Capital
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CAPITAL V8

Capital Business Software Tutorial Series

Intra-Departmental Ordering Using Capital Business Manager V8 1.0

CAPITAL OFFICE BUSINESS SOFTWARE

Capital Business Software Tutorial Series

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Basic Navigation

*Techniques You Can Use To Navigate Through CAPITAL
Business Manager V8*

T
o save time in the future, print a copy of this document. Click **Print** on the **File** menu. With the printed document in hand, position yourself in front of the software and work through the following exercises.

Begin by launching the software and then return to this tutorial.

Since this is an advanced tutorial, you may skip this section if you are already familiar with basic navigation techniques in CAPITAL Business Manager V8. If you're already comfortably using this software for basic tasks, skip directly to Section 2.

The Explorer Bar

The Explorer Bar is the primary means by which to open new areas of the software. Such as the suppliers area, stock area, cash manager, and the various transactions found in the system. The Explorer Bar is found on the left of the application's main work area. To open a new area click on the applicable icon.

The Explorer Bar is divided into a series of bands. The standard band titles include:

Manager
Transactions
Products
Reports
Maintenance

To view the grouping of functions associated with each band, click on the band name with your mouse.

Since we are going to discuss ordering let's begin by navigating to the sales order area. The sales orders area is found on the **Transactions** band. Click on the word **Transactions** found near the bottom left of the main application window. Then click on the sales order symbol.

If you don't see the sales order symbol, click on the arrow symbol at the bottom of the list of icons until it scrolls into view.

The Explorer Bar remains to the left of the application even when the sales order opens. You can open other areas of the software at once by clicking again on the Explorer Bar. For example, click on the **Invoicing** icon to open the invoice area as well.

You now have two different areas (transactions) open at the same time. To return to the

sales order area press the green go back button on the tool bar above the invoice transaction window.

Continue to press the go back and go forward area buttons to toggle through all open areas in the software. You can also view the list of all open areas by selecting WINDOW from the menu at the top of the application.

To open the same area more than once hold down the SHIFT key and click on the area with your mouse. For example, to open two sales orders at the same time, click on the **Sales Order** icon while holding down the SHIFT key. (If you don't hold down the

SHIFT key, clicking on the icon will just take you back to whatever area is already open that is represented by that icon.)

To close an area, locate the blue arrow close button in the top left hand corner of the application and click on it. To close all open areas select Close All from the WINDOW menu at the top right of the application. To then close the application locate the blue arrow close button in the top left hand corner of the application and click on it.

Using the keyboard you can also press ALT+F4 to close the application.

Departments & Locations

A Conceptual Introduction To Departments & Locations

The sales order area allows you to place orders for goods and services with your customers. In this tutorial, however, we are going discuss ordering goods from other departments (also referred to as branches or, sometimes,) within your organization. Because this is an advanced topic, we are going to assume you are already familiar with entering sales orders. If you need to refresh your memory on sales order entry basics, consult the tutorial *Sales Orders Using CAPITAL Business Manager V8* and return to this point when you have finished your review.

Departments

A department can be thought of as a central point of reference where information can be accumulated and at some later date reported on. A department is similar to a cost centre; however, departments can also keep track of sources of income, not just costs or expenses, so the term 'department' is used in place of *cost centre.*

For accounting purposes and for other practical reasons many businesses operate as a single entity but really are in several different lines of business or have different areas of operation. For example, an automotive company may distribute spare parts, perform electrical repair work and do general repairs. It can be useful to keep track of the performance of each division. Departments can be used for the purpose of keeping track of and comparing the financial performance of these divisions.

A department also has another interesting characteristic. A department can be treated in the same way any customer or supplier account is treated. This means you can raise orders and invoices against departments just as you would against external customers. And you can order goods from departments also, just as you would from external suppliers. A department assigned to a sales order can be considered an *internal customer.*

This is one of the reasons why departments also appear on your lists of customers and suppliers.

Locations

Locations are in many ways similar to departments and are sometimes treated interchangeably with departments. A location is in fact a special kind of department. It is a department that also acts as a stock holding area. Locations are departments that hold stock.

For example, if you hold stock in your warehouse on the east coast, a location would be defined in the system to represent the location of that stock. If you then transferred stock to the west coast and held stock there, another department would be created to represent stock found on the west coast.

Locations and Departments may also have the same code. A department may just be a department, but it might also be a location.

When you order goods from another department in your organization you need to specify several things:

1. The location where the goods are found. Remember, the location and the department may be represented by the same code.

