



# Oracle EBS Training Order to Cash(O2C) cycle

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# Training Agenda

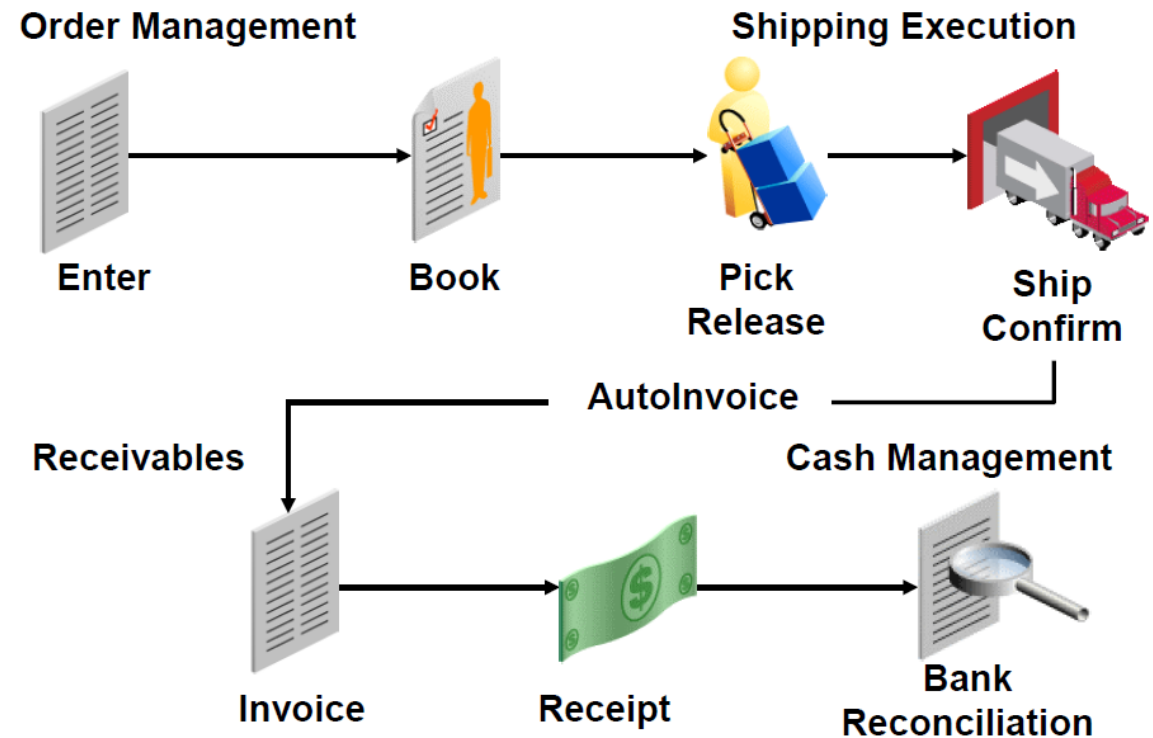
## Areas Covered:

- O2C Cycle Overview
- Process Flow
- Step-by-Step Process
- Use Case in Oracle ERP
- Q&A

# Order to Cash(O2C) Cycle Overview:

- Order to Cash Lifecycle is one of the important Process in Oracle Applications.
- “Order to cash” (O2C or OTC) normally refers to the business process for receiving and processing customer sales.
- Covers the period from when the customer order is received to the time the product or service is paid for.

## Order to Cash Lifecycle



# Order to Cash(O2C) Cycle Overview:

- Order to Cash, referred to as O2C or OTC, is the end-to-end business process for receiving and processing customer orders (sales). The Order to Cash process is initiated with the establishment of a new customer.
- The customer enters an agreement with your company, a sales contract is created and a credit rating is established. Orders are then received from your customer, allowing your business to begin fulfilling the orders, invoicing and collecting cash. Many businesses also save the data from this process and use it to develop analytics to better understand and plan for future fulfillment of their customer's needs and expectations.
- The fulfillment portion of the Order to Cash process is particularly important – this is where order taking meets supply chain delivery.

# Order to Cash(O2C) Cycle Overview:

- Products ordered by the customer must be physically removed from stock or manufactured, prepared for shipment, and delivered to the customer. Your inventory management, production/operations and logistics functions are key to ensuring that the order can be fulfilled and meet customer needs for on time delivery.
- The final steps in the process include invoicing, collections and cash application. Once your customer receives the products ordered and is provided with an invoice or bill, they must then pay for the products they have received.
- The billing and collections process involves monitoring all inbound invoice payments and working with your customers to collect any payments in arrears.

