



Purchasing

Planon Software Suite

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About this Document

Intended Audience

This document is intended for *Planon Software Suite* users.

Contacting us

If you have any comments or questions regarding this document, please send them to: support@planonsoftware.com.

Document Conventions

Bold

Names of menus, options, tabs, fields and buttons are displayed in bold type.

Italic text

Application names are displayed in italics.

CAPITALS

Names of keys are displayed in upper case.

Special symbols

	Text preceded by this symbol references additional information or a tip.
	Text preceded by this symbol is intended to alert users about consequences if they carry out a particular action in Planon.

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About Purchasing

Managing purchases is an important aspect of dealing with the demand and supply needs of an organization, apart from maintaining a Product Catalog and performing Stock .

Purchasing is the starting point for converting a requisition of a product into a purchase suggestion and finally into a purchase order.

The Purchasing TSI supports users to manage the entire life cycle of purchases in an organization. Using Purchasing you can create purchase orders, purchase item receipts, issuings and returns.

Purchasing - Concepts

This section explains the concepts available in Purchasing and the way they are related to each other.

Vendor

Supplier of products is called **Vendor**.

The **Vendors** level displays the vendor details like code, name and address of the supplier. You can filter the products based on its vendors. The purchase information record of a product displays the vendor name.

Delivery address

The address where the ordered products must be delivered by the supplier is known as delivery address.

A delivery address is important and must be specified for each purchase order/requisition.

A delivery address can be linked to multiple properties. If the property of a purchase order/requisition is changed, then the delivery address is set to the default delivery address defined for the property.

It is not necessary to define a delivery address for every property. It is sufficient to define the delivery address for a parent property. When you define a delivery address for a property it applies to all its sub properties. If a sub property has a specific delivery address, it can be linked to that property explicitly.



If you add a purchase order manually, the delivery address must be filled in manually.

Purchase suggestion

Purchase suggestions are created if:

- stock is replenished;
- a requisition for a non-stock item is accepted and processed into purchase orders. When the requisition is accepted, a purchase suggestion is created for every requisition line of a non-stock item;

- a requisition line under a work order or planned maintenance order is accepted.


Multiple purchase suggestions can be combined into a single purchase order, by clustering them.

For example, if you are purchasing two different items (a laptop and a printer) from the same vendor, the purchase suggestions for these items are combined into one purchase order with two purchase order lines (one for the laptop and the other for the printer.)

For more information on clustering purchase suggestions, see [Generating a purchase order](#).

You can cluster purchase suggestions by the following criteria:

- **Vendor** - this option allows you to create purchase orders for purchase suggestions, based on the vendor;
- **Property and/or delivery address of the related requests** - this option allows you to create purchase orders based on a combination of property and the delivery address or only the property.

 As soon as an order (requisition / work order / planned maintenance order) is set to **Administratively completed**, any corresponding purchase suggestions will be deleted.

Purchase order

An order created for purchasing a non-stock item, or for replenishing a stock item is called **Purchase order**.


A purchase order can be created as follows:

- From a purchase suggestion;
- By applying a standard purchase order;
- By creating a purchase order directly.

Every purchase order has a default delivery address assigned to it. The delivery address on the purchase order is pre-filled with the default delivery address of the property.

If no default delivery address is defined for the property, the default delivery address of the parent property is assigned. In case no default address is defined for the parent property also, the field is cleared in order to prevent that an incorrect delivery address is assigned.

 For more information on purchase orders, see [Work Orders](#) .

 Planon administrators can add the **Purchase order detail lines** and **Backorder** fields to the layout of the **Purchase order** business object to present users with an overview of these details directly on the purchase order. This will save them the trouble of navigating to the **Details** level.

Purchase item receipt

Registering the receipt of purchase items is called **Purchase item receipts**.

When the purchase items are received from a supplier, their receipt can be registered in Planon. You can create Purchase item receipts in the Purchasing or Work Orders TSIs.

A receipt is linked to a purchase order and receipt lines are created for each purchase order line when an item is received. You can issue the received products only if the receipt is in the **Confirmed** status.

However, if the items ordered have been partially received and the receipt has already been given the **Confirmed** status, you can add a new receipt with a receipt line for the items yet to be received.

You can easily register receipts of purchased products directly on a purchase order. The system will pre-fill as much data as possible, in order to save time entering receipts (compared to entering receipts/receipt lines in the 'usual' manner in the edit grid on the related levels).

