

# ORACLE FUSION SCM

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# CONTENT OVERVIEW

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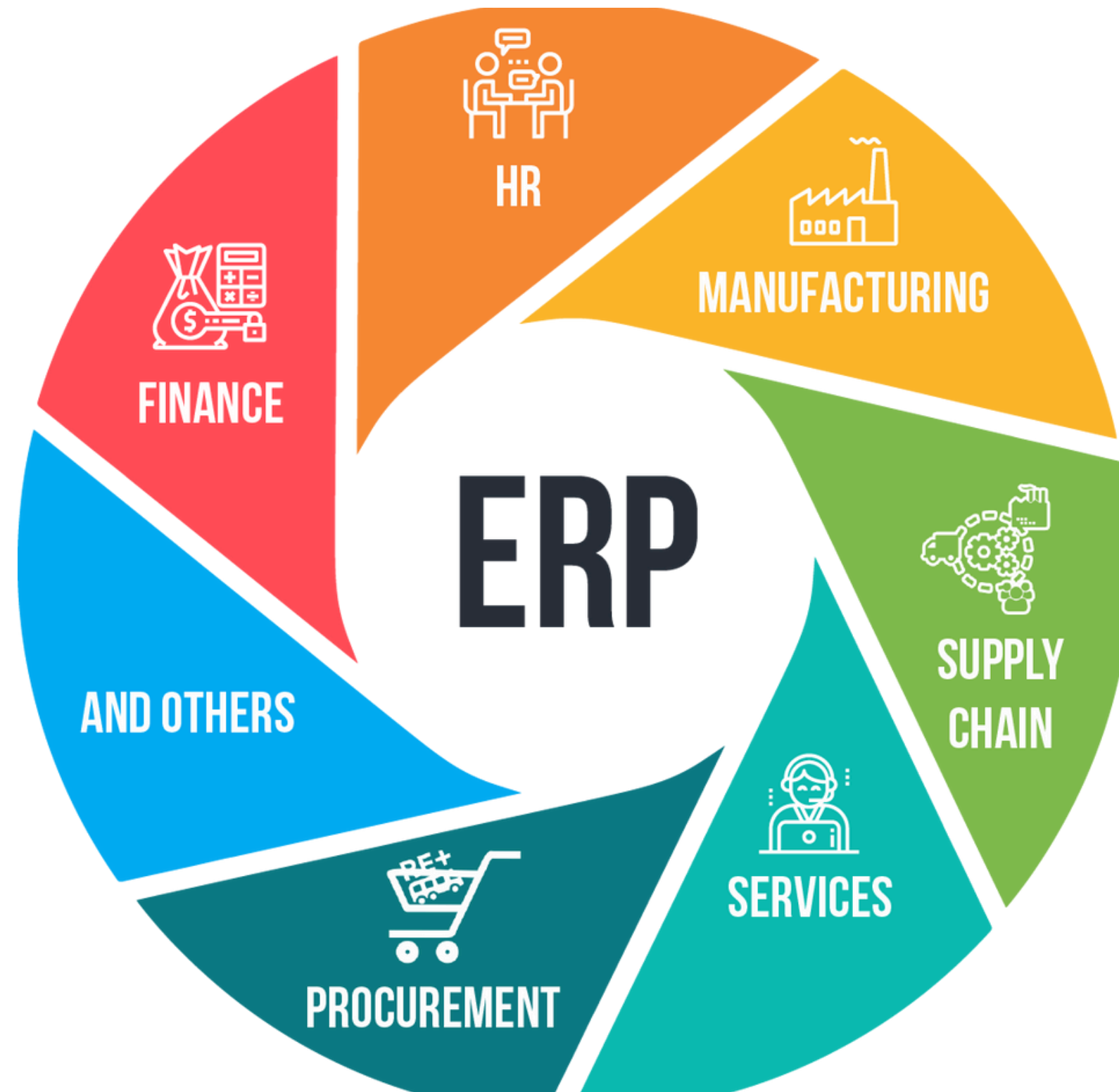
# 01-WHAT IS ERP?

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

- Accounting
- Procurement
- project management
- risk management
- supply chain operations.

Example for the most famous ERP systems : **Oracle**

# 02-ORACLE ERP MODULES



# 03-SUPPLY CHAIN MODULE

What Is Supply Chain Management (SCM)?

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

what supply chain module in oracle offers?

