CHAPTER 5: REQUISITION MANAGEMENT

Objectives

The objectives are:

- Explain requisition management setup, including requisition worksheet templates and planning parameters.
- Explain reorder policy concepts, principles, and characteristics.
- Describe the requisition worksheet and demonstrate how to calculate a plan and process suggested orders.
- Describe additional worksheet features including drop shipment lines, planning worksheet lines, and manually created lines.

Introduction

The primary functions of purchasing include procuring materials and supplies in optimal quantities and scheduling a timely receipt into inventory. These activities contribute to a company's smooth operation, timely fulfillment of sales orders, and results in cost efficiencies, especially in inventory control.

In Microsoft Dynamics® NAV, the Requisition Management functionality helps automate the procurement process and enables the purchasing agent to perform basic purchasing activities efficiently and confidently.

The requisition worksheet, which is the central processing tool, offers the following features:

- Calculates a current and detailed purchase order proposal plan.
- Creates actual purchase orders from order proposal lines.
- Manages stockkeeping units that are replenished by transfer and creates the corresponding transfer orders.
- Manages designated purchase order lines from other areas of the application automatically.
- Manages manually created purchase order proposal lines.
- Controls the flow of relevant information between concerned departments.
- Provides a practical overview of the individual processes involved.

The planning functionality found in the requisition worksheet is the same as that found in the planning worksheet in the manufacturing application area. The difference is that the requisition worksheet plans for items that are replenished by purchase and transfer, while the planning worksheet plans for items that are manufactured, purchased, and transferred.

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5-1

Requisition Management Setup

Successful use of the Requisition Management functionality requires setup in the following areas:

- The requisition worksheet template.
- The planning parameter fields on items and stockkeeping units.

Requisition Management Templates

To set up a requisition worksheet, you must first create a related template. Follow these steps to open the templates:

1. On the navigation pane, click **Purchase**.
2. On the **Purchase** page, click **Administration** and then click **Req. Worksheet Templates**.

A worksheet template is already set up in CRONUS International Ltd. for requisitions to manage items that are purchased and transferred.

Immediately after you have set up a requisition worksheet template, you can create different worksheets. For example, this can be a worksheet of a particular purchasing agent or a worksheet that manages specific items.

When you open a requisition worksheet, it is empty. To open a requisition worksheet, on the **Purchase** page, click **Planning** and then click **Requisition Worksheets**.

Planning Parameters

Planning parameters refer to a group of fields on the **Replenishment** and **Planning** FastTabs of the item and stockkeeping unit cards.

Planning parameters are set up to reflect the optimal inventory levels a company wants to maintain with regard to market-preparedness, warehouse efficiency, and costs. Therefore, the parameters consider various market factors, such as:

- Replenishment lead time
- Seasonal demand
- Pricing discounts for quantity
- Freight weights
- Delivery schedules

The planning parameters also consider a company's internal policy regarding inventory management and control.

From a technical aspect, the planning parameters control the replenishment calculation. Their primary functions are described in the following table.

Function	Description
Setting the Time Bucket	The period of time defined by the **Reorder Cycle** field determines which requirements and existing replenishment orders participate in the availability calculation and which replenishment orders can potentially be used to fill additional requirements. This, in turn, determines which action message is issued.
Setting the Inventory Level	The inventory level, as defined by the **Reorder Point** and **Safety Stock Quantity** fields, determines when to replenish the item. When projected availability falls below the inventory level, the program recognizes the need for replenishment.
Determining the Order Quantity	The program calculates order quantities to cover all gross requirements. This includes demand from forecast, sales orders, and also replenishment of the inventory level. At a minimum, order quantity is sufficient to replenish the inventory level. If there are additional requirements, the program uses the value in the **Reordering Policy** field and the related fields to calculate order quantity. The order modifier fields adjust the final quantity afterward.

Demonstration: Set Up Planning Parameters

The "Supply Planning in Version 5.0 SP1" Technical White Paper contains an in-depth description of the role of the planning parameters for the planning calculations. The main fields are described briefly here. However, refer to the online Help for additional guidelines on effectively setting the parameters.

Scenario: Eduardo, the production planner at CRONUS, is responsible for maintaining the planning parameters for all items.

Susan, the order processor, reviews the planning parameters that Eduardo set up for item 1924-W. The planning parameters contain detailed information about replenishment and planning for the specific item.

