D365 Project – Change Impact SESSION- Part 1

Supply Chain & Transport

Change impact Session

Supply Chain: processes in D365

Session 1: VM

- ➢ **General changes**
  - ➢ **Security**
  - ➢ **Stock location**
  - ➢ **Batch registration**
  - ➢ **Product & Vendor data**

- ➢ **Manage Transport**

- ➢ **Purchase to Pay (P2P)**
  - ➢ **Manage Purchase Orders**
  - ➢ **Manage Purchase Receipts**
  - ➢ **Manage Purchase Order Returns**

- ➢ **Transformation orders – Relabeling**

- ➢ **Intercompany flow**

Supply Chain: processes in D365

Session 2 : NM

➢ **Manage Pa/ Ta**

    ➢ **Approval Matrix**

➢ **Manage Transfers**

➢ **Plan to Produce**

    ➢ **Manage Formulas**

    ➢ **Initiate Production**

    ➢ **Execute Production**

    ➢ **Manage Transformations**

    ➢ **Manage Inventories**

➢ **Transformation orders – Rework**

➢ **Manage stock counts**

SMALL CHANGES CAN MAKE A BIG DIFFERENCE

WAO

"Change begins at the end of your comfort zone."

— Roy T. Bennett

ALL CHANGE IS
HARD
AT FIRST
MESSY
IN THE MIDDLE
⇌ AND ⇌
GORGEOUS
AT THE END.

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CROP PROTECTION

Change Impact session : goal

- ➢ **Overview per domain & activity of the changes between   AS-IS situation & TO-BE situation**
  - ➢ **(not all changes are covered in the slide deck)**

- ➢ **Explanation of the processes will take place in end user trainings**
  - ➢ **Based on work instructions & guidelines**
  - ➢ **On hand trainings (theory & exercises in D365) with Training accounts**

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Security

AS IS (NAV)

- Barely no access limitations
  - E.g., almost everyone can modify prices
- No profile existed per role /function

  - No access limitations for HQ workers per LE
- Product data can be modified by everyone
- No clear view of responsibilities & tasks per function / division
- Lack of Segregation of Duties
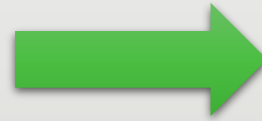
TO BE (D365)

- Limited access based on function
  - Access only for a specific group of users
- Profiles created per role/ function
  - End user profile linked to 1 or more specific role
  - Access of HQ users can be limited to certain LE's E.g., CS & finance
- Product data can only be modified by a limited group of users cf. MD-team
- Security profile indicates which role can execute which activity
- Strong segregation of Duties

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Stock Location Set up

AS IS (NAV)

- No standardized naming convention
- No clear view on stock location function
- Separated stock locations for 1 WH in BCP & PR entity
- Use of Virtual locations

- 1 WH/ toller created in several LE's

- Use of administrative locations
- Destruction stock = part of cost of goods (stock value)
  - No use of sites
- No transit location for transfer in 1 LE

- Use of location Direct
- Use of Sample location

TO BE (D365)

- Stock locations with predefined names
- Separated stock location per function & use of location
- Same stock location for 1 WH in BCP & PR entity
- No virtual locations allowed anymore → impossible to count stock level physically
- WH created in LE of WH location
- Toller created in BBE/PRBE LE
- No more admin locations
- Destruction stock → not covered in cost of goods (stored on another site)
  - Use of Operational & Faulty site
- transit location linked to every stock location
- No more direct location - link so & Po
- No more sample locations → Clients

