

CHAPTER 3: MULTIPLE LOCATIONS

Objectives

The objectives are:

- Set up a company with multiple locations.
- Link customers and vendors to locations.
- Set up responsibility centers.
- Link users, customers, and vendors to responsibility centers.
- List multi-location setup guidelines.
- Review setup data in the CRONUS International Ltd. demonstration company.
- Create sales and purchase orders for multiple locations.
- Create and set up stockkeeping units.

Introduction

Many modern companies have their organization and operations distributed over large geographic areas, with each unit being managed independently. Such an approach to organizing their business helps companies gain a competitive advantage through achieving operational flexibility and customer responsiveness. At the same time, companies with multiple locations face the challenge of retaining control over their decentralized operations and optimizing the inventory flows. To meet this challenge, such companies must ensure that the real-time information generated at the location level is available to the rest of the organization.

Multiple Locations and Responsibility Centers in Microsoft Dynamics® NAV provide companies that have multiple sites the opportunity to manage their business operations in the most flexible, yet optimal way.

With Multiple Locations, companies can manage their inventory in multiple locations using one database. Two concepts, location and stockkeeping unit, are the cornerstone of this functionality. A location is defined as a place that handles physical placement and quantities of items. The concept is broad enough to include locations such as:

- Plants or production facilities
- Distribution centers
- Warehouses
- Showrooms
- Service vehicles

A stockkeeping unit is defined as an item or a variant of an item at a specific location. With the stockkeeping units, companies with multiple locations are able to add replenishment information, addresses, and some financial posting information on the location level. As a result, they can replenish variants of the same item for each location as well as order items for each location on the basis of location-specific replenishment information.

Responsibility Centers extend the multiple locations functionality by providing the possibility of handling administrative centers. A responsibility center can be:

- A cost center.
- A profit center.
- An investment center.

Examples of responsibility centers are a sales office, a purchasing department for several locations, and a plant planning office. With this functionality, companies can set up user-specific views to show only sales and purchase documents related to a particular responsibility center.

Multiple Locations and Responsibility Centers can be implemented independently.

Set Up a Company with Multiple Locations

The first half of this chapter discusses how to use Multiple Locations to set up a company with multiple locations to reflect its current and future administrative and geographic configuration. The second half explains the implications that alternative setup options have on a company's business processes in respect to making sales and purchase orders.

Demonstration: Set Up a Centralized Warehouse

In the following demonstration, a company's structure is represented by a head office, which administers all purchases and sales, and a number of warehouses where inventory is handled and stored. The company follows a centralized purchase policy.

Scenario: To run its business in the United Kingdom, CRONUS International Ltd. has five physical premises: the headquarters, located in London, and five warehouses located in other cities around the country. The warehouse in Birmingham functions as a central warehouse to which most of the company's vendors ship their items. The central warehouse then transfers inventory to all other warehouses that operate as distribution centers from which sales orders are shipped to the customers.

The general company information is recorded on the **Company Information** page. Follow these steps to open and review the **Company Information** page:

1. On the navigation pane, click **Administration** and then click **Application Setup**.
2. On the **Application Setup** page, click **General** and then click **Company Information**.

The fields on the **General** FastTab contain the address details of the CRONUS company headquarters.

3. Expand the **Shipping** FastTab.

FIGURE 3.1 SHIPPING INFORMATION OF THE CRONUS COMPANY HEADQUARTERS

By default, the various ship-to fields on the **Shipping** FastTab are populated with the address details of the company's headquarters. However, if the company's warehouse is located at a different address than the headquarters, the information in the ship-to fields can be overwritten with the location's address. The information in these fields is then printed on purchase orders, for example, so that vendors ship items to the correct location.

In the **Location Code** field, select the location code that corresponds to the company's ship-to address. If the field contains a code, whenever the purchasing agents' order items are shipped to the company, Microsoft Dynamics NAV automatically uses the warehouse location represented by the code.

Location codes are set up on individual location cards.

Generally, the location card is used to record information about the company's locations. In Microsoft Dynamics NAV, a location is defined as a physical place where items are produced, handled, and stored before being sold. A location can be, for example, a production plant, a warehouse, or a distribution center. The purpose of setting up locations in Microsoft Dynamics NAV is to make a distinction between where different locations are geographically located and how they handle inventory. The address information held on the location card is printed on the purchase documents to notify vendors to which locations they must ship the ordered items.

Companies must set up a location card and a location code for each of their locations.

BEST PRACTICE: *It is recommended that companies set up at least one location, where they record inventory increases and decreases. If no location is set up, a "blank location" is used. If part of the inventory quantity is on the "blank location," it is difficult to discern that quantity in Microsoft Dynamics NAV. For example, the **Item Availability by Location** page only shows the quantities in the different locations but does not show any quantity that does not belong to a location.*

4. On the navigation pane, under Application Setup, click **Warehouse**, click **Warehouse** again, and then click **Locations**.

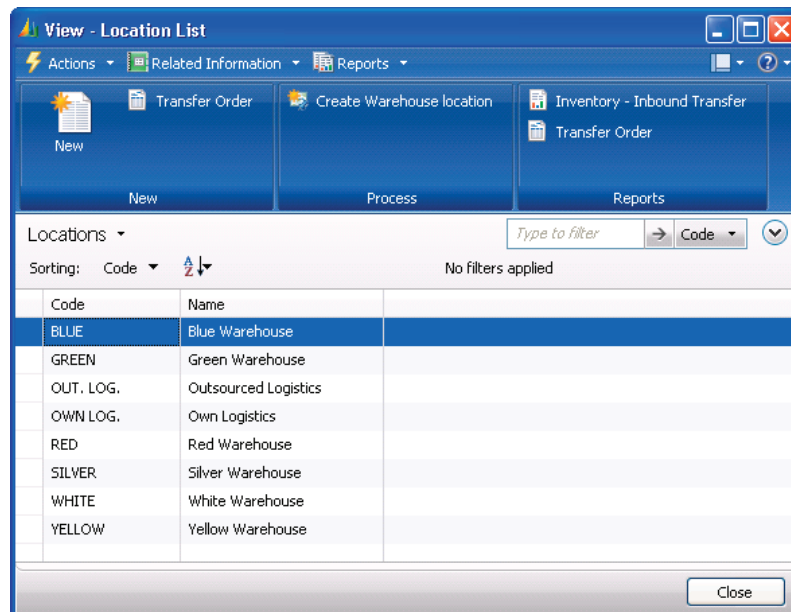


FIGURE 3.2 LIST OF LOCATIONS SET UP IN CRONUS

CRONUS has set up eight locations: six that represent warehouses and two, OUT. LOG. and OWN LOG., that are the in-transit locations. For more information about in-transit locations, refer to "Location Transfers" in this training material.

5. Open the location card for the Blue Warehouse to see the address and setup details for the location.

The distribution center in Birmingham, represented by the BLUE location code, is the location that CRONUS wants its vendors to ship ordered items to.

6. Click **OK** to close the **Location Card**.
7. Re-open the **Company Information** page.
8. On the **Shipping** FastTab, enter BLUE in the **Location Code** field.

CRONUS is now set up to use the BLUE location as the main receiving location for purchase orders.