Follow these steps to review the replenishment and planning parameters for item 1924-W:

1. On the **Purchase** page, click **Inventory & Costing** and then click **Items**.
2. Open the item card for item 1924-W.
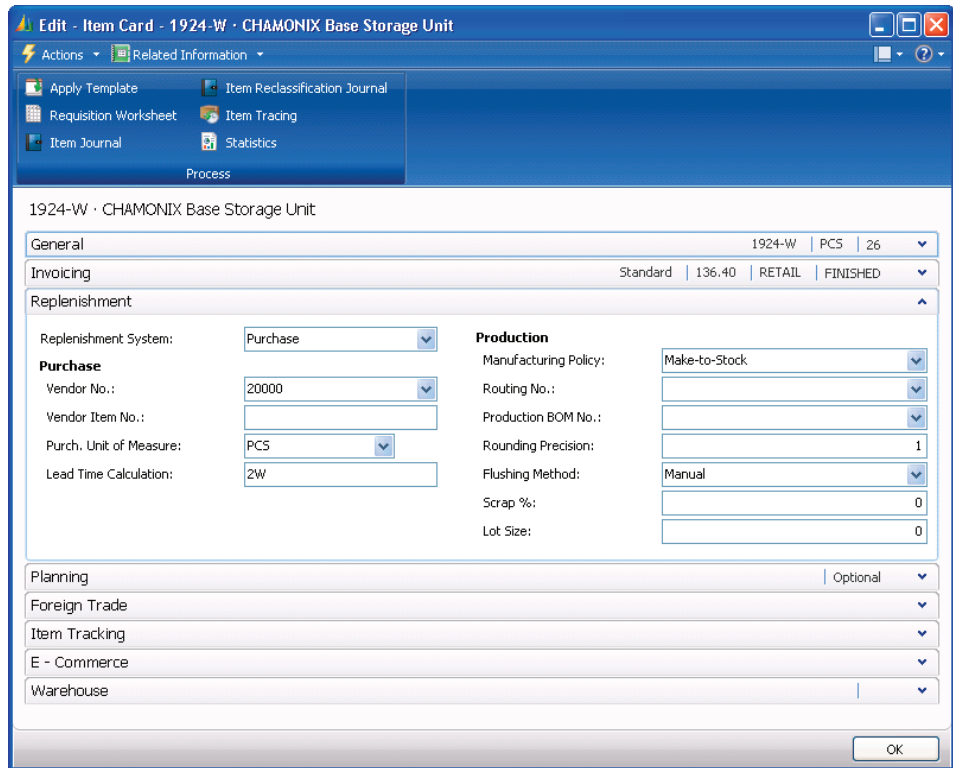3. Expand the **Replenishment** FastTab.

FIGURE 5.1 REPLENISHMENT PARAMETERS FOR ITEM 1924-W

The following table describes the replenishment parameters.

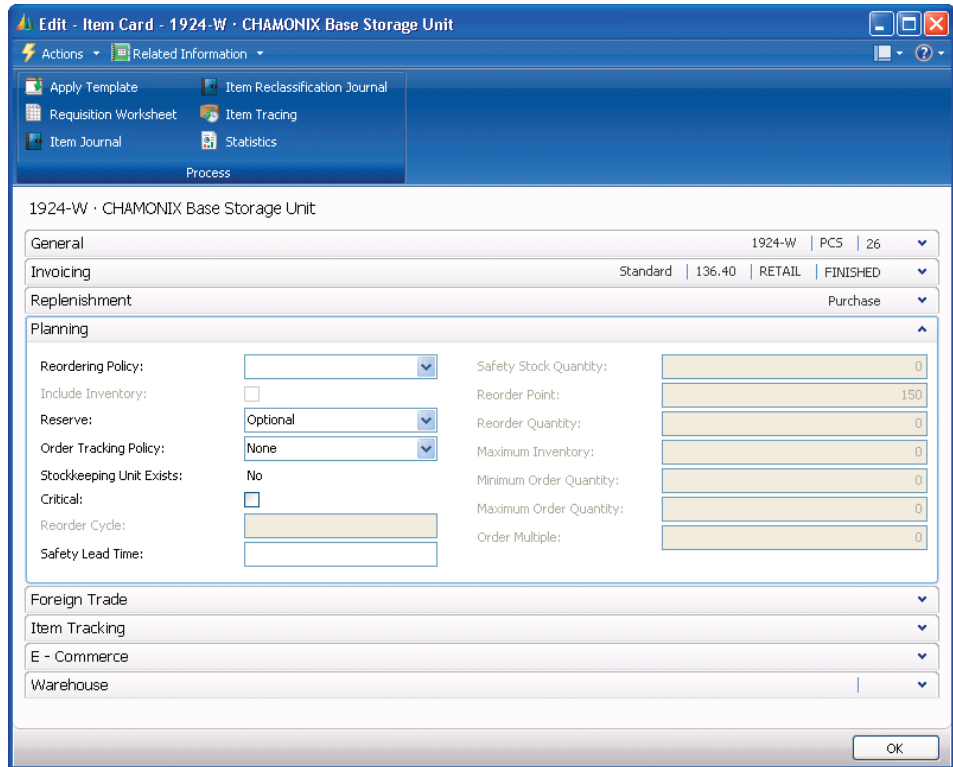| Field	Description
Replenishment System	This field indicates how the item is replenished and the type of order or order proposal the program creates. The options are Purchase or Production.
Lead Time Calculation	The time that it takes to replenish the item. This field calculates the date fields on order and order proposal lines. On the purchase order line, the Order Date + Lead Time Calculation = Planned Receipt Date. This field is also used in determining whether the program requires an emergency or exception order.

