

Module 5: Requisition Management

8. Use the **Choose Columns** function to add and, or move the following fields so that they are next to the **Quantity** field:
 - **Original Quantity**
 - **Due Date**
 - **Vendor No.**

If it is necessary, remove the **Item Details – Replenishment** FactBox and adjust the page and column sizes to bring the added fields into view.

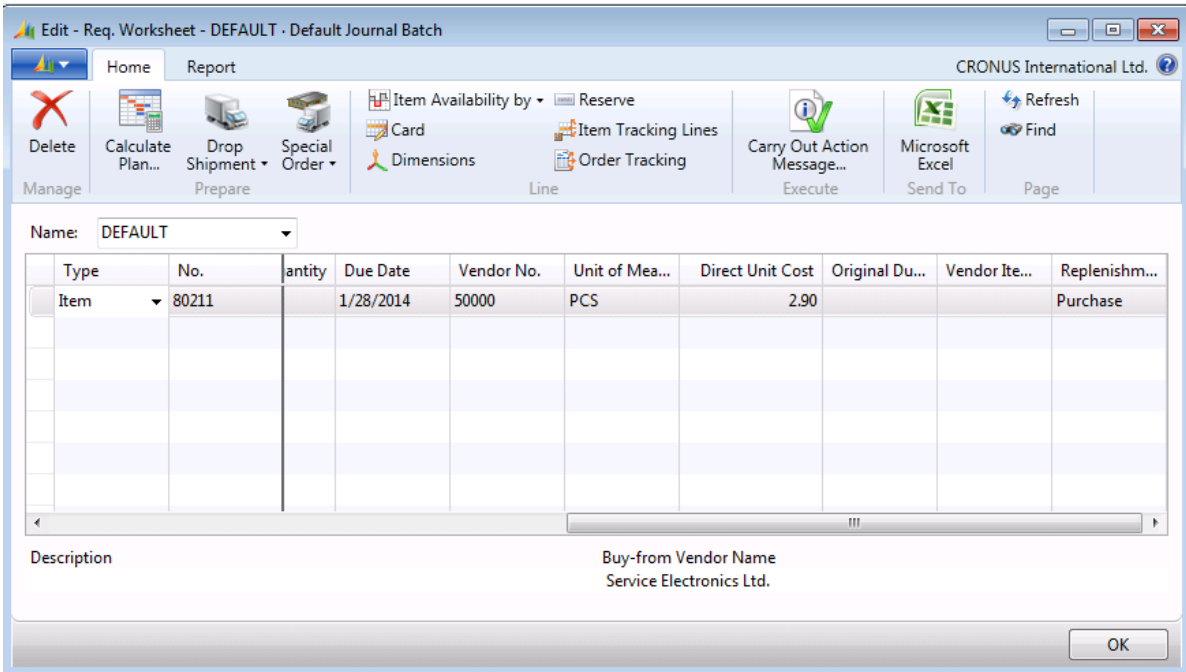


FIGURE 5.4: INITIAL REQUISITION LINE FOR ITEM 80211

The **Calculate Plan – Req. Wksh.** batch job creates one purchase requisition line for 150 units of item 80211 that is due immediately, on January 28, 2014.

Now, you can enter the new sales order from customer 30000, for 70 units of item 80211, due February 24, 2014, by following these steps.

1. Close the **Req. Worksheet** page.
2. In the **Search** box, enter "sales orders", and then select the related link.
3. On the **Home** tab, click **New** and then press **Enter**.
4. On the **General** FastTab, in the **Sell-to Customer No.** field, enter "30000". Accept any messages.
5. Change the **Order Date** field to January 27, 2014.
6. Set the **Requested Delivery Date** field to February 24, 2014.
7. On the **Lines** FastTab, in the **Type** field, select Item.

8. In the **No.** field, enter "80211".
9. In the **Quantity** field, type "70". Accept any messages.
10. In the **Home** tab, click **Release** to release the order.
11. Click **OK** to close the order.

