

Sales – A/R

Automating the Sales Process

SAP Business One, Version 9.0



- Welcome to the topic on automating the sales process.

Objectives



At the end of this topic, you will be able to:

- Discuss ways to automate the sales process
- Explain how availability checking works in the sales process
- List the functions of the Pick and Pack Manager
- Describe the advantages of using the Document Generation Wizard

- In this topic, we discuss ways to automate the sales process, especially in how we interact with warehouse management.
- We see how automatic availability checking works in the sales process. We will also look at the functions provided by the Pick and Pack Manager and how they are integrated into the sales process. We discuss the advantage of using the Document Generation Wizard.

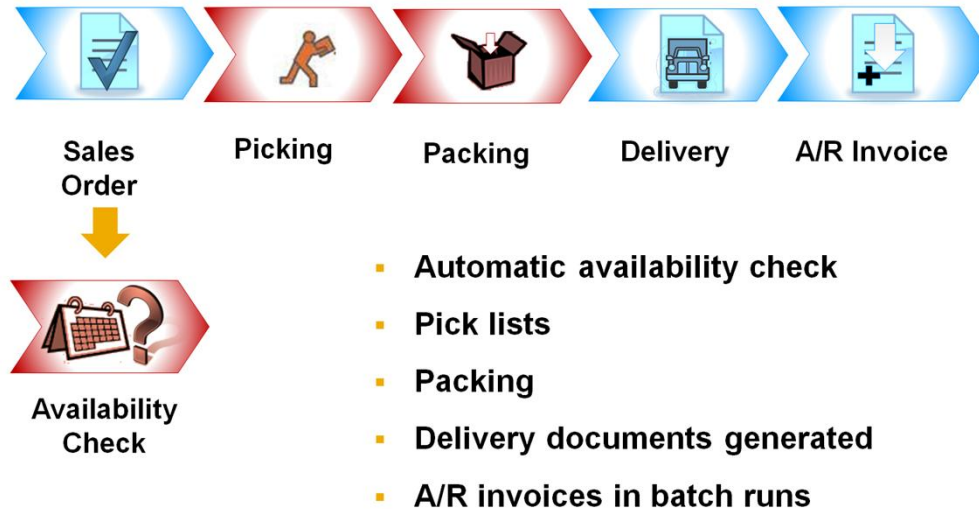
Business Example



- The company sets customer satisfaction as top priority.
- Therefore, they have chosen to automate steps in the sales process.
- Automatic availability checks are performed in the sales order to ensure that sufficient quantities are available to fulfill customer orders in a timely manner.
- If a product is unavailable in the local warehouse, they use the options available to ship that item or another acceptable item as quickly as possible.
- The company uses the pick and pack manager to automate the process of picking and delivering items in a timely manner.
- Invoicing is automated using the document generation wizard.

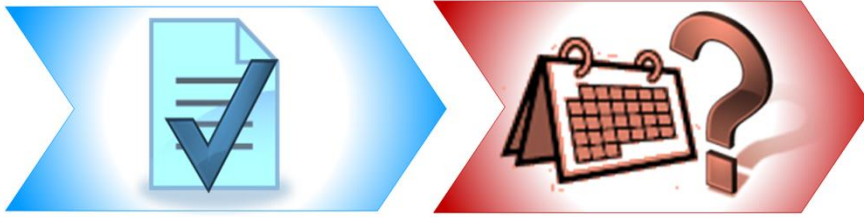
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- Invoicing is automated using the document generation wizard.

Automating the sales process



- When you enter items and quantities in a sales order, an automatic availability check is done.
- When the items are confirmed as available, the quantity is committed in inventory.
- Warehouse personnel access and filter open sales orders in the Pick and Pack Manager to create pick lists for sales orders due for delivery.
- Pickers pick the items from warehouse shelves and enter the picked quantities into the system.
- Pickers create packages for the items with packing lists and delivery documents generated via the pick and pack manager.
- The delivery posts the reduction in inventory and reduces the committed quantity from the sales order.
- After the items are shipped, A/R invoices are generated in batched billing runs through the document generation wizard.

