#$K+Sales Order Workflow

It is common in the forms business to use the terms *Purchase Order*, *Sales Order* and *Release* in several ways to mean several different phases in the cycle of selling things to customers. Many new Simple Accounting customers will use the term 'order' to refer to several separate business processes:

· A quote from one or more vendors on possible pricing and delivery
· A quote for your customer
· An actual *Purchase Order*, instructing the vendor to produce and ship the job.
· A customer bill when the order hasshipped from the plant (ie. an *Invoice*).

Most of these terms are *item* oriented, meaning that you need to enter a separate transaction of some sort for each item that you order or ship or bill. That's the old way.

The Simple Accounting Method

In SAFE we have a single type of transaction, called a **Sales Order** which records any combination of goods or services you sell or ship to one single customer. Now that covers a lot of ground which is why we're going to spend a certain amount of time on this. Sales Orders are managed from a single screen: the ~~Sales Order Brrowse~~. Here you can perform the following tasks:

1. Entering and printing a customer quote or an accepted customer order.

2. Generating the necessary purchase orders and transmitting them to your vendors for production.

3. Generating the necessary partial ~~releases~~ of <u>warehoused</u> (customer-owned) items.

3. Invoicing your customers for products shipped and services performed as a part of the sale.

4. Automatically posting these activities (with no re-keying) to their related accounting functions:

   Acounts Payable

   Accounts Receivable

   Sales Commissions

   Inventory & Foms Mangement

   Geneal Ledger

Since so much occurs in this one browse, you can anticipate spending *a least* 40-50% of your active work in Simple Accounting here.

Here is an example. Imagine your salesperson, Jim Hamilton,. is in front of your customer and she wishes to place an order for checks, envelopes to mail out the checks, plus Jim also determines that they need more Inter-Company Memos which are customer-owned but stored at the manufacturer. In SAFE all three items can be fulfilled on a single sales order which Jim dubs 'JH100199'.

Sales Order ID JH100199, Transaction #665

    Customer ID: JOHNB   (John B. Smith Company)
    Customer PO # 123456
    Sales Order ID #330678   (Your Job #)
    Employee ID: JIMH   (Salesperson Jim Hamilton)
    Employee ID #2: SUEM   (CSR Sue Munson)

    Line Item #1   #10 Windowed Envelope
        P.O. #55678
        Wisco Invoice #34567

        a.   Ship 10.0M to 123 Main Street via UPS
            $12.00 Freight
            $26.78 Washington State Sales Tax

        b.   Ship 5.0M Delivered to 123 Main Street, via UPS
            $12.00 Freight
            $14.15 Michigan State Sales Tax

    Line Item #2   A/P Continuous 2 Part Check
        P.O. #55679
        Flesh Company Invoice #987654

        a.   Ship 10.0M to 123 Main Street via Roadway
            $12.00 Freight
            $26.78 Washington State Sales Tax

        b.   Ship 5.0M Delivered to 123 Main Street, via Best Way
            $12.00 Freight
            $14.15 Michigan State Sales Tax

    Line Item #3   Inter-Company Memos
        Customer Owned

      a.   Release 5.0M from Datatel Warehouse to 123 Main Street via UPS
           $18.00 Freight

'Whoa!', you say. "Lines one and two are to different vendors! And line three isn't even and 'order'---it's a 'release'. How can they be combined together?" They can be because SAFE knows what you want to do with each Product as it's created. SAFE knows, for example, that the Inter-Company Memos are customer-owned, so when you ship them to your customer it automatically 'releases' them from Datatel's warehouse. And it knows how to print separate *Purchase Orders* for the envelope and the checks while keeping track of them both as part of the same *Sales Order* JH100199. Get it?

So a Sales Order contains all the details of all transactions which relate to selling, releasing, or shipping *anything* to your customers. It doesn't matter if *what* it is that you are billing your for: (stock items, office products, custom printing, services, freight, art, etc.).
...And it doesn't matter where you are getting it from (multiple vendors, one of your own warehouses, etc.)
...And it doesn't matter *how* you are getting it
...And it doesn't matter *why* you are selling or shipping it (transfer from one bank branch to another, release to a customer from vendor storage, etc.)

All these details are taken care of from the same screen, simply by entering different information into the sales order.

So What *Is* A Sales Order?
A sales order consists of the following main attributes:
- It consists of a single customer bill to (Customer ID).

- It consists of a single customer P.O.

- It consists of a single Order ID (*your* 'Job' number.) This is the single most important piece of information in all of Simple Accounting!

- It will be credited to a single salesperson (or combination of salespeople in the case of splits) for sake of commissions.

- A sales order also contains at least one, but can contain an unlimited number of line items. A line item is a Product or Service you are selling or shipping (releasing) to your customer.

- Each line may be linked to a separate **Vendor Purchase Order** and **Vendor Invoice** (for capturing costs) and price.

- Furthermore, each line item may itself contain an **unlimited number of ship to addresses**, each with their own **sales tax** and **freight** calculations.

Important Concepts
Below is a list of the most important things to know about sales orders before you begin. Understanding these concepts is the key to using Sales Orders to their best advantage.

