

# UTILIZING RETURN TO VENDOR FUNCTIONALITY IN PEOPLESOFT TO MANANGE VENDOR NON-CONFORMING MATERIAL AT LARSON MANUFACTURING

**JOHN BLATCHFORD**  
**LARSON MANUFACTURING**

# Larson Manufacturing

- Privately owned
  - Headquarters Brookings, South Dakota
  - 4 Manufacturing sites
  - 12 Distribution Centers
- Home Improvement Products
- Private delivery fleet
- #1 Selling Storm Door Company
- Home Improvement Supplier of the Year
- Habitat for Humanity Cornerstone Society

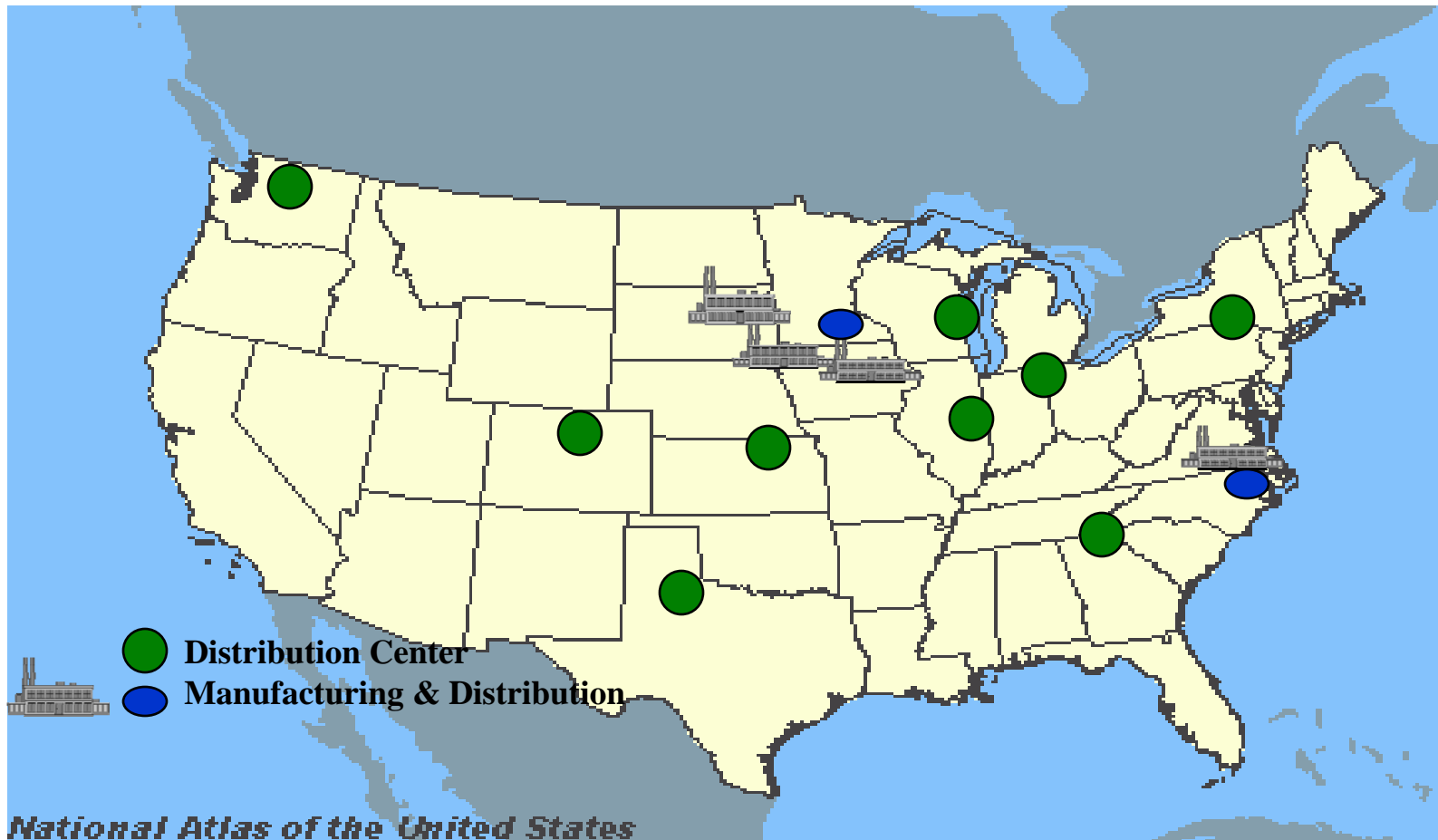




*Storm Doors for life.*



# Larson Manufacturing



# Environment

- **PeopleSoft Supply Chain**
  - Full manufacturing, distribution, purchasing, financials, & HR system
    - Including Order Management & Configurator
  - PeopleSoft 8.41
  - PeopleTools 8.42.15
- **Oracle Database**