Stock Location Set up

AS IS (NAV)
- E.g. GLobachem

TO BE (D365)
- E.g. GLobachem

| Location code	Stock location name	Entity
2GLOBACHEM	BELCHIM	Belchim Benelux
2GLOBAPR	PROTEX	Protex
2REPACKGLO	REPACK GLOBACHEM	Belchim Benelux
GLOBACHEM	GLOBACHEM - St Truiden (BE)	Belchim France
GLOBACHEM	GLOBACHEM	Belchim Germany
GLOBACHEM	GLOBACHEM	Belchim Greece
GLOBACHEM	GLOBACHEM	Belchim Hungary
GLOBACHEM	GLOBACHEM	Belchim Italy
GLOBACHEM	GLOBACHEM	Belchim Romania
GLOBACHEM	GLOBACHEM	Belchim Slovakia
GLOBACHEM	GLOBACHEM	Belchim Spain
GLOBACHEM	GLOBACHEM	Belchim UK
GLOBACHEM	GLOBACHEM - St Truiden (BE)	PROTEX France
GLOBACHEM	GLOBACHEM	Belchim Poland
GLOBACHEM	GLOBACHEM	Belchim Austria
QI/GLOBACH	GLOBACHEM/QUALITY ISSUES	Belchim Benelux
QI/GLOBACH	GLOBACHEM/QUALITY ISSUES	Belchim France
QI/GLOBACH	GLOBACHEM/QUALITY ISSUES	Protex
QI/GLOBACH	GLOBACHEM/QUALITY ISSUES	PROTEX France
QI/OLDBEGL	QI OLD BE GLOBACHEM	Belchim Benelux
QI/OLDFRGL	QI OLD FR GLOBACHEM	Belchim France
REL/GLOBAC	GLOBACHEM/RELABELING	Belchim Benelux
REL/GLOBAC	GLOBACHEM/RELABELING	Belchim France
REL/GLOBAC	GLOBACHEM/RELABELING	Protex
PHD/BE/GLO	PHYSICAL DESTRUCTION/BCP BE/GLOBACHEM	Belchim Benelux

Site	Site Name	Warehouse	Name
OP	Operational	Globach	Globachem
OP	Operational	Globach_Dm	Globachem_Damaged
FA	Faulty	Globach_Ds	Globachem_Destruction
OP	Operational	Globach_QI	Globachem_QI
OP	Operational	Globach_Re	Globachem_Relabel
OP	Operational	Globach_Sa	Globachem_Sample
OP	Operational	Globach_Tr	Globachem_Transit

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Batch registration

AS IS (NAV)

- Batch number not required to receipt products.
- Production date used when data available

- No alignment batches Nav vs. physical stock
- → negative stock possible

- → stock count with low focus on batch number
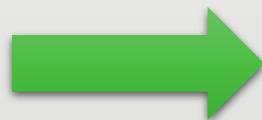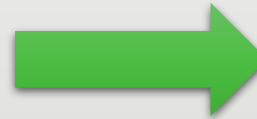
TO BE (D365)

- Batch mandatory to receipt products
  - Use batch mentioned on product
- Production date mandatory
  - Expiry date = production date + shelf-life period
- Alignment batch d365 & physical stock
  - No more negative stock
  - Transfer or PO receipt impossible with invalid batch /volume
- High accuracy expected for stock count with batch numbers

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Product Data
see PMD training for new product set-up & sku changes

AS IS (NAV)

- No alignment in product creations

- No uniform product descriptions

- Everyone can modify product data

- 1 general block status

- product has limited or outdated info

TO BE (D365)

- Creations based on structured principles
- Naming conventions used for product descriptions
- Only MD-team can create SKU's & modify product settings
- 3 block statuses (Purch / inv/ sales)
  - To trace phase in & phase out sku
- Product has more detailed info
  - Hazardous material
  - Registration info
  - Commodity code /intrastate
  - Product dimensions

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Vendor data

AS IS (NAV)

- Creation of a vendor not restricted
- Every LE has his own vendor list

- Lots of old inactive vendors

TO BE (D365)

- Centralized creation by a few users
- Vendor data stored centrally in a Global address book
  - Contains also Customers
  - Employees
  - Registration holders …
- → data can be used in different LE's
- Big clean up → only active vendors remains
- Delivery terms linked to vendor

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Manage Transport

- **What is new?**
  - Transport activities will be part of ERP system
  - All documents created from D365
  - Alignment transport requirement / price request & Transport order

