

DROP SHIPMENT

Drop Shipment is a process where the customer places a purchase order on a company and this company instructs its supplier to directly ship the items to the customer

Functional setups

1. Create Item

- Navigate to Inventory -> Items -> Master Items
- Select organization
V1 (Vision Operations)
- Enter Item Name and Description
Item: DS 90
Description: Drop Ship test item
- Go to Tools -> Copy From
- Apply the 'Purchased Item' template
- Go to the Order Management tab and confirm the following is enabled
Customer ordered
Customer Orders Enabled
- Change to the Purchasing tab and assign a purchase price and the Default Buyer (Optional)
- Save the record
- Go to Tools -> Organization Assignment
Check M1
- Save the record

Add Item to Price List

2. Assign a sales price to the item

- Navigate to Oracle Pricing Manager responsibility -> Price List-> Price List Setup.
- Query up 'Corporate' Confirm it is active.

Click on add items to price list.

Give price list --- corporate
Items -- give our item number
Enter item status
Category set
Item category
Click on submit.

3. Verify profile options

- Change to System Administrator Responsibility
- Navigate to Profile -> System. Query up profile called OM: Population of Buyer Code for Dropship Lines
- Set the profile value as follows:
Set value to Null to have system retrieve the buyer information from the master item
Set the value to Order Creator to let the system retrieve the buyer information from the employee id creating the sales order.
Note that the sales people need to be defined as buyers in PO

PO Buyer

4. Setup PO Buyer

- Using System Administrator Responsibility, navigate to Security -> User -> Define
- Query up the user name and make sure it has an employee name
- Change to Order Management Super User, Vision Operations (USA),
Navigate to Purchasing-> Setup -> Personnel -> Buyers
- Click New Buyer button (if buyer is not yet setup)
- Enter the employee information

Flow Steps

Login

User: OPERATIONS/WELCOME

Responsibility: Order Management Super User, Vision Operations (USA)

Create Order

1. Create and Book a sales order

- Navigate to Orders, Returns -> Sales Orders

- Enter the following information

In header select requisition type

Customer Number: 1006

Order type: Order Only (Mixed can also be used)

Price List: Corporate

Leave all other fields with default values

Go to the lines and enter the item

Item: DS 90

Quantity: 2

UOM: Default value

Source Type: External

Receiving Organization: M1

Save the order and take note of the order number

- Verify the line status and WF status

Go to the order line, Check the field Status. It may still be in Booked

While still on the line, click on Tools -> Workflow Status in the toolbar

The WF status may be at Purchase Release - Deferred status (unless the WF Background process already run)

2. Run the Workflow Background Process concurrent program to progress the order line (if this is not scheduled)

Navigate to Reports, Requests -> Run Requests

Select Single Request and then select "'Workflow Background Process'"

Enter Item Type= OM Order Line

Process Deferred=Yes

Process Timeout=No

Click on Submit

- Go to View -> Requests and verify that the concurrent has completed successfully

Confirm the order line progressed

- Navigate to Orders, Returns -> Sales Orders and query up the sales order

- Change to Lines tab and verify the Line status is at Awaiting receipt

- Verify the line status and WF status

While still on the line, click on Tools -> Workflow Status in the menu bar

The WF status should be at Ship - notified status

3. (optional) Make changes to the item quantity

- In the sales order, change to Lines tab and change quantity from 2 to 3 and save the form
- At this point the changes should have propagated to the data in the PO interface table. Run the following query to confirm it:

```
select interface_source_code, interface_source_line_id
, quantity, Destination_type_code, transaction_id
, process_flag, request_id, trunc(creation_date)
from po_requisitions_interface_all
where interface_source_code = 'ORDER ENTRY'
and interface_source_line_id in (
select drop_ship_source_id
from OE_DROP_SHIP_SOURCES
where header_id = &order_hdr_id
and line_id = &order_line_id);
```

PO Requisition Import

4. Run PO Requisition Import concurrent request

- Go to Purchasing -> Reports -> Run
- Select requisition Import from the LOV
- Enter the following parameter values and leave the rest as default
Import Source : ORDER ENTRY
Initiate Approval after ReqImport : Yes
- Submit the concurrent request
- This option is also available under "'Order Management Super User, Vision Operations (USA)'" , via Orders>Returns -> Requisition Import.
- Go to View -> Requests and verify the presence of Parent and Child requests (Requisition Import and Create Releases),
and that they have completed successfully.
- View the output of the Requisition Import by clicking on the View Output button.
There should be an indication on successful import and creation of the requisition

5. Identify the PO requisition number

- In the sales order form
Go to the Lines tab

Click on Actions button
Choose Additional Line information
Change to Drop Ship tab
Take note of the Number field. This is the PO requisition number

6. View the PO requisition information

- Navigate Purchasing -> Requisitions -> Requisition summary
- Query the requisition by using the requisition number or using the following criteria
Type: Purchase
Import source : ORDER ENTRY
Under Related Documents tab, enter Sales Order number
- Click on the Find button

7. (optional) Change Order quantity in the sales order form to test changes propagation

In the sales order form
Query up the Drop Ship order
Change to lines tab
Replace the quantity value from 3 to 4
Save the form

- Verify the quantity changes propagated to the PO requisition
Navigate Purchasing -> Requisitions -> Requisition summary
Query the requisition by using the requisition number
In the Requisition Header Summary, click on Lines button and check the line quantity

