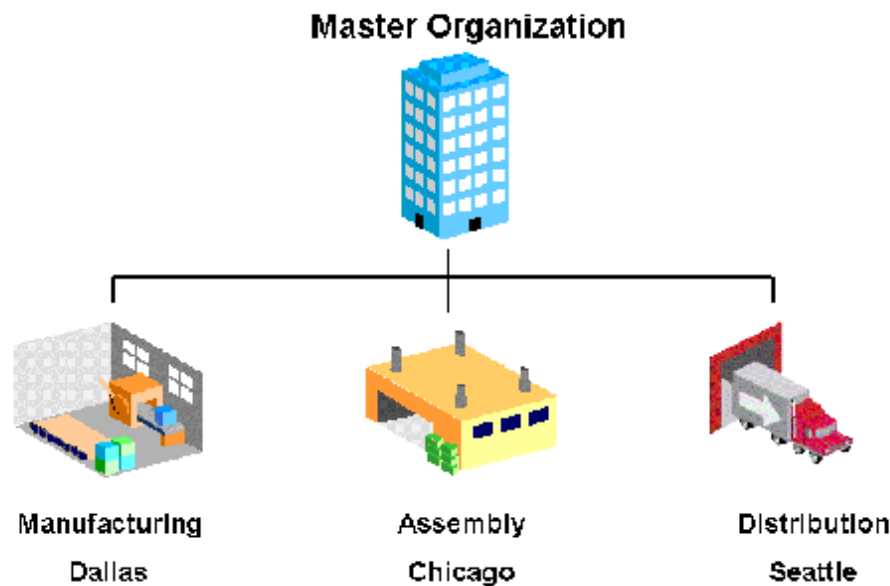




Inventory Organizations



Organizations represent distinct entities in your company and can include separate manufacturing facilities, warehouses, distribution centers, and branch offices.

Inventory Organizations

An Inventory organization may be one of the following:

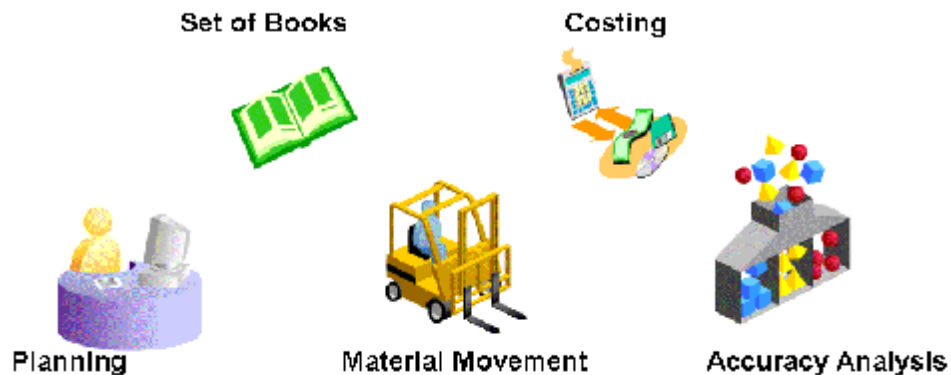
- A physical entity like a warehouse where inventory is stored and transacted.
- A logical entity like an item master organization which only holds items with no transactions

An inventory organization may have the following attributes

- An inventory organization can have its own location with a set of books, a costing method, a workday calendar, and a list of items.
- An inventory organization can share one or more of these characteristics with other organizations.

Inventory Organization Structure

Consider the following issues when you plan your inventory organization



Explaining Enterprise Structure Considerations

Sets of Books

You can tie one Oracle General Ledger set of books to each inventory organization.

Costing Methods

You choose your costing method at the organizational level. The item attribute control level determines the costing organization.

Item Costs

Oracle Inventory keeps one standard cost per item per inventory organization.

Movement Between Inventory Organizations

You can use intransit inventory for interorganization transfers.

Planning Method

You can perform reorder point planning at the organizational level, and you can perform minmax planning at both the organization and subinventory level.

In Multi-Org

You can tie one government reporting entity/legal entity to each inventory organization. You can also tie one operating unit to each inventory organization.

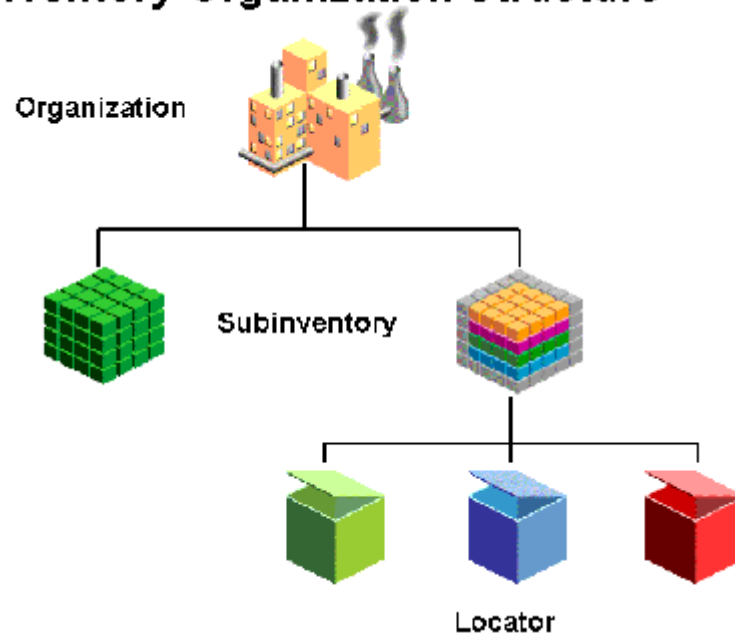
Forecasting

Oracle Inventory forecasts item usage at the organization level only.

