8

Suppliers

Instructor lesson and demonstrations: 60m

Student practices: 30m

Total: 90m

Objectives

After completing this lesson, you should be able to:

- Explain the purpose and use of Oracle Supplier Model Cloud
- List the benefits provided to suppliers by Oracle Supplier Portal Cloud
- Explain the methods available for registering suppliers
- Identify the job roles available to the supplier self service administrator to provision
- Implement Oracle Supplier Model Cloud and Oracle Supplier Portal Cloud

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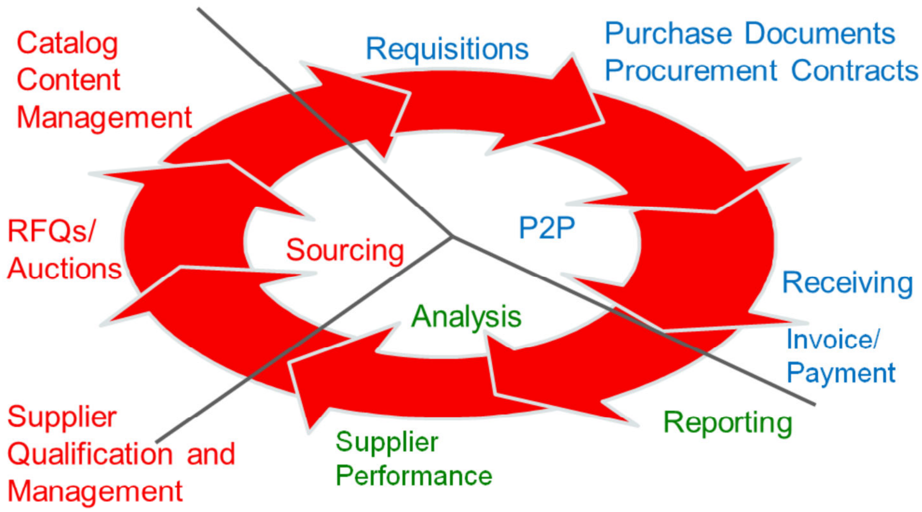
Procurement Process



This diagram depicts the procurement process.

With the use of Oracle Supplier Model Cloud, information about your suppliers is integrated and streamlined within the Oracle Procurement suite. Supplier information can be easily accessed at any point in the procurement process. You can view and use supplier information in Purchasing when you create purchase documents. When creating a negotiation, you can search on supplier information to decide who to invite to the negotiation. You can send contract terms from Oracle Procurement Contracts Cloud for suppliers to review. With Oracle Supplier Qualification Management Cloud, you can maintain information on supplier certifications and evaluations.

Topics

- Using Oracle Supplier Model Cloud to create and maintain supplier definitions
- Controlling supplier registration flows
- Using Oracle Supplier Portal Cloud
- Implementing Oracle Supplier Model Cloud
- Implementing Oracle Supplier Portal Cloud

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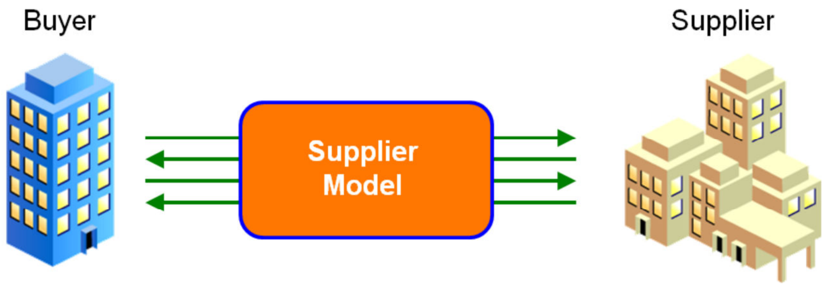
This slide lists the topics that will be discussed during this lesson.

Oracle Supplier Model Cloud

- Provides a streamlined user interface
- Alerts users to important actions like expiring business classifications
- Centralizes and standardizes common structures/data
- Eases site management



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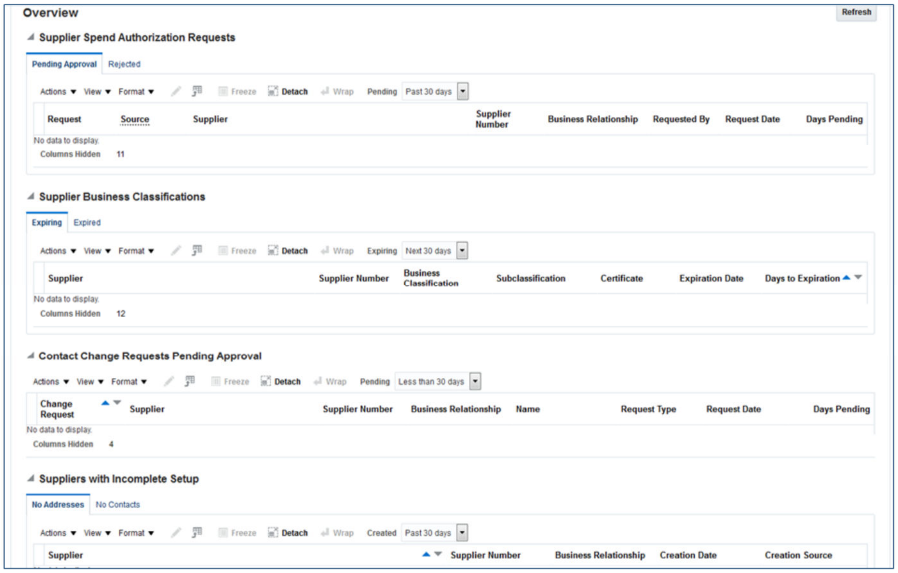
Oracle Supplier Model Cloud provides the Supplier Administrator with a streamlined user interface to gain visibility into supplier information facilitating tasks ranging from new supplier profile creation, routine profile maintenance, to event-driven administrative responsibilities such as approving new registration requests, handling profile change requests, or updating expiring classifications. In addition, Supplier Management contains reports that highlight supplier issues requiring attention and provides easy access to maintain and update supplier records.

Oracle Supplier Model Cloud provides a centralized tool to create and maintain your:

- Supplier information
- Supplier addresses
- Supplier sites
- Supplier contacts

Supplier Work Area



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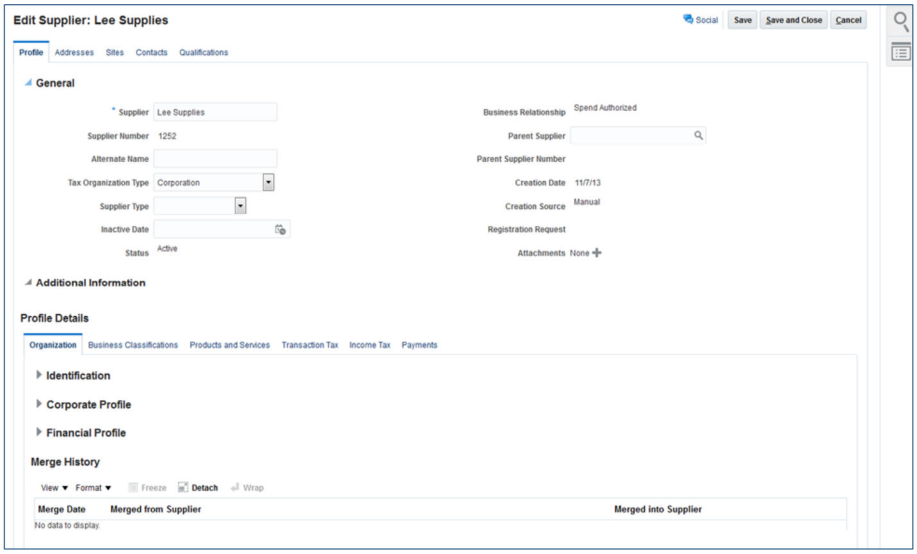
Navigator > Procurement > Suppliers

The screenshot depicts the Supplier work area Overview page.

The Supplier Work Area Overview page is the home page to perform day-to-day supplier maintenance and administration activities.

It provides a consolidated view of administrative tasks needing attention. In addition, the Overview page contains reports that highlight supplier issues requiring attention and provides easy access to maintain and update supplier records.

Easy Supplier Maintenance



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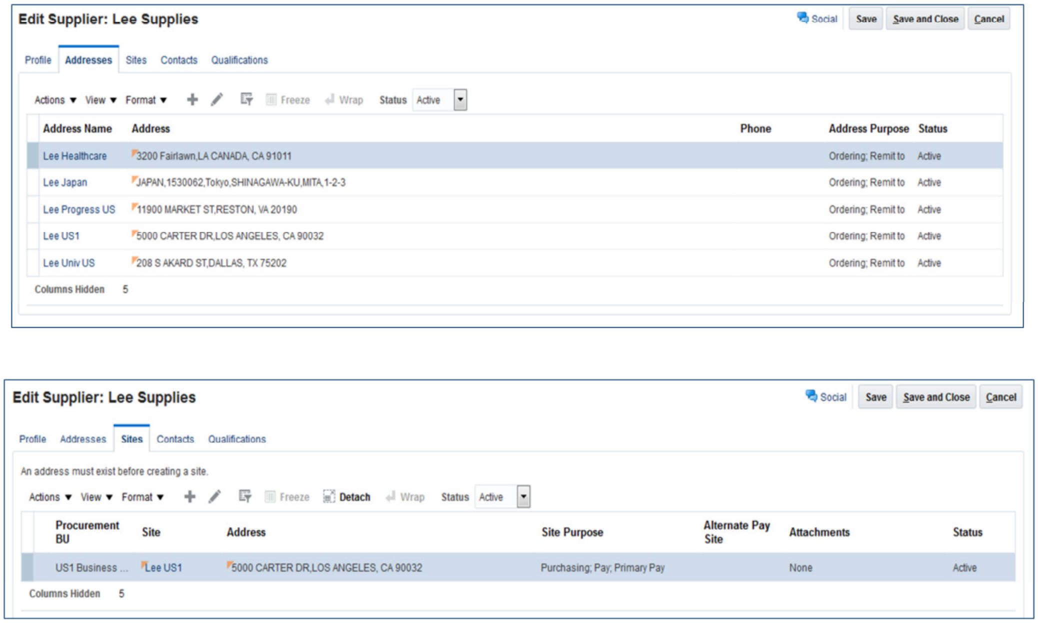
Navigator > Procurement > Suppliers > Manage Suppliers > search supplier name > supplier name

The screenshot depicts the Profile tab in the Edit Supplier page.

The **Edit Supplier** page provides easy access to view and maintain existing supplier definition. In addition to high-level business information, you can also manage:

- General and high-level business information
- Financial information for the supplier such as tax and payment method detail.
- Supplier products and services, and any applicable business classifications
- Supplier sites and addresses
- Supplier contact information
- Any qualifications that apply to the supplier

Easy Address and Site Maintenance



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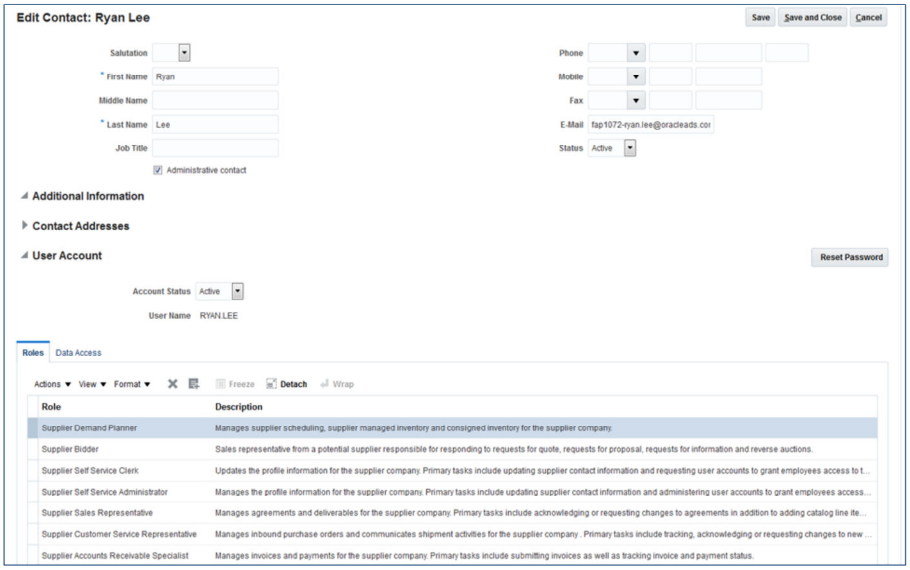
Navigator > Suppliers > Manage Suppliers > search supplier name > supplier name > Address tab/Site tab

The screenshots depict the Addresses tab and the Sites tab in the Edit Supplier page.

On the **Edit Supplier** page, you can easily view and maintain supplier sites and addresses. Once you define the supplier addresses, you can create the supplier sites and link them to the addresses. You can create a supplier address and then immediately create the sites that use that address. You can also easily propagate profile definitions across multiple procurement business units.

When you create a supplier site, you can specify the site purpose, for example. You can also define site attributes used by the transactions that process against this site such as invoicing and receiving. Also you can define attributes for purchasing and payment activities.

Easy Contact Maintenance

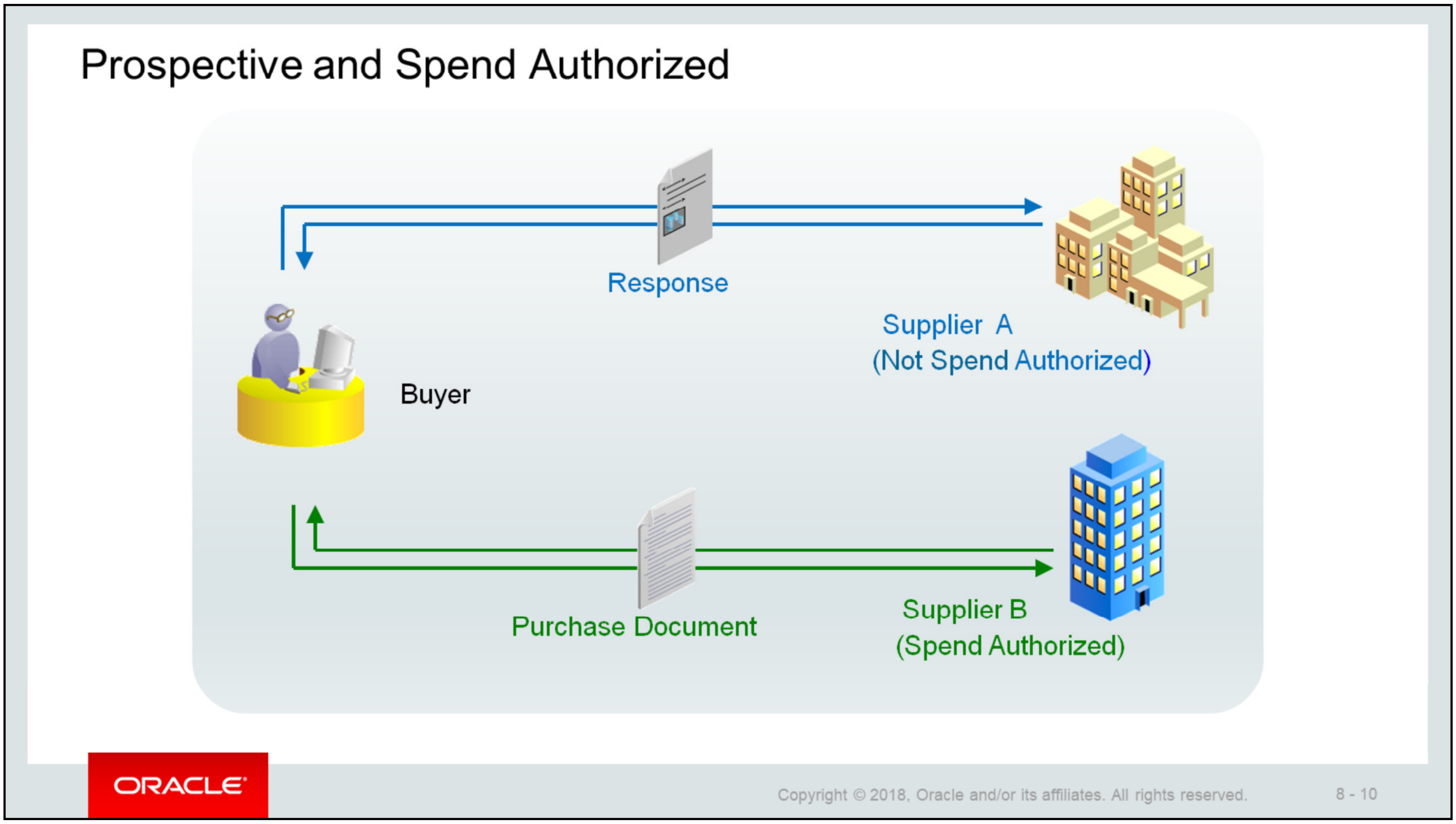


Navigator > Procurement > Suppliers > Manage Suppliers > search supplier name > supplier name > Contacts tab

The screenshot depicts the Edit Contact page.

Use the **Edit Contact** page to maintain contact personal information. You can also associate an address with a contract. In the **User Account** region, you can specify the application user ID, the roles, and security information.

Note that contact maintenance can be performed from the supplier side as well. Supplier users with the proper authorization can create new contacts for their own company. They cannot edit existing users.



The diagram depicts the relationship with buyer as spend authorized supplier or prospective supplier.

When you begin a business relationship with a supplier, the supplier usually has a provisional status. For a provisional supplier, the amount of information you need is typically less than the amount of information you need for a supplier with whom you conduct in-depth procurement transactions such as ordering, invoicing, or purchasing. The level of review and oversight needed for a potential supplier is also typically less than that required by a contracted supplier. An efficient way of addressing the need for different levels of supplier information is to provide two statuses for the suppliers:

- Provisional status allows a restricted level of access to the application capabilities.
- Full status allows access to a more complete range of capabilities.

Provisional Suppliers: Suppliers can ask to be registered with the application either independently by accessing the buying company's registration web page, or they can be registered internally. In either case, the registration requests go to the supplier manager for review and approval. Upon approval, the supplier becomes a prospective supplier. Prospective suppliers have a restricted level of access. They can participate in supplier qualification initiatives and view and respond to negotiations.

Spend Authorized Suppliers: If the category manager decides to award business to a prospective supplier, that supplier will need to be authorized to conduct spend transactions with the buying organization before a purchase document can be created for that supplier. Spend authorization requires a more complete level of information about the supplier and is subject to approval by the supplier manager. After the supplier is approved for spend operations, they have access to all the normal capabilities of the application.

Supplier Mass Update

- Streamlined method to mass update supplier and supplier site attributes
- Uses import process to update
- Updates support the following entities:
  - Suppliers
  - Supplier Addresses
  - Supplier Sites
  - Supplier Site Assignments
  - Supplier Contacts
  - Supplier Business Classifications
  - Supplier Products and Services Categories

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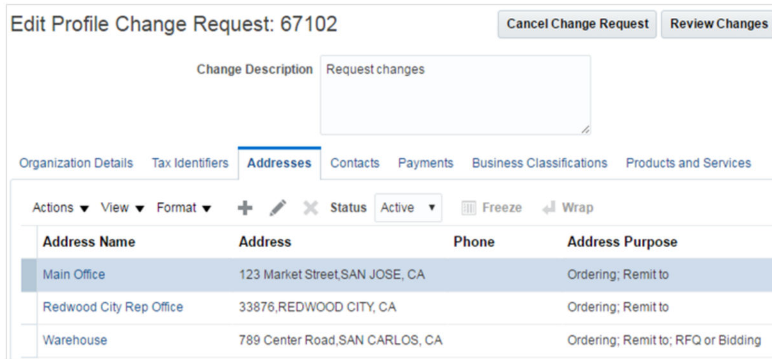
You can use the comprehensive supplier import capabilities for creating and updating supplier records through Excel-based import templates. You can use Supplier Mass Update to upload entities including Supplier Profile, Addresses, Contacts, Business Classifications, Supplier Sites, Supplier Site Assignments.

The corresponding import templates now support an action of Update that should be used to perform changes to the data.

Mass supplier update supports a comprehensive set of supplier entities. Supplier sites often contain data that is negotiated as per organization procurement policies and needs to be maintained whenever changes occur to the policy terms and conditions. The support of mass update reduces the maintenance effort required to update supplier sites.

Supplier Self Service Profile Management

- Supplier-Initiated Profile Change Request
  - Allows users to request profile changes from Supplier Portal
  - Aggregates changes across multiple supplier entities into single profile change request
- Supplier Profile Change Request Approval and Configuration



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The screenshot depicts the Edit Profile Change Request page.

A supplier-initiated profile change request can encompass changes from various profile entities. After the change request is submitted, proper approvers are identified based on the profile change approval configuration defined by the buying organization. Approvers are immediately notified to enable quick review and disposition of the change request.

Supplier users can view their company's profile from Supplier Portal. When there is a need to make changes, for example, to correct out-of-date profile information, the user can Edit the profile and proceed to request changes to the company profile.

The profile change request aggregates changes across the various supplier entities into one single document. The supplier entities that can be changed are: Organization Details, Tax Identifiers, Addresses, Contacts, Payment Methods, Bank Accounts, Business Classifications, as well as Products and Services.

Current and changed values are displayed side-by-side allowing users to do the following: Review changes before submission, edit submitted change request and withdraw it from approvals, track status of last change request, and cancel or delete unwanted change request.

Business Value: Allows supplier users to self manage profile changes and improves the efficiency in communicating supplier profile changes.

Supplier Profile Change Request Approval and Configuration:

Allows users to configure which profile entities require change request approval: Based on supplier business relationships, changes to different parts of the profile can be configured whether they require approval or not. A profile change request will be routed for approval if at least one of the changed entities on the request requires approval.

Routes change requests by user defined approval rules: Depending on company’s business requirements, the supplier profile change request approval workflow can be configured to route the change requests for approval in form of rules and conditions. Based on the configuration the change requests are routed to the right users for approval. An approval policy to route all the change requests to supplier administrators is provided to facilitate out of the box functioning of approval routing.

Notifications are sent to supplier users when actions are taken. Fully approved changes are applied to the supplier profile.

Approve Internal Changes on Supplier Bank Accounts

- You can configure internally-initiated supplier bank account changes to require approval.
- Approval is required when:
  - Creating a new bank account
  - Updating or adding an existing bank account
  - Setting a bank account as ‘primary’
- While approval of internal supplier bank account changes are pending:
  - Supplier Administrators can continue to make profile changes, except to banking information
  - Additional internal supplier bank account changes are disallowed until in-progress changes are approved (or rejected)
  - Bank accounts created using import are not subject to review and approval and not disallowed while other changes are pending – they are applied to the supplier profile immediately

The screenshot depicts the Edit Profile Change Request page.

In addition to *supplier* self-service profile management approvals, you can configure approval requirements for *internal* changes to supplier profile bank accounts.

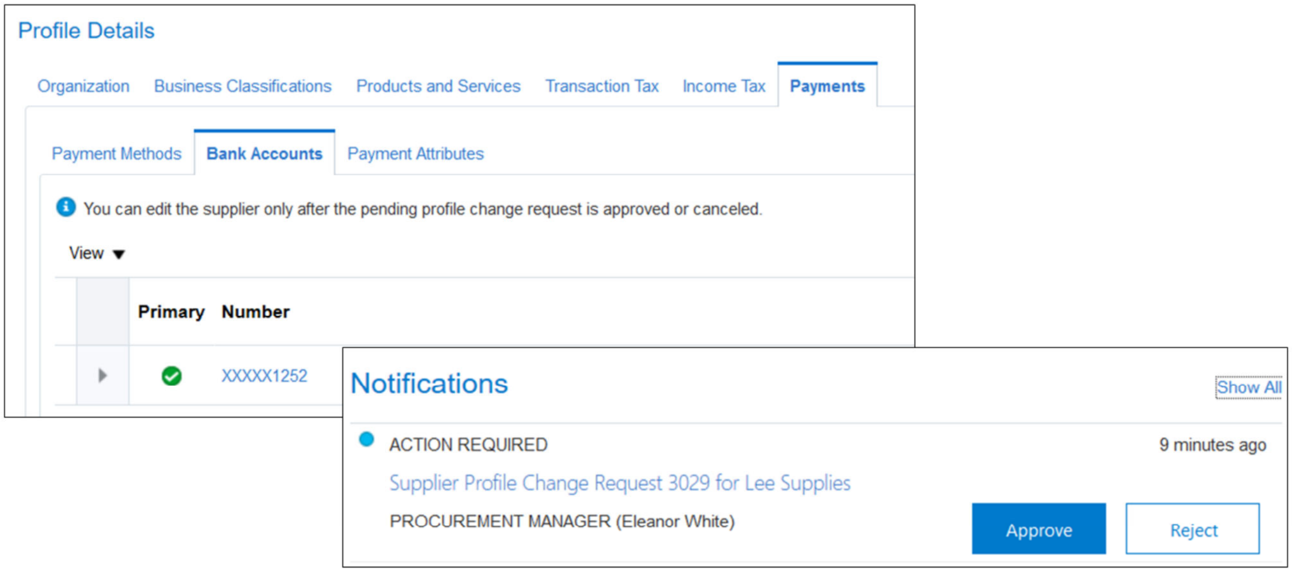
You can use change controls and approval routings on all bank account actions including create and edit so that any changes are submitted for approval before the changes are applied.

Approval requirements are defined using flexible approval rules.

With change controls enabled, you are assured that supplier bank accounts are entered correctly, are not fraudulent, and processes for managing bank accounts meet audit compliance requirements.

Approve Internal Changes on Supplier Bank Accounts

- When bank account changes are pending approval, additional changes are disallowed



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Navigator > Procurement > Suppliers > Manage Suppliers > search and click on supplier name > Edit button > Edit Suppliers page

The screenshot depicts the part of the Edit Supplier page, Profile Details section, Payments tab, Bank Accounts sub-tab. The message ‘You can edit the supplier only after the pending profile change request is approved or canceled.’ is displayed.

When an internal bank account change is pending, additional changes to bank account information are disallowed.

Changes to other areas of the profile not subject to approval can be applied by Suppliers, and by internal users.

Supplier Customer Party Modeling

To set up a single party as both a customer and a supplier, one of the following is required:

- **Set up supplier first.** The customer can be added to the party after the supplier is created. (This method will not currently work to add supplier if Party is created with customer first.)
- **Oracle Enterprise Data Quality** option for duplicate prevention and party setup. With this capability, the supplier can be added to an existing party that with customer.
- **Create Suppliers from Existing Party Using Supplier Import:** Using Oracle Supplier Import, supplier records can be created as part of the same existing global party that includes the customer record information. Actionable information from reporting and analysis enables enhanced management of the relationship.

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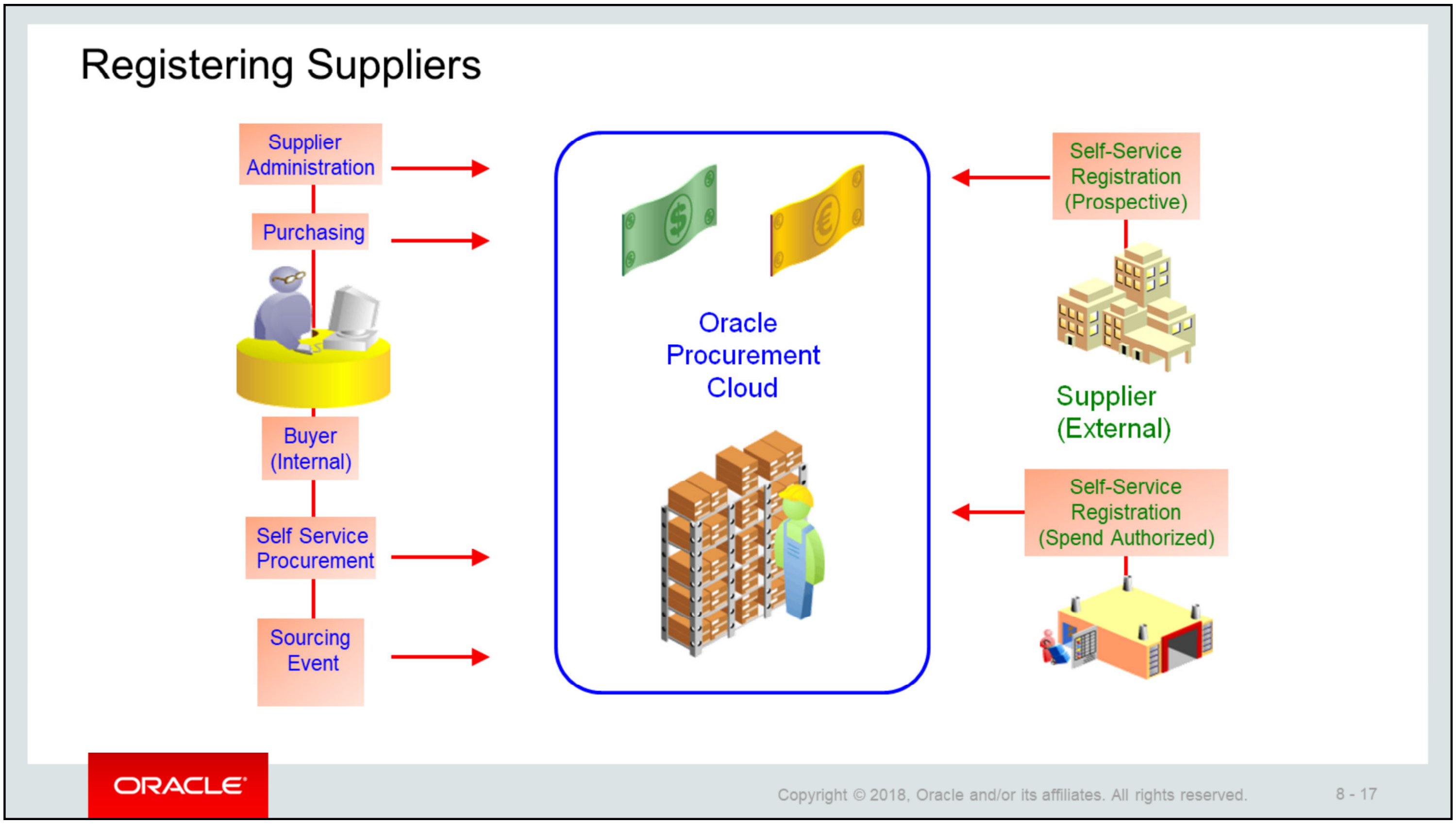
To set up a party that is both a customer and a supplier, use one of these options:

- Set up supplier first. The customer can be added to the party after the supplier created. If you create party with the customer entity first, you won't be able to add the supplier.
- Oracle Enterprise Data Quality option for duplicate prevention and party setup. With this capability, the supplier can be added to an existing party that already has a customer defined.



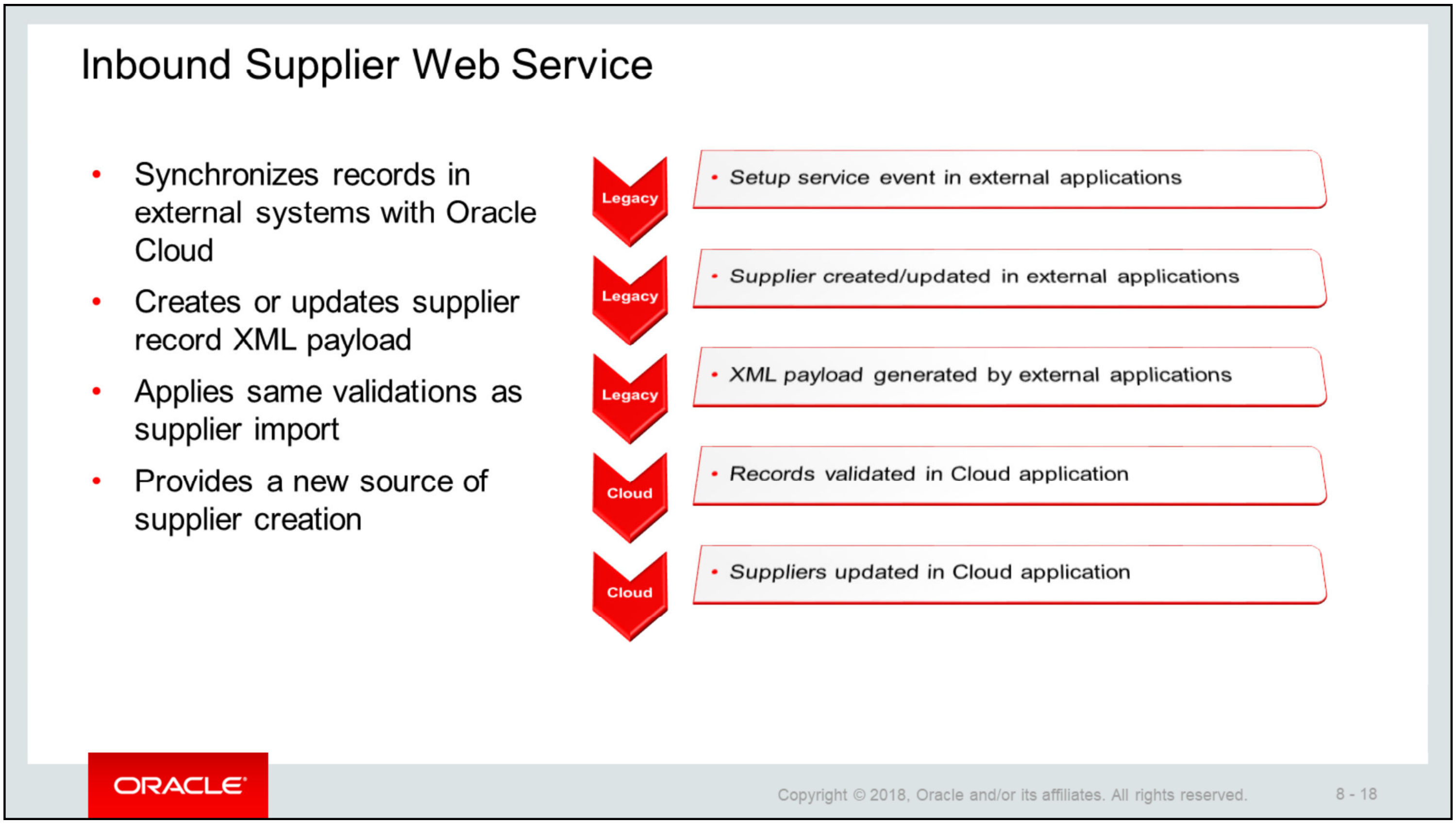
The diagram depicts the process of registering suppliers.

A new supplier can be registered with the application in many ways. You can create internal registration requests from:

- Oracle Supplier Model Cloud
- Oracle Purchasing Cloud
- Oracle Self-Service Procurement Cloud
- Oracle Sourcing Cloud

In each case, you can register the supplier as either prospective or spend authorized.

Suppliers themselves can create a registration request. They can request that their company be registered as prospective or spend authorized. In all cases, the registration request must be approved by a Supplier Administrator. There are more details on configuring the registration process later in this lesson.



The diagram depicts the inbound supplier web service for Oracle Cloud.

Inbound supplier web service can be used to create or update supplier records in the Oracle Supplier Model Cloud application. This provides a real-time synchronization of the supplier records in external applications with Oracle Supplier Model Cloud. This service absorbs any supplier profile change event and propagates it to the Oracle Supplier Model Cloud. The external applications are required to setup the WSDL URL of this service as a location to publish the changes to. The supplier entities that the web service covers are Supplier, Supplier Address, Supplier Site, Supplier Site Assignment, Supplier Contact, Supplier Contact Address, Supplier Business Classification and Supplier Products, and Services Category.

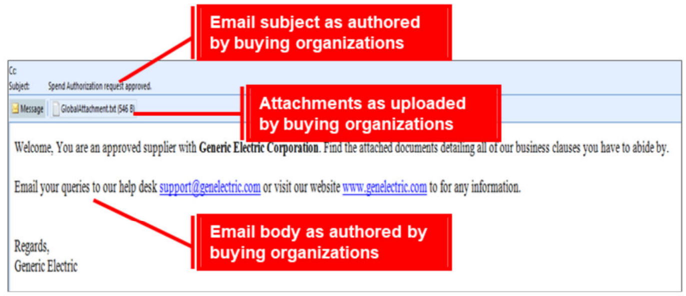
This service recognizes a predefined format of XML payload, which when published by the external system, will serve as an input for this service. Therefore, this requires configuration to ensure the external system publishes the payload in the given XML format. The payload covers all the supplier attributes provided as a standard in the Oracle Supplier Model Cloud application.

The service is also equipped with all the validations imposed on supplier attributes through the supplier import process, thereby maintaining high-quality supplier data.

This feature also introduces a new supplier creation source web service, which can be used as a search criteria to filter all suppliers created by using the new inbound web service.

Configurable and Automated New Supplier Notification

- Allows enabling or disabling of the automated email notification
- Automates the notification when a supplier is approved as spend authorized
- Allows configuring of the email notification subject and body content
- Allows uploading notification attachments



The screenshot depicts a configurable supplier notification.

The Configurable New Supplier Notification feature provides a setup page that allows buying organizations to construct the email notification that will be sent to the suppliers when they are confirmed for spend relationships. The feature provides the following distinct capabilities:

Buying organizations can enable or disable the notification feature. The email notification is sent only when the flag enable notification is marked as checked.

An automated email notification is sent to suppliers at the moment they are approved as spend authorized. This notification is triggered when a prospective supplier is promoted or when a spend authorization approval request for a supplier registering with spend authorized relationship is approved. The email notification content is user defined and therefore the notification engine reads the setup page to pick the subject and the body to construct the email notification.

Buying organizations can enter the subject and the body content of the email notification. The contents entered in the setup are used to construct the email notification which is sent out to the suppliers. The rich text support for email body further enriches the capability by allowing users to enter the content as per their requirements, like inserting links and highlighting important texts etc.

Buying Organizations can also upload documents which are added as attachments to the email notification sent to the suppliers when they are approved as spend authorized. Setup allows uploading documents for different countries which are picked based on supplier taxpayer or tax registration country. The notification engine identifies supplier's tax country and picks documents uploaded against that country for the notification attachments. The engine picks the documents from the global row for all unspecified countries. For cases when a country is specified in the table but without any documents uploaded, no documents are attached to the notification.

The configurable and automated new supplier notification feature empowers buying organizations to control the subject and body of the email notification sent out to suppliers when they are approved as spend authorized. This is a unique feature providing flexibility to buying organizations in deciding their own notification content, and thereby removing modification overheads. The rich text support for the email body further enhances the feature by adding more horizons to what the organizations can add to the notification body.

The feature also supports communicating country-specific information to the suppliers for cases when they have different terms and conditions to do business with suppliers from different countries, or they have different contact addresses for different countries, for example.

This feature reduces any manual intervention required from buying user to communicate various business related policies to the supplier when they are approved for spend. The notification is sent out to the supplier users the moment supplier's spend authorization request is approved and therefore synchronizing the processes.

Oracle Supplier Model Cloud Functionality: Activities

- Demonstration 8-1: Confirming Procurement Agent Status
- Demonstration 8-2: Creating a Supplier
- Demonstration 8-3: Performing Additional Supplier Definition Tasks
- Demonstration 8-4: Supplier Registration Flows
- Demonstration 8-5: Configuring Supplier Portal

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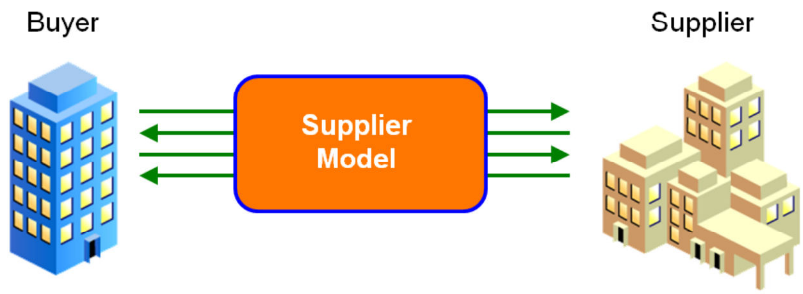
Oracle Supplier Portal Cloud

- Presents critical information on the Overview page
- Provides easy management of contacts and users
- Allows easy access definition using predefined roles



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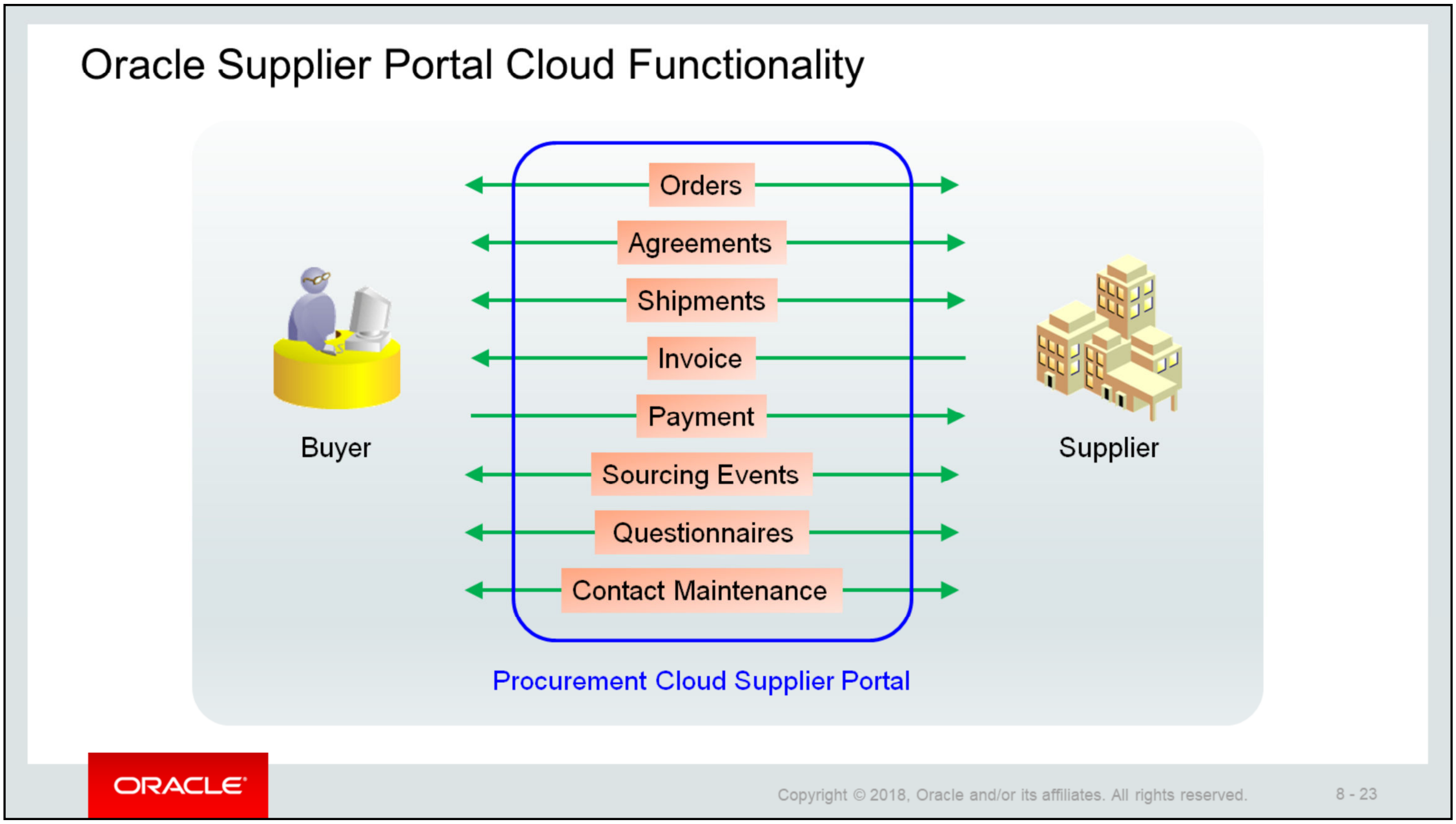
The Oracle Supplier Portal Cloud provides suppliers a quick glance across transaction flows and highlights urgent tasks which are relevant to a user's job role.

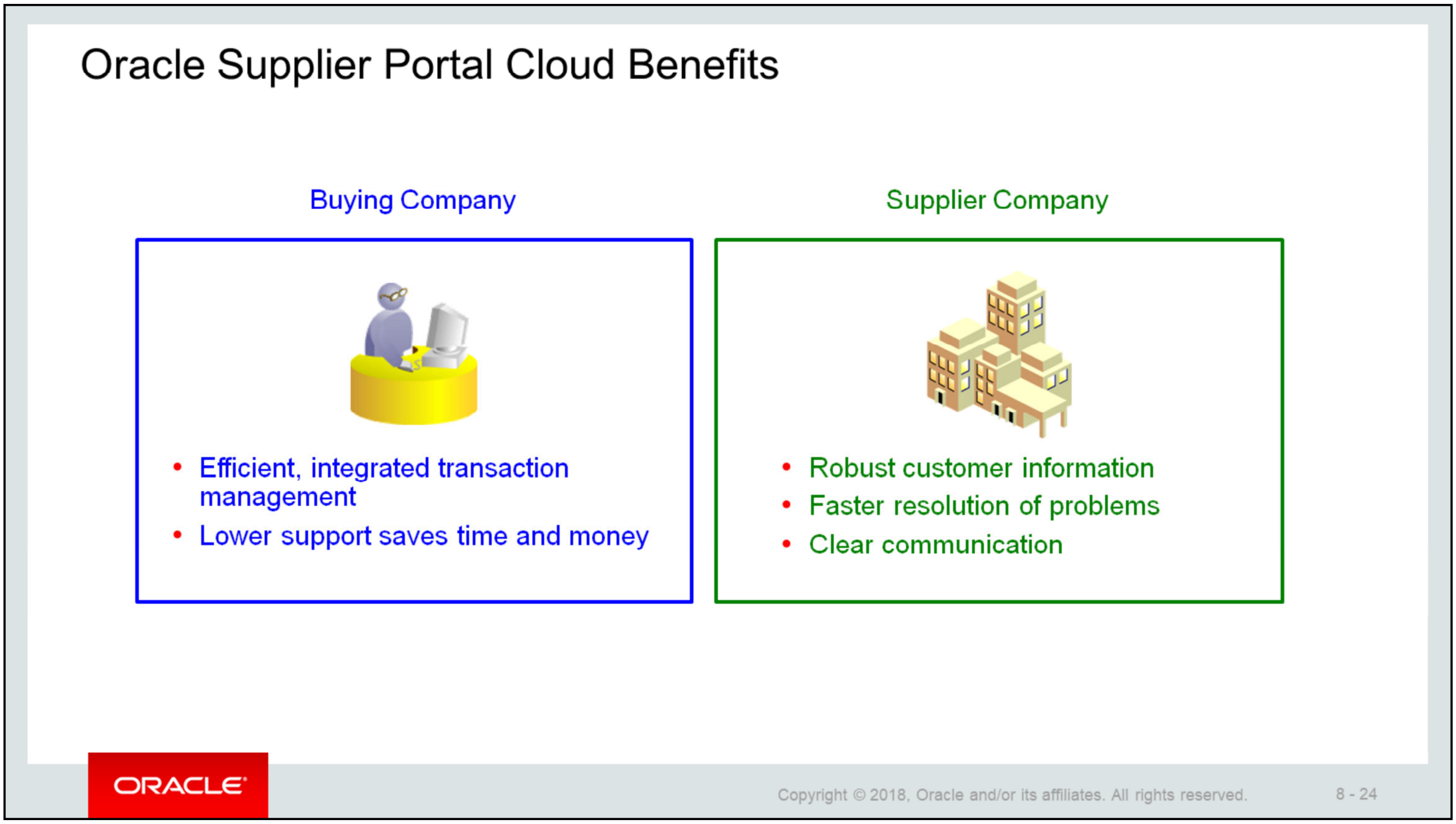
The transactional tabs offer consolidated reporting views across different business objects which provide quick visibility to recent business activity. The watch list on the Summary tab provides users with a one-stop shop for all the key tasks that need to be performed and important inquiries that need monitoring.



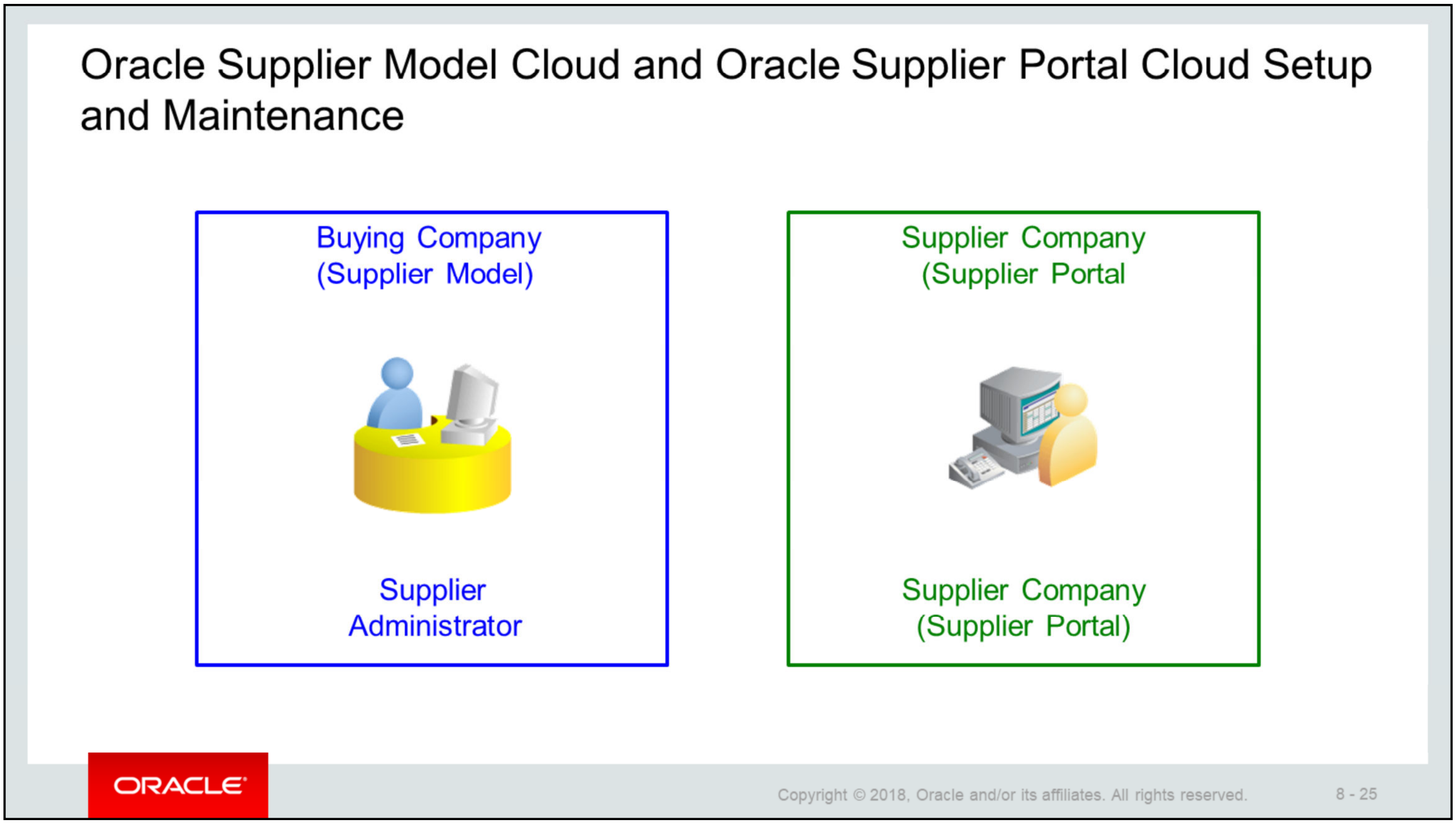
The diagram depicts the activities in the Oracle Supplier Portal Cloud .

Oracle Supplier Portal Cloud:

- Allows both the buyer and supplier organizations to easily view and manage typical business transactions
- Is integrated with all the procurement application so that buyer contacts have view and act on the most up-to-date data from the supplier company
- Provides supplier contacts with a single point of for viewing and managing the different types of transaction data flowing between them and the buying company



As a tool for both the buying company and the supplier company, Oracle Supplier Portal Cloud provides significant benefits.

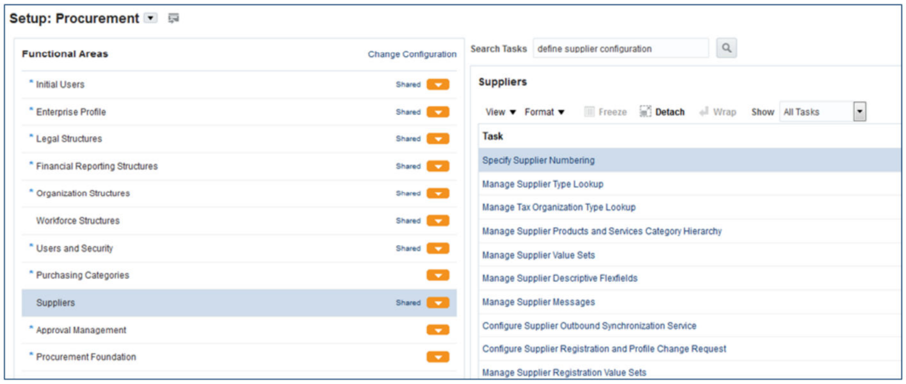


Initial setup for these activities are performed using two implementation task groups in Setup and Maintenance:

- Define Supplier Configuration (covered earlier)
- Define Supplier Portal Configuration

Ongoing maintenance is performed from the Setup and Maintenance work area.

Oracle Supplier Model Cloud Setup and Implementation



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Navigator > Others > Setup and Maintenance > Procurement > highlight Suppliers > All Tasks

The screenshot depicts the setup and maintenance tasks for Procurement.

Supplier Model implementation includes:

- Supplier numbering
- Various lookup values
- Products and services hierarchy
- Flexfields and value sets

This lesson presents more detailed information about configuring the supplier registration process.

Identifying Registration Webpages

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Navigator > Others > Setup and Maintenance > Procurement > highlight Procurement Foundation > Configure Procurement Business Function

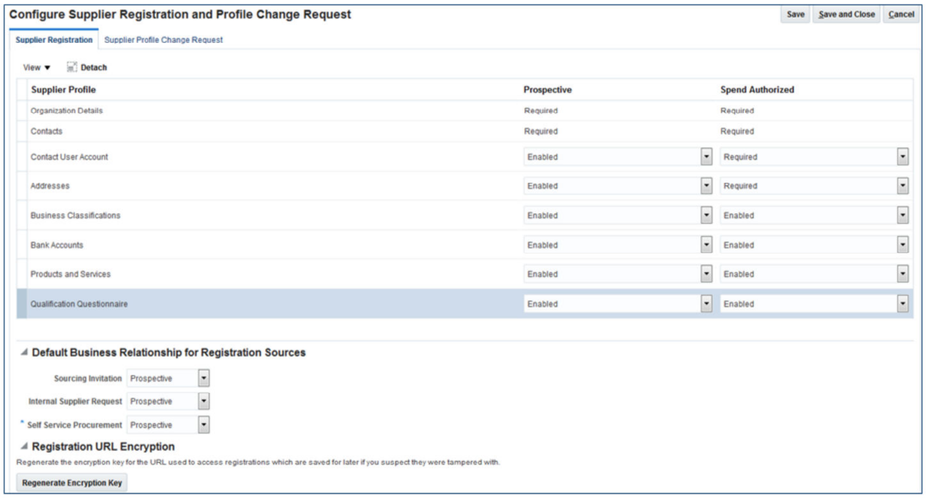
The screenshot depicts the general information in the Main tab in the Configure Procurement Business Function page.

For each BU, you can define two webpages for supplier self-service registration:

- One page is used to submit prospective supplier registration requests.
- The other page is used to submit spend authorized supplier registration requests.

On the Configure Procurement Business Function page, you specify the URL for each of the pages. Supplier registration requests must be approved by a Supplier Administrator.

Configuring Registration Webpages



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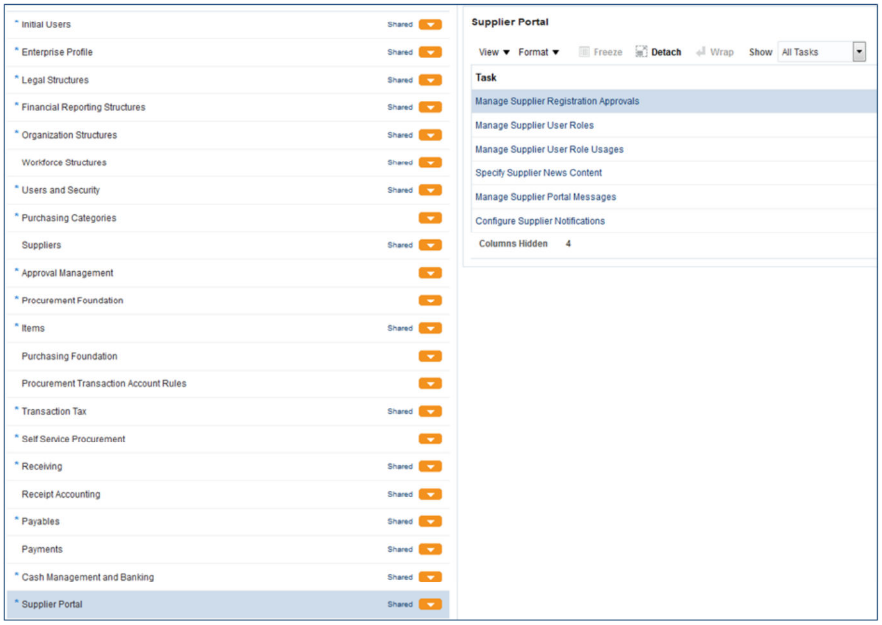
Navigator > Others > Setup and Maintenance > Procurement > highlight Suppliers > All tasks > Configure Supplier Registration and Profile Change Request

The screenshot depicts the Suppler Registration tab in the Configure Supplier Registration and Profile Change Request page.

For each of the two types of registration web pages (prospective and spend authorized), you can specify what functionality you enable and what information suppliers must provide when registering. Organization details and contacts are always required with registration requests. Other information can be optional (enabled) or required.

For each registration request source—sourcing, internal, or supplier self-registered—you can specify a default business relationship, prospective or spend authorized.

Oracle Supplier Portal Cloud Setup and Maintenance



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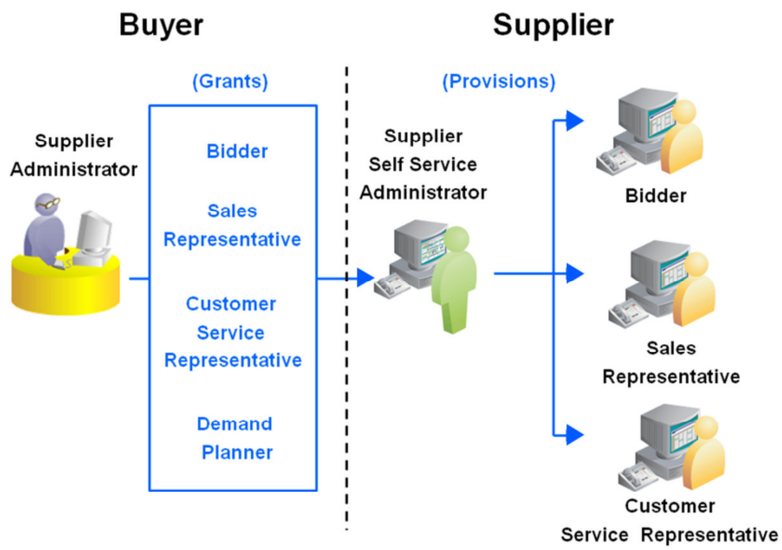
Navigator > Others > Setup and Maintenance > Procurement >Highlight Supplier Portal > All Tasks

The screenshot depicts the setup and maintenance tasks for Oracle Supplier Portal Cloud.

You perform most of the Oracle Supplier Portal Cloud implementation using the tasks contained in the Define Supplier Portal Configuration task group. You can also use the task groups to maintain Oracle Supplier Portal Cloud setup information.

Supplier Provisioning



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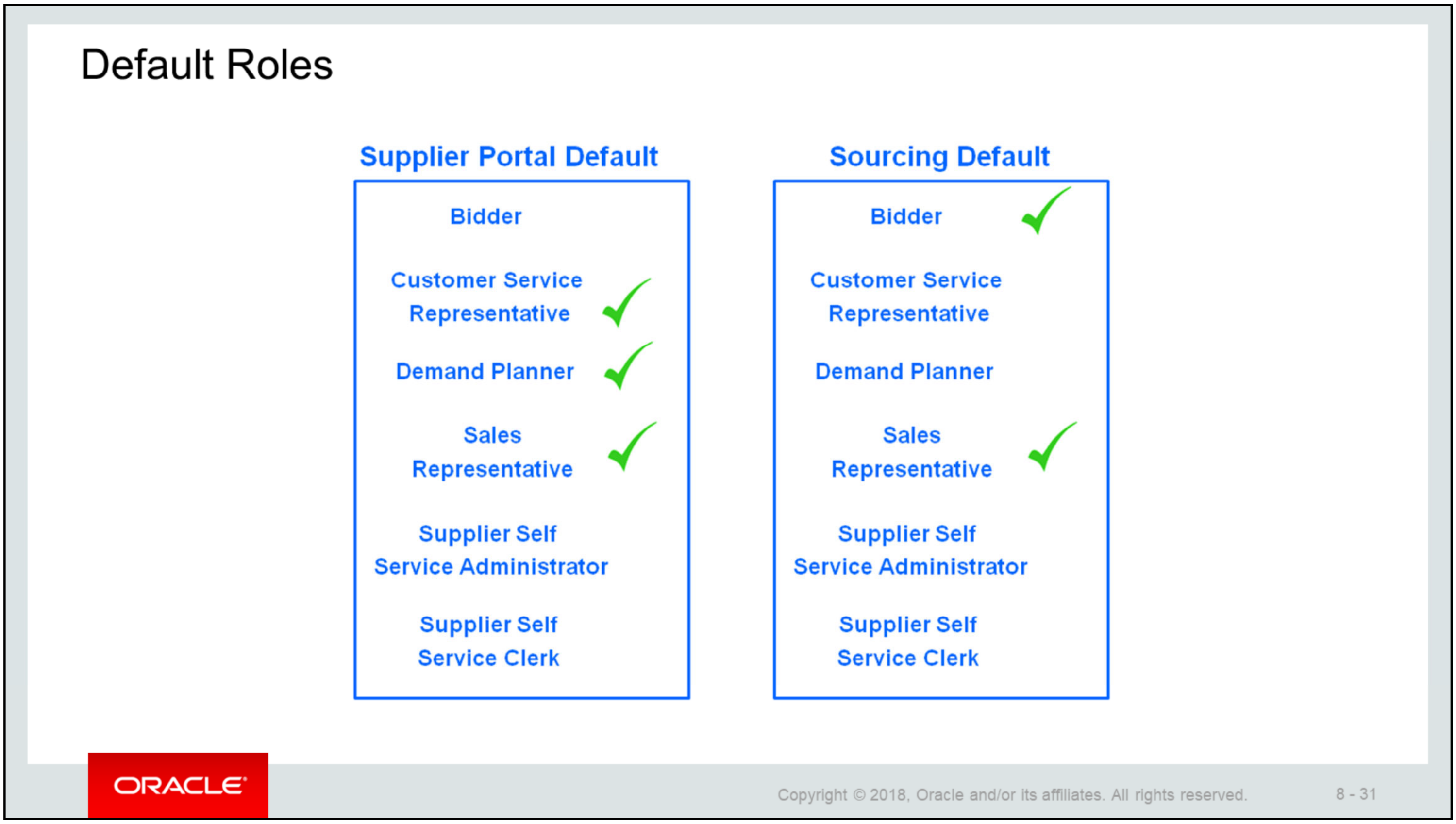
The diagram depicts provisioning for the supplier user.

Supplier User Provisioning refers to the process of establishing the appropriate access for supplier users to Oracle Supplier Portal Cloud . It enables the buying organization to create and maintain user accounts, job roles, and data access controls for its supplier users.

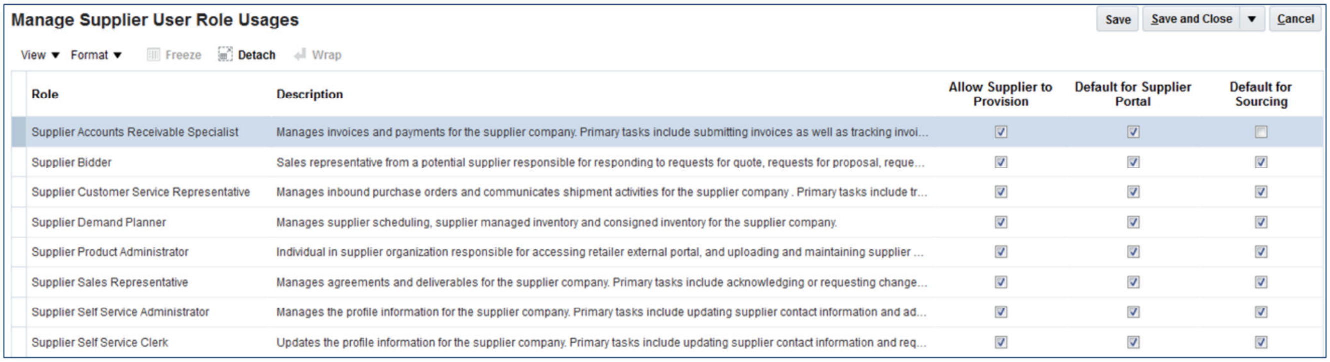
A key feature of Oracle Supplier Portal Cloud allows certain supplier users to assume the responsibility for user account management on behalf of the buying organization by creating and maintaining user accounts for their fellow employees. The buying organization maintains control by granting access to these trusted suppliers, who then provision the appropriate roles to their fellow workers. This significantly reduces the administrative burden on the buying organization. The following job roles are involved in the supplier user provisioning flow:

- **Supplier Administrator:** This is a buyer role. Users are responsible for maintaining supplier profile information and administering user accounts for supplier contacts.
- **Supplier Self Service Administrator:** This is a supplier job role. Users with this role maintain contact profiles and provision user accounts to their fellow employees.
  Note: Supplier self service administrators can only provision roles they themselves have been granted by the supplier administrator.
- **Supplier Self Service Clerk:** This is also a supplier job role. Users with this role maintain contact profiles and request user accounts for their fellow employees.



Default role sets can be established which expedite supplier user account requests by allowing the buying organization to identify the minimum set of job roles that a supplier contact can be granted. The administrator can define defaults for users of Oracle Supplier Portal Cloud and Oracle Sourcing Cloud. When new suppliers of these products are created, they are automatically assigned these default roles. This prevents approvers from having to explicitly review and assign job roles for each user account request.

Provisioning Roles and Setting Defaults



Manage Supplier User Role Usages

Save | Save and Close | Cancel

View Format Freeze Detach Wrap

Role	Description	Allow Supplier to Provision	Default for Supplier Portal	Default for Sourcing
Supplier Accounts Receivable Specialist	Manages invoices and payments for the supplier company. Primary tasks include submitting invoices as well as tracking invoi...	☑	☑	☐
Supplier Bidder	Sales representative from a potential supplier responsible for responding to requests for quote, requests for proposal, reque...	☑	☑	☑
Supplier Customer Service Representative	Manages inbound purchase orders and communicates shipment activities for the supplier company . Primary tasks include tr...	☑	☑	☑
Supplier Demand Planner	Manages supplier scheduling, supplier managed inventory and consigned inventory for the supplier company.	☑	☑	☑
Supplier Product Administrator	Individual in supplier organization responsible for accessing retailer external portal, and uploading and maintaining supplier ...	☑	☑	☑
Supplier Sales Representative	Manages agreements and deliverables for the supplier company. Primary tasks include acknowledging or requesting change...	☑	☑	☑
Supplier Self Service Administrator	Manages the profile information for the supplier company. Primary tasks include updating supplier contact information and ad...	☑	☑	☑
Supplier Self Service Clerk	Updates the profile information for the supplier company. Primary tasks include updating supplier contact information and req...	☑	☑	☑

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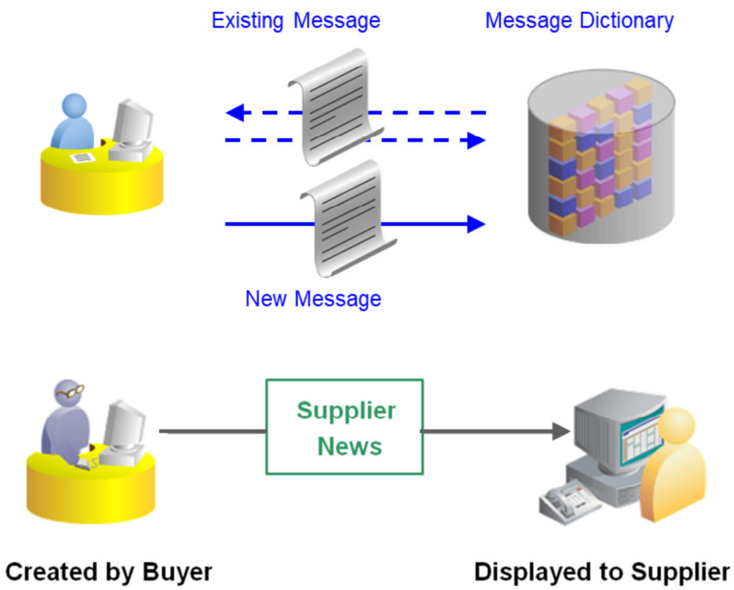
Navigator > Others > Setup and Maintenance > Procurement > Highlight Supplier Portal > All Tasks > Manage Supplier User Roles

The screenshot depicts the Manage Supplier User Role Usages.

You can use the **Manage Supplier User Roles** page to specify which roles the self-service administrator can provision to other supplier users by selecting the roles in the **Allow Supplier to Provision** column. Note that Self Service Administrators cannot provision roles that they do not have granted to them. (Setting up a self service administrators is typically a part of the general set up for the new supplier.)

On this page, you can also specify which roles make up the default role sets for new Supplier Portal and Sourcing users. The new Supplier Portal users are created when the self service administrator or the self service clerk create new users. The default Sourcing roles are used when category managers create a new user during the prospective supplier creation and registration process.

Additional Oracle Supplier Portal Cloud Setup



 8 - 33

The diagram depicts the communication options available in the Oracle Supplier Portal Cloud.

There are tasks which you may choose to perform:

- Creating and modifying supplier portal messages
- Setting up the supplier news functionality

Use the **Manage Messages** page to create and edit modifiable messages in the message dictionary, as well as edit predefined messages. Do not delete predefined messages unless you are sure that they are not used anywhere. Refer to the *Oracle Fusion Applications Developer's Guide.*

On the Specify Supplier News Content, you can communicate with users of Oracle Supplier Portal Cloud. The content you enter shows in the Supplier News region of the user's Supply Portal work area.

Oracle Supplier Model Cloud Functionality: Activities

- Practice 8-1: Confirming Procurement Agent Status
- Practice 8-2: Creating a Supplier
- Practice 8-3: Performing Additional Supplier Definition Tasks
- Practice 8-4: Supplier Registration Flows

Summary

In this lesson, you should have learned to:

- Explain the purpose and use of Oracle Supplier Model Cloud in Oracle Procurement Cloud
- List the benefits provided to suppliers by Oracle Supplier Portal Cloud
- Explain the methods available for registering suppliers
- Identify the job roles available to the supplier self service administrator to provision
- Implement Oracle Supplier Model Cloud and Oracle Supplier Portal Cloud

Instructor lesson and demonstrations: 50m

Student practices: 30m

Total: 80m

Objectives

After completing this lesson, you should be able to:

- Differentiate between the types of supplier agreements
- Identify the use case for each type of supplier agreement
- Create different types of supplier agreements

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 9 - 2

Topics

- Purchasing and Purchase Agreements Overview
- Purchasing Documents
- Blanket Purchase Agreements
- Contract Purchase Agreements
- Job Roles and Duty Roles

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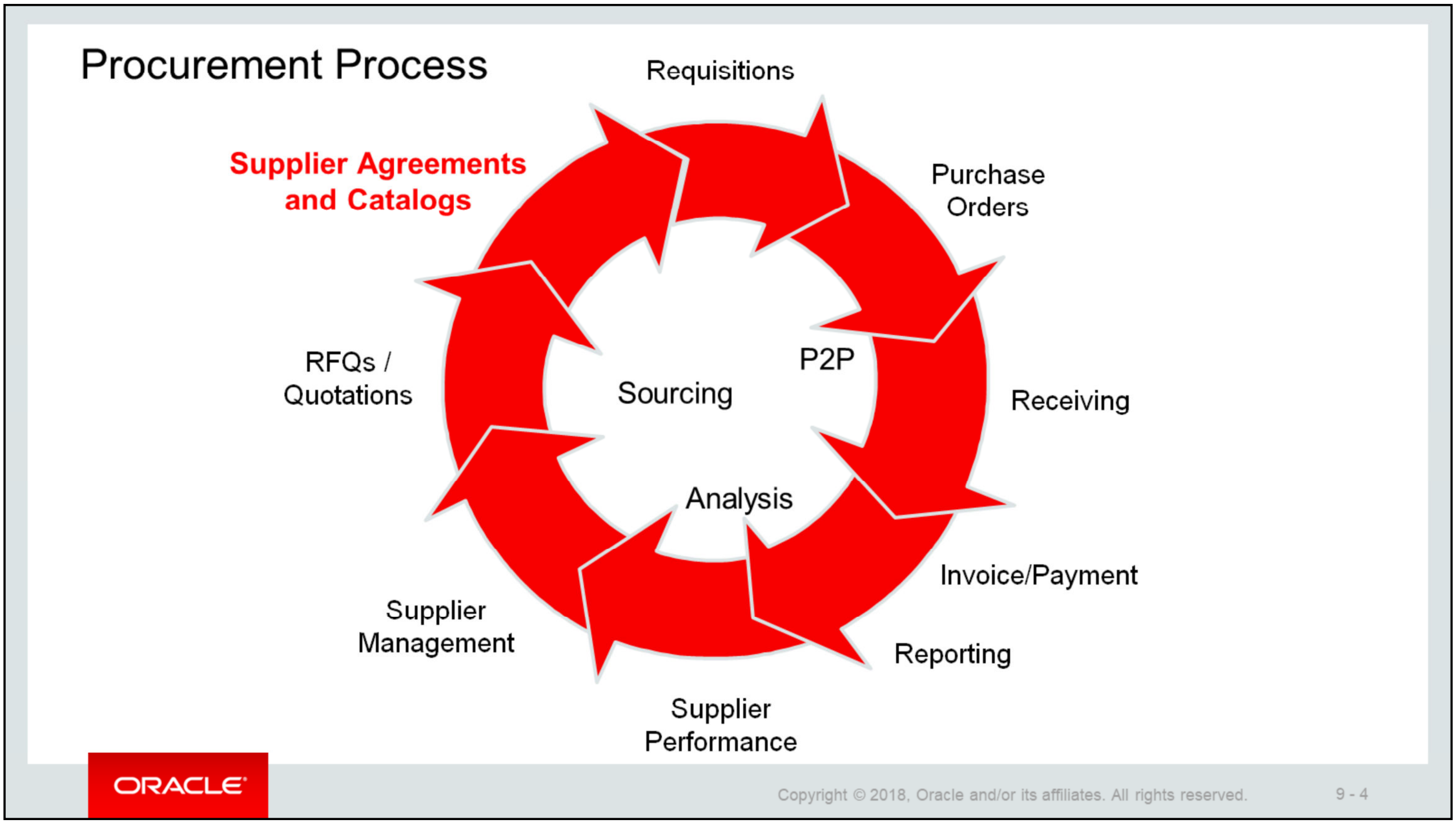
 9 - 3

This slide lists the topics that will be discussed during this lesson.



The diagram depicts the procurement life cycle as a continuous, circular process flow, with major subdivisions including supplier sourcing and agreements, procure-to-pay, and reporting and analysis. This lesson focuses on supplier agreements.

Procurement Life Cycle

The procurement process can take several forms based on your business practices. A broad generalization is summarized by the graphic in the slide.

There are many standard definitions of portions of the procurement process such as Procure-to-Pay and Source-to-Settle. In reality, the actual process is determined by the business requirements of the enterprise. For the sake of discussion, in this course we will focus on two process flows, which Oracle refers to as Procure-to-Pay and Sourcing.

Oracle Purchasing Cloud

The Foundation for Oracle Procurement Cloud

- Providing a comprehensive set of purchasing applications
  - Can be created for standard or punchout orders
  - To automate and control an organization's purchasing activities across the entire purchasing process
- Improving how organizations manage their business
  - With information-driven actions to enhance purchasing transactions and supplier management while significantly lowering supply management costs
- Unifying best-in-class purchasing capabilities
  - From Oracle EBS, JD Edwards, and PeopleSoft into a united suite

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Purchasing Documents: Key Concepts

Supplier Agreement

- A long-term agreement for the purchase of goods and services from a supplier.
- There are two types of supplier agreements:
  - Blanket Purchase Agreement
  - Contract Purchase Agreement

Purchase Order

- A commercial document that is used to request a seller to supply a product or service in return for payment.

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Supplier Agreement: Key Concepts

- **Blanket Purchase Agreement**
  - Includes terms and conditions, details of the goods or services to be purchased from the supplier, and negotiated amounts
  - Does not contain delivery dates or individual delivery quantities or amounts
  - Can specify standard or consigned goods or services
- **Contract Purchase Agreement**
  - Includes terms and conditions, and a total negotiated amount
  - Does not include details of the goods or services to be purchased from the supplier, delivery dates or individual delivery quantities or amounts
  - Can be created for standard or punchout orders

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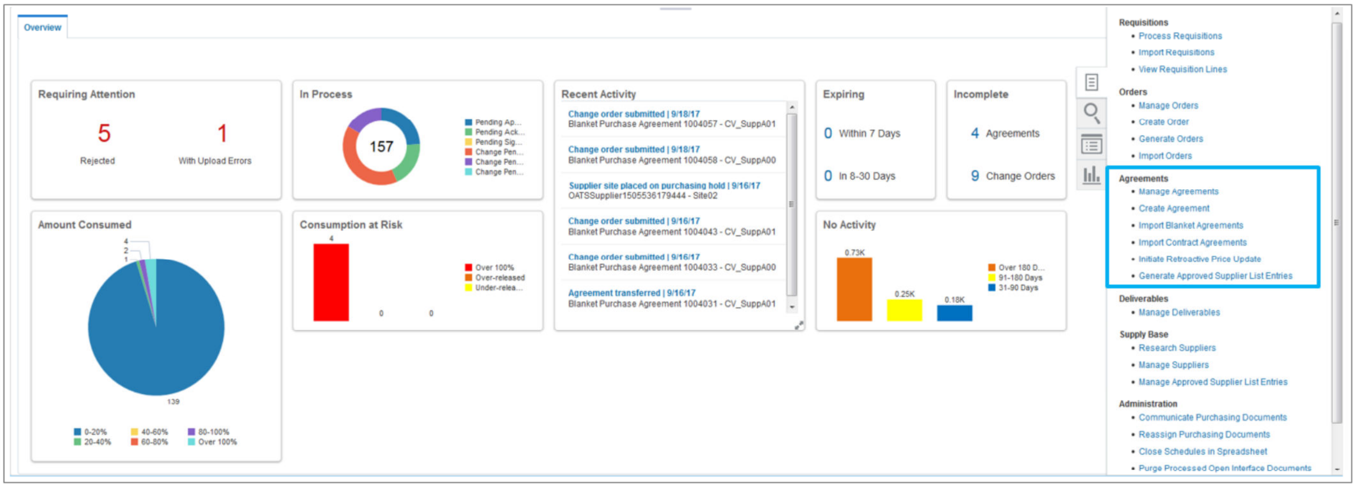
Purchase Agreements Overview and Tasks



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9 - 8

Navigator > Procurement > Purchase Agreements work area

The screenshot depicts the Purchase Agreements work area's Overview page.

Purchase Agreements Work Area

Key benefits of the Purchase Agreements work area include:

- Role-based infolets provide highly visual, analytically driven information for buyers and category managers.
- View outstanding workload; such as incomplete, expiring or expired agreements.
- Monitor agreements with transaction exceptions; such no activity or overconsumption.
- Easily access agreement management tasks to act on agreements.

Purchase Agreement Infolets

The following infolets are available to provide improved insight into agreements:

Agreement Amount Consumed: Displays agreements by consumption rate, including agreements that are over consumed.

Agreement Consumption at Risk: Shows agreements that have consumption issues based on the predefined released amounts captured on the individual agreement.

Expiring Agreements: Displays counts of expiring agreements that are assigned to the category manager.

Expired Agreements: Shows counts of agreements that have expired in the last week and in the last month.

Purchase Agreements Infolet

In Process: Displays the total number of agreements and change orders in process. It also displays counts by status.

Incomplete Agreements: Displays counts of incomplete agreements and change orders that are assigned to the category manager.

Open: Shows counts of open blanket purchase agreements and open contract purchase agreements that are assigned to the category manager.

Recent Activity: Provides visibility to recent actions taken on the category manager’s agreements, such as acknowledgment and change orders.

Requiring Attention: Displays counts of agreements that might require a category manager’s attention, such as agreements rejected or agreements with upload errors.

Blanket Purchase Agreement: Main Tab

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Navigator > Procurement > Purchase Agreements work area > Create Agreement task, and Manage Agreements task

Note: These tasks are also available in the Purchase Orders work area.

The screenshot depicts the Main tab on the Blanket Purchase Agreement page.

When to Use a Blanket Purchase Agreement

With blanket purchase agreements you can negotiate stable, long-term contracts while maintaining flexible delivery schedules and order quantity commitments.