4. Expand the **Planning** FastTab.

FIGURE 5.2 PLANNING PARAMETERS FOR ITEM 1924-W

The following table describes the planning parameters.

Field	Description
Reordering Policy	Calculates replenishment order quantity. The options are: • Blank - The user can plan for the item manually. • Fixed Reorder Qty. - The quantity in the **Reorder Quantity** field is the standard lot size. • Maximum Qty. - The quantity in the **Maximum Inventory** field calculates the order quantity. • Order - The program generates an order for each requirement and does not use the Reorder Cycle. • Lot-for-Lot - The program creates an order proposal with a quantity meeting the sum of the requirements due within the Reorder Cycle. For more information about how the Requisition Worksheet uses these fields to calculate replenishment, refer to the "Manage Reordering Policies" lesson.

Field	Description
Reorder Cycle	The planning time bucket for the item. Requirements that are due within the reorder cycle are grouped together. A replenishment order due within the reorder cycle may be rescheduled to fulfill a requirement.
Safety Lead Time	A buffer period that protects against delays in the purchase replenishment lead time. When calculating order and order proposal lines, the program adds the safety lead time to the lead time. On the purchase order line, the Planned Receipt Date + Safety Lead Time + Inbound Warehouse Handling Time = Expected Receipt Date.
Safety Stock Quantity	A quantity of stock wanted in inventory to protect against fluctuations in demand and supply during the item's replenishment lead time. When the projected inventory falls below the safety stock quantity, the program creates an order proposal that, at a minimum, replenishes the safety stock quantity.
Reorder Point	A quantity that sets the inventory level below where you replenish the item. When the projected inventory falls below the reorder point, the program recognizes the need to replenish the item and creates an order proposal that, at a minimum, replenishes to the reorder point.
Reorder Quantity	This standard quantity is used for all order proposals. This field is used with the Fixed Reorder Quantity reordering policy.
Maximum Inventory	This quantity is used as a maximum inventory level. The program calculates order quantity as the maximum inventory minus the safety stock. This field is used with the Maximum Quantity reordering policy.
Minimum Order Quantity	Immediately after the order quantity calculates, you can modify it by a minimum allowed quantity for an order.
Maximum Order Quantity	Immediately after the order quantity calculates, you can modify it by a maximum allowed quantity for an order.
Order Multiple	Immediately after the order quantity calculates, you can modify it by an order multiple.

Manage Reordering Policies

For an item to participate in supply planning, a user must define a reorder policy for it. The following four reordering policies exist:

- Fixed Reorder Qty.
- Maximum Qty.
- Order
- Lot-for-Lot

To provide visibility into the involved planning logic, strict rules apply concerning the following:

- Role of the reorder point.
- Monitoring the projected inventory level and the reorder point.
- Role of the reorder cycle.
- Managing negative inventory.

In this lesson, the characteristics of each reordering policy are described after descriptions of the above central related concepts and principles.

Role of the Reorder Point

In addition to the general balancing of supply and demand, the planning system must also monitor inventory levels for the affected items to respect the defined reordering policies.

A reorder point represents demand during lead time. When the projected inventory passes below the inventory level defined by the reorder point, it is time to order more quantity. Meanwhile, the inventory is expected to decrease gradually and possibly reach zero (or the safety stock level), until the replenishment arrives.

Accordingly, the planning system suggests a forward-scheduled supply order at the point when the projected inventory passes below the reorder point.

The reorder point reflects a certain inventory level. However, inventory levels can move significantly during the reorder cycle and, therefore, the planning system must constantly monitor the projected available inventory.

Monitor Projected Inventory Levels

Inventory is a type of supply, but for inventory planning, the planning system distinguishes between two inventory levels:

- Projected inventory
- Projected available inventory

Projected Inventory

Initially, projected inventory is the quantity of gross inventory, including supply and demand in the past even if not posted, when starting the planning process. In the future, this becomes a moving projected inventory level that is maintained by gross quantities from future supply and demand because those are introduced along the time line (whether reserved or in other ways allocated).

