Infor LN Sales User Guide for Sales Master Data

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Table of Contents

About this document

This document describes the process to set up the master data in Sales, which includes the definition of sales item data, sales organizational data, sales order templates, and general sales data.

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.

References

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

- *User Guide for Product Catalogs U9815 US*
- *User Guide for Sales Quotations U9841 US*
- *User Guide for Sales Orders U9845 US*
- *User Guide for Sales Contracts U9844 US*
- *User Guide for Purchase and Sales Schedules U9541 US*
- *User Guide for Retrobilling U9840 US*
- *User Guide for Statistics U9816 US*
- *User Guide for Kit Handling U9540 US*
- *User Guide for CRM U9653 US*
- *User Guide for Terms and Conditions U9499 US*
- *User Guide for Vendor Managed Inventory U9501 US*
- *User Guide for Subcontracting U9361 US*
- *User Guide for Project Pegging U9777 US*
- *User Guide for Demand Pegging U9500 US*
- *User Guide for Pricing U9179 US*
- *User Guide for Material Pricing U9865 US*
- *User Guide for Price Stages*

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Chapter 1
Introduction

1

Sales

You use Sales to manage sales activities and maintain the data that is the result of these activities.

The main procedures in Sales are the sales order and sales schedule procedures, which cover the complete administrative procedure for selling items. Usually, the sales order/schedule procedure is preceded and followed by other procedures.

These procedures (can) precede the sales order/schedule procedure:

- Sales quotation procedure
- Sales contract procedure

Sales includes this main data:

- Sales master data
- Sales quotations
- Sales orders
- Sales contracts
- Sales schedules
- Margin control
- Consumption handling
- Retrobilling
- Commissions and rebates
- Statistics
- Sales parameters

Chapter 2
Item data

2

Sales item data

In Item Base Data, you can specify items and item data on a global level. Before you can complete sales procedures, you must also specify sales-related item data in Sales Item Data.

Specifying item sales data and default item sales data for an item group

Before order transactions can be used in Sales, sales-specific item data must be specified in the Item - Sales (tdisa0601m000) session. To enter a sales item, you must specify a large amount of information. If you set up defaults, you can reduce the amount of data that you must specify when you add a sales item. The item group is used in combination with the item type to set up item defaults. You can specify defaults for sales items that belong to an item group in the Item - Sales Defaults (tdisa0102s000) session.

To specify item sales defaults and sales items:

1. Specify an item group in the Item Groups (tcmcs0123m000) session.
2. Specify default global item data in the Item Defaults (tcibd0102m000) session, in which you must enter the **Item Group** that you previously defined in the Item Groups (tcmcs0123m000) session.
3. Click **Sales** in the Item Defaults (tcibd0102m000) session. The Item - Sales Defaults (tdisa0102s000) session starts in which you can specify item - sales defaults for the combination of **Item Type** and **Item Group**.
4. Specify an item in the Items (tcibd0501m000) session for the combination of **Item Type** and **Item Group** that you previously defined in the Item Defaults (tcibd0102m000) session. As a result, the default values from the Item Defaults (tcibd0102m000) session are inserted in the Items (tcibd0501m000) session.
5. Click **Sales** in the Items (tcibd0501m000) session. As a result, the Item - Sales (tdisa0601m000) session starts in which you can enter the sales data for the item that you created in the Items (tcibd0501m000) session. LN inserts the default values from the Item - Sales Defaults (tdisa0102s000) session in the Item - Sales (tdisa0601m000) session.

You can maintain this sales related item data in the Item - Sales (tdisa0601m000) session:

- Ordering data, pricing data, and data regarding over-deliveries.
- The sold-to business partners that are linked to the item.
- Sales offices and sites, if you want to specify item sales data by sales office or site. This functionality is available only if you use multisite.

Note

To generate transactions for the sales item, ordering-related item data must be specified in the Item - Ordering (tcibd2100m000) session and costing-related item data must be calculated in the Item - Costing (ticpr0107m000) session.

Specifying item - sales business partner data

Use the Items - Sales Business Partner (tdisa0510m000) session to define sales business partner-specific information by item. This information is used to determine how a sales order is sold and delivered to the specific sold-to business partner. This information overrides the item sales data and item warehousing data for the item and it is used to determine how the order is supplied and charged for the specified sold-to business partner.

Note

- You can use the Customer 360 (tdsmi1500m000) session to view, maintain, and create sold-to business partner-related data. You can use this session to display all business partners that are relevant for a specific account manager. The Customer 360 (tdsmi1500m000) session gives a quick overview of sold-to business partner information and easy access to sold-to business partner-related data.
- You can also use the Item - Sales (tdisa0601m000) session to specify item - sales business partner data. This session enables you to quickly enter the most important sales information for an item.

Inventory shortage handling

You can check available inventory and resolve inventory shortages for sales quotation lines, sales order lines, and sales order component lines.

Checking available inventory

The following parameters determine if and when available inventory for a line is checked:

Sales order (component) lines	Sales quotation lines
Time-Phased Inventory Check	**Inventory Check during Quotation Line Entry**
Extended Inventory Check	**Inventory Check during Confirmation**
	Inventory Check during Processing
Extended Inventory Check	**Processing in Case of Inventory Shortage**
Inventory Check Moment	**Extended Inventory Check**

Note

Alternative lines on sales quotations are not checked on available inventory before their status becomes **Confirmed** or **Processed**. The alternative line with the highest success percentage is checked on inventory.

Inventory checks

When inserting or updating a line, an inventory check is executed.

The applicable inventory check is determined based on the following priority sequence for searching:

1. External OPS (Order Promising Server) check by SCM Order Promiser.
2. ATP (Available to Promise)/CTP (Capable to Promise) check by Enterprise Planning.
3. Inventory check by Warehousing.

External OPS check

This inventory check can only be executed if all of the following are applicable:

- The **Infor SCM Promising Server** check box is selected in the Implemented Software Components (tccom0100s000) session.
- The item is a plan item.
- The **Extended Inventory Check** check box is selected.
- The **Inventory Check Moment** is set to **Batch**.

Note

- If an external OPS check is applicable, inventory is checked and inventory shortages are resolved externally by SCM Order Promising.
- Inventory handling by OPS can lead to an update of the following sales order (component) line fields: **Planned Delivery Date**, **Warehouse**, and **Order Promising Status**. It can also lead to a split sales order line with delivery lines.

ATP/CTP check

This inventory check can only be executed if the following are applicable:

- No OPS inventory check can be executed.
- The item is a plan item and the **CTP Check for Sales** check box is selected in the Planning Parameters (cprpd0100m000) session.

Inventory check by Warehousing

This inventory check can only be executed by Warehousing if one of the following is applicable:

- The item is not a plan item.
- The item is a plan item and the **CTP Check for Sales** check box is cleared in the Planning Parameters (cprpd0100m000) session.

Carrying out inventory shortage options

After the inventory for a line is checked and a shortage discovered, several options help you solve the inventory shortage.

Whether LN automatically tries to solve the inventory shortage, or whether your interaction is required through the Inventory Shortage Menu (tdsls4830s000) session depends on:

- The **Automatic Inventory Shortage Handling** check box in the Sales User Profiles (tdsls0139m000) session.
- The **Automatic Inventory Shortage Handling** fields in the Sales Order Types (tdsls0594m000) session.

Note

If the automatic inventory shortage handling option that is defined for the order type is not applicable for a sales order or quotation, the Inventory Shortage Menu (tdsls4830s000) pops up from which you can select the action to take.

Assigning a promising status

If, in the Sales Quotation Parameters (tdsls0100s100) and Sales Order Parameters (tdsls0100s400) sessions, the **Extended Inventory Check** check box is selected, sales quotation lines, sales order lines, and sales order component lines receive a promising status in the inventory shortage handling process.

The following statuses exist:

- **Accepted**
  The inventory check comes up with sufficient inventory to deliver the line on time.
- **Not Accepted**
  The inventory check comes up with insufficient inventory to deliver the line on time.

- **Pending**
  The line is waiting to be checked on available inventory.
- **Exception**
  An error occurred during the inventory check, which must be manually solved.

For these lines, you can view and maintain their promising status in the following promising lines sessions:

Type of line	Promising lines session	Satellite of session
Sales order line	Sales Order Promising Lines (tdsls4101m400)	■ Sales Order (tdsls4100m900) ■ Sales Order Line (tdsls4101m900)
Sales order component line	Sales Order Promising Line Components (tdsls4563m200)	Sales Order Lines - Components (tdsls4601m000)
Sales quotation line	Sales Quotation Promising Lines (tdsls1501m200)	Sales Quotation (tdsls1600m000)

Note

- Sales order lines and sales order component lines with the statuses **Not Accepted**, **Pending**, and **Exception** must have their shortage manually solved to change the status to **Accepted**. Otherwise the linked sales order cannot be approved.
- If the **Processing in Case of Inventory Shortage** check box is selected in the Sales Quotation Parameters (tdsls0100s100) session, when sales quotation lines are converted to sales order lines, the sales quotation line's promising status can be **Not Accepted**, **Pending**, or **Exception**. If the **Processing in Case of Inventory Shortage** check box is cleared, the sales quotation line's promising status must be **Accepted** to convert sales quotation lines.

