

# MODULE 5: REQUISITION MANAGEMENT

## Module Overview

The main function of purchasing includes the procurement of finished goods, raw materials, and supplies in optimal quantities and in a timely manner. These activities affect most areas of a company, especially inventory management, production, and sales.

In Microsoft Dynamics® NAV, the Requisition Management functionality helps automate and coordinate the purchasing process. The requisition worksheet is the central processing tool, and it offers the following features:

- Calculates a current and detailed purchase order plan upon demand
- Creates actual purchase orders from the plan's requisition lines
- Manages stockkeeping units that are replenished by transfer and creates the corresponding transfer orders
- Helps manage drop shipments and special orders
- Manages designated purchase order lines from other areas of the application
- Manages manually created requisition lines
- Controls the flow of relevant information between departments

The planning functionality in the requisition worksheet is identical to the planning worksheet in the manufacturing application area. They differ in that the requisition worksheet plans for items that are replenished by purchase and transfer only, whereas the planning worksheet includes planning for all items, including manufactured goods.

The requisition worksheet is only one part of the planning process. The requisition worksheet's calculations and recommendations are based on the planning policies and parameters that are typically set by a production planner. For more information, refer to the planning modules in the *Manufacturing in Microsoft Dynamics NAV 2013* course.

Before starting the lessons in this module, set your work date to January 23, 2014.

### **Objectives**

The objectives are:

- Briefly describe requisition management setup and planning parameters.
- Explain the core functionality of the requisition worksheet and show how to calculate a plan and process proposed orders.
- Describe additional worksheet features including support for drop shipments and special orders, planning worksheet lines, and manually created lines.

## Requisition Management Setup

To successfully use the Requisition Management functionality, it requires setup in the following areas:

- Requisition worksheet template
- Planning parameter fields on item and stockkeeping unit cards

### Requisition Management Templates

To set up a requisition worksheet, you must create a worksheet template. To review the existing worksheet templates, enter "req. worksheet templates" in the **Search** box, and then select the related link.

Two worksheet templates are already set up in CRONUS International Ltd.,— PLANNING and REQ.

The PLANNING template is used in CRONUS for planning worksheets.

The REQ template is used for nonrecurring requisition worksheets. This is the worksheet that you will use in this training material. Each worksheet template can be associated with one or more requisition worksheet names. These names are used to distinguish individual worksheets (you can only use one worksheet for each name and for each template). This is useful if you work in a large purchasing department and each purchasing agent requires his or her own worksheet, or if you want to use separate worksheets for different purposes, such as managing a specific set of items.

To view the existing worksheet names for the REQ worksheet template, click the **REQ** line in the **Req. Worksheet Templates** page, then, on the **Navigate** tab, click **Requisition Worksheet Names**.

At first, CRONUS is set up with only the DEFAULT worksheet name for the REQ worksheet template. This is the worksheet name that you will use in this training material.

## Procedure: Review Planning Parameters

Planning parameters refer to a group of fields on the **Replenishment** and **Planning** FastTabs of the item and stockkeeping unit cards. These fields control how the planning engine processes an item.

Planning parameters are set up to reflect the company's optimal inventory levels about market preparedness, warehouse efficiency, and costs. The planner will consider various factors when he or she sets these parameters, such as the following:

- Item usage patterns
- Replenishment lead time
- Price discounts for quantity
- Delivery schedules

The planner must also consider the company's internal policies on inventory management and control.

From a technical perspective, the planning parameters control the calculations in the **Calculate Plan – Req. Wksh.** batch job. This batch job generates the requisition lines and the action messages in the requisition worksheet.

To view the planning parameters located in the **Replenishment** FastTab for item 1900, follow these steps.

1. In the **Search** box, enter "items", and then select the related link.
2. Open the item card for item 1900.

## 3. Expand the **Replenishment** FastTab.

The screenshot shows the 'Edit - Item Card - 1900 - Frame' window in Microsoft Dynamics CRM. The 'Replenishment' FastTab is expanded, displaying the following parameters:

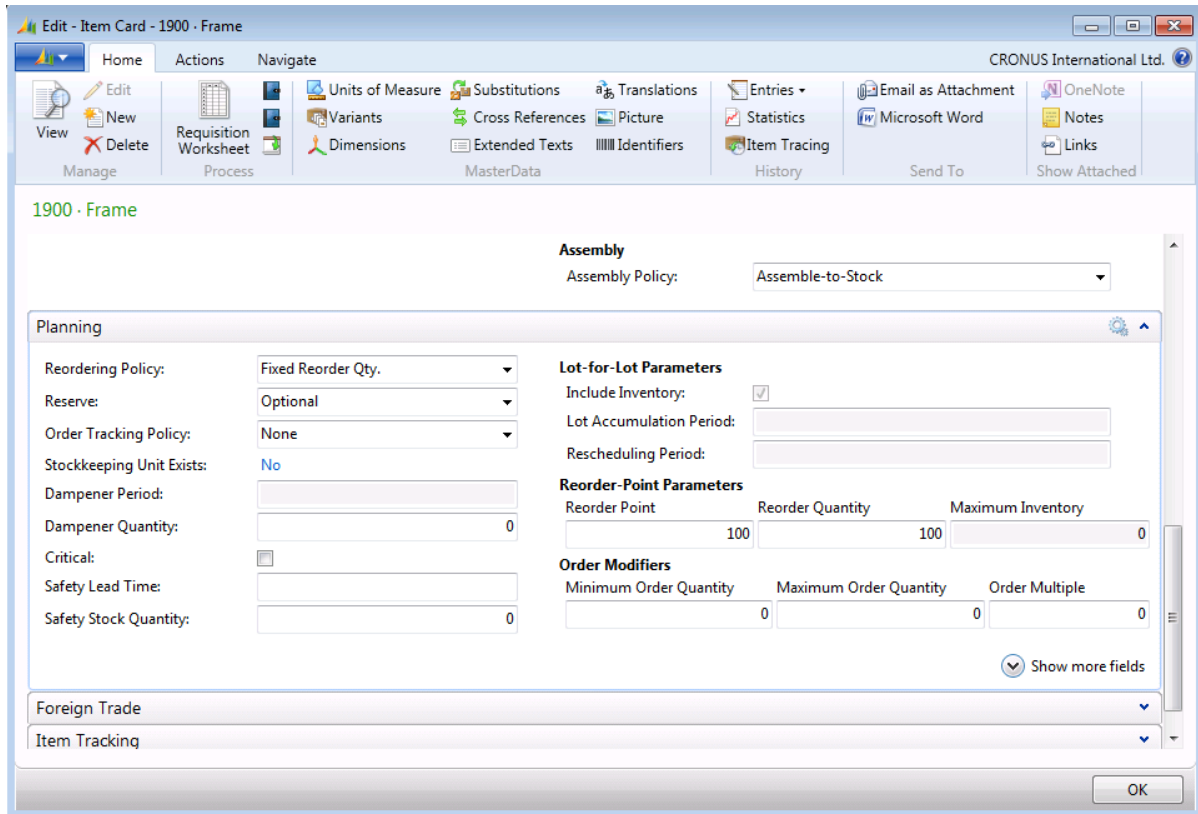
- Product Group Code:** [Dropdown]
- Service Item Group:** [Dropdown]
- Last Date Modified:** 9/7/2012
- Invoicing:** Standard | 0.00 | RAW MAT | RAW MAT
- Replenishment System:** Purchase
- Lead Time Calculation:** [Blank]
- Purchase:**
  - Vendor No.:** 01587796
  - Vendor Item No.:** FR 48888
  - Purch. Unit of Measure:** PCS
- Production:**
  - Manufacturing Policy:** Make-to-Stock
  - Routing No.:** [Dropdown]
  - Production BOM No.:** [Dropdown]
  - Rounding Precision:** 0.001
  - Flushing Method:** Manual
  - Scrap %:** 0
  - Lot Size:** 10
- Assembly:**
  - Assembly Policy:** Assemble-to-Stock
- Planning:** Fixed Reorder Qty. | Optional

**FIGURE 5.1: PLANNING PARAMETERS IN THE REPLENISHMENT FASTTAB FOR ITEM 1900**

The **Replenishment System** field specifies that this item is replenished through the Purchase system. Other options include Prod. Order (for items that are replenished through manufacturing), and Assembly (for items that are replenished through assembly orders).

The **Lead Time Calculation** field is blank. However, if you know the time period it takes the vendor to fulfill a purchase order for this item, you can enter a date formula here to record this information (such as "2W" to represent two weeks). On a purchase order line, the *Order Date + Lead Time Calculation = Planned Receipt Date*.

To view the remaining planning parameters for item 1900, expand the **Planning** FastTab:



**FIGURE 5.2: PLANNING PARAMETERS IN THE PLANNING FASTTAB FOR ITEM 1900**

Use the **Reordering Policy** field to calculate the lot size for each planning period when this item must be replenished. For item 1900, the reordering policy is set to Fixed Reorder Qty. This policy uses the quantity that is specified in the **Reorder Quantity** field as the standard lot size for order proposals. For item 1900, the value in the **Reorder Quantity** field is 100. If no other planning factors are involved, this means that the planning engine will always suggest a minimum purchase order quantity of 100 for this item.

The **Reorder Point** field sets the inventory level at which the planning engine will suggest a new purchase order. This is also set to 100 for item 1900. This means that the planning engine proposes a new purchase order for this item when the inventory level decreases or is projected to decrease to 100 or less.

The **Time Bucket** field specifies the planning horizon that the planning engine must consider when either the Fixed Reorder Qty. or Maximum Qty. reordering policies are used. "Bucket" implies that the planning engine groups supply and demand together in these time periods to determine the actions it will recommend at the end of every time bucket.

For item 1900, the value of the **Time Bucket** field is set to one month. This means that if item 1900 has an inventory level of 120 (which is greater than the reorder point) as of January 01, 2014, and 50 units are scheduled to be consumed in a production order on January 15, 2014 (decreasing the projected inventory level to less than the reorder point within the one month time bucket), and you run the **Calculate Plan – Req. Wksh.** batch job on January 02, 2014, the planning engine recommends a replenishment order of 100 units at the beginning of February (the end of the time bucket in which the requirement occurs).

However, there are many additional parameters in the **Planning** FastTab. For more information about these additional parameters, refer to the online Help or the planning modules in the *Manufacturing in Microsoft Dynamic NAV 2013* course.

### Demonstration: Set Up Planning Parameters

Eduardo, the production planner at CRONUS, usually maintains the planning parameters for all items.

In Eduardo's absence, Alicia, the purchasing agent, is asked to fill in the planning parameters for a new item, 80211. Eduardo has already specified the replenishment system as Purchase. He now wants Susan to set the reordering policy to Fixed Reorder Quantity, with a reorder point of 100 and a reorder quantity of 150. Because this is a high-volume product, Eduardo also wants the time bucket for the item set at one week.

### Demonstration Steps

To set the planning parameters for item 80211, follow these steps.

1. In the **Search** box, enter "items", and then select the related link.
2. Open the item card for item 80211.
3. Expand the **Replenishment** FastTab. Confirm that the **Replenishment System** field is set to Purchase.
4. Expand the **Planning** FastTab.
5. In the **Reordering Policy** field, select Fixed Reorder Qty.
6. In the **Reorder Point** field, enter "100".
7. In the **Reorder Quantity** field, enter "150".
8. In the **Time Bucket** field, type "1W" (you might have to click **Show more fields** to view this field).
9. Close the item card.