Auto Create PO

9. Autocreate the PO based on the requisition

- Navigate to Purchasing -> Auto create
Requisition: 5698
Click on Find button
Select the requisition line
Action: Create
Document type: Standard PO
Click on Automatic button

- In the New document Window
Choose a supplier from the LOV
Select a Supplier Site from the LOV

click on Create button

- This will automatically open the Purchase Order form

10. (optional) Change Order quantity in the sales order form to test changes propagation

- In the sales order form

Query up the Drop Ship order

Change to lines tab

Replace the quantity value from 4 to 5

Save the form

- Verify the quantity changes propagated to the Purchase Order

Navigate Purchasing -> Purchase Orders -> Purchase Orders Summary

Query the PO by using the PO number

Verify the line quantity has changed to 5

Approve Purchase Order

11. Approve the Purchase Order

- In the Purchase Order form, click on approve button

- If the user has approver privileges (Operation user does) check Submit for approval

- Click Ok

- Confirm the PO was approved. After approving the PO, the user should still be on the PO.

Check the status at header level

Receiving

12. Receive items

- Navigate to Purchasing -> Receiving -> Receipts

- In the Find expected Receipts enter

Source Type: Supplier

Purchase Order: Enter the PO number

- Click on Find

- Change to the Receipts form and do this

Select the line to be received

Leave quantity by default: 30

Sub inventory: FGI (or the destination sub inventory)

Routing will default to Direct Delivery

- Save the form
- Change to Receipts Header form and take note of the receipt number
- Because it was a Direct receipt and the receiving processor was running (the user may need to wait for a few minutes), the receiving transaction should be completed.

it will launch Payables Open Interface Import,
and Pay On Receipt AutoInvoice automatically ...
it will create AP invoice also automatically..

Note that with the Drop Ship flow, the inventory is not retained that was received in the previous step.

This is because the item is actually shipped directly from the supplier to the customer. To achieve this, there is actually a Sales order issue that gets created automatically when the PO is received.

Note : The user may need to launch the material transaction processor from Inventory -> Setup -> Transactions -> Interface Managers (if not scheduled) to process the Sales order issue transaction from the transactions interface table.

The following is a screenshot from Inventory -> Transactions -> Material Transactions showing the inventory transactions related to this test case.

13. Confirm the order line progressed

- Navigate to Orders, Returns -> Sales Orders and query up the sales order
Change to Lines tab and verify the Line status is at Shipped status (if the WF Background has not yet run)

- Verify the line status and WF status. Click on Tools -> Workflow Status in the menubar
The WF status should be at Fulfill Deferred activity (if the WF Background has not yet run)

Close Order

14. Run the Workflow Background Process concurrent program to progress the order line (if this is not scheduled)

Navigate to Reports, Requests -> Run Requests
Select Single Request and then select "'Workflow Background Process''

Enter Item Type= OM Order Line
Process Deferred=Yes
Process Timeout=No
Click on Submit

Go to View -> Requests and verify that the concurrent has completed successfully

15. Confirm the order line progressed

- Navigate to Orders, Returns -> Sales Orders and query up the sales order
Change to Lines tab and verify the Line status is closed

- Verify the line status and WF status. Click on Tools -> Workflow Status in the menubar
The WF is completed and line was invoiced

16. The Auto invoice Import concurrent program should be automatically launched. Upon its completion confirm the invoice was created.

- Navigate to Orders, Returns -> Sales Orders and query up the sales order.
Change to Lines tab
Click in Action button
Choose Additional Line information option
Change to Invoices/Credit memos tab
Take note of the invoice number and amount

- This completes the steps for the Drop Ship order test flow.

```
select
    h.order_number,l.line_number SO_Line_number, ph.segment1
    PO_Number,pl.line_num PO_Line_Number,
    ph.authorization_status,ph.closed_date,ph.closed_code,
    prh.interface_source_code,
    prh.segment1 Requisition_number, prl.line_num Requisition_line_number
from
    OE_DROP_SHIP_SOURCES ods,
    oe_order_headers_all h,
    oe_order_lines_all l,
    po_line_locations_all pll,
    po_lines_all pl,
    po_headers_all ph,
    po_requisition_headers_all prh,
```



```
po_requisition_lines_all prl
where
  h.header_id = l.header_id
  and h.header_id = ods.header_id
  and ods.line_location_id = pll.line_location_id
  and ods.po_header_id = ph.po_header_id
  and ods.po_line_id = pl.po_line_id
  and ph.po_header_id = pl.po_header_id
  and prh.requisition_header_id = ods.requisition_header_id
  and prl.requisition_line_id = ods.requisition_line_id
  and prh.requisition_header_id = prl.requisition_header_id
  and h.order_number = &sales_order_number
```

Difference between Drop Shipments and Back to back order

Drop Shipments is similar to this back-to-back process in that your sales order line creates a requisition line that becomes a PO sent to your supplier. In a drop shipment; however, you instruct your supplier to send the item or configured item directly to your customer. The items never physically pass through your warehouse, and therefore you do not pick, pack or ship them yourselves. In the back-to-back scenario, you instruct your supplier to send you the goods, and then you ship them on to your customer.

QUESTIONS:

1. Link b/w PO and OM?
2. Explain drop shipment flow?

MODULE RELATED QUERIES?

1. Explain TCA architecture?
2. 11i vs r12 differences?
- 3.
4. Tell me pa module tables minimum 10?
5. What are important inventory tables?
6. Cycle counting vs physical inventory?
7. Sub inventory transfer vs move order transfer?
8. What is auto invoice and auto accounting?