Accepted

A line obtains this status if:

- Sufficient inventory is available or the inventory shortage is solved.
- The line does not need to be checked on available inventory, such as in a direct delivery situation.
- The **Extended Inventory Check** functionality is not implemented.

Sales orders for which all (component) lines are **Accepted**, can be approved and continued to be processed. For more information, refer to Sales order procedure.

Not Accepted

A line obtains this status if:

- Insufficient inventory is available or a shortage could not be solved.
- A line with the **Exception** status is manually set to **Not Accepted** in the Sales Order Promising Lines (tdsls4101m400), Sales Order Promising Line Components (tdsls4563m200), or Sales Quotation Promising Lines (tdsls1501m200) session.

In the promising lines sessions, you can solve the inventory shortage as follows:

- On the appropriate menu, carry out one of the shortage options.
- For sales order (component) lines, on the appropriate menu, click **Check Inventory Sales Orders**. The Check Inventory Sales Orders (tdsls4217m000) session is started, which searches for an automatic inventory shortage handling option for the order type.
- Manually update the order (component) line or quotation line in the relevant session.

Pending

A line obtains this status if, in the Sales Order Types (tdsls0594m000) session, the **Inventory Check Moment** is set to **Batch** and:

- Available inventory must still be checked.
- **Accepted**, **Not Accepted**, or **Exception** lines are manually changed and must be re-checked on available inventory.

Note

A line receives the **Pending** status until it is checked on inventory in the Check Inventory Sales Orders (tdsls4217m000) session or in SCM Order Promiser. After the check, the line is set to **Accepted**, **Not Accepted**, or **Exception**.

Exception

A line obtains this status if LN cannot determine the status. If possible, an error message is logged in the Message Log (tcstl1500m000) session. You must manually solve the error.

Note

Sales order (component) lines with the **Exception** promising status cannot be checked on inventory in the Check Inventory Sales Orders (tdsls4217m000) session. To check the inventory for these lines, in one of the promising lines sessions, click an **Exception** line and, on the appropriate menu, choose **Set to Not Accepted**. The line's status changes to **Not Accepted** and can now be included in the inventory check in the Check Inventory Sales Orders (tdsls4217m000) session. After this check, it receives the **Accepted**, **Not Accepted**, or **Exception** status.

Registering planned inventory transactions

If, for planned items, the **CTP Check for Sales** check box is selected in the Planning Parameters (cprpd0100m000) session, the following are applicable:

- **Sales order (component) lines**
  Planned inventory transactions are created when the order promising status becomes **Accepted**. If the **Accepted** status changes to another status for the line, the planned inventory transactions are reversed.
- **Sales quotation lines**
  Planned inventory transactions are created when the quotation promising status becomes **Accepted** and the expected success percentage is equal or higher than the **Minimum Success Percentage for Consideration in Time Phased Inventory** in the Sales Quotation Parameters (tdsls0100s100) session. If the **Accepted** status changes to another status for the line, the planned inventory transactions are reversed.

Note

- For non-plan items on sales quotation lines, planned inventory transactions are only written if the expected success percentage is equal to or higher than the value specified in the **Minimum Probability % for Time Phased Inventory** field of the Sales Quotation Parameters (tdsls0100s100) session. Therefore, for these items, planned inventory transactions are registered irrespective of the sales quotation line's promising status.
- If the **Infor SCM Promising Server** check box is selected in the Implemented Software Components (tccom0100s000) session, planned inventory transactions are always written for sales order lines with plan items, because SCM Order Promiser uses the PIT data as input for its functionality.

Time-phased inventory check

With a time-phased inventory check, the availability of sufficient inventory during the item's order lead time can be checked for sales order lines or sales quotation lines. This means that the difference between the inventory on hand and the allocations at that particular moment are ignored. Instead, LN considers the difference between the inventory on hand and all planned inventory transactions during the entire order lead time

LN performs a time-phased inventory check only if:

- The delivery date falls within the order lead time.
- For sales orders, the **Time-Phased Inventory Check** check box is selected in the Sales Order Parameters (tdsls0100s400) session.
- For sales quotations, the **Inventory Check during Quotation Line Entry**, **Inventory Check during Confirmation**, or **Inventory Check during Processing** parameters are set to **Time-Phased** in the Sales Quotation Parameters (tdsls0100s100) session.

Example

Current date	01-10	-
Current inventory on hand	100	-
Planned purchase receipt on	01-11	25 units
Planned sales order on	10-11	100 units
Planned sales order on	01-12	1000 units
Order lead time	2 months	-

A time-phased inventory check registers the following available inventory:

01-11	125 units
10-11	25 units
01-12	-975 units

If you enter a sales order for 100 units on 10-10 with 15-11 as the delivery date, a time-phased inventory check is performed. The delivery date falls within the order lead-time (before 01-12). The available inventory on 15-11 is 25 units. Because the allocation of 100 units exceeds the available inventory, LN automatically takes the correct action, or starts the Inventory Shortage Menu (tdsls4830s000) session in which you can select the required action.

Selling items from list groups

You can specify the list group(s) used to find list items when you sell a list item to a sold-to business partner. You can indicate whether the business partner can buy from multiple list groups or only from a default list group.

Setting up list item data

1. Specify a list item in the Items (tcibd0501m000) session.
   In this session, you must:
   - Set the **Item Type** field to **List**.
   - Specify whether the item is a kit, an option, or a menu in the **List Type** field.
2. Specify a list group in the List Groups (tcibd3101m000) session.
3. Add one or more list item(s) and components to the list group in the List Components (tcibd3100m000) session.
4. Specify list group data for the sold-to business partner in the Sold-to Business Partner (tccom4110s000) session.
   In this session, you can:
   - Link a default list group to the business partner in the **List Group** field.
   - Select the **Allow Alternative List Groups** check box if the business partner is allowed to buy from multiple list groups and not only from the default list group.

Note

If you do not link a default list group to the sold-to-business partner in the Sold-to Business Partner (tccom4110s000) session, LN retrieves the default list group from the **List Group** field in the Sales Parameters (tdsls0100s000) session.

Business partner allows alternative list groups

If you want a business partner to choose items from multiple list groups, select the **Allow Alternative List Groups** check box in the Sold-to Business Partner (tccom4110s000) session. When you enter a list item in the **Item** field of the Sales Order (tdsls4100m900) session or Sales Quotation Lines (tdsls1501m000) session, a browser starts with a tree structure of the list item and linked list groups and components. To copy the required item to the sales order line or sales quotation line, select an item component and click **Copy to Sales Order Line** from the appropriate menu of the browser.

Business partner does not allow alternative list groups

If you want a business partner to choose items from only one list group, clear the **Allow Alternative List Groups** check box in the Sold-to Business Partner (tccom4110s000) session. As a result, the business partner can only choose from the default list group as entered in the **List Group** field of the Sold-to Business Partner (tccom4110s000) session, or, if this field is empty, from the **List Group** field in the Sales Parameters (tdsls0100s000) session. When you enter a list item in the **Item** field of the Sales Order (tdsls4100m900) session or Sales Quotation Lines (tdsls1501m000) session that occurs in the default list group that is linked to the business partner, the Items by List (tcibd3500m000) session starts. To copy the required item to the sales order line or sales quotation line, select an item component and click OK.

Kits

After a list item of the type kit is copied to:

- The sales order line, you can view the kit's items in the Sales Order Line - BOM Components (tdsls4532m000) session. You can start this session by selecting an order line in the Sales Order (tdsls4100m900) session and clicking **Order Line - BOM Components** on the appropriate menu of the **Lines** tab.
- The sales quotation line, you can view the kit's items in the Sales Quotation Line - BOM Components (tdsls1532s000) session. You can start this session by selecting a quotation line in the Sales Quotation Lines (tdsls1501m000) session and clicking **Sales Quotation Line - BOM Components** on the appropriate menu.

Alternative items and replacement items

Defining alternative and replacement items

You can use alternative items and replacement items for items you sell to customers.

The difference between alternative items and replacement items:

- An alternative item is an item that you can sell if the standard item is out of stock. A standard item can have multiple alternative items.
- A replacement item is an item that replaces another item that is no longer sold. A replaced item can have only one replacement item.

You define both alternative items and replacement items in the Alternative Items (tcibd0505m000) session. The items must be of the **Product**, **Purchased**, **Manufactured**, or **Generic** type.

