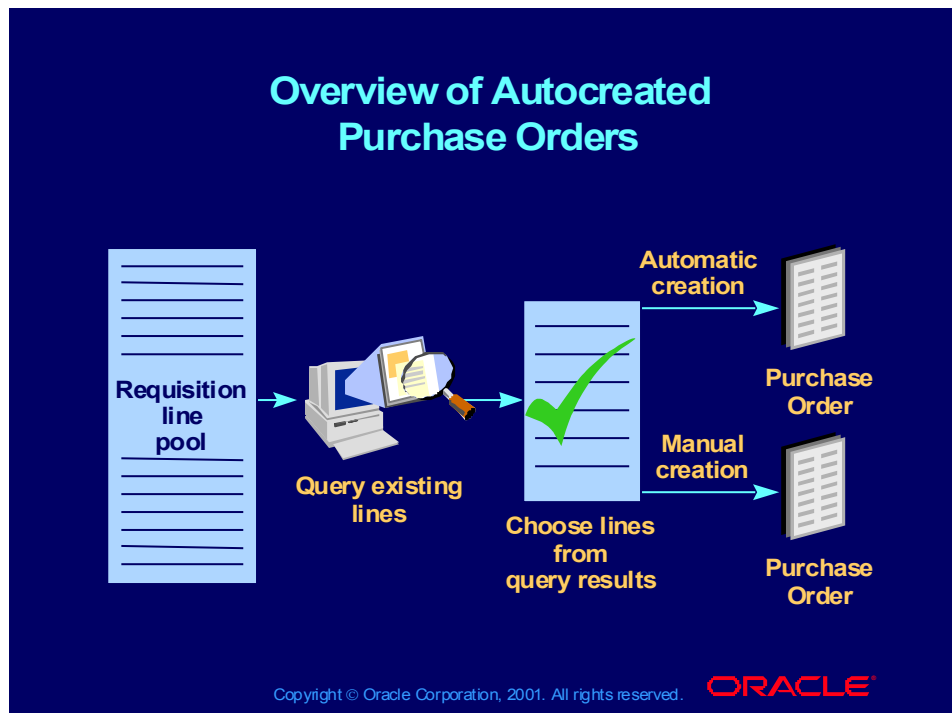
Automated creation of purchase orders using the AutoCreate window:

- Query approved requisition lines
- Select criteria for automatic creation
- Autocreate a purchase order
- Modify requisition lines
- Return requisition lines

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Overview of Autocreated Purchase Orders



Overview of AutoRelease

Automatic creation of purchase order releases using the AutoRelease process:

- **Approved blanket agreement must exist**
- **Approved requisition referencing the blanket agreement must exist**
- **Run the AutoRelease process**

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Overview of Create Documents Workflow

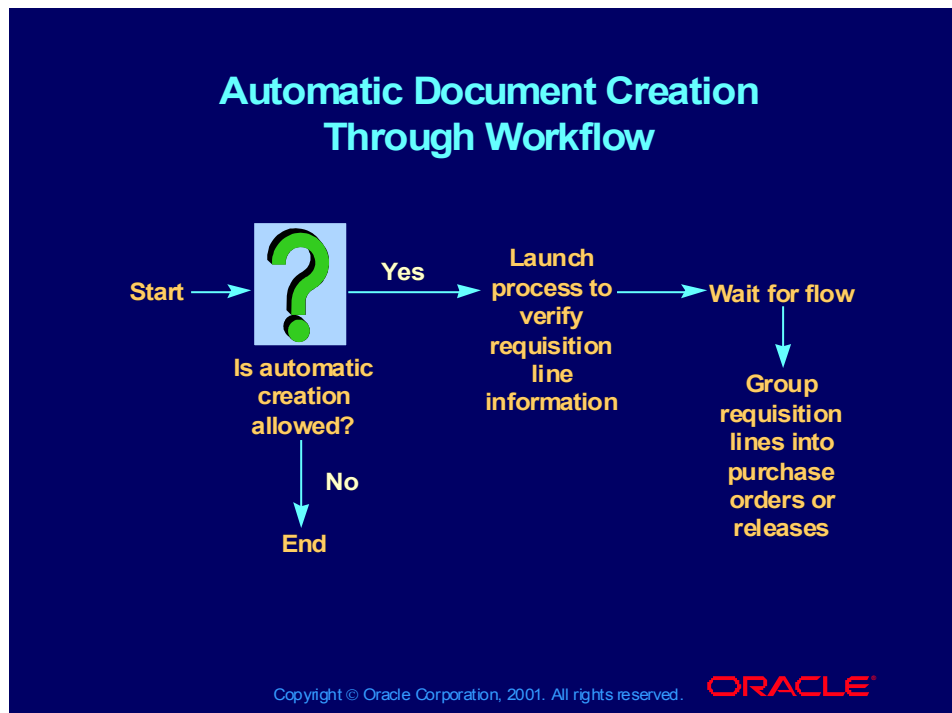
Automatic creation of purchase orders and releases using the Create Documents workflow:

- **Uses Oracle Workflow technology**
- **Workflow is PO Create Documents**
- **Approved blanket agreement and/or ASL must exist**
- **Automatic creation of purchase orders**
- **Automatic creation of releases**
- **Customizable to meet your needs**

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Automatic Document Creation Through Workflow



Review Question

Which of the following is not an automatic purchase order creation method?

- 1. Workflow automatic document creation**
- 2. Purchase order autofax**
- 3. Purchase order autorelease**
- 4. Purchase order autocreation**

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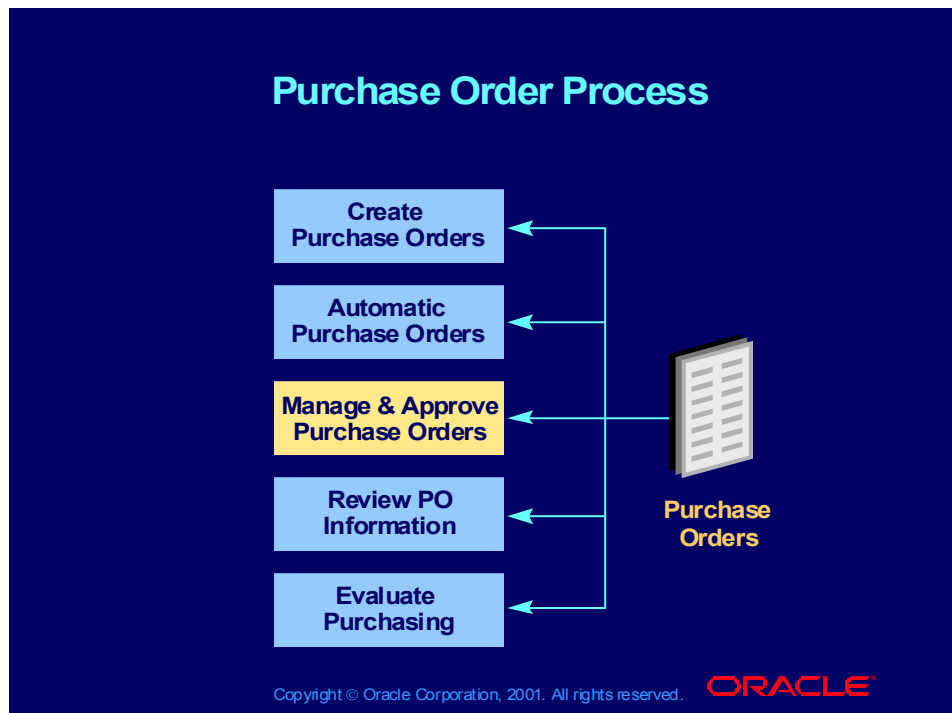
39

Review Question

Which of the following is not an automatic purchase order creation method?

1. Workflow automatic document creation
- 2. Purchase order autofax**
3. Purchase order autorelease
4. Purchase order autocreation

Purchase Order Process



Overview of Purchase Order Management and Approval

Overview of Purchase Order Management and Approval

- Managing changes to purchase orders
- Purchasing document security
- Approval limits for purchase orders
- Purchasing document approval routing

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Overview of Purchase Order Maintenance

- To maintain your purchasing documents, you can:
 - Print purchase orders
 - Archive purchase orders
 - Modify purchase orders
 - Enter and view purchase order acceptances
- When you change a purchase order, Purchasing automatically increments the revision and in many cases requires document reapproval
- You can modify the purchase order status (cancel, close, hold, delete, and so on)

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Document Security, Approval Limits, and Approval Routing

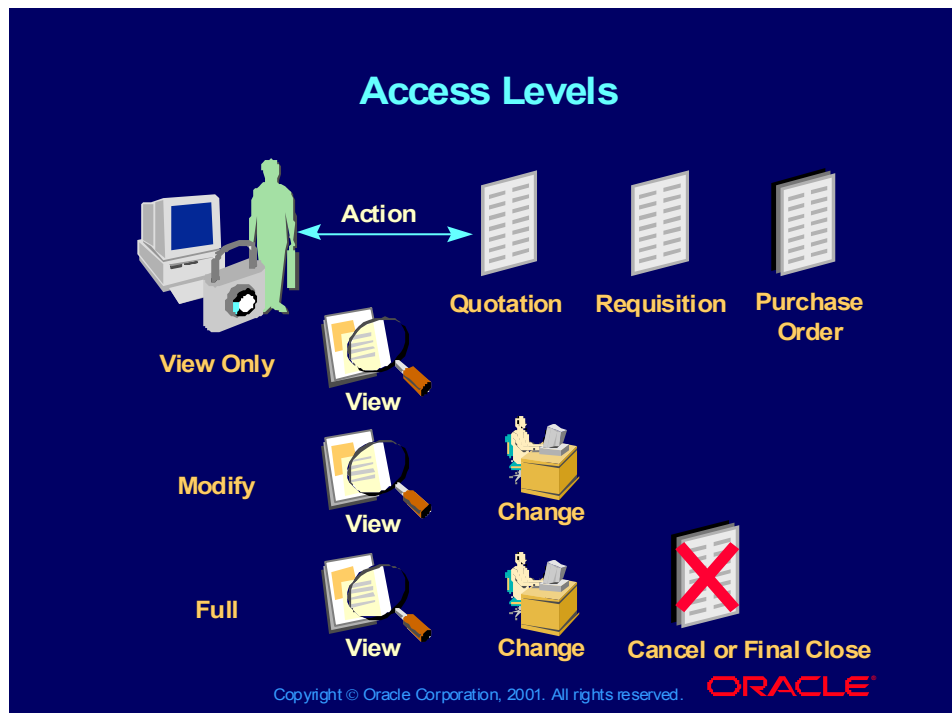
Document Security, Approval Limits, and Approval Routing

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

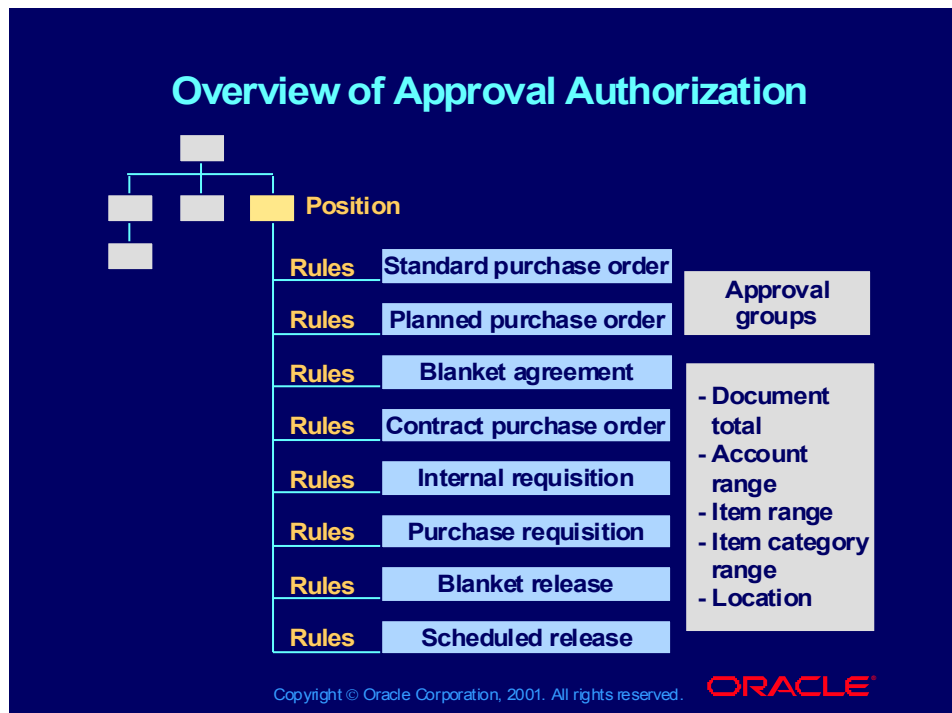
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Access Levels



Overview of Approval Authorization



Options for Security, Approval Limits, and Approval Routing

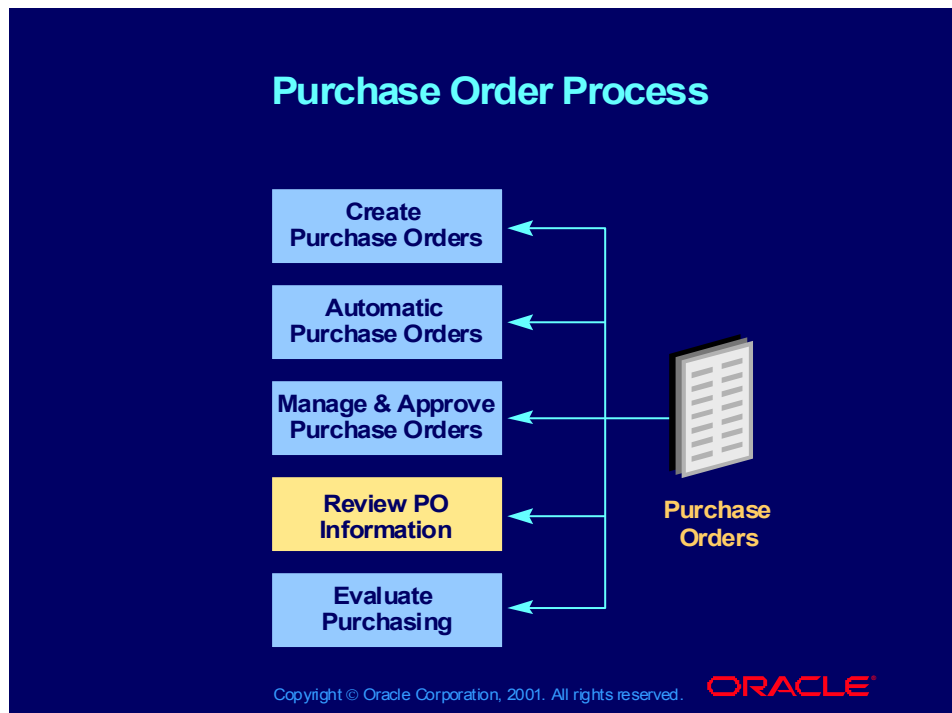
Options for Security, Approval Limits, and Approval Routing

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

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Purchase Order Process



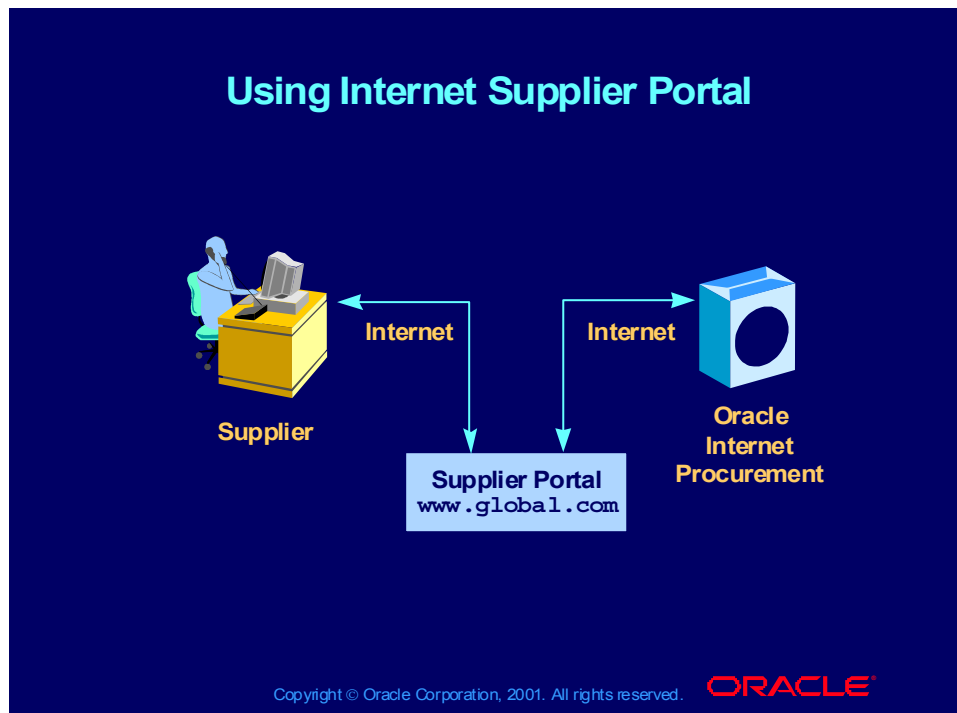
Oracle Internet Supplier Portal Overview

