

The ABC's of Outside Processing with R12 – A Guide to Get Up and Running

Agenda

- Benefits of Outside Processing (OSP)
- Set-up Requirements
- Transaction Overview
- Summary

Outside Processing (OSP)

Capability to Allow for and Monitor Third Party Labor in your Manufacturing Process

Benefits of OSP

- Accurate Costing
- Specialized Manufacturing
- Increased Capacity
- Supplement Resource Downtime
- Improved Productivity
- Cost Savings

Setup – OSP Items

- OSP Item Template
- Unit Type – Set to “Resource”
- Use Approved Supplier – Optional
- Not Stockable
- Not Transactable
- It Is Receivable
- It Is Purchasable

Setup - OSP Items

Organization Item (V1)

Organization V1 Vision Operations
 Item OP777
 Description Outside Processing Test

Display Attributes
 Master Qrg All

Main Inventory Bills of Material Asset Management Costing **Purchasing** Receiving Physical Attributes

Purchased Purchasable Use Approved Supplier
 Allow Description Update Outsourced Assembly
 Outside Processing Item
 Unit Type Resource RFO Required No Taxable No
 Invoice Matching
 Receipt Required Yes Inspection Required

Input Tax Classification Code

Default Buyer Smith, Mr. Jonathan Unit of Issue
 Receipt Close Tolerance % Invoice Close Tolerance %
 UN Number
 List Price 20 Hazard Class
 Price Tolerance 0% Market Price
 Rounding Factor
 Encumbrance Account
 Expense Account 01-510-7530-0000-000
 Asset Category

Setup – OSP Resources

- “Key” Setup to OSP
- Linked to OSP Items
- Charge Type Dictates Use
- Triggers “Move” Operations
- Cost at Standard
- Resource “Rates”
 - Standard Costs
 - Overheads

Setup - OSP Resources

The screenshot shows the 'Resources (01)' window with the following details:

- Resource:** OPTEST
- Description:** OSP test
- Type:** Person
- Charge Type:** PO Move
- UOM:** EA
- Basis:** Item
- Expenditure Type:** [Empty]
- Supply Subinventory:** [Empty]
- Supply Locator:** [Empty]
- Outside Processing:**
 - Item:** OP96997
 - Description:** Anodizing Outside Process
- Billing:**
 - Item:** [Empty]
- Costed:**
 - Activity:** [Empty] Standard Rate
 - Absorption Account:** 01-000-1410-0000-000
 - Variance Account:** 01-510-5210-0000-000
 - Buttons:** Overheads, Rates
- Skills:**
 - Competence:** [Empty]
 - Skill Level:** [Empty]
 - Qualification:** [Empty]
- Batchable:**
 - Minimum Batch Capacity:** [Empty]
 - Maximum Batch Capacity:** [Empty]
 - Batch Capacity UOM:** [Empty]
 - Batching Window:** [Empty]
 - UOM:** [Empty]
 - Buttons:** Machine Down Codes, Employees, Equipment, Setups

Setup - OSP Resource Rates

Cost Type	Description	Resource Unit Cost []
Pending	Pending Standard Cost Type	1.25000

Setup – OSP Departments

- Used Within Operations on Routings
- Assign Resources to Departments
- Can Also Define Costs at the Department Level
- Departments Must Have a Location Assigned

Setup – OSP Departments

Departments (v1)

Department OS Service

Description Outside Services

Class

Location V1- New York C NYC, Vision Operations HQ

Project Expenditure Org

Inactive On

Rates Resurces

Setup – OSP BOM's

- No Difference
- OSP Item's Are Not BOM Items
- Assign Components to Operations

Setup – OSP Routings

- OSP Operations
- OSP Inter-Operation Steps
- OSP Resources
 - Charge Type
 - Types
 - Unit
 - Assembly
 - Scheduling
 - Costing
- Completion Sub-Inventory

Setup - OSP Routings

Routings (V1)

Item: VI74953 Desktop Chassis Model A243 UOM: Ea
 Alternate: Capable To Promise

Revision: A Date: 22-FEB-2008 13:05:48
 Display: Future and Current Implemented Only

Operations

Referenced		Department	Option Dependent	Lead Time %
Seq	Code		<input type="checkbox"/>	
10		Assembly	<input type="checkbox"/>	
20		OS Service	<input type="checkbox"/>	
30		Final	<input type="checkbox"/>	
			<input type="checkbox"/>	
			<input type="checkbox"/>	