- **Result:**
  - **Trace easier the status of a requested Transport**
  - **Link between created SO/PO/TRO & Transport execution**
  - **Better alignment SC/Qi & Transport**

Execute Transport

AS IS (NAV)

- Transport requests sent by mail

- Transport documents created from Access tool

- SC and CS use NAV vs. Transport planner does not use Nav
- SC & CS have no view on progress of transport order
- Modify/cancel a transport request → contact transport by mail

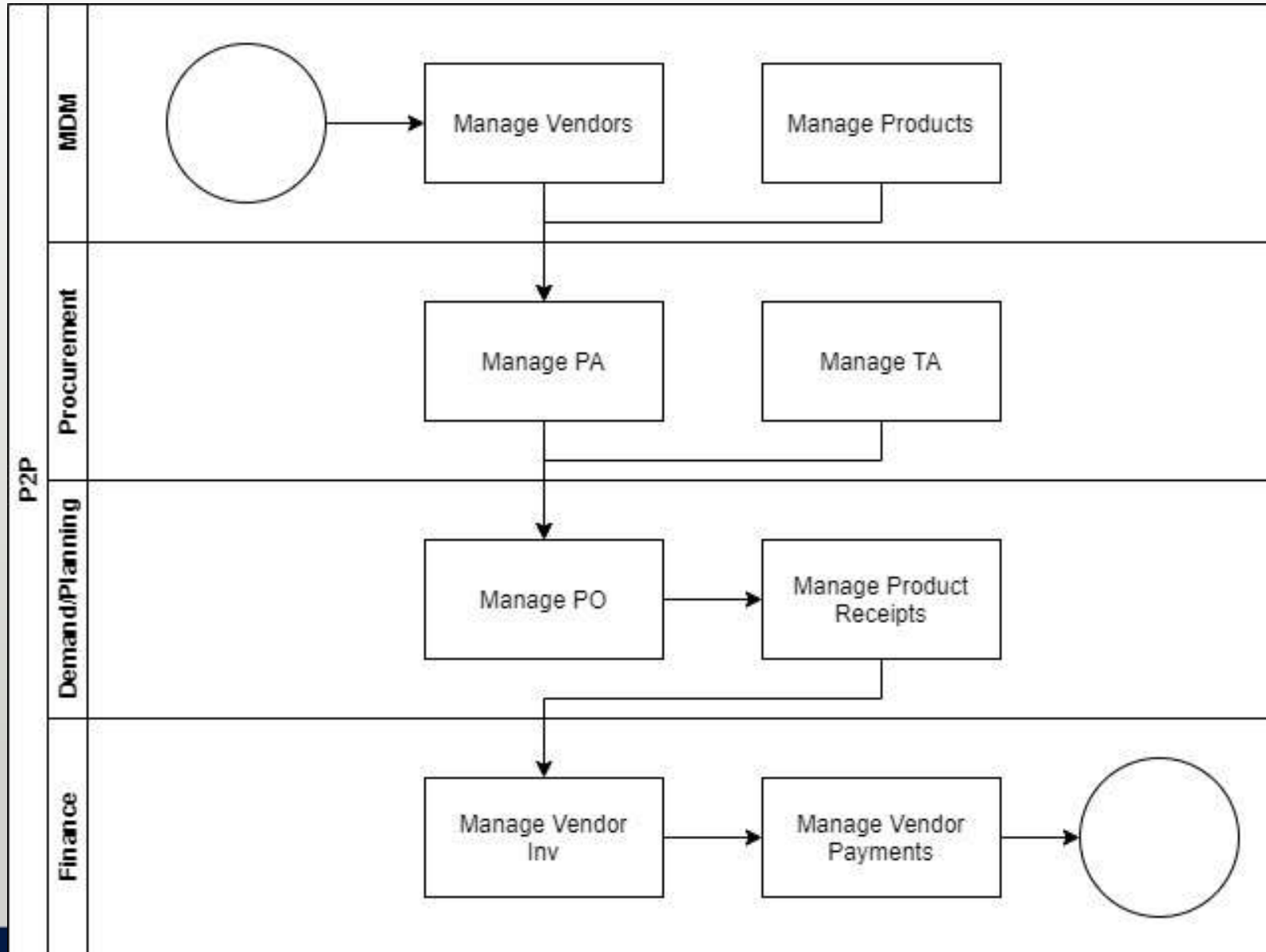- Manual splitting Transport order based on qty of pallets
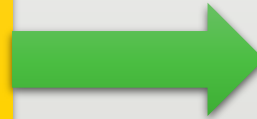
TO BE (D365)