Alternative items

To define an alternative item for an item:

1. Start the Alternative Items (tcibd0505m000) session.
2. Specify the original item in the Alternative Items (tcibd0505m000) session.
3. Specify the original item's alternative item or items in the Alternative Items (tcibd0105s000) session. If several alternative items can substitute an original item, you must assign a priority to the alternative item in the **Priority** field.
4. Specify the values of the other fields as required.
5. If the sold-to business partner accepts a combined shipment of the available quantity of the original item as well as alternative items, select the **Allow Shipment of Multiple Alternative Items** check box in the Sold-to Business Partner (tccom4110s000) session.

Replacement items

A replacement item can be used as a replacement for the original item. In general, the replaced item has different properties than the original item.

For example, you sell a machine of which you created an improved version. The old and new versions have different item codes. You define the new item to be the replacement item of the original item.

An item can have only one replacement item. If, after some time, the replacement item itself is replaced, you can again define a replacement item for the replacement item.

To define a replacement item for an item:

1. Start the Alternative Items (tcibd0505m000) session.
2. Specify the original item in the Alternative Items (tcibd0505m000) session.
3. Specify the original item's replacement item in the **Alternative Item** field of the Alternative Items (tcibd0105s000) session.
4. Clear the **Reverse** and the **Interchangeable** check boxes.
5. Select the **Replacement** check box.
6. Specify the values of the other fields as required.

Type of replacement

The **Type of Replacement** field in the Alternative Items (tcibd0505m000) session shows the type of replacement for each alternative item and replacement item.

Example

Last year, item M0023 was replaced by item M0023A. Item M0023A was replaced by item M0023B.

You defined item M0044 as an alternative item for item M0023B, to be used if M0023B is out of stock. Item M0044 has no replacement relationships.

Item	Type of Replacement
M0023	**Replaced**
M0023A	**Replaced Substitute**
M0023B	**Substitute**
M0044	**Not Applicable**

Using alternative and replacement items

If an inventory shortage occurs for an item, you can offer the sold-to business partner an alternative item. Optionally, you can use the available inventory of the original item and then fill the remaining shortage with an alternative.

If an item is no longer sold, you can replace it with a different item.

Setting up alternative items and replacement items

For more information, refer to *Defining alternative and replacement items (p. 18)*.

Using alternative items

If you enter an order quantity on a sales order line or quotation line that cannot be covered by the inventory on hand, LN displays a warning and opens a list of options. One of the options you can choose is to start the Alternative Items (tcibd0505m000) session, from which you can select an alternative item.

If the **Allow Shipment of Multiple Alternative Items** check box is selected in the Sold-to Business Partner (tccom4110s000) session and some quantity of the originally requested item is available, LN splits the sales order line in two sales order lines:

- A sales order line with the available quantity of the original item.
- A second sales order line with the alternative item you selected.

Using replacement items

If you specify an item that is no longer sold on a sales order line or a sales quotation line, LN asks you whether you want to use the replacement item instead.

Automatically starting the Alternative Items (tcibd0505m000) session

To automatically start the Alternative Items (tcibd0505m000) session in case of an inventory shortage, use the following setting:

- In the Sales User Profiles (tdsls0139m000) session, select the **Automatic Inventory Shortage Handling** check box.
- In the Sales Order Types (tdsls0594m000) session, select the applicable sales order type and in the details session, under **Automatic Inventory Shortage Handling**, set the applicable fields to **Alternative Items**.

If you enter an item and order quantity on a sales order line for which LN identifies an inventory shortage, LN bypasses the list of options, and immediately starts the Alternative Items (tcibd0505m000) session.

Chapter 3
Organizational data

3

Sales organizational data

Before you can complete sales procedures, you must specify sales organizational data, such as sales order types that define the mandatory steps in the sales order procedure, sales offices that you can use to create sales contracts, sales orders, sales schedules, and user profiles with user-specific default data. If multisite is implemented, you can also specify sales data and parameters specific for sites.

Specifying sales order types

The sales order type determines the activities that are included in the order procedure, and how and in which sequence the order procedure is carried out. When a sales order type is linked to a sales order, the sales order is processed according to the activities and the type of order defined for the sales order type.

To specify sales order types and their activities:

1. Enter a sales order type in the Sales Order Types (tdsls0594m000) or the Sales Order Type (tdsls0694m000) session. You can specify normal and special order types. The order procedure of special orders usually differs from normal sales orders.
2. On the Activities tab of the Sales Order Type (tdsls0694m000) session, specify:
   - The activities (tasks) to be carried out.
   - The sequence in which these activities must be carried out.
   - Whether the activity must be carried out automatically or manually.

For more information, refer to *Flexible sales order processing (p. 24)*.

Specifying sales offices

The sales office determines the location from which sales orders, contracts, schedules, and sales quotations are processed. A sales office is needed to complete transactions with sold-to business partners. Various sales offices can be set up for one company. Once you set up the sales office, you can define user profiles.

To specify a sales office:

1. Define the sales office as a department in the Enterprise Unit (tcemm0630m000) session.
2. Specify sales-office-specific data in the Sales Offices (tdsls0512m000) session. The enterprise unit to which the department is linked informs you about the financial company to which financial transactions for the sales office are posted. If you want to use sales offices in combination with sales orders, sales schedules, sales contracts, or sales quotations, you must fill the applicable series fields.

Specifying sales data by site

If multisite is implemented, you can specify sales data and parameters specific for a site. This is data such as settings for inventory checks, order commitment lead times, or back order confirmation settings. Specifying sales data by site is required if these data and settings are different from the companywide or global sales parameters. For more information, refer to Setting up a multisite structure within a company.

Specifying user profiles

User profiles are used to set up default information for sales employees, so documents can be processed faster. In the Sales User Profiles (tdsls0139m000) session, you can link a user to a sales office, order type, and warehouse for each login code. If multisite is implemented, you can also link a user to a site.

When the user creates a sales order, sales contract, sales schedule, or sales quotation, the user profile determines the defaults. This accelerates the sales-related transaction entry processes.

Flexible sales order processing

You can automate the processing of sales orders. For each activity that is linked to an order type, you can specify its execution mode: automatic or manual.

The execution of the order procedure activities can start when a user approves the order. After approval of an order, all automatic activities are executed successively until an activity is defined as nonautomatic. After you manually executed the nonautomatic activity, LN executes the next automatic activity, etc.

To enable flexible order processing, you must first specify this data:

1. Sales order type and sales order type activities.
2. Default devices to which (error) reports for a user are printed.

Sales order types and activities

Specify sales order types and link activities to the order types in the Sales Order Type (tdsls0694m000) session. By selecting or clearing the **Automatic** check box for an activity, you can specify its execution mode.

Important!

Ensure that the list of activities linked to an order type is extensive enough to cover all processes that can apply during execution of the order procedure. If an activity is not applicable for the order type, LN automatically skips/removes this activity.

You can view the actual activities that are linked to the sales order (delivery) line and the status of the activities in these sessions:

- Sales Order Activities (tdsls4113m000)
- Sales Order Line Status (tdsls4534s000)
- Sales Order Intake Workbench (tdsls4601m200)

Mandatory activities

When you create an order type in the Sales Order Type (tdsls0694m000) session, LN automatically links several mandatory activities to the order type, such as:

- Release Sales Orders to Warehousing (tdsls4246m000)
- Sales Deliveries (tdsls4101m200)
- Release Sales Orders/Schedules to Invoicing (tdsls4247m000)
- Process Delivered Sales Orders (tdsls4223m000)

Note

For the consignment replenishment order type, the activity Release Sales Orders/Schedules to Invoicing (tdsls4247m000) is not linked. For the retro-billed order type, the activity Release Sales Orders to Warehousing (tdsls4246m000) is not linked.

Optional activities

Various optional activities are also automatically added to the Sales Order Type - Activities (tdsls0560m000) session, such as:

- Print Sales Order Acknowledgements/RMAs (tdsls4401m000)
- Generate (Project PCS) Structure for Sales Orders (tdsls4244m000)
- Calculate Standard Costs by Project (tipcs3250m000)
- Generate Freight Orders (tdsls4222m000)
- Generate Purchase Order Advice for Sales Order (tdsls4240m000)
- Generate Purchase Orders (tdsls4241m000)
- Generate Production Orders (tdsls4243m000)
- Generate Inventory Commitment (whinp2200m000)

- Sales Order Invoice Lines (tdsls4106m100)
- Process After Sales Service Lines (tstdm2250m000)

You can remove the optional activities from the order type, if required.

