

IES Purchasing: Order Types

Purpose

The purpose of this Document is to explain the different Order Types available for processing in the system.

Summary of Order Types

CP = Central Purchasing
ASO = Automated Stock Orders
DDP = Delegated Direct Purchasing
MOD = Manufacture On Demand

CP = Central Purchasing

CP Orders are what you might call 'traditional' Orders. They are the Orders processed by the function of Procurement for the Enterprise, in the usual sense. In other words, in most Companies where there is a Purchasing or Buying section, they would usually be processing these Purchase Orders.

ASO = Automated Stock Orders

ASO Orders are Purchase Orders that originate in the Inventory system, and are automatically generated from the Stock Replenishment functions found there. Once approved (authorized), they are really the same as CP Orders, only that they do not have to be captured because the system generates them automatically according to your instructions.

DDP = Delegated Direct Purchasing


Delegated Direct Purchasing, or DDP, is typically used in larger enterprises where authority is delegated to User Departments to manage their own Direct Orders, i.e. Orders that do NOT include Stock Items. This privilege not only puts most of the enterprise in closer contact with their Purchase Orders, but also relieves the burden on the Central Purchasing function.

Direct Orders are typically used to order Items that are not stocked, and for processing Contract and Project Orders on Suppliers.

DDP is designed to provide all the controls required by Management to delegate this function with confidence. DDP Privilege Profiles oversee all the User steps in processing the DDP Orders to ensure that all Purchasing and Payments are duly authorized according to allowed privileges.

MOD = Manufacture On Demand

MOD Orders are Purchase Orders that are budgeted for, created and processed directly on the Manufacture Worksheets. They are specially controlled by the Manufacture operating settings, and though generally processed like other Purchase Orders, they are very close-knit and tightly tied to the Manufacture

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process. As such, MOD may be seen as a 'delegated' Purchasing function, in a sense like DDP.

Order Streams

The Order types described above may be understood to be 'purchasing streams', because all of those Orders are Purchase Orders in the final analysis, and they are all present in one and the same Purchase Order audit trail. We simply differentiate between them because of the differences in processing and control that they exhibit.

In order to describe the Modes and Currencies, it is useful to call the Order types purchase streams, because we could also say that "Standard Orders" and "Indent Orders" are Order types, but we would prefer to explain the difference by calling these distinctions "aspects". Likewise, "Local Currency Orders" and "Forex Orders" could also be called "types" but we'd rather call that the "currency aspect", and we therefore list the main Order types as follows: -

	CP	ASO	DDP	MOD
Supported Currencies	Local All Forex	Local All Forex	Local All Forex	Local All Forex
Supported Modes	Standard Indent	Standard Indent	Standard	Standard Indent


From the above it is clear that all Currencies and all Modes are supported on all Order Types, except that DDP does not permit Indent Ordering.

What is a Forex Order? It is an Order placed on a Supplier whose Account in AP Payables / Creditors is managed in a linked Currency. See also the "Forex Orders" document.

What is an Indent Order? It is an Order where the Goods will not be supplied until payment has been made, i.e. Invoicing happens before Goods Received (as opposed to Standard Orders where Goods Received happens before Invoicing). See also the "Indent Orders" document.

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