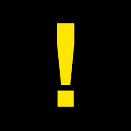
# Purpose

This procedure covers how to use the backorder screen to order parts from other warehouses or from the vendor. This SOP does not cover inter-business unit transactions

* Backordering is the **most efficient (quickest)** way to order parts for the customer that are not available in your branch
* Transfers and purchase orders will **be automatically created and marked** for the quantities needed
* Backordering handles **multiple lines at once** and default setups mean you will be **adhering to** **company purchasing policy and minimising freight costs**

For prepayment account sales, payment must be taken before completing the backorder

Item number groupings indicate which business unit owns the different parts, there is a field on the sales order giving details of the source of supply it will appear as an SOS number.

Here is a list of what business units own the different items:

* SOS 000 – 165 Gough CAT
* SOS 170 Gough Analytical
* SOS 200 – 269 GIS
* SOS 300 – 399 Gough Palfinger
* SOS 400 – 591 NZTS – Gough TSL / Gough TWL
* SOS 600 - 630 GMH

For more information see **QRG Gough Group Parts SOS List**

This procedure is linked to the following SOP:

* PRT\_1.1(SOP)Item availability
* PRT\_2.3(SOP)Create and Update a Sales Order
* PRT\_5.4(SOP)Recover Freight
* FAR\_2.9(SOP)Apply a customer Prepayment
* SER\_2.1(SOP)Parts for Service Calls
* PRT\_3.2(SOP)Create and Manage a Transfer Order
* PRT\_8.1(SOP)Landed Costs
* PRT\_5.3(SOP)Receive Parts into Stock
* PRT\_2.12(SOP)Create and Manage a Banking journal
* QRG – Inter Business Unit Transactions

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# Pre-requisite tasks

|  |  |
| --- | --- |
| Create a sales order and add parts | See PRT\_2.3(SOP)Create and Update a Sales Order |
| Find out where parts are available in your branch and New Zealand wide | See PRT\_1.1 (SOP)Item availability |
| For prepayment account sales, payment must be taken before completing the backorder | See FAR\_2.9(SOP)Apply a customer Prepayment |
| Find out how to recover local freight | See PRT\_5.4(SOP)Recover Freight |
| If a prepayment is being taken a line must be added to your branch banking journal for the payment | See FAR\_2.12(SOP)Create and Manage a Banking journal |

# Terminology

|  |  |
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| **BO** | Backorder |
| **PO** | Purchase order |
| **TO** | Transfer order |
| **EPJ** | Express Picking Journal |
| **TEPS Dealer** | Truck engine parts and service dealer |

# Use of icons

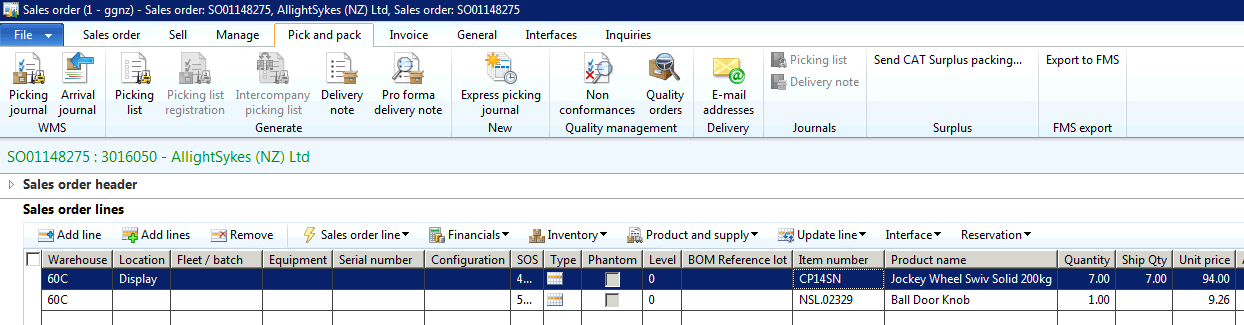
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| --- | --- | --- | --- | --- | --- |
|  | **Business rule** |  | **Key point / Tips** |  | **Information** |

