



Procure To Pay Cycle

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What is ERP ?

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01-What is ERP?

Enterprise resource planning (ERP) refers to a type of software that organizations use to manage day-to-day business activities such as :

- Accounting
- Procurement
- project management
- Human resources
- supply chain operations.

Example for the most famous ERP systems :



02-Oracle ERP Modules



03-Supply Chain Module

What Is Supply Chain Management (SCM)?

- Supply chain management is the management of the flow of goods and services and includes all processes that transform raw materials into final products ,storing them in inventories and delivering them to the customer

what supply chain module in oracle offers?

- Inventory Management
- Manufacturing
- Order Management
- Procurement
- costing

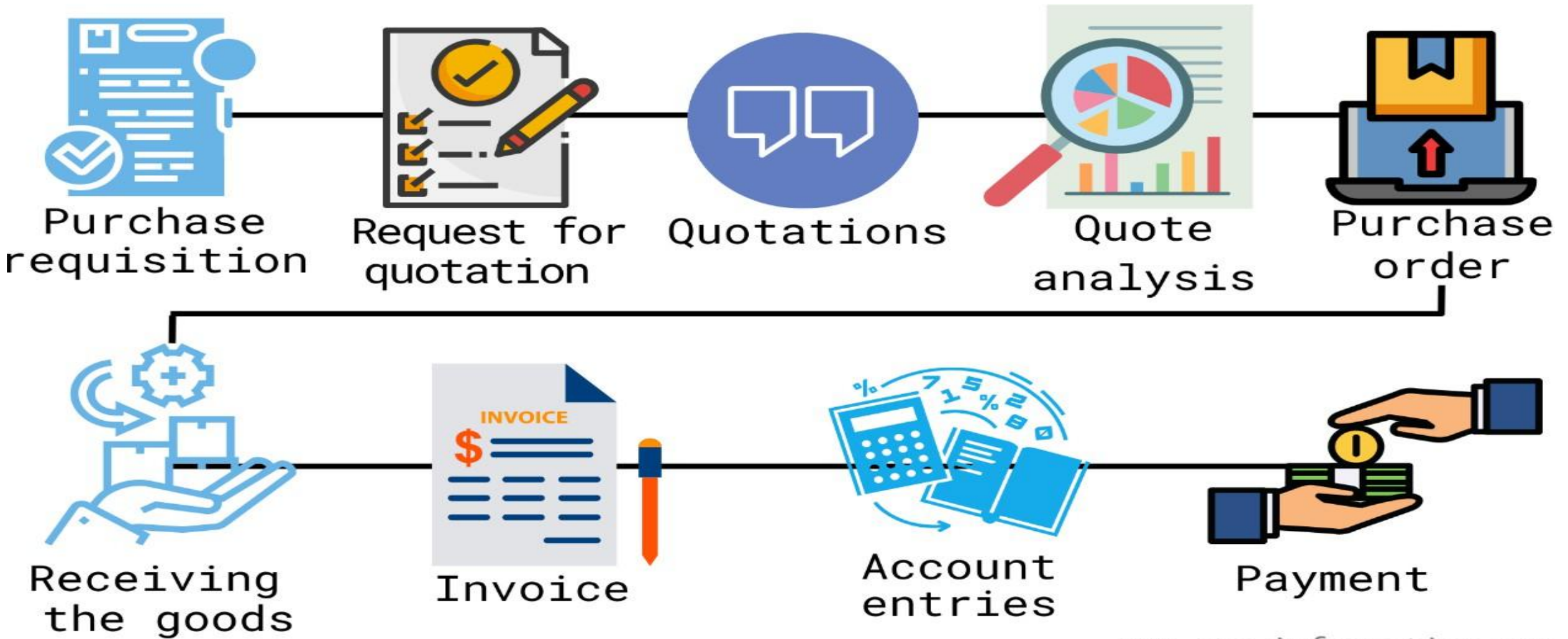


04-Procure To Pay Cycle

What is the P2P cycle

- The P2P cycle in Oracle Cloud Fusion is a process that starts with a requisition being created in Oracle Procurement and ends with the supplier being paid fully or partially for the purchase. The steps are outlined in the diagram below:

PROCURE TO PAY PROCESS CYCLE



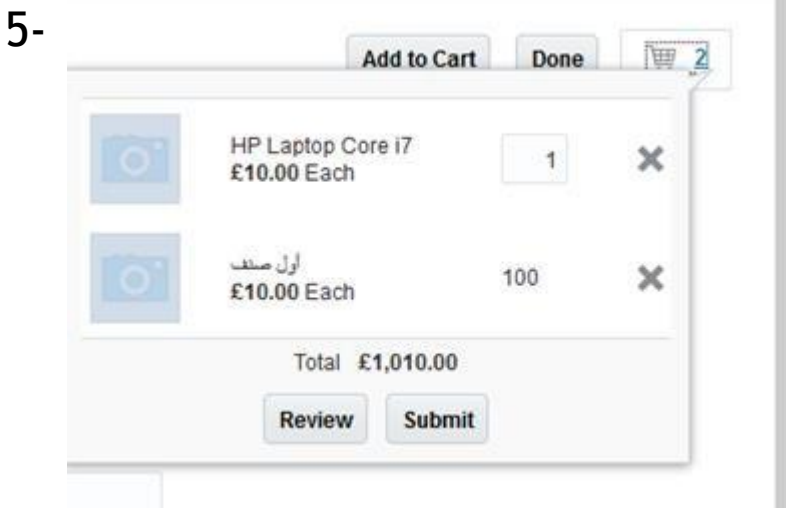
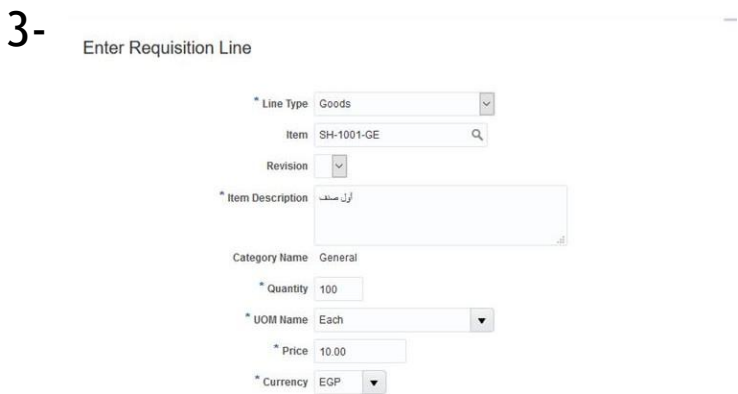
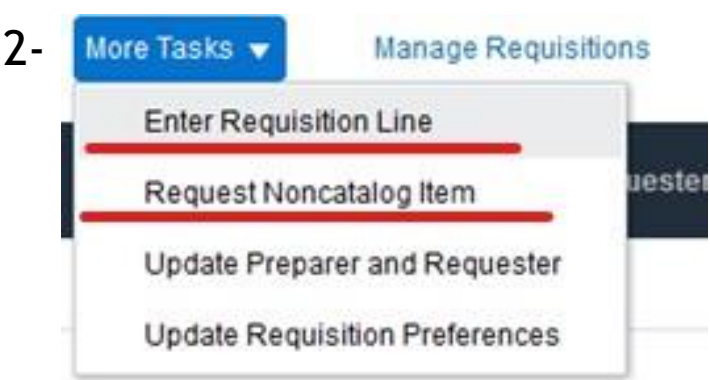
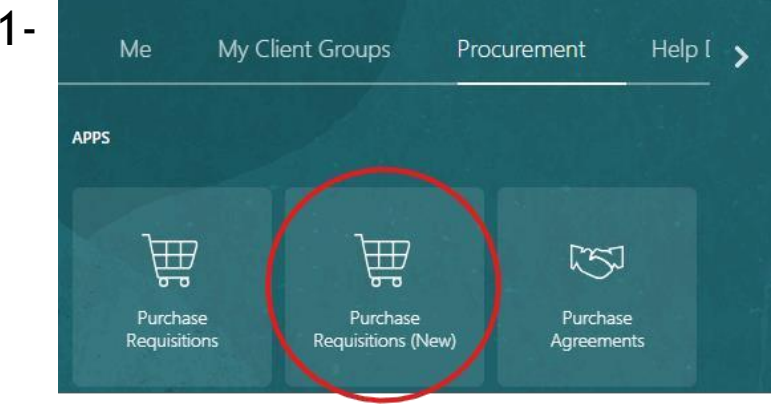
www.erp-information.com