Setup – OSP Routings

Operation Resources (V1) - 20

Item: V74953 Alternate:

Sequence: 20 Effective Date: 22-FEB-2008 13:07:16

Resources

Main | Scheduling | Costing

Rate or Amount						
Seq	Resource	UOM	Basis	Usage	Inverse	
5	OPTEST	EA	Item	1	1	

Alternates

Setup - OSP Routings

Operation Resources (V1) - 20

Item: V174953 Alternate:

Sequence: 20 Effective Date: 22-FEB-2008 13:07:16

Resources

Main Scheduling Costing

Seq	Resource	Available 24 Hours	Schedule Seq	Substitute Group Number	Assigned Units	Schedule	Offset %	Principal Flag	Setup Type
5	OPTEST	<input checked="" type="checkbox"/>	<input type="text"/>	<input type="text"/>	1	No	<input type="text"/>	<input type="checkbox"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="checkbox"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="checkbox"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="checkbox"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="checkbox"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="checkbox"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="checkbox"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="checkbox"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="checkbox"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="checkbox"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="checkbox"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="checkbox"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="checkbox"/>	<input type="text"/>

Setup – OSP Routings

Operation Resources (V1) - 20

Item: V74953 Alternate:

Sequence: 20 Effective Date: 22-FEB-2008 13:07:16

Resources

Main Scheduling **Costing**

Seq	Resource	Activity	Standard Rate	Charge Type
5	OPTEST	<input type="text"/>	<input type="checkbox"/>	PO move
			<input type="checkbox"/>	
			<input type="checkbox"/>	
			<input type="checkbox"/>	
			<input type="checkbox"/>	
			<input type="checkbox"/>	
			<input type="checkbox"/>	
			<input type="checkbox"/>	

Setup – OSP Purchasing Setups

- Create a Quotation
- Approved Supplier List
- Create a Sourcing Rule
- Create a Sourcing Rule Assignment Set

Setup – OSP Quotation

Quotations - [New]

Operating Unit: Vision Operations

Number: 501 Type: Standard Quotation RFQ: []

Supplier: Industrial Dressler Site: US HEADQUATER Contact: Indus, James

Ship-To: V1- New York City Bill-To: V1- New York City Status: Active

Description: [] Supplier Quote: []

Approval Required Response Date: 25-FEB-2008

Effectivity: 25-FEB-2008 - [] Buyer: Smith, Mr. Jonathan

Currency: USD []

Items More

Num	Type	Item	Rev	Category	Description	UOM	[]
1	Outside process	OP98997		MISC.MISC	Anodizing Outside Proci	Each	[]

Item: OP98997 Anodizing Outside Process

Buttons: Currency... Terms Price Breaks Approve...

Setup – Approved Supplier List

Approved Supplier List (V1)

Type	Commodity	Item	Description
Item		OP98997	Anodizing Outside Process

Suppliers

Key Attributes | Record Details | Comments

Business	Supplier	Site	Operating Unit	Status	Disabled	Supplier Item	Manufacturer
Direct	Industrial Dressler			Approved	<input type="checkbox"/>		
					<input type="checkbox"/>		
					<input type="checkbox"/>		
					<input type="checkbox"/>		
					<input type="checkbox"/>		

Attributes

Setup - ASL Attributes

Supplier-Item Attributes (V1)

Global Create Local
Purchasing UOM:

Local
 Release Method:

Item: Commodity:
Price Update Tolerance: %

Supplier: Site:
Country of Origin:

Operating Unit:
[]

Source Documents Supplier Scheduling Planning Constraints Inventory

Seq	Type	Number	Line	Global	Owning Org	Status	Effective
1	Quotation	501	1	<input type="checkbox"/>		Active	25-FEB-20
				<input type="checkbox"/>			
				<input type="checkbox"/>			
				<input type="checkbox"/>			
				<input type="checkbox"/>			

Setup – OSP Sourcing Rule

Sourcing Rule (V1)

Name: All Orgs Planning Active
 Description: Org

Effective Date

From Date: To Date:

Shipping Organization

Type	Org	Supplier	Supplier Site	Allocation %	Rank	Shipping Method	Intransit Time	
Buy From		Industrial Dress		100	1			<input type="text" value="[]"/>

Setup – Sourcing Rule Assignment

Sourcing Rule / Bill of Distribution Assignments

Assignment Set: Collaborate 08 Assignment Set
 Description: []