- Gives suppliers direct access to information that affects them
- Gives suppliers visibility across the plan-to-procure-to-pay lifecycle
- Suppliers can perform transactions using the Internet
- Provides a collaborative environment where suppliers become integrated partners

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Using Internet Supplier Portal



Benefits of Internet Supplier Portal

Suppliers proactively service themselves, accessing the information they need to serve you — the customer — better:

- **Reduces operating costs**
- **Frees up staff time**
- **Compresses cycle times**
- **Improves service**

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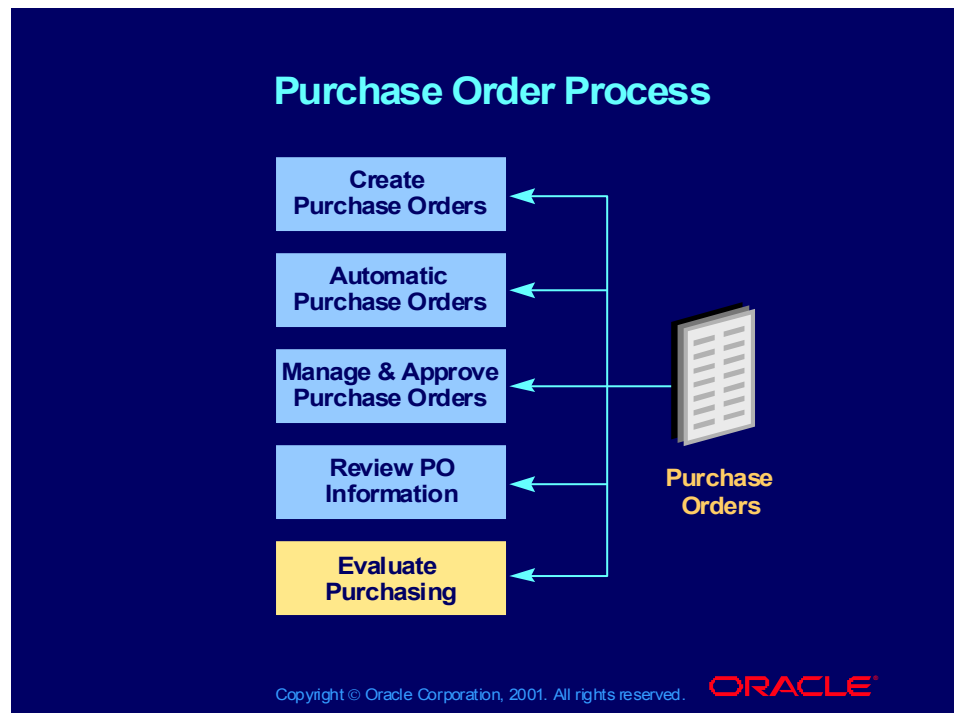
Information Available for Supplier Review

- RFQs
- Purchase orders and change history
- Receipts, open deliveries, delivery performance, and returns
- Invoice and payment information
- Supplier item summary
- Consolidated shipping and planning schedules

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Purchase Order Process



Overview of Purchasing and Contracts Evaluation

- Oracle Purchasing Intelligence System
- Intelligence: “What happened?”
- Analysis: “Why, how, and when?”
- Measure performance with predefined indicators
- Get an enterprise-wide view
- Use predefined analyses or create your own

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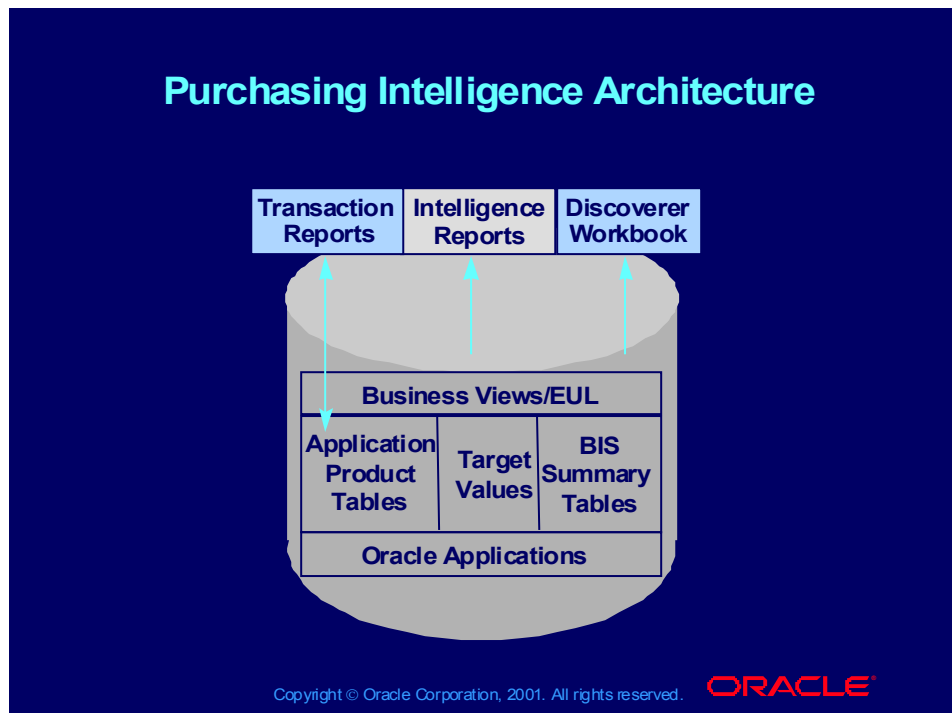
Purchasing Intelligence Predefined Analyses

- **Contract leakage**
- **Potential savings opportunity**
- **Spend distribution**
- **Supplier performance**
- **Supplier consolidation**
- **Organizational productivity**
- **Buyer analysis**

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Purchasing Intelligence Architecture



Review Question

Review Question

Would you use Oracle Internet Supplier Portal to improve your relationship with your customers?

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

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Review Question

Review Question

Would you use Oracle Internet Supplier Portal to improve your relationship with your customers?

1. Yes
- 2. No**

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Review Question

Which part of Oracle Internet Procurement would you use to analyze how much money your company is losing due to purchases of items already on a pricing agreement being made with other suppliers?

- 1. Internet Supplier Portal**
- 2. Automatic purchase order creation**
- 3. Purchasing Intelligence System**
- 4. Purchase order management and approval**
- 5. Requisition Management Portal**

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Review Question

Which part of Oracle Internet Procurement would you use to analyze how much money your company is losing due to purchases of items already on a pricing agreement being made with other suppliers?

1. Internet Supplier Portal
2. Automatic purchase order creation
- 3. Purchasing Intelligence System**
4. Purchase order management and approval
5. Requisition Management Portal

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Agenda

Agenda

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

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Oracle Internet Procurement Delivers

Oracle Internet Procurement Delivers

Process	Process Measures	Industry Trends
Overall	<ul style="list-style-type: none">• Delivery performance• Price performance• Quality of goods	<ul style="list-style-type: none">• Web-enabled processes• Electronic commerce
Ordering	<ul style="list-style-type: none">• Inventory value• Purchase price variance• Cost per order	<ul style="list-style-type: none">• Procurement credit card• Auto fax• E-mail to supplier• Electronic commerce

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Purchase Order Process Summary

In this course, you have learned to describe:

- **Where purchase orders fit within the procurement process**
- **What the main business benefits of the purchase order process are**
- **How Oracle Internet Procurement fulfills the purchase order process business needs**

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For More Information

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

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11i Create. Manage, and Approve Purchase Orders

Chapter 10

11i Create, Manage, and Approve Purchase Orders

11i Create, Manage, and Approve Purchase Orders

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Objectives

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

- **Create the different types of purchase orders**
- **Describe how the different types of purchase orders fit into the procurement process**
- **Identify the controls that allow flexible management and approval of purchase orders**
- **Explain how the purchase order creation business needs are satisfied by the Oracle Internet Procurement Solution**

Agenda

Agenda

- **Understanding the create purchase order process**
- Creating standard purchase orders
- Creating contract purchase agreements
- Creating blanket purchase agreements
- Creating planned purchase orders
- Approving purchase orders
- Managing changes to purchase orders
- Oracle Applications in the purchase order process
- Summary

1-3

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Understanding the Create Purchase Order Process

Understanding the Create Purchase Order Process

- Manual creation of purchase orders
- Procurement business process model
- Create purchase orders within the procurement process
- Create purchase orders as part of the business process
- Who creates purchase orders?

1-4

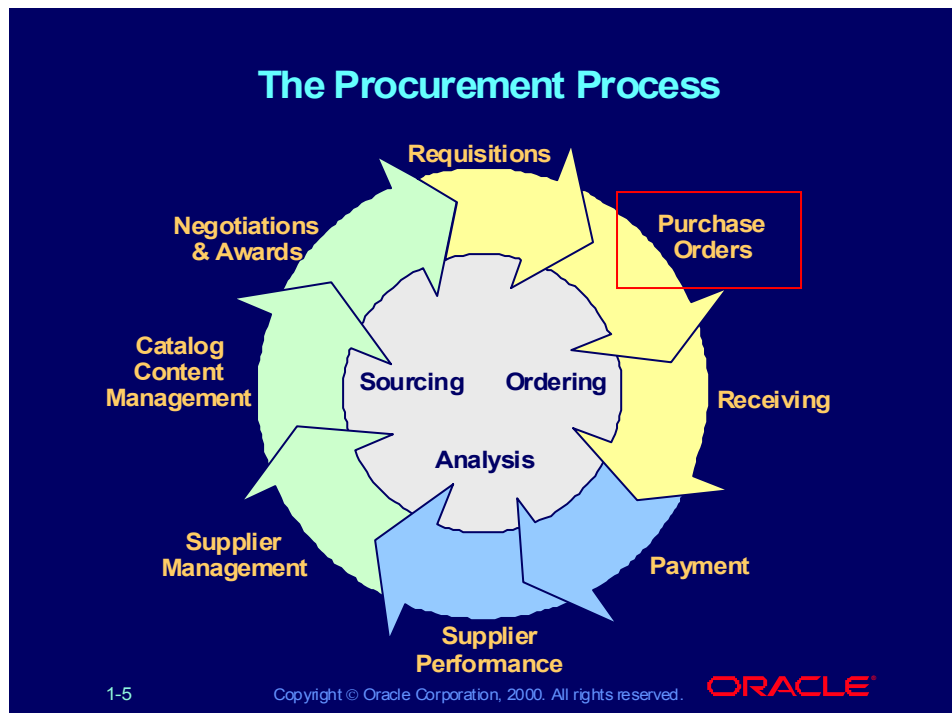
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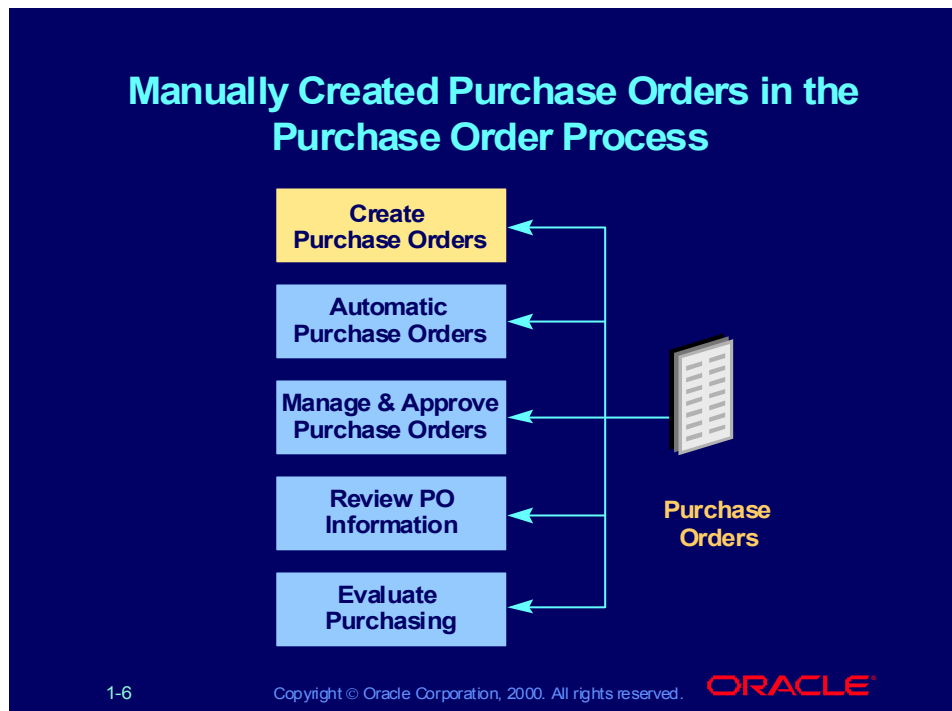
Create Purchase Orders

Even though the title is Create Purchase Orders the emphasis of this course is on the manual creation of purchase orders through the Oracle Purchasing application. This is the only component of the Internet Procurement Solution that requires that the user understand both the role of purchase orders in the process and the structure of the different types of purchase orders.

The Procurement Process



Manually Created Purchase Orders in the Purchase Order Process



Why Create Purchase Orders?

Why Create Purchase Orders?

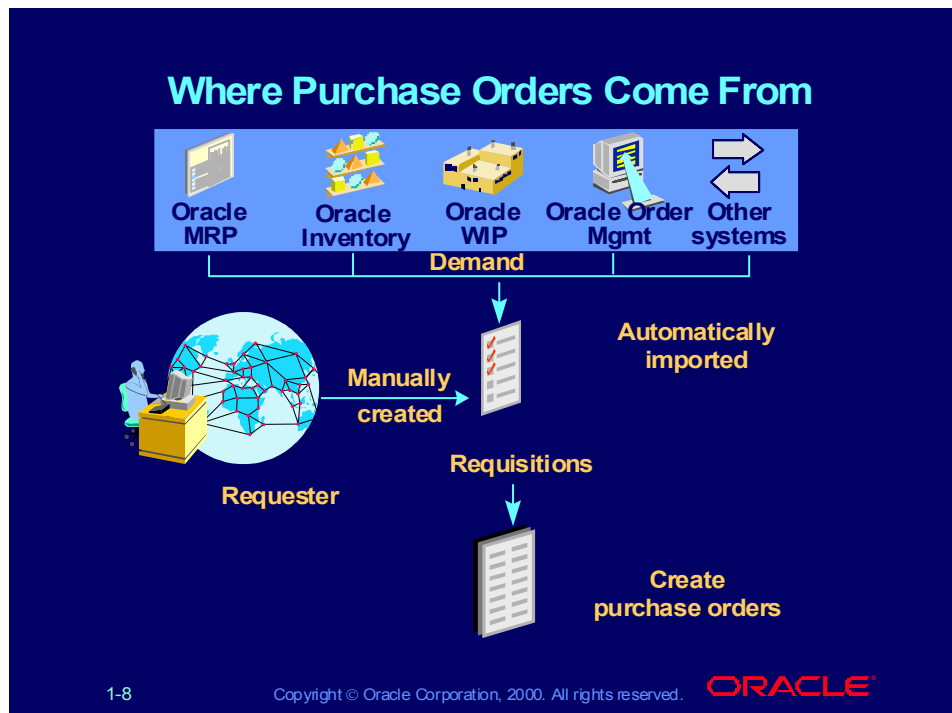
- Supplier is selected to satisfy demand for goods or services
- Summarize all demand for a given item or category
- Supplier terms and conditions established
- Contract with a supplier: external or internal
- Business need for goods or services is formalized

1-7

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Where Purchase Orders Come From



Who Manually Creates Purchase Orders?

Who Manually Creates Purchase Orders?

- Buyer or buyer-planner
- You must be defined as a buyer in the Purchasing Application
- You must be set up as an employee or linked to a valid employee

Note that purchase orders can be automatically created by requestors only when they reference a manually created purchase order.

1-9

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(N) Setup—>Personnel—>Buyers

Review Question

Which of the following describes the primary purpose of a purchase order?

- 1. Gives buyers something to do.**
- 2. Determines which warehouse to store goods.**
- 3. Defines terms and conditions of contract with supplier.**
- 4. Specifies time to deliver goods.**
- 5. Provides suppliers with alphabetized list of goods ordered.**

Review Question

Review Question

Which of the following describes the primary purpose of a purchase order?

1. Gives buyers something to do.
2. Determines which warehouse to store goods.
3. **Defines terms and conditions of contract with supplier.**
4. Specifies time to deliver goods.
5. Provides suppliers with alphabetized list of goods ordered.