Issuing returns

Occasionally, the products which have been already issued to a requestor are returned to the purchasing department. Common reasons for a return are:

- the wrong product was issued,
- the product turns out to be defective,
- an excess delivery of the product was made.

As a result, the purchase requisition will remain pending. The purchase department will have to deliver the right product as soon as possible. When an issued product is returned by the requestor, you can create an issue return on the purchase order. See [Creating issuing returns](#).

Purchase item returns

Purchase item returns are created to hand back/return purchased products to the supplier.

When a purchased product has to be returned to the vendor (for instance, because it is malfunctioning) a purchase return is created on the purchase order.

One or multiple return lines can be added to a return. For each item to be returned a return line must be added to the return.

You can easily register returns of purchased products directly on a purchase order. The system pre-fills as much data as possible, in order to save time entering returns (compared to entering returns/return lines in the 'usual' manner in the edit grid on the related levels).

Purchase item issuing

Purchase item issuing is the issuance of received purchased items to the requestors.

When the non-stock purchase items are received from the supplier, they can be issued to the requestors after a receipt is created and confirmed.

You can easily create issues including issue lines for the purchased products directly on a purchase order whereby the system issues the received product to the requestors automatically based upon their requested delivery date. This saves time compared to entering issues/issue lines in a 'normal' manner in the edit grid on the related levels.

Products are automatically issued on the basis of their delivery date. The products with the earliest delivery date are issued first and the products without a delivery date are issued last. In case of the same requested delivery date, the order with the lowest order number is processed first.

Backorder

If only a partial delivery of the purchase items is made during the delivery process, a **backorder** can be generated for the original purchase order. This is done to allow the original order, which has not yet been fully delivered, to be completed without having to wait for all products to be delivered.

A generated backorder has a reference to the original purchase order for the non-delivered part of the purchase. If necessary, you can even create a backorder on an existing backorder.

Every purchase order line that is still **In progress** is copied from the original order to the backorder and the quantities in the backorder's purchase order lines are adjusted to what is still to be delivered. On the original purchase order, the quantity is also reduced to the quantity received, as the sum of the ordered quantity in the purchase order and that of all backorders should remain the same.

Summarizing

Quantity on the backorder = Quantity ordered on the original purchase order – Quantity already received + the Quantity returned to the vendor.

Example: on a purchase order with code *100.00*, the quantity to be delivered is 10. However, only 4 items were delivered. A backorder with code *101.00* can be created and the quantity to be delivered set to 6. If, at the time of delivery, only 4 out of 6 items are delivered, another backorder can be created for the existing backorder. This new backorder would have the code *102.00* and a delivery quantity of 2.



If the purchase order line is still **In progress** and the quantity to receive is zero or less, no purchase order line is created on the backorder.

The backorder details of a purchase order or a backorder can be viewed on the **Purchase order line** layout: **Purchases > Details > Purchase order lines**.

Working with Purchasing

This section describes the processes and tasks that can be performed in the Purchasing .

See the links below for more information:

- [Generating a purchase order](#)
- [Creating a receipt](#)
- [Confirming a receipt](#)
- [Creating a backorder](#)
- [Issuing purchased products to requestors](#)
- [Registering issue returns](#)
- [Returning purchase item to supplier/vendor](#)

Generating a purchase order

Purchase orders are created from purchase suggestions (non-stock items) and replenishment suggestions (stock items). Purchase suggestions can be clustered into one or more purchase orders (for instance, if they have the same delivery address and/or vendor involved).

You can generate purchase orders for a selected set of purchase/ replenishment suggestions and cluster them so that you define which suggestions have to be processed e.g. based upon their requested delivery date.



You cannot combine purchase suggestions and replenishment suggestions into one purchase order.

Procedure

1. Go to Purchases > Purchase suggestions.
2. Select the purchase suggestions for which you want to generate a purchase order.



If no vendor (supplier) is selected on the purchase information record of a purchase suggestion, then the purchase suggestion will not be processed into a purchase order.

