



Cynclly

FeneVision® Best Practice

Purchasing Setup and Configuration

Introduction

The purpose of this document is to outline the implementation process required for the Purchasing Module (PO Module). The PO Module improves the time it takes a user to purchase a product and keeps the history in a central location. The PO Module includes tracking the inventory of a part and gives the user a history of when a Purchase Order (PO) was created, received, and invoiced.

The PO Module is directly dependent on the existence of accurate Bill of Material and inventory configuration. Inventory relief issues should be dealt with prior to implementing the PO Module.

Prerequisites for Implementation

The following information should be gathered by the user and provided to FeneTech.

- Review the accounting software and system interface being used
 - FeneTech will analyze and import data that can be imported from the accounting software
 - Inventory Transaction and PO Invoice syncs may depend on the interface being used
- A list of all vendors for the system (if not imported from the accounting software)
- A list of all the parts ordered from each vendor
 - Including, but not limited to: Purchasing UOM, Price, Vendor Part Number
- Additional UOM information for the parts being purchased

Vendor Setup

Vendor Setup's Parts tab is used to configure those parts available for purchase from the selected vendor. Typing in a Vendor Part Number is all that is required for a part to be purchasable from that vendor in PO Entry. However, there are other critical settings to be aware of to ensure proper usage.

- Purchase Price UOM is the Cost UOM from Inventory Setup and cannot be changed
- Stock UOM is the Stock UOM in Inventory Setup and cannot be changed
- Purchasing UOM is the default UOM selected when the given part is ordered in PO Entry
 - This is often the most critical setting
 - This default is helpful for users to ensure they have a valid UOM by default in PO Entry
 - *Note: When the UOM is changed in PO Entry, the system converts all costs as expected*

Note: For users using Glass Setup, the Purchasing UOM must match the Stock UOM, in order to use the vendor price book calculation features.

Common mistakes:

- The UOM can be changed in PO Entry, so users may choose a UOM that cannot be ordered from that vendor

Vendor Part Examples

The following are example configurations for various types of parts in Vendor Setup.

Vinyl

Vinyl Purchasing UOMs can vary but are typically a STICK or BOX.

Each/Piece

Nut, bolt and screw Purchasing UOMs can vary but are typically EACH or BOX.

Child (Stock Sheet) Glass Parts

Glass stock sheet parts should have a Purchasing UOM and Stock UOM of the sheet size. The Purchase Price UOM is typically in SqFt/SqM. At the point of PO entry, the sheet is essentially an each part, so do NOT enter width and height dimensions on the PO.

Parent Glass Parts

Parent Glass Parts should never be ordered.

Serialized Glass Parts

Serialized Glass Parts Purchasing UOMs don't do much. All the configuration that is used is taken from the Child Glass Parts, so if that configuration is correct, these parts will work as well. Typically, the Purchasing UOM is just EACH.

Interlayers (e.g., PVB, EVA, SGP)

Interlayer Purchasing UOMs can vary depending on setup but are typically SqFt/SqM or varying ROLL sizes.

Spacers

Spacer Purchasing UOMs can vary but are typically a STICK, ROLL or BOX.

Paint

Paint Purchasing UOMs can vary but are typically GALLON or LITER.

Vendor Price Book Setup

The price entered in the vendor price book should be in the same units at the Cost UOM in Inventory Setup. The Per field must be set to Item, the software calculates the price and cost properly based on UOM settings in Vendor and Inventory Setup. Typically, each vendor has their own price book defined.

Note: For complex scenarios like the system is in metric, but glass is purchased by the SqFt, a custom Purchase Price Multiplier can be defined in the Parts tab of Vendor Setup. Using this, glass can be stocked in SqM, but priced by the SqFt.

Vendor Pricing Examples

Vinyl

In the vinyl example, the Cost UOM in Inventory Setup was STICK. In the vendor price book, the Per field must be set to Item, while the List Price must correlate to the Cost UOM of STICK (also known as Purchase Price UOM in Vendor Setup).

Per	Rounding	Min Size	List Price
Item	---	---	\$13.593

Each/Piece

In the vendor price book, the Per field must be set to Item, while the List Price must correlate to the Purchase Price UOM in Vendor Setup.

Per	Rounding	Min Size	List Price
Item	---	---	\$0.0435

Note: The same logic applies to all remaining part types mentioned in the above section.

Setup

The following setup should be done to train the end users and test the system.

Setup Examples

FeneTech will configure the following examples for the user to reference when configuring the rest of the system. All examples will be based on the information provided in the [Prerequisites](#).