Steps Of P2P Cycle

1. Create requisition

- The first step that initiates the Procure-to-Pay Cycle is Creating a Purchase Requisition (PR). A requisition is a formal document used when an employee needs to purchase or order something on behalf of their organization





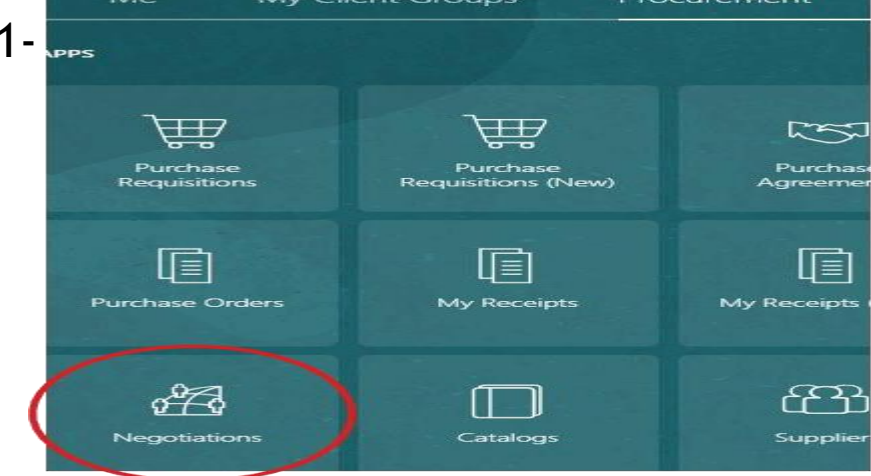
Request for quotation

- After requisitions are created by entering all the information mentioned above, the user generates a request for a quotation (RFQ). An RFQ is a Call for Bid, or an Invitation for Bid sent by a company to its potential suppliers.
- An RFQ is a document sent to the supplier that outlines the goods or services needed, along with the buyer's price. The RFQ also includes any other terms and conditions relevant to the purchase.

Quotations

- A quote is an offer that contains the total price of the products or services.
- The supplier sends a quotation, whether in response to an RFQ or not, through the Purchasing Documents Open Interface. If you don't receive quotes electronically from your supplier, a quotation can be created manually using a Quotations Form or copying the quotation from an existing RFQ.





2-

Create Negotiation

* Procurement BU

Negotiation Type

Negotiation Style

* Negotiation Template

* Outcome

* Negotiation Currency

Negotiations

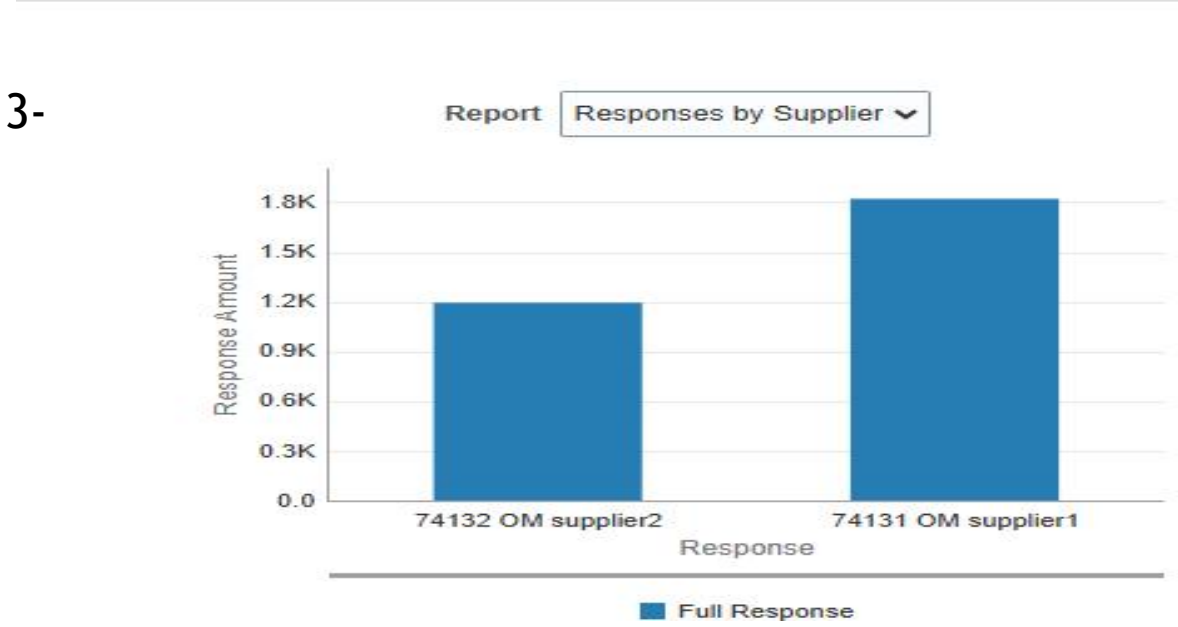
- Create Negotiation
- Manage Negotiations
- Manage Programs
- Manage Surrogate Responses
- Delete Negotiations
- Research Suppliers