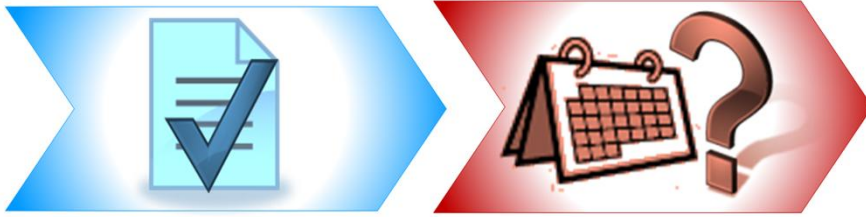
Availability in the Sales Order



- **The item availability check determines if the item is available:**
 - **With a sufficient quantity**
 - **In a particular warehouse**
 - **By the required delivery date**

- An item availability check can be set up to be performed automatically in sales orders.
- The item availability check will determine if the item is available:
 - With a sufficient quantity for your sales order
 - In the particular warehouse associated with your sales order row
 - By the customer's required delivery date
- If any of these conditions can not be met, the item availability window opens to alert you.

Calculating Availability



$$\text{Available Quantity} = \text{In Stock} - \text{Committed} + \text{Ordered}$$

- How is availability calculated? The available quantity is calculated as the in stock quantity minus the committed quantity plus the ordered quantity

Inventory Data on Items

#	WH Code	WH Name	In Stock	Committed	Ordered	Available
1	➔ 01	General Warehouse	688	38	100	750
2	➔ 02	East Coast	40	10	10	40
3	➔ 03	West Coast	40			40
4	➔ 04	Drop Ship				
			768	48	110	830

$$\text{Available Quantity} = \text{In Stock} - \text{Committed} + \text{Ordered}$$

- The system tracks the quantities for each item and displays the quantities for each warehouse in the item master.
- The inventory data tab of the item master record shows us up-to-date information on stock levels and demand for the item for each warehouse. This information is updated dynamically so it shows a true picture at any time.
 - You can view:
 - The quantity in stock
 - The committed quantity, which is the quantity ordered by customers or the quantity set aside for transfer to another warehouse
 - The ordered quantity, which represents either quantity ordered for purchase by your company but not yet delivered or the quantity on production orders for an item produced in-house or a quantity requested from another warehouse
 - Finally, it shows the available quantity, which is the quantity available for your sales orders.

Availability Check

1.) **Administration → System Initialization
→ Document Settings**

Document Settings

Per Document

Document Sales Order

Activate Automatic Availability Check



- Now let us look at how we set up item availability checks and how they perform.
- You set up the automatic check for availability in sales orders in Document Settings. In the Per Document tab, you choose the window for sales orders, then you activate the automatic availability check by selecting a checkbox.

Availability Check

2.)

Item No.	Description	Quantity	WH
A00001	...	50	01

1.)

Administration → System Initialization
→ Document Settings

Document Settings

Per Document

Document Sales Order

Activate Automatic Availability Check



- From that point on, whenever you are creating a sales order and enter a quantity for an item which is greater than the available quantity for this item minus the minimum inventory level on the delivery date, the *Item Availability Check* window comes up automatically.

Availability Check

2.)

Item No.	Description	Quantity	WH
A00001	...	50	01

1.)

Administration → System Initialization
→ Document Settings

Document Settings

Per Document

Document Sales Order

Activate Automatic Availability Check

If Order Quantity
>
Quantity Available

3.)

Item Availability Check

Item No.	A1000
Warehouse	01
Quantity Ordered	50 Pair = 100 pcs
Requested Due Date	05.06.2010
Available Quantity	28 pieces
Earliest Available	10.06.2010

Select Action:

- Continue
- Change To Available Quantity
- Display Available-to-Promise Report
- Display Quantities in Other Warehouses
- Display Alternative Items
- Delete Row