You typically create blanket purchase agreements when you know the details of the goods or services you plan to buy from a specific supplier, but you do not yet know delivery schedule details.

You can use blanket purchase agreements to specify negotiated prices for your items before actually purchasing them.

You normally create a blanket purchase agreement to document a long-term supplier agreement. The negotiated goods or services can optionally become part of the Procurement catalog.

Fields on Main Tab of Blanket Purchase Agreement

Required Fields

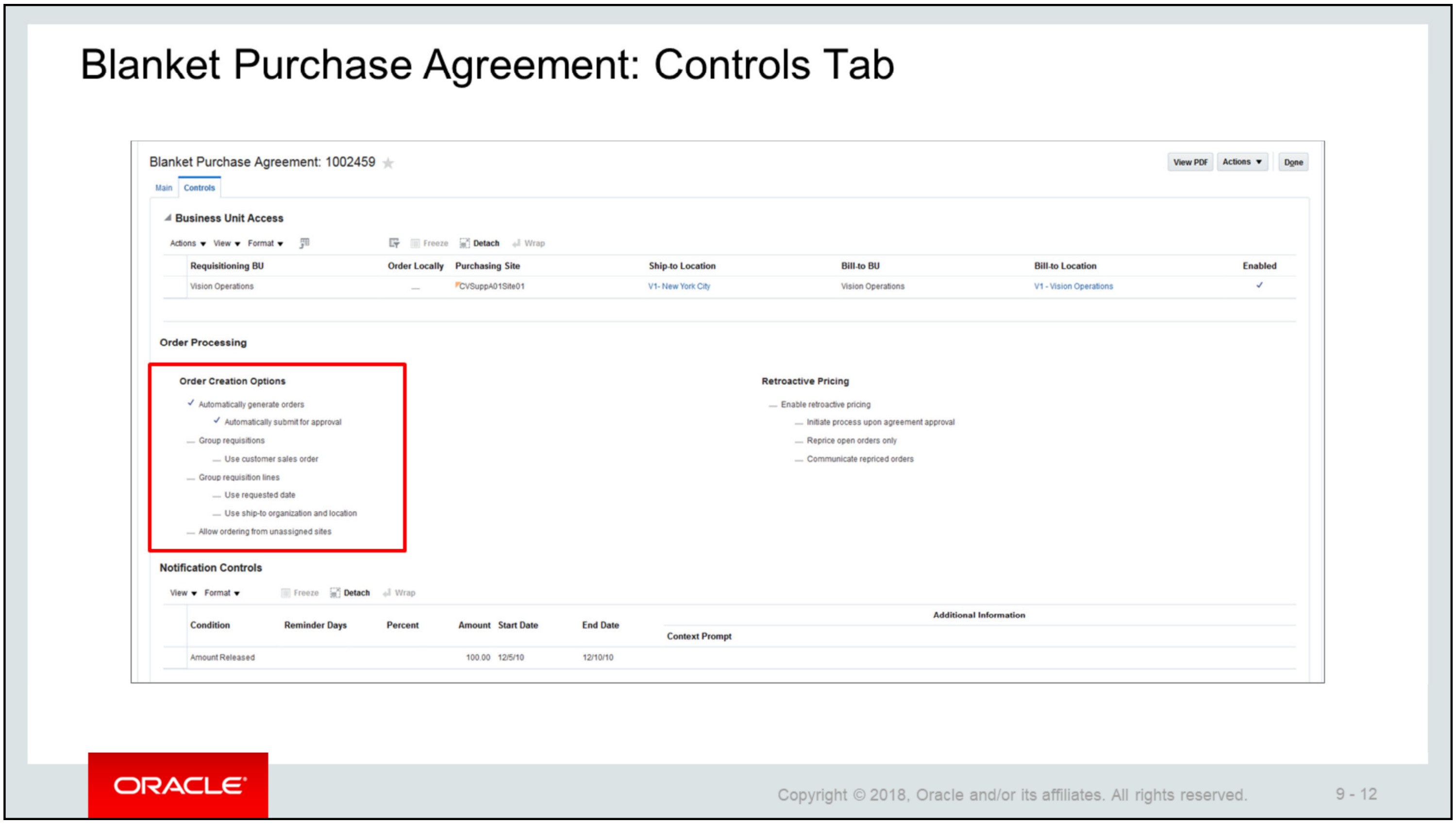
- **Document Style:** Document styles allow organizations to control the look and feel of a purchasing document in the application to match its business usage. Through reusable document styles, organizations can turn on or off various procurement features, thereby simplifying the user interface.
- **Procurement BU:** The procurement business unit that will own and manage the purchase agreement through its life cycle.
- **Buyer:** The defaulted buyer is the employee name associated with the user name of the person creating the purchase agreement.
- **Currency:** The functional currency defaults. Use the Currency button to change the functional currency if you are using multiple currencies.

Key Fields

- **Start Date:** The date this agreement becomes effective.
- **Supplier:** The list of values on the Supplier field contains active suppliers.
- **Supplier Site:** The list of values on the site field contains active sites that are designated as purchasing sites.
- **Supplier Contact:** Choose a contact using the list of values if contacts are defined and no contact defaults.
- **Communication Method:** Communicate your purchase orders and agreements along with any amendments, attachments, contract terms, and contractual deliverables to suppliers using print, fax, or email.
- **Agreement Amount:** The amount you expect to buy from the supplier over the lifetime of the agreement.
- **Payment Terms:** Choose one of the defined payment terms which can indicate multiple installments and multiple levels of discounts.
- **Pay on Receipt:** Also known as self billing, invoices are automatically created using a combination of receipt and purchase order information.

Fields of Note

- **Minimum Release Amount:** Minimum amount for any purchase order against this agreement.
- **Description:** You can enter comments in the 240 character description field. Although the description does not print on the printed purchase order, suppliers can use it if they have access to the system with Oracle Supplier Portal.
- **Required Acknowledgement:** Supplier must acknowledge the pricing and terms of this agreement before it can be approved.
- **Shipping Method:** Preferred shipper for goods ordered against this agreement
- **Freight Terms, FOB and Shipping Method:** Choose from the defined freight and shipping terms for goods ordered against this agreement.



Navigator > Procurement > Purchase Agreements work area > Create Agreement task, and Manage Agreements task

Note: These tasks are also available in the Purchase Orders work area.

The screenshot depicts the Controls tab on the Blanket Purchase Agreement page.

Business Unit Access

Enabling Order Locally forces a purchase order created against this agreement to use the procurement business unit associated with the requisitioning business unit, thereby sourcing globally and ordering locally.

Order Processing

These attributes determine how this blanket purchase agreement is going to behave when transacted against. For example, the Order Creation Options include automation settings that enable touchless buying.

Notification Controls

You can have notifications sent to you for expiring agreements and when released amounts need your attention.

Fields on Controls Tab of Blanket Purchase Agreement

Required Fields

- **Requisitioning BU:** The business unit that manages and owns the requisitioning transaction.

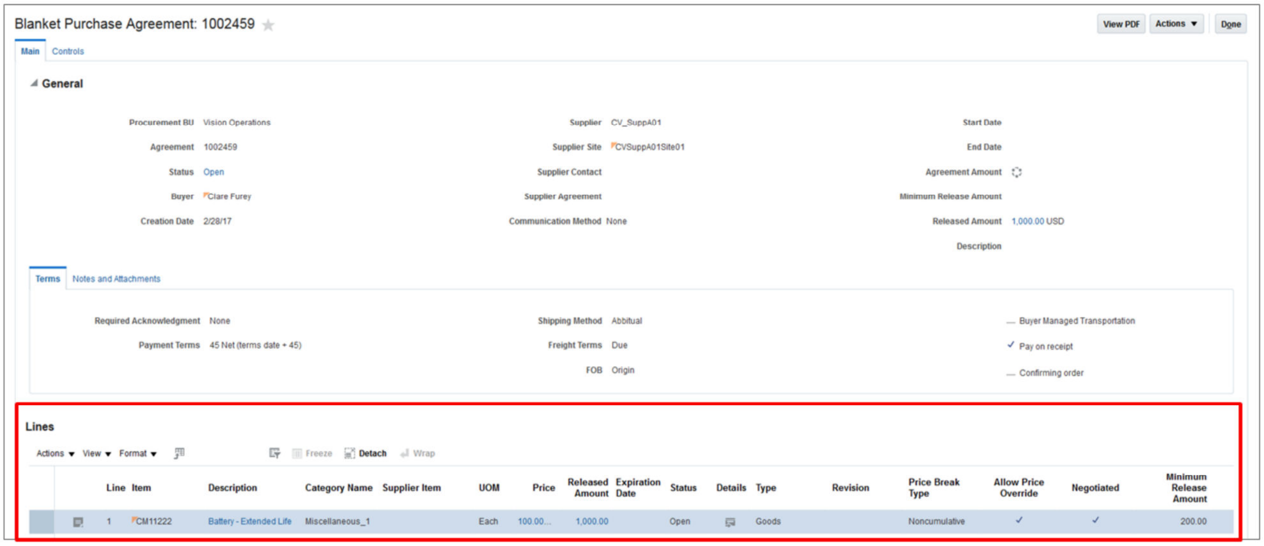
Key Fields

- **Order Locally:** Used to configure what business processes the requisitioning business unit will outsource. If checked, the Requisitioning BU outsources only the business processes related to negotiating and administering the agreement with the supplier, but still owns the business processes related to creating and administering its own purchase orders for commodities it is buying off the agreement.
- **Automatically generate orders:** When a requisition is approved for an item on this agreement, automatically create a purchase order for that item.
- **Automatically submit for approval:** When automatically generating orders, automatically submit those orders for approval.
- **Group requisitions:** Allow consolidation of requisition lines from across multiple requisitions into a single purchase order.
- **Group requisition lines:** Group requisition lines into the same purchase order line. (Grouped by Line type, Item, Category, UOM, and source agreement or optionally by Need-by date, Ship-to location, and ship-to organization.)

Fields of Note

- **Apply price updates to existing orders:** Allow the Launch Retroactive Price Update process to apply price changes from a blanket purchase agreement to purchase order lines created referencing the agreement line.

Blanket Purchase Agreement: Lines



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Navigator > Procurement > Purchase Agreements work area > Create Agreement task, and Manage Agreements task

Note: These tasks are also available in the Purchase Orders work area.

The screenshot depicts the Main tab in the Blanket Purchase Agreement page, with focus on the Lines section of the agreement.

Line Fields on Main Tab of Blanket Purchase Agreement

Blanket purchase agreement lines include details of the goods or services to be purchased from the supplier. The line does not contain delivery dates or individual delivery quantities or amounts.

Required Fields

- **Type:** Allows you to differentiate purchases for various commodities such as goods and services
- **Description:** You must enter either an Item identifier or a description of the goods or services.
- **Category Name:** Select the purchasing category of the item you want to purchase.
- **UOM:** Select the Unit of Measure for the commodity.
- **Price:** Enter a price per unit for the commodity.

Blanket Purchase Agreement Lines

Key Fields

- **Expiration Date:** Date this line is no longer effective

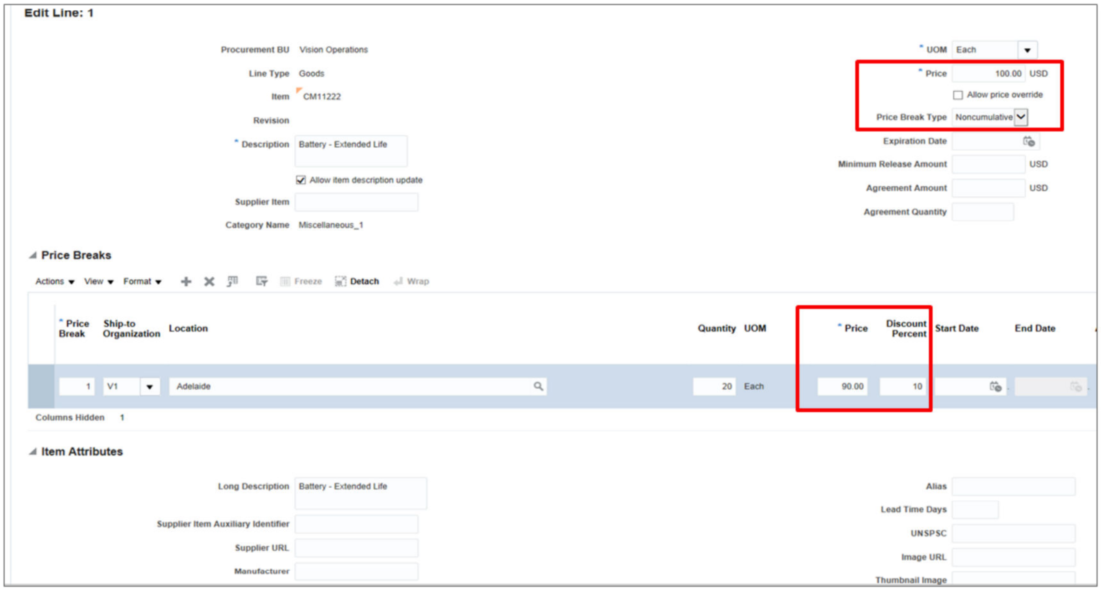
Fields of Note

- **Supplier Item:** Item identifier that the supplier uses for this commodity

Line Actions

- **Add from Catalog:** Browse or search the Procurement catalog and select an item for this line.
- **Upload Lines:** Create lines from a file created by the supplier or your organization. Note that with this action you can download an Oracle defined template that enables direct upload.

Blanket Purchase Agreement Line Detail and Price Breaks



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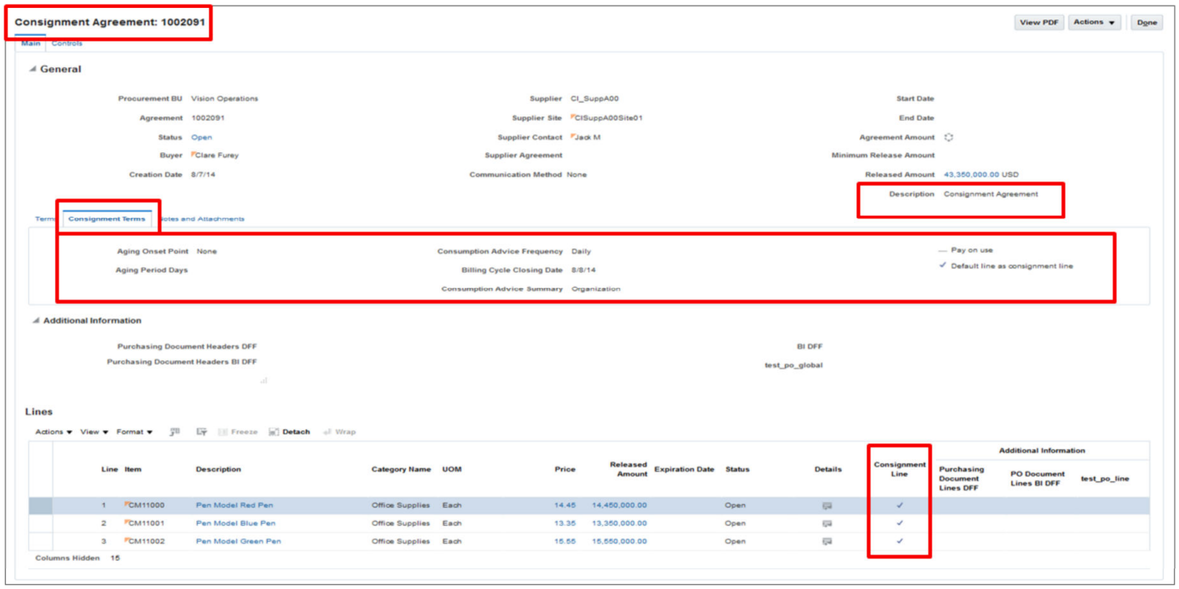
Navigator > Procurement > Purchase Agreements work area > Create Agreement task > Blanket Purchase Agreement > Create > Lines: Edit

The screenshot depicts the Edit Line page of an agreement, with emphasis on the fields for price, price breaks ad discounts.

Consignment Agreement



Navigator > Procurement > Purchase Agreements work area > Create Agreement > Consignment Agreement

The screenshot depicts the Main tab in a Consignment Agreement page.

When to use a consignment agreement?

A consignment agreement is a long-term agreement you create for the purchase of goods under a consignment arrangement with your supplier.

The consignment agreement carries the terms and conditions, details of the goods to be purchased on consignment from the supplier, and negotiated amounts. It does not indicate the delivery details, quantities, locations or dates for the consigned goods to be delivered. These details are specified on the consignment order issued against the consigned agreement.

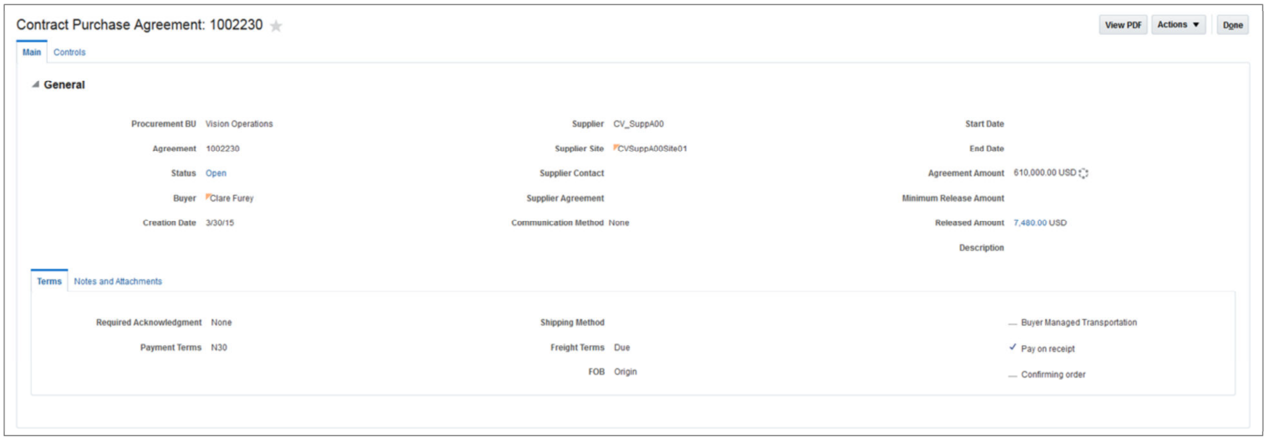
How to create a purchase agreement for consignment inventory items?

1. Begin by creating a blanket purchase agreement with a document style for a consignment agreement.
2. Enter or verify the consignment terms for the agreement such as Billing Cycle Closing Date.
3. Next add the consignment items for this agreement.
4. Complete the agreement by submitting the agreement for approval. Optionally, you could require acknowledgment from the supplier.

Demonstration 9-1

- Blanket Purchase Agreement: Overview

Contract Purchase Agreement: Main Tab



9 - 19

Navigator > Procurement > Purchase Agreements work area > Create Agreement task, and Manage Agreements task

Note: These tasks are also available in the Purchase Orders work area.

The screenshot depicts the Main tab in the Contract Purchase Agreement page.

When to Use a Contract Purchase Agreement

You create contract purchase agreements with your suppliers to agree on specific terms and conditions without indicating the goods and services that you will be purchasing. A contract purchase agreement is an agreement between you and a supplier for unspecified goods or services.

This agreement may include terms and conditions, committed amount, and an effective and expiration date. Contract purchase agreements are referenced on standard purchase order lines. Oracle Purchasing Cloud monitors the amount you have spent against contract purchase agreements.

An important use of a contract purchase agreement is to automate orders for a supplier that you punch out to, enabling requesters to order directly from that suppliers online catalog. You might also want to automate orders for noncatalog requests from a fairly specific supplier.

Fields on Main Tab of Contract Purchase Agreement

Required Fields

- **Document Style:** Document styles allow organizations to control the look and feel of a purchasing document in the application to match its business usage. Through reusable document styles, organizations can turn on or off various procurement features, thereby simplifying the user interface.
- **Procurement BU:** The procurement business unit that will own and manage the supplier agreement through its life cycle
- **Buyer:** The defaulted buyer is the employee name associated with the user name of the person creating the purchase order.
- **Currency:** The functional currency defaults. Use the Currency button to change the functional currency if you are using multiple currencies.

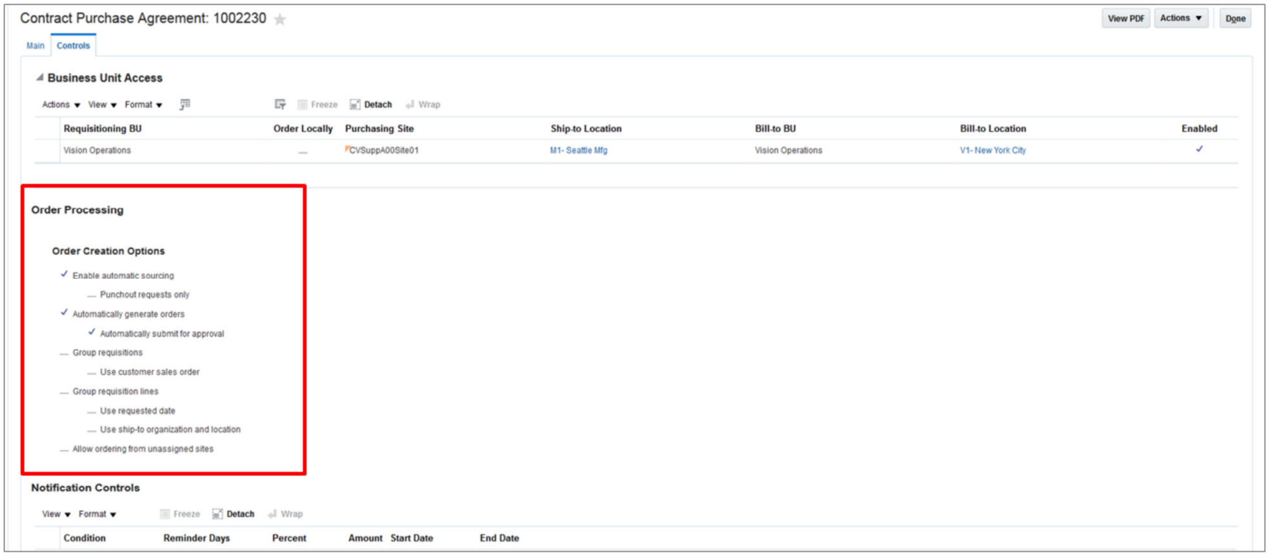
Key Fields

- **Start Date:** The date this agreement becomes effective
- **Supplier:** The list of values on the Supplier field contains active suppliers.
- **Supplier Site:** The list of values on the site field contains active sites that are designated as purchasing sites.
- **Supplier Contact:** Choose a contact using the list of values if contacts are defined and no contact defaults.
- **Agreement Amount:** The amount you expect to buy from the supplier over the lifetime of the agreement
- **Payment Terms:** Choose one of the defined payment terms which can indicate multiple installments and multiple levels of discounts.
- **Pay on Receipt:** Also known as self billing, invoices are automatically created using a combination of receipt and purchase order information.

Fields of Note

- **Minimum Release Amount:** Minimum amount for any purchase order against this agreement
- **Description:** You can enter comments in the 240 character description field. Although the description does not print on the printed purchase order, suppliers can use it if they have access to the system with Oracle Supplier Portal.
- **Shipping Method:** Preferred shipper for goods ordered against this agreement
- **Freight Terms:** Choose one of the defined freight terms for goods ordered against this agreement.

Contract Purchase Agreement: Controls Tab



Navigator > Procurement > Purchase Agreements work area > Create Agreement task, and Manage Agreements task

Note: These tasks are also available in the Purchase Orders work area.

The screenshot depicts the Controls tab in the Contract Purchase Agreement page, with emphasis on the Order Processing section containing the Order Creation Options.

Required Fields

- **Requisitioning BU:** The business unit that manages and owns the requisitioning transaction.

Key Fields – Order Creation Options

Note: The Order Creation Options for the contract purchase agreement include the additional automation options for automatic sourcing and punchout requests, as compared to those for blanket purchase agreements.

- **Enable automatic sourcing:** Allow orders to be automatically generated from requisitions sourced to this contract purchase agreement
- **Punchout requests only:** Only punchout requisitions allowed for automatic sourcing
- **Automatically generate orders:** When a requisition is approved for an item on this agreement, automatically create a purchase order for that item
- **Automatically submit for approval:** When automatically generating orders, automatically submit those orders for approval
- **Group requisitions:** Allow consolidation of requisition lines from across multiple requisitions into a single purchase order
- **Group requisition lines:** Group requisition lines into the same purchase order line. (Grouped by Line type, Item, Category, UOM, and Source Agreement). Optionally group by

Need-by Date, or Ship-to Location and Organization.

Demonstration 9-2

- Contract Purchase Agreement: Overview

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Job Roles and Associated Duty Roles

Job Role	Purchase Agreement Creation	Contract Terms Authoring - Template	Contract Terms Authoring - Override	Purchase Agreement Changes
Buyer	X	X		X
Procurement Manager	X		X	
Category Manager	X	X		
Procurement Contracts Administrator	X		X	
Procurement Catalog Administrator				X
Supplier				X

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The table depicts job roles required for working with agreements. Aspects of working with agreements include purchase agreement creation, contract terms authoring template, contract terms authoring override, and purchase agreement changes.

Supplier Agreement Roles and Duties

In a buying organization, procurement agents with job roles of Buyer, Category Manager, Procurement Manager or Procurement Contract Administrator are typically the ones responsible for creating supplier agreements. Therefore, these job roles inherit duty roles required for creating supplier agreements.

Procurement Contract Administrators and **Procurement Managers**, in addition to these duty roles, also inherit Contract Terms Authoring (Override) duty role, which provides them the additional edit capabilities on contract terms such as, ability to add non standard clauses, edit protected clauses and remove mandatory clauses.

Procurement Catalog Administrators inherit the Purchase Agreement Changes as a Catalog Administrator duty role that enables them to upload files to add catalog content or edit catalog content online on draft agreements that have been transferred to them by the procurement agent.

From the supplier organization, **Supplier Sales Representatives** inherit the Purchase Agreement Changes (Supplier-facing) duty role that enables them to upload files to add catalog content or edit catalog content online on draft agreements that have been transferred to them by the procurement agent.

Purchase Agreement: Duty Roles and Tasks

Duty Role	Associated Tasks
Purchase Agreement Creation	• Create Draft Supplier Agreement • Update Draft Supplier Agreement • Author Supplier Agreement Catalog Content • Cancel Supplier Agreement • Submit Supplier Agreement
Purchase Agreement Changes as Catalog Administrator	Author Supplier Agreement Catalog content
Purchase Agreement Changes (Supplier-facing)	Author Supplier Agreement Catalog content

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The table depicts the duty roles and associated tasks needed for purchase agreement creation and for making changes to purchase agreements.

Procurement agents need the Purchase Agreement Creation duty to create or update Agreements, transfer them to Suppliers or Catalog Administrators for catalog content authoring, submit agreements for approval, and cancel them prior to approval when necessary.

Catalog Administrators need the Purchase Agreement Changes as Catalog Administrator duty for catalog content authoring on draft agreements transferred to them by the procurement agent.

Supplier Sales Representatives need the Purchase Agreement Changes (Supplier-facing) duty for catalog content authoring on draft agreements transferred to them by the procurement agent.

Contract Terms: Duty Roles and Tasks

Duty Role	Associated Tasks
Contract Terms Authoring (Template Only)	• Create Draft Supplier Agreement • Update Draft Supplier Agreement
Contract Terms Authoring (Override)	• Create Draft Supplier Agreement • Update Draft Supplier Agreement

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The table depicts the duty roles and associated tasks needed for applying a contract terms authoring template to an agreement, and for editing contract terms on an agreement.

Contract Tasks

Procurement agents need the Contract Terms Authoring (Template Only) duty role to apply a pre-approved contract template on agreements and to view contract terms.

The Contract Terms Authoring (Override) duty provides **Procurement Contract Administrators** with additional edit capabilities on contract terms such as, the ability to add non-standard clauses, edit protected clauses, and remove mandatory clauses.

Resources

Documentation

Available in the Oracle Help Center: http://docs.oracle.com/

- *Oracle Procurement Cloud Implementing Procurement* guide
- *Oracle Procurement Cloud Using Procurement* guide

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Practices

- 9-1: Creating a Blanket Purchase Agreement with Automation Controls
- 9-2: Creating a Blanket Purchase Agreement and Transferring to Supplier
- 9-3: Creating a Contract Purchase Agreement
- 9-4: Creating and Uploading Lines to a Blanket Purchase Agreement

Summary

In this lesson, you should have learned how to:

- Determine when a blanket purchase agreement or a contract purchase agreement are required
- Create a blanket purchase agreement
- Create a contract purchase agreement

10

Procurement Catalogs

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Instructor lesson and demonstrations: 60m

Student practices: 50m

Total: 110m

Objectives

After completing this lesson, you should be able to:

- Identify Self Service Procurement setup tasks and profile options
- Manage value sets and descriptive flexfields for information templates
- Create, manage, and secure catalogs
- Describe Supplier Content Map Sets

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Topics

- Procurement Overview
- Procurement Setup and Maintenance
- Catalogs
- Shopping Lists
- Information Templates
- Managing Smart Forms
- Content Zones

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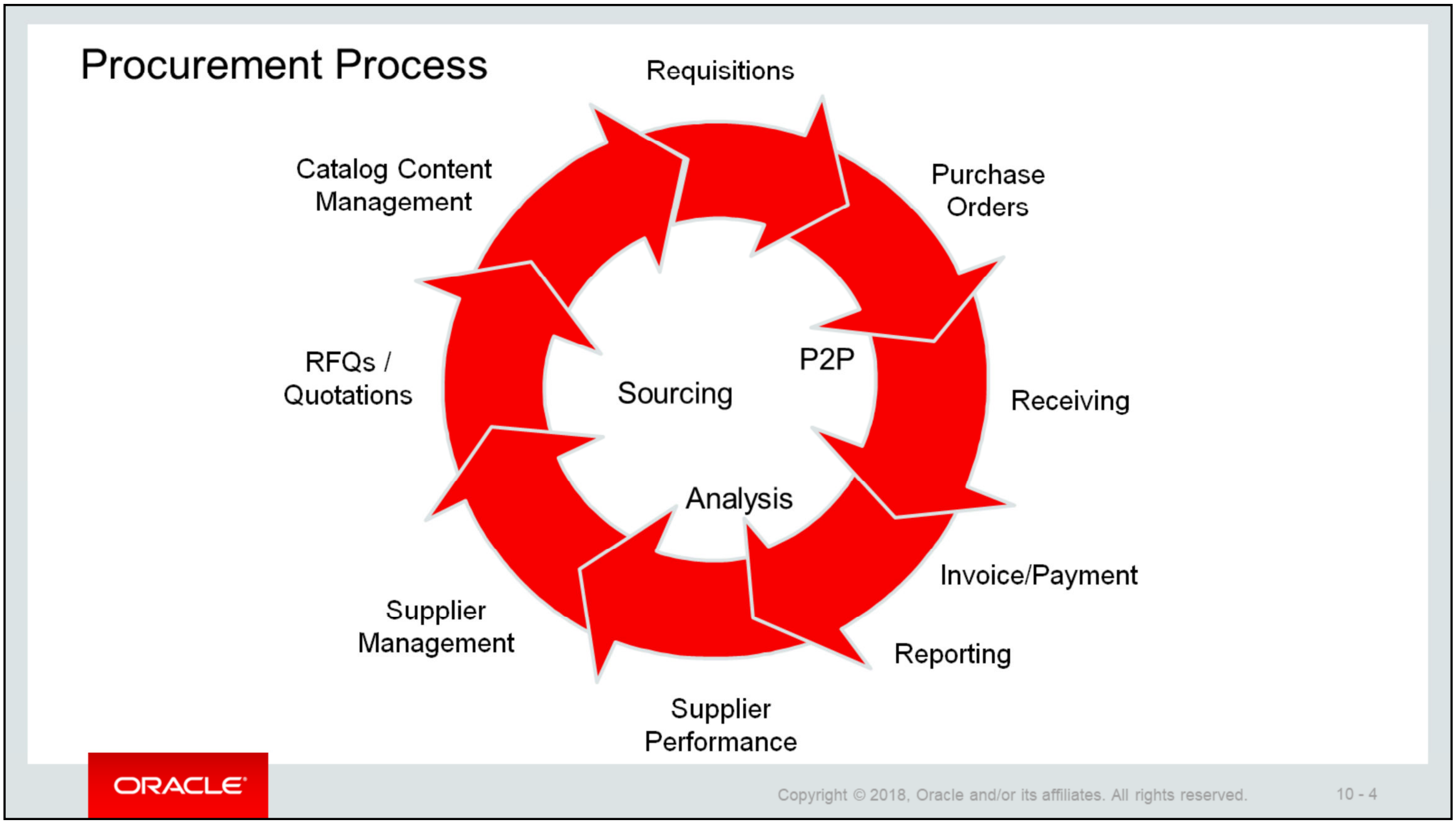
This slide lists the topics that will be discussed during this lesson.

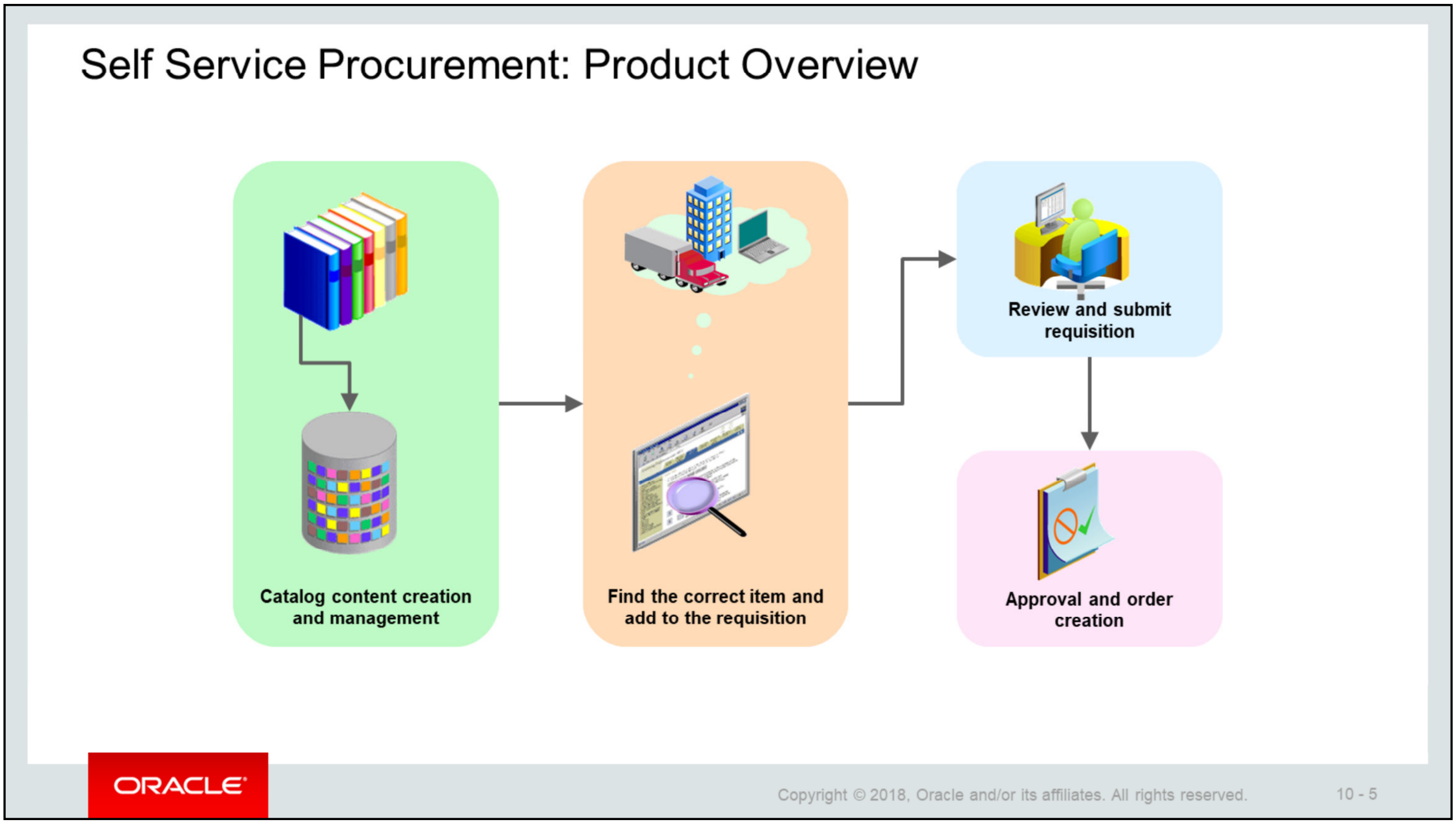


The diagram depicts the typical stages of the procurement process, which are in a circular sequence. They are: Catalog and Content Management, Requisitions, Purchase Orders, Receiving, Reporting, Supplier Performance, Supplier Management, RFQs/Quotations, and back to Catalog and Content Management. Stages are grouped into Sourcing, P2P and Analysis.

Procurement Life Cycle

The procurement process can take several forms based on your business practices. But a broad generalization can be summarized by the graphic in the slide.

There are many “standard” definitions of portions of the procurement process such as Procure-to-Pay and Source-to-Settle. In reality, the actual process is determined by the business requirements of the enterprise. For the sake of discussion, this course will focus on two process flows that Oracle refers to as Procure-to-Pay and Sourcing.



The diagram depicts the main areas of the Self Service Procurement product: Catalog management, finding and requisitioning items, submitting requisitions, and approval and order creation.

Key Functionality of Self Service Procurement

Catalog Management

Purchasable content is made available for shopping from internal and external sources based on the organization’s needs. Catalog content can be shared across multiple requisitioning business units without duplicating the content.

Shopping

The process where users search for, compare, and select items that they need to purchase. They can also punch out to either supplier-hosted or marketplace-hosted catalogs to shop. When found, the items can be quickly added to a requisition.

Review and submit requisition

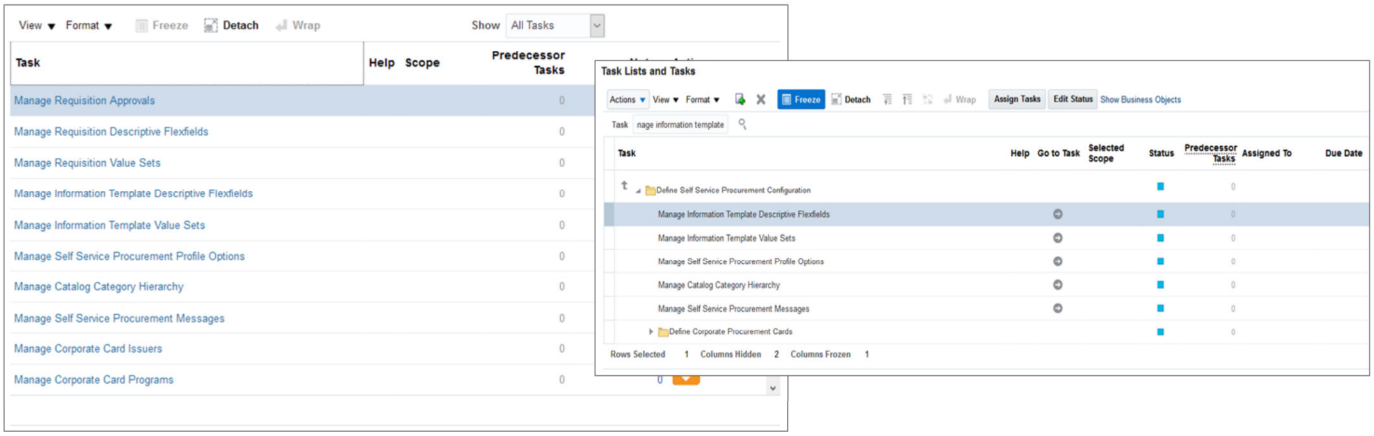
Requesters review, enter quantities, billing information, and delivery information on the requisition, and then submit it for approval.

Approval and order creation

Requisitions are routed to approvers based on predefined business rules. Orders are created from the approved requisition.

Self Service Procurement Setup and Maintenance

Initial setup for Self Service Procurement is performed using the tasks found in the Self Service Procurement functional group in the Procurement offering on the Setup page.



 10 - 6

The diagram depicts the list of tasks available in the Self Service Procurement functional group, in Setup and Maintenance.

Navigator > Others > Setup and Maintenance > Procurement offering > Self Service Procurement functional group > All Tasks

Define Self Service Procurement

This lesson covers the tasks in Setup and Maintenance Self Service Procurement functional group configuration, and then describes catalog content setup and maintenance from the Catalogs work area in Self Service Procurement.

Managing Self Service Procurement Profile Options

- Profile options manage configuration data centrally and influence the behavior of applications.
- Profile options serve as permanent user preference and application configuration parameters.
- You configure profile options with settings for specific contexts or groups of users.
- Users can configure how their user interfaces look and behave by changing the values of available profile options.

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Managing Self Service Procurement Profile Options

The following are profile options in Self Service Procurement:

Profile Option	Description
POR_DISPLAY_CATEGORY_ITEM_COUNT	Controls whether to display the number of items within each browsing category on the Self Service Procurement search results page
POR_DISPLAY_EMBEDDED_ANALYTICS	Controls whether to display embedded analytics in Self Service Procurement
POR_PROXY_SERVER_NAME	Used for punchout catalogs. It is applicable if the Self Service Procurement implementation has a proxy setup.
POR_PROXY_SERVER_PORT	Used for punchout catalogs. Specifies the port on which the proxy server listens if the Self Service Procurement implementation has a proxy server.
POR_SEARCH_RESULTS_SKIN	Controls the display format on the Self Service Procurement search results page. Applicable values are Grid and Paragraph.

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The table lists Self Service Procurement profile options and descriptions.

Managing Information Template Value Sets

- Information Template Value Sets can be added to Information Templates using Descriptive Flexfields (DFFs)
- Value sets appear to the end user as a list of values from which to select.
  - A value set is a set of valid values that you assign to a flexfield segment.

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Managing Information Template Descriptive Flexfields

Information template attributes are maintained as descriptive flexfields (DFFs).

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Adding Attributes

Attributes first need to be set up on the Manage Information Template Descriptive Flexfields page. The catalog administrator specifies the DFF context to which to associate the list of attributes.

For example, the catalog administrator sets up a Business Cards Marketing context, with the following context-sensitive fields:

- Job Title
- Organization
- Office Location

When creating an information template, the catalog administrator can then specify context Business Cards Marketing in the Attribute List field, which will associate the attributes to the information template.

Note

- The maximum number of attributes that can be created for an information template is fifty.
- Existing information attributes are maintained as attachments downstream, such as in Purchasing.

Supported Attributes

The following attribute types are supported by DFFs:

- **Text:** Text attributes can be set up using DFFs to be added to an information template. For example, the procurement catalog administrator can create an information template called Business Card Information USA to be used for collecting related information when ordering business cards. Examples of text typed fields are Name, Title, Address and so on.
- **Number:** Procurement catalog administrators can create number typed attributes using DFFs, to be used in an information template. For example, Zip Code, Telephone, and Area Code.
- **Standard Date:** Standard Date Time and Time: Procurement catalog administrators are able to define date format attributes in DFFs, to be used in an information template. This allows for automatic date formatting according to globalization requirements, since 09/01/2007 may mean September 1, 2007 in the US, but January 9, 2007 in others.
- **List of Values:** Value sets can be added to Information Templates through DFFs as List of Values. Implementing attributes as List of Values allows enforcement of values that can be populated in these fields. For example, as part of an address, the Country field can be implemented as list of values (LOV) containing only countries that are applicable.
- **Choice Lists:** Choice lists make use of value sets as well, similar to List of Values.

End Dates

Procurement Catalog Administrators can specify an End Date on an information template. An information template is inactive if the system date is more than or equal to the End Date.

When an information template is inactive, it will no longer be applied when items to which the information template is assigned are added to the requisition. Requisitions created with lines that are associated to the information template will continue to display the information template information.

For incomplete requisitions, the inactive information templates are no longer available at the time the requisition is retrieved.

For copied and withdrawn requisitions, information templates are also no longer available if the information template is inactive at the time the requisition is copied or resubmitted.

Demonstrations

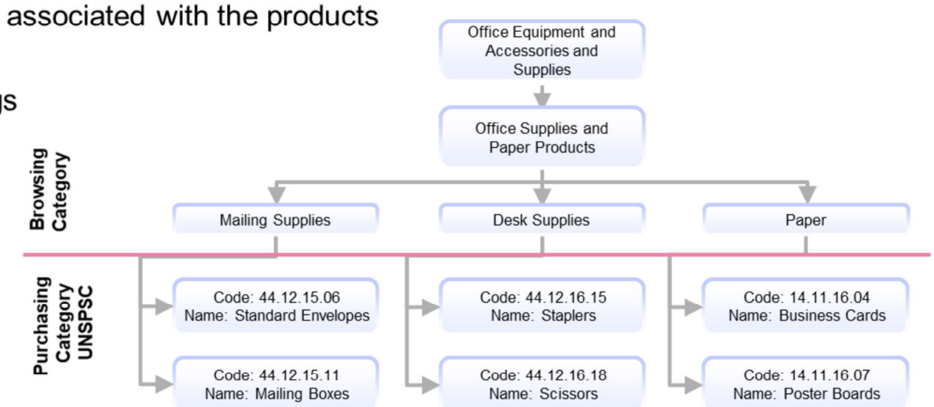
- 10-1: Creating Value Sets
- 10-2: Creating Information Template Descriptive Flexfields

Catalog Category Hierarchy: Overview

Procurement Catalog Category Hierarchy

A category hierarchy presents a hierarchical view of the catalog to users.

- Category hierarchies allow administrators to create a parent category that includes other categories, which are known as child categories.
- The category structure enables users to efficiently navigate to the categories associated with the products they need.
- You can associate catalogs (local, punchout, informational) and smart forms to browsing categories. When a user navigates to the category, the associated content will be displayed.



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The diagram depicts the a multi-level Procurement catalog category hierarchy, with both browsing and purchasing categories.

Defining a category hierarchy is optional. You may decide to implement a category hierarchy at any stage of the product implementation and may choose what categories should be enabled for browsing. There is one Procurement Catalog Category Hierarchy per instance.

The category hierarchy can be defined with as many levels as needed to capture granular supplier category classifications. The hierarchy navigation allows users to quickly drill down and select their applicable categories.

The two types of categories that are used in the hierarchy are browsing categories and item categories

Browsing Categories

Browsing categories are also known as navigation categories. They define the category hierarchy for category browsing. The category hierarchy helps users browse for catalog items by organizing them in a logical fashion. Browsing categories can be either a parent or child to another category, but cannot contain any items. Browsing categories are optional and configurable, so companies can decide what categories should be enabled for browsing.

You can associate catalogs (local, punchout, informational) and smart forms to browsing categories. When a user navigates to the category, the associated content type will be displayed.

An alternative to setting up browsing categories is to tag punchout, informational, and smart forms with keywords, so that users can find them when performing basic searches.

Item Categories

Item categories are used to group items for various reports and programs. A category is a logical classification of items that have similar characteristics. For Procurement, every item must belong to an item category. Item categories are the categories defined for the catalog associated with the Purchasing Functional Area.

Category Hierarchy with Catalogs

- Users can search for all content (local content, punchout, smart forms, informational content) regardless of how the content is grouped.
- Administrators can group punchout, informational catalogs, and smart forms by category.
- The browsing feature will retrieve content from punchout, informational catalogs, and smart forms together with local content.
- Local content (master items and agreement lines) is associated with purchasing categories.
- Smart forms, punchout, and informational catalogs can optionally be associated with any level of the category hierarchy in both browsing and purchasing categories.

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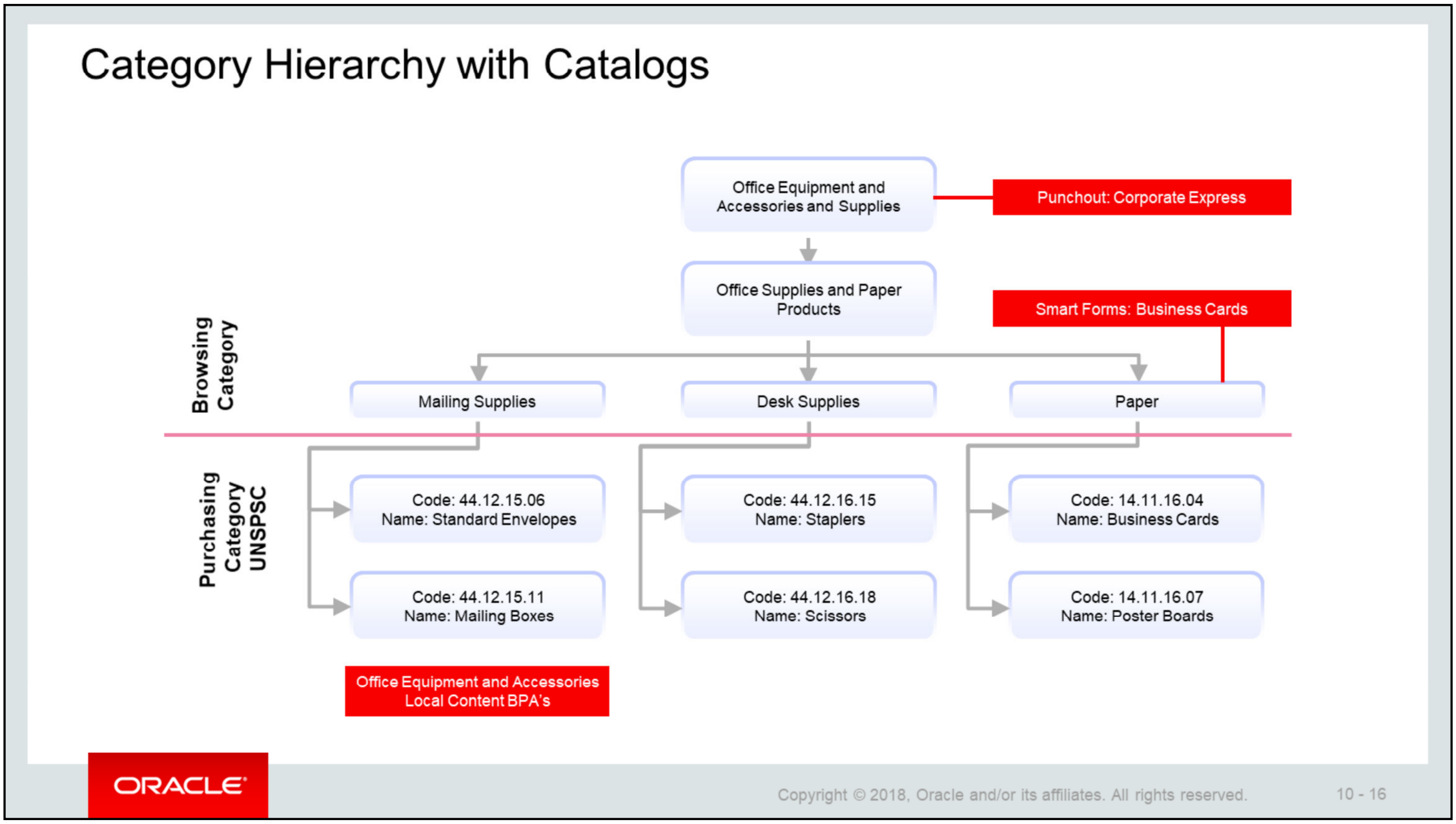


The diagram depicts the a multi-level Procurement catalog category hierarchy, with both browsing and purchasing categories. Punch out catalogs, smart forms and Business Purchase Agreements are associated with some of the browsing categories.

Hierarchy with Associated Catalog Content

When the user associates punchout, informational, and local catalogs, and smart forms to a category, the system associates the catalogs and smart forms with all the browsing and purchasing categories of the same branch. Master items, and agreement items are indexed with their corresponding purchasing categories.

In the illustration, when the user navigates down the branch from Information Technology browsing category to the Computer Servers purchasing category, the search results will always include the Dell USA punchout, which is associated with Computers. The system associates the punchout catalog Dell USA with the categories of the same branch as Computers which are Information Technology, Components for Information Technology, Computers, and Computer Servers.

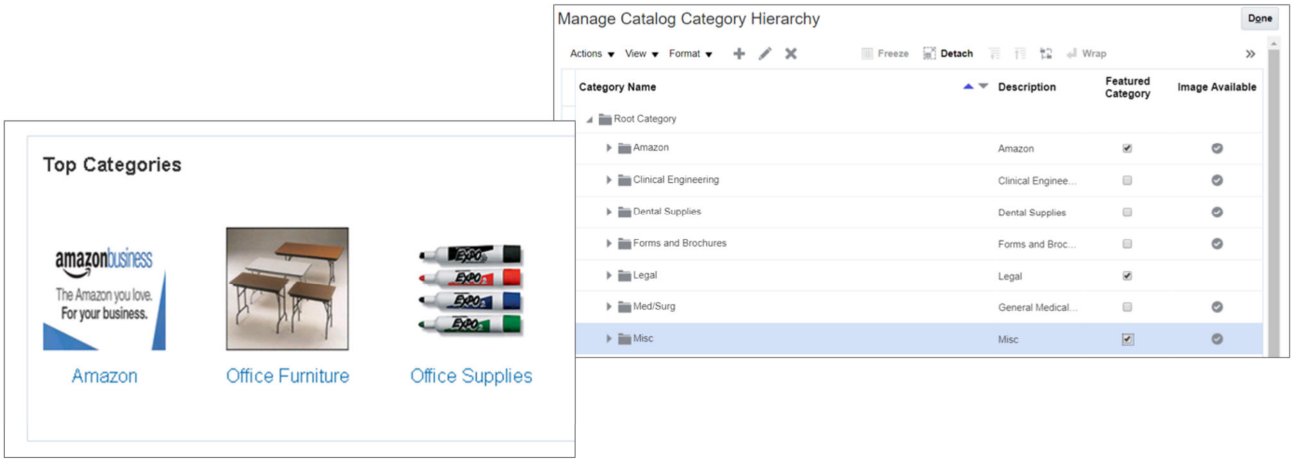
The informational catalog How to Request Computer Services is associated with the browsing category Information Technology. As the user navigates the branch of Information Technology, the Informational Catalog is seen at the level of Information Technology, Components for Information Technology, System Cards, Computers, Memory Module Cards, and Computer Servers.

Local catalog items also show up during browsing. Using the example in the figure in the slide, items in BPAs with suppliers Techworks or Zones Corporate that are tied to the purchasing categories Memory Module Cards or Computer Servers will show up as the user navigates down the Information Technology branch, based on the content available to the user via content zone.

The procurement catalog index is automatically updated after changes to the hierarchy are saved.

Featured Categories

- Categories designated as Featured Categories in the Manage Catalog Category Hierarchy page appear in the Top Categories section of the Requisitions page, as well as the category hierarchy.



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10 - 17

The screenshots depict the Manage Catalog Category Hierarchy page with some categories selected as Featured Categories. The Top Categories section of the Requisitions page is depicted.

Navigator > Procurement> Catalogs > Manage Catalog Category Hierarchy.

Demonstration 10-3

- Reviewing and Creating Categories

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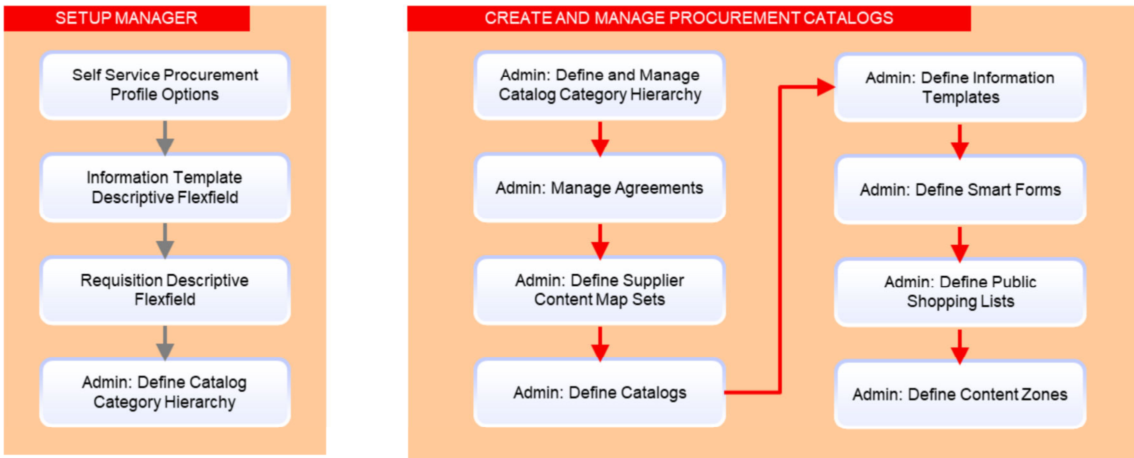
Self Service Procurement Maintenance

After the Self Service Procurement setup tasks are complete, catalog administrators continue setup and maintenance of catalogs in the Catalogs work area.



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The diagram depicts Self Service Procurement setup and the catalog setup and maintenance tasks. Setup tasks include configuring profile options, descriptive flexfields, and the basic category hierarchy. Catalog tasks include managing the catalog category hierarchy, agreements, map sets, information templates, smart forms, and so on.

Catalog Setup and Maintenance tasks include the following:

Define and Manage Catalog Category Hierarchy

Category hierarchy in the Setup Manager was covered, but it is also available for setup and maintenance from the Catalog work area. Catalog administrators most likely will access it from the Catalog work area, both are represented in the flow.

Manage Agreements

The Agreement Loader is used to upload agreement lines in bulk using a data file.

Define Supplier Content Map Sets

Map sets are sets of mappings for category, UOM, supplier, and supplier sites.

Define Local, Punchout, and Informational Catalogs

These are the three different types of catalogs used for shopping.

Define Information Templates

Information templates are used to enhance smart forms by adding attributes, default values and field validation rules to the form.

Define Smart Forms

Smart forms are used to easily collect required information to create noncatalog requests.

Define Content Zones

Content Zones are used to secure access to catalog content. When the content is defined and associated to content zones accessible to one or more users, the system will present the available content based on content security, matching keyword or a category when the user browses or searches the catalog.

Dependencies on Upstream L2 Detailed Business Processes

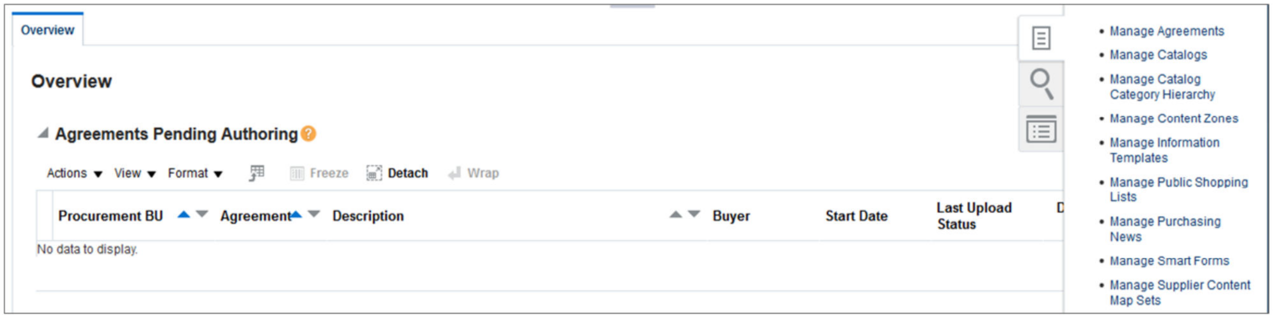
- **Manage Product/Service Data:** Purchasing categories and master items need to be created before creating procurement catalog category hierarchy and local catalog content.
- **Manage Supplier Agreements:** Agreements need to be created before setting up local catalog content.
- **Manage Supplier Information:** Suppliers need to be created before setting up punchout catalogs and smart forms.

Additional Activity Needed Outside of Application Setup Manager

- Manage Procurement Content.
- Set up and maintain procurement content including local content, supplier web stores, smart forms, public shopping list, and informational web resources.
- Organize and secure the content.

Catalog Work Area Tasks

Catalog administrators use the Catalog work area to set up and maintain catalogs.



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The screenshot depicts part of the Catalog work area. The Tasks panel is open, and lists Catalog tasks such as Manage Agreements, Manage Catalogs, Manage Catalog Category Hierarchy and so on.

Navigator > Procurement > Catalogs

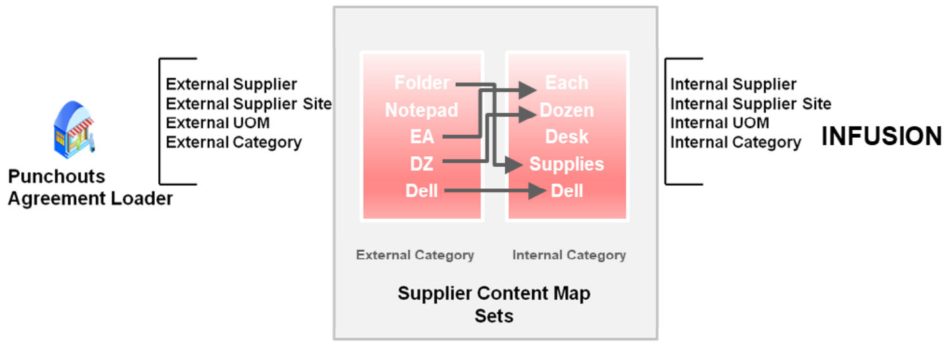
This lesson reviews Catalog tasks in the following order:

- Manage Agreements
- Manage Supplier Content Map Sets
- Manage Catalogs
- Manage Public Shopping Lists
- Manage Information Templates
- Manage Smart Forms
- Manage Content Zones

The Catalog Category Hierarchy can be created and managed from both Setup and Maintenance and Catalogs work areas. The Manage Catalog Category Hierarchy task was covered earlier this lesson in the Defining Self Service Procurement Configuration task group in Setup and Maintenance.

Supplier Content Map Sets

- Supplier Content Map Sets are a set of maps used to convert values received from a supplier to values used by the application for punchout and agreement upload.
- These maps allow mapping of external values of supplier, supplier site, unit of measure, and category to the corresponding internal values in the applications.



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The diagram depicts the supplier values being remapped using a supplier content map set to values defined in the Procurement BU.

A map set is defined in a Procurement BU, and ADFdi (Application Development Framework Desktop Integration) templates are used to upload the mappings into the system. The ADFdi templates are created in Microsoft Excel 2007 spreadsheets. The spreadsheet can be sent to the supplier to allow the supplier to populate the external values. The Map Set template is launched from the Manage Supplier Content Map Sets page.

The procurement catalog administrator can map content (values for category, UOM, supplier and supplier site) received from a supplier to internal values used by the application. ADFdi provides online integration to allow selection of internal values.

After creation, a map set can be associated with punchout catalogs, or selected for use when uploading agreements lines through the agreement loader. In the case where a map set is intended for use with an agreement, or for association with a catalog that punches out to a supplier site that sells only the supplier's own products, only the Category and UOM maps will be relevant. In the case where a map set is meant to be associated with a catalog that punches out to an aggregator site, all four maps, Category, UOM, Supplier, and Supplier Site, will become relevant in the mapping process.

For each procurement BU, an existing map set can be set as the Default map set.

ADFdi allows suppliers who do not have access to the procurement application to still be able to provide their data to the catalog administrator. In addition, it allows the catalog administrator to take advantage of Excel's capabilities and to manipulate large amounts of data.

Using Supplier Content Map Sets with Agreement Loader

A map set can be used when uploading agreement lines. The applicable attributes that can be mapped are category and unit of measure. The values as stated in the upload file are considered external values in this mapping process. When uploading agreement lines, the user can indicate if a mapping should be applied to map the external value to a corresponding internal value for the attribute.

If the user chooses to apply a mapping, a map set must be specified.

1. If a default map set is set up for the procurement BU, the value is defaulted. The user can override the value.
2. If no default map set is set up for the procurement BU, the user must then select a map set.

The following steps are used to determine a mapped internal value for the attribute:

1. If a map set is specified, the map set will be searched during the mapping process to identify a matching external value to the attribute being mapped. If a match is found, the mapped internal value is used for further processing.
2. If the external value is not found in the specified map set, the default map set for the Procurement BU of the agreement line will be searched for a matching external value. If a match is found, the mapped internal value is used for further processing.
3. If the external value is still not found in the default map set, then the external value is not mapped, and is used as is for further processing.

Demonstration 10-4

- Creating a Category Map

Managing Catalogs

Catalog Types

- **Local Catalog:** A local catalog is defined by inclusion and exclusion of blanket purchase agreements and categories. The administrator can also choose to include all item master items not sourced through agreements in the local catalog.
- **Punchout Catalog:** Self Service Procurement supports punchout to supplier sites such as Oracle Supplier Network through Oracle XML, and cXML protocols. Oracle Supplier Network also supports the capability to download catalog definitions.
- **Informational Catalog:** You can use informational catalogs to provide instructions to employees on how to order products. Administrators use the informational catalog page to provide the URL to the company's page, which can contain such instructions or other links.

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Demonstrations

- 10-5: Creating a Local Catalog
- 10-6: Creating an Informational Catalog

Managing Public Shopping Lists

- Public shopping lists are created by procurement catalog administrators.
- The lists are a collection of items available to preparers and requesters in Self Service Procurement.
  - For example, office supplies, or new hire kits
- The availability of a public shopping list is based on what procurement BU the list is created in, and whether the preparer is granted access to that list.

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Managing Information Templates

- Information templates are used to gather additional information from preparers.
- Information templates can be assigned to items, master items, purchasing categories, and smart forms. Information templates add additional attributes to smart forms to collect additional data.
- The data entered for an information template that is associated with a smart form, item or category, is available as attachments in downstream products (such as Purchasing) after the requisition is approved.

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Information Templates are created in a Procurement BU and are available to Requisitioning BUs serviced by that Procurement BU. In the event where a Requisitioning BU is serviced by multiple Procurement BUs, and more than one service provider had assigned an information template to an item or category, applicable information templates from all service provider Procurement BUs will be returned.

Information templates are available to the preparer if the items or smart forms that the information templates are associated with are available to the preparer.

Procurement catalog administrators can define a unique name for information templates so they are easily identifiable in a smart form.

For example, more than one procurement BU can maintain information templates to collect business card information. The same Display Name and Business card information can be used on these information templates to indicate the purpose of these templates when displayed in Oracle Self Service Procurement. Procurement Catalog Administrators can also define an information template section description or instruction text providing preparers with specific instructions on how to fill out the form.

Demonstration 10-7

- Creating an Information Template

Managing Smart Forms

- Smart forms are configurable templates that make it easier to handle noncatalog requests (the ordering goods or services that are not available in the catalog).
- Catalog administrators can preconfigure smart forms according to the needs of the organization.
- Smart forms help save time and effort for both requester and buyer by making it easier to collect the required information for noncatalog requests.
- Smart forms comprise a list of standard attributes (price, quantity, UOM, supplier, agreement, and so on) required for the noncatalog request. Standard attributes can include predefined read-only values.
- Smart forms can include attributes that are pre-populated with default values, and can be extended to collect additional information by using information templates.
- Smart forms can include description or instruction text, and attachments.

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A catalog administrator can perform the following changes to a smart form:

- Provide an instruction text to assist the requester in completing the request.
- Define default values, such as supplier, agreement, price.
- Specify if an attribute can be updated by the requester in Self Service Procurement.
- Specify an image that will be displayed for the smart form in catalog browsing.
- Assign information templates to the smart form to collect additional information from the requester.
- Associate the smart form with item or browsing categories for catalog browsing.
- Add attachments.

Smart Forms for the Mid-Market

- The mid-market is an important market segment for Oracle Procurement Cloud.
- Many mid-market companies have limited purchasing functional capabilities.
- Limited catalog content means a high level of noncatalog purchases.
- Self Service Procurement noncatalog requests are designed to be used for exception cases, not as a primary ordering tool.
- Set up smart forms for top categories and suppliers to provide an easy-to-use catalog experience.
- Assess if your customer will be relying on noncatalog type purchases. If so, set up a smart form catalog for categories of spend and top suppliers.

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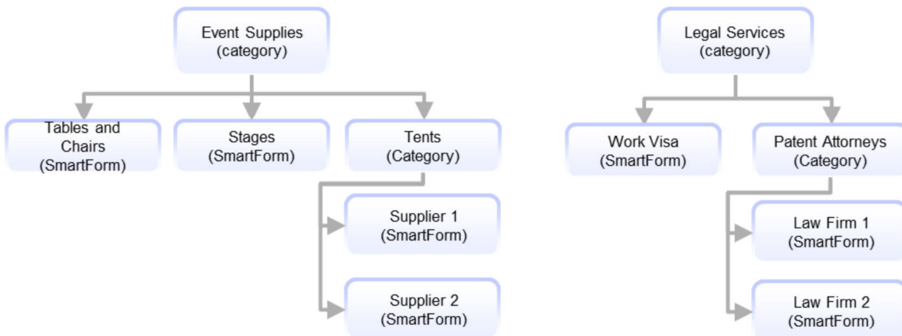
Smart Forms for the Mid-Market

- Smart forms are effective for goods and services. They can be modeled for categories of spend or as specific suppliers.
- They can be accessed in a number of ways.
- Smart forms can be associated with browsing categories in the category hierarchy.



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The diagrams depict examples of categories designated as featured categories for goods and services.

In one diagram, the Event Supplies browsing category organizes event items. It has two child categories to which smart forms are associated. A third child category has two child categories of its own, which are also associated to smart forms.

In the other diagram, document templates and service forms are organized into a hierarchy of browsing categories, with smart forms associated to the child categories.

Smart Forms for the Mid-Market

- Because smart forms can be associated with browsing categories, just like catalogs can, they can be accessed in a number of ways as part of a shopping-like experience.
- Smart forms can be accessed:
  - From the Search Results section after performing a search
  - By clicking Shop by Category, browsing through the category hierarchy, and selecting a browsing category to which smart forms have been associated.
  - From the Top Categories section of the Requisitions page, by selecting a category to which smart forms have been associated.
  - Directly from the Request Form section of the Requisitions page.

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Demonstration 10-8

- Creating a Smart Form

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Managing Content Zones

Enterprises that manage a large set of goods and services in their procurement system need control of what content buyers, self service requesters and advanced procurement requesters can access.

- The content security model determines what subset of the content will be accessible to which users in the procurement system.

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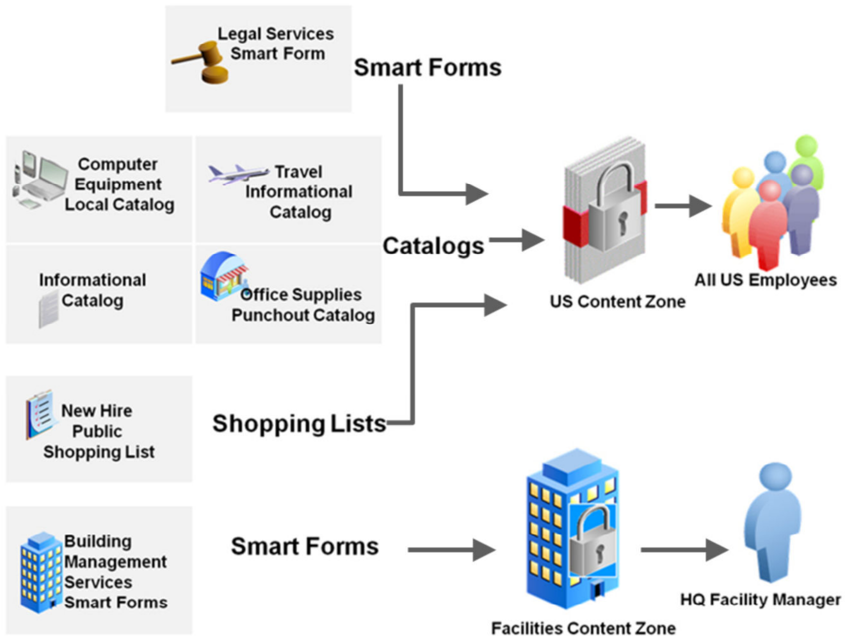
Managing Content Zones



 10 - 36

The diagram depicts various types of content (such as catalogs, informational catalogs, shopping lists and smart forms) grouped for availability in the US content zone for use by all US employees. A separate facilities content zone presents building management related smart forms to the HQ facility manager.

Administrators first define the catalog content and then make the content available to a user or groups of users through content zones.

Content types secured by content zone:

- local catalogs
- punchout catalogs
- informational catalogs
- smart forms
- public shopping lists

Administrators associate content to content zones, which are made accessible to one or more users either directly, or through requisitioning BUs.

Note: Users will not have access to content that is not associated to a content zone.

There are two types of content zones:

- **Requisitioning:** Applies when users are shopping in Self Service Procurement with the intent of creating requisitions, or when buyers are replacing requisition lines while processing requisition.
- **Procurement:** Applies when buyers are searching the catalog with the intent of adding items to blanket agreement or to a purchase order; it is also applicable when the catalog administrator is creating or maintaining a public shopping list.

The following security options are available depending on the content zone usage:

- **Secured by requisitioning BU:** This option is available when the content zone is used for requisitioning, which means that it applies to buyers processing requisitions, self-service requesters and advanced procurement requesters. It will be accessible to those requesters who have access to any of the requisitioning BUs assigned to the content zone, and to the buyers when they update lines of requisitions from requisitioning BUs assigned to the content zone.
- **Secured by worker:** This option is always available for procurement or for requisitioning. The content zone will be accessible only to those workers assigned to the content zone.
- **Available to all procurement users:** This option is available when the content zone is used for procurement, which means that it applies to users managing purchase orders, agreements, or public shopping lists. It will be accessible to all users who have access to the procurement business unit of the content zone.

Demonstrations

- 10-9: Creating a Content Zone
- 10-10: Reviewing Procurement Content

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Practices

- 10-1: Viewing and Creating a Browsing Category Hierarchy
- 10-2: Creating Information Templates
- 10-3: Creating a Smart Form
- 10-4: Creating Catalogs
- 10-5: Creating a Content Zone

Summary

In this lesson, you should have learned to:

- Identify Self Service Procurement setup tasks and profile options
- Manage value sets and descriptive flexfields for information templates
- Create, manage, and secure catalogs
- Describe Supplier Content Map Sets

11

Requisitions

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Instructor lesson and demonstrations: 45m

Student practices: 50m

Total: 95m

Objectives

After completing this lesson, you should be able to:

- Explain the basics of Requisition Management
- Manage requisitions

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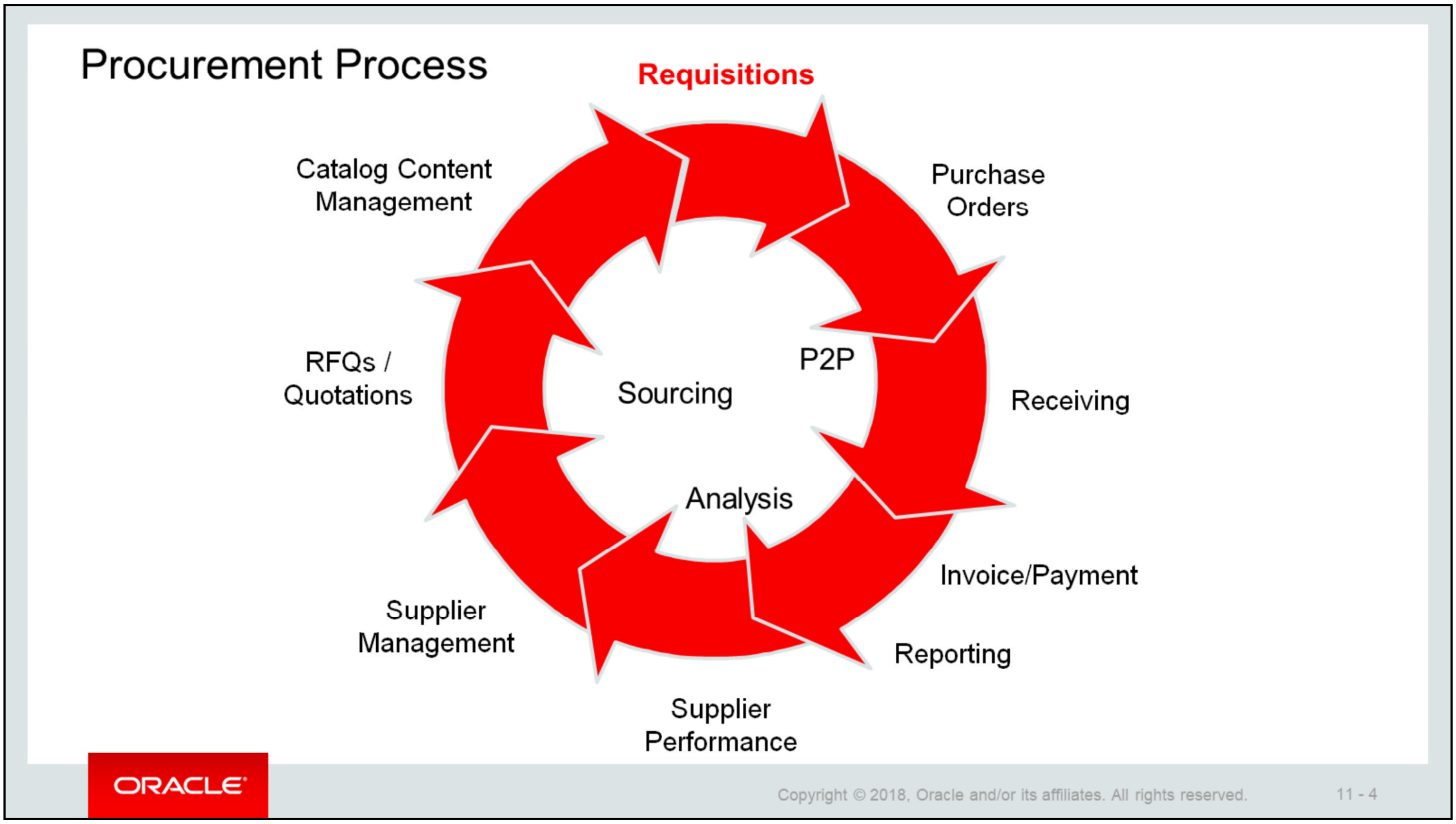
Topics

- Procurement Process
- Managing Requisitions



The diagram depicts the typical stages of the procurement process, which are in a circular sequence. They are: Catalog and Content Management, Requisitions, Purchase Orders, Receiving, Reporting, Supplier Performance, Supplier Management, RFQs/Quotations, and back to Catalog and Content Management. Stages are grouped into Sourcing, P2P and Analysis.

Procurement Life Cycle

The procurement process can take several forms based on your business practices. But a broad generalization can be summarized by the graphic.

There are many “standard” definitions of portions of the procurement process such as Procure-to-Pay and Source-to-Settle. In reality, the actual process is determined by the business requirements of the enterprise. For the sake of discussion, in this course, we will focus on two process flows which Oracle refers to as Procure-to-Pay and Sourcing.

Oracle Self-Service Procurement Cloud

- Encourages user adoption
- Improves requisitioning efficiency
- Helps users find what they need
- Improves buying decisions

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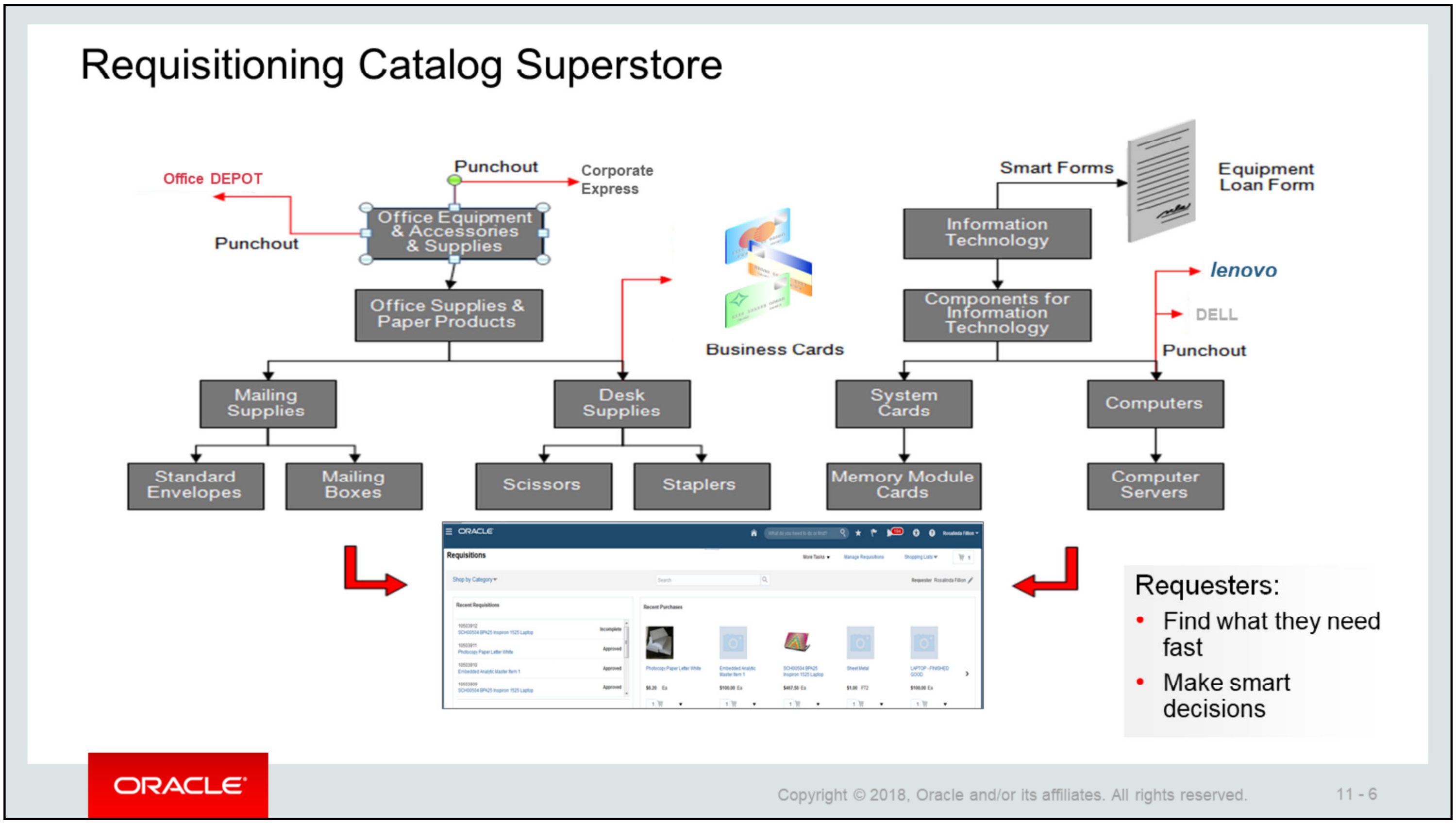

The diagram depicts examples of various categories in a hierarchy that contain items that can be ordered on the Requisitions page. These include office supply items from punchout catalogs accessed through categories such as Office Supplies & Paper Products, items source internally, such as business cards in the Desk Supplies category, and an equipment loan smart form, accessed through an Information Technology category. The diagram includes an image of part of the Requisitions page, into which all the categories are linked through the hierarchy.