## Presentation Outline

- **Scope of our non-conformance process**
- **Non-conformance systems Spring 2007**
- **Concept for standard NC process**
- **Process development and implementation**
- **Benefits realized by Larson Manufacturing**
- **Question and answer session**

# NC Process Scope

- **All manufacturing sites**
- **External – Vendor NC material**
  - Full-bundle/box
  - Miscellaneous
  - Advisory

# System – Spring 2007

- **Five unique tracking systems**
  - Built in Excel and Access
  - No consolidated reporting
  - No consistent metrics by BU or total
- **No validation for credit receipt**
- **No validation for scrap metal tracking**





### NON-CONFORMANCE NOTIFICATION

LAR 2041		Confidential	
DATE: 05-02-07	SUPPLIER: Nichols Aluminum	NUMBER: 2986	
PART NAME: Brown Aluminum Full-skins	PART # / LENGTH: 296813604A	<input type="checkbox"/> Internal <input checked="" type="checkbox"/> External	
ORIGINATOR: Darren Nielsen	Light Changes (Internal Use) <input type="checkbox"/> Green <input type="checkbox"/> Yellow <input type="checkbox"/> Red <input type="checkbox"/> Double Red	Plants Affected: Brockings	

REJECTED QUANTITY	# DEFECTIVE / # INSPECTED	DISCREPANCY DESCRIPTION	PRINT REQUIREMENT	ACTUAL MEASUREMENT
196 full-skins (426 lbs.)	all	1" to 6" scratches down the edges of the full-skins. Visually unacceptable.		

Tag # / Lot # coil # 411594-40 dated 04-05-07, order # 03050332 (these are some blacked full-skins that came from the coil that was rejected in NC #2982)

STORAGE LOCATION:	Storage Area <input type="checkbox"/>	Core <input checked="" type="checkbox"/>	Cells <input type="checkbox"/>	Primary <input type="checkbox"/>	Zbar <input type="checkbox"/>	Display <input type="checkbox"/>	Window <input type="checkbox"/>
Corrective Action Issued (Check Box) <input type="checkbox"/> Yes		Corrective Action Number _____					

Comments / Instructions:

Quantity Returned to Inventory: \_\_\_\_\_ Quantity Scrapped: \_\_\_\_\_

REWORK VERIFICATION	Rework Completion Date:	Name:
	Inspection / Testing Date:	Name:

\*\*\*Everything ABOVE this point needs to be completed by Quality. [Redacted]  
 \*\*\*Everything BELOW this point needs to be completed by Purchasing/Production.

DISPOSITION (Initial Appropriate Box)			
<input type="checkbox"/> Use (Deviation Required)	<input type="checkbox"/> Scrap		
<input type="checkbox"/> Rework (Labor Code Required) Labor Code: _____	<input type="checkbox"/> Return to Vendor (RMA # _____)		
COSTS INCURRED BY LARSON (Initial Appropriate Box)			
<u>Labor:</u>		<u>Material:</u>	
<input type="checkbox"/> Larson Cost	<input type="checkbox"/> Vendor Cost	<input type="checkbox"/> Larson Cost	<input type="checkbox"/> Vendor Cost
Date: _____	_____	Part #: _____	_____
By Whom: _____	_____	Quantity: _____	_____
Hours: _____	_____	Material Total: _____	_____
Labor Total: _____	_____	Total Cost: _____	_____

