Infor LN Sales User Guide for Sales Quotations

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About this document

This document provides an introduction to <u>sales quotations</u> and explains the sales quotation procedure and functions.

Assumed knowledge

Although you need no detailed knowledge of the LN software to read this guide, general knowledge of the Infor LN functionality will help you understand this guide.

Document summary

This table shows the chapters of this guide:

Chapter number	Chapter title	Content
Chapter 1	Introduction	Introduction to sales quotations and references to the master data, procedure, and additional processes for sales quotations
Chapter 2	Procedure	Steps in the sales quotation procedure
Chapter 3	Additional processes	Additional functionality in the sales quotation procedure

References

Use this guide as the primary reference for sales quotations. Use the current editions of these related references to research information that is not covered in this guide:

- ***User Guide for Sales Master Data U9839 US***
  Use this guide to understand the setup of sales master data.
- ***User Guide for Product Catalogs U9815 US***
  Use this guide to understand the setup and use of product catalogs.
- ***User Guide for Margin Control U9842 US***
  Use this guide to understand the margin control procedure.
- ***User Guide for Sales Orders U9845 US***
  Use this guide to understand the sales order procedure.
- ***User Guide for Project Pegging U9777 US***
  Use this guide to understand the project pegging functionality.
- ***User Guide for Pricing U9179 US***
  Use this guide to understand the pricing functionality.
- ***User Guide for Material Pricing U9865 US***
  Use this guide to understand the material pricing functionality.

How to read this document

This document was assembled from online Help topics. As a result, references to other sections 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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Chapter 1
Introduction

1

Sales quotations

Sales quotations are used to supply a sold-to business partner with the required details to make a purchasing decision.

You can create a sales quotation in response to a request for quotation (RFQ) from a business partner, or as a sales tool to initiate the sales process with potential business partners. A quotation includes the dates, terms, items, or item descriptions to be sold, and a success percentage, which reflects the level of certainty that the quotation will be accepted. Sales quotations are included in the planning modules based on their success percentages. Quotations with a high success percentage are considered as sold.

You can print and send quotations to business partners. You can specify the results of the returned quotations in Sales. If the quotation is not accepted, you can specify the reason for failure and the competitor who won the quote. If the business partner accepts the quotation, you can transfer the quotation to a sales order and specify the reason for success.

Note

You cannot convert sales quotation lines with an empty item code to a sales order.

Sales quotation master data

Before you can use the sales quotation procedure, you must specify these parameters and master data:

1. Select the **Quotations** check box in the Sales Parameters (tdsls0100s000) session.
2. Specify the sales quotation parameters in the Sales Quotation Parameters (tdsls0100s100) session.
3. Use the Competitors (tdsls1106m000) session to define and track competitors through the sales quotation procedure. If a quotation line is not successful, you can indicate the competitor who won the order.
4. To improve quotation success percentages, it is essential to record the reasons for acceptance or rejection of quotations. The reasons for success or failure, as specified in the Reasons

(tcmcs0105m000) session, enable you to understand the strengths and weaknesses of quotations. For each quotation line, you can indicate the reason for success or failure.

Sales quotation procedure

The sales quotation procedure includes steps such as creating, printing, specifying quotation results, processing, and submitting sales quotations.

For more information, refer to Sales quotation procedure.

Sales quotation additional processes

A number of processes do not always occur in the sales quotation procedure, but can be applicable in specific situations.

For more information, refer to Additional sales quotation processes.

Chapter 2
Procedure

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To create and process sales quotations:

Step 1: Sales Quotation (tdsls1600m000)

Specify a sales quotation header and lines in the Sales Quotation (tdsls1600m000) session. In this session, you can specify the most important information for a sales quotation and to process the quotation.

Step 2: Approve Sales Quotations (tdsls1211m000)

If the **Approval Required** check box is selected in the Sales Quotation Parameters (tdsls0100s100) session, sales quotation approval is mandatory in the sales quotation procedure.

Step 3: Print Sales Quotations (tdsls1401m000)

Print the sales quotation in the Print Sales Quotations (tdsls1401m000) session and send it to the business partner for review. This document includes the price and conditions for delivering the required goods. Additional copies can be printed for filing.

If the **Approval Required** check box is selected in the Sales Quotation Parameters (tdsls0100s100) session, the sales quotation must be approved before it can be formally printed, that is the status is set to **Printed**.

Step 4: Sales Quotation Results (tdsls1101s100)

Specify the business partner's response to the quotation in the Sales Quotation Results (tdsls1101s100) session. The business partner can either accept or reject the submitted quotation line. The reason for acceptance or rejection and the competitor who lost or won the quotation line can also be indicated in this session. This information can be important for future quotations.