The projected inventory is used by the planning system to monitor the reorder point and to determine the reorder quantity when using the Maximum Qty. reordering policy.

Projected Available Inventory

The projected available inventory is the part of the projected inventory that at a given point in time is available to fulfill demand. The projected available inventory is used by the planning engine when monitoring the safety stock level.

The projected available inventory is used by the planning system to monitor the safety stock level, since the safety stock must always be available to serve unexpected demand.

Time Buckets

Having a tight control of the projected inventory is crucial to detect when the reorder point is crossed and to calculate the right order quantity when using the Maximum Qty. reordering policy.

The projected inventory level calculates at the start of the planning period. It is a gross level that does not consider reservations and similar allocations. To monitor this inventory level during the planning sequence, the system monitors the aggregated changes over a period of time, a time bucket. The time bucket is defined by the reorder cycle of the item. The system ensures that the time bucket is at least one day because it is the most precise unit of time for a demand or supply event.

Determine the Projected Inventory Level

The following sequence describes how the projected inventory level is determined:

1. When a supply event, such as a purchase order, is fully planned, it increases the projected inventory on its due date.
2. When a demand event is fully satisfied, it does not decrease the projected inventory right away. Instead, it posts a decrease reminder, which is an internal record that holds the date and quantity of the contribution to the projected inventory.

3. When a subsequent supply event is planned and placed on the time line, the posted decrease reminders are investigated one-by-one until the planned date of the supply while updating the projected inventory. During this process, the reorder point level of the internal increase reminder may be passed.

4. If a new supply order is introduced, the system checks if it was entered before the current supply. If it was, the new supply becomes current supply and the balancing procedure starts over.

Role of the Reorder Cycle

The purpose of the reorder cycle is to collect demand events within the time window to make a joint supply order.

For reordering policies that use a reorder point, the reorder cycle concept is expanded slightly to include a time bucket principle. This ensures that demand within the same reorder cycle is accumulated before checking the impact on the projected inventory and whether the reorder point has been passed. If the reorder point is passed, a new supply order is scheduled forward from the end of the period defined by the reorder cycle. The reorder cycle buckets begin on the planning starting date.

The time-bucketed concept reflects the manual process of checking the inventory level on a frequent basis rather than for each transaction. The user needs to define the frequency (the reorder cycle). For example, the user gathers all item needs from one vendor to place a weekly order.

The reorder cycle is generally used to avoid a cascade effect. For example, a balanced row of demand and supply where an early demand is canceled, or a new one is created. The result is that every supply order (except the last one) is rescheduled.

Manage Projected Negative Inventory

The reorder point expresses the anticipated demand during the lead time of the item. When the reorder point is passed, it is time to order more. But the projected inventory must be large enough to cover the demand until the new order is received. Meanwhile, the safety stock should take care of fluctuations in demand up to a targeted service level.

Consequently, the planning system considers it an emergency if a future demand cannot be served from the projected inventory, or expressed in another way, that the projected inventory goes negative. The system deals with such an exception by suggesting a new supply order to meet the part of the demand that cannot be met by inventory or other supply. The order size of the new supply order does not take the maximum inventory or the reorder quantity into consideration, nor does it take into consideration the order modifiers Maximum Order Quantity, Minimum Order Quantity, and Order Multiple. Instead, it reflects the exact deficiency.

Reordering Policy: Fixed Reorder Qty.

The Fixed Reorder Qty. policy is related to inventory planning of typical C-items (low inventory cost, low risk of obsolescence, and/or many items). This policy is usually used in connection with a reorder point reflecting the anticipated demand during the lead time of the item.

Calculated by Time Bucket

If the planning system detects that the reorder point has been passed in a given time bucket (reorder cycle) - above or at the reorder point at the start of the period, and below at the end - it suggests to create a new supply order of the specified reorder quantity and forward schedule it from the first date after the end of the time bucket.

The bucketed reorder point concept reduces the number of supply suggestions. This reflects a manual process of frequently walking through the warehouse to check the actual contents in the various bins.

Creates Necessary Supply Only

Before suggesting a new supply order to meet a reorder point, the planning system checks if supply has already been ordered to be received within the item's lead time. If an existing supply order solves the problem by bringing the projected inventory to or above the reorder point within the lead time, the system does not suggest a new supply order.

Supply orders that are created specifically to meet a reorder point are excluded from ordinary supply balancing, and will not change afterwards. Consequently, if an item using a reorder point is to be phased out (not replenished), it is advisable to review outstanding supply orders manually or change the reordering policy to Lot-for-Lot, whereby the system reduces or cancels superfluous supply.