As you learned in the lesson about managing catalogs, the catalog structure allows users to search for all content regardless of how the content is grouped.

Requesters can find what they need, place orders quickly, and buy more off-contract items.

Requisition Management

- Searching the Catalog
  - Local Catalog
  - Punchout Catalog
  - Local Punchout Search
- New Supplier Request
- Submitting Requisitions for Approval
- Requisition Line Management
- Reassigning Requisitions
- Updating Requisitions
- Purchase Request Web Service

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Catalog Search

Requesters can search for items in the local catalog, punchout catalogs, or can search for punchout items locally and then navigate to item details on the supplier punchout site.

Requesting New Suppliers

Requesters can request new suppliers during requisition creation and initiate the new supplier approval process for that supplier.

Submitting Requisitions

When the requester submits the requisition, it immediately goes through the appropriate approvals. Approvals are either predefined, or set up by your company. You will learn more about defining approvals in another lesson of this course.

Requisition Line Management

Buyers can return one or more lines without returning the entire requisition. Requesters can also withdraw one or more lines while others continue to be processed.

Reassigning Requisitions

Buyers can reassign requisitions to other buyers.

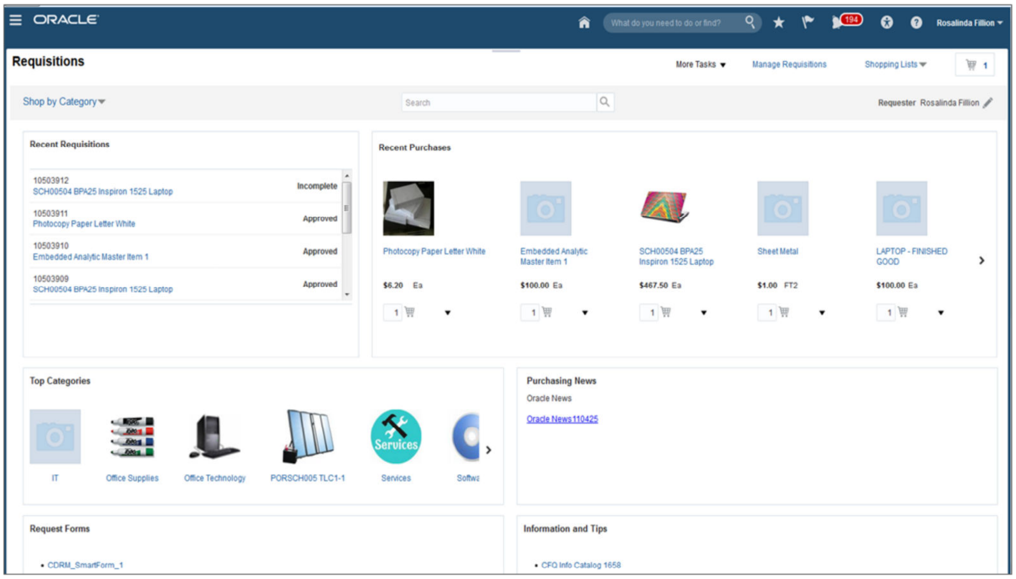
Updating Requisitions

If an employee leaves the company, managers can perform a mass-update of that employee's requisitions to assign a different requester.

Purchase Request Web Service

Use the Purchase request web service to allow external applications to send requests to procurement so it can create and control requisitions. This web service supports create, populate, submit, change and hold operations.

Shopping in Self Service Procurement



11 - 9

The screenshot depicts the Requisitions page. Various sections are shown including Recent Requisitions, Recent Purchases, Top Categories, Purchasing News, Request Forms, and Information and Tips.

Navigator > Procurement > Purchase Requisitions

The **Requisitions page** provides a visually directed experience to access items by:

- Browsing categories (organized in a hierarchy)
- Using search
- Choosing from a list of recently purchased items
- Choosing from a list of recently viewed items
- Browsing by Top Categories (categories configured with Featured Category selected set as seen in the Catalogs lesson).
- By items selecting from shopping lists, both public and private

The Requisitions page also provides access to:

- Shopping cart, which contains items currently selected for purchase, but not yet submitted in a requisition.
- Purchasing News
- Smart forms
- Information and Tips

Catalog

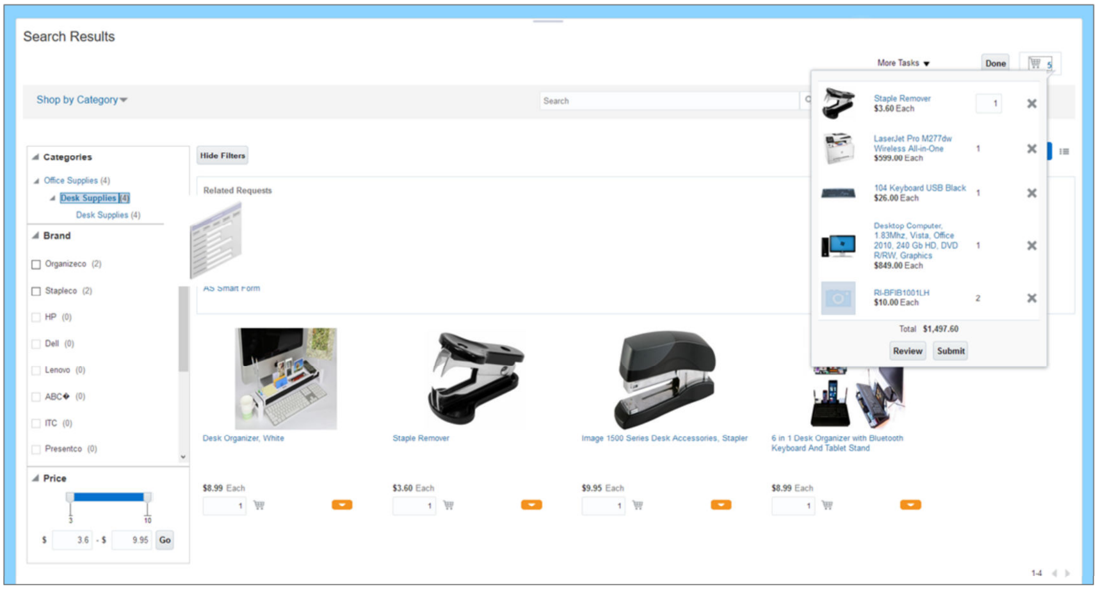
Users can shop for items made available from internal and external sources based on the organization’s needs. Catalog content can be shared across multiple requisitioning business units without duplicating the content.

Shopping Results

Requesters search for, compare, and select items that they need to purchase. They can also navigate to punch out supplier-hosted or marketplace-hosted catalogs to shop.

Requesters can quickly select items to add to a requisition. Before submitting for approval, they can update quantities, billing information, and delivery information.

Finding and Adding Items to the Shopping Cart



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 11 - 11

The screenshot depicts the Search Results page after having clicked the Desk Supplies category. Items such as a smart form, a desk organizer, and a number of staplers are shown. The contents of the shopping cart are displayed. It includes a number of items and displays the total cost for the contents of the cart.

Navigator > Procurement > Purchase Requisitions > enter search term > Search –or- Navigator > Procurement > Purchase Requisitions > click a category

Search results are presented in an easy-to-navigate list which can be sorted by Relevance, Highest Price, and Lowest Price. Search results can be filtered Category, Brand and Price range.

Navigate to other categories by clicking a category in the Shop by Category hierarchy.

Shopping Cart

Items wanted for purchase are added to the shopping cart. Click the shopping cart icon to view the contents of the cart. Change quantities or delete items and continue shopping. Click Review to set delivery specifications such as requested delivery date, and to submit the requisition.

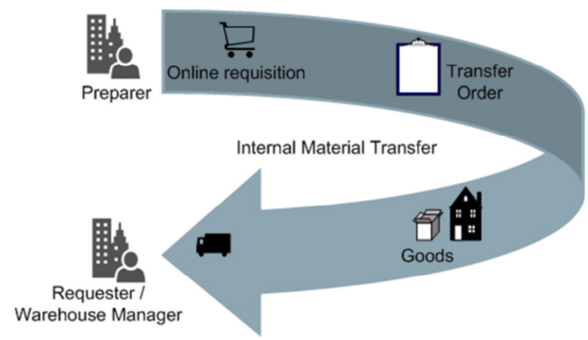
Additional Requisition Pages

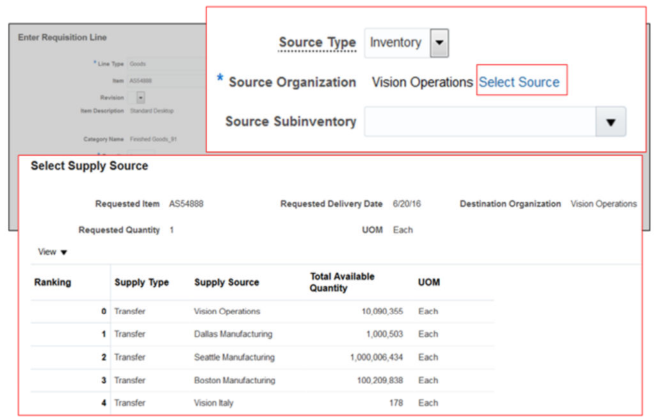
- Product Compare Page
- Product Details Page
- Smart Form Page
- Noncatalog Request Page
- Add Requisition Line Page
- Update Requisition Preferences Page

Internal Material Transfer

Internal material transfers originate with an online requisition:

- Request of supplies to be delivered to a self-service user's desk
- Request for shipping material from a distribution center to a warehouse





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11 - 12

The diagram shows the workflow from the Preparer, who creates an online requisition, which triggers a transfer order. Goods are shipped to the Requester or Warehouse Manager. Screenshots depict the capability to select a supply source for inventory items when entering an internal material transfer requisition line.

Self Service Procurement integrates with Oracle Supply Chain Management Cloud to support internal material transfers, a transfer of material internal to a company. For example, organization A transfers material to organization B; or a central store delivers material to an expense location (i.e. a requester/preparer).

Internal material transfers originate in Self Service Procurement when a user manually creates a requisition for items going to either an expense or an inventory destination. The items may come from a subinventory within the destination inventory organization, or from another inventory organization.

There are two types of users that create manual requests:

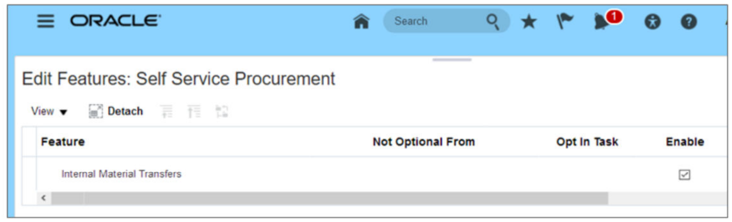
- Self Service Procurement user, who does not know how the item will be sourced, and is indifferent to the source.
- Knowledge user, such as a warehouse manager, who may not know how the item will be sourced, or may want to specify the preferred source from a list of sites.

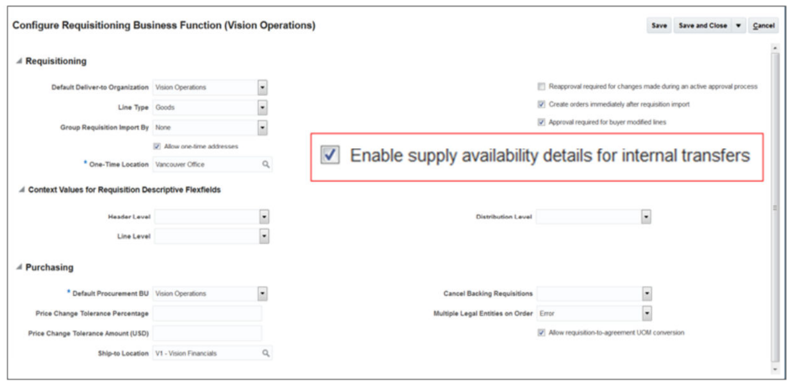
Optionally, the advanced procurement requester can use the Select Supply Source dialog to manually select a source organization from a ranked list.

Implementing Internal Material Transfer

To implement Internal Material Transfers:

- Enable the feature for the Self Service Procurement functional area
- Assign required privileges
- Optionally make available quantities visible
- Set up approval routing for internal material transfers





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The Edit Features page is depicted, showing that the Enable check box for the Internal Material Transfers feature is selected. The Configure Requisitioning Business Function page is depicted, with emphasis on the Enable supply availability details for internal transfers check box, which is selected.

Navigator > My Enterprise > Offerings > Opt-in features > Procurement offering > Self Service Procurement row > Features

The Internal Material Transfers feature must be enabled for the Self Service Procurement functional area for it to be used.
The following privileges are required for users to work with Internal Material Transfers:

- Create Requisition for Internal Material Transfers
- Get Internal Transfer Requesting Organization Price - enables obtaining of transfer prices from the requesting organization for an internal transfer order
- Manage Inventory Transfer Order - allows the management of inventory transfer orders

Navigator > Others > Setup and Maintenance > Procurement offering > Procurement Foundation > Configure Requisitioning Business Function

The Configure Requisitioning Business Function setup task is accessible from the Setup and Maintenance work area.

The enable supply availability details for internal transfers option makes the inventory organization's available quantity visible in the Select Supply Source window. This helps users who manually select the source of supply when creating requisitions for internal material transfers.

Approval routing can be configured for Internal Material Transfers using the 'internal transfer requisition' approval attribute.

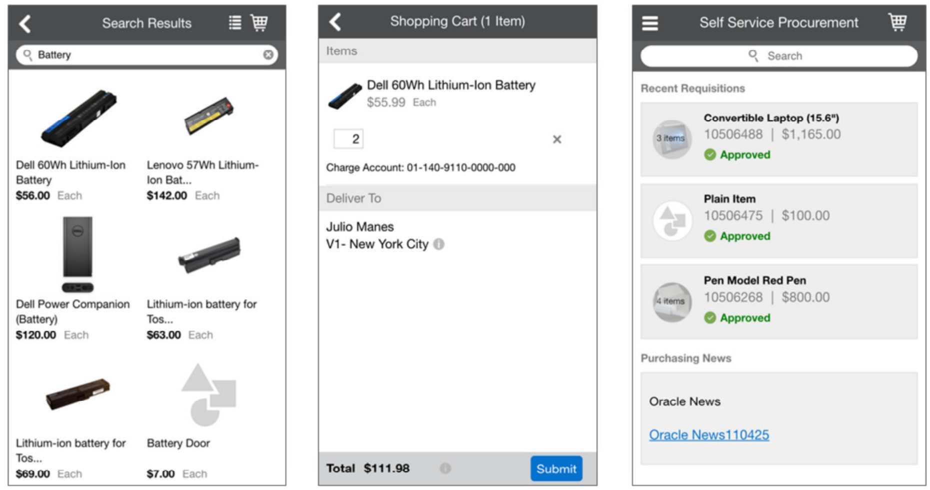
Resources

Documentation

- Oracle Procurement Cloud: Using Procurement
- Oracle Procurement Cloud: Implementing Procurement
- Oracle Supply Chain Management Cloud: Implementing Manufacturing and Supply Chain Materials Management

Self Service Procurement Mobile Application

- Available for Android and IOS smart phones and tablets
- Search for items and submit requisitions for approval
- View recent requisitions
- View news from your purchasing organization



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The screenshots depict the Self Service Procurement mobile application. The Search Results screen is shown after performing a search on the word battery, with a number of battery items shown as the result of the search. The Shopping Cart screen is shown with a battery selected as part of a requisition. Quantity, charge account and delivery information are shown. The Self Service Procurement home screen is shown. The most recent approved requisitions are shown in the Recent Requisitions section, and a link to Oracle News is provided in the Purchasing News section.

Using the mobile application, employees on the go can easily and quickly search catalog content and create requisitions from their smart phones or tablets.

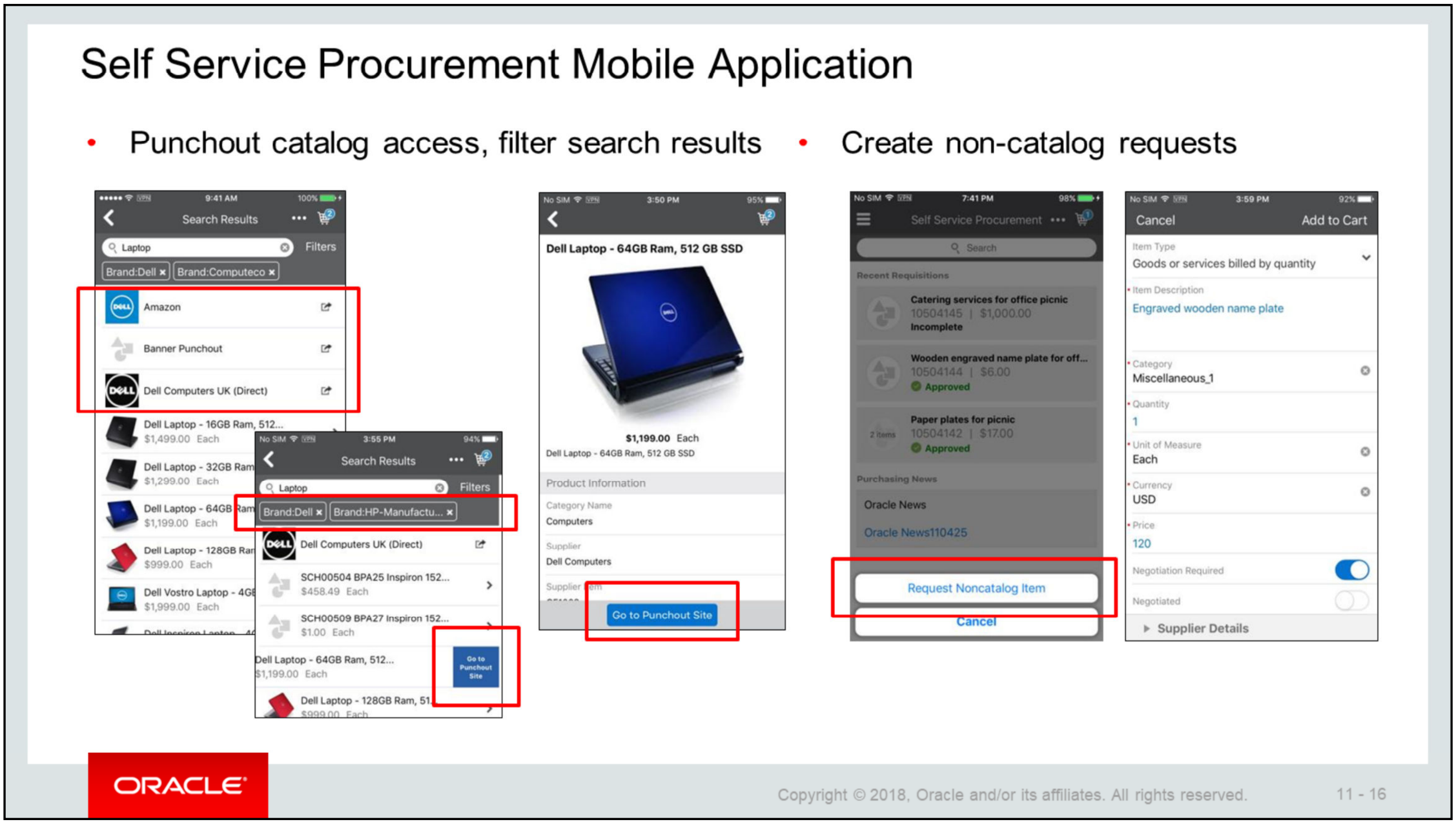
Requisitioning items using the mobile application is similar to personal shopping on ecommerce websites with features like keyword search and category filters.

The mobile application includes the ability to view item details, view status of recent requisitions, and keep up-to-date with purchasing news.

Business controls and validation function the same as with the web-based application. For example, when submitting a requisition, a valid charge account will be verified and budgets will be validated (where budgetary control is enabled). The submission process also includes routing for approval.

The mobile application uses the same user accounts as the main Procurement application. Users must configure the application with the URL for your installation, and the port number. A Mobile Application Rollout Kit is available in My Oracle Support to make it easier to get mobile users up and running.

Use the POR_CREATE_REQUISITION_VIA_MOBILE_APP_PRIV privilege to grant access to the Mobile application and the ability to shop using the application.



The screenshots depict the Self Service Procurement mobile application. Three methods of accessing a punchout site from the mobile app are illustrated – by tapping the name of a punchout catalog, such as Dell Computers UK, in the Search Results, by swiping an item and tapping Go to Punchout Site, and by tapping Go to Punchout Site from an item detail screen.

Search result filtering by multiple brands is illustrated.

The Request Noncatalog Item button on the Search screen is illustrated. A non-catalog request screen is illustrated, showing details such as Item Type, Item Description and so on.

With the mobile app, you can:

- Filter by Brand: Filter search results by brand to find items quickly.
- Access Punchout Catalogs: Add items from to requisitions from external supplier's punchout sites.
- Request Non-Catalog Items: Requisition goods and services that are not available in the catalog.

Resources

Documentation

- Oracle Procurement Cloud: Using Procurement (includes chapter on the Self Service Procurement Mobile application).
- Rollout Kit for Oracle Fusion Self Service Procurement Mobile Application - Oracle Support Document 2414470.1
  https://support.oracle.com/epmos/faces/DocumentDisplay?id=2414470.1

Supported SCM Flows

- Drop Ship
- Back to Back
- Configure to Order

Attend the SCM training for details on these flows and requisition functionality provided.

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Resources

Training

- Oracle SCM Cloud: Advanced Supply Chain and Fulfillment Techniques

Documentation

- Oracle SCM Cloud: Implementing Manufacturing and Supply Chain Materials Management (includes Back-to-Back and Contract Manufacturing setup)
- Oracle SCM Cloud: Implementing Order Management (includes Drop Ship setup).

Demonstrations

- 11-1: Requisitions

Practices

- 11-1: Creating a Requisition
- 11-2: Duplicating a Requisition
- 11-3: Reassigning a Requisition
- 11-4: Canceling Requisition Lines
- 11-5: Withdrawing and Editing a Requisition That Is Pending Approval
- 11-6: Creating and Modifying an Approved Order
- 11-7: Comparing and Purchasing Between Local and Punch Out Search Index Catalogs

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Summary

In this lesson, you should have learned the basics of requisition management.

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Purchase Orders

Instructor lesson and demonstrations: 60m

Student practices: 60m

Total: 120m

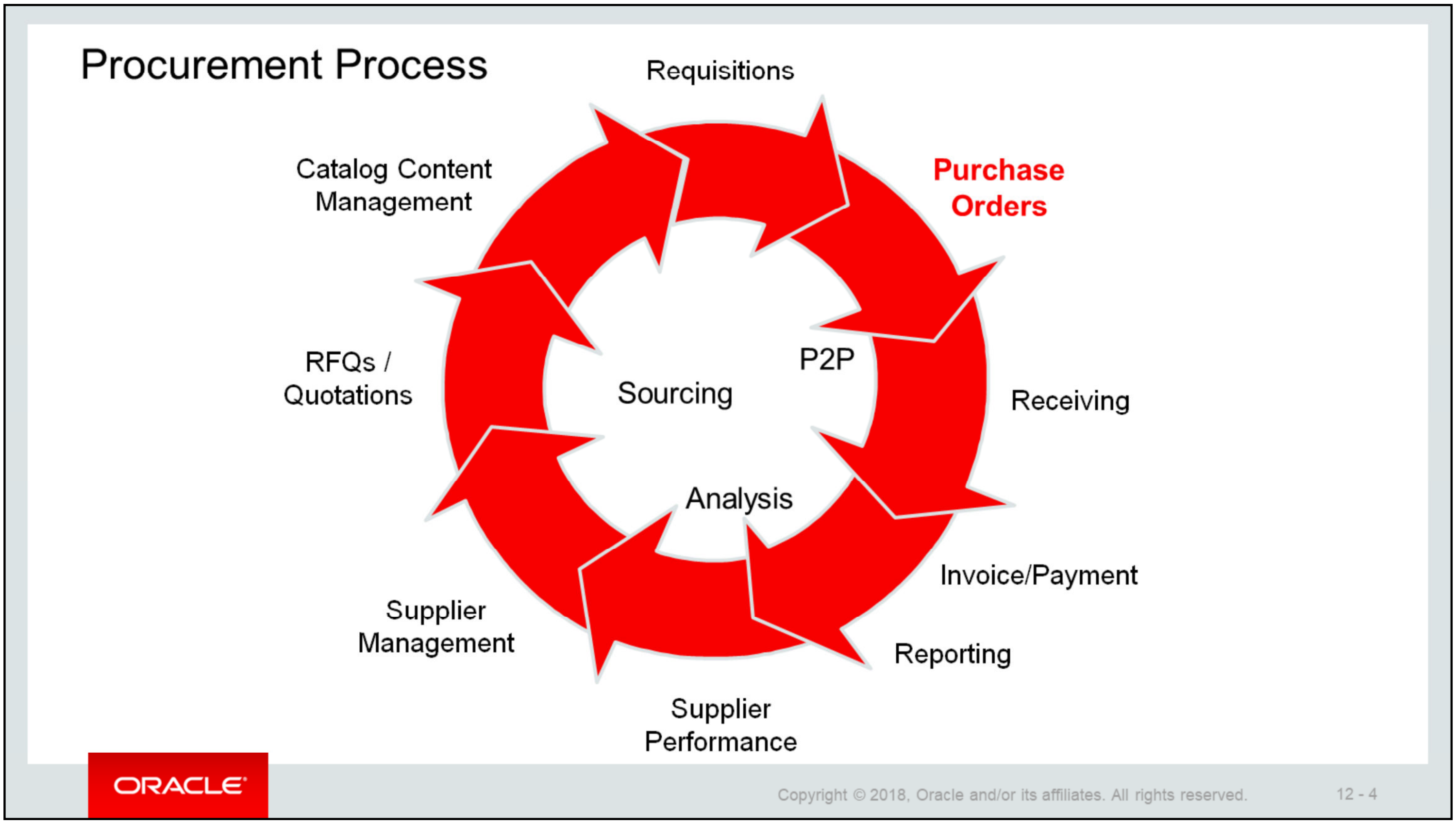
Objectives

After completing this lesson, you should be able to:

- Explain the components and use of purchase orders
- Create a purchase order
- Maintain purchase orders
- List the setup options related to purchase orders

Topics

- Purchasing Overview
- Purchase Order Overview
- Purchase Order Creation
- Change Orders
- Supply Chain Integration



The diagram depicts the procurement life cycle as a continuous, circular process flow, with major subdivisions including supplier sourcing and agreements, procure-to-pay, and reporting and analysis. The procure-to-pay section includes requisitions, purchase orders, receiving, invoicing and payments. This lesson focuses on purchase orders.

Procurement Life Cycle

The procurement process can take several forms based on your business practices. A broad generalization is summarized by the graphic.

There are many standard definitions of portions of the procurement process such as Procure-to-Pay and Source-to-Settle. In reality, the actual process is determined by the business requirements of the enterprise.

Oracle Purchasing Cloud

Foundation for Oracle Procurement Cloud

- Providing a comprehensive set of purchasing applications:
  - To automate and control an organization's purchasing activities across the entire purchasing process
- Improving how organizations manage their business:
  - With information-driven actions to enhance purchasing transactions and supplier management while significantly lowering supply management costs
- By unifying best-in-class purchasing capabilities:
  - From Oracle E-Business Suite, JD Edwards, and PeopleSoft into a single suite

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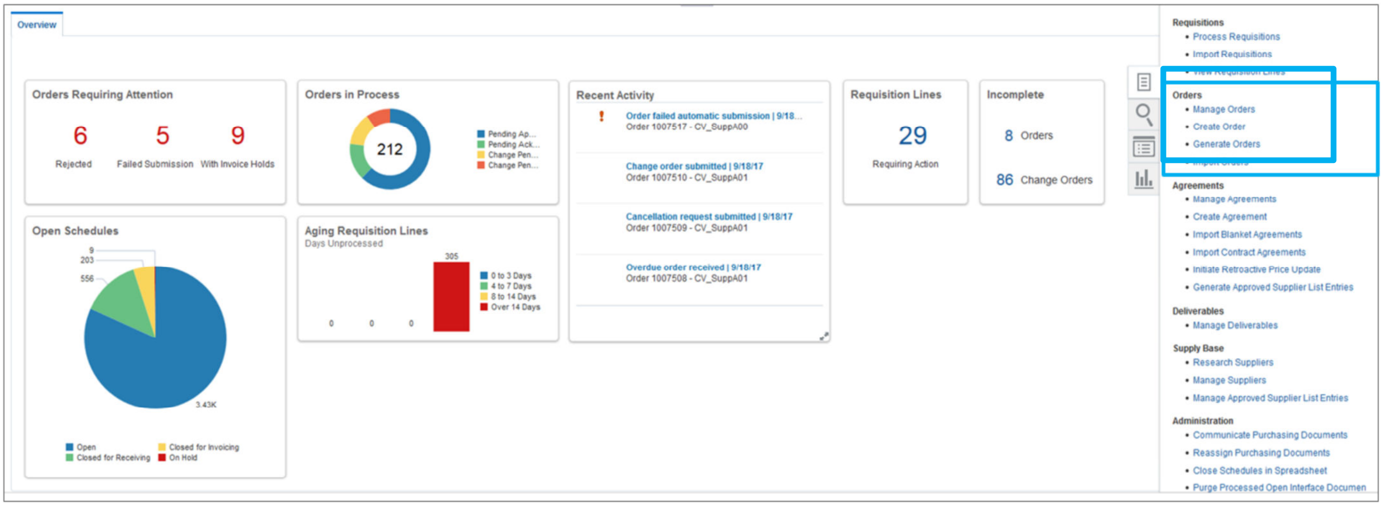
Purchase Orders Overview and Tasks



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Navigator > Procurement > Purchase Orders work area

The screenshot depicts the Purchase Orders work area's Overview page.

Purchase Orders Work Area

Key benefits of the Purchase Orders work area include:

- Role-based infolets provide highly visual, analytically driven information for buyers
- View outstanding workload; such as incomplete orders and aging requisition lines
- Monitor orders with transaction exceptions; such as those rejected, failing submission or with invoice holds
- Easily access purchase order management tasks to act on orders

Purchase Order Infolets

The following infolets are available to provide improved insight into orders:

- **Incomplete Orders:** Displays counts of incomplete orders and change orders that are assigned to the buyer.
- **Open Schedules:** Shows the number of active order schedules by schedule status.
- **Orders in Process:** Shows the total number of orders and change orders in process, and also shows counts by order status.
- **Orders Requiring Attention:** Displays counts of purchase orders that might require a buyer's attention, such as orders rejected or invoice holds.

Purchase Order Infolets

- **Recent Activity:** Provides visibility to recent actions taken on the buyer's orders, such as acknowledgment and receipts.
- **Requisition Lines Requiring Action:** Shows a count of requisition lines in the buyer’s queue.
- **Requisition Lines Days Unprocessed:** Displays the counts of unprocessed requisitions by the number of days they are not processed.

Purchase Orders Versus Supplier Agreements

Purchase Order

- A commercial document that is used to request a seller to supply a product or service in return for payment

Supplier Agreement

- A long-term agreement for the purchase of goods and services from a supplier

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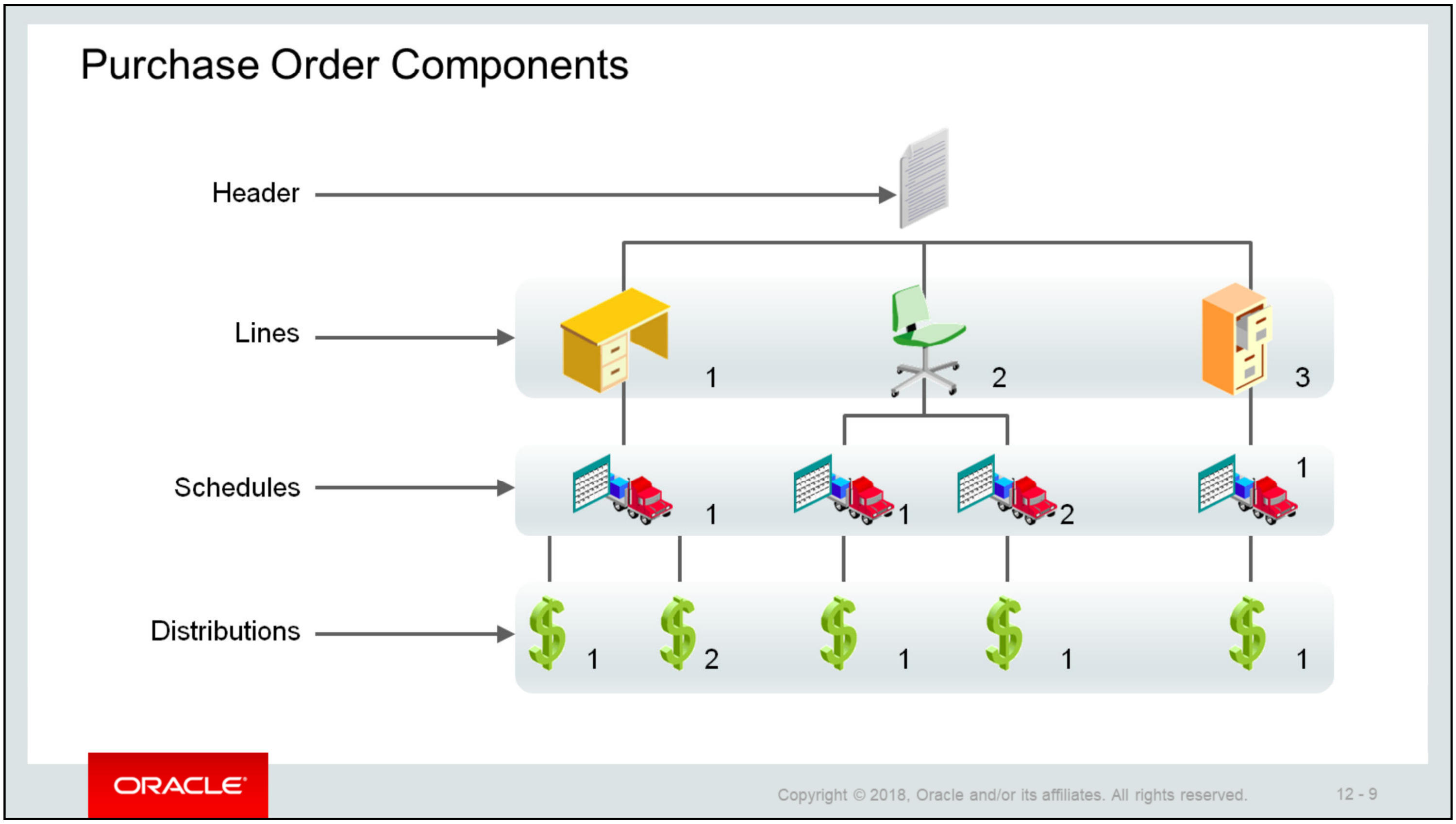


The diagram depicts the structure of a purchase order, which includes four major components: a header and one or more lines, schedules and distributions.

Header

Each purchase order has a header that provides the supplier's name, number and address (through sites), basic ship-to and bill-to addresses (through locations) and a status.

Lines

Use the Lines region to list goods or services ordered, including quantities, price, need-by date, notes to supplier and price reference information. You can order system items or one-time items (a category and description). Even companies who are not inventory-focused can benefit from defining system items to reduce data entry requirements for their staff.

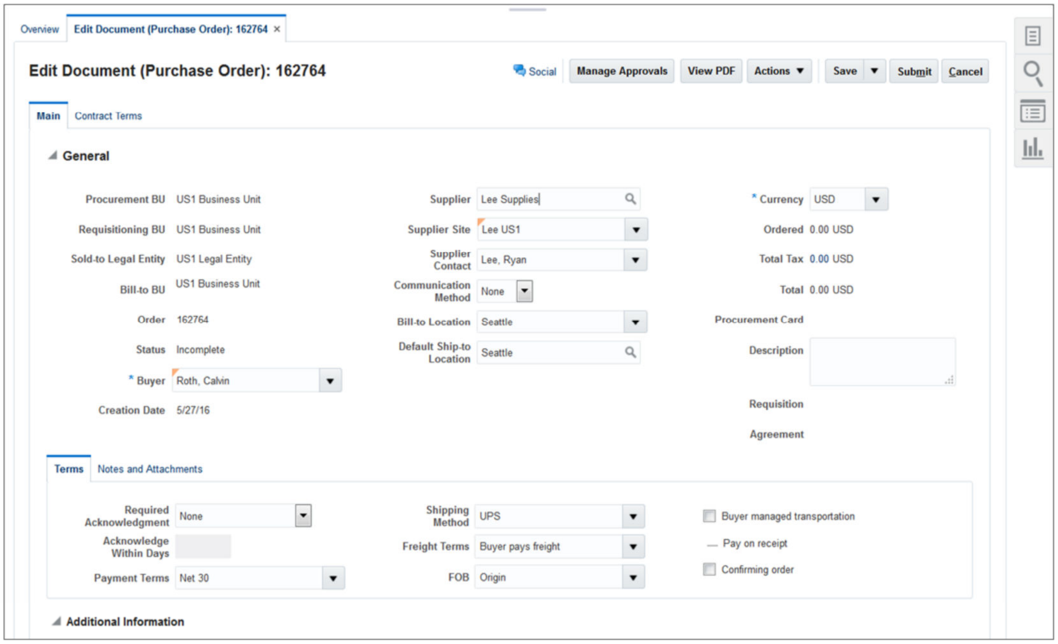
Schedules

Use the Schedules region to specify inventory organizations, ship-to locations and the date you want your supplier to deliver the items on the purchase order line. A purchase order line with a quantity of six items can, for example, have two scheduled shipments on separate dates.

Distributions

Use the Distributions region to enter accounting distribution information for purchase order shipments or to view distributions that Purchasing has automatically created for you. You can enter multiple distributions per shipment line. You can also view the on-line requisitions included on the purchase order or enter information about paper requisitions in this window.

Purchase Order: Main Tab



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Navigator > Procurement > Purchase Orders work area > Tasks panel tab > Create Order task > Edit Document (Purchase Order) page > Main tab.

The screenshot depicts the Main tab in a purchase order, as seen on the Edit Document page.

Note: To manage existing orders use the Manage Orders task from the Tasks panel tab. These tasks are also available in the Purchase Agreements work area.

Overview of Standard Purchase Orders

Generally, you create standard purchase orders for one-time purchases of items when you know the details of the goods or services you require, including costs, quantities, delivery schedules and accounting distributions. Each standard purchase order line can have multiple shipment schedules, and you can distribute the quantity of each shipment across multiple charge accounts, projects, tasks and requesters.

Binding Agreement

The original copy of the purchase order you send to your supplier is a legal offer to buy. A binding purchase contract does not exist until the supplier accepts your offer either by performing the contract (by delivering commodities) or formally accepting the offer by contacting you verbally or in writing. You can record acceptances on behalf of your suppliers or they can do it using Oracle Supplier Portal Cloud.

Fields on Main Tab of Purchase Order

Required Fields

- **Procurement BU:** The procurement business unit that will own and manage the supplier agreement through its life cycle.
- **Buyer:** The defaulted buyer is the employee name associated with the user name of the person creating the purchase order.
- **Currency:** The functional currency defaults. Use the Currency button to change the functional currency if you are using multiple currencies.

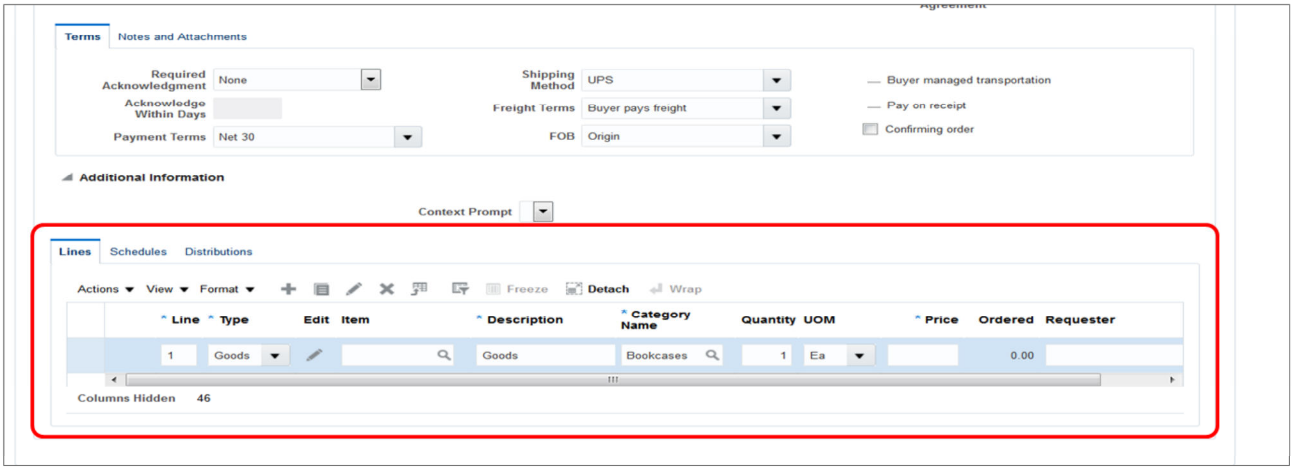
Key Fields

- **Sold-to Legal Entity:** The legal entity that is liable for the purchase order amount.
- **Bill-to BU:** The business unit that processes supplier invoices for the purchase order.
- **Supplier:** The list of values on the Supplier field contains active suppliers.
- **Supplier Site:** The list of values on the site field contains active sites that are designated as purchasing sites.
- **Supplier Contact:** Choose a contact using the list of values if contacts are defined and no contact defaults.
- **Communication Method:** Communicate your purchase orders along with any amendments, attachments, contract terms, and contractual deliverables to suppliers using print, fax, or e-mail.
- **Payment Terms:** Choose one of the defined payment terms which can indicate multiple installments and multiple levels of discounts.
- **Pay on Receipt:** Also known as self billing, invoices are automatically created using a combination of receipt and purchase order information.

Fields of Note

- **Description:** You can enter comments in the 240 character description field. Although the description does not print on the printed purchase order, suppliers can use it if they have access to the system with Oracle Supplier Portal Cloud.
- **Source Agreement:** Supplier agreement that this purchase order is sourced to (was automatically created based on).
- **Required Acknowledgement:** Supplier must acknowledge the pricing and terms of this purchase order before it can be approved.
- **Shipping Method:** Preferred shipper for goods ordered on this purchase order.
- **Freight Terms:** Choose one of the defined freight terms for goods ordered on this purchase order.

Purchase Order Lines



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Navigator > Procurement > Purchase Orders work area > Tasks panel tab > Create Order task > Edit Document (Purchase Order) page > Lines subtab of Main tab

Note: To manage existing orders, use the Manage Orders task from the Tasks panel tab. These tasks are also available in the Purchase Agreements work area.

The screenshot depicts the Main tab of the Edit Document (Purchase Order) page, showing the location of the Lines subtab.

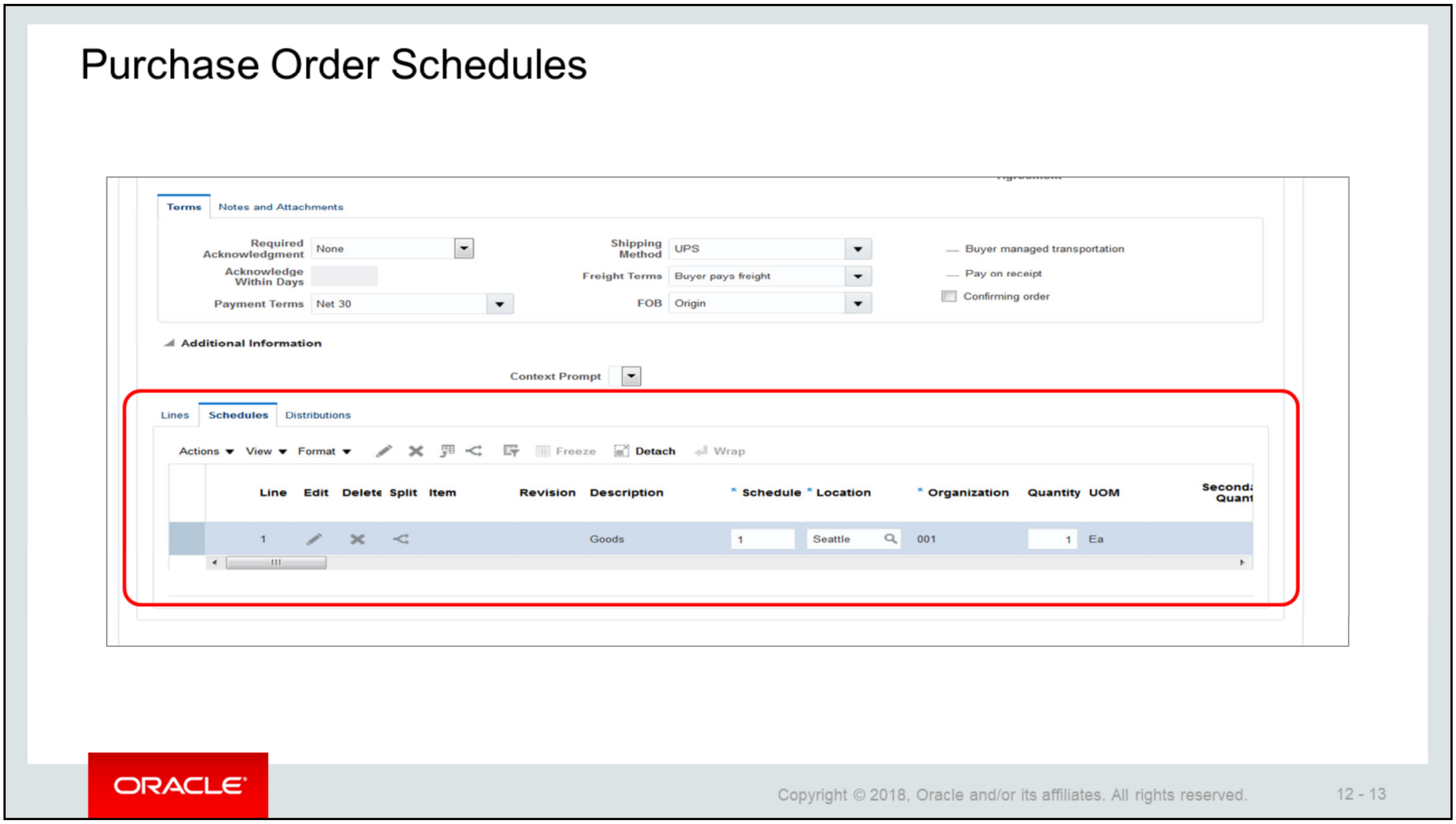
Purchase order lines include details of the goods or services to be purchased from the supplier. Unlike supplier agreements, the line does contain delivery dates, individual delivery quantities, and amounts.

Required Fields

- **Type:** Allows you to differentiate purchases for various commodities such as goods and services.
- **Description:** You must enter either an Item identifier or a description of the goods or services.
- **Category Name:** Select the purchasing category of the item you want to purchase.
- **UOM:** Select the Unit of Measure for the commodity.
- **Price:** Enter a price per unit for the commodity.

Key Fields

- **Need-by Date:** Date that the commodities of this line are required.
- **Expiration Date:** Date this line is no longer effective.
- **Item:** Item identifier that the supplier uses for this commodity.



Navigator > Procurement > Purchase Orders work area > Tasks panel tab > Create Order task > Edit Document (Purchase Order) page > Schedules subtab of Main tab

Note: To manage existing orders use the Manage Orders task from the Tasks panel tab. These tasks are also available in the Purchase Agreements work area.

The screenshot depicts the Main tab of the Edit Document (Purchase Order) page, showing the location of the Schedules subtab.

Schedule Fields on Main Tab of Purchase Order

A purchase order schedule specifies the quantity, ship-to location, date you want your supplier to deliver the items on a purchase order line, and country of origin for the items. Use the Schedules tab to enter multiple shipment schedules for standard purchase order lines.

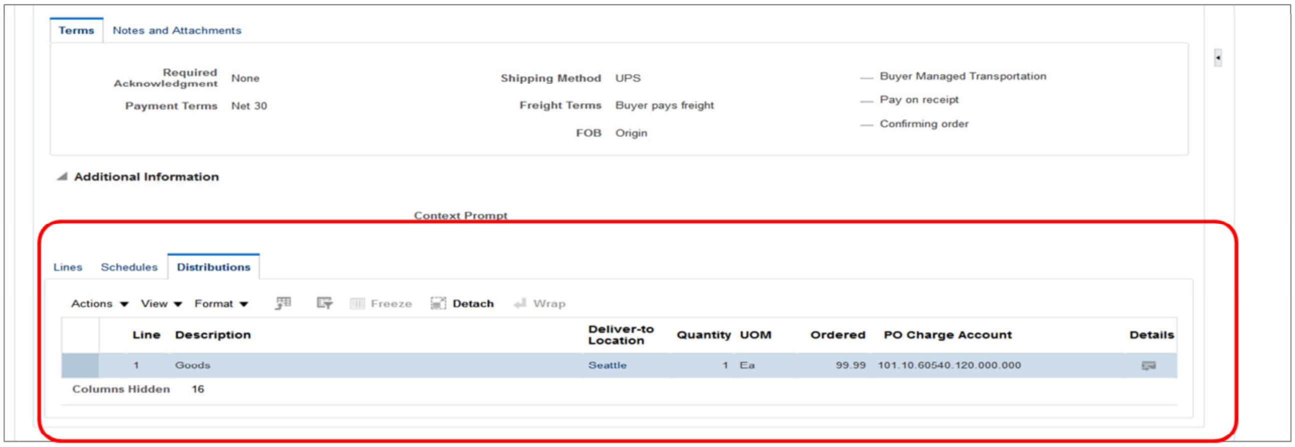
Shipping and Delivery

Each purchase order line has one or more due dates and external delivery locations carried on a schedule. Create a schedule for each unique delivery address and due date. The critical information for a single schedule defaults from the line. For additional schedules the key delivery attributes are ship-to location, quantity, and required date.

Billing

As with the delivery information, if a further breakdown of the billing information is required additional schedules may have to be created for a purchase order line. For additional schedules, the key billing attributes are approval matching and invoice matching.

Purchase Order Distributions



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Navigator > Procurement > Purchase Orders work area > Tasks panel tab > Create Order task > Edit Document (Purchase Order) page > Distributions subtab of the Main tab

The screenshot depicts the Main tab of the Edit Document (Purchase Order) page, showing the location of the Distributions subtab.

Note: To manage existing orders use the Manage Orders task from the task panel tab. These tasks are also available in the Purchase Agreements work area.

Distribution Fields on Main Tab of Purchase Order

A purchase order distribution specifies how the purchase order schedule is to be charged to the organization. The purchase order Distributions tab or page is used to enter distribution information for purchase order schedules or to view distributions that were automatically created for you. You can enter multiple distributions per schedule.

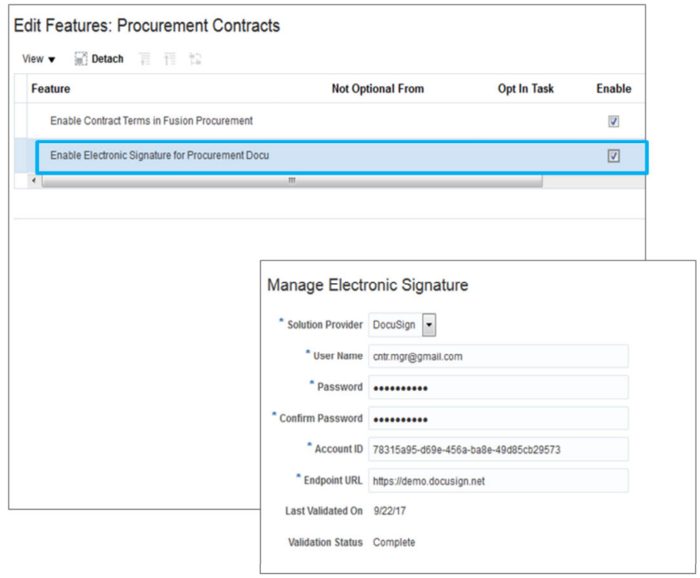
Billing

Enter the purchasing accounts. When you save your changes on this page, the following accounts are automatically created for each distribution:

- **PO Charge Account:** The account to charge for the cost of this item in the purchasing operating unit
- **PO Accrual Account:** The payables accrual account in the purchasing operating unit
- **PO Variance Account:** The invoice price variance account in the purchasing operating unit

Electronic Signature for Purchasing Documents

- Authorized users such as buyers can use the electronic signature feature
- Prepare and send purchase agreements, purchase orders, and change orders to required signers
- Capture formal acceptance of internal users and suppliers



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Navigator > Others > Setup and Maintenance > Procurement offering > Procurement Contracts functional area > Actions menu (on the same line) > View or Change Feature Selection option > Edit Features: Procurement Contracts page

Navigator > Others > Setup and Maintenance > Procurement offering > Procurement Contracts functional area > Configure Electronic Signature for Procurement Documents task > Manage Electronic Signature page

The screenshots depict the Edit Features: Procurement Contracts page, and the Manage Electronic Signature page.

Oracle Purchasing Cloud provides an electronic signature feature your organization can use to capture formal acceptance of internal users and suppliers for purchase agreements, orders and change orders.

To use this feature you must have the Procurement Contracts feature implemented.

To set up electronic signature for purchasing documents complete the following tasks:

1. Your organization must obtain a license from and register with the supported third-party electronic signature provider: DocuSign.
2. As an implementer or Procurement Application Administrator enable the feature in the Procurement offering.
3. Then configure the Manage Electronic Signature page.

After the prerequisite setup is complete, an authorized user such as a buyer can prepare and send a purchasing document for electronic signature:

1. From the either the Purchase Agreements or Purchase Orders work area, create and open a purchasing document.
2. On the Edit Document page, select the Requires Signature check box on the Main tab, Terms subtab.
3. When you are done editing the document, submit it for approval, and acknowledgment if applicable.
4. After approval and acknowledgment are complete, open the document and select the Prepare for Signature option from the Actions menu.
5. Use the Prepare for Signature page to configure the notification email, document PDF, any attachments, and send the email notification to the signers.

Purchasing Document Report

- A PDF format file you use to communicate to the supplier the details of a purchase order or purchase agreement.
- Is typically created electronically following document approval.
- Can be run manually, using the Communicate Purchasing Documents task, in the Purchase Orders or Purchase Agreements work areas.
- Can be viewed by using the View PDF button on the Purchase Agreement or Purchase Order pages.

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Navigator > Procurement > Purchase Agreements or Purchase Orders work area > Task panel tab > Communicate Purchasing Documents task

Configuring Purchasing Document Reports

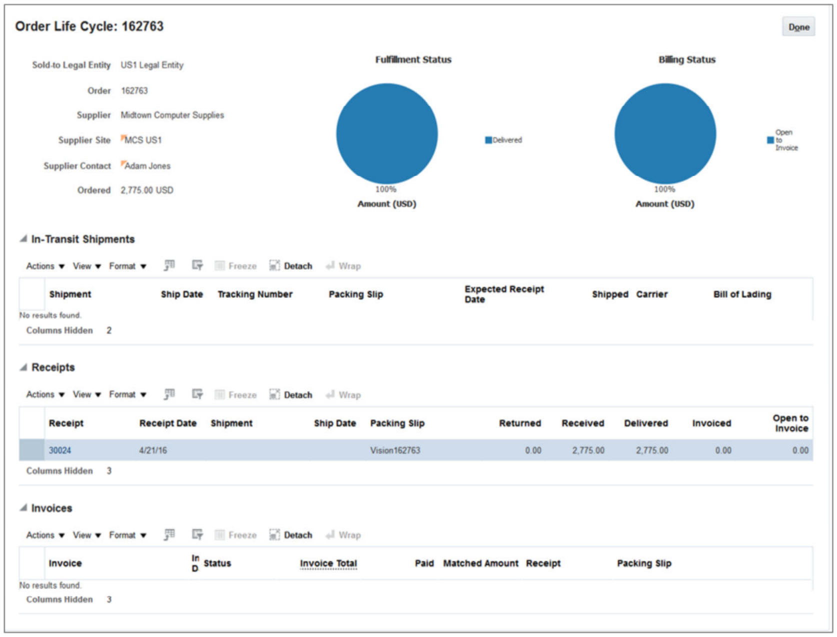
Two predefined purchasing document report templates are delivered:

- Purchase Order PDF Report
- Purchase Agreement PDF Report

As a Procurement Application Administrator with the Data Model Developer role, you can configure your own versions of the delivered purchasing document report templates. Use the report creation capabilities of Oracle Business Intelligence Publisher Enterprise, and Oracle Business Intelligence Publisher Desktop.

For more information, refer to the white paper available on My Oracle Support (MOS): *Document Publishing and Communication in Oracle Fusion Purchasing* (document ID 1610339.1).

Purchase Order Life Cycle



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Navigator > Procurement > Purchase Orders work area > Task panel tab > Manage Orders task > Search for and select a purchase order > Click the Restore Pane button > Click the View Details button

Navigator > Procurement > Purchase Orders work area > Orders Requiring Attention infolet > Click a number value for a category > Manage Orders page > Schedules tab > Highlight the line for an order > Click the Life Cycle icon

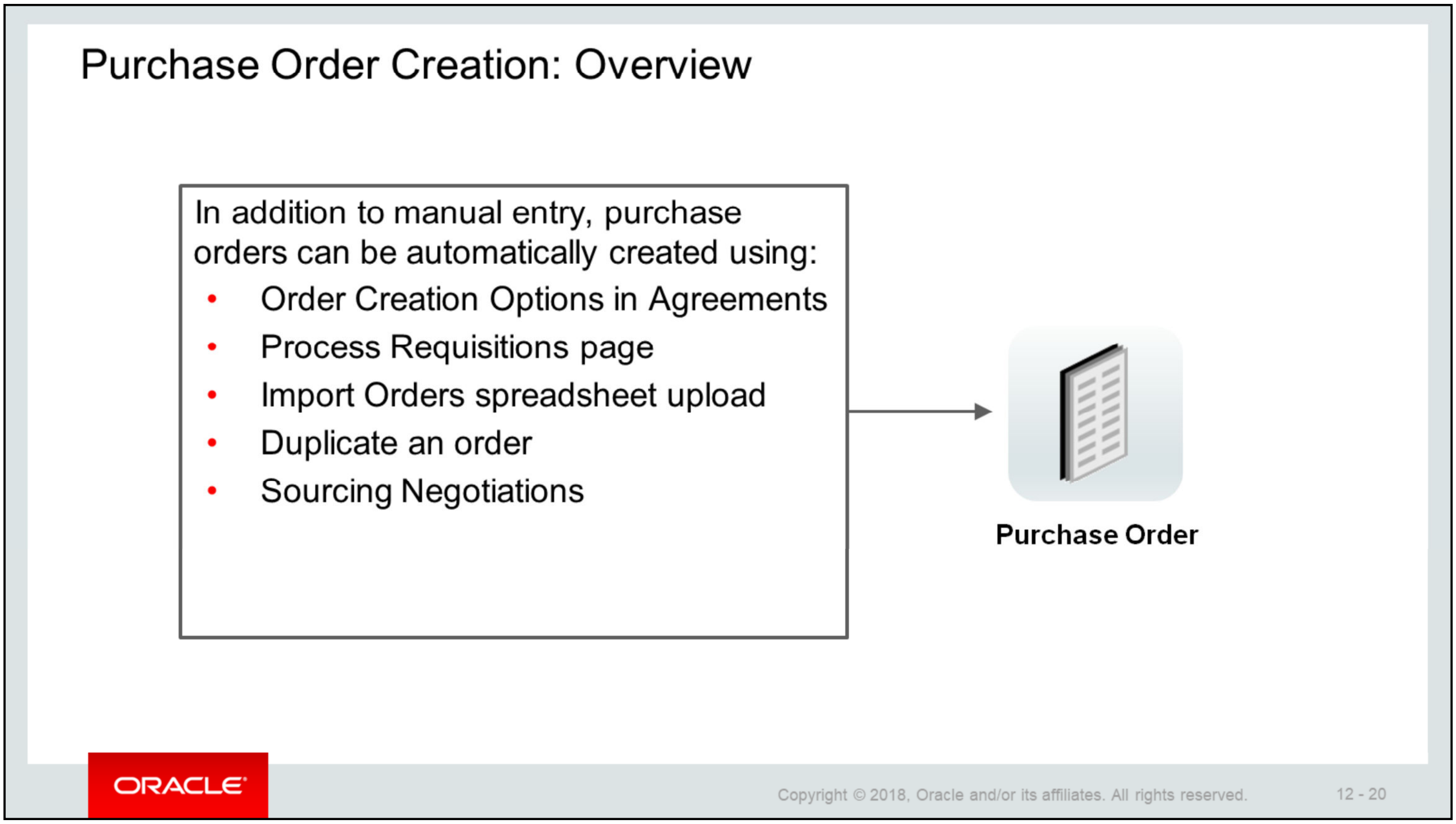
The screenshot depicts the Order Life Cycle page.

The Order Life Cycle page displays summary information for a selected purchase order, including:

- Order Header Details
- Fulfillment Status
- Billing Status
- In-Transit Shipments
- Receipts
- Invoices

Demonstration 12-1

- Purchase Order - Overview



Purchase Order Creation

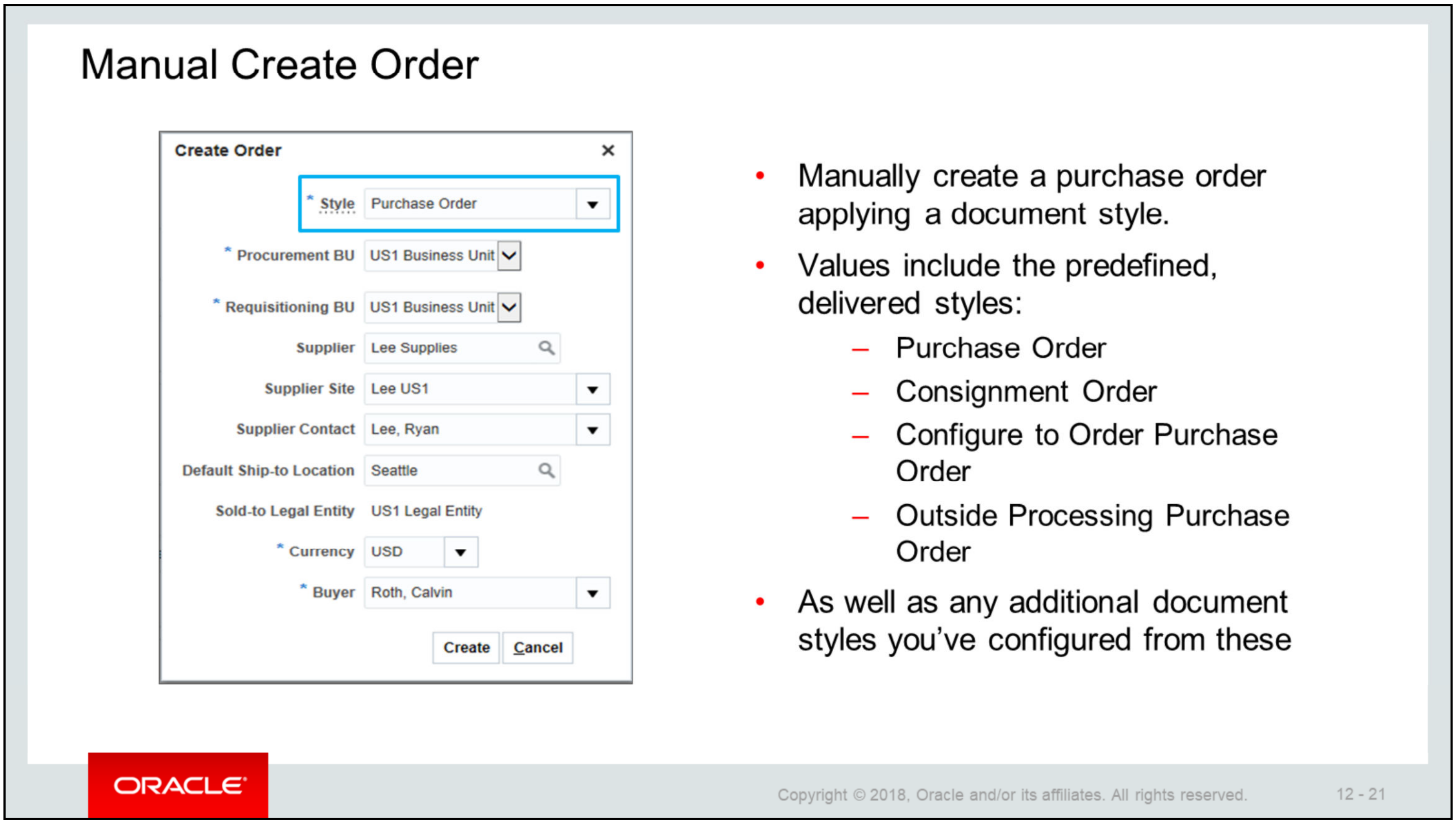
The diagram depicts the several ways to create a purchase order.

This includes the three main ways to create a purchase order:

- **Manual Entry:** Created by a buyer, without a requisition.
- **Process Requisition:** Buyer intervention required to process a requisition that is not processed automatically.
- **Automatic:** Created automatically from a requisition, using order creation options set in supplier agreements. No buyer intervention is required. A supplier agreement must be set up for automated processing.

Additional ways to create purchase orders include:

- Import Orders spreadsheet upload.
- Create a duplicate copy of an existing order.
- Create an order from the outcome of a sourcing negotiation.



Navigator > Procurement > Purchase Orders work area > Task panel drawer tab > Create Order task

The screenshot depicts the Create Order dialog box. To use the dialog box to create a purchase order, you must enter the required fields: Style, Procurement BU, Requisitioning BU, Currency and Buyer.

The document style you select determines what fields you see on the purchase order.

Manage Document Style Templates

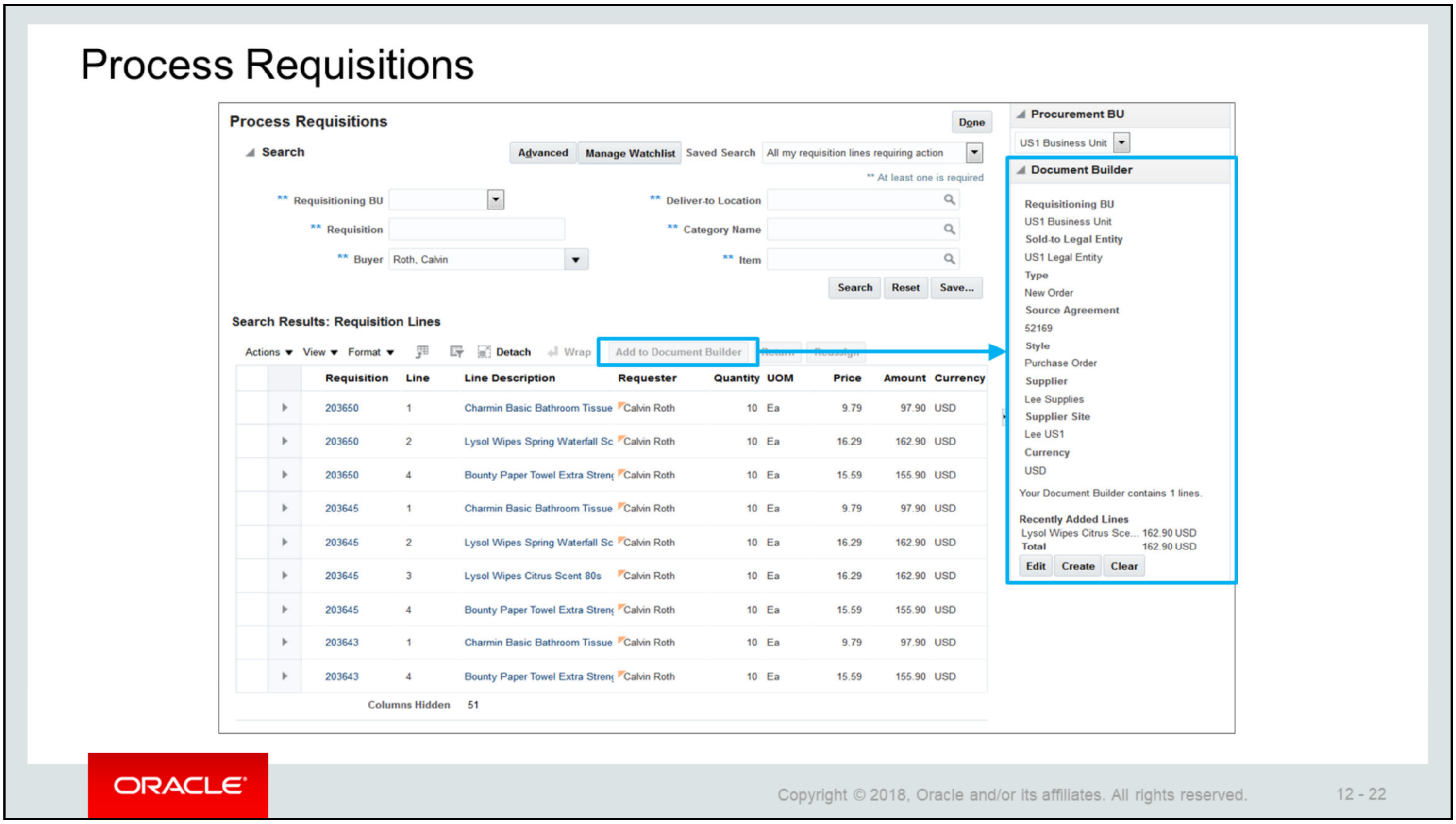
Navigator > Setup and Maintenance > Select the Procurement offering > Procurement Foundation functional area > Manage Document Styles task

You can view and set up document style templates for purchase orders, blanket purchase agreements, and contract purchase agreements using the Manage Document Styles task.

Delivered document style templates include:

- Standard Style – Includes Blanket Purchase Agreement, Contract Purchase Agreement, and Purchase Order
- Consignment Purchases Style
- Configure to Order Style
- Outside Processing Style

You can also use these document style templates to configure your own versions of these document style templates.



Navigator > Procurement > Purchase Orders work area > Task panel tab > Process Requisitions task > Search for and select requisition line > Add to Document Builder button

Note: This task is also available in the Purchase Agreements work area.

The screenshot depicts the Process Requisitions page.

Use the Process Requisitions page to access and aggregate existing requisition demands to create purchase orders.

By using entered or saved search parameters, you can quickly select all requisition lines that meet the unique set of criteria of your procurement needs. After you have identified the appropriate requisition lines it is a simple task to add them to the document builder and create your purchase order.

Purchase Order Creation: Job Roles and Associated Duty Roles

Job Role	Associated Duty Role
Buyer	• Purchase Order Creation • Purchase Order Administration • Contract Terms Authoring (Template Only)
Category Manager	• Purchase Order Creation • Contract Terms Authoring (Template Only)
Procurement Manager	• Purchase Order Creation • Contract Terms Authoring (Override)
Procurement Contract Administrator	• Purchase Order Creation • Purchase Order Administration • Contract Terms Authoring (Override)

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The table depicts job roles required for purchase order creation.

Procurement agents with job roles of Buyer, Category Manager, Procurement Contract Administrator or Procurement Manager are typically responsible for creating purchase orders in the buying organization. Therefore these job roles inherit duty roles required for creating purchase orders and authoring contract terms.

Procurement Contract Administrators and Procurement Managers, in addition to these duty roles, also inherit Contract Terms Authoring (Override) duty role. This provides them additional edit capabilities on contract terms, such as the ability to add non standard clauses, edit protected clauses and remove mandatory clauses.

These roles need to be explicitly granted to users as appropriate.

Purchase Order Creation: Duty Roles and Tasks

Duty Role	Associated Tasks
Purchase Order Creation	• Create Draft Purchase Order • Update Draft Purchase Order • Submit Purchase Order • Cancel Purchase Order
Contract Terms Authoring (Template Only)	• Create Draft Purchase Order • Update Draft Purchase Order
Contract Terms Authoring (Override)	• Create Draft Purchase Order • Update Draft Purchase Order

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The table lists the duty roles and associated tasks for purchase order creation and contract terms authoring.

The Purchase Order Creation duty role allows a procurement agent to create purchase orders, lines, schedules, and distributions. This includes creation of a purchase order line from catalog and creation of a purchase order from requisitions.

Procurement agents need the Contract Terms Authoring (Template Only) duty role to apply a pre-approved contract template on purchase orders and to view contract terms.

The Contract Terms Authoring (Override) duty provides Procurement Contract Administrators with additional edit capabilities on contract terms such as, the ability to add nonstandard clauses, edit protected clauses, and remove mandatory clauses.

Change Purchase Order: Feature Highlights

- **Common Change Management Process**
  - Internal and external stakeholders follow a coherent and intuitive process to initiate and manage changes.
- **Independent Change Order Life Cycle**
  - Change orders have their own life cycle of authoring, submission, approval, and dispatch.
  - Change orders do not disrupt any downstream activity on the base document.
- **Ability to Configure Internal and External Change**
  - Change order template enables customers to define what constitutes an external or internal change for their business.
- **Comprehensive Audit Trail of Change**
  - System tracks who, what, why, and when of a change
  - Comprehensive contract management solution
  - Establish and enforce standards.

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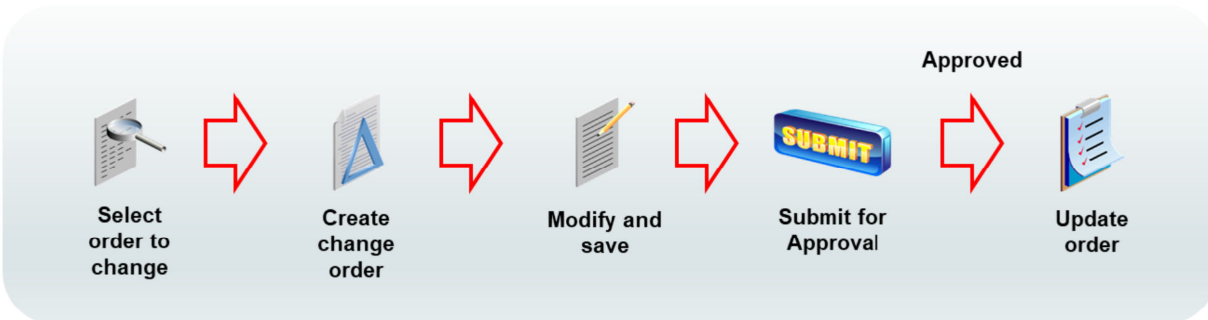
Common Purchasing Document Change Management

- Enables multiple roles (Requester, Buyer, Supplier) to request changes to purchase orders and agreements within the constraints of defined approvals, tolerances, and workflow
- Enables a smooth consistent, well controlled, and documented change process throughout an organization



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The diagram depicts the purchase order change order creation process:

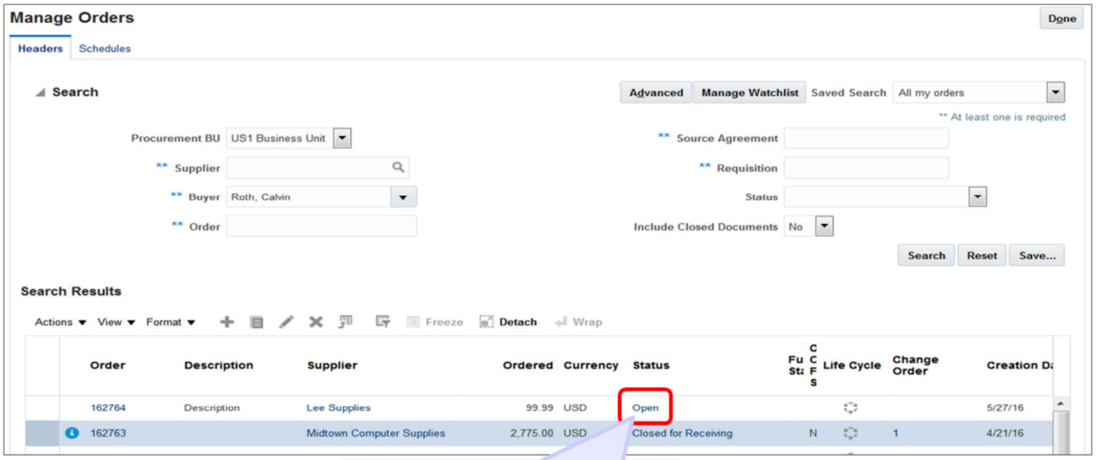
1. Select an order to change.
2. Create a change order.
3. Modify and save the change order.
4. Submit for approval.
5. Update the purchase order.

Key Features

- Initiator sensitive approval routing
- Execute orders and agreements while changes are pending
- Configurable amendment vs. administrative changes
- Supplier acceptance or rejection during acknowledgment
- Complete document change history

Independent Change Order Life Cycle

Original document remains available for downstream consumption.



Order status is Open while a change is pending

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Navigator > Procurement > Purchase Orders work area > Task panel tab > Manage Orders task> Search and select order

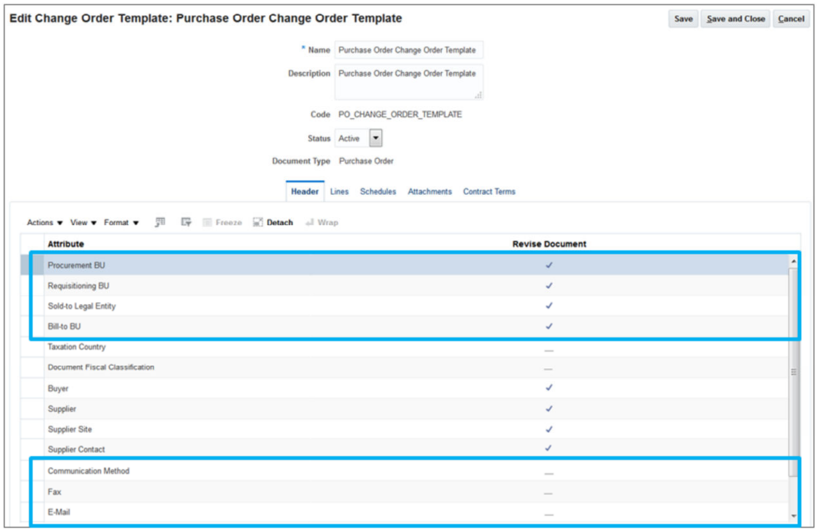
The screenshot depicts the Manage Orders page, showing in the Search Results section a purchase order in Open status while a change order is pending.

A separate change order document allows for requesting changes, communicating them, and soliciting approvals and acceptances without affecting the order currently in service.

There is always a live version of the order that remains available for downstream consumption even while a proposed change is being processed. This is especially important when changes to legal terms and conditions are being proposed. This kind of change typically involves multiple rounds of review from multiple parties and takes a while before they get processed. Non-availability of an order during this period may lead to delays in receiving and payments, as well as incremental communication and administrative costs.

Configure External or Internal Change

Define what constitutes an amendment or administrative change.



12 - 28

Navigator > Others > Setup and Maintenance > Select the Procurement offering > Purchasing Foundation functional area > Manage Change Order Templates task > Search > Manage Change Order Templates page

The screenshot depicts the Edit Change Order Template page. In the example shown, changes to attributes such as Procurement BU, Requisitioning BU, Sold-to Legal Entity and Bill-to BU will trigger a document revision or change order, whereas changes to the supplier communication method for an order do not trigger a change order.

A change order document can include changes to multiple attributes in multiple sections of the order.

External or Amendment Change: Change order templates provide flexibility to businesses, by allowing them to identify those specific attributes on an order which should be communicated to a supplier and a formal revision tracked. For example, changes to price, quantity or delivery dates.

Internal or Administrative Change: Change orders having only changes with which a supplier need not be bothered, should not be communicated to the supplier or require their formal acknowledgment before the changes get implemented. These types of changes are more administrative in nature and should not cause a formal revision of the order. For example, changing internal accounting information on orders, or changing attributes governing internal receiving controls on orders.

When it comes to identifying changes for attributes which are purely administrative, versus changes which require supplier communication and revision of an order, businesses tend to have differing requirements. The set of attributes in each class may vary widely from one business to another.

