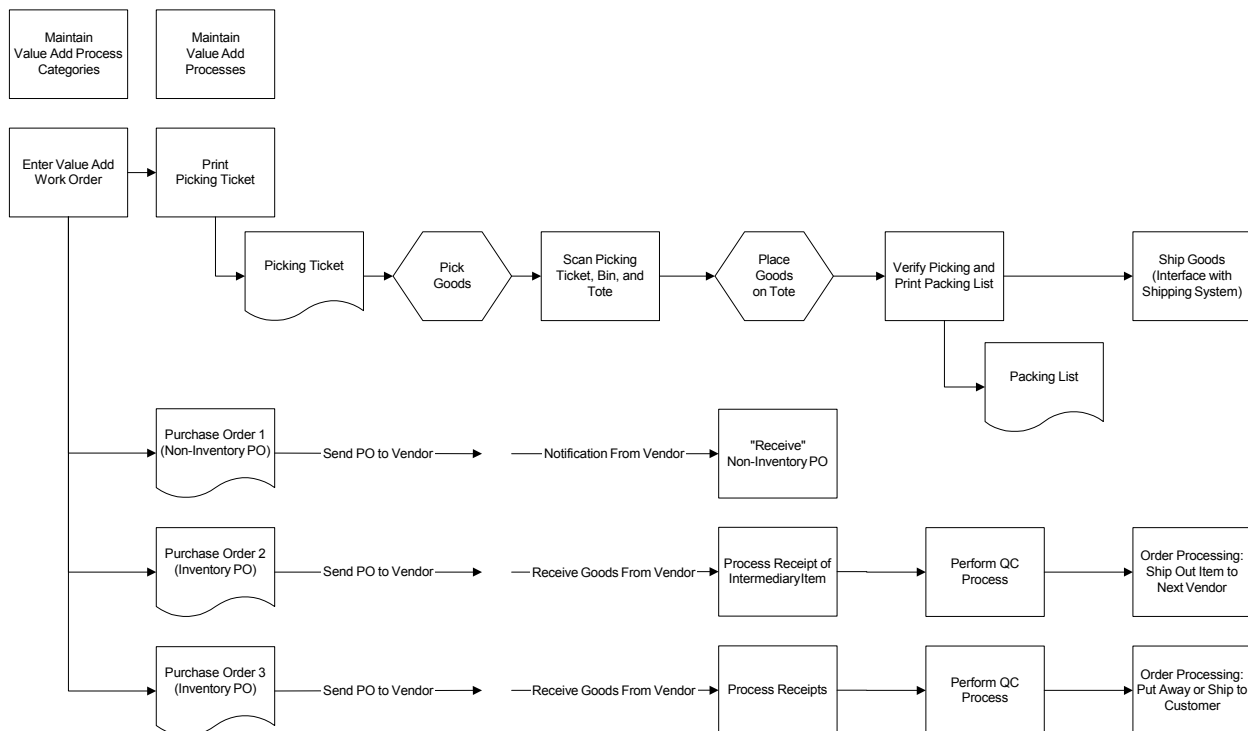




EPDS/FDS Value Add Work Order Processing

Value Add Work Order Processing involves sending an item out to be processed by one or more outside vendors or processors. These processes may include such tasks as cutting, finishing, plating, or testing.



Overview

Value Add Work Orders are a new type of order. The purpose of the Order is to provide an easy way for material to be sent out to one or more Value Add vendors who will process the material. Each vendor in the sequence will either return the material back to you or send it to the next vendor for processing. The last vendor in the sequence will always return the material back to you.

Value Add Work Orders specify the raw materials that go into the order and the number of pieces (yield) expected to be received when the order is completed. Also, the Value Add Order specifies each processing step that the material will go through. Each vendor will be specified along with the cost for processing.

