User Manual (English)

The following are the various modules and domains offered by ERP+ from Technocom, covering a wide range of businesses. You can be a small distributor, a manufacturer, running an educational institute, or a healthcare organization. There is something for everyone.

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Module: Buying

Module: Buying

If your business involves physical goods, buying is one of your core business activities. Your suppliers are as important as your customers and they must be provided with accurate information.

Buying the right quantities at right amounts can affect your cash flow and profitability positively. ERP+ contains a set of transactions that will make your buying process as efficient and seamless as possible.

1. Topics

1.1 Setup

1. Buying Settings
2. Supplier Group

1.2 Purchase Cycle

1. Request for Quotation
2. Purchase Order
3. Purchase Taxes

1.3 Supplier

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3. Supplier Scorecard

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2.1 Supplier

1. Maintaining Supplier's Item Code in the Item Master
2. Pull Items in Purchase Order Based on Supplier

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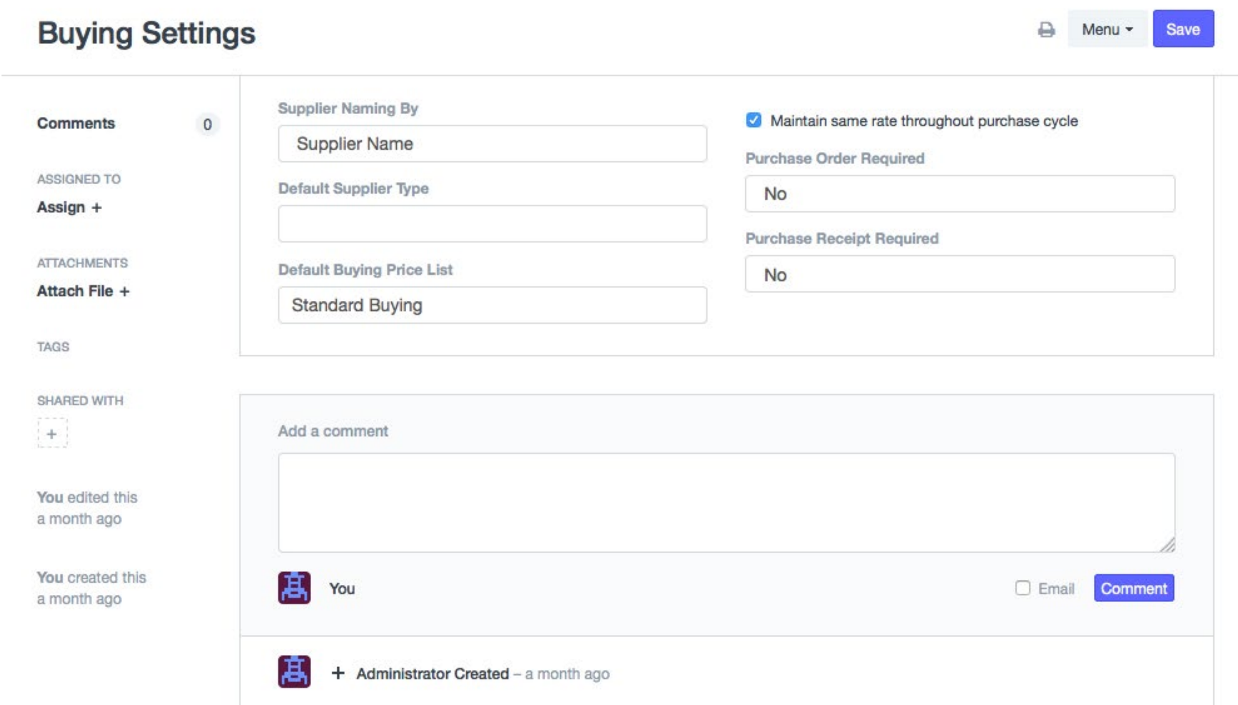
2. Amending Purchase Order After Submit

1.1 Topic: Setup

1. Buying Settings
2. Suuplier Group

1. Buying Settings

Buying Settings is where you can define properties which will be applied in the Buying module's transactions.



Let us look at the various options that can be configured:

1. Supplier Naming

When a Supplier is saved, system generates a unique identity or name for that Supplier which can be used to refer the Supplier in various Buying transactions.

If not configured otherwise, ERP+ uses the Supplier's Name as the unique name. If you want to identify Suppliers using names like SUPP-00001, SUPP-00002, or such other patterned series, select the value of Supplier Naming By as "Naming Series".

You can define or select the Naming Series pattern from: Setup > Data > Naming Series

2. Default Supplier Group

Configure what should be the value of Supplier Group when a new Supplier is created.

3. Default Buying Price List

Configure what should be the value of Buying Price List when a new Buying transaction is created.

4. Maintain Same Rate Throughout Purchase Cycle

If this is checked, ERP+ will stop you if you change the Item's price in a Purchase Invoice or Purchase Receipt created based on a Purchase Order, i.e. it will maintain the same price throughout the purchase cycle. If there is a requirement where you need the Item's price to change, you should uncheck this option.

5. Purchase Order Required

If this option is configured "Yes", ERP+ will prevent you from creating a Purchase Invoice or a Purchase Receipt without first creating a Purchase Order.

6. Purchase Receipt Required

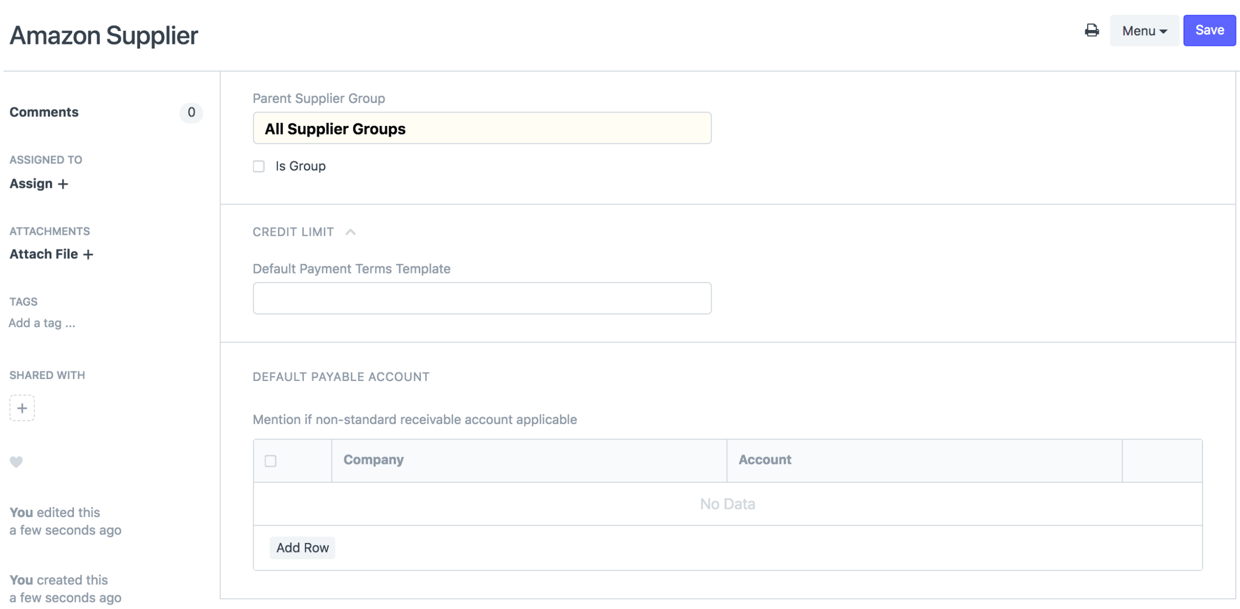
If this option is configured "Yes", ERP+ will prevent you from creating a Purchase Invoice without first creating a Purchase Receipt.

2. Supplier Group

A supplier may be distinguished from a contractor or subcontractor, who commonly adds specialized input to deliverables. A supplier is also known as a vendor. There are different types of suppliers based on their goods and products.

ERP+ allows you to create your own categories of suppliers. These categories are known as Supplier Groups. For example, if your suppliers are mainly pharmaceutical companies and FMCG distributors, you can create a new type for them and name them accordingly.

Based on what the suppliers supply, they are classified into different Supplier Groups. You can create your own category of Supplier Group. Buying > Supplier > Supplier Group > New



You can classify your suppliers from a range of choices available in ERP+. Choose from a set of given options like Distributor, Electrical, Hardware, Local, Pharmaceutical, Raw material, Services etc.

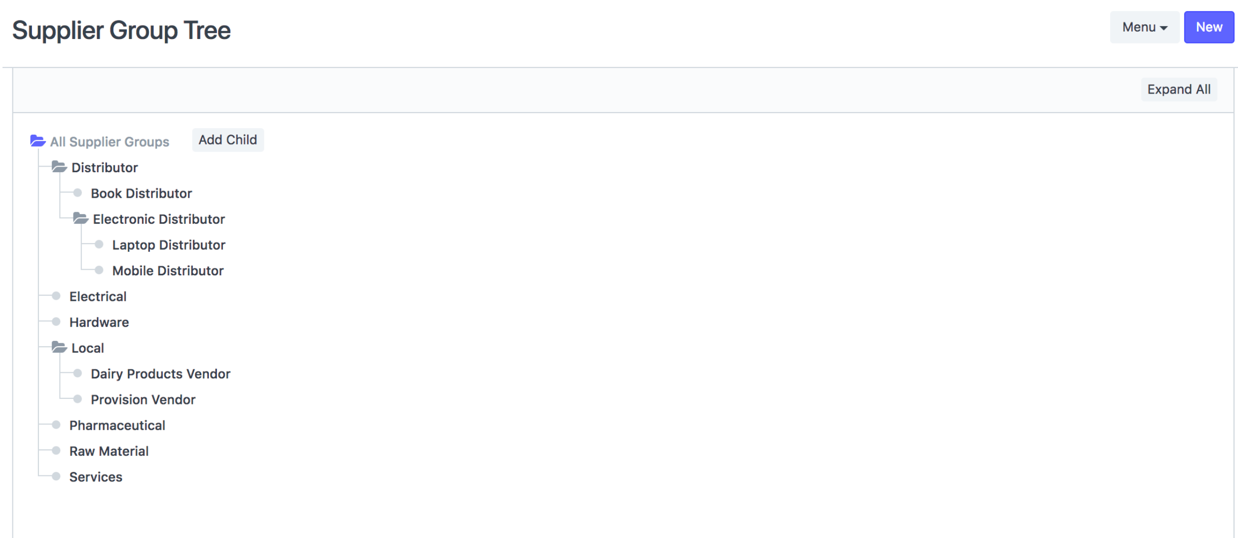
Classifying your supplier into different types facilitates accounting and payments.

Type your new supplier category and Save.

Supplier Group Tree

You can also construct Supplier Group in the form of a tree hierarchy, similar to that of Chart of Accounts.

To view the Tree structure, select tree from the sidebar. To go back to the list view, simply select Menu > View List.



With the new User Permission in place, you can now apply hierarchy-based permissions. That is, if a User is permitted to view parent node of Supplier Group, he/she automatically qualifies to view the child nodes of that parent node.

Example, in the above image, let's say that user permission is applied for a User to view 'Distributor' document. Then the user also gets permitted to view its child nodes 'Book Distributor', 'Electronic Distributor', etc.