With the sales order in the system, Alicia is now ready to rerun the **Calculate Plan – Req. Wksh.** batch job for item 80211 to see whether it changes the requisition lines. To rerun the batch job, follow these steps.

1. In the **Search** box, enter "requisition worksheets", and then select the related link.
2. On the **Home** tab of the **Req. Worksheet** page, click **Calculate Plan**.
3. Verify that the **Calculate Plan – Req. Wksh.** batch job **Request** page options and filters are unchanged.
4. Click **OK**.

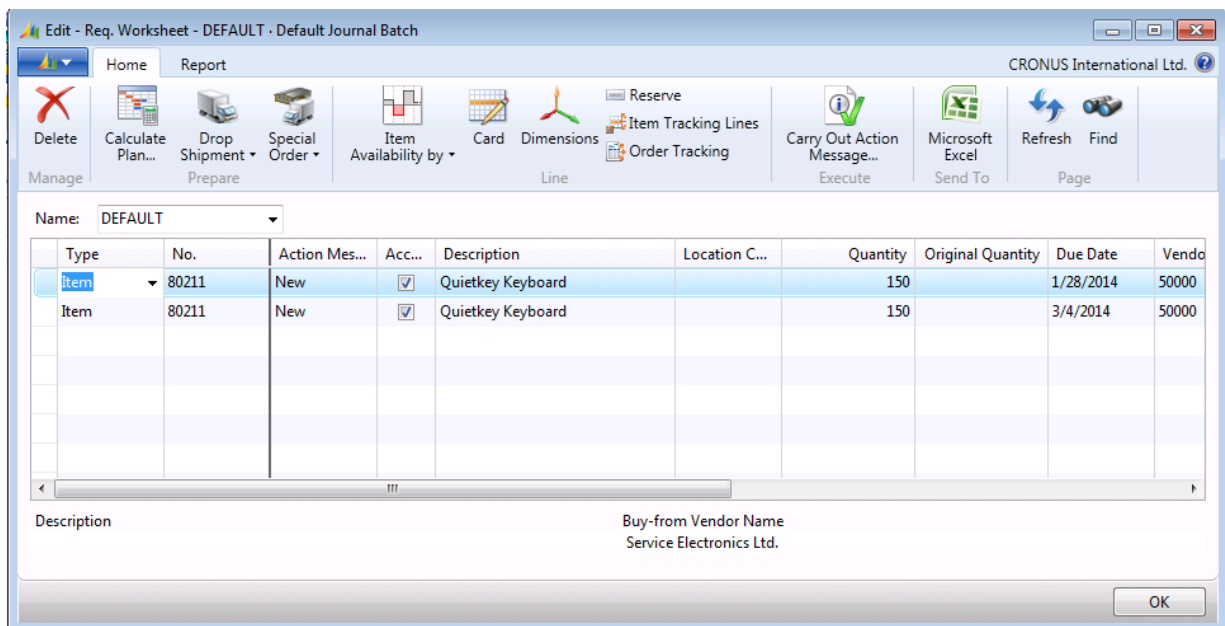


FIGURE 5.5: REVISED REQUISITION LINES FOR ITEM 80211 FOLLOWING A CHANGE IN DEMAND

The **Calculate Plan – Req. Wksh.** batch job now creates an additional purchase requisition line of 150 units of item 80211, that is due on March 04, 2014 and is required to bring the inventory level to a larger level than its reorder point following the scheduled sales order shipment of 70 units on February 24, 2014.

These two requisition lines do the following:

- The first requisition line is created so that the immediate inventory level is returned to a level that is greater than the reorder point, the same as before.
- The new sales order for item 80211, that is due for shipment on

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February 24, 2014, will decrease the projected inventory to 80 units. Because this is less than the reorder point of 100 units, the planning engine proposes a second purchase of 150 units. This returns the projected inventory to more than the reorder point as of March 04, 2014.