## Requisition Worksheet

The purchasing agent uses the requisition worksheet to calculate a plan that determines which items to order, the quantities and when to order an item(s). This worksheet includes two main batch jobs. The **Calculate Plan - Req. Wksh.** batch job calculates the purchase plan and creates the requisition (order proposal) lines. The **Carry Out Action Msg. - Req.** batch job creates orders based on the requisition lines.

### Calculate Plan Batch Job

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

- Investigates the demand and supply situation of the item and calculates the projected available balance. The balance is defined as: *Inventory + Scheduled Receipts + Planned Receipts - Gross Requirement.*
- Determines the net requirements for the item.
- Creates an item replenishment plan to fulfill its net requirements. The plan is presented in the requisition worksheet as requisition lines accompanied by action messages that suggest specific user actions.

Examples of these calculations and, or functions are demonstrated in this lesson.



**Note:** *Scheduled receipts refers to the item quantities that are inbound on purchase orders, transfer orders, firm planned production orders, and released production orders. Planned receipts refers to the quantities that are on planned production orders, planning lines in the planning worksheet, and on the requisition lines in the requisition worksheet.*

---

The requisition lines created by the **Calculate Plan - Req. Wksh.** batch job include the details that are required to either create a new supply order (item number, vendor number, proposed quantity and due date, and so on), or to change or cancel an existing supply order (order number, line number, proposed changes to order quantity and due date, and so on).

The action message options include the following:

Option	Description
<b>New</b>	Create a new order.
<b>Change Qty.</b>	Change the quantity on an existing order.
<b>Reschedule</b>	Reschedule an existing order.



## Module 5: Requisition Management

---

Option	Description
<b>Resched. &amp; Chg.</b>	Reschedule an existing order and change its quantity.
<b>Cancel</b>	Cancel an existing order.

The requisition lines are based on the planning parameters and the supply and demand data that is available when the **Calculate Plan - Req. Wksh.** batch job is run. These are proposals that the purchasing agent can review and adjust according to personal knowledge, experience, or immediate needs.



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

---

### Demonstration: Process a Requisition Worksheet

This is a continuation of the “Set Up Planning Parameters” demonstration.

**Scenario:** On January 27, 2014, after Alicia, the purchasing agent, sets up the planning parameters for item 80211 (as requested by Eduardo, the planner), she decides to open the requisition worksheet. Alicia runs the **Calculate Plan - Req. Wksh.** batch job for item 80211, for January 27, 2014 through March 31, 2014.

The batch job creates one purchase requisition line for 150 units of item 80211, due immediately (January 28, 2014). Because item 80211 has no inventory, and because the reorder point planning parameter of 100 and the reorder quantity parameter of 150 is already set up, Alicia agrees with this proposed purchase. (The due date for the proposed order is immediate because the inventory level is less than the reorder point at the beginning of the planning period.)

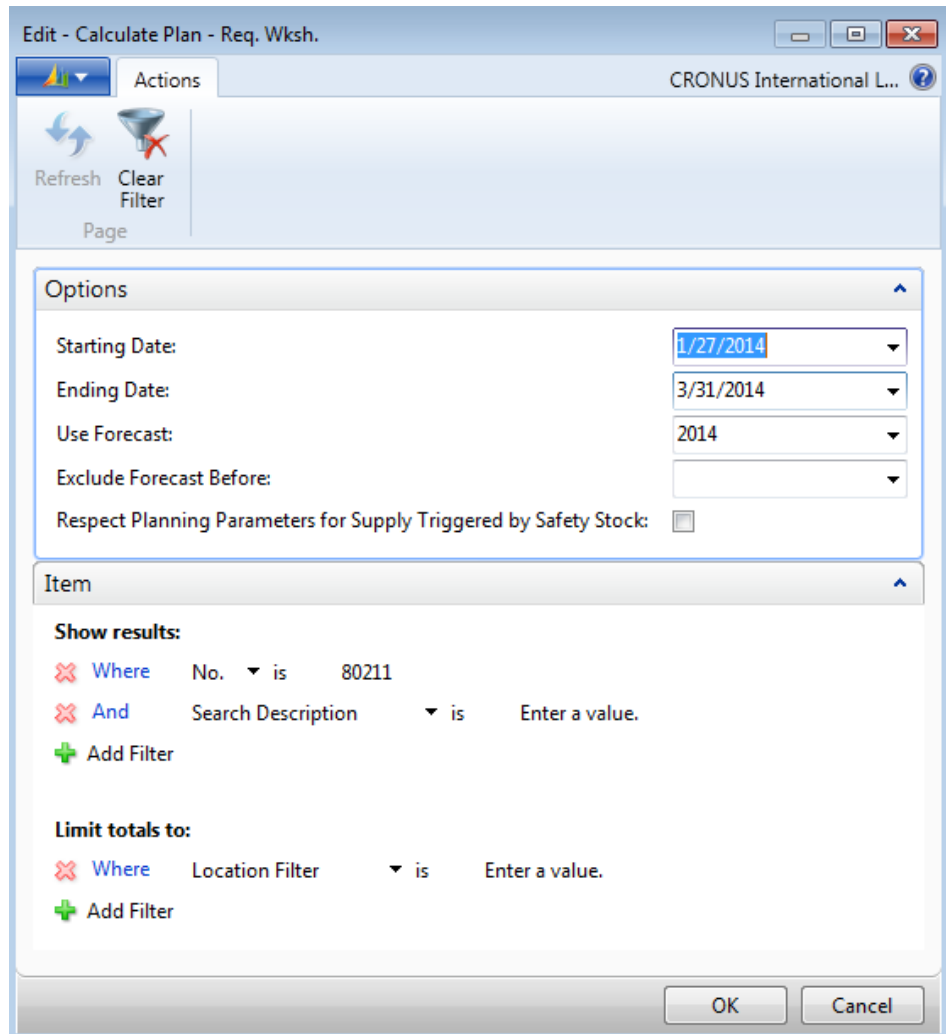
Alicia is about to create the new purchase order by carrying out the action message that is associated with the requisition line, when Susan, the order processor, informs her that the company just received its first sales order for item 80211, from customer 30000, for 70 units due on February 24, 2014.