3. On the action panel, click Generate purchase orders. The Generate purchase orders dialog box is displayed.

Generate purchase orders





Purchase order data

- Standard order PO001, Purchase order  

Cluster criteria

- Vendor
- Distribution point (stock products)
- Non-stock products
- Property of the related requisitions
- Property and delivery address of the related requisitions
- Specific property and delivery address:

Property	14, Columbus Square	
Delivery address	03, Columbus Square	

OK

Cancel

- At Purchase order data > Standard order, select the standard order (template) from which the purchase order must be generated.
- At Cluster criteria, select criteria for clustering the purchase orders. Purchase orders can be clustered based on Vendor and/or Distribution point. For non-stock products, you can also cluster based on:
 - the **Property of the related product requisitions**;
 - or
 - the **Property and delivery address of the related product requisitions**;
 - or
 - a **Specific property and delivery address** that you subsequently select in the relevant fields.
- Click OK.

Purchase orders are generated.

You can view the purchase orders in the Purchases > Purchase orders selection step.

For each purchase / replenishment suggestion that is processed, a Purchase order line is created at Details > Purchase order lines.

Creating a receipt

You can create a receipt for purchase orders that have the **Accepted** status.

Procedure

1. Go to Purchases > Purchase orders.
2. Select a purchase order for which you want to create a receipt for all its purchase order lines.
3. On the action panel, click Create receipt.

The Create receipt dialog box appears.

4. Enter a code for the receipt.
5. The Received on field is prefilled with the current date. You can change it by clicking on the calendar icon.
6. The Purchase order field (read-only) displays the code and name of the related purchase order.
7. In the Comments field, enter any comments.

The Receipt line section displays the receipt lines for every purchase order line of the PO on which a receipt is possible.

For a description of these fields, refer to [Receipt fields](#).

8. Click Clear to clear the values in all the Receiving fields. Clicking the Reset button restores the previous values.
9. Click OK.

A receipt and a receipt line are created for the received items. The receipt line can be viewed at **Receipts and returns > Purchase item receipt lines**.



Once you create a receipt, you can no longer cancel the corresponding purchase order line.

Confirming a receipt

When you receive the items ordered via a purchase order, their receipt must be confirmed. When you confirm a receipt, receipt costs are generated.

Procedure

1. Go to Details > Purchase item receipts.
2. Select the receipt you want to confirm.
3. On the action panel, click Confirmed.

If you confirm a receipt with receipt lines for a product for which a new asset should be created, an asset is created for each of these lines.

- If the **Standard asset** on the product is a simple asset, a simple asset is created for every received product.
For example, for a received quantity of 10 items, 10 new assets will be created.
- If the **Standard asset** on the product is a 'non-simple' / multiple asset, a non-simple asset is created.



If you confirm a receipt: - Sub-assets will NOT be included.

- The quantity on the receipt line should be a positive integer. So, it is not allowed to create 0.5 assets.

- It is not possible to add/delete the receipt lines.

- It is not possible to update the quantity.



For more information about products for which assets can be created, see [Products - Field descriptions](#).

Generating a backorder

If an existing purchase order cannot be fully delivered by the supplier, you can generate a [backorder](#), so that any undelivered items remain on order and are shipped as soon as they become available. The backorder is a copy of the original purchase order, but only for the part that could not be delivered. The original purchase order can subsequently be administratively completed for the delivered items, while the backorder takes care of the pending part of the order.

Good to know:

- If required, you can create backorders on backorders.
- If you have to cancel an existing backorder because it has become clear that the supplier is unable to deliver all the ordered products, a purchase suggestion will be made for the products not yet delivered. This allows you to create a new purchase order and to select another vendor to deliver these products.

Procedure

1. In the **Purchasing** TSI, go to the Purchases selection level
2. Select the purchase order for which a backorder is needed.
3. On the action panel, click Generate backorder.

A copy of the current purchase order is now created with the purchase order lines for the items that are yet to be delivered. In the elements list (in tree view), the backorder can be identified by the letter (B) behind the description.



You cannot create a backorder if there are unconfirmed receipts on the purchase order.

When a backorder is generated:

- The status of the backorder is set to **Accepted**.
- The quantity in the purchase order lines of the backorder is set to what is still to be received.
- The purchase order lines of the backorder are set to **In progress**.
- The (undelivered) purchase order lines of the original purchase order are set to **Completed**.
- On the original purchase order, the backorder details are displayed.

For a description of backorder fields, refer to [Backorder details fields](#).

Issuing purchased products to requestors

Once their receipt has been confirmed, the purchased items can be issued to the requestors.

The following procedure describes creating issuings for *non-stock items*:

Procedure

1. Go to Details > Purchase order lines.
2. On the action panel, click Create issue.

Issuings are created for the related purchase order line.