Note

- For the return order type, collect order type, cost order type, retro-billed order type, and the consignment order types, the activity Sales Order Invoice Lines (tdsls4106m100) cannot be linked.
- You cannot define the Sales Order Invoice Lines (tdsls4106m100) and Change Prices and Discounts of Sales Invoice Lines (tdsls4132m000) activities as automatic activities. These activities must always be executed manually, because you must first maintain, approve, or confirm invoice quantities.
- For the retro-billed order type, the collect order type, and the cost order type, the activity Generate Freight Orders (tdsls4222m000) cannot be linked. This also applies if the **Consignment Invoicing** check box is selected in the Sales Order Types (tdsls0594m000) session.

Execution of activities

The actual execution of the activities that are linked to the order type is determined during the order procedure.

Examples:

- **Release Sales Orders to Warehousing (tdsls4246m000) and Sales Deliveries (tdsls4101m200)**
  Although Release Sales Orders to Warehousing (tdsls4246m000) and Sales Deliveries (tdsls4101m200) can both be linked as a mandatory activity to the order type, either the Release Sales Orders to Warehousing (tdsls4246m000) activity or the Sales Deliveries (tdsls4101m200) activity is executed during the order procedure. This applies to sales orders with a cost or service item. A sales order is released to Warehousing if the **Release to Warehousing** check box is selected in the Items - Sales (tdisa0501m000) session for the cost or service item. If the **Release to Warehousing** check box is cleared, you must manually maintain the deliveries for the sales order in the Sales Deliveries (tdsls4101m200) session.
- **Generate Purchase Order Advice for Sales Order (tdsls4240m000) and Generate Purchase Orders (tdsls4241m000)**
  Either the Generate Purchase Order Advice for Sales Order (tdsls4240m000) or the Generate Purchase Orders (tdsls4241m000) activity can be linked to the order type. Determine whether purchase order advices must first be generated before cross-docking orders and direct delivery orders can be created.
- **Generate Production Orders (tdsls4243m000)**
  This activity is applicable only if the **Delivery Type** field is set to **Production** in the Sales Order Lines (tdsls4101m000) or the Sales Order Planned Delivery Lines (tdsls4101m100) sessions.

- **Calculate Standard Costs by Project (tipcs3250m000)**
  This activity is applicable only if you enter a sales order line with a customized item. The Calculate Standard Costs by Project (tipcs3250m000) session updates the sales order line with the calculated standard costs of the customized item. If you use lower cost or market value (LCMV), the sales order line is updated with the calculated standard costs of the customized item only if the **Backdate Valuation Price Allowed** check box is also selected in the Calculate Standard Costs by Project (tipcs3250m000) session.
- **Sales Order Invoice Lines (tdsls4106m100)**
  This activity is applicable only if the **Customer Approval** check box is selected in the Implemented Software Components (tccom0100s000) session. For more information, refer to *Customer approval (p. 45)*.

Default devices

Specify a default device to which reports are printed for the user in the Sales User Profiles (tdsls0139m000) session.

When you insert a user profile in the Sales User Profiles (tdsls0139m000) session, these printing sessions are automatically inserted in the Default Devices by User (tdsls0140m000) session:

- Print Sales Quotations (tdsls1401m000)
- Print Sales Contract Acknowledgements (tdsls3405m000)
- Print Sales Contract Reminders (tdsls3406m000)
- Print Sales Order Acknowledgements/RMAs (tdsls4401m000)

For each printing session, you can define the device that is used for printing in the Default Devices by User (tdsls0140m000) session. You can start this session by choosing **Default Devices by User** from the appropriate menu in the Sales User Profiles (tdsls0139m000) session. The **Device** in the Default Devices by User (tdsls0140m000) session is defaulted from the **Device** in the Sales User Profiles (tdsls0139m000) session but can be overwritten in the Default Devices by User (tdsls0140m000) session.

The device search path for printing external documents:

1. From the Default Devices by User (tdsls0140m000) session.
2. From the Sales Order Type - Activities (tdsls0560m000) session.
3. If no device can be found, you must select a device.

The device search path for printing internal documents:

1. From the Sales User Profiles (tdsls0139m000) session.
2. From the Sales Order Type - Activities (tdsls0560m000) session.
3. If no device can be found, you must select a device.

Note

- If an error report is printed, LN always uses the device specified in the **Device** field of the Sales User Profiles (tdsls0139m000) session. If no device is specified, you must select a device.

- For automatically executed activities, no process reports are printed.

Sales order status and flexible sales order processing

Flexible sales order processing starts when a sales order receives the **Approved** status.

When a (delivery) line of an approved sales order is modified, the order header status changes to **Modified**. The modified sales order line is now excluded from the automatic execution of order activities. You must re-approve the sales order.

Example

Order type sequence	Activity	Automatic
1	Print Sales Order Acknowledgements/RMAs (tdsls4401m000)	Yes
2	Release Sales Orders to Warehousing (tdsls4246m000)	Yes
4	Process Delivered Sales Orders (tdsls4223m000)	No

Because Print Sales Order Acknowledgements/RMAs (tdsls4401m000) is an automatic activity, the sales order is printed after it is approved. Next, LN automatically executes the activity Release Sales Orders to Warehousing (tdsls4246m000). You must manually process the delivered sales order in the Process Delivered Sales Orders (tdsls4223m000) session.

Multicompany invoice between a purchase office and a sales office

For a direct delivery, the sales office receives money from the customer and the purchase office pays the supplier for the goods. As a result, the account books of both financial companies show discrepancies.

To automatically register internal cost and revenue transactions to balance the accounts of the sales and purchase offices involved, and, if required, generate internal invoices, you must set up intercompany trade.

Rate determiners in Sales

You can specify rate determiners to decide which date is used to determine the exchange rates. Amounts in foreign currencies are converted to the home currency, based on the valid exchange rate.

A company's currency system, which you can define in the **Currency System** field of the Companies (tcemm1170m000) session, defines how amounts are calculated and registered.

These currency systems are available:

- Single currency
- Independent currency
- Dependent currency

Based on the currency system, you can specify these rate determiners in Sales:

Currency System:	Single Currency
Rate Determiners:	**Document Date** **Expected Cash Date** **Manually Entered** **Fixed** **Delivery Date**

Currency System:	Independent currency
Rate Determiners:	**Document Date** **Expected Cash Date** **Manually Entered** **Fixed Hard** **Fixed Local** **Fixed Local and Hard** **Delivery Date**

Currency System:	Dependent Currency
Rate Determiners:	**Document Date** **Expected Cash Date** **Manually Entered** **Fixed** **Delivery Date**

Using rate determiners

Currency rate determiner

For the standard currency system, you can only use **Document Date** and **Manually Entered**.

- **Document Date**
  LN uses the rate that is valid on the date and time on which the documents are created. The **Document Date** rate determiner applies to all types of transactions. You can manually change the rate.

  The rate is updated by Invoicing when the invoice is posted.
- **Manually Entered**
  You can manually enter the rate. By default, LN uses the rate that is valid on the date and time on which the documents are created. The **Manually Entered** rate determiner applies to all types of transactions.
- **Delivery Date**
  If the goods are not yet delivered, LN uses the rate that is valid on the order date. However, if this order date is in the past, LN uses the rate that is valid on the current date.

  If the goods are delivered, LN uses the rate that is valid on the actual delivery date.

  The **Delivery Date** rate determiner only applies to sales orders, service orders, and sales invoices. You cannot manually change the rate.
- **Receipt Date**
  LN uses the rate that is valid on the date and time on which you expect to receive the goods. The **Receipt Date** rate determiner only applies to purchase orders and purchase invoices. You cannot manually change the rate.
- **Expected Cash Date**
  LN uses the rate that is valid on the date and time at which payment of the sales invoice or purchase invoice is expected.

  ```
  Expected cash date = expected delivery/receipt date + payment period
  ```

  The payment period is specified in the Payment Terms (tcmcs0113s000) session. The **Expected Cash Date** rate determiner applies to all types of transactions. You cannot manually change the rate.

  The rate is updated by Invoicing when the invoice is posted.
- **Fixed**
  You can use this rate determiner only for a dependent currency system or a single currency system. The **Fixed** rate determiner applies to all types of transactions.

  If you manually enter the rates between the transaction currency and the reference currencies, the rate is fixed. If you do not manually enter the rates, the rate is not fixed and LN uses the rate that is valid on the date and time on which the documents are created.
- **Fixed Hard**
  You can use this rate determiner only for an independent currency system. The **Fixed Hard** rate determiner applies to all types of transactions.

If you manually enter the rate between the transaction currency and the reporting currencies, the rates are fixed. The local currency rate is based on the document date of the actual document.

If you do not manually enter the rate between the transaction currency and the reporting currencies, the rates are not fixed and LN uses the rates that are valid on the date and time on which the documents are created.

- **Fixed Local**
  You can use this rate determiner only for an independent currency system. The **Fixed Local** rate determiner applies to all types of transactions.

  If you manually enter the rate between the transaction currency and the local currency, the rate is fixed. The other rates are based on the document date of the actual document.