Combines with Order Modifiers

The order modifiers - Minimum Order Quantity, Maximum Order Quantity, and Order Multiple - are less important when the Fixed Reorder Qty. policy is used. However, the planning system takes these modifiers into account and decreases the quantity to the specified maximum order quantity (and creates two or more supplies to reach the total order quantity), increases the order to the specified minimum order quantity, or rounds the order quantity up to meet a specified order multiple.

Unnecessary with Forecasts

Because the anticipated demand is already expressed in the reorder point level it is not necessary to include a forecast in the planning of an item using a reorder point. If it is relevant to base the plan on a forecast, use the Lot-for-Lot policy.

Not Used with Reservations

If the user reserves a quantity, for instance a quantity in inventory, for some distant demand, the planning foundation is disturbed. Even if the projected inventory level is acceptable in relation to the reorder point, the quantities might not be available. The system may try to compensate for that by creating exception orders; however, it is recommended that users set the **Reserve** field to Never on items that are planned using a reorder point.

Reordering Policy: Maximum Qty.

The Maximum Qty. policy is a way to maintain inventory using a reorder point.

Everything regarding the Fixed Reorder Qty. policy also applies to this policy. The only difference is the quantity of the suggested supply. When using the Maximum Qty. policy, the reorder quantity is defined dynamically based on the projected inventory level and usually differs from order to order.

Calculated by Time Bucket

The reorder quantity is determined at the point of time (the end of a time bucket) when the planning system detects that the reorder point has been crossed. At this time, the system measures the gap from the current projected inventory level up to the specified maximum inventory. This constitutes the quantity to be reordered. The system then checks if supply has already been ordered elsewhere to be received within the lead time and, if so, reduces the quantity of the new supply order by already ordered quantities.

The system ensures that the projected inventory at least reaches the reorder point level - in case the user has forgotten to specify a maximum inventory quantity.

Combines with Order Modifiers

Depending on the setup, it may be best to combine the Maximum Qty. policy with order modifiers to ensure a minimum order quantity or round it to an integer number of purchase units of measure, or split it into more lots as defined by the maximum order quantity.

Reordering Policy: Order

In a make-to-order environment, an item is purchased or produced to exclusively cover a specific demand. Typically it relates to A-items, and the motivation for choosing the Order reordering policy can be that the demand is infrequent, the lead-time is insignificant, or the required attributes vary.

The program creates an order-to-order link, which acts as a preliminary connection between the supply, a supply order or inventory, and the demand that it will fulfill.

Order-to-Order Links and Past Due Dates

Unlike most supply-demand sets, linked orders with due dates before the planning starting date are fully planned for by the system. The business reason for this exception is that specific demand-supply sets must be synchronized through to execution.

For more information about the frozen zone that applies to most demand-supply types, refer to the "Dealing with Dates before the Planning Starting Date" topic in the "Supply Planning in Version 5.0 SP1" Technical White Paper.

Reordering Policy: Lot-for-Lot

The Lot-for-Lot policy is the most flexible because the system only reacts on actual demand, plus it acts on anticipated demand from forecast and blanket orders and then settles the order quantity based on the demand. The Lot-for-Lot policy is aimed at A- and B-items where inventory can be accepted but is avoided.

In some ways, the Lot-for-Lot policy looks like the Order policy, but it has a generic approach to items; it can accept quantities in inventory, and it bundles demand and corresponding supply in time buckets defined by the user.

The time bucket is defined by the reorder cycle. The system works with a minimum time bucket of one day, because this is the smallest time unit of measure on demand and supply events in the system (although, in practice, the time unit of measure on production orders and component needs can be seconds).

The reorder cycle also sets limits on when an existing supply order is rescheduled to meet a given demand. If the supply lies within the reorder cycle, it is rescheduled in or out to meet the demand. Otherwise, if it lies earlier, it causes an unnecessary build-up of inventory and must be canceled. If it lies later, a new supply order is created instead.

With this policy, it is also possible to define a safety stock to compensate for possible fluctuations in supply, or to meet sudden demand.

Because the supply order quantity is based on the actual demand it can make sense to use the order modifiers: round the order quantity up to meet a specified order multiple (or purchase unit of measure), increase the order to a specified minimum order quantity, or decrease the quantity to the specified maximum quantity (and thus create two or more supplies to reach the total needed quantity).

For more information about these planning parameters, refer to the "Appendix A: Planning Parameters" topic in the "Supply Planning in Version 5.0 SP1" Technical White Paper.

Requisition Worksheet

The requisition worksheet can greatly ease the purchasing agent's job by calculating a plan that states which items to order, what quantities to order, and when to order. The worksheet features two main batch jobs:

- One that calculates the plan.
- One that creates orders based on the plan.