# Process Flow :

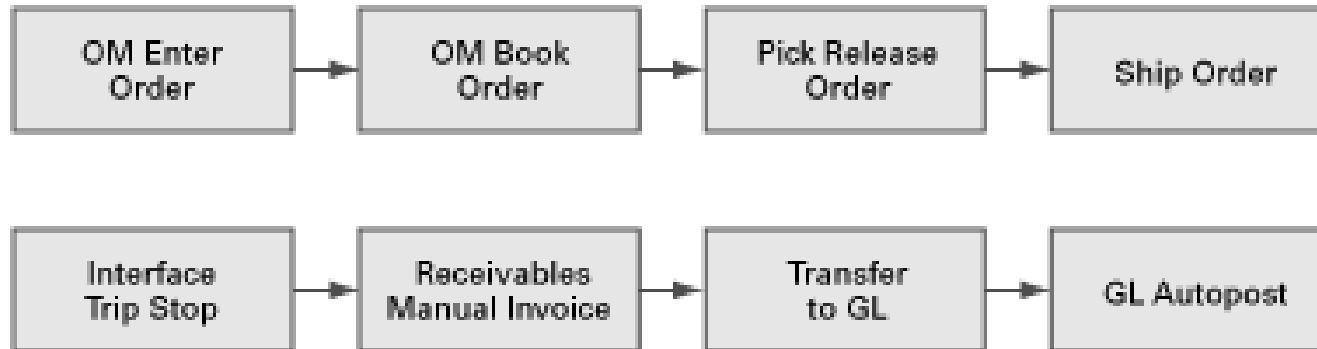
➤ If we consider the ERP system flow, this is typically categorized into the following eight sub-processes:

- Customer Entry
- Order entry (creation of order / booking of order)
- Order fulfillment (physical & digital fulfillment)
- Distribution
- Invoicing
- Customer payments / collection
- Cash Application
- Deductions (If invoice Short Paid by Customer).
- Collection

# Step-by-Step Process:

## ➤ Order to Cash in Oracle ERP:

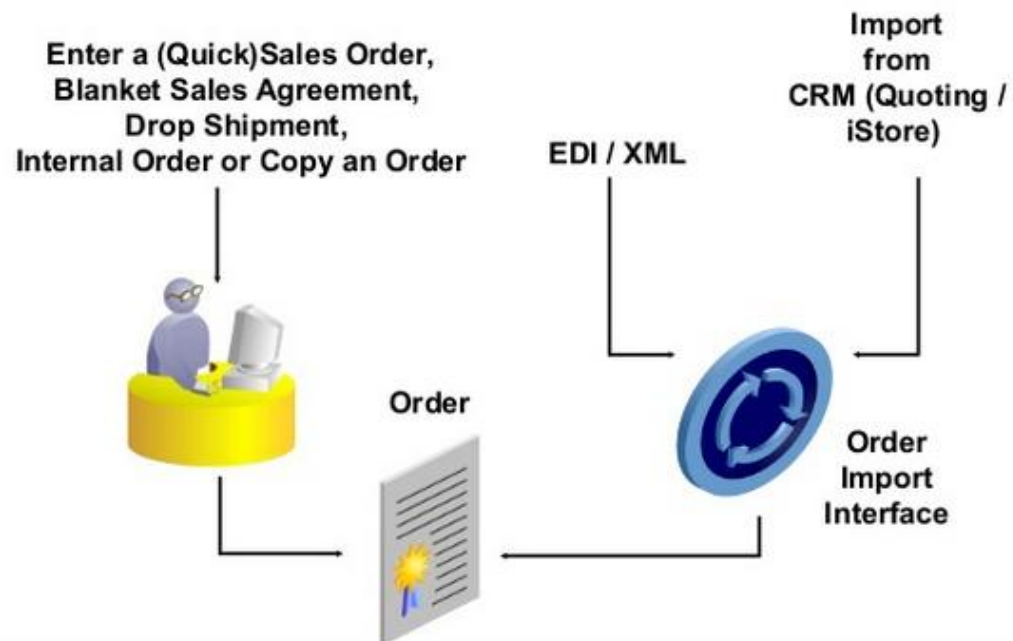
- This cycle starts with the Order Management Module where an order is created with 5 lines. This order is then booked and passed to Pick Release.
- Pick Release.
- Ship confirm.



# Step-by-Step Process:

- Interface Trip Stop process.
- A manual Invoice is created based on the Customer and the items, which are ordered previously.

## Order Entry



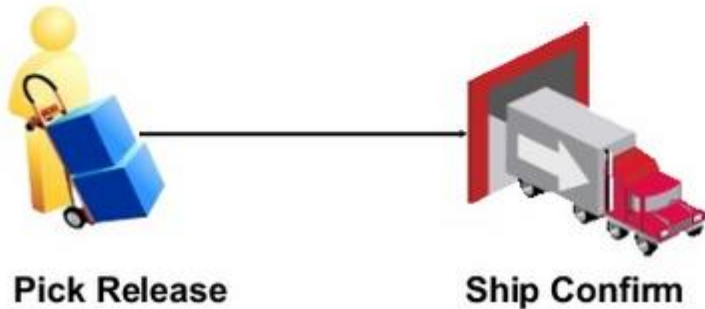
- In order to complete the business cycle, these manually created invoices are then moved to the General Ledger Module by way of a Concurrent Program, and finally after a review of these Journal Entries in the General Ledger they are Auto-Posted in the respective accounts, thus ending the complete cycle.