Overview of the backorder process

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| Backorder process basic flow |
| 1. C:\Users\JESSIC~1\AppData\Local\Temp\SNAGHTML58f28a.PNGConfirm the source (warehouse or vendor) from the Backorder review tab    1. From the overview tab review and update as necessary    * Source type    * Warehouse number    * PO class for transfers    * Update vendor (TWL, Palfinger and GIS purchase orders) |
| 1. C:\Users\JESSIC~1\AppData\Local\Temp\SNAGHTML57ea6f.PNGSelect **Approve** |
| 1. Select the **Express picking journal** button to action the backorder  * The Backorder auto-release Infolog appears; detailing the picking journal purchase orders or Transfer orders created or message – **see Troubleshooting tasks** for how to resolve these issues. |
| 1. Depending on your warehouse number you need to process the Transfer orders differently  * **Non-A suffix warehouses**: team members to open and update details if necessary, then create Picking Journals from Transfer Orders manually * **A suffix warehouses**: Picking journals will be created automatically |
| 1. Purchase orders will be actioned by the following team members SOS numbers  * SOS 000 – 165 Gough CAT * SOS 170 Gough Analytical * SOS 200 – 269 GIS * SOS 300 – 399 Gough Palfinger * SOS 400 – 591 Transport – Gough TSL / Gough TWL * SOS 600 – 630 GMH |

1. Identify the need to backorder and find form

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| **Pre-requisite**  A sales order will be created using SOP PRT\_2.3\_Create and update a sales order, this process covers checking the sales order to see if a backorder is needed. |
| Before backordering from another branch, check the following:   * Is the delivery address correct? * Is the customer picking up from your branch? * Is the customer picking up from another branch? * Should the parts be delivered to a different address than shown?   If necessary, change the delivery address **before** you approve the backorder.  See **SOP PRT\_2.3\_Create and update a sales order** for details on how to change address |
| 1. Open sales order   **GGNZ > Sales and marketing > Common > All sales orders** |
| If you are processing a backorder for another business unit   1. Remove or select relevant **Order class** and select **OK** 2. C:\Users\JESSIC~1\AppData\Local\Temp\SNAGHTML1118e20.PNGSelect **Remove worker-warehouse filter** |
| 1. Filter to find sales order, double click to open |



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| 1. Compare the **Quantity** with the **Ship Qty field**   If the Ship Qty is less than the Quantity field a backorder may be needed to fulfil the sales order  If they are the same for all lines, select **Express Picking Journal,** then see SOP **PRT\_5.1\_Manage Picking Packing and Delivery Notes** |
| If you know that the part is coming from Transpecs and is a kit see **Task Backorder transfer Transpecs kits** |
| 1. Select **Backorder review** |

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| 1. Review the parts listed in backorder review screen, any parts listed here will need to have a transfer or a purchase order created, refer to appropriate task    1. Task 2Backorder transfers: source type will be warehouse    2. Task 3 Backorder transfer Transpecs: you know that the kit is coming from Transpecs    3. Task 4 Backorder PO: Source type will be vendor    4. Task 5Backorder PO (GMH): source type vendor , source will be 1008582    5. Task 6 Backordering/blocking PO… source type is vendor, check the source to see if parts can be purchased from them |
| 1. Make a note of the different warehouses that parts are being ordered from, this will be used to finalise the backorder |
| 1. If the parts are required and they are not appearing in the backorder screen See **Task** **Troubleshooting** |

1. Backorder transfers

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| 1. To source the item from a **different warehouse** than NAXT suggests;   Amend the **source**, select the branch you are getting the item(s) from  C:\Users\JESSIC~1\AppData\Local\Temp\SNAGHTML194cefa.PNG |
| 1. Select **Approve**, **Yes** |
| See SOP PRT\_1.1\_Identify parts and search availability to find the best source for the backorder parts |

1. Backorder transfer Transpecs kits

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| When any business unit is ordering phantom kits from Transpecs;   1. Change the Warehouse on the line to 10D;   cid:image001.png@01D34663.54C4DA10 |
| 1. Advise Transpecs customer services staff, they will complete the process. |

1. Backorder purchase orders

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| DO NOT approve backorders for SOS 000 – 170 (Gough CAT and Gough Analytical)  If your branch is not in charge of ordering from the vendor:  Notify the business unit who will order the parts for you let them know the following:   * Sales order number or Service Segment * Customer number * Part number * Quantity   Refer the other business unit to **Task Backordering parts and blocking purchase order creation for other parts** |
| Payment must be taken in advance for purchase orders for non stock lines (NSL) items for cash sale customers  See FAR\_2.12(SOP)Create and Manage a Banking journal |
| 1. Confirm that the **source** shows the vendor who should be supplying the parts, amend as necessary   Select **Approve, Yes** |
| 1. Continue with **Task Action a back order** |