Comprehensive Audit Trail of Change

- Captures the who, what, why, and when.
- Each and every change is tracked.
  - Whether a change is processed or canceled
  - Whether a change is internal or external
- Quick access to the audit trail is provided.
  - View Change History page
  - View Revision History page

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Navigator > Procurement > Purchase Orders work area > Task panel tab > Manage Orders task > Search for and select order > Purchase Order page > Actions menu > View Change History or View Revision History options

Each of these audit trail pages provide drill downs to:

- View changes proposed on the change order
- View actions performed on the change order
- Compare to original document

Change Purchase Order: Job Roles and Associated Duty Roles

Job Role	Associated Duty Role
Buyer	• Purchase Order Creation • Purchase Order Administration • Contract Terms Authoring (Template Only)
Category Manager	• Purchase Order Creation • Contract Terms Authoring (Template Only)
Procurement Manager	• Purchase Order Creation • Contract Terms Authoring (Override)
Procurement Contract Administrator	• Purchase Order Creation • Purchase Order Administration • Contract Terms Authoring (Override)

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The table lists the job roles and associated duty roles for the change purchase order activity.

Procurement agents with job roles of Buyer, Category Manager, Procurement Contract Administrator or Procurement Manager are typically responsible for creating purchase orders in the buying organization. These job roles inherit duty roles required for creating purchase orders and authoring contract terms.

Procurement Contract Administrators and Procurement Managers, in addition to these duty roles, also inherit Contract Terms Authoring (Override) duty role. This provides them additional edit capabilities on contract terms, such as the ability to add non standard clauses, edit protected clauses and remove mandatory clauses.

These roles need to be explicitly granted to users as appropriate.

Supplier Acknowledgment of Purchase Orders

- Use supplier acknowledgments to confirm suppliers have:
  - Received a purchase order transaction
  - Accepted the pricing and other terms and conditions
- Suppliers can also notify you of any changes to the expected quantity and delivery information.
- Document history provides a comprehensive change history capturing supplier acknowledgment and proposed changes.

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Define Acknowledgment Controls

When manually creating a purchase order, a buyer can use the Terms tab to require supplier acknowledgment of the order by selecting from these acknowledgment control options:

- **Required Acknowledgment:** When acknowledgment is required, the acknowledgment method options include Document level, Document and Schedule level, and None.
- **Acknowledgment Within Days:** The number of days within which you require the supplier to return an acknowledgment for the order

You can also set up default acknowledgment controls on the supplier site record, in the Suppliers work area. The application populates the default values to the purchase order during requisition to purchase order processing.

Users of external applications can use the change operation of the Purchase Request web service to indicate whether or not a submitted change order requires acknowledgment at the document level.

Supplier Collaboration During Acknowledgment

Suppliers receive new acknowledgment requests as Worklist items in the Supplier Portal work area, and in email notifications.

Suppliers can use the Supplier Portal work area to view purchase orders and change orders awaiting acknowledgment, and record their response. To record an acknowledgment, use the Acknowledge action in the document.

Suppliers can accept or reject an order. They can also partially accept some schedules for orders pending acknowledgment at the Document and Schedule level, while rejection other schedules.

Supplier Collaboration During Acknowledgment

During acknowledgment, before accepting or rejecting an order, suppliers can also propose changes to an order. The order must be pending acknowledgment at the Document and Schedule level. The types of changes they can propose are the same as for any change order:

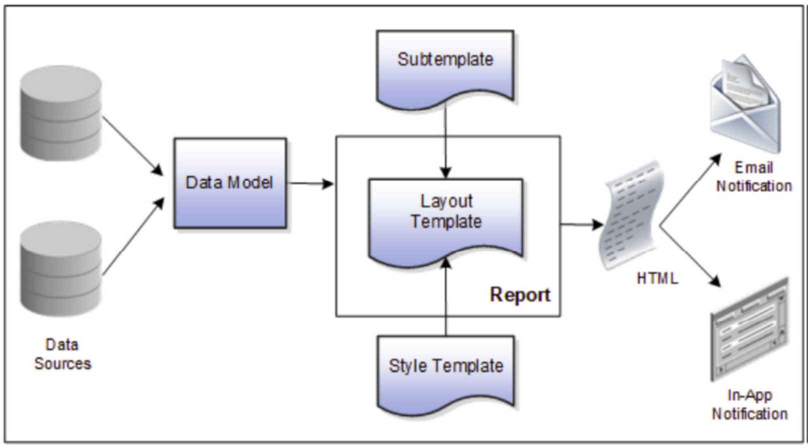
- Price
- Quantity
- Delivery dates
- Split schedules

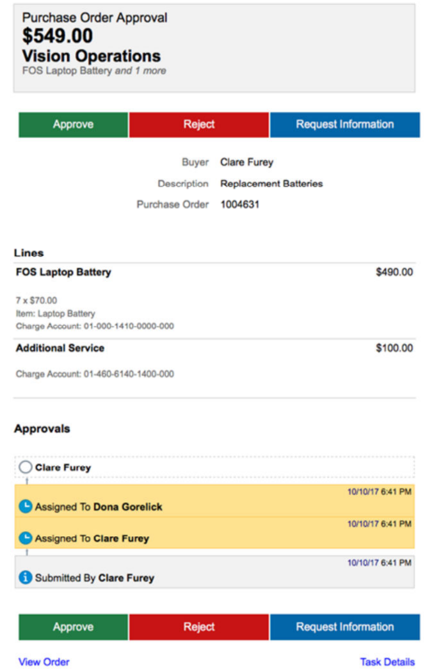
Proposed changes are captured as change orders.

Suppliers can also use the Acknowledge Purchase Order Schedules in Spreadsheet task, also in the Supplier Portal work area, to accept, reject or propose changes to larger numbers of purchase order schedules in batches.

Purchase Order and Change Order Approval Notifications

- Delivered as emails or in-app notifications
- Choose between standard or BI Publisher notifications (better for mobile devices)





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For some workflows, the application automatically sends email or in-application notifications.

For purchase order and change order approvals, you can choose between using the standard notifications, or Oracle Business Intelligence (BI) Publisher notifications.

System Administrators can use Oracle Business Intelligence Publisher notifications as is, or tailor the content, layout and style of both email and in-application purchase order and change order approval notifications. For example, you can include company logos, or add content that doesn't appear in the standard notifications.

Data Source: Stores the attributes and attribute values for business objects and transactions in the application

Data Model: Determines which attributes from data sources are available to be included in the notification and how that data is retrieved

Subtemplate: Provides common reusable components like branding logos or buttons

Style Template: Provides styles, such as the type of lines and fonts to use in tables, or the font type, size, and color to use for headings

Report: Template that specifies what data attributes to use, and the layout and look of the notification.

HTML: The rendered report output, delivered by email or in-app notification

For more information about creating and editing reports, see the Oracle Procurement Cloud Creating and Administering

Analytics and Reports guide, available on the Oracle Help Center.

Descriptive Flexfield Inheritance between Requisitions and Purchase Orders

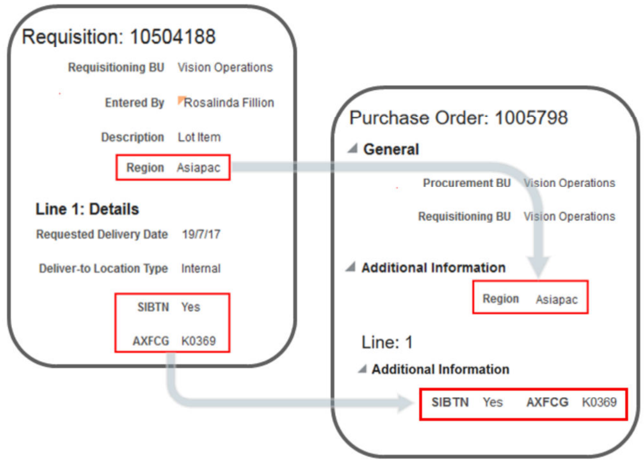
Purchase Orders can inherit descriptive flexfields from:

- Requisition Headers
- Requisition Lines

Enable the feature with profile options:

- Requisition Header Descriptive Flexfields Copied to Purchase Order Headers
- Requisition Line Descriptive Flexfields Copied to Purchase Order Lines

This disables grouping of requisition headers and lines.



Navigator > Others > Setup and Maintenance > Select the Procurement offering > Purchasing Foundation functional area > Manage Purchasing Profile Options > PO_COPY_REQ_HDR_DFF_TO_PO

Navigator > Others > Setup and Maintenance > Select the Procurement offering > Purchasing Foundation functional area > Manage Purchasing Profile Options > PO_COPY_REQ_LINE_DFF_TO_PO

The screenshot depicts part of a Requisition page and part of a Purchase Order page. A requisition header descriptive flexfield and a requisition line flexfield are reproduced on the Purchase Order. Arrows indicate that the descriptive flexfield information has been copied from the requisition to the purchase order.

If enabled, this feature allows you to copy descriptive flexfields from requisition headers and lines to corresponding purchase order headers and lines. This functionality is available for purchase orders that are automatically created from requisitions and for purchase orders that are manually created from requisition lines.

If you enable this feature, the grouping of requisition headers and lines is disabled.

Integration with Supply Chain Management Flows

- Oracle Procurement Cloud supports the following highly-integrated advanced supply chain management fulfillment flows:
  - Drop Ship
  - Back to Back
  - Configure to Order (Buy)
  - Contract Manufacturing
- End-to-end orchestrated processes can be planned, promised, and executed directly to a customer order.

Resources

Training

- *Oracle Supply Chain Management Cloud: Advanced Supply Chain and Fulfillment Techniques,* available from Oracle University.

Documentation

Available in the Oracle Help Center: http://docs.oracle.com/

- *Oracle Supply Chain Management Cloud: Implementing Manufacturing and Supply Chain Materials Management (includes Back-to-Back and Contract Manufacturing setup)*
- *Oracle Supply Chain Management Cloud: Implementing Order Management (includes Drop Ship setup)*
- *Oracle Procurement Cloud Implementing Procurement*
- *Oracle Procurement Cloud Using Procurement*
- *Oracle Procurement Cloud Creating and Administering Analytics and Reports*

Purchase Request Web Service and Business Events

Provides organizations with the ability to manage their supply chain integration to Oracle Procurement Cloud:

- Third party to Oracle Applications Cloud integration for Purchase Request web services
- Oracle Applications Cloud to Oracle Applications Cloud integration for Purchase Request business events
- Supports the following functional flows:
  - Drop shipment
  - Back to back orders
  - Inventory replenishment
  - Planned orders
  - Contract manufacturing
  - Configure to order

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Purchase Request Web Service

Provides the ability for external applications to send requests to Procurement in the form of create, change, control, and get operations. The service is a wrapper for both the requisition and purchase order documents.

The purpose of the web service is to eliminate the need for external systems, such as Order Fulfillment or Supply Execution, from having to determine which Procurement object (requisition or purchase order) needs to be accessed. The web service internally determines if action is needed on a requisition or purchase order.

Procurement purchase request web services:

- Create Purchase Request (Create, Populate, Submit actions)
- Change Purchase Request (Change, Cancel, Split actions)
- Control Purchase Request (Hold and Freeze, Release Hold and Unfreeze, Firm actions)
- Get Purchase Request

Published Business Events

Leverages the Service Oriented Architecture (SOA) and Business Events Model for Supply Chain Integration.

Business events are typically one-way, fire-and-forget, asynchronous way to send notification of a business occurrence. Other Oracle Applications Cloud applications can listen for these events and take action. For example, when a purchase order is implemented, Procurement will raise a Purchase Order Implemented business event.

Procurement business events for Oracle Applications Cloud to Oracle Applications Cloud integration:

- Purchase Order Implemented
- Purchase Order Change Order Implemented
- Purchase Order Change Order Rescinded
- Requisition Line Cancelled
- Requisition Line Split

Resources

Documentation

Available in the Oracle Help Center: http://docs.oracle.com/

- *Oracle Procurement Cloud Implementing Procurement*
- *Oracle Procurement Cloud Using Procurement*

White Paper

Available on My Oracle Support (MOS):

- *Document Publishing and Communication in Oracle Fusion Purchasing* (document ID 1610339.1)

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Practices

- 12-1: Creating a Purchase Order for Goods
- 12-2: Creating a Purchase Order for Services
- 12-3: Creating a Purchase Order from a Catalog
- 12-4: Duplicating a Purchase Order
- 12-5: Canceling a Purchase Order
- 12-6: Creating a Purchase Order Using Process Requisitions
- 12-7: Creating a Change Order

Summary

In this lesson, you should have learned how to:

- Describe the components and use of purchase orders
- Create a purchase order
- Maintain purchase orders
- List the setup options related to purchase orders

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Instructor lesson and demonstrations: 30m

Student practices: 15m

Total: 45m

Objectives

After completing this lesson, you should be able to:

- Explain where self-service receiving fits into the procurement process
- Identify the purpose of self-service receiving
- Create a self-service receipt

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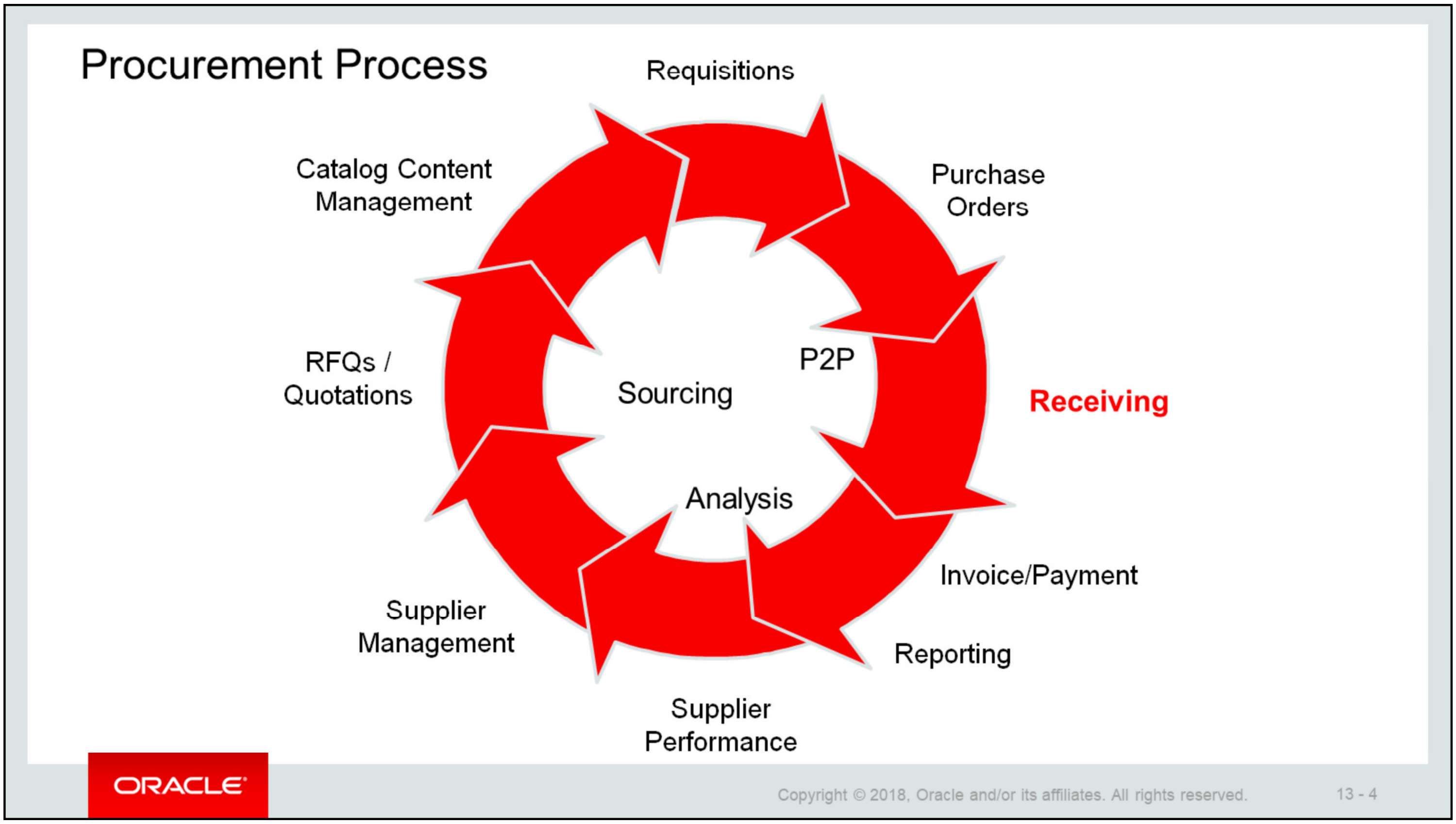
Topics

- Overview of the Procurement Process
- Self-Service Receiving

 13 - 3

This slide lists the topics that will be discussed during this lesson.



Procurement Life Cycle

This diagram depicts the procurement process as on ongoing cycle, from requisitioning through catalog and content management.

The procurement process can take several forms based on your business practices. But a broad generalization can be summarized by the graphic in the slide.

There are many “standard” definitions of portions of the procurement process such as Procure-to-Pay and Source-to-Settle. In reality, the actual process is determined by the business requirements of the enterprise. For the sake of discussion, in this course, we will focus on two process flows, which Oracle refers to as Procure to Pay and Sourcing.

Oracle ERP Cloud

Self-Service Procurement with Self-Service Receiving

Procurement of Expensed Goods and Services

- Casual users or buyers buy:
  - Goods and services by category or description
  - Goods by item (non-inventory)
- Casual users or buyers “receive” goods or services.

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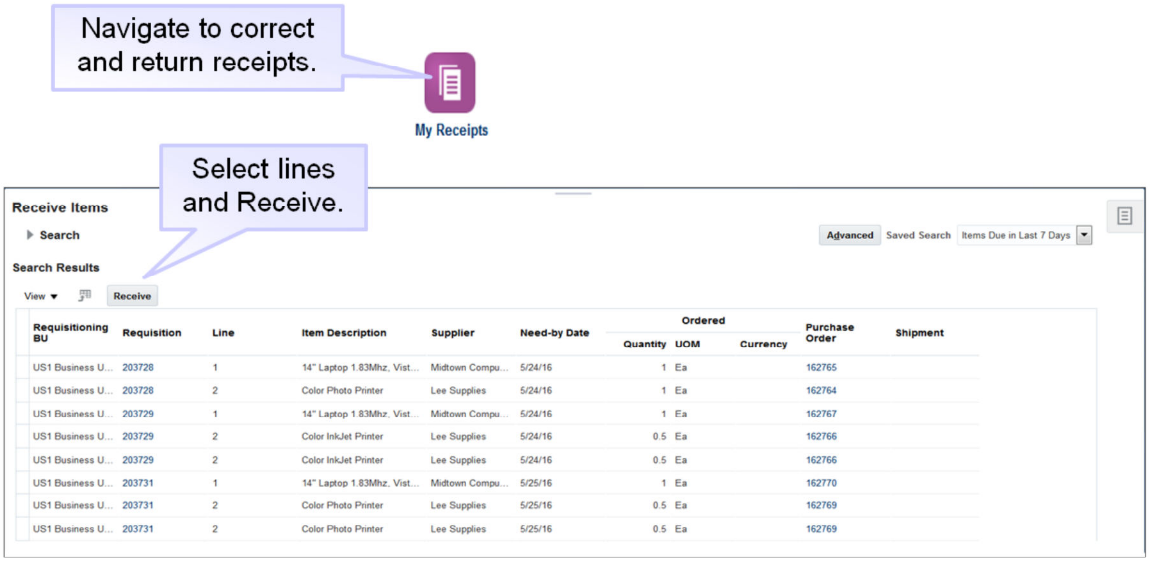
Oracle Self Service Procurement Cloud includes self-service requisitioning and receipt applications that help control employee spending. Capabilities include a web-based shopping system that allows employees to create, manage, receive, and track their own orders, while the Purchasing department retains central control.

Easy ordering and seamless workflow provide better service, while non-sourced or off-catalog spending gets the attention it needs from buying professionals. Requesters can then easily acknowledge the receipt of their orders using the self-service receipt feature.

My Receipts Work Area



 13 - 6

Navigator > Procurement > My Receipts

This screenshot shows the My Receipts work area, where you can search for requisitions to create, correct, and return receipts.

Self-Service Receiving: Key Features

- Ease of Use
  - Ability to search by a variety of attributes to find the right document to receive
  - Minimal entry required
  - Links to requisition and purchasing documents for reference
  - Use for both expensed and direct inventory self-service receipts
- Control
  - Optional alerts when receipts are past due and escalation alerts to management
  - Ease of finding and correcting incorrect receipt documents
  - Ease of finding and returning goods to the supplier

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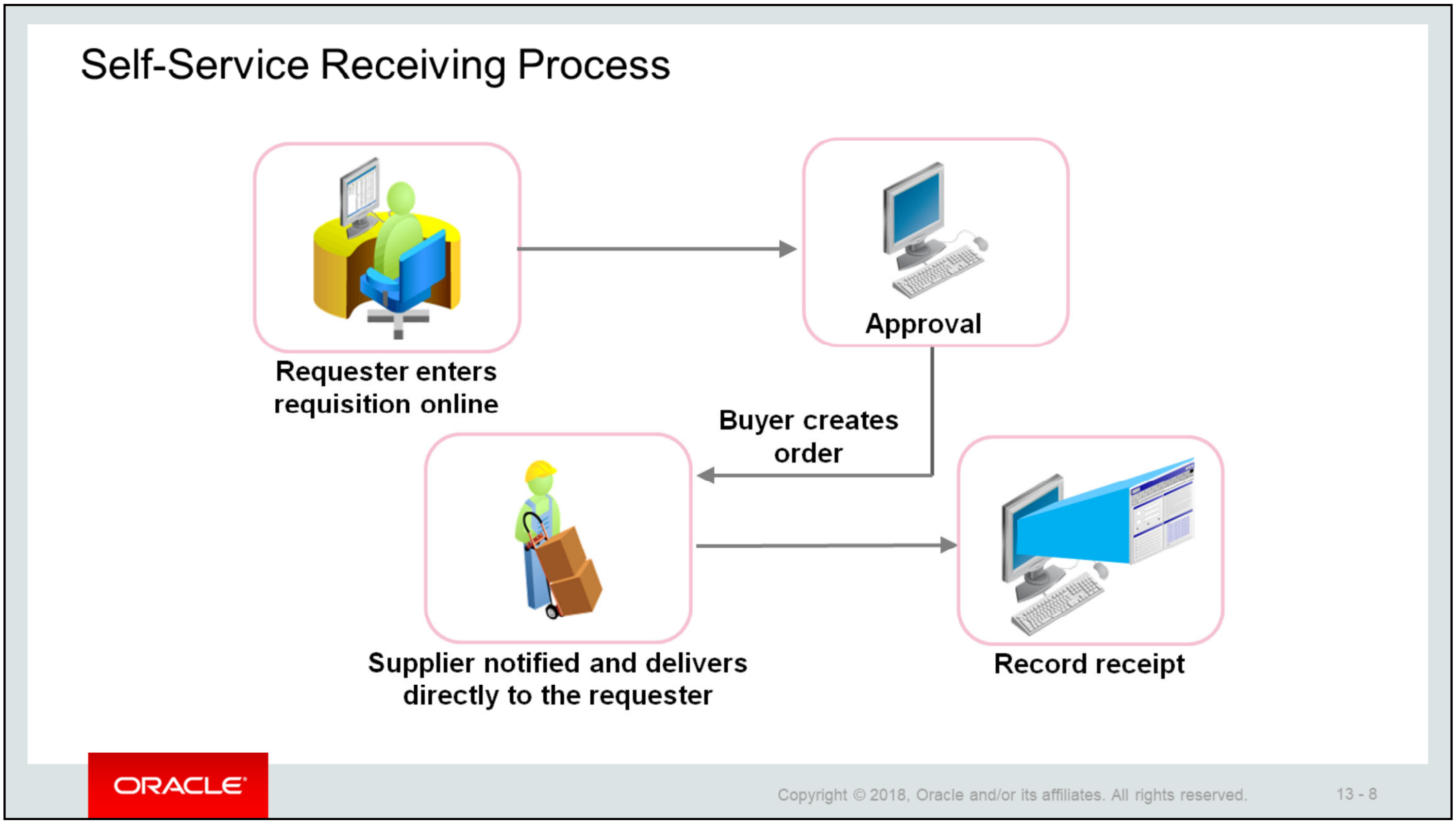
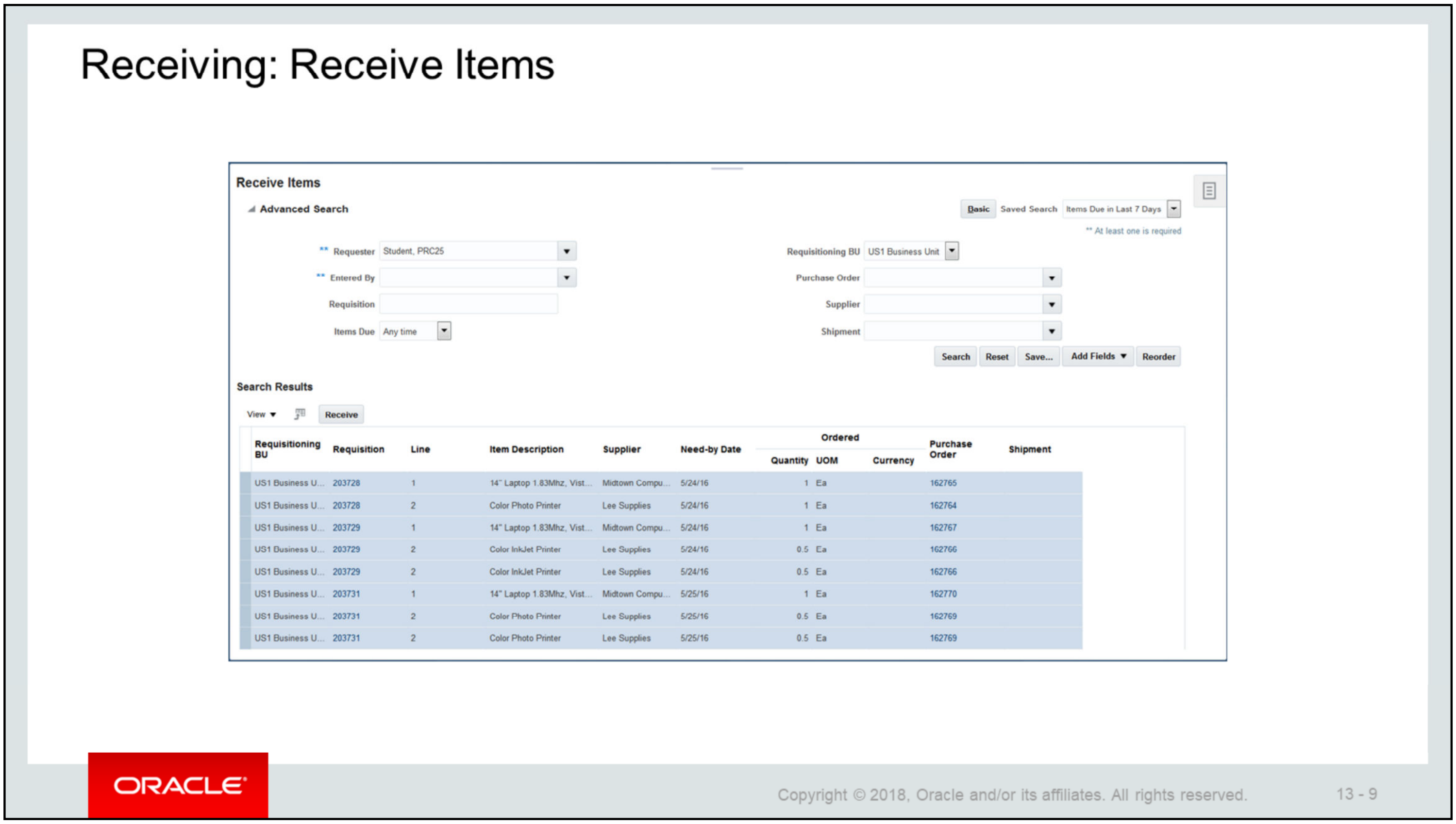


This diagram depicts the self-service receiving process, in which a requester enters a requisition, a buyer creates an order that's approved, goods are delivered by a supplier, and the requester records receipt of the requisitioned goods.



Navigator > Procurement > My Receipts

This screenshot shows the Receive Items page, where you can search for requisitions to receive requisition lines.

Required Fields

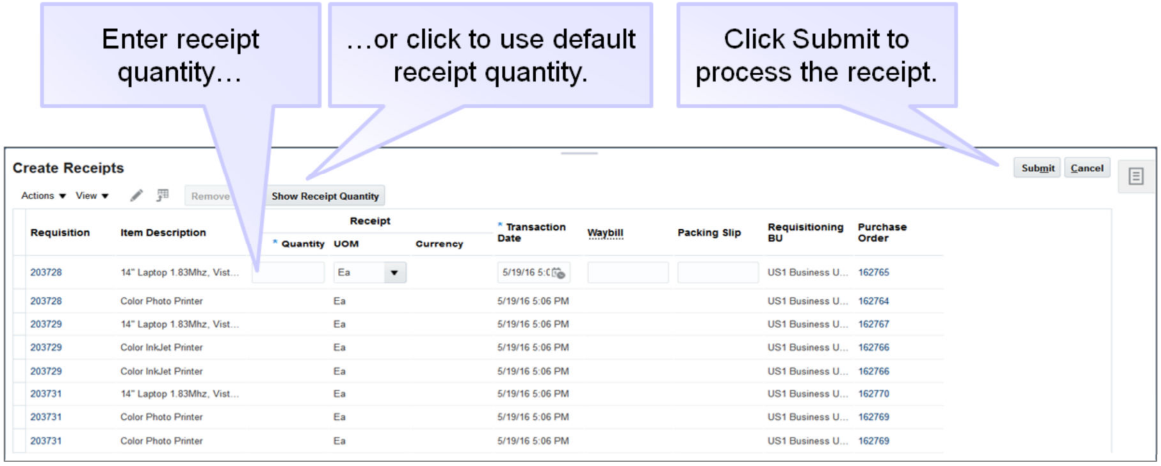
- **Requester:** The individual creating and submitting a request for goods or services
- **Entered By:** The person who created the requisition

Fields of Note

- **Requisition:** The identifier of the Procurement document used to request the purchase of goods or services
- **Items Due:** The items that are due to be received as of the date
- **Requisitioning BU:** The business unit in which the requisition was created
- **Purchase Order:** A commercial document that is used to request a seller to supply a product or service in return for payment
- **Supplier Item:** The supplier's item number for these goods or services from the purchase order line schedule

Receiving: Create Receipt

A simple two-step process to record your receipt:



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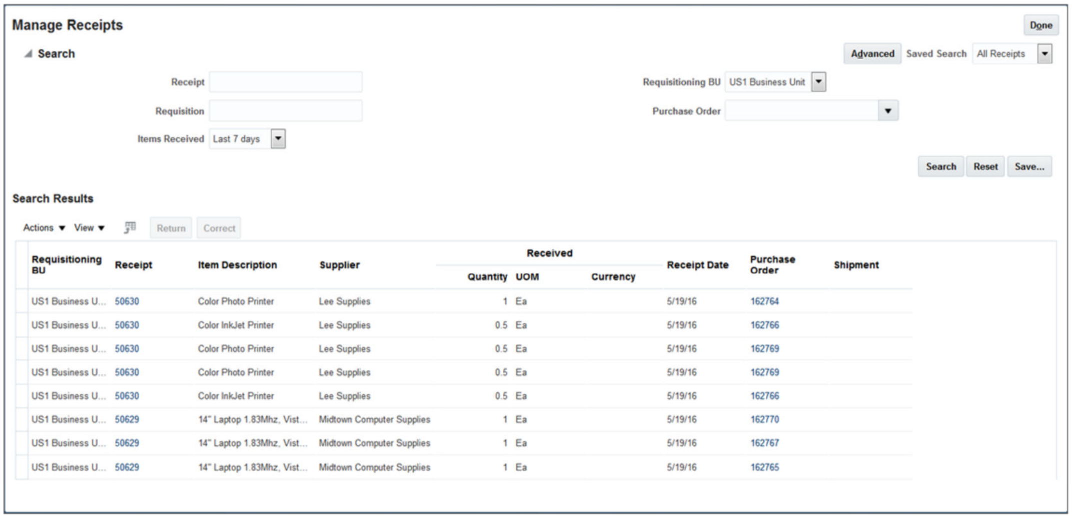
Navigator > Procurement > My Receipts > Select requisition line > Receive button

This screenshot shows the Create Receipts page, where you can enter a receipt quantity and receive requisition lines.

Receiving: Manage Receipts



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Navigator > Procurement > My Receipts > Manage Receipts task

This screenshot shows the Manage Receipts page, where you can initiate returns or corrections to your receipts.

Fields of Note

- **Receipt:** Number that acknowledges that a supplier shipment was received in the warehouse
- **Requisition:** The identifier of the Procurement document used to request the purchase of goods or services
- **Items Received:** Receipts entered as of this date range
- **Requisitioning BU:** The business unit in which the requisition was created
- **Purchase Order:** A commercial document that is used to request a seller to supply a product or service in return for payment

Demonstration 13-1

- Overview of Self-Service Receiving

Job Roles and Associated Duty Roles

Job Role	Associated Duty Roles	Tasks
Procurement Preparer **Procurement Requester**	Receiving Management Requester duty	Receive Item Manage Receipt Monitor Receipts Self Service Work Area
Warehouse Manager	n/a	Confirm Receipt Process

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13 - 13

This table includes columns to capture job roles, their associated duty roles, and the tasks enabled by the roles.

The duty roles listed here are related specifically to the receiving activity, and do not necessarily encompass all the duty roles defined for these job roles.

The Confirm Receipt Process task is assigned directly to Warehouse Manager Job Role.

Implementation Considerations

- Receipt routing on PO must be set to: Direct Delivery.
- A requisition can be received only by:
  - Requester or Entered By (preparer of requisition)
  - Privilege can be added to “Receive on Behalf of Others”
- The person who received is responsible for correction and return.
- Service lines cannot be returned using self-service pages.
- A purchase order can be received without a backing requisition if Requester is populated.
- Amount-based lines can be received only in self-service.
- You cannot receive lot-controlled or serial number-controlled items.

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Practices

- 13-1: Receiving Your Requisition
- 13-2: Creating a Requisition and Receiving Goods and Services Through Self-Service Receiving

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Summary

In this lesson, you should have learned how to:

- Explain where self-service receiving fits into the procurement process
- Explain the purpose of self-service receiving
- Create a self-service receipt

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Instructor lesson and demonstrations: 100m

Student practices: 30m

Total: 130m

Objectives

After completing this lesson, you should be able to:

- Describe the purpose and functionality provided by Oracle Supplier Qualification Management Cloud
- Configure questions, qualification areas, and models to support business objectives
- Launch an initiative to create a questionnaire to gather qualification-related information
- Implement Oracle Supplier Qualification Management Cloud

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Topics

- Use Oracle Supplier Qualification Management Cloud
- Identify important qualification information and create appropriate qualification structures
- Explain the use initiatives, qualifications and assessments
- Explain the integration between Oracle Supplier Qualification Management Cloud and supplier registration

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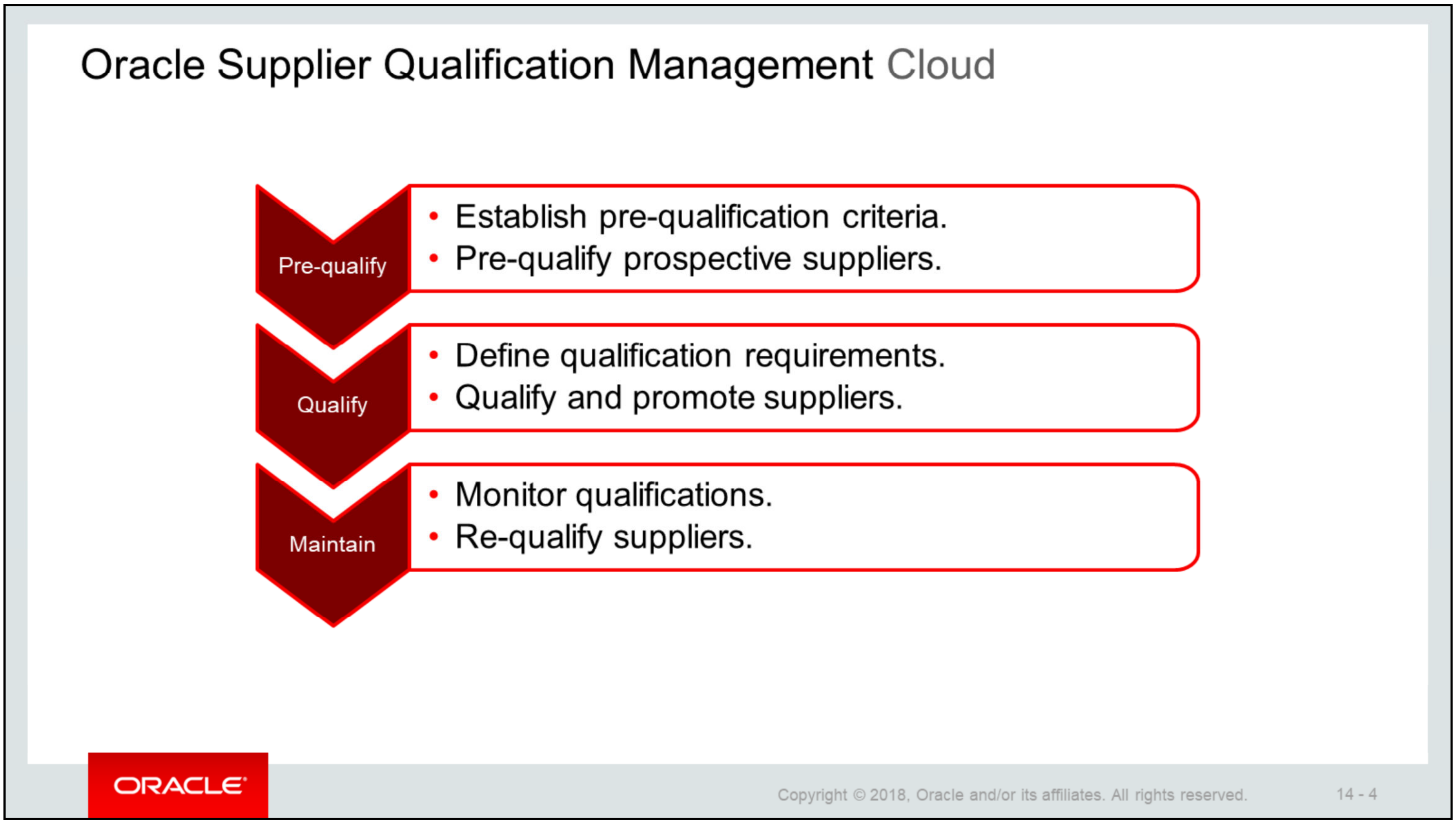
 14 - 3

This slide lists the topics that will be discussed during this lesson.

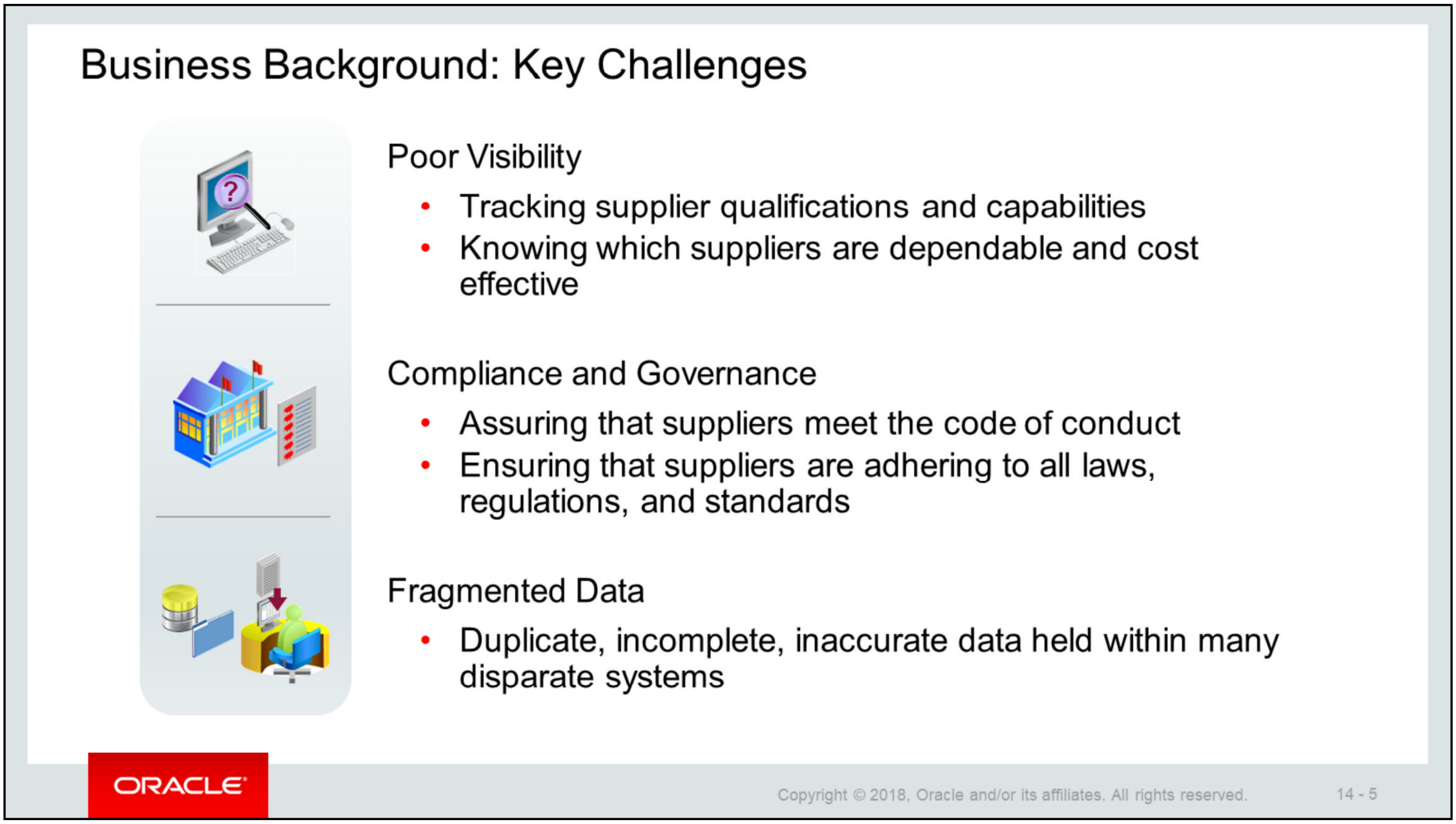


The diagram depicts the Oracle Supplier Qualification Management Cloud evaluation process.

Oracle Supplier Qualification Management Cloud enables you to evaluate suppliers according to a set of predefined criteria to meaningfully support the procurement function within your organization. The procurement process within your buying organization can then be driven based on the qualification status of a supplier.

For example, in order for a supplier to perform a service or deliver goods, that supplier might need to meet a certain set of qualifying criteria. These criteria could relate to basic profile-type information, such as the supplier’s geography or financial viability, the supplier’s ability to produce a product, its classifications (such as minority/woman-owned), status of green initiatives, or formal certifications such as ISO 9000.

The process of supplier qualification includes defining the qualification requirements that a supplier should meet, prequalifying the supplier based on a less stringent set of requirements, qualifying the supplier by performing required verifications and audits, and assessing and maintaining supplier qualification.



The diagram depicts the key challenges faced by businesses.

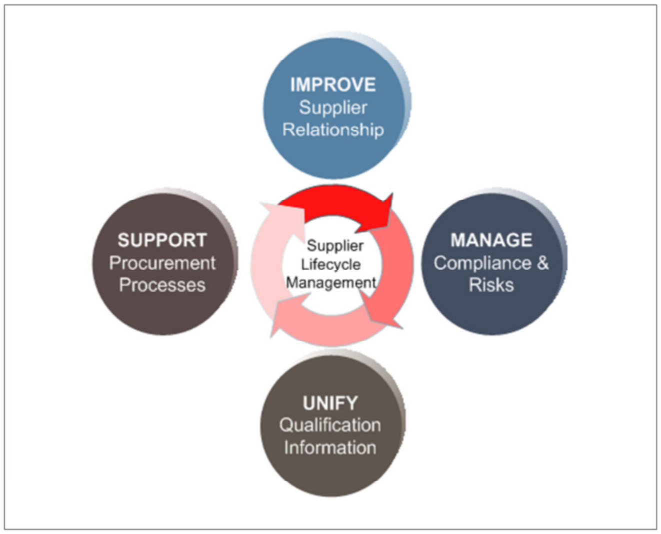
Oracle Supplier Qualification Management Cloud provides a framework for organizing, capturing, and leveraging information about a supplier.

Many organizations do not track potentially important information about a supplier's capabilities, certifications, or performance history and therefore have poor visibility to that important information asset.

Other organizations may have corporate policies or regulatory requirements for tracking and certifying certain supplier characteristics or capabilities, but the process may be ad hoc, unstructured, and fragmented.

Or the organization may have the data somewhere, but it might not be easy to locate, access, and maintain. The Oracle Supplier Qualification Management Cloud solution allows you to define and organize the information you need in a way that makes sense for your organization.

Oracle Supplier Qualification Management Cloud



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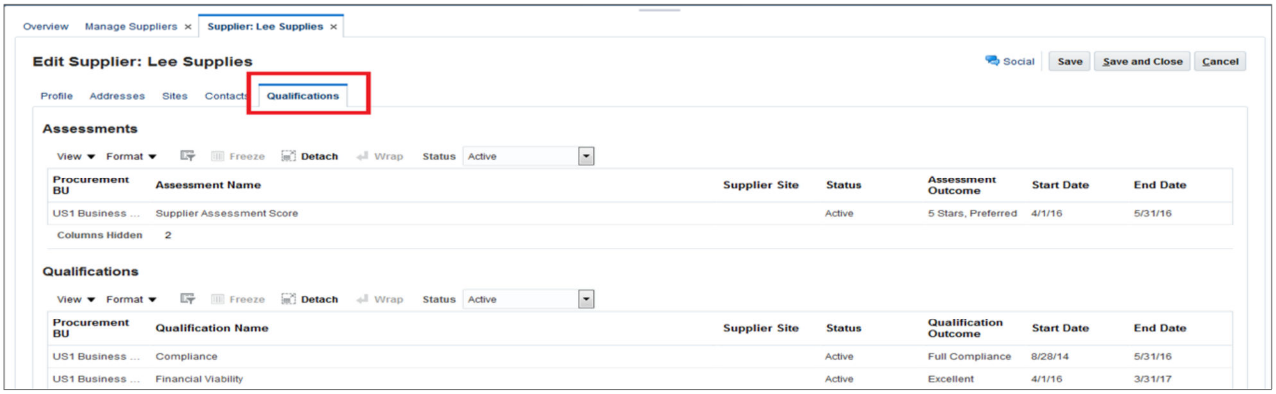
 14 - 6

The diagram depicts the Oracle Supplier Qualification Management Cloudlifecycle.

Oracle Supplier Qualification Management Cloud provides benefits to your qualification lifecycle management:

- **Improve:** Support the end-to-end supplier management process and improve supplier relationship by communicating your business requirements to the supplier and allowing suppliers to prove their eligibility.
- **Support:** Supplier preference programs such as utilizing diverse suppliers within the supply chain. It also supports sourcing decisions such as awarding business to qualified suppliers. This helps generate better results from sourcing activities.
- **Manage:** Mitigate risks by managing supplier compliance and preventing disruption in your supplier chain. For example, suppliers must meet certain minimum economic, environmental, and social performance standards in order to qualify for business.
- **Unify:** Ensure that all qualification information required for key business decisions is easily available from a single source.

Tracking Qualifications for a Supplier



14 - 7

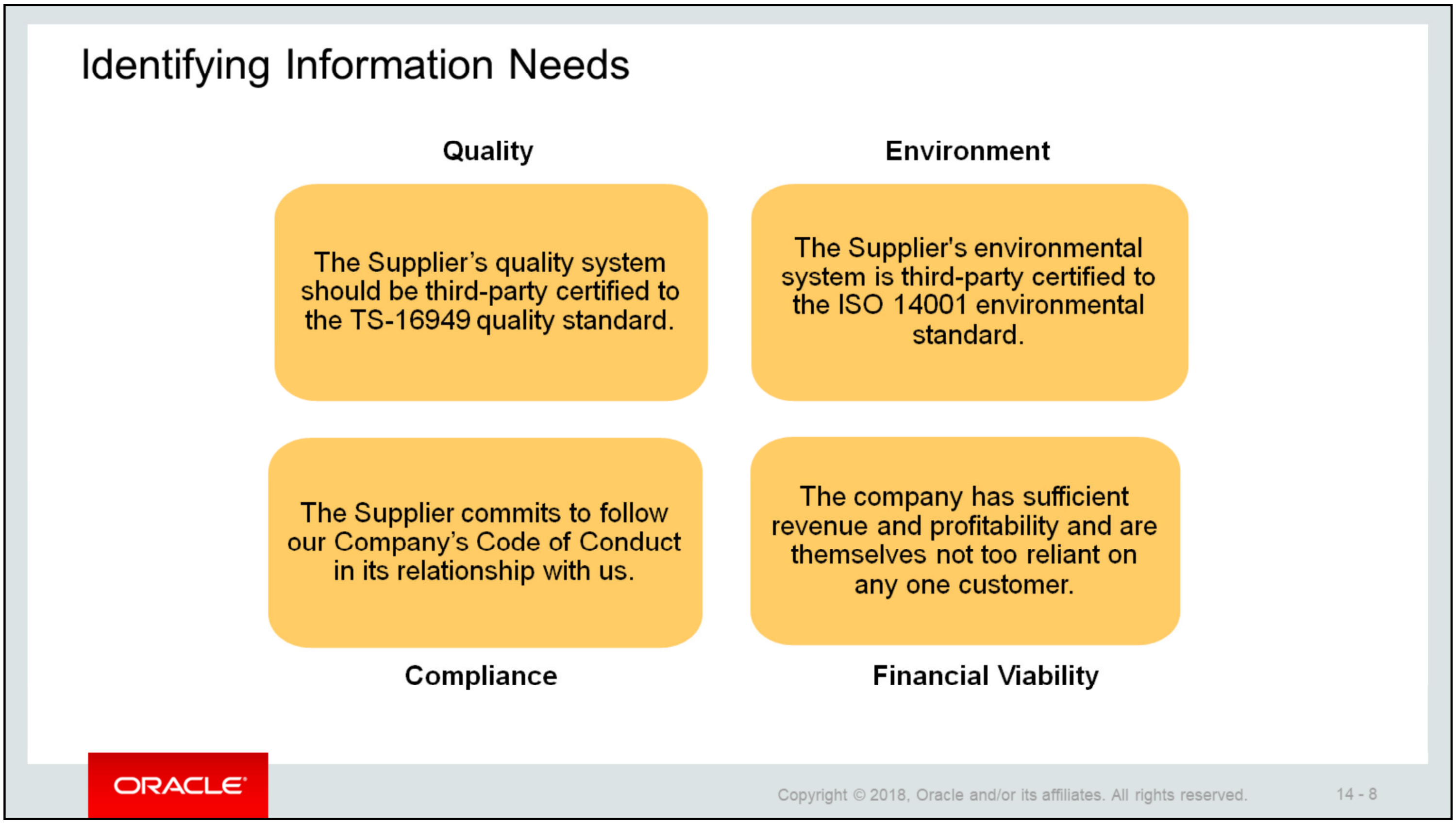
Navigator > Procurement > Suppliers > Manage Suppliers > search supplier name

The screenshot depicts the Qualifications tab in the Edit Supplier page.

The information obtained by Oracle Supplier Qualification Management Cloud processes becomes a part of the supplier record for a supplier. In addition to viewing the standard supplier information available in Oracle Supplier Model Cloud such as addresses, sites, and contacts, the Qualifications tab on the main Supplier record shows the qualifications and assessments that are in effect for that supplier.

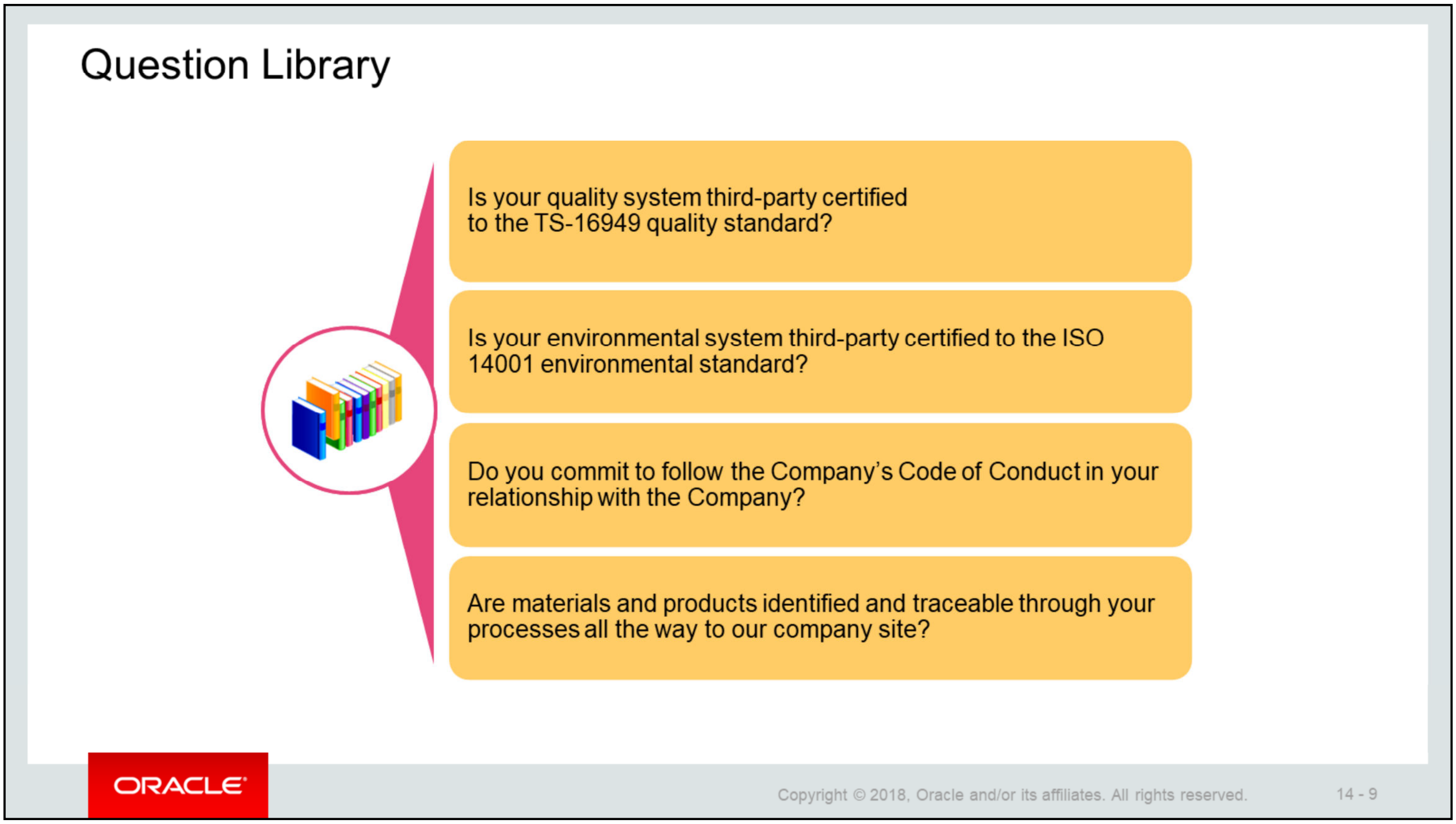
You can see from the screenshot some example qualification areas and a qualification model that could plausibly be set up in an implementation. In the Assessment region, the assessment named Supplier Assessment was generated from an assessment model called Supplier Assessment. The model name is used as the name of the assessment. Similarly, each of the qualifications shown were generated using a qualification area with the same name.

Much of the product implementation is involved in defining the structures that are later used to gather, organize, and synthesize this supplier information, achieving the results.



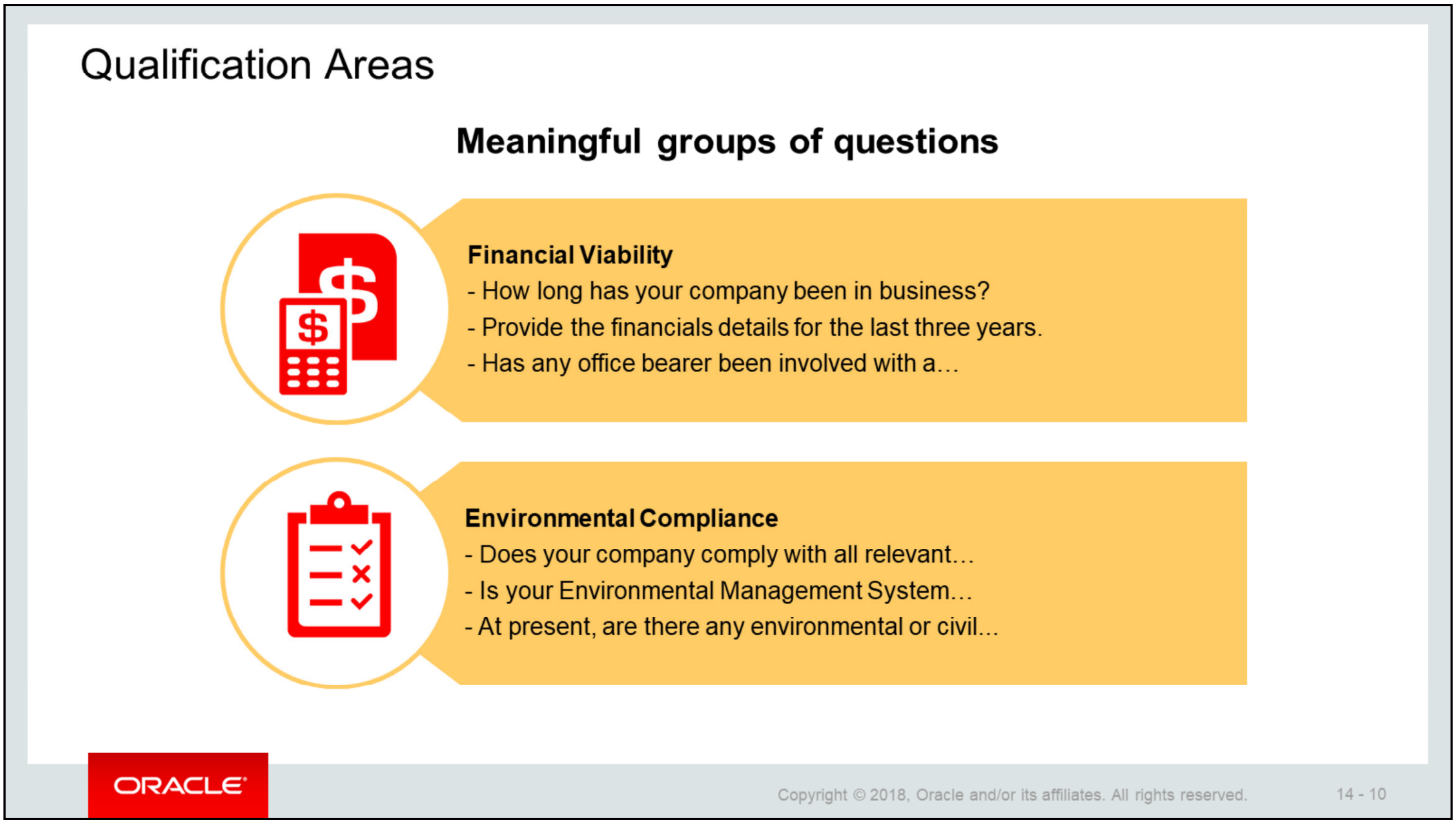
The diagram depicts the process of identifying the requirements that different suppliers must satisfy for various levels of qualifications.

The first step in the supplier qualification process is to identify all the requirements that different suppliers would need to satisfy for various levels of qualifications. These requirements could focus on various aspects of the supplier including understanding the supplier's organization, its business, its customer base, its financial health, its procurement processes, and other similar aspects. Additionally, based on the type of goods or services the supplier provides to the organization, there could be additional requirements for the supplier around manufacturing processes, quality control, standards certifications, licenses, and insurances.



The diagram depicts a question library.

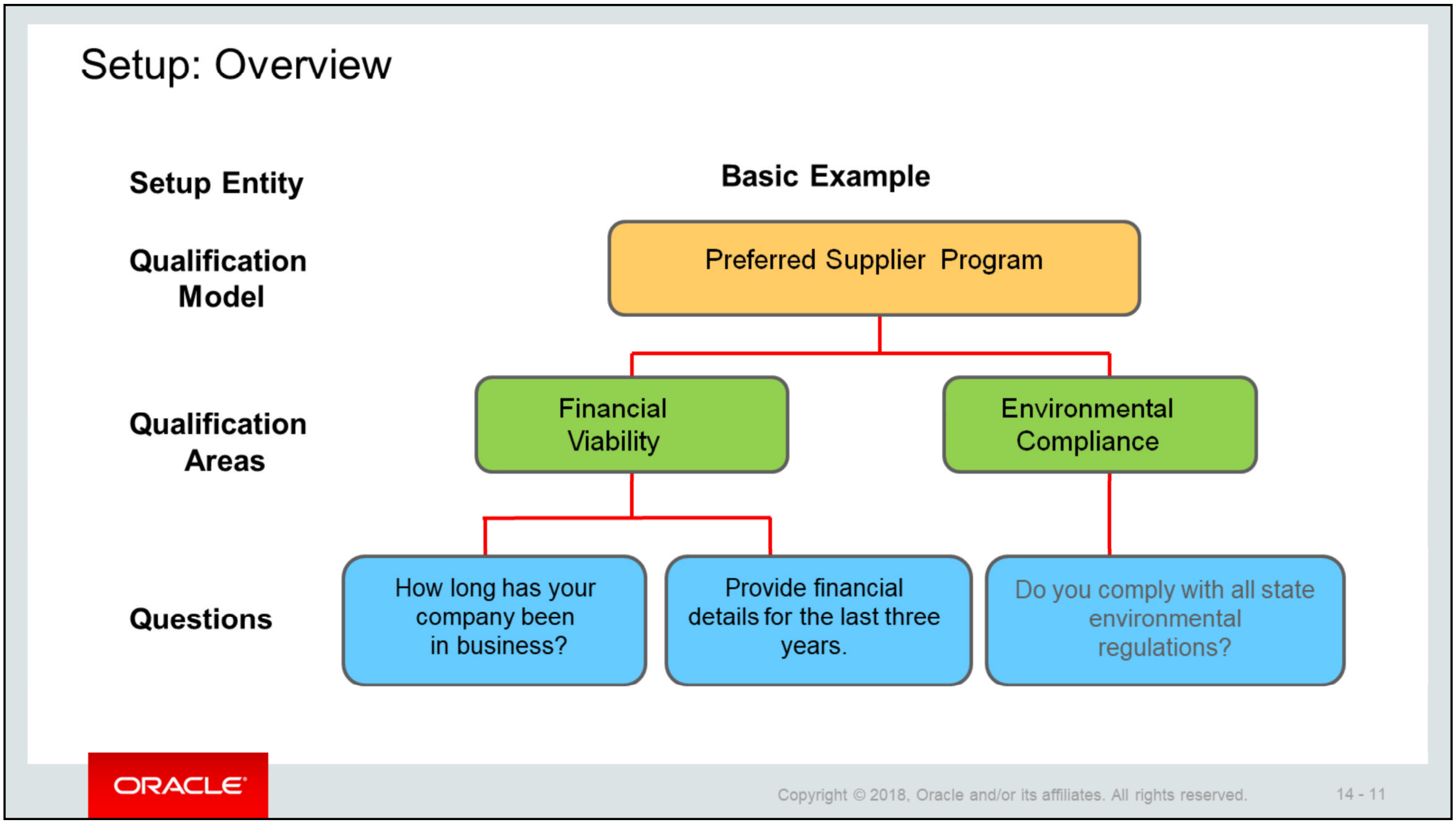
A question is an information requirement from the buying organization. Oracle Supplier Qualification Management Cloud allows you to capture these requirements in the form of questions that are stored in the question library. Sourcing category managers can use these questions as requirement questions when creating a negotiation.



The diagram depicts questions in a qualification area.

A Qualification Area is a group of related questions used to evaluate a particular aspect of the supplier. Using the questions defined in the question library, you can create qualification areas that contain the questions needed for qualifying a particular aspect of a supplier.

Here is an example of a qualification area for financial viability that includes relevant questions to gauge the financial viability of a supplier. Similarly, the environmental compliance qualification area includes questions to verify if the supplier follows policies that are environmentally friendly.



The diagram depicts a supplier qualification setup.

Oracle Supplier Qualification Management Cloud lets you qualify your supply base based on your organization’s requirements. You define questions, qualification areas, and qualification models upfront to qualify or assess your suppliers. Your organization’s business requirements are captured in the form of questions, and questions are grouped together into various qualification areas. The qualification areas are used to create qualifications for evaluating various aspects of suppliers. A qualification model contains one or more qualification areas, and is used to assess suppliers overall.

The first step in qualifying suppliers is to identify and capture all the requirements that the suppliers may need to satisfy to be qualified. Each requirement is defined as a question in the question library. The questions in the question library are reusable and available to other supplier qualification managers.

After the business requirements have been captured in the question library, you create a qualification area. A qualification area is a collection of related questions that you use to qualify suppliers for a specific aspect. You then use these qualification areas to qualify your suppliers based on your business needs.

To assess your suppliers overall, you create a qualification model. A qualification model consists of one or more qualification areas with the questions included in it that are needed to assess suppliers. A Qualification model can be global, meaning available to all business units, or it can be catered to a specific business unit.

Qualification

14 - 12

The diagram depicts a qualification as an instance of a qualification area with an assignment of a supplier or supplier/supplier site combination.

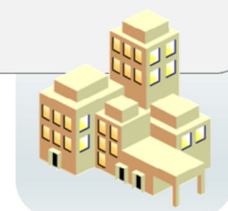
A Qualification is an instance of a qualification area with an assignment of a supplier or supplier/supplier site combination. It is in the context of a procurement business unit, and carries an outcome that can be used for search purposes.

Qualification: Example

Financial Viability

1. How long has your company been in business?
   Supplier Response: 32 years
2. Provide the financials details for the last three years.
   Supplier Response: Financial Details Attached
3. Has any office bearer been involved with a business failure?
   Supplier Response: No
4. Are there any other contingent liabilities, not reported in the financial statements, that are likely to impact the financial position of your organization?
   Supplier Response: No

Acme Corp, Redwood City, CA
Outcome: Qualified



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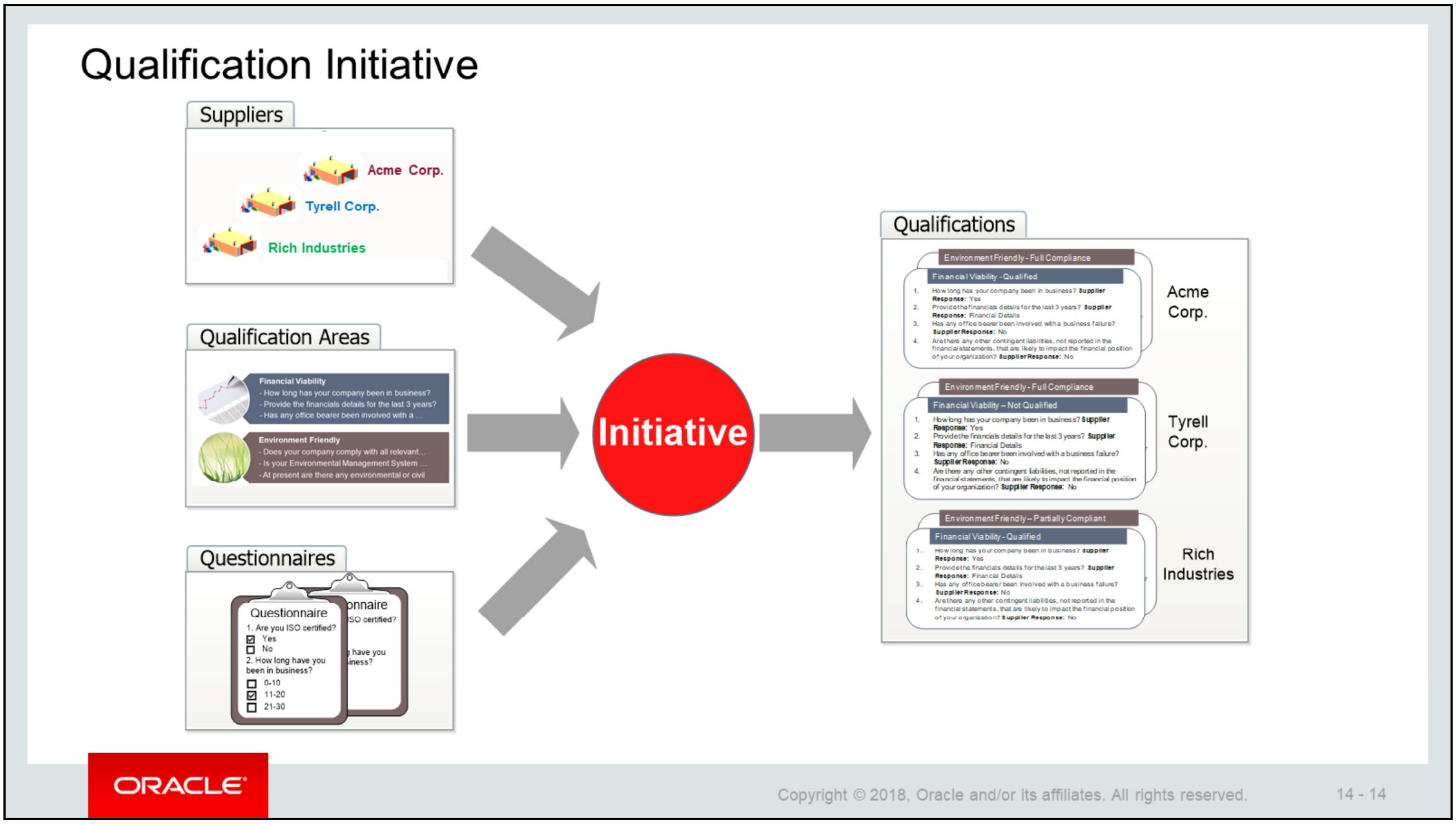
The diagram depicts an example of a qualification.

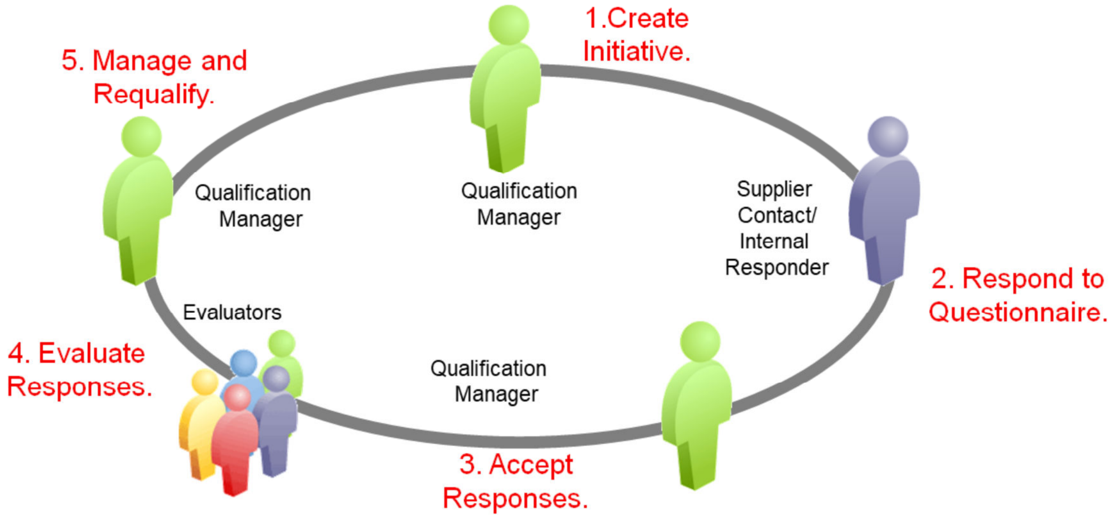
This is an example of the financial viability qualification for supplier Acme Corp. Based on the supplier's response to questions included in the financial viability qualification area, this qualification has been assigned an outcome of Qualified.



The diagram depicts the parts of an initiative.

An initiative encapsulates the end-to-end qualification process of qualifying a supplier. An initiative represents an entity that brings multiple qualifications, for one or more suppliers based on one or more qualification areas, initiated in a single process together for managing and tracking of these qualifications as a group. Similarly an initiative can also bring multiple assessments, for one or more suppliers based on a qualification model, initiated in a single process together for managing and tracking of these assessments as a group.

Oracle Supplier Qualification Management Cloud Life Cycle



14 - 15

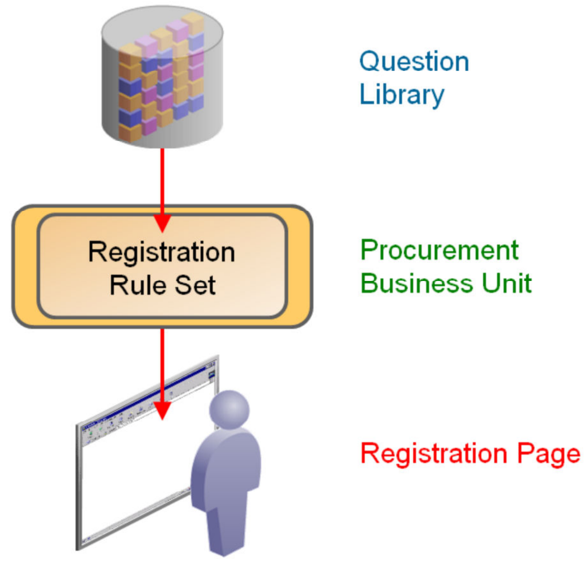
The diagram depicts a supplier qualification life cycle.

Oracle Supplier Qualification Management Cloud supports and provides functionality to support the entire supplier qualification cycle:

1. A qualification manager initiates the qualification process by creating an initiative.
2. A supplier contact or an internal responder responds to questions they may receive in the form of a questionnaire.
3. The qualification manager reviews the supplier or internal responder response and accepts the response or request for more information from the responder.
4. One or more evaluation team members assess responses received from the supplier and internal responder and assign an outcome to the qualification.
5. The qualification manager monitors the status of qualifications, keeps track of new information available and re-qualifies the suppliers on an as-need basis.

Integration with Supplier Registration

- Target questions using information provided earlier in the registration.
- Consider more information when approving registration.
- Leverage question responses in future qualifications without needing to ask suppliers again.
- Reduce on-boarding time by gathering supplemental information while supplier registers.



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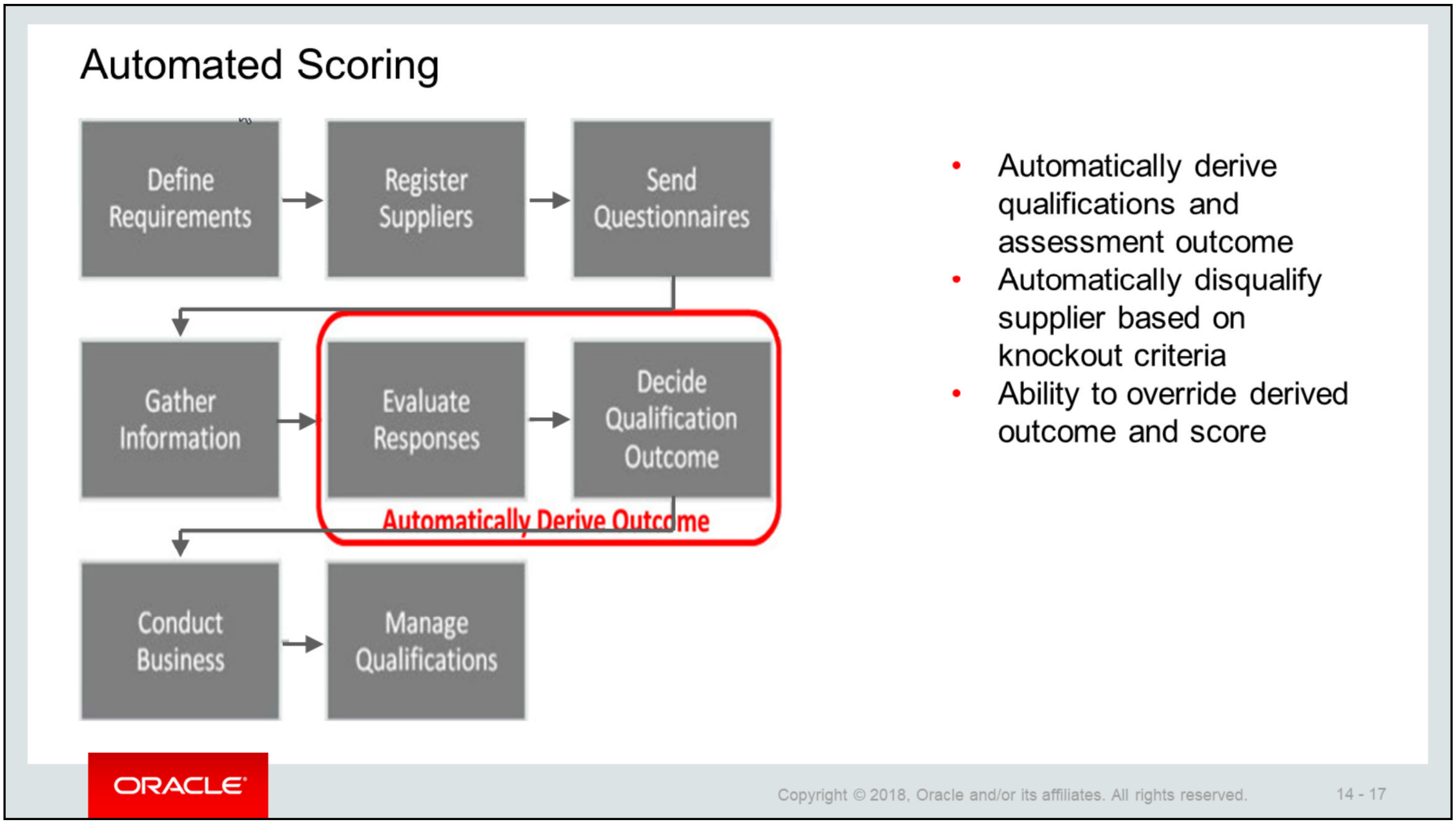
The diagram depicts an integration with Supplier Registration.

You can use questions defined with Oracle Supplier Qualification Management Cloud to evaluate a new supplier when the new supplier first registers with the application. To accomplish this, you can create a registration rule set that consists of existing questions from the question library. You then associate that rule set with a procurement BU. When the supplier tries to register with the BU, the application uses the questions in the rule set to create a questionnaire that is presented to the supplier. In addition to the other registration information, the supplier must also reply to the questionnaire. The supplier’s responses are then used when evaluating the new supplier. Additionally, the supplier’s responses are saved in the Response Repository.

Since questions can reference supplier profile attributes such as products and services or business classifications, the registration rule set questionnaire can provide the supplier administrator with a more detailed and in-depth view of the supplier.



The diagram depicts the qualification workflow and the areas covered by the automated scoring feature.

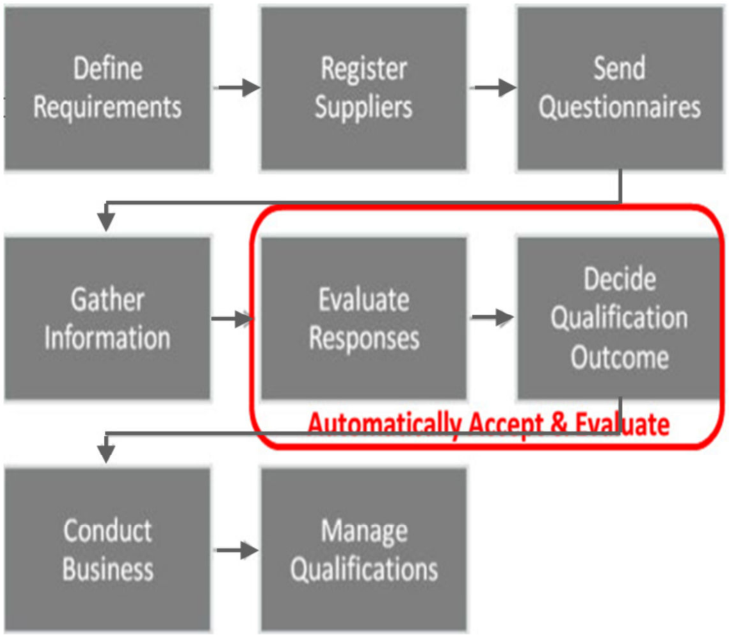
Consider a flow that represents the business process associated with qualifying suppliers. After you gather information about the supplier, you need to manually evaluate this information and decide if the supplier meets the qualifying criteria. Based on your decision, you assign one of the predefined outcomes to the qualification. The same process applies to assessments.

With automated scoring, you can partially or completely eliminate this manual process. You now have the ability to set up the right information in questions, qualification areas, and qualification models that will automatically derive the outcome. You can optionally specify knockout criteria for each question. If the supplier meets the knockout criteria, the qualification is automatically assigned a poor or low scoring outcome.

Also, you can override the system derived outcome. If there is a reason to update the derived outcome based on additional information you have, you can update the outcome before finalizing the qualification.

Automated scoring is available for qualifications and assessments.

Automatic Evaluation



- Automatically accept questionnaire responses
- Automatically evaluate qualifications
- Automatically evaluate assessments
- Notify automatic evaluation outcome for manual review
- Search automatically evaluated qualifications or assessments

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The diagram depicts the qualification workflow and the areas covered by the automatic evaluation feature.