1-11

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Agenda

Agenda

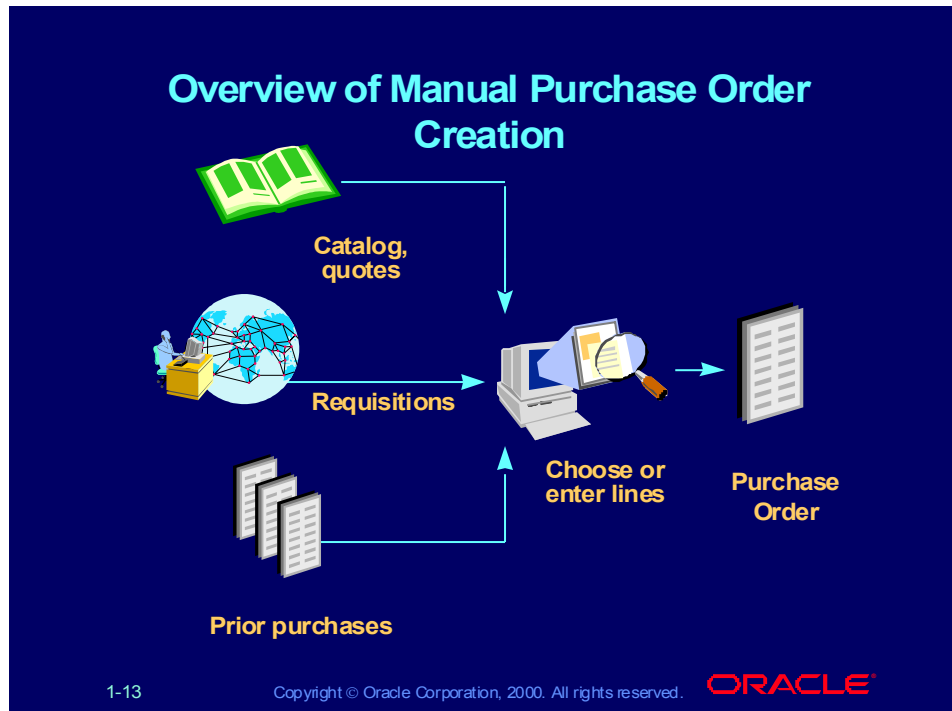
- Understanding the create purchase order process
- **Creating standard purchase orders**
- Creating contract purchase agreements
- Creating blanket purchase agreements
- Creating planned purchase orders
- Approving purchase orders
- Managing changes to purchase orders
- Oracle Applications in the purchase order process
- Summary

1-12

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Overview of Manual Purchase Order Creation



Additional Information

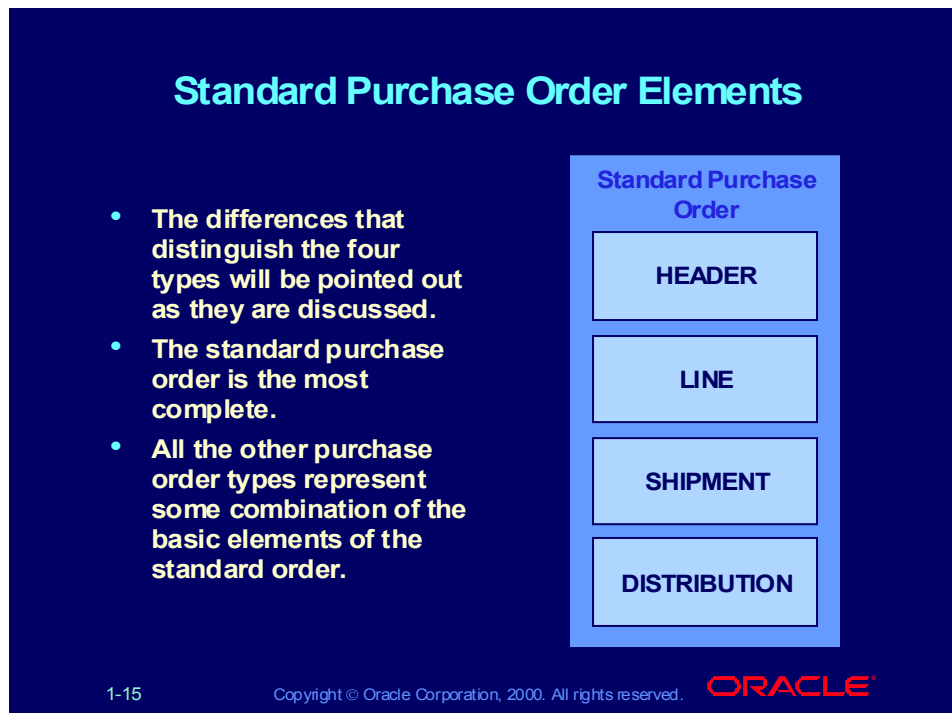
“Purchase Order Overview” is an *Oracle Purchasing Users Guide* topic or available as a Help topic available from:

(Help) Oracle Purchasing > Purchase Orders > Overview

Creating Purchase Orders

- Before you actually create a purchase order you must decide what type of order you need
- Oracle Purchasing provides four types:
 - Standard purchase order
 - Contract purchase agreement
 - Blanket purchase agreement
 - Planned purchase order

Standard Purchase Order Elements

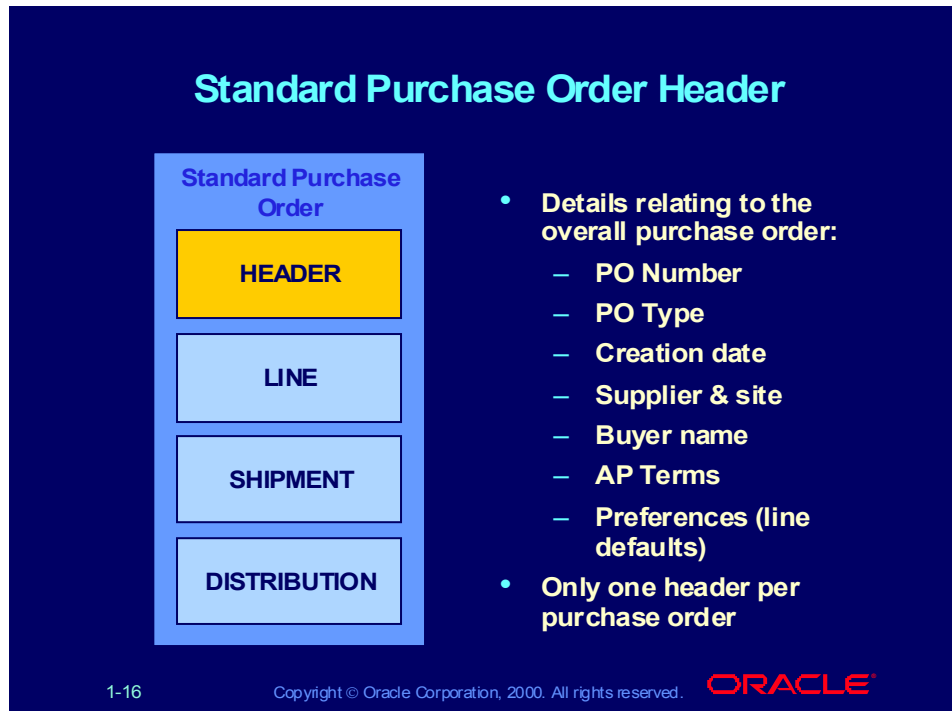


Standard Purchase Orders

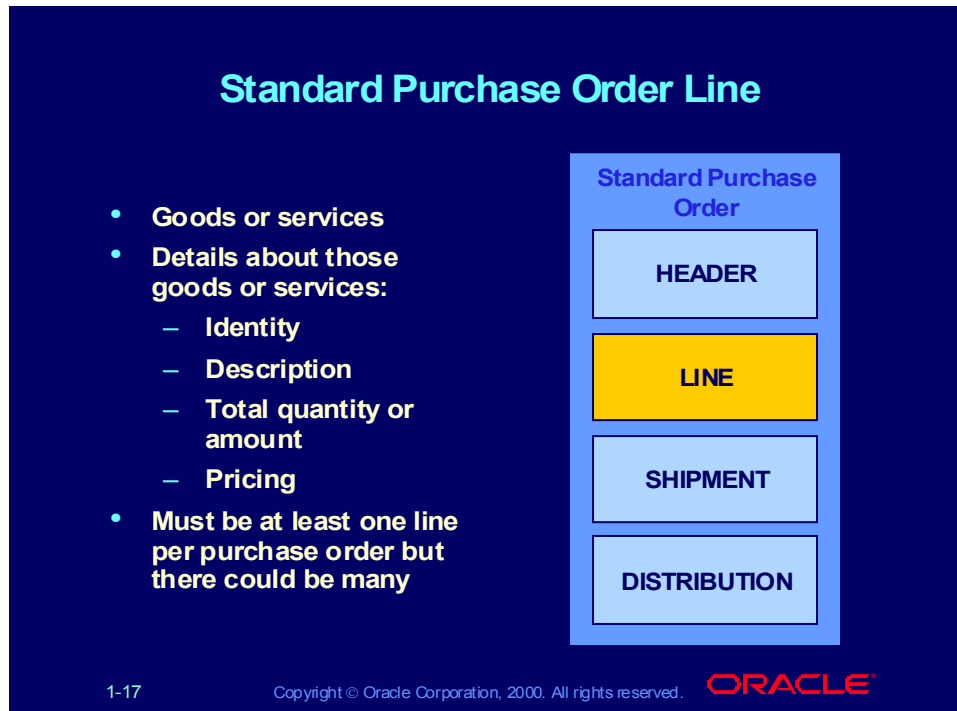
You generally create standard purchase orders for onetime purchase of various items. You create standard purchase orders when you know the details of the goods or services you require, including estimated costs, quantities, delivery schedules, and accounting distributions, but a long-term agreement is not appropriate. Each standard purchase order line can have multiple shipments, and you can distribute the quantity of each shipment across multiple accounts.

The original copy of the purchase order you send to your suppliers is a legal offer to buy. A binding purchase contract does not exist until the supplier accepts your offer either by performing the contract or formally accepting the offer by returning an acceptance document to you.

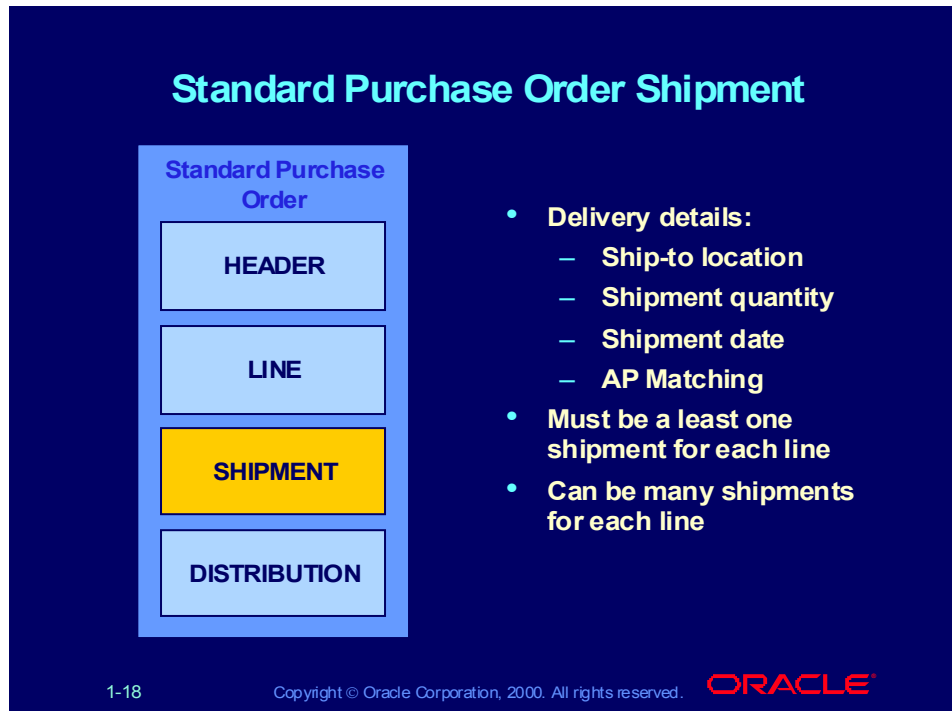
Standard Purchase Order Header



Standard Purchase Order Line



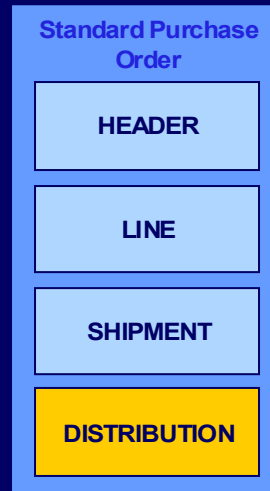
Standard Purchase Order Shipment



Standard Purchase Order Distribution

Standard Purchase Order Distribution

- Internal accounting distribution(s)
- Details required internally to accurately account for the shipment:
 - G/L Account
 - Requisition number
- Must be at least one distribution per shipment



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Review Question

Review Question

Which of the following are elements of a standard purchase order?

- 1. Shipment**
- 2. Line**
- 3. Header**
- 4. Distribution**
- 5. All of the above**

1-20

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Review Question

Review Question

Which of the following are elements of a standard purchase order?

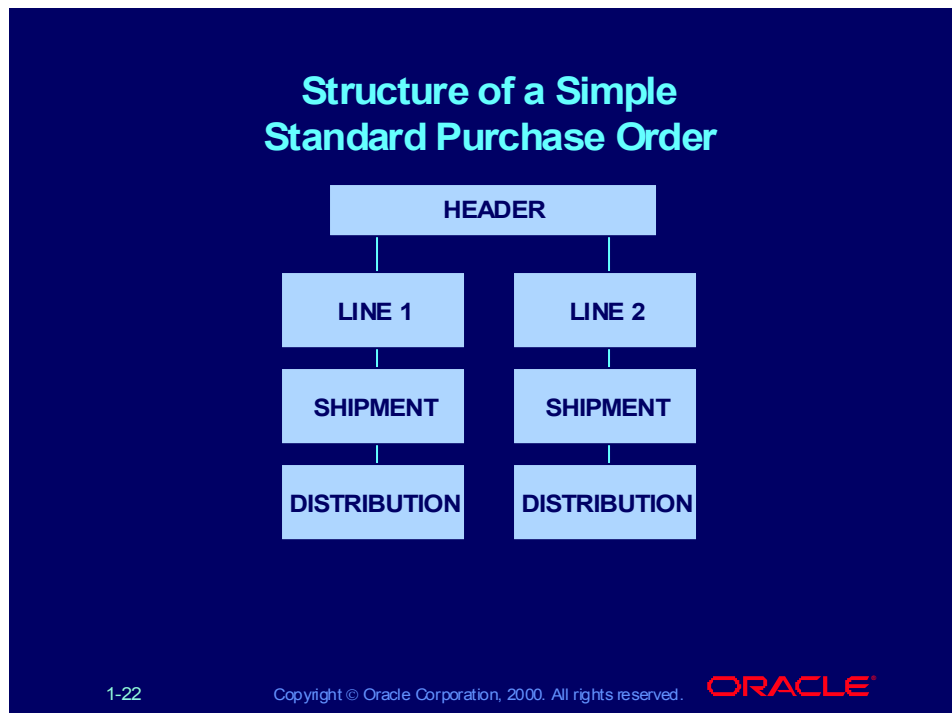
1. Shipment
2. Line
3. Header
4. Distribution
5. All of the above

1-21

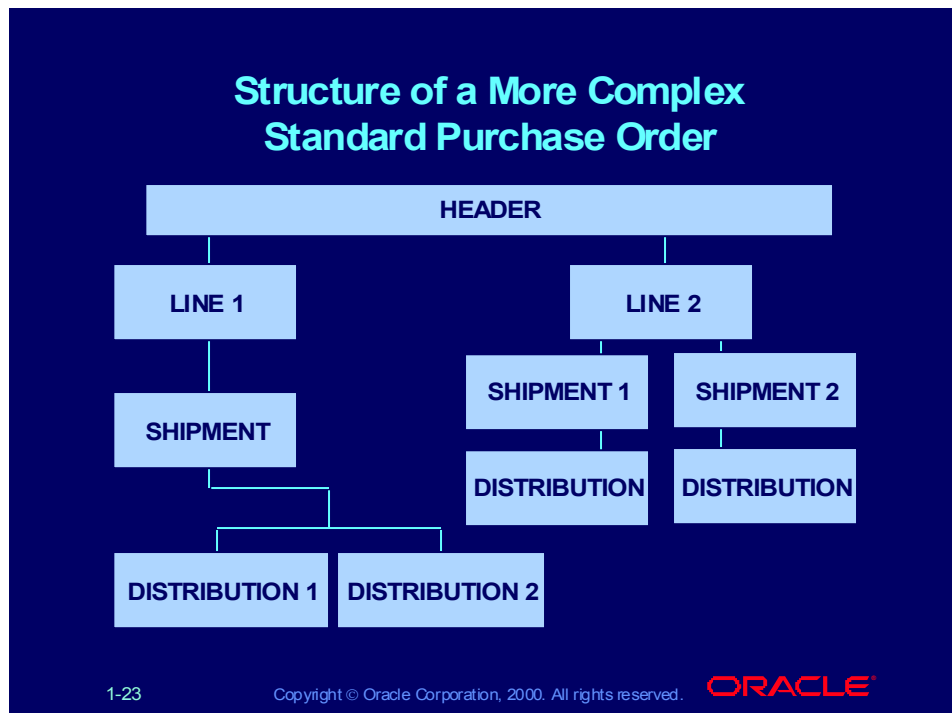
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Structure of a Simple Standard Purchase Order




Structure of a More Complex Standard Purchase Order



When to Use a Standard Purchase Order?

When to Use a Standard Purchase Order?

- One time purchases
- Know details of purchase:
 - Specific goods or service
 - Known pricing
 - Quantity
 - Delivery schedule
 - Internal charges
- Short-term agreement
- Need to encumber the purchase immediately



**Standard
Purchase
Order**

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Internet Procurement

Internet Procurement (formerly Self Service Purchasing) automatically creates standard purchase orders from manually created contract agreements.

Review Question

Review Question

One of the advantages of a standard purchase order is that you determine who gets charged for the purchase after you receive the goods.

True

False

1-25

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Review Question

Review Question

One of the advantages of a standard purchase order is that you determine who gets charged for the purchase after you receive the goods.