When Value Add Orders are saved, the system will automatically create a purchase order for each vendor who will perform a process. Depending upon where the material is to be returned to back to you or sent to the next vendor, the system will either create an inventory purchase order or a non-inventory purchase orders. Inventory purchase orders record the actual receipt of goods where as non-inventory purchase orders simply acknowledge the completion of the processing step. The final purchase order in the sequence is always an inventory purchase order, since the finished items need to be received and placed into inventory. Each purchase order will specify where to ship the items when the process is completed. For goods that go directly to the next vendor, the Ship-To on the PO shall be the next vendor's address. For goods that go back to you, the Ship-To address shall be your warehouse address.

When the finished parts are received, the system enters the parts into inventory at a cost, which is the sum of the raw material cost, the total cost of processing, and an administrative fee, which may be added to the cost of the finished parts. The administrative fee will be calculated by multiplying the standard value add work order administration fee per step times the number of steps in the process. When the Value Add Work Order is entered, the user will have the ability to override the administrative fee.

Maintain Value Add Process Categories

This program will be used to define each of the major Value Add Process Categories. When Value Add Work Orders are entered, the Value Add Processes are then displayed within each Value Add Process Category.

Refer to Exhibit 1.

Maintain Value Add Processes

This program will be used to define each Value Add Process Code and specify the vendors that provide each Value Add Process. In addition, the program will allow you to specify the cost of the process and the standard number of days required to perform the process. Finally, the program will allow you to specify the primary vendor who most often provides the Value Add Process.

Refer to Exhibit 2.

Enter/Maintain Value Add Work Orders

This program will allow you to enter and maintain Value Add Work Orders. In addition, it will allow you to easily generate Purchase Orders to the Value Add Vendors. Please refer to Exhibit 3a and 3b which provides a mock-up of the Value Add Work Order Entry screens.

The order header page of the work order allows you to specify the following information:

- **Order Number:** Automatically assigned by the system
- **Date:** Default to the current date. May be changed by the user.

- **Warehouse:** (Only provided if the multi-warehouse features of EPDS are enabled) Defaults to the Default Warehouse as specified in the System Control File. May be changed by the user.
- **Status:** Initially set by the system to Open. As the Value Add Work Order moves through the process, the Status will be maintained by the system. The Statuses are:
 - Open
 - WIP
 - Completed
 - Cancelled
- **Finished Item, Item No/Manufacturer Code:** Specify the Item No and Manufacturer of the Finished Item. [Double-click] on the Item No to display the Item Inquiry screen for the finished item.
- **Vendor:** Specify the Vendor who is the supplier of the item.
- **Hot:** [Click] the Hot button to indicate that this Value Add Work Order is a priority Work Order.
- **Yield:** Specify the number of finished pieces that you expect to complete as a result of this Value Add Work Order
- **Estimated Delivery Date:** Enter the estimated delivery date for this work order.
- **Handling charges** - Enter any additional handling charges that you wish to go into the cost of finished item.
- **Notes** - Enter any notes that apply to the overall Value Add Work Order.

The bottom portion of the screen shows key information about the finished item.

The Raw Materials page of the work order allows you to specify the raw material or materials that go into the Value Add Process. Often times only one item will go into the process, however, the system allows you to specify several items, as needed. This is convenient when you have several different items that are equivalent items and you want to use both in the Value Add process. The Raw Materials grid shows the raw materials that have been entered. Use the **Add** or **Delete** button to Add or Delete Raw Materials from the list of Raw Materials.

- **Item No/Manufacturer Code** - Enter the Item No and Manufacturer of the raw material item. [Double-click] on the Item No to display the Item Inquiry screen for the raw material item.
- **Vendor** - Select the vendor of raw material item.
- **Quantity** - Number of pieces of raw material
- **Available Lots** - (Displayed only if the item raw material is lot controlled.) The system will display available lot information for the item specified.
- **Lot No** - (Displayed only if the item raw material is lot controlled.) Select the lot from the drop-down list of available lots. If material needs to be taken from more than one lot, a separate raw material record must be created for each lot that is required. If no lot is selected, it means that the raw material for the Value Add Work Order needs to be either purchased or received. The status of the Value Add Work

Order will remain 'WIP' until the material is received and allocated to the Work Order.