1. Back order purchase orders (GMH)

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| For GMH staff ordering Hyster Parts (SOS 600) and who also wish to consolidate orders for the next day’s Hyster order run.  If the parts are not needed on the next days run follow Task **Backorder purchase orders** |
| 1. Confirm that the **source** is equal to 1008582 (Hyster)   Select the following options   * 1. **Disable PO creation** = Tick.   2. **MRP Consolidation code** = Select **GMHBO**.   3. Select **Approve, Yes** |
| 1. Continue with **Task Action a back order** |

1. Backordering parts and blocking purchase order creation for other parts

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| It is possible to order some parts and block others, this means:  Some parts can be ordered, and Purchase order creation can be blocked for other parts that will be ordered later. For example, order TWL / GIS / Palfinger parts and block purchase order creation for the CAT parts. |
| 1. Tick the **Disable PO creation** tick box for parts you (or another business unit) will order later   C:\Users\JESSIC~1\AppData\Local\Temp\SNAGHTMLf82c42.PNG |
| The **Disable PO creation** tick box will only stop Purchase orders from being created. It will not block Transfer orders from being created. |
| 1. Depending on the parts that are needing to be processed continue with the steps outlined in the other tasks;    1. Backorder transfers    2. Backorder transfer Transpecs kits    3. Backorder purchase orders    4. Backorder purchase orders (GMH) |
| 1. Continue with **Task Action a back order** |

1. Unblock purchase order creation

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| 1. Navigate and open   **GGNZ > Sales and marketing >All sales orders >Sales orders** |
| 1. Filter to find the sales order, double click to open |
| 1. Select **Backorder review** |
| 1. Untick the **Disable PO creation** to Unblock the parts |
| 1. Depending on the parts that are needing to be processed continue with the steps outlined in the other tasks;    1. Backorder transfers    2. Backorder transfer Transpecs kits    3. Backorder purchase orders    4. Backorder purchase orders (GMH) |

1. Action a backorder with TEPS

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| 1. If Part price group is populated with TEPS1 or TEPS 2   Select **TEPS Authentication**C:\Users\JESSIC~1\AppData\Local\Temp\SNAGHTML9a82a9.PNG |
| This will update the pricing in the sales order automatically to discounted prices for TEPS customers (Truck Engine Dealers) on qualifying CAT parts only  CAT issue credits to us each month to cover these discounts |
| 1. Select **Pick and pack > Express picking journal**   C:\Users\johi\AppData\Local\Temp\SNAGHTML38f759.PNG |
| 1. An Infolog will appear, see **Task Infologs** for how to manage the different actions. |

1. Action the backorder

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| Before selecting the **Express picking journal** button, you need to check if the Part price group populated with TEPS1 or TEPS2, and if the order contains CAT parts.  The TEPS indicator appears on the sales order header under part price group  See task **Action a backorder with TEPS** |
| 1. Select **Pick and pack > Express picking journal**   C:\Users\johi\AppData\Local\Temp\SNAGHTML38f759.PNG |
| 1. An Infolog will appear, see **Task Infologs** for how to manage the different actions. |

1. Infologs

#### Infolog: Backorder auto-release

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| 1. After Approving backorder (for parts on-hand, on transfer or to be purchased), and creating EPJ, an Infolog will appear detailing information about:  * Picking journals * Transfer orders * Purchase orders |
| 1. Select and process any picking journals that:  * were created for stock on-hand at your branch and * are displayed on the Backorder auto-release Infolog, * and you would normally process Picking Journals   See SOP **PRT\_5.1\_Manage Picking Packing and Delivery Notes** |
| For more information about messages in this Infolog see Troubleshooting task |