True

False

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Simplify the Entry of Purchase Orders: Preferences

Simplify the Entry of Purchase Orders: Preferences

- Preferences apply to individual users
- Preferences override standard defaults during entry of purchase orders
- Preferences are available for information in:
 - Lines
 - Shipments
 - Distributions
- You can override defaults or preferences in the purchase order

1-27

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Preferences

Purchasing Responsibility

(N) Oracle Purchasing > Purchase Orders>Purchase Orders>(M) Tools
>Preferences

How Preferences Work

You set preferences each time you enter a new session. You can enter preference information for purchase order lines, shipments, distributions, and releases. The preferences display the field values, which default to all new rows until you explicitly clear or change the values. Information entered in preferences remains in effect until you exit the application.




Additional Information

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

(Help) Oracle Purchasing > Purchase Orders > Entering Preferences

Examples of Purchase Order Preferences

Examples of Purchase Order Preferences

	Line (goods & services)	<ul style="list-style-type: none">• Need-by-date• Price type• Contract number
	Shipment	<ul style="list-style-type: none">• Organization• Ship-to location• Taxable
	Distribution	<ul style="list-style-type: none">• Destination Type• Requestor• Charge Account

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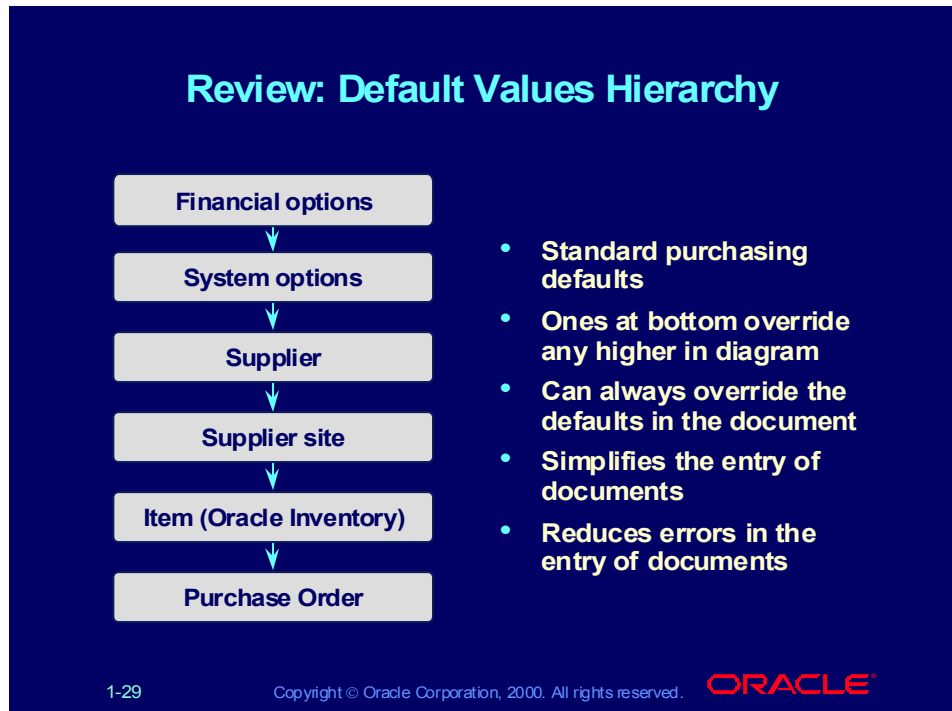
Setting Preferences

Enter information that you want to default on all new purchase orders that you create. You can change these defaults on individual purchase order lines if needed. You can fill in one or as many fields as you want. Two examples follow:

If all your purchase orders have the same need-by date, enter the date. If this is the only constant, click the Apply button and this date will default to all the purchase order lines that you create during this session.

If all your purchase order lines have the same need-by date, requisition number, deliver-to location, and requester, fill in these fields. Click the Apply button, and this information will default to all the purchase order lines that you create during this session.

Review: Default Values Hierarchy



Defaulting Rules

“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

Entering Standard Purchase Order Header Information

Entering Standard Purchase Order Header Information

Purchase Orders		
PO Number	PO Type	Created Date
Supplier Name	Supplier Site	Supplier Contact
Ship To	Bill To	Currency
Buyer	Status	Total
Description		
Line		
Currency		Terms

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Purchase Orders

Purchasing Responsibility

(N) Oracle Purchasing > Oracle Purchasing > Purchase Orders > Purchase Orders
“Entering Purchase Order Headers” is an *Oracle Purchasing Users Guide* topic or available as a Help topic available from:

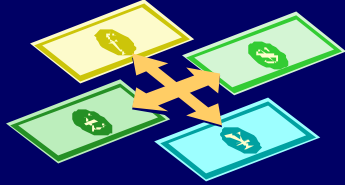
(Help) Oracle Purchasing > Purchase Orders > Creating Purchase Orders > Entering Headers

Entering Standard Purchase Order Header Currency Information

Entering Standard Purchase Order Header Currency Information

Identify the currency to be used for this order:

- **Currency code**
- **Rate type**
 - Spot
 - Corporate
 - User-defined
- **Rate date**
- **Rate**



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Purchase Order Currency

Purchasing Responsibility

(N) Oracle Purchasing > Purchase Orders > Purchase Orders (B) Currency

“Entering Currency Information” is an *Oracle Purchasing Users Guide* topic or available as a Help topic available from:


(Help) Oracle Purchasing > Purchase Orders > Creating Purchase Orders > Entering Currency Information

Entering Standard Purchase Order Header Terms Information

Entering Standard Purchase Order Header Terms Information

Identify the Terms and Conditions for this order:

- Payment terms
- Freight terms
- Freight carrier
- FOB
- Confirming order
- Acceptance required
- Notes to supplier & receiver



1-32

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Purchase Order Terms

Purchasing Responsibility

(N) Oracle Purchasing > Purchase Orders > Purchase Orders (B) Terms

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

(Help) Oracle Purchasing > Purchase Orders > Creating Purchase Orders > Entering Details Information

Demonstration

In Oracle Purchasing we will demonstrate how to:

- **Navigate to the Purchase Orders window**
- **Use Help to obtain details on entering purchase order header information**
- **Set purchase order preferences**
- **Enter standard purchase order header information:**
 - **Top of window order details**
 - **Currency**
 - **Terms**

Review Question

Review Question

You could use Help to guide you through entering a purchase order.

True

False

1-34

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Review Question

Review Question

You could use Help to guide you through entering a purchase order.

True

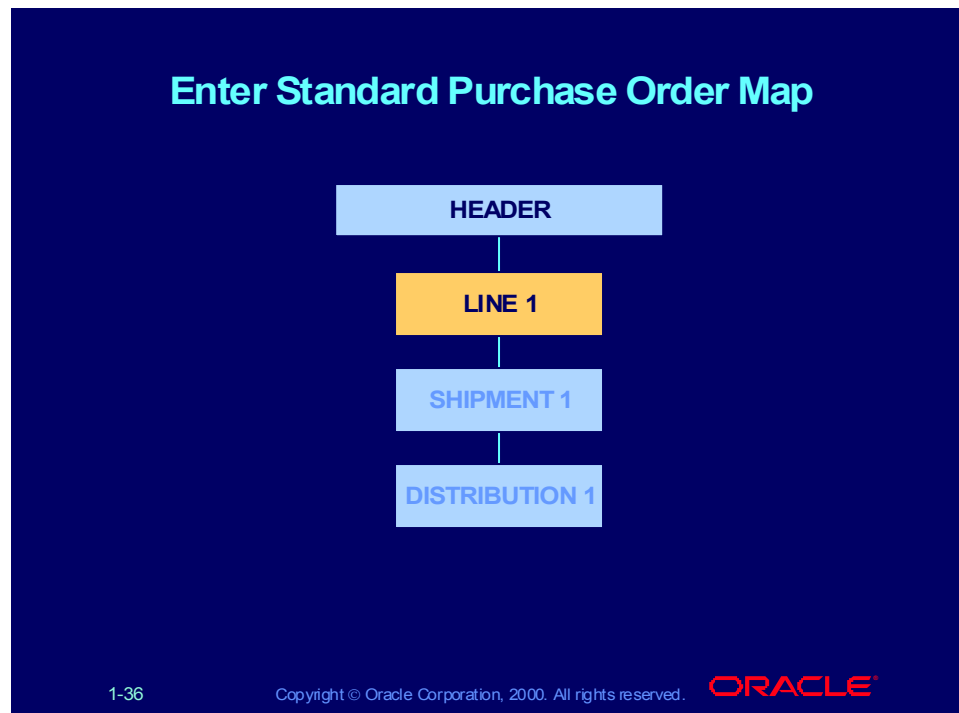
False

1-35

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Enter Standard Purchase Order Map



Entering Standard Purchase Order Line Information: Tab Regions

**Entering Standard Purchase Order Line
Information: Tab Regions**



The line portion of the standard purchase order is actually composed of four tab regions:

- **Items**
- **Price Reference**
- **Reference Documents**
- **More**

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Line Information

Purchasing Responsibility

(N) Oracle Purchasing > Purchase Orders > Purchase Orders (T)

Use the tab regions to create purchase order lines. When you save your work, Oracle Purchasing creates shipments and distributions if sufficient valid default information is available.

Entering Standard Purchase Order: Item Tab Line Information

**Entering Standard Purchase Order:
Item Tab Line Information**

Purchase Orders		
Header		
Line Type	Item	Revision
Category	Description	Unit of Measure
Quantity	Price	Promised Date
Need-By Date	Supplier Item	Reserved
Catalog		Shipments

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Item Line Information

Purchasing Responsibility

(N) Oracle Purchasing > Purchase Orders > Purchase Orders (T) Item

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

(Help) Oracle Purchasing > Purchase Orders > Creating Purchase Orders > Entering Lines

Standard Purchase Order: Other Line Tab Regions

**Standard Purchase Order:
Other Line Tab Regions**

Price	Reference	More
List Price Market Price Price Type Allow Price Override Price Limit Negotiated	Contract Quotation Line Quotation Type Supplier Quotation	Note to Supplier UN Number Hazard Capital Expense Transaction Nature

Detailed information on these fields is available from *Help*

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Purchasing Responsibility

(N) Oracle Purchasing > Purchase Orders > Purchase Orders (T) <Region Name>

Overview of the Supplier Item Catalog

Overview of the Supplier Item Catalog

- **View the Supplier Item Catalog to:**
 - View purchase and price history
 - Update pricing on a purchase order line
- **You can view items by:**
 - Negotiated sources
 - Prior purchases
 - Sourcing rules
 - Requisition templates



1-40

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Supplier Item Catalog

Purchasing Responsibility

(N) Oracle Purchasing > Purchase Orders > Purchase Orders (B) Catalog

Receiving and Updating the Supplier Item Catalog Electronically

Your supplier can send you price/sales catalog information and responses to requests for quotation (RFQs) electronically through Electronic Data Interchange (EDI), CD-ROM, Internet Supplier Portal, or other electronic means that conform to Oracle's file format specifications. If your supplier sends you price/sales catalog information electronically, you can view the catalog information in the Supplier Item Catalog window. You can also run the EDI Inbound Datafile Import Process to automatically convert the catalog information into blanket purchase agreements or catalog quotes.

The Supplier Item Catalog is updated automatically with the latest price and other information each time your supplier sends you updated, electronic catalog information. Blanket purchase agreements or catalog quotes automatically generated from the catalog are also updated with the latest catalog and quote information. The item master is also updated automatically.

Demonstration

In Oracle Purchasing we will demonstrate how to:

- **Navigate to the Purchase Orders window**
- **Enter standard purchase order line information:**
 - **Item (goods)**
 - **One time item**
 - **Service**
- **Display available fields in other tab regions**

Review Question

Review Question

The purchase order line contains quantity and pricing details for which of the following?

- 1. Services**
- 2. Supplier site**
- 3. Items**
- 4. Services and goods**
- 5. Distribution**

1-42

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Review Question

Review Question

The purchase order line contains quantity and pricing details for which of the following?

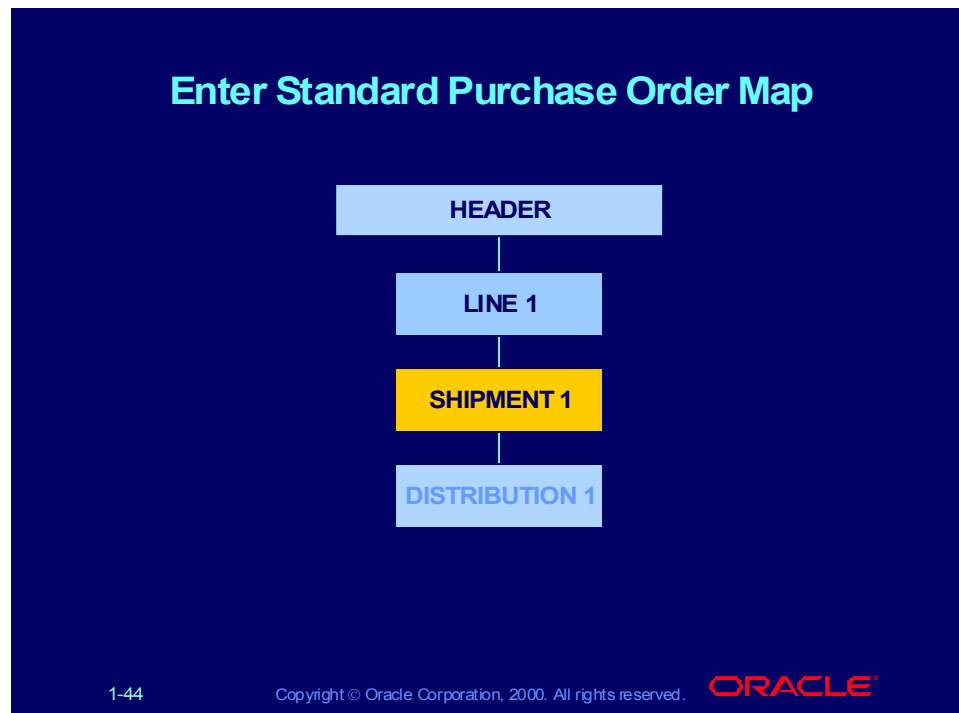
1. Services
2. Supplier site
3. Items
4. **Services and goods**
5. Distribution

1-43

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Enter Standard Purchase Order Map



Entering Standard Purchase Order Shipments Button

Entering Standard Purchase Order Shipments Button

Shipments

Org	Ship-To	Quantity
Promised Date	Need-By Date	Taxable

Receiving Controls **Distributions**

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Purchase Order Shipments

Purchasing Responsibility

(N) Oracle Purchasing > Purchase Orders > Purchase Orders (B) Shipments

Use the shipments tabbed regions to create purchase order shipment information for your lines. This is primarily used for information about where goods are to be shipped to. If the goods are to be shipped to multiple locations this is where you would indicate that to the supplier.

Additional Information

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

(Help) Oracle Purchasing > Purchase Orders > Creating Purchase Orders >

Entering Shipments

Standard Purchase Order: Shipments Other Line Tab Regions

Standard Purchase Order: Shipments Other Line Tab Regions	
More	Status
Receipt Close Tolerance	Status
Invoice Close Tolerance	Quantity Ordered
Invoice Matching	Quantity Received
Accrue on Receipt	Quantity Canceled
Firm	Quantity Billed

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Purchasing Responsibility

(N) Oracle Purchasing > Purchase Orders > Purchase Orders (B) Shipments (T)
<Region Name>

Entering Standard Purchase Order Shipments: Receiving Controls Button

**Entering Standard Purchase Order
Shipments: Receiving Controls Button**

Receipt Date	
Days Early	Days Late
Action	Last Accept Date

Over Receipt Quantity

Tolerance	Action
-----------	--------

Receipt Routing	Enforce Ship To
-----------------	-----------------

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Shipment Receiving Controls

Purchasing Responsibility

(N) Oracle Purchasing > Purchase Orders > Purchase Orders (B) Shipments (B)
Receiving Controls

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

(Help) Oracle Purchasing > Purchase Orders > Creating Purchase Orders >
Entering Receiving Controls

Demonstration

In Oracle Purchasing we will demonstrate how to:

- **Navigate to the Purchase Orders window**
- **Open the Purchase Order Shipments window**
- **Enter standard purchase order shipment information**
- **Verify standard purchase order receiving controls**
- **Display available fields in other tab regions**

Review Question

Review Question

Which of the following is not one of the details entered in a shipment window?

