

---

# DSO145 Suggested Order Generation

---

## Overview

Suggested Order Requirements can be generated for all or specific items defined in Purchase Plan Definitions. To specify the items for a Suggested Order cycle, the user can enter the item Level range to be selected.

---

## Follow up

### Printouts

There is printout program available with this routine.

If any errors are found a suggested order error report generates outlining any errors. Items with suggested orders from an existing active cycle are not selected for another generation of suggested until the existing active cycle has been completed or cancelled. Items in this situation are listed on the error report with error messages of 'CURRENTLY ACTIVE IN CYCLE NO: xxx'.

CYCLER#	ISBN	TITLE	ERROR MESSAGE
2	ADHE1175C	Glue Stick 36 Gram	ISBN RE-ORDER METHOD IS NOT APPLICABLE TO THIS CYCLE
2	BABISS1	Bed and breakfast issue 1	ISBN RE-ORDER METHOD IS NOT APPLICABLE TO THIS CYCLE
2	BAGX6	PVC Bag	ISBN RE-ORDER METHOD IS NOT APPLICABLE TO THIS CYCLE
2	BIN2	Bin - Childrens books	ISBN RE-ORDER METHOD IS NOT APPLICABLE TO THIS CYCLE
2	BODY	Body of Car	ISBN RE-ORDER METHOD IS NOT APPLICABLE TO THIS CYCLE
2	BOOK01	Big Book at school for Juniors	ISBN RE-ORDER METHOD IS NOT APPLICABLE TO THIS CYCLE
2	BRUS0100/ 4	Brush Oil/Acrylics/WCols Sabel	ISBN RE-ORDER METHOD IS NOT APPLICABLE TO THIS CYCLE
2	B0006D80C0	Russian Icons	ISBN RE-ORDER METHOD IS NOT APPLICABLE TO THIS CYCLE
2	CALC0500	Calculator Basic EL 231LB	ISBN RE-ORDER METHOD IS NOT APPLICABLE TO THIS CYCLE
2	CALC2005	Calculator Graphing Classpad 300	ISBN RE-ORDER METHOD IS NOT APPLICABLE TO THIS CYCLE
2	CARPACK	The car	ISBN RE-ORDER METHOD IS NOT APPLICABLE TO THIS CYCLE
2	CASPIAN	Prince Caspian	ISBN RE-ORDER METHOD IS NOT APPLICABLE TO THIS CYCLE
2	CASPIAN*	Prince Caspian SH	ISBN RE-ORDER METHOD IS NOT APPLICABLE TO THIS CYCLE
2	CHILDPSYCHOLOGY	Child Psychology	ISBN RE-ORDER METHOD IS NOT APPLICABLE TO THIS CYCLE
2	CLARINETATSCHOOL	Clarinet at School	ISBN RE-ORDER METHOD IS NOT APPLICABLE TO THIS CYCLE
2	COMMUNICATION	Communication handbook	ISBN RE-ORDER METHOD IS NOT APPLICABLE TO THIS CYCLE
2	CONTEMPORARYMUSIC	Contemporary Music at school	ISBN RE-ORDER METHOD IS NOT APPLICABLE TO THIS CYCLE
2	C1	How to make your thesis work for you	ISBN RE-ORDER METHOD IS NOT APPLICABLE TO THIS CYCLE
2	C2	The Title that made the world stand still	ISBN RE-ORDER METHOD IS NOT APPLICABLE TO THIS CYCLE
2	D1	The Title Por the masses	ISBN RE-ORDER METHOD IS NOT APPLICABLE TO THIS CYCLE
2	D2	The mouse that lived in the country	ISBN RE-ORDER METHOD IS NOT APPLICABLE TO THIS CYCLE
2	ERAS0910	Eraser Large PVC free in sleeve	ISBN RE-ORDER METHOD IS NOT APPLICABLE TO THIS CYCLE
2	GLAS0150	Safety Glasses Norton Clear Wrap Around	ISBN RE-ORDER METHOD IS NOT APPLICABLE TO THIS CYCLE
2	G1	The Great Gatsbv	ISBN RE-ORDER METHOD IS NOT APPLICABLE TO THIS CYCLE

---

## Explanation

Reports can be printed showing the calculated Suggested Order Quantities and value. Once the reports have been viewed, maintenance can then be done on the quantities after which the Purchase Orders can be created.

To calculate items suggested purchase quantity, the available stock quantity in the selected warehouse needs to be determined first. When calculating the available stock quantity, the system can be instructed to consider stock quantities on order, on-board, allocated to backorders, reservation orders, forward orders and/or outstanding returns. These outstanding order quantities can be deducted from the available stock quantity, in other words, the suggested order quantity is increased by the order quantity outstanding. Components of Systems are catered for by orders being generated for the components and not the systems.