Calculate Plan Batch Job

The Calculate Plan - Req. Wksh. batch job calculates a requisition plan for items or stockkeeping units set up for replenishment by purchase and transfer order.

Item Availability

An analysis of what must be ordered starts with an investigation of projected item availability. This is a fairly straightforward task that involves summarizing the whole demand and supply situation for an item at any time within a defined period. This calculates by using the following equation:

Projected Available Balance = Inventory + Scheduled Receipts + Planned Receipts - Gross Requirement

The result of the availability calculation, if negative, states a net requirement. This represents the item quantities that must be replenished to fulfill outstanding demand.

Replenishment Proposal

The batch job calculates the most efficient way to replenish the item and create a requisition worksheet line. This is a purchase or transfer order proposal accompanied by a corresponding action message. The action message suggests how to replenish, while the order line provides the details:

- Which item
- What quantity
- Relevant dates

The order proposal lines are based on the accumulated data existing at the time. The proposed plan is considered a starting point from which the purchasing agent can review and make necessary adjustments according to personal knowledge, experience, and the expediency of the moment.

Action Messages

The program uses five action message options to suggest how to replenish an item:

- New - Create a new order. If a requirement cannot be filled by the next three options, the program suggests creating a new order.

- Change Quantity - Change the quantity on an existing replenishment order to cover a changed or new requirement.

- Reschedule - Reschedule the due date on an existing replenishment order.

- Reschedule and Change Quantity - Reschedule the due date and change the quantity on an existing replenishment order.

- Cancel - Cancel an existing replenishment order.

*NOTE: The user can designate an existing purchase order line as being firm and unchangeable. This means that the program does not calculate action messages for the line during the planning calculations. Refer to the **Planning Flexibility** field on the purchase order line.*

Carry Out Action Message Batch Job

As soon as the purchasing agent has made necessary adjustments to a requisition worksheet line and approved its contents, the **Carry Out Action Msg. - Req.** batch job converts the order proposal line to a purchase or transfer order line.

The **Accept Action Message** check box is selected by default. This indicates that the line is included in the **Carry Out Action Msg. - Req**. batch job and that the batch job converts it to an order line. You can clear the check box.

Demonstration: Process a Requisition Worksheet

Scenario: Eduardo, the production planner at CRONUS, is reviewing and setting the planning parameters on various items that are increasing in sales. For item 70040, he assigns the Reordering Policy of Fixed Reorder Qty. and sets the Reorder Quantity at 1000. For this item 70040, 2221 units currently are on inventory in the BLUE location, and the reorder point is set to 250.

A few days later, on 01/28/10, Susan, the order processor at CRONUS, creates an order from customer 10000 for 2000 units of item 70040.

When Alicia, the purchasing agent, calculates a requisition worksheet plan for the time period of 01/28/10 through 03/30/10, the program suggests a replenishment order for item 70040.

Follow these steps to adjust the setup of item 70040:

1. On the **Purchase** page, click **Planning** and then click **Items**.
2. Open the item card for item 70040.
3. Expand the **Planning** FastTab.
4. In the **Reordering Policy** field, select Fixed Reorder Qty.
5. In the **Reorder Quantity** field, type 1000.
6. Click **OK** to close the item card.

Follow these steps to create the sales order demand:

1. On the **Planning** page, click **Sales Orders**.
2. Click **New** and then press ENTER or TAB.
3. In the **Sell-to Customer No.** field, enter 10000.
4. On the **Lines** FastTab, in the **Type** field, enter Item.
5. In the **No.** field, enter 70040.
6. In the **Quantity** field, type 2000.
7. Click **OK** to close the sales order.

Follow these steps to create the requisition worksheet:

1. On the **Planning** page, click **Requisition Worksheets**.
2. On the Action Pane, click **Calculate Plan**.
3. On the **Options** FastTab, enter 01/28/10 in the **Starting Date** field.
4. In the **Ending Date** field, enter 03/31/10.