- Transport requests created from D365 transport requirements
- Transport documents created from D365 its selves

- SC /CS & transport will use D365

- Link from SO/PO/TRO to Transport order and status
- Modify / cancel a transport request
- → contact Transport planner by mail + modified transport request
- → trace in D365 of changes
- Automatic volume split proposal
- Transport requirement ; Price requests & Transport order will all be handled in D365

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P2P: Manage Purchase Orders

Receive Demand Plan > Create PO > Approve PO > Confirm PO > Receive PO

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SC processes in D365

P2P: Manage Purchase Orders

- ## What is new?
    - Release of a PO from an existing agreement (preference = purchase agreement)
        - No need to enter a Purchase Price manually
    - Predefined info to facilitate the Order entry
    - D365 creates an email with PDF to send out PO Confirmation

- ## Result:
    - The release of a PO implies less manual input & more control tasks
    - More efficient alignment between SC & Procurement
        - Ordered volumes are covered by an agreement
    - Only approved orders can be executed & send out
    - Trace on approved volumes that can be ordered

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P2P: Manage Purchase Orders

AS IS (NAV)

- Manual process (no PA/TA)
- Planner enters manually:
  - Vendor info (incl VAT)
  - Purchase price
  - Quantities
  - No approvals for transmitted PO's

- Additional comment to enter manually on every PO
- PO confirmation:
  - Manual creation of PDF file
  - Manual creation of attachment to email to vendor

TO BE (D365)

- SC Planner looks first for PA agreement
  - PO released from a PA (automatic copy of info)
  - Automatic approval of PO if match with PA
- No PA agreement
  - Create manual PO
  - When TA exists –> price automatically linked to the PO
  - No TA → manual approval needed
- Comments can be displayed by default

- PO Confirmation: Automatic creation of PDF in open email (ready to send)
  - Link to EAN code
  - Link to Supplier product code

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P2P: Manage Purchase Receipt

- **What is new?**
  - PO's can only be received when mandatory information is provided
    - Batch number / production date / CoO …
  - Limited access to receive PO's (cfr. Security – user & role profiles)
 - No expired stock can be received on a PO

- **Result:**
  - Higher level of product tracing
    - → Easier to retrieve a batch origin or execute a Recall action
  - Better alignment of Physical stock & Stock D365
  - Easer to execute FEFO principle in WH based on production dates

BELCHIM CROP PROTECTION

P2P– Manage Purchase Receipt

AS IS (NAV)

- Batch number
  - Required for PO receipt
- Production date
  - Not always received
- CoO data not used

- ➔ PO receipt creates a "POR" number

- Expired stock can be receipt on a PO
- No link between received volumes & approved order volumes
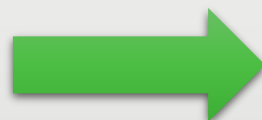
TO BE (D365)

- Following data is mandatory to execute a PO receipt:
  - Batch number
  - Production date
  - Country of Origin (CoO)
    - & region of origin (FR)
- PO receipt based upon the receipt of "Bon de livraison " document
  - No automatic number sequence for receipts
- Not possible to receive expired stock
- Link received volumes & approved order volumes cf. fulfillment data in P.a.