After the sales order is entered, Alicia decides to rerun the **Calculate Plan - Req. Wksh.** batch job before she creates any purchase orders.

## Demonstration Steps

To run the **Calculate Plan – Req. Wksh.** batch job for item 80211 for the period of January 27, 2014 through March 31, 2014, follow these steps.

1. In the **Search** box, enter “requisition worksheets”, and then select the related link.
2. On the **Home** tab, click **Calculate Plan**.



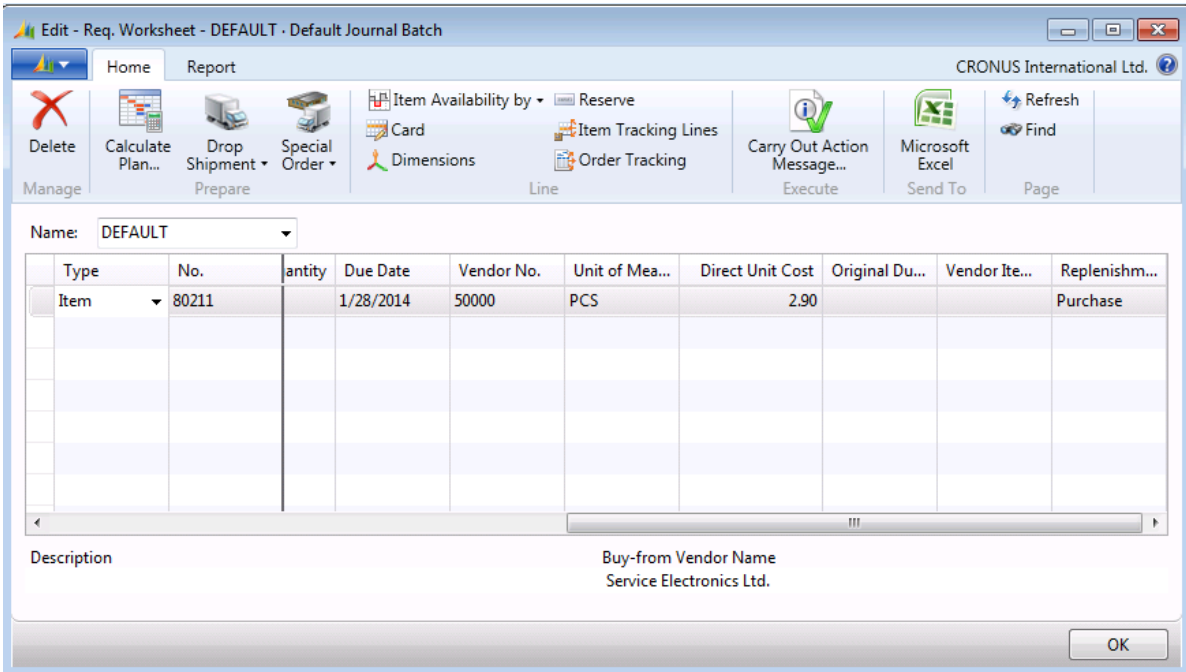
**FIGURE 5.3: CALCULATE PLAN – REQ. WKSH. REQUEST PAGE**

3. On the **Options** FastTab, set the **Starting Date** field of the **Calculate Plan – Req. Wksh.** batch job **Request** page to January 27, 2014.
4. Set the **Ending Date** field to March 31, 2014.
5. In the **Use Forecast** field, select 2014.
6. On the **Item** FastTab, in the **No.** filter field, enter “80211”.
7. Click **OK**. The batch job runs and it populates any resulting requisition lines in the worksheet.

## Module 5: Requisition Management

8. Use the **Choose Columns** function to add and, or move the following fields so that they are next to the **Quantity** field:
  - **Original Quantity**
  - **Due Date**
  - **Vendor No.**

If it is necessary, remove the **Item Details – Replenishment** FactBox and adjust the page and column sizes to bring the added fields into view.



**FIGURE 5.4: INITIAL REQUISITION LINE FOR ITEM 80211**

The **Calculate Plan – Req. Wksh.** batch job creates one purchase requisition line for 150 units of item 80211 that is due immediately, on January 28, 2014.