You can use the Global Update of Sales Quotations (tdsls1205s000) session to specify results for the entire quotation, or for a group of quotations.

Step 5: Process Sales Quotations (tdsls1200m000)

If the business partner accepts a quotation line, you can generate a sales order from the submitted quotation line in the Process Sales Quotations (tdsls1200m000) session.

Step 6: Sales Orders (tdsls4100m000)

Maintain sales orders that are created from a quotation in the Sales Orders (tdsls4100m000) session.

Note: You can also complete the previous steps using the Sales Quotes (tdsls8310m000) session.

Chapter 3
Additional processes

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Additional sales quotation processes

A number of processes do not always occur in the sales quotation procedure, but can be used optionally.

These are the following processes:

- **Retrieving material prices**
  If the **Material Pricing in Sales** check box is selected in the Material Price Parameters (tcmpr0100m000) session, after setting up the material pricing master data, LN can retrieve material price information and calculate <u>material prices</u> for a sales quotation line.

- **Configuring product variants**
  You can configure a <u>product variant</u> for a <u>generic item</u> from the quotation line.

- **Checking ATP and CTP**
  You can carry out an <u>available-to-promise (ATP)</u> and <u>capable-to-promise (CTP)</u> check for the quotation. This is executed automatically if, in the Planning Parameters (cprpd0100m000) session, the **CTP Check for Sales** check box is selected and one of the **Inventory Check during Quotation Line Entry**, **Inventory Check during Confirmation**, or **Inventory Check during Processing** parameters are **Yes** or **Time-Phased** in the Sales Quotation Parameters (tdsls0100s100) session. If the free available inventory (ATP) and additional critical components and capacities (CTP) are insufficient to fulfill the quotation line, you can, for instance, handle the shortage by means of a delivery schedule, which you can set up in the ATP Handling (cprrp4800m000) session. If you want to use the delivery schedule, you must manually update the schedule line.
  You can start the ATP Handling (cprrp4800m000) session as follows:

  - Manually, if you want to carry out offline ATP/CTP checks.

  - Automatically, if it is defined as an automatic inventory shortage handling option for the order type.

  - Manually, from the Inventory Shortage Menu (tdsls4830s000) that is displayed during quotation line entry, confirmation, or processing.

- **Offering an alternative**
  You can offer a sold-to business partner more than one choice for a particular quotation. If you click **Create Alternative** on the <u>appropriate</u> menu of the Sales Quotation Lines

(tdsls1501m000) session, you can create an alternative line. This line has the same position number as the primary quotation line, but the sequence number is increased by one.

■ **Creating sales quotations from a catalog**
You can create a new sales quotation based on a catalog.

■ **Copying BOM components to a sales quotation**
You can use the Copy BOM Components to Sales Quotation (tdsls1812s000) session to copy bill of material components to a sales quotation. You must enter a manufactured item and the number of BOM levels to copy to the quotation. A sales quotation line is added for each position in the bill of material that does not contain another level of components.

■ **Pegging project costs for a quotation line**
If project pegging is mandatory for the item on the sales quotation line, a peg must be specified in the Sales Quotation Lines (tdsls1501m000) session.

■ **Printing and reviewing sales quotations**
You can print and review sales quotations in the Preview Sales Quotation (tdsls1401m200), Print Sales Quotations (tdsls1419m000), and Print Sales Quotation Lines (tdsls1420m000) sessions.

■ **Deleting sales quotations**
You can delete (processed) sales quotations in the Delete Sales Quotations (tdsls1210m000) session.

Product variants in Sales

In Sales, you can generate product variants for configurable items, which are items that have the **Configurable** check box selected in the Items (tcibd0501m000) session.

In the Items (tcibd0501m000) session, **Manufactured** items with the **Default Supply Source** set to **Assembly** and **Generic** items, are always configurable.

Note

For items with the default supply source set to **Assembly** in the Items (tcibd0501m000) session, the following are applicable:

■ If the **Sell Multiples of Same Configuration** check box is cleared in the Assembly Planning Parameters (tiapl0500m000) session, the order quantity is limited to one on a sales order line. Only if the **Sell Multiples of Same Configuration** check box is selected in the Assembly Planning Parameters (tiapl0500m000) session, you can enter an item with an order quantity greater than one and sell multiples of the same assembly product variant, which results in several assembly orders linked to one sales order line. To identify the product variant, the various assembly orders and the sales order line have the same specification. These items are also called assembly items. For more information, refer to To sell multiples of product variants for assembly and Assembly items.