Assignments

Assigned To	Item / Category	Description	Type	Sourcing Rule / BoD
Item	OP98997	Anodizing Outside P	Sourcing Rule	OSP 08

Purge Copy from... View Sourcing Rule/BOD View Supply Chain Bill

Setup – OSP WIP Parameters

- Requisition Creation
- Workflow Notifications
- Change Controls for Purchasing

Setup – OSP WIP Parameters

Work In Process Parameters (V1)

Discrete Repetitive Move Transaction Material Intraoperation **Outside Processing** Scheduling Mobile

Shop Floor Status for PO Move Resources

Requisition Creation Time **At Operation**

Job Roles for Notifications

Production Scheduler

Shipping Manager

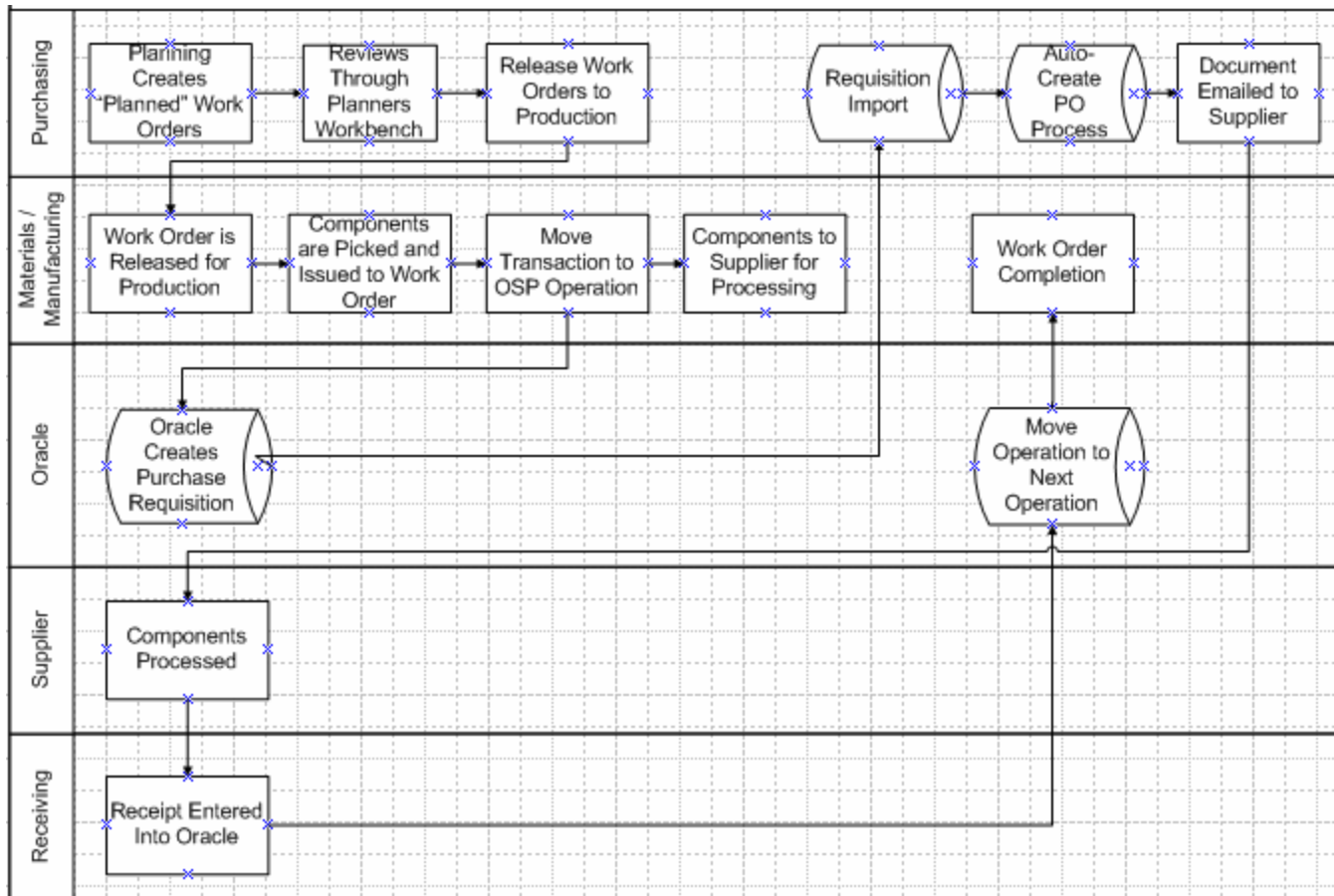
Job Change Controls for Purchasing Documents