- **Quantity** - Enter the number of pieces needed for this raw material item. If lot is specified, the quantity required must be less than or equal to quantity available from the lot.
- **Cost** - The default value is the average unit cost of the item when the Value Add Work Order is created. This value may be changed by the user and will be the Unit Cost of the raw material that is used when the system calculates the cost of the finished item.

Notes:

Once picking tickets have been created for the raw materials, the raw materials may not be removed or changed from the work order until the items are unpicked.

The Process Steps page of the work order allows you to specify the information related to each Value Add Process:

- Use the **Add**, **Modify**, or **Delete** button to add, modify or delete a value add process.
- The Processing Steps Grid displays a list of the Value Add Steps that have been entered.
- **Step #** - The Value Added Step Number, provided by the system.
- **Process Category** - Select the Process Category from the list of Process Categories
- **Process** - Select the Process from the list of processes for the selected Process Category. When the process is specified, all remaining fields will be filled in with default information.

The vendor selected will be the primary vendor for this process. If you wish to use a vendor other than the primary vendor, [Click] the Select Alternate Vendor Button.

- **Process Description** - Each process can have process description which will be the default description for the process. Or, select a process description from the list of standard descriptions. Or, modify the default process description or the selected process description, or enter a new process description.
- **Select Alternate Vendor** - [Click] on button to display a window of all the vendors that provide this process as defined in the Value Add Processes Master table.
- **Vendor** - System displays the Vendor Code and Name of chosen vendor.
- **Attention To** - Enter the person to whom the Value Add Purchase Order should be given to at the vendor. The default for the Attention To is the person designated on the Purchasing Page on the Vendor Master record.
- **Ship** - Specifies where the goods are to be shipped after the vendor has completed the process.
 - **Back To Us** - The address of your warehouse will be indicated as the Ship-To on the Value Add Purchase Order.
 - **Directly To Next Vendor** - The address from the purchasing page of the vendor will be indicated as the Ship-To on the Value Add Purchase Order.
- **Ship Via** - Select how the goods are to be shipped back from the vendor.

- **Quantity** - The number of pieces or iterations of the step to perform.
- **Setup Cost** - The one time setup cost for the job.
- **Process Cost** - The unit cost per piece or per process iteration.
- **Unit of Measure** - The unit of measure as it relates to process cost.
 - Each
 - Hundred
 - Thousand
 - Lot
 - Lb
- **Extension** - The total cost of the processing step which is equal to the Setup Cost plus the Total Processing Cost. The calculation of total processing cost varies depending upon the unit of measure:
 - UOM = Each: Total Process Cost = Quantity * Process Cost
 - UOM = Hundred: Total Process Cost = Quantity * Process Cost / 100
 - UOM = Thousand: Total Process Cost = Quantity * Process Cost / 1000
 - UOM = Lot: Total Process Cost = Process Cost
 - UOM = Lb: Total Process Cost = Lbs Processed * Process Cost
- **Turnaround** - The number of days required for the vendor to complete the process. This time should include the time required for shipping out the items and shipping them back or to the next vendor.

Upon [Clicking] the Save Button for the Value Add Work Order and the order is saved as Completed, the system will perform several operations:

- Save the Value Add Header record, Value Add Raw Material Detail records, Value Add Process Detail Records.
- Create one or more Purchase Orders, one for each vendor specified in the process.
- Create Item Picking Records in order to generate a Picking Document for the warehouse
- Allow you to print the Value Add Work Order Routing Sheet as well as the Purchase Orders. The Routing Sheet is essentially a summary of the information on the Value Add Work Order.

Note:

- The item number of the items that come back from intermediate vendors shall be the item number of the Finished Item.
- A Value Add Work Order may be saved as Incomplete. When saved as an Incomplete Order, the Work Order is saved but Purchase Orders and Picking Ticket records are not created. In order to start the process, the order must be saved as a Completed Order.

Print Picking Ticket

When the order is ready for picking, the system will automatically print the Picking Ticket in the warehouse.

When the Value Add Order is saved as a completed order, the order is eligible for picking so long all items have been allocated to the value add order. A picking ticket will not print for a Value Add Order unless all items are fully allocated.