\*\*\* REMOVED BY QUALITY ONLY \*\*\*

## Larson Manufacturing - Clear Lake Oper. Material Rejection Notification

MRN #: 8692

Date: 5/1/2007

Vendor: Hydra Aluminum

For Internal Use Only  
Acct: 480420  
Dept: 505620

Part #: 14051

Vendor Part/Doc ID: No Tag

Part Name: Est Whit 164.188 Latchbar2 3/4

Material Description: 1 Bundle

P.O. Number: No Tag

Receipt Date: X

Date Sample Sent: X

Quantity: 62

Unit of measure: PC

Q.A. Contact: TP

Reason for Nonconformance: Hooked/ bowed in the middle of the stick

**Please submit all Return Authorization numbers for this  
Material Rejection Claim to Dawn McKibben**

Email: [dmckibben@larsondoors.com](mailto:dmckibben@larsondoors.com) (preferred method)

Phone: 641-355-5139

Fax: 641-355-5105 atten: Dawn McKibben

For questions related to this material rejection claim please contact Bruce Bailey

Email: [BOBailey@Larsondoors.com](mailto:BOBailey@Larsondoors.com)

Phone: 641-355-5136

Fax: 641-355-5105

# Concept for standard process

- **PeopleSoft application**
  - Leverage existing functionality and data
  - Information stored in one system
  - Consistent data collection
- **Standardized process for all locations**
- **User-friendly for all functional areas**
- **Enhanced credit and material tracking**

# PeopleSoft RTV 8.4

- **Links to purchase order**
- **Inventory express issue or adjustment**
- **Basic RTV document**
- **Voucher stage and creation**
- **Fee recording**
- **Standard line and header comments**
- **User-friendly and easy to create**

### Return to Vendor

#### LARSON MANUFACTURING COMPANY

LARSON MFG CO  
2333 EASTBROOK DRIVE  
BROOKINGS SD 57006  
USA

Vendor: 100068  
INDALEX  
PO BOX 60  
706 SOUTH STATE STREET  
GIRARD OH 44420  
USA

#### OPEN

#### Dispatch via Print

RTV ID	Date	Page
LAR01-0000000017	04/20/2007	1
Buyer	Freight Terms	
Paul Crawford - Bro	COMMON	

Line	Item	Description	Return Qty	UM	Action	Dispose Reason	PO ID
1	227321-2528	13ft 2in Wht Mf Head/Sill (DD)	1000		LBS Credit	Ship Item Not Withi	0000096201

Ship Via: COMMON

Material S/B .090 +/- .0025. Actual .088

\*\*Please submit all Return Authorization numbers for this Return to

\*\*Vendor Claim to Dawn McKibben

Email: dmckibben@larsondoors.com (preferred method)

Phone: 641-355-5139

Fax: 641-355-505 atten: Dawn McKibben

\*\*For questions related to this RTV claim please contact Bruce Bailey

Email: BOBailey@Larsondoors.com

Phone: 641-355-5136

Fax: 641-355-5105

# Development of New System

- **Gain support from top management**
- **Understand process goals by BU**
  - Site visits
  - Involve Quality, Purchasing, Inventory and A/P
- **Develop single go-forward procedure**
- **Match delivered RTV to Larson needs**
- **Add necessary enhancements**
- **Deliver training to users**

# Enhancements

- **RTV page & PeopleCode**
- **RTV document**
- **Material tag creation**
- **Reporting**

# Page and Code Enhancements

- **Standard quantity vs. Vendor quantity**
- **Receipt search to include “ship to”**
- **Added action and disposition choices**
- **Modified for miscellaneous items**
- **RTV search criteria – Vendor and Item**



# Document Enhancements

- **Modified RTV document page**
  - Title change
  - Added originator
  - Added “ship from” location
  - Added reporting for multiple UOM

**NON-CONFORMANCE NOTIFICATION**

**LARSON MANUFACTURING COMPANY**

2333 EASTBROOK DRIVE  
BROOKINGS SD 57006  
USA

Vendor: 100068  
INDALEX  
PO BOX 60  
706 SOUTH STATE STREET  
GIRARD OH 44420  
USA

**OPEN**

ID	Date	Page
LAR01-0000000977	02/26/2008	1
Buyer	Freight Terms	
Paul Crawford - Broo	COMMON	
Entered By		
John Dorn - Quality		

Ship From: 201  
LARSON MFG. CO. WOGEN CENTER  
222 SUNRISE RIDGE RD  
BROOKINGS SD 57006  
USA

Line	Item	Description	Return Qty	UM	Action	Dispose	Reason	PO ID
1	228815-3328	17ft 4in Alm Gls Lift Rail	1128	LBS	Credit	TBD	Specification	0000132223
			506	PCS				

Ship Via: COMMON

Customer Order #: 132223  
Die #: 48280  
Quantity of material: 506 pcs 1128 lbs  
Defect Description: Material is soft  
Print Requirement: Webster 10  
Actual Measurement: Webster 6-9  
Comments: Gainesville ticket 532752

\*\*Please submit all Return Authorization numbers for this Nonconformance to the Buyer indicated at the top of this sheet.