Link Customers and Vendors to Locations

For a number of reasons, such as to ensure fast deliveries to their customers or to optimize purchase processes with some vendors, companies may choose to pursue a decentralized distribution strategy. Such a strategy suggests that instead of one central warehouse, vendors ship purchase orders to different locations, which then ship the sales orders to the customers. To reflect these procedures in the program, the company can link certain customers and vendors to specific locations.

The following demonstration illustrates a situation where a company that implemented a decentralized distribution policy chooses to link some of their customers and vendors to specific locations. As in the previous demonstration, the company has a head office and a number of warehouses located at different geographical locations.

Demonstration: Review a Decentralized Warehouse Setup

Scenario: CRONUS customer 40000, Deerfield Graphics Company, is located in Gloucester. Due to the customer's proximity to the Yellow Warehouse, CRONUS has established a procedure by which they always ship items to this customer from this specific warehouse instead of the central warehouse represented by the default BLUE location.

Similarly, CRONUS has decided that one of its vendors, vendor 40000, will always ship orders to its Green Warehouse located in Liverpool.

To reflect these procedures in the program, CRONUS links customer 40000 to the YELLOW location and links vendor 40000 to the GREEN location.

To link a customer to a location, select a default location code on the customer card. Follow these steps to review the location code setup in CRONUS for this customer and vendor:

1. On the navigation pane, click the **Warehouse** department, then **Orders & Contacts** and then click **Customers**.

2. Open the customer card for customer 40000.
3. Expand the **Shipping** FastTab.

The **Location Code** field contains the code for the YELLOW location. This code is used as the default location code every time the user makes a sales order for this customer.

Similarly, to link a vendor to a location, the user must select a default location code on the vendor card.

4. Click **OK** to close the **Customer Card**.
5. On the navigation pane, under Warehouse, click **Orders & Contacts** and then click **Vendors**.
6. Open the vendor card for vendor 40000.
7. Expand the **Receiving** FastTab.

The **Location Code** field contains the code for the GREEN location. This code is used as the default location code every time the user makes a purchase order for this vendor.

The implications that this setup has on where addresses on different documents come from are described in the demonstrations in the "Sell and Purchase in a Company with Multiple Locations" lesson. Additionally, this lesson shows how CRONUS uses Multiple Locations functionality to distinguish between different locations and manages inventory at each specific location.

Set Up Responsibility Centers

Companies can set up responsibility centers to help administer their business. For example, a responsibility center can administer sales and purchases for one or more warehouses or distribution centers, where goods are handled and stored prior to being sold. With this functionality, companies can set up user-specific views to show only sales and purchase documents related to a particular responsibility center.

Demonstration: Review Responsibility Center Setup

Scenario: To optimize their business operations on the United Kingdom market and to be closer to their customers, CRONUS divides their activities into two main geographical areas: the Central area and the Southern area. Each of these areas is administered through a responsibility center. The London responsibility center administers the southern area, while the Birmingham responsibility center is responsible for the central area.

Remember that CRONUS also has six warehouses located in these two areas. In the Central area, the Blue Warehouse operates as a central warehouse to which most of the vendors in the area ship their purchase orders, while in the Southern area vendors ship the orders to different warehouses.

Notice how CRONUS reflects their organizational configuration in the Microsoft Dynamics NAV setup. Follow these steps to look at the setup on the Responsibility Center cards:

1. On the **Application Setup** page, click **General** and then click **Company Information**.
2. On the **Related Information** menu, point to **Company** and then click **Responsibility Centers**.
3. Double-click the Birmingham responsibility center.

The fields on the **General** FastTab of the **Responsibility Center Card** specify the code and the name for the responsibility center and address details.

Each responsibility center has a name, such as the address of the regional office, and a code representing the name. The user can apply this responsibility center code elsewhere in the program. For example, when the user enters a responsibility center code on purchase and sales documents, it affects the address and dimensions on the documents.

The **Location Code** field contains the code of a default warehouse, which in this case is BLUE for the Blue Warehouse. Physical transactions administered by the Birmingham responsibility center take place at this location. Entering a location code here makes that location the default on all sales and purchase documents with this responsibility center.

Another responsibility center for CRONUS is located in London. This responsibility center does not have a default location.

Link Responsibility Centers

Having multiple locations can create problems in terms of who can access what information. In Microsoft Dynamics NAV, it is possible to assign permission for different users to perform activities in relation to the different responsibility centers. In this way, the company can ensure that a specific user only gets access to the data relevant for that user's responsibility center. For detailed information about setting up roles and permissions, refer to the "Application Setup in Microsoft Dynamics® NAV 2009" training material.

Once a user is defined and assigned to a responsibility center, Microsoft Dynamics NAV automatically selects the responsibility center linked to this specific user every time the user logs on with their own user ID. Specifically, this means that users can make sales and purchases only from the responsibility center indicated in their set of permissions. Also, the responsibility center name appears in the sales and purchase orders and in other places where the **Responsibility Center** field is present.

Demonstration: Link Users to Responsibility Centers

Scenario: CRONUS has two responsibility centers, one in London and another one in Birmingham. Management has decided to set up two main users according to the following considerations:

- Susan, the order processor, has permission to operate only from the Birmingham responsibility center.
- Alicia, the purchasing agent, has permission to operate only from the London responsibility center.

To reflect these procedures in the program, Simon, the systems implementer at CRONUS, must link users to the corresponding responsibility center.

ATTENTION: *User logins and permissions must be set up in the Microsoft Dynamics NAV 2009 Classic client; therefore all demonstrations in this lesson are performed in the Classic client.*

Follow these steps to create the users and assign roles to them:

1. Open the Microsoft Dynamics NAV 2009 Classic with Microsoft SQL Server client.
2. On the **Tools** menu, point to **Security** and then click **Windows Logins**.
3. Create the two logins for Alicia and Susan.

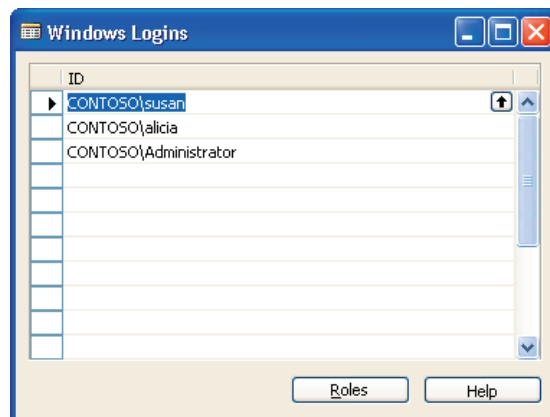


FIGURE 3.3 EXISTING ADMINISTRATOR LOGIN AND TWO NEW WINDOWS LOGINS

4. Select user CONTOSO/susan and then click **Roles** to open the **Roles** window.
5. In the **Role ID** field, enter SUPER.
6. Close the **Roles** window.

7. Repeat steps 4-6 for the user CONTOSO/alicia.
8. On the **Tools** menu, point to **Security** and then click **Synchronize All Logins**.
9. Click **Yes** to continue the process.
10. Close the **Windows Logins** window.

Simon's next steps are to assign new users to specific responsibility centers so that Microsoft Dynamics NAV can accordingly filter data used when creating transactions.