- 1. Need-By date**
- 2. Shipment date**
- 3. Ship-to location**
- 4. Promised date**
- 5. Quantity**

1-49

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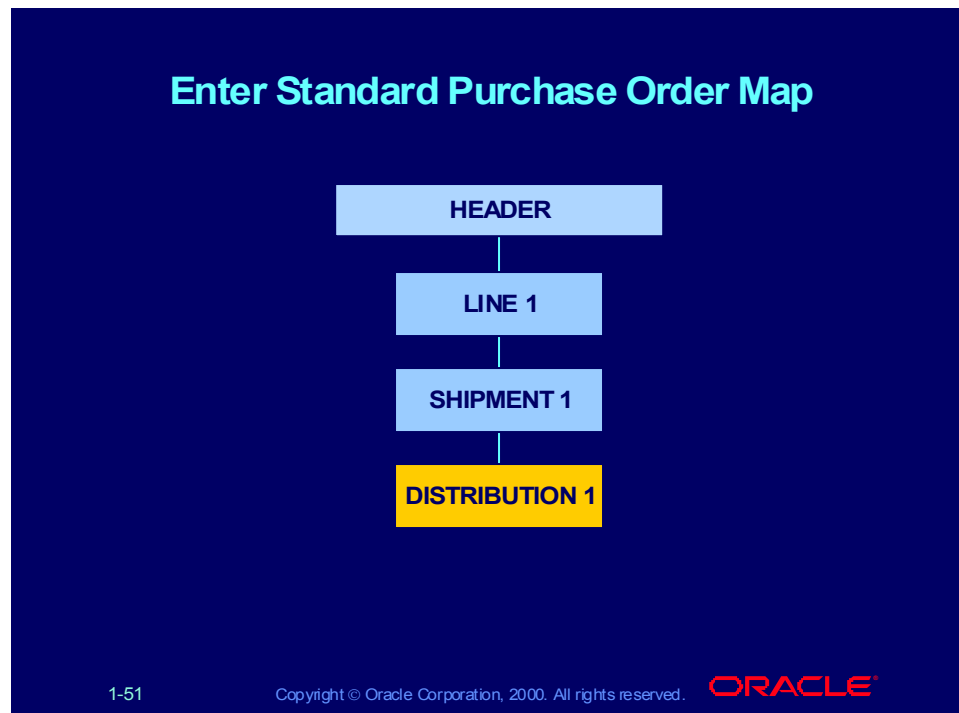
ORACLE

Review Question

Which of the following is not one of the details entered in a shipment window?

1. Need-By date
2. **Shipment date**
3. Ship-to location
4. Promised date
5. Quantity

Enter Standard Purchase Order Map



Entering Standard Purchase Order Distributions

Distributions		
Type	Requestor	Deliver To
Subinventory	Quantity	Charge Account

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Purchase Order Distributions

Purchasing Responsibility

(N) Oracle Purchasing > Purchase Orders > Purchase Orders (B) Shipments (B) Distributions

Use the purchase order Distributions window to enter distribution information for purchase order shipments and to view distributions that Oracle Purchasing has automatically created for you. You can enter multiple distributions per shipment line. You can also enter information about paper requisitions in this window.

Additional Information

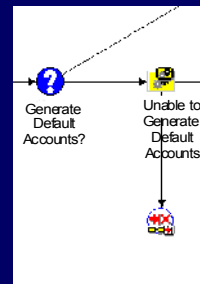
“Entering Purchase Order Distributions” is an *Oracle Purchasing Users Guide* topic or available as a Help topic available from:

(Help) Oracle Purchasing > Purchase Orders > Creating Purchase Orders > Entering Distributions

Charge Accounts from the Account Generator Workflow

Charge Accounts from the Account Generator Workflow

- Charge accounts will be automatically created by an Oracle workflow
- PO Account Generator workflow performs this function
- Separate workflow for requisitions
- Drag and drop customization for specific requirements



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Charge Accounts

Charge accounts will only be created automatically for you when complete information about the item that you are ordering is available for the PO Account Generator workflow. If you are manually creating a purchase order for a one-time item you may have to build the account number from a list of values.

Additional Information

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

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

Standard Purchase Order: Distributions Other Line Tab Regions

**Standard Purchase Order:
Distributions Other Line Tab Regions**

More	Project
Requisition Number	Project
Rate Date	Task
Rate	Type
	Org
	Date

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Purchasing Responsibility

(N) Oracle Purchasing > Purchase Orders > Purchase Orders (B) Shipments

(B) Distributions (T) <Region Name>

Approve Standard Purchase Order

Approve Standard Purchase Order

Approve Document

☒ **Submit for Approval**

☐ **Forward**

OK

Approval is the last step in the Create Purchase Order process and will be covered in more detail later in this course.

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Purchase Order Approval

Purchasing Responsibility

(N) Oracle Purchasing > Purchase Orders > Purchase Orders (B) Approve

“Approval, Security, and Control” is an *Oracle Purchasing Users Guide* topic or refer to the *Help* tree:

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

Encumbrance

Note that if you are using encumbrance or budgetary control additional Reserve and Unreserve options are available in the window represented above. For detailed information on encumbrance see “Reserving Funds for Requisitions” in the *Oracle Purchasing Users Guide* or refer to the *Help* tree:

(Help) Oracle Purchasing > Requisitions > Reserving Funds for Requisitions.

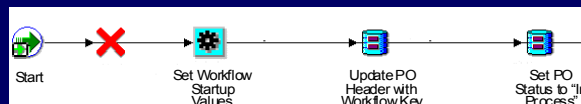
Other Options

Note that you can also fax or print your purchase orders from the approval window.

Approval Control from the Purchase Order Approval Workflow

Approval Control from the Purchase Order Approval Workflow

- Document is automatically approved or forwarded by an Oracle workflow
- PO Approval workflow performs this function
- Separate approval workflow for requisitions
- Drag and drop customization for specific requirements



1-56

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Purchase Order Approval Workflow

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

(Help) Oracle Purchasing > Document Approval, Security, and Control > Document Revision and Reapproval > Purchase Order Approval Workflow

Demonstration

In Oracle Purchasing we will demonstrate how to:

- **Navigate to the purchase order Distributions window**
- **Enter standard purchase order distribution information**
- **Display available fields in other tab regions**
- **Submit the purchase order for approval**

Review Question

Which of the following purchase order windows would be used to enter the charge account?

- 1. Shipments**
- 2. Distributions**
- 3. Line**
- 4. Header**
- 5. Approve**

Review Question

Review Question

Which of the following purchase order windows would be used to enter the charge account?

1. Shipments
- 2. Distributions**
3. Line
4. Header
5. Approve

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Review Question

Review Question

Shipments in a standard purchase order determine who the goods or service will be delivered to.

True

False

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Review Question

Review Question

Shipments in a standard purchase order determine who the goods or service will be delivered to.

True

False

1-61

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Guided Practice 1: Entering a Standard Purchase Order

Guided Practice 1: Entering a Standard Purchase Order

Your group at work is having a celebration lunch for the great job you all have done. Your boss has authorized ordering shirts with special wording in honor of the occasion. You have been asked to enter a one-time standard purchase order for the shirts from Consolidated Supplies.

1-62

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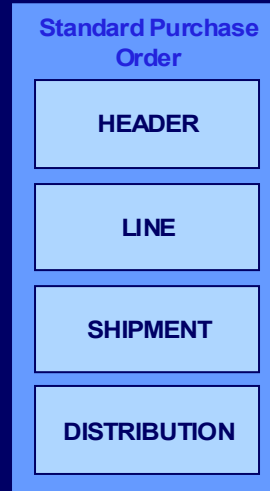
ORACLE

1. Purchasing Responsibility: (N) Purchase Orders > Purchase Orders
2. Select Standard Purchase Order from the Type LOV.
3. Select Consolidated Supplies from the Supplier LOV.
4. Select DALLAS from the Site LOV.
5. Select Dermott, Cathy from the Contact LOV.
6. Enter Description: Special Order: Overachievers Award Shirts
7. Click on Tools, then Preferences on the Menu bar:
 - a. Enter a week from today in Need-By
 - b. Select Baker, Ms. Catherine from the LOV in the Requestor field.
 - c. Click on Apply, then close Preferences.
8. Click on the Terms button.
 - a. Select 30 Net from the Payment LOV.
 - b. Enter a note to the supplier that the shirts must have the initials TGTBT in Royal Blue.
 - c. Close the Terms window.
9. Enter MISC.MISC in the Category field in line 1.
10. Enter Description: Standard sizes - Regal Shirts.
11. Select Each from LOV for UOM.
12. Enter Quantity: 40
13. Enter Price: 37

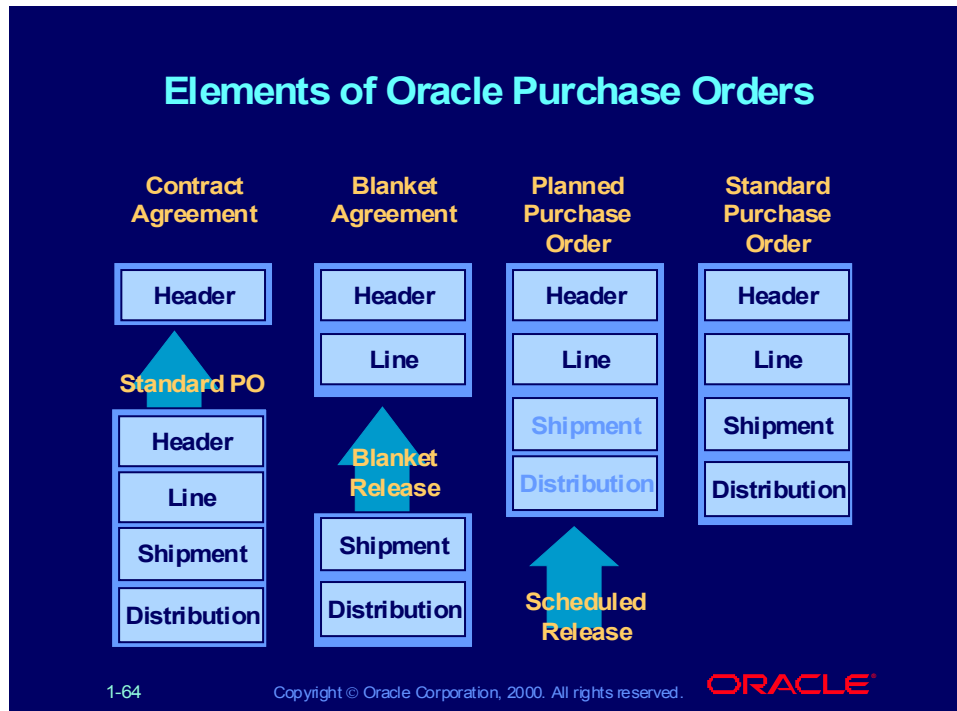
14. Click on the Shipments button:
 - a. Select V1 from the Org LOV.
 - b. Select V1-New York City from the Location LOV.
15. Click on the Distributions button and verify that your preferences defaulted in.
16. Save your work, then close the Distributions and Shipments windows.
17. Write down the purchase order number.
18. Click on the Approve button:
 - a. Check the Submit for Approval box.
 - b. When the approval is complete, close the Purchase Orders window.

Purchase Order Elements

- There are structural differences which distinguish the four purchase order types:
 - The standard purchase order is the most complete
 - All the other purchase order types represent some combination of the basic elements of the standard order



Elements of Oracle Purchase Orders



Agenda

Agenda

- Understanding the create purchase order process
- Creating standard purchase orders
- **Creating contract purchase agreements**
- Creating blanket purchase agreements
- Creating planned purchase orders
- Approving purchase orders
- Managing changes to purchase orders
- Oracle Applications in the purchase order process
- Summary

1-65

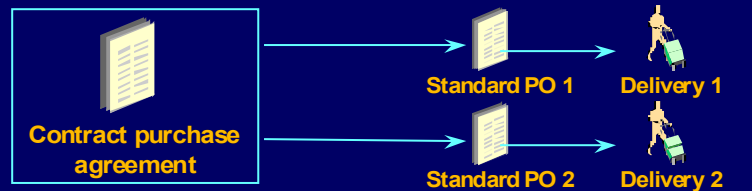
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When to Use a Contract Purchase Agreement

When to Use a Contract Purchase Agreement

- **Contract Purchase Agreement:**
 - Details of goods or services to be purchased are not known
 - Terms and conditions are specified with your supplier
 - You reference contract purchase agreements directly on standard purchase order lines



1-66

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Contract Purchase Agreements

You create contract purchase agreements with your suppliers to agree on specific terms and conditions without indicating the goods and services that you will be purchasing.

A contract purchase agreement is an agreement between you and a supplier for unspecified goods or services. This agreement may include terms and conditions, committed amount and an effective and expiration date. You reference contract purchase agreements directly on standard purchase order lines created manually or in Internet Procurement. Oracle Purchasing monitors the amount you have spent against contract purchase agreements.

Entering Contract Purchase Agreement Header Information

Entering Contract Purchase Agreement Header Information

Enter the purchase order header information PLUS:

- Amount of agreement
- Payment terms
- Effective date
- Expiration date
- Amount limit
- Minimum release amount



1-67

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Purchasing Responsibility

(N) Oracle Purchasing > Purchase Orders > Purchase Orders

Entering Contract Purchase Agreement

Entering Contract Purchase Agreement

Terms and Conditions

Terms

Agreement Controls

Effective Date Expiration Date

Amount Limit

Minimum Release

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Contract Agreement

Purchasing Responsibility

(N) Oracle Purchasing > Purchase Orders > Purchase Orders (B) Terms

“Entering Purchase Agreement Information” is an *Oracle Purchasing Users Guide* topic or available as a Help topic available from:

(Help) Oracle Purchasing > Purchase Orders > Creating Purchase Orders > Entering Purchase Agreement Information

Demonstration

In Oracle Purchasing we will demonstrate how to:

- **Navigate to the Purchase Orders window**
- **Enter contract purchase agreement header information:**
 - **Top of window order details**
 - **Currency**
 - **Terms**
 - **Agreement conditions**

Why Use a Contract Purchase Agreement?

Why Use a Contract Purchase Agreement?

- Long-term agreement
 - Favorable terms
 - Favorable conditions
 - Favorable pricing
- Details of purchases not specified in agreement
 - Specified in standard purchase order
- Can be used for automatic standard purchase order creation



Contract Purchase Agreement

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Automatic Purchase Orders

Automatic generation of standard purchase orders can be done using the Create Purchase Order workflow. For more information see the Automatic Purchase Order Creation course or refer to the “Workflow for Creating Purchase Orders and Releases” topic in the Oracle Purchasing Users Guide.

Guided Practice 2: Entering a Contract Purchase Agreement

Guided Practice 2: Entering a Contract Purchase Agreement

Your company just completed lengthy negotiations with Office Supplies, Inc. which has resulted in very favorable terms and conditions in exchange for a promise to do \$100,000 worth of business with them over the next year. You have been asked to enter the contract agreement.

1-71

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1. Purchasing Responsibility: (N) Purchase Orders > Purchase Orders
2. Select Contract Purchase Agreement from the Type LOV.
3. Select Office Supplies, Inc. from the Supplier LOV.
4. Select OFFICESUPPLIES from the Site LOV.
5. Select Olden, Maxwell from the Contact LOV.
6. Enter Amt Agreed: 100,000
7. Click on the Terms button
8. Select 4/10, 3/20, 2/30 Net 60 from the Payment LOV.
9. Make the agreement good for one year effective with today's date.
10. The maximum to be paid out on this agreement is \$105,000. Enter that in Amount Limit.
11. A written acceptance of this agreement is required. Check the Acceptance box and select a date one week from today in the By field.
12. Save and approve this contract. Write down the contract number for use on a purchase order.
13. Enter a standard purchase order using the details below and reference the contract number from step 12 above.
 - a. Order 1000 of part CM86324 from Office Supplies, Inc.
 - b. They are needed by the middle of next week by our M1 Seattle inventory organization, and should be shipped to Seattle.

- c. They should be delivered to Stores subinventory in Seattle.
- 14. Check to make sure you referenced your contract under the Reference Documents tab, then save and approve your purchase order. Write down the number.
- 15. Query your contract using the number from step 12. Verify that your amount from the standard purchase order completed in step 13 & 14 shows as the Released amount.

Agenda

Agenda

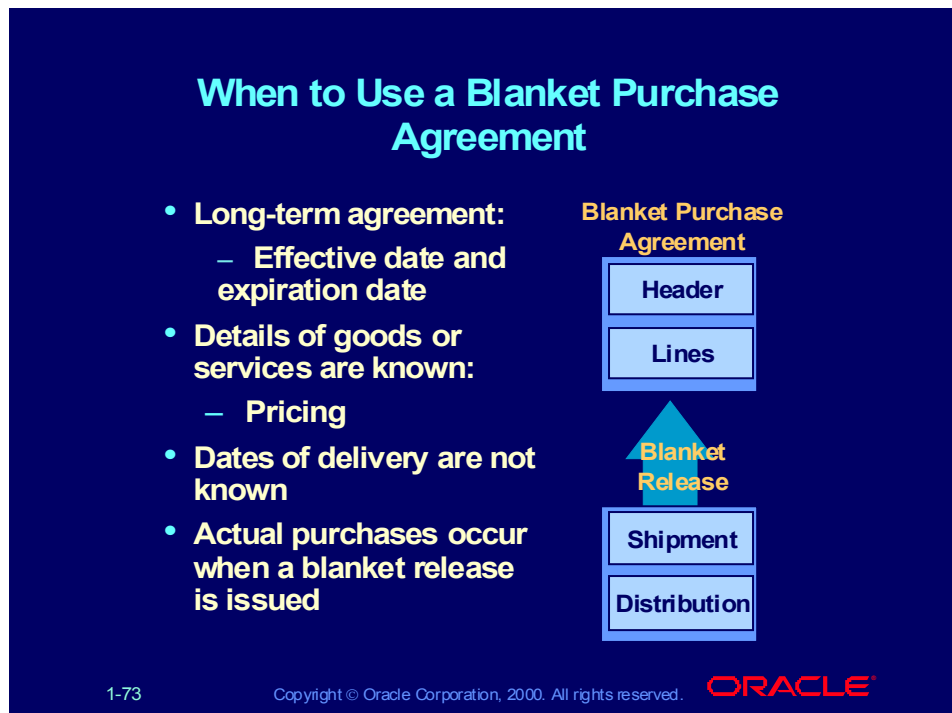
- Understanding the create purchase order process
- Creating standard purchase orders
- Creating contract purchase agreements
- **Creating blanket purchase agreements**
- Creating planned purchase orders
- Approving purchase orders
- Managing changes to purchase orders
- Oracle Applications in the purchase order process
- Summary

1-72

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When to Use a Blanket Purchase Agreement



Blanket Purchase Agreements

Blanket purchase agreements and releases allow you to negotiate a stable, long-term contract while maintaining flexible delivery schedules and order quantity commitments. You create blanket purchase agreements when you know the details of the goods or services you plan to buy from a specific supplier in a period, but you do not yet know the detail of your delivery schedules. You can use blanket purchase agreements to specify negotiated prices for your items before actually purchasing them.