- Inventory Management
- Manufacturing
- Order Management
- Procurement
- Costing

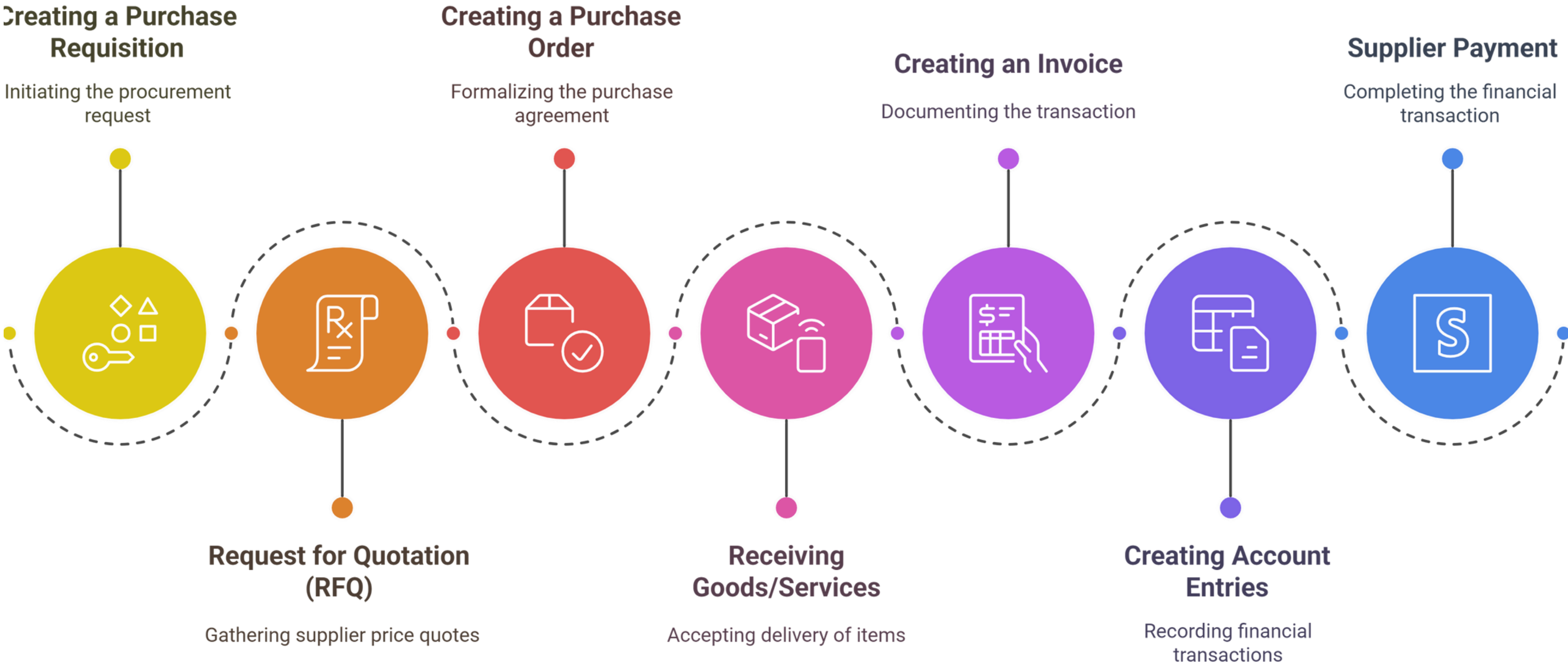
# 04-PROCURE TO PAY CYCLE

## What is the P2P cycle

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



# Procurement and Payment Process





# 1. Creating a Purchase Requisition

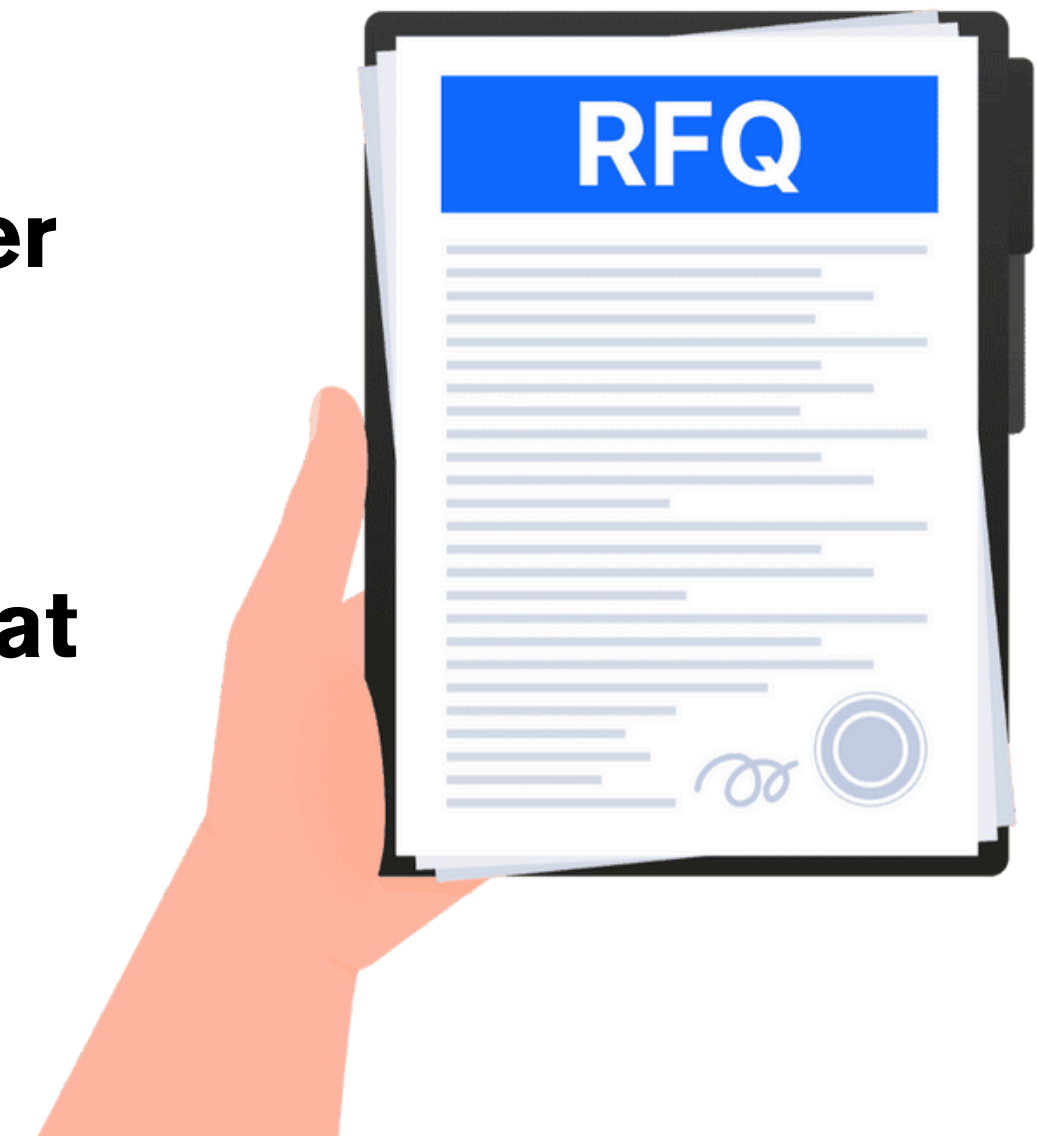
The first step that initiates the Procure-to-Pay Cycle is Creating a Purchase Requisition (PR). A requisition is a formal document used when an employee needs to purchase or order something on behalf of their organization. In **Oracle Cloud Fusion**, an employee (or a user) creates a PR by navigating to the “Procurements” à “Purchase Requisitions” à “Enter Requisition Line” screen in Oracle Cloud Fusion Work Area.





## **2. REQUEST FOR QUOTATION**

- **After requisitions are created by entering all the information mentioned above, the user generates a request for a quotation (RFQ).**
  - **A Negotiation request is sent to multiple suppliers**
  - **Each Supplier provide the items Pricing, Supplier qualifications & Answer questions raised by the procurement team if required.**
- The Procurement team chooses the supplier that the ordering will be proceeded with.**