Follow these steps to set up permissions for users in the **User Setup** window:

1. On the navigation pane, click **Administration**, then **Application Setup**, then **Users**, and then click **User Setup**.
2. Create three lines for the users by selecting the corresponding user IDs (Administrator, Alicia, and Susan) in the **User ID** field.
3. On the line for Alicia, enter London in the **Sales Resp. Ctr. Filter**, **Purchase Resp. Ctr. Filter** and **Service Resp. Ctr. Filter** fields to indicate that this user is linked to the London responsibility center and has permission to make sales, and to purchase and service orders from this center.
4. Similarly, link Susan to the Birmingham responsibility center.



FIGURE 3.4 USERS LINKED TO RESPONSIBILITY CENTERS

NOTE: Always have one user configured without responsibility centers, so that there is always a user with all the permissions.

Demonstration: Review Customers and Vendors Linked to Responsibility Centers

Companies often have established processes whereby certain customers are always administered from a specific sales responsibility center. A similar process may exist for vendors. To reflect these business practices, companies may want to use the program's functionality to link their customers and vendors to certain responsibility centers.

As an example of this feature, suppose that an order processor creates a sales order for a customer that is linked to a specific responsibility center. The corresponding responsibility center code defaults on the sales order header as well as on the printout of the sales order. In addition, the company is able to track their performance toward customers for each specific responsibility center.

The following is an example of a situation where a company chooses to link some of their customers and vendors to a specific responsibility center.

Scenario: As a part of their strategy to increase customer responsiveness and improve customer care, CRONUS has placed the responsibility for key customers with each individual responsibility center. Similarly, each responsibility center is responsible for improving its relationship with key vendors.

To help the responsibility centers fulfill their new role, CRONUS has chosen to link its customers 10000 and 50000 to the Birmingham and London responsibility centers, respectively. Similarly, one of its vendors, 10000, is linked to the London responsibility center.

To link a customer to a responsibility center, select a responsibility center code on the customer card. Follow these steps to review the responsibility center setup for these customers and vendor:

1. On the navigation pane, click **Warehouse**, then **Orders & Contacts**, and then click **Customers**.
2. Open the customer card for customer 10000.

The **Responsibility Center** field on the **General** tab contains the code for the Birmingham responsibility center.

3. Open the customer card for customer 50000 to see that this customer is linked to the London responsibility center.

Similarly, to link a vendor to a responsibility center, select a responsibility center code on the vendor card.

4. On the navigation pane, under **Orders & Contacts**, click **Vendors**.
5. Open the vendor card for vendor 10000.

The **Responsibility Center** field on the **General** tab contains the code for the London responsibility center.

Guidelines for Setting Up a Company with Multiple Locations

With Multiple Locations and Responsibility Centers, multi-site companies can exercise a high degree of flexibility when setting up their organizations in the program.

However, it is recommended that companies choose one of the two following generic approaches to the setup:

- The user-focused approach.
- The account (customer/vendor)-focused approach.

The companies where the user perspective is of a higher priority than that of the account may want to choose the user-focused approach. In this case, they follow the general guidelines for setup as follows:

- Link responsibility centers to the users.
- Select a default location code for each responsibility center.
- Do not select default location codes for the accounts.

Where the account perspective is of a higher priority than the user, companies may want to choose the account-focused approach. In this case, companies can follow the general guidelines for setup:

- Select default responsibility centers and location codes for the accounts.
- Do not link responsibility centers to the users.
- Do not select default location codes for the responsibility centers.

NOTE: *The CRONUS demonstration database does not reflect the above-mentioned approaches.*

Lab 3.1 - Create and Set Up a New Location

Scenario

CRONUS extends its operations in England and purchases a new warehouse in Brighton. The new location is called Orange Warehouse and it has the location code ORANGE.

Management decides that vendors 10000 and 50000 will use this new warehouse as a ship-to location.

As the warehouse manager at CRONUS, you are asked to complete this setup.

***NOTE:** This lab can be performed in either the RoleTailored client or Classic client. However, the step-by-step instructions are written for the RoleTailored client.*

Challenge Yourself!

Set up the new Orange location and set this as the default location for vendors 10000 and 50000.

Need a Little Help?

1. Create a new location called Orange Warehouse with the location code ORANGE.
2. Set the Orange location as the default location for vendors 10000 and 50000.

Step by Step

Follow these steps to create the Orange location:

1. On the navigation pane, click the **Warehouse** department.
2. On the **Warehouse** page, click **Administration** and then click **Locations**.
3. Click **New** to create a new location card.
4. In the **Code** field, type Orange.
5. In the **Name** field, type Orange Warehouse.
6. Click **OK** to close the **Location Card**.

Follow these steps to link the location to selected vendors:

1. On the **Warehouse** page, click **Orders & Contacts** and then click **Vendors**.
2. Open the card for vendor 10000.
3. Expand the **Receiving** FastTab, and then enter ORANGE in the **Location Code** field.
4. Click **OK** to close the **Vendor Card**.
5. Open the card for vendor 50000.
6. Expand the **Receiving** FastTab, and then enter ORANGE in the **Location Code** field.
7. Click **OK** to close the **Vendor Card**.

Lab 3.2 - Create and Set Up a New Responsibility Center

Scenario

As CRONUS business in northern England increases, the company decides to open a new office in Manchester, which acts as a profit center administrating sales and purchases in the area. The new responsibility center will have the responsibility center code MANCHESTER and name CRONUS, Manchester RC. The Green Warehouse, located in Liverpool, is chosen as a default location for this responsibility center.

Kevin, the sales manager in the Manchester office, is responsible for sales and purchases at the Manchester responsibility center and needs to be set up with access to perform the respective processes only from this responsibility center.

Among other things, management also decides to administer all deals with customer 30000 from the Manchester responsibility center.

As the system administrator at CRONUS, you are asked to complete this setup.

***ATTENTION:** User logins and permissions must be set up in the Microsoft Dynamics NAV 2009 Classic client; therefore all steps in this lab are performed in the Classic client.*

Challenge Yourself!

1. Create the new Manchester responsibility center card and assign the Green Warehouse as the default location.
2. Set up a Windows Login (with Superuser access) for user Kevin at the Manchester responsibility center with the permission to make both sales and purchase orders from this center.
3. Set the responsibility center default for customer 30000.

Need a Little Help?

1. Create a new responsibility center card; the new responsibility center will have the responsibility center code Manchester and the name CRONUS, Manchester RC.
2. Set the Green Warehouse as a default location for this responsibility center.

3. Set up user Kevin at the Manchester responsibility center with the permission to make both sales and purchase orders from this center.
 - a. Set up a Windows Login for user Kevin Cook and then assign the Superuser permission.
 - b. Synchronize his login.
4. Set the Manchester responsibility center as a default for customer 30000.

Step by Step

Follow these steps to set up the new Responsibility Center:

1. Open the Microsoft Dynamics NAV 2009 Classic with Microsoft SQL Server client.
2. On the navigation pane, click **Administration**, then **Application Setup**, then **General**, and then click **Responsibility Centers**.
3. Click **New** to create a new responsibility center card.
4. In **Code** field, type Manchester.
5. In the **Name** field, type CRONUS, Manchester RC.
6. In the **Location Code** field, enter GREEN.
7. Close the **Responsibility Center Card**.