# Step-by-Step Process:

## Shipping Execution Overview

- Trip and Delivery Planning
- Picking Release
- Ship Confirm



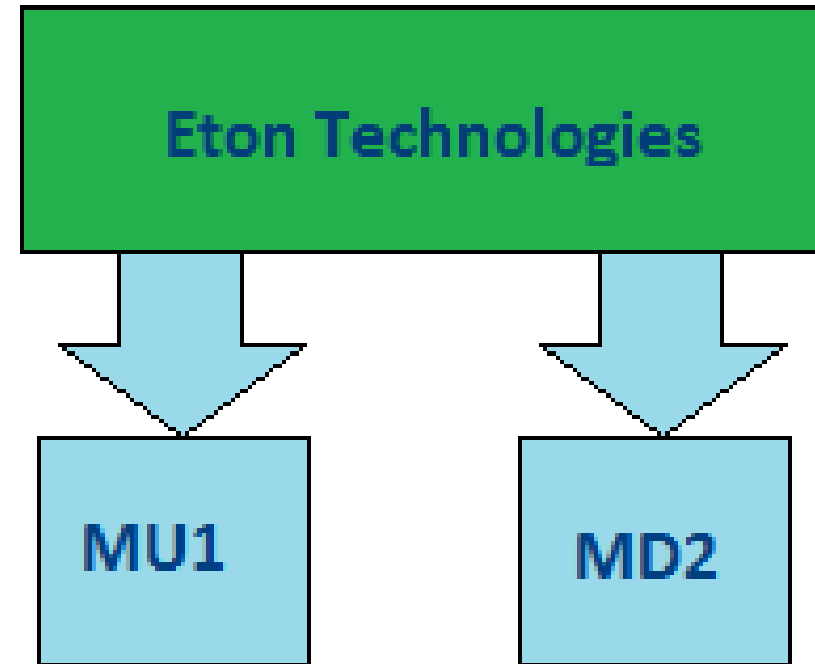
- Pick Release finds and releases the order and creates a move order request. The process of transacting move orders creates a reservation against the source sub-inventory.
- Ship confirm is the process of confirming that items have shipped. Shipping Execution confirms that the delivery lines associated with the delivery have shipped.
- ITS creates a trip and related stops for all eligible deliveries that has not been assigned to a trip.

# Step-by-Step Process:

## ➤ **Demonstration – Eton Technologies:**

### Eton Technologies:

- Manufactures industrial and personal computer equipment.
- Have two manufacturing and distribution facilities
- MU1 – Columbus
- MD2 – Chicago



# Step-by-Step Process:

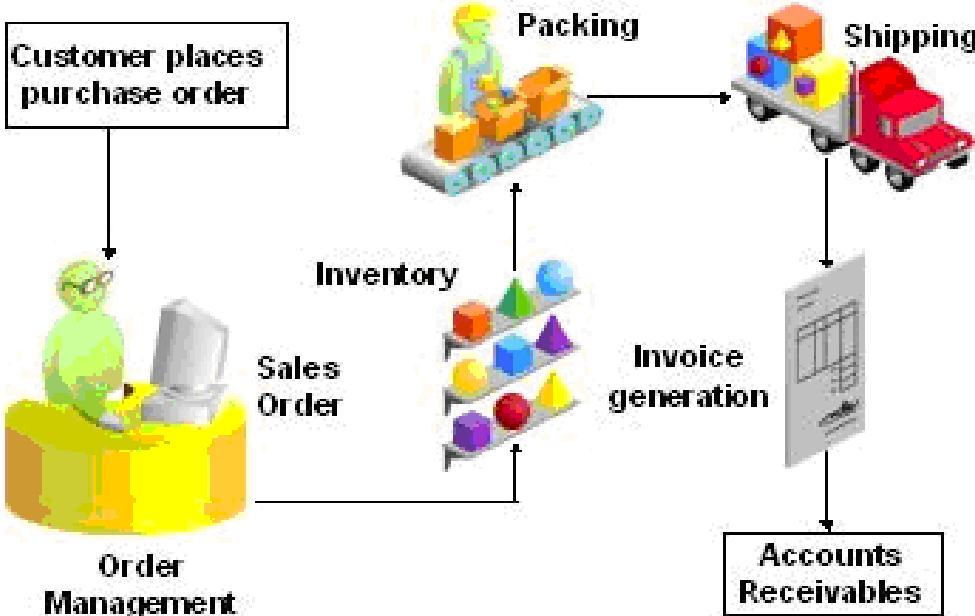
## ➤ Eton Technologies Needs to Place Orders for:

- Inventory in Stock
- Inventory Provided by Outside Suppliers
  - Ship to customer directly from the supplier
  - Ship product to Eton Technologies for preparation, then shipment to customer
- Internally

# Step-by-Step Process:

➤ **How does Oracle fulfill these requirements?**

- ❑ **Inventory in Stock – Ship From Stock**

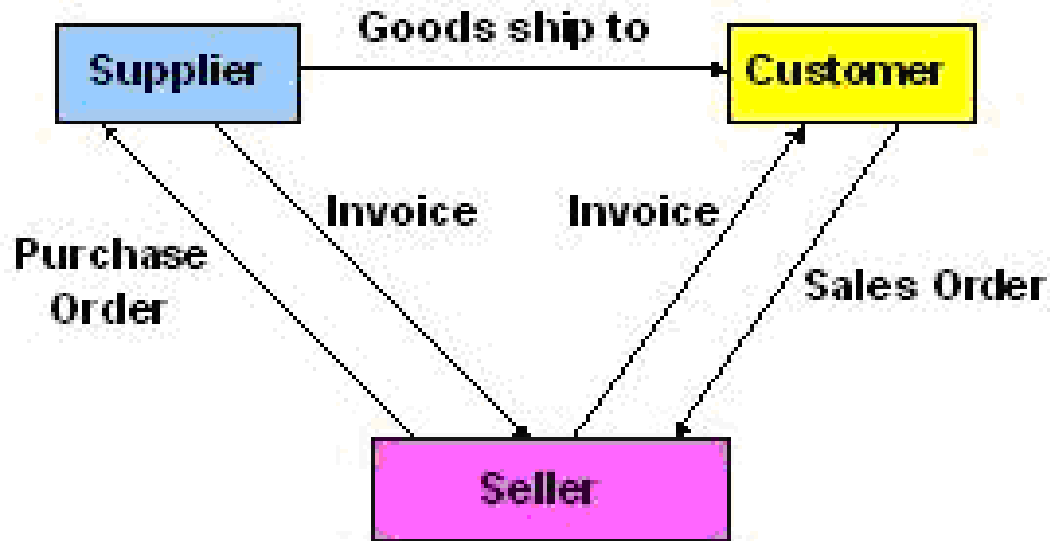


# Step-by-Step Process:

## ➤ How does Oracle fulfill these requirements?

### ☐ Inventory Provided by Outside Suppliers

- Ship to customer directly from the supplier – **Drop Ship**

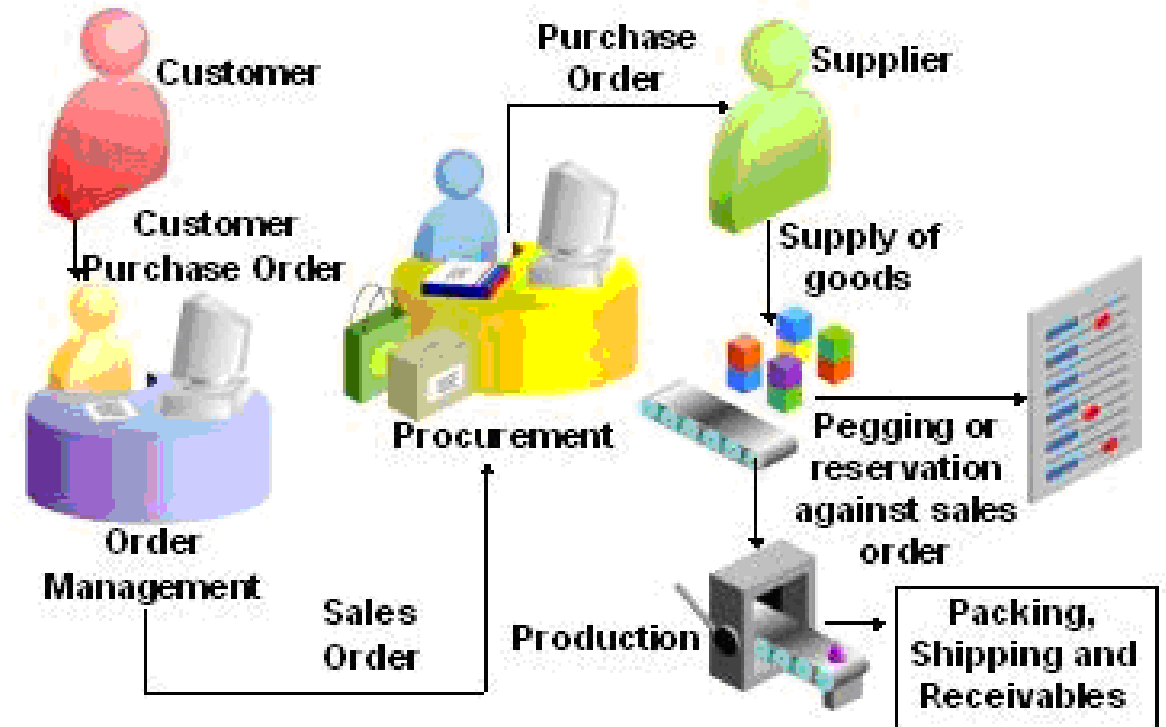


# Step-by-Step Process:

## ➤ How does Oracle fulfill these requirements?

### ❑ Inventory Provided by Outside Suppliers

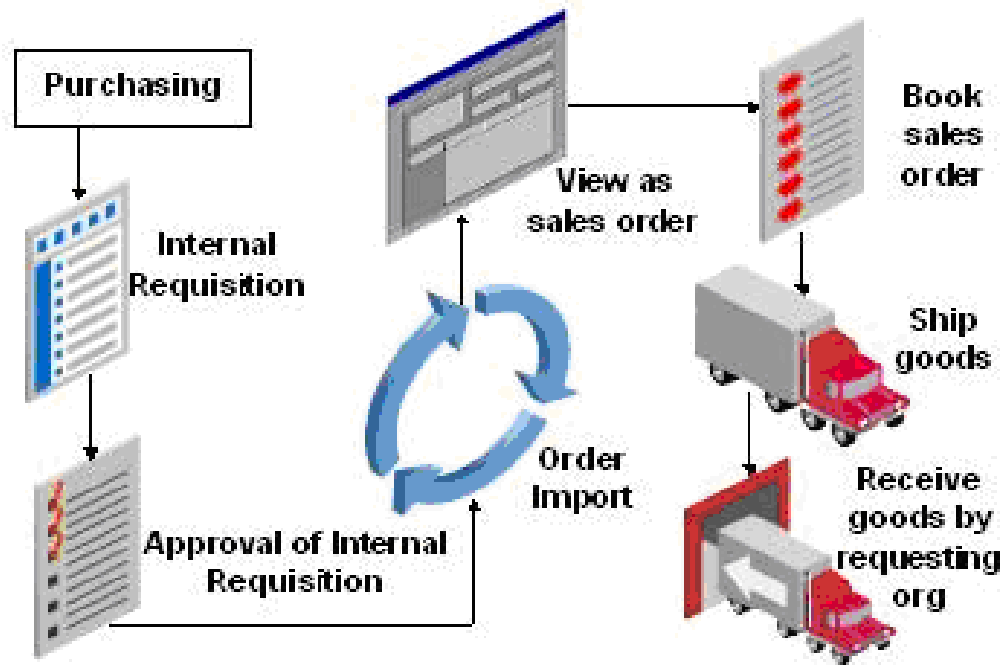
- Ship product to Eton Technologies for preparation, then shipment to customer – **Back to Back**



# Step-by-Step Process:

## ➤ How does Oracle fulfill these requirements?

- ❑ Internally – Internal Requisition/Internal Sales Order (IR/ISO)



# Use Case in Oracle ERP :

## ➤ Enter the Sales Order:

- Order Management Super User  
Operations (USA)>Orders Returns  
>Sales Orders
- Enter the Customer details (Ship to and  
Bill to address), Order type

Sales Orders (Vision Operations) - [New]

Order Information Line Items

SUJIT

Main Others

Customer	AT&T Universal Card	Order Number	
Customer Number	1005	Order Type	Standard
Customer PO		Date Ordered	18-SEP-2012 00:58:40
Customer Contact	Peterson, Jane Ms.	Price List	Corporate
Ship To Location	Jacksonville (OPS) 5645 Main Street Jacksonville, FL, 32202, US	Salesperson	Able, Ms. Marsha
Bill To Location	Jacksonville (OPS) 5645 Main Street Jacksonville, FL, 32202, US	Status	
		Currency	USD
		Subtotal	0.00
		Tax	0.00
		Charges	0.00
		Total	0.00

[ ]

Actions Related Items Configurator Availability Book Order



# Use Case in Oracle ERP :

Click on Lines Tab. Enter the Item to be ordered and the quantity required.