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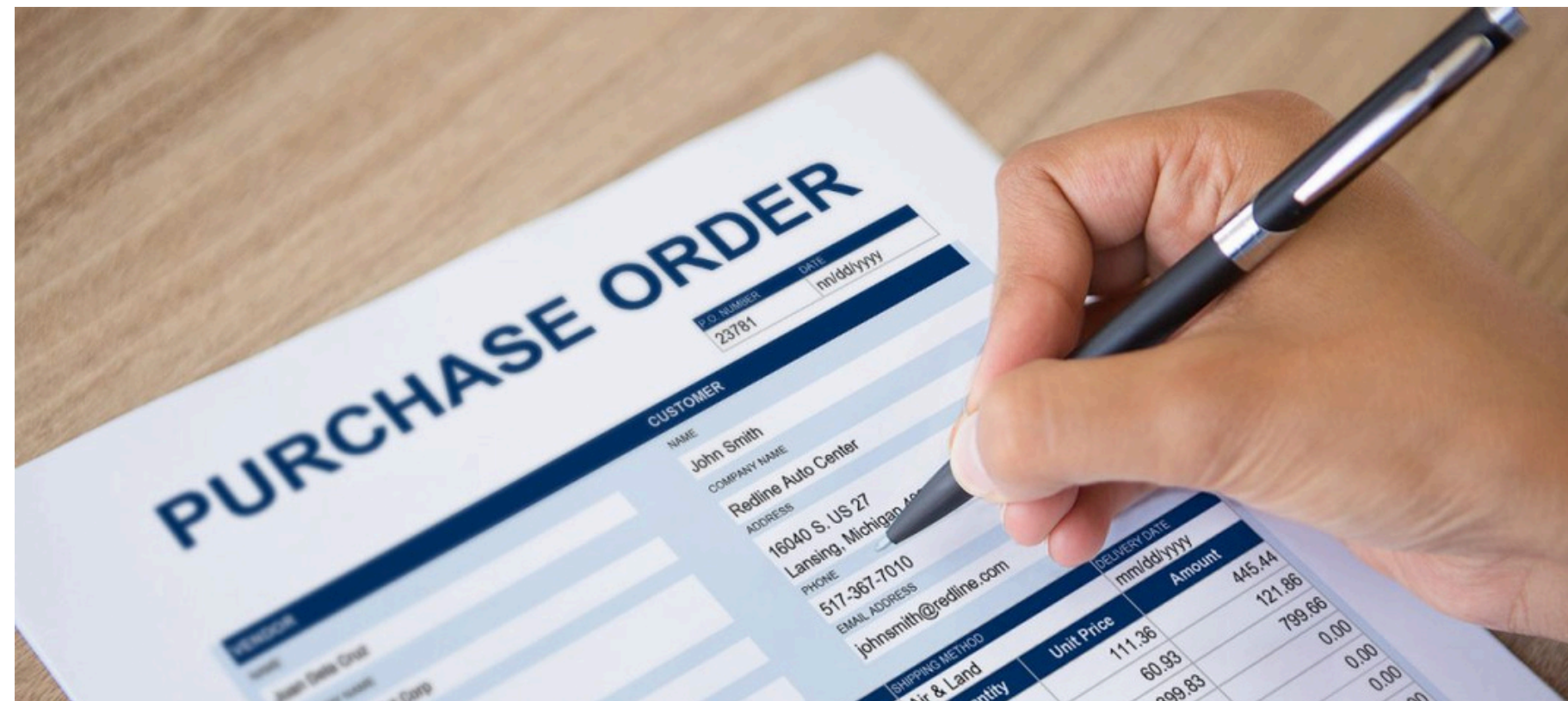
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## 4. Creating a purchase order

**After a quotation is approved, Purchasing allows you to generate a Purchase Order (PO), a legal document outlining the terms of sale.**

**The PO document includes the price, quantity, and need-by date of the goods or services, it also includes any other relevant terms and conditions associated with the purchase. When you create a PO (either manually or by Auto-Creating from requisitions).**