Follow these steps to set up security for user Kevin:

1. On the **Tools** menu, point to **Security**, and then click **Windows Logins**.
2. On a new line, enter Kevin in the **User ID** field and then press ENTER or TAB.
3. Re-select the line for Kevin and then click **Roles**.
4. In the **Role ID** field, enter SUPER.
5. Close the **Roles** windows.
6. On the **Tools** menu, point to **Security** and then click **Synchronize Single Login**.
7. Close the **Windows Logins** window.

Follow these steps to assign user Kevin to the Manchester Responsibility Center:

1. On the navigation pane, under **Application Setup**, collapse the **General** folder, click **Users**, and then click **User Setup**.
2. On a new line, enter Kevin in the **User ID** field.
3. In the three responsibility center fields, enter MANCHESTER.
4. Close the **User Setup** window.

Follow these steps to assign the Manchester Responsibility Center to customer 30000:

1. On the navigation pane, click **Warehouse**, then **Orders & Contacts**, and then click **Customers**.
2. Open the customer card for customer 30000.
3. In the **Responsibility Center** field, enter MANCHESTER.
4. Close the **Customer Card**.

CRONUS Organizational Setup Overview

The overview of the CRONUS organizational setup is summarized in the following tables. This includes the setup reviewed and performed in the following demonstrations and labs:

- Demonstration: Review a Decentralized Warehouse Setup
- Demonstration: Review Responsibility Center Setup
- Demonstration: Review Customers and Vendors Linked to Responsibility Centers
- Lab 3.1 - Create and Set Up a New Location
- Lab 3.2 - Create and Set Up a New Responsibility Center.

Responsibility Center	Default Location Code	Comments
Birmingham	BLUE	As set up in the demonstration data.
London	No default location	As set up in the demonstration data.
Manchester	GREEN	Setup performed during Lab 3.2.

Customer No.	Responsibility Center (RC)	Default Location Code	Comments
10000	Birmingham	BLUE	As set up in the demonstration data.
20000	No default RC	No default location	As set up in the demonstration data.
30000	Manchester	No default location	Setup performed during Lab 3.2.
40000	No default RC	YELLOW	As set up in the demonstration data.
50000	London	No default location	As set up in the demonstration data.

Vendor No.	Responsibility Center (RC)	Default Location Code	Comments
10000	London	ORANGE	Setup performed during Lab 3.1.
30000	No default RC	No default location	As set up in the demonstration data.
40000	No default RC	GREEN	As set up in the demonstration data.
50000	No default RC	ORANGE	Setup performed during Lab 3.1.

Sell and Purchase in a Company with Multiple Locations

If there are no responsibility centers, customers and vendors can be linked to different locations. This lesson discusses what implications the alternative setups have on the company's business processes, with respect to making sales and purchase orders. To illustrate these implications, refer to the different setup scenarios described in the previous lessons. Before doing so, however, review the priority in which location codes and responsibility centers appear on the sales and purchase documents.

Priorities

In Microsoft Dynamics NAV, there is a pattern according to which responsibility centers and locations codes are applied to the sales and purchase documents. This pattern is based on a priority issue.

The following table shows the priority rules that determine which responsibility center must appear on the sales and purchase documents.

	User Setup	Company Information	Customer/Vendor Card
Priority 1	X		
Priority 2	No default RC	X	
Priority 3	No default RC	No default RC	X

Read the table as follows:

- If a responsibility center is selected as the default on the **User Setup** page, the program will always apply this responsibility center to the sales and purchase documents.
- If a default responsibility center is not selected on the **User Setup** page, the program will apply the responsibility center that is selected as the default on the **Company Information** page to the sales and purchase documents.
- If a default responsibility center is not selected on the **User Setup** page, and a default responsibility center is not selected on the **Company Information** page, the program will apply the responsibility center that is selected as the default on the **Customer** or **Vendor Cards** to the sales and purchase documents respectively.

The following table shows the priority rules that determine which location appears on the sales and purchase documents.

	Customer/ Vendor Card	Responsibility Center Card	Company Information
Priority 1	X		
Priority 2	No default location	X	
Priority 3	No default location	No default location	X

Read the table as follows:

- If a location code is selected as the default on the **Customer** or **Vendor Cards**, the program applies this location code to the sales and purchase documents respectively.

- If a default location code is selected on the **Customer** and **Vendor Cards**, the program will apply the location code selected as the default on the **Responsibility Center Card** to the sales and purchase documents. The program applies a responsibility center according to the rules described on the previous page.
- If a default location code is not selected on the **Customer** or **Vendor Card**, and a default location code is not selected on the **Responsibility Center Card** or responsibility centers are not set up in the program, the program applies the location code selected as the default on the **Company Information** page to the sales and purchase documents.

The following demonstrations describe specific situations in which Microsoft Dynamics NAV applies a responsibility center or a location code to sales and purchase documents, depending on the setup of the multi-site CRONUS company.

Demonstration: Link Users to Profiles

To complete the demonstrations in this lesson and Lab 3.5 in the RoleTailored client, the users created in the "Link Users to Responsibility Centers" demonstration and Lab 3.2 must be assigned to User Profiles.

Follow these steps to assign users to user profiles:

1. Open the RoleTailored client.
2. On the **Application Setup** page, click **RoleTailored Client**, and then click **User Personalization**.
3. Click **New**.
4. In the **User ID** field, click the **Edit** button.
5. Select the line for Alicia, and then click **OK**.
6. In the **Profile ID** field, enter Purchasing Agent.
7. In the **Language ID** field, enter 1033.
8. In the **Company** field, enter CRONUS International Ltd.
9. On the **OK** button, click the drop-down arrow and select **OK & New**.
10. Repeat steps 4-9 for Kevin, except assign the Sales Manager profile.
11. Repeat steps 4-8 for Susan, except assign the Order Processor profile.
12. Click **OK** to close the **User Personalization Card** page.

Demonstration: Purchase in a Centralized Distribution System

Consider the following scenario and its implications for the purchase document.

Scenario: The setup: A head office with a default ship-to location. (Refer to the "Set Up a Centralized Warehouse" demonstration.)

CRONUS has one head office set up on the **Company Information** page and a number of locations represented by warehouses, with the BLUE location being a central warehouse. On the **Company Information** page, the BLUE location is set up as a default ship-to location.

Alicia, the purchasing agent at CRONUS, creates a purchase order for vendor 30000 for ten units of item 70000.

Follow these steps to create the purchase order for vendor 30000:

1. On the **Warehouse** menu, click **Orders & Contacts**, and then click **Purchase Orders**.
2. Click **New** and then press ENTER or TAB.
3. Fill in the **Buy-from Vendor No.**, **Type**, **No.**, and **Quantity** fields in the **Purchase Order** page with the corresponding information.
4. Expand the **Shipping** FastTab.

The program has automatically filled in the **Location Code** field on the **Shipping** FastTab and on the purchase line with BLUE.

Now, view the printout of the purchase order document that CRONUS sends to their vendor.