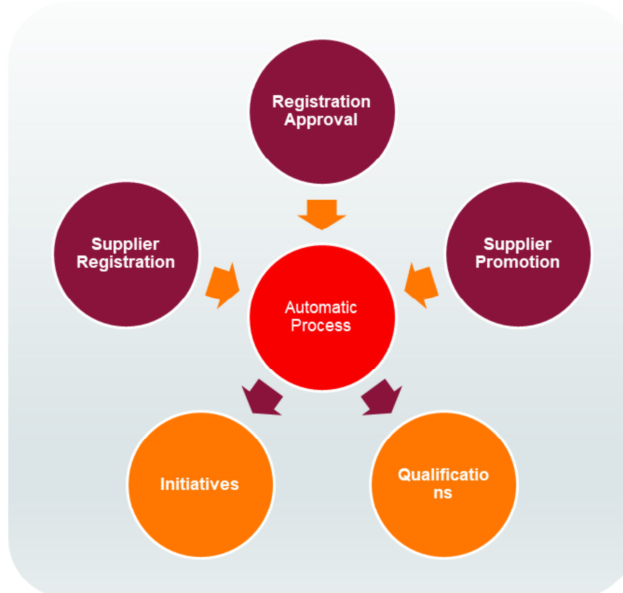
Consider a flow that represents a business process associated with qualifying suppliers. After you gather information about the supplier, you need to manually accept and evaluate this information and decide if the supplier meets the qualifying criteria. Based on your decision, you assign one of the pre-defined outcomes to the qualification and finalize it. The same process applies to an assessment.

With automatic evaluation, qualifying a supplier can be a touch less process. You can partially or completely get rid of the current manual process. You now have the ability to configure qualification areas and qualification models such that the system will automatically accept the submitted responses and evaluate the qualifications. This will allow for creation of active qualifications or assessments, without any manual intervention.

You can optionally set up notifications to be sent to you of specific outcome as a result of automatic evaluation. In addition, you can search for qualifications and assessments that have been automatically evaluated.

Event Based Initiative and Qualification Creation

- Automatically create qualifications and initiatives for new suppliers based on business events
  - Supplier registration
  - Registration approval
  - Supplier promotion
- Define individual rules for each business event



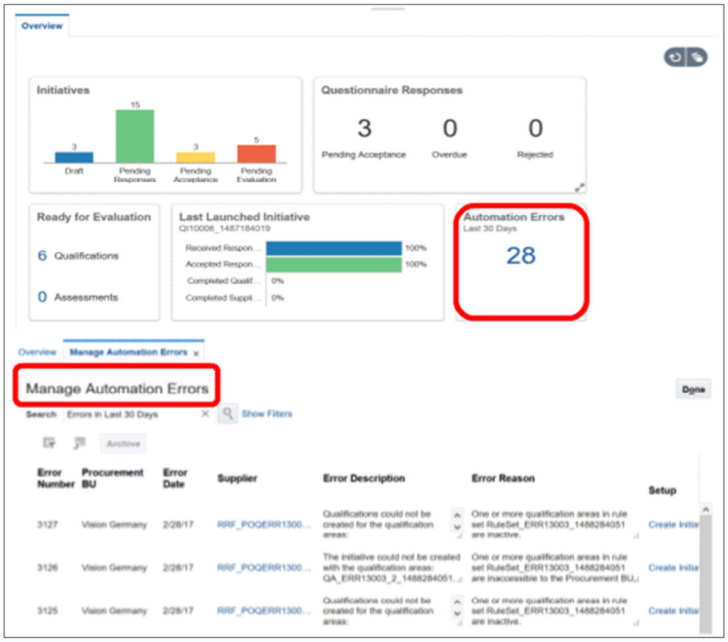
The diagram depicts the event based initiative and qualification creation, the process of initiative creation and qualifying the suppliers is automated by defining a rule set for each business event.

With event based initiative and qualification creation process, qualifying a supplier plays a major role in screening suppliers strategically. This helps buyers' organization to ensure that supplier meets the required safety, or quality standards, supports particular business processes, sufficient levels of certification and social and environmental responsibility. Often this qualifying process is monotonous and time consuming.

With the introduction of event based initiative and qualification creation, the process of initiative creation and qualifying the suppliers is automated by defining a rule set for each business event. Qualifying a supplier involves various steps starting from sending a questionnaire to supplier, accepting their responses, evaluating their responses and lastly awarding an appropriate outcome. These steps are automatically performed for each and every new supplier or a promoted supplier before awarding them a qualification.

In association with Automatic Scoring and Evaluation feature, we can achieve a touch less supplier qualification process.

Automation Errors Resolution



- With the Automation Error Management, the qualification manager can view and resolve the errors occurred during the automated flows.
- This feature has two components:
  - Automation Errors Infolet
  - Manage Automation Errors Page

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Navigator > Procurement > Supplier Qualification

The screenshot depicts accessing the Automation Errors infolet.

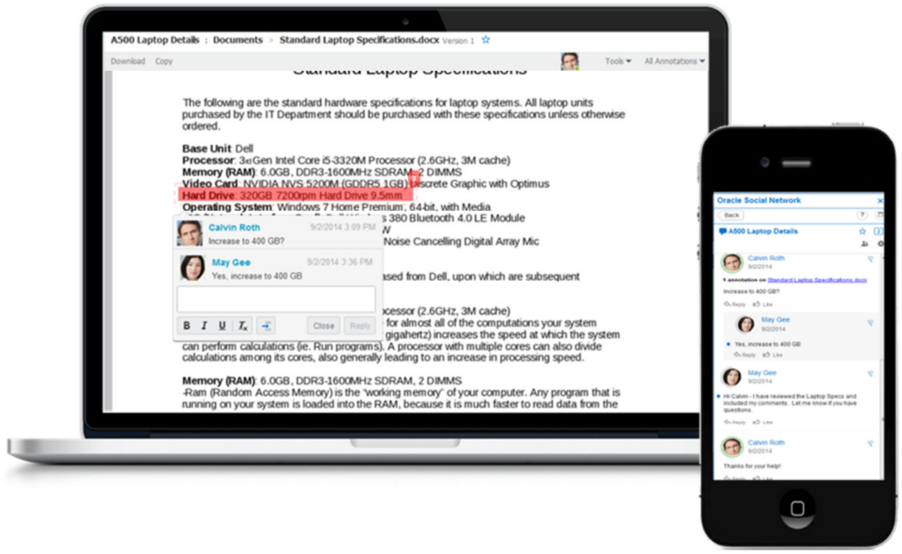
As part of the event based initiative creation process, you as the qualification manager, can configure the automatic qualification process when suppliers' registration request is approved, or when suppliers are promoted to the spend authorized status. The automation error management framework captures errors occurred during the automatic qualification process.

The error framework also flags the errors associated with the setup, and lets you fix the errors by recommending the next steps. This reduces the time taken to troubleshoot the automation errors.

The automation error management feature has two components:

- The Automation Errors Infolet on the Supplier Qualification landing page provides a summary of all the errors occurred during the automation process.
- The Manage Automation Errors page lets you view the automation errors occurred during Supplier Registration, Supplier Registration Approval, or Supplier Promotion event.

Social Collaboration



The screenshot depicts a social collaboration among stakeholders.

With Oracle Social Network, you can collaborate with key stakeholders on Supplier Qualification and access discussions on multiple devices. You can annotate a document with notes and capture key conversations that can be retained for future reference.

Oracle Supplier Qualification Management Cloud: Activities

- Demonstration 14-1: Using Basic Functionality
- Demonstration 14-2: Using Initiatives
- Demonstration 14-3: Setting Up Lookups for Supplier Qualification
- Demonstration 14-4: Creating a Registration Rule Set

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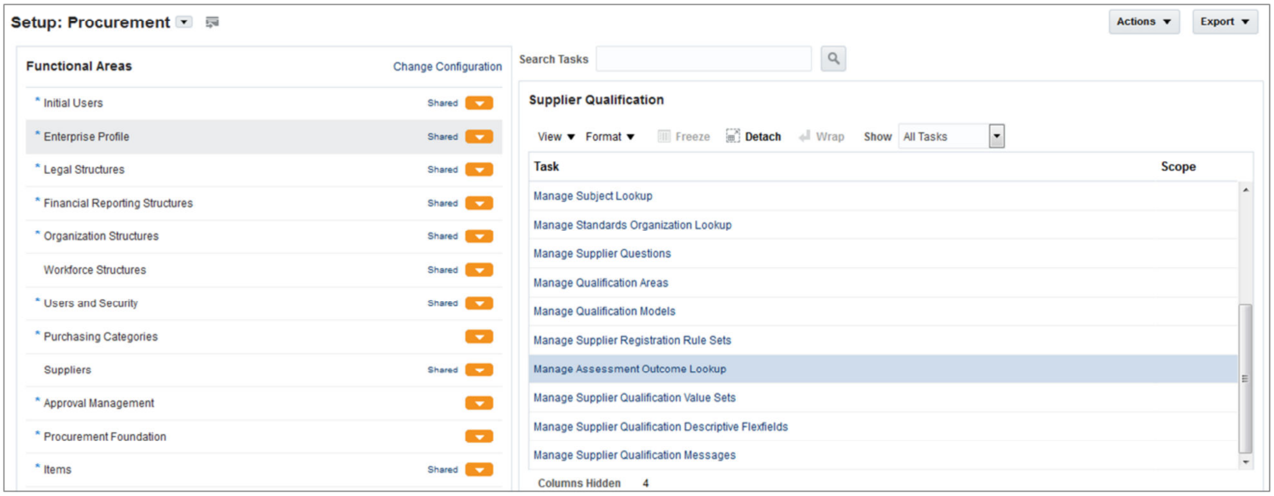
Demonstration: Using Basic Functionality - Instructor Note: The instructor should demonstrate Practice 14-1: Using Basic Functionality for this demonstration.

Demonstration: Using Initiatives - Instructor Note: The instructor should demonstrate Practice 14-2: Using Initiatives for this demonstration.

Demonstration: Creating a Registration Rule Set - Instructor Note: The instructor should demonstrate Practice 14-3: Setting Up Lookups for Supplier Qualification for this demonstration.

Oracle Supplier Qualification Management Cloud Configuration Setup Tasks



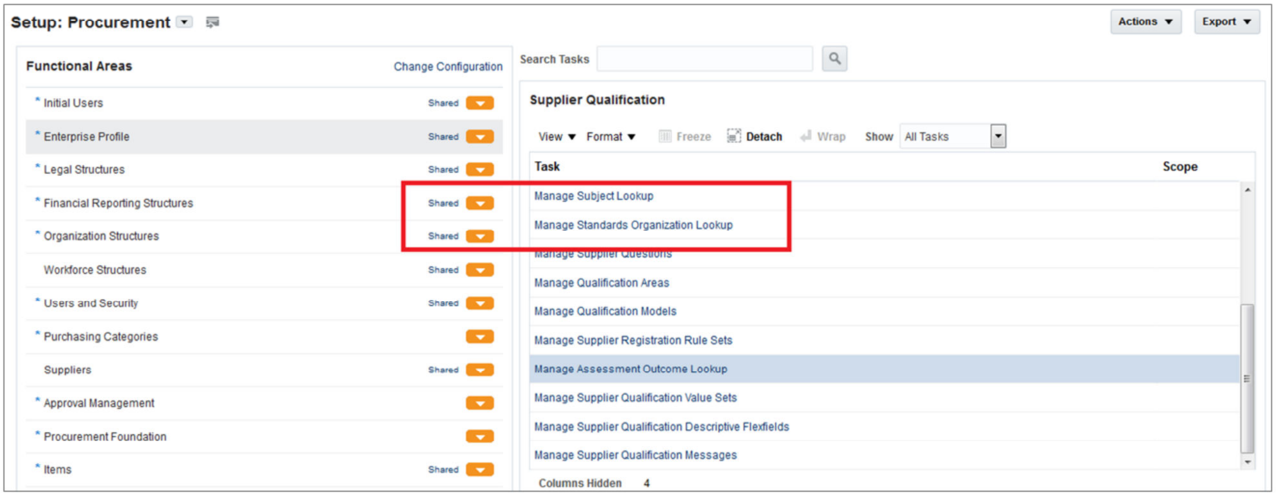
ORACLE

Navigator > Others > Setup and Maintenance > select Procurement offering > Supplier Qualification > select All Tasks

The screenshot depicts the configuration setup tasks for Oracle Supplier Qualification Management Cloud.

The slide shows the configuration tasks that are available from Setup and Maintenance.

Oracle Supplier Qualification Management Cloud Configuration Setup Tasks

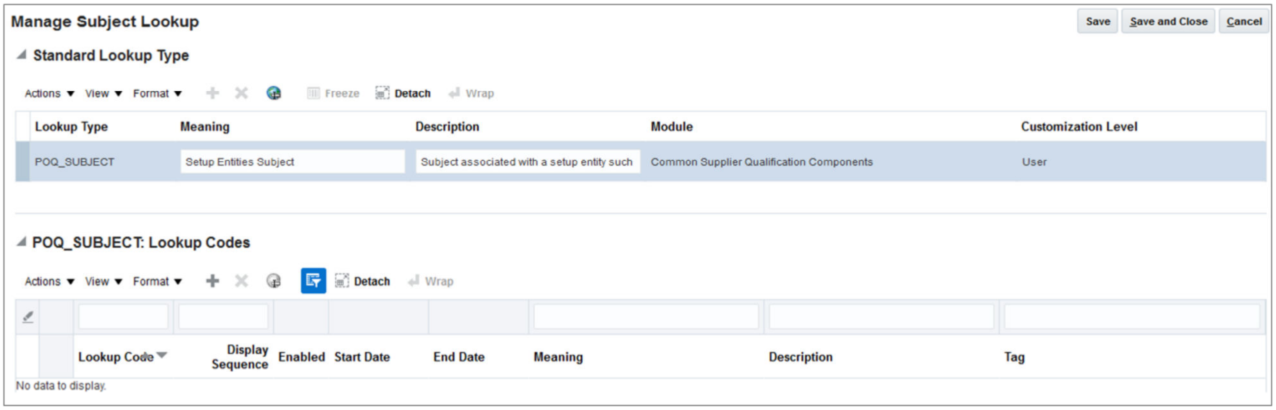


ORACLE

Navigator > Others > Setup and Maintenance > select Procurement offering > Supplier Qualification > select All Tasks

The screenshot depicts the configuration setup tasks for Supplier Qualification.

Defining Subject and Standards Organization



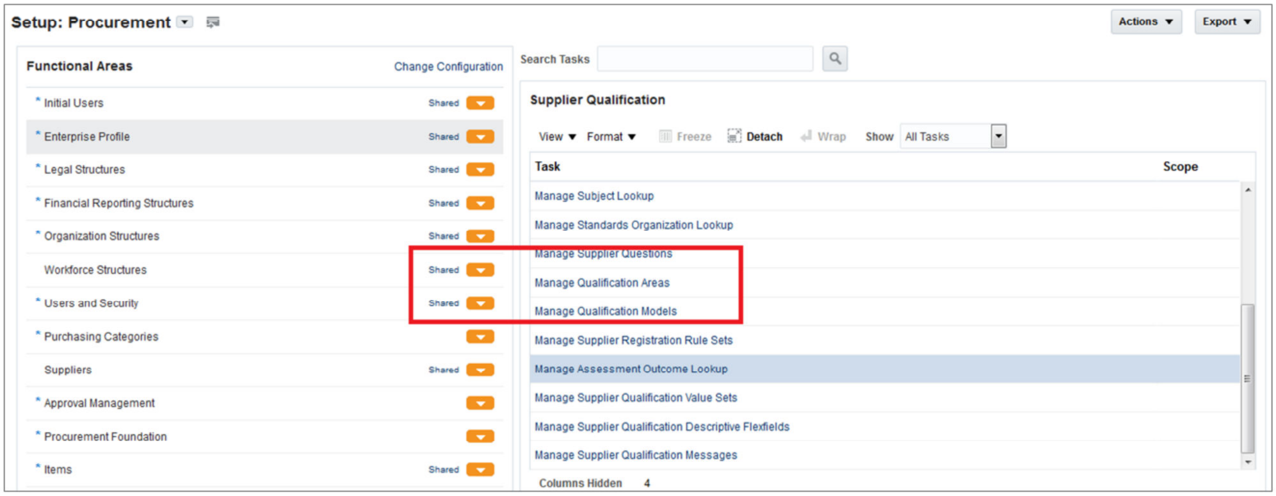
ORACLE

Navigator > Others > Setup and Maintenance > select Procurement offering > Supplier Qualification > select All Tasks > Manage Subject Lookup

The screenshot depicts the Manage Subject Lookup task page.

You define subjects by using the “Manage Subject Lookup” task in Setup and Maintenance, and standards organization using the “Manage Standards Organization Lookup” task based on your organization’s needs. When you create a question, qualification area, or qualification model, you associate a subject and / or standards organization with it. You can later search questions, areas, and models using the subject and standards organization.

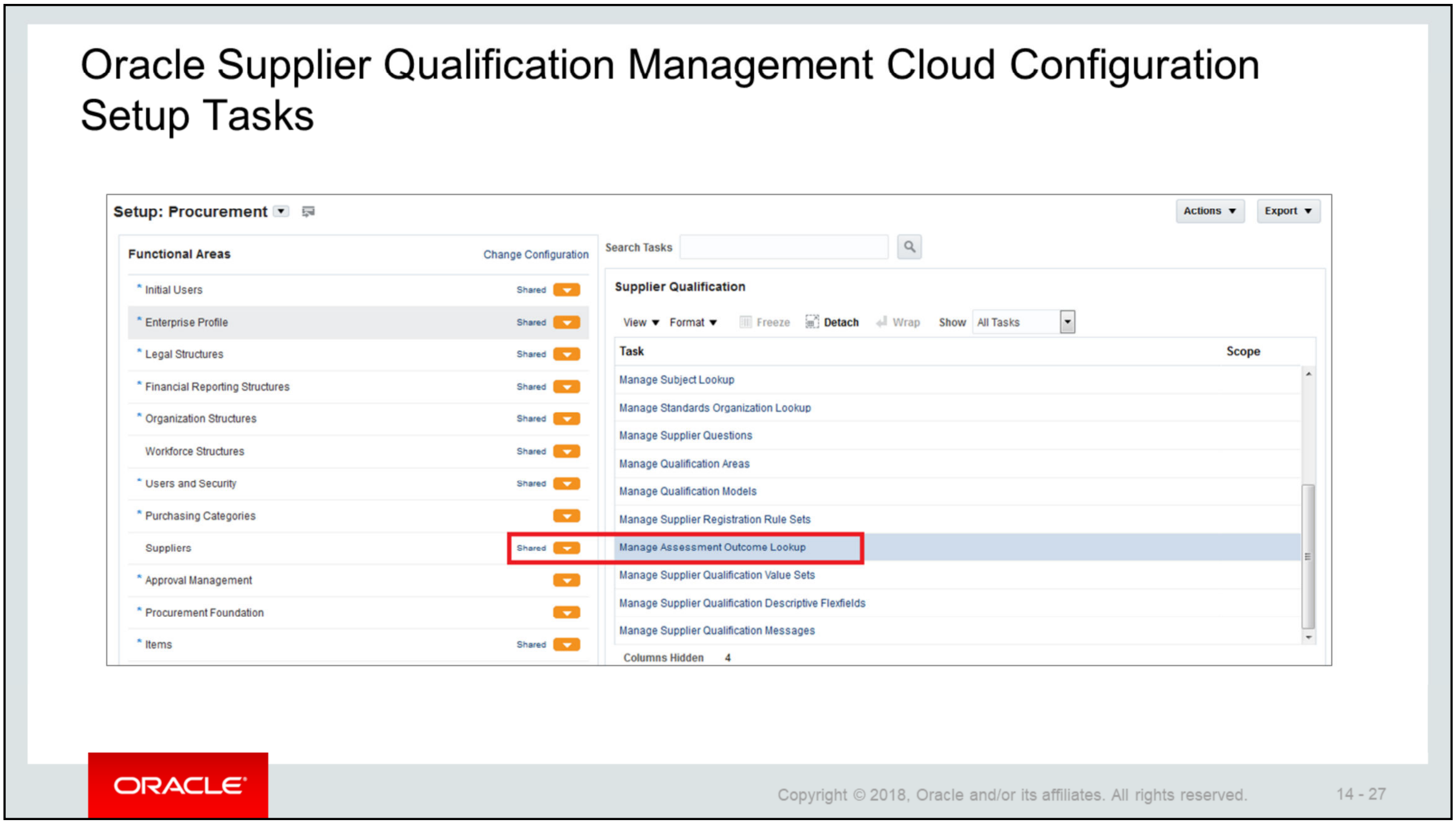
Oracle Supplier Qualification Management Cloud Configuration Setup Tasks



ORACLE

Navigator > Others > Setup and Maintenance > select Procurement offering > Supplier Qualification > select All Tasks

The screenshot depicts the configuration setup tasks for Oracle Supplier Qualification Management Cloud.

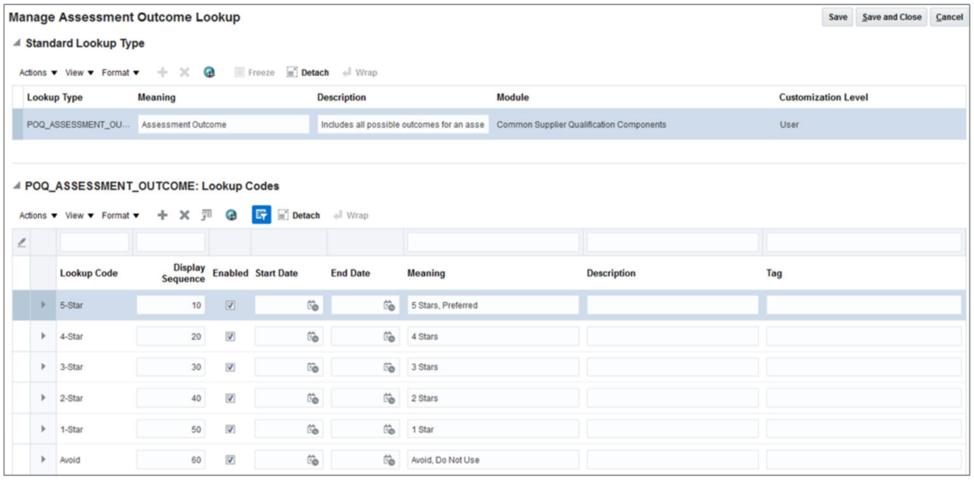


Navigator > Others > Setup and Maintenance > select Procurement offering > Supplier Qualification > select All Tasks

The screenshot depicts the configuration setup tasks for Oracle Supplier Qualification Management Cloud.

You can define some outcome values (questions, areas) when you define the object. These outcomes apply only to that object. However, you define the evaluation outcomes for assessments using Setup and Maintenance.

Manage Assessment Outcomes

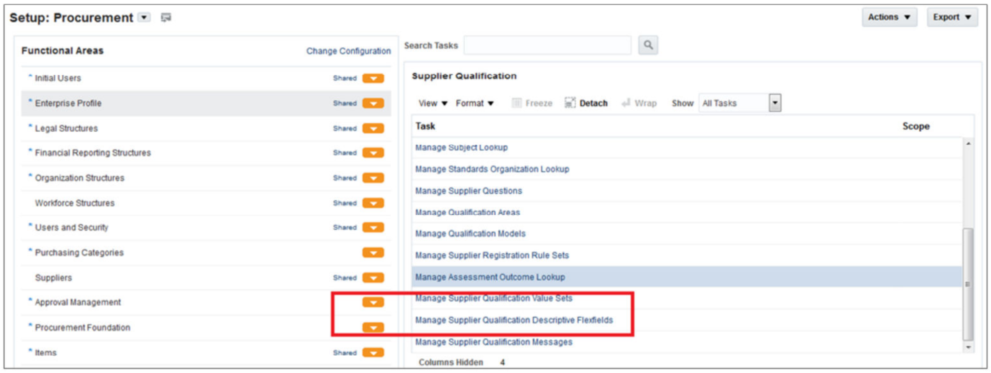


Navigator > Others > Setup and Maintenance > select Procurement offering > Supplier Qualification > select All Tasks > Manage Assessment Outcome Lookup

The screenshot depicts the Manage Assessment Outcome Lookup page.

When you evaluate a supplier using a Qualification model, you specify an assessment outcome to communicate your evaluation decision. These assessment outcomes must be defined before you can use them to evaluate a supplier using the qualification model. You can decide on the number of outcomes and the outcome names based on your organization’s need, and use the Functional Setup Manager to define them in the application. The set of assessment outcomes defined is available for assessments for that procurement business unit independent of the qualification model used for creating the assessment.

Oracle Supplier Qualification Management Cloud Configuration Setup Tasks



Descriptive flexfields are available on the following entities:

- Initiatives
- Qualifications
- Assessments

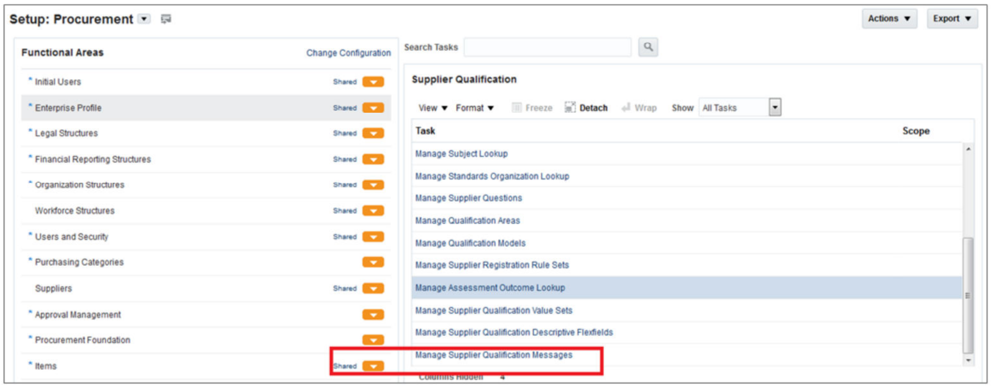
ORACLE

Navigator > Others > Setup and Maintenance > select Procurement offering > Supplier Qualification > select All Tasks

The screenshot depicts the configuration setup tasks for Oracle Supplier Qualification Management Cloud.

You can extend the data model using descriptive flexfields and can configure associated value sets here.

Oracle Supplier Qualification Management Cloud Configuration Setup Tasks



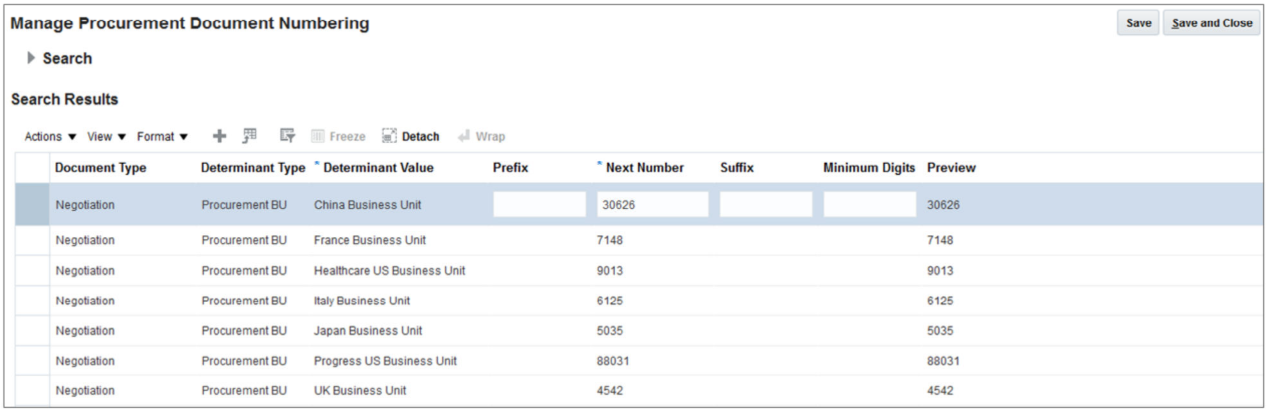
ORACLE

Navigator > Others > Setup and Maintenance > select Procurement offering > Supplier Qualification > select All Tasks

The screenshot depicts the configuration setup tasks for Oracle Supplier Qualification Management Cloud.

You can configure error messages to add company-specific text or instructions.

Defining Document Numbering



Document Type	Determinant Type	* Determinant Value	Prefix	* Next Number	Suffix	Minimum Digits	Preview
Negotiation	Procurement BU	China Business Unit		30626			30626
Negotiation	Procurement BU	France Business Unit		7148			7148
Negotiation	Procurement BU	Healthcare US Business Unit		9013			9013
Negotiation	Procurement BU	Italy Business Unit		6125			6125
Negotiation	Procurement BU	Japan Business Unit		5035			5035
Negotiation	Procurement BU	Progress US Business Unit		88031			88031
Negotiation	Procurement BU	UK Business Unit		4542			4542

ORACLE

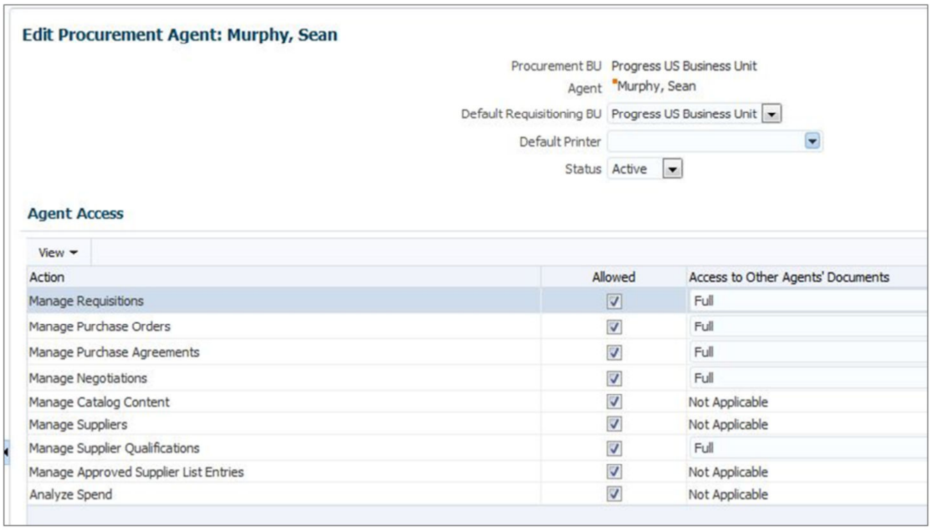
Navigator > Others > Setup and Maintenance > select Procurement offering > Procurement Foundation > select All Tasks > Manage Procurement Document Numbering

The screenshot depicts the Manage Procurement Document Numbering page.

You can have document numbers for all the initiatives, qualifications, and assessments created, based on your organization's needs. You can define the desired numbering using the **Manage Procurement Document Numbering** page. The setup also allows you to specify a prefix and a suffix as part of the numbering. This numbering must be defined for each procurement business unit.

This task is a basic procurement implementation tasks and is often performed when implementing another procurement product.

Defining Procurement Agent Security



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Navigator > Others > Setup and Maintenance > select Procurement offering > Procurement Foundation > select All Tasks > Manage Procurement Agents > search Business Unit Name > click on user name

The screenshot depicts the Edit Procurement Agent page.

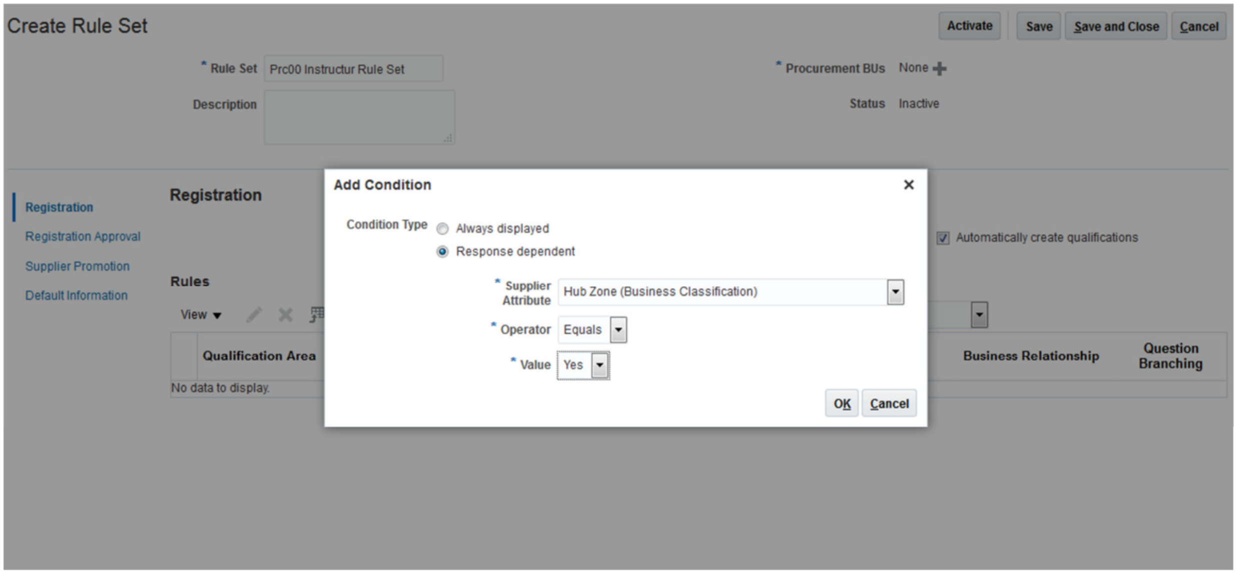
You configure the procurement agent's access to procurement activities, such as managing supplier qualifications for a business unit. The key elements for defining agent security are enabling agent access to specific activities or document types, and setting the access level to other agent's documents. Note that an agent can perform all actions on their own documents as long as they have procurement BU access.

For supplier qualification, you need to allow the agent to perform the Manage Supplier Qualifications activity for a given business unit. In addition to this, you can set the access level for other agents' documents as None, View, or Full:

- None means the agent cannot access documents owned by other agents.
- View allows the agent to search and view other agents' documents.
- Full enables the agent full control of other agents' documents which include view, edit, delete, and cancel.

This task is a basic procurement implementation tasks and is often performed when implementing another procurement product.

Creating a Registration Rule Set



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Navigator > Others > Setup and Maintenance > Procurement > Highlight Supplier Qualification > All Tasks > Manage Supplier Qualification Rule Sets

The screenshot depicts the Add Condition option in the Create Rule Set page.

To create a registration rule set, you should perform the following steps:

1. Click **Actions** and then **Create**.
2. Enter a name.
3. Identify the Procurement BU to which this rule set applies.
4. In the **Qualification Area Rules** section, create one or more rules. Each rule identifies the qualification area that contains the questions, and specifies the condition controlling whether the questions are displayed. There are two possible choices:
   - Always display the qualification area's questions
   - Only display the qualification area's questions depending on the supplier's response to a profile attribute.
5. After you create the rule set, you must activate it for use by the Procurement BU.

A rule set can be used by multiple Procurement BUs, but a Procurement BU can have only one rule set active at a time.

Oracle Supplier Qualification Management Cloud: Activities

- Practice 14-1: Using Basic Functionality
- Practice 14-2: Using Initiatives
- Practice 14-3: Creating a Registration Rule Set

Summary

In this lesson, you should have learned how to:

- Describe the purpose and functionality provided by Oracle Supplier Qualification Management Cloud
- Configure questions, qualification areas, and models to support business objectives
- Launch an initiative to create a questionnaire to gather qualification-related information
- Implement Oracle Supplier Qualification Management Cloud

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Appendix A: Additional Slides of Setup Screens

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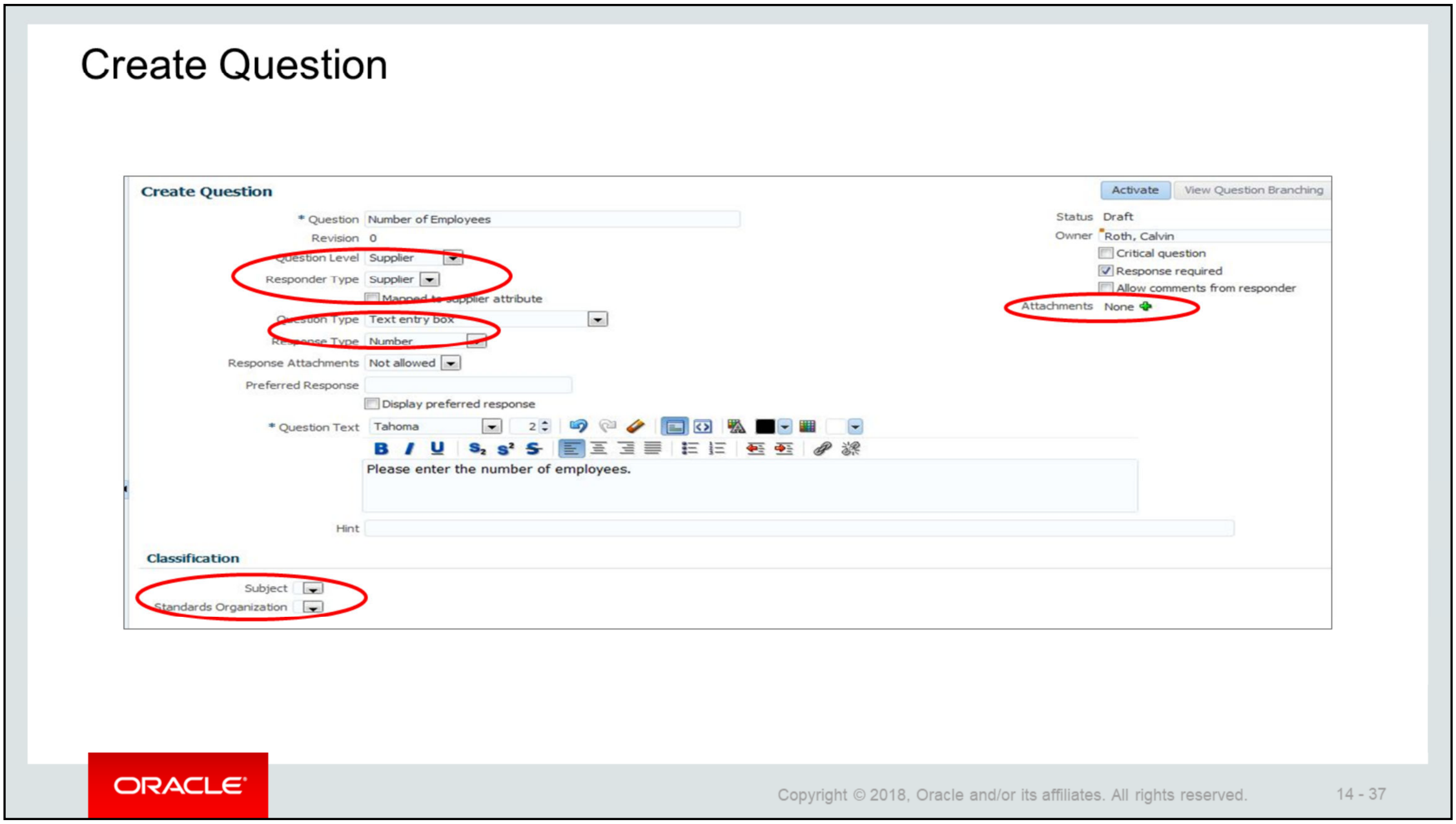
The screens in the following slides are included for reference. These slides display screens from which you create your qualification building blocks.



Navigator > Procurement > Supplier Qualification > Manage Questions > Create icon

The screenshot depicts the Create Question page.

Questions are the building blocks of Oracle Supplier Qualification Management Cloud product. You define the following when you create a question:

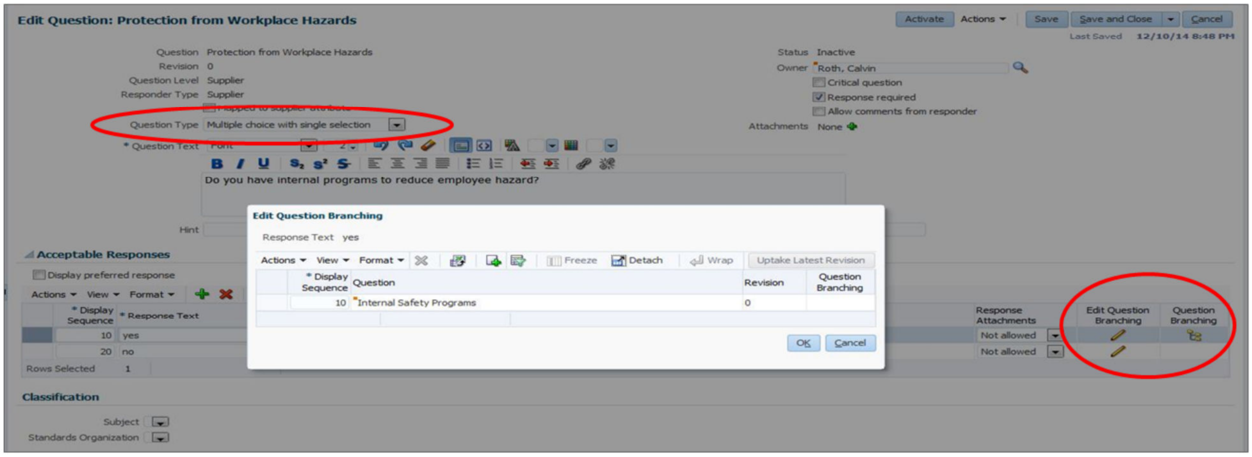
- Question Name and the text of the question
- Question Level to indicate if a question applies to supplier or supplier site
- Responder Type to indicate whether a supplier contact or an internal evaluator should reply to the question

There are various question types supported in the system:

- Text entry
- Multiple Choice with single selection
- Multiple Choice with multiple selection

You can attach supporting documents for your responders or for internal evaluators. You can categorize questions based on classification information such as Subject or Standards Organization. This will not only help you find a question easily, it makes it easier to organize questions.

Question Branching



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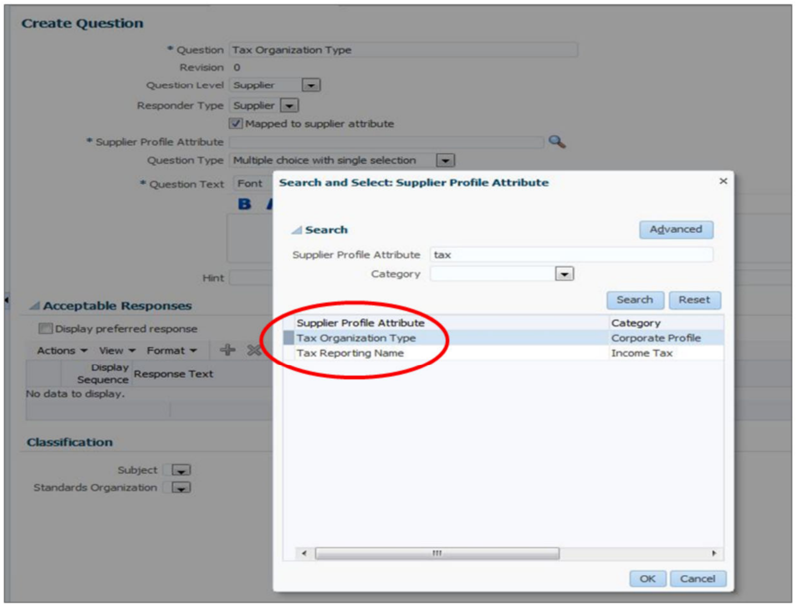
Navigator > Procurement > Supplier Qualification > Manage Questions > Create icon > Enter question type as Multiple choice with single selection > Edit Question Branching icon

The screenshot depicts the Edit Question Branching option in the Edit Question page.

For multiple choice questions, you may specify follow-up questions that should be asked of the responder based on his or her response to a previous question. For example, when a supplier is responding to a questionnaire, if the supplier answers Yes to the Workplace Hazards question, then you can ask a question related to hazardous activities. A certain response can present one or more follow-up questions to the responders. To add a question as a follow-up question to the question branching, it should already be created and available in the question library.

Mapping to a Supplier Profile Attribute



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Navigator > Procurement > Supplier Qualification > Manage Questions > Create icon > Check Mapped to supplier attribute > Search icon

The screenshot depicts the Search and Select option in the Create Question page.

The Supplier Profile maintains information such as corporate details, income tax details, certifications about a supplier and its sites. Oracle Supplier Qualification Management Cloud lets you map questions to supplier profile information. For profile attributes that have pre-defined set of values in the Supplier Profile, the acceptable responses are populated automatically for you. Depending on the supplier profile attribute to which you map the question, Question Type and Response Type are defaulted for you and cannot be changed.

Some of the attributes you can map to for the Corporate Profile are:

- Tax Organization Type
- Supplier Type
- Current Fiscal Year’s Potential Revenue

Attributes you can map for Income Tax are:

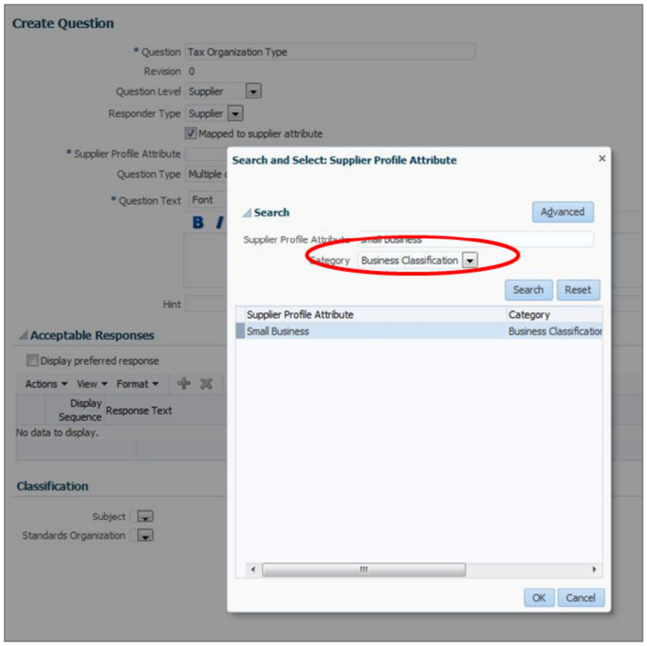
- State reportable
- Tax Reporting Name
- Name Control and Verification Date

Supplier Site attributes include:

- Shipping Method
- Payment Terms

- And Payment Methods

Mapping to a Business Classification



ORACLE

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Navigator > Procurement > Supplier Qualification > Manage Questions > Create icon > Check Mapped to supplier attribute > Search icon

The screenshot depicts the Search and Select option in the Create Question page.

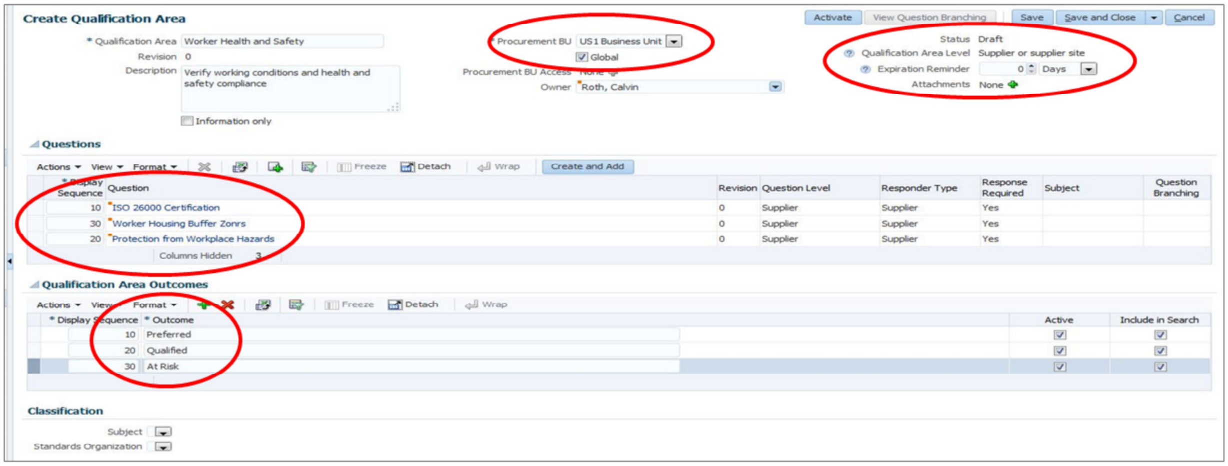
Category

In addition to mapping to supplier profile attributes, you can map your question to a supplier's business classification.

To solicit the latest certification information and use it for qualifications, you create a question and map it to a certain business classification. Certifying agencies set up for the selected business certification are displayed in the acceptable responses section. You narrow down the list of agencies if needed. For example, if you would like to qualify mid-west suppliers certified as Small Business, then you map your question to Small Business and delete west coast and east coast agencies from acceptable responses.

When a business classification question is presented to a supplier on a questionnaire, the supplier can update any existing certificates or add new certificates. After the qualification manager reviews the questionnaire response, the certification information is updated in the response repository as well as on the supplier profile.

Qualification Area



14 - 41

Navigator > Procurement > Supplier Qualification > Manage Qualification Areas > Create icon

The screenshot depicts the Create Qualification Area page.

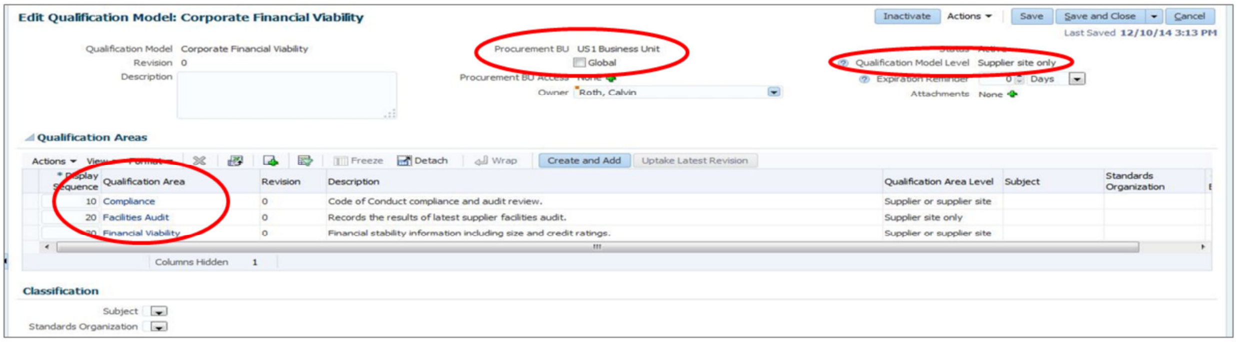
A qualification area is a grouping of related questions that help you identify the requirements for a specific aspect of a supplier. You select a procurement business unit which will use this area for qualifying suppliers. Alternatively, you can mark the area as global, meaning all business units can use this area for qualification process.

You add pre-defined questions from the question library to the area. If you do not find a question you are looking for in the question library, you can create a new question and add it to the qualification area while you are creating the area itself.

A qualification outcome is a possible evaluation outcome assigned to a supplier for a given qualification area to indicate the extent of requirements that the supplier met during the qualification process. One of these outcomes is assigned to suppliers during the evaluation process.

The Qualification area level indicates if the area can be used for qualifying both supplier sites as well suppliers, or if it is available for qualifying supplier sites only. Also, you set up expiration reminders to track and manage expiring qualifications ahead of time.

Qualification Model



Navigator > Procurement > Supplier Qualification > Manage Qualification Models > Create icon

The screenshot depicts the Edit Qualification Model page.

A qualification model contains zero or more qualification areas which form the basis for overall evaluation of a supplier. You select a procurement business unit which will use this model for assessing suppliers. You can also make the model available to other procurement business units. Alternatively, you can mark the model as global, meaning all business units can use this model for assessment process.

You add pre-defined qualification areas to the model. You can also define a new area and add it to the qualification model.

Qualification model level indicates if the model can be used for assessing both supplier sites as well suppliers or if it is available only for assessing supplier sites. You set up expiration reminders to track and manage expiring assessments ahead of time.

Appendix B: Additional Slides of Transactional Screens

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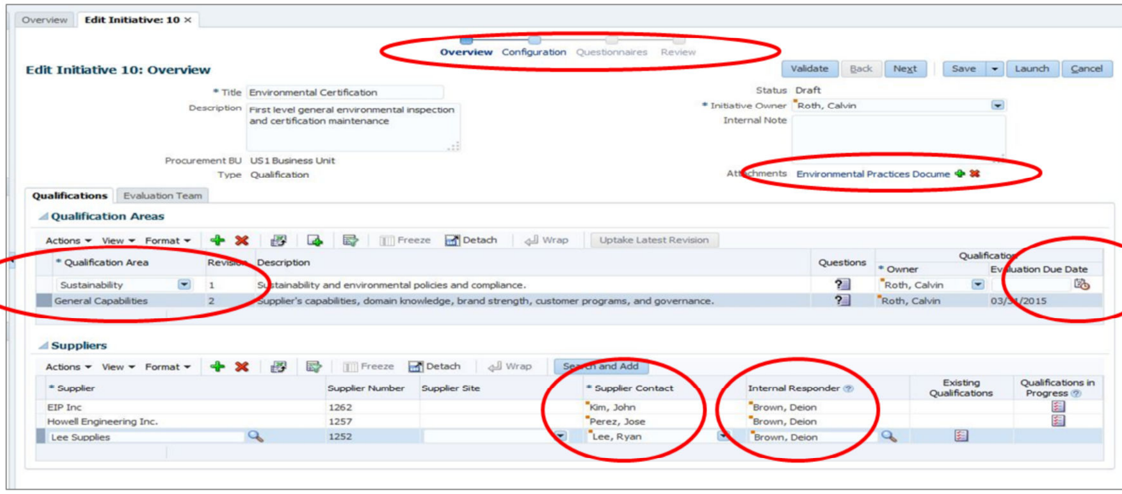
The following screen highlights are included for reference. They demonstrate screens from which you conduct supplier qualification tasks.

Initiatives



ORACLE

14 - 44

Navigator > Procurement > Supplier Qualification > Manage Initiatives > Create Initiative popup

The screenshot depicts the Edit Initiative, Overview train stop page.

An initiative is the main tool you use to create, manage, and track your qualifications and assessments of your suppliers. When you launch your initiative, its questionnaires are sent to its suppliers and internal responders for their responses. As soon as responders have submitted their responses, you can review the responses and either approve or reject them. You can use the supplier's qualification and assessment outcome in many ways when performing procurement activities.

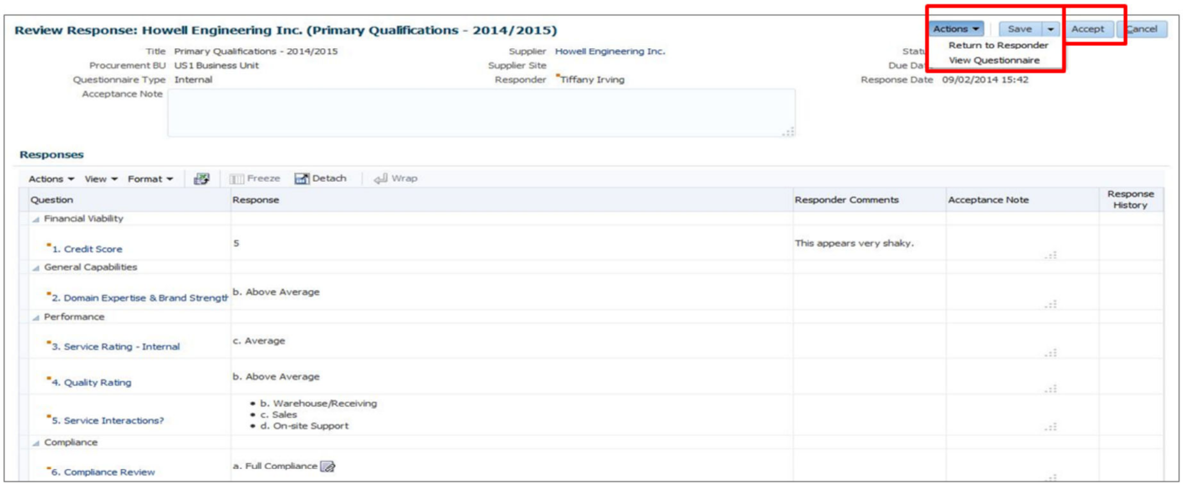
There are two kinds of initiatives: qualification initiatives and assessment initiatives. Qualification initiatives are used to evaluate a particular function, capability or aspect of a supplier, while assessment initiatives provide a more thorough and comprehensive evaluation of the supplier.

You build you an initiative by using setup objects that are already predefined in the system:

- Questions
- Qualification
- Qualification

You specify the suppliers to which this initiative is targeted. For each supplier, you specify a supplier contact and possibly and internal responder.

Reviewing and Accepting Responses



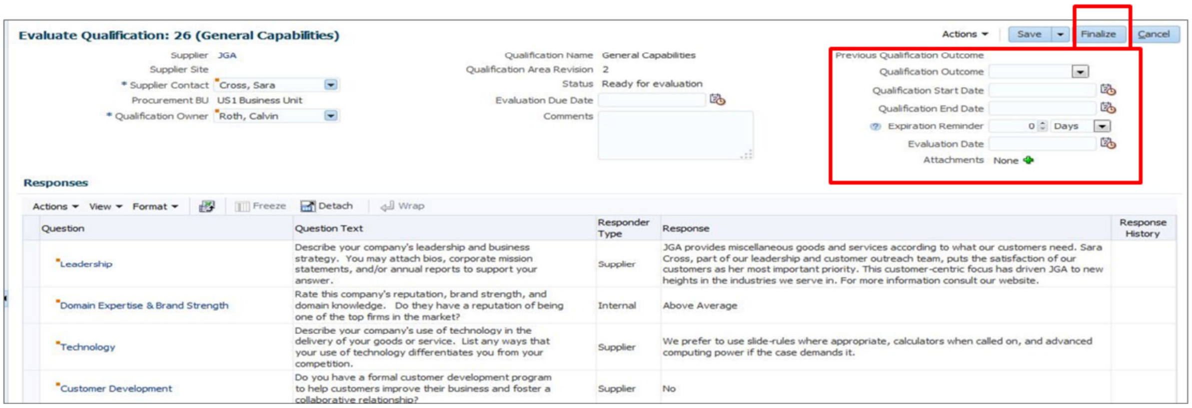
14 - 45

Navigator > Procurement > Supplier Qualification > Monitor icon > Review and Accept (Supplier Response)

The screenshot depicts the Review Response page.

Before responses (internal or supplier) can be evaluated, you must review and accept them. While you are reviewing the response, you can return the response if you need a clarification or the response is incomplete. When you are satisfied with the response, click Accept.

Evaluating Qualifications



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14 - 46

Navigator > Procurement > Supplier Qualification > Monitor icon > Review and Accept (Supplier Response) > Accept > OK > Evaluate Qualification

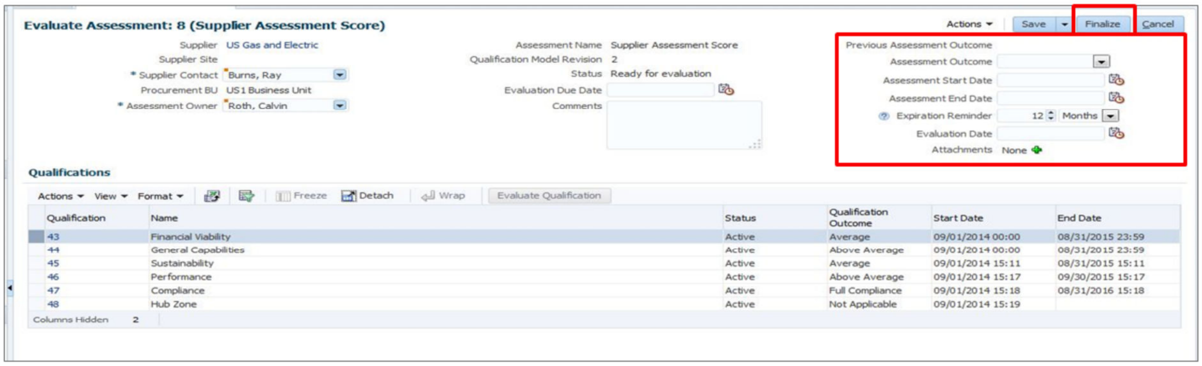
The screenshot depicts the Evaluate Qualification page.

After you have accepted the response, you can evaluate it. On the Evaluate Qualification page, you can view the status and information about all the qualifications. If there is a prior qualification for this supplier, you can see the prior outcome. During the evaluation stage, you set

- An outcome value
- A beginning date for when the qualification comes into effect for this supplier
- Expiration alert values

When you are finished, click Finalize.

Evaluating Assessments



ORACLE

14 - 47

Navigator > Procurement > Supplier Qualification > Monitor icon > Review and Accept (Supplier Response) > Accept > OK > Evaluate Assessment

The screenshot depicts the Evaluate Assessment page.

For an assessment initiative, after you have evaluated all the qualifications, you can evaluate the assessment. On the Evaluate Assessment page, you can view the status and information about all the qualifications. If there is a prior assessment for this supplier you can see the prior outcome. Like qualifications, when evaluating an assessment you must:

- Set the assessment outcome
- Set a beginning date for when the assessment comes into effect.
- Set the expiration reminder values.

When you are finished, click **Finalize**.

Instructor lesson and demonstrations: 95m

Student practices: 45m

Total: 140m

Objectives

After completing this lesson, you should be able to:

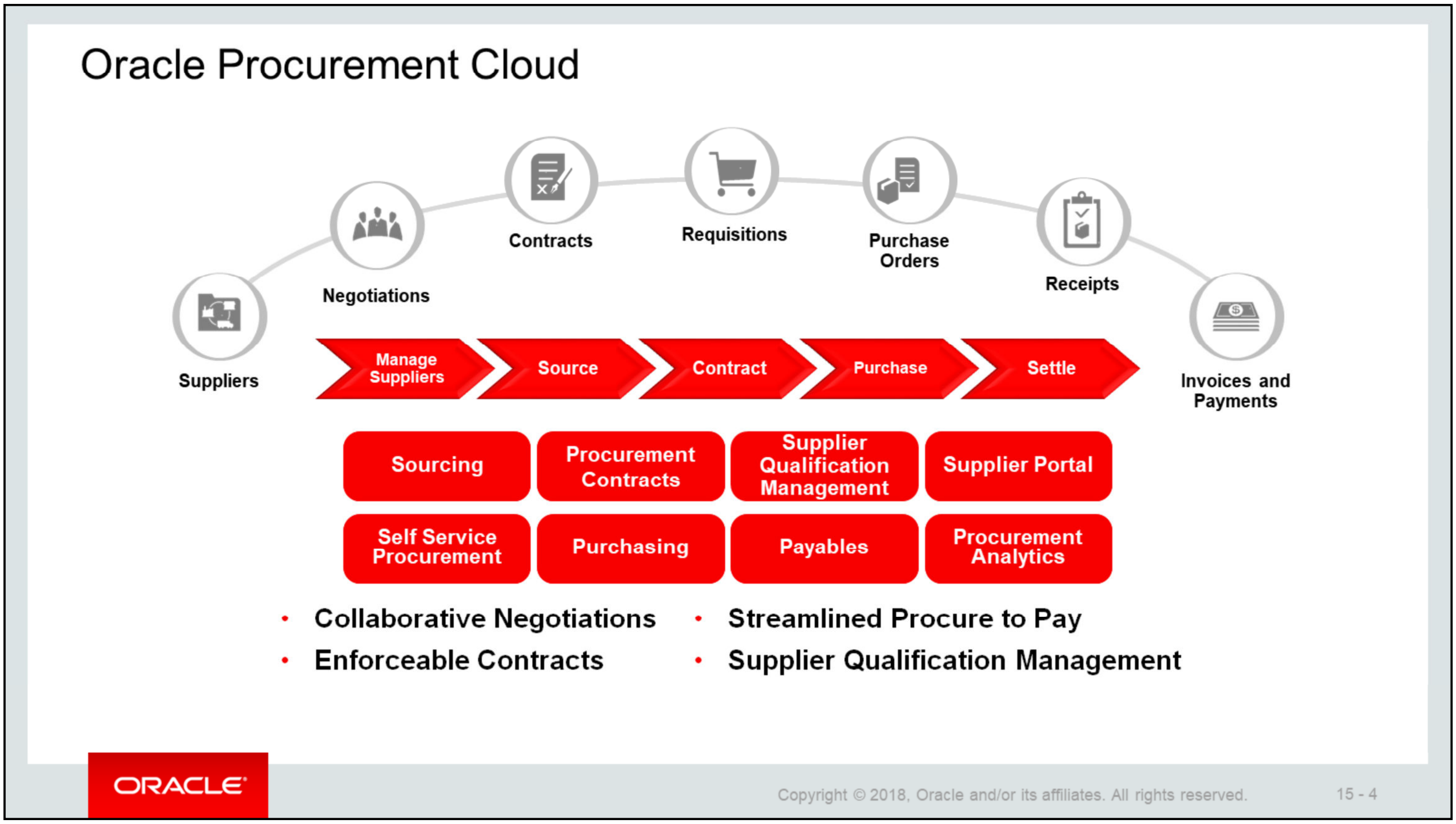
- Explain the benefits of using Oracle Sourcing Cloud
- Explain the purpose of Sourcing within the Oracle Procurement Cloud suite of products
- Use the core functionality in Sourcing
- Set up Oracle Sourcing Cloud

Topics

- Introduce Oracle Sourcing Cloud
- Oracle Sourcing Cloud capabilities
- Implementing Oracle Sourcing Cloud

 15 - 3

This slide lists the topics that will be discussed during this lesson.



The diagram depicts the Oracle Procurement Cloud, a complete source-to-settle solution.

Oracle Procurement Cloud offers a complete source-to-settle solution. You can manage your suppliers, source, contracts, purchase and settle with a completely modern solution. The four key areas that set our solution apart are the ability to support collaborative negotiations, enforceable contracts, streamlined procure to pay as well as manage supplier qualifications.

- Key business objects are across the top, processes are in the middle, products are listed underneath. The 4 differentiators are on the bottom with supporting slides that follow

Oracle Sourcing Cloud

- Lower upfront costs and investment risks to gain cloud strategic sourcing application.
- Rapid implementation and intuitive UI speeds user adoption.
- It can coexist with on premise procure-to-pay and gain experience with Cloud.

ORACLE

15 - 5

Driving sustainable savings is a common goal of procurement organizations. To achieve this goal, you need better tools to manage an increasing number of complex strategic sourcing initiatives. Oracle Sourcing Cloud delivers the structure, tools and information you need to maximize the value of supplier negotiations.

You can lower upfront costs and investment risks with a Cloud deployment to gain functionally rich cloud strategic sourcing application. With Oracle Sourcing Cloud, you can quickly implement a comprehensive Sourcing solution with an intuitive user interface and robust functionality in very little time. You can deploy Oracle Sourcing Cloud as part of the integrated Oracle Procurement Cloud suite, or co-exist with your on premise Purchasing system.

Oracle Sourcing Cloud Life Cycle

 15 - 6

The diagram depicts the Oracle Sourcing Cloud life cycle.

Oracle Sourcing Cloud gives you the tools to manage the entire Sourcing business process across key stakeholders, category managers and suppliers. Here we see an entire Sourcing life cycle which includes:

- Identifying key sourcing opportunities
- Collaborating with key stakeholders to create negotiations
- Approving the negotiation according to an organization’s business rules
- Conducting and monitoring the negotiation in real time
- Analyzing supplier responses to determine the best award
- Approving the award to ensure company compliance
- Creating and implementing the purchasing documents to complete the process

Oracle Sourcing Cloud offers comprehensive functionality with an intuitive user interface to manage and execute the entire Sourcing process to achieve the best results possible.

Oracle Sourcing Cloud – Standard for Supplier Negotiations

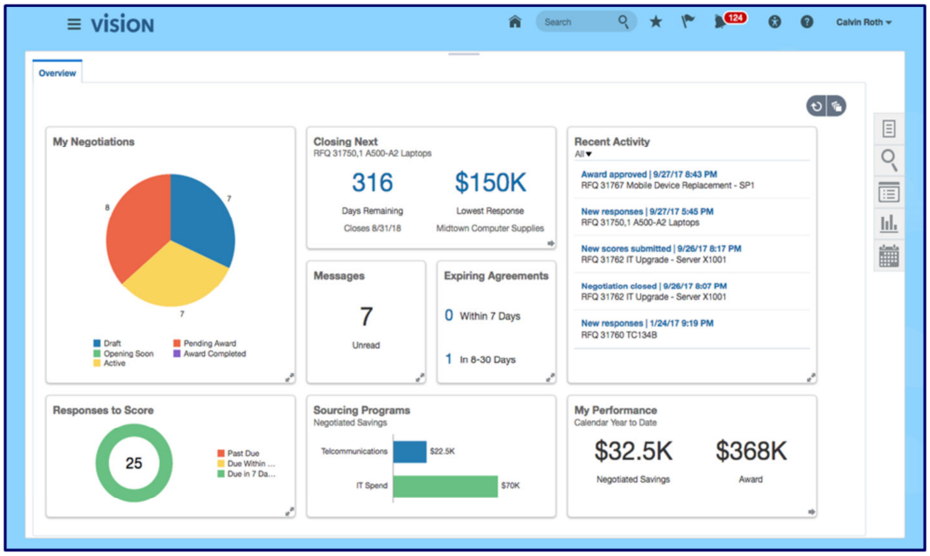
- Simplify document authoring, reviews, and approvals
- Simplify Negotiation and Response attachment document management and access
- Accelerate adoption of negotiation best-practices
- Improve standardization, collaboration, and compliance
- Minimize training and hands-on support
- Monitor supplier bidding activities in real time
- Enhance negotiation strategies and improve results

ORACLE

15 - 7

Oracle Sourcing Cloud sets a new standard for supplier negotiation. To achieve Sourcing excellence, the right tools need to be in place and users need to be able to quickly adopt and use those tools. Oracle Sourcing Cloud inspires adoption and simplifies sourcing processes by providing users with step-by-step guidance throughout the negotiation lifecycle. It enables sourcing professionals to tailor negotiations to the organization's needs, leverage information from past events, and collaborate with subject matter experts from across the business. This reduces negotiation cycle times and accelerates the rate of realized savings. Oracle Sourcing Cloud's intuitive user experience also benefits suppliers. Oracle Sourcing Cloud even offers embedded online training that makes it easy for buyers and suppliers engage in every part of the sourcing process. By reducing the effort to train users and providing easy to use tools, Oracle Sourcing Cloud helps procurement organizations focus on what's important: getting the most value from strategic sourcing.

Quick Access to All Information



- Increase sourcing effectiveness with visibility into sourcing activities and key metrics
- Provides meaningful aggregation of sourcing data based on your role
- Progressive disclosure of details is available to you by expanding or inverting infolets as needed
- Personalize the layout of your infolets or hide the ones that you do not need

ORACLE

15 - 8

Navigator > Procurement > Negotiations

The screenshot depicts the infolets available in Sourcing.

You can use the Negotiation Overview landing page to view information that is important to daily sourcing activities. This page provides a simple, meaningful aggregation of sourcing data that is organized into personalized and actionable infolets. An infolet is a self-contained, interactive container that helps you quickly visualize high-level information, review relevant details, and proceed to action.

Some Infolets on the Sourcing overview landing page include:

- **My Negotiations:** Gain insight into the state of your negotiations by status and easily drill down to more detailed views.
- **Messages:** Keep track of new Sourcing communication with a count of unread messages. Switch to an expanded view to get more information and drill down to message details to take action.
- **Closing Next:** Be aware of the active negotiations that are scheduled to close next, keep an eye on the top five lowest supplier responses, and drill down to monitor the negotiation.
- **Recent activity:** Actively monitor what’s happening with recent sourcing activities and take recommended actions.

Expiring Agreements. View a count of expiring agreements and switch to expanded view to see a list of expiring agreements, drill down to agreement details, and initiate a new negotiation process, if needed.

Sourcing Programs. Provides a bar chart of negotiated savings for the top five sourcing programs. You can drill down on each bar to go to the corresponding program.

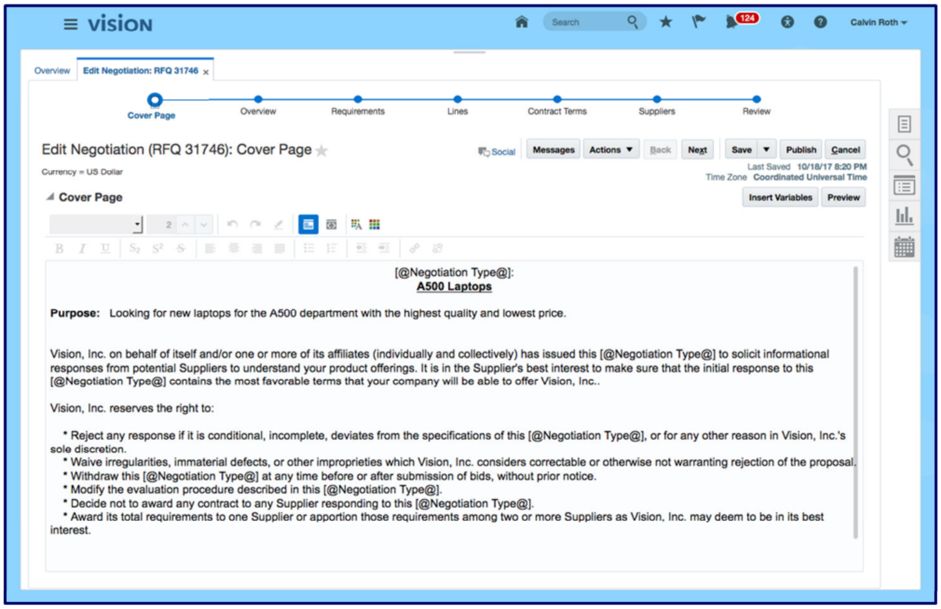
My Performance. Gives you visibility into your contributions to award and savings so you can track your performance. Displays total savings and awards from the negotiations where you are an owner or collaboration team member.

Responses to Score. Shows you the number of responses that are pending scoring in your queue. You can expand the infolet to see details of negotiations and click to the negotiation to take action.

Suppliers in Active Negotiation. Displays supplier activity across all active negotiations so you can easily keep track of suppliers that have been invited, acknowledged, and responded to a negotiation.

Completed Awards. Keep track of your recent five negotiations where the award was completed. You can drill down for additional details.

Easy Negotiation Creation



ORACLE

15 - 10

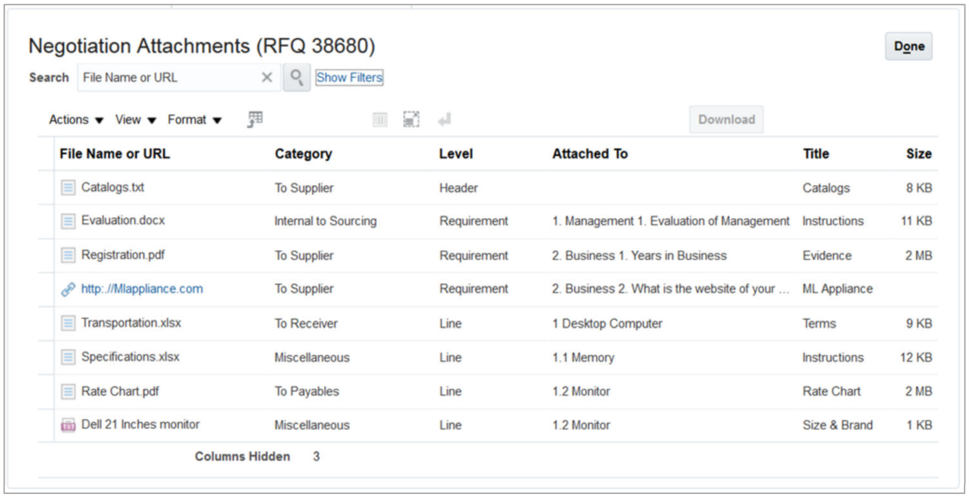
Navigator > Procurement > Negotiations > Create Negotiation > Create

The screenshot depicts the Edit Negotiation Cover Page page.

Oracle Sourcing Cloud greatly simplifies the negotiation creation process and reduces the amount of time it takes to define your requirements by guiding you through the necessary steps for creating a negotiation. You can copy from a past negotiation or negotiation template to populate your requirements, negotiation lines, suppliers, and so on. to leverage best practices based on historical results. With a document look and feel, guided step-by-step navigation, and leveraging past Sourcing knowledge, you can create your RFx or Auction with ease.

Easy Negotiation Attachment Management

- Manage large numbers of Negotiation and Response attachment documents
- Search and filter
- Select and download multiple documents
- Download all documents on a page with one action
- Export attachment lists as a spreadsheet
- Download a group of documents into an organized folder structure for easy access



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15 - 11

Navigator > Procurement > Negotiations > Search: Negotiations > <search for negotiation and click it > Actions > View > Negotiation Attachments

Navigator > Procurement > Negotiations > Search: Negotiations > <search for negotiation and click it > Actions > View > Response Attachments

The screenshot depicts the Negotiation Attachments page, which contains a table containing a list of attached documents. Columns include File Name or URL, Category, Level, Attached To, Title and Size.

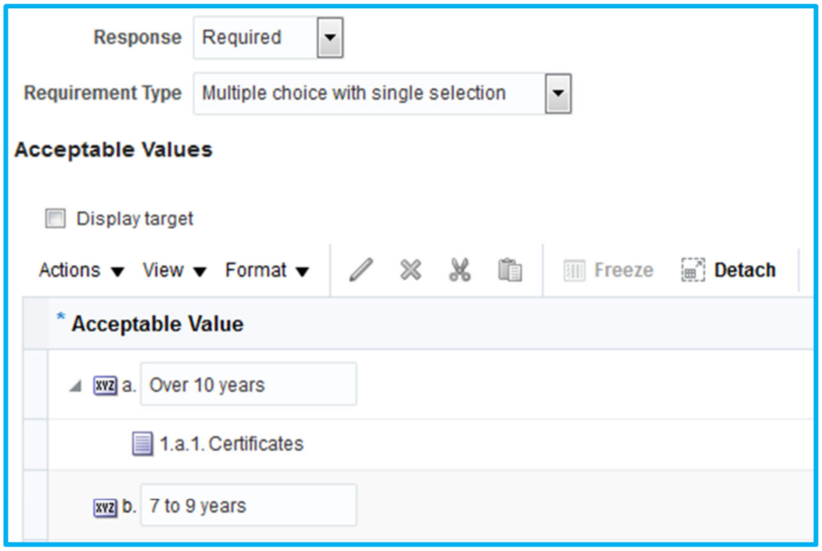
Oracle Sourcing Cloud makes it easy to manage Negotiation and Response attachments.

Robust filtering lets you restrict searches to just the documents you need to see.

Download the searched for documents, or all documents to an organized folder structure that makes it easy to locate what you are looking for.

Export document lists to Excel.

Enhanced Requirement Types



- Define multiple choice with single or multiple selections
- Add conditional requirements to acceptable values
- Control whether response attachments are allowed
- Allow optional comments from suppliers
- Provide a hint to add additional help for suppliers

ORACLE

 15 - 12

Navigator > Procurement > Negotiations > Create Negotiation > Create> Requirements > Add Section > Add Requirement

The screenshot depicts the Add Requirements page.

The additional negotiation requirement types allow you to build a questionnaire that gathers richer and more relevant information. Use conditional requirements to build a questionnaire that automatically adjusts according to the reply to a previous requirement. Include multiple choice requirements and allow the supplier to provide more comments where needed. Share supporting information through negotiation requirement attachments, and control whether the supplier is required to submit attachments with their replies.

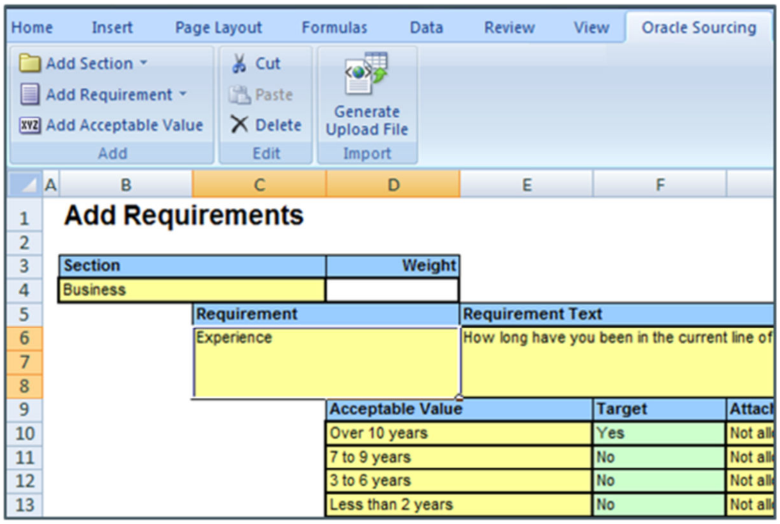
Category managers can now select a requirement as multiple choice with single selection or multiple choice with multiple selections. After they select one of the multiple choice options, they can define the list of acceptable values for suppliers to select. After that, they can add conditional requirements that will only be asked to suppliers who select the corresponding acceptable value. They can repeat the same process to add additional levels of conditional requirements if necessary. Therefore, when a supplier selects a value from the list of acceptable responses for a requirement, a new set of requirements will be displayed based on the supplier’s specific response.

In addition, category managers can control whether response attachments are required, optional, or not needed from suppliers for each requirement. They can also specify whether supplier comments are allowed in case suppliers want to provide additional explanation for their responses, especially when suppliers want to provide details on why they cannot meet certain requirements.

Furthermore, there are other new features added for individual requirements, for example:

- Provide a hint field for category managers to add additional help for suppliers,
- And provide the attachments functionality for category managers to add additional information both internal to the buying organization and external to suppliers.