2. Your own department, so that others inspecting the transaction know who has placed an order for those goods.

How and where to enter department and location codes will be discussed in the next section.

Entering Intra-Departmental Orders

How To Place Orders Between Branches
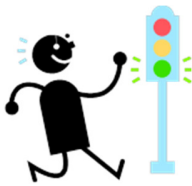
This section assumes you already have a sales order open. If you don't, review Section 1 before continuing. It also assumes you are familiar with the basics of entering a sales order. If you're not, review the tutorial *Sales Orders Using CAPITAL Business Manager V8* and then return to this section when you are ready.

Assigning Department Codes

To create an intra-departmental order, you begin by assigning *your* department code to the sales order transaction. This is because you are the one placing the order, therefore, as far as other departments are concerned, you are going to be treated just like a customer. (At least as far as most of the usual stock processing steps are concerned.)

For example, let's say customer Acme Corporation has placed an order for your goods with you and you needed to begin processing that order. Your first step would be to enter the account code of Acme Corporation into the sales order in the **Code** field of the transaction.

However, in this case *you* are going to be the customer of a different department that will be transferring the goods that you ordered. So you begin by entering *your* department code instead of a customer code, into the **Code** field of the sales order.

Your next step is to then tell the sales order where you wish to order the goods *from*.

You do this by specifying the **Location** of the transaction's goods. Click on the **Charges/Settings** tab, found just to the right of the **Code** field, and enter the location and department code (this will usually be exactly the same code) into **Location** and **Department.**

In the above example, EL is *your* department code (remember: you are the customer in this transaction), and the goods you wish to order are found at location and department GB.

Now finally click on the **Items** tab (to the left of **Charges/Settings**) and begin entering the goods you require.

Automatic Ordering

A Quick Way To Place an Order

Once you've assigned a department code to the sales order and filled in the **Location** and **Department** fields found on the **Charges/Settings** tab, you can quickly fill the order with the items you need by selecting from the menu *Toolbox|Replenish From This Department.*

This operation will be grayed out if you have not assigned your sales order to a department or if you have the *multi-location* or *departmental transfer* features turned off in your system. If you can't select this operation even with a department code assigned to your sales order, discuss the matter with your system administrator.

This operation will review what inventory items you require and place them on the sales order for you. You can, of course, remove any items you decide against ordering or amend the suggested quantities as applicable.
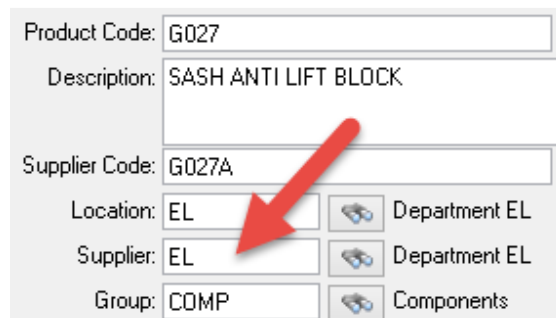
Stock Replenishment Rules

The system decides what items you require by inspecting the quantity of stock you have on hand, the back orders you have placed in the system, any items arriving from other sources (such as from external suppliers and branch transfers), and your ideal stock carrying capacity. Holding capacity in turn is determined by your reorder point - the point at which you have told the system to reorder if you have dropped below that level, and your maximum stock – the ideal maximum amount of stock you wish to carry in inventory when you top up your goods.

Other factors the system may consider include your minimum unit of purchase. You might only require 100 units but may be required to order that item in lots of 200 at a time. Even if you require only 100 units, the system will place an order for 200, if that's the minimum unit of purchase.

Stock Record Setup

Although a requirement may be established, the system can only order goods that are available from the other department. You designate which items are available from another department by assigning the department code of those items as the **Supplier** of that stock. For example, if the department you wish to order from has a department code of EL, you must also assign any goods you wish to order to the supplier code EL as well, in your own inventory.

Do this by assigning the supplier of your stock items with the department (code) you order those goods *from*.

Supplier Side Rules

Once the system has determined what you need, it next needs to determine if the other department can supply you those goods, at least in principle.

It does this by checking to see if the stock item at your location is also found at the location of the department you wish to order those goods from. The stock you wish to order must have a matching stock record in both locations. One at the location you wish to order from, and another at the location where you need the stock.

Matching stock simply means the same product code is found at two different locations (yours, and where you wish the items to be transferred from).

The second condition that the system will usually check, will be to see if the stock item at the location where you wish to order from, is not on **Hold**. If the stock item is marked as held, the system will not order that item.

When a stock item is 'held' this tells the system it cannot be sold or supplied. This typically arises if some problem or defect is found with the item that has yet to be resolved.