1.2 Topic: Purchase Cycle

1. Request for Quotation
2. Purchase Order
3. Purchase Taxes

1. Request for Quotation

A Request for Quotation is a document that an organization submits to one or more suppliers eliciting quotation for items.

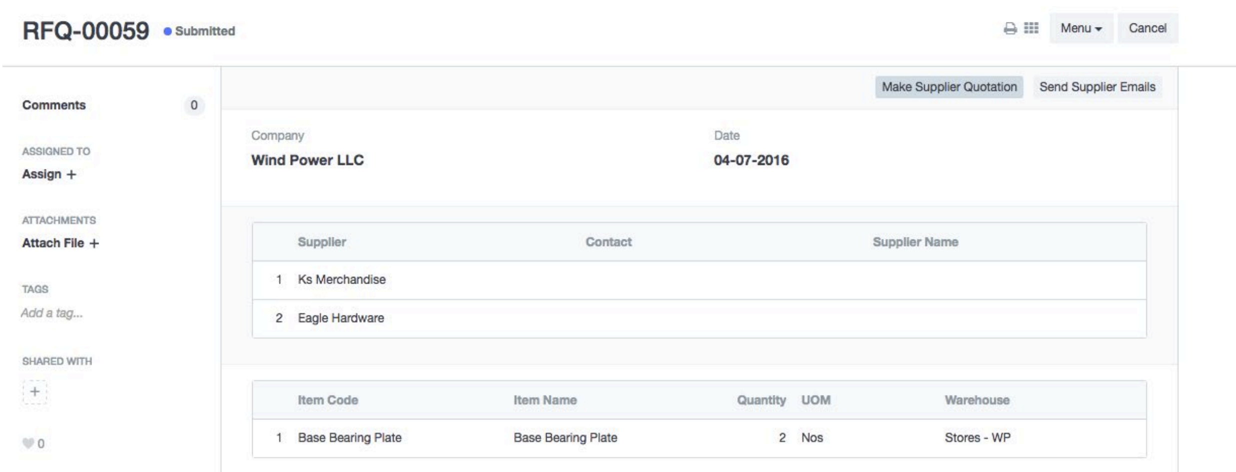
In ERP+, You can create Request for Quotation directly by going to: Buying > Request for Quotation > New

Supplier Quotation

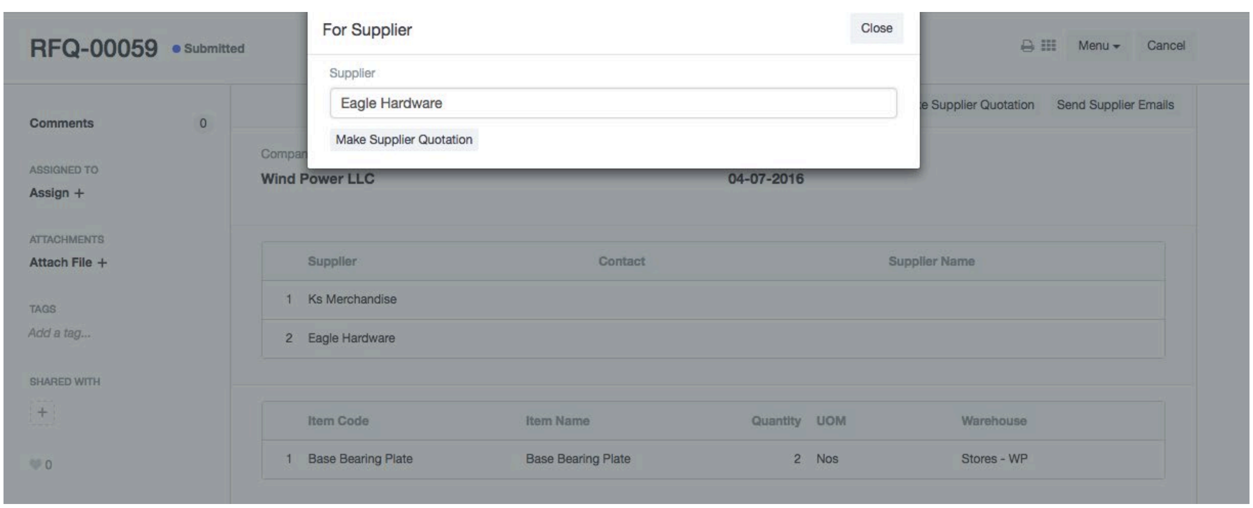
After creation of Request for Quotation, there are two ways to generate Supplier Quotation from Request for Quotation.

For User

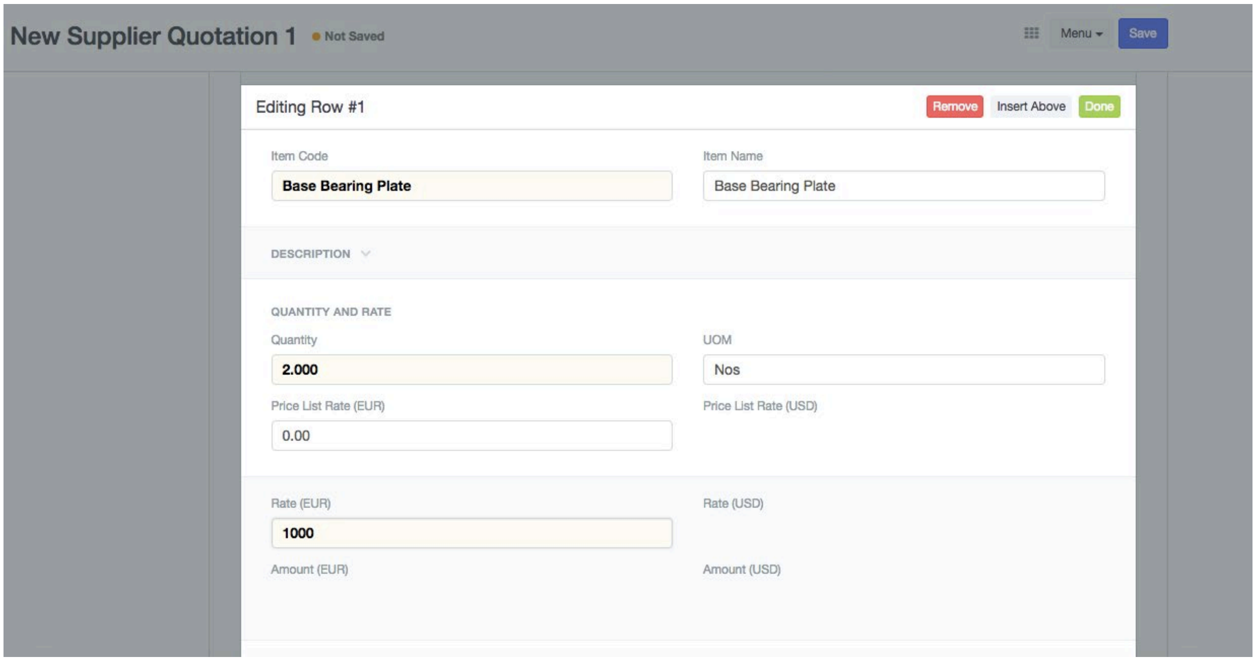
Step 1: Open Request for Quotation and click on make Supplier Quotation.



Step 2: Select Supplier and click on make Supplier Quotation.

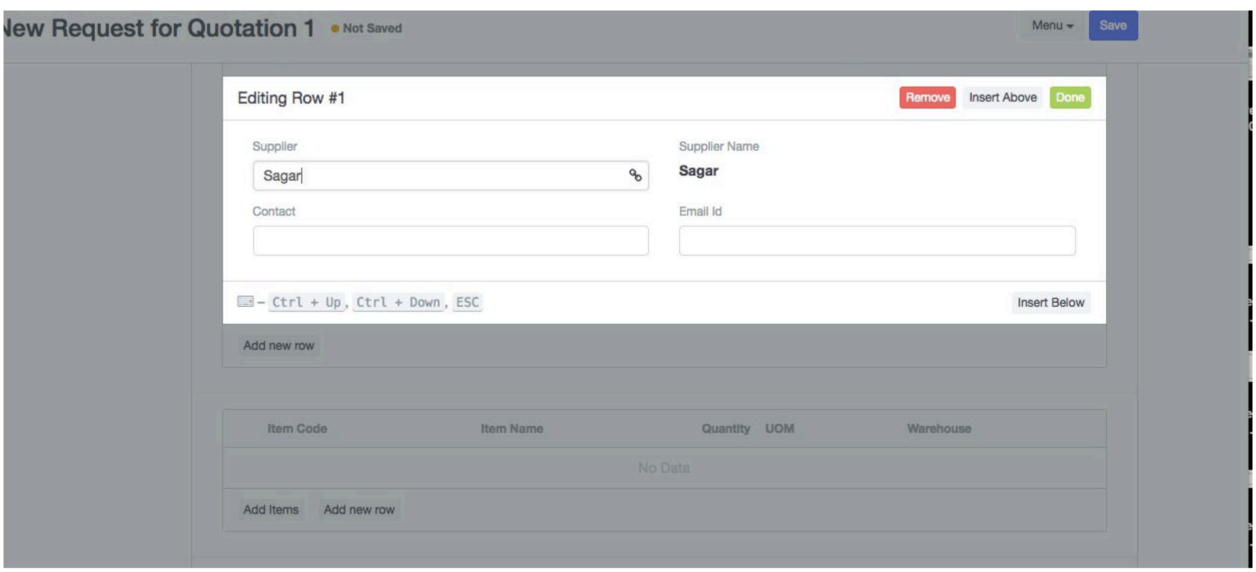


Step 3: System will open the Supplier Quotation, user has to enter the rate and submit it.



For Supplier

Step 1: User has to create contact or enter Email Address against the supplier on Request for Quotation.



Step 2: User has to click on send supplier emails button.

- If Supplier's user not available: system will create Supplier's user and send details to the Supplier, Supplier will need to click on the link (Password Update) present in the email. After password update Supplier can access his portal with the Request for Quotation form.

Please click on the following link to set your new password:

http://localhost:8000/update-password?key=NudQVEBglem4Rvi7iXdjAsXJ8TKfhNJo

Thank you,
Rohit

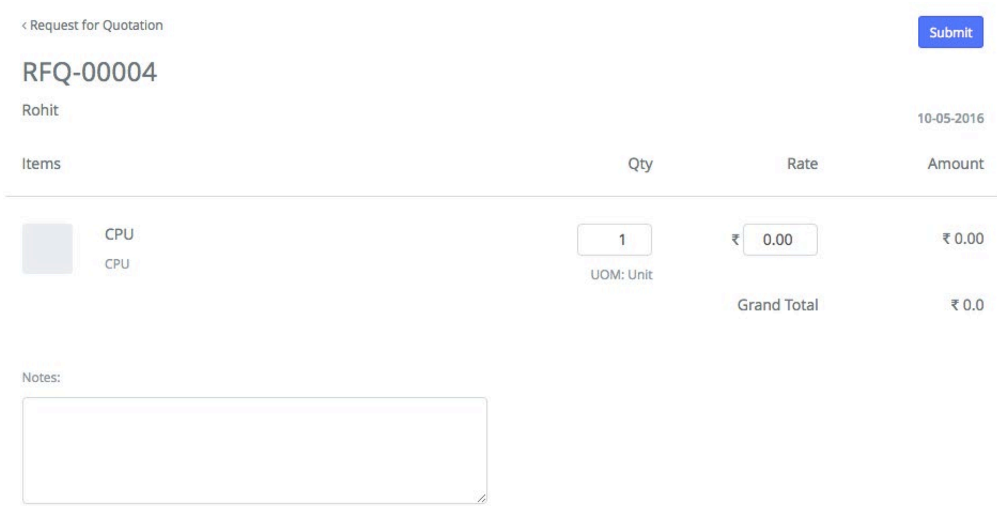
- If Supplier's user available: system will send Request for Quotation link to Supplier, Supplier has to login using his credentials to view Request for Quotation form on portal.