\*\*For questions related to the material referenced on this nonconformance please contact:

John Dorn  
Quality Technician  
jdorn@larsondoors.com  
P:605-696-6448

# Material Tag Creation

- **Use as label for NC material**
  - Key information as ID in warehouse
  - RTV information included to aid vendor
  - Highly visible in warehouse
- **Generate during dispatch process**

# NC:0000000977 INDALEX-GIRAR

**Vendor:** 100068  
INDALEX  
PO BOX 60  
706 SOUTH STATE STREET  
GIRARD OH 44420  
USA

**Ship From:** 201  
LARSON MFG. CO. WOGEN CENTER  
222 SUNRISE RIDGE RD  
BROOKINGS SD 57006  
USA

**Originator:** John Dorn - Quality  
**RMA Id:**  
**Part Number:** 228815-3328  
**Description:** 17ft 4in Alm Gls Lift Rail  
**Quantity:** 1128 LBS  
506 PCS  
**Reason:** Specification not met

Customer Order #: 132223  
Die #: 49280  
Quantity of material: 506 pcs 1128 lbs  
Defect Description: Material is soft  
Print Requirement: Webster 10  
Actual Measurement: Webster 6-9  
Comments: Gainesville ticket 532752

# Reporting

- **RTV ID**
- **Buyer**
- **Vendor Name**
- **Vendor ID**
- **Item ID**
- **RMA Number**
- **Vendor UOM**
- **Return Qty**
- **Return Reason**
- **Vendor Address**
- **Associated PO**
- **Business Unit**
- **RTV Originator**
- **Enter/Edit Date**
- **Carrier**
- **BOL**
- **Ship Method**
- **Status**

Business Unit Prompt: %  
Date Range: 1/1/2008 - 1/31/2008  
Vendor ID Prompt: %

Business Unit :Brookings/Larson

<u>Date</u>	<u>Rtv ID</u>	<u>Name</u>	<u>Item ID</u>	<u>More Info</u>	<u>Reason Code</u>	<u>Return Qty</u>	<u>Vndr UOM</u>	<u>COMMENTS</u>
1/8/2008	0000000734	ABM MANUFAC TURING, INC.	070500147	Frame A Frame Blk	Dimensional	10.00	EA	Customer Order #: po131476 on paperwork; packing slip 208016L Quantity of material: 10 pc Defect Description: 15.608 dimension is 15.25, base of frame is too narrow. Stud on top is 1/2" longer than print. Measures 1 1/2" should measure 1".
						Total For:		
								10.00
Total For: ABM MANUFACTURING, INC.								10.00

Business Unit :Brookings/Larson

<u>Date</u>	<u>Rtv ID</u>	<u>Name</u>	<u>Item ID</u>	<u>More Info</u>	<u>Reason Code</u>	<u>Return Qty</u>	<u>Vndr UOM</u>	<u>COMMENTS</u>
1/22/2008	0000000798	ALF MACHINER Y & INSTRUMENT CO., LTD	2020511	EVL Spring	Damaged Goods	600.00	EA	Customer Order #: 118874 Die #: Packaging Date: 20 UA Quantity of material: 600 pcs. Defect Description: Miscellaneous defects.,bent shafts,springs won't wind..... Print Requirement: Actual Measurement: Comments: MRN# 9242
						Total For:		
								600.00
Total For: ALF MACHINERY & INSTRUMENT CO., LTD								600.00