5. On the Action Pane, click **Print** and then click **Preview**. The **Print Preview** page appears.

The vendor's address is in the top-left corner of the document. The address in the top-right corner is the company's headquarters address that is set up on the **Company Information** page. The bottom-left corner displays the ship-to address that the vendor ships the ordered items. This address is for the Blue Warehouse.

Demonstration: Purchase from a Vendor Linked to a Warehouse

Scenario: The setup: A head office with a default ship-to location; one warehouse is a default location for a vendor. (Refer to the "Review a Decentralized Warehouse Setup" demonstration.)

CRONUS has one head office set up on the **Company Information** page and a number of locations represented by warehouses, with the BLUE location being a central warehouse. The BLUE location code is set up as the default ship-to location on the **Company Information** page. The GREEN location code is set as a default for vendor 40000 on the vendor card.

Alicia creates a purchase order for vendor 40000 for 25 units of item 70001.

Follow these steps to create the purchase order for vendor 40000:

1. On **Purchase Orders** list page, click **New** to create the new purchase order.
2. Fill in the **Buy-from Vendor No.**, **Type**, **No.**, and **Quantity** fields in the **Purchase Order** page with the corresponding information.
3. Expand the **Shipping** FastTab.

The program automatically filled in the **Location Code** field on the **Shipping** FastTab and the purchase line with GREEN.

Demonstration: Sell as a User Linked to a Responsibility Center

Scenario: The setup: A head office with a default ship-to location; one warehouse is a default location for a responsibility center; a user is linked to the responsibility center. (Refer to the "Review Responsibility Center Setup" and "Link Users to Responsibility Centers" demonstrations.)

CRONUS has one head office set up on the **Company Information** page, a number of locations represented by warehouses, and three responsibility centers. The BLUE location code is set up as a default for the Birmingham responsibility center. Susan, the order processor at CRONUS, is linked to the Birmingham responsibility center. Customer 20000 does not have a default location code set up.

Susan makes a sales order for customer 20000 and 10 units of item 70000.

Follow these steps to create the sales order for customer 20000 from the Birmingham responsibility center:

1. In the **Log On to Windows** page, log on as Susan.
2. Click **OK**.

3. Open the RoleTailored client. If asked to configure Microsoft® Office Outlook® 2007, click **Cancel** and then click **Yes** to exit the wizard.
4. On the **Role Center** page, in Activities, click **New Sales Order**.
5. Press ENTER or TAB to insert a new order number.

The **Responsibility Center** field on the **General** FastTab is automatically filled in with BIRMINGHAM. The BLUE location code appears on the **Shipping** FastTab because this is the default location for the Birmingham responsibility center.

***NOTE:** The **Location Code** field is promoted to appear on the collapsed **Shipping** FastTab using the page customization feature to show the default location without needing to expand it.*

6. Complete the sales order to customer 20000 for 10 units of item 70000.

The program automatically filled in the **Location Code** field on the sales lines with BLUE. This code is copied from the **Shipping** FastTab.

Now it is possible to see how these different addresses appear on the printout of the sales order to be sent to the customer for confirmation:

7. On the **Actions** menu, point to **Print** and then click **Order Confirmation**.
8. In the **Order Confirmation** request form, click **Preview**.

The customer's sell-to address is in the top-left corner of the document. The top-right corner of the document contains the address of the responsibility center that the sales order is made for. In this case, it is the Birmingham responsibility center.

Demonstration: Purchase as a User Linked to a Responsibility Center with No Default Location

Consider the following scenario and its implications for the purchase document.

Scenario: The setup: A head office with a default ship-to location; a user is linked to a responsibility center with no default location. (Refer to the "Set Up a Centralized Warehouse," "Link Users to Responsibility Centers," and "Review Customers and Vendors Linked to Responsibility Centers" demonstrations.)

CRONUS has one head office set up on the **Company Information** page, a number of locations represented by warehouses, and three responsibility centers. The BLUE location code is set up as a default ship-to location on the **Company Information** page. Alicia, the purchasing agent, is linked to the London responsibility center. The London responsibility center does not have a default location code.

Alicia creates a purchase order for vendor 30000, for ten units of item 70200.

Follow these steps to create the purchase order for vendor 30000 from the London responsibility center:

1. In the **Log On to Windows** page, log on as Alicia.
2. Click **OK**.
3. Open the RoleTailored client. If asked to configure Office Outlook 2007, click **Cancel** and then click **Yes** to exit the wizard.
4. On the **Role Center** page, in Activities, click **New Purchase Order**.
5. Press ENTER or TAB to insert a new order number.

The **Responsibility Center** field on the **General** FastTab is automatically filled in with LONDON. The BLUE location code appears on the **Shipping** FastTab. This is a default location that is set up for the entire company on the **Shipping** FastTab of the **Company Information** page.

6. Complete the purchase order to vendor 30000 for 10 units of item 70200.

The program automatically filled in the **Location Code** field on the purchase line with BLUE. This code is copied from the **Shipping** FastTab.

Look at the printout of the purchase order to see how these different addresses appear on the printout that is sent to the vendor.

7. On the Action Pane, click **Print**.
8. In the **Order** request form, click **Preview**.

The vendor's address is in the top-left corner of the document. The top-right corner of the document contains the address of the responsibility center that the purchase order is made for. In this case it is the London responsibility center. The bottom-left address is the recipient's address, at the Blue Warehouse.

If CRONUS did not have a default location set up on the **Company Information** page, the ship-to address is the company's general address.

Demonstration: Sell from a Responsibility Center with No Default Location

The last two demonstrations illustrated how Microsoft Dynamics NAV uses the address information in situations when a user is linked to a specific responsibility center. Now, consider scenarios when customers and vendors are linked to a responsibility center or location that is different from the one linked to the user.

Scenario: The setup: A head office with a default ship-to location; a customer is linked to a responsibility center with no default location; the customer does not have a default location. (Refer to the "Review Customers and Vendors Linked to Responsibility Centers" demonstration.)

CRONUS has one head office set up on the **Company Information** page, a number of locations represented by warehouses, and three responsibility centers. The BLUE location code is set up as a default ship-to location on the **Company Information** page.

The London responsibility center is the default for customer 50000. There is no default location set up for this customer. The London responsibility center does not have a default location code.

A salesperson in CRONUS (who logs on as the Administrator) creates a sales order for customer 50000, for five units of item 70002.

Follow these steps to create the sales order for customer 50000:

1. In the **Log On to Windows** page, log on as the Administrator.
2. Click **OK**.
3. Open the RoleTailored client.
4. On the **Role Center** page, in Activities, click **New Sales Order**.
5. Press ENTER or TAB to insert a new order number.
6. In the **Sell-to Customer No.** field, enter 50000 and then press ENTER or TAB.

The **Responsibility Center** field on the sales header contains LONDON which is a default code for this customer. Meanwhile, the **Location Code** field on the **Shipping** FastTab is filled in with BLUE. This is a default location that is set up for the entire company.

7. Complete the sales order by filling in the line with five units of item 70002.

The location code is copied to the sales line from the **Shipping** FastTab.

Demonstration: Sell to a Customer with a Conflicting Responsibility Center

Consider the following scenario and its implications for the sales document.