Request for quotation can be access by clicking following link:

Submit your Quotation

Thank you,
Rohit

Step 3: Supplier has to enter amount and notes (payment terms) on the form and click on submit



Step 4: On submission, system will create Supplier Quotation (draft mode) against the supplier. The user has to review the Supplier Quotation and submit it. When all items from the Request for Quotation have been quoted by a Supplier, the status is updated in the Supplier table of the Request for Quotation.

More details

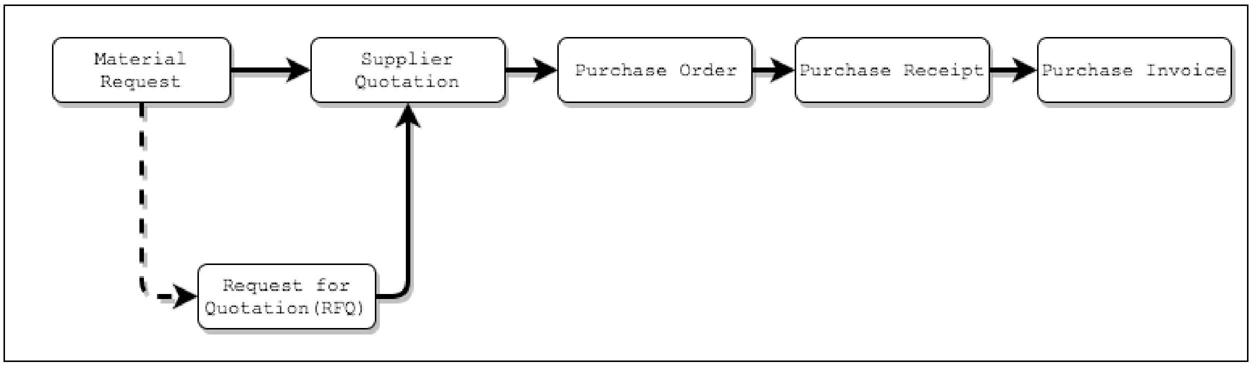
If a Supplier indicates that they will not provide a quotation for the item, this can be indicated in the RFQ document by checking the 'No Quote' box after the Request for Quotation has been submitted.

2. Purchase Order

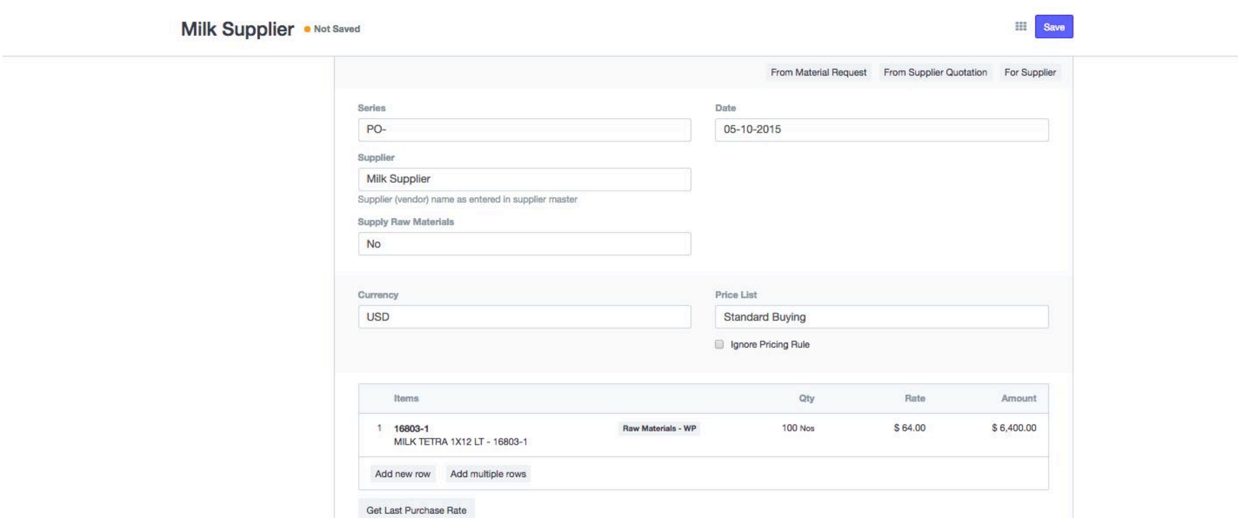
A Purchase Order is analogous to a Sales Order. It is usually a binding contract with your Supplier that you promise to buy a set of Items under the given conditions.

A Purchase Order can be automatically created from a Material Request or Supplier Quotation.

Purchase Order Flow Chart - Create Purchase Order



In ERP+, you can also make a Purchase Order directly by going to: Buying > Documents > Purchase Order > New Purchase Order



Entering a Purchase Order is very similar to a Purchase Request, additionally you will have to set:

- Supplier.
- A "Required By" date on each Item: If you are expecting part delivery, your Supplier will know how much quantity to deliver at which date. This will help you from preventing over-supply. It will also help you to track how well your Supplier is doing on timeliness.

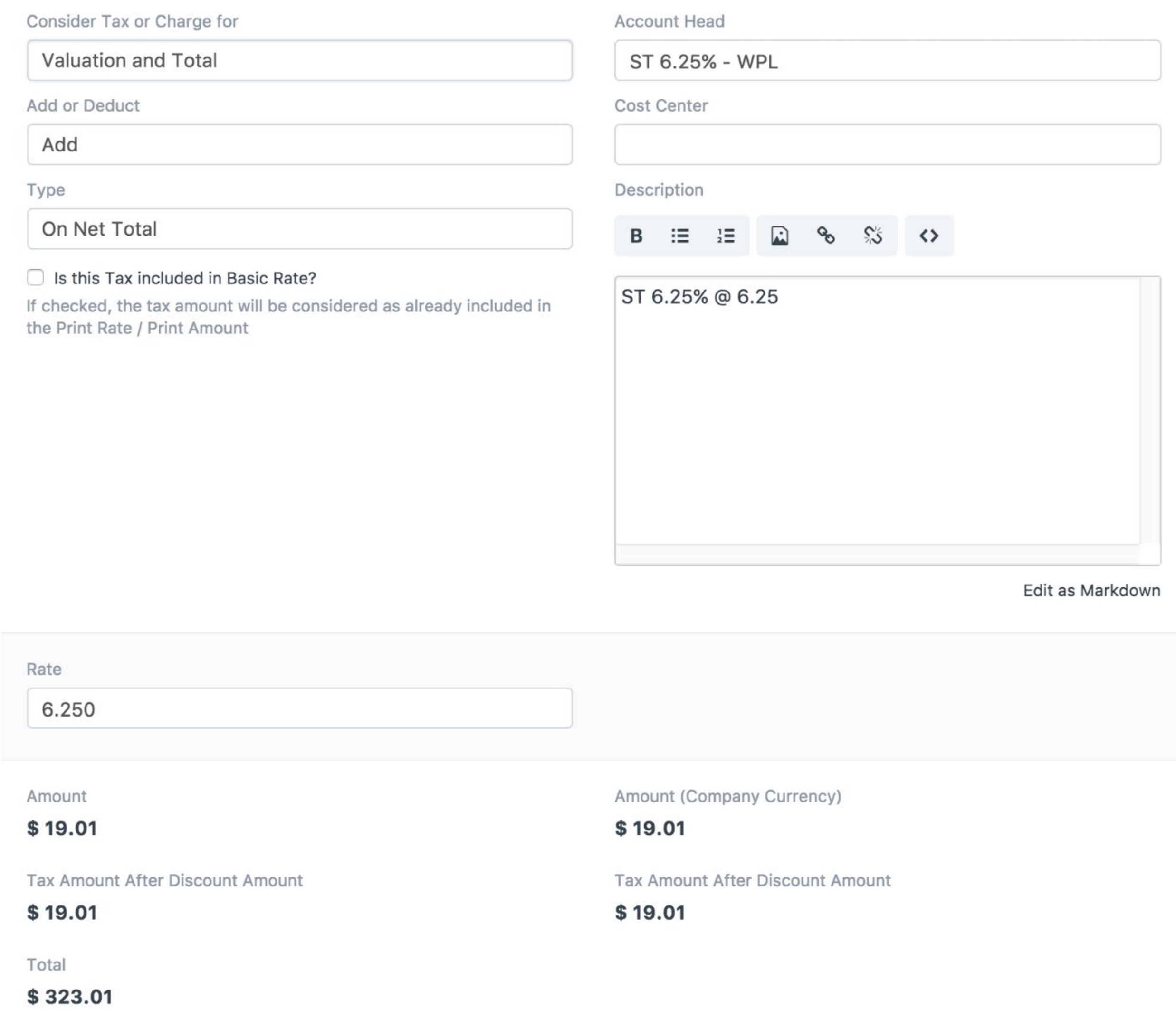
3. Purchase Taxes

If your Supplier is going to charge you additional taxes or charge like a shipping or insurance charge, you can add it here. It will help you to accurately track your costs. Also, if some of these charges add to the value of the product you will have to mention them in the Taxes table. You can also use templates for your taxes. For more information on setting up your taxes see the Purchase Taxes and Charges Template.

Value Added Taxes (VAT)

Many a times, the tax paid by you to a Supplier, for an Item, is the same tax which you collect from your Customer. In many regions, what you pay to your government is only the difference between what you collect from your Customer and what you pay to your Supplier. This is called Value Added Tax (VAT).

Add Taxes in Purchase Order



Show Tax break-up

TAXES AND CHARGES

Taxes and Charges

US ST 6.25%

	Type	Account Head	Rate	Amount (USD)	Total (USD)
1	On Net Total	ST 6.25% - WPL	6.250	$ 19.01	$ 323.01

Add new row

Show tax break-up

Item Name	ST 6.25% - WPL
Shaft	(6.25%) $ 15.63
Base Plate Un Painted	(6.25%) $ 1.00
Blade Rib	(6.25%) $ 2.38

For example, you buy Items worth X and sell them for 1.3X. S,o your Customer pays 1.3 times the tax you pay your Supplier. Since you have already paid tax to your Supplier for X, what you owe your government is only the tax on 0.3X.

This is very easy to track in ERP+ since each tax head is also an Account. Ideally you must create two Accounts for each type of VAT you pay and collect, “Purchase VAT-X” (asset) and “Sales VAT-X” (liability), or something to that effect. Please contact your accountant if you need more help or post a query on our forums!

Purchase UOM and Stock UOM Conversion
You can change your UOM as per your stock requirements in the Purchase Order form.

For example, if you have bought your raw material in large quantities with UOM -boxes, and wish to stock them in UOM- Nos; you can do so while making your Purchase Order.