Sales Orders (Vision Operations) - 69603, AT&T Universal Card

Order Information | **Line Items**

Order Total 0.00

Main | Pricing | Shipping | Addresses | Returns | Services | Others

Line	Ordered Item	Unit Price	Request Date	Schedule Ship Date	Status	On Hold	C
1.1	00-Item01	0.00	18-SEP-2012 00:58:40		Entered	<input type="checkbox"/>	
						<input type="checkbox"/>	
						<input type="checkbox"/>	
						<input type="checkbox"/>	
						<input type="checkbox"/>	
						<input type="checkbox"/>	
						<input type="checkbox"/>	
						<input type="checkbox"/>	
						<input type="checkbox"/>	

Line Total 0.00 | Line Qty 1 | Service Total 0.00

Description Anything you want

Actions | Related Items | Configurator | Availability | Book Order

# Use Case in Oracle ERP :

The screenshot displays the Oracle ERP Sales Orders interface. The main window is titled "Sales Orders (Vision Operations) - 69603, AT&T Universal Card". It features a "Line Items" tab and a table with the following data:

Line	Ordered Item	Selling Price	Request Date
1.1	00-Item01	0.00	18-SEP-2012 00:58:40

An "Availability" dialog box is open over the table, showing the following details for the selected item:

- Warehouse: M1
- Request Date Qty: 1
- On Hand Qty: 101
- Qty Reservable: 94
- Request Date: 18-SEP-2012 00:58:40
- Available Date: 19-SEP-2012 23:59:00
- Error Message: ATP not applicable
- Substitute Item: (empty)

Buttons for "ATP Details" and "Global Availability" are visible at the bottom of the dialog. The main interface also includes a "Main" tab, a "Line Total" of 0.00, and a "Description" of "Anything you want".

- Line is scheduled automatically when the Line Item is saved.
- Scheduling/unscheduling can be done manually by selecting Schedule/Un schedule from the Actions Menu.
- You can check if the item to be ordered is available in the Inventory by clicking on Availability Button.

# Use Case in Oracle ERP :

## Book the Order:

Sales Orders (Vision Operations) - 69604, AT&T Universal Card

Order Information Line Items

SUJIT

Main Others

Customer	AT&T Universal Card	Order Number	69604
Customer Number	1005	Order Type	Standard
Customer PO		Date Ordered	18-SEP-2012 01:54:14
Customer Contact	Peterson, Jane Ms.	Price List	Corporate
Ship To Location	Jacksonville (OPS) 5645 Main Street Jacksonville, FL, 32202, US	Salesperson	Able, Ms. Marsha
Bill To Location	Jacksonville (OPS) 5645 Main Street Jacksonville, FL, 32202, US	Status	Booked
		Currency	USD
		Subtotal	0.00
		Tax	0.00
		Charges	0.00
		Total	0.00

[ ]

Actions Related Items Configurator Availability Book Order

# Use Case in Oracle ERP :

## ➤ Launch Pick Release:

- Shipping > Release Sales Order > Release Sales Orders
- Give the Sales Order and Rule details as required
- Key in the details in Shipping Tab, Autocreate Delivery: Yes, Auto Pick Confirm: Yes, Autopack Delivery: Yes
- Similarly key in the Subinventory, location and org details in Inventory tab as required
- Then select Execute Now button.

Release Sales Orders For Picking

Based On Rule: Standard

Document Set: All Pick Release Docum [ ]

Batch: [ ]

**Release Criteria**

Order Shipping Inventory

Orders: Unreleased

Order Number: 69604

Prior Reservations Only

Destination Type: Ship-To Location

Customer: AT&T Universal Card

Order Type: Standard

Ship Set: [ ]

Ship-To: [ ]

Item

Category Set: [ ]

Category: [ ]

Number: [ ]

Scheduled Ship Dates

From: [ ]

To: [ ]

Requested Dates

From: [ ]

To: [ ]

Execute Now Concurrent

# Use Case in Oracle ERP :

- On completion this will show below window.
- Pick Release process will in turn run few more concurrent requests like
- Auto Pack Report, Pick Slip Report, Shipping Exceptions Report (These are what we have chosen in the shipping tab during Pick Release)

## **Pick Confirm the Order:**

If Auto Pick Confirm is set to Yes during Pick Release, then this process will happen systematically.

In other cases, need to do this by doing a move order transaction

Inventory Super User > Move Order> Transact Move Order

Take the Move Order Number form the Shipping Transaction Form and find that and transact.

Release Sales Orders For Picking

Based On Rule: Standard Document Set: All Pick Release Docurr Batch: 4164055

Release Criteria

Order Shipping Inventory

Warehouse: M1 Pick Slip Grouping Rule: Customer, Ship To, Carri Allocation Method: Inventory Only Cross Dock Criteria:

Subinventory: Project: Task:

Pick From: Subinventory: Locator: Subinventory: Locator:

Note: APP-WSH-228446: Pick Release Online has completed successfully.

Execute Now Concurrent

Requests

Refresh Data Find Requests Submit a New Request...