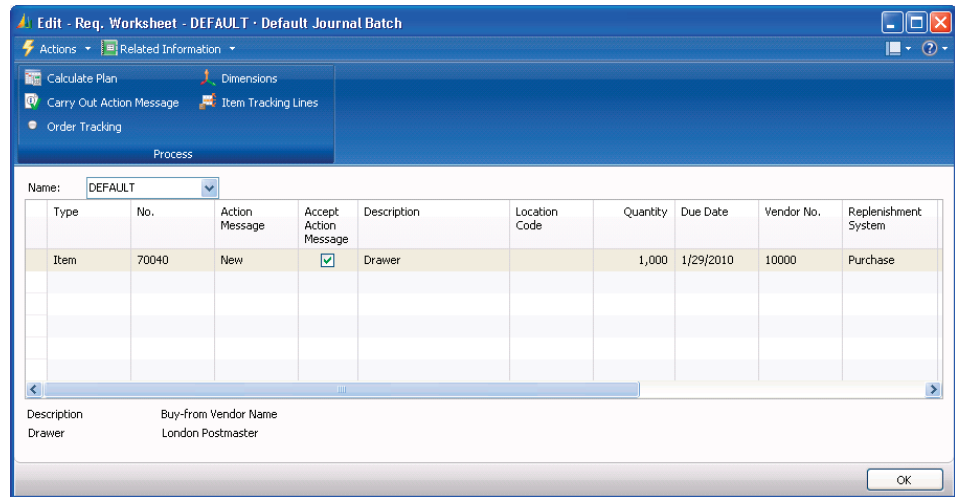5. On the **Item** FastTab, set a filter for item 70040.

6. Click **OK**.

FIGURE 5.3 PROPOSED ORDER LINE FOR ITEM 70040 IN THE
REQUISITION WORKSHEET

The program has calculated the need for one new purchase order for a quantity of
1000.

Immediately after the requirement of 2000 units is filled, 221 units are in
inventory. However, the value in the **Reorder Point** field states 250. The
program suggests creating a new order to vendor 10000 to replenish the reorder
point. The new order must also meet the reorder quantity of 1000.

The due date calculates as 01/29/10. The program adds the Default Safety Lead
Time (assigned in Manufacturing Setup) of one day to the order date.

*NOTE: The program suggests the proposed order to a blank location because
item number 70040 is not set up with a stockkeeping unit in the demonstration
company.*

Demonstration: Create a Purchase Order from the Requisition Worksheet

Scenario: After calculating the plan, Alicia creates the order from the requisition worksheet.

Follow these steps to create the purchase order from the requisition worksheet:

1. On the Action Pane, click **Carry Out Action Message**.
2. Click **OK** without printing the order. The line is removed from the Req. Worksheet, and the purchase order is created.
3. Close the **Req. Worksheet** page.
4. On the **Planning** page, click **Purchase Orders**.
5. Open the order to vendor 10000.

The order line shows a planned receipt date of 01/28/10, an expected receipt date of 01/29/10, and an order date of 01/28/10.

Additional Worksheet Features

You can use other functions on the requisition worksheet, depending on the types of transactions your company performs in its daily business.

Drop Shipment Lines

A drop shipment is a transaction in which the vendor delivers sold goods directly to the customer. The company does not receive the items into its inventory and avoids handling time and activities. A company can record a drop shipment by creating a purchase order based on the sales order.

From the Requisition Worksheet, a purchasing agent can access drop shipment-designated sales order lines and create the corresponding purchase order.

Demonstration: Process a Drop Shipment from a Requisition Worksheet

Scenario: Susan, the order processor, submits a rush order to the purchasing department for 2000 units of item 70040 for customer 10000.

Alicia, the purchasing agent, knows that inventory on the item is low. She and Susan agree to arrange a drop shipment to reduce the delivery time to the customer.

Follow these steps to update the existing sales order for drop shipping:

1. Open the sales order created in the "Process a Requisition Worksheet" demonstration.
2. Add the **Purchasing Code** field to the sales order lines using the Choose Columns feature.
3. In the **Purchasing Code** field, enter DROP SHIP.
4. Click **OK** to close the sales order.

Follow these steps to calculate the requisition worksheet:

1. On the **Planning** page, click **Requisition Worksheets**.
2. On the **Actions** menu, point to **Functions**, then to **Drop Shipment**, and then click **Get Sales Orders**.
3. Set a filter, if necessary, and then click **OK**.

The batch job copies the drop shipment sales order line to the requisition worksheet; it appears as a purchase order proposal.

Immediately after Alicia approves the line, she converts it to a purchase order using the **Carry Out Action Msg. - Req.** batch job.

Planning Worksheet Lines

The Planning Worksheet Lines feature is relevant for a large manufacturing company with separate departments handling production planning and purchasing. In the manufacturing application area, a production planner uses the planning worksheet to calculate an item replenishment plan for all items, whether they are manufactured, purchased, or transferred.

From the planning worksheet, the planner can select order proposal lines for items that are replenished by purchase or transfer and forward them to the requisition worksheet by using the **Carry Out Action Msg. - Plan.** batch job. Refer to online Help for more information about this batch job.

This function, although initiated from the manufacturing application area, results in order proposal lines appearing in the requisition worksheet. From there, the purchasing agent can edit, approve, and convert the lines to actual purchase or transfer order lines by using the **Carry Out Action Msg. - Req.** batch job.