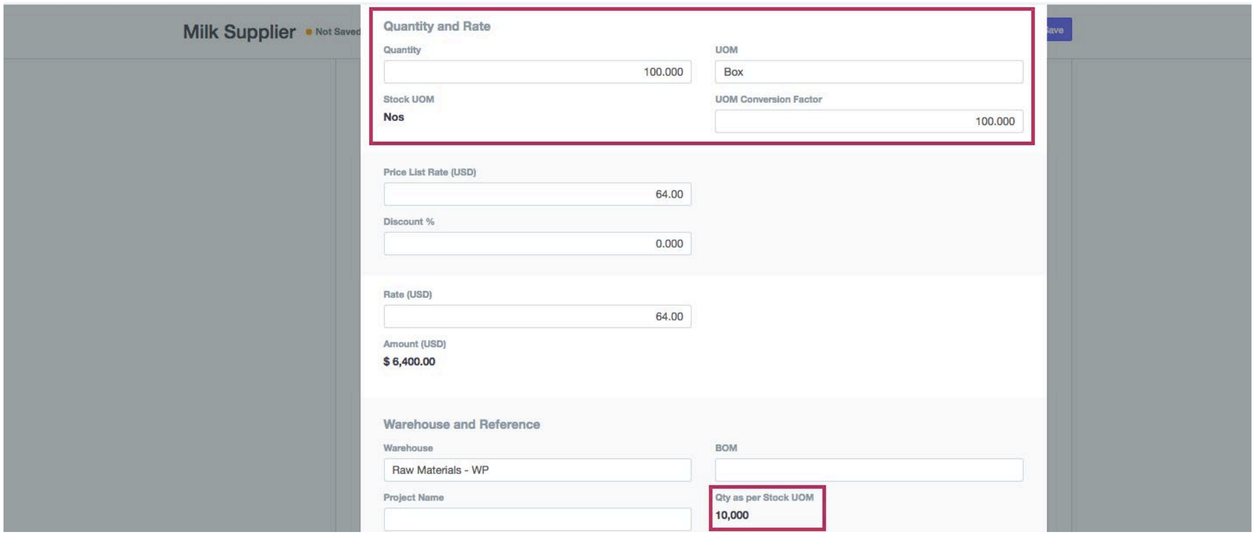
Step 1: Store UOM as Nos in the Item form.

Note: The UOM in the Item form is the stock UOM.

Step 2: In the Purchase Order mention UOM as Box. (Since material arrives in Boxes)

Step 3: In the Warehouse and Reference section, the UOM will be pulled in as Nos (from the Item form)

Conversion of Purchase UOM to stock UOM



Step 4: Mention the UOM conversion factor. For example, (100); If one box has 100 pieces.

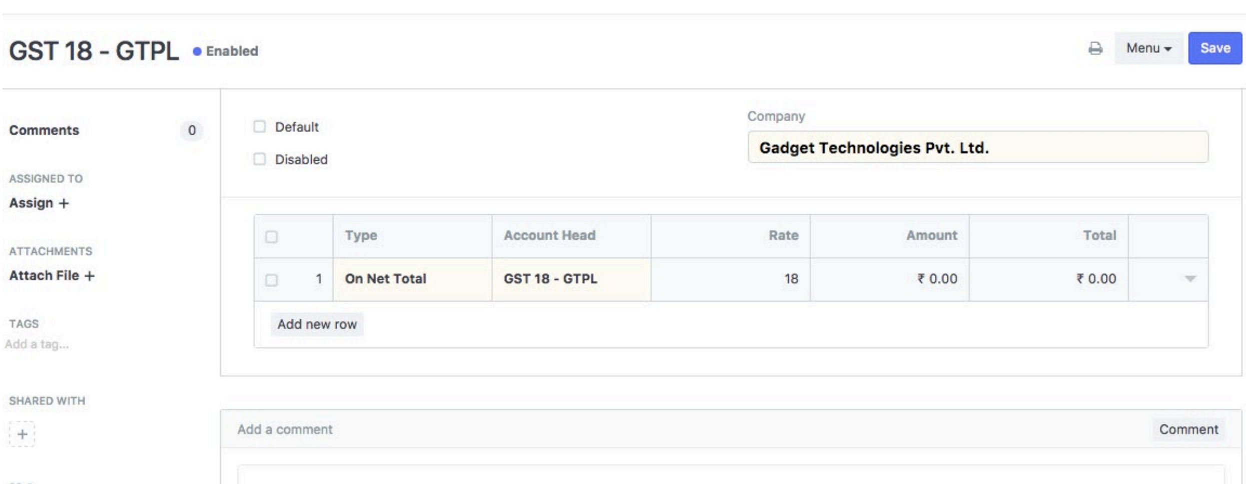
Step 5: Notice that the stock quantity will be updated accordingly.

Step 6: Save and Submit the Form.

Purchase Taxes

For Tax Accounts that you want to use in the tax templates, you must mention them as type "Tax" in your Chart of Accounts.

Similar to your Sales Taxes and Charges Template is the Purchase Taxes and Charges Master. This is the tax template that you can use in your Purchase Orders and Purchase Invoices.
Buying > Setup > Purchase Taxes and Charges Template > New



You can specify if the tax / charge is only for valuation (not a part of total) or only for total (does not add value to the item) or for both.

If you select a particular tax as your Default tax, the system will apply this tax to all the purchase transactions by default.

Calculation Type

This can be on Net Total (that is the sum of basic amount). On Previous Row Total / Amount (for cumulative taxes or charges). If you select this option, the tax will be applied as a percentage of the previous row (in the tax table) amount or total. Actual (as mentioned).

- **Account Head:** The Account ledger under which this tax will be booked.
- **Cost Center:** If the tax / charge is an income (like shipping) or expense it needs to be booked against a Cost Center.
- **Description:** Description of the tax (that will be printed in invoices / quotes).
- **Rate:** Tax rate.
- **Amount:** Tax amount.
- **Total:** Cumulative total to this point.
- **Enter Row:** If based on "Previous Row Total" you can select the row number which will be taken as a base for this calculation (default is the previous row).
- **Consider Tax or Charge for:** In this section you can specify if the tax / charge is only for valuation (not a part of total) or only for total (does not add value to the item) or for both.
- **Add or Deduct:** Whether you want to add or deduct the tax.

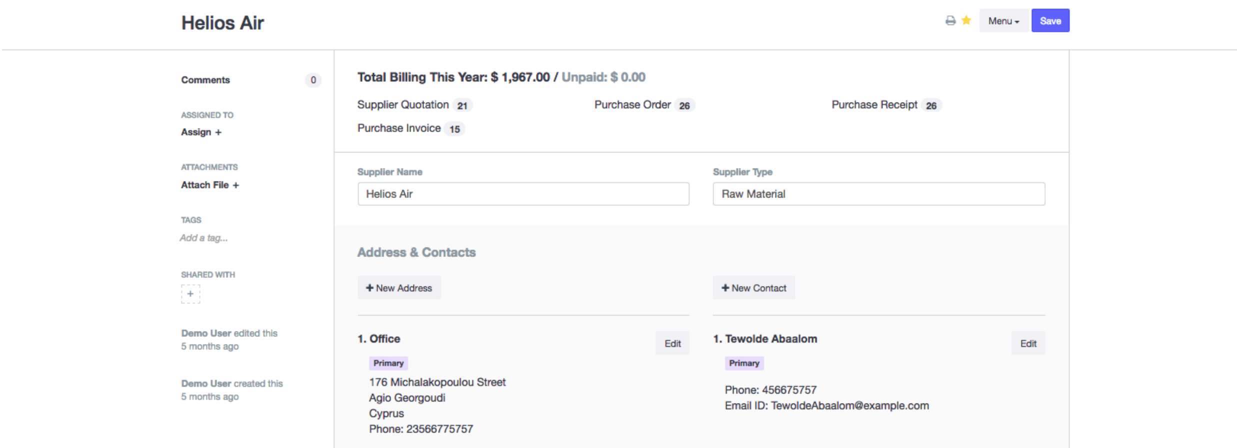
1.3 Topic: Supplier

1. Supplier
2. Supplier Quotation
3. Supplier Scorecard

1. Supplier

Suppliers are companies or individuals who provide you with products or services.

You can create a new Supplier from: Explore > Buying > Supplier > New

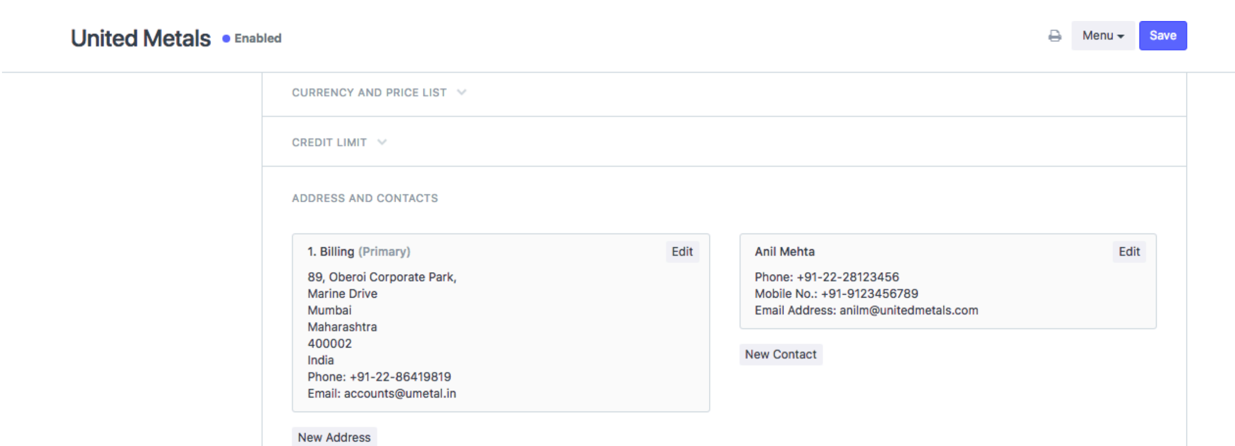


In the Supplier master you can add all regular information related to the supplier as well like Tax ID, Billing Currency, Price List and Payment Terms. So that in all future transactions, these default values will populate in the forms. You can also choose a default Supplier Type and add a new type if you want to.

Each Supplier can have a default price list so that every time when you buy a new item from the supplier, the supplier price list would be updated as well.

Contacts and Addresses

Contacts and Addresses in ERP+ are stored separately so that you can create multiple Contacts and Addresses for a Supplier. Once Supplier is saved, you will find the option to create Contact and Address for that Supplier.

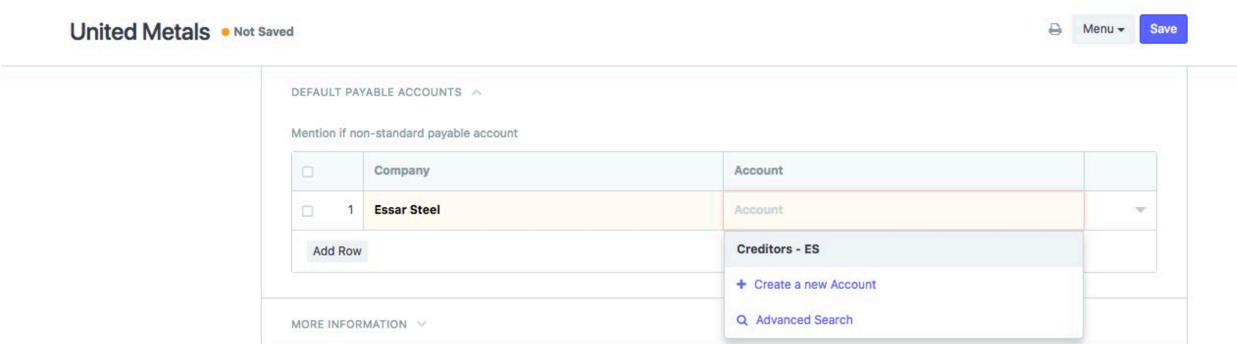


Tip: When you select a Supplier in any transaction, contact for which "Is Primary" field id checked, it will auto-fetch with the Supplier details.