Why is the order due date on the second requisition line March 04, 2014, and not February 24, when the inventory level decreases to less than the reorder point? This occurs because of the start and stop dates of the time buckets. Proposals for every time bucket occurs at the end of the time bucket's date range.

Notice that the requisition lines are not static. You can change the proposed quantity, due date, and other fields before the actual orders are created.

Carry Out Action Message Batch Job

As soon as the purchasing agent is satisfied with the requisition worksheets lines, the **Carry Out Action Msg. - Req.** batch job is used to convert the lines to purchase or transfer orders.

By default, the **Accept Action Message** check box is selected for each requisition line. This check box specifies that the line is included in the **Carry Out Action Msg. - Req.** batch job. You can clear the requisition line's check box to exclude it from the batch job, or you can delete the line by selecting it, and then click **Delete** in the **Home** tab.

You can also change the requisition lines before the batch job is run.

Demonstration: Create Purchase Orders from the Requisition Worksheet

This is a continuation of the "Process a Requisition Worksheet" demonstration.

Scenario: After Alicia is satisfied with the lines in the requisition worksheet, she uses the **Carry Out Action Msg. - Req.** batch job to accept the related action messages and convert the requisition lines into purchase orders (or, in this case, a single purchase order with two lines, because both lines are to the same vendor for the same item).

Demonstration Steps

To create the purchase order from the requisition worksheet, follow these steps.

1. On the **Home** tab of the **Req. Worksheet** page, click **Carry Out Action Message**.
2. Click **OK** without printing the order. The lines are removed from the requisition worksheet, and, in this situation, a single purchase order with two purchase lines is created.

3. Close the **Req. Worksheet** page.
4. In the **Search** box, enter "items", and then select the related link.
5. Open the item card for item 80211.
6. On the **Navigate** tab of the item card, in the Purchases group, click **Orders** (this may be an icon only).
7. Two purchase order lines will show on the **Purchase Orders** page, one for 150 units expected on January 28, 2014, the other for 150 units expected on March 04, 2014. Both purchase lines belong to the same purchase order.

Demonstration: Change Purchase Orders from the Requisition Worksheet

This is a continuation of the "Create Purchase Orders from the Requisition Worksheet" demonstration.

Scenario: After Alicia, the purchasing agent, submits the purchase order for item 80211 to vendor 30000, Eduardo, the production planner, informs her that he has changed the reordering policy for item 80211 to Maximum Qty., and has set the maximum inventory level at 200. She then reruns the **Calculate Plan - Req. Wksh.** batch job with a filter set to item 82011 to see whether the planning engine proposes any changes to her existing purchase order.

Demonstration Steps

To set the new planning parameters for item 82011, follow these steps.

1. In the **Search** box, enter "items", and then select the related link.
2. Open the item card for item 80211.
3. Expand the **Planning** FastTab.
4. In the **Reordering Policy** field, select Maximum Qty.
5. Notice that the **Reorder Quantity** field is unavailable. Although it still shows a value, this field is not used by the Maximum Qty. reordering policy.
6. In the **Maximum Inventory** field, enter "200".

To rerun the **Calculate Plan – Req. Wksh.** batch job for item 80211, follow these steps.

1. On the **Home** tab of the item card for item 80211, click **Requisition Worksheet**.
2. On the **Home** tab of the **Req. Worksheet** page, click **Calculate Plan**.
3. Verify that the **Calculate Plan – Req. Wksh.** batch job **Request** page options and filters are unchanged.