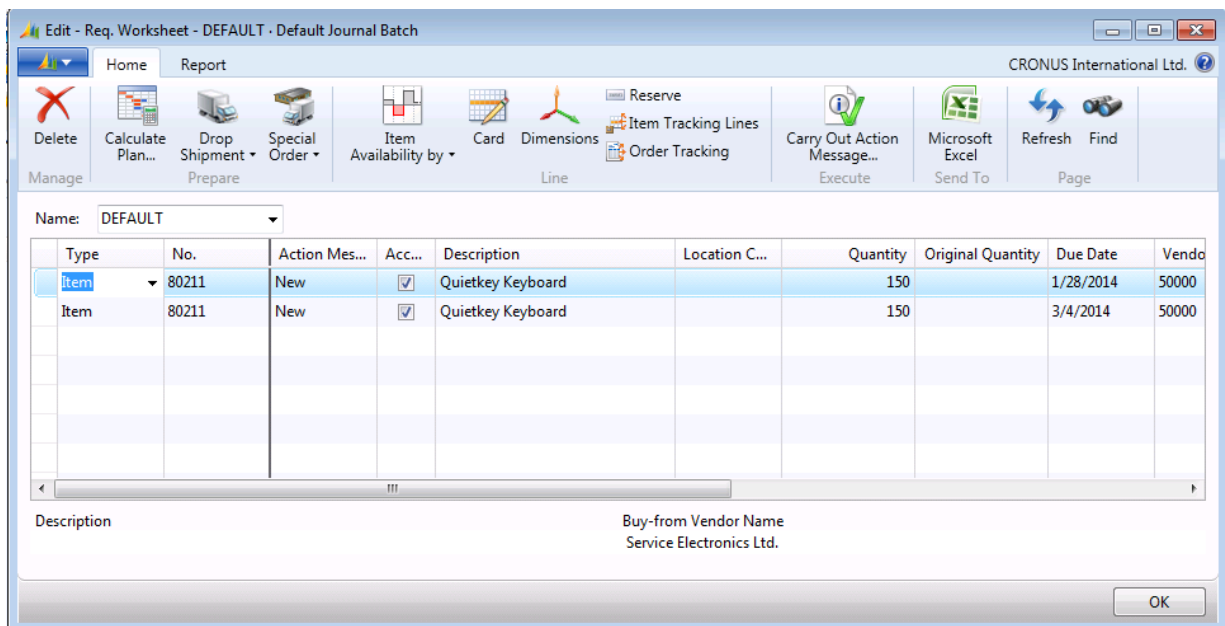
Now, you can enter the new sales order from customer 30000, for 70 units of item 80211, due February 24, 2014, by following these steps.

1. Close the **Req. Worksheet** page.
2. In the **Search** box, enter "sales orders", and then select the related link.
3. On the **Home** tab, click **New** and then press **Enter**.
4. On the **General** FastTab, in the **Sell-to Customer No.** field, enter "30000". Accept any messages.
5. Change the **Order Date** field to January 27, 2014.
6. Set the **Requested Delivery Date** field to February 24, 2014.
7. On the **Lines** FastTab, in the **Type** field, select Item.

8. In the **No.** field, enter "80211".
9. In the **Quantity** field, type "70". Accept any messages.
10. In the **Home** tab, click **Release** to release the order.
11. Click **OK** to close the order.

With the sales order in the system, Alicia is now ready to rerun the **Calculate Plan – Req. Wksh.** batch job for item 80211 to see whether it changes the requisition lines. To rerun the batch job, follow these steps.

1. In the **Search** box, enter "requisition worksheets", and then select the related link.
2. On the **Home** tab of the **Req. Worksheet** page, click **Calculate Plan**.
3. Verify that the **Calculate Plan – Req. Wksh.** batch job **Request** page options and filters are unchanged.
4. Click **OK**.



**FIGURE 5.5: REVISED REQUISITION LINES FOR ITEM 80211 FOLLOWING A CHANGE IN DEMAND**

The **Calculate Plan – Req. Wksh.** batch job now creates an additional purchase requisition line of 150 units of item 80211, that is due on March 04, 2014 and is required to bring the inventory level to a larger level than its reorder point following the scheduled sales order shipment of 70 units on February 24, 2014.

These two requisition lines do the following:

- The first requisition line is created so that the immediate inventory level is returned to a level that is greater than the reorder point, the same as before.
- The new sales order for item 80211, that is due for shipment on

---

## Module 5: Requisition Management

February 24, 2014, will decrease the projected inventory to 80 units. Because this is less than the reorder point of 100 units, the planning engine proposes a second purchase of 150 units. This returns the projected inventory to more than the reorder point as of March 04, 2014.

Why is the order due date on the second requisition line March 04, 2014, and not February 24, when the inventory level decreases to less than the reorder point? This occurs because of the start and stop dates of the time buckets. Proposals for every time bucket occurs at the end of the time bucket's date range.

Notice that the requisition lines are not static. You can change the proposed quantity, due date, and other fields before the actual orders are created.

### Carry Out Action Message Batch Job

As soon as the purchasing agent is satisfied with the requisition worksheets lines, the **Carry Out Action Msg. - Req.** batch job is used to convert the lines to purchase or transfer orders.

By default, the **Accept Action Message** check box is selected for each requisition line. This check box specifies that the line is included in the **Carry Out Action Msg. - Req.** batch job. You can clear the requisition line's check box to exclude it from the batch job, or you can delete the line by selecting it, and then click **Delete** in the **Home** tab.

You can also change the requisition lines before the batch job is run.

### Demonstration: Create Purchase Orders from the Requisition Worksheet

This is a continuation of the "Process a Requisition Worksheet" demonstration.

**Scenario:** After Alicia is satisfied with the lines in the requisition worksheet, she uses the **Carry Out Action Msg. - Req.** batch job to accept the related action messages and convert the requisition lines into purchase orders (or, in this case, a single purchase order with two lines, because both lines are to the same vendor for the same item).

#### Demonstration Steps

To create the purchase order from the requisition worksheet, follow these steps.

1. On the **Home** tab of the **Req. Worksheet** page, click **Carry Out Action Message**.
2. Click **OK** without printing the order. The lines are removed from the requisition worksheet, and, in this situation, a single purchase order with two purchase lines is created.

3. Close the **Req. Worksheet** page.
4. In the **Search** box, enter "items", and then select the related link.
5. Open the item card for item 80211.
6. On the **Navigate** tab of the item card, in the Purchases group, click **Orders** (this may be an icon only).
7. Two purchase order lines will show on the **Purchase Orders** page, one for 150 units expected on January 28, 2014, the other for 150 units expected on March 04, 2014. Both purchase lines belong to the same purchase order.