Manually Created Lines

It is also possible to create lines manually in the requisition worksheet. This can be practical in a situation where individual persons or departments use a worksheet to list needed items. It can then be the responsibility of the purchasing agent to approve order proposal lines and create orders using the **Carry Out Action Msg. - Req.** batch job.

Summary

Automate purchase transactions by using the requisition management functionality in Microsoft Dynamics NAV. Requisitions management help to provide order processors with information about when an item can be delivered to the customer. Planning parameters set up on the item card defines how items are treated in the system.

The requisition worksheet is an important element in the day-to-day planning activities of the purchasing agent; it differs from the planning worksheet because it only deals with purchase orders.

4. Where are planning parameters set on item cards and stockkeeping unit cards? (Select all that apply)

    ( ) **Requisition** FastTab

    ( ) **Planning** FastTab

    ( ) **Replenishment** FastTab

    ( ) **Item Tracking** FastTab

5. What happens when the Calculate Plan - Req. Wksh. batch job is run? (Select all that apply)

    ( ) Determines which items to order.

    ( ) Creates orders based on the plan.

    ( ) Specifies the quantity of the items to order.

    ( ) Suggests how to replenish the items.

6. Which of the following action messages is available in the Requisition Worksheet? (Select all that apply)

    ( ) New

    ( ) Cancel

    ( ) Cancel & Change Quantity

    ( ) Reschedule

7. Which check box must you clear on a Requisition Worksheet line to prevent an order from being created?

    ( ) Carry Out Action Message

    ( ) Create Orders

    ( ) Make Orders

    ( ) Accept Action Message

Fill in the blanks to test your knowledge of this section.

8. The Reordering _____ on an item or stockkeeping unit card calculates replenishment order quantity.

9. The Reorder _____ is the planning time bucket for the item.

10. Use the Carry Out Action Msg. - Plan batch job to transfer _____ Worksheet lines to the Req. Worksheet.

11. Use the _____ Sales Orders function on the Requisition Worksheet to access drop shipment-designated lines.

12. Instead of calculating a plan, users can _____ enter lines in the Req. Worksheet to list needed items.

Quick Interaction: Lessons Learned

Take a moment and write down three Key Points you have learned from this chapter:

1.

2.

3.

Solutions

Test Your Knowledge

1. What must you create before you can create requisition worksheets?

    MODEL ANSWER:

    Requisition Worksheet Templates

2. What are the three primary functions of planning parameters?

    MODEL ANSWER:

    Setting the time bucket, setting the inventory levels, and determining order quantity.

3. An item is set up with a **Reordering Policy** of Fixed Reorder Qty., a **Reorder Point** of 250, and a **Reorder Quantity** of 1000. There are currently 2000 units of this item on inventory. What type of replenishment does the program propose when you create a sales order for 1800 units of the item and then calculate the requisition worksheet plan?

    ( ) Two orders for the item are proposed, each with a quantity of 1000.

    (•) One order for the item is proposed with a quantity of 1000.

    ( ) One order for the item is proposed with a quantity of 250.

    ( ) No order is proposed.

4. Where are planning parameters set on item cards and stockkeeping unit cards? (Select all that apply)

    ( ) **Requisition** FastTab

    (√) **Planning** FastTab

    (√) **Replenishment** FastTab

    ( ) **Item Tracking** FastTab

5. What happens when the Calculate Plan - Req. Wksh. batch job is run? (Select all that apply)

    (√) Determines which items to order.

    ( ) Creates orders based on the plan.

    (√) Specifies the quantity of the items to order.

    (√) Suggests how to replenish the items.

6. Which of the following action messages is available in the Requisition Worksheet? (Select all that apply)

> (√) New
>
> (√) Cancel
>
> ( ) Cancel & Change Quantity
>
> (√) Reschedule

7. Which check box must you clear on a Requisition Worksheet line to prevent an order from being created?

> ( ) Carry Out Action Message
>
> ( ) Create Orders
>
> ( ) Make Orders
>
> (•) Accept Action Message

Fill in the blanks to test your knowledge of this section.

8. The Reordering _Policy_ on an item or stockkeeping unit card calculates replenishment order quantity.

9. The Reorder _Cycle_ is the planning time bucket for the item.

10. Use the Carry Out Action Msg. - Plan batch job to transfer _Planning_ Worksheet lines to the Req. Worksheet.

11. Use the _Get_ Sales Orders function on the Requisition Worksheet to access drop shipment-designated lines.

12. Instead of calculating a plan, users can _manually_ enter lines in the Req. Worksheet to list needed items.

5-24

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