



Infor LN User Guide for Customer Furnished Material (CFM)

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About this document

This document describes the process to set up and use customer furnished materials for sales orders, purchase orders, and production orders.

Objective

This document describes the functionality related to customer furnished materials in LN.

Document summary

Chapter number	Chapter title	Content
Chapter 1	Overview	Introduction to CFM
Chapter 2	Setup	Setup of CFM
Chapter 3	Procedure	Steps in the CFM procedure
Chapter 4	CFM in Sales and Procurement	CFM setup and procedure specific to Sales and Procurement

How to read this document

This document was assembled from online Help topics. As a result, references to other sections in the manual are presented as shown in the following example:

For details, refer to *Introduction*. To locate the referred section, please refer to the Table of Contents or use the Index at the end of the document.

Underlined terms indicate a link to a glossary definition. If you view this document online, clicking the underlined term takes you to the glossary definition at the end of the document.

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Customer furnished materials

This topic contains an overview of the functionality for customer furnished materials.

A customer furnished material is material that is provided by the customer for use on their project. Quantities and deliveries are agreed upon with the customer.

In the Items - Ordering (tcibd2500m000) session, the order system must be **Planned** for the customer furnished material.

Optionally, you can use customer furnished materials in combination with demand pegging or project pegging.

Setting up operations with customer furnished materials

This topic describes how to set up your system to support the execution of operations using customer furnished materials.

Setup

To use customer furnished materials you must set up the following data:

Step 1: Implemented software components

If you want to support the materials and components from the customer during the manufacturing process, select the **Customer Furnished Materials** and **Ownership External** check boxes in the Implemented Software Components (tccom0500m000) session.

Once these parameters are selected:

- The **Customer Furnished Material** and **Contains Customer Furnished Material** check boxes become available in the Bill of Material (tibom1110m000), which you can use to specify the assembly parts that belong to the customer.
- The **Contains Customer Furnished Material** check box becomes available in the Sales Order Lines (tdsls4101m000) session. Furnishing of customer materials is initiated from a sales order line. For more information, refer to CFM - Sales.
- The **Combined Ownership Allowed** check box becomes available in Items - Costing (ticpr0107m000) to allow for the costs to be divided between the owner and the manufacturer.

Step 2: Customer furnished material (CFM) item

One of the following must apply to this item:

- Its order system is Planned in the Items - Ordering (tcibd2500m000) session
- It has a linked demand peg
- It has a linked project peg

Step 3: Purchase orders

Based on the demand from a sales order, a purchase order of the **Customer Furnished Materials** type must be generated by the order plan. To set up CFM purchase orders, refer to CFM - Procurement.

Executing operations with customer furnished materials

Production orders executed for customers can include customer furnished materials. You can receive materials owned by the customer for these orders. Those items are stored against a certain value using the current valuation logic.

Procedure

Step 1: Create sales order with customer furnished material

Create a sales order with the **Contains Customer Furnished Material** check box selected in the Sales Order Lines (tdsls4101m000) session.

Step 2: Create purchase order

To fulfil the demand for the customer owned material, a purchase order of the **Customer Furnished Materials** type is generated by the order plan. This purchase order is used to call off the customer furnished materials required by the production order to manufacture the customer item. For more information, refer to CFM - Procurement.

Step 3: Receive components from customer

The customer sends you the subassemblies and material.

Step 4: Create production order

After receipt, the materials are marked as **Customer Owned** in inventory. The customer owned materials can be assigned only to a specific item or project, or can be used for all production orders of an owner.

Step 5: Report production order completed

Report the production order as completed in the Report Orders Completed (tisfc0520m000) details session.

Step 6: Close production order

Close the production order in the Close Production Orders (ticst0201m000) session.

CFM - Sales

You can specify the customer furnished materials in the Bill of Material (tibom1110m000) session. Furnishing of customer materials is initiated from a sales order line, which includes the item that contains customer furnished materials. The sales order line can have a linked demand or project peg for the customer demand.

Note

If a sales order line contains customer furnished materials, the **Contains Customer Furnished Material** check box is selected in the Sales Order Lines (tdsls4101m000) session.

CFM - Procurement

Before customer furnished material (CFM) purchase orders can be generated, you must specify this master data:

- In the Purchase Order Type (tdpur0694m000) session, select the **Customer Furnished Materials** check box for the order type and link activities to the order type.
- In the Purchase Order Parameters (tdpur0100m400) session, specify the default **Order Series for Customer Furnished Materials** and **Order Type for Customer Furnished Materials** fields to generate CFM orders from Enterprise Planning.

Based on the demand from a sales order, a purchase order of the **Customer Furnished Materials** type is generated by the order plan. This purchase order is used to call off the customer furnished materials required by the production order to manufacture the customer item. The purchase order inherits the peg of the demand order, if available.

These conditions apply to the lines of a customer furnished materials purchase order:

- The **Payment** field is set to **No Payment**
- The customer or supplier is specified in the **Buy-from Business Partner** field, because the customer or its supplier furnishes the materials.

- The customer is specified in the **Owner** field, because the customer is the owner of the item.
- The line can contain a specification (demand peg), or a project peg.

Note

CFM purchase orders can also be manually specified.

Appendix A

Glossary

A

customer furnished material

An item supplied by the customer being used as material in the production of an end-item for that same customer.

demand peg

A relationship between a planned order, or an actual supply order, and an item requirement that represents a definite commitment. LN cannot use the demand pegged supply for anything else than the pegged requirement, unless the peg is explicitly deleted.

- **Pegged supply**
The pegged supply can be a purchase order, a planned purchase order, a production order, a planned production order, a warehousing order with transaction type transfer, or a planned distribution order.
- **Pegged requirement**
The pegged requirement can be, among other things, a sales order line or a required component for a production order.

Related term: soft peg

item order plan

A time-phased overview of your order planning.

The item order plan contains overview values for demand and forecast on one hand, and the other hand it provides information about scheduled receipts (actual orders) and planned supply (planned orders).

order system

The order parameter that controls the way by which recommended purchase and production orders are generated.

Options:

- **FAS** (final assembly scheduling).
- **SIC** (statistical inventory control).
- **Planned** (schedule-based and order-based planning).
- **Manual** (manual reordering).

peg

A combination of project/budget, element and/or activity, which is used to identify costs, demand, and supply for a project.

planned order system

The production or purchase of planned items is based on the expected demand. Planned items are planned in Enterprise Planning.

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