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P2P: Manage Purchase Return order

- **What is new?**
  - Purchase return order needs to be approved before execution
    - Agreement on volume / return price & reason code
 - Batch number & production date are required fields

- **Result:**
  - Higher level of product tracing
    - → Easier to retrieve the origin of this stock
  - Better alignment of Physical stock & Stock D365
    - Only batches physical on stock can be returned
    - No negative stocks

P2P– Manage Purchase Return order

AS IS (NAV)

- Return can be initiated without approval

- Return price causes discussions

- Reason code not always mentioned
- Creation of negative stock is possible with this step
- Low alignment SC & procurement/supply relations
- Separated number sequence for Return orders
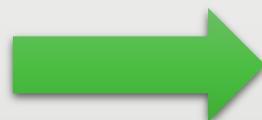
TO BE (D365)

- Every return needs to be approved by procurement / supplier relation or local country manager
  - Return price is part of the approval
- Reason code will be mandatory to execute this activity
- Not possible to create a negative stock due to a return
- High level of alignment needed to perform this step efficiently
- Return orders will have same number sequence then PO's
  - Purchase type = Returned orders

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Plan to Produce – Manage Transformations-Relabeling

- **What is new?**

- Relabeling activity: use of a relabel PO towards relabel location
  - Use of a Service item with value 0€
  - Use of a Separated Relabel location for every warehouse
  - Automatic link with origin location & destination location

- **Result:**
  - **No use of excel files for instructing the warehouse**
    - **→ increase accuracy and efficiency**
  - **Every relabel PO links to an invoice**
  - **WH can confirm the execution date of a relabel PO-> data to D365**

BELCHIM CROP PROTECTION

Plan to Produce – Manage Transformations - relabeling

AS IS (NAV)

- No PO, only XLS file to WH
  - No PO confirmation to WH
- Positive/Negative stock bookings
- No service item used

- No use of a separated stock location
  - No reservation - Stock can be used for other activities fe. SO to client / IC SO

- No invoice directly linked to relabel order

- Transfer/IC transfer before relabeling or after relabeling needs to be created manually

TO BE (D365)

- No XLS file for Transformation Order
  - Po confirmation sent to WH
- No Positive/Negative stock bookings
- Service item used to define relabel activity
- Separated stock location for relabeling
  - Stock can't be used for other purposes
-
- Invoice can be linked to a single relabel order
- Automatic creation of IC docs or transfer docs linking to location of origin or destination

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Plan to Produce – Manage IC Transfers

- **What is new?**
- IC SO & IC TO will be issued automatically when creating an IC PO
- The manual entry of a price is not allowed anymore
- IC docs are linked to each other (easy navigation)
- Create Transport requirement from IC SO with status follow-up

- **Result:**
- **Prices calculated automatically cfr. weight average principle**
- **Semi-automatic receipt of IC Po & IC TO**

Plan to Produce – Manage IC Transfers

AS IS (NAV)

- Manual creation of IC PO incl. prices
- Manual creation of:
    - IC SO incl price
    - IC TO
- Manual confirmation mail to local colleagues

- SO ; PO & TRO manually shipped and received
    - High risk on price deviations

TO BE (D365)

- Manual creation & price automatically calculated once SO is picked & packed
- SO and TO automatically created incl. confirmation

- Po confirmation (in pdf) opens in a new mail ready to send

- Shipping SO, stock automatically booked on IC location of the receiving location
- TO automatically shipped & Received based upon received shipping docs once the PO is booked

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Q&A

- We will collect all questions that you might have after this session via email.

- The questions will be either:

  - Replied by email (number of questions is limited),

  - Or dealt with in an online session (high number of questions).