Or

You can create issuings for all related purchase order lines of a purchase order in one go, by clicking the **Create issues for all purchase order lines** action on the **Purchase orders** step.



Issuing on purchase order lines that are not created from clustered purchase suggestions is not possible, as no related product requisitions are present.

When an issuing is created:

- An issuing line is created for each issuing, on the **Receipts and returns** step.
- The **Code** and **Name** of the issuing line are copied from the purchase order line of the product.
- If an issuing line already exists for the purchase order line due to a partial delivery, no new line is created, but the existing line is updated.

- If an issuing already exists for a requisition due to another purchase order, an issuing line is added to the existing issuing, instead of creating a new issuing.
3. On the action panel, click Confirmed and issue the product to the requestor.

Creating issuing returns

When an issued product is returned by the requestor, you can create a return.

Procedure

1. Go to Purchases > Purchase orders.
2. On the action panel, click Create return.

The Create return dialog box appears.

Create return [X]

Return

Code: 0001

Description: Return of laptop

Return date: 10/12/2021

• Purchase order: 253.00, Best IT, Inc. - 03

Comment: wrong type

Code	Name	Distribution p...	Unit	Ordered	Received	Reti
297	HP Pavilion ZE4500 laptop works...		01	1	1	

Reset

OK Cancel

3. Fill in the fields in the dialog. For a description of these fields, refer to Issuing return fields.
4. Click OK. An issuing return with return lines is created. You can find the issuing return lines on the Receipts and returns step.

Returning a purchase item to the supplier / vendor

You can return purchased items to the supplier in case of any problems/defects with the delivered products. You can return the items any numbers of times till you are satisfied with the delivered products.

You can create returns only when there are (confirmed) receipts on the product.



You cannot create returns on administratively completed purchase orders.

For every return you make, a return line is created.

Procedure

1. Go to Purchases > Purchase order.
2. Click Create return on the action panel. The Create return dialog box appears.

Create return [X]

Return

Code 0001

Description Return of laptop

Return date 10/12/2021

• Purchase order 253.00, Best IT, Inc. - 03

Comment wrong type

Return line

Code	Name	Distribution p...	Unit	Ordered	Received	Reti
297	HP Pavilion ZE4500 laptop works...		01	1	1	

Reset

OK Cancel

Complete the fields in the dialog box. For a description of these fields, refer to [Supplier/vendor - return fields](#).

3. Click OK.


A Purchase item return is created.

For every return you make, a return line is created. You can find the purchase item return lines at the Receipts and returns step.

Purchasing - Field Descriptions

Receipt fields


Field	Description
Code	The product code of the purchase order line for which the receipt line is created.
Name	The product name on the purchase order line.
Unit	Unit of the ordered product.
Ordered	Quantity ordered on the purchase order line.
Received	Quantity already received from the vendor (if any.)
Returned	Quantity already returned to the vendor (if any.)
Receiving	Displays the quantity to be received. Update the field with the number of products actually received from the vendor.

 If one of the products is not received, you can remove it from the receipt by making the quantity equal to zero.

Backorder details fields


Field	Description
Order number	Displays the order number of the backorder.
Reported on	Displays the date on which the backorder is generated.
User status	Displays the user status icon of the backorder.

Issuing return fields

Field	Description
Code	Enter a code for the issuing return.
Return date	Select a date for the return. The current date is displayed by default.
Purchase order	Displays the related purchase order on which the return is made.
Comment	Enter a comment describing why the product is returned and any other related information.
Return line	Displays the code, name and unit of measurement of every purchased product on which a return is possible. It also displays the number of items ordered, number of items received and number of items returned so far. In the field Returning you can specify the number of items to be returned.
	 If one of the products is not to be returned, you can remove it from the return by making the quantity zero.
Reset	Resets the quantity to zero for all lines.

Supplier/vendor – return fields

Field	Description
Code	Enter a code for the purchase item return.
Return date	Select a date for the return. The current date is displayed by default.
Purchase order	Displays the related purchase order on which the return is made.
Comment	Enter a comment describing why the product is returned and any other related information.
Return line	Displays the code, name and unit of measurement of every purchased product on which a purchase return is possible. It also displays the number of items ordered, number of items received and also number of items returned, if any, so far. The field, Returning , allows you to specify the number of items to be returned.

Field	Description
Reset	 If one of the products is not to be returned, you can remove it from the return by making the quantity equal to zero.
Reset	Resets the quantity to return to zero for all lines.

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