A blanket purchase agreement is a type of purchase order you issue before you request actual delivery of goods or services. You normally create a blanket purchase agreement to document a long-term supplier agreement as it must contain an effective date and an expiration date.

A blanket purchase agreement release is an actual order of goods or services you issue against a blanket purchase agreement. The blanket purchase agreement determines the characteristics and the prices of the items. You create the release manually or in Internet Procurement to specify the actual quantities and dates ordered for the items.

Entering Blanket Purchase Agreement Header Information

Entering Blanket Purchase Agreement Header Information

Enter the purchase order header information PLUS:

- Amount of agreement
- Payment terms
- Effective date
- Expiration date
- Amount limit
- Minimum release amount

1-74

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Purchasing Responsibility

(N) Oracle Purchasing > Purchase Orders > Purchase Orders

Entering Blanket Purchase Agreement Line Information

Entering Blanket Purchase Agreement Line Information

Enter the purchase order line information PLUS:

- Allow Price Override
- Minimum release amount
- Quantity agreed
- Amount agreed
- Cumulative pricing
- Price Breaks

1-75

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Purchasing Responsibility:

(N) Oracle Purchasing > Purchase Orders > Purchase Orders (T) Items

(N) Oracle Purchasing > Purchase Orders > Purchase Orders (T) Agreement

(N) Oracle Purchasing > Purchase Orders > Purchase Orders (B) Price Breaks

Entering Blanket Purchase Agreement

The screenshot shows a web-based form titled "Entering Blanket Purchase Agreement" in red text. The form is set against a dark blue background. It features a main container with a light blue border. Inside, there's a section titled "Purchase Orders" in blue text. Below this, there's a "Header" section. The main body of the form contains four input fields arranged in a 2x2 grid: "Minimum Release", "Quantity Agreed", "Amount Agreed", and "Cumulative Pricing". At the bottom right, there's a "Price Breaks" button. The footer of the form includes the text "1-76", "Copyright © Oracle Corporation, 2000. All rights reserved.", and the "ORACLE" logo in red.

Purchase Orders	
Header	
Minimum Release	Quantity Agreed
Amount Agreed	Cumulative Pricing
Price Breaks	

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Blanket Agreement Information

Purchasing Responsibility

(N) Oracle Purchasing > Purchase Orders > Purchase Orders

(T) Agreement

Entering Blanket Purchase Agreement Price Breaks

**Entering Blanket Purchase Agreement
Price Breaks**

Price Breaks	
Organization	Ship-To Location
Quantity	Break Price
Discount (%)	

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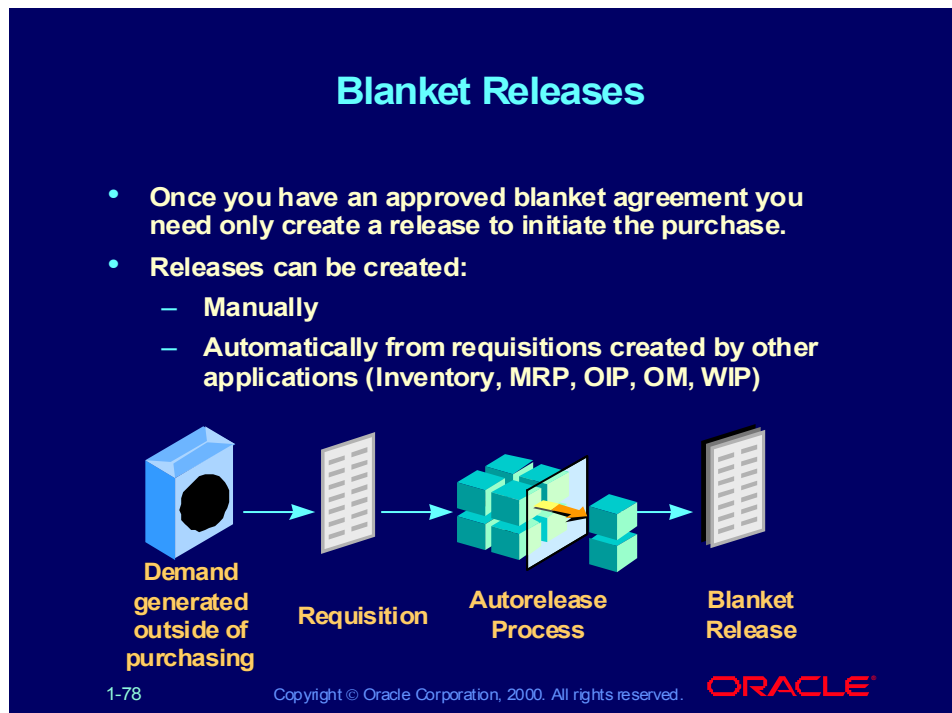
Blanket Agreement Price Breaks

Purchasing Responsibility

(N) Oracle Purchasing > Purchase Orders > Purchase Orders

(B) Price Breaks

Blanket Releases



Blanket Release

Purchasing Responsibility

(N) Oracle Purchasing > Purchase Orders > Releases

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


(Help) Oracle Purchasing > Purchase Orders > Creating Releases > Entering Release Headers

Note that automatic creation of releases can be accomplished several ways and is covered in depth in the *Automatic Purchase Order Creation* course.

Why Use a Blanket Purchase Agreement?

Why Use a Blanket Purchase Agreement?

- Long-term agreement:
 - Favorable terms, conditions, and pricing
- Details of purchases are specified in agreement:
 - Goods or services
- Used when demand for goods or services is repetitive but the quantity and delivery date are not known in advance
- Releases can be automated



Blanket Purchase Agreement

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Automatic Releases

Automatic generation of blanket release can be done using the PO Create Documents workflow or a concurrent program. For more information see the Automatic Purchase Order Creation course or refer to the “Workflow for Creating Purchase Orders and Releases” topic in the Oracle Purchasing Users Guide.

Use By Internet Procurement

Internet Procurement automatically creates blanket releases from manually created blanket agreements through the workflow mentioned above.

Notification Controls

Notification Controls

- Available for blanket, planned, and contract orders
- You can be notified when conditions occur within a timeframe that you set:
 - Amount not released
 - Amount released
 - Agreement expiration
- You can specify the number of days before expiration for the notification
- You can specify a percent or amount condition

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Notification Controls

Purchasing Responsibility

(N) Oracle Purchasing > Purchase Orders > Purchase Orders (M) Tools

> Notification Control

“Entering Notification Controls” is an *Oracle Purchasing Users Guide* topic or available as a Help topic available from:

Oracle Purchasing > Purchase Orders > Creating Purchase Orders > Entering Notification Controls

Demonstration

In Oracle Purchasing we will demonstrate how to:

- **Navigate to the Purchase Orders window**
- **Enter blanket purchase agreement header information:**
 - **Agreement amount**
 - **Currency**
 - **Terms and conditions**
 - **Notification controls**
- **Enter a blanket line item**

Review Question

Review Question

Which of the following would be used if you didn't know what specific goods you needed?

- 1. Standard Purchase Order**
- 2. Contract Agreement**
- 3. Blanket Agreement**
- 4. Planned Purchase Order**
- 5. Express Receipt**

1-82

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Review Question

Review Question

Which of the following would be used if you didn't know what specific goods you needed?

1. Standard Purchase Order
2. **Contract Agreement**
3. Blanket Agreement
4. Planned Purchase Order
5. Express Receipt

1-83

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Guided Practice 3: Entering a Blanket Purchase Agreement

Guided Practice 3: Entering a Blanket Purchase Agreement

Again your buyers have negotiated a great deal with one of your suppliers, Advantage Corp.. This time for specific parts at a discount. You have been asked to enter the blanket agreement.

1-84

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1. Purchasing Responsibility: (N) Purchase Orders > Purchase Orders
2. Select Blanket Purchase Agreement from the Type LOV.
3. Select Advantage Corp. from the Supplier LOV.
4. Select ADVANTAGE - US from the Site LOV.
5. Select Adams, Alan from the Contact LOV.
6. Enter Amt Agreed: 225,000
7. Click on the Terms button
8. Select 4/10, 3/20, 2/30 Net 60 from the Payment LOV.
9. Make the agreement good for two years effective with today's date.
10. The maximum to be paid out on this agreement is \$235,000. Enter that in Amount Limit.
11. A price increase tolerance of 7.5% will be allowed. Enter that in Price Update Tolerance.
12. Under the Items tab enter CM76840 as the Item.
12. Under the Price Reference tab check the check box for Allow Price Override.
13. Click on the Price Breaks button:
 - a. On the first line enter 5 for Quantity and 1 in the Discount field.
 - b. On the next line enter 25 for Quantity and 2 in the Discount field.
 - c. On the next line enter 100 for Quantity and 5 in the Discount field.

14. Close the Price Breaks window and save your blanket purchase order. Write down the number.

14. You want a notification 90 days before expiration:

- a. Click on Tools, then Notification Control.
- b. Select Expiration from the Condition LOV.
- c. Enter 90 in the Warning Delay field.
- d. Verify that the From date has been calculated correctly by the system.
- e. Click on the Done button.

15. Click on Approve, then OK to submit your order for approval.

A few days later you receive a paper requisition for the CM76840 part on your blanket. Create a release for this requisition.

14. (N) Purchase Orders > Release

15. Enter your blanket order number from step 14.

16. In the Shipments Tab:

- a. Enter 1 in the Line field.
- b. Tab over to the Quantity field. Note the price.
- c. Enter 5 in the Quantity field and press tab. What did the price change to?
- d. Select tomorrow's date from the Need-By LOV.

17. Click on the Distributions button:

- a. Verify the Destination Type of Inventory.
- b. Click on the Charge Account field. What happens? Can you change it?

18. Open the More Tab region in Distributions:

- a. Enter MM-Req888 in the Requisition field.
- b. Enter 1 in the Line field.

19. Save your release.

20. Close the Distributions and Shipments window.

21. Approve your release.

22. Close the Release window and return to the Purchase Orders window:

- a. Query up your blanket using the number from step 14.
- b. Verify the amount of your release in the Released field.

Agenda

Agenda

- Understanding the create purchase order process
- Creating standard purchase orders
- Creating contract purchase agreements
- Creating blanket purchase agreements
- **Creating planned purchase orders**
- Approving purchase orders
- Managing changes to purchase orders
- Oracle Applications in the purchase order process
- Summary

1-85

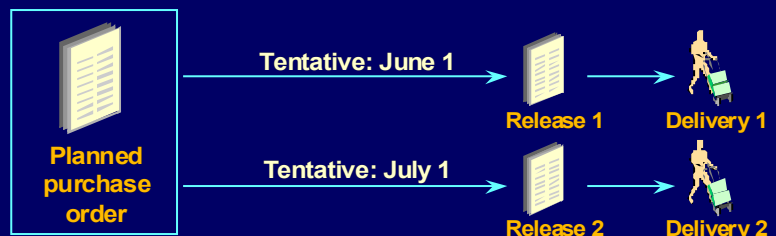
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When to Use Planned Purchase Orders

When to Use Planned Purchase Orders

- **Planned Purchase Order**
 - **Dates of delivery tentatively scheduled**
 - **Details of services or goods are known**
 - **Actual purchases occur when a scheduled release is issued**



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Planned Purchase Orders

You create a planned purchase order when you want to establish a long term agreement with a single source supplier with a commitment to buy goods or services. Planned purchase orders include tentative delivery schedules and accounting distributions. You then create scheduled releases against the planned purchase order to actually order the goods or services.

A planned purchase order is a type of purchase order you issue before you order actual delivery of goods and services for specific dates and locations.

A scheduled release is issued against a planned purchase order to place the actual order. You can also change the accounting distributions on each release and the system will reverse the encumbrance for the planned purchase order and create a new encumbrance for the release.

Planned and standard purchase orders are the same in overall document content with three exceptions:

- You cannot associate a contract with a planned purchase order line.
- You can specify agreement controls for planned purchase orders.
- Planned orders are only available in Oracle Purchasing.

Entering Planned Purchase Order Header Information

Entering Planned Purchase Order Header Information

Enter the standard order header information PLUS:

- **Amount of agreement**
- **Payment terms**
- **Effective date**
- **Expiration date**
- **Amount limit**
- **Minimum release amount**

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Purchasing Responsibility

(N) Oracle Purchasing > Purchase Orders > Purchase Orders (B) Terms

Entering Planned Purchase Order Line Information

Entering Planned Purchase Order Line Information

Enter the standard purchase order line information
PLUS:

- **Allow Price Override**
- **Minimum release amount**
- **Cumulative pricing**

1-88

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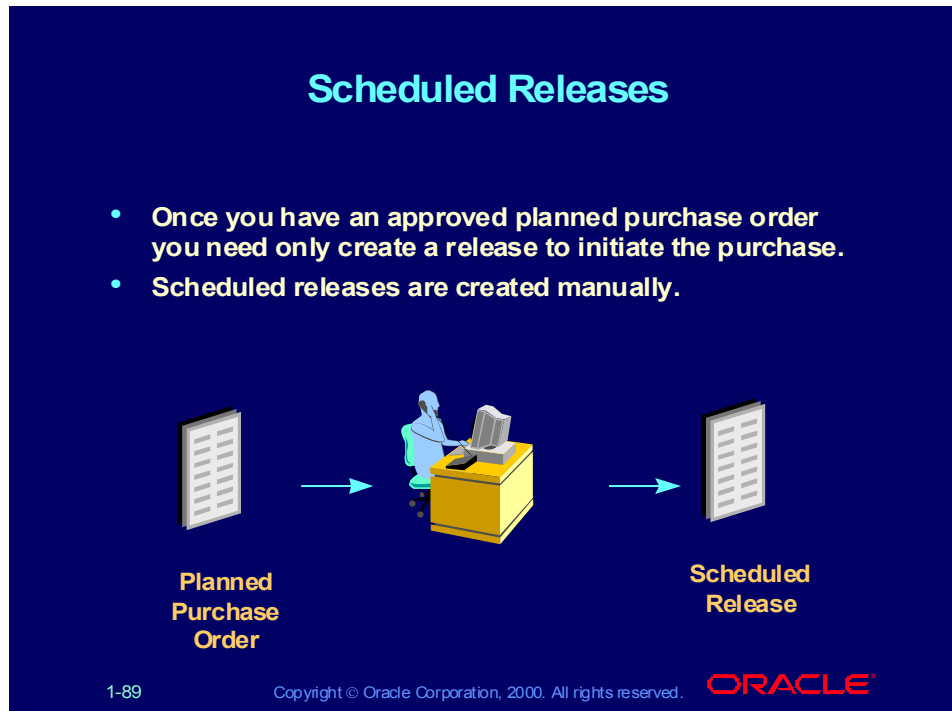
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Purchasing Responsibility:

(N) Oracle Purchasing > Purchase Orders > Purchase Orders (T) Items

(N) Oracle Purchasing > Purchase Orders > Purchase Orders (T) Agreement

Scheduled Releases



Scheduled Releases

Purchasing Responsibility

(N) Oracle Purchasing > Purchase Orders > Releases

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

(Help) Oracle Purchasing > Purchase Orders > Creating Releases > Entering Release Headers

Demonstration

In Oracle Purchasing we will demonstrate how to:

- **Navigate to the Purchase Orders window**
- **Enter planned purchase order information:**
 - **Agreement amount**
 - **Currency**
 - **Terms and conditions**
 - **Notification controls**
- **Enter a planned order line item**
- **Enter a scheduled release**

Why Use a Planned Purchase Order?

Why Use a Planned Purchase Order?

- **Long-term agreement:**
 - Favorable terms
 - Favorable conditions
 - Favorable pricing
- **Details of purchases are specified in agreement:**
 - Goods or services
- **Used when demand for goods or services is repetitive and delivery is to be scheduled over a period of time**
- **Used to encumber the amount of a long-term agreement**



**Planned
Purchase
Order**

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Review Question

Which of the following would be used if you knew what goods you wanted but weren't sure of when or how much?

1. **Planned Purchase Order**
2. **Contract Agreement**
3. **Blanket Agreement**
4. **Standard Purchase Order**
5. **Notification Controls**

Review Question

Review Question

Which of the following would be used if you knew what goods you wanted but weren't sure of when or how much?

1. Planned Purchase Order
2. Contract Agreement
3. **Blanket Agreement**
4. Standard Purchase Order
5. Notification Controls

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Review Question

Review Question

Only a standard purchase order can reference a contract purchase agreement.

True

False

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Review Question

Review Question

Only a standard purchase order can reference a contract purchase agreement.

True

False

1-95

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Review Question

Which of the following would be used if you didn't know what specific goods or services were to be ordered but wanted to guarantee favorable terms and conditions?