4. Click **OK**.

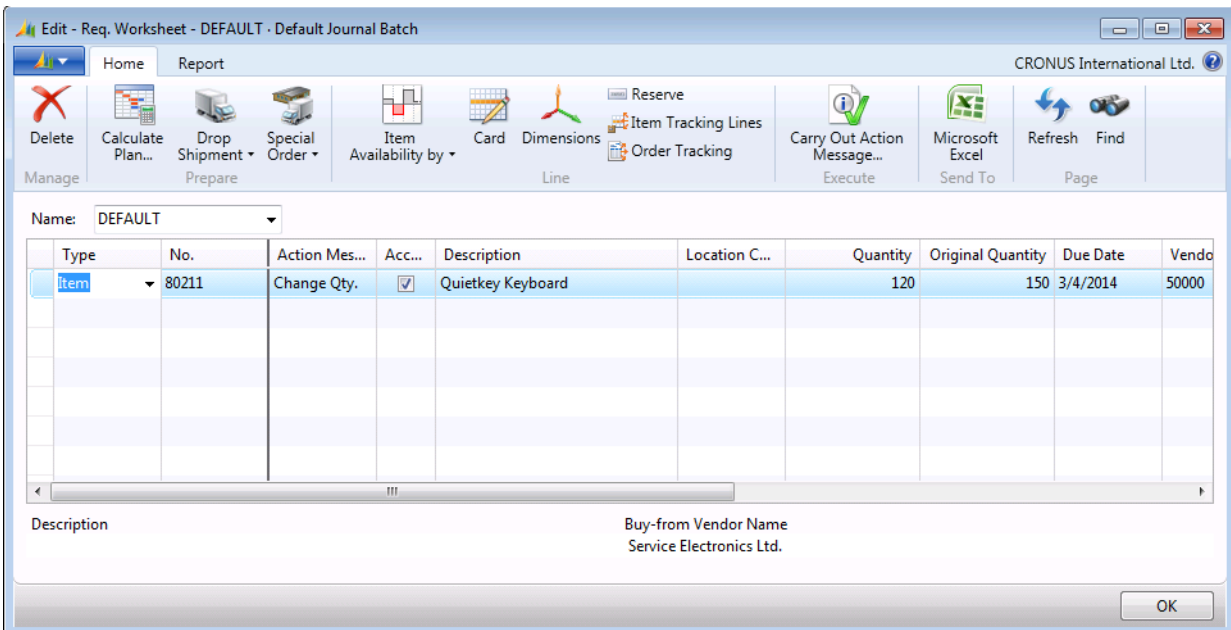


FIGURE 5.6: REQUISITION WORKSHEET PROPOSAL LINE TO CHANGE AN EXISTING PURCHASE ORDER

Notice that, this time, the requisition line contains a Change Qty. action message instead of New action message. Notice, also, that it proposes a reduction in the order quantity from 150 to 120. If you use the **Choose Columns** function to add the **Replenishment System**, **Ref. Order No.**, and **Ref. Line No.** fields to the worksheet, this change proposal relates to the second line of the purchase order that you created earlier.

Why has the planning engine recommended this change? Given the first purchase order line of 150 units that you created earlier, less the 70 units of item 80211 to be shipped to customer 30000 on February 24, 2014, the program projects the inventory level at 80 as of February 24, 2014. This is less than the reorder point of 100 that previously (when you use a Fixed Reorder Qty. policy and a reorder quantity of 150) caused the planning engine to propose a second purchase of 150 units. This would have brought the projected inventory to 230 units. Because the reorder policy is now Maximum Qty. with a maximum inventory level of 200, the planning engine recommends reducing the second purchase by 30 units.

To carry out the action message and confirm the change to the supply situation for item 80211, follow these steps:

1. On the **Home** tab of the **Req. Worksheet** page, click **Carry Out Action Message**.
2. Click **OK** without printing the order.
3. Close the **Req. Worksheet** page.
4. In the **Search** box, enter "items", and then select the related link.

5. Open the item card for item 80211.
6. On the **General** FastTab, if you subtract the value in the **Qty. on Sales Order** field from the value in the **Qty. on Purch. Order** field, you will notice that the planning engine has balanced supply and demand to make sure that the maximum inventory is 200, exactly as Eduardo intended.

Procedure: Review Requisition Worksheet Productivity

This lesson and the "Requisition Management Setup" lesson focused on the basic principles and the workflow for Requisition Management, by using examples that involved only one item.

Now, to work on a more complex requisition worksheet, follow these steps.