- Please email your questions to trainer

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Manage Transport

D365 Project – Change Impact SESSION- Part 2
Supply Chain & Transport & Quality & Procurement

Change impact Session

Supply Chain: processes in D365

Session 2 : NM

- ➢ **Manage Pa/ Ta**
  - ➢ **Approval Matrix**

- ➢ **Manage Transfers**

- ➢ **Plan to Produce**
  - ➢ **Manage Formulas**
  - ➢ **Initiate Production**
  - ➢ **Execute Production**

- ➢ **Transformation orders – Rework**

- ➢ **Manage stock counts**

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P2P: Manage PA/TA

Purchase agreement: agreement for a fixed volume & a fixed price

Trade agreements = agreed price ranges with no fixed volume

- **What is new?**
  - Pa/Ta needed to execute the creation & execution of a PO
    - Created per vendor / per LE / per vat number
  - Agreements link to volumes of Demand Plan
  - Price known before order entry

- **Result:**
  - Automatic approval of Purchase Orders
  - Segregation of duty: PO entry vs. approvals & price entering
  - Regular checks and updates of prices

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P2P: Manage PA/TA

AS IS (NAV)

- No Trade/Purchase agreements in use
- MDM enters prices based upon info of:
  - Supplier Relations
  - Procurement
  - Local country manager
- Prices can be modified by everyone

- No structure, no control on ordered volumes
- No approval needed to create or send a PO for a supplier or Toller

- No clear overview of agreed volumes that still can be ordered

TO BE (D365)

- PA/TA are recommended
  - no agreement implies manual approval is needed by procurement
- Prices will be entered as part of an agreement in D365 by Procurement
  - No price entry by MDM anymore

- Planner limited access to change a price
- Security: different roles & access for planner & procurement functions
- PO's can be sent once the volume & price is approved

- Clear view on a PA of the remaining volumes that can be ordered

Plan to Produce in D365

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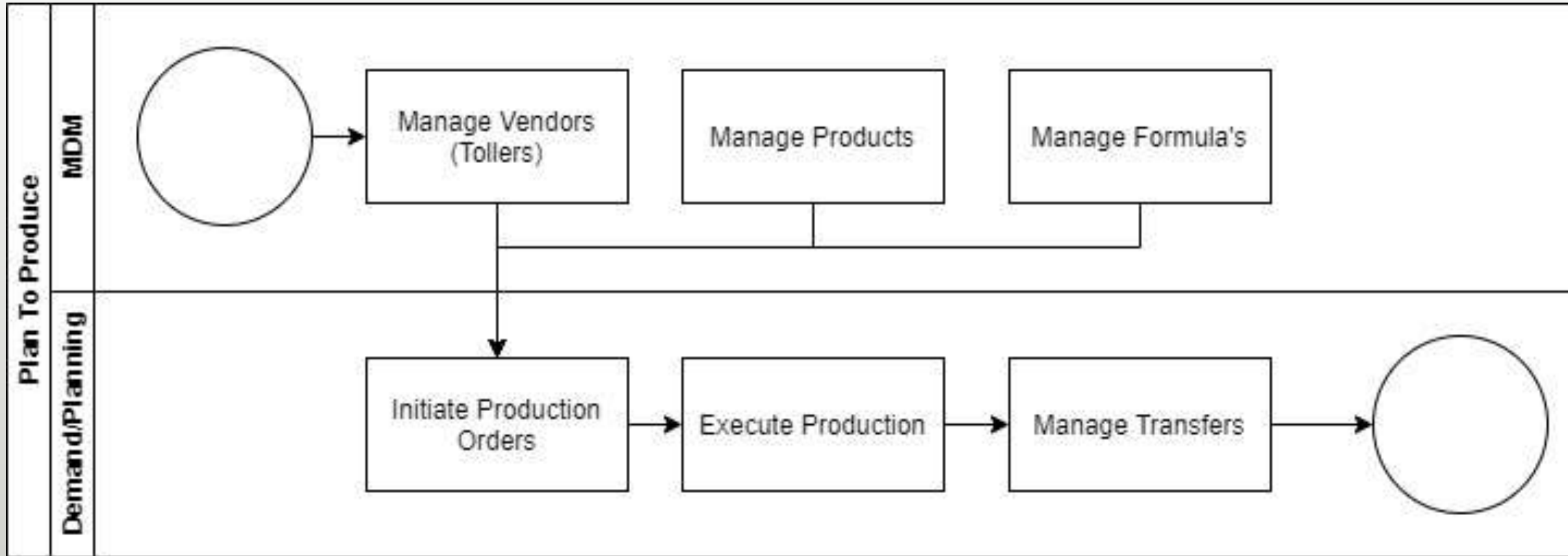
Plan to Produce – Manage Formulas