Keep in mind that intra-departmental orders are nearly identical to orders placed by external customers. There are some differences, and these will be discussed in the final section of this tutorial. Since an order is simply an order and not a guarantee of shipment, it is still up to the other branch to pick, pack and dispatch those goods to you. For a variety of reasons they may not be able to ship you what you've ordered right away. In that case, just like with an external customer, you may end up receiving a part shipment of the goods you've ordered. This will discussed further in section 5.

Reorder Plans & Departments

A Structured Approach To Intra-Departmental Ordering

T his section of the tutorial explains how to raise Intra-departmental orders using Reorder Plans. The Reorder Plan feature is only available in the CORPORATE EDITION of CAPITAL Business Manager V8.

If you are a CORPORATE EDITION user, you can make use of Reorder Plans to provide a more structured approach to reordering goods and evaluating your stock holding requirements. Reorder Plans let you review your ordering requirements in a more organized fashion, before placing orders for the goods you require.

Creating Plans

To create a Reorder Plan, open the Stock Control area and select from the menu *Toolbox | Reorder Plans.*

Stock Control

Press the **Add** button to create a new Reorder Plan and then assign the **Supplier Group** to the department you wish to order the goods *from* and under **Location** enter your department code.

In this case you want the Reorder Plan to check what is required for replenishment at *your* location, but then only review those items available from your 'supplier' department.

So if your department was GB but you needed to order goods from department EL, you would set GB as your location and EL as your supplier.

Once you've filled these codes in press **Create.**

The system will now create your Reorder Plan. This could seconds or minutes depending on the size of your inventory file. When the Reorder Plan has been created it will automatically open for you to begin the review process.

While this is not a tutorial about Reorder Plans -- rather how to use them to create intra-departmental orders -- it is still worthwhile to review a few navigation and key functions here.
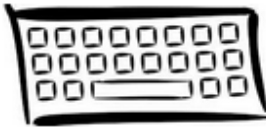
 If you want to inspect in more detail any of the items placed on the plan, click on the item of interest or move to it using the arrow keys, and then press CTRL-Z to 'zoom' into the item found in Stock Control.

Once you've 'zoomed' into a stock item the Reorder Plan will minimize and appear on the bottom left corner (usually) of your desktop. Press the Restore button on the plan or click on it and select Restore, to restore focus to it.

To not order an item on the plan, press the **Clear** button. Or to change the quantity you wish to order, navigate to the Reorder column and type a different quantity over the recommended reorder quantity.

When you've finished reviewing your Reorder Plan, press the **Order** button to place an order for those goods. A list of supplier orders will be created (in this example only one) and to continue press **Create.**

After a few seconds a sales order will appear with the items from the plan placed on it. To commit to the order press the **Save** button.

If you change your mind click on the blue and white Back button near the top left corner of the application window.

The system will ask you if you wish to discard your order. Press **Discard** and then restore your Reorder Plan to continue. Simply press **Order** again if you change your mind and now wish to proceed with creating the order.

Section

5

Transferring Stock

How To Create a Stock Transfer Once An Order Has Been Processed

When a sales order is created it appears in the *Back Order Control Centre*. Here items that are found on sales orders are managed. Items are allocated, picked, packed and dispatched.

If you are not familiar with the basic operation of the *Back Order Control Centre* now would be a good time to review the tutorial: *The Back Order Control Centre in CAPITAL Business Manager V8.*

This section will touch on some of the operations found in this area as it will be useful to review the basics, but a more comprehensive review is found in the above mentioned tutorial.

To open the *Back Order Control Centre* click on **Transactions** found on the Explorer Bar (found on the left of the application window) and then click on the Order Control icon.

Order Control

When the *Back Order Control Centre* opens, it lists all back orders in the system that have not yet been processed.

At this point it's worth defining what is meant by 'back order' in this context. A 'back order' is any item that has not yet been *shipped* to you or another 'customer.'

The Find Window

While the *Back Order Control Centre* can be navigated in various ways, we will only discuss one method in this tutorial -- the most direct. Press the **Find** button found on the right hand side of the back order window, and the Find window will open.

Use this window to find a specific transaction number, account code, product item, order date or required date. Enter the information you're looking for and press **Find**. The software will find the first match. Typically you will want to find orders matching the department code you wish to transfer goods for.

Enter your department code in the **Account Code** field to do this. If you know the order number you are interested in, that is even better. But you may not always know what order number a particular order is related to.