#1. The Order ID Is The Holy Grail!
The Order ID is the single most important field in a sales order. It remains constant for:
- All items shipped on a sales order

- All vendor invoices connected to a sales order

- All purchase orders generated to vendors for items on a sales order

- All debits or credits posted to the G/L for any reason as a result of a sales order

- All inventory or forms management issues related to any line item on a sales order

The Order ID is, in the words of one of our customers, 'The Holy Grail'. It is the identifying link between all aspects of a sales order throughout Simple Accounting for job costing, commissions, inventory, A/P, and on and on.

#2. Line Items: The Things You Sell And Ship
As we said, attached to every sales order is one or more line items. Each line item refers to a **Product**; the good or service your are selling (or shipping, if it is a release) to your customer.

Products are set up in the ~~Products/Services browse~~. A Product ID may be a custom print job with a spec, a stock item, or a service you provide. You may use a Product ID for orders to all customers (in the case of inventoried or generic items), or restrict them for use by only one customer (in the case of managed forms).

#3. Each Line Item Has Its Own Vendor
We also said that each line item sold may be purchased from a different vendor. When it comes time to print purchase orders, Simple Accounting can automatically combine all line items to the same vendor onto a single Purchase Order.

So a single *sales* order may require several *purchase* orders (one for each vendor on the sales order). Each purchase order has it's own purchase order number which Simple Accounting uses to track the order from the vendor.

(In Simple Accounting sales orders and purchase orders are considered separate business functions! POs are, strictly speaking, instructions to the vendor to product or release an item. Simple Accounting recognizes the intimate link between the two in the forms business, but it is important to recognize the distinction.)

Purchase orders are linked to their sales order's Order ID. Each PO generated from a sales order prints with the same Sales Order ID. So you *and* your vendor are always referring to the same number (the Sales Order ID). The actual SAFE PO number is rarely referred to (and need not even print on the vendor's purchase order at all!)

Since each line item can be to a different vendor, each line may also have it's own vendor invoice for the product and artwork. These are also linked to the sales order so that any changes you make to the vendor invoice (once it posts to A/P) is *automatically* reflected back to the sales order from which it originated.

#4. Each Line Can Ship To Multiple Locations
A form may need to ship to several locations, so when you can specify as many ship to adresses as you need to. And you can select a different sales tax rate for each ship to. And within each ship to, you can also specify which people at that location are to receive product.

#5. Printing An Invoice, Generates The Invoice
You invoice the customer by simply selecting the sales order in the Sales Order Browse, pressing the [Print] button, then selecting 'Invoices' from the menu. In other words, *printing* an invoice *generates* an invoice. When you invoice the customer, the items with Shipped quantities are billed and any required transactions posted to A/P and the general ledger, automatically. Items which are not shipped, remain on the sales order as back ordered.

Some Examples Using Simple Accounting
Here are the most common scenarios to help you get started.

^{#K}**Starting The Sales Process With A Vendor RFQ**

A customer expresses interest in a form and you need to get quotes from one or more vendors before quoting the customer. To do this in Simple Accounting you would do the following:

1. Enter a ~~Vendor Request for Quote~~. This enters information about:
   - The customer. If this is a first time customer, you can enter it <u>on the fly</u> as you enter the RFQ.
   - The product you are quoting. Again, if this is a new item, you can enter it on the fly with the RFQ. If the item required a ~~printer specification~~, you can enter that also.
   - The quantities you wish to be quoted on, plus the turn-around time for each quantity.
   - One or more vendors you wish to receive quotes from. You can also enter these on the fly.

2. While still in the RFQ Editing Window, print the RFQ. This prints the same RFQ for each vendor you entered. If you are ~~faxing~~ from your desk you will be glad to know that (as you would expect) separate faxes are generated automatically with each vendor's proper fax number and cover page information. After printing, the RFQ is saved and you are returned to the RFQs browse.

3. When you receive your bids from your vendors, return to the RFQ to enter their bids. Into each line item, enter the vendor's cost, estimated ship date,.and ~~Ship Via~~ for each line item on the RFQ.

4. After entering the bids, you can now press the [~~Convert~~] button at the bottom of the RFQ Editing Window to convert the RFQ to either a sales order or a sales quote. You have two options when converting the RFQ.
   A. Accept one quote and convert it to a Sales Order. This creates a ~~Vendor Purchase Order~~ and a ~~Sales Orders~~. As you accept the vendor quote, you also select which quantity to order from the plant as well as the turn-around time. Use this option if you do not need to enter a quote to the customer before ordering from the vendor. From this point onward, you would follow the steps described below for ~~Starting The Sales Process With a Sales Order~~.

   or

   B. Create a sales quote. This creates a sales order with an Order Status of 'Q'. The Accept Window let you select the combinations of vendors/prices/quantities and put as many as you like on your sales quote You would then print the quote and await customer acceptance. From this point onward, you would follow the steps described below for ~~Starting The Sales Process With a Sales Quote~~.

   When the customer accepts, you would go to Sales Orders and change the ORDER STATUS field to 'O'. When you save the order, you will then need to create a new Vendor Purchase Order for this item.