  If you do not manually enter the local currency rate, the rate is not fixed and LN uses the rate that is valid on the date and time on which the documents are created.
- **Fixed Local and Hard**
  You can use this rate determiner only for an independent currency system. The **Fixed Local and Hard** rate determiner applies to all types of transactions.

  If you manually enter the rate between the transaction currency and the home currencies, the rates are fixed. The local currency rate is based on the document date of the actual document.

  If you do not manually enter the rates between the transaction currency and the home currencies, the rates are not fixed and LN uses the rates that are valid on the date and time on which the documents are created.

Chapter 4
General data

4

General sales data

Before you can complete sales procedures, you must specify general sales data, such as data to track order changes and to determine the reason for the changes, the conditions and reasons for automatically blocking a sales order, and order priority simulations.

Specifying data to track order changes and to determine the reason for the changes

Sales orders can be dynamic documents, as a sold-to business partner's requirements can change during the life cycle of the order process. In the sales master data, you can specify information to track these adjustments and the reasons why changes were made. Change codes and acknowledgement codes are used to track various changes to an order. Although this functionality was designed to work specifically with EDI, a company without EDI functionality can also use these codes to record changes.

You can use change codes to maintain information on order changes that are tracked for historical purposes. You can use acknowledgement codes to manually add change information to the order document, after which these changes are communicated to the sold-to business partner through a sales order acknowledgement.

To maintain and track changes:

1. Use the Change Reasons (tdsls0197m000) session to maintain codes that represent the change reasons, which can be assigned to a changed order or an order acknowledgement to clarify why a change is made. This information can be tracked for historical reporting.
2. Use the Change Types (tdsls0198m000) session to specify change types. These types indicate the kind of change for a sales order or order acknowledgement, such as change order line, add order line, and change header data. The change types are assigned to the sales order after the change is made to the order.
3. Use the Sales Order Parameters (tdsls0100s400) session to specify various default change codes and change types, which are defaulted to the sales order line in case of changes.
4. Use the Sales Order - Change Order Sequence Numbers (tdsls0153m000) session to specify optional numbers that are used to group the occurrence of changes to an order or order

acknowledgment. This session is usually accessed from the sales order screen, as the actual order number must be specified.

5. Use the Sales Acknowledgments (tdsls0154m000) session to specify sales order acknowledgements and the destination of the codes, which can be **Header**, **Line**, or **Any**. The acknowledgement code includes a group of information, which is displayed on the sales acknowledgment document. This code can include the reasons for a changed sales order.
6. Use the Sales Acknowledgment Assignments (tdsls0155m000) session to specify the information to be included in the sales order acknowledgment document as indicated by the acknowledgment code. You can assign acknowledgment codes to specific fields on a sales order line, which are the default codes when a change occurs to a specific field. You must also specify the action (Add line, Change line) and the source (EDI, Manual, or Any) that result in the acknowledgment code assignment. For example, if you manually add an order line to an existing sales order and the order quantity is changed, the specified acknowledgment code is assigned to the sales order line.

Specifying reasons for order blocking

It may be required to block sales order entry for a business partner, or to stop the processing of a business partner’s sales order. You can specify the conditions for automatically blocking a sales order and specify hold reasons stating why the order was blocked. This gives you time to review the order and to take appropriate action. Many reasons can exist for placing a hold on a sold-to business partner’s order. For instance, sold-to business partners might have exceeded their credit limit, have overdue invoices, or can be disputing an invoice.

If you want to use the order blocking functionality:

1. Specify hold reasons in the Hold Reasons (tcmcs2110m000) session.
2. In the Hold Reasons by Business Partner Type (tdsls0593m000) session, specify the action to take when a sales order line is blocked for a particular reason, which depends on the business partner type and hold reason.
3. In the Sales Order Parameters (tdsls0100s400) session, specify when orders must be automatically blocked. On the **Blocking** tab, specify standard blocking situations. On the **Reasons** tab, attach a reason for a blocking situation.
4. In the **Block As of Activity** field of the Sales Order Type (tdsls0694m000) session, specify the step at which the sales order procedure is interrupted automatically. When an order (line) is blocked, the procedure for this order can only be partially carried out. If a blocking step is not specified in this session, the order procedure is not interrupted.

Specifying order priority simulations

If you want to use order priority simulations:

1. In the Sales Order Parameters (tdsls0100s400) session, set the **Order Priority Method** field to **Simulation**. Consequently, the order priority is calculated based on the values of the fields specified in the simulation code.

2. In the Priority Simulations (tdsls4524m000) session, specify the codes that are used to create priority simulations. A priority simulation includes an identifying code and description, a sort sequence, and a sort mode. The sort sequence and the sort mode are criteria by which sales orders are sorted. The way the orders are sorted determines the priority. To create a simulation, the sorting criteria specified in the simulation code are applied to a group of sales orders, which are selected by the user. You can select six fields for each simulation code to sort sales orders. Default fields are retrieved from the sales order lines, but you can also use fields from sales orders and business partners.

Changing/acknowledging orders

A purchase order of one company is linked to a sales order of another company. Therefore, a change in a purchase order can affect the corresponding sales order, and vice versa. You can specify the handling of change order information.

Change order parameters

This table shows the parameters that determine the handling of change order information:

Sales Order Parameters (tdsls0100s400)	Purchase Order Parameters (tdpur0100m400)
Prompt for Change Codes	**Mandatory Entry of Change Codes**
Change Codes Mandatory	**Change Codes Mandatory**
Automatic Assignment of Change Order Sequence Numbers	**Automatic Assignment of Change Order Sequence Numbers**
Default Change Reason Code for Add Order Line	**Default Change Reason Code for Add Order Line**
Default Change Type for Add Order Line	**Default Change Type for Add Order Line**
Default Change Reason Code for Change Order Line	**Default Change Reason Code for Change Order Line**
Default Change Type for Change Order Line	**Default Change Type for Change Order Line**
Default Change Reason Code for Cancel Order Line	**Default Change Reason Code for Cancel Order Line**
Default Change Type for Cancel Order Line	**Default Change Type for Cancel Order Line**

Changing and acknowledging orders

1. **Changing a purchase order (line)**
   When a sold-to business partner changes a purchase order, these fields can be filled in the Purchase Orders (tdpur4100m000) session:
   - **Change Reason**
   - **Change Type**
   - **Change Order Sequence**

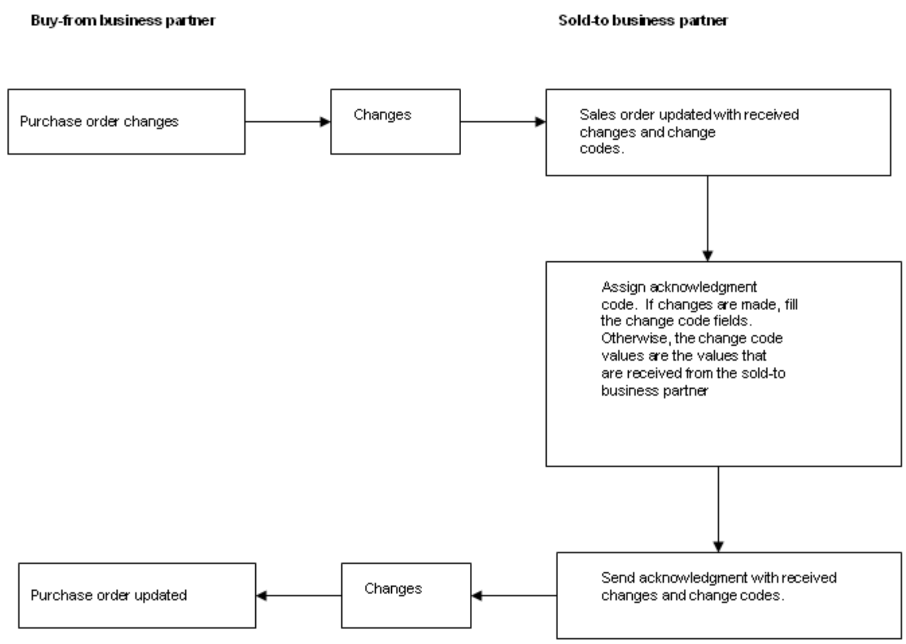
   When a sold-to business partner changes a purchase order line, these fields can be filled in the Purchase Order Lines (tdpur4101m000) session:
   - **Change Reason Lines**
   - **Change Type Lines**
   - **Change Order Sequence**
2. **Communicating the changes**
   The sold-to business partner must inform the buy-from business partner about the changes on the purchase order (line). The sold-to business partner can, inform the buy-from business partner by telephone, EDI message, mail, or in another way.