### **Demonstration: Change Purchase Orders from the Requisition Worksheet**

This is a continuation of the "Create Purchase Orders from the Requisition Worksheet" demonstration.

**Scenario:** After Alicia, the purchasing agent, submits the purchase order for item 80211 to vendor 30000, Eduardo, the production planner, informs her that he has changed the reordering policy for item 80211 to Maximum Qty., and has set the maximum inventory level at 200. She then reruns the **Calculate Plan - Req. Wksh.** batch job with a filter set to item 80211 to see whether the planning engine proposes any changes to her existing purchase order.

#### **Demonstration Steps**

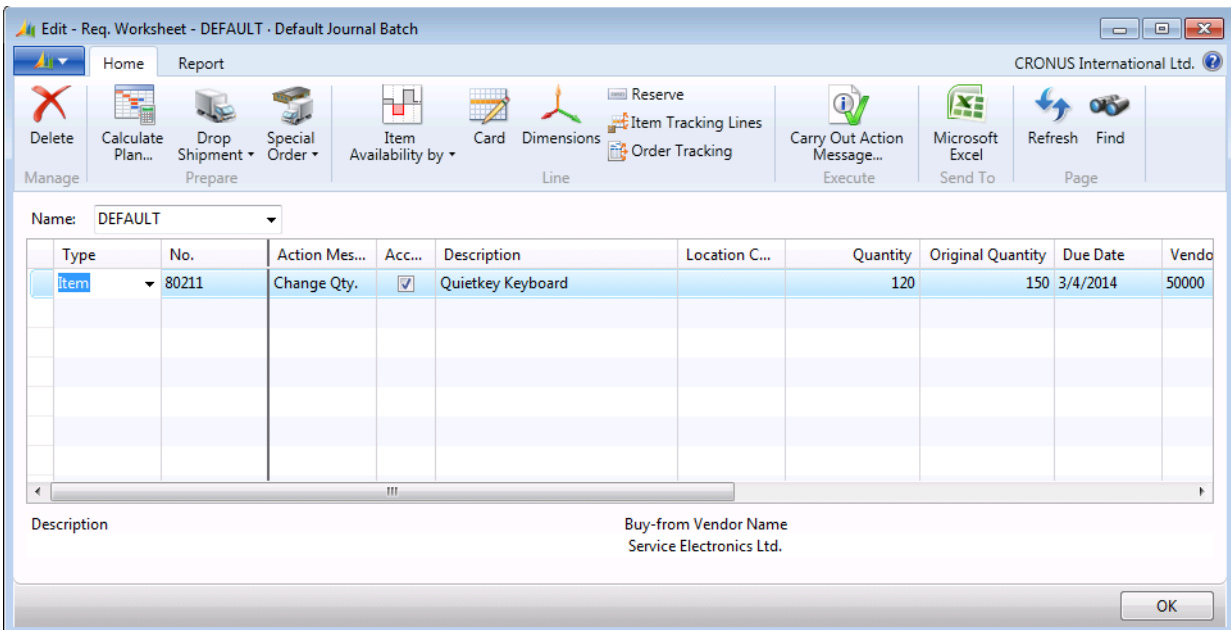
To set the new planning parameters for item 80211, follow these steps.

1. In the **Search** box, enter "items", and then select the related link.
2. Open the item card for item 80211.
3. Expand the **Planning** FastTab.
4. In the **Reordering Policy** field, select Maximum Qty.
5. Notice that the **Reorder Quantity** field is unavailable. Although it still shows a value, this field is not used by the Maximum Qty. reordering policy.
6. In the **Maximum Inventory** field, enter "200".

To rerun the **Calculate Plan – Req. Wksh.** batch job for item 80211, follow these steps.

1. On the **Home** tab of the item card for item 80211, click **Requisition Worksheet**.
2. On the **Home** tab of the **Req. Worksheet** page, click **Calculate Plan**.
3. Verify that the **Calculate Plan – Req. Wksh.** batch job **Request** page options and filters are unchanged.

### 4. Click **OK**.



**FIGURE 5.6: REQUISITION WORKSHEET PROPOSAL LINE TO CHANGE AN EXISTING PURCHASE ORDER**

Notice that, this time, the requisition line contains a Change Qty. action message instead of New action message. Notice, also, that it proposes a reduction in the order quantity from 150 to 120. If you use the **Choose Columns** function to add the **Replenishment System**, **Ref. Order No.**, and **Ref. Line No.** fields to the worksheet, this change proposal relates to the second line of the purchase order that you created earlier.

Why has the planning engine recommended this change? Given the first purchase order line of 150 units that you created earlier, less the 70 units of item 80211 to be shipped to customer 30000 on February 24, 2014, the program projects the inventory level at 80 as of February 24, 2014. This is less than the reorder point of 100 that previously (when you use a Fixed Reorder Qty. policy and a reorder quantity of 150) caused the planning engine to propose a second purchase of 150 units. This would have brought the projected inventory to 230 units. Because the reorder policy is now Maximum Qty. with a maximum inventory level of 200, the planning engine recommends reducing the second purchase by 30 units.

To carry out the action message and confirm the change to the supply situation for item 80211, follow these steps:

1. On the **Home** tab of the **Req. Worksheet** page, click **Carry Out Action Message**.
2. Click **OK** without printing the order.
3. Close the **Req. Worksheet** page.
4. In the **Search** box, enter "items", and then select the related link.

5. Open the item card for item 80211.
6. On the **General** FastTab, if you subtract the value in the **Qty. on Sales Order** field from the value in the **Qty. on Purch. Order** field, you will notice that the planning engine has balanced supply and demand to make sure that the maximum inventory is 200, exactly as Eduardo intended.