Purchase Planning has three methods for determining future requirements or stocking levels. They are:

- Minimum and Maximum Levels
- Forecasting Nationally
- Forecasting by Warehouse

---

## Minimum/Maximum Levels

The Minimum and Maximum option level takes into account whether or not Inventory Control is by warehouse or national. This parameter is setup in **TMSDS/WH-CSTB**.

### National

If Inventory Control is National the minimum and maximum figures are taken from *Warehouse Stock Levels Definition* file. The National Warehouse is nominated on the Purchase Plan in the *Purchase To* field.

### Warehouse

If Inventory Control is by warehouse, the minimum and maximum levels per item per warehouse are taken from the *Warehouse Stock Levels Definition* file. The warehouses for which the Purchase Orders created are nominated on **TMSDS/SO-WH**. Included in this Control File are warehouses whose Stock position must be taken into account when determining the Suggested Order Quantities but purchase quantities do not generate for them. Certain Warehouse Types can be excluded from the Suggested Order Quantity calculations by indicating these exclusions on the Purchase Plan.

### Basic Formula

The basic formula used to calculate suggested order quantities is:

To determine the Stock Position the following calculation is performed: Stock on Hand (SOH) plus Outstanding Orders (O/O) plus On Board (O/B) less Backorders (B/O) less Reserved (RSV) less Forward Orders (F/O) plus Returns (RET) plus In Transit (IT).

The Stock Position formula can exclude one or more of the stock status conditions mentioned in the basic formula. What to exclude is setup in the Purchase Plan. A zero in one of the *Consider* fields excludes the stock status condition completely. A one in one of the *Consider* fields takes the

full quantity in the stock status condition into account and a two in one of the *Consider* fields only takes the quantities of those stock status conditions into account for the number of months indicated. This latter condition means for example forward orders due for release in 6 months time are not included in the immediate restocking requirements.

### Min/Max Formula

If the Stock Position calculation result (see Basic Formula) is less than the Minimum Quantity then the Suggested Order Quantity is the result of the Maximum Quantity less the Stock Position.

The Suggested Order Quantity is also affected by a variety of rounding parameters. Refer to the section on Rounding in this Overview.

### Reports

Suggested Orders Reports Layout 1 to 4 can be printed to view the Suggested Order Quantities prior to amendments.

---

## Forecasting Nationally

Suggested orders are generated if the total available stock is less than the minimum demand.

Minimum demand is computed as:

Total forecast quantity for 'n' no of months.

N min = Lead-time and minimum months as defined in the purchase plan plus 1 month.

If available stock is less than minimum demand, the maximum demand less available stock is generated as the suggested order.

Maximum demand is computed as:

Total forecast quantity for 'n' no of months.

N max = Lead time plus maximum months as defined in the purchase plan plus 1 month.

---

## Forecasting by Warehouse

In **TMSDS/SO-WH**, warehouses for which suggested orders must be calculated are listed. Others warehouses, whose stock position is to be considered when calculating suggested orders for the main warehouse nominated, are also listed in this Control File.

The suggested orders are generated if the Warehouse available stock is less than the minimum demand.

The minimum and maximum demand is computed the same as National.

---

## Rounding conditions

These rounding conditions apply no matter what method of Suggested Order Quantity calculation is used. These conditions are:

Round up to the next full Carton Quantity. Whether or not this parameter is used is determined by the setting in **TMSDS/SO-CRTQ**. How much is in a Carton is found on the Item Masterfile in the Carton Quantity field.

If there is an Economic Order Quantity per item per Warehouse established on the Stock Level Definition File this is taken into consideration.

Rounding can take place to suit the Unit of Measure on the Item Masterfile or if a Supplier Pack Quantity has been recorded this could be used to apply a conversion factor and round quantities accordingly. Which one of these options to use is established in **TMSDS/PP-QRC**.

To the above conditions, there is an instruction to round Up, Down, or to the Nearest whatever. These instructions are established in the Purchase Plan ***Rounding method*** field.

---

## Purchase Costs

Which costs to use on the purchase order is determined by the parameters in **TMSDS/PO-COST** (using the Purchase order entry program DSE035).