3. **Implementing the changes**
   If the buy-from business partner agrees with the changes, the same changes must be made to the corresponding sales order (line). To acknowledge the changes, the buy-from business partner must specify:
   - The **Sales Acknowledgment** field in the Sales Orders (tdsls4100m000) session in case of an order change.
   - The **Sales Acknowledgment** field in the Sales Order Lines (tdsls4101m000) session in case of an order line change.

   The buy-from business partner can also make changes to the requested changes. In this case, the buy-from business partner can overwrite the changes. After the sales order(line) is updated by the buy-from business partner, this partner will send the sold-to business partner the acknowledgment (of the changes).

When a buy-from business partner changes a sales order (line), you can read the procedure above with the sold-to business partner changed into the buy-from business partner and the Purchase Orders (tdpur4100m000) and Purchase Order Lines (tdpur4101m000) sessions substituted with the Sales Orders (tdsls4100m000) and Sales Order Lines (tdsls4101m000) sessions.

Example

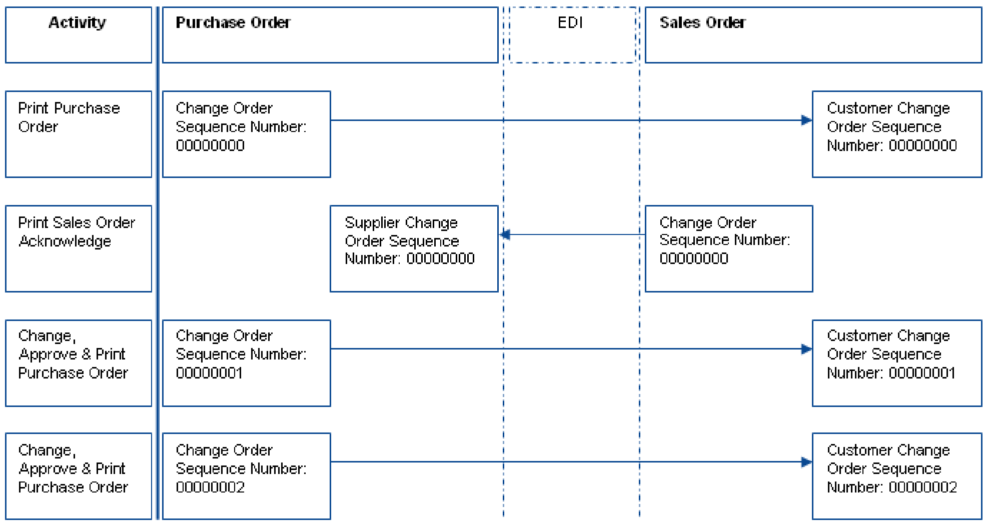


Example

If you use electronic data interchange (EDI) to communicate changes, you can view the latest change order sequence number received from:

- The buy-from business partner in the **Supplier Change Order Sequence** field of the Purchase Orders (tdpur4100m000) session
- The sold-to business partner in the **Customer Change Order Sequence** field of the Sales Orders (tdsls4100m000) session

Example



Printing changes

You can reprint a changed purchase order. You can also print only the changes. The **Print Purchase Order by Exception** check box in the Buy-from Business Partner (tccom4120s000) session determines which changes are printed.

You can also reprint a changed sales order and print only the changes. The **Acknowledge by Exception** check box in the Sold-to Business Partner (tccom4110s000) session determines which changes are printed.

If you use EDI and have already printed an order, the following restriction is valid: you can only print new order lines or order (line) changes if the **Change Type** field is specified in the order or order line sessions.

Note

You can check if an order is already printed in the Purchase Order Line Status (tdpur4534m000) session or Sales Order Line Status (tdsls4534s000) session. You can always go back to the order or order line sessions to specify the **Change Type** field if you want to print the new order lines or changes.

Additional costs

Additional costs - overview

You can specify additional costs that can be placed on a sales order or shipment to charge extra costs for an order or shipment.

Additional costs- set up

Before additional costs can be linked to sales orders and schedules, you must define the master data.

For more information, refer to:

- *Additional costs – setup (p. 39)*

Additional costs - types

Additional costs can be order based or shipment based.

- **Order based**
  Additional costs are calculated for a sales order or sales order line. After sales order approval, additional costs are placed on an order as extra cost (items) after the last item recorded.
- **Shipment based**
  Additional costs are calculated for a sales shipment or shipment line. After confirmation of a shipment, a sales shipment cost order is generated containing all additional costs for one shipment (line).

Note

Order-based additional costs are only applicable for sales orders and not for sales schedules.

For more information, refer to:

- Additional costs - order based
- Additional costs - shipment based

Additional costs – setup

To use and set up additional costs, the following master data must be specified:

Step 1: Parameters

Order based additional costs	Shipment based additional costs
Sales Order Parameters (tdsls0100s400)	**Sales Order Parameters (tdsls0100s400)**

Calculate Additional Costs	**Calculate Additional Costs**
First Position Number for Additional Costs Sets	**Recalculation of Additional Costs**
Recalculation of Additional Costs	**Release Additional Cost Lines automatically to Invoicing upon**
Release Additional Cost Lines automatically to Invoicing upon	**Automatic Approve Shipment based Cost Orders**
Release Additional Cost Lines automatically to Invoicing upon	**Include Additional Costs in Installments**
-	**Shipment Cost Order Type**
-	**Inventory Handling Parameters (whinh0100m000)**
-	**Calculate Additional Costs for Shipments**

Step 2: Sold-to Business Partners (tccom4510m000)

On the **Pricing** tab of the details session, specify these fields:

- **Calculate**
- **Calculate For**
- **Calculation Method**

Step 3: Sales Additional Cost Set (tdsls0624m000)

- **Header**
  The header refers to the Sales Additional Cost Sets (tdsls0124m000) session in which you must group additional costs into additional cost sets.
- **Lines**
  The lines tab in the Sales Additional Cost Set (tdsls0624m000) session refers to the Sales Additional Cost Set Lines (tdsls0528m000) session in which you must specify the cost items that belong to a cost set. On the additional cost line, you specify when the additional costs are applicable and how these additional costs must be retrieved or calculated.
- **Scenarios**
  The scenarios tab in the Sales Additional Cost Set (tdsls0624m000) session refers to the Sales Additional Cost Set Scenarios (tdsls0527m000) session in which you must specify the additional cost scenarios. An additional cost set can be found through an additional cost set scenario.

Shipment based additional costs can be shipment-dependent or item-dependent.

- **Shipment-dependent costs**
  These additional costs are assigned to business partners and are based on a complete shipment to that business partner. Use the Sales Additional Cost Set Scenarios (tdsls0527m000) session to link a default additional cost set to a price list or a sold-to business partner and/or ship-to business partner.
- **Item-dependent costs**
  These additional costs are assigned to specific items and are only applied to sales schedule shipments. These costs are based on shipment lines and can be applied on top of the shipment dependent additional costs. You can use the Sales Contract Lines (tdsls3501m000) and Sales Additional Cost Set Scenarios (tdsls0527m000) sessions to link a default additional cost set to an *item*. The Sales Contract Lines (tdsls3501m000) session has the highest priority.

Step 4: Price Book Lines (tdpcg0131m000)

For the cost items that are specified in the additional cost set, a price must be set up in a price book. Use the Price Book Lines (tdpcg0131m000) session to define charges for additional cost items.

Complete the following steps in the Price Book Lines (tdpcg0131m000) session:

1. Select the price book that is defined in the **Default Sales Price Book** field of the Pricing Parameters (tdpcg0100m000) session.
2. Select the required cost item.
3. Define the price breaks.

Once an additional cost set is retrieved from the Sales Additional Cost Set Scenarios (tdsls0527m000) session for a sales order or shipment (line), the fields in the **Determining** group box of the Sales Additional Cost Set Lines (tdsls0528m000) session determine whether the cost line is applicable for the sales order or shipment (line) and, therefore, a price must be retrieved from the price book for the item.

If yes, based on the fields in the **Costs** group box of the Sales Additional Cost Set Lines (tdsls0528m000) session, a quantity is calculated that is used to retrieve the correct price from the price book.

Chapter 5
Order templates

5

Sales order templates

You can specify sales order templates for recurring sales orders from the same (group of) business partner(s). You can generate sales orders or sales order lines from an order template.

To specify an order template, take the following steps:

1. Specify a template group in the Sales Order Template Groups (tdsls2125m000) session.
2. Optionally, link one or more sold-to business partners to the template group in the Sold-to BP by Sales Order Template Group (tdsls2126m000) session.
3. In the Sales Order Template (tdsls2605m000) session:
   - Specify an order template that identifies the template group, sold-to business partner, and effectivity.
   - Add lines to the order template, which contain the item and the ordered quantity.