Allocating Stock

Once you have found the sales order that interests you, you next need to check if stock has been allocated to it. You won't be able to create a *Stock Transfer* unless stock has been allocated. Allocating is another word for 'reserving' stock so that you can ship it out on a particular order without another order grabbing and using that stock instead.

Depending on the way your system has been set-up, stock may be allocated to your order right away or you may need to manually specify the quantities to allocate.

If you need to manually allocate stock, you can do this using various methods discussed in the tutorial: *The Back Order Control Centre in CAPITAL Business Manager V8.* Here we will discuss only the manual method.

Locate the column Allocated on the back order item grid, and if the number allocated does not match the quantity ordered -- represented by the column Qty -- then change the allocated quantity to match the Qty quantity, provided you have enough stock.

Tran No	R	Product Code	Qty	Allocated	Free Stock
1044		RA164-05806	5	0	22
1044		RA164-04800	2	2	3
1044		RA164-04300	1	1	0
1044		RA164-03106	1	0	0

Changing the allocated quantity simply involves clicking on the number and typing in a replacement number.

Whatever quantity you place under the Allocated column, this amount will be the quantity that will appear on your S*tock Transfer.*

Creating Stock Transfers

The next step involves creating the *Stock Transfer.* A *Stock Transfer* is a document that describes what inventory items will be moved from one location to another.

While the *Back Order Control Centre* can create stock transfers in various ways, we will only discuss one method in this tutorial. To review some of the other methods don't forget to read the tutorial: *The Back Order Control Centre in CAPITAL Business Manager V8.*

Releasing a Transfer

This section of the tutorial will discuss how to release and create a single *Stock Transfer.*

To release a single order, click on any line item that belongs to that order (it does not matter which one) and then press the **Invoice** button. A *Stock Transfer* will open and be presented for you to confirm its contents.

The reason why you press the **Invoice** button to create a transfer is because within the system, *stock transfers* are considered to be special types of invoices. With a conventional invoice stock is deducted from the location of the invoice. With a *Stock Transfer* items are also deducted from the location of the assigned goods, but are then *also* moved into the location specified by the transfer's account.

When the *Stock Transfer* is created you may or may not be prompted to fill in additional information, such as the freight amount. If you're satisfied with the *Stock Transfer* that has been created, press **Save** to save and print it as applicable.

After the transfer has been saved, you will be returned to the *Back Order Control Centre*, and the following status window will appear:
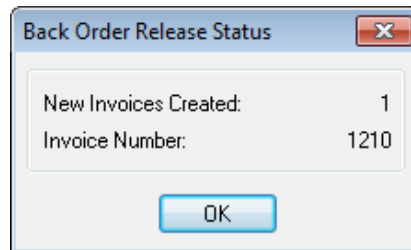
Just press OK to return to the back order list. You may repeat this action as many times as you wish, in order to create further transfers. This procedure is called 'releasing back orders'.

After Creating A Transfer

When you do this the following happens:

- The *Stock Transfer* is created.

- The department's account balance is updated. (A *Stock Transfer* may or may not have a billable charge associated with it.)

- Your stock levels are reduced according to what was transferred.

- Stock levels are increased at the department goods have been transferred to. However, these items are not shown as available for any purpose, as they are still considered *In Transit*.

- Any fulfilled back orders are removed from the *Back Order Control Centre*.

- The status of the original order is changed from 'on order' to 'delivered' if its items have been fully shipped, or 'partial' if some items remain on back order.

Part Transfers

If you were not able to transfer all the requested goods, you may create further *Stock Transfers* when those goods become available. When goods do become available, allocate them to your back orders and repeat the S*tock Transfer* creation process again.

Receiving Goods In Transit

This final step involves receiving the goods specified as *In Transit* by the *Stock Transfer* created in the previous section.

Receiving goods in transit is easy. It involves two steps –

- Locating the *Stock Tranfer* you need to receive goods from.

- Confirming what has arrived.

Locating a Stock Transfer

To locate a *Stock Tranfer* begin by opening the Stock Transfer area. Click on **Transactions** found on the Explorer Bar (found on the left of the application window) and then click on the Stock Transfers icon.

Next, click on the **In Transit** tab button found near the top of the window, and select the *Stock Transfer* whose goods you wish to receive.
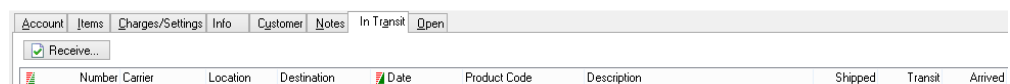
Finally, press the **Receive** button near the top left of the window, to receive items found on the transfer.

The Stock Transfer Arrivals window will open.