- The *Item Availability Check* Window displays the quantity ordered in the sales order and quantity available in inventory.
- Several actions are offered in this window.
- The first option is to continue. This allows you to accept the information and proceed without changing the sales order. In that case the item will be backordered.
- The second option is to change the quantity in the sales order line item to match the Available Quantity. This reduces the order quantity to the available quantity.
- If you need more information before deciding on a resolution, you can choose the option to display the *Available-to-Promise Report*. This provides you with an at-a-glance report on stock inflow and outflow including projections. This report is also available directly from the context menu.
- You could also check *quantities in other warehouses*. From this report, you can check and possibly select the quantities from another warehouse.
- Sometimes an item has been set up with alternate items. When you choose this option, you can check for any alternates and if one is available, you can select the quantities from an alternative item.
- If the item is not available and no other options remain for on-time delivery, a customer may decide to not order that item. One of the actions available is to delete the item's row from the sales order.
- Sometimes, you may see an additional option, *Change to Earliest Availability*. This option only appears when the availability date can be calculated. It copies the earliest availability date to the row's delivery date.

Availability to Promise

Item No.	➔	A00001
Warehouse	➔	General Warehouse ▼

#	Document	Customer/Vendor	Order Date	Delivery Date	Ordered	Committed	Available
1	➔ PO 390	CTI Corp	04.06.2013	07.06.2013	80		92
2	➔ OR 343	Yogi Yoga	06.06.2013	08.06.2013		25	67
3	➔ PO 396	Acme Associates	06.06.2013	08.06.2013	40		107
4	➔ OR 359	Microchips	07.06.2013	10.06.2013		12	95

- The available to promise report is available from the availability check, however, even when you have sufficient quantity in an order, you can check the availability to promise for an item.
- In the context menu for a row, choose the option Available-to-Promise option. This opens a window with the inventory status report for the item in the row.
- You can see any documents which affect the inflow or outflow of this item from the warehouse listed on the row. You use a dropdown to view an alternate warehouse.
- For each document on the list, you can see the customer or vendor, order date, delivery date, the ordered or committed quantity.
- The documents are listed in delivery date order and the projected availability for the item on that date is shown.
- You can drill down into each document on the list.

Advanced ATP with SAP HANA

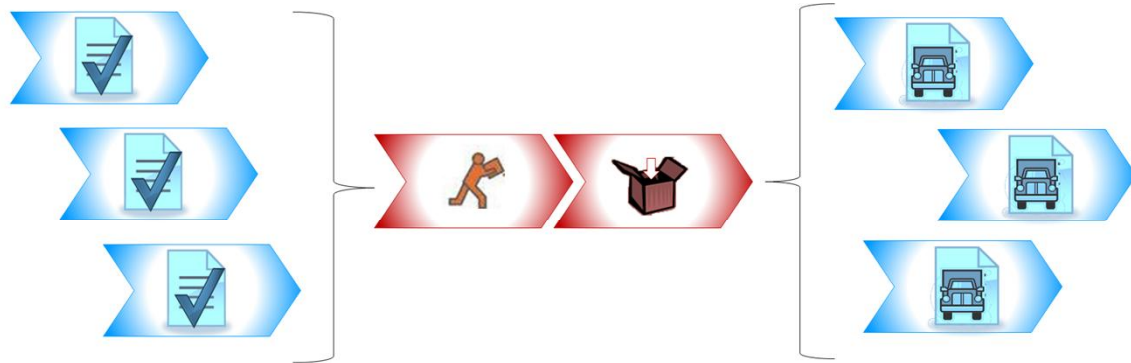
Extreme App for ATP available in SAP Business One, version for SAP HANA:

- Supports delivery schedule details for different types of demand documents
- Confirms quantities for the delivery dates
- Allows rescheduling confirmed quantity for documents in case adjustments are needed
- The availability check is performed for demand documents such as:
 - Sales order with positive quantity
 - A/R reserve invoice with positive quantity
 - Inventory Transfer Request
 - Purchase order with negative quantity
 - A/P reserve invoice with negative quantity
 - Production Order