Propagate Job Change to Purchasing **Automatic**

Need-By Date Tolerance

Days Early Days Late

Overview of OSP



OSP Transactions – WIP Jobs

- Manual WIP Jobs
- Released from the Planners Workbench
- PO REQ Generated
 - At Job Release
 - At OSP Operation
- PO Creation
- Supplier Notification
- “Pending” Transactions

OSP Transactions – WIP Jobs

Discrete Jobs (V1)

Job: 242841 Type: Standard

Assembly: VI74953 Desktop Chassis Model A243

Class: OSP UOM: Ea

Status: Unreleased Firm

Quantities Dates

Start: 100 Start: 15-APR-2008 00:00:00

MRP Net: 100 Completion: 15-APR-2008 00:00:00

Bill Routing Job History Schedule Group, Project Scheduling More

Reference: [] []

Alternate: []

Revision: A Revision Date: 15-APR-2008 00:00:00

Supply Type: Based on Bill

Serial Numbers Sales Orders Operations Components

OSP Transactions – Move Op's

Move Transactions (V1)

Sales Order Order Line

Line

Assembly V174953 Desktop Chassis Model A243 UOM Ea

Job 242841 Bill Revision A

Transaction Type

- Move
- Complete
- Return

Operations

	Seq	Code	Department	Step
From	10	<input type="text"/>	Assembly	Queue
To	20	<input type="text"/>	OS Service	Queue

Transaction

Overcompletion

UOM Ea

Available 100

Quantity 100

Date 26-FEB-2008 14:59:19

Scrap Account

Alias

Number

Reason

Reference []

Manual Resources Exist

OSP Transactions – Pending



OSP Transactions – Purchasing

- Requisition Import
- Auto-Create Purchase Order
- Approval Process
- PO Document Distribution

OSP – P.O. Distributions

Outside Processing (1) - Distribution 1

Job: 242841 Line:

Assembly:

Operation

Sequence: 20
Code:
Department: OS Service

Resource

Sequence: 5 OPTEST
UOM: EA
Resource Qty: 100

Unit Type: Resource Assembly Qty: 100

Done Cancel

OSP Transactions – PO Receipt

Receipts (V1)

Lines Details Currency Order Information Outside Services Shipment Information

	Quantity		Secondary		Destination	Type	Item	Rev	Description	L	U
	UOM		Quantity	UOM							
<input type="checkbox"/>	100	Each			Shop Floor		OP98997	A	Anodizing Outside		
<input type="checkbox"/>											
<input type="checkbox"/>											
<input type="checkbox"/>											
<input type="checkbox"/>											
<input type="checkbox"/>											
<input type="checkbox"/>											

Operating Unit: Vision Operations
 Supplier: Industrial Dressler
 Item Description: Anodizing Outside Process
 Destination: V1- New York City--
 Header Receiver Note:
 Shipment Receiver Note:

Order Type: Standard
 Order: 5367
 Due Date: 17-APR-2008 00:00
 Hazard:
 UN Number:
 Routing: Direct Delivery

Lot - Serial Cascade Express Header

OSP Transactions – PO Move

Move Transactions (V1)

Sales Order Order Line

Line

Assembly VI74953 Desktop Chassis Model A243 UOM Ea

Job 242841 Bill Revision A

Transaction Type

- Move
- Complete
- Return

Operations

	Seq	Code	Department	Step
From	30	<input type="text"/>	Final	Queue
To	30	<input type="text"/>	Final	To move

Transaction

Overcompletion

UOM Ea

Available 100

Quantity 100

Date 26-FEB-2008 15:34:34

Scrap Account

Alias

Number

Reason ...

Reference ()

Manual Resources Exist

Buttons:

OSP Transactions – Completion

- OSP is Not The Last Operation
 - Auto Move is Performed to the Next Operation
 - Manufacturing Process Continues
- OSP is The Last Operation
 - Move Transaction Completed
 - Discrete Job is Completed
 - FG is Moved to Designated Completion Sub-Inventory

SUMMARY

A – Create OSP Items

B – Manufacturing Setups

C – Purchasing Setups