Integration with Accounts

For all the Supplier, "Creditor" account is set as default payable Account. When Purchase Invoice is created, payable towards the supplier is booked against "Creditors" account.

If you want to customize payable account for the Supplier, you should first add a payable Account in the Chart of Account, and then select that Payable Account in the Supplier master.



If you don't want to customize payable account, and proceed with default payable account "Creditor", then do not update any value in the Default Supplier Account's table.

Advanced Tip: Default Payable Account is set in the Company master. If you want to set another account as Account as default for payable instead of Creditors Account, go to Company master, and set that account as "Default Payable Account".

You can add multiple companies in your ERP+ instance, and one Supplier can be used across multiple companies. In this case, you should define Company-wise Payable Account for the Supplier in the "Default Payable Accounts" table.

Place Supplier on Hold

In the Supplier form, check the "Block Supplier" checkbox. Next, choose the "Hold Type". The hold types are as follows: - Invoices: ERP+ will not allow Purchase Invoices or Purchase Orders to be created for the supplier - Payments: ERP+ will not allow Payment Entries to be created for the Supplier - All: ERP+ will apply both hold types above.

After selecting the hold type, you can optionally set a release date in the "Release Date" field.

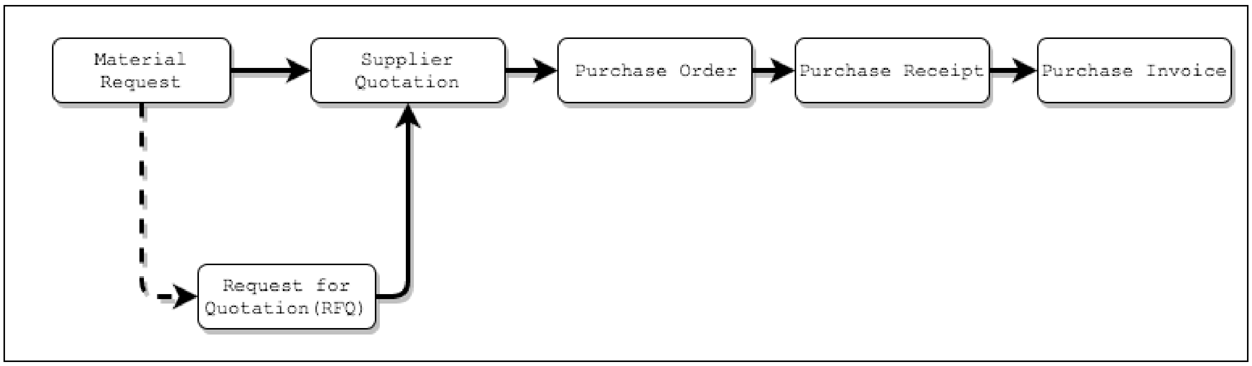
Take note of the following: - If you do not select a hold type, ERP+ will set it to "All" - If you do not set a release date, ERP+ will hold the Supplier indefinitely

2. Supplier Quotation

A Supplier Quotation is a formal statement of promise by potential supplier to supply the goods or services required by a buyer, at specified prices, and within a specified period. A quotation may also contain terms of sale and payment, and warranties. Acceptance of quotation by the buyer constitutes an agreement binding on both parties.

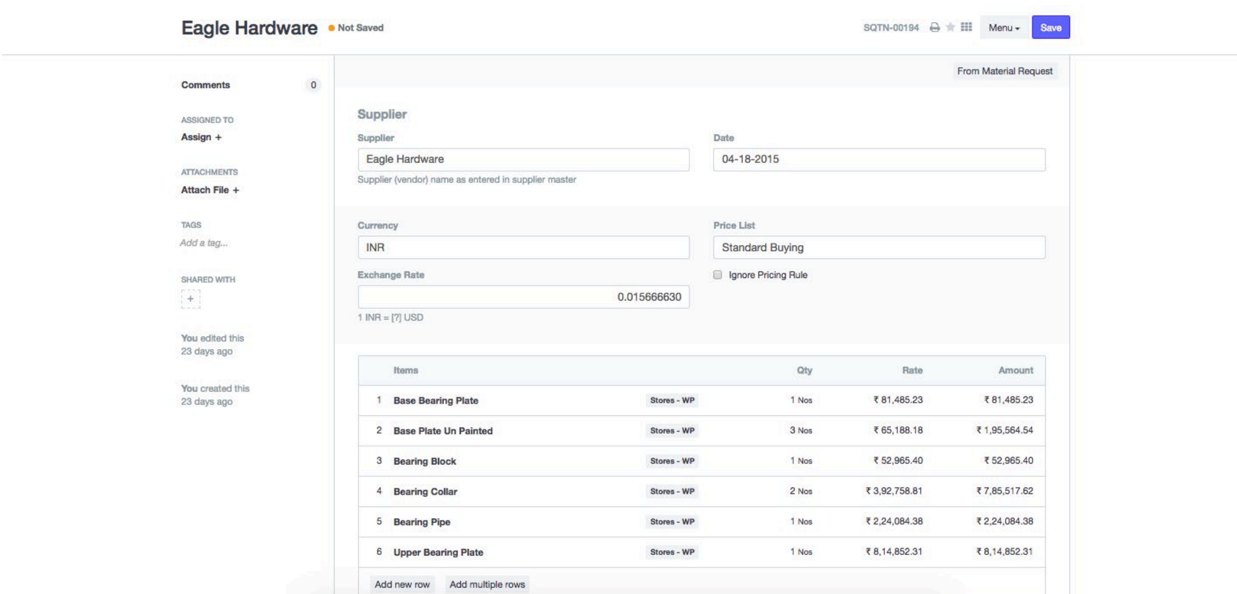
You can make a supplier quotation from a Material Request

Supplier Quotation Flow-Chart



You can also make a Supplier Quotation directly from: Buying > Documents > Supplier Quotation > New Supplier Quotation

Create Supplier Quotation



If you have multiple Suppliers who supply you with the same Item, you usually send out a message (Request for Quote) to various Suppliers. In many cases, especially if you have centralized buying, you may want to record all the quotes so that

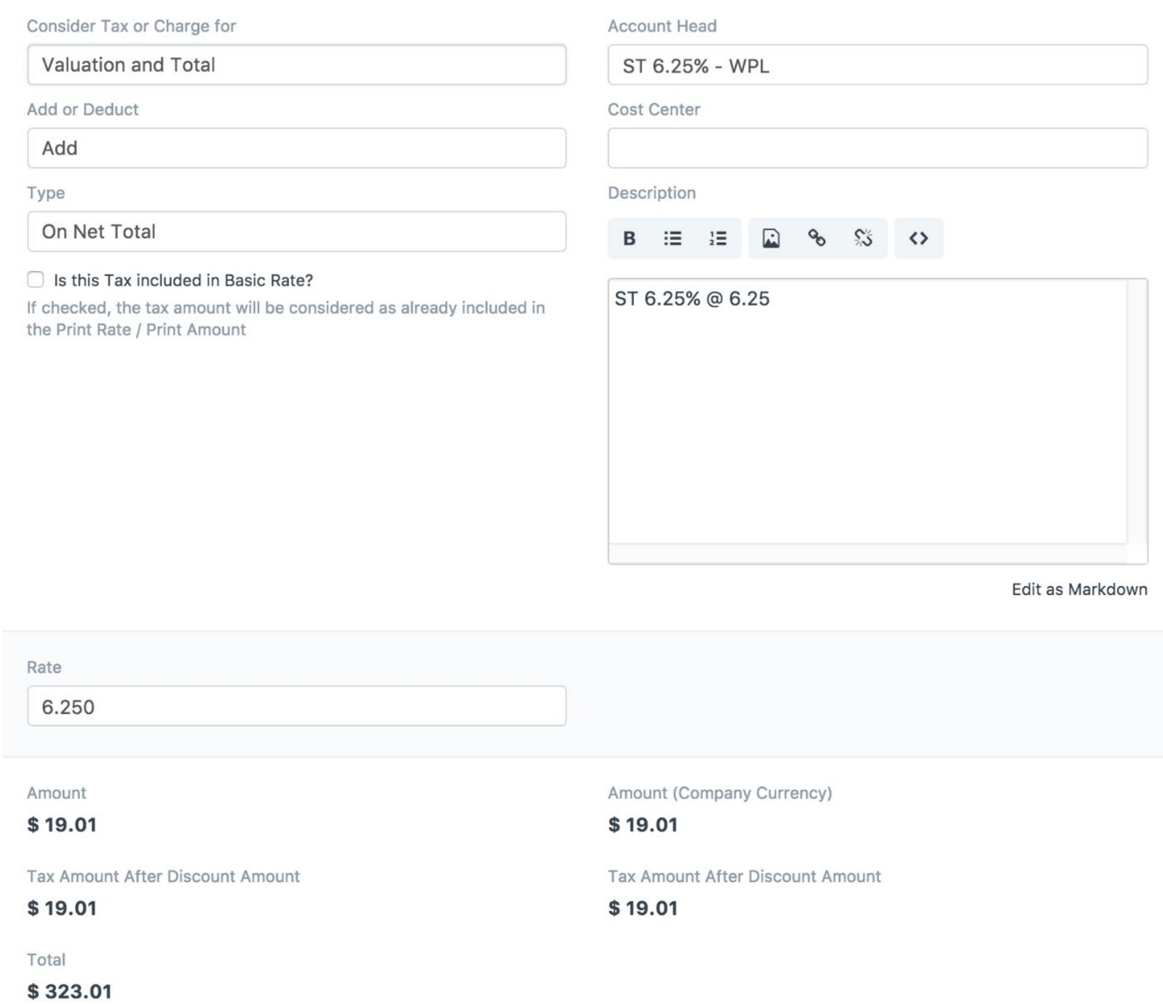
- You can easily compare prices in the future
- Audit whether all Suppliers were given the opportunity to quote.

Supplier Quotations are not necessary for most small businesses. Always evaluate the cost of collecting information to the value it really provides! You could only do this for high value items.

Taxes

If your Supplier is going to charge you additional taxes or charge like a shipping or insurance charge, you can add it here. It will help you to accurately track your costs. Also, if some of these charges add to the value of the product you will have to mention them in the Taxes table. You can also use templates for your taxes. For more information on setting up your taxes see the Purchase Taxes and Charges Template.