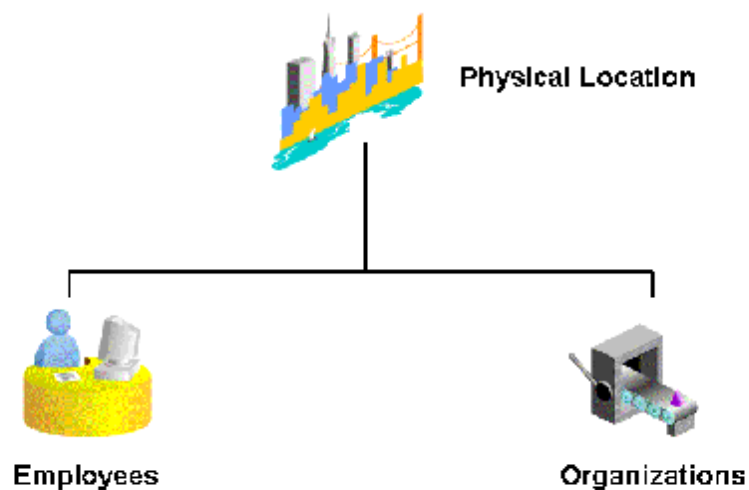
Accuracy Analysis

You can perform a physical inventory, ABC classifications, and cycle counting at both the organization and subinventory levels.

Inventory Organization Structure



Setting up Locations



Locations are shared between Inventory Management, Purchasing and Human Resource Management. Locations flagged as global, locations are available to all Business Groups. Each organization can be associated with only one location. One or more organizations can be associated with the same location.

Organization Setup

- Use the Organization Parameters window to complete your organization definition for inventory purposes.
- Define receiving parameters if you receive items on purchase orders, internal orders, and in transit interorganization shipments.
- The item master organization should be the first inventory organization for which

parameters are defined.

- You must also specify the item master organization. The system defaults this field to the organization for which parameters are being entered. It must be changed, for any organization that is not a master organization.
- You must define the control options and account defaults for your organization before you can define items or perform any transactions.
- You must assign a unique short code to your organization and use this code to identify the organization with which you want to work.

Additional Set Up Steps



Additional Set Up Steps



Setting Up Locations

(N) > Setup > Organizations > Locations.

Setting Up Organizations

(N) > Setup > Organizations > Organizations.

Unit Of Measure

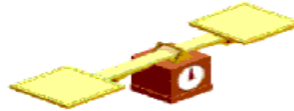
Unit of Measure

Unit of Measure (UOM)



Specifies the quantity of an item

Unit of Measure Class



Groups of UOMs with similar characteristics

Unit of Measure A unit of measure (UOM) is a value that specifies the quantity of an item. For example, “each” is a unit of measure that you would use to specify the number of units of an item.

Unit of Measure Class A unit of measure class is a group of units of measure with similar characteristics. For example, “weight” can be a unit of measure class with UOMs such as kilogram, gram, pound, and ounce.

Units of Measure

- **Define units of measure for tracking, moving, storing, and counting items.**
- **Multiple related units of measure are grouped together in a class with a base unit of measure**
- **Oracle Inventory uses the base unit of measure to perform conversions between units of measure in each class and between two different unit of measure classes.**

Uses of Units of Measure

Planning Products

- Forecasting and consumption
- Master scheduling
- Material requirements planning

Work in Process

- Shop floor moves
- Resource transaction
- Completion and return transactions
- Inquiries and reports

Bills of Material and Engineering

- Defining bills of material
- Defining engineering items

Defining UOM Classes

A unit of measure class is a group of units of measure with similar characteristics. For example, "weight" can be a unit of measure class with units of measure such as kilogram, gram, pound, and ounce.

UOM Class	Base UOM	Other UOMs
Quantity	Each	Dozen, Box
Weight	Gram	Pound, Kilogram
Volume	Cubic Inches	Cubic feet, CC

A unit of measure conversion is a mathematical relationship between two different units of measure. For example, 16 ounces = 1 pound, or 2.2 pounds = 1 kilogram. If you want to transact items in units of measure belonging to classes other than their primary UOM class, you must define conversions between the base units of measure in different UOM classes.

Units of Measure Setup

Perform the following steps to define multiple UOMs and set up conversions:



Units of Measure Classes

(N) > Setup > Units of Measure > Classes.

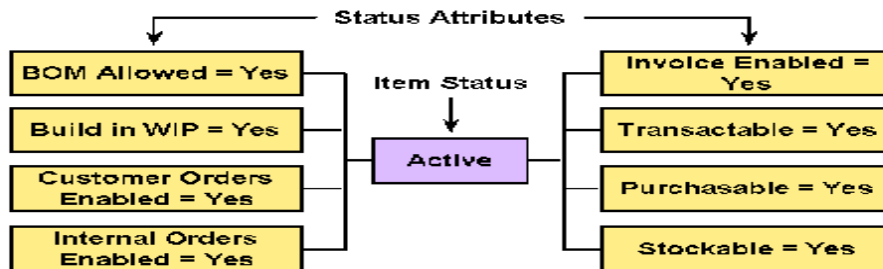
Unit of Measure Conversions

(N) Setup > Units of Measure > Conversions

Item Statuses & Attributes

Item Statuses and Attributes

Item attributes describe an item. Status Attributes are item attributes that enable key functionality of an item.



The *Item Status* attribute has a defined set of yes/no values for the status attributes. You apply the values to the status attributes when you choose an item status code when you define an item. For example, in the beginning of a product development cycle you set the Item Status attribute to *Prototype* with all of the status attributes defaulted to yes except for *Customer Orders Enabled*. When the item is ready you change the *Item Status* attribute to *