■ The **Configurator** check box in the Assembly Planning Parameters (tiapl0500m000) session determines whether you must configure the item in Product Configuration or whether LN

automatically generates a product variant for the item in the Product Variants - Inventory (Assembly) (tiapl3600m000) session.

Linking product variants

If the item is a configurable item, you can choose to immediately configure the item at line entry in the Sales Order Lines (tdsls4101m000) and Sales Quotation Lines (tdsls1501m000) sessions. If you want to configure the product variant after the sales line is saved, on the <u>appropriate menu</u>, click **Configurator** to configure the product variant from the Product Configurator (tipcf5120m000) session.

You can also choose to link an existing product variant in the **Product Variant** field of the Sales Order Lines (tdsls4101m000) and Sales Quotation Lines (tdsls1501m000) sessions.

Product variants can be configured or selected here:

Default Supply Source	Item on sales order/quotation	Configure by PCF parameter	Configure product variant	Select product variant from session:
Job Shop	Generic	Not applicable	Product Configurator (tipcf5120m000)	Product Variants (tipcf5501m000)
Assembly	Generic	Selected	Product Configurator (tipcf5120m000)	Product Variants - Inventory (Assembly) (tiapl3600m000)
Assembly	Generic	Cleared	Not applicable	Product Variants - Inventory (Assembly) (tiapl3600m000)
Assembly	Manufactured	Selected	Product Configurator (tipcf5120m000)	Product Variants - Inventory (Assembly) (tiapl3600m000)
Assembly	Manufactured	Cleared	Not applicable	Product Variants - Inventory (Assembly) (tiapl3600m000)

Note

If LN is integrated with the Product Configuration Management configurator, the product variant is configured in CPQ Configurator and not in the Product Configurator (tipcf5120m000) session. For more information, refer to CPQ Configurator set up.

Reusing product variants

On different sales order/quotation lines of the same sales order or quotation, a specific product variant can be used multiple times.

This functionality can only be used if the following settings are applicable:

- The **Identifying Item Code** check box is selected in the Product Configuration Parameters (tipcf0100m000) session.

- The **Equate Project (PCS) with Sales Order** check box is selected when generating a project structure for the configured item in the Generate (Project PCS) Structure for Sales Orders (tdsls4244m000) session.
- The **Allow re-use of Configurations** check box is selected in the Product Configuration Parameters (tipcf0100m000) session.

Example

Generic item	Feature	Options
100: Chair X	Color	1: Red
		2: Blue
	Height	1: A
		2: B

Sales order/quotation after the configuration is saved:

Order	Position	Item	Description	Variant	Options chosen
123	5	Text	Classroom 1a	-	-
	10	100	Chair X	10	Color Red, Height A
	15	100	Chair X	11	Color Red, Height B
	20	Text	Classroom 1b	-	-
	25	100	Chair X	10	Color Red, Height A
	30	100	Chair X	11	Color Red, Height B

Sales order/quotation after the project structure is generated in the Generate (Project PCS) Structure for Sales Orders (tdsls4244m000) session:

Order	Position	Item	Description	Variant	Options chosen
	5	Text	Classroom 1a	-	-
123	10	100-1-A	Chair X, Color Red, Height A	10	Color Red, Height A
	15	100-1-B	Chair X, Color Red, Height B	11	Color Red, Height B
	20	Text	Classroom 1b	-	-
	25	100-1-A	Chair X, Color Red, Height A	10	Color Red, Height A
	30	100-1-B	Chair X, Color Red, Height B	11	Color Red, Height B

Checks applied in the example

- After configuration of order line 15, the same item is found on line 10. The new item code of position 10 (123/100-1-A) and the item code of line 15 (123/100-1-B) are different. Therefore, order line 15 is accepted.
- After configuration of order line 25, the same item with the same options is found on line 10. The new item code of position 10 and the item code of line 25 are the same: 123/100-1-A. Order line 25 can only be accepted if the **Allow re-use of Configurations** check box is selected.

The item code of position 10 and 25 are the same. In the Items (tcibd0501m000) session, the **Product Variant** for item 123/100-1-A is 10.

Important

The Generic Item - Settings for Data Generation (tipcf3101m000) session affects the expected result:

- In the example, the settings from this session are used: the selected options are part of the generated item code. If you select another option, a different customized item code is generated.
- If the settings for data generation are not specified in the Generic Item - Settings for Data Generation (tipcf3101m000) session, the customized item code is based on order number – item code, that is 123-100. In this case, position 15 would have resulted in an error message: the customized item code is the same as position 10 but the options are different.

