



DS0074
SOP-POP Link Modification



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Problem Definition

<i>Problem Definition</i>	CCDA
<p>ACME uses SOP and POP link for SOP Orders. There are 2 types of orders – contracts and standard orders. <i>(The additional functionality that ACME wants will be relevant to Contract Orders only.)</i> ACME sells such items as soybean oil to customers and the product price is directly impacted by the market. So, when the market price is good, a good price can be offered to their customers and in many cases the customer will “lock in”/”contract” for a certain amount of units at that price.</p> <p>Contract Orders</p> <p>Customers will place a “contract” order with ACME saying that they will purchase 10,000 units of a product; however, these units will not be shipped at the same time. The “contract” is entered as a SOP Order in Dynamics GP as a line item for the total amount initially.</p> <p>When the customer actually wants some units shipped, ACME will open up the original SOP “contract” (order), add a line that states the amount of units that the customer wants, and will reduce the first “contract” line on the SOP order by that amount. Therefore the first line on an order is the amount remaining of the “contracted” units that the customer will want at a later date. The other line(s) on the order are the actual shipments that have been sent to the customer. Any of these additional lines are tied to a PO for a quantity of units that the supplier will directly ship to the customer since all of the orders are handled through drop shipments.</p> <p>When the Invoice/Voucher from the supplier is received by ACME, it will have the actual quantity of the shipped amount of units to the customer, which will be different that the</p>	

requested amount in almost all cases.

Contract Orders – Additional Information

- Backorder functionality is not being used.
- Received quantities are in the same unit of measures (i.e. pounds), but just different quantities (i.e. 1100 LBS received vs. 1000 LBS on PO).
- All Contract Orders are handled through a PO drop ship type (from supplier to customer)
- All Contract Orders will have the SOP to POP link established.
- All items that are bulk items end with BK

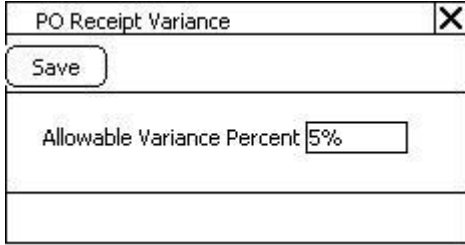
Challenges

- When the AP invoice is received from the supplier showing what was actually shipped, ACME is doing a lot of manual work by breaking the SOP-POP link, updating the actual quantities on SOP and POP, and then reattaching the SOP-POP link. There is a lot of room for error and this process is manual.
- There is no way to see variances between what was originally ordered vs. what was shipped, since the SOP order and PO are being changed to reflect actual.
- The system accepts all changes, and there is no approval required, or ability to set an allowable variance.

Solution Overview

<i>Solution Overview</i>	CCDA
<p>The modification will change how Dynamics GP performs Purchasing Invoice Entry, but only under specific conditions.</p> <ul style="list-style-type: none"> • The Item Number being received must end in “BK” (for bulk items) • The PO Line being received must have a SOP-POP Link • The PO Line must be Drop-Ship <p>When a Vendor Invoice is entered in Dynamics GP, the modification will check the Quantity received versus the Quantity Ordered, and show a warning message if the Allowable Variance is exceeded.</p> <p>When the Invoice is posted, the system will automatically perform the following updates:</p> <ul style="list-style-type: none"> • Update the PO Line Quantity to reflect the actual quantity shipped (Invoiced) • Update the SOP-POP Link to reflect the actual quantity shipped • Update the SOP Line to reflect the actual quantity shipped. <p>The update will increase or decrease the line amount as necessary to match the Vendor Invoice.</p> <p>The PO and Sales Order will also be recalculated so that extended costs, price, subtotals and document totals are correct. If any taxes or commissions exist, those will also be recalculated, as well as GL distributions.</p>	

Design Features

<i>PO Receipt Variance</i>		CCDA
<p>A new window will be added called PO Receipt Variance, which will be access from Tools >> Setup >> Purchasing >> PO Receipt Variance.</p> 		
Field	Function	
Allowable Variance Percent	This whole percentage amount will be used when entering a Vendor Invoice.	
Save	Saves the data and closes the window.	



<i>Enter/Match Invoices & Select Purchase Order Items</i>	CCDA
<p>As described in the Solution Overview, most of the modification will occur behind the scenes when a Vendor Invoice is posted from Enter/Match Invoices, by automatically updating the PO Line, SOP Line, and POP-SOP Link to reflect the actual quantity received.</p> <p>The only visible change to the user in either the Enter/Match Invoices window, or Select Purchase Order Items window, will be the “Allowable Variance” warning.</p> <p>After entering the Quantity Invoice (Enter/Match Invoices) or Quantity Shipped (Select PO Items), the system will check the quantity against the PO Line quantity. If the Invoices quantity varies from the PO Line quantity by more than the Allowable Variance Percent (plus or minus), the user will see the following warning message:</p> <p>The quantity exceeds the allowable variance.</p> <p>They will be allowed to continue.</p>	