## Procedure: Review Requisition Worksheet Productivity

This lesson and the “Requisition Management Setup” lesson focused on the basic principles and the workflow for Requisition Management, by using examples that involved only one item.

Now, to work on a more complex requisition worksheet, follow these steps.

1. In the **Search** box, enter “requisition worksheets”, and then select the related link.
2. On the **Home** tab, click **Calculate Plan**.
3. Verify that the **Starting Date** option field is set to January 27, 2014.
4. Verify the **Ending Date** option field is set to March 31, 2014.
5. Clear all item filters.
6. Click **OK** and accept any messages.

The **Calculate Plan Req. Wksh.** batch job now creates requisition lines for all items that require them during the specified period.

The screenshot shows the 'Edit - Req. Worksheet - DEFAULT - Default Journal Batch' window. The ribbon includes 'Home' and 'Report' tabs. The 'Home' tab has buttons for 'Delete', 'Calculate Plan...', 'Drop Shipment', 'Special Order', 'Item Availability by', 'Card', 'Dimensions', 'Reserve', 'Item Tracking Lines', 'Order Tracking', 'Carry Out Action Message...', 'Microsoft Excel', 'Refresh', and 'Find'. The main area displays a table of requisition lines.

Type	No.	Action Mes...	Acc...	Description	Location C...	Quantity	Original Quantity	Due Date	Vendo
Item	LS-10PC	New	<input checked="" type="checkbox"/>	Black	SILVER	100		1/31/2014	40000
Item	LS-10PC	New	<input checked="" type="checkbox"/>	Black	WHITE	100		1/31/2014	40000
Item	LS-120	New	<input checked="" type="checkbox"/>	Loudspeaker, Black, 120W	SILVER	36		1/31/2014	40000
Item	LS-150	New	<input checked="" type="checkbox"/>	Loudspeaker, Cherry, 150W	SILVER	32		1/28/2014	50000
Item	LS-150	New	<input checked="" type="checkbox"/>	Loudspeaker, Cherry, 150W	WHITE	46		1/26/2014	50000
Item	LS-2	New	<input checked="" type="checkbox"/>	Cables for Loudspeakers	WHITE	20		1/15/2014	
Item	LS-2	New	<input checked="" type="checkbox"/>	Cables for Loudspeakers	WHITE	10		1/15/2014	
Item	LS-2	New	<input checked="" type="checkbox"/>	Cables for Loudspeakers	WHITE	2		1/15/2014	
Item	LS-75	New	<input checked="" type="checkbox"/>	Black	SILVER	2.5		1/28/2014	30000
Item	LS-75	New	<input checked="" type="checkbox"/>	Black	WHITE	2.5		1/28/2014	30000
Item	LS-MAN-10	New	<input checked="" type="checkbox"/>	Manual for Loudspeakers	SILVER	1,000		1/28/2014	30000
Item	LS-S15	New	<input checked="" type="checkbox"/>	Stand for Loudspeakers LS-150	WHITE	12		1/15/2014	
Item	LS-S15	New	<input checked="" type="checkbox"/>	Stand for Loudspeakers LS-150	WHITE	12		1/15/2014	
Item	80211	Change Qty.	<input checked="" type="checkbox"/>	Quietkey Keyboard		120	150	3/4/2014	50000

Buy-from Vendor Name  
Lewis Home Furniture

**FIGURE 5.7: REQUISITION LINES FOR ALL ITEMS**



Each requisition line is the result of a unique, time-specific supply and demand situation. Additionally, each line can be a unique combination of planning parameters, some of which are much more sophisticated than the parameters described to this point.

To manually duplicate such planning calculations, especially in companies that purchase many items, is impractical.

The requisition worksheet is used to improve the productivity of purchasing agents, and as a basic element for purchasing activities.

### Additional Worksheet Features

Additional functionality is offered by the requisition worksheet that includes the following:

- Support for drop shipments
- Support for special orders
- Planning worksheet lines
- Manually created worksheet lines

#### Support for Drop Shipments

In a drop shipment transaction, the vendor delivers sold goods directly to the customer. The company does not handle the physical goods involved in the transaction or receive them into inventory.

A company can record a drop shipment by selecting DROP SHIP in the **Purchasing Code** field of a sales line. Purchasing agents can then either manually create the related purchase order to the vendor or use the requisition worksheet to do this. The advantage of using the requisition worksheet is that it can automatically generate purchase orders for all outstanding drop shipments, instead of requiring the purchasing agent to create each one individually.

#### 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.

### Demonstration Steps

To create a sales order that requires a drop shipment, follow these steps.

1. In the **Search** box, enter "sales orders", and then select the related link.
2. On the **Home** tab, click **New** and then press **Enter**.
3. On the **General** FastTab, in the **Sell-to Customer No.** field, enter "10000". Accept any messages.
4. Change the **Order Date** field to January 27, 2014.
5. On the **Lines** FastTab, in the **Type** field, select Item.
6. In the **No.** field, enter "70040".
7. In the **Quantity** field, type "2000". Accept any messages.
8. Add the **Purchasing Code** field to the sales order lines by using the **Choose Columns** function.
9. In the **Purchasing Code** field, select DROP SHIP.
10. Click **OK** to close the sales order.

To calculate a purchase plan for drop shipments in the requisition worksheet, follow these steps.

1. In the **Search** box, enter "requisition worksheets", and then select the related link.
2. Select all the lines in the worksheet.
3. On the **Home** tab, click **Delete**. Click **Yes** to confirm the deletion.
4. On the **Home** tab, point to **Drop Shipment**, and then click **Get Sales Orders**.
5. Click **OK**.

