

An Asparona/Warehouse Stationery White Paper



## **Automated Purchasing at Warehouse Stationery using Oracle Supply Chain and the More4Apps Requisition Wizard**

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### Abstract

Warehouse Stationery Limited (WSL) often split and push out bulk quantities of stock to their 43 stores either from Suppliers or their Distribution Centre (DC). Previously, WSL were manually calculating the percentage each store would receive in Excel and sending these spreadsheets to the stores who would key in the Purchase Order manually. Orders that were to be fulfilled from the DC also had to be keyed into their legacy Warehouse Management system. WSL now utilize a modified More4Apps Requisition Wizard containing embedded sales history, stock on hand and lead time data to automatically calculate quantities and upload Requisitions for each store into Oracle Purchasing. If these are internal requisitions (DC), they then flow through into Oracle Order Management to be fulfilled from Oracle Warehouse Management. This has dramatically reduced the time, effort and error rate involved in this process and has improved visibility across head office, stores and the DC.

### The Problem

Often WSL are able to negotiate discounted Purchase Prices in exchange for buying bulk quantities. WSL needed to facilitate the centralised splitting of these bulk quantities of stock out to stores proportionately based on sales and current stock holdings in each store. Known as Combined Stock Requisitions (CSR's), bulk quantities are either ordered into the Distribution Centre (DC) and delivered to stores from there or ordered directly from Suppliers to Stores. This process involves two major aspects. Firstly, the calculation of the proportion of stock each store should receive and

secondly, the creation of either Purchase Orders or Internal Orders. Before implementing Oracle Supply Chain modules and the More4Apps Requisition Wizard the process was as follows; The Merchandising department would use Excel Spreadsheets to divide a bulk quantity into amounts for each store. They would then send this spreadsheet to each of the 43 stores who would manually key in their component of the order as a stock request (either a Purchase Order or Internal Order). If the split was to be fulfilled from the DC, the spreadsheet would also have to be sent there and keyed into the Warehouse Management system which was not completely integrated with their previous Purchasing system. This process was time consuming; open to human error and very dependent on all tasks being completed quickly by a number of participants (at least 44 sometimes up to 50 persons).

### **The Solution**

WSL migrated the Merchandising, Purchasing and Warehouse Management functions onto a centralised Oracle platform (including modules Inventory, Order Management, Warehouse Management, Purchasing). They then utilized a modified More4Apps Requisition Wizard to automatically calculate and upload each stores component of the order into Oracle Purchasing from one tool. The modifications to the Wizard included the following;

- Additional pages containing each store's sales ratio's for the previous year by Category
- The seeding of other information required by the requisition lines which are

used in lookups from the front end to reduce manual keying of repetitive data (e.g. Ship to Organisation etc).

- A page in which a Discoverer report could be inserted and used in the calculations to provide (stock on hand + stock on order + stock on transfer) and average monthly sales for the SKU. This report can be run and inserted for the SKU's they are ordering prior to calculating the amounts.
- A macro to calculate the order per store per SKU utilising the embedded historical sales data or the inserted Discoverer Report to allocate the bulk amount proportionately
- Addition of lead time information per store depending on the location of the Distribution point. This provides warnings if the requested Need By Date was sooner than the lead time for each store.

The Wizard splits out the bulk quantity based on one of 2 methods.

1. The most common method is to split out a bulk quantity to the 43 stores based on each stores ratio of either overall sales or sales in the SKU's category.
2. Alternatively, users can bring each store up to a certain number of month's holding for each SKU. This method employs the Discoverer Report from which it takes each stores current stock holding and average monthly sales into account when calculating the amount required to bring stock

levels up to the desired level (e.g. 2 months stock holding).

Once the calculation has been made, the user only needs to complete a few more simple choices in the Calculation form (e.g. Order type, need by date). Users are never required to enter data by requisition line. They just make their choice once in the calculation sheet (e.g. Need By Date, SKU's etc) after which all Requisition lines are populated in the Upload sheet. Any remaining data is populated by the More4Apps macros which pull data from Oracle as part of the upload process. For example, if the user enters the item SKU only, the More4Apps macros pull in all the data related to that item (e.g. Item Description).

Once the required date has been entered, the native technology of the More4Apps Wizard validates and uploads the Requisition Lines into the Requisition Interface in Oracle Purchasing. If validation fails, error messages are shown for each failed line. After which the user can submit the Requisition Import concurrent program from within the Wizard to pull lines from the interface table into Oracle Purchasing. Once this process has completed in Oracle, the user can refresh the Wizard to obtain the Requisition Number. The Excel sheet updates with the current status of each Requisition line whenever refreshed.

From here, the Requisitions follow the standard Oracle workflows depending on the Order type. Purchase Requisitions, once approved, either create Standard Purchase Orders off the back of Contract Purchase Agreements or Blanket Releases from Blanket Purchase Agreements. Rather than create Price Breaks on the Blanket Purchase Agreement for the

discounted SKU's and affecting the pricing of standard stock requests received from stores, users are able to bypass the Blanket Purchase Agreement if desired by selecting the 'No Sourcing' option on the Wizard. This overrides the Blanket Purchase Agreement price and Sourcing Rules with the discounted price and desired Source resulting in Standard Purchase Orders rather than Blanket Releases. This is useful if the item is usually sourced directly from Suppliers to Stores and WSL wish to source a one-off order from the DC to stores instead (or vice versa).

Internal Requisitions are converted into Internal Sales Orders in Oracle Order Management and are fulfilled from Oracle Warehouse Management.

### Benefits

Previously all 43 stores were required to key in their component of the order. If the order was internally sourced from the DC, each order would also need to be keyed into the Warehouse Management System. Now, one central user is able to calculate each stores order and upload them all automatically. This;

- Eliminates keying errors increasing accuracy
- Reduces human resource requirements in stores and the DC and allows store persons to concentrate on selling and Warehouse Operators to concentrate on fulfilling internal orders.
- Increases visibility throughout the organisation of the order status and eliminates the disparity caused by having separate Warehouse Management and Purchasing systems.



- Improves timeliness of ordering and reduces reliance on all stores completing their order in the agreed time period

Once the orders are uploaded, the Excel spreadsheet provides a useful record of all lines uploaded in one sheet which can be distributed for informational purposes.

### **Summary**

This is a massive improvement after the large amount of manual effort and potential for inaccuracy and inefficiencies invited by the previous process. One person is now able to perform the job which at least 44 people were previously required for. Visibility, timeliness, accuracy and efficiency have improved dramatically.



### **About the Authors**

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Luke Walker is a Functional Consultant/Business Analyst with Asparona. His main focus is on Oracle Supply Chain applications, especially those involved in the Procure to Pay Business flow. He has recently worked on the Oracle Supply Chain implementation at Warehouse Stationery

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Rebecca was employed in April 2006 by Warehouse Stationery Limited as a Senior Merchandising Assistant. Her key function was organising the Merchandising Assistants workflow, this included managing the creation of both internal and Supplier CSR's. She moved into UAT testing for Merchandising in August 2006 and became the Business Champion for Merchandising for the implementation of Oracle Supply Chain. She is currently managing the Master Data Project as part of Project Orbit and is coordinating the transition back to Business as usual for Merchandising.