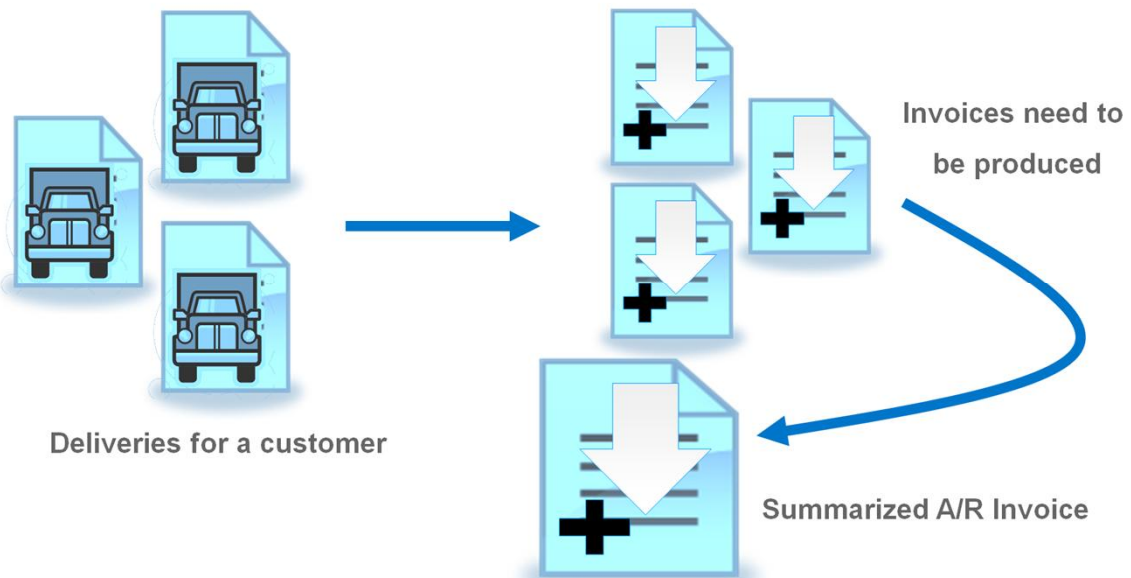
- Additional Availability-to-Promise functionality is available if you are using the SAP HANA database for your transactional database.
- The SAP Business One, version for SAP HANA, includes an extreme application that greatly enhances ATP functionality. It supports delivery schedule details for different types of demand documents that have potential outflow. It confirms quantity for the delivery dates and reserves the ATP information. It also allows rescheduling confirmed quantity for documents in case adjustments are needed. The ATP check is performed for demand documents such as sales orders and A/R reserve invoices with positive quantities, inventory transfer request, purchase orders and A/P reserve invoices with negative quantities, and production orders.

Pick and Pack Manager






- Pick and Pack Manager allows you to view multiple sales order rows and group them into pick lists for maximum efficiency.
- After picking, packing for deliveries can be done centrally.
- Then delivery documents can be generated for all the picked and packed items.
- In this way, you can more efficiently manage the logistics of picking and shipping sales orders.

Document Generation Wizard



- Typically, a company will generate a number of invoices at one time in a batch.
- The Document Generation Wizard is a tool to run a batch of documents at one time.
- The wizard follows a simple process used for gathering rows from base documents to target documents, based on several user-defined parameters. Examples of the parameters that exist are target document type, posting date, document date, items or service and many more.
- This wizard can be used for example, to produce a summarized A/R Invoice for a customer, containing all delivery notes that were created for the customer over the past week. It is a simple yet effective method of summarizing data to reduce data input. All deliveries for an individual customer can be consolidated into one invoice or set to create separate invoices.

Stock in the Sales Process

Transaction	In Stock	-	Committed	+	Ordered	=	Available
 Sales Order			+				-
 Delivery for order	-		-				
 A/R invoice for delivery							

+ Indicates increase in quantity
- Indicates decrease in quantity

- Now let us recap how inventory is updated during the sales order process.
- When the sales order is saved, the item quantities are committed in inventory.
- When a delivery is posted, the in stock quantities and committed quantities are reduced.
- There is no effect on stock with the A/R invoice, unless the delivery is omitted. If an invoice is posted without a preceding delivery, the invoice will take on the role of the delivery and reduce the stock quantities and if there is a preceding sales order reduce the committed quantities as well.