You can select relevant tax by going to "Taxes and Charges" section and adding an entry to the table as shown below,



Besides, in case of multiple items you can keep track of taxes on each by clicking "Show tax break-up"

TAXES AND CHARGES

Taxes and Charges

US ST 6.25%

	Type	Account Head	Rate	Amount (USD)	Total (USD)	
1	On Net Total	ST 6.25% - WPL	6.250	$ 19.01	$ 323.01	

Add new row

Show tax break-up

Item Name	ST 6.25% - WPL
Shaft	(6.25%) $ 15.63
Base Plate Un Painted	(6.25%) $ 1.00
Blade Rib	(6.25%) $ 2.38

3. Supplier Scorecard

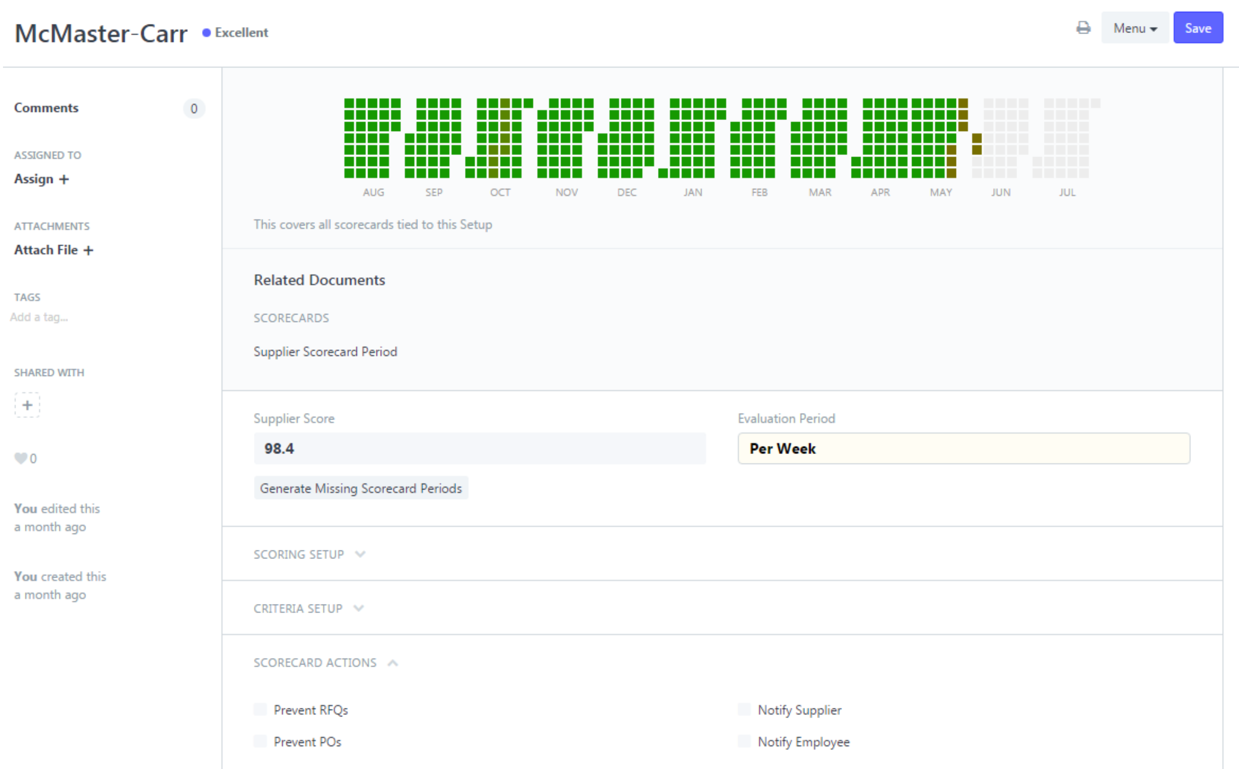
A Supplier Scorecard is an evaluation tool used to assess the performance of suppliers. Supplier scorecards can be used to keep track of item quality, delivery and responsiveness of suppliers across long periods of time. This data is typically used to help in purchasing decisions.

A Supplier Scorecard is manually created for each supplier.

In ERP+, you can create a supplier scorecard by going to: Buying > Documents > Supplier Scorecard > New Supplier Scorecard

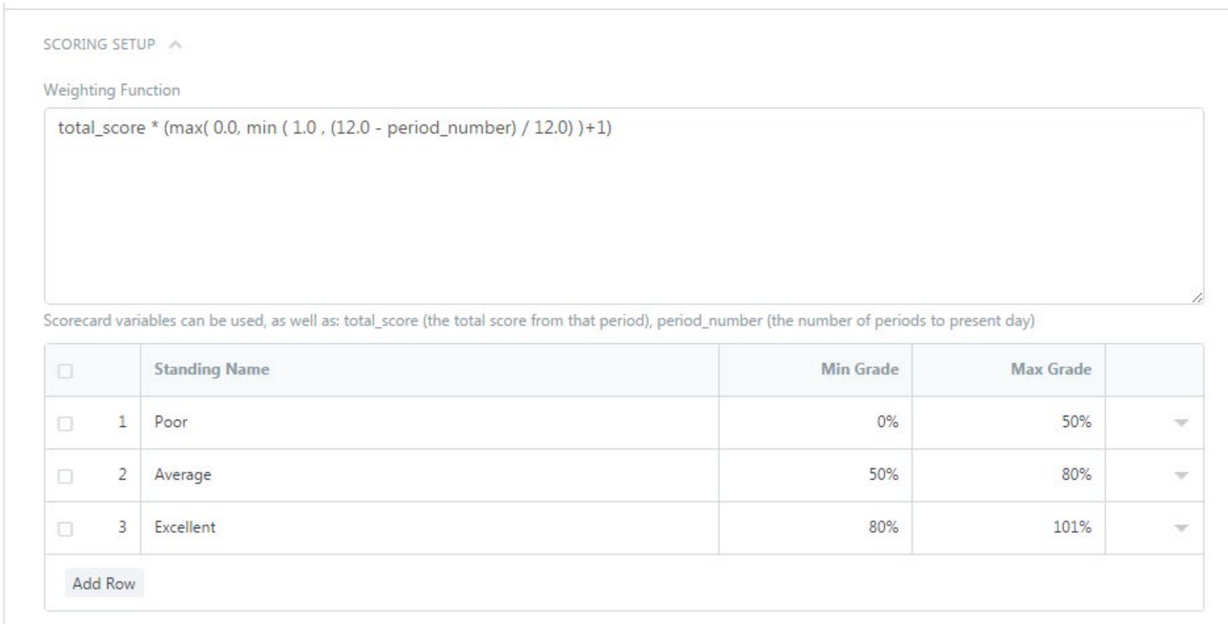
Create Supplier Scorecard

A supplier scorecard is created for each supplier individually. Only one supplier scorecard can be created for each supplier.



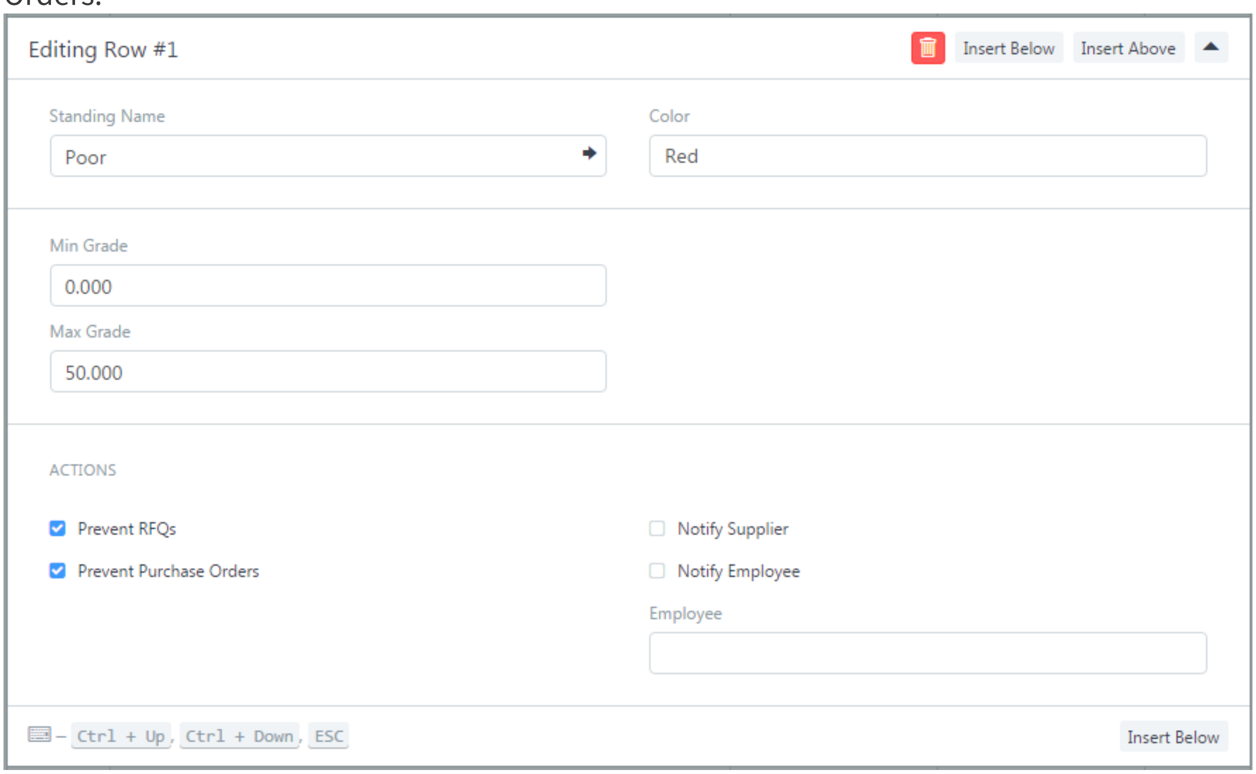
Final Score and Standings

The supplier scorecard consists of a set evaluation periods, during which the performance of a supplier is evaluated. This period can be daily, monthly or yearly. The current score is calculated from the score of each evaluation period based on the weighting function. The default formula is linearly weight over the previous 12 scoring periods.



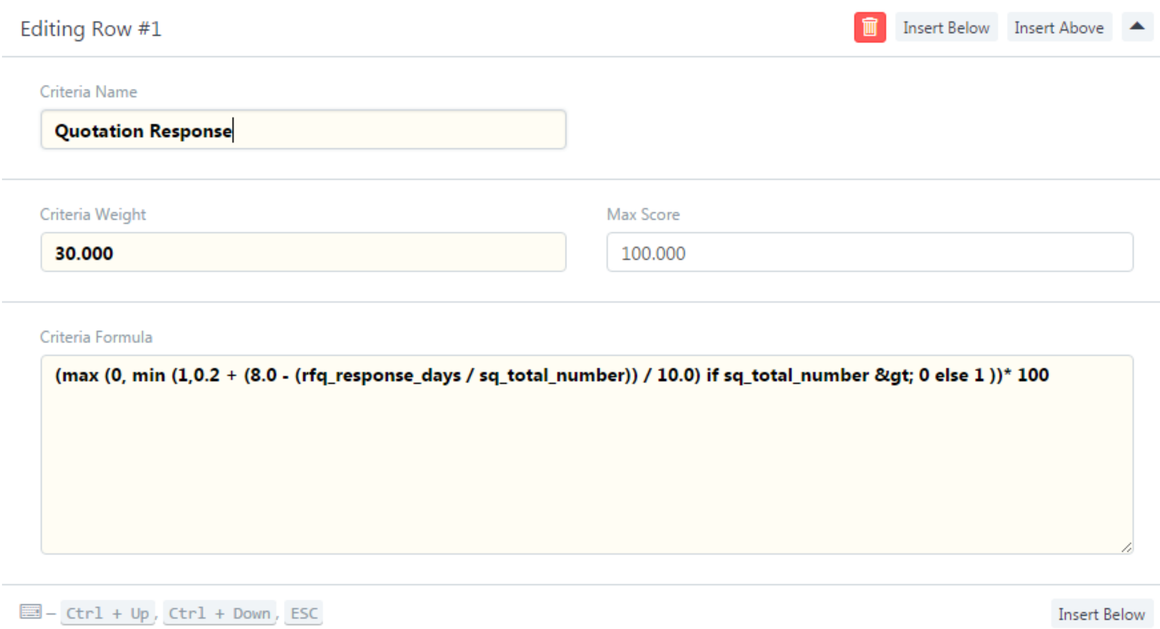
This formula is customizable.