Updating sales order lines and sales quotation lines

When you insert an existing product variant on the sales order/quotation line, these fields are updated on the sales order/quotation line:

Effectivity Unit	For items with the **Default Supply Source** set to **Assembly** and an effectivity unit linked to the product variant in Assembly Planning (APL).
Warehouse	For **Manufactured** items with the **Default Supply Source** set to **Assembly**.
Work Center	For **Generic** items with the **Default Supply Source** set to **Assembly**.
Sales Price	-
Serial Number	Is updated when the linked <u>assembly order</u> is sequenced. The sales order cannot be released to Warehousing without this number.
Standard Cost	Is updated after you do one of the following: ■ Click **Calculate Standard Costs** in the Product Variants (Assembly) (tiapl3500m000) session. ■ Freeze the assembly order.

Note

For **Manufactured** items with the **Default Supply Source** set to **Assembly** and the **Sell Multiples of Same Configuration** check box selected in the Assembly Planning Parameters (tiapl0500m000) session, multiple assembly orders can be linked to one sales order line, which means the sales order line cannot be updated with a serial number. Therefore, Warehousing enters serial numbers in a <u>lot and serial set</u>, which you can view by clicking the **Lot and Serial Set** button in the Sales Order Actual Delivery Lines (tdsls4106m000) session. Using this set, multiple serials are linked to the delivery line.

Updating product variants

When you change the **Planned Delivery Date** or the **Order Date/ Quotation Date** on the sales order/quotation line, the following fields are updated on the linked product variant:

Changed field on sales order/ quotation line	Updated field on product variant	Update restrictions
Planned Delivery Date	**Requested Offline Date**	None
Planned Delivery Date	**Planned Offline Date**	▪ Product variant status is **Open**. ▪ No assembly orders exist.
Planned Delivery Date	**Product Configuration Date**	▪ Product variant status is **Open**. ▪ No assembly orders exist. ▪ The **Configuration Date (PCS)** is set to **Delivery Date** in the Sales Parameters (tdsls0100s000) session. ▪ The product variant is not configured by Product Configuration.
Order Date/ Quotation Date	**Product Configuration Date**	▪ Product variant status is **Open**. ▪ No assembly orders exist. ▪ The **Configuration Date (PCS)** is set to **Order Date** in the Sales Parameters (tdsls0100s000) session. ▪ The product variant is not configured by Product Configuration.

Note

For **Manufactured** items with the **Default Supply Source** set to **Assembly** and the **Sell Multiples of Same Configuration** check box selected in the Assembly Planning Parameters (tiapl0500m000) session, multiple assembly orders can be linked to one sales order line, and therefore multiple planned delivery

dates can be applicable for a sales order line. As a result, date changes are not updated to the product variant.

Unlinking product variants

On the sales order/quotation line, you can unlink a product variant.

Unlinking does not remove the product variant, but removes only the reference to the sales order or quotation on the product variant and on the assembly order, if applicable. In the Product Variants (Assembly) (tiapl3500m000) and Product Variants (tipcf5501m000) sessions, the **Reference Type** remains **Sales Order**, **Sales Quotation**, or **Standard Variant**.

The unlinked product variant can be reused by another sales order/quotation.

Note

For items with the **Default Supply Source** set to **Assembly**, the following are applicable:

- In the Assembly Planning Parameters (tiapl0100s000) session, the **Allow Assembly Orders for unsold Product Variants** check box determines when you can unlink product variants.
- If a **Manufactured** item is rejected during warehouse inspection, the product variant status changes to **Canceled**. You can then cancel the linked sales order line or remove the product variant from the sales order line. If required, you can link another product variant.

Appendix A
Glossary

A

appropriate menu

Commands are distributed across the **Views**, **References**, and **Actions** menus, or displayed as buttons. In previous LN and Web UI releases, these commands are located in the *Specific* menu.

assembly item

An item with default supply source **Assembly**. The production of assembly items is controlled by an assembly order. Assembly orders are executed on an assembly line.

Note

An assembly item can have item type **Generic**, **Manufactured**, or **Engineering Module**.

assembly order

An order to assemble a product on one or more assembly lines.

ATP

See: *available-to-promise (p. 22)*

ATP

See: *available-to-promise (p. 22)*

available-to-promise

The item quantity that is still available to be promised to a customer.