1. In the **Search** box, enter "requisition worksheets", and then select the related link.
2. On the **Home** tab, click **Calculate Plan**.
3. Verify that the **Starting Date** option field is set to January 27, 2014.
4. Verify the **Ending Date** option field is set to March 31, 2014.
5. Clear all item filters.
6. Click **OK** and accept any messages.

The **Calculate Plan Req. Wksh.** batch job now creates requisition lines for all items that require them during the specified period.

The screenshot shows the 'Edit - Req. Worksheet - DEFAULT - Default Journal Batch' window. The ribbon includes 'Home' and 'Report' tabs. The 'Home' tab has buttons for 'Delete', 'Calculate Plan...', 'Drop Shipment', 'Special Order', 'Item Availability by', 'Card', 'Dimensions', 'Reserve', 'Item Tracking Lines', 'Order Tracking', 'Carry Out Action Message...', 'Microsoft Excel', 'Refresh', and 'Find'. The main area displays a table of requisition lines.

Type	No.	Action Mes...	Acc...	Description	Location C...	Quantity	Original Quantity	Due Date	Vendo
Item	LS-10PC	New	<input checked="" type="checkbox"/>	Black	SILVER	100		1/31/2014	40000
Item	LS-10PC	New	<input checked="" type="checkbox"/>	Black	WHITE	100		1/31/2014	40000
Item	LS-120	New	<input checked="" type="checkbox"/>	Loudspeaker, Black, 120W	SILVER	36		1/31/2014	40000
Item	LS-150	New	<input checked="" type="checkbox"/>	Loudspeaker, Cherry, 150W	SILVER	32		1/28/2014	50000
Item	LS-150	New	<input checked="" type="checkbox"/>	Loudspeaker, Cherry, 150W	WHITE	46		1/26/2014	50000
Item	LS-2	New	<input checked="" type="checkbox"/>	Cables for Loudspeakers	WHITE	20		1/15/2014	
Item	LS-2	New	<input checked="" type="checkbox"/>	Cables for Loudspeakers	WHITE	10		1/15/2014	
Item	LS-2	New	<input checked="" type="checkbox"/>	Cables for Loudspeakers	WHITE	2		1/15/2014	
Item	LS-75	New	<input checked="" type="checkbox"/>	Black	SILVER	2.5		1/28/2014	30000
Item	LS-75	New	<input checked="" type="checkbox"/>	Black	WHITE	2.5		1/28/2014	30000
Item	LS-MAN-10	New	<input checked="" type="checkbox"/>	Manual for Loudspeakers	SILVER	1,000		1/28/2014	30000
Item	LS-S15	New	<input checked="" type="checkbox"/>	Stand for Loudspeakers LS-150	WHITE	12		1/15/2014	
Item	LS-S15	New	<input checked="" type="checkbox"/>	Stand for Loudspeakers LS-150	WHITE	12		1/15/2014	
Item	80211	Change Qty.	<input checked="" type="checkbox"/>	Quietkey Keyboard		120	150	3/4/2014	50000

Buy-from Vendor Name
Lewis Home Furniture

FIGURE 5.7: REQUISITION LINES FOR ALL ITEMS

Each requisition line is the result of a unique, time-specific supply and demand situation. Additionally, each line can be a unique combination of planning parameters, some of which are much more sophisticated than the parameters described to this point.

To manually duplicate such planning calculations, especially in companies that purchase many items, is impractical.

The requisition worksheet is used to improve the productivity of purchasing agents, and as a basic element for purchasing activities.

Additional Worksheet Features

Additional functionality is offered by the requisition worksheet that includes the following:

- Support for drop shipments
- Support for special orders
- Planning worksheet lines
- Manually created worksheet lines

Support for Drop Shipments

In a drop shipment transaction, the vendor delivers sold goods directly to the customer. The company does not handle the physical goods involved in the transaction or receive them into inventory.