Scenario: The setup: A head office with a default ship-to location; a user is linked to a responsibility center with a default location; a customer is linked to another responsibility center. (Refer to the "Link Users to Responsibility Centers" and "Review Customers and Vendors Linked to Responsibility Centers" demonstrations.)

CRONUS has one head office set up on the **Company Information** page, a number of locations represented by warehouses, and three responsibility centers. Susan, the order processor, is linked to the Birmingham responsibility center. The BLUE location code is set up as the default for the Birmingham responsibility center. The London responsibility center is the default for customer 50000.

Susan creates a sales order for customer 50000, for 15 units of item 70010.

Follow these steps to create the sales order for customer 50000 from the Birmingham responsibility center:

1. In the **Log On to Windows** page, log on as Susan.
2. Click **OK**.
3. Open the RoleTailored client. If asked to configure Outlook 2007, click **Cancel** and then click **Yes** to exit the wizard.
4. On the **Role Center** page, in Activities, click **New Sales Order**.
5. Press ENTER or TAB to insert a new order number.
6. In the **Sell-to Customer No.** field, enter 50000.

The following warning message appears:

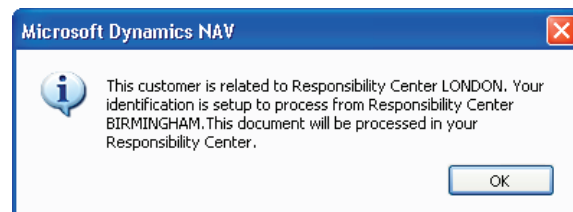


FIGURE 3.5 WARNING ABOUT CONFLICTING RESPONSIBILITY CENTERS

7. Click **OK**.

Clicking **OK** accepts that Microsoft Dynamics NAV will process the sales order from the Birmingham responsibility center, which is the default responsibility center for Susan, rather than from the London responsibility center, which is the default responsibility center for the customer.

***NOTE:** Stay logged on as Susan; her Windows Login is used in the next demonstration.*

Demonstration: Sell to a Customer with a Conflicting Default Location

Consider the following scenario and its implications for the sales document.

Scenario: The setup: A head office with a default ship-to location; a user is linked to a responsibility center with a default location; a customer has a default location. (Refer to the "Review a Decentralized Warehouse Setup" and "Link Users to Responsibility Centers" demonstrations.)

CRONUS has one head office set up on the **Company Information** page, a number of locations represented by warehouses, and three responsibility centers. Susan, the order processor, is linked to the Birmingham responsibility center. The BLUE location code is set up as the default for the Birmingham responsibility center. The customer 40000 is not linked to any responsibility center, but has the YELLOW location code as a default.

Susan creates a sales order for customer 40000, who has placed an order for 10 units of item 1896-S.

Follow these steps to create the sales order for customer 40000 from the Birmingham responsibility center.

1. While still logged on as Susan, create another new sales order.
2. Press TAB or ENTER to insert an order number.

The **Responsibility Center** field on the sales order header is automatically filled with BIRMINGHAM, while the BLUE location appears on the **Shipping** FastTab.

3. In the **Sell-to Customer No.** field, enter 40000.

The YELLOW location now appears on the **Shipping** FastTab.

4. Complete the sales order by filling in the line with 10 units of item 1896-S.

The location code is copied to the sales line from the **Shipping** FastTab. The customer's location overrides the default location from the user's responsibility center.

Lab 3.3 - Create Purchase Orders in a Company with Multiple Locations

Scenario

As the purchasing agent at CRONUS, it is your responsibility to create purchase orders. You have received a purchase request for 70 units of item 70000 from vendor 20000 and 30 units of item 70200 from vendor 40000.

After creating the purchase orders, use the print preview function to review the orders to determine where the addresses on the purchase document come from.

HINT: Ensure that you are logged into the RoleTailored client as the Administrator.

Challenge Yourself!

Create and preview the two purchase orders.

Need a Little Help?

1. Create the purchase orders as indicated in the scenario.
2. Preview each purchase order.
3. Identify where the addresses on the purchase documents come from.

Step by Step

Follow these steps to create and review the first purchase order:

1. In the **Log On to Windows** page, log on as the Administrator.
2. Click **OK**.
3. Open the RoleTailored client.
4. On the navigation pane, click the **Departments** button.
5. Under Purchase, click **Order Processing** and then click **Purchase Orders**.
6. Click **New** and then press ENTER or TAB.
7. In the **Buy-from Vendor No.** field, enter 20000.
8. Enter a purchase line for 70 units of item 70000.
9. On the Action Pane, click **Print**.
10. In the **Order** request form, click **Preview**.

The CRONUS company address in the top right corner is that of the London responsibility center, which is linked to vendor 20000. The ship-to address (at the bottom) is that of the CRONUS Yellow Warehouse.

Follow these steps to create and review the second purchase order:

1. Close the **Print Preview** page.
2. On the purchase order, click the drop-down arrow on the **OK** button and then select **OK & New**.
3. Press ENTER or TAB.
4. In the **Buy-from Vendor No.** field, enter 40000.
5. Enter a purchase line for 30 units of item 70200.
6. On the Action Pane, click **Print**.
7. In the **Order** request form, click **Preview**.

The CRONUS company address in the top-right corner is that of the company's default address when no responsibility center is linked, which is defined in the **Company Information** page. The ship-to address (at the bottom) is that of the CRONUS Green Warehouse.

Lab 3.4 - Create a Sales Order in a Company with Multiple Locations

Scenario

You are Kevin, the sales manager at the CRONUS Manchester responsibility center. Customer 40000 has placed an order for 25 units of item 1896-S. It is your responsibility to create the sales order.

Preview the Order Confirmation after the order is created to determine where the addresses on the sales document came from.

Challenge Yourself!

Log on as Kevin and then create and preview the sales order.

Need a Little Help?

1. Log on to Windows Server 2003 as Kevin and then open the RoleTailored client.
2. Create the sales order.
3. Print preview the Order Confirmation from the **Actions** menu.
4. Explain where the addresses on the sales document come from.

Step by Step

1. In the **Log On to Windows** page, log on as Kevin.
2. Click **OK**.
3. Open the RoleTailored client. If asked to configure Outlook 2007, click **Cancel** and then click **Yes** to exit the wizard.
4. On the navigation pane, click **Sales Orders**.
5. Click **New** and then press ENTER or TAB.
6. In the **Sell-to Customer No.** field, enter 40000.
7. Enter a sales line for 25 units of item 1896-S.
8. On the **Actions** menu, point to **Print** and then click **Order Confirmation**.
9. In the **Order Confirmation** request form, click **Preview**.

Although Kevin is in the Manchester responsibility center, which normally uses the GREEN location, the location code on the sales line uses the location code that is linked to customer 40000, YELLOW.

***NOTE:** The Manchester responsibility center address does not appear in the top-right corner of the Order Confirmation because only the **Code** and **Name** fields were filled in during Lab 3.2.*

Control Inventory at Multiple Locations

Companies with multiple warehouse locations want to have a certain degree of flexibility in managing these locations. They need to be able to make individual replenishment plans based on the supply-demand pattern at a specific location or based on a variant of the item.

The Stockkeeping Unit functionality in Microsoft Dynamics NAV provides companies with multiple locations the ability to handle and control inventory in such a flexible manner. Information recorded on the stockkeeping unit card specifies individual parameters used by the program to calculate replenishment schedules at the location and/or variant level.