Request ID	Name	Parent	Phase	Status	Parameters
6313213	Auto Pack Report (Auto-pa		Completed	Normal	4164057, . . . . .
6313212	Shipping Exceptions Repor		Completed	Normal	, -99, . . . . . 207, . . . 4
6313211	Pick Slip Report		Completed	Normal	, , 1000, 69604, 69604, 416405

# Use Case in Oracle ERP :

## Ship Confirm the Order:

Order Management Super User>Shipping

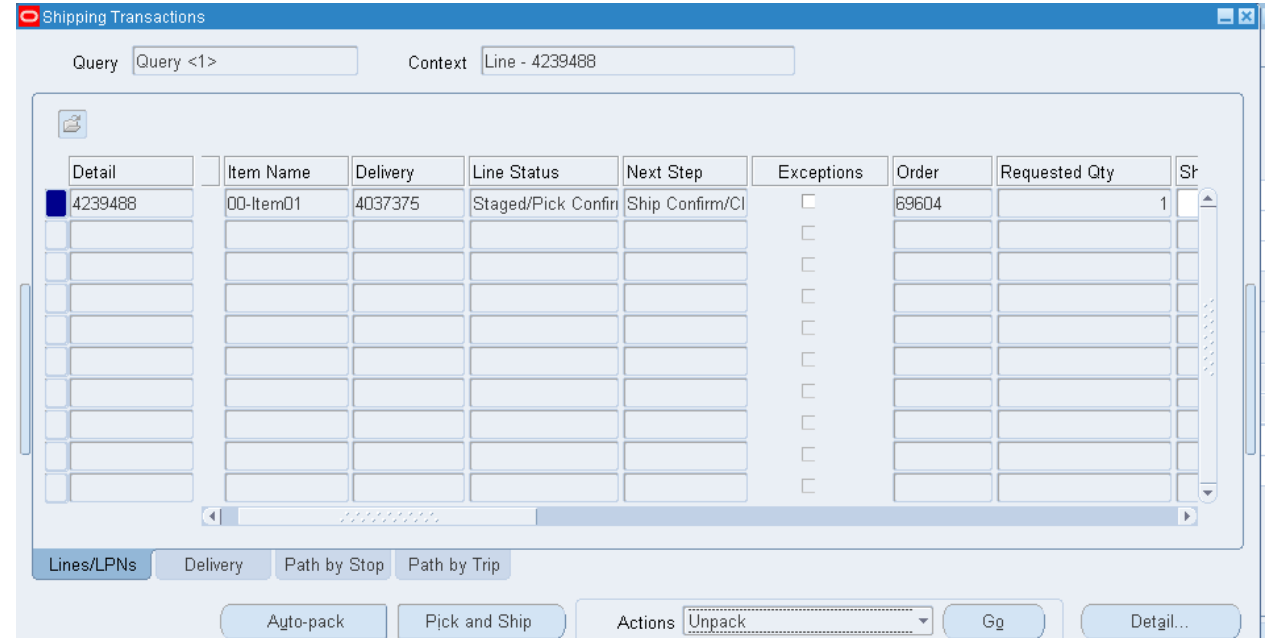
>Transactions

Find by Order Number

➤ Here you can find all the details

If the line status is Staged/Pick Confirmed,  
we can go for a shipment

Then Click on the Delivery tab









# Use Case in Oracle ERP :

## Create Invoice:

Run workflow background Process

Order Management >view >Requests

Submit Request

Run this Request...

Name: Workflow Background Process

Operating Unit:

Parameters:

Parameters Dialog:

Item Type: OM Order Line

Minimum Threshold:

Maximum Threshold:

Process Deferred: Yes

Process Timeout: Yes

Process Stuck:

Buttons: OK, Cancel, Clear, Help

➤ Workflow Background Process inserts the records

Request ID	Name	Parent	Phase	Status	Parameters
6313822	Workflow Background Proc		Completed	Normal	OEOL, . . , Y, Y,

➤ And spawns Auto invoice Master Program and Auto invoice import program which creates Invoice for that particular Order

Request ID	Name	Parent	Phase	Status	Parameters
6313996	Autoinvoice Import Program	6313990	Completed	Normal	MAIN, T, 1045, ORDER ENTR
6313995	Autoinvoice Import Program	6313990	Completed	Normal	MAIN, T, 2188, ORDER ENTR
6313990	Autoinvoice Master Program		Completed	Normal	1, -99, 2581, ORDER ENTRY,
6313822	Workflow Background Proc		Completed	Normal	OEOL, . . , Y, Y,

# Use Case in Oracle ERP :

## Check the Invoice:

The Invoice created can be seen using the Receivables responsibility

Receivables Super User > Transactions > Transactions

Query with the Order Number as Reference.