#### Infolog: Backorder auto-release transfer orders

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| 1. Parts from CAT warehouses will automatically have Picking journals created for transfer orders |
| 1. For non-CAT warehouses (non a-suffix warehouses), highlight the Transfer order line, on the infolog   Select **Show** |
| 1. Select **Remove WWF** if you need to see the transfer order, if you don’t have access to multiple warehouses. |
| 1. Select freight method from **Mode of delivery** |
| 1. Update the delivery tab if necessary    1. **Delivery terms** to **FOC,** if no freight is to be charged from the sending warehouse,this only applies to transfers out of 10D, 10C, 60D, and 15D    2. C:\Users\JESSIC~1\AppData\Local\Temp\SNAGHTML1c723fd.PNG**Ship instructions** should be **Direct ship transfer** |
| 1. Select **Picking journal**   C:\Users\JESSIC~1\AppData\Local\Temp\SNAGHTML4a0261.PNGThis creates a picking journal at the warehouse where the parts are stored. |
| 1. Repeat steps from Infolog Backorder auto-release transfer orders, as required. |

#### Infolog: Backorder auto release purchase orders

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| These steps only apply to parts with SOS 200 - 600  For Parts SOS 000 – 170 see **SOP PRT\_3.4.1\_Source Parts Through Backorder CAT** |
| 1. Select the **Purchase order** to highlight it, thenselect **Show** |
| To confirm the PO without printing.   1. Select **Purchase > Confirm**   C:\Users\JESSIC~1\AppData\Local\Temp\SNAGHTML9ffb61.PNG |
| To print   1. Select **Purchase > Confirmation**   The Confirm purchase order window appears  C:\Users\JESSIC~1\AppData\Local\Temp\SNAGHTMLa46615.PNG |
| 1. Tick **Print purchase order**   Select **OK**  C:\Users\JESSIC~1\AppData\Local\Temp\SNAGHTML87148.PNG |
| 1. Purchase order confirmation is created and confirmation prints to screen |
| 1. To email to the vendor save the PDF to your computer then attach it to an email    1. Hover your mouse at the bottom of the PDF    2. Select the **Save** icon,    3. Select the folder you want to save it in    4. Name it and Save it    5. Open your email nd attach the file,    6. Select an email receipient    7. Select send   C:\Users\JESSIC~1\AppData\Local\Temp\SNAGHTML1c83aa8.PNG |

1. Reports

#### Back order line report (Only shows lines not invoiced or cancelled):

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| This report is used to track backordered parts |
| 1. Navigate to;   **Sales and marketing > Reports > Transactions > Sales orders > Back order lines (Gough)**  Why use this report:   * Save time and avoid delays Immediately see which lines are ‘reserved on order’ before you approve any backorders * Avoid double orders See status of all undelivered lines and what POs / TOs / AJs / PJs they are linked to. * Tracking See sea or air waybill tracking information, MRP consolidation codes and FAC codes. |
| 1. Filters include:  * **Sales ID:** e.g. SO00615044 * **Customer number:** e.g. 3027216 * **Service segment ID**: e.g. SC064838-01 |
| This report shows any marked transfer orders or Purchase orders, picking journal, landed costs, arrival journal etc. |

#### Purchased parts tracking report

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| 1. Navigate to:   <http://chcaxdw1/Reports/Pages/Folder.aspx?ItemPath=%2fGough+NAXT+Reports>  **Product > PartTrackingReport** |
| 1. Apply filters as necessary:  * Purchase order * Sales Order * Item ID * Service Call Segment |
| You can confirm if the item is receipted or not by checking the **Product receipt** field and **Qty Confirmed**  The linked Sales order, Purchase order, Landed cost, and arrival journal can all be seen from this report  The Shipment ID field flows from the Landed cost document, ASN Landed cost field and if populated can show you the tracking information or vendor invoice number |