Requirements Spreadsheet

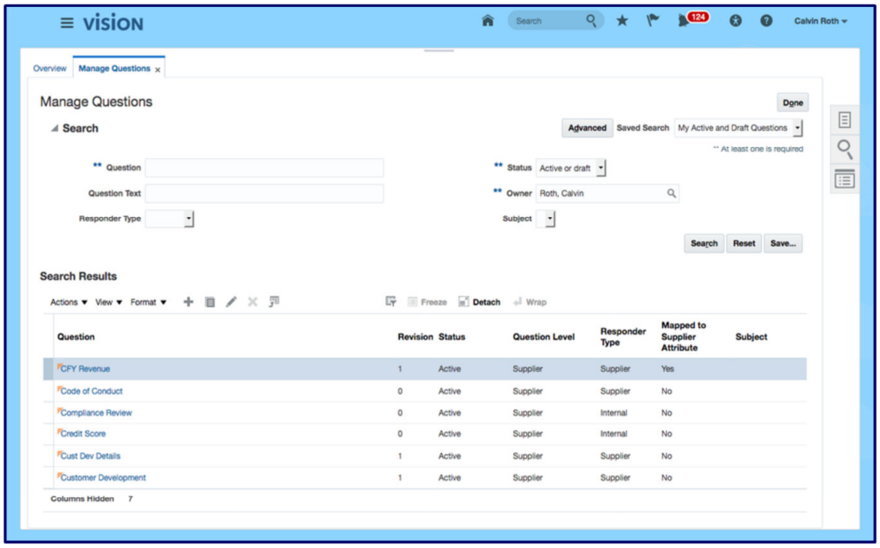


The screenshot depicts the spreadsheet that you can use to create the entire requirement structure offline.

Category managers can use a user-friendly spreadsheet to create the entire requirement structure offline. This spreadsheet supports the same actions that you can use online, such as adding sections, requirements, questions, acceptable values, and creating conditional requirements. Validations in the spreadsheet minimize errors during data entry. Color-coded fields identify required and optional attributes. A category manager can download existing requirements and, After the spreadsheet is ready to upload, decide whether or not to append or override the existing requirements.

A macro-enabled spreadsheet is added to allow category managers to build the entire requirement structure offline using a user-friendly spreadsheet. The file with .xlsm extension is supported from Excel 2007 onwards. When category managers download the spreadsheet, if there are any existing online requirements, there will be an option for category managers to download them and make modifications in the spreadsheet. After the category managers open the spreadsheet, they will see an Oracle Sourcing Cloud menu at the top with a set of actions that they can use to add requirements. They can use similar online actions in the spreadsheet to add sections, requirements, and acceptable values and build conditional requirements with the hierarchical structure. They can easily select values from predefined choice lists and there are built-in validations to minimize errors during data entry. The spreadsheet also supports cut, paste, and delete options and has color-coded fields to represent required, optional, and read only fields. After all the requirements are defined in the spreadsheet, category managers can click the button to generate the upload file and import it back to the system. If there are requirements already defined online, they can decide whether to overwrite all the online requirements with the ones in the spreadsheet, or just append the requirements in the spreadsheet to the ones online.

Question Library



- Share questions across Procurement processes
- Add predefined questions as requirements
- Maintain version control of questions
- Map questions to supplier profile attributes

ORACLE

Navigator > Procurement > Negotiations > Create Negotiation > Create > Requirements > Add Section > Add Predefined Questions

The screenshot depicts the Manage Questions page.

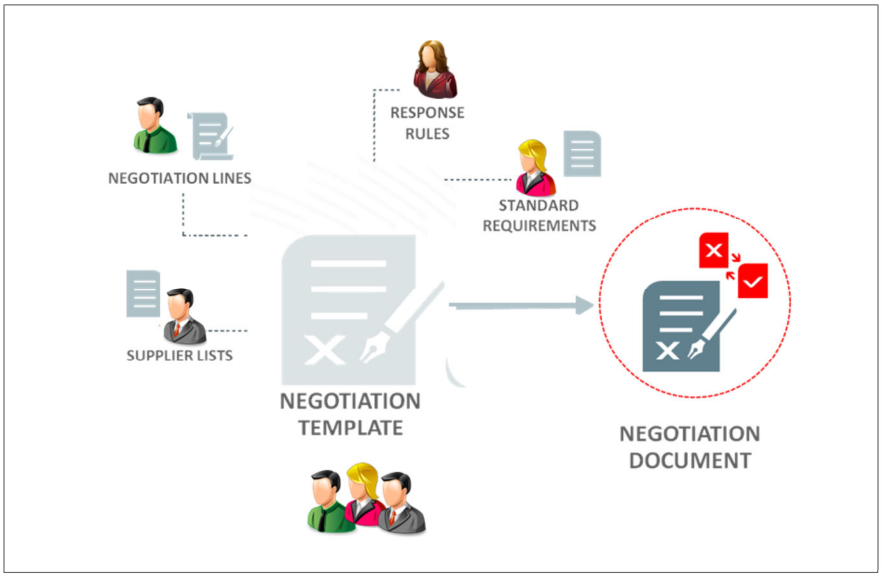
Category managers can leverage the question library that's shared with Oracle Supplier Qualification Management Cloud, and can use these predefined questions as negotiation requirements. Questions are version-controlled and support similar attributes as requirements. You can also map questions to supplier profile attributes, such as minority-owned business classification, supplier type, or freight terms. If you map the questions to supplier profile attributes, the requirement responses from suppliers will be updated in the supplier profile after going through the proper approvals

One of the key features that is added for requirements is the ability to add predefined questions. Questions are used to collect information about suppliers in a repository and the information can be referenced across Procurement flows. They are set up in the question library that can be reused in different negotiations. They are version controlled and support similar attributes as requirements. They can also be mapped to supplier profile attributes such as Minority Owned business classification, Supplier Type, and Freight Terms. If they are mapped to supplier profile attributes, the requirement responses by suppliers will eventually be updated in the supplier profile after going through the proper approval.

When category managers build the requirements during negotiation creation, they have the ability to search and add questions directly to negotiations. When they add the predefined questions, all the relevant attributes of the questions will be copied over to requirements as read only. They cannot change the details of the requirements after the questions are copied over, but they can add scoring information to them such as Weight, Maximum Score, and Knockout Score. Note that while Oracle Supplier Qualification Management Cloud is not required to define questions, if it is implemented, the questions can be used in supplier qualification and other procurement flows.

In addition to questions, category managers can add qualification areas during negotiation creation. Qualification areas are collections of related questions that are used to qualify a specific aspect of suppliers. When category managers add predefined qualification areas, the qualification area names are copied as requirement section names, and all the questions within the qualification areas are copied as requirements within the requirement sections. Please note that qualification areas are only available when the Oracle Supplier Qualification Management Cloud product is implemented, and qualification areas need to be set up in Oracle Supplier Qualification Management Cloud before they can be added in Oracle Sourcing Cloud.

Negotiation Templates



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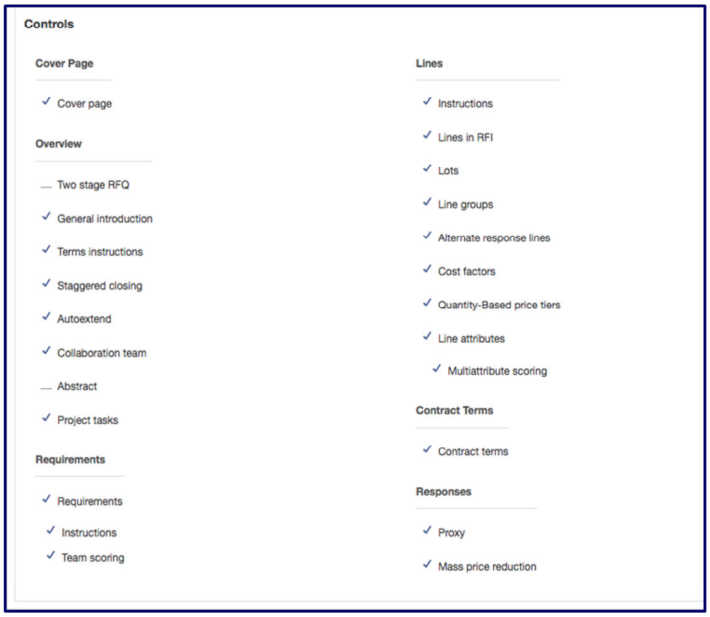
The diagram depicts the activities involving the negotiation templates.

The knowledge and best-practices that saved money in one sourcing event should be leveraged for future events. Oracle Sourcing Cloud allows sourcing professionals to capture best-practice knowledge for reuse. All of the successful elements from past events can be captured in negotiation templates for RFQs, RFIs and online auctions. Negotiation Templates simplify negotiation creation and ensure use of standard company terms and conditions. With Oracle Sourcing Cloud, your best sourcing knowledge is continually leveraged over time and across the enterprise.

Sourcing Negotiation Styles



- Tailor the look and feel of your negotiations by enabling only the features you use
- Create re-usable standard company language for your negotiations
- Simplify the data entry and streamline functionality

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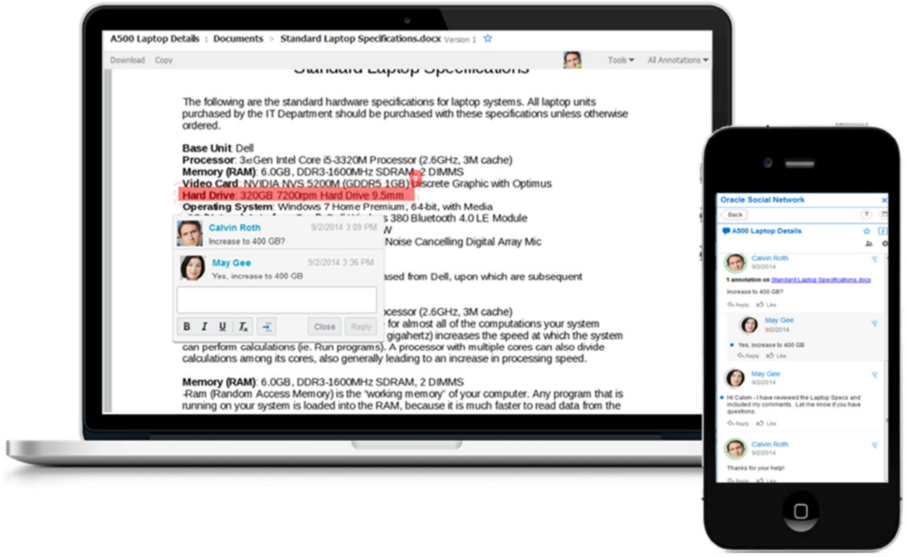
 15 - 18

The screenshot depicts the Controls available in the Edit Negotiation Style page.

With Negotiation Styles, you can tailor the look and feel of your negotiations by enabling only the features you use which will streamline and simplify the negotiation creation process. You can create reusable standard company language for your negotiations. Also, several Sourcing features require you to use a negotiation style that is defined to support that feature.

Social Collaboration

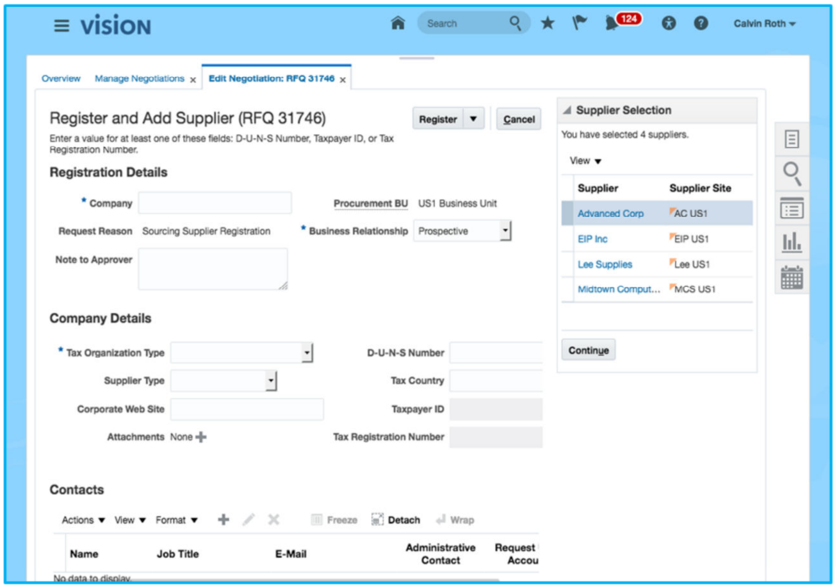


ORACLE

The screenshot depicts collaboration among stakeholders.

With Oracle Social Network, you can collaborate with key stakeholders on a negotiation and access discussions on multiple devices. You can annotate a document with notes and capture key conversations that can be retained with the negotiation for future reference.

Manage Supplier Relationships



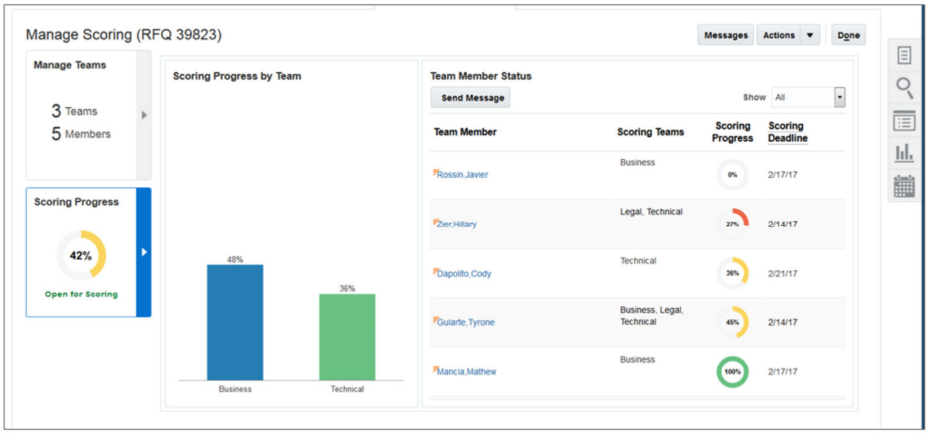
- Create new prospective suppliers to include in sourcing and qualification
- Promote prospective suppliers to spend authorized suppliers during award process
- Approve the promotion process to use suppliers in purchasing activities

Navigator > Procurement > Negotiations > Create Negotiation > Create > Suppliers > Actions > Register and Add Supplier

The screenshot depicts the Register and Add Supplier page.

Create new potential suppliers with the goal of including them in sourcing engagements without disrupting other procurement activities. Prospective suppliers can participate in sourcing events and qualification activities, but cannot be used in other procurement activities. Prospective suppliers that receive a business award during a sourcing event can be promoted to spend authorized status as part of the sourcing process. After the promotion process is approved, the award can be turned into actual purchasing agreements and orders.

Team Scoring



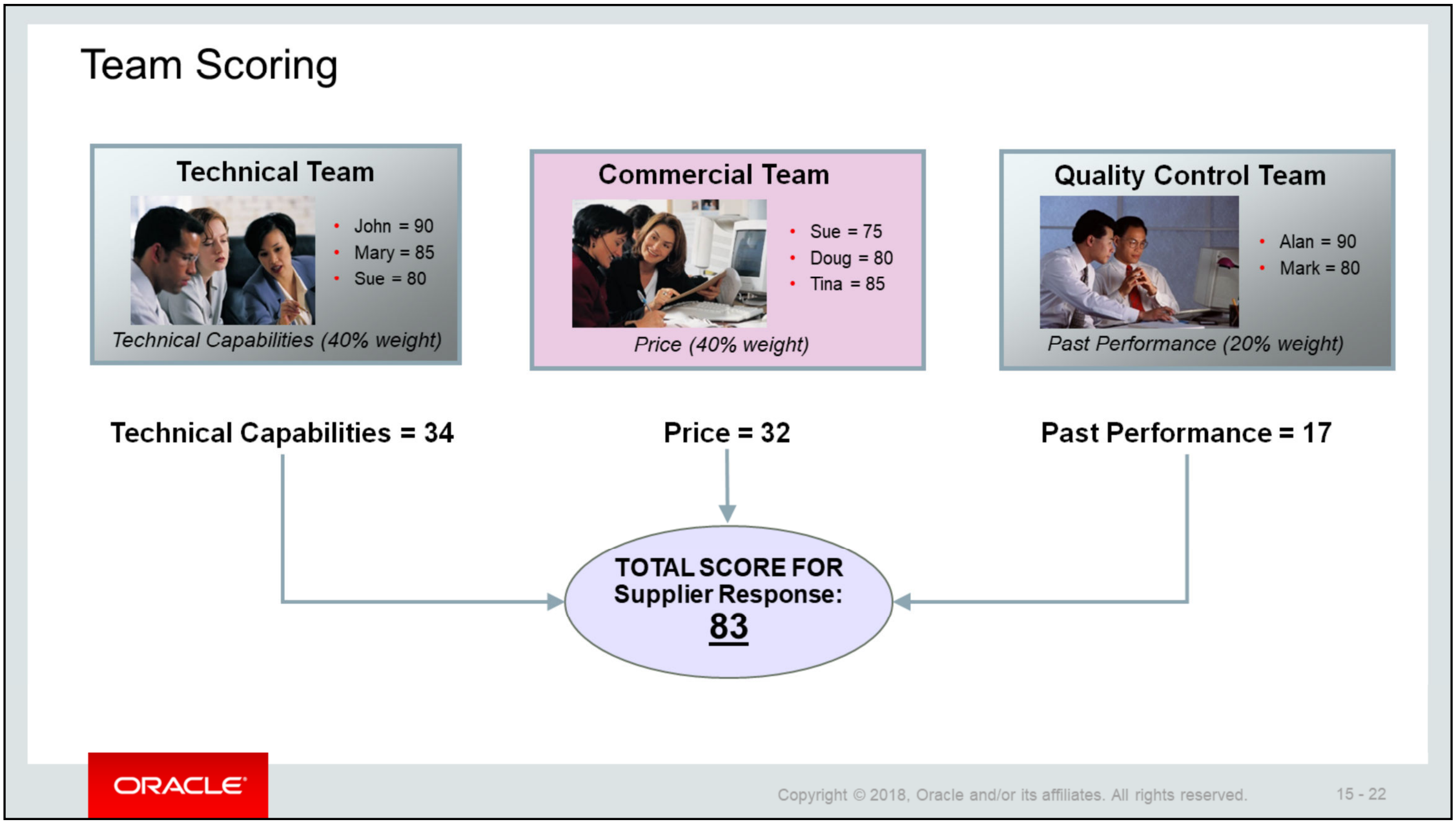
- Leverage the knowledge and experience of individuals across your organization
- Control when teams can participate in scoring and when scoring is closed
- Communicate with teams throughout the process
- Make more effective award decisions based on team scores and evaluation

ORACLE

Navigator > Procurement > Negotiations > View Negotiation > Actions > Manage Scoring > Scoring Progress

The screenshot depicts the Manage Scoring page.

Sourcing excellence requires combining the specialized skills of procurement professionals and subject matter experts by leveraging their expertise and gathering feedback. For large or complex negotiations, it's common to use different teams to evaluate different aspects of the supplier responses. With team scoring, you can divide individuals into one or more teams and assign specific sections of requirements. Team members are notified of supplier responses to be evaluated and can view their progress at any time. You can also choose when to open and close for scoring, monitor the scoring progress of all team members, and communicate with teams throughout the process. When you are ready to analyze supplier responses for award, the system calculates the combined team scores, and you can drill down to see individual scores and comments. Team scoring provides a more comprehensive evaluation of supplier responses leading to more effective award decisions and increased transparency.

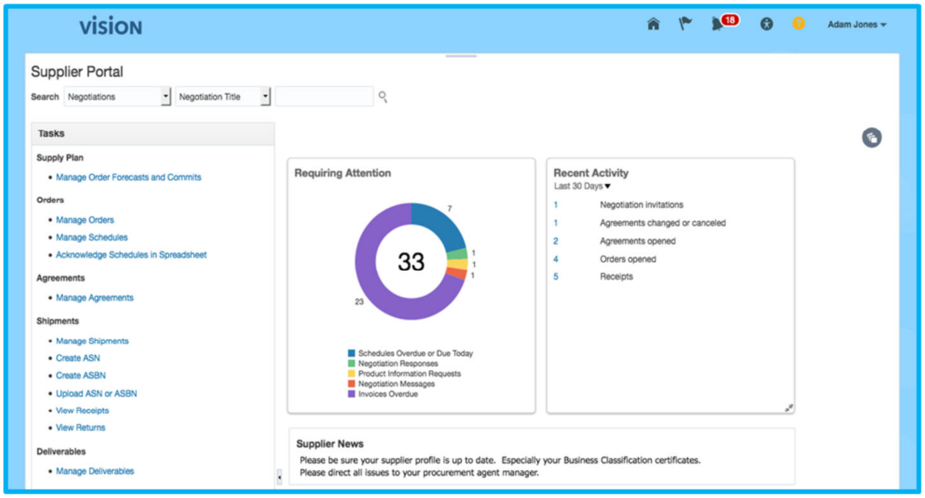


The diagram depicts team scoring for a supplier response.

After the scoring activity starts, team members can rate the supplier responses received for the negotiation requirements by entering scores. They can add internal notes and attachments while entering scores. Initially they can save their scores as draft, but after finalized they need to submit them. They can revise submitted scores or submit new scores until scoring is closed by the Category Manager. Close scoring is a manual action usually performed after all team members have finished their scoring assignments.

When you are ready to analyze supplier responses for award, the system calculates the combined team scores, and you can drill down to see individual scores and comments. In this example, you can see scores submitted by team members across the technical, commercial, and quality control teams. The system will calculate the overall score based on all of the submitted scores. Team scoring provides a more comprehensive evaluation of supplier responses leading to more effective award decisions and increased transparency.

Supplier Portal



- Enable suppliers to view sourcing activity in a single place
- Create supplier responses using familiar tools like excel
- Allow suppliers to easily communicate with buyers using online messages
- Provide suppliers with embedded training to reduce support calls

ORACLE

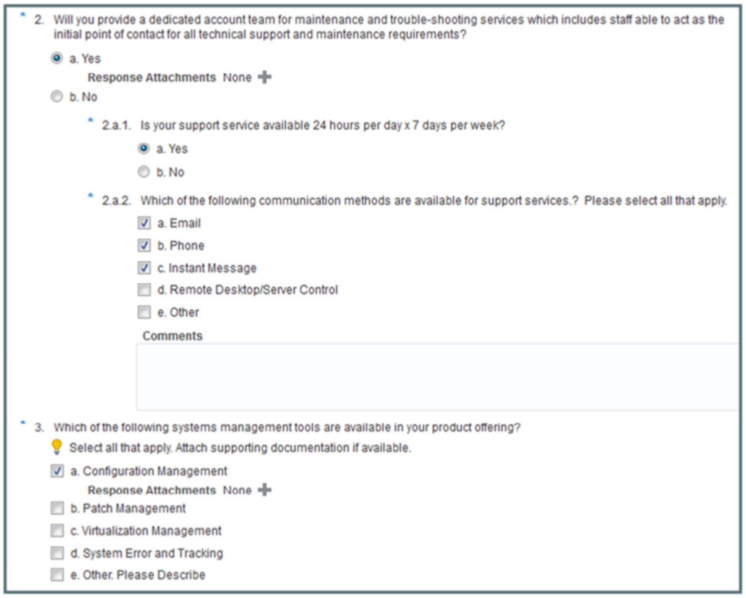
Navigator > Supplier Portal > Supplier Portal > Negotiations > (negotiation number) > Actions > Monitor Negotiation

(If you log in as a supplier, you are taken immediately to the Supplier Portal work area.)

The screenshot depicts the Supplier Portal page.

Oracle Sourcing Cloud's intuitive user experience also benefits suppliers. A comprehensive overview of sourcing activity makes it easy for suppliers to understand current status and to take action. Support for commonly used applications, such as spreadsheets, makes submitting bid responses very straightforward. Suppliers can easily communicate with buyers through online messaging. And Oracle Sourcing Cloud even offers embedded online training that makes it easy for suppliers engage in every part of the sourcing process.

Requirements Questionnaire



ORACLE

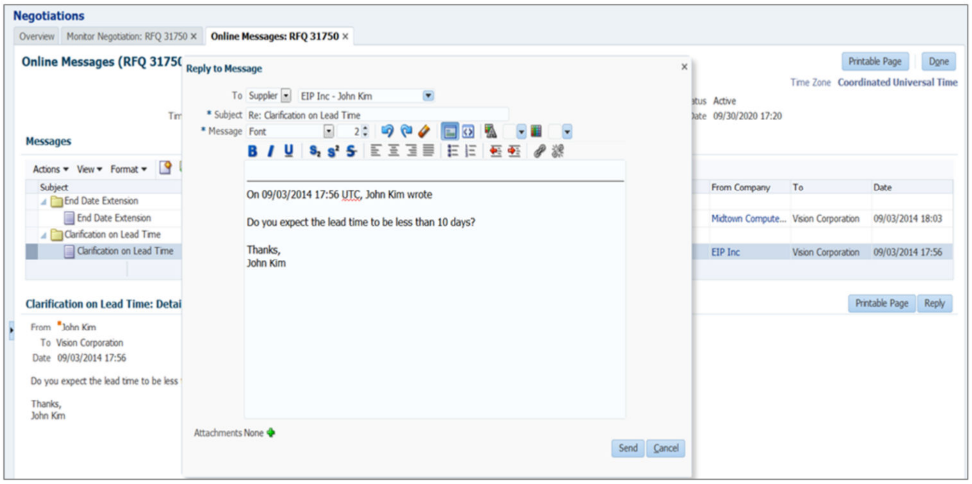
Navigator > Supplier Portal > Supplier Portal > Negotiations > Create Response > Requirements

The screenshot depicts a questionnaire.

On the suppliers side, when they respond to requirements, they will see a completely different look and feel on the page. They will see a questionnaire-like user interface which displays requirements in a much more intuitive manner. Space is maximized to display the full length of requirement text and responses. In each requirement text, suppliers can either select one of the predefined choices for a multiple choice requirement or enter a response in a designated text box. If there are conditional requirements, after the supplier selects a predefined value, the system will show the relevant requirements dynamically.

When suppliers respond to requirements, Oracle Sourcing Cloud will automatically default any previous response submitted by the supplier for the same question. If the suppliers have responded to the same questions before, the system will default the previously entered values from the supplier repository and allow suppliers to make any necessary changes.

Online Messages



ORACLE

Navigator > Procurement > Negotiations > Messages

The screenshot depicts the Online Messages page.

Collaborate with suppliers and team members throughout the negotiation life cycle using online messages. Bring phone and e-mail conversations to the online negotiation knowing that the messages will be retained for future reference and audit trail. Use rich text format and attachments to clearly answer questions and provide clarifications.

Supplier Response Repository

Response History

Section 1. Business

Requirement 3. Annual Revenue

Actions ▼ View ▼ Format ▼ Freeze Detach Wrap

Response	Response Date	Question Revision
1,450,000	3/12/15	0
1,400,000	2/1/14	0
1,300,000	1/15/13	0
1,100,000	2/16/12	0

ORACLE

Navigator > Procurement > Negotiations > (negotiation number) > Actions > Analyze > View Response History

The screenshot depicts the response history.

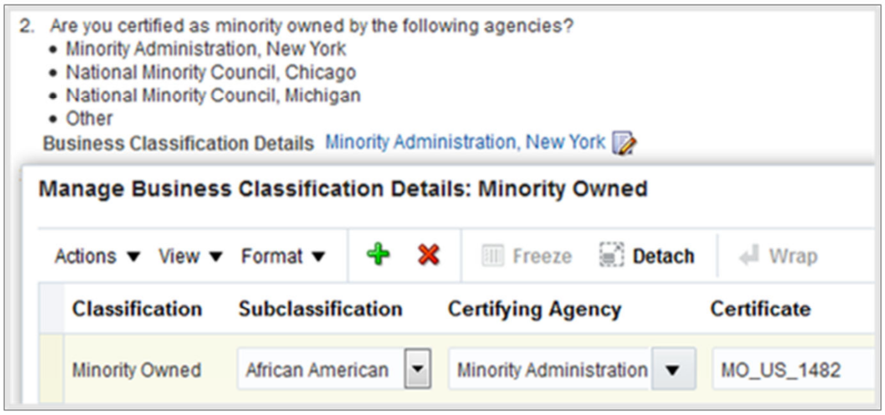
Category managers can transfer the requirement responses to update the values in the response repository. Easily update and share supplier information across different procurement processes, such as supplier qualification. Category managers can view the reply history of the questions and view the previous responses when they evaluate the requirement.

After all the suppliers have submitted their responses, category managers can start to analyze the responses. For the requirements that are added from questions, category managers will be able to review the response history of those questions and compare the changes between responses on different dates.

After the negotiation is closed, the question responses can be transferred to the supplier repository. Therefore, when the suppliers respond to the same questions next time, the responses can be defaulted from the supplier repository for the suppliers. If there are questions mapped to supplier profile attributes, after the corresponding question responses are transferred to the supplier repository, they will be sent from the supplier repository to update the supplier profile after going through the proper approval.

At the time of completing the negotiations, the system will automatically transfer all the question responses to the supplier repository. In addition to the automatic transfer, if category managers decide to transfer the question responses manually, there is a manual option that they can use to transfer question responses before the time of completing the negotiations.

Supplier Profile

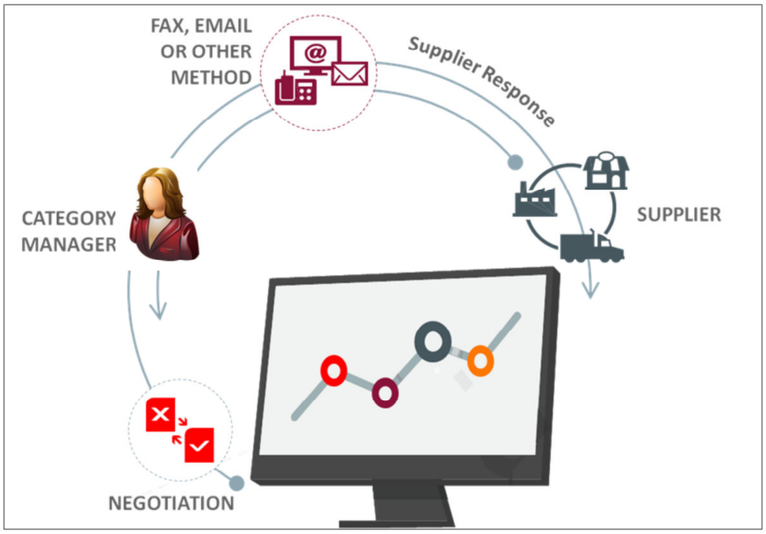


The screenshot depicts the questions that are mapped to supplier profile.

Since questions also support mapping to supplier profile attributes, questions can also be tied to attributes such as Minority Owned business classification, Supplier Type, and Freight Terms. The same response defaulting is also supported for requirements that are added from these questions.

You can use responses gathered during the sourcing process to automatically update the supplier profile. Map various supplier profile attributes to questions that you can include later in negotiation requirements. A supplier replies to the negotiation, and then Sourcing displays the current profile values for each supplier. If the information is obsolete, Sourcing asks the supplier to provide updates. If the supplier updates the values, then the approval process that manages changes to the supplier profile will validate and approve the changes, and then update the profile.

Surrogate Responses



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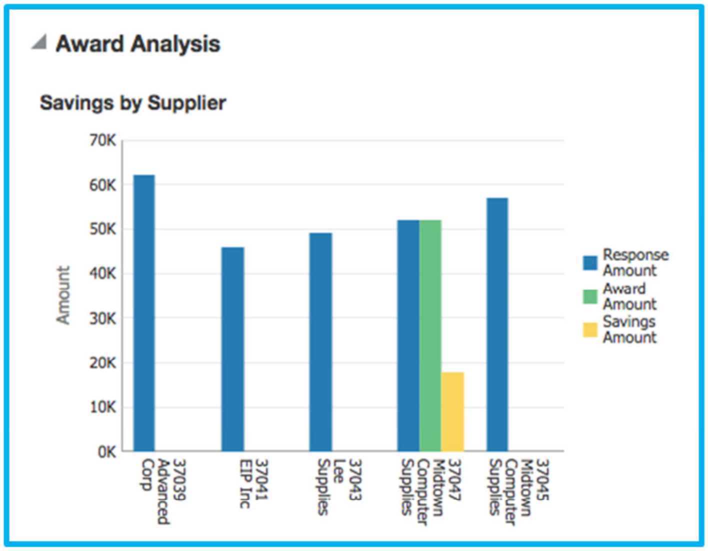
The diagram depicts various aspects of surrogate responses.

Accept offline paper responses from suppliers to comply with public sector requirements and to support suppliers with connectivity problems. Enter the responses online on behalf of the suppliers, and seamlessly manage and analyze them along with all other responses received in the negotiation. Retain full audit trail of when the supplier responses were received and their delivery method, as well as who ultimately entered them in the application.

Alternate Response



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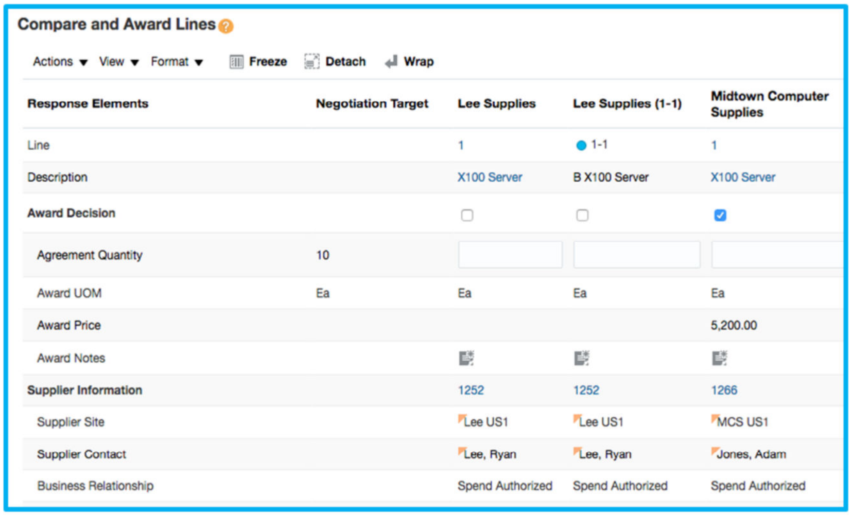
The screenshot depicts the award analysis.

Alternate bidding gives suppliers ability to provide alternatives to the items being sourced, or submit alternative solutions to header level requirements. Suppliers may want to give more options to the buyer with items which are similar to the ones in the RFQ or Auction, but with some different characteristics, at a lower price. Or suppliers may want to provide alternative proposals in an RFI, thus giving more options and flexibility to the buying organization when making a decision.

Suppliers will be able to offer completely different proposals for evaluation with different set of responses to requirements. Supplier will be able to identify and track their alternate responses, and communicate their preferences to the buyer. Buying organization benefits from having more choices when evaluating responses, and that translates into better value. It gives supplier an opportunity to provide newer products and solutions. This gives buyer insight into newer products and innovative solutions enabling them to keep up with changing market trends.

Alternate Lines



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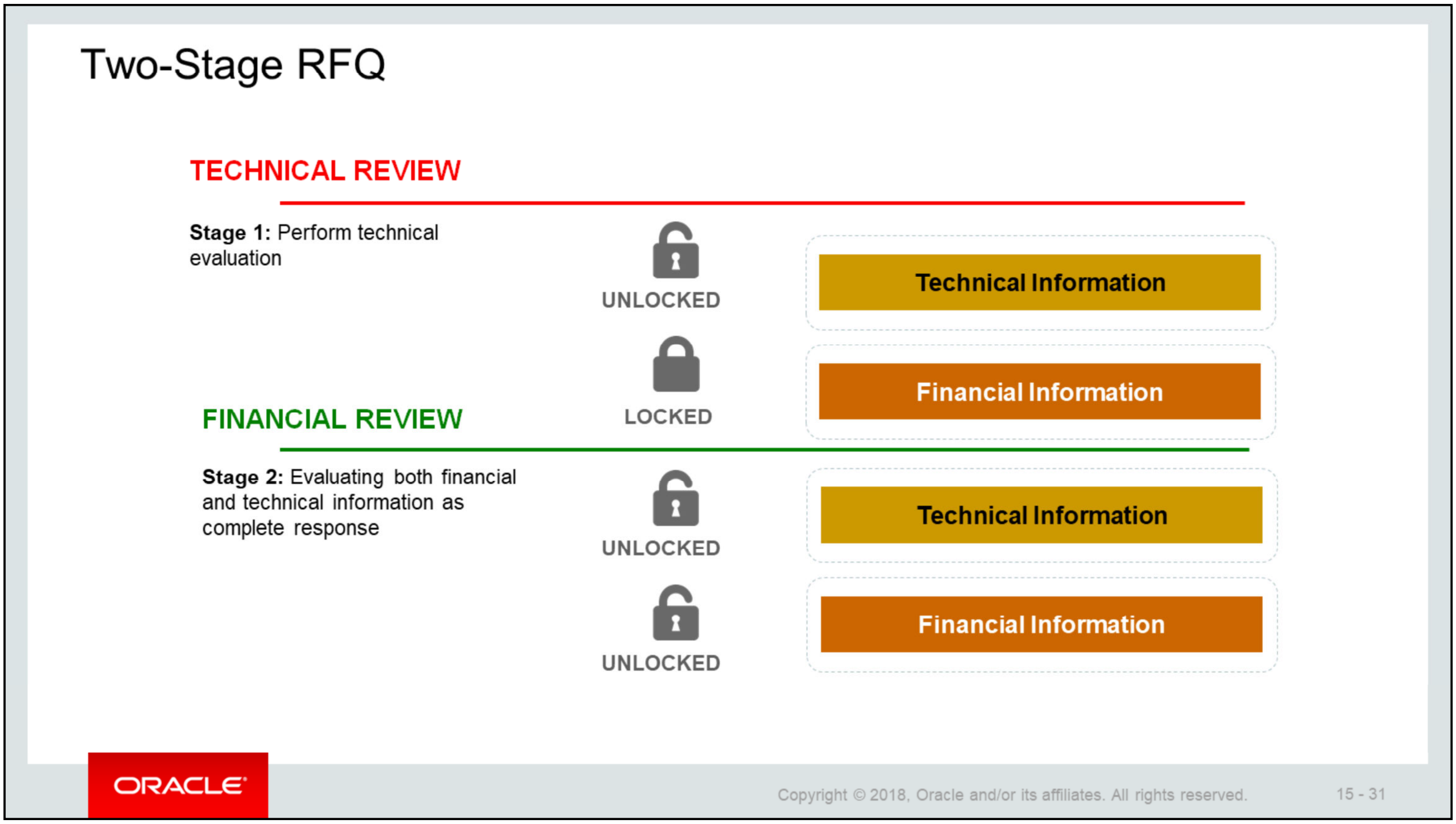
The screenshot depicts the Compare and Award Lines.

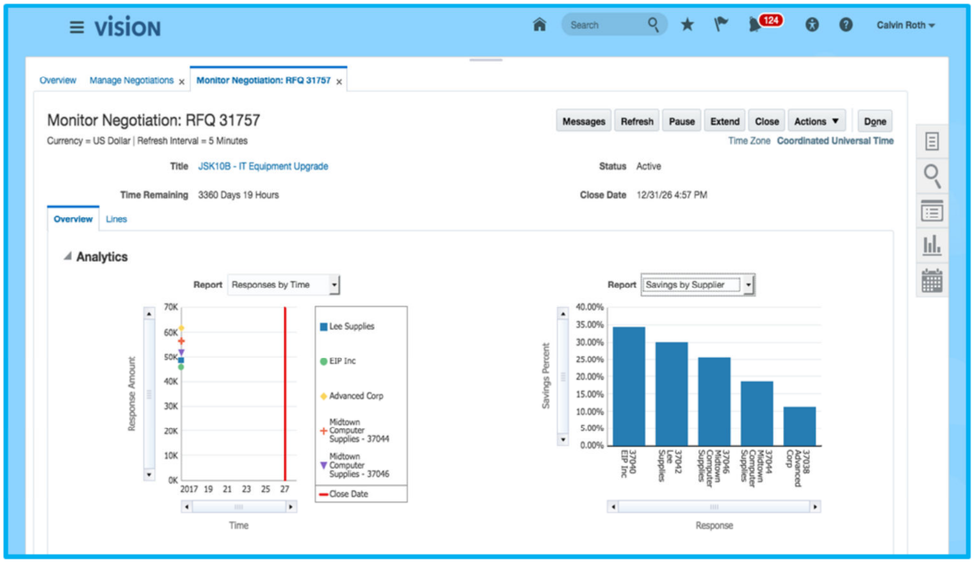
The Alternate Line feature enables suppliers to propose alternates to the line item being sourced. Suppliers will have the flexibility to offer variety of alternative products that leverage their strengths. This will potentially drive down costs and increase savings for the buying organization. Buyer gets an opportunity to evaluate newer products that are more advanced to replace their existing outdated solutions. This brings innovation in their business.



The diagram depicts working of two-stage RFQs.

Ensure impartial judgment of supplier responses in markets that require technical and commercial evaluation of proposals to be done independently. While suppliers submit their responses as a single bid package, category managers first analyze the technical merits of the proposal while the commercial aspects of the bid remain sealed. Commercial details of bids that pass the technical evaluation are disclosed in the second evaluation phase, while the details of failed bids remain sealed. Category managers enter surrogate responses on behalf of suppliers by submitting the technical terms of the proposal during the first stage of the negotiation, and only entering the commercial terms if the first stage evaluation is successful.

Negotiation Monitor



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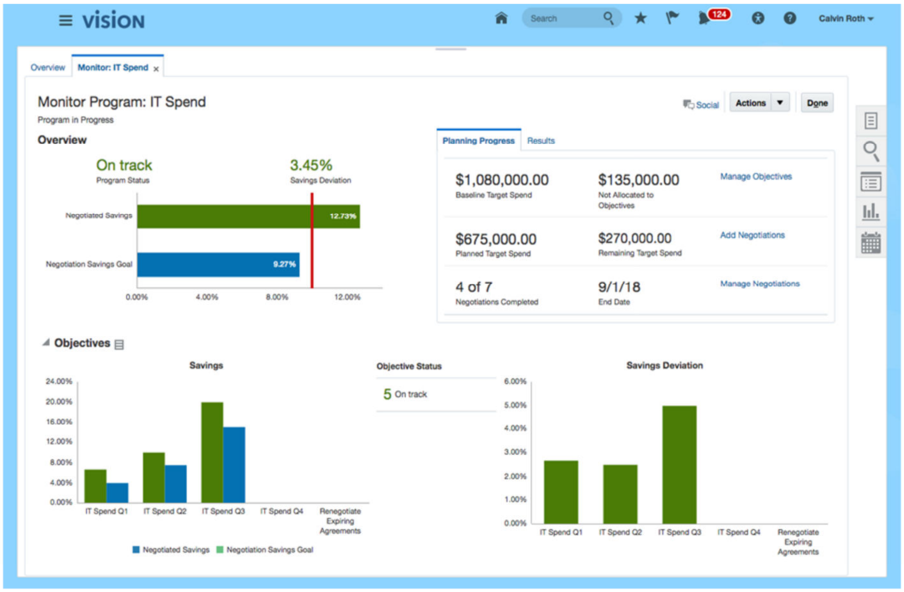
Navigator > Procurement > Negotiations > (negotiation number) > Actions > Monitor > Monitor Negotiation

The diagram depicts the Monitor Negotiation page.

Having visibility to supplier activity is paramount to ensuring that your organization is exploiting the best opportunities while facilitating supplier competition. With the negotiation monitor, you can accurately assess the competitive landscape and potential savings in real-time. At a glance, you can quickly see how a negotiation is progressing and take actions such as extending or pausing an auction.

Sourcing Programs



- Set measurable goals across sourcing initiatives
- Proactively determine whether those goals are being met
- Collaborate with teams and communicate with Oracle Social Network
- Gain strategic insight into Sourcing performance
- Identify ways for more cost savings opportunities

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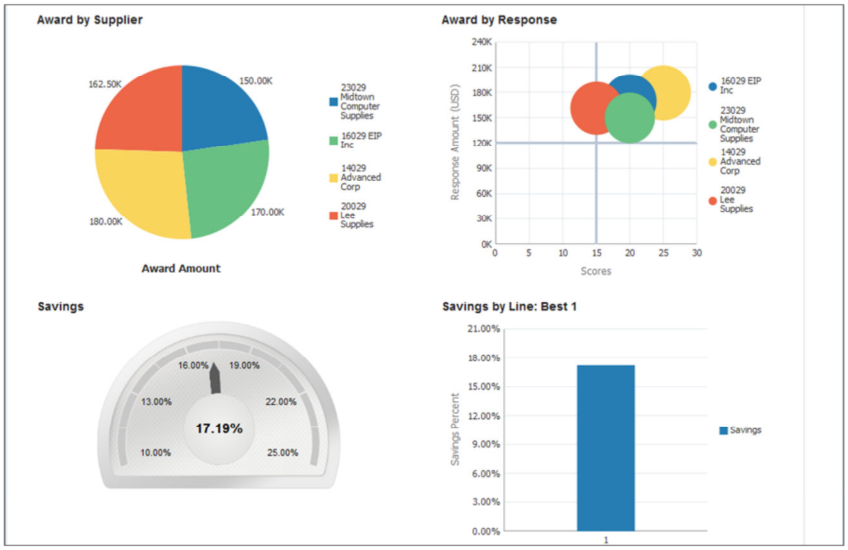
Navigator > Procurement > Negotiations > Overview > Manage Programs

The screenshot depicts the Monitor Program page.

Procurement organizations are challenged to provide tangible results based on internal goals to help measure sourcing performance. Currently, there is limited visibility into the overall value delivered by multiple sourcing initiatives and a lack of insight into results. With sourcing programs, organizations have a way to set measurable goals across sourcing initiatives and proactively determine whether those goals are being met. You can define goals with tangible objectives that are tied to negotiations and enter other data that contributes to the objective. Teams can participate in the program and collaborate with internal stakeholders using Oracle Social Network. You can proactively measure and monitor program progress and results with embedded analytics for key metrics. Being able to track and manage sourcing programs yields visibility into how the sourcing organization is performing, improves buyer productivity, and helps identify cost-savings opportunities.

Award Analysis

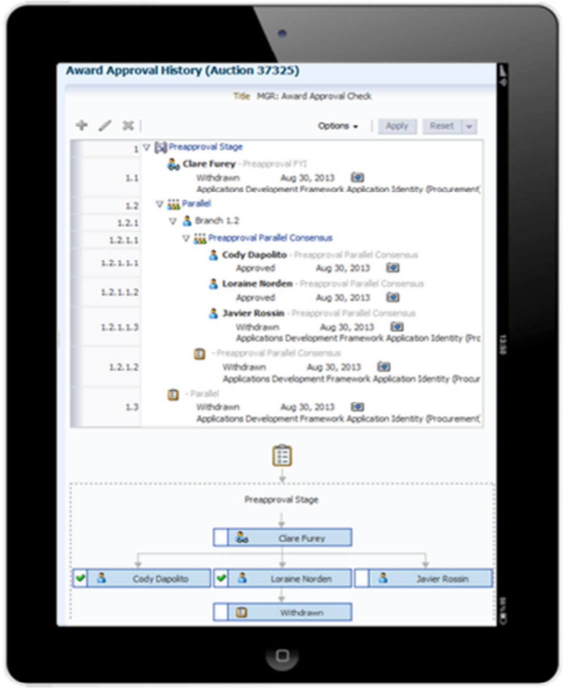


Navigator > Procurement > Negotiations > (negotiation number) > Actions > Award > Award Negotiation

The screenshot depicts the Award Negotiation page.

Oracle Sourcing Cloud provides you with award analysis tools that allow you to quickly determine the best award decision for your business based on factors such as price, quality and value. With Oracle Sourcing Cloud, you have the tools to lower costs, increase savings, and achieve the best value possible.

Negotiation and Award Approvals



The screenshot depicts the Award Approvals History page.

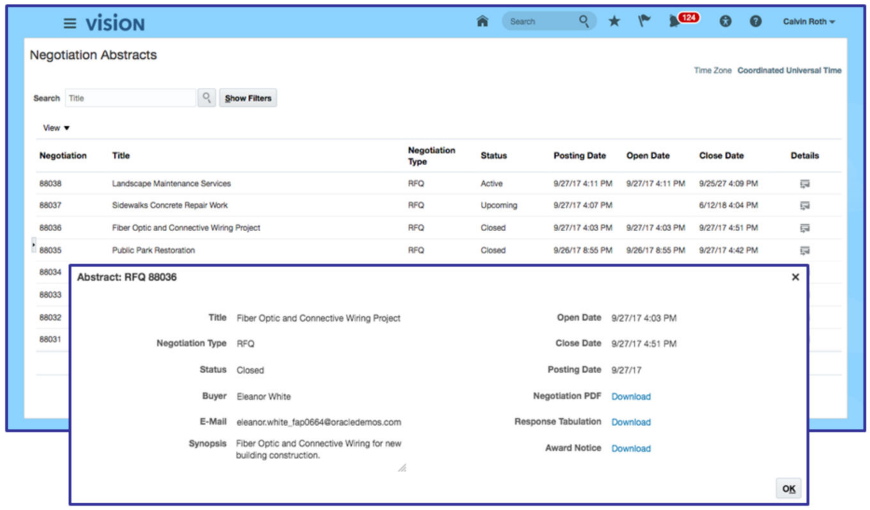
With Negotiation approvals, you can send negotiations for approval before publishing the negotiations to suppliers, obtain sign off from all identified approvers and record the approval actions. With Award approvals, you can ensure accurate and policy compliant negotiation business awards by electronically routing award decisions for approval before creating the resulting purchasing documents (for example, agreements or orders).

You can determine the approval routing using a flexible rules engine, which can be configured to accommodate an organization's unique business requirements. Approvers can review the document details and add comments before approving, rejecting, or routing the document to additional approvers.

By tying a project tasks to corresponding negotiation events, you can track the project progress in real time. This reduces manual updating of the project plan progress which saves times and improves accuracy. HCM resources assigned to project tasks associated to negotiations will typically be part of the collaboration team for that negotiation. This feature saves time in building collaboration team again for a given negotiation. They can flow directly from the project plan.

Negotiation Abstracts

- Publish negotiations to external websites
- Provides suppliers a public web site to view negotiation information without having to log into the application
- Meets the needs of Public Sector organizations that are required to publically publish negotiations, response tabulations and/or award notices
- Ensures compliance with public sector policies



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Enable abstract for the negotiation style and use the negotiation style to create the negotiation. You can visit abstract tab while creating negotiation or if the negotiation is in draft status then use the path

Navigator > Negotiations > Manage Negotiations > Negotiation Number > Edit Negotiations

The screenshot depicts the Negotiation Abstracts page.

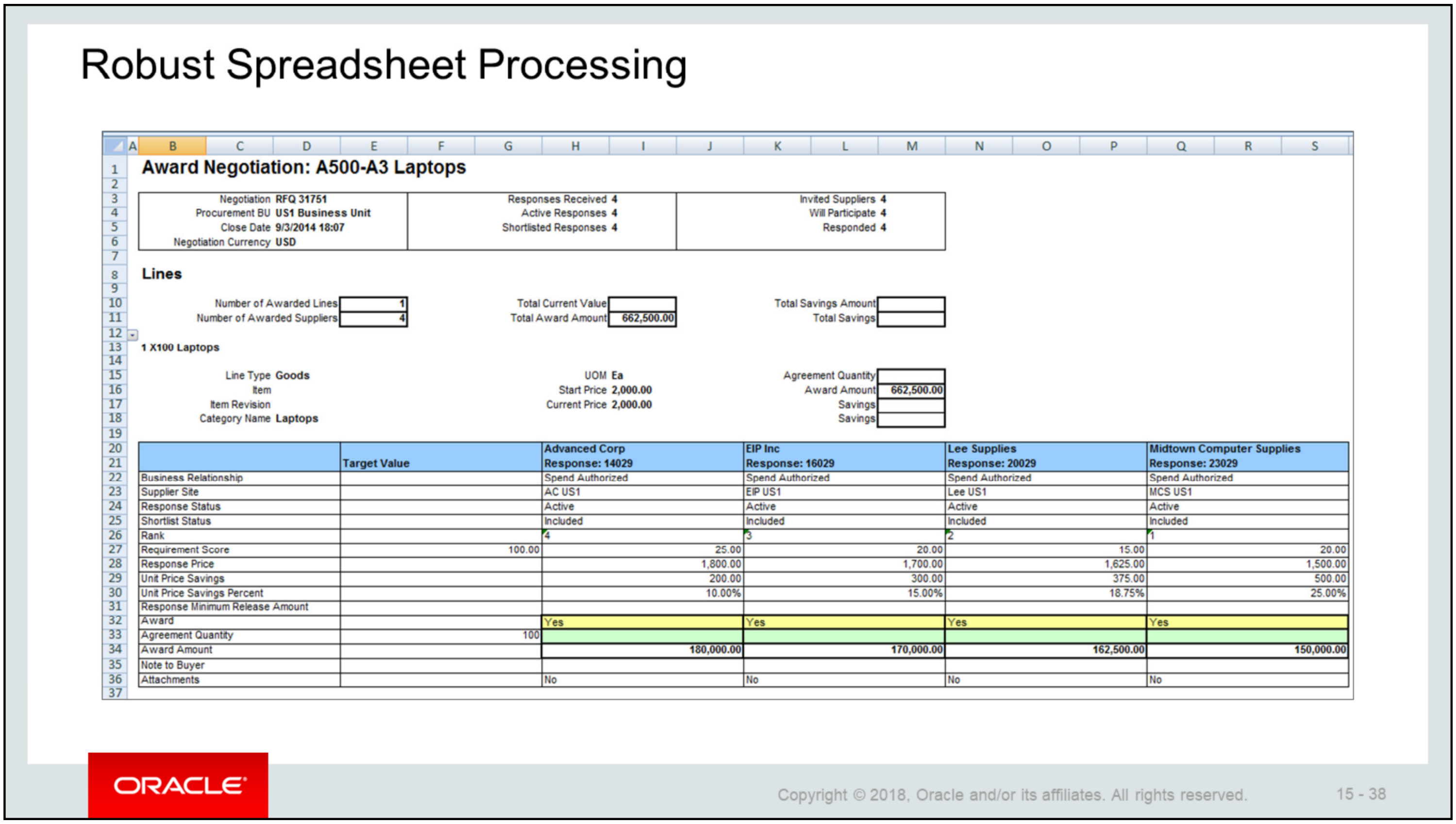
Abstracts are used mainly in public sector entities, such as state and local governments, and you can enable or disable this feature according to your business needs. Abstracts are negotiation summaries presented to the public on the buying organization's external website. Suppliers can easily discover negotiations and determine if they are interested in participating without having to log in to the sourcing application. You can preview the abstract content and control when the abstract is published to your external website. To add the required content to the abstract, you can define additional fields that are relevant to your business. When you publish the negotiation, the external website is updated with the negotiation details and instructions for the supplier to log into to the Sourcing application. Publishing the abstract and negotiation information to an external website opens the visibility to any supplier who is interested in bidding, which ensures compliance to public sector policy.

Supplier Response Tabulation

Many public sector entities have a requirement for transparency with suppliers to ensure that there is no inherent bias and to comply with public policies. When a negotiation is closed, you have the option to generate a listing of all of the suppliers' responses to the negotiation and publish the report to the external website. Suppliers can view each other's responses and see where they stand among competitors. You can tailor Oracle BI Publisher reports to your business requirements. You also have the option to withdraw the supplier response tabulation, which removes the report from the external web.

Award Notice

To ensure transparency for public sector entities, it is important that you publish the final award decision to the external website. You can tailor the award notice to your business needs using Oracle Business Intelligence Publisher. You also have the option to withdraw the award notice, which will remove the report from the external website.



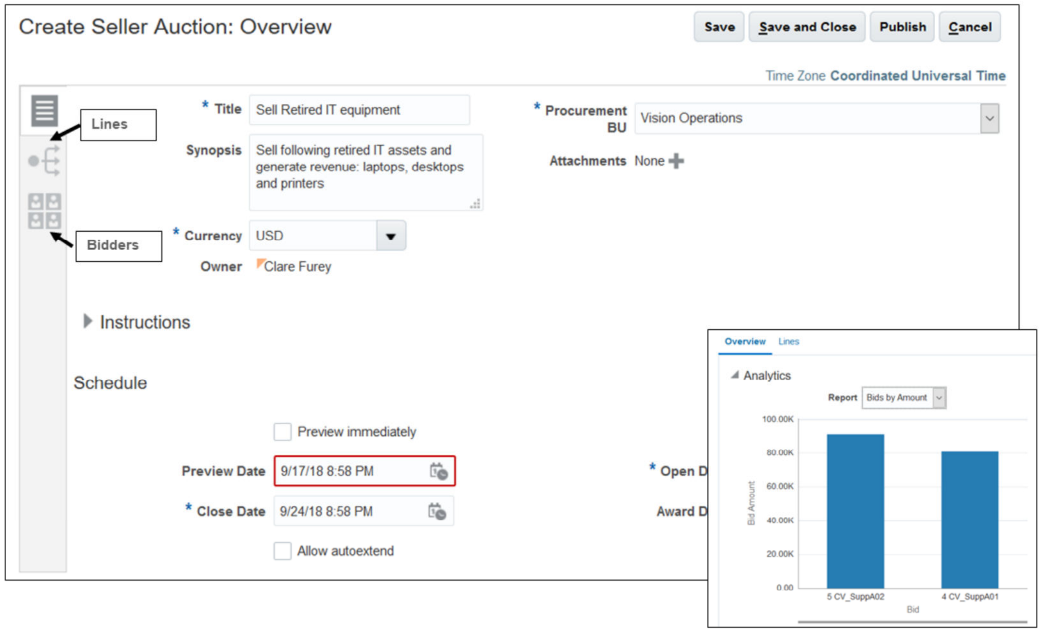
The screenshot depicts a spreadsheet that can be downloaded from the application, used to enter the necessary data and then upload the spreadsheet back into the application.

There are several processes that potentially involve much data entry or manipulation. For these tasks you can use Oracle Sourcing Cloud's spreadsheet capability. This allows you to download a spreadsheet and enter the necessary data and then upload the spreadsheet back into the application. Spreadsheets allow you to perform these data heavy tasks offline.

- Upload requirements to streamline negotiation creation
- Allow suppliers flexibility to respond offline using familiar tools
- Spreadsheet formatting supports lists of values, optional versus required fields

Seller Negotiations – Seller Auctions

- Category manager can conduct seller auctions to liquidate excess inventory or sell retired assets to generate revenue
- Invited buyers submit bids through Supplier Portal
- Manage and monitor the auction and its schedule in real time, and award the auction to the successful bidder
- Export award decision information to a spreadsheet



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Navigator > Negotiations > Manage Seller Negotiations > Create

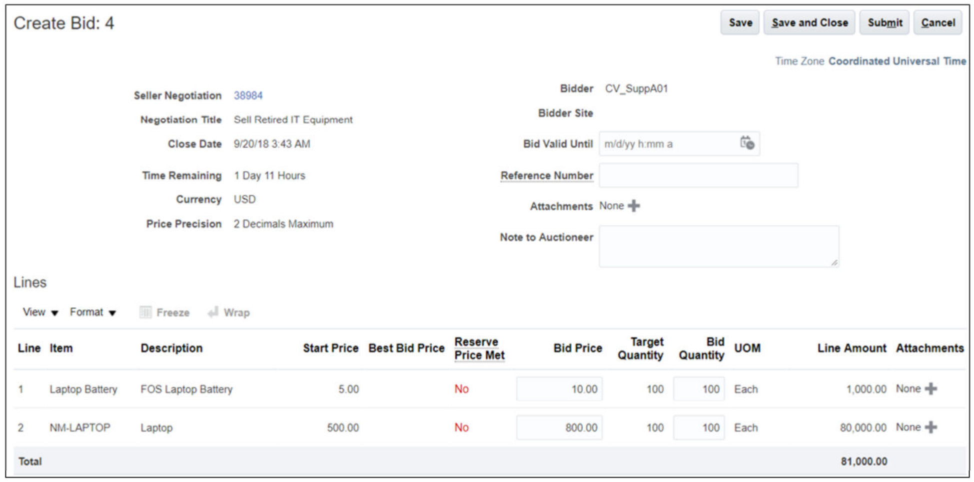
The screenshot depicts the Negotiation Abstracts page.

The Category Manager can conduct seller auctions to liquidate excess inventory or sell retired assets. The auction can include multiple line items. The Category Manager can:

- Configure per line start price, bid increment, and reserve price
- Configure Preview, Open, Close and Award dates
- Pause, extend, cancel or close the auction
- Monitor auction progress using graphical analytics
- Invite bidders at any time up until the close of the auction
- Award the auction to a single or to multiple bids

Seller Negotiations – Submit Bids in Supplier Portal

- Bidders submit bids on seller auctions in Supplier Portal
- Bidders are managed in the supplier master.
- Self-registration supports new bidders that want to participate in the auction.



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Navigator > Supplier Portal > View Active Seller Auctions > Negotiation number

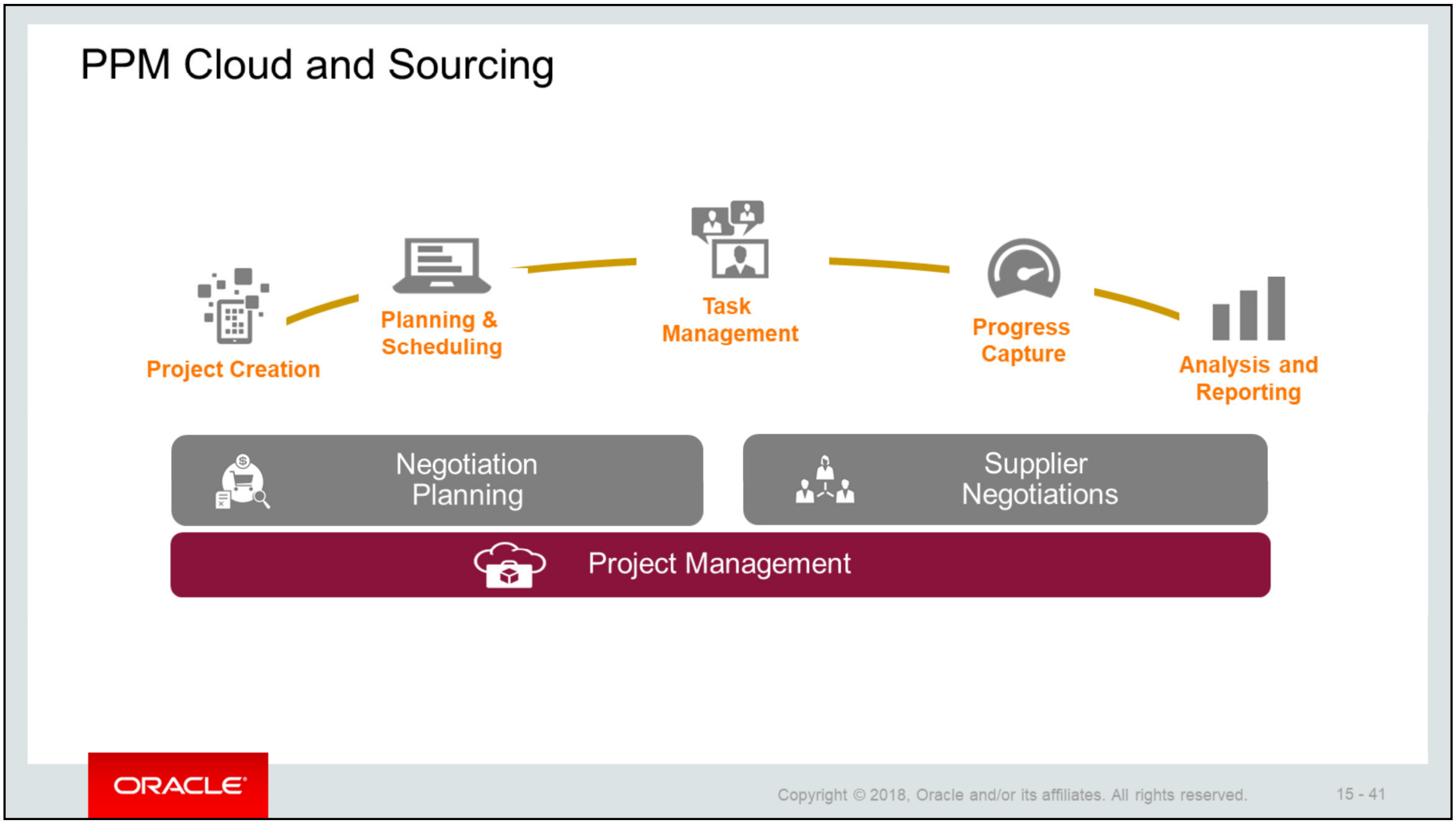
Navigator > Supplier Portal > Manage Seller Auction Bids > Negotiation number > Create Bid

The screenshot depicts the Create Bid page. Details of the auction are given, such as the Negotiation Title, Dates, and other reference information. Item lines are shown in a table listing item details, and bid information such quantity, reserve price, and so on. The Bid Price and Bid Quantity fields for each line item are filled out, and the total amount bid for each line is calculated and shown as well.

Suppliers create bids on Supplier Portal during the lifetime of a seller auction.

The Manage Seller Auction Bids page in Supplier Portal help bidders create, manage, and monitor their bids.

New bidders can self-register to compete in seller auctions.



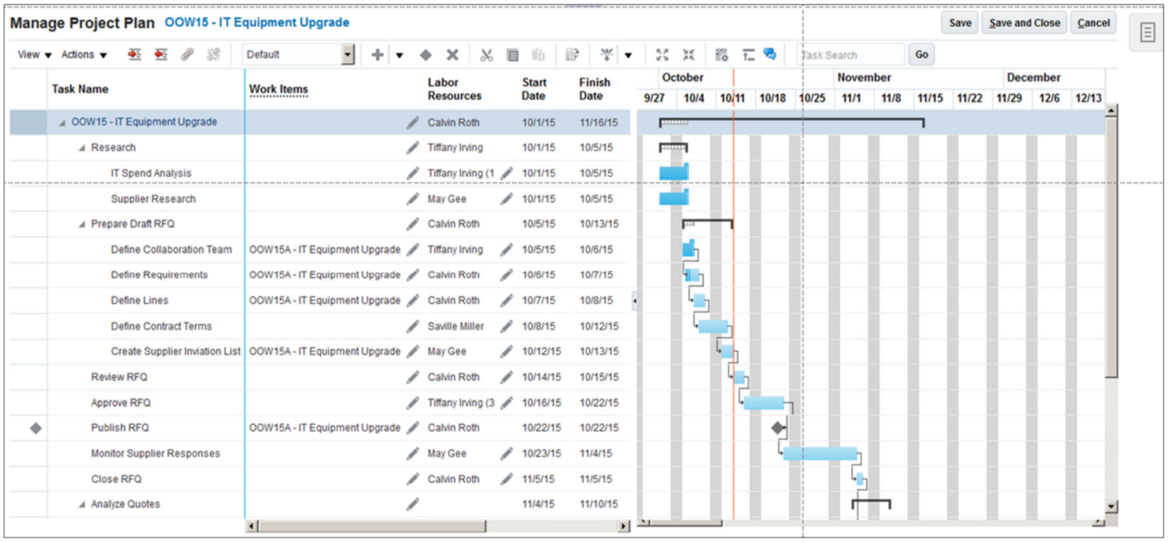
The diagram depicts aspects of Sourcing and project management.

Driving sustainable savings is a common goal of Procurement organizations. To achieve this goal, you need better tools to manage an increasing number of complex strategic sourcing initiatives. A strategic sourcing initiative contains multiple stages from spend analysis and supplier research to supplier negotiation and award. Many organizations manage these stages as a project with numerous project members, tasks and deliverables. Project management is often necessary to coordinate and execute on sourcing initiatives including managing tasks, allocating resources, coordinating among various internal stakeholders and reporting on actual savings.

Oracle Sourcing Cloud combined with PPM delivers the structure, tools and information to maximize the value of supplier negotiations. This integration helps you to:

- Efficiently manage complex sourcing initiatives as a project.
- Ease collaboration and coordination.
- Update project task progress in real time, improving accuracy and saving time.
- Maintain a more predictable project schedule.
- Provide higher visibility of progress across the organization.

Sourcing Project Management



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The screenshot depicts a project plan necessary to coordinate and run a sourcing initiative.

A strategic sourcing initiative contains multiple stages from spend analysis to contract award to contract creation. Many organizations manage these stages as a project with numerous project members, tasks and deliverables. Project management is often necessary to coordinate and execute on sourcing initiatives including managing tasks, allocating resources, and reporting on actual savings. Managing sourcing initiatives often requires coordination among various internal stakeholders. Oracle Sourcing Cloud integration with Oracle Project Management Cloud will address this need and provide tight integration between a negotiation created in Oracle Sourcing Cloud and a project plan created in Oracle Project Management Cloud.

By using Oracle Sourcing Cloud and Oracle Project Management Cloud, you can:

- Manage strategic sourcing initiatives using a project plan
- Tie project task progress to negotiation events
- Add project resources as collaboration team members

This integration will bring all the benefits of project management and planning for managing large and complex sourcing initiatives, including:

- Better and accurate estimates of time, resources and effort
- Improved productivity
- Cost reduction and higher savings

Oracle Sourcing Cloud Functionality: Activities

- Demonstration 15-1: Using Basic Functionality
- Demonstration 15-2: Using Advanced Functionality
- Demonstration 15-3: Two Stage RFQ with Surrogate Response
- Demonstration 15-4: Using Online Messages
- Demonstration 15-5: Leveraging Questions from the Question Library and using Alternate Responses
- Demonstration 15-6: Using Sourcing and Project Management Integration
- Demonstration 15-7: Implementing Sourcing

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Demonstration: Basic Functionality

Instructor Note: The instructor should demonstrate Practice 15-1: Using Basic Functionality for this demonstration.

Demonstration: Advanced Functionality

Instructor Note: The instructor should demonstrate Practice 15-2: Using Advanced Functionality for this demonstration.

Oracle Sourcing Cloud Functionality: Activities

- Practice 15-1: Using Basic Functionality
- Practice 15-2: Using Advanced Functionality

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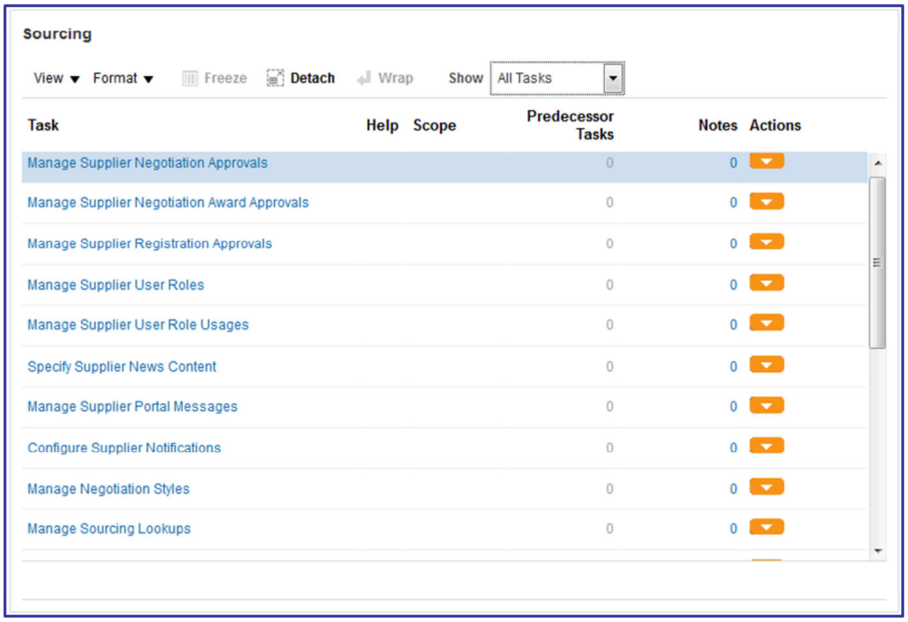
- 15-2 Using Advanced Functionality: The instructor should demonstrate Practice 15-2: Using Advanced Functionality.

Sourcing: Setup and Maintenance

- The initial setup for this activity is performed using an implementation task group in Setup and Maintenance.
- Ongoing maintenance is performed from the Setup and Maintenance work area.
- All initial Sourcing setup tasks can also be performed again at a later date.

You use the Setup and Maintenance tool to implement your Sourcing product. There is a task group called Define Sourcing Configuration that contains the implementation tasks you use to set up Sourcing. There are initial implementation tasks you perform when first setting up Sourcing. Thereafter, you can also use Setup and Maintenance to perform ongoing maintenance.

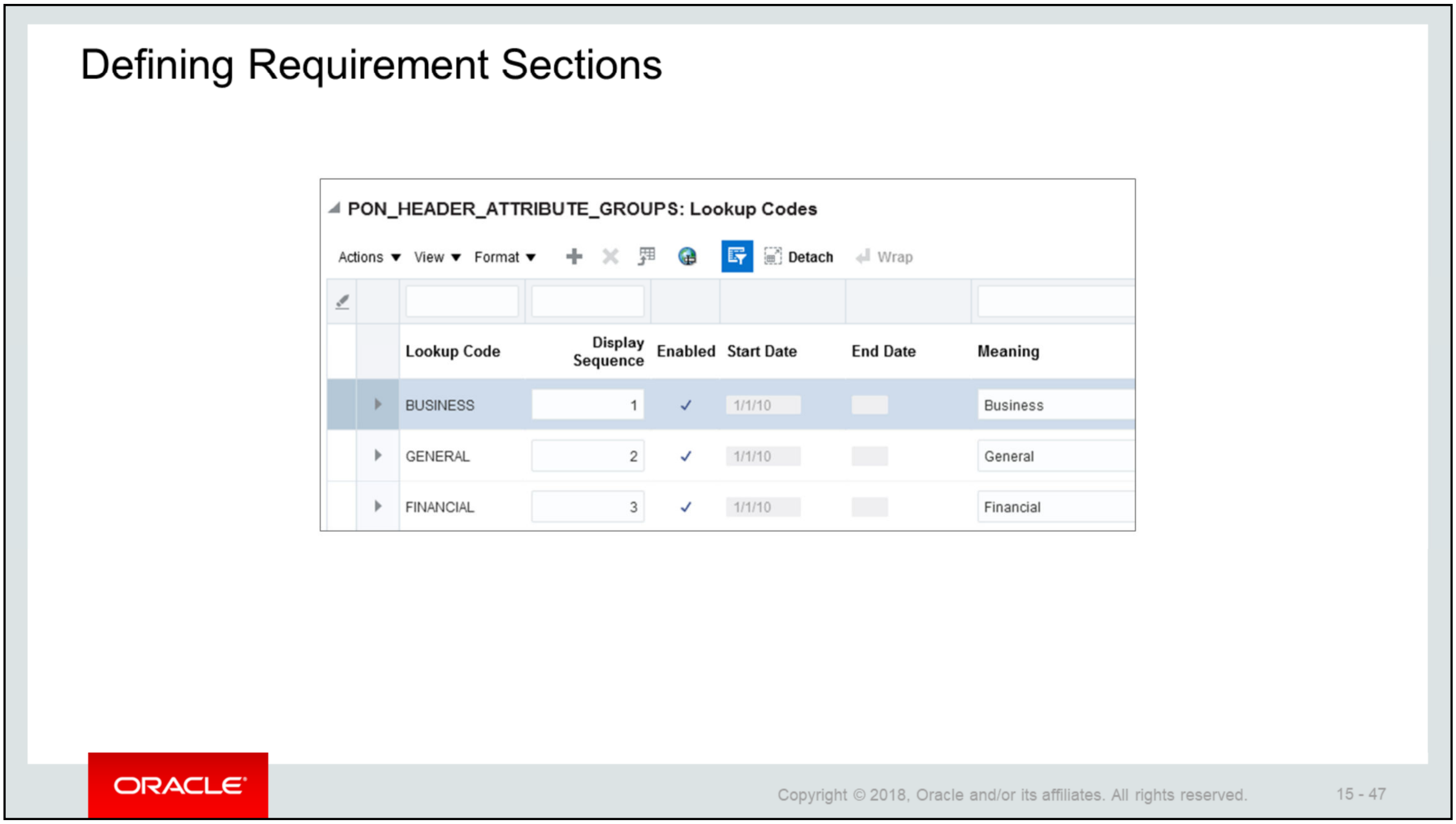
Sourcing: Setup and Maintenance



Navigator > Others > Setup and Maintenance > Procurement icon > Setup > Sourcing > All tasks

The screenshot depicts the setup and maintenance tasks for Oracle Sourcing Cloud.

The setup and maintenance tasks are contained in the Define Sourcing Configuration task group.



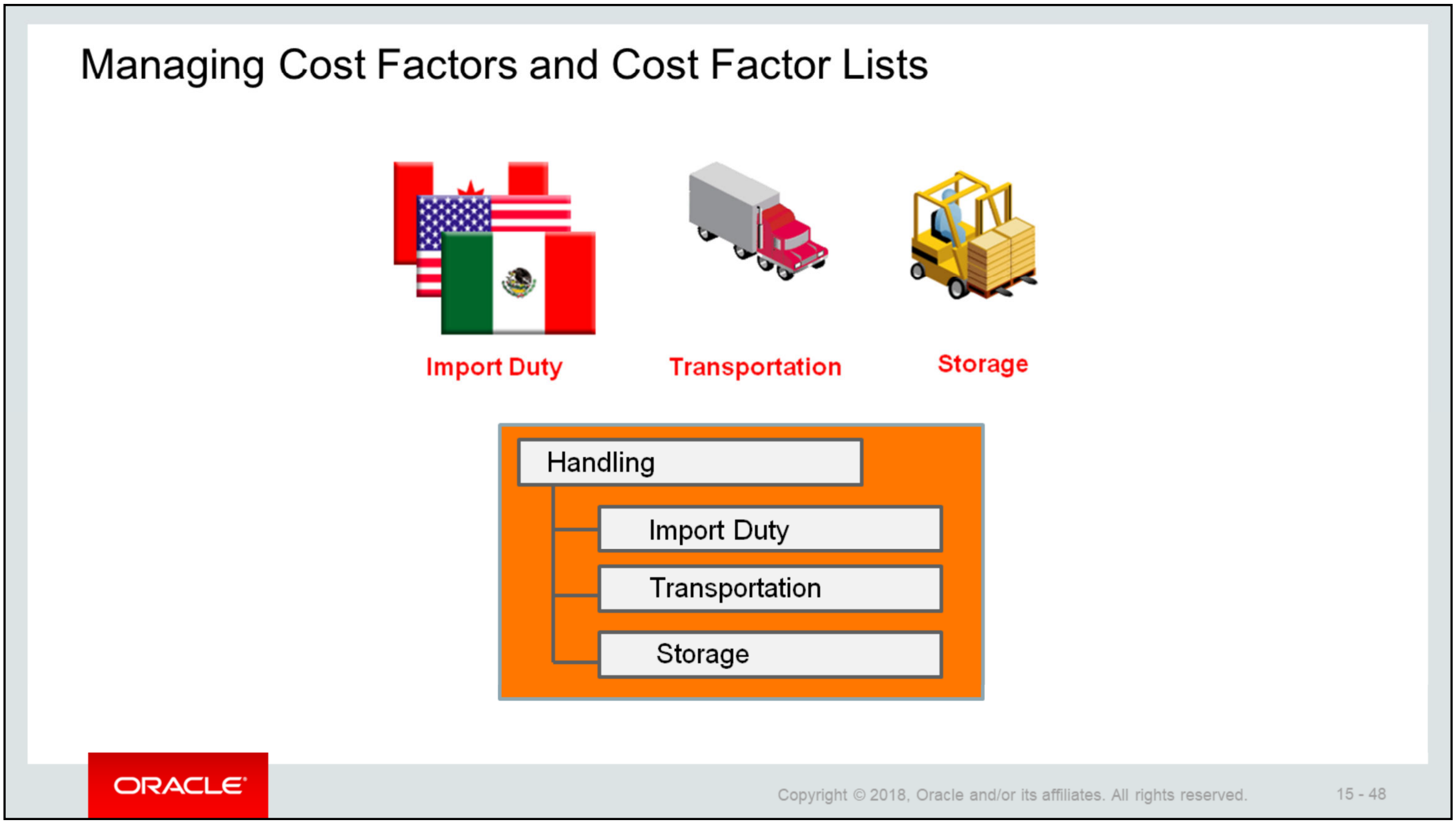
Navigator > Others > Setup and Maintenance > Procurement icon > Setup > Sourcing > All Tasks > Manage Sourcing Lookups

The screenshot depicts the lookup codes.

When creating new lookups, you must specify both internal and display information:

- **Lookup code:** The internal designator for the lookup value
- **Display sequence:** The position in the list of values
- **Enabled:** Whether the lookup value is available for use
- **Start date:** The date the lookup value becomes available for use
- **End date:** The date the lookup value becomes unavailable for use
- **Meaning:** The value name that is displayed to users
- **Description:** The description displayed to users
- **Tag:** An optional name for use in searching

Until the new lookup value is enabled, it cannot be used. The start and end dates can also be used to specify a time window of availability.



The diagram depicts represents cost factors.