Deliverables

- Manage Deliverables

Setup

- Manage Negotiation Templates
- Manage Attribute Lists
- Manage Cost Factor Lists



4-

Title OM-RFQ

Response Status Awarded

Time Remaining 0 Seconds

Score 80.00

Close Date 18/01/25 03:25 AM

Overview Requirements Lines

General

Supplier OM supplier1

Supplier Site Cairo

Supplier Contact omar, omar

Response Currency USD

Price Precision 2 decimals maximum

Response Valid Until

Shortlist Status Included

Reference Number

Note to Buyer

Attachments None

Purchasing Document PO-2025-0000000004

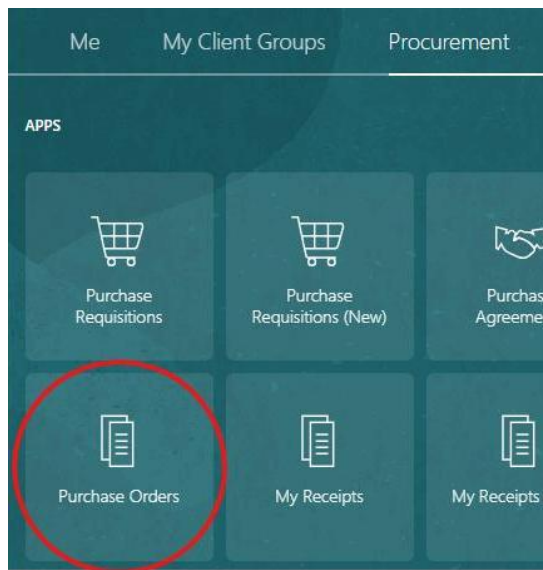
2. Create purchase order

- A purchase order is a commercial document that's used to request a seller to supply a product or service in return for payment. In Oracle Purchasing, a purchase order can be created through an automated process or entered manually.



The buyer is responsible for communicating with suppliers and agreeing with them to purchase goods with the best quality and best price.

1-



2-

Create Order

* Style: Purchase Order

* Procurement BU: [Dropdown]

Requisitioning BU: [Dropdown]

Supplier: [Search Field]

Supplier Site: [Dropdown]

Supplier Contact: [Dropdown]

Default Ship-to Location: [Search Field]

Sold-to Legal Entity: [Search Field]

Currency: [Dropdown]

Buyer: [Dropdown]

Special Handling Type: [Dropdown]

Create **Cancel**

Requisitions

- Process Requisitions
- Import Requisitions
- View Requisition Line

Orders

- Manage Orders
- Create Order**
- Generate Orders
- Import Orders

Agreements

- Manage Agreements
- Purchase Agreement
- Create Agreement
- Import Blanket Agree
- Import Contract Agree
- Initiate Retroactive Pl
- Generate Approved S

Deliverables

- Manage Deliverables

Checklists

- Manage Compliance

Supply Base

No data available

g Acknowledgment

3-

Lines Schedules Distributions

Actions View Format + [Icons] Freeze Detach Wrap

| * Line | * Type | Edit | Item | * Description | * Category Name | Quantity | UOM | * Price | Ordered | * Location |
|--------|--------|-------------|------------|---------------------------------|-----------------|----------|------|---------|---------|------------|
| 1 | Goods | [Edit Icon] | SH-1001-GE | تجربة عمل لمر توريد الله الموقر | General | 10 | Each | 10.00 | 100.00 | SH Obores |