If you wish to receive all the goods found on the *Stock Transfer* tick the *All Items Have Arrived* box.

If only some items have arrived, you will need to indicate which, by typing the arrival quantities under the Arrived column. Click on the applicable number and type the quantity that has arrived.

Or another short-cut is to tick the box under the A column next to the arrived quantity. This will cause the arrived quantity to match the Shipped quantity.

When you are satisfied with the result, press the **Update** button and goods will be acknowledged as having physically arrived.

If you have indicated that all the goods have arrived, the status of the *Stock Transfer* will be changed automatically from 'In Transit' to 'Arrived'. If some of the goods have not yet arrived, the status will change from 'In Transit' to 'Partial Ship'.

Once all goods have been received on a *Stock Tranfer,* the transfer is removed from your In Transit list of transfers.
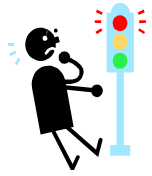
Be very careful when editing *Stock Transfers*. Especially if you intend to edit a transfer that is partially in transit. Once goods have been received, there is nothing you can do to 'unreceive' them by editing the original transfer. If you have received goods by mistake, you will need to raise a new *Stock Transfer* to transfer them back out.

Also be aware that changing the status of a *Stock Tranfer* from 'In Transit' to 'Arrived' does not cause goods to be received. You can only receive goods by receiving them as part of the process described above.

If you need to receive further transfers, simply repeat the steps described in this section. If you have no more transfers to process, press the blue and white back arrow button to close the Stock Transfers area.

The process described in this tutorial is recapped below:
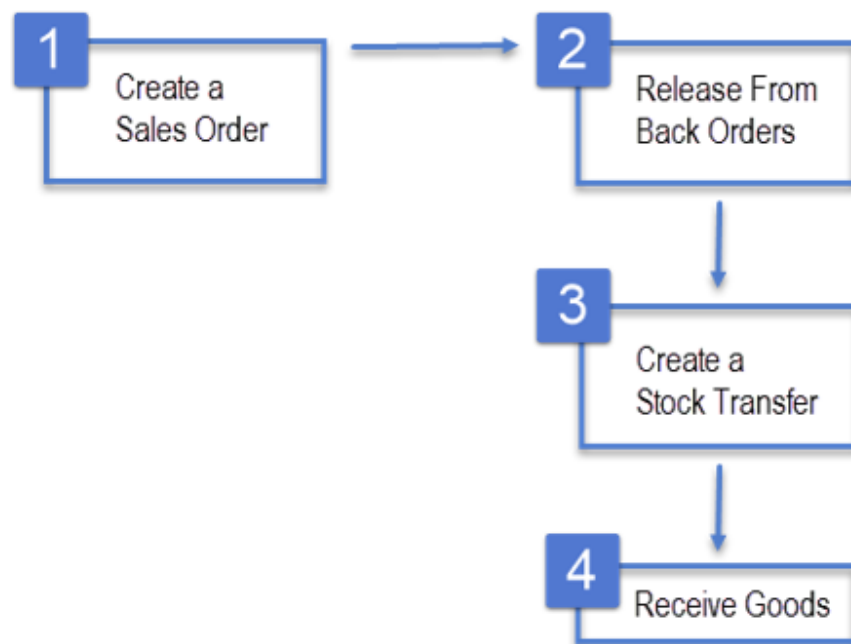
Quick Review

Important Points To Remember

- Ordering stock from another department is just like entering a customer order, except your department code is the customer code.

- Once an order has been entered, it will appear in the *Back Order Control Centre*. The other department will see your order in the system just as it would any other customer order.

- If you are using the automatic ordering tools, goods will be ordered based on the suggested carrying levels you have specified. Goods on hold at the department you are ordering from, will not be ordered.

- If you are using the automatic ordering tools, the system will only order goods if your own inventory items have set the supplier code as equivalent to the department that you will acquire those goods from.

- Intra-departmental orders need to be allocated stock, picked, packed and shipped just like other orders in the system.

- Releasing an intra-departmental order creates a *Stock Transfer* with the goods on the transfer marked as 'In Transit'.

- *Stock Transfers* are similar to invoices, except they don't just deduct stock from one location but move that deducted stock to a 'target' location. The 'target' is the account assigned to the *Stock Transfer* which will be your department code.

- When a *Stock Transfer* is raised, it deducts inventory from the location the goods came from and *allocates* those goods in the 'target' location. Those goods will not be available for sale or further processing, because they are 'In Transit'.

- The only way to convert goods 'In Transit' into free stock, is to go through the receive process.

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