

The Purchase Order Generator in JD Edwards® - An Overview

By Brian Gilbert

E1 ***Editor's Note:** Waste not, want not. It's a lesson our parents have repeated for years. And what better way to practice this motto than to streamline your purchasing processes and order what's needed, when it's needed. In JD Edwards, one such tool, the PO Generator, can help you tackle that task. Brian Gilbert provides an overview of this functionality, including the setup steps required.*

PO Generator

If you want to keep costs down in your business, you need the right tools to operate efficiently. One such tool is the "Purchase Order Generator" program in JD Edwards. This tool allows purchasing departments and others who do buying to streamline their purchasing processes in order to stay ahead on supply needs.

After some simple setup work, the PO Generator will allow a buyer to quickly review, by supplier or buyer number, a list of items that are suggested for immediate purchase. These suggestions are based on item availability vs. re-order points, optionally using historical demand (i.e., past sales history). The buyer can review each suggested line item in the system at or below its re-order point, and can either accept or reject lines based on current demand needs. If a line item is accepted, the buyer can optionally override such things as the quantity to be purchased, the supplier, the unit price to be paid, the requested due date of the order, and even the unit of measure for the order.

The PO Generator will allow a buyer to quickly review, by supplier or buyer number, a list of items that are suggested for immediate purchase.

This tip applies to EnterpriseOne versions from XE forward.

PO Generator versus MRP/DRP

So when would you want to use the PO Generator? The PO Generator can be utilized by companies that are wholesalers/distributors that do not wish to go through the trouble of setting up DRP (Distribution Requirements Planning), or do not have projected item demands for the future (forecasts), against which DRP runs.

For Manufacturers, products or components that may not be a good fit for Material Requirements Planning (MRP), such as floor stock, labels, production supplies, etc., can easily be handled by the PO Generator. However, If an item does fit into the MRP model, it is more appropriate to utilize MRP, which ties their actual manufacturing demand to raw material replenishment/purchasing.

Setup Steps

This article will commence with the required setup steps in summary form, followed by the details, including screen captures. Then, we go through a test scenario of entering a sales order that causes a requirement that needs to be replenished by the PO Generator. We will show how the PO Generator automatically suggests purchases and is then utilized to generate the actual purchase order.

These six steps are required to set up JDE® to allow the PO Generator to work:

1. In Branch/Plant Constants, verify the following fields are set up, as shown in Figures 1-5:
 - Number of Days in Year
 - Purchase Order Issue Cost
 - Inventory Carrying Cost (%)
2. In Supplier/Item Relationships shown in Figure 6:
 - Verify the Average Leadtime field is set up for the item/supplier combinations.
3. In Item Branch/Plant – Item/Branch Info shown in Figure 7:
 - Verify the Supplier and/or Buyer is set up for the items to be purchased.
4. In Item Branch/Plant – Addl System Info shown in Figure 8:
 - In the Plant Manufacturing tab, assign a value to the field “Order Policy Code” that is appropriate for re-order point (covered in detail later). **Note:** “1” is the default value.
5. In Item Branch/Plant – Quantities as shown in Figure 9–13:
 - Assign values to the various re-order quantity fields, as required, for the item.
6. In Item Branch/Plant – Cost Revisions as shown in Figure 10:
 - Verify the average cost is set up in the Cost Method field in the detail area.

Now, let us begin.

Step 1: Verify this Branch/Plant Constants Data

In Branch/Plant Constants, verify the following fields are set up (please see Figures 1-5 below):

- Number of Days in Year
- Purchase Order Issue Cost
- Inventory Carrying Cost (%)

Navigate to menu G4241 and double click on “Branch/Plant Constants”, program P41001. Enter a Branch/Plant in the QBE bar. For our example, we’ll use Branch/Plant “20”. Click **Find** to go to the screen shown in Figure 1.

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