Columns Hidden 44

APPROVAL CYCLE

PR APPROVAL

Notifications

Pending Notifications

Enter search terms

| | |
|--------------------------------------------------|----------------|
| Action Required: Approve Requisition SH-20190052 | 13 minutes ago |
| Said Elshayeb | Approve Reject |
| Action Required: Approve Requisition SH-20190043 | 2 days ago |
| Said Elshayeb | Approve Reject |
| FYI: Approve Requisition SH-20190045 | 1 week ago |
| Requester Elshayeb | |
| Action Required: Approve Requisition SH-20190045 | 1 week ago |
| Requester Elshayeb | Approve Reject |
| FYI: Approve Requisition SH-20190044 | 1 week ago |
| Requester Elshayeb | |
| FYI: Requisition SH-20190031 Approved | 1 week ago |
| Requester Elshayeb | |

PO APPROVAL

Overview Edit Document (Purchase Order): 135 x

Manage Approvals

Note to Approver

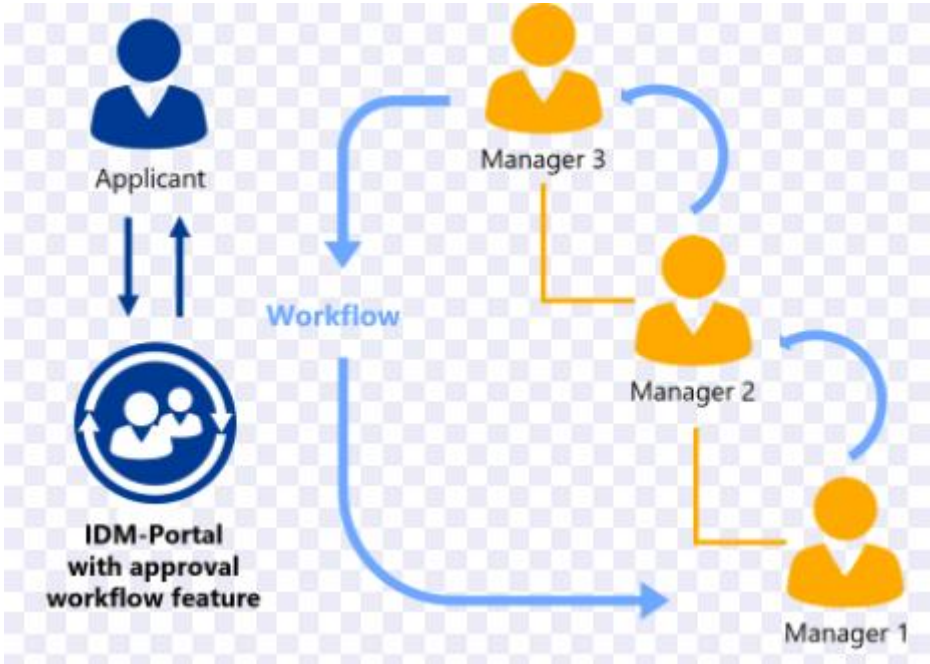
Options Apply Reset

| | |
|-------|-----------------------------------------------------|
| 1 | Terms Stage |
| 1.1 | Parallel |
| 1.1.1 | Applications Development Framework Application Iden |

Manage Approvals

Terms Stage

Applications Devel...



Edit Document (Purchase Order): 135 ★

Manage Approvals

3. Create inventory receipt

Once the goods/services are ordered and shipped by the vendor, they must go to their final destination. The receipt is done by entering quantity (accepted quantity) and/or receiving location into the receiving form in Oracle Purchasing.



Manage Receiving Parameters

General ?

Ship-to Exception Action

ASN Control Action

Early Receipt Tolerance in Days

Late Receipt Tolerance in Days

* Receipt Days Exceed Action

Overreceipt Tolerance

* Overreceipt Action

* Receipt Routing

on plan
receipts
receipts

| | Receipt Routing | |
|---|-----------------|-------------------------------------|
| 1 | Direct | Put away |
| 2 | Standard | Receiving area - Put away |
| 3 | Inspection | Receiving area - Inspect - Put away |

4. Create AP invoice

- Once the receipt is entered, the invoice can be created in Oracle. An invoice specifies the price of the goods or services and any other terms, and an essential aspect of the invoice includes a due date for payment.



