Process:	*Manage Intercompany Transfers*

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01	NEW	02/01/2022

Process Scope

This procedure describes the process of an IC transfer between two different Legal Entities of Belchim. The goal of this process is to sell products from one LE to another LE (the LE's can be in the same country), so that this stock can be (re)used in the receiving LE for different purposes e.g., a relabeling or a new product or a sale in a local country for a tolled product.

For transfers within the same LE please check the Manage Transfer Process.

The SC planner does not need to create an IC SO or IC TO manually while booking an IC transfer; he can also leave the unit price blank (as it will be calculated automatically) in the different documents of the IC flow.

No approval through the workflow is required for an IC transfer activity as this approval was already granted at the moment of purchasing the finished goods or when manufacturing the tolling product.

The supply chain planner will initiate this process by creating a new IC PO in the receiving LE. This triggers an automatic creation of two documents:

- An IC TO in the same LE.
- and an IC SO in the LE from where stock needs to be shipped and sold.

Once the IC PO is confirmed by the SC planner, the IC SO can be confirmed as well. When needed, a transport requirement can be requested for this Sales order. The transport planner will receive this request for transport and can start the search for a transporter to execute this IC transfer.

If no transport is required (when the IC transfer happens between two LE's in the same country, please refer to chapter Exceptions), no picking activity is required. If transport is required, then the picking list can be generated and registered by the SC planner. The warehouse where the goods are located physically will pick the goods and will inform Belchim about the picked quantity and the picked batch numbers. No picking can be booked without receiving the corresponding batch numbers (linking to the physical stock). The SC admin will register the pick activity.

Once the sales order is shipped the stock will be transferred from the shipping LE towards a transit location of the receiving warehouse of the receiving LE.

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The moment that the goods arrive physically in the receiving warehouse, this warehouse will inform the supply chain admin colleague with the necessary paperwork. Based upon these documents the IC PO will be received and the IC TO will also be shipped and received. The stock will be transferred from the transit location towards the receiving warehouse.

Process Visualization

Process Steps
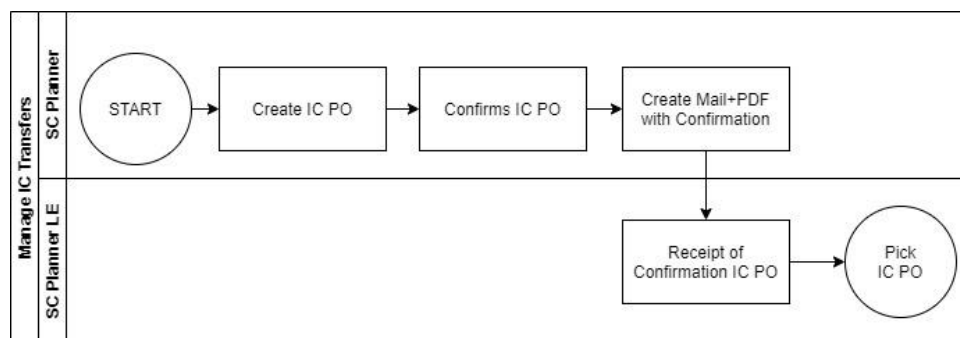
Create & Confirm

Step 1: Creation and confirmation of an IC PO

The SC planner will initiate an IC transfer based upon a request for one of the following reasons:

- Sending stock from LE A to LE B for a relabeling of stock in LE B.
- Sending stock that is tolled (as ownership of BCP BE) towards another LE.
- Sending excess stock from LE A to LE B (towards BCP BE) for storage or later rework activities.

The SC planner will initiate this process by creating a new IC PO in the receiving LE. On this purchase order the planner will indicate the vendor from whom this product will be bought (this will be an IC vendor).

Furthermore, the planner will indicate the product that he or she wants to buy on this purchase order.

No price will be entered manually on this PO since the price will be calculated automatically based upon a weighted average of this product. (The price will pop-up on this PO once the SO linked to this PO is picked and packed).

Finally, the planner will indicate the stock location where this product needs to be shipped to.

The planner will confirm the PO in D365. This results in a new mail created with a pdf attachment containing the confirmation of this IC PO. If required, the planner can send this PO confirmation to a local colleague in the LE from where this stock will be shipped or towards a colleague in the LE to where this stock will be shipped.

Link to work instruction "WI Step 1"
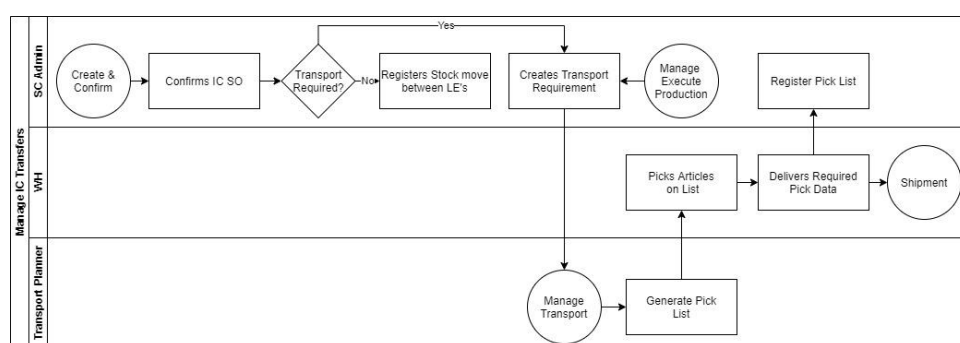
Pick

Step 2: Picking of an IC SO

Once the IC PO is confirmed by the planner, the SC admin can confirm the IC SO.