- Configure 2 vendors
 - The vendors should be an example where the user will purchase the same part from both vendors
 - Configure price books for the two vendors
- Configure a purchased part

- Configure a UOM Schedule
 - Ensure the part's UOM Schedule has multiple UOM Items

Setup Training

FeneTech will perform training with the example configuration. The training will be with the user's system administrator on how to configure the example that was created. The training will cover how to test efficiently using PO Entry, Receiving, and PO Invoicing.

Configuration

1. Set the PO# setting under Setup > Settings > Locations > Document Formats tab > "Next Number" column
 - a. **This should be done before entering any PO's into the system**
 - i. It is recommended to use a naming schema with at least six leading zeros
 2. Inventory/Vendor Category Assignments
 - a. Ensure that all inventoried and purchased parts are assigned to the proper vendor/inventory categories
 - i. It is recommended that the vendor and inventory categories are configured in 1 of 2 ways
 1. One-to-one – For each inventory category there is a corresponding vendor category
 - This results in one price book per vendor and category
 2. One global vendor category – There is only one vendor category that all parts are in
 - This results in one price book per vendor (regardless of part category)
3. Create UOM Schedules under Setup > Inventory > Unit of Measure
 - a. It is recommended that a new UOM Schedule is created for each container/crate/lineal/etc. size.
 - i. *Note: Changes to UOM Schedules should NOT be made after a UOM Schedule is assigned to an inventoried part. Ensure all UOM Schedules are fully configured before moving on. If changes need to be made, unassign the UOM Schedule and reassign it once the change has been made.*
4. Configure Inventory Setup for each part under Setup > Inventory > Inventory
 - a. See the Inventory Setup and Configuration guide for more detailed information
 - b. UOM Settings: UOM Schedule, Cost UOM, Stock UOM, BOM Primary UOM, BOM Secondary UOM, etc.
 - c. Dimensions (if applicable): Length, Weight, Height, Width
 - d. Cost of Items
 - e. Reorder Point (often and previously referred to as "low level")
5. Configure Vendor Setup once all vendor parts are assigned to categories under Setup > Vendors > Vendors
 - a. Add Vendor contact information: Address, Email, Fax, Phone, etc.
 - b. Add Trucking information (not typically used): UOM, Min Qty, Max Qty
 - c. Add Days of Inventory (not typically used): Increment, Decrement, Days needed
 - d. Add Financial Information: Discount (if applicable), Terms, Currency, Pricing (price book assignments), Surcharge (if applicable), Tax Schedule, F.O.B., Freight Taxable (if applicable)
 - e. Assign all parts to the proper vendor
 - i. Assign a Vendor Part Name
 - ii. Taxable (if applicable)
 - iii. Reorder Quantity
6. Configure Vendor Price Books
 - a. Create all the new price books
 - i. It is recommended that a new price book is created for each vendor and vendor category
 - b. Configure the pricing for each part
 - i. The price for each part could be the same as the cost in Inventory Setup
7. Pricing Setup
 - a. Landed cost code setup
 - b. Tax Title Setup
8. Misc. Configuration (if applicable)
 - a. Set pricing in Price Book Setup if the purchased or inventoried part is going to be marked as "orderable"

Using PO Module

Once a Vendor has been setup, a Purchased part has been created for the Vendor, a UOM schedule has been assigned to the Purchased part, and there is a Vendor Price Book associated with the Purchased Part, perform the following steps to confirm the PO Module is working as anticipated.

1. Create an Order where the Purchased part will be used
2. Go to Order Requirements
3. Select the Inventory category and Vendor
4. Select the Purchased parts
5. Select Create PO
6. Confirm the following is in the PO
 - a. The correct parts are added to the Purchased Order
 - b. The correct UOMs are on the Purchased Order for each part
 - c. The correct Price is returning for each Purchased Part

Inventory Requirements

The Inventory Requirements screen under the Purchasing tab in CORE is one of the most useful screens the PO Module has to offer. Assuming proper configuration and inventory deductions, this screen can be used to generate Purchase Orders for the 10 parts that are below their Reorder Point. There is a lot of information available in and uses for this screen, but this document will not go into each of those. A formal training would be the best option, but below are some of the features.