The screenshot displays the Oracle ERP Transaction form. The 'Transaction' section includes fields for Source (ORDER ENTRY), Number (10040894), Class (Invoice), Type (Invoice), Reference (69604), and Legal Entity (Vision Operations). The Date is 18-SEP-2012, GL Date is 18-SEP-2012, and Currency is USD. The 'Balance Due' section shows a total of 0.00. The 'Reference Information' section is active, showing 'Ship To' and 'Bill To' information for AT&T Universal Card, including address and contact details. The 'Payment Details' section shows the Receipt Method as Automatic Receipts, Payment Method as Bank Account Transfer, and Instrument Number as XXXXXXXXXX0012.

Transaction	
Source	ORDER ENTRY
Number	10040894
Class	Invoice
Type	Invoice
Reference	69604
Legal Entity	Vision Operations
Date	18-SEP-2012
GL Date	18-SEP-2012
Currency	USD
Document Num	
Transaction	[ . ]
	<input checked="" type="checkbox"/> Complete

Balance Due	
Line	0.00
Tax	0.00
Freight	0.00
Charges	0.00
Total	0.00

Reference Information	
Ship To	
Name	AT&T Universal Card
Number	1005
Location	Jacksonville (OPS)
Address	5645 Main Street
	Jacksonville, FL 32202 United States
Contact	Peterson, Jane
Bill To	
Name	AT&T Universal Card
Number	1005
Location	Jacksonville (OPS)
Address	5645 Main Street
	Jacksonville, FL 32202 United States
Contact	Peterson, Jane

Sold To	
Name	AT&T Universal Card
Number	1005

Paying Customer	
Name	AT&T Universal Card
Number	1005
Location	Jacksonville (OPS)

Payment Details	
Receipt Method	Automatic Receipts
Payment Method	Bank Account Transfer
Instrument Number	XXXXXXXXXX0012

# Use Case in Oracle ERP :

## Create receipt:

- Receivables> Receipts> Receipts
- Click Apply to apply this to an invoice and then select the invoice in next screen and then apply.

The screenshot displays the Oracle ERP interface for creating a receipt. The window title is "Receipts (Vision Operations : USD)".

**Receipt Section:**

- Receipt Method: Manual
- Receipt Number: 69743
- Receipt Amount: USD 75.00
- Receipt Type: Standard
- State: Cleared
- Receipt Date: 27-SEP-2012
- GL Date: 27-SEP-2012
- Maturity Date: 27-SEP-2012
- Functional Amount: 75.00

**Balances Section:**

Unidentified	0.00
Applied	0.00
On Account	0.00
Unapplied	75.00
Cash Claims	0.00
Prepayments	0.00

**Detail Section:**

- Identify By: Trans Number 10037163
- Customer: Name Hilman and Associates, Number 1004, Location Tulsa (OPS), Taxpayer ID 78-45654786
- Transaction Number: [highlighted]
- Earned Discounts: 0.00
- Unearned Discounts: 0.00
- Bank Charges: [empty]

**Customer Bank Section:**

- Name: [empty]
- Account: [empty]

**Remittance Bank Section:**

- Name: Changing Name of Nev
- Branch: Changing Branch Nam
- Account: \*\*\*\*\*619

**Reference and Postmark Date:** [empty]

**Comments:** [empty]

**Buttons:** Confirm... 1, Reverse... 1, Receipt History, Search and Apply, Apply

**Footer:** Record: 1/1, List of Valu, <NSC>

# Use Case in Oracle ERP :

## Transfer to General Ledger:

To transfer the Receivables accounting information to general ledger, run General Ledger Transfer Program

Receivables> View Requests

Parameters:

- Give in the Start date and Post through date to specify the date range of the transactions to be transferred.
- Specify the GL Posted Date, defaults to SYSDATE.

▪ Post in summary: This controls how Receivables creates journal entries for your transactions in the interface table. If you select 'No', then the General Ledger Interface program creates at least one journal entry in the interface table for each transaction in your posting submission. If you select 'Yes', then the program creates one journal entry for each general ledger account.

▪ If the Parameter Run Journal Import is set to 'Yes', the journal import program is kicked off automatically which transfers journal entries from the interface table to General Ledger, otherwise follow the topic **Journal Import** to import the journals to General Ledger manually.

The screenshot displays the 'Submit Request' dialog box in Oracle ERP. The main dialog has a title bar 'Submit Request' and a close button. Below the title bar is a section 'Run this Request...' with a 'Copy...' button. The main area contains several fields: 'Name' (General Ledger Transfer Program), 'Operating Unit' (Vision Operations), 'Parameters' (:24-SEP-2012:No:Yes), and 'Language' (American English). There are also sections for 'At these Times...' (Run the Job: As Soon As Possible) and 'Upon Completion...' (Save all Output Files: checked). At the bottom are buttons for Help (C), Submit, and Cancel. A smaller 'Parameters' dialog box is overlaid on top, showing fields for Start Date, Post Through Date, GL Posted Date (24-SEP-2012), Post in Summary (No), and Run Journal Import (Yes). It has buttons for OK, Cancel, Clear, and Help.

# Q&A:



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