- **What is new?**
  - **Product MD-team will manage the formula's in D365 based upon the operational input – OPEN point to discuss**
  - **Limited access to modify a formula**
    - **Components & proportions are not expected to change frequently**
  - **A product can have multiple formula's (cfr. second source)**
  - **Only active products can be used in a formula**

- **Result:**
  - **A formula need to be approved before it can used operationally**
    - **No manual price change needed for components**
  - **More structured way of booking productions**

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Plan to Produce – Manage Formulas

AS IS (NAV)

- SC/QI Planner enters BOM

- No control on entered values
  - Everyone can modify a BOM
- BOMs are not approved

- Low alignment between SC/QI & Procurement

- Not everyone uses BOM activities

- Use of a form sku with manual modification of the description (country)

TO BE (D365)

- MDM enters formulas with input from:
  - SC/QI , Procurement and R&D
- Limited users can modify formula

- Formulas need to be approved before active use is possible
- High alignment between departments

- No production can't be booked without a formula
- Form sku per mastername
  - With country variants

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# Plan to Produce – Initiate Production

- **What is new?**
- Use of production orders (batch orders) instead of purchase orders
  - Components are consumed instead of positive/negative bookings
- Service Order sent to Toller with link to final product (cf. GTIN/EAN code)
- Every service item has own variant & price setting for tolling activity

- **Result:**
- **All production orders are covered by a TA/PA or a manual approval**
- **No manual price changes by SC**
- **Transfers or IC transfers are automatically created & linked to the production order**

Plan to Produce – Initiate Production

AS IS (NAV)

- Production: positive and negative stock corrections
- Manual creation of a Service PO
- Manual creation of a PO for produced products
  - Not used / just as Optimact trigger
- Manual creation of IC documents for produced goods
  - Price manually entered in all docs
- Manual modification needed of the service price of the form item when another toller is selected
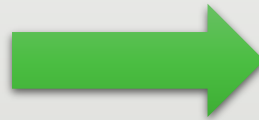
TO BE (D365)

- Use of production orders

- Service PO automatically created
  - Price retrieved from Agreement & active Formula
- Overview of volumes to produce with link to PA fulfillment data
- Automatic creation of IC docs or transfer orders
  - Prices automatically calculated
- Every service item has multiple variants with different prices if the item is used for different tollers

Plan to Produce – Execute Production

- **What is new?**
  - Once the production order is booked:
    - Service PO will be booked automatically
    - Components of the formula (tech;bulk; interm;service item…) will be consumed based on the booking of the production order
  - Price of the final product will be calculated based on a weight average principle
   - Including the price of all components

- **Result:**
  - **Only components with sufficient stock will be consumed**
  - **All stockable products need to have a batch number to use the corresponding stock**
  - **No manual receipt of a service PO is required**

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Plan to Produce – Execute Production

AS IS (NAV)

- Negative & positive corrections

- Manual booking of the service PO
  - Price manually selected
- PO for final product (without price) need to be cancelled manually

- Negative stocks are possible when components of the BOM have no sufficient stock during the booking of the PO
- Transfer & IC transfer docs are not linked to this Form P or Purchase PO
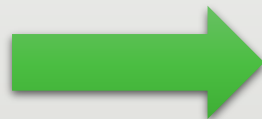
TO BE (D365)

- Production order will consume the components linking to the selected formula
- Service PO automatically received once production order booked
  - Price coming form underlying agreement

- No negative stocks possible
  - No sufficient stock for a component → no booking of the production order
- Transfer & IC transfer linked to batch/ production order
- Expired stock can't be booked on a production order

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Plan to Produce – Manage Transfers