This step can be executed in 2 ways:

1. No physical transport is required:

- No need to create a transport requirement (step 4 can be skipped).
- The transport planner will not receive any open request and will not be involved in this IC transfer activity.

The SC admin will generate the picking list and will later execute the picking list registration as well. The registration can only take place successfully when a valid batch number is provided by the warehouse that executes physical picking. This means that it needs to be a batch number that is physically available in the warehouse where the picking takes place. Furthermore, this batch number needs to have a valid expiry date, otherwise the IC transfer process cannot be executed.

2. Transport organized by Belchim is Required:

- The SC admin will generate a Transport requirement that will be executed by the Transport planner. The process will transfer to the Manage Transport process.
- the SC admin will indicate the mode of delivery needed for this transport e.g., truck.
- the picking list generation will be executed by the transport planner.

Step 3: Prepare Shipment

Once the picking list registration step is executed, the shipment of the IC SO can take place. The SC admin will execute the post packing slip step. Physically the stock will leave the warehouse of origin and will be sent towards the warehouse of destination (in another LE).

The stock will be booked automatically on an IC transit stock location of the receiving LE.

Link to work instruction "WI Step 2"

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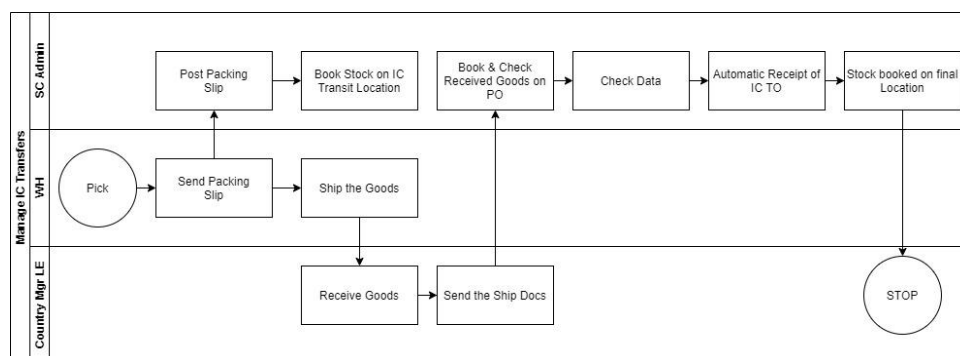
Ship & Receive

Step 4: Shipping of an IC SO

In this step the goods that are picked at location A can be shipped towards location B.
This physical move is a step between 2 external parties. (They need to contact each other to make sure that they respect the inbound procedures).

The SC admin books the goods of the departing location.
The goods will be adjusted to the location where the goods will leave, and the stock will be temporarily booked on the transfer location of the departing location.

For transfers that do not require a physical move, this shipping activity can be executed together with the receiving activity. The stock will be booked from the departing location to the receiving location (with a short automatic stop on the transfer location)

Link to work instruction "WI Step 4"

Step 5: Receipt of an IC PO

Once the goods are physically received at the receiving stock location; the SC admin will book the received goods into D365 based upon the received documents from the receiving stock location.

The SC admin will verify the received quantity and will select the posting date linked to the open TO.

This step needs to be performed for every IC TO when there are multiple shipments linked to 1 specific IC Transfer activity. This is also mandatory when 1 IC Transfer is executed with multiple transport requirements and Transport orders (e.g., 1 shipment per full truck)

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The IC PO will be received and the IC TO will be shipped & received automatically as well.
After this booking, the transferred stock is distracted from the IC transit location and will
appear on the stock location of the receiving LE.

Link to work instruction "WI Step 5"

Process Responsibilities

RACI-model:
R = Responsible – responsible for execution of the steps (can be different functions/persons)
A = Accountable – accountable for result of the step (only 1 person)
C = consultable – needs to be consulted for the decisions/actions – 2-way communication
I = Informed – need to be informed about result – 1 way communication

	Supply Chain planner	SC admin	Transport Planner	Supply chain Manager
1) Creation and confirmation of an IC PO	R	C		A
2) Picking of an IC SO	I	R		A
3) Prepare Shipment	I	R	R	A
4) Shipping of an IC SO	I	R		A
5) Receipt of an IC PO	I	R		A

Exceptions

All *IC transfer*s need transport executed by Belchim except when moving products from
warehouse A in LE 1 to warehouse A in LE2
  e.g., Dandoy BBE Dandoy PRBE / DS_mett BFR → DS_mett PRFR

Control points

- Only batch orders that are physically in stock can be shipped from that location as part
  of an *IC transfer,*
- Expired batches cannot be used in an *IC transfer,*
- No manual prices can be added in an IC PO,
- Prices will be calculated automatically by the weighted average principle for all in stock.

Definitions and Abbreviations

IC PO: intercompany purchase order.
IC SO: intercompany sales order.
IC TO: intercompany transfer order.
LE: Legal entity.