The supplier standing is used to quickly sort suppliers based on their performance. These are customizable for each supplier. The scorecard standing of a supplier can also be used to restrict suppliers from being included in Request for Quotations or being issued Purchase
Orders.



Evaluation Criteria and Variables

A supplier can be evaluated on several individual evaluation criteria, including (but not limited to) quotation response time, delivered item quality, and delivery timeliness. These criteria are weighed to determine the final period score.



The method for calculating each criterion is determined through the criteria formula field, which can use a number of pre-established variables. The value of each of these variables is calculated over the scoring period for each supplier. Examples of such variables include: - The total number of items received from the supplier - The total number of accepted items from the supplier - The total number of rejected items from the supplier - The total number of deliveries from the supplier - The total amount (in dollars) received from a supplier Additional variable can be added through server-side customizations.

The criteria formula should be customized to evaluate the suppliers in each criteria in a way that best fits the Company requirements.

Evaluation Formulas

The evaluation formula uses the pre-established or custom variables to evaluate an aspect of supplier performance over the scoring period. Formulas can use the following mathematical functions:

- addition: +
- subtraction: -
- multiplication: *
- division: /
- min: min(x,y)
- max: max(x,y)
- if/else: (x) if (formula) else (y)
- less than: <
- greated than: >
- variables: {variable_name}

It is crucial that the formula be solvable for all variable values. This is most often an issue if the value resolves to 0. For example:

```
{total_accepted_items} / {total_received_items}
```

This example would resolve to 0 / 0 in periods where there are no received items, and therefore should have a check to protect in this case:

```
({total_accepted_items} / {total_received_items}) if {total_received_items} > 0 else 1.
```

Evaluating the Supplier

An evaluation is generated for each Supplier Scorecard Period by clicking the "Generate Missing Scorecard Periods" button. The supplier current score can be seen, as well as a visual graphic showing the performance of the supplier over time. Any actions against the supplier are also noted here, including warnings when create RFQs and POs or locking out those features for this supplier altogether.

2.1 Article: Supplier

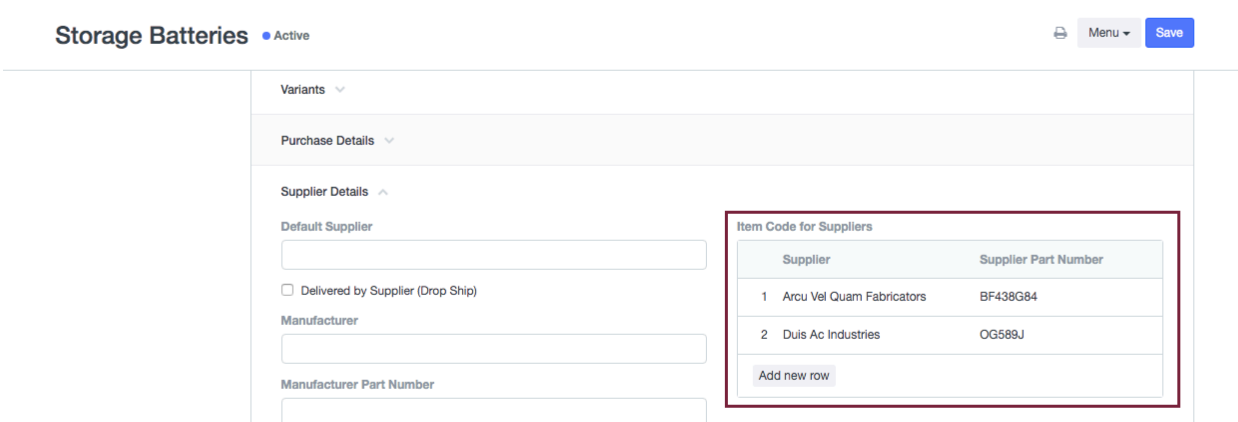
1. Maintaining Supplier's Item Code in the Item Master
2. Pull Items in Purchase Order Based on Supplier

1. Maintaining Supplier's Item Code in the Item master

For each item, code assigned might differ from the code your supplier has given to that same item. ERP+ allows you to track Supplier's Item Code in the item master. Also, you can fetch Supplier's Item Code in your purchase transactions, so that they can easily recognize item referring to their Item Code.

Updating Supplier Item Code in Item

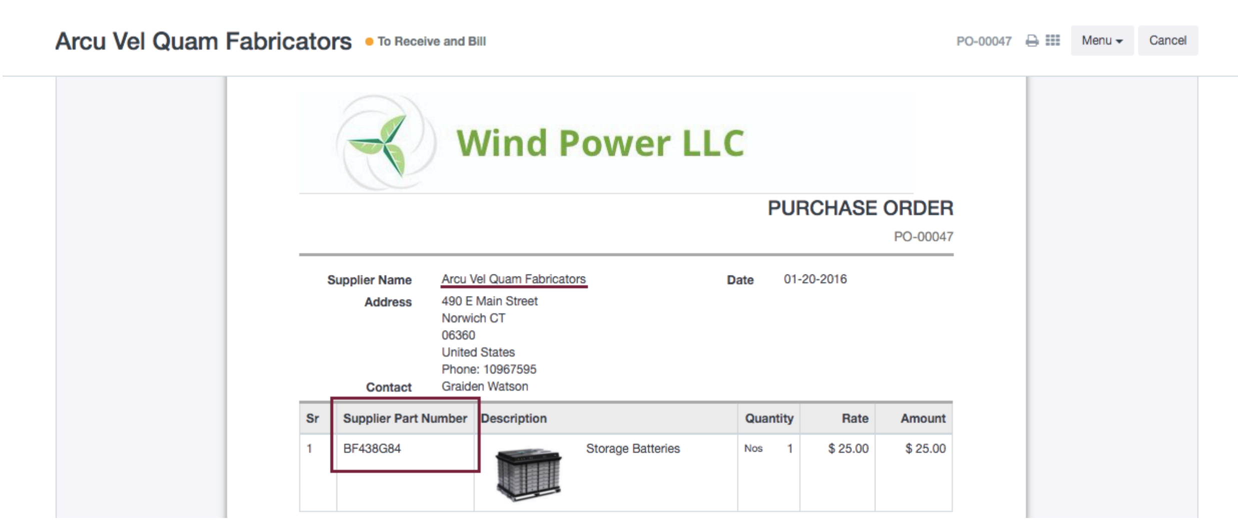
In the Item master, under Supplier Details section, enter Item Code as given by the Supplier to this item.



Supplier's Item Code in Transactions

Each purchase transaction has field in the Item table where Supplier's Item Code is fetched. This field is hidden in form as well as in the Standard print format. You can make it visible by changing property for this field from Customize Form.

Supplier Item Code will only be fetched in the purchase transaction, if both Supplier and Item Code selected in purchase transaction is mapped with value mentioned in the Item master.



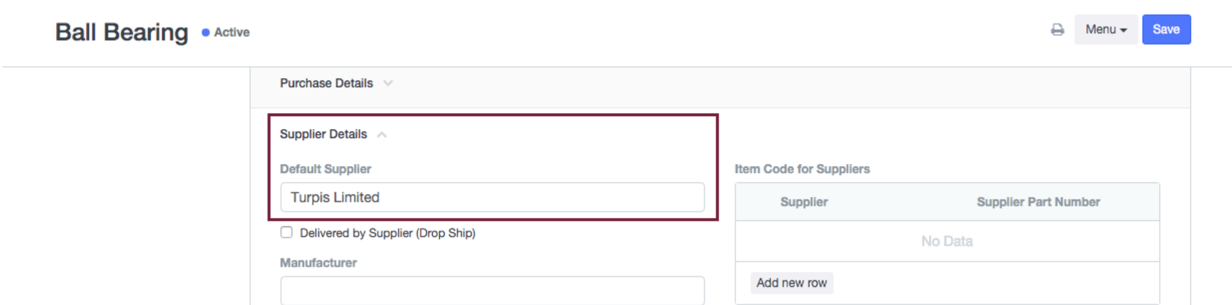
2. Pull Items in Purchase Order based on Supplier

Question:

Our Material Request has many items, each purchased from different suppliers. How to pull items from all open Material Request which are to be purchased from common Supplier?

Answer: To pull items from Material Request for specific Supplier only, follow below given steps.

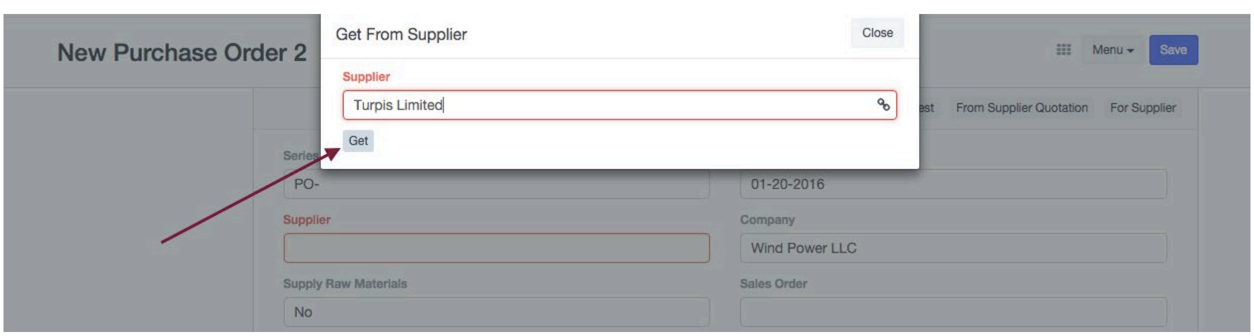
Step 1: Default Supplier
Update Default Supplier in the Item master.



Step 2: New Purchase Order
Buying > Document > Purchase Order > New

Step 3: Select for Supplier
From the options available to pull data in the Purchase Order, click on For Supplier.

Step 4: Get Items
Select Supplier name and click on Get.



Step 5: Edit Items
All the items associated with a Material Request and having the default Supplier will be fetched in the Items Table. You can further edit items to enter rate, qty etc. Also, items which are not to be ordered can be removed from Item table.

2.2 Article: Other

1. Purchasing in Different Unit
2. Amending Purchase Order After Submit

1. Purchasing in Different Unit (UoM)

Each item has stock unit of measurement (UoM) associated to it. For example, UoM of pen could be numbers (Nos) and sand could be stocked kgs. However, when we place an order with Supplier, UoM for an item could change. Like we can order 1 set/box of Pen, or one truck of sand to our Supplier. When creating purchase transaction, you can change Purchase UoM for an item.