1. Troubleshooting

#### Parts do not appear on back order screen

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| There are several reasons why parts may not show in the backorder screen;   * the parts may have already been ordered by you * they may have been reserved against an incoming TO or PO * the backorder process may not be set up correctly for the part, or may not be set up at all for the branch,   Contact the purchasing department if you need help working out why the parts are not appearing on backorder screen |
| 1. Review at **Back order lines (Gough)** Report in NAXT   See **Task** **Reports** for more information |
| If the parts have not already been ordered by you (and are unmarked),   1. Remove the reservation from the sales order line fast tab    1. Selecting the part to highlight it    2. Select **Inventory > Reservation**   C:\Users\JESSIC~1\AppData\Local\Temp\SNAGHTML216e4c.PNG |
| Removing reservations on lines with Transfer orders and purchase orders, if the parts have been backordered on the sales order causes more parts to be ordered than are needed.  This increases unwanted inventory and incurs unwanted extra freight costs! |
| If the parts have been ordered by an incoming TO or PO   1. Remove **Reservation** quantity against your warehouse,   This enables the part to be ordered via backorder  C:\Users\JESSIC~1\AppData\Local\Temp\SNAGHTML22a064.PNG |
| Parts may not have been set up to appear on backorder screen |
| 1. Navigate and open   **GGNZ > Inventory and warehouse management > Periodic > Transfer orders** |
| 1. Select **New** |
| 1. Update the following details    1. Adjust the **from** and **to** warehouse    2. Select **Mode of delivery**    3. Select **Add**    4. Enter **item number**    5. Enter transfer quantity |
| 1. Exit transfer order,   Select **Close** |
| 1. Open sales order   **GGNZ > Sales and marketing > Common > Sales orders > All sales orders** |
| 1. Select **Inventory > Marking** |
| 1. Find the Transfer and tick **Set mark now**   C:\Users\JESSIC~1\AppData\Local\Temp\SNAGHTMLa8ed6d.PNGSelect **OK** |
| 1. Repeat process of marking every line of the transfer order |
| 1. Navigate and open   **GGNZ > Inventory and warehouse management > Periodic > Transfer orders** |
| 1. Create a picking journal    1. Filter to find transfer order, select it to highlight it    2. Select **Picking journal** |
| The picking journal Infolog appears   1. Select **Close** |

#### The backorder review has to be approved…

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| If you see this Infolog, you must go back and Approve the backorder  (Task 7). Make sure the correct setup is there before approving. |

#### Credit limit check failed

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| If you see this Infolog, email [credit.controllers@ggh.co.nz](mailto:credit.controllers@ggh.co.nz) with your sales order number, and close your sales order  If it is urgent ring them, they will either approve or decline the sales order |

#### Item x is on hold on site. Update has been cancelled.

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| If you see this Infolog after pressing Express picking journal it means the part is no longer able to be ordered from the vendor.  None of the other items you are trying to backorder will be processed until you resolve this issue. |
| 1. Check if you have typed the correct part number |
| 1. Check to see if an alternate part is available can be ordered   Open Item availability (from sales order line, select **Inventory**, select **item availability**)  Review the item status. C:\Users\JESSIC~1\AppData\Local\Temp\SNAGHTMLab6bef.PNG |
| 1. If an alternative part cannot be found, remove the part from your sales order lines.   If the vendor is able to supply the item, **contact masterfile maintainer** who will confirm if the part can be ordered or not. |

#### TEPS warning - customer is a TEPS dealer and TEPS interface has not been run

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| Special pricing is available for TEPS customers for certain qualifying CAT parts e.g. filters  You will see this TEPS Warning if you are backordering for a customer with a TEPS Part price group, and the TEPS authentication has not been actioned.  If you select **Yes** on the TEPS warning, there is a danger that you will invoice the customer with the wrong prices and rework will be required to fix this   1. Select **No** |
| Update TEPS pricing from your sales order   1. Select **TEPS Authentication**   Then approve your backorder  Select **Express picking journal**  C:\Users\JESSIC~1\AppData\Local\Temp\SNAGHTML959c40a.PNG |
| 1. The picking journals / Transfer orders / Purchase orders will be created |
| 1. An Infolog will display, select **Close** |

1. Hazardous/dangerous goods

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| Depending on the type of material it is, it may not be able to be trucked through tunnels and may not be able to be flown e.g. batteries, aerosol cans  This will appear on the **Packing slip** to enable sender to identify dangerous goods and act accordingly |
| 1. Select **Foreign trade** fast tab to see the **Dangerous goods** tick box on the released product   C:\Users\JESSIC~1\AppData\Local\Temp\SNAGHTML7d9011.PNG |
| Dangerous goods indicator appears on the packing slip  C:\Users\JESSIC~1\AppData\Local\Temp\SNAGHTMLa4bcbc.PNG |
| **For CAT parts**   1. To see the Hazardous indicator on the release product, navigate to **Parts fast tab > Replacement group > Hazardous material**   C:\Users\JESSIC~1\AppData\Local\Temp\SNAGHTML97d602a.PNG |
| Any number above zero is hazardous. |
| 1. Select **Product > Attachments** to add or open a PDF for the item   C:\Users\JESSIC~1\AppData\Local\Temp\SNAGHTML8c170b.PNG |
| 1. A pdf displays, this can be saved, printed, or emailed. |