Note

- You can create a new template by copying information from an existing template in the Copy Sales Order Templates (tdsls2205m000) session.
- From the Sales Order Template (tdsls2605m000), the Sales Order Templates (tdsls2505m000), and the Sales Order Template Lines (tdsls2506m000) sessions you can start the Copy Sales Order To Template (tdsls2204s000) session in which you can copy existing sales order lines, either from history or from current sales orders, to the order template.
- From the Sales Order Template Lines (tdsls2506m000) session, you can import items from catalogs or from item sales data to the order template.
- You can insert order templates into sales orders in the Sales Order (tdsls4100m900) session.
- If you start the Sales Order Template (tdsls2605m000) session from the Customer 360 (tdsmi1500m000) session, you can directly generate a sales order based on a template for the selected business partner.

Chapter 6
Customer approval

6

Customer approval

You can set up customer approval if sold-to business partners must approve the goods that are delivered on a sales order before the goods can be invoiced. The ownership of the goods changes from the supplier to the sold-to business partner when the goods are approved by the sold-to business partner.

If customer approval is implemented, you must maintain and send invoices based on the quantity that is approved by the sold-to business partner and you can automatically generate a sales return order for the rejected quantity.

If customer approval is not implemented, the ownership of the goods changes from supplier to sold-to business partner when the shipment is confirmed in Warehousing. LN automatically generates an invoice for the sold-to business partner based on the delivered quantity.

To set up customer approval:

Step 1: Implemented Software Components (tccom0100s000)

Select the **Customer Approval** check box in the Implemented Software Components (tccom0100s000) session if you want customer approval to be implemented. You can only select this check box if the **Order Management (TD)** check box is also selected in this session.

Step 2: Ship-to Business Partner (tccom4111s000)

In the Ship-to Business Partner (tccom4111s000) session, you can indicate for the ship-to business partner whether:

- The delivered goods must be approved for a sales order. If yes, select the **Customer Approval** check box.
- A sales return order must be generated for the rejected quantity of the delivered goods. If yes, select the **Return Rejected Quantity** check box.

Step 3: Items - Sales Business Partner (tdisa0510m000)

Similar to the fields in step 2, you can define the following fields for an item - business partner combination in the Items - Sales Business Partner (tdisa0510m000) session:

- **Customer Approval**
- **Returns Rejected Quantity**

You cannot define these fields if the item is a cost item, service item, subcontracting item, or an equipment item.

Step 4: Sales Order Types (tdsls0594m000)

If you want a sales return order to be generated for the rejected quantity of the delivered goods, and as a result the **Returns Rejected Quantity** check box is selected in the Ship-to Business Partner (tccom4111s000) and Items - Sales Business Partner (tdisa0510m000) sessions, you must specify a sales return order type of the type **Return Rejects** in the Sales Order Types (tdsls0594m000) session.

Sales orders of the **Return Rejects** order type are always generated automatically.

Step 5: Sales Order Type - Activities (tdsls0560m000)

If the **Customer Approval** check box is selected in the Implemented Software Components (tccom0100s000) session, the activity Sales Order Invoice Lines (tdsls4106m100) must be linked to the order type in the Sales Order Type - Activities (tdsls0560m000) session.

The Sales Order Invoice Lines (tdsls4106m100) activity must be executed:

- After the activities Release Sales Orders to Warehousing (tdsls4246m000) or Sales Deliveries (tdsls4101m200).
- Before the activity Release Sales Orders/Schedules to Invoicing (tdsls4247m000).
- Manually. As a result, you cannot select the **Automatic** check box for this activity.

The activity Sales Order Invoice Lines (tdsls4106m100) can be executed during the order procedure only if:

- **Customer Approval** is applicable for the item and business partner on the sales order. Else, the Sales Order Invoice Lines (tdsls4106m100) activity is skipped/removed during execution of the order procedure.
- The order type is not a return order, collect order, cost order, retro-billed order, consignment replenishment order, or consignment invoicing order.
- The item is not a cost item, service item, subcontracting item, or equipment item.
- The item's inventory handling status is not set to **By Component** in the **Inventory Handling** field of the Sales Order Lines (tdsls4101m000) session.

Step 6: Sales Order Parameters (tdsls0100s400)

Enter a sales return order type of the type **Return Rejects** in the **Return Rejection Order Type** field of the Sales Order Parameters (tdsls0100s400) session. This order type is defaulted to the **Rejection**

Order Type field of the Sales Order Invoice Lines (tdsls4106m100) session when you reject goods in this session and a return order must be generated for the rejected goods.

Approving delivered goods

When an actual delivery line is inserted in the Sales Order Actual Delivery Lines (tdsls4106m000) session, an invoice line is created for the actual delivery line in the Sales Order Invoice Lines (tdsls4106m100) session with an invoice quantity that is equal to the delivered quantity.

The implementation of the **Customer Approval** check box in the Implemented Software Components (tccom0100s000) session is used to determine how invoice lines are handled in the Sales Order Invoice Lines (tdsls4106m100) session.

Customer approval is implemented

If customer approval is implemented:

- You must specify which part of the delivered quantity can be approved (invoiced) and which part is rejected.
  As a result, you can maintain the following fields:
  - **Invoice Quantity**
  - **Rejected Quantity**
  - **Delivery Type**
  - **RejectionOrder Type**
  - **RejectionReason**
  - **Approval date**
- If a return order must be generated for the rejected goods and the return order fields are specified, LN generates the return order when you approve the invoice line.
- If a part of the delivered quantity is approved or rejected and you approve the invoice line, LN accumulates the approved quantity and rejected quantity for the actual delivery line. If this accumulated quantity is lower than the delivered quantity, a new invoice line is generated for the remaining quantity. Therefore, multiple invoice lines can be created for one actual delivery line.
- You must release the approved invoice line(s) to Invoicing by clicking **Release Selected Sales Order Line(s)**, or **Release Sales Orders/Schedules to Invoicing** on the appropriate menu.

Note

- To approve a sales order invoice line, select the line and click **Approve** on the appropriate menu of the Sales Order Invoice Lines (tdsls4106m100) session. As a result, the invoice line status changes from **Free** to **Approved**.
- You must maintain the deliveries for cost and service items in the Sales Deliveries (tdsls4101m200) session. As a result, the status of the invoice line is immediately set to **Approved** in the Sales Order Invoice Lines (tdsls4106m100) session.

You can perform all described actions also on the **Invoice Lines** tab in the Sales Order (tdsls4100m900) and Sales Order Line (tdsls4101m900) sessions.

Customer approval is not implemented

If customer approval is not implemented:

- Only one invoice line can be created for one actual delivery line.
- You cannot maintain the invoice line.
- You need not approve the generated invoice line. The invoice line is automatically approved.
- If the Release Sales Orders/Schedules to Invoicing (tdsls4247m000) is not an automatic activity in the order procedure, you can release the invoice line to Invoicing from the **Release to Invoicing** tab in the Sales Order (tdsls4100m900) and Sales Order Line (tdsls4101m900) sessions.

Appendix A Glossary

A

account manager

The manager who is responsible for maintaining relations with accounts, or business partners.

activity

A step that you must carry out for the purchase/sales order type. An activity represents the sessions or the manual action that you must carry our for the purchase/sales order type.

additional cost line

Includes a cost item that can be linked as additional costs to an order or shipment. Examples of additional cost lines are administrative costs added to the order costs if the order amount is lower than a certain value, or freight costs added to the order if the total weight of the sold/purchased goods exceeds a certain value.

additional costs

Charges for extra services, such as extra packaging, insurance, and so on. Additional costs are added to the freight costs of a shipment, load, or a freight order cluster. They are levied for shipment lines or freight order cluster lines, which can be invoiced to the customer. This depends on the agreements made with the business partner.

additional costs

The cost items that can be placed on an order or shipment to charge extra costs for an order or shipment.

additional cost scenario

A set of search attributes used to determine an order's or shipment's additional costs. Each scenario is linked to a cost set.

additional cost set

The code under which a number of additional cost lines and scenarios can be stored. Cost sets can be linked to items, business partners or price lists and, via these, to orders and shipments.

alternative items

Items that can serve as a substitute for the standard item if the standard item cannot be delivered or is being replaced.

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.

business partner type

A way to group business partners with similar characteristics, for example, members of the EU, or subject to specific customs rules.

Note
A business-partner type is not the same as a business-partner role or financial business-partner group.

change order sequence number

A number that is used to assign the occurrence of changes to a purchase order or a sales order.

cost item

An administrative item that is used to post extra costs to an order. Extra costs are, for example, accounting expenses, clearance charges, design costs, and freight expenses.