Scenario:

Item Pen is stocked in Nos, but purchased in Box. Hence, we will make Purchase Order for Pen in Box.

Step 1: Edit UoM in the Purchase Order

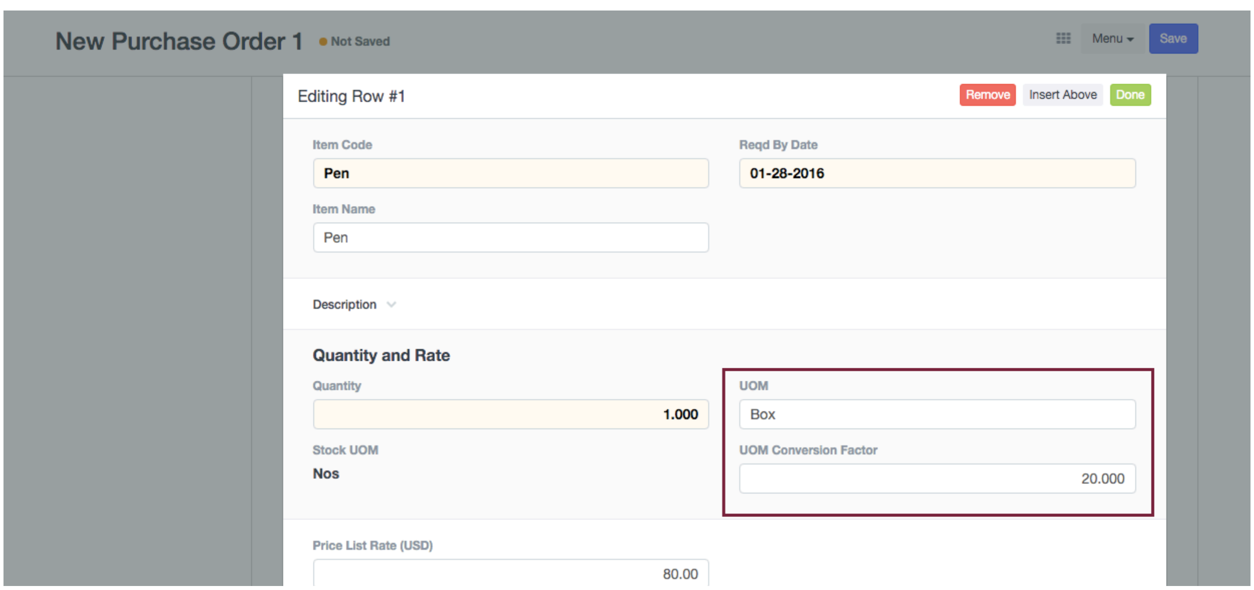
In the Purchase Order, you will find two UoM field.

- UoM
- Stock UoM

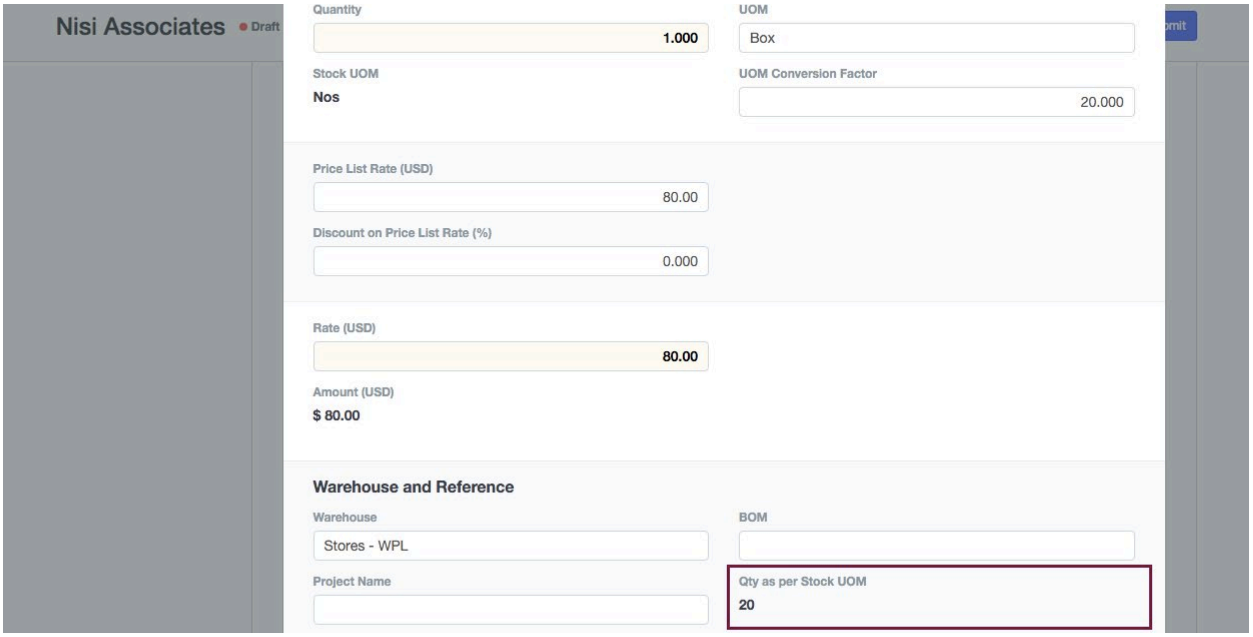
In both the fields, default UoM of an item will be fetched by default. You should edit UoM field, and select Purchase UoM (Box in this case). Updating Purchase UoM is mainly for the reference of the supplier. In the print format, you will see item qty in the Purchase UoM.

Step 2: Update UoM Conversion Factors

In one Box, if you get 20 Nos. of Pen, UoM Conversion Factor would be 20.

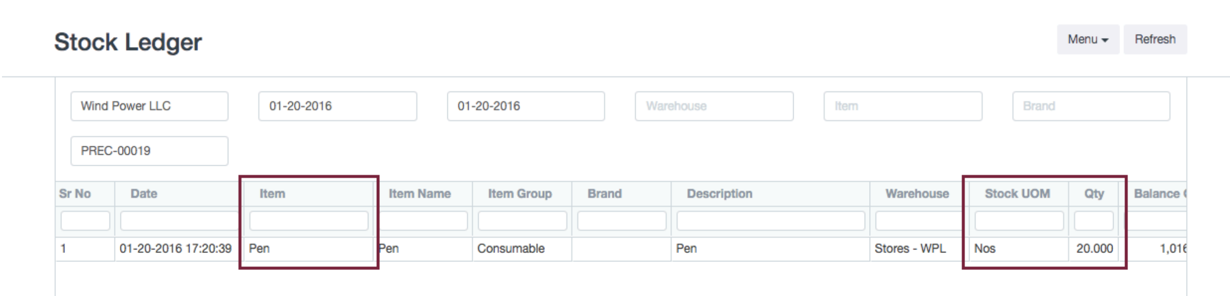


Based on the Qty and Conversion Factor, qty will be calculated in the Stock UoM of an item. If you purchase just one Box, then Qty in the stock UoM will be set as 20.



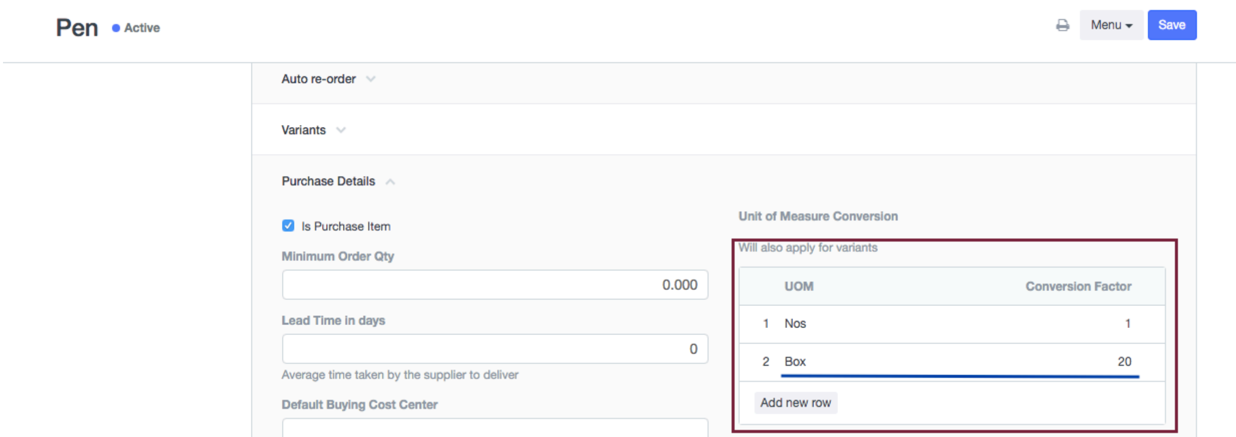
Stock Ledger Posting

Irrespective of the Purchase UoM selected, stock ledger posting will be done in the Default UoM of an item. Hence you should ensure that conversion factor is entered correctly while purchasing item in different UoM.



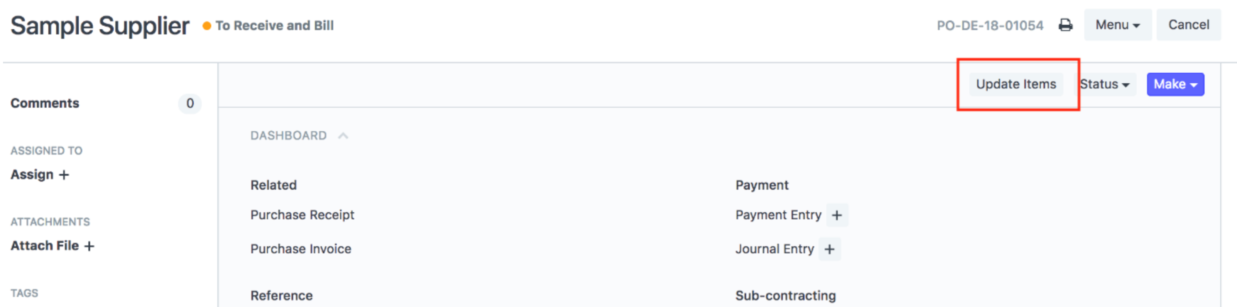
Set Conversion Factor in Item

In the Item master, under Purchase section, you can list all the possible purchase UoM of an item, with its UoM Conversion Factor.


Pen
Active
Menu
Save
Auto re-order
Variants
Purchase Details
Is Purchase Item
Minimum Order Qty
0.000
Lead Time in days
0
Average time taken by the supplier to deliver
Default Buying Cost Center
Unit of Measure Conversion
Will also apply for variants
UOM
Conversion Factor
1 Nos 1
2 Box 20
Add new row

2. Amending Purchase Order after Submit

Rate and Qty in Purchase Order can now be amended after Submit using the Update Items button.



To Update Rate and Qty in a Submitted Purchase Order, click on the Update Items button. A dialog will pop up to let you make the change.

Please Note the following validations and use cases:

- Update Features checks if Purchase Order has Purchase Receipt and Purchase Invoice.
- Qty can be updated for un-received and for partially-received Purchase Order. For Purchase Order with completed Purchase Receipt, it cannot be updated.
- Rate can be updated for un-invoiced and partially-invoiced Purchase Order. For Purchase Order with submitted Purchase Invoice, it cannot be updated.