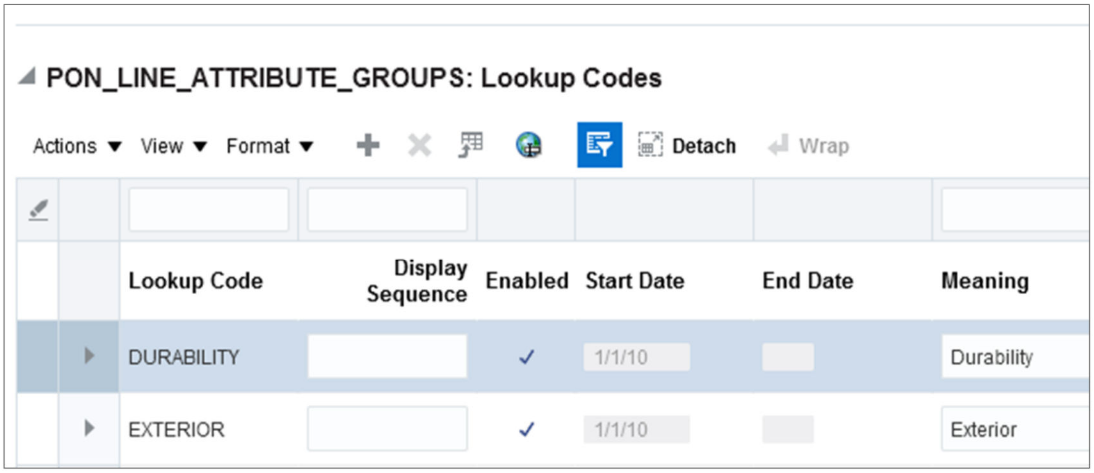
Cost factors identify additional costs in addition to response price (the price offered by the supplier for one unit of the line item/service). Using cost factors allows buyers to identify and take into account these additional costs when negotiating with suppliers. These can include tangible costs, such as transportation or storage, or intangible costs, such as the risk associated in dealing with a new supplier.

Cost factors are defined as either:

- A fixed amount for the entire line
- An amount for each unit
- A percentage of the line price (price * quantity)

Several related cost factors can be defined to a cost factor list. The list of cost factors can then be applied to a particular negotiation line within the sourcing document.

Managing Attribute Groups



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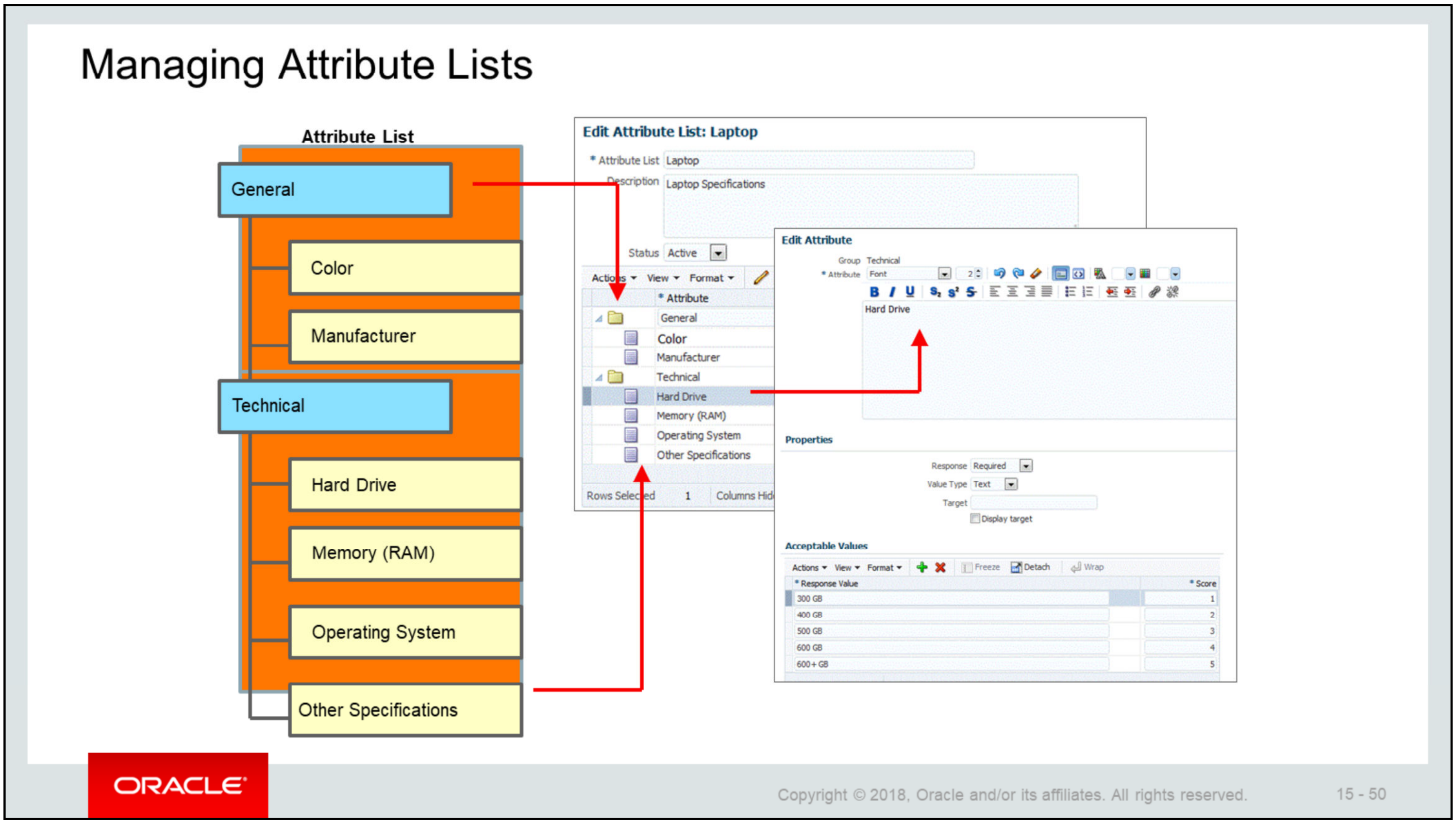
Navigator > Others > Setup and Maintenance > Procurement icon > Setup > Sourcing > All Tasks > Manage Sourcing Lookups

The screenshot depicts the lookup codes.

When creating attribute lists, you can first define Attribute Groups, which would be logical names for groups of attributes. When you create your attribute list, you can assign attributes to groups.

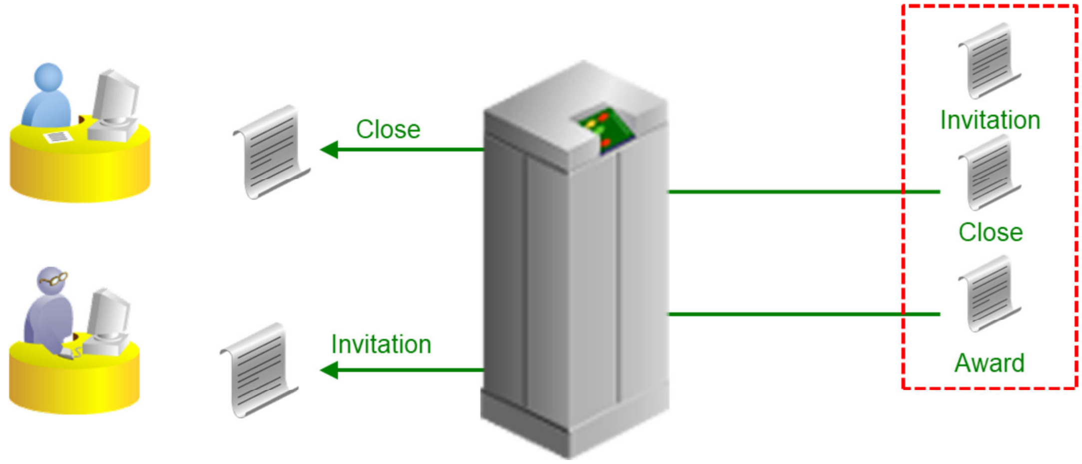


The diagram depicts the attributes and these screenshots depict the edit attribute list page.

Line attributes make your negotiation line more descriptive and can also be used to ensure that all responses submitted for the line include specific details not included elsewhere in the line information. You can define line attributes at the line, lot, lot line, and group line levels. When defining attributes, you must enter or select values for the following:

- **Attribute:** The name of the attribute as it appears to the supplier
- **Response:** Values can be: Display Only, Optional, or Required
- **Value Type:** The data type allowable for responses, for example, text, numbers (digits with decimals allowed), date, or URL
- **Target:** A target value for the attribute
- **Weight:** An indication of the attribute’s importance relative to the other attributes
- **Acceptable Values:** A list of allowable response values
- **Score:** For each acceptable value, a score denoting the desirability of that value among the other acceptable values

Notification Subscriptions



 15 - 51

The diagram depicts the workflow of notifications for subscriptions.

There are many situations during the life cycle of a negotiation when the applications generated notifications and sends them to appropriate participants. For example, when you invite a supplier to a negotiation, the application sends a notification to the contact you specify in the negotiation document. This notifications invites the supplier contact to participate in the negotiation. Or if the category manager who created the negotiation closes it early, notifications are sent to the participants.

There are many notifications which the application creates. If you wish to use only a subset of the notifications, you can indicate the ones you wish to use by subscribing to those notifications. The notifications to which you don't subscribe are not generated by the application.

Resources

Additional release information:

- https://cloud.oracle.com/saasreadiness

Oracle Support whitepapers

- Standalone Sourcing Cloud Implementation in Oracle Procurement Cloud (1575390.1)
- Oracle Sourcing and Procurement Contracts Cloud Integration Options (1956769.1)
- Oracle Procure-to-Pay Cloud Integration Options (2014667.1)
- External Data Integration Services for Oracle Cloud (1474204.1)
- Standalone Sourcing Cloud Implementation (2151062.1)

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Summary

In this lesson, you should have learned to:

- Explain the benefits of using Oracle Sourcing Cloud and Oracle Procurement Cloud
- Explain the purpose of Oracle Sourcing Cloud in the Procurement suite of products
- Use the core functionality in Oracle Sourcing Cloud
- Set up Oracle Sourcing Cloud

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16

Procurement Contracts

Instructor lesson and demonstrations: 60m

Student practices: 60m

Total: 120m

Objectives

After completing this lesson, you should be able to:

- Explain the functionality and benefits of Oracle Procurement Contracts Cloud
- Create Contracts and set up the Terms and Conditions Library
- Perform the necessary tasks to implement Oracle Procurement Contracts Cloud

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Topics

- Introduce Enterprise Contracts
- Introduce Oracle Procurement Contracts Cloud
- Contract creation flow
- Implementing Oracle Procurement Contracts Cloud

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This slide lists the topics that will be discussed during this lesson.

Enterprise Contract Management: Foundation

- Contract lifecycle management
- Robust contract creating tools
- Contract repository
- File-based upload of contracts
- Terms and conditions library
- MS Word integration
- Policy deviations and standards
- Foundation is common for buy, sell, and non-Financial contracts



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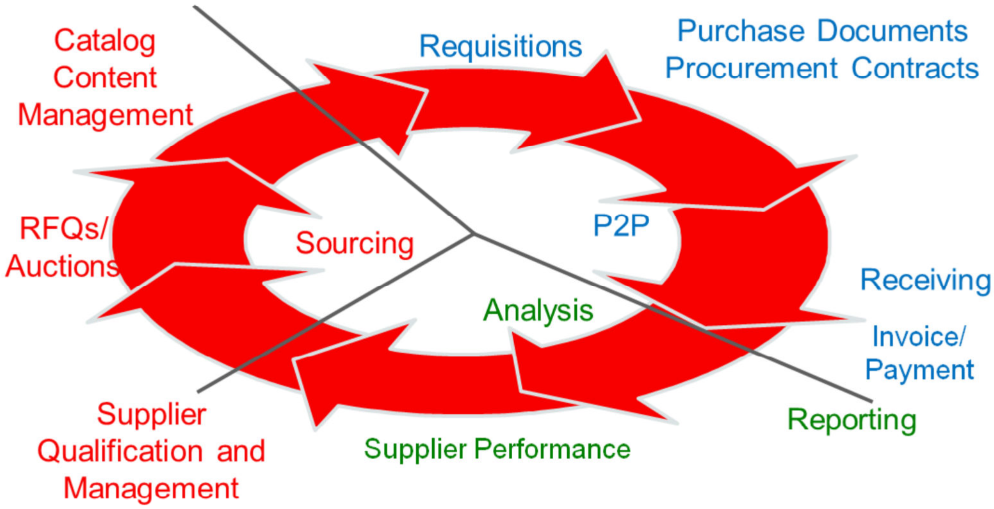
Enterprise Contract Management is the foundation on which you construct your procurement contracts.

- It allows an organization to manage the entire lifecycle of a contract, from setting up contract policies and standards, to creating, approving, monitoring, and closing contracts.
- User-defined statuses allow for a modified lifecycle flow.
- Contract Wizard and Contract Expert make it easy to create, edit, and validate contracts.
- File-based utility supports bulk upload of contracts.
- Existing contracts are centrally stored for ease of use and management.
- Contract Terms Library contains standard clauses, terms templates, and business rules.
- You can download contracts, terms, and conditions for offline reviewing.
- Authors can check for deviations, validate and submit the contract for approval.

Procurement Process



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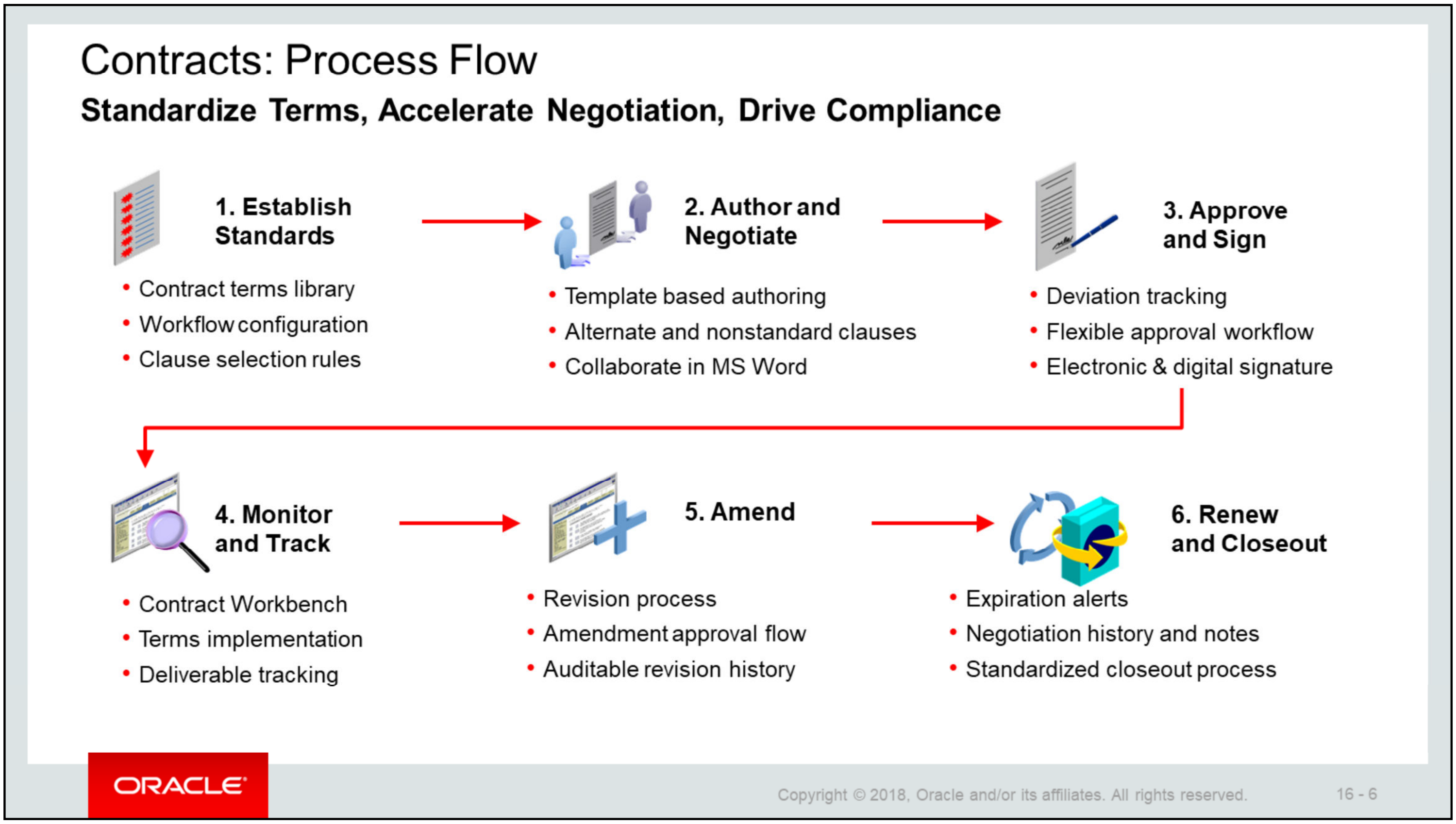
The diagram depicts the Procurement process.

With the use of Oracle Procurement Contracts Cloud, information is integrated and streamlined within the procurement process.

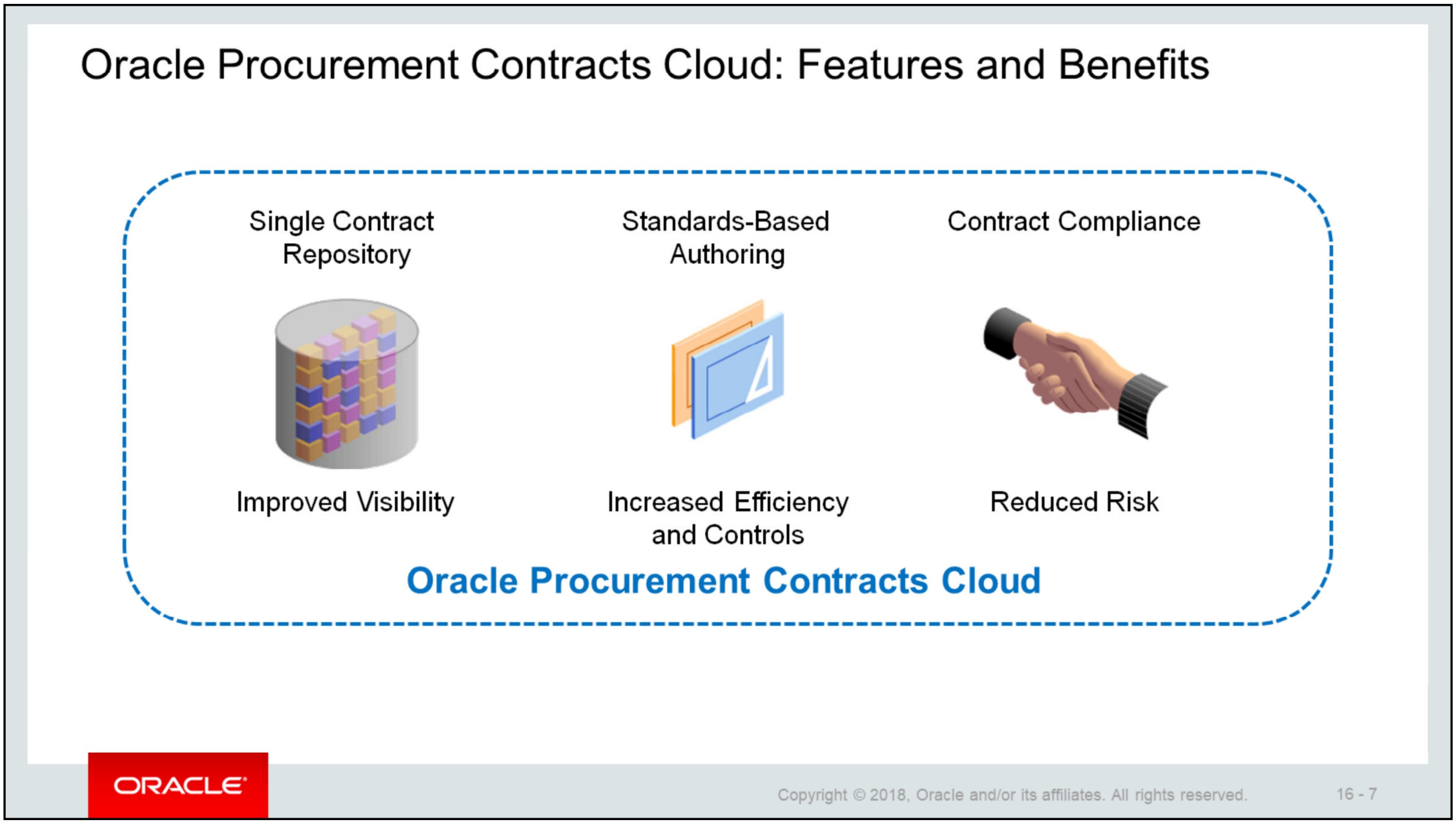
With Oracle Self-Service Procurement Cloud, you can find requisitions to create your negotiation and when you have completed your award, you can generate purchasing documents for further processing. When creating a negotiation, you can surface contract terms from Oracle Procurement Contracts Cloud for suppliers to review. With Oracle Supplier Qualification Management Cloud, you can search for qualified suppliers when you are inviting suppliers to a negotiation.



The diagram depicts the Contracts process flow.

Enterprise Contracts allows you to manage the entire contract process from setting up contract policies and standards, to creating contracts, approving, monitoring, and contract closeout.

1. Objects stored in the terms library enable the standardization of contract building blocks. Rules and procedures can control how these objects can be combined.
2. Standard clauses, terms templates, and business rules are set up in the Contract Terms Library simplify contact authoring. With policies in place, the legal language on a contract can be quickly created from approved templates, expediting contract creation and approval.
3. Contract reviews can be conducted offline using Microsoft Word. Contract authors can check for deviations from standards, validate and submit the contract for approval.
4. Ongoing monitoring and analysis can be performed by contract administrators, legal or finance.
5. Contracts can be amended post approval. The application tracks all modifications, amendments, and provides important information for audit and search.
6. Contract expiry notifications let you proactively manage renewals, or conduct closeout audits to ensure all obligations have been met. Negotiation history and execution notes captured throughout the contract lifecycle provide valuable information during renewals or closeout.



The diagram depicts the features and benefits for Oracle Procurement Contracts Cloud.

Oracle Procurement Contracts Cloud provides many features to support the contracting needs of your procurement environment.

Single Contract Repository

- Multiple contract types
- Contracts stored in a single, secure, and searchable database
- Automatic approvals
- Managed renewals

Standards-Based Authoring

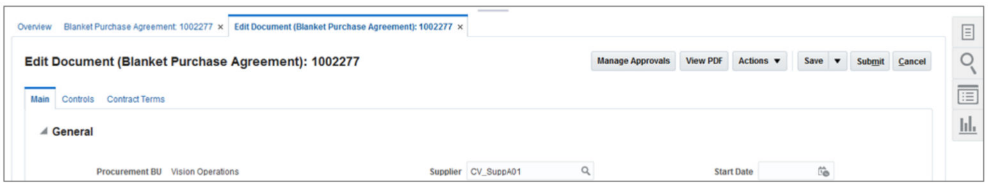
- Standard clauses, policy rules, and templates
- Deviations reporting
- Content management

Contract Compliance

- Master Agreement with multiple purchasing systems
- Multiple suppliers on a single contract
- Integration with Purchasing and Sourcing

Accessing Contracts from Procurement Applications

- Enterprise Contract Management directly
  - Navigator > Contract Management > Contracts
- Purchasing
  - Agreement
  - Purchase Order
- Sourcing
  - Negotiation



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The screenshot depicts the Main tab in the Edit Document page,.

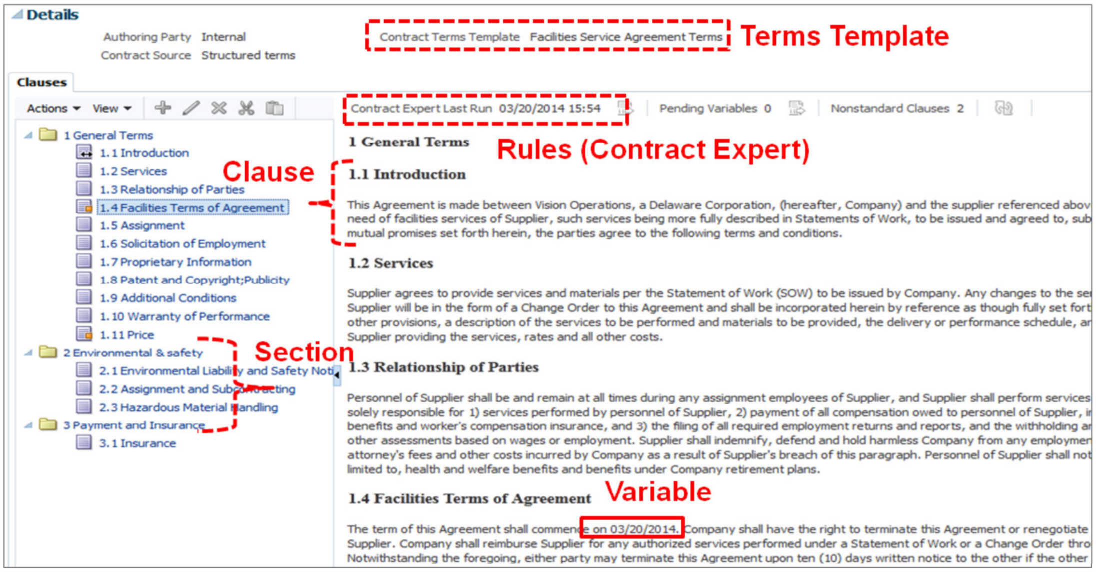
In addition to accessing authoring functionality through the ECM Contracts link, you can access contracts from Oracle Procurement Cloud applications to search for and add contract terms from the Contracts and Terms library.

In **Oracle Purchasing Cloud**, you can use the Contract Terms tab in the Edit Document window to add contract information.

In **Oracle Sourcing Cloud**, you can use the Contract Terms train stop when creating or editing a negotiation.

Regardless of the location from which you are accessing Procurement Contracts, the authoring functionality is the same.

Terminology in the Contracts Application



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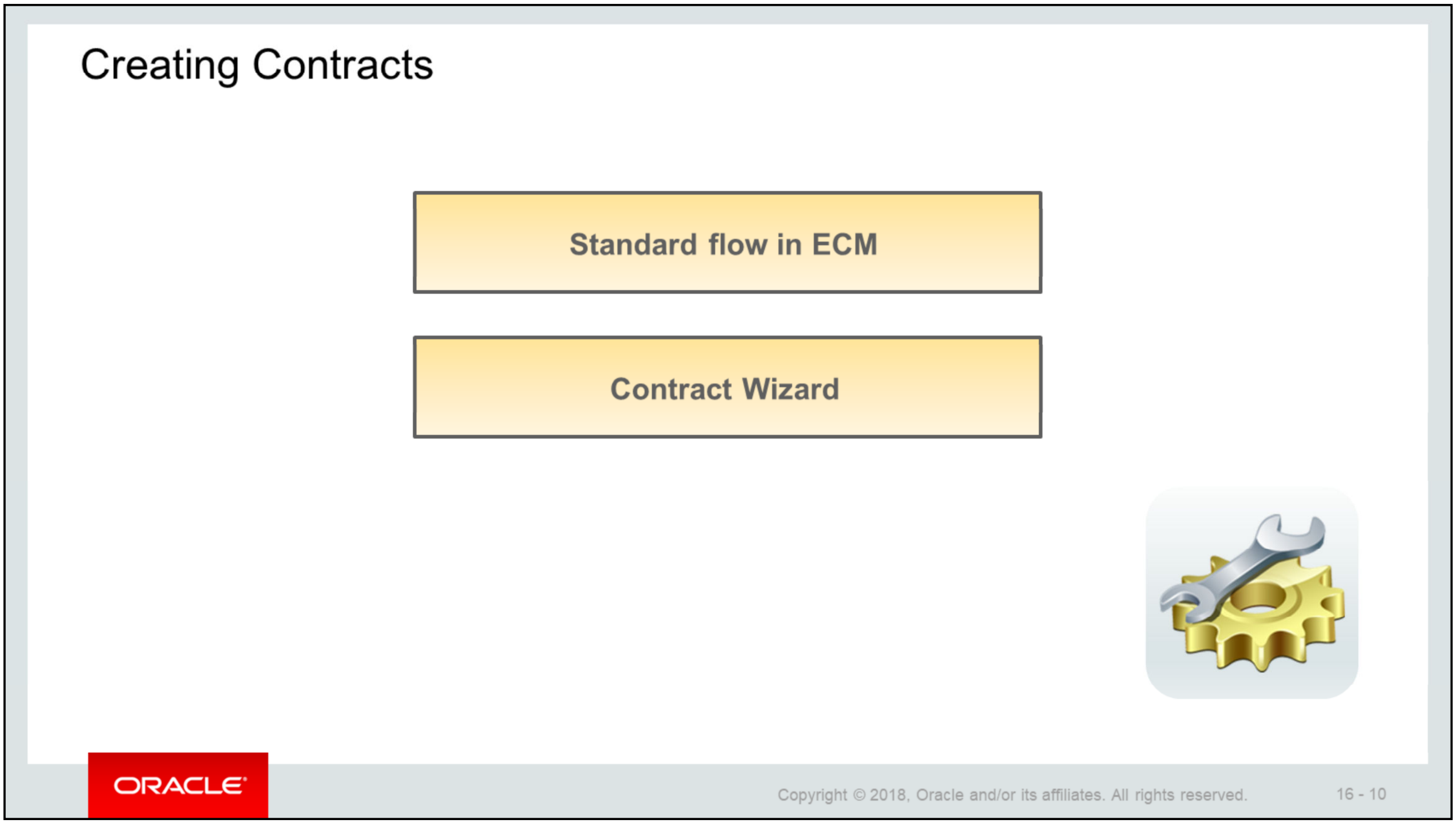
The screenshot depicts the Contracts application components.

- **Clause:** A clause is the most basic unit of a structured contract. A clause consists of a title and text that typically correspond to a particular legal idea of the contract. A standard clause is an existing, approved clause that is in the Terms Library.
- **Section:** A section is simply a collection of clauses that are grouped together for organizational purposes on the contract.
- **Terms Template:** A terms template is a collection of sections and clauses that form the boilerplate for a new contract.
- **Variable:** A variable is a placeholder in a clause definition that gets replaced by a value whenever the clause is used.
- **Rule:** A rule is a conditional expression defined and associated to a terms template that can conditionally modify the base contract. The source of the data for the rule can be structured data in the system or the answers to questions provided by the user.
- **Contract Expert:** The Contract Expert is an optional tool that you can set up to handle asking the questions of the user and then taking the appropriate action to the draft contract such as adding a conditional clause based on a rule.



The diagram depicts the two tools available for creating contracts.

You have two tools available when creating contracts.

- You can use the standard Enterprise Contracts Management Create Contract navigation to access the full range of options available.
- You can also use the Contract Wizard to streamline the contract creation process. Contract Wizard provides a guided creation environment that is good for creating quick and simple contracts. It hides some of the options and actions from the user in order to make the process as easy as possible.

Creation Process

1. **Select contract type**
2. **Enter header details**
3. **Depending on contract type:**
   - **Add contract lines**
   - **Author terms and review contract deviations**
   - **Create contract deliverables**
4. **Validate and correct any errors**
5. **Submit for approval**
6. **Execute (optional e-signature)**
   Electronic signature process using third-party electronic signature service provider

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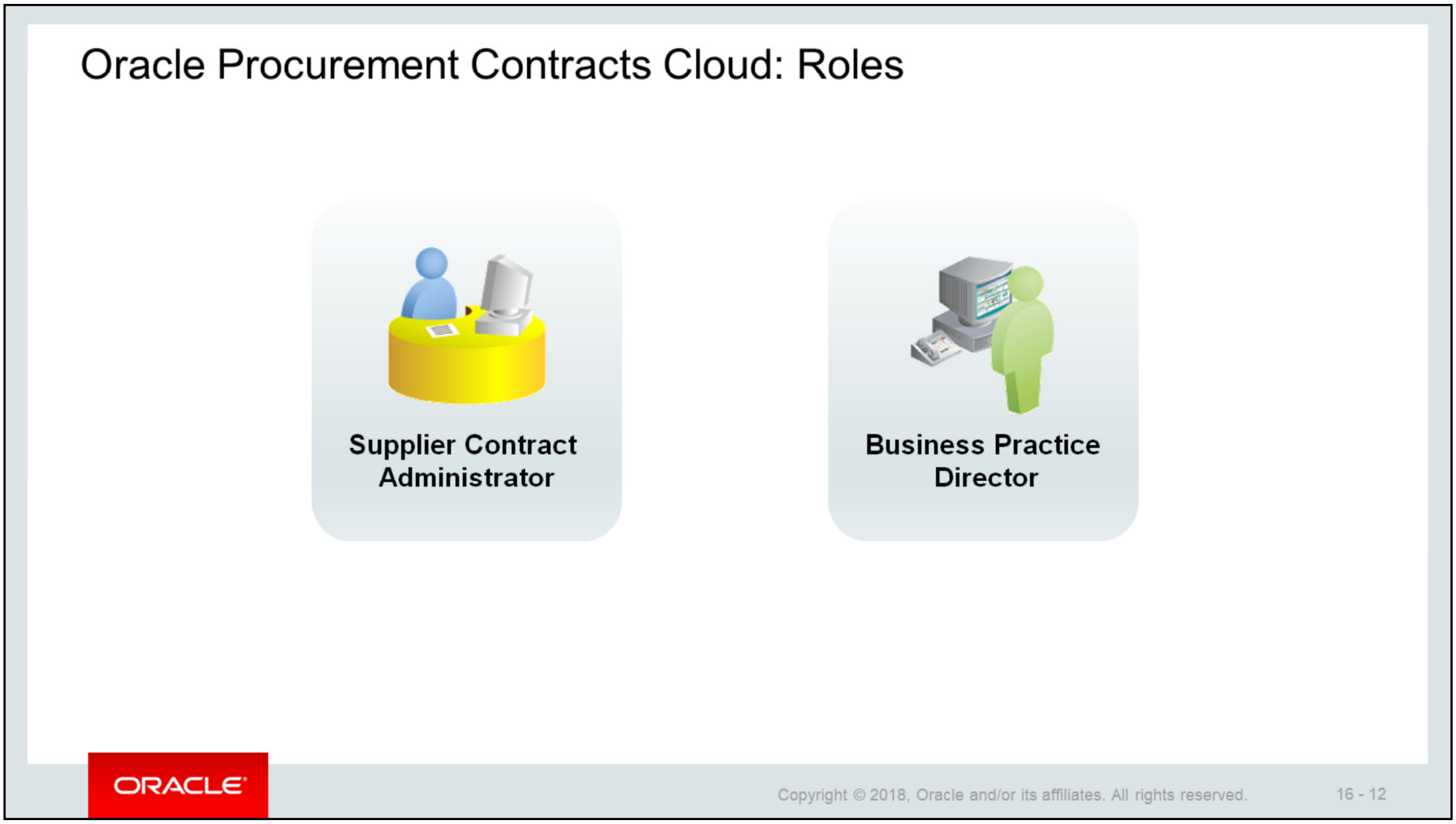
The standard process you use to create a contract includes the steps shown. Note that not all steps are required for all contracts.

1. Access Contracts and select the type of contract you want to create.
2. Enter contract header details.
3. Depending on the contract type, you can:
   - Add contract lines
   - Author contract terms and review contract deviations
   - Create contract deliverables
4. Validate the contract and correct any errors.
5. Submit contract for approval.
6. Optionally, apply digital signatures.

   Purchasing work area has introduced the electronic signature process using the third-party electronic signature service provider, DocuSign. By utilizing electronic signature process, organizations can obtain electronic signatures for its purchase orders and agreements, taking advantage of the electronic signature’s legality and enforceability.

   This feature provides the capability to securely and legally send, review, and sign purchasing documents, streamlining the signature workflow. It also enables users to manage the signature process, view the signature history, and access the electronically signed documents.



There are two roles required when implementing Oracle Procurement Contracts Cloud:

- **Supplier Contract Administrator:** A Procurement or legal professional responsible for authoring legal terms and conditions on buy-side contracts. The Supplier Contract Administrator may also be a Buyer.
- **Business Practice Director:** The person responsible for maintaining official clause language and contract building blocks in the Contract Terms library.

Implementing Oracle Procurement Contracts Cloud

- Common Applications Setup Tasks
- Enterprise Contracts Setup Tasks
- Procurement Setup Tasks

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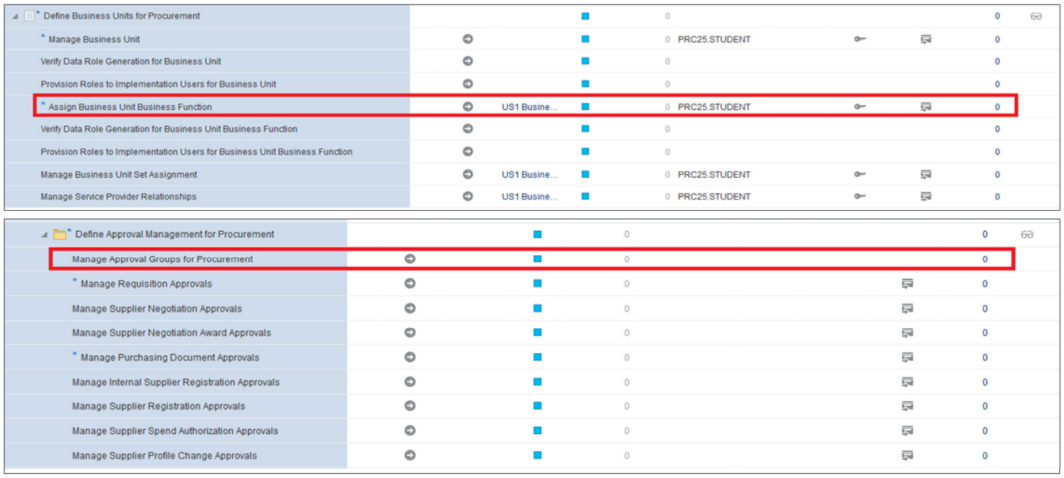
The slide lists the three areas where you can perform setup tasks for Oracle Procurement Contracts Cloud.

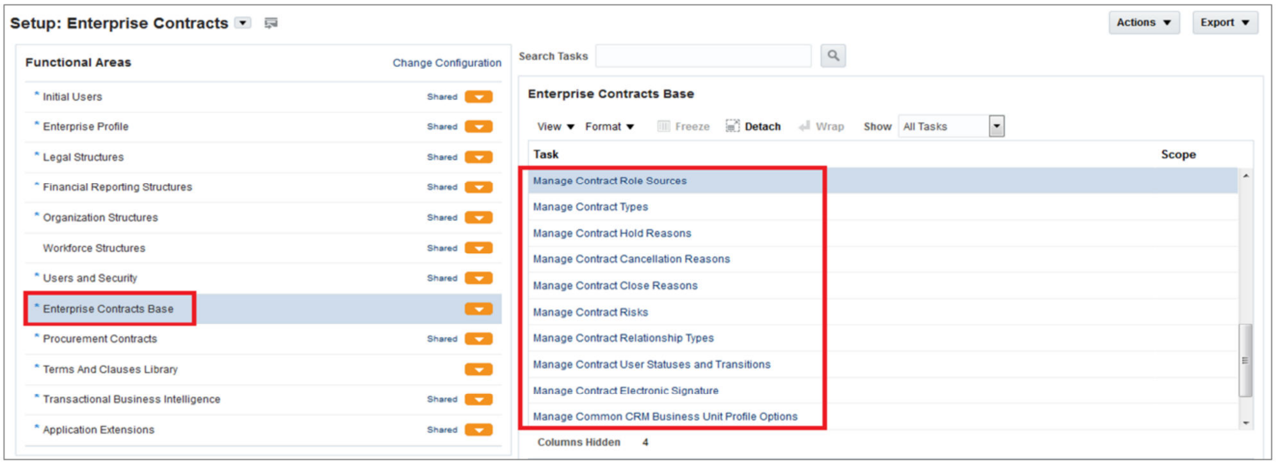
Common Applications Setup Tasks



The screenshots depict the common appliction setup tasks.

Several of the implementation tasks for Procurement Contracts are performed in the Common Application task group which was discussed earlier in this course. The Assign Business Unit Business Function is an important task and is normally performed much earlier and completed before you begin implementing Oracle Procurement Contracts Cloud. Also approval management is performed earlier.

Setup Tasks in Enterprise Contracts Setup



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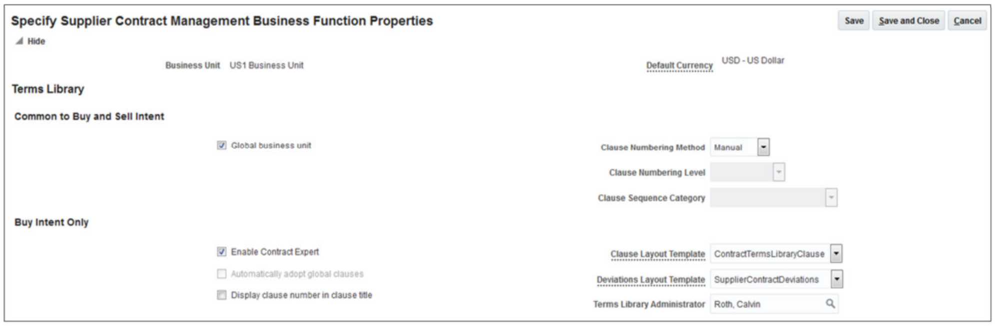
Navigator > Others > Setup and Maintenance > Enterprise Contracts > Enterprise Contracts Base > All Tasks

The screenshots depicts the Setup and Maintenance tasks for Enterprise Contracts.

Several of the implementation tasks for Oracle Procurement Contracts Cloud are performed during the set up for Enterprise Contracts.

Specify Supplier Contract Management Business Function Properties



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Navigator > Others > Setup and Maintenance > Enterprise Contracts > Procurement Contracts > Specify Supplier Contract Management Business Function Properties

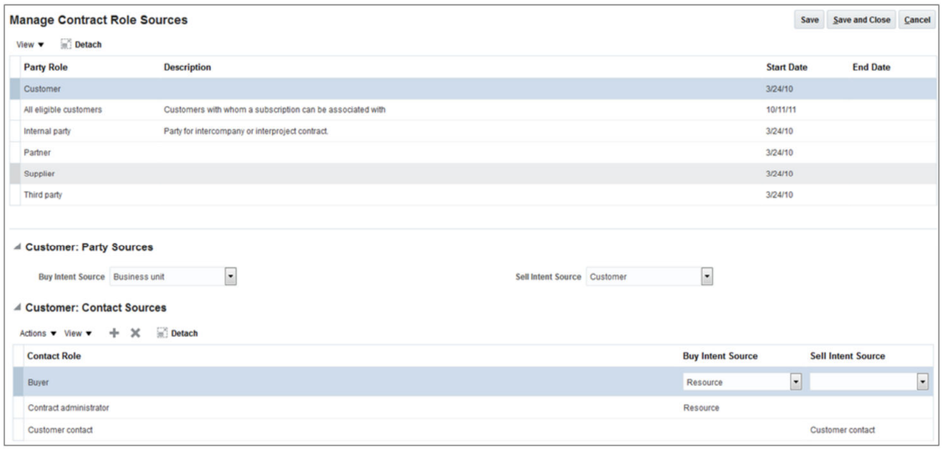
The Screenshot depicts the Specify Supplier Contract Management Business Function Properties page.

Set business unit level options for contract terms library that are common to buy and sell intent contracts (customer and supplier contracts) and that are specific to buy intent contracts (supplier contracts) only.

For the Contract Terms Library in each business unit, you can:

- Enable clause and template adoption
- Set the clause numbering method
- Enable the Contract Expert feature
- Specify the layout for printed clauses and contract deviation reports

Manage Contract Role Sources



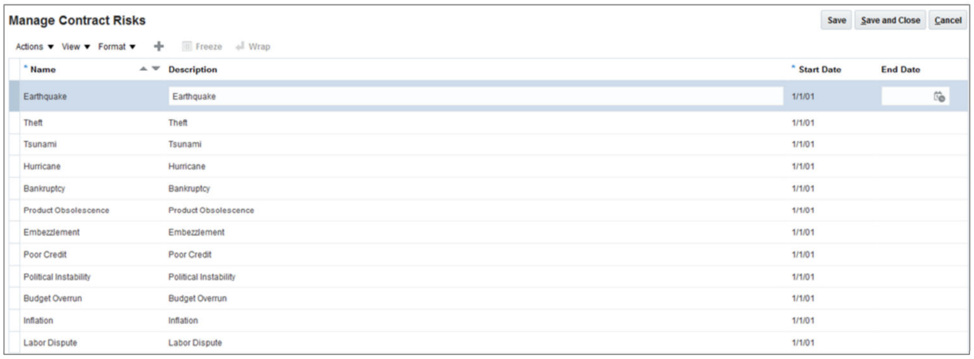
Navigator > Others > Setup and Maintenance > Enterprise Contracts > Enterprise Contracts Base > All Tasks > Manage Contract Role Sources

The Screenshot depicts the Manage Contract Role Sources page.

On the **Manage Contract Role Sources** page:

1. Select the party role and set its buy and/or sell intent sources. For example, in buy intent or supplier contracts, you would want business units as source for customers and in sell intent or customer contracts, you would want TCA (Trading Community Architecture) customer parties as source for customers
2. Add the contact role.
3. Enter the sell-intent contact source or the buy-intent contact source or both. Which contact sources you can enter depends on the party source settings for the party role.

Manage Contract Risks



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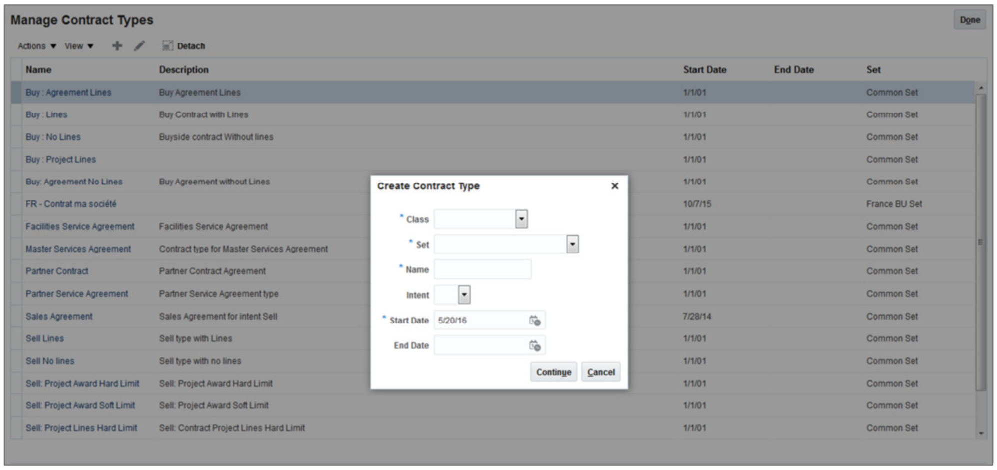
Navigator > Others > Setup and Maintenance > Enterprise Contracts > Enterprise Contracts Base > All Tasks > Manage Contract Risks

The screenshot depicts the Manage Contract Risks page.

Optionally, you can define risks that you can use to help classify the riskiness of contracts. The risks defined here can be selected in contract authoring flows to associate risk to a contract.

Manage Contract Types



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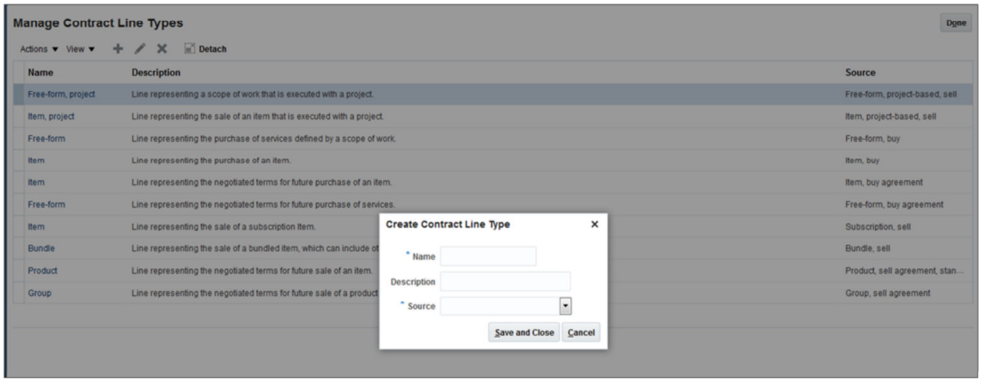
Navigator > Others > Setup and Maintenance > Enterprise Contracts > Enterprise Contracts Base > All Tasks > Manage Contract Types

The screenshot depicts the Create Contract Type option in the Manage Contract Types page.

Define buy or sell intent contract types of class “Enterprise Contracts,” buy intent contract types of class “Agreements,” or sell intent contract types of class “Partner Agreements” for the entire enterprise or for a set of business units. Partner Agreements do not allow lines and are typically created from PRM application as part of partner program enrollment flow.

Manage Contract Line Types



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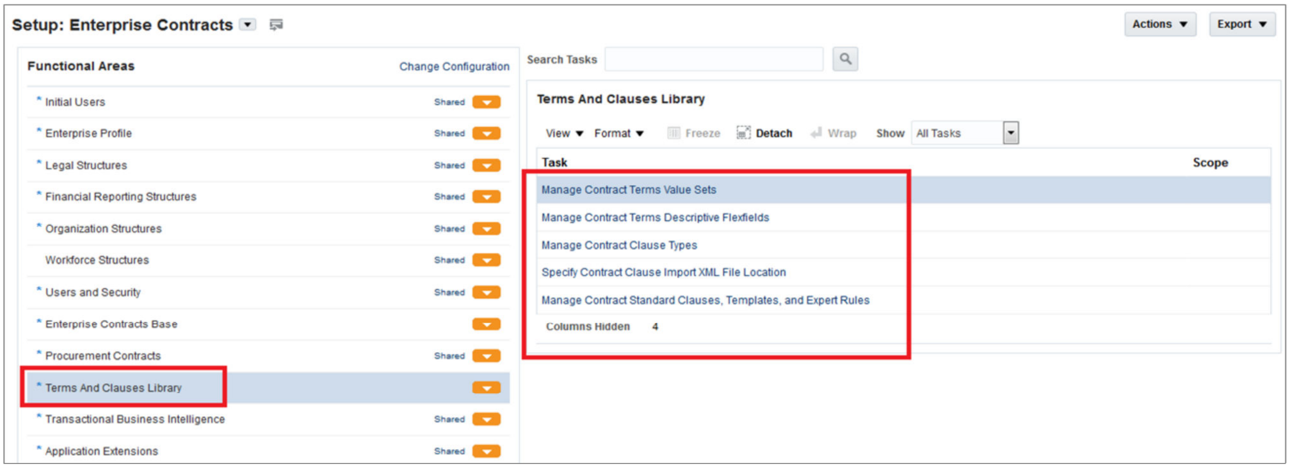
Navigator > Contract Management > Contracts > Contract Line Types

The screenshot depicts the Create Contract Line Type option in the Manage Contract Line Types page.

Here is a list of sources and their usage for procurement contract line types:

- **Buy agreement, free-form:** Enables entry of items not tracked in inventory for purchasing. You can create master agreements in the purchasing application from lines of this type.
- **Buy agreement, item:** Enables entry of inventory items for purchasing. You can create master agreements in the purchasing application from lines of this type.
- **Buy intent, free-form:** Enables entry of items not tracked in inventory for purchasing. You can create purchase orders in the purchasing application from lines of this type.
- **Buy intent, item:** Enables entry of inventory items for purchasing. You can create purchase orders in the purchasing application from lines of this type.

Performing Contract Terms Library Configuration

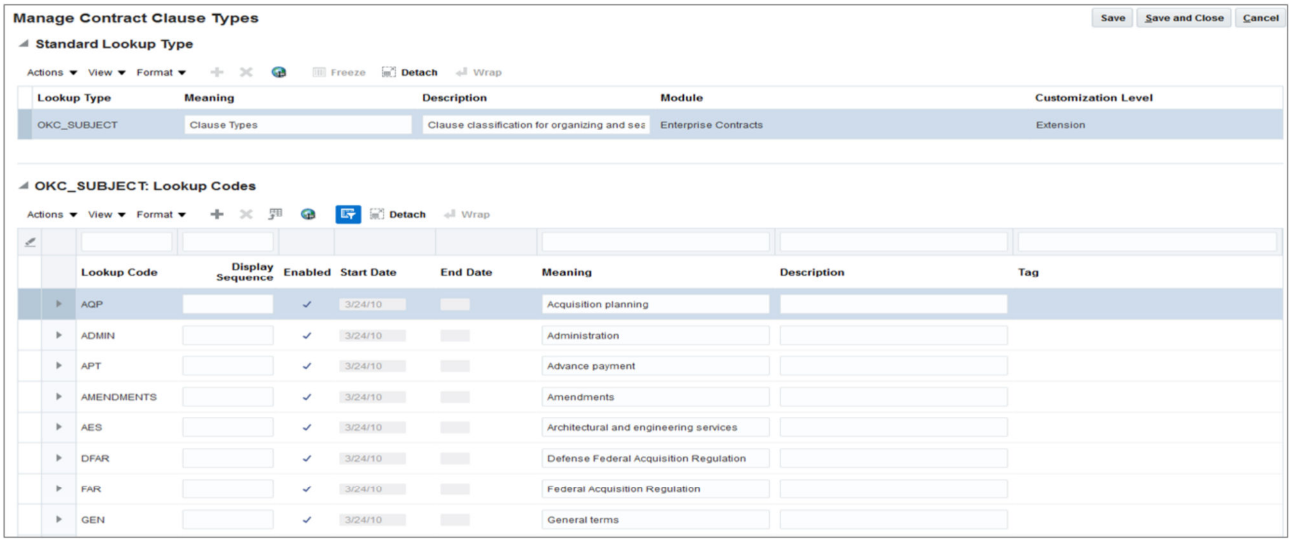


Navigator > Others > Setup and Maintenance > Enterprise Contracts icon > Terms and Clauses Library

The screenshots depicts the Setup and Maintenance tasks for Enterprise Contracts.

The **Define Procurement Contracts Terms Library Configuration** implementation task group allows you to define and maintain setup components for Procurement Contracts objects contained in the contract terms library. The slide shows the FSM tasks used to create objects in the terms library.

Defining Clause Types



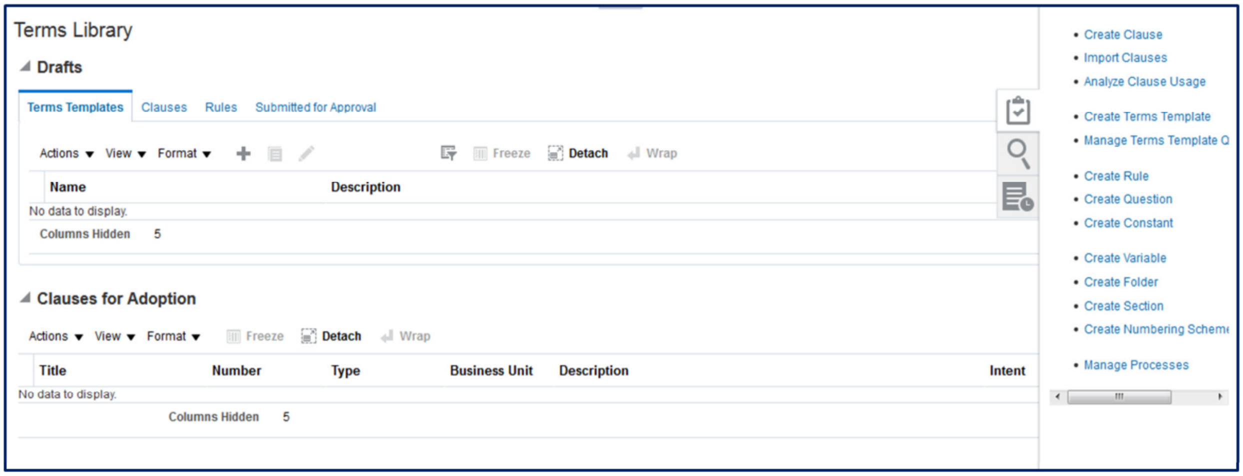
16 - 22

Navigator > Others > Setup and Maintenance > Enterprise Contracts icon > Terms and Clauses Library > All Tasks

The screenshot depicts the Manage Contract Clause Types page.

The **Manage Contract Clause Types** page allows you to extend the list of available clause type designations you can use when building your contract.

Using Enterprise Contracts Management

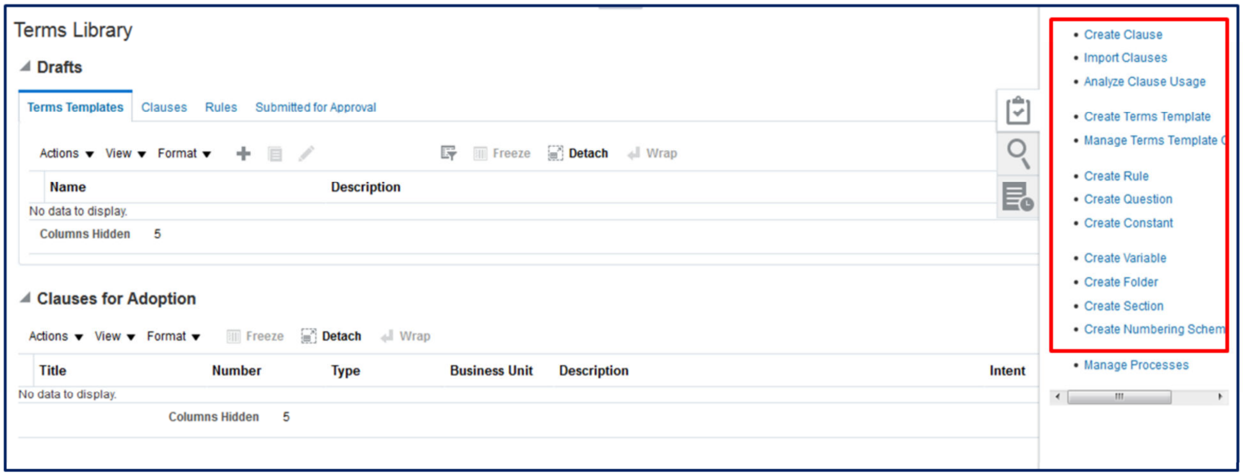


Navigator > Contract Management > Terms Library

The screenshot depicts the Terms Library page.

The configuration tasks are also available from Enterprise Contracts Management.

Setting Up Clauses, Sections, Templates



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Navigator > Contract Management > Terms Library

The screenshot depicts the Terms Library page.

You use the **Terms Library** page to create and manage the objects created and stored in the Terms Library. The links to access the pages used to create objects are listed in the **Tasks** pane.

Oracle Procurement Contracts Cloud: Activities

- Demonstration 16-1: Defining Yourself as a Contract Resource
- Demonstration 16-2: Creating a Simple Contract
- Demonstration 16-3 :Creating a Clause
- Demonstration 16-4: Creating a Section
- Demonstration 16-5: Creating a Question and Rule
- Demonstration 16-6: Creating a Term Template

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Demonstration: Defining Yourself as a Contract Resource

Instructor Note: The instructor should demonstrate Practice 16-1: Defining Yourself as a Contracts Resource for this demonstration.

Demonstration: Creating a Simple Contract

Instructor Note: The instructor should demonstrate Practice 16-2: Creating a Simple Contract for this demonstration.

Demonstration: Creating a Clause

Instructor Note: The instructor should demonstrate Practice 16-3: Creating a Clause for this demonstration.

Demonstration: Creating a Section

Instructor Note: The instructor should demonstrate Practice 16-4: Creating a Section for this demonstration.

Demonstration: Creating a Question and a Rule

Instructor Note: The instructor should demonstrate Practice 16-5: Creating a Question and a Rule for this demonstration.

Demonstration: Creating a Term Template

Instructor Note: The instructor should demonstrate Practice 16-6: Creating a Term Templatefor this demonstration.

Oracle Procurement Contracts Cloud: Activities

- Practice 16-1: Defining Yourself as a Contract Resource
- Practice 16-2: Creating a Simple Contract
- Practice 16-3: Creating a Clause
- Practice 16-4: Creating a Section
- Practice 16-5: Creating a Question and Rule
- Practice 16-6: Creating a Term Template

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Summary

In this lesson, you should have learned how to:

- Explain the functionality and benefits of Oracle Procurement Contracts Cloud
- Create Contracts and set up the Terms and Conditions Library
- Perform necessary tasks to implement Procurement Contracts

Appendix A: Authoring Flow Screenshots

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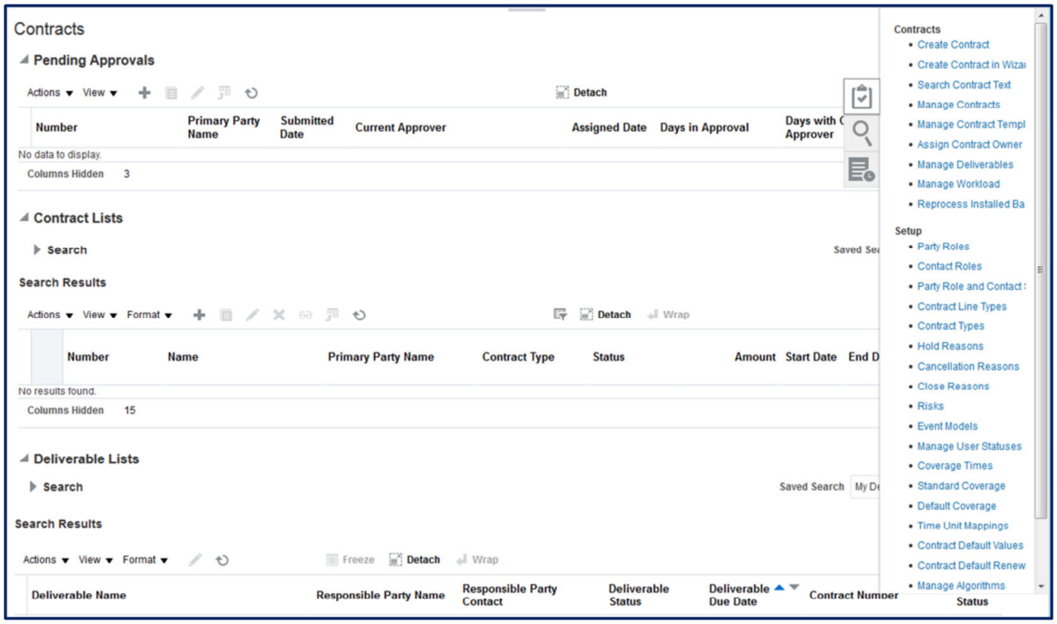
Your may want to refer to use these screenshots in the authoring flow for making notes as your instructor demonstrates the create flow.

Accessing Enterprise Contracts



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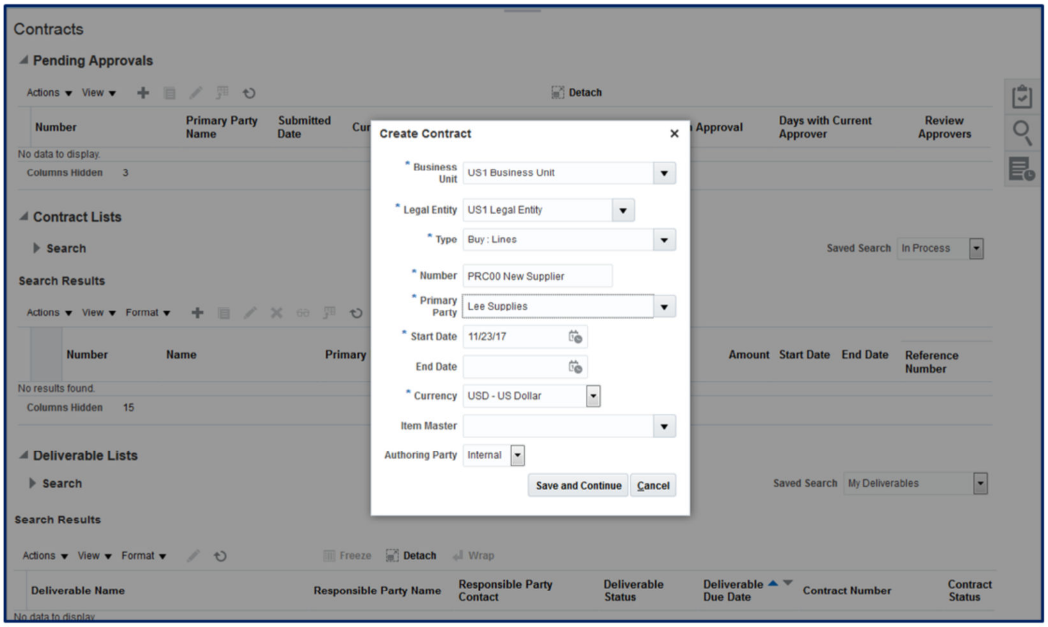
Navigator > Contract Management > Contracts

The screenshot depicts the Contracts page.

The **Overview** page provides quick access to your contract management tasks.

- The Worklist shows any recent tasks that need your attention.
- The Pending Approval region allows you to monitor the progress of contracts that are in the process of being approved.
- In the Contracts and Deliverables regions, you can search for and display contract objects you need to view or manage.
- You use the links in the task bar to perform typical actions for your contracts.

Creating a Contract



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Navigator > Contract Management > Contracts > Create Contract

The screenshot depicts the Create Contract option in the Contracts page.

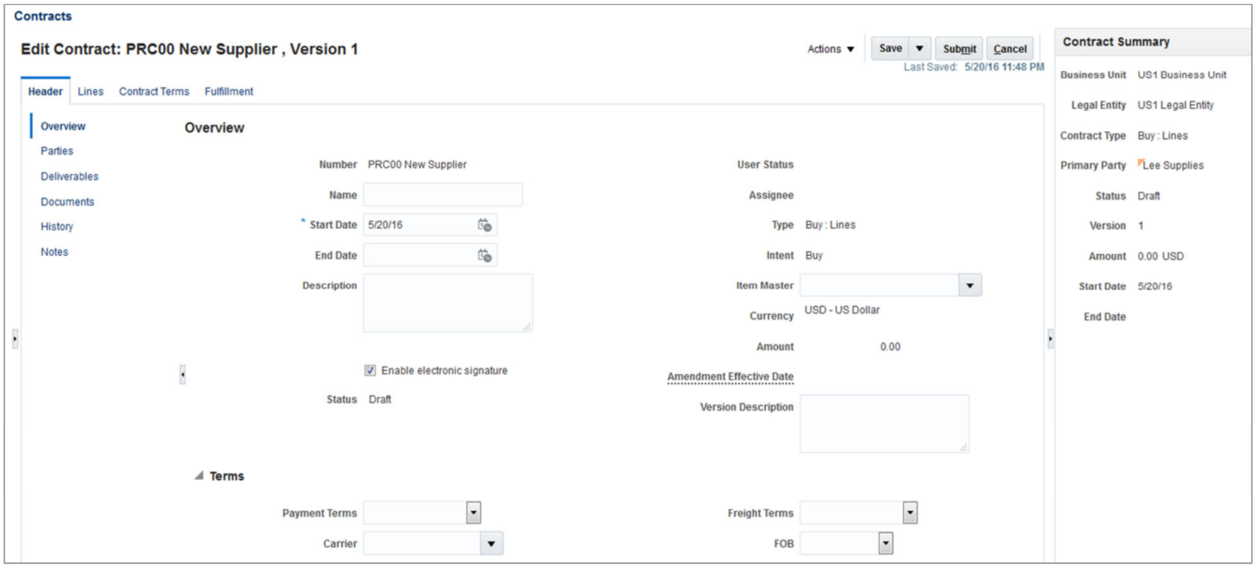
You can create a contract by using

- Create Contract action from the search results or task pane
- Duplicate Contract action from the search results

In the Create Contract, you enter

- Enter the business unit
- Legal entity
- Contract type
- Contract number
- Primary partner Effective start and end dates

Entering Header Information



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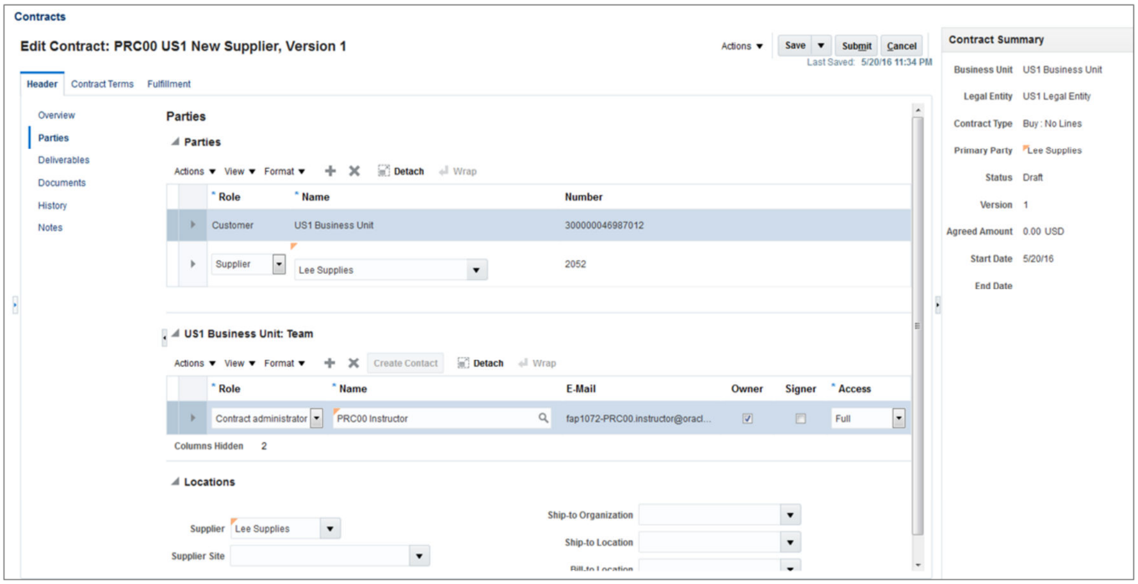
Navigator > Contract Management > Contracts > Create Contract > Create Contract dialog box

The screenshot depicts the Header tab in the Edit Contract page.

On the contract Header tab, add additional information depending on the contract type you selected. This may include:

- Additional contract parties and contacts
- Information about possible contract risks and their probability
- Contract documents
- List of related contracts
- Information about interactions with the contract parties
- Notes

Contract Parties



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Navigator > Contract Management > Contracts > Create Contract > Create Contract dialog box > Parties

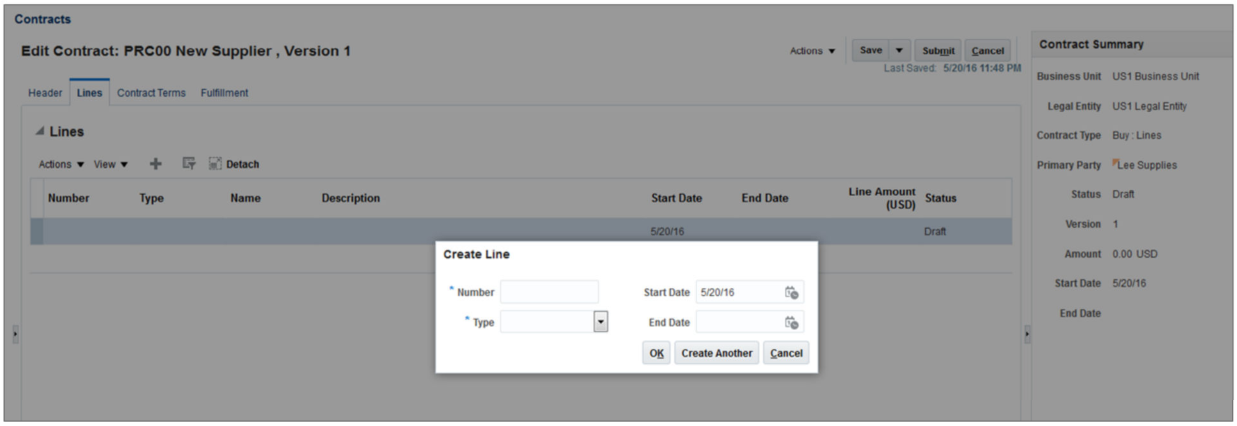
The screenshot depicts the parties in the Header tab, in the Edit Contract page.

If you need to add additional parties to the contract, you can use the **Edit Contract: Parties** page. Party roles provide a way for you to specify the roles of different parties in the contract. The application comes with the following predefined party role names. You can add additional lookup codes in Functional Setup Manager (FSM) by selecting the Manage Contract Party Roles task.

Contact roles specify the roles party contacts play in the contract. Your application comes with a set of predefined contact roles You can set up additional contact roles for use with different parties in the contract.

In the section on implementing Contracts, you will see how to add additional contract parties and roles.

Creating Contract Lines



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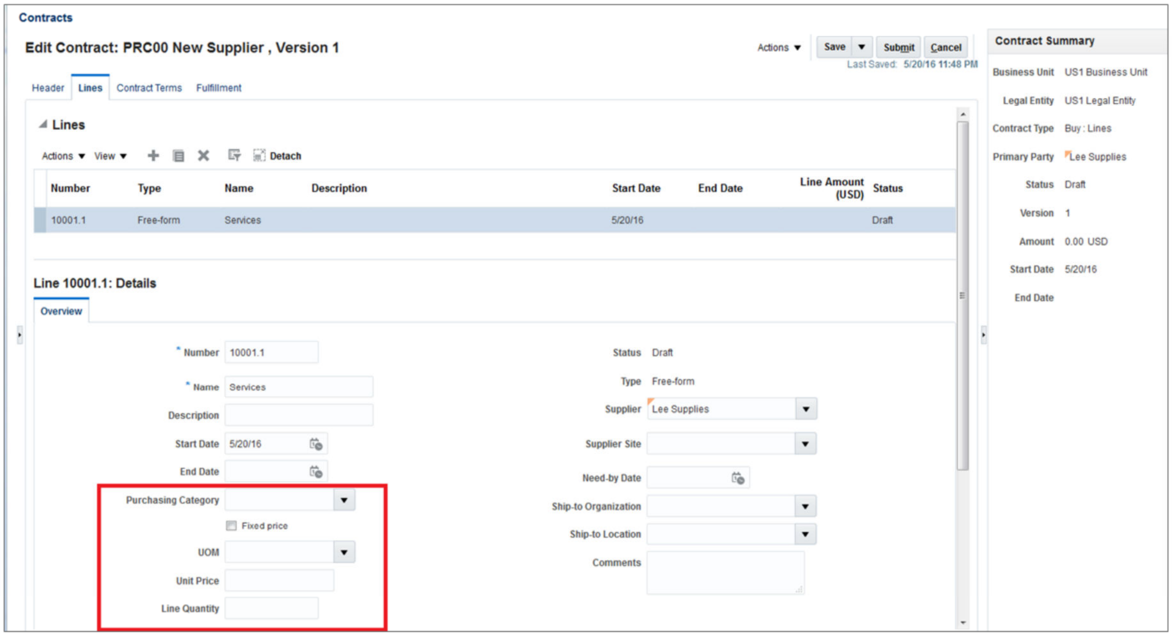
Navigator > Contract Management > Contracts > Create Contract > Create Contract dialog box > Lines

The screenshot depicts the Create Line option in the Lines tab in the Edit Contract page.

If the Lines tab is visible, you can use the **Create Line** pop-up to add contract lines to specify the items you are purchasing. Depending on the contract type, you may be able to enter one or both of the following types of lines:

- **Item:** For purchasing items tracked in inventory based on the item master associated with the contract. Select the item from the list of inventory items and enter effective dates for the line.
- **Freeform:** For purchasing items that are not tracked in inventory. Enter the name and description of the service, and enter effective dates for the line.

Creating Lines

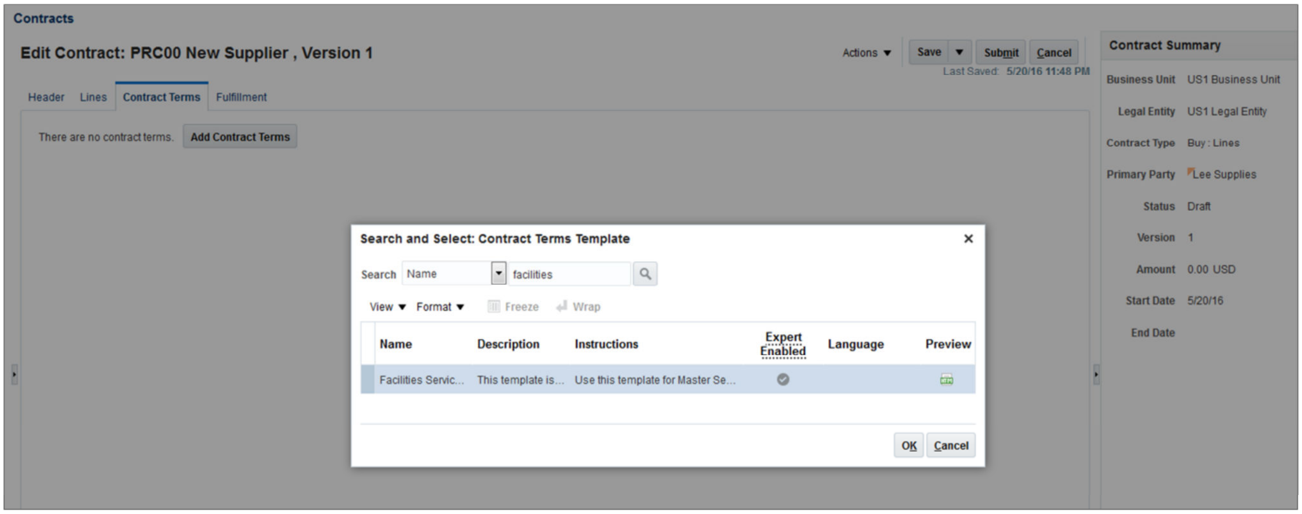


Navigator > Contract Management > Contracts > Create Contract > Create Contract dialog box > Lines

The screenshot depicts the Purchasing Category options available in the Line Details, in the Lines tab, in the Edit Contract page.

Use the **Line Details** page to enter unit of measure, unit price, and quantity for the line. The line amount gets auto-populated. For a fixed price service line, enter just the line amount. You can save your line definition and add another, or return to the header display.

Adding Contract Terms



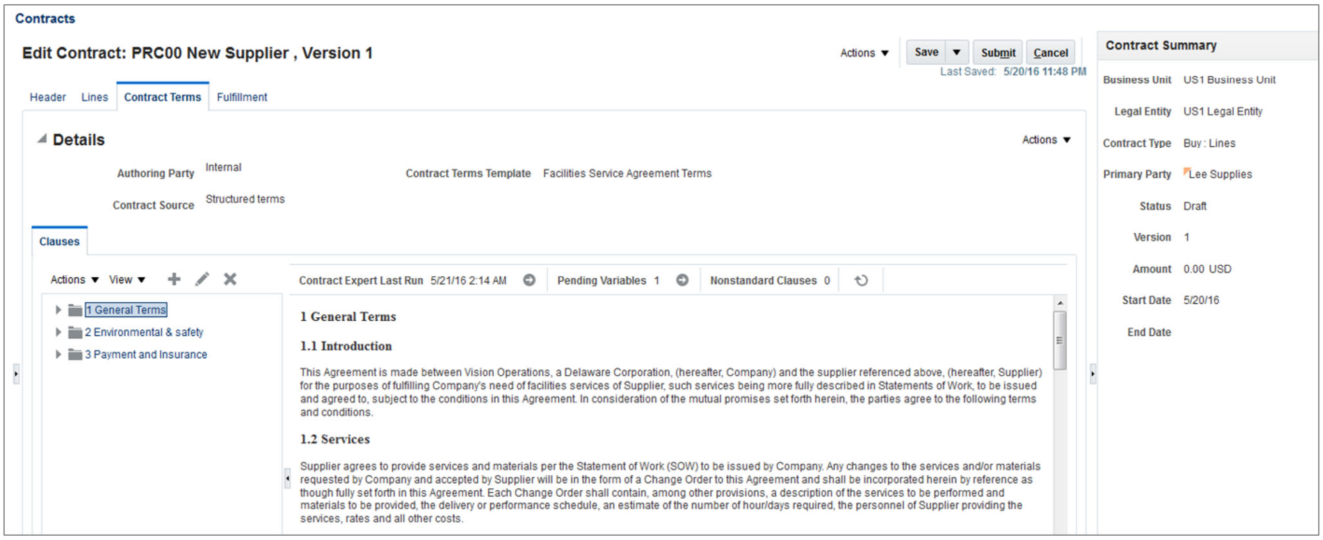
16 - 35

Navigator > Contract Management > Contracts > Create Contract > Create Contract dialog box > Terms

The screenshot depicts the Search and Select: Contract Terms Template option available in the Contract Terms tab, in the Edit Contract page.

Moving on to the Contract Terms template, you click Add Contract Terms to search for and add the appropriate contract terms template. The template you select controls the type and amount of data and attributes you must create during the creation process.

Contract Expert



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Navigator > Contract Management > Contracts > Create Contract > Create Contract dialog box

The screenshot depicts the general term clauses in the Contract Terms tab, in the Edit Contract page.

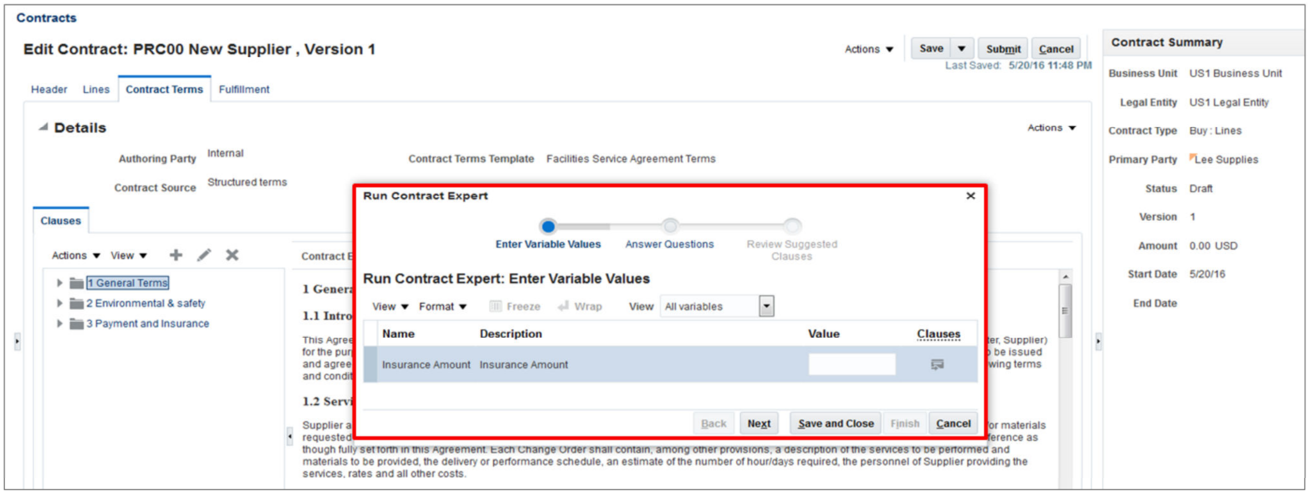
Some contract terms templates require you to run the Contract Expert feature to determine if additional clauses must be added. You can tell if you must run Contract Expert because the **Clauses** tab includes the **Contract Expert Last Run** indicator above the contract terms preview region.