4. Print the Vendor Purchase Order. No matter which method you chose to get here, you now have a live sales order and a Purchase Order waiting to print.

5. Receive the Vendor Acknowledgement. At this point you return to Sales Orders to either print a customer acknowledgement, or ~~print an invoice~~ to the customer. Once you invoice the customer, all files are immediately updated and the Purchase Order automatically marked as completed.

^{#K}**Starting The Sales Process With a Sales Quote**

A customer expresses interest in a form and desires a proposal, but you do not need an RFQ to begin. Do the following:

1. Enter a ~~Sales Order~~. Make certain the ORDER STATUS field is set to 'Q'. Enter one line item for each quantity to quote. You may mix products on the same quote. This enters information about:
    The customer. If this is a first time customer, you can enter it <u>on the fly</u> as you enter the RFQ.
    The product you are quoting. Again, if this is a new item, you can enter it on the fly with the RFQ. If the item required a ~~printer specification~~, you can enter that also.
    The quantities you wish to quote on, plus the turn-around time for each quantity.
    The vendor and costs involved in each line item.

2. Print the Quote by pressing the [~~Print~~] button. Then await customer acceptance.

3. When the customer accepts, go back to Sales Orders and do the following:
    a. In the <u>header</u>, change the ORDER STATUS field to 'O'.
    b. Delete the line items which were not accepted, leaving only the line items which were accepted. When you save the order, you will be prompted to generate a Vendor Purchase Order for this item.
    c. <u>Tag</u> the line items you wish to print Purchase Orders for. (Or press the [Tag All] button to tag them all with one keystroke.)
    d. Print the Vendor Purchase Orders by pressing the [~~Print P.O.s~~] button. This saves the order.

4. When you receive acknowledgement from your vendor, return to the sales order and edit each sales order line item with the vendor's invoice, invoice date, and any overruns, art costs, freight costs, etc. Then save the order.

5. Then you'll need to either:
    a. Print a customer acknowledgement, *or*
    b. ~~Print an invoice~~ .
    Do either by pressing the [Print] button at the bottom of the sales order browse.
Once you invoice the customer, all files are immediately updated, the Purchase Order marked as completed.

[#K]Starting The Sales Process With a Sales Order

 A customer places an order for a form. There is no need for an RFQ or a sales quote. So you're starting with a *live* order. All you need to do is enter the order, order the product and bill the customer when it ships. To do this in Simple Accounting, follow these steps:

1. Enter a ~~Sales Order~~. A sales order consists of two parts: The header and one or more line items:
    In the header, make certain the ORDER STATUS field is set to 'O'. If this is a first time customer, you can enter it <u>on the fly</u> as you enter the order.
    You'll also need to enter at least one line item. You will enter one line item for each product(s) you are selling. Again, if this is a new item, you can enter it on the fly from the ~~Products~~ browse. (If the item required a ~~printer specification~~, you could enter that also.) The line items also contain the quantities, prices and costs, and vendor of each product on the sales order.
2. While you are still in the Order Editing Window, <u>Tag</u> the line items you wish to print Purchase Orders for. (Or press the [Tag All] button to tag them all with one keystroke.)
3. Print the Vendor Purchase Orders by pressing the [~~Print P.O.s~~] button. This saves the order.
4. When you receive acknowledgement from your vendor, return to the sales order and edit each sales order line item with the vendor's invoice, invoice date, and any overruns, art costs, freight costs, etc. Then save the order.

5. Then you'll need to either:
    a. Print a customer acknowledgement, *or*
    b. ~~Print an invoice~~ .
    Do either by pressing the [Print] button at the bottom of the sales order browse.
Once you invoice the customer, all files are immediately updated, the Purchase Order marked as completed.

[#K] Repeat Orders
A customer needs to reorder a custom form which is already on file. Very easy. There are four steps in this process.

1. Locate the previous order and Clone it. There are *three* easy ways to do this.

     Locate the previous sales order. Go to the ~~Sales Order~~ and look up the order, by Order ID, Customer Name, Invoice #. Press [View] to look at the order, then [Clone] to make a new version of it.

     Locate the customer and the product they wish to order from the the ~~Sales History Line Item~~ browse. Press [View] to look at the order, then [Clone] to make a new version of it.

To create a new RFQ for an item, you can also locate the product to be reordered from the ~~Products~~ browse. Then move to the Catalog tab and press the [RFQ] button.

Pressing the [~~Clone~~] button creates a *new* order with all the same information from the previous order. Note that the ~~ORDER TYPE~~ field defaults to *Exact* Repeat on the new order. Fill out any necessary changes.

2. While still in the order, tag the line items on the sales order, the press the [~~Print POs~~] button to generate purchase orders or RFQs for the items on the sales order.

3. When the product comes in, go back to the sales order and edit the line items. At this time, enter the vendor invoice number and invoice date and make any final tweaks to the cost, art cost, and freight fields. Then save the order.

4. Press the [Print] button at the bottom of the sales order browse to ~~print the customer invoice~~. As you print the invoice, a new bill is automatically entered for you into the ~~Vendor Invoice~~ browse.