In LN, available-to-promise (ATP) is part of a larger extended framework of order promising techniques called capable-to-promise (CTP). If an item's ATP is insufficient, CTP goes beyond ATP in that it also considers the possibility of producing more than was initially planned.

In addition to the standard ATP functionality, LN also uses channel ATP. This term refers to the availability of an item for a certain sales channel, taking into account the sales limits for that channel.

For all other types of order promising functionality used in LN, the term CTP is used.

Acronym: ATP

Abbreviation: ATP

bill of material

A listing of all subassemblies, intermediates, parts, and raw materials that go into the parent assembly. The bill lists the quantity and costs of each component.

Synonym: BOM

BOM

See: *bill of material (p. 22)*

capable-to-promise

The combination of techniques used to determine the quantity of an item that you can promise to a customer on a specific date.

Capable-to-promise (CTP) involves an extension of the standard available-to-promise (ATP) functionality. CTP goes beyond ATP in that it also considers the possibility of producing more than was initially planned, when an item's ATP is insufficient.

In addition to the standard ATP functionality, CTP comprises the following techniques:

- Channel ATP: restricted availability for a certain sales channel.
- Product family CTP: order promising on the basis of availability on product family level rather than on item level.
- Component CTP: check if there are enough components available to produce an extra quantity of an item.
- Capacity CTP: check if there is enough capacity available to produce an extra quantity of an item.

Abbreviation: CTP

catalog

The highest level of a category structure. A catalog contains one or more categories, which contain items or subcategories. A catalog cannot be a member of another category.

competitor

A company that competes for the same sales orders. Generally, a competitor operates in the same market segment as your company.

configurable item

An item that has features and options and must be configured before any activities can be performed on it. If the configurable item is generic, a new item is created after configuration. If the item is manufactured or purchased, the configuration is identified by item code and option list ID.

- **Manufactured** items with the default supply source set to **Assembly** and **Generic** items are always configurable.
- **Purchased** items with a purchase schedule in use can be configurable.
- Configurable **Purchased** items can be used within Assembly Control only.

CPQ Configurator

An application, integrated with LN to configure an item. The integration can be used only as part of the web user interface.

See: Configure Price Quote

CTP

See: *capable-to-promise (p. 22)*

default supply source

The source that supplies an item by default. An item can be supplied by using purchase orders or schedules, production orders or schedules, assembly orders, or warehousing orders.

The default supply source determines what type of order is used to supply the item, but in general, you can override the default and specify an alternate source.

generic item

An item that exists in multiple product variants. Before any manufacturing activities are performed on a generic item, the item must be configured to determine the desired product variant.

Example

Generic item: electric drill

Options:

- 3 power sources (batteries, 12 V or 220 V)
- 2 colors (blue, gray).

A total of 6 product variants can be produced with these options.

lot and serial set

A list of the lot codes and/or serial numbers of an item on a sales order line. The lot and serial set can be used in invoicing or after-sales service.

material price

The price of a material, which can be the following:

- The material base price, if material actual prices are not applicable (yet)
- The sum of these components: material base price + material price surcharge+ material price surcharge costs, if material actual prices are applicable

peg

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

product variant

A unique configuration of a configurable item. The variant results from the configuration process and includes information such as feature options, components, and operations.

Example

Configurable item: electric drill

Options:

- 3 power sources (batteries, 12 V or 220 V)
- 2 colors (blue, gray).

A total of 6 product variants can be produced with these options.

request for quotation (RFQ)

A purchasing document that is used as a request to bidders to submit their terms, such as price, discount, delivery time, and payment terms for delivering a (quantity of a) product.

You can send the RFQ to several bidders. A bidder can submit an RFQ response for the specified items.

You can record the responses, negotiate, and compare the prices and discounts that are offered by different bidders.

An accepted response can be copied to a contract, an order, or a price book.

sales quotations

A statement of price, the terms of sale, and a description of goods or services offered by a supplier to a prospective purchaser; a bid. The customer data, payment terms, and delivery terms are contained in the header; the data about the actual items is entered on the quotation lines. When given in response to a request for quotation, a bid is usually considered an offer to sell.

specification

A collection of item-related data, for example, the business partner to which the item is allocated or ownership details.

LN uses the specification to match supply and demand.

A specification can belong to one or more of the following:

- An anticipated supply of a quantity of an item, such as a sales order or production order
- A particular quantity of an item stored in a handling unit
- A requirement for a particular quantity of an item, for example a sales order

success percentage

A percentage associated with a quotation that represents the probability of the business partner accepting the quotation. Acceptance results in the conversion of the quotation into a sales order.

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