ORACLE

Create Invoice:

Invoice Actions: SYSTEM ADMIN

Save and Create Next Save Save and Close Cancel

Invoice Header

Identifying PO

* Business Unit

* Supplier

Supplier Number

* Supplier Site

* Legal Entity

Invoice Group

* Number

* Amount

* Type

Description

* Date

* Payment Terms

* Terms Date

Requester

Attachments

Note

Lines Match Invoice Lines

Taxes

Totals

| | | | | | |
|-------|---------|---------------|-------------|----------------------|-------|
| Items | Freight | Miscellaneous | Tax | Included Prepayments | Total |
| 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| | | | Withholding | Applied Prepayments | Due |
| | | | 0.00 | 0.00 | 0.00 |

tutorial

5. Create accounting entries

- The invoice which is created and approved needs to be reviewed. This step is known as invoice validation, wherein the invoice is checked and validated. The supplier's invoice is matched and ensures it aligns with the PO created earlier.
- After Invoice validation and approval, the Accounts Payables team generates accounting entries. These accounting entries debit from the Accounts Payable Account and credit into the Cash Account.

Blanket Purchase Agreement B.P.A



- A contract with a fixed duration and value for the supply of specific items at prices agreed upon between the buyer and the supplier.
- This contract includes certain items at certain prices, it may include discounted prices and also the lowest purchase value.

Me My Client Groups Procurement

APPS

Purchase Requisitions

Purchase Requisitions (New)

Purchase Agreements

Purchase Orders

My Receipts

My Receipts

Create Agreement ✕

1 - * Style Blanket Purchase Agreement ▼

* Procurement BU ▼

Supplier

Supplier Site ▼

Supplier Contact ▼

* Currency ▼

Buyer ▼

ty

No data available

View Requisition Lines

Orders

- Manage Orders
- Create Order
- Generate Orders
- Import Orders

Agreements

- Manage Agreements
- Purchase Agreements (1
- Create Agreement**
- Import Blanket Agreeeme
- Import Contract Agreeem
- Initiate Retroactive Price

Overview **Edit Document (Blanket Purchase Agreement): SH-20190001** ✕

Edit Document (Blanket Purchase Agreement): SH-20190001 ★

Manage Approvals View PDF Actions ▼ Save ▼ Submit Cancel

Main Controls

General

Procurement BU SH BU

Agreement SH-20190001

Status Incomplete

* Buyer Elshayeb, Ahmed ▼

Creation Date 27/02/19

Supplier SH Supplier RAW

Supplier Site Cairo Branch ▼

Supplier Contact ▼

Communication Method None ▼

Start Date 01/02/19

End Date 01/04/19

* Currency EGP ▼

Agreement Amount 10,000.00 EGP

Minimum Release Amount 1,000.00 EGP

Description BPA Test 1

Terms **Notes and Attachments**

Price Break

Edit Line: 1 Back Next Actions OK Cancel

Procurement BU SH BU
Line Type Goods
Item SH-1001-HW
Revision
* Description HP Laptop Core i7
☒ Allow item description update
Supplier Item
Category Name General

* UOM Each
* Price 100.00 EGP
☐ Allow price override
Price Break Type Cumulative
Expiration Date dd/mm/yy
Minimum Release Amount EGP
Agreement Amount EGP
Agreement Quantity

Price Breaks

Actions View Format + X J Freeze Detach Wrap

| * Price Break | Ship-to Organization | Location | Quantity | UOM | * Price | Discount Percent | Start Date | End Date | Attachments |
|---------------|----------------------|----------|----------|------|---------|------------------|------------|----------|-------------|
| 2 | SH1 | SH Obore | 200 | Each | 98.00 | 2 | | | None + |
| 3 | SH1 | SH Obore | 300 | Each | 97.00 | 3 | dd/mm/yy | dd/mm/yy | None + |
| 1 | SH1 | SH Obore | 100 | Each | 99.00 | 1 | | | None + |

Save

Create Agreement X

2- * Style Contract Purchase Agreement

05-Conclusion

The P2P cycle involves all necessary and optional processes that help ensure a smooth requisitioning and procurement of goods and services, and the accuracy of financial data in Oracle Applications.