Cost items are not used for production and cannot be held in inventory. They are also referred to as expense items.

customer approval

A business regulation according to which the goods that are delivered on a sales order must be approved by the customer before you can invoice the goods. The ownership of the goods changes from supplier to sold-to business partner when the delivered goods are approved.

customized item

An item produced on a customer specification for a specific project. A customized item can have a customized BOM and/or a customized routing and is normally not available as a standard item. A customized item can, however, be derived from a standard item or a generic item.

dependent currency system

A currency system in which you can use multiple home currencies within a single company. For most entities, the financial company determines the local currency that is used. All transactions are registered in all the home currencies.

Currency rates are defined between the external currencies and the reference currency, and between the reference currency and the other home currencies. Transaction amounts are first converted into the reference currency and then the transaction amount in the reference currency is converted into the other home currencies.

See: standard currency system

direct delivery

The process in which a seller orders goods from a buy-from business partner, who must also deliver the goods directly to the sold-to business partner. By means of a purchase order that is linked to a sales order or a service order, the buy-from business partner delivers the goods directly to the sold-to business partner. The goods are not delivered from your own warehouse, so Warehousing is not involved.

In a Vendor Managed Inventory (VMI) setup, a direct delivery is achieved by creating a purchase order for the customer warehouse.

A seller can decide for a direct delivery because:

- There is a shortage of available stock.
- The ordered quantity cannot be delivered in time.
- The ordered quantity cannot be transported by your company.
- Costs and time are saved.

EDI messages

An electronic document (for example, an electronic order acknowledgment) that consists of an organization and a message.

Incoming and/or outgoing messages are processed in specific libraries invoked by EDI communication sessions (for example, in the Sales Control (SLS), Sales Invoicing (SLI), Accounts Payable (ACP), Cash Management (CMG), Purchase Control (PUR), Inventory Handling (INH), and Electronic Data Interchange (EDI) modules).

electronic data interchange (EDI)

The computer-to-computer transmission of a standard business document in a standard format. Internal EDI refers to the transmission of data between companies on the same internal company network (also referred to as multicompany). External EDI refers to the transmission of data between your company and external business partners.

exchange rate

The price at which one currency can be exchanged for another currency. In other words, the amount which one currency will buy another currency at a particular time.

hold reason

A reason for blocking an order or order line.

An order can be held for more than one reason at any point in the order procedure. For example, a sales order can be blocked due to credit checking (the order balance exceeds the customers credit limit) and due to margin control (the gross margin of the order is exceeded).

independent currency system

A currency system in which all financial companies and logistic companies that are related to each other in the enterprise structure model use the same two or three home currencies. All transactions are registered in all the home currencies.

Currency rates are defined between the transaction currencies and all home currencies. Transaction amounts are converted directly from the transaction currency into the home currencies.

See: standard currency system

inventory on hand

The physical quantity of goods in one or more warehouses (including the inventory on hold).

Synonym: on-hand inventory

item group

A group of items with similar characteristics. Each item belongs to a particular item group. The item group is used in combination with the item type to set up item defaults.

item type

A classification of items used to identify if the item is, for example, a generic item, a service item, or an equipment item. Depending on the item's type, certain functions will only apply to that item.

kit

A predefined list of items to be delivered together when ordered by the customer.

You can define kits to facilitate order entry. A kit includes a list of components and is ordered and priced as a single item. On the sales order line, the components are linked. The standard cost of the kit is the sum of the components' standard cost.

Example: The components of a PC kit usually include the main cabinet, a monitor, a keyboard, and a mouse. In the Do-It-Yourself market, a toolshed kit can contain the parts for the walls and the roof, a door with hinges, a door handle, and a lock.

list group

A way to group list items. For example, you can use an SLS list group to group list items used on sales orders. A list item can belong to different list groups.

list item

A type of item that consists of multiple components. The components can also be managed and ordered separately. The type of list item (kit, menu, options, or accessories) indicates how the components are related.

List items are used to speed up the order-entry process. The order lines for a list item can contain main items or components.

lower of cost or market value (LCMV)

A valuation method that compares the inventory value based on one of the inventory valuation methods (see below) with the inventory's market value. If the market value is lower, the entire inventory of a specific item is valued in the balance sheet using the market value.

The following inventory valuation methods can be used to determine the inventory value:

Valuation Method

menu

A type of item that consists of a group of items with similar characteristics that are classified under one generic item to facilitate order entry. The items in the group can be selected separately.

Example

A monitor, a computer mouse and a CD player are defined as related items used to configure a personal computer. But, you can also select a computer mouse as a separate item.

multisite

Refers to the management of multiple sites within a single (logistic) company.

In a multicompany structure, which includes several companies, multisite applies to each of the logistic companies.

on-hand inventory

See: *inventory on hand (p. 52)*

option

A generic item type that differs from other similar items by one or two features. For example, a group of chairs with similar main characteristics can differ in size and color.

order lead time

The production time of an item expressed in hours or days, based on the lead time elements as defined in the routing operations.

order priority simulations

A simulated activity that enables you to calculate the priority sequence in which inventory is allocated to orders.

over-delivery

A positive deviation from the original ordered quantity.

plan item

An item with the order system **Planned**.

The production, distribution, or purchase of these items is planned in Enterprise Planning based on the forecast or the actual demand.

You can plan these items by means of the following:

- Master-based planning, which is similar to master production scheduling techniques.
- Order-based planning, which is similar to material-requirements planning techniques.
- A combination of master-based planning and order-based planning.

Plan items can be one of the following:

- An actual manufactured or purchased item.
- A product family.
- A basic model, that is, a defined product variant of a generic item.

A group of similar plan items or families is called a product family. The items are aggregated to give a more general plan than the one devised for individual items. A code displayed by the item code's cluster segment shows that the plan item is a clustered item that is used for distribution planning.

planned inventory transactions

The expected changes in the inventory levels due to planned orders for items.

promising status

A status that informs you about whether a sales quotation line, sales order line, or sales component line can be promised to a customer, or whether inventory checks must still be carried out or insufficient inventory situations must still be resolved for the line.

quotation lines

The lines used to record the items offered, as well as the associated price agreements and quantities. A sales quotation includes one or more quotation lines.

rate determiner

The method to decide which date is used to determine the exchange rates.

During the composing process, all amounts in foreign currencies are converted to the home currency, based on the determined exchange rate.

sales contract

Sales contracts are used to register agreements about the delivery of goods with a sold-to business partner .

A contract is comprised of the following:

- A sales contract header with general business partner data, and optionally, a linked terms and conditions agreement.
- One or more sales contract lines with price/discount agreements and quantity information that apply to an item or price group.

sales office

A department that is identified in the company business model to manage the business partner's sales relations. The sales office is used to identify the locations that are responsible for the organization's sales activities.

sales order

An agreement that is used to sell items or services to a business partner according to certain terms and conditions. A sales order consists of a header and one or more order lines.

The general order data such as business partner data, payment terms, and delivery terms are stored in the header. The data about the actual items to be supplied, such as price agreements and delivery dates, is entered on the order lines.

sales order lines

A sales order contains items that are delivered to a customer, according to certain terms and conditions. The lines of a sale order are used to record the items ordered, as well as the associated price agreements and delivery dates.

sales order type

The order type, which determines the sessions that are part of the order procedure and how and in which sequence this procedure is executed.

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.

sales schedule

A timetable of planned supply of materials. Sales schedules support long-term sales with frequent deliveries. All requirements for the same item, sold-to business partner, ship-to business partner, and delivery parameter are stored in the same sales schedule.

single currency system

A currency system in which a company uses only one home currency. This home currency is also the reference currency. This currency system is especially for use for companies that operate in a single country.

See: standard currency system

site

A business location of an enterprise that can maintain its own logistical data. It includes a collection of warehouses, departments and assembly lines at the same location. Sites are used to model the supply chain in a multisite environment.

These restrictions apply to sites:

- A site cannot cross countries. The warehouses and departments of the site must be in the same country as the site.
- A site is part of a planning cluster. Consequently, all warehouses and work centers of a site must belong to the same planning cluster.
- A site is linked to one logistic company.

You can link a site to an enterprise unit or an enterprise unit to a site.

If an enterprise unit is linked to a site, the entities of the site belong to the enterprise unit. Conversely, if a site is linked to an enterprise unit, the entities of the enterprise unit belong to the site.

sold-to business partner

The business partner who orders goods or services from your organization, who owns the configurations you maintain, or for whom you perform a project. Usually a customer's purchase department.

The agreement with the sold-to business partner can include:

- Default price and discount agreements
- Sales order defaults
- Delivery terms
- The related ship-to and invoice-to business partner

standard currency system

A currency system in which foreign currency transactions are translated straight from the transaction currency to the local currency, without triangulation through the reference currency. By default, reporting currencies are directly translated from the transaction currency into the reporting currency; however, reporting currencies can also be translated from the local currency.

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.

user profile (sales)

The default data that is recorded by the user and influences the creation of sales quotations, sales contracts, sales orders, and sales schedules. This data determines the method of order entry, default values during order input, and so on.

Index