The choices are:

Buying Price which is taken from the List ID code entered on the Control File

Last Purchase Order cost

Last Suppliers Invoice

Leave blank for manual maintenance

Use the cost on the Item Masterfile

---

## Examples

This section illustrates examples concerning:

[Example 1: To Generate Requirements for Suggested Order](#)

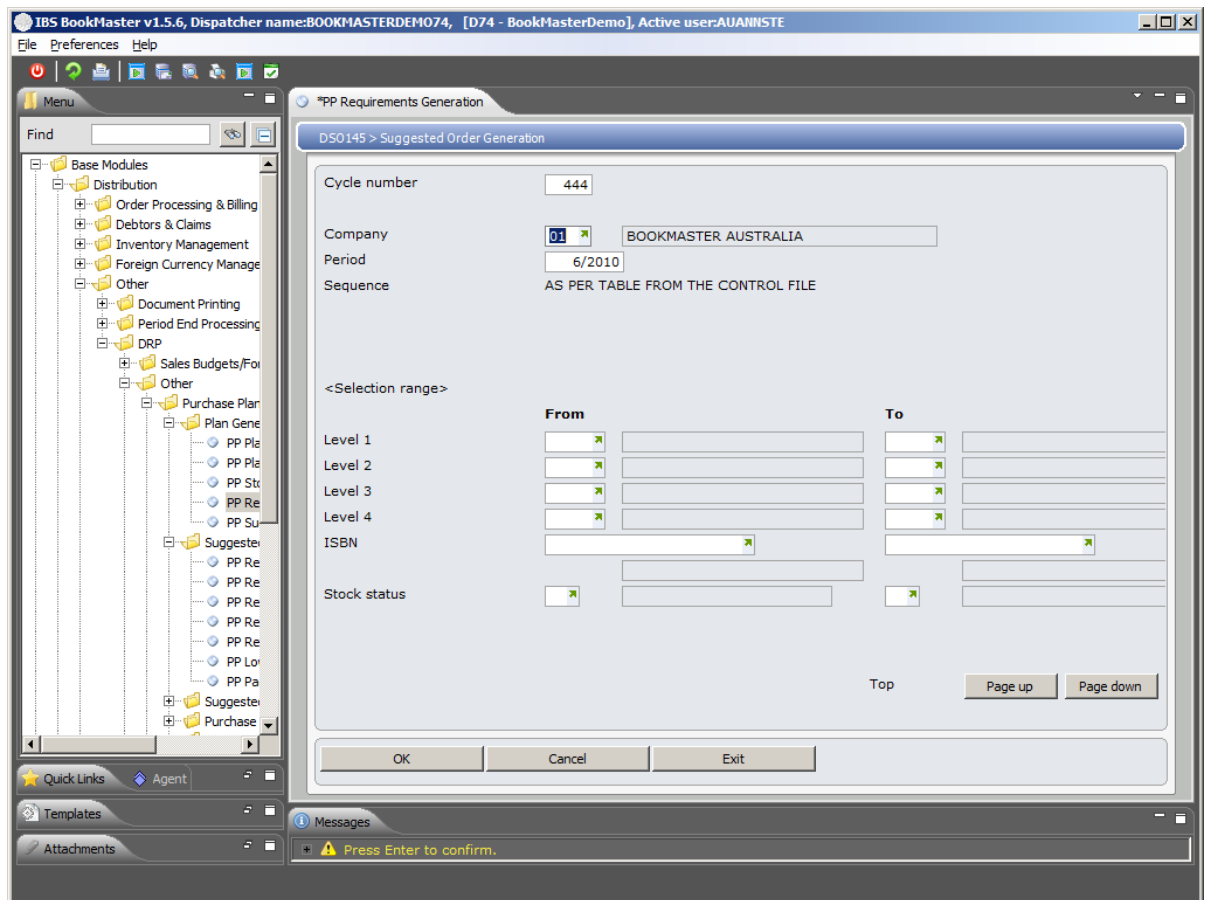
---

### Example 1: To Generate Requirements for Suggested Order

This example describes how to generate requirements for suggested order.

1. Select option **PP Requirements Generation** from Base Modules> Distribution> Inventory Management> Purchasing> Purchase Planning> Plan Generation menu.