The program creates a purchase requisition line for the drop shipment sales line for item 70040.

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

Do not carry out the action message. Instead, close the requisition worksheet.

### Support for Special Orders

A special order typically involves the sale of a nonstock item to a specific customer. It usually involves an order that must be shipped from the company (caused by customer preferences or for other reasons) and not drop shipped from the vendor. Typically, it is considered a special order because the purchase order that is sent to the vendor is generated from a sales order, and after that, the purchase and sales orders are linked. The planning engine fully respects this link and it will not try to use the purchase order to supply other sales orders.

The purchasing agent creates the purchase order for the special order sales line by using the requisition worksheet.

### Demonstration: Process a Special Order from a Requisition Worksheet

This is a continuation of the “Process a Drop Shipment from a Requisition Worksheet” demonstration.

**Scenario:** Susan, the order processor, is informed that the rush order for 2000 units of item 70040, for customer 10000, is a special order, not a drop shipment. She changes the sales order accordingly.

Alicia, the purchasing agent, must now delete the existing line in the requisition worksheet and generate a new requisition line by using the worksheet’s **Special Orders** function.

### Demonstration Steps

To change the sales order line from a drop shipment to a special order, follow these steps.

1. Open the sales order that you created in the “Process a Drop Shipment from a Requisition Worksheet” demonstration.
2. In the sales line for item 70040, change the **Purchasing Code** field to SPEC ORDER.
3. Close the sales order.

To replace the requisition line, follow these steps.

1. In the **Search** box, enter “requisition worksheets”, and then select the related link.
2. Delete all existing requisition lines from the worksheet.
3. On the **Home** tab, point to **Special Order**, and then click **Get Sales Orders**. Click **OK**. The program creates a purchase requisition line for the special order sales line for item 70040.

4. On the **Home** tab, click **Carry Out Action Message**.
5. Click **OK** to create the purchase order.

To view the link between the special order sales line and its corresponding purchase order, follow these steps.

1. Open the sales order that you modified at the start of this demonstration.
2. In the **Lines** FastTab, select the special order sales line for item 70040.
3. Point to **Order**, then **Special Order**, and then click **Purchase Order**.

The purchase order that you created in the requisition worksheet will appear.

### Planning Worksheet Lines

The Planning Worksheet Lines feature is used by large manufacturing companies that have separate departments that handle 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, transferred, or assembled.

From the planning worksheet, the planner can then select planning 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 the online Help for more information about this batch job.

This function, although started from the manufacturing application area, results in new lines that are created in the requisition worksheet. From there, the purchasing agent can edit and approve the requisition lines before he or she converts them to actual purchase or transfer orders.

### Manually Created Lines

The purchasing agent can also manually create lines in the requisition worksheet. This is considered practical when a person or a department uses a worksheet to list the items they need. The purchasing agent can then change and approve the requisition lines before he or she creates the purchase orders by using the **Carry Out Action Msg. - Req.** batch job.

## Module Review

### ***Module Review and Takeaways***

Requisition Management is an important part of the purchasing functionality in Microsoft Dynamics NAV.

The planning parameters that are set up on the item cards define how individual items are managed by the planning engine. The **Calculate Plan - Req. Wksh.** batch job accesses these parameters, and all the supply and demand information that is known to the program, and then it generates a set of order proposal lines in the requisition worksheet. For all approved requisition lines, the **Carry Out Action Msg. - Req.** batch job then creates, changes, and deletes purchase or transfer orders, as needed.

The requisition worksheet also offers support for drop shipments and special orders. Additionally, the requisition worksheet can be used to build lists of purchase needs collaboratively from multiple departments, and it also provides an efficient mechanism for production planners and purchasing agents to coordinate their efforts.

### **Test Your Knowledge**

Test your knowledge with the following questions.

1. What is the main function of purchasing?

---

---

---

---

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

- ( ) A requisition worksheet template
- ( ) A requisition worksheet name
- ( ) Planning parameters
- ( ) A production planner profile

3. Where is the Lead Time Calculation planning parameter specified?
- In the Planning FastTab of the item or stockkeeping unit card
  - In the Replenishment FastTab of the item or stockkeeping unit card
  - In the Planning FastTab of the requisition worksheet
  - In the Requisition Management Setup page
4. What is the Calculate Plan - Req. Wksh. batch job used for?
- To create one purchase order for every outstanding sales order
  - To calculate the total quantities of items to be ordered
  - To create a set of requisition lines that balance supply and demand
  - To turn requisition lines into purchase orders
5. Which of the following action messages is not available in the requisition worksheet?
- New
  - Change Qty.
  - Reschedule
  - Replace
  - Reschedule & Chg. Qty.
6. 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

## Test Your Knowledge Solutions

### Module Review and Takeaways

1. What is the main function of purchasing?

MODEL ANSWER:

The main function of purchasing includes the procurement of finished goods, raw materials, and supplies in optimal quantities and in a timely manner. These activities affect most areas of a company, especially inventory management, production, and sales.

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

A requisition worksheet template

A requisition worksheet name

Planning parameters

A production planner profile

3. Where is the Lead Time Calculation planning parameter specified?

In the Planning FastTab of the item or stockkeeping unit card

In the Replenishment FastTab of the item or stockkeeping unit card

In the Planning FastTab of the requisition worksheet

In the Requisition Management Setup page

4. What is the Calculate Plan - Req. Wksh. batch job used for?

To create one purchase order for every outstanding sales order

To calculate the total quantities of items to be ordered

To create a set of requisition lines that balance supply and demand

To turn requisition lines into purchase orders

5. Which of the following action messages is not available in the requisition worksheet?
- New
  - Change Qty.
  - Reschedule
  - Replace
  - Reschedule & Chg. Qty.
6. 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