Stockkeeping Unit Concept

The Stockkeeping Unit (SKU) is an item with a particular variant and/or at a particular geographic location. For example, a product stocked at both a main location and six different distribution centers represents seven SKUs. Information held on the SKU card can include:

- Cost prices
- Replenishment information
- Manufacturing information

Whenever there is a SKU, the program uses the information on the SKU card instead of referring to the item card. SKUs have priority over the item card but do not replace it.

Demonstration: Review SKU Setup

Scenario: Based on different supply-demand patterns for a number of certain items at specific warehouses, CRONUS realizes the need to reflect this difference in the program. For this purpose, Ellen, the warehouse manager at CRONUS, created and set up the corresponding number of stockkeeping units for the selected items. Item 70001 is among these items.

***NOTE:** Ensure that you are logged into the RoleTailored client as the Administrator.*

Follow these steps to review the SKUs that are created for item 70001:

1. On the navigation pane, click **Warehouse** and then click **Planning & Execution**.
2. On the **Planning & Execution** page, click **Items**.
3. Open the item card for item 70001.
4. Expand the **Planning** FastTab.

Notice the **Stockkeeping Unit Exists** field on the **Planning** FastTab of the item card. If Yes is displayed, then one or more stockkeeping units for this item are already created.

5. Click **Yes** in the **Stockkeeping Unit Exists** field. A list of SKUs for the item appears.

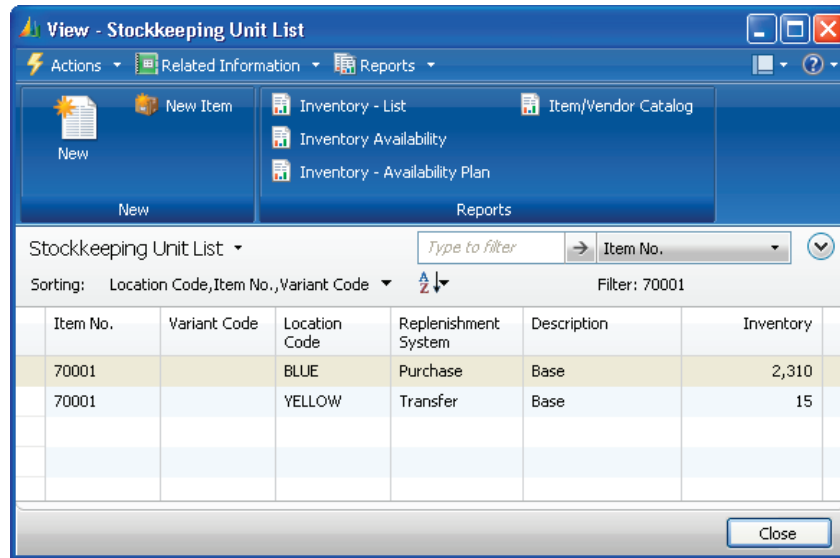


FIGURE 3.6 LIST OF SKUS CREATED FOR ITEM 70001.

NOTE: Once the **Stockkeeping Unit List** is opened from an **Item Card** (by either clicking the **Stockkeeping Unit Exists** field or by clicking the **Related Information** menu, pointing to **Item**, and then clicking **Stockkeeping Unit**) a new SKU can be created for the item by clicking **New** and then entering the appropriate information on the card.

6. Double-click the SKU for the BLUE location.

Many fields on the **General** FastTab of the **Stockkeeping Unit Card** are the same as on the item card for the corresponding item.

7. Expand the **Replenishment** FastTab.

The screenshot displays the 'Edit - Stockkeeping Unit Card - BLUE · 70001' window. The 'Replenishment' FastTab is expanded, showing the following fields:

- General:** 70001 | BLUE | 2,310
- Invoicing:** 20.60
- Replenishment:**
 - Replenishment System:** Purchase
 - Purchase:**
 - Vendor No.:
 - Vendor Item No.: 10-103
 - Lead Time Calculation:
 - Transfer:**
 - Transfer-from Code:
 - Production:**
 - Manufacturing Policy: Make-to-Stock
 - Flushing Method: Manual
 - Components at Location:
 - Lot Size: 0
- Planning:** Fixed Reorder Qty.
- Warehouse:**

FIGURE 3.7 REPLENISHMENT SETUP FOR THE SKU AT THE BLUE LOCATION

The fields on the **Replenishment** FastTab specify details of the replenishment process that the inventory manager has established for this item at the BLUE location.

The **Replenishment System** field specifies the type of order the program suggests when it creates orders as the result of the replenishment planning.

At CRONUS, where the BLUE location is the company's main distribution center, most of the items stored at this location are replenished through purchase. Therefore, Purchase is selected in the **Replenishment System** field for this stockkeeping unit.

The user can differentiate between items at different locations by specifying unique values in the SKU for characteristics such as maximum inventory, reorder point, and reorder quantity. To learn about other fields on the **Replenishment** and **Planning** FastTabs, click the respective field and press F1 to open online Help.

Follow these steps to view the details for the SKU card for the same item at the YELLOW location:

1. Close the **Stockkeeping Unit Card** for the BLUE location.
2. On the **Stockkeeping Unit List** page, double-click the SKU for the YELLOW location.
3. Expand the **Replenishment** FastTab.

The screenshot displays the 'Edit - Stockkeeping Unit Card - YELLOW - 70001' window. The 'Replenishment' section is expanded, showing the following fields:

- Replenishment System:** Transfer
- Production:** Manufacturing Policy: Make-to-Stock, Flushing Method: Manual, Components at Location: (dropdown), Lot Size: 0
- Purchase:** Vendor No.: (dropdown), Vendor Item No.: 10-103, Lead Time Calculation: (text box)
- Transfer:** Transfer-from Code: BLUE

The 'General' section shows '70001 | YELLOW | 15' and 'Invoicing' shows '20.60'. The 'Warehouse' section is also visible at the bottom.

FIGURE 3.8 REPLENISHMENT SETUP FOR THE SKU AT YELLOW LOCATION

According to the company's established procedures, most of the items stored at the YELLOW location are replenished by means of transfer from the BLUE location. This practice is reflected in the program through the selection of the Transfer as replenishment system and the selection of BLUE as a transfer-from code.

When the user selects a code in the **Transfer-from Code** field, the program verifies whether the combination of the transfer-to and the selected transfer-from locations is a valid transfer route.

For more information about transfer orders, refer to "Location Transfers" in this training material.

CRONUS has stockkeeping units for item 70001 at the BLUE and the YELLOW locations. When this item is handled from other locations, the program uses the information on the item card.

To view a list of all stockkeeping units, open the **Warehouse** page, click **Planning & Execution** and then click **Stockkeeping Units**.

Create Stockkeeping Unit Batch Job

Use the Create Stockkeeping Unit batch job to create several SKUs for an item. This batch job uses the information from the item card to create a SKU for each variant and/or location.

To access the batch job, open the relevant item card, click the **Actions** menu, point to **Functions** and then click **Create Stockkeeping Unit**.

The **Options** FastTab contains the fields described in the following table.