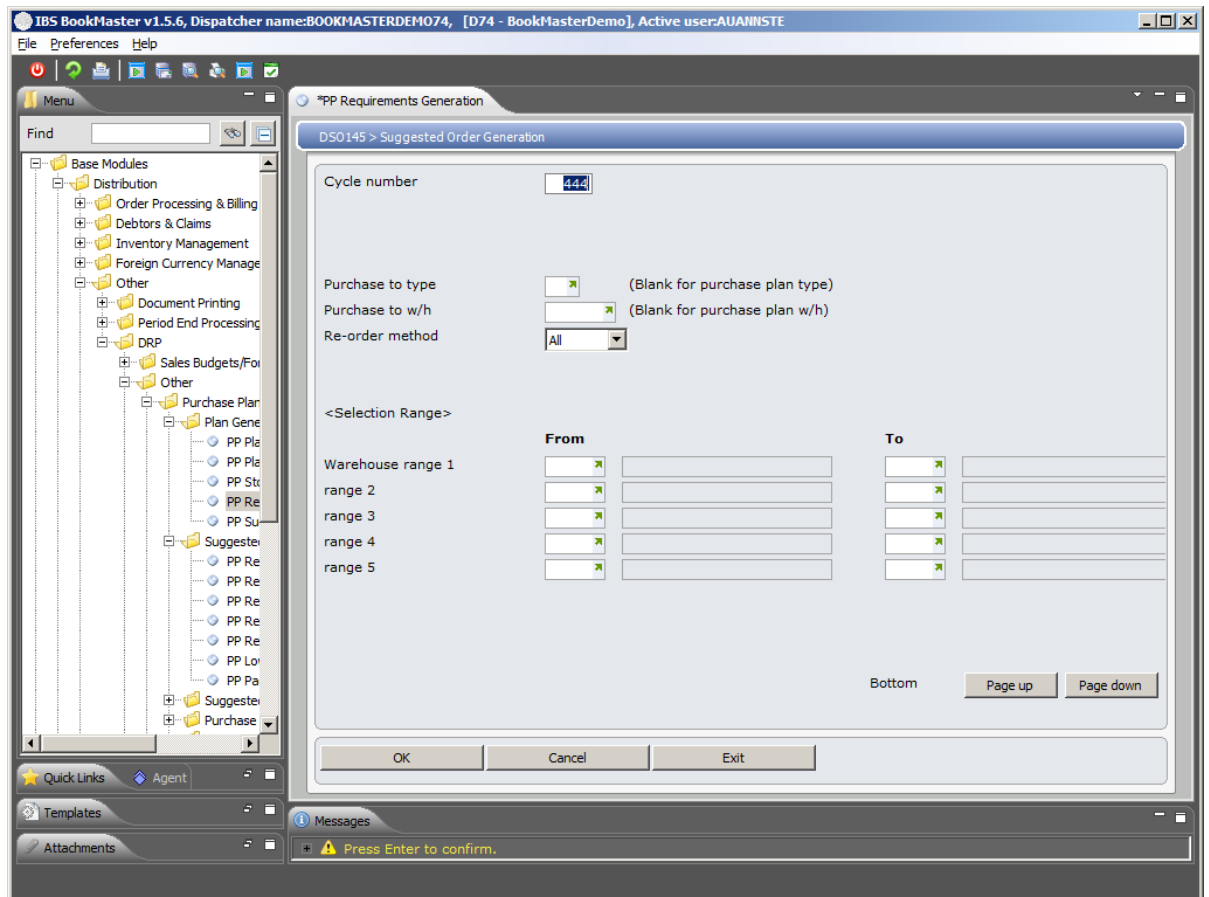
DSO145 Suggested Order Generation panel is displayed.



### Relevant Fields

<b>Cycle number</b>	Each suggested order generation is given a mandatory cycle number of three numeric characters.
<b>Company</b>	Name of company for which to generate the requirements for the suggested order
<b>Period</b>	The period for which suggested order generation is being run.
<b>Level 1 – 4</b>	A range of level codes can be selected for inclusion in the suggested order generation.
<b>ISBN</b>	A range of items can be selected for inclusion in the suggested order generation.
<b>Stock status</b>	A range of stock statuses can be selected for inclusion in the suggested order generation.

2. As per table listing the sequence of item key levels and class for I7 levels only. This table is established in the **TMSDS/SEQ-ILFC** and the default can not be overridden. Key in all required fields and Page down to display following panel.



## Relevant Fields

### Purchase to type

Purchase order codes are made up of two characters, where the first character is the Purchase Order Type dictating the number sequence. The second character defines whether this applies to Inventory Items (Y) or Non-inventory Items (N) and lastly whether these should appear on automatically produced purchase orders (A) or manually produced (M).

A - YA where A is a type setup in the Number File and this defines the number sequence to be used on the Purchase Order. YA stands for Y = yes for inventory and A = Automatically generated.

Here this field defaults from **TMSDS/PP-HUB**, if suggested orders are from retail.

### Purchase to W/H

Indicate the purchase to warehouse if suggested orders are to be generated for specific warehouse. The warehouse selected should belong to the same company in the cycle.

When this field is left blank in the Suggested Order Transaction detail file, the warehouse code is retrieved from **TMSDS/PSI-BOND**.

### Re-order method

Indicate which re-order method you would like to use to generate the suggested orders.

All – Generate suggested order for all re-order methods.

Forecast – Generate suggested orders for all forecast re-order method purchase plans.

Min/Max – Generate suggested orders for all purchase plans based on a minimum/maximum stock ratio re-order method.

3. Key in all the required field and click **OK** to confirm the selection. The process is completed.

---

## Cross Reference

- DSO148 Requested Order Generation