**Larson Non-Conformance Summary Report**

**Business Unit Prompt: Brookings/Larson**

**Date Range: 2/1/2008 - 2/28/2008**

**Vendor ID Prompt: [REDACTED]**

**Business Unit : Brookings/Larson**

Damaged Goods	26,226.23			
Dimensional	2,460.00			
Paint	2,126.76			
Specification not met	1,627.15			
Vendor Totals for [REDACTED]	32,440.14			
Total for Business Unit: Brookings/Larson	32,440.14	Usage Qty:	300,035.49	10.81%
<u>Grand Tot</u>				<u>32,440.14</u>

# Training

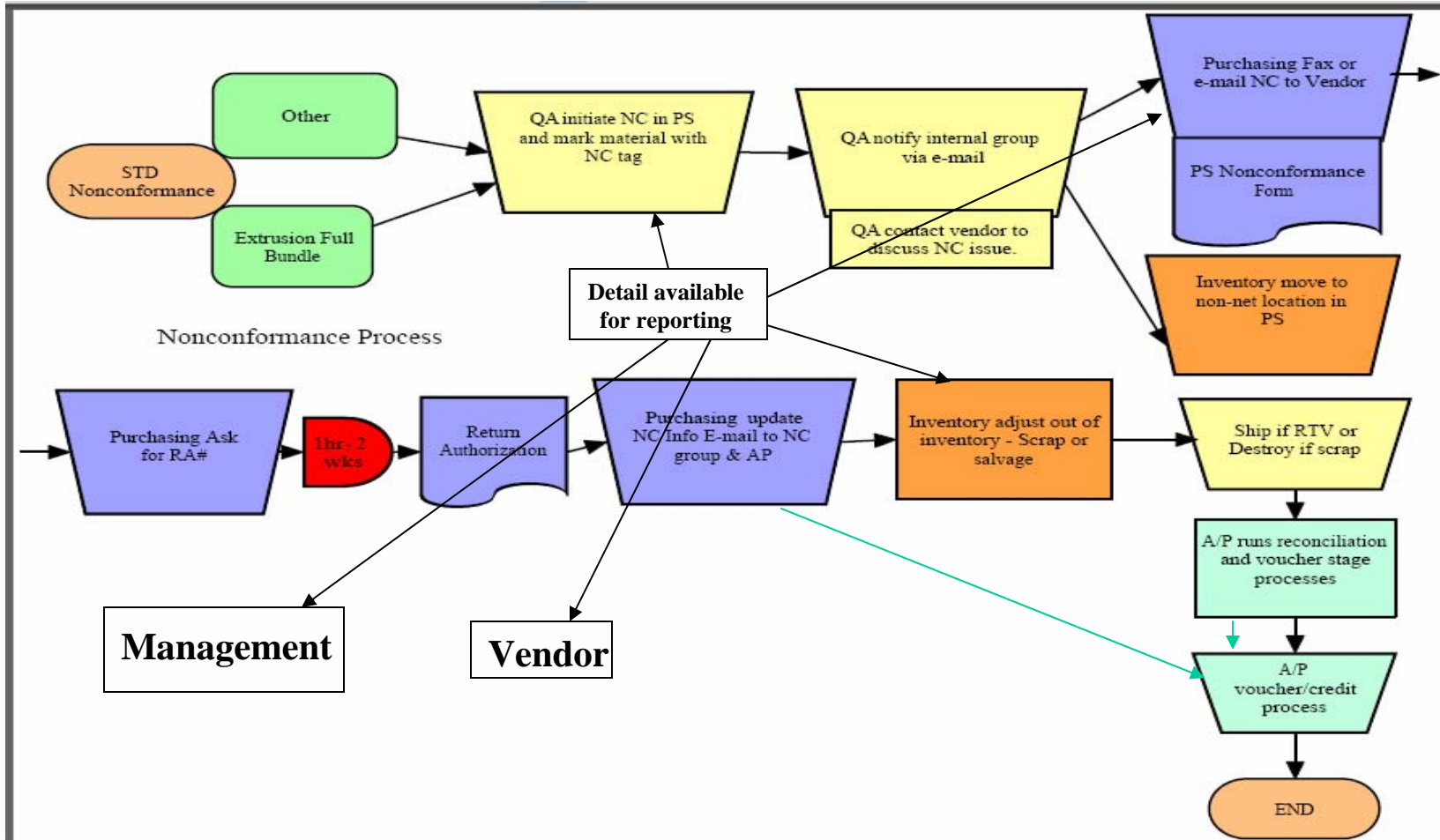
- **Large presentations to all stakeholders**
- **On-site presentations for each BU**
  - By functional area
  - Focus on site specific issues
- **Parallel document entry**
- **Staged cut-over dates by BU**