Field	Description
Create Per	Select an option to create stockkeeping units per location or per variant, or both.
Item In Inventory Only	Select this check box to only create stockkeeping units for items that are in inventory (that is, for items where the value in the Inventory field is above 0).
Replace Previous SKUs	Select this check box to delete all previously-created stockkeeping units on the items included in the batch job.

On the **Item** FastTab, set filters, such as for which locations to create SKUs.

Use SKU Information

Information on the stockkeeping unit card is used when producing different reports. In this way, companies can handle and control inventory stored at different locations, without losing the overview of the entire inventory.

Follow these steps to generate an inventory availability report by SKU:

1. On the navigation pane, click **Purchase** and then **Inventory & Costing**.
2. On the **Inventory & Costing** page, under Reports, click **Inventory Availability**.
3. On the **Options** FastTab, select the **Use Stockkeeping Unit** check box.
4. Click **Preview**.

Similar SKU filtering options are available on other inventory reports.

Lab 3.5 - Create and Set Up Stockkeeping Units

Scenario

Due to the different conditions under which the various warehouses within CRONUS operate, management decides to establish a set of parameters with regard to certain items. This will distinguish the way that these items are handled and managed at different locations.

Among these items is item 70100. General practice is that this item is purchased from a limited number of vendors, who are located in close proximity to the Blue Warehouse. These vendors therefore ship their orders directly to this warehouse. The Red and Yellow Warehouses will not purchase this item from the vendors but will transfer it from the Blue Warehouse.

As the warehouse manager, it is your responsibility to set up the SKUs for item 70100 according to the parameters in the following table.

	At the Blue Warehouse	At the Red Warehouse	At the Yellow Warehouse
Requisition System	Purchase	Transfer	Transfer
Transfer-from Code		BLUE	BLUE
Lot Size	100	100	100

After you create the SKUs, preview an inventory availability report that only includes the SKUs for item 70100.

Challenge Yourself!

1. Create and set up SKUs for item 70100 at the BLUE, RED and YELLOW locations as specified in the scenario.
2. Print an inventory availability report that filters on item 70100 and each SKU location.

Need a Little Help?

1. Use the Create Stockkeeping Units batch job to create SKUs for item 70100 at the BLUE, RED and YELLOW locations.
2. On the Stockkeeping Unit Card for the BLUE location, set the lot size as specified in the scenario.

3. On the Stockkeeping Unit Card for the RED location, set the replenishment system, transfer-from, and lot size as specified in the scenario.
4. On the Stockkeeping Unit Card for the YELLOW location, set the replenishment system, transfer-from, and lot size as specified in the scenario.
5. Print an inventory availability report that filters on item 70100 and uses the SKUs.

Step by Step

Follow these steps to create the SKUs for item 70100:

1. On the **Warehouse** page, click **Planning & Execution** and then click **Items**.
2. Open the card of item 70100.
3. On the **Actions** menu, point to **Functions** and then click **Create Stockkeeping Unit**.
4. On the **Item** FastTab, type this filter in the **Location Filter** field: BLUE|RED|YELLOW.
5. Click **OK**.

Follow these steps to set the SKU parameters:

1. On the **Related Information** menu, point to **Item** and then click **Stockkeeping Units**.
2. Double-click the first line, BLUE location.
3. Expand the **Replenishment** FastTab.
4. In the **Lot Size** field, type 100.
5. Click **OK** to close the **Stockkeeping Unit Card**.
6. Double-click the second line, RED location.
7. Expand the **Replenishment** FastTab.
8. In the **Replenishment System** field, enter Transfer.
9. In the **Transfer-from Code** field, enter BLUE.
10. In the **Lot Size** field, type 100.
11. Click **OK** to close the **Stockkeeping Unit Card**.
12. Double-click the third line, YELLOW location.
13. Expand the **Replenishment** FastTab.
14. In the **Replenishment System** field, enter Transfer.
15. In the **Transfer-from Code** field, enter BLUE.
16. In the **Lot Size** field, type 100.
17. Click **OK** to close the **Stockkeeping Unit Card**.
18. Close the **Stockkeeping Unit List** and **Item Card** pages.

Follow these steps to preview the Inventory Availability report:

1. On the navigation pane, click **Purchase** and then click **Inventory & Costing**.
2. On the **Inventory & Costing** page, under Reports, click **Inventory Availability**.
3. On the **Options** FastTab, select the **Use Stockkeeping Unit** check box.
4. On the **Item** FastTab, enter a filter of 70100 in the **No.** field.
5. Click **Preview** to review the report.

Summary

Microsoft Dynamics NAV provides rich functionality to manage inventory in dispersed warehouses and still maintain effective distribution to and from business partners. This is enabled with dedicated functionality that is centered on the concepts of locations, responsibility centers, and stockkeeping units.

A location is defined as a place that handles physical placement and quantities of items. A location typically designates a warehouse.

A responsibility center is a grouping of one or more warehouses or distribution centers where trade with certain locations or business partners is administered. User IDs in the database can be linked to specific responsibility centers and thereby define a default workflow and location.

A stockkeeping unit (SKU) is an item with a particular variant and/or at a particular location. For example, a product stored at both a main location and six different distribution centers represents seven SKUs.

Test Your Knowledge

Test your knowledge with the following questions.

1. In Microsoft Dynamics NAV, a _____ is defined as a physical place where items are produced, handled, and stored before being sold, such as a production plant, a warehouse, or a distribution center.

2. What is the difference between using multiple locations and using responsibility centers?

3. What is the correct hierarchy of priorities that the program uses to determine which responsibility center must appear on a document such as a sales order?
 - () Company Information, User Setup, Customer Card
 - () Customer Card, User Setup, Company Information
 - () User Setup, Company Information, Customer Card
 - () Customer Card, Company Information, User Setup

4. A company has set up multiple locations in Microsoft Dynamics NAV and has a certain customer that must always receive shipments from a particular location. How does the company specify that the customer must always be associated with the location?

5. What feature is used to specify in Microsoft Dynamics NAV that a certain variant of an item in a certain location must have unique inventory handling?

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. In Microsoft Dynamics NAV, a _____ is defined as a physical place where items are produced, handled, and stored before being sold, such as a production plant, a warehouse, or a distribution center.

MODEL ANSWER: location

2. What is the difference between using multiple locations and using responsibility centers?

MODEL ANSWER: Locations are defined as physical locations where items are handled whereas responsibility centers are not necessarily physical places or can reflect larger categories such as regions.

3. What is the correct hierarchy of priorities that the program uses to determine which responsibility center must appear on a document such as a sales order?
- Company Information, User Setup, Customer Card
 - Customer Card, User Setup, Company Information
 - User Setup, Company Information, Customer Card
 - Customer Card, Company Information, User Setup

4. A company has set up multiple locations in Microsoft Dynamics NAV and has a certain customer that must always receive shipments from a particular location. How does the company specify that the customer must always be associated with the location?

MODEL ANSWER: Assign the Location Code on the Shipping FastTab of the Customer Card.

5. What feature is used to specify in Microsoft Dynamics NAV that a certain variant of an item in a certain location must have unique inventory handling?

MODEL ANSWER: The Stockkeeping Unit feature is used to set up a specific inventory handling for items and variants of items in certain locations.