Perform Picking, Order Processing, and Shipping Process

Value Add Work Orders are picked, processed, and shipped just as any other sales order.

After the picking ticket has been printed in the warehouse, the following process will take place:

- Items are picked and placed on a tote
- Tote goes to Ordering Processing Station for counting, packaging, labeling, and preparation for shipment
- Items go to Shipping Station to be shipped to vendor

Generation of Purchase Orders

When the Value Add Order is saved the system will create one or more purchase orders for the processes that need to be performed to the raw materials. If a vendor performs two or more processes in sequence, the system will create one purchase order with multiple line items. Each line item represents a process with its own description and cost.

These purchase orders may be printed, faxed, or emailed to the vendor. A copy of the purchase order may accompany the material that is shipped to the vendor for processing.

Receiving of Non-Inventory Purchase Orders

Purchase orders are non-inventory purchase orders when the intermediary goods are sent directly to the next vendor and are not returned to you. This means that the receipt of the purchase order does not impact inventory. The receipt of the purchase order acknowledges to the system that the work has been completed and closes or completes the purchase order.

Receiving and Processing of Intermediary Items

In cases where items are processed by more than one vendor, the items may be returned, inspected, and then shipped out to the next vendor.

The item number of the items that come back from intermediate vendors shall be the item number of the Finished Item.

Receiving

Items are received back against the purchase order issued to the value add vendor. The receiving process follows the standard receiving process for goods received from vendors. Items are placed on tote and go to inspection.

Inspection

Items are inspected just as any other item. Items go from Inspection to Order Filling.

Order Filling

Items are processed by order filling, weighed, counted, bagged, labeled, packaged and sent to Shipping.

Shipping

Items are shipped to next vendor.

Receiving and Processing of Finished Items

The item number of the items that come back from the last vendor are processed in exactly the same manner as any other item received from a vendor.

Receiving

Items are received back against the purchase order issued to the value add vendor. The receiving process follows the standard receiving process for goods received from vendors. Items are placed on tote and go to inspection.

Inspection

Items are inspected just as any other item. Items go from Inspection to Order Filling.

Order Filling

Items are processed by order filling, weighed, counted, bagged, labeled, packaged and are either put back into stock or shipped out to a customer.

Shipping

Items are shipped to customer.

Exhibit 1

Maintain Value Add Process Categories

1. Enter

Value Add Process Category Code:	PLA
Short Description:	Plating
Long Description:	Plating

Exhibit 2
Maintain Value Add Processes

1. Enter

Value Add Process Code: GP
Short Description: Gold Plating
Long Description: Gold Plating
Process Category Plating (Dropdown List Selection)

Vendors

	Vendor Code	Name	Setup Chrg	Cost	Per	Turnaround
▶	SAF010	Safe Plating	0.00	45.00	Lot	10
	UNI001	United Plating	5.00	.10	Ea	15

Add Delete

Vendor: SAF010 Safe Plating
Setup Charge 0.00
Cost 45.00 Lot (Dropdown List Selection)
Turnaround Time 10 Days
Primary Vendor Yes