- **What is new?**
- Transfers only possible for stock that is not yet expired
- Batch number is required, otherwise picking list can't be registered
- Use of different Sites for different purposes cfr. Stock locations
- Create Transport requirement from Transfer order

- **Result:**
- **Clear distinction between operational stock locations vs. QI related stock locations**
- **More efficient track & trace of Batch movements**
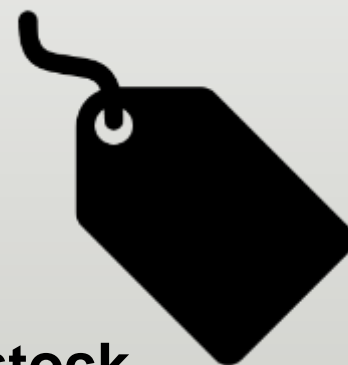
Plan to Produce – Manage Transfers

AS IS (NAV)

- Expired stock can be transferred
- Stock for destruction can be transferred on a sellable location

- No batch number indicated → WH selects the batch number without FEFO focus

- Batch number is required (no check if batch number is also available)

- Transfer to virtual location is possible

- Transfer can cause negative stock

TO BE (D365)

- Expired stock can't be transferred
- Stock for destruction may only be transferred to a Faulty location

- No batch number indicated, then picking will respect FEFO principle

- Existing Batch number is required to book the transfer order

- Transfer to virtual location is not possible
- No negative stock can be booked due to a transfer

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Plan to Produce – Manage Transformations- Rework

- **What is new?**

- Rework activity: use of a rework PO towards rework location
  - No positive & negative corrections, use of a transformation order
  - Automatic link with origin location & destination location
  - Use of service item as part of a production order

- **Result:**
  - **Service PO will be approved by QI manager to trace the rework progress**
    - **Increase accuracy and efficiency**
  - **Invoices for rework activity can be treated ore efficiently**

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Plan to Produce – Manage Transformations - Rework

AS IS (NAV)

- Manual creation of a service PO
  - Manual confirmation po to toller
- Manual creation of a PO for produced products
  - Not used/just as Optimact trigger
- Positive/Negative stock bookings
- Service item used for the full rework quantity

- Transfer/IC transfer before rework or after rework needs to be created manually
- No link with transport request

TO BE (D365)

- Service po automatically created once the Transformation Order is created
  - Po confirmation sent to toller
- Transformation order is created to trace the open volumes & to inform the toller

- No Positive/Negative stock bookings
- Service item used per unit quantity

- Automatic creation of IC docs or transfer docs linking to location of origin or destination
- Transfer & IC transfer activities are linked to the transport requests

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Plan to Produce – Manage Stock count

- **What is new?**
  - No manual adjustments (pos & neg) anymore
  - Stock volumes automatically adjusted based upon counted volumes vs stock volumes
  - Correct batch numbers required (incl. CoO & production date)
 - No virtual WH locations anymore

- **Result:**
  - **More precise stock levels**
  - **Clear overview of the stocks per different location**
  - **Physical stock aligns with D365 stock**
  - **Possibility to execute periodic cycle counts**

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Plan to Produce – Manage stock counts

AS IS (NAV)

- No security restrictions
  - Everyone executes stock adjustments linked to counting

- No clear reason codes for stock adjustments

- Stock count performed with pos & neg adjustments
- No clear view of different functions of a specific stock locations
- Batch tracing not aligned with reality
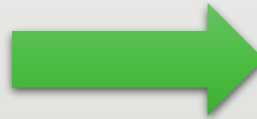
TO BE (D365)

- Stock adjustments only for a few users
- Restricted access to perform modifications
- Aligned reason codes to use

- No manual stock adjustments
- D365 adjusts the stock levels based upon the counted volumes
- Specific stock locations for specific functions e.g. relabel & damaged
- Batch tracing to align stock with D365

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Q&A

- We will collect all questions that you might have after this session via email.

- The questions will be either:
  - Replied by email (number of questions is limited),
  - Or dealt with in an online session (high number of questions).

- Please email your questions to trainer

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