Business Example



- To put this all together we will look at a business example.
- In our business example, our customer orders 7 scanners, but unfortunately only 5 are currently available in the main warehouse.
- The item availability window opens automatically giving us several options to pursue.
- First we check if the items are available right now in other warehouses. Unfortunately, none are available in other warehouses.
- Second, we choose the option to review the availability-to-promise report to see if there are any purchase orders or production orders on the horizon.
- Since there are none in the immediate future, we offer the customer the option of receiving a different scanner which is set up as an alternate item.
- The customer prefers that option over waiting.
- The customer agrees to receive 5 of the original scanner ordered and 2 of the alternate scanner on their original delivery date.
- The sales order now has committed quantities for the two items on the delivery date.

Business Example



- The warehouse pick dispatcher opens the Pick and Pack Manager.
- He sees this sales order's rows and the rows of many other sales orders.
- He creates pick lists to efficiently pick the items from all the orders due for delivery.

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Business Example



- The pickers gather the items needed for the sales order rows.
- They bring them to the packing area and prepare the shipments.
- A delivery is generated for this order and many others.
- When the delivery is posted, the committed quantity is reduced.
- The deliveries are loaded on trucks to bring to the customers.

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- They bring them to the packing area and prepare the shipments.
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- When the delivery is posted the committed quantity is reduced for the sales order when the stock quantity is issued for the delivery.
- The deliveries are loaded on trucks to bring to the customers.

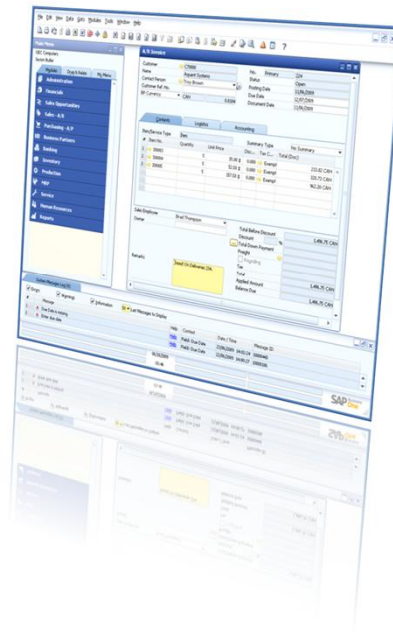
Business Example



- The document generation wizard generates consolidated invoices for customer deliveries.

- At the end of the day, the document generation wizard generates consolidated invoices for the customer deliveries.

Demo: Sales Automation



- We will look at some of the functions for automating the sales process.

Summary



Here are some key points:

- An automatic availability check is done for sales orders.
- The availability check window appears when the sales order row quantity of an item exceeds available quantity minus the minimum inventory level on the delivery date.
- Available quantity is equal to the in stock quantity plus the order quantity minus the committed quantity.
- Committed quantity is increased by sales orders and reduced when the item is delivered. The delivery also reduces the in-stock quantity.
- Pick and Pack Manager coordinates picking and packing activities and can automate delivery creations.
- The Document Generation Wizard performs batch processing of sales documents.

■ Here are some key points:

- An automatic availability check is done for sales orders as long as you have marked the checkbox in document settings for the sales order.
- The availability check window appears when the sales order row quantity of an item exceeds available quantity minus the minimum inventory level on the delivery date. You also have the ability to do a manual availability check as needed.
- If insufficient quantity is available, the check gives you options to change item quantity, change delivery dates, view an ATP report, check other warehouses, choose alternate items, delete the item row or ignore the message.
- Additional functionality for availability-to-promise and delivery rescheduling is available when running SAP Business One of the SAP HANA database. This is discussed in a separate course.
- Available quantity is equal to the in stock quantity plus the order quantity minus the committed quantity.
- Committed quantity is increased by sales orders and reduced when the item is delivered. Delivery also reduces in-stock quantity.
- Pick and Pack Manager coordinates picking and packing activities and can automate delivery creations.
- The Document Generation Wizard performs batch processing of sales documents. For example, it can be automate invoice processing.

Thanks!



**You have completed the topic on availability
checking**

Thank you for your time!

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