Exhibit 3a Maintain Value Add Work Orders Order Header

Order Header	Raw Materials	Processing Steps																																																		
Order Number <input type="text" value="203456"/>	Date <input type="text" value="10/12/02"/>	Warehouse <input type="text" value="Central"/>																																																		
		Status <input type="text" value="OPEN"/>																																																		
Finished Item																																																				
Item No <input type="text" value="B-4323-T"/>	<input type="text" value="RFT"/>	Vendor <input type="text" value="RFT Supplies"/>																																																		
<input type="button" value="Hot"/>																																																				
Yield <input type="text" value="400"/>	Estimated Delivery Date <input type="text" value="11/15/02"/>	Estimated Cost <input type="text" value="4.40000"/>																																																		
Handling Charges <input type="text" value="20.00"/>																																																				
Notes	<input type="text" value="Check tubing for pitting."/>																																																			
<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>Wh</th> <th>Vendor</th> <th>On Hand</th> <th>Pending</th> <th>Resv for SO</th> <th>Avail on Hnd</th> <th>On Order</th> <th>Avail on Ord</th> <th>Open on SO</th> <th>Qty Short</th> </tr> </thead> <tbody> <tr> <td>01</td> <td>RFT Supplies</td> <td style="text-align: right;">400</td> <td style="text-align: right;">0</td> <td style="text-align: right;">150</td> <td style="text-align: right;">250</td> <td style="text-align: right;">250</td> <td style="text-align: right;">100</td> <td style="text-align: right;">300</td> <td style="text-align: right;">-50</td> </tr> <tr> <td>01</td> <td>Lighting Bolts</td> <td style="text-align: right;">250</td> <td style="text-align: right;">0</td> <td style="text-align: right;">250</td> <td style="text-align: right;">0</td> <td style="text-align: right;">500</td> <td style="text-align: right;">400</td> <td style="text-align: right;">460</td> <td style="text-align: right;">60</td> </tr> <tr> <td colspan="10" style="text-align: center;">Totals</td> </tr> <tr> <td></td> <td></td> <td style="text-align: right;">650</td> <td style="text-align: right;">0</td> <td style="text-align: right;">400</td> <td style="text-align: right;">250</td> <td style="text-align: right;">750</td> <td style="text-align: right;">500</td> <td style="text-align: right;">760</td> <td style="text-align: right;">10</td> </tr> </tbody> </table>			Wh	Vendor	On Hand	Pending	Resv for SO	Avail on Hnd	On Order	Avail on Ord	Open on SO	Qty Short	01	RFT Supplies	400	0	150	250	250	100	300	-50	01	Lighting Bolts	250	0	250	0	500	400	460	60	Totals												650	0	400	250	750	500	760	10
Wh	Vendor	On Hand	Pending	Resv for SO	Avail on Hnd	On Order	Avail on Ord	Open on SO	Qty Short																																											
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Totals																																																				
		650	0	400	250	750	500	760	10																																											
(Warehouse - Gray Bkgnd = Non-Stock; Vendor - Green = Primary, Blue = Approved, Black = Unapproved; Vendor - Gray Bkgnd = Consignment)																																																				
Last 12 Months	Shipments <input type="text" value="3,240"/>	No of Shipments <input type="text" value="12"/>	Avg Value Per Shipment <input type="text" value="270"/>																																																	
Last 24 Months	Shipments <input type="text" value="12,200"/>	No of Shipments <input type="text" value="19"/>	Avg Value Per Shipment <input type="text" value="642"/>																																																	
Costs	Avg Cost <input type="text" value="4.12000"/>	Last Cost <input type="text" value="3.56500"/>	Book Cost <input type="text" value="4.25000"/>																																																	

Exhibit 3b Maintain Value Add Work Orders Raw Materials

Order Header	Raw Materials	Processing Steps					
Raw Materials	Item Number	Manu Cd	Vendor	Lot No	Quantity		
	R2323-43	RRS	Art Supplies Inc	1246742	100		
	R2323-43	RRS	JJD Industries	1435672	100		
Total					200		
<input type="button" value="Add"/>		<input type="button" value="Delete"/>					
Item No <input type="text" value="TB-200-R"/>		<input type="text" value="ABDS12"/> ▼	Vendor <input type="text" value="TERR10"/> ▼				
Available Lots	Internal Lot No	Manu Cd	Manu Lot No	Date Recvd	On Hand	Pending	Avail On Hnd
	134764333	TRS	38342234	06/15/02	500	0	320
Lot No	<input type="text"/>						
Quantity	<input type="text" value="200"/>						
Cost	<input type="text" value="0.22000"/>						

Exhibit 3c Maintain Value Add Work Orders Processing Steps

Order Header	Raw Materials	Processing Steps
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Order Number

Step No	Vendor	PO No	Process	Due Date	Unit Cost
1	Cutting Edge Services	4320232	Cut Tube	14	0.10000
2	Sandy House	984122320	File Edges	3	0.05000

Step No PO No

Process Category Process

Process Description

Vendor

Attention To

Ship Back To Us Directly to Next Vendor Ship Via

Quantity Setup Cost Process Cost Extension

Turnaround Days