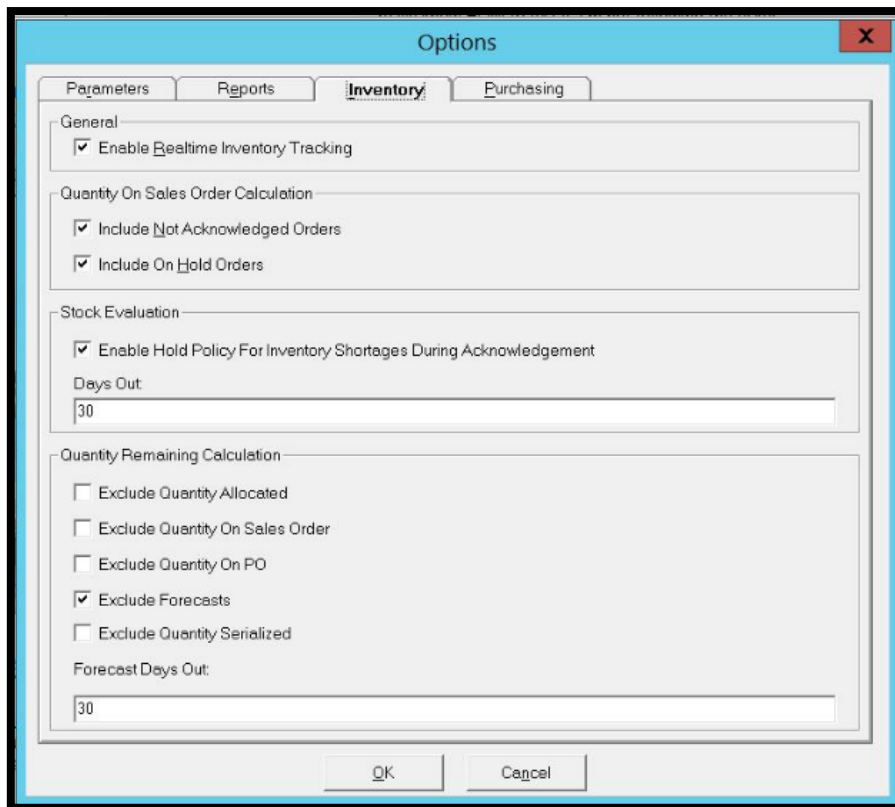
- Create Purchase Orders directly
- Filter by Reorder Point or Days On Hand
- The following columns: Qty Remaining, Qty On PO, Qty On Sales Order, Daily Average Usage, Days On Hand, Shortage Date

Calculated Quantities

The following table explains how the 'Qty Remaining' and 'Qty On Sales Order' values are computed when real time inventory is turned on or off:

Inventory Mode	Quantity Remaining Calculation	Quantity Allocated	QOSO Calculation	Allocate/Relieve Schedules
Real Time on	$QOH - QOSO - QA$ (optionally + QOPO)	Always 0	Includes released items	No
Real Time off	$QOH - QOSO - QA$ (optionally + QOPO)	Existing Functionality	Does not include released items	Yes

'Quantity Remaining' and 'Quantity on Sales Order' calculations can be modified by the settings below found in Setup > System > Settings on the Inventory tab.



Accounting Settings

Accounting Settings will need to be set to perform Inventory Transaction and PO Invoice syncs to the Accounting software. Some users may not require these syncs, but most likely will.

Reference Accounting documentation based on the customer's Accounting Software to determine what will need to be changed to perform Inventory Transaction and PO Invoice syncs.

Testing

- Inventory Requirements
 - Create a Cycle Count, and confirm values get input as anticipated
 - Verify posted Cycle Count updates appear in the Inventory Transactions screen
- Purchasing Requirements
 - Create an Order where the Purchased part will be used
 - Go to Order Requirements
 - Select the Inventory category and Vendor
 - Select the Purchased parts
 - Select Create PO
 - Confirm the following is in the PO
 - The correct parts are added to the Purchased Order
 - The correct UOMs are on the Purchased Order for each part
 - For child glass parts, do NOT enter width and height dimensions.
 - The correct Price is returning for each Purchased Part
- Receiving
 - Create a Receipt from the PO that was generated from the Purchasing Requirements section
 - Confirm Receive All works as anticipated
 - Confirm Quantity Received can be entered manually on each line item of the PO
 - Confirm the Receipt can be posted
- PO Invoices
 - Confirm the Receipt displays from the previous Receiving section
 - Supply an Invoice Number

- Confirm the PO Invoice can be posted
 - Confirm the PO Invoice shows in the Accounting\PO Invoice queue to export
 - This will only need to be tested if exporting PO Invoices to the Accounting software
- Reporting
 - Generate and send a PO
 - Generate a Receipt
 - Generate a PO Invoice