# 5. Receiving the goods or services

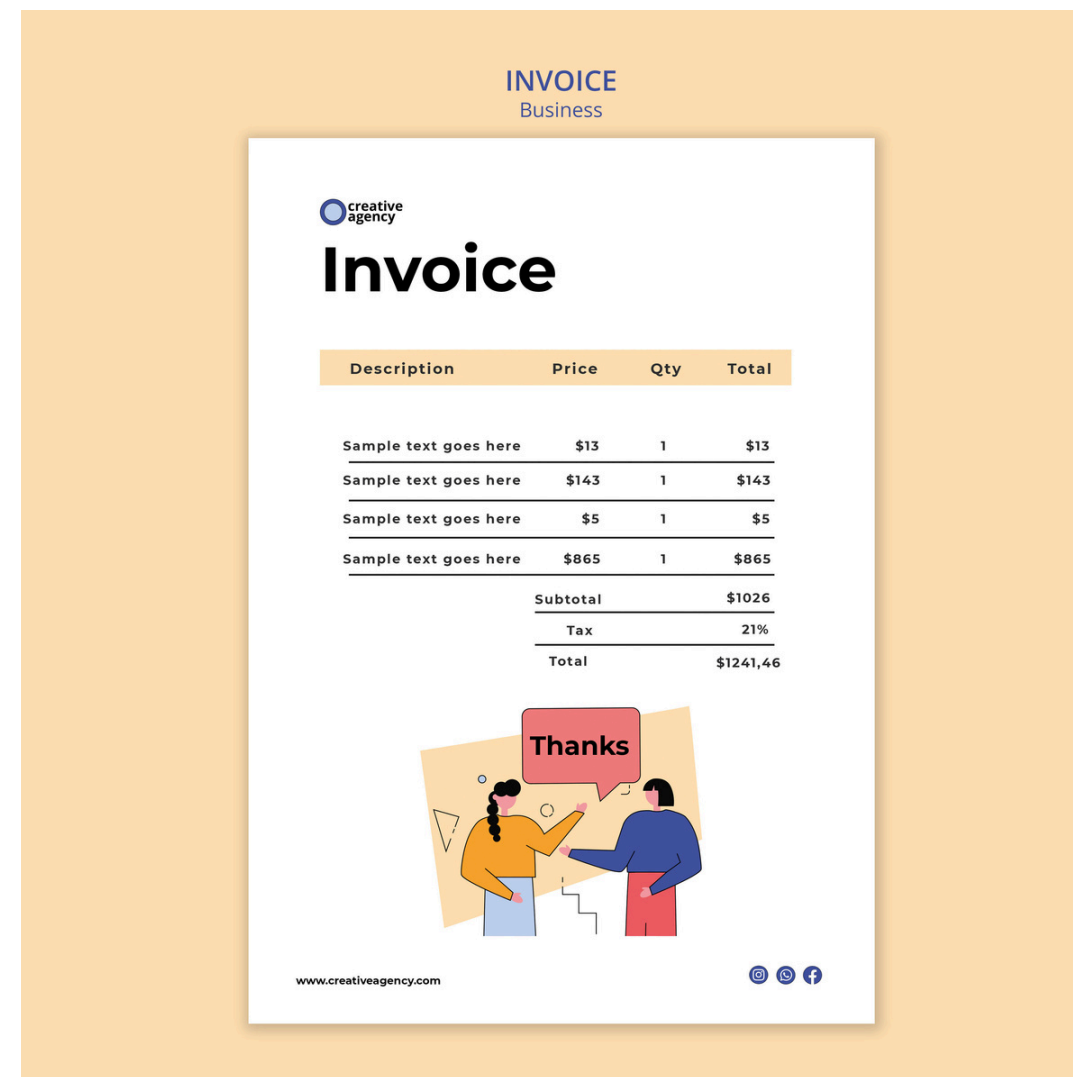
**Once the goods/services are ordered and shipped by the vendor, they must go to their final destination. The receipt is done by entering quantity (accepted quantity) and/or receiving location into the receiving form in Oracle Purchasing.**

**Creating receipts and records of goods arriving at the distribution center into the warehouse system. The supplier delivers the goods or services, and the relevant receiving details are entered, with line items verified to ensure that everything ordered has been delivered.**



# 6. Creating an invoice

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





Match Approval Level						
2 Way		Supplier Invoice	PO	Received	Accepted	Invoice Approved on
	ITEM	100	100			100
3 Way		Supplier Invoice	PO	Received	Accepted	Invoice Approved on
	ITEM	100	100	70		70
4 Way		Supplier Invoice	PO	Received	Accepted	Invoice Approved on
	ITEM	100	100	80	60	60

# 6. Create accounting entries

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





# 7. Making the payment

**The last step in the P2P cycle in Oracle Cloud Fusion is making the payment to the supplier/vendor. The payment is made by entering the invoice and PO numbers (and/or receipt) into Oracle's payment form.**

**The payment form also includes more information about the supplier, ship-to address, and delivery date. After these are entered, the payment is made and the cycle ends.**



**THANK  
YOU**