# Benefits

- **Credit tracking and validation**
  - Recovered an additional \$28,000+ within the first two months of implementation
- **Leverage existing system information**
- **Material tracking**
- **Standardized process for business units**
- **Link to PO, Inventory and Accounting**
- **Information available in PS for reporting**

# Tracking Information



# Staged Voucher Tracking

The screenshot displays the LARSON application interface. On the left is a navigation menu with categories like Items, Cost Accounting, Vendors, Purchasing, Inventory, eProcurement, Sourcing, Engineering, Manufacturing Definitions, Production Control, Configuration Modeler, Product Configurations, Quality, Grants, Projects, Engagement Planning, Resource Management, Staffing, Travel and Expenses, Billing, Accounts Receivable, Accounts Payable, Vouchers, and Review and Correction. The 'Review and Correction' section is expanded, showing options like 'Batch Voucher Error Detail', 'Review PreEdit Errors', 'Selective Line Update', 'Document Tolerance Exceptions', 'Approvals', 'Maintenance', 'Control Groups', 'Payments', and 'Batch Processing'.

The main content area shows a search interface with buttons for 'Search', 'Clear', 'Basic Search', and 'Save Search Criteria'. Below this is a 'Search Results' section with a 'View All' link and pagination controls showing 'First', '1-100 of 275', and 'Last'. The search results are presented in a table with the following columns: Business Unit, Voucher ID, Invoice Number, Invoice Date, Vendor Set ID, Vendor ID, Voucher Build, Source, and Voucher Status. All entries in the table have a status of 'Staged'.

Business Unit	Voucher ID	Invoice Number	Invoice Date	Vendor Set ID	Vendor ID	Voucher Build	Source	Voucher Status
LAR01	00713823	0000000415	12/11/2007	LARSN	0000220450	RTV		Staged
LAR01	00713824	0000000417	12/11/2007	LARSN	100068	RTV		Staged
LAR01	00713825	0000000418	12/11/2007	LARSN	106356	RTV		Staged
LAR01	00713826	0000000419	12/11/2007	LARSN	106356	RTV		Staged
LAR01	00700348	0000000420	11/12/2007	LARSN	100068	RTV		Staged
LAR01	00713827	0000000421	12/11/2007	LARSN	106356	RTV		Staged
LAR01	00713828	0000000422	12/11/2007	LARSN	100071	RTV		Staged
LAR01	00700349	0000000431	11/12/2007	LARSN	100068	RTV		Staged
LAR01	00702331	0000000432	11/20/2007	LARSN	0000217448	RTV		Staged
LAR01	00700350	0000000433	11/12/2007	LARSN	100071	RTV		Staged
LAR01	00702336	0000000438	11/20/2007	LARSN	0000217448	RTV		Staged
LAR01	00702337	0000000439	11/20/2007	LARSN	0000217448	RTV		Staged
LAR01	00702338	0000000440	11/20/2007	LARSN	100174	RTV		Staged
LAR01	00713829	0000000443	12/11/2007	LARSN	101159	RTV		Staged
LAR01	00713830	0000000444	12/11/2007	LARSN	100087	RTV		Staged
LAR01	00700351	0000000446	11/12/2007	LARSN	100068	RTV		Staged
LAR01	00713831	0000000448	12/11/2007	LARSN	100047	RTV		Staged
LAR01	00713832	0000000449	12/11/2007	LARSN	0000201775	RTV		Staged
LAR01	00714043	0000000450	02/14/2008	LARSN	100068	RTV		Staged
LAR01	00713833	0000000451	12/11/2007	LARSN	0000220450	RTV		Staged
LAR01	00713834	0000000452	12/11/2007	LARSN	100980	RTV		Staged
LAR01	00700352	0000000453	11/12/2007	LARSN	100068	RTV		Staged
LAR01	00713835	0000000454	12/11/2007	LARSN	0000220354	RTV		Staged
LAR01	00700353	0000000455	11/12/2007	LARSN	100068	RTV		Staged

The bottom right corner of the application window shows 'Local intranet'.

# Questions and Comments

?