- 1. Planned Purchase Order**
- 2. Contract Agreement**
- 3. Blanket Agreement**
- 4. Standard Purchase Order**
- 5. Notification Controls**

Review Question

Which of the following would be used if you didn't know what specific goods or services were to be ordered but wanted to guarantee favorable terms and conditions?

1. Planned Purchase Order
2. **Contract Agreement**
3. Blanket Agreement
4. Standard Purchase Order
5. Notification Controls

Agenda

Agenda

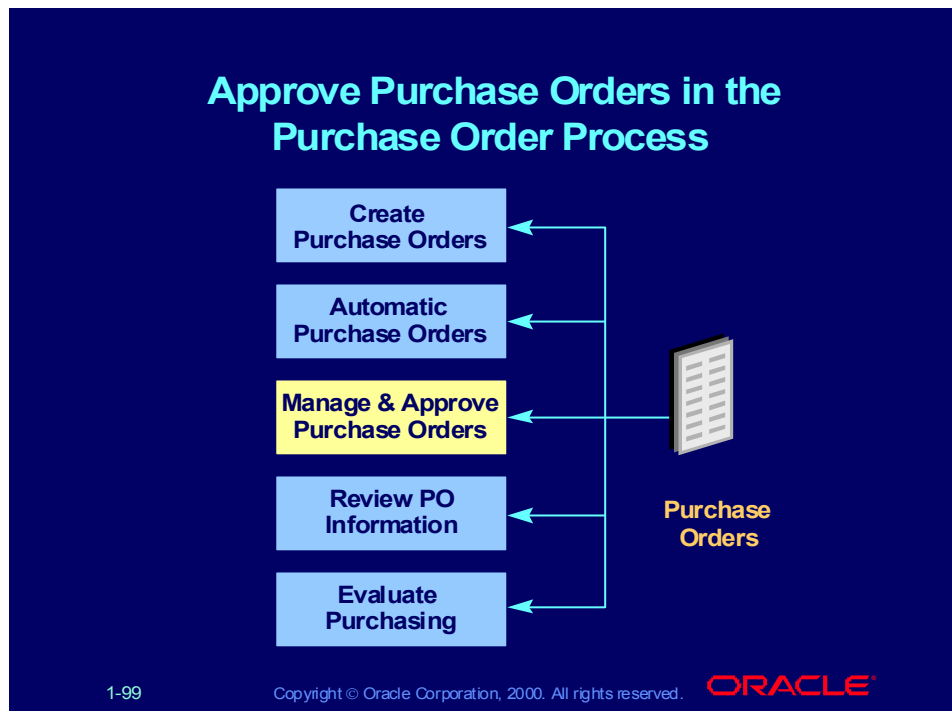
- Understanding the create purchase order process
- Creating standard purchase orders
- Creating contract purchase agreements
- Creating blanket purchase agreements
- Creating planned purchase orders
- **Approving purchase orders**
- Managing changes to purchase orders
- Oracle Applications in the purchase order process
- Summary

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Approve Purchase Orders in the Purchase Order Process



Approval Objectives

- **Setting up document approval:**
 - **Defining your document security and access levels**
 - **Defining your document approval process**
 - **Defining your document routing**

Document Security, Approval Limits, and Approval Routing

Document Security, Approval Limits, and Approval Routing

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

1-101

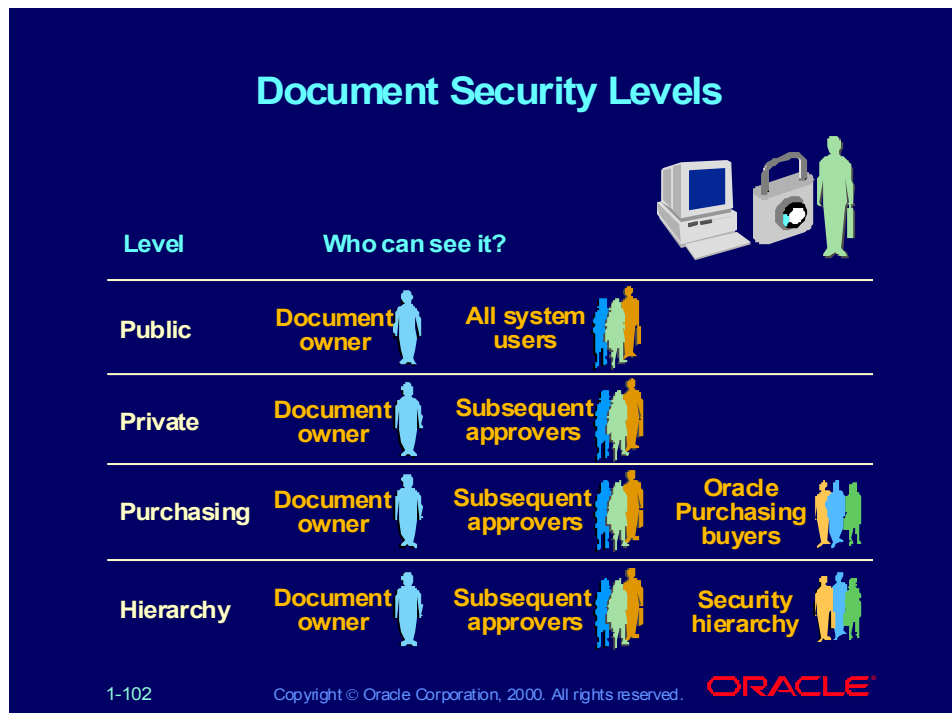
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“Setting Up Document Approval and Security” is an *Oracle Purchasing Users Guide* topic or available as a Help topic available from:

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

Document Security Levels









Document Security

“Document Security and Access” is an *Oracle Purchasing Users Guide* topic or available as a Help topic:

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

Document Access Levels

Document Access Levels			
Level	Access (What can they do?)		
View Only	 View		
Modify	 View	 Change	
Full	 View	 Change	 Cancel or Final Close

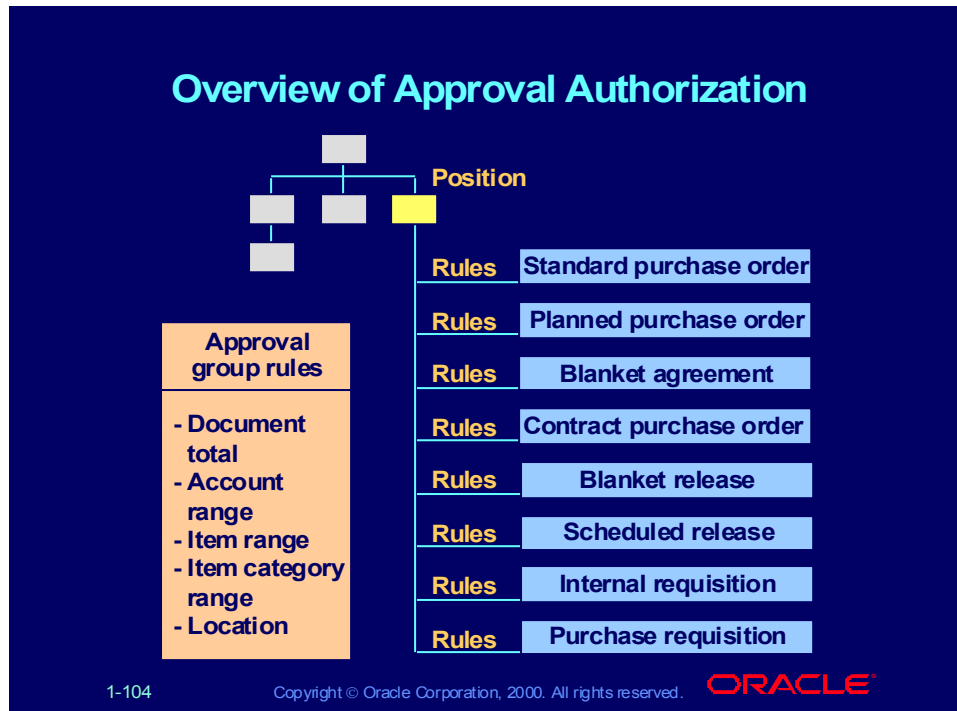
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Document Access

“Document Security and Access” is an *Oracle Purchasing Users Guide* topic or available as a Help topic:

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

Overview of Approval Authorization



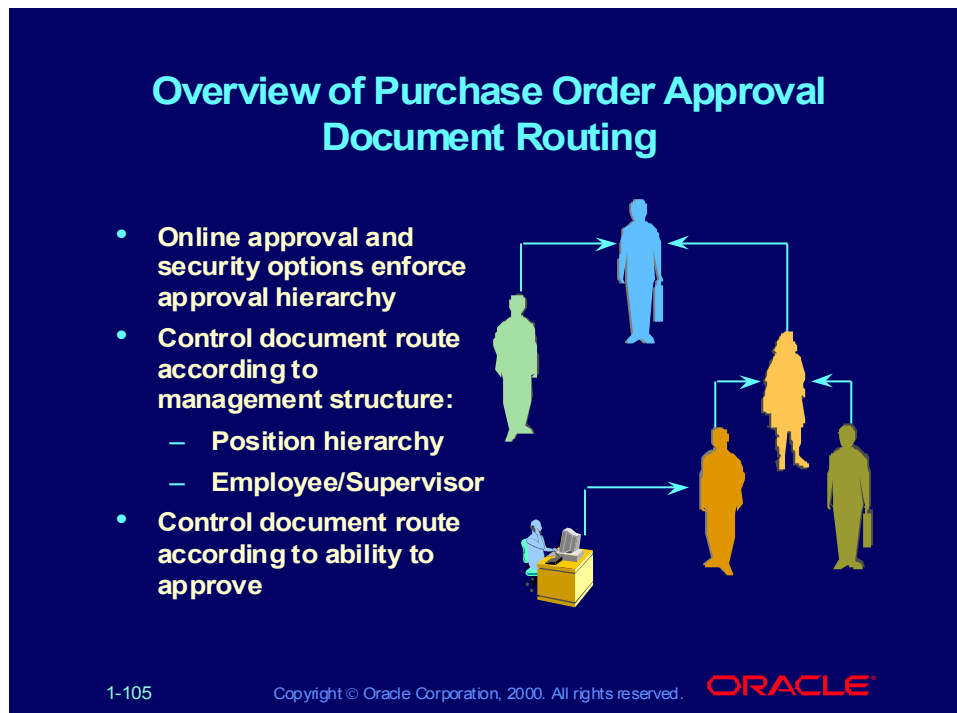
Approval Assignments

Rules above are the approval groups. Approval assignments link document types, rules, and position.

“Approval Authorization Control” is an *Oracle Purchasing Users Guide* topic or available as a Help topic:

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

Overview of Purchase Order Approval Document Routing



Approval Routing

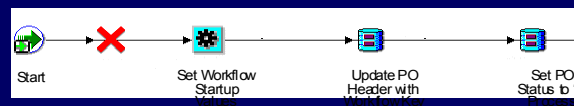
“Approval Routing” is an *Oracle Purchasing Users Guide* topic or available as a Help topic:

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

Purchase Order Approval Workflow

Purchase Order Approval Workflow

- Uses the approval controls and hierarchies you defined to automatically route your purchase order for approval
- Provides notifications to concerned parties
- View status using graphical Workflow Monitor



Options for Security, Approval Limits, and Approval Routing

Options for Security, Approval Limits, and Approval Routing

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

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Review Question

Review Question

With the Oracle Purchasing approval controls you can limit approval of goods with a certain description.

True

False

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Review Question

Review Question

With the Oracle Purchasing approval controls you can limit approval of goods with a certain description.

True

False

1-109

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Review Question

Which of the following can be used to limit approvals?

- 1. Item**
- 2. Charge account**
- 3. Document type**
- 4. Location**
- 5. All of the above**

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Review Question

Review Question

Which of the following can be used to limit approvals?

1. Item
2. Charge account
3. Document type
4. Location
5. All of the above

1-111

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Review Question

Review Question

One advantage of a position hierarchy is that it doesn't have to be changed every time your supervisor changes.

True

False

1-112

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Review Question

Review Question

One advantage of a position hierarchy is that it doesn't have to be changed every time your supervisor changes.

True

False

1-113

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Demonstration

Demonstration

In Oracle Purchasing we will demonstrate how to:

- **Navigate to the Document Types window**
- **Display the security and access settings for a standard purchase order:**
 - **Approval attributes**
 - **Security level**
 - **Access level**
 - **Forward method**
 - **Default hierarchy**

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Purchasing Responsibility

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

Agenda

Agenda

- Understanding the create purchase order process
- Creating standard purchase orders
- Creating contract purchase agreements
- Creating blanket purchase agreements
- Creating planned purchase orders
- Approving purchase orders
- **Managing changes to purchase orders**
- Oracle Applications in the purchase order process
- Summary

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Managing or Changing Purchase Orders: Purchase Order Actions

Managing or Changing Purchase Orders: Purchase Order Actions

If you have the security and access, you can do the following with purchase orders:

- Update purchase orders
- Print purchase orders
- View action history
- Change status:
 - Cancel or final close
 - Delete
- Purchase order inquiries

1-116

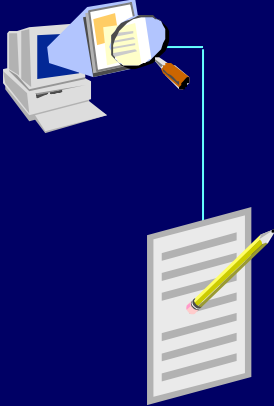
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How to Manage Purchase Orders: Updates

How to Manage Purchase Orders: Updates

- Use the Purchase Order Summary window find the purchase order you want to change
 - Use buttons at bottom of window for more detail
- Use the View menu in the Purchase Order window



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Purchase Order Summary

Purchasing Responsibility

(N) Oracle Purchasing > Purchase Orders > Purchase Order Summary

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

(Help) Oracle Purchasing > Purchase Orders > Finding Purchase Orders

Modifying Purchase Orders

Modifying Purchase Orders

You can access and modify your purchase orders.

- To change purchase order and releases:
 - Query the order
 - Enter your changes
 - Save your work
- You can provide additional requisition information to a standard purchase order.
- When you change a purchase order, Purchasing automatically increments the revision and in many cases will require document reapproval.

1-118

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Reapproval Rules

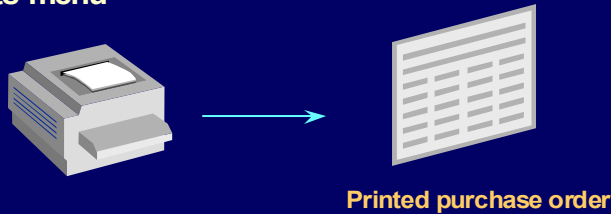
“Document Reapproval Rules” is an *Oracle Purchasing Users Guide* topic or available as a Help topic available from:

(Help) Oracle Purchasing > Purchase Orders > Document Revision Numbering > Document Reapproval Rules

Printing Purchase Orders

Printing Purchase Orders

- Only approved purchase orders can be printed
- From the Submit for Approval window:
 - Check the Print checkbox.
 - If faxing is enabled on your system you can also request faxing.
- Select the Printed Purchase Order report from the Reports menu



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Printing Purchase Orders

Purchasing Responsibility:

(N) Oracle Purchasing > Purchase Orders (B) Approve

(N) Oracle Purchasing > Reports (M) Printed Purchase Order Report

Help With Printing Purchase Orders

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

(Help) Oracle Purchasing > Purchase Orders > Printed Purchase Order Overview

Archiving Purchase Orders

Archiving Purchase Orders

Archive your purchase orders at the time of approval:

Action	Archive Revision	Current Revision
Step 1: Create purchase order	None	0
Step 2: Approve purchase order	0	0
Step 3: Change controlled information	0	1
Step 4: Change controlled information	0	1
Step 5: Approve purchase order	1	1
Step 6: Print purchase order	1	1

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Revision Archiving

Archiving is the process of recording all historical versions of approved purchase orders. The time of archive, approve or print, is determined by the Document Type window settings for the document.

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

(Help) Oracle Purchasing > Purchase Orders > Document Revision Numbering

Archiving Purchase Orders

Archiving Purchase Orders

Archive your purchase orders at the time of printing:

Action	Archive Revision	Current Revision
Step 1: Create purchase order	None	0
Step 2: Approve purchase order	None	0
Step 3: Change controlled information	None	0
Step 4: Approve purchase order	None	0
Step 5: Print purchase order	0	0
Step 6: Change controlled information	0	1
Step 7: Approve purchase order	0	1
Step 8: Change controlled information	0	1
Step 9: Print purchase order	1	1

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Purchase Order Action History

- View from the Purchase Order Summary window or many of the document windows.
 - Select document
 - View from Tools menu
 - Select Action History
- History of actions on this document includes:
 - Date
 - Action
 - Performed by

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View Action History

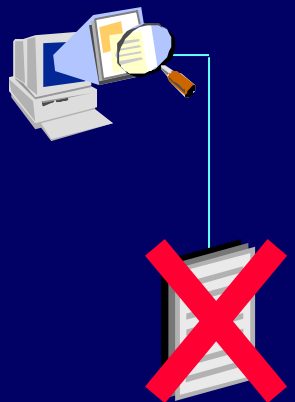
“Viewing Action History” is an *Oracle Purchasing Users Guide* topic or available as a Help topic available from:

(Help) Oracle Purchasing > Inquiries > Viewing Action History

How to Manage Purchase Orders: Document Controls

How to Manage Purchase Orders: Document Controls

- Use the Purchase Order Summary window find the purchase order you want to modify the status.
- Select Control Actions from the Tools menu.