A company can record a drop shipment by selecting DROP SHIP in the **Purchasing Code** field of a sales line. Purchasing agents can then either manually create the related purchase order to the vendor or use the requisition worksheet to do this. The advantage of using the requisition worksheet is that it can automatically generate purchase orders for all outstanding drop shipments, instead of requiring the purchasing agent to create each one individually.

Demonstration: Process a Drop Shipment from a Requisition Worksheet

Scenario: Susan, the order processor, submits a rush order to the Purchasing Department for 2000 units of item 70040 for customer 10000.

Alicia, the purchasing agent, knows that inventory on the item is low. She and Susan agree to arrange a drop shipment to reduce the delivery time to the customer.

Demonstration Steps

To create a sales order that requires a drop shipment, follow these steps.

1. In the **Search** box, enter "sales orders", and then select the related link.
2. On the **Home** tab, click **New** and then press **Enter**.
3. On the **General** FastTab, in the **Sell-to Customer No.** field, enter "10000". Accept any messages.
4. Change the **Order Date** field to January 27, 2014.
5. On the **Lines** FastTab, in the **Type** field, select Item.
6. In the **No.** field, enter "70040".
7. In the **Quantity** field, type "2000". Accept any messages.
8. Add the **Purchasing Code** field to the sales order lines by using the **Choose Columns** function.
9. In the **Purchasing Code** field, select DROP SHIP.
10. Click **OK** to close the sales order.

To calculate a purchase plan for drop shipments in the requisition worksheet, follow these steps.

1. In the **Search** box, enter "requisition worksheets", and then select the related link.
2. Select all the lines in the worksheet.
3. On the **Home** tab, click **Delete**. Click **Yes** to confirm the deletion.
4. On the **Home** tab, point to **Drop Shipment**, and then click **Get Sales Orders**.
5. Click **OK**.

The program creates a purchase requisition line for the drop shipment sales line for item 70040.

Immediately after Alicia approves the purchase requisition line, she can convert it to a purchase order by using the **Carry Out Action Msg. - Req.** batch job.

Do not carry out the action message. Instead, close the requisition worksheet.

Support for Special Orders

A special order typically involves the sale of a nonstock item to a specific customer. It usually involves an order that must be shipped from the company (caused by customer preferences or for other reasons) and not drop shipped from the vendor. Typically, it is considered a special order because the purchase order that is sent to the vendor is generated from a sales order, and after that, the purchase and sales orders are linked. The planning engine fully respects this link and it will not try to use the purchase order to supply other sales orders.

The purchasing agent creates the purchase order for the special order sales line by using the requisition worksheet.

Demonstration: Process a Special Order from a Requisition Worksheet

This is a continuation of the “Process a Drop Shipment from a Requisition Worksheet” demonstration.

Scenario: Susan, the order processor, is informed that the rush order for 2000 units of item 70040, for customer 10000, is a special order, not a drop shipment. She changes the sales order accordingly.

Alicia, the purchasing agent, must now delete the existing line in the requisition worksheet and generate a new requisition line by using the worksheet’s **Special Orders** function.

Demonstration Steps

To change the sales order line from a drop shipment to a special order, follow these steps.

1. Open the sales order that you created in the “Process a Drop Shipment from a Requisition Worksheet” demonstration.
2. In the sales line for item 70040, change the **Purchasing Code** field to SPEC ORDER.
3. Close the sales order.

To replace the requisition line, follow these steps.

1. In the **Search** box, enter “requisition worksheets”, and then select the related link.
2. Delete all existing requisition lines from the worksheet.
3. On the **Home** tab, point to **Special Order**, and then click **Get Sales Orders**. Click **OK**. The program creates a purchase requisition line for the special order sales line for item 70040.

4. On the **Home** tab, click **Carry Out Action Message**.
5. Click **OK** to create the purchase order.

To view the link between the special order sales line and its corresponding purchase order, follow these steps.

1. Open the sales order that you modified at the start of this demonstration.
2. In the **Lines** FastTab, select the special order sales line for item 70040.
3. Point to **Order**, then **Special Order**, and then click **Purchase Order**.