When you run Contract Expert by selecting the Run Contract Expert action, Contract Expert may ask you to enter values for contract variables and to answer questions. If you do not run Contract Expert on a contract that requires it, then you receive a warning message during contract validation.

Contract Expert suggests additional standard language based on the business rules set up in Terms Library.

To run the Contract Expert, click the Run Contract Expert icon.

Contract Expert: Entering Variables



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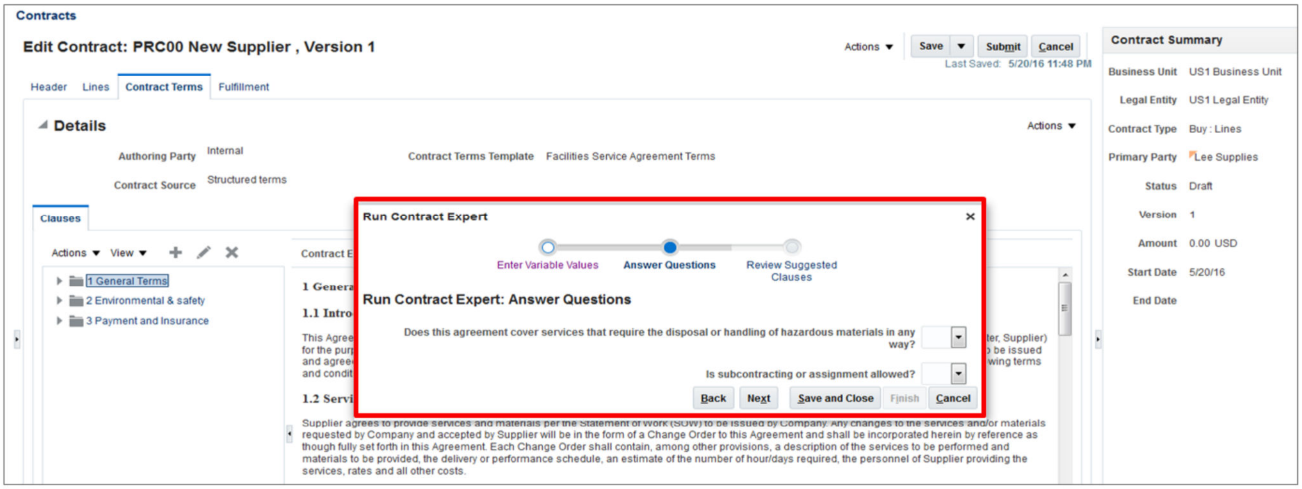
Navigator > Contract Management > Contracts > Create Contract > Create Contract dialog box

The screenshot depicts the Enter Variable Values train stop in the Run Contract Expert dialog box, in the Contract Terms tab, in the Edit Contract page.

Depending on the template rules, you may need to enter values for some variables. If so, Contract Expert will prompt you for a value for the attribute.

Contract Expert: Answering Questions



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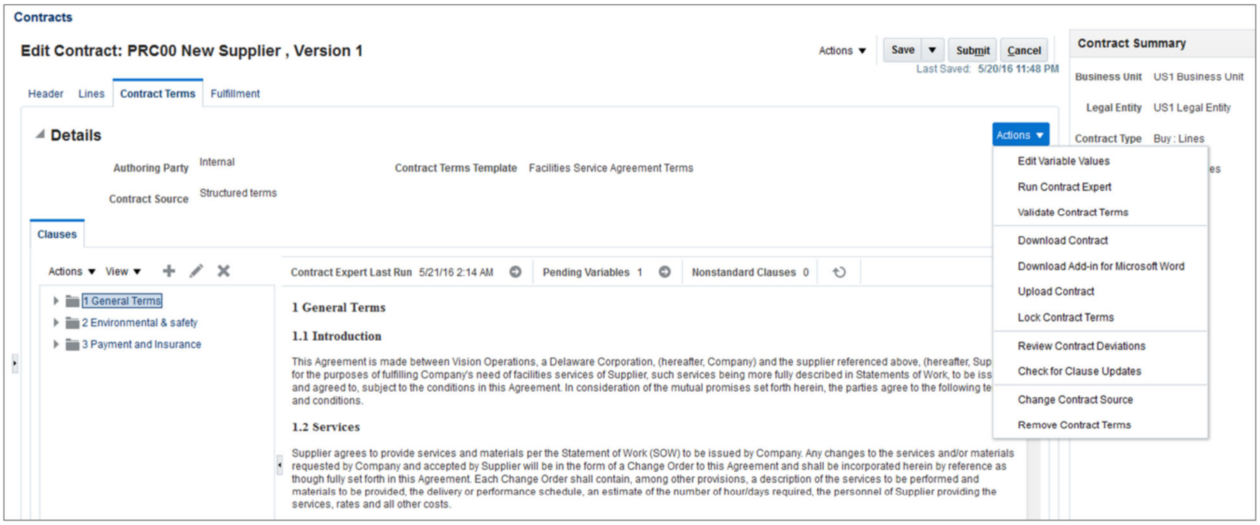
Navigator > Contract Management > Contracts > Create Contract > Create Contract dialog box

The screenshot depicts the Answer Questions train stop in the Run Contract Expert dialog box, in the Contract Terms tab, in the Edit Contract page.

You may also be prompted to answer any questions defined to the template. If so, you will be prompted. You can also check for any clauses Contract Expert suggests might be appropriate for this template.

Checking for Contract Deviations



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Navigator > Contract Management > Contracts > Create Contract > Create Contract dialog box > Actions

The screenshot depicts the Actions options in the Contract Terms tab, in the Edit Contract page.

The clause deviations represent any deviations from the standard legal language that was originally available in the terms template applied to the contract.

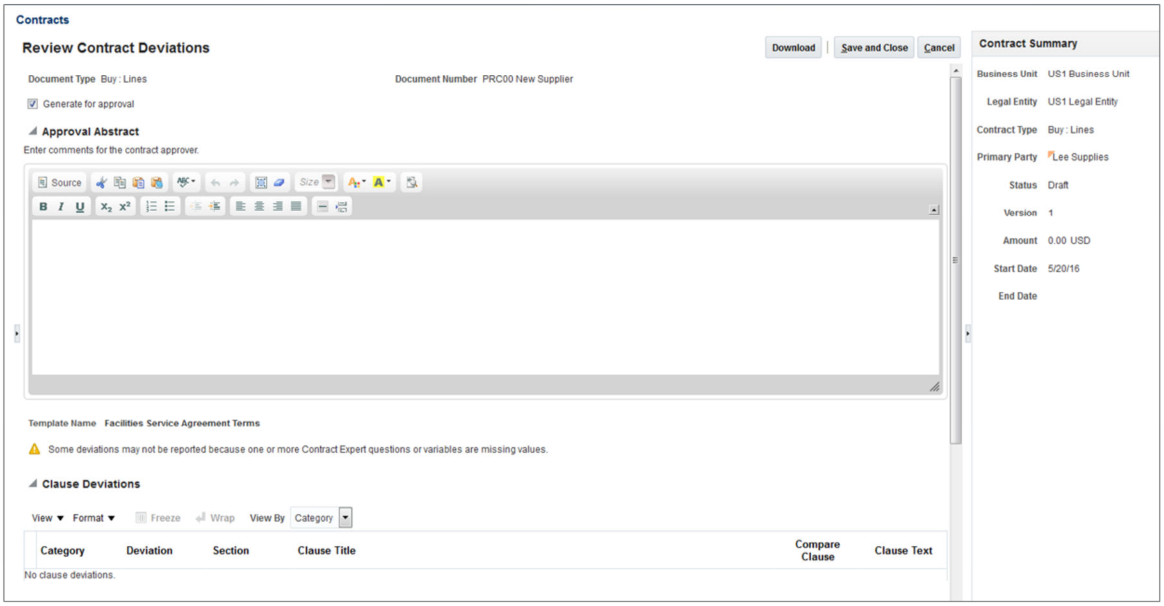
The policy deviations denote any deviations from company policies. Contract Expert rules can be set up to define policy deviations.

Some of the common clause deviations are:

- Standard clauses you added, edited, or deleted
- Alternate clauses you selected to replace the standard clauses
- Nonstandard clauses you created for this contract
- Missing clauses recommended by Contract Expert
- Outdated clause versions.

To run the Contract Deviations check, select the Review Contract Deviations option from the Actions menu.

Reviewing Contract Deviations



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Navigator > Contract Management > Contracts > Create Contract > Create Contract dialog box > Actions

The screenshot depicts the Review Contract Deviations page.

On the **Review Contract Deviations** page, you can view both policy or clause deviations.

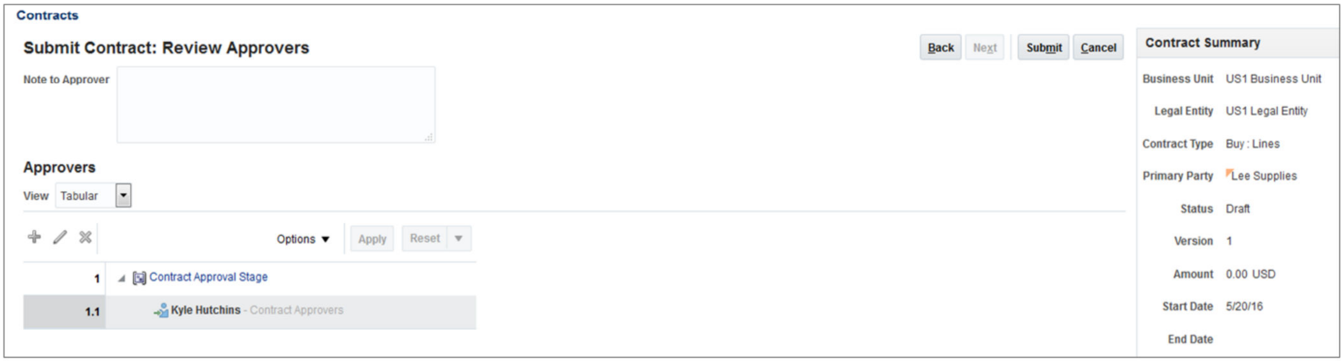
Contracts determines if your contract deviates from company policies by evaluating the variable values in your contract and the answers you give to any questions presented during authoring.

Contract Terms Library administrators create and maintain the rules for checking policy compliance using Contract Expert rules. Different rules can apply for each contract terms template.

You can add any details that the contract approver might want to know, in the Approval Abstract.

Finally, you can download the Contract Deviations Report and viewed as a rtf file during contract authoring. It is also available in pdf format in the contract approval notification details UI: the approver views the contract deviations before approving the contract.

Submitting for Approval

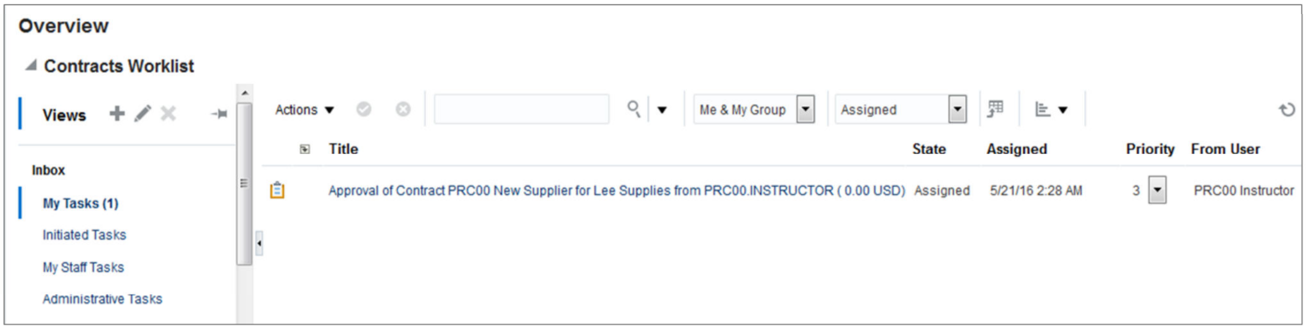


Navigator > Contract Management > Contracts > Create Contract > Create Contract dialog box > Actions

The screenshot depicts the Submit Contract: Review Approvers page.

After you have created and verified your contract, you submit it for approval. On the Contract Details page, click the Submit button, then Submit Contract.

Approval Worklist

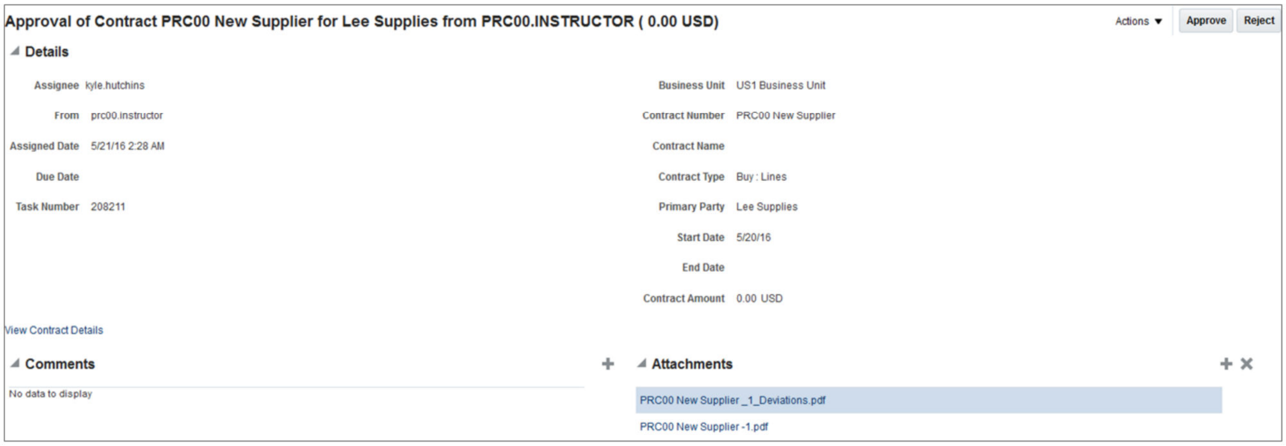


Navigator > Contract Management > Contracts

The screenshot depicts the Contracts Worklist page.

After you have submitted the contract for approval, it shows up in the worklist of all the approvers.

Approval Notification Details



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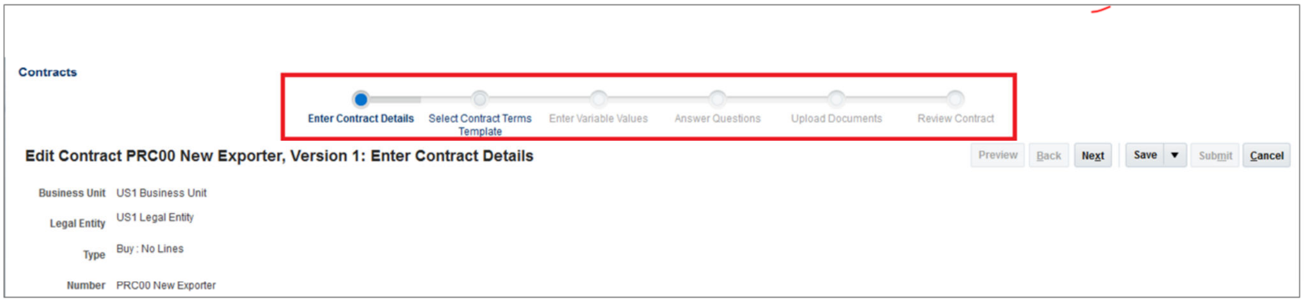
Navigator > Contracts > contract

The screenshot depicts a contract approval page.

You can view the details of the contract from the approval notifications. You can also view the contract preview and deviations report available as attachments.

Using Contract Wizard



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Navigator > Contract Management > Contracts > contract

The screenshot depicts the Enter Contract Details train stop in the Contract Wizard page.

Contract Wizard walks you through the contract creation flow by providing a train stop controlled process covering the creation steps just covered. It guides you from the current step you are working on to the next available step in the process. Using the wizard, you can easily move between the steps and to correct any previous errors. As you work your way through the train stops, you can enter the details your contract needs and skip any steps that are not applicable.

17

Oracle Procurement Cloud Integration

Instructor lesson and demonstrations: 60m

Student practices: 0m

Total: 60m

Objectives

After completing this lesson, you should be able to:

- Identify the Oracle Procurement Cloud integration options
- Use Help Center to locate integration assets

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Topics

- Oracle Procurement Cloud Overview
- Integration Overview
- Integration Options – Procure-to-Pay
- Integration Options – Oracle Sourcing Cloud
- Integration Options – Oracle Procurement Contracts Cloud
- Reference Data

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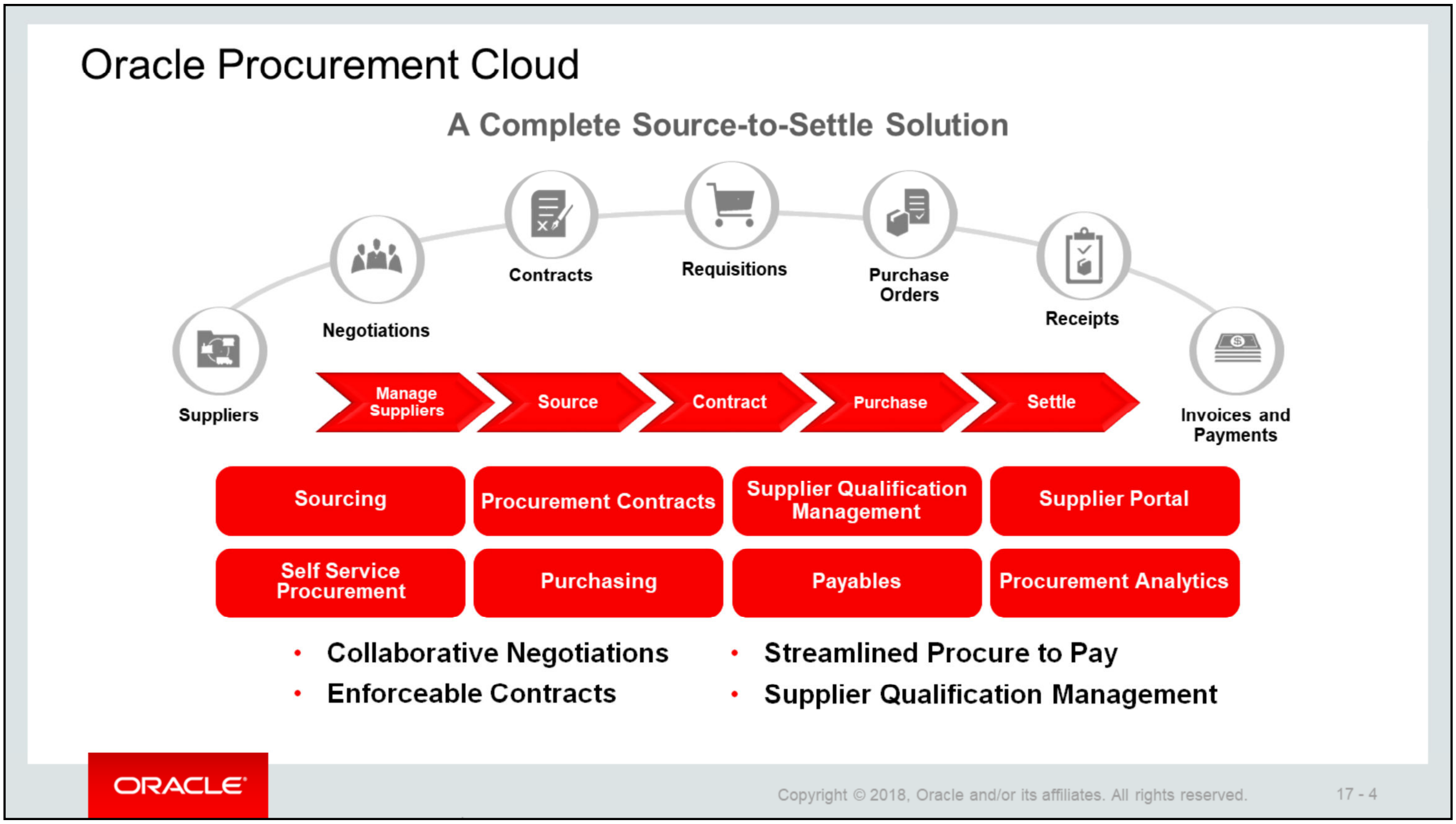
This slide lists the topics that will be discussed during this lesson.

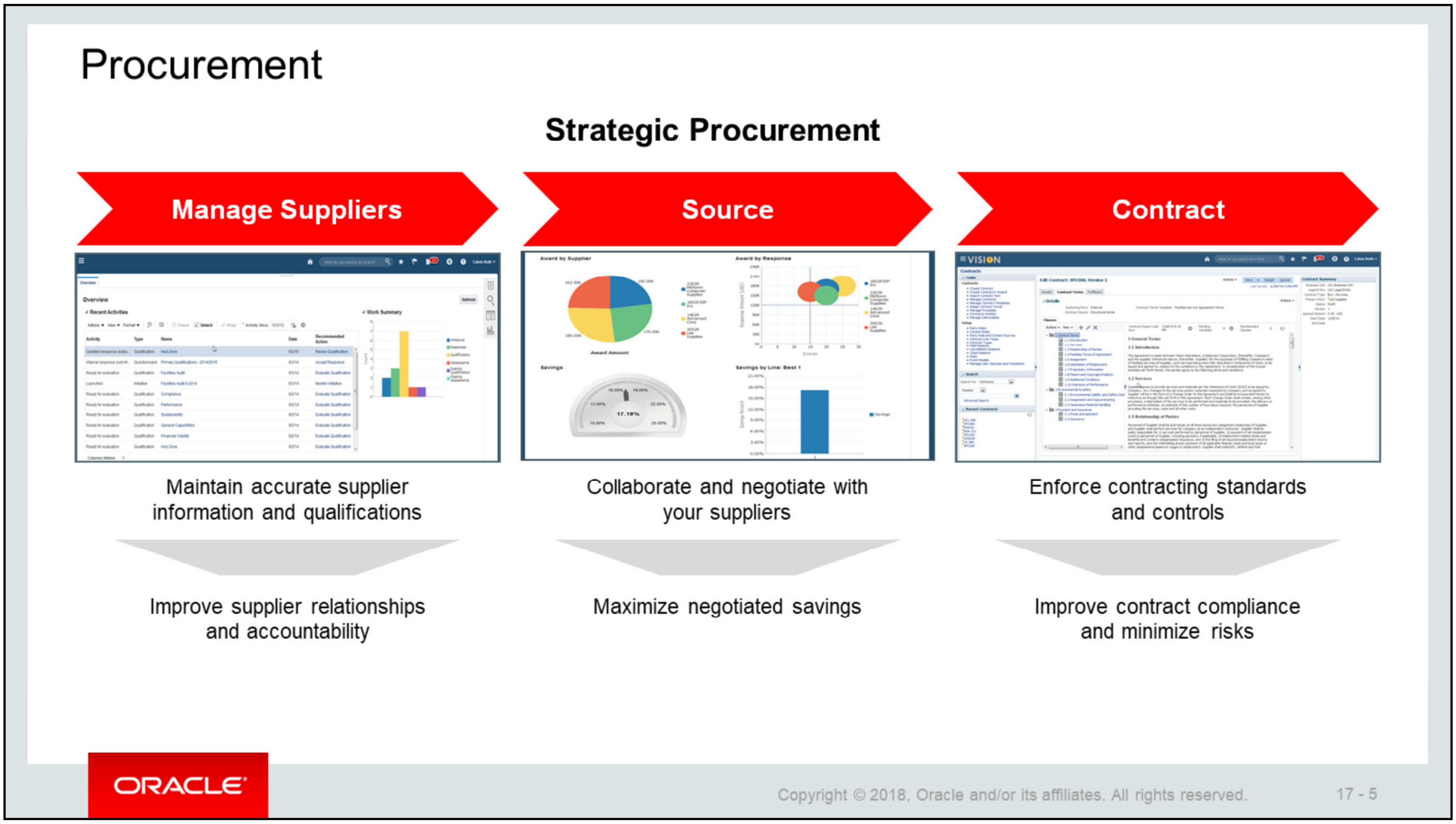


The diagram depicts the Oracle Procurement Cloud, a complete source-to-settle solution.

Designed as a complete suite, Oracle Procurement Cloud applications help you improve performance, lower IT costs, and get better results.

Whether you choose one application, a product family, or the entire suite, Oracle Applications Cloud enables you to gain the benefits of cloud applications at a pace that matches your business needs.

In this lesson, we'll take a look at the deployment options that are possible for Oracle Procurement Cloud.



The diagram depicts the strategic side of Oracle Procurement Cloud, a complete source-to-settle solution.

A major differentiator for the Oracle Procurement Cloud suite is the depth of the solution on both the strategic and transactional sides of procurement.

There are many niche solutions in the market that only cover a portion of the transactional side of procurement, and ignore the importance and value creation side of strategic procurement.

Oracle provides the tools to excel in strategic areas, such as centralized procurement, supplier management, sourcing, and contracting.

Procurement

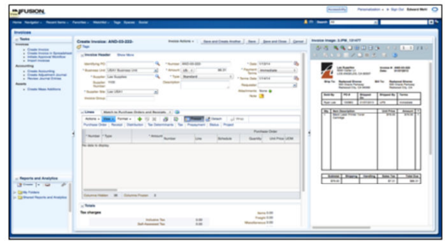
Transactional Procurement

Manage and Automate the P2P Cycle

Purchase | **Settle**

Broaden adoption with a consumer buying experience

Simplify purchasing process and realize negotiated savings



Leverage automated invoicing and scanning

Streamline invoice matching and supplier payments

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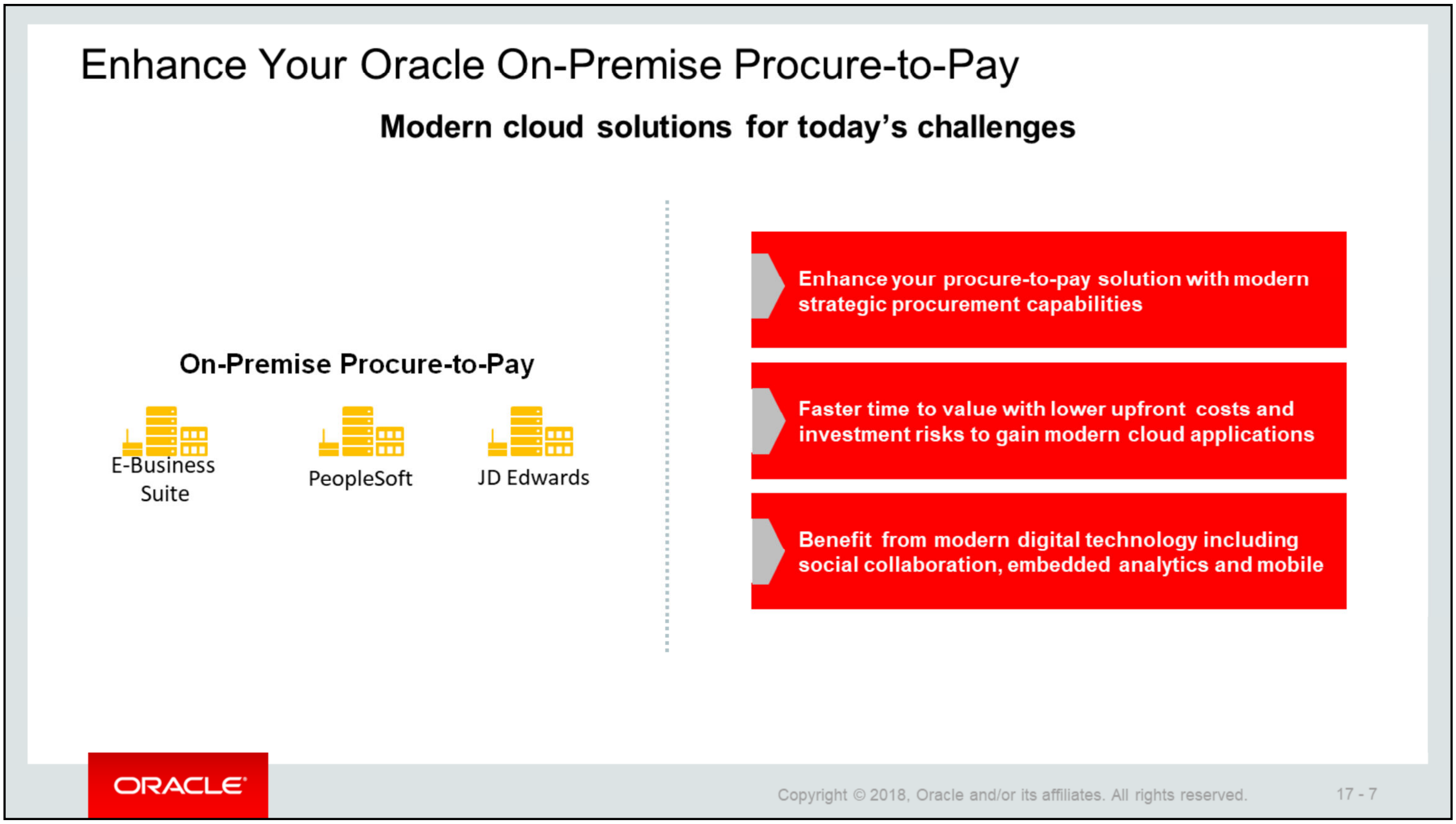
The diagram depicts the transactional side of Oracle Procurement Cloud, a complete source-to-settle solution.

On the transactional side of procurement, the emphasis is on ease of use with a consumer-centric buying experience, and then enforcing that the value we create beyond the niche competitors is a robust, and global payables and finance system that ensures proper pricing, discounts, terms, accounting as well as streamlining the payables process with automation such as scanning and electronic invoicing support.



If you run your Procure-to-Pay operations on-premise, we can enhance your capabilities with modern cloud solutions that manage the up front processes before you start buying from suppliers. These cloud solutions co-exist with your on-premise solutions.

Integration Options

Supporting Oracle on-premises and cloud environments

- Oracle Procurement Cloud uses open standards and file-based integration options.
- It is designed to support your business processes as well as your existing systems, configurations, and transaction volumes.
- The following slides depict some typical cloud to on-premise integration scenarios.

In order to coexist with your Oracle on-premise procure-to-pay systems, you'll need to integrate the cloud-based strategic procurement solutions so that you have an end-to-end procure-to-pay process.

The Oracle Applications Cloud provides flexible options for both inbound and outbound integration. The option you ultimately choose will depend on your current system landscape, configurations, and transaction volumes. The following slides provide some examples of the many options available to you.

Getting Started with Integration

- For each integration, you should evaluate both frequency and volume of information to be synchronized.
- Consider future process state and the impacts it will have on the integration – will it become obsolete or need to be reworked.
- Complexities are unavoidable, so you need to make sure you have the correct strategy to simplify your integration and to be able to handle the following:
  - Exception Cases
  - Error Handling and Recovery
  - Adaptability to changes or extended data models
- Assess the inbound and outbound integration of your current systems.

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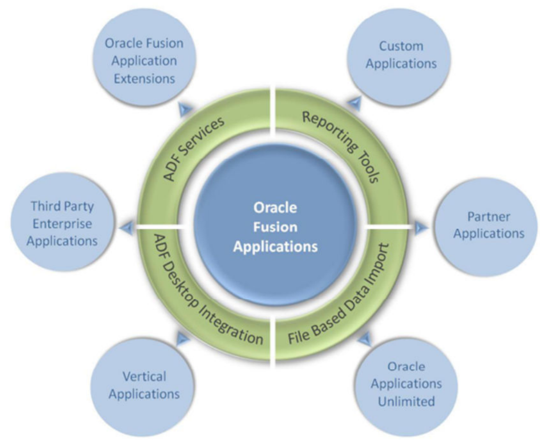
Getting Started with Integration – Integration Methods

- **Web Services –** Accessed remotely using different XML Languages
- **Spreadsheet –** Use of spreadsheet tools via ADFdi or other methods
- **File Based Data Import –** Uses downloadable spreadsheet (Excel) templates that are saved as `.csv` files, are uploaded into interface tables, and then imported
- **Reporting Tools** – Used to extract data via XML, Excel, or other file types. Build queries using Oracle Transactional Business Intelligence (OTBI) Reporting or BI Publisher and output downloaded to excel then prepared to be uploaded into your on-premises systems.



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The diagram depicts the Oracle Applications Cloud and its connections with various components.

Application Development Framework

Oracle Applications Cloud are built with Oracle's Application Development Framework (ADF) and provide many methods of integration with other applications:

- ADF Services (commonly referred to as web services)
- Spreadsheet Integration
- File based data import (FBDI)
- Reporting Tools

Web Service

Web services provide a standardized way of integrating two web-based applications. A web service is a program that can be accessed remotely using different XML-based languages. ADF Services simplify integration by enabling XML data exchange between different applications and different platforms.

Spreadsheet Integration

Spreadsheet integration through ADF Desktop Integration (ADFdi) or other methods enables the use of familiar spreadsheet tools such as Excel. ADFdi is part of the ADF framework and enables desktop integration with MS Excel spreadsheets to manage large volume data uploads into Oracle Applications Cloud.

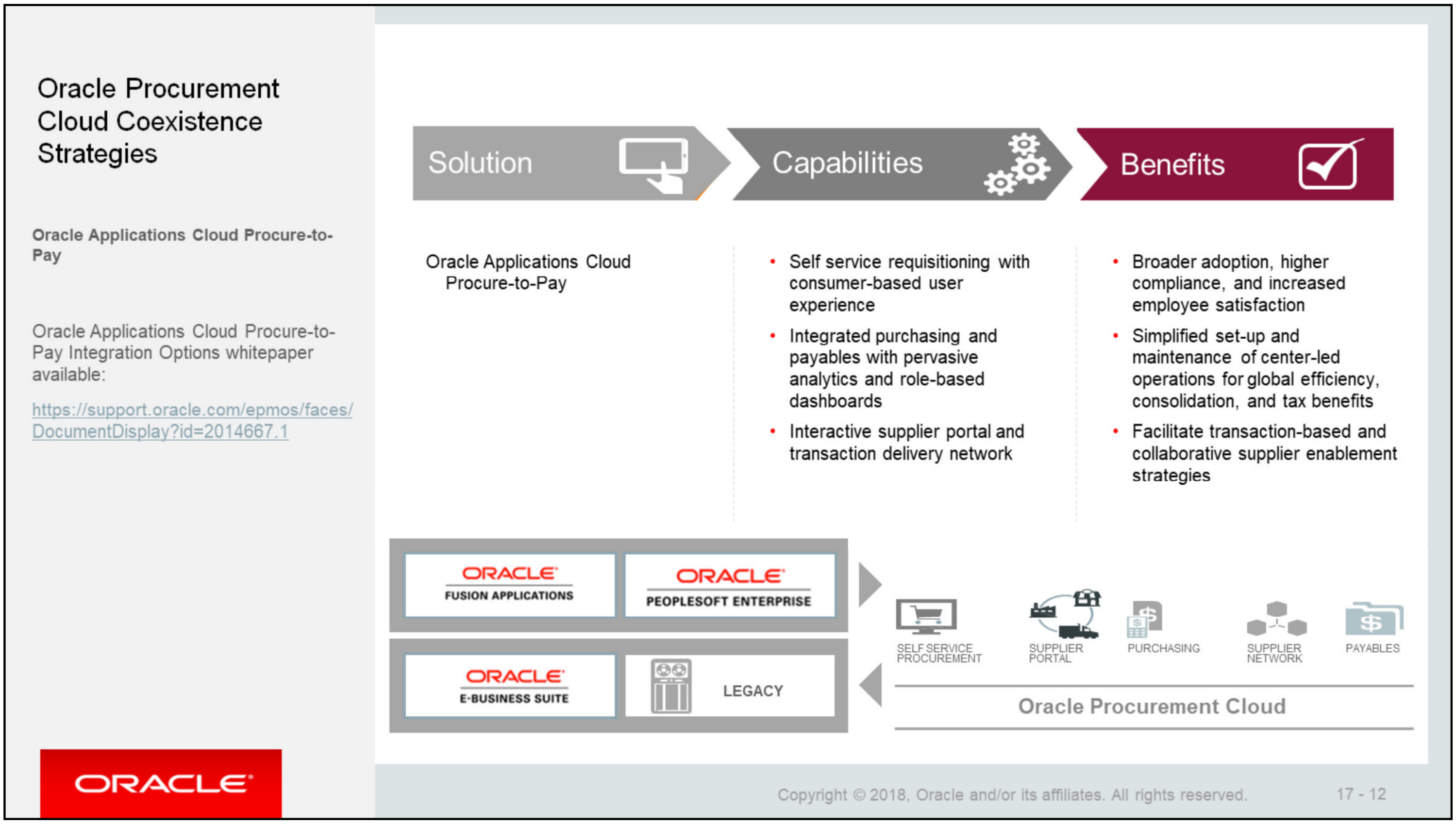
Integration Methods and ADF

File-Based Data Import (FBDI)

FBDI is another option for getting information into the Oracle Applications Cloud. For applications deployed in the public cloud, in the absence of a delivered web service, the currently available option is file based integration to transfer files to a location that the source system can consume.

Reporting Tools

Reporting tools can be used to extract data from the Oracle Applications Cloud for further analysis and import data into external systems by using XML, Excel, or other file types. Oracle Transactional Business Intelligence (OTBI) Reporting can be used to extract data for importing into your external systems.



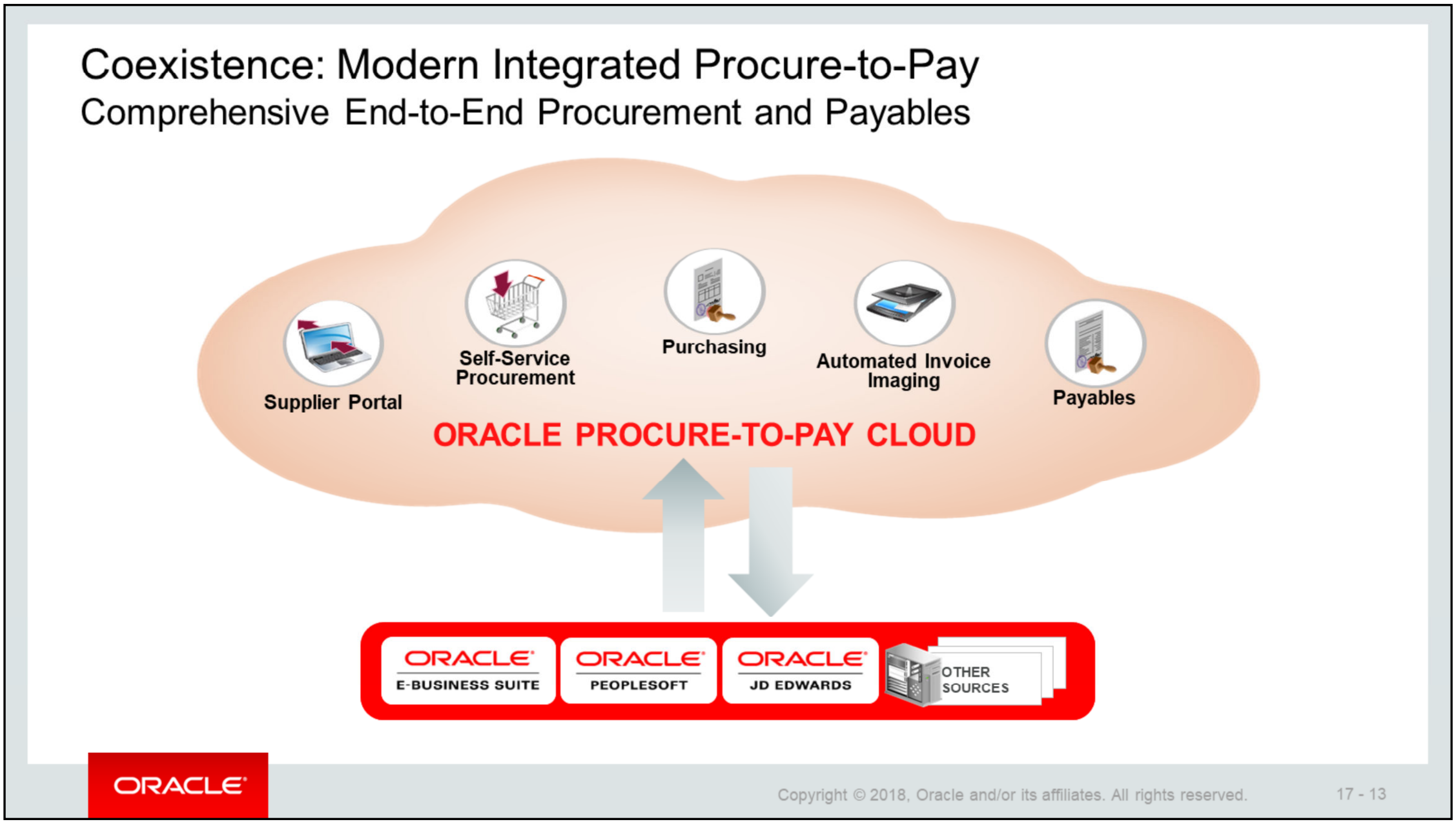
The diagram depicts the solutions, capabilities, and benefits for Oracle Procurement Cloud procure-to-pay.

Oracle Cloud Procure-to-Pay

Modern procure-to-pay solutions help organizations streamline requisitioning, purchasing, receiving, invoice, and payment processes while helping to enforce negotiated savings, broaden end user adoption, and protect business interests. While many organizations are moving their entire financial, procurement, and project management systems to Oracle Applications Cloud, there are cases where companies are looking to run their procure-to-pay processes with Oracle Applications Cloud while maintaining their existing financial systems. With the right integration approach you can successfully deploy Oracle Applications Cloud Procure-to-Pay and achieve the benefits of modern business processes.

Coexistence Strategies

As part of your Oracle Applications Cloud implementation for procure-to-pay, you will need to evaluate how these solutions will work with your existing financial systems and the different integration options available to you. The approach you take will depend on your business requirements, processes, capabilities of your existing systems and configurations. Oracle Applications Cloud provides flexible options for inbound and outbound integration that you can leverage during your implementation.



The diagram depicts the comprehensive end-to-end Procurement and Payables.

Oracle Procurement Cloud offers the transactional components of supply management with Procure-to-Pay in the Oracle Applications Cloud.

Capabilities

- Self-service requisitioning with consumer-based user experience
- Integrated purchasing and payables with pervasive analytics and role-based dashboards, for visibility and intelligence into indirect spend
- Management of supplier relationships with interactive supplier portal and transaction delivery network

Benefits

- Broader adoption, higher compliance, and increased employee satisfaction
- Simplified setup and maintenance of centralized operations for global efficiency, consolidation, and tax benefits
- Facilitation of transaction-based and collaborative supplier enablement strategies
- Spend analytics to identify best opportunities for sourcing, so you can spend at lowest total cost
- Management and collaboration with your supply base

Integration Options – Procure-to-Pay Cloud (P2P)

Option 1 – P2P in Cloud – Subledger Accounting (to General Ledger (GL)

- Integrating GL transactions from Cloud to on-premise
- Most straightforward integration
- Reduces amount master data to sync
- Easier if solution includes Fixed Assets
- Single source of P2P data

Option 2 – Requisition to Accounts Payable Invoice

- Not as straight forward integration
- Does allow for use of existing bank formats and setups
- Does allow for use of existing government reporting requirements
- Multiple sources of P2P data

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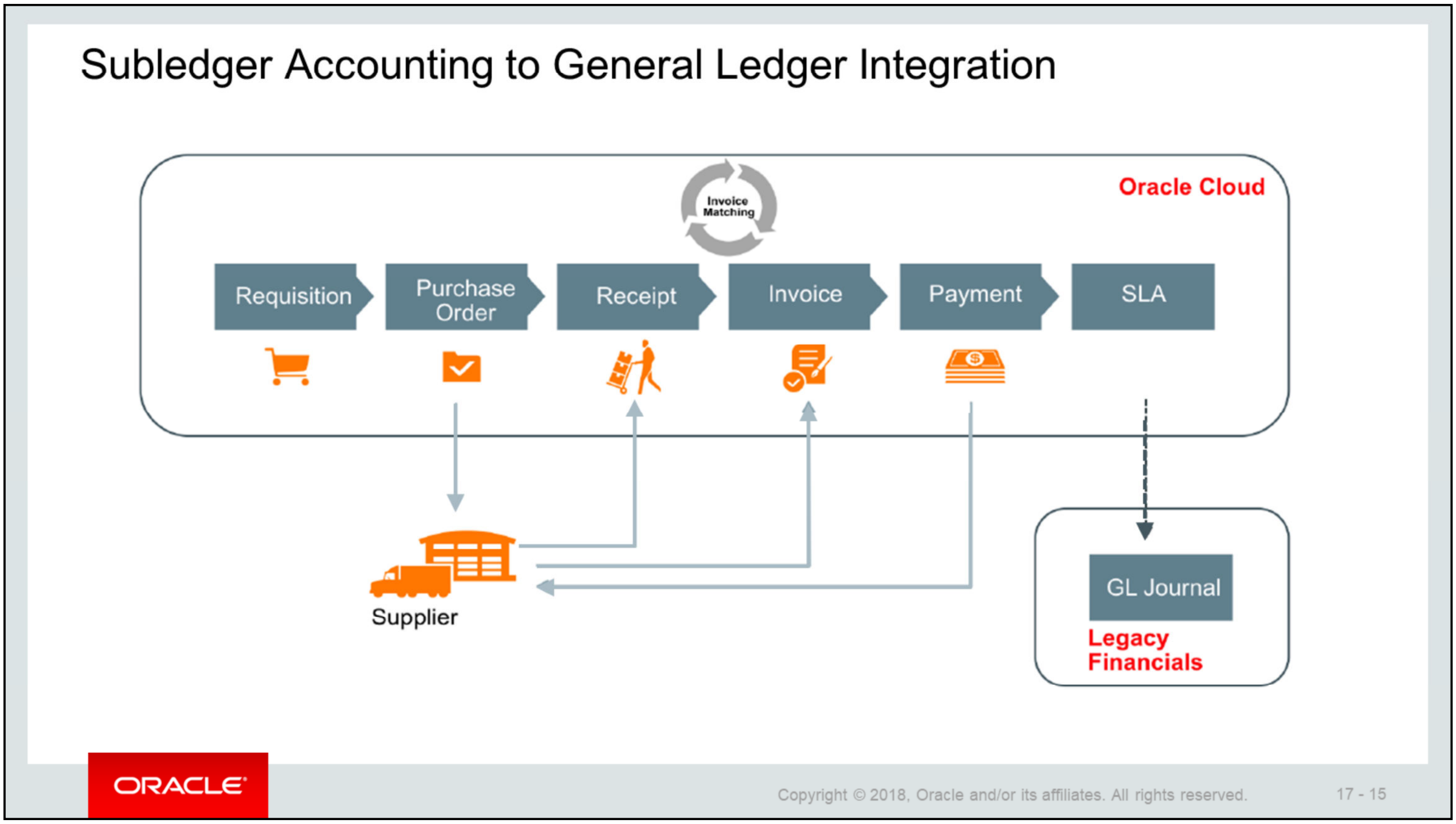


The diagram depicts the procure-to-pay flow in Oracle Applications Cloud.

Complete Procure-to-Pay (P2P) Flow Executed in the Oracle Applications Cloud

Journal entries generated from the P2P transactions are exported from the Oracle Applications Cloud to on-premise financial system as a journal batch.

Create Accounting process in the Cloud will generate Subledger Accounting (SLA) journals to a formatted data file on Oracle Universal Content Management (UCM) instead of transferring to Cloud GL.

Depending on your release levels of Cloud and on-premise, patches may need to be applied to support the direct format to UCM.

Assumptions:

Employee expenses are not part of the on-premise financial system.

If expenses are managed on premise:

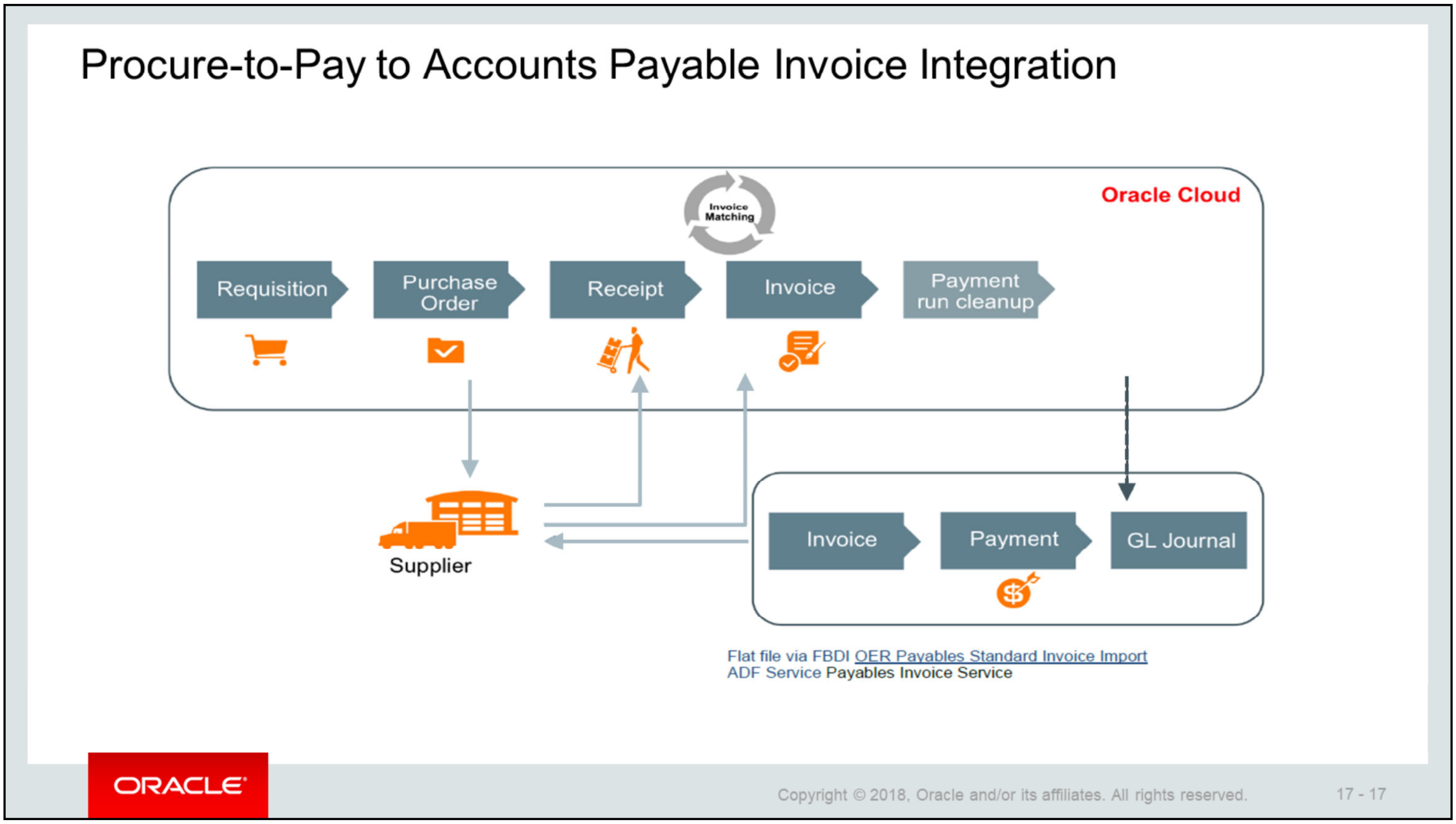
- Migrate expense reporting to Oracle Applications Cloud expenses, or,
- Add expense reports to the set of transactions that need to integrate into Oracle Financials Cloud.

All invoicing and payments would be processed in Oracle Financials Cloud.

Subledger Accounting to General Ledger Integration

The Process:

- Requisition or PO is entered in Oracle Applications Cloud and approved.
- If receiving is needed this would be done in Oracle Applications Cloud.
- AP invoice is entered, scanned, uploaded, and matched to PO (if needed).
- Assets are updated and depreciated if asset tracking is needed.
- Payments are initiated in Oracle Applications Cloud.
- Payments are issued and processed in Oracle Applications Cloud.
- Banks send statements, customer will reconcile payments using Oracle Cash Management Cloud, and receipts would be handled separately within the on-premise financial accounting system.



The diagram depicts the procure-to-pay flow in Oracle Cloud to invoice validation.

Procure-to-Pay (P2P) Flow Executed in the Oracle Applications Cloud to Invoice Validation

- After invoices are matched (if a purchase order (PO) related invoice) and validated, a payment batch is generated to select the newly created, unpaid invoices for payment.
- Invoices from the payment batch should be exported from Oracle Applications Cloud and imported into the on-premise financial system's Payable module as a regular open invoice (no PO information is passed).
- Invoices would then be processed for payment within an on-premise financial system.
- The invoices in the Oracle Applications Cloud would be marked as paid invoices. (It is recommended to use check as payment method.)
- The link to the PO would remain in Oracle Procurement Cloud.
- An export data file report will have to be built to extract the invoice information from the Oracle Applications Cloud using Oracle BI Publisher (BIP). Write the data to Oracle Universal Content Management (UCM).
- The data in UCM will then be used to populate the invoices in the on-premise financial system.
- All payments and related journal entries for the expenses and payments would be recorded in the on-premise financial system.

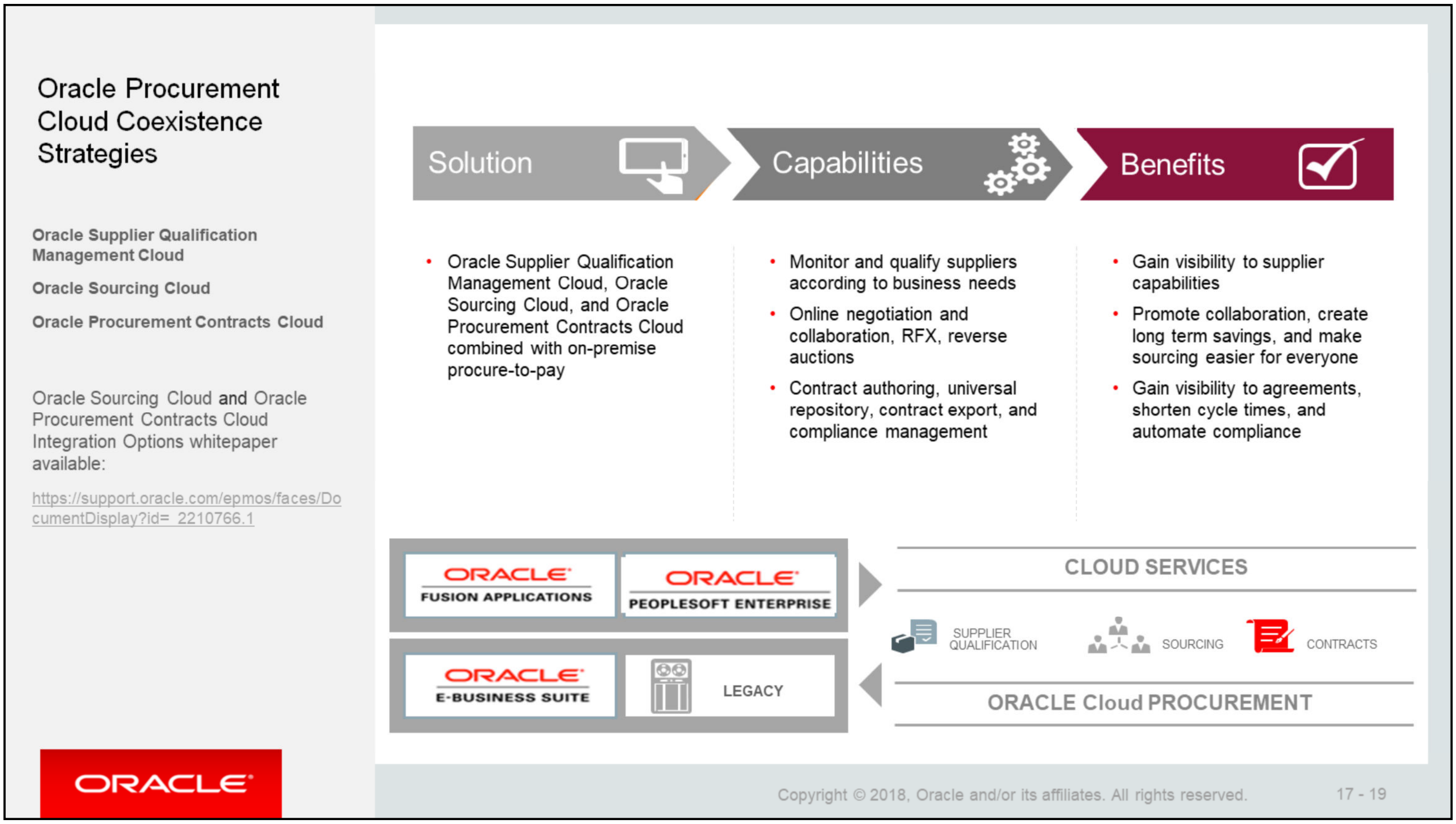
Procure-to-Pay to Accounts Payable Invoice Validation

Assumptions

- All Procurement and matching would be processed in Oracle Financials Cloud for this approach.
- Expenses would be processed in the on-premise financial system.
- Non-PO related fixed assets would be processed in the on-premise financial system.

The Process:

- Requisition or PO is entered in Oracle Applications Cloud and approved.
- If receiving is needed this would be done in Oracle Applications Cloud.
- AP invoice is entered, scanned, uploaded, matched to PO (if needed) and validated.
- Payments are initiated in Oracle Applications Cloud.
- Invoices selected for payment are exported from the Oracle Applications Cloud and imported into the on-premise financial system as unpaid, unmatched invoices.
- Invoices are accounted, processed, and paid based on their agreed upon method of payment by the supplier in the on-premise financial accounting system.



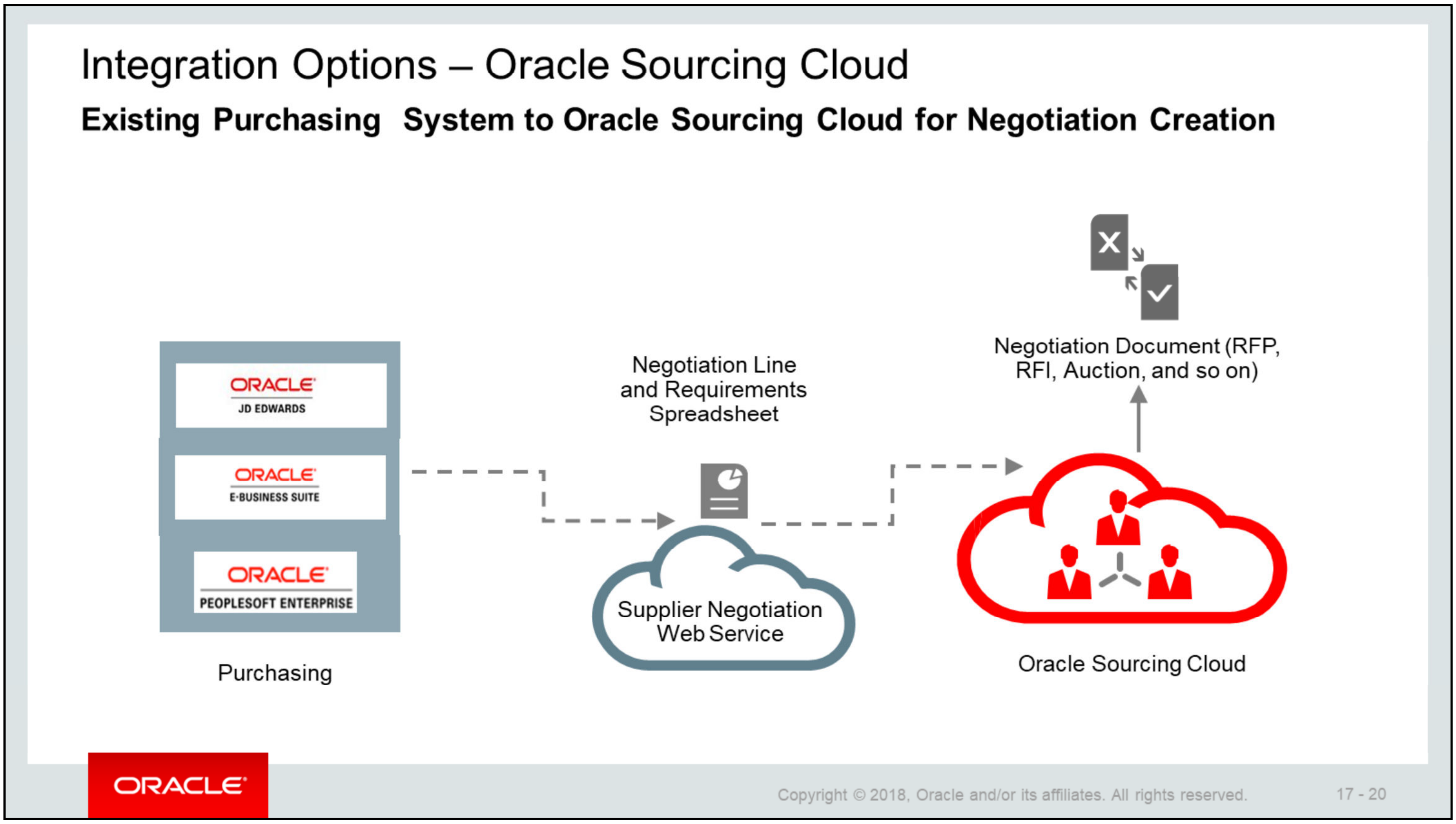
The diagram depicts the solutions, capabilities, and benefits for Oracle Procurement Cloud coexistence strategies for Oracle Supplier Qualification Management Cloud, Oracle Sourcing Cloud, and Oracle Procurement Contracts Cloud.

Practice smart sourcing, broaden the end user experience, and protect business interests by taking advantage of these next generation Oracle Procurement Cloud applications:

- Oracle Sourcing Cloud
- Oracle Procurement Contracts Cloud
- Oracle Supplier Qualification Management Cloud

These applications can operate as stand-alone solutions and provide value out of the box. In some cases, a stand-alone deployment might be the best approach. In others, some reference data and transactional integration with Purchasing and other execution systems might make sense.

With the right integration strategy, you can successfully deploy these applications to complement your existing solutions, while gaining the benefits of Cloud technology with minimal investment and reduced risk. As part of your implementation, you should evaluate how these solutions will work with your existing systems, and the different integration options available to you. The approach you take will depend on your business needs and processes, as well as your existing systems and configurations.



The diagram depicts the integration options between existing purchasing systems and Oracle Sourcing Cloud for creating negotiations.

Oracle Sourcing Cloud is used to conduct negotiations with suppliers, but first you must import relevant information from your Oracle on-premise systems. Information from your existing Purchasing system can be easily imported into Oracle Sourcing Cloud to create the negotiation documents and issue them to potential suppliers.

The Supplier Negotiation web service can be configured to import relevant information that will be contained in these negotiation documents.

For a more manual method you can use the Excel upload for Negotiation Lines (item descriptions, delivery terms, pricing, and so on.) and Requirements (questions asked of suppliers).

Demonstration 17-1

- Looking Up Oracle Applications Cloud Information Assets

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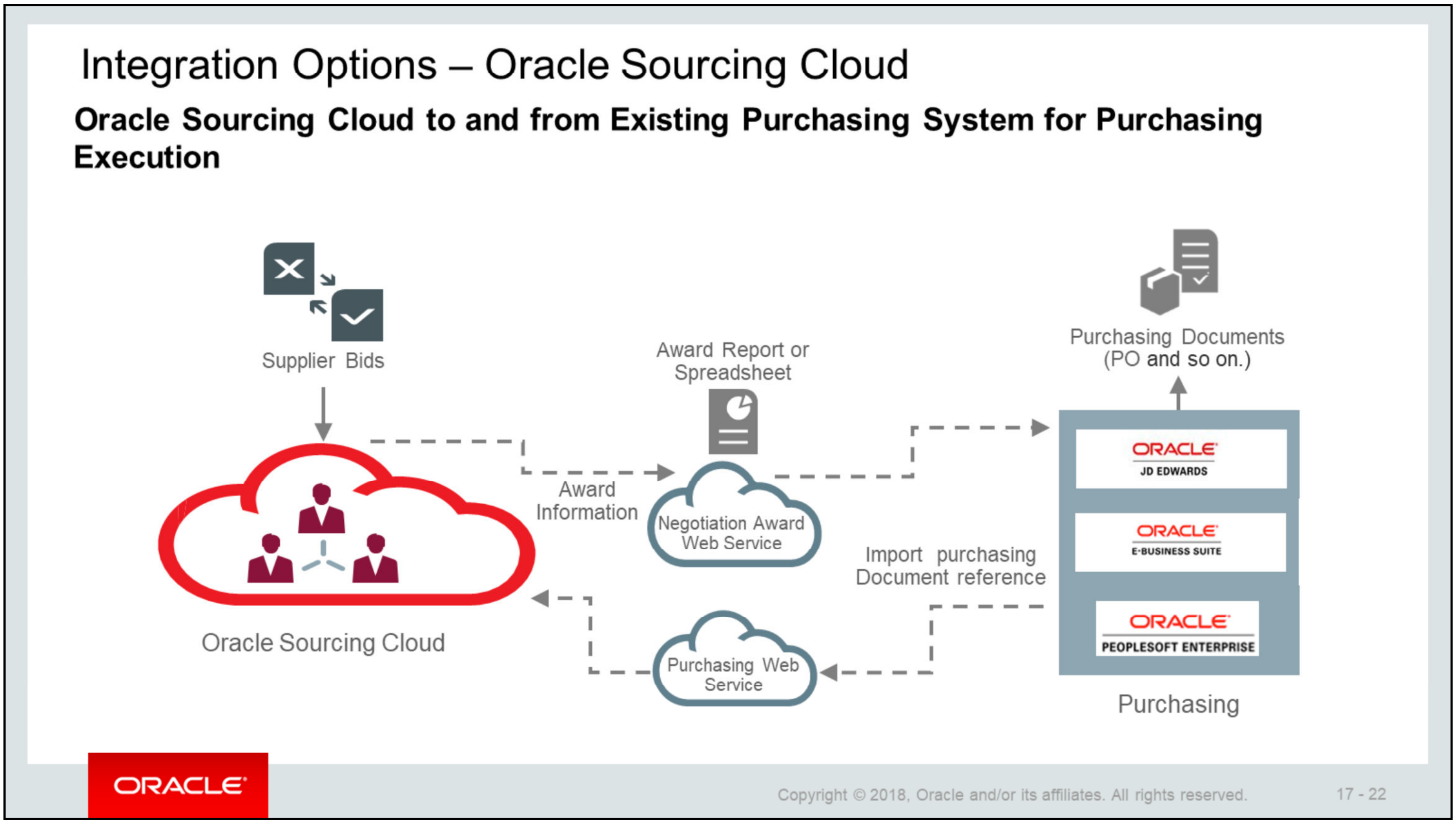


The diagram depicts the integration options between Oracle Sourcing Cloud and existing purchasing systems for purchasing executions.

Oracle Sourcing Cloud provides several options for exporting award information to your on-premise Oracle applications. Procurement departments issue purchase orders to suppliers to acquire goods. Prior to buying from a supplier, they conduct negotiations with potential suppliers through methods such as requests for quote (RFQ) or requests for proposals (RFP).

Suppliers respond with bids, and the bid with the most favorable terms (the winning bid) results in an award of the business to that supplier. At this point, the pricing and other terms in the winning bid need to be uploaded into the on-premise purchasing system so that purchase orders may be issued to the supplier to whom the business has been awarded.

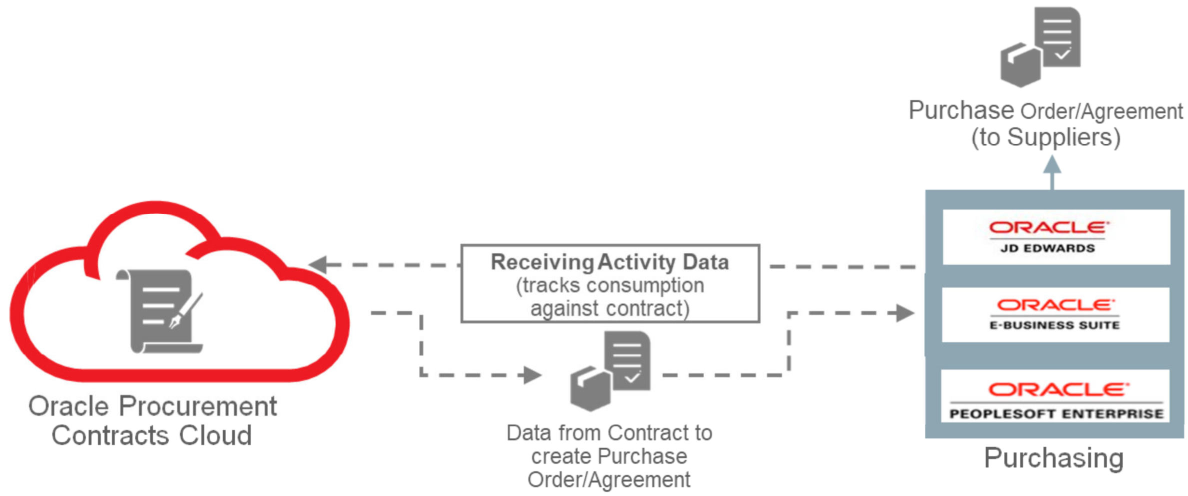
Oracle Sourcing Cloud provides two options to upload this information to your on-premise purchasing system so that it can be used to create purchase orders:

1. Reports or spreadsheets
2. The Negotiation Award Web service

The web service is used to monitor purchase orders and agreements created in the on-premise purchasing system, and import their document numbers and reference into Sourcing. Sourcing displays the document numbers and allows the user to drill back to the on-premise purchasing system for detail.

Integration Options – Oracle Procurement Contracts Cloud

Oracle Procurement Contracts Cloud Integration to and from Existing Purchasing System



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The diagram depicts the integration options between Oracle Procurement Contracts Cloud and existing purchasing systems.

Often, companies will have existing contracts with suppliers and need to export the buying terms (item descriptions, delivery terms, pricing, and so on.) from that contract to your Oracle on-premise purchasing system to execute the buy.

Users create “buy intent” contracts using the Enterprise Contracts Management (ECM) features in Oracle Procurement Contracts Cloud, which exports data to your Oracle on-premise purchasing execution systems.

Outbound purchase orders (POs) and agreements are generated in the on-premise system and sent to suppliers. The on-premise system sends back contract reference and spending activity data from those POs to Oracle Procurement Contracts Cloud:

- To tie the POs to the contract from which their terms were derived, and,
- To indicate within the contract goods received by using the purchasing transaction.

Reference Data

Suppliers

Depending on the frequency of change of supplier data, it may be preferable to maintain the data rather than use integrations.

If data integration is preferable, consider the following:

- Which system will maintain the Supplier source?
- Inbound integration into the Oracle Applications Cloud, where the on-premise system is the source, can be supported through File-Based Data Import (FBDI).
- Using FBDI will allow for creation and updates of Supplier data to the Oracle Applications Cloud but does not support deletion.
- A comprehensive Inbound Supplier Web Service that facilitates data transfers from external supplier data sources into the Supplier Model profile.
- Outbound integration from the Oracle Applications Cloud, where Oracle Applications Cloud is the source, can be supported using the Supplier Sync Service which is a web service that will keep the data synchronized near real-time.

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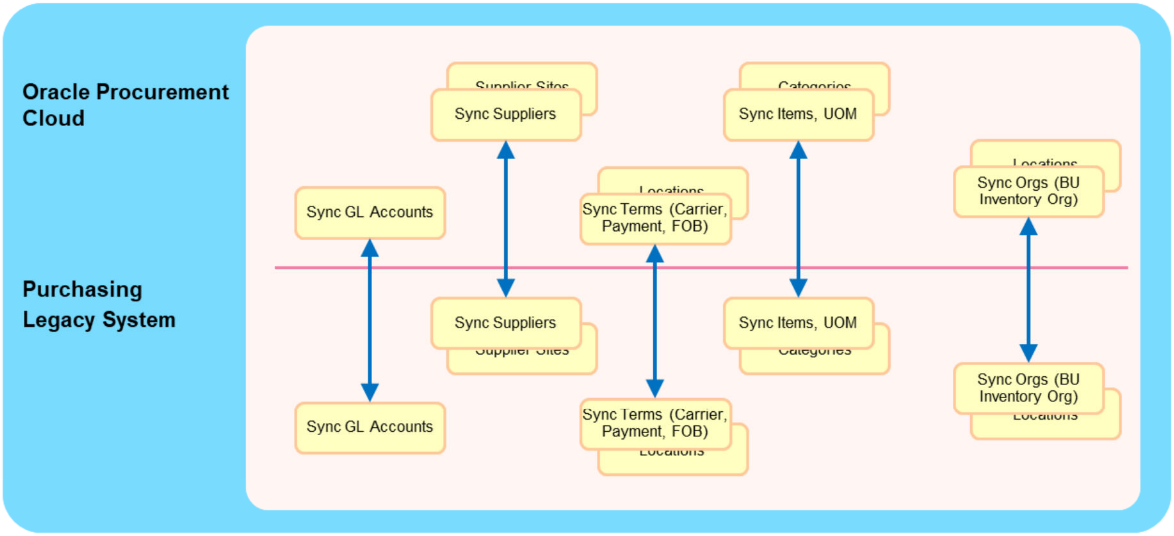
In addition to FBDI, there is a comprehensive Inbound Supplier Web Service that facilitates data transfers from external supplier data sources into the Supplier Model profile. With this service you can create new suppliers, update or delete attributes in existing supplier profiles, get real-time synchronization of the supplier records in external applications with Supplier Model.

This service absorbs any supplier profile change event and propagates it to the Oracle Supplier Model Cloud. The supplier entities that the web service covers are Supplier, Supplier Address, Supplier Site, Supplier Site Assignment, Supplier Contact, Supplier Contact Address, Supplier Business Classification and Supplier Products and Services Category.

Reference Data Integration: Example



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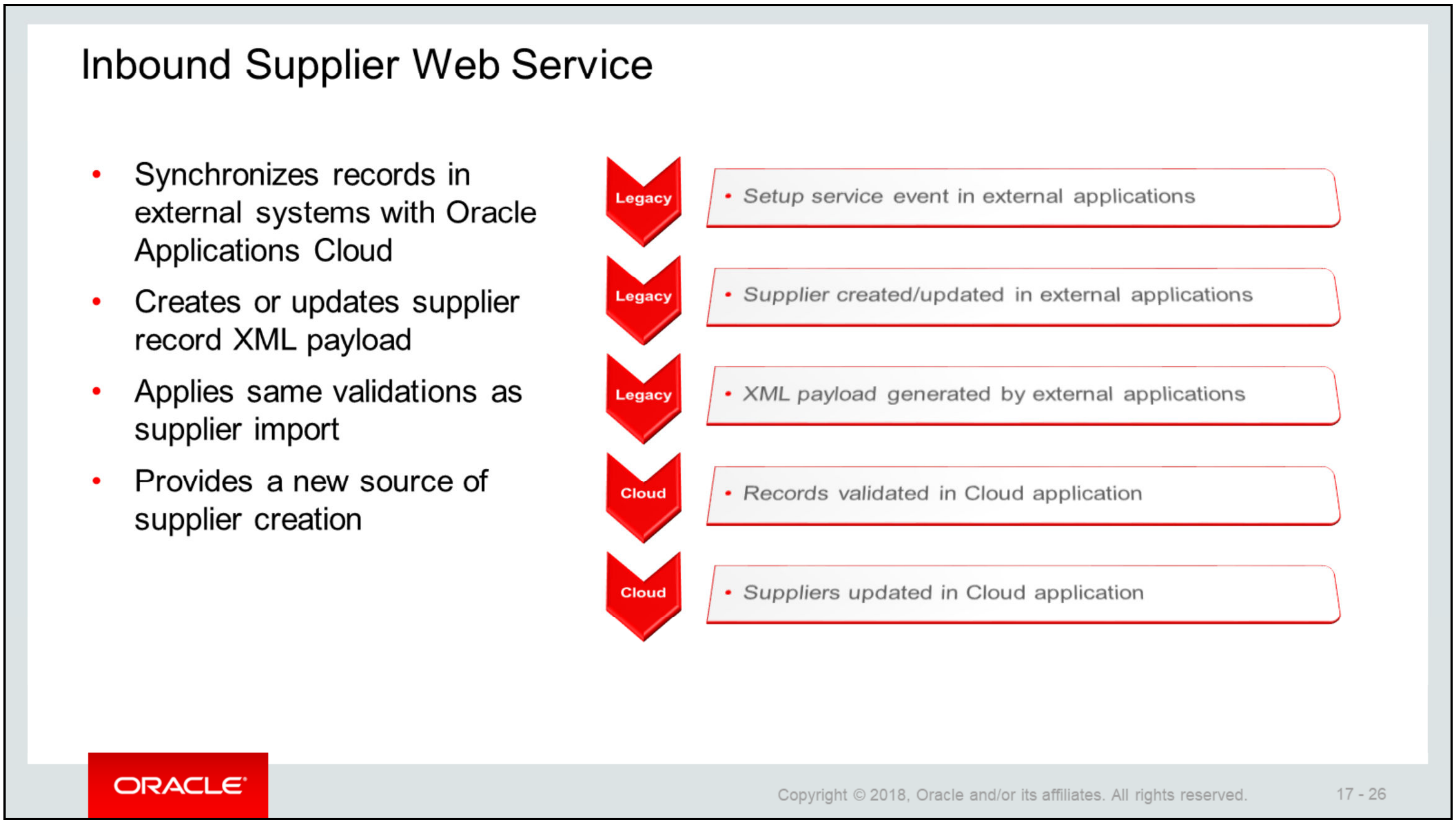
The diagram depicts the data integration between Oracle Procurement Cloud and Purchasing legacy system.

Reference data (such as item and supplier details) is the supporting information necessary for Oracle Procurement Cloud to be able to function according to your organization's business process. Reference data is typically maintained on a periodic basis and should be kept synchronized with the source system of record.

The integration methods you use for reference data depend on the type of organization, business needs, and deployment method (that is, public cloud, private cloud, or on-premise). For some organizations, reference data with a large volume and frequency of changes may require building direct system to system integration to keep information synchronized.

Managing a supplier base is important for which organizations continue to depend on legacy systems before they can entirely transition to the Supplier Model application. During the transition, it is required to provide a real time synchronization of the supplier records in external applications with Oracle Applications Cloud, so that organizations can continue to utilize the other procure-to-pay solutions offered by Oracle Applications Cloud.

To meet this requirement, in this release we are introducing a new inbound supplier web service. This service is capable of absorbing changes to supplier records done in an external system, and then propagating them to the Oracle Applications Cloud.



The diagram depicts the inbound supplier web service for Oracle Applications Cloud.

Inbound supplier web service can be used to create or update supplier records in the Oracle Supplier Model Cloud application. This provides a real-time synchronization of the supplier records in external applications with Oracle Supplier Model Cloud. This service absorbs any supplier profile change event and propagates it to the Oracle Supplier Model Cloud. The external applications are required to setup the WSDL URL of this service as a location to publish the changes to. The supplier entities that the web service covers are Supplier, Supplier Address, Supplier Site, Supplier Site Assignment, Supplier Contact, Supplier Contact Address, Supplier Business Classification and Supplier Products, and Services Category.

This service recognizes a predefined format of XML payload, which when published by the external system, will serve as an input for this service. Therefore, this requires configuration to ensure the external system publishes the payload in the given XML format. The payload covers all the supplier attributes provided as a standard in the Oracle Supplier Model Cloud application.

The service is also equipped with all the validations imposed on supplier attributes through the supplier import process, thereby maintaining high-quality supplier data.

This feature also introduces a new supplier creation source web service, which can be used as a search criteria to filter all suppliers created by using the new inbound web service.

Resources

Additional Release Information

- Enterprise Resource Planning Release Readiness site
  https://cloud.oracle.com/saasreadiness

White papers in My Oracle Support

- Oracle Sourcing and Procurement Contracts Cloud Integration Options
  (Doc ID 2210766.1)
- Oracle Procure-to-Pay Cloud Integration Options
  (Doc ID 2014667.1)

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White papers in My Oracle Support

- Integration Options for Strategic Procurement Cloud: Sourcing, Procurement Contracts and Supplier Qualification Management
  (Doc ID 2210766.1)
  - https://support.oracle.com/epmos/faces/DocumentDisplay?id= 2210766.1
- Oracle Procure-to-Pay Cloud Integration Options (Doc ID 2014667.1)
  - https://support.oracle.com/epmos/faces/DocumentDisplay?id=2014667.1

Summary

In this lesson, you should have learned how to:

- Identify Oracle Procurement Cloud integration options
- Use Help Center to locate integration assets