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Purchase Order Summary

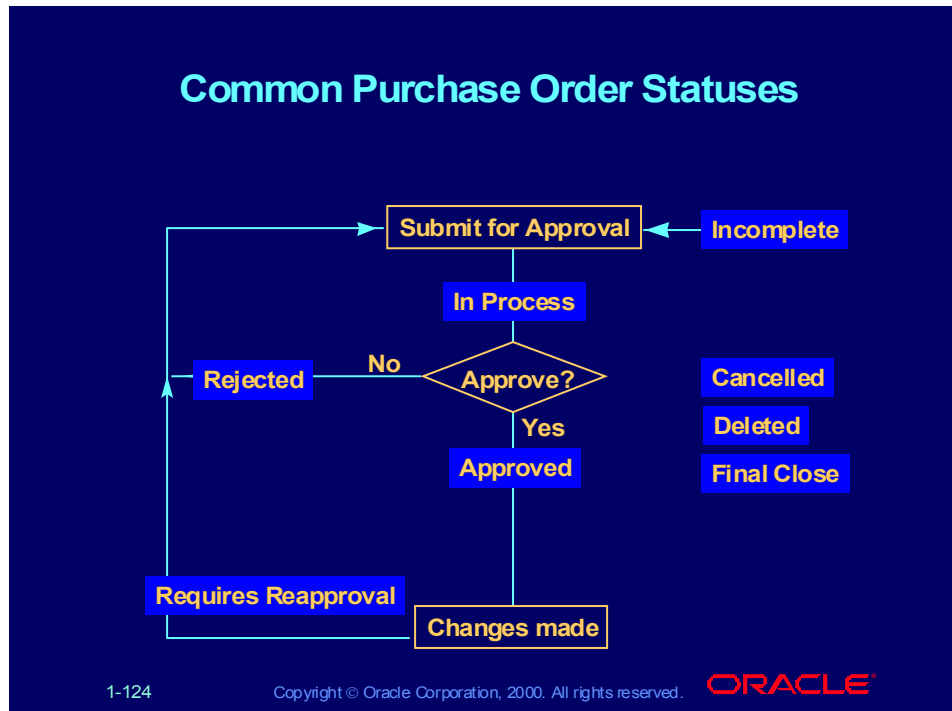
Purchasing Responsibility:

(N) Oracle Purchasing > Purchase Orders > Purchase Order Summary

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

(Help) Oracle Purchasing > Purchase Orders > Finding Purchase Orders

Common Purchase Order Statuses



Purchase Order Status

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

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

Copying Purchase Orders

Copying Purchase Orders

- You can copy purchase orders of any status
- Not limited to same order type:
 - Copy standard, blanket, or planned purchase order to the same
 - Copy bid quotation to a standard or planned purchase order
 - Copy a catalog quotation to a blanket purchase order
- Copy available in Purchase Order Summary, Purchase Orders, or Quotations window

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Copy Purchase Orders

Purchasing Responsibility:

(N) Oracle Purchasing > Purchase Orders > Purchase Order Summary (M) Tools > Copy Document

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

(Help) Oracle Purchasing > Purchase Orders > Copying Purchase Orders

Enter Acceptances for a Purchase Order

Enter Acceptances for a Purchase Order

- If purchase order was created with **Acceptance Required** checkbox selected.
- Enter supplier acceptance from the **Tools** menu in **Purchase Order** or **Purchase Order Summary** windows:
 - **Action**
 - **Action Date**
 - **Accepted By**



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Purchase Orders Acceptances

Purchasing Responsibility:

(N) Oracle Purchasing > Purchase Orders > Purchase Order Summary (M) Tools > Acceptances

“Entering and Viewing Purchase Order Acceptances” is an *Oracle Purchasing Users Guide* topic or available as a Help topic:

(Help) Oracle Purchasing > Purchase Orders > Entering and Viewing Purchase Order Acceptances

View Purchase Order Information

View Purchase Order Information

Use the Purchase Order Summary window to:

- Use search criteria to inquire at the header, line, shipment or distribution levels
- Use Oracle Applications Folder functionality to create a custom user inquiry
- Use the Tools menu to view associated:
 - Requisitions
 - Receipts
 - Invoices
- Use buttons at bottom of window for more detail
- Enter a new purchase order or release

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Purchase Order Summary

Purchasing Responsibility:

(N) Oracle Purchasing > Purchase Orders > Purchase Order Summary


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

(Help) Oracle Purchasing > Purchase Orders > Using the Purchase Order Summary

Attachments

Attachments

- An attachment provides additional information regarding the purchase order.
- An attachment can be one of the following:
 - File
 - URL
 - Text
- You can associate multiple attachments to a purchase order.



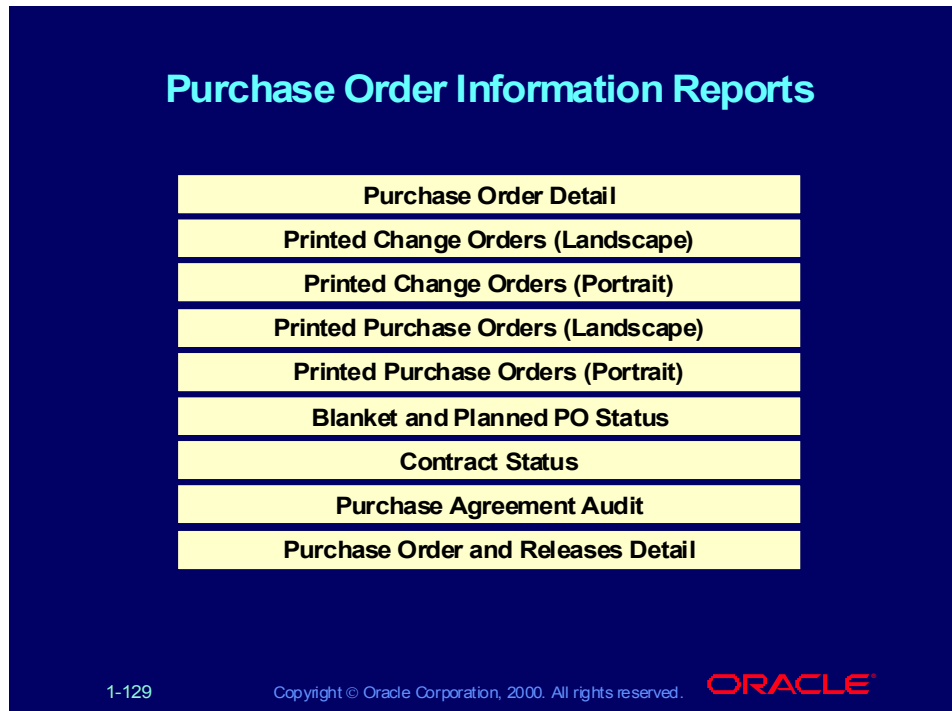
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Purchase Order Attachments

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

(Help) Oracle Purchasing > Setting Up > Annotating Purchasing Documents

Purchase Order Information Reports



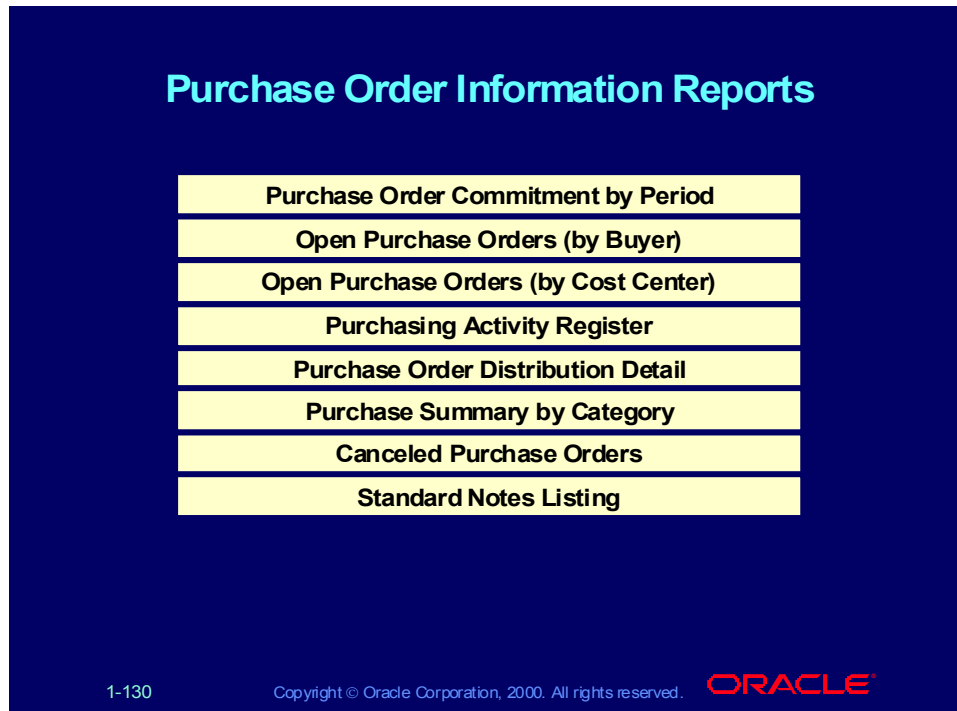
Purchase Order Reports

Purchasing Responsibility: (N) Oracle Purchasing > Reports

“Reports and Processes” is an *Oracle Purchasing Users Guide* topic or available as a Help topic available from:

(Help) Oracle Purchasing > Reports and Processes

Purchase Order Information Reports



Purchase Order Reports

Purchasing Responsibility: (N) Oracle Purchasing > Reports

“Reports and Processes” is an *Oracle Purchasing Users Guide* topic or available as a Help topic available from:

(Help) Oracle Purchasing > Reports and Processes

Review Question

Review Question

Changing controlled information on a purchase order requires that the order be approved again.

True

False

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Review Question

Review Question

Changing controlled information on a purchase order requires that the order be approved again.

True

False

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Review Question

Review Question

Which of the following would be the best window to navigate to if you needed to see the status of a purchase order shipment for item CM13674?

- 1. Purchase Order**
- 2. Purchasing Options**
- 3. Organization Items**
- 4. Purchase Order Summary**
- 5. All of the above**

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Review Question

Which of the following would be the best window to navigate to if you needed to see the status of a purchase order shipment for item CM13674?

1. Purchase Order
2. Purchasing Options
3. Organization Items
4. Purchase Order Summary
5. All of the above

Demonstration

Demonstration

In Oracle Purchasing we will demonstrate how to:

- **Navigate to the Purchase Order Summary window**
- **Find a previously entered purchase order**
- **View the Action History**
- **Cancel the purchase order**
- **Copy the canceled purchase order**

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Purchasing Responsibility:

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

Guided Practice 4: Copying a Purchase Order

Guided Practice 4: Copying a Purchase Order

Your buyers have negotiated a agreement renewal for next year with Advantage Corp.. You have been asked to update the old agreement creating a new one.

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1. Purchasing Responsibility: (N) Purchase Orders > Purchase Order Summary
2. Enter the agreement number from practice 3 in the Find window and click the Find button.
3. Verify that this is the agreement you created.
4. Open the Tools menu.
5. Select Copy Document.
6. Click OK in the Copy Documents window.
7. Click on the Terms button
8. Make the agreement good for one year effective after the end date of the old agreement that you created in practice 3.
9. Save your work.
10. Click on Approve, then OK to submit your order for approval.

Agenda

Agenda

- Understanding the create purchase order process
- Creating standard purchase orders
- Creating contract purchase agreements
- Creating blanket purchase agreements
- Creating planned purchase orders
- Approving purchase orders
- Managing changes to purchase orders
- **Oracle Applications in the purchase order process**
- Summary

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What Are the Business Needs for Manually Created Purchase Orders?

What Are the Business Needs for Manually Created Purchase Orders?

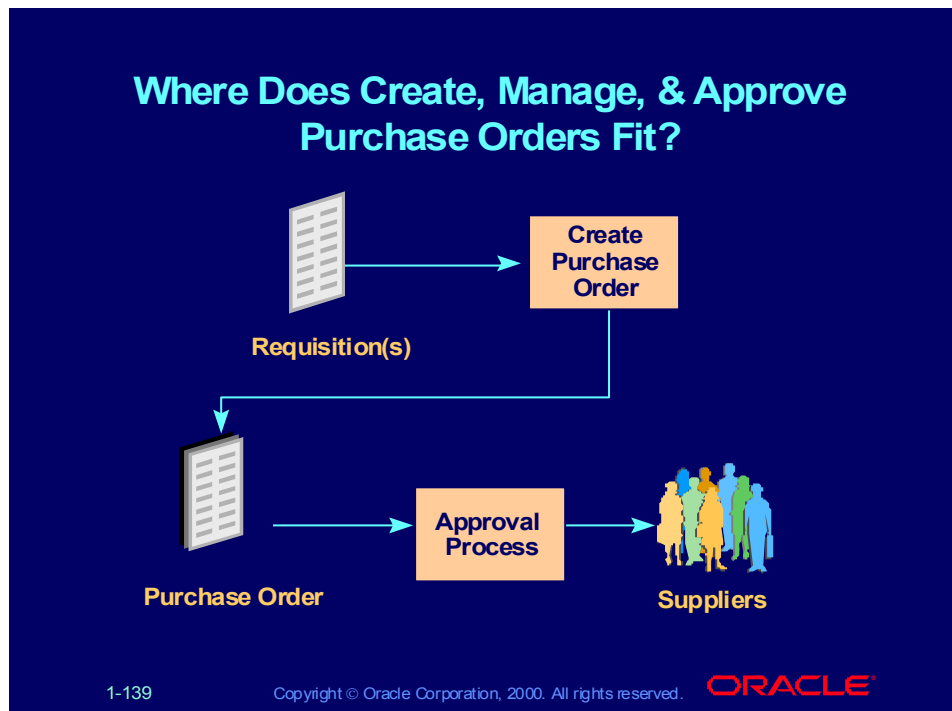
- **Define buying arrangements with suppliers**
- **Simplify the manual creation of purchase orders**
- **Expedite the manual creation of purchase orders**
- **Automate the manual creation of purchase orders whenever possible**
- **Flexible defaulting and override of critical information**

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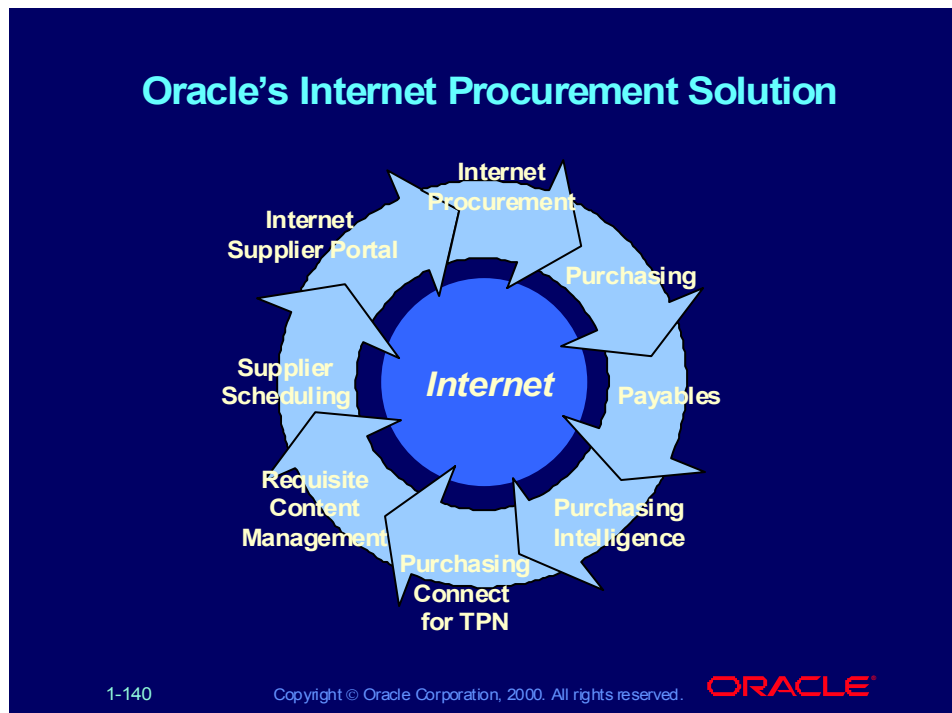
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Where Does Create, Manage, & Approve Purchase Orders Fit?



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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Manually Create Purchase Orders Using Oracle Internet Procurement Solution

Manually Create Purchase Orders Using Oracle Internet Procurement Solution

- All critical information defaults
- All defaulted information can be changed
- Electronic purchase orders:
 - Fax
 - EDI
 - XML
 - Internet Supplier Portal
- Flexible and automated approval process

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Manually Create Purchase Orders Using Oracle Internet Procurement Solution

Manually Create Purchase Orders Using Oracle Internet Procurement Solution

Internet Procurement Solution 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 the create purchase order process
- Creating standard purchase orders
- Creating contract purchase agreements
- Creating blanket purchase agreements
- Creating planned purchase orders
- Oracle Applications in the create purchase order process
- **Summary**

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Create, Manage, and Approve Purchase Orders Summary

Create, Manage, and Approve Purchase Orders Summary

In this course, you have learned to:

- Describe how the different types of purchase orders fit into the procurement process
- Create the four different types of purchase orders
- Identify the controls that allow flexible management and approval of purchase orders
- Explain how the purchase order 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/internetprocurement/index.html>
- **Oracle Purchasing Users Guide, Release 11i**