The purchase order that you created in the requisition worksheet will appear.

Planning Worksheet Lines

The Planning Worksheet Lines feature is used by large manufacturing companies that have separate departments that handle production planning and purchasing. In the manufacturing application area, a production planner uses the planning worksheet to calculate an item replenishment plan for all items, whether they are manufactured, purchased, transferred, or assembled.

From the planning worksheet, the planner can then select planning lines for items that are replenished by purchase or transfer and forward them to the requisition worksheet by using the **Carry Out Action Msg. - Plan.** batch job. Refer to the online Help for more information about this batch job.

This function, although started from the manufacturing application area, results in new lines that are created in the requisition worksheet. From there, the purchasing agent can edit and approve the requisition lines before he or she converts them to actual purchase or transfer orders.

Manually Created Lines

The purchasing agent can also manually create lines in the requisition worksheet. This is considered practical when a person or a department uses a worksheet to list the items they need. The purchasing agent can then change and approve the requisition lines before he or she creates the purchase orders by using the **Carry Out Action Msg. - Req.** batch job.

Module Review

Module Review and Takeaways

Requisition Management is an important part of the purchasing functionality in Microsoft Dynamics NAV.

The planning parameters that are set up on the item cards define how individual items are managed by the planning engine. The **Calculate Plan - Req. Wksh.** batch job accesses these parameters, and all the supply and demand information that is known to the program, and then it generates a set of order proposal lines in the requisition worksheet. For all approved requisition lines, the **Carry Out Action Msg. - Req.** batch job then creates, changes, and deletes purchase or transfer orders, as needed.

The requisition worksheet also offers support for drop shipments and special orders. Additionally, the requisition worksheet can be used to build lists of purchase needs collaboratively from multiple departments, and it also provides an efficient mechanism for production planners and purchasing agents to coordinate their efforts.

Test Your Knowledge

Test your knowledge with the following questions.

1. What is the main function of purchasing?

2. What must you create before you can create requisition worksheets?

- () A requisition worksheet template
- () A requisition worksheet name
- () Planning parameters
- () A production planner profile

3. Where is the Lead Time Calculation planning parameter specified?
- In the Planning FastTab of the item or stockkeeping unit card
 - In the Replenishment FastTab of the item or stockkeeping unit card
 - In the Planning FastTab of the requisition worksheet
 - In the Requisition Management Setup page
4. What is the Calculate Plan - Req. Wksh. batch job used for?
- To create one purchase order for every outstanding sales order
 - To calculate the total quantities of items to be ordered
 - To create a set of requisition lines that balance supply and demand
 - To turn requisition lines into purchase orders
5. Which of the following action messages is not available in the requisition worksheet?
- New
 - Change Qty.
 - Reschedule
 - Replace
 - Reschedule & Chg. Qty.
6. Which check box must you clear on a requisition worksheet line to prevent an order from being created?
- Carry Out Action Message
 - Create Orders
 - Make Orders
 - Accept Action Message

Test Your Knowledge Solutions

Module Review and Takeaways

1. What is the main function of purchasing?

MODEL ANSWER:

The main function of purchasing includes the procurement of finished goods, raw materials, and supplies in optimal quantities and in a timely manner. These activities affect most areas of a company, especially inventory management, production, and sales.

2. What must you create before you can create requisition worksheets?

A requisition worksheet template

A requisition worksheet name

Planning parameters

A production planner profile

3. Where is the Lead Time Calculation planning parameter specified?

In the Planning FastTab of the item or stockkeeping unit card

In the Replenishment FastTab of the item or stockkeeping unit card

In the Planning FastTab of the requisition worksheet

In the Requisition Management Setup page

4. What is the Calculate Plan - Req. Wksh. batch job used for?

To create one purchase order for every outstanding sales order

To calculate the total quantities of items to be ordered

To create a set of requisition lines that balance supply and demand

To turn requisition lines into purchase orders

5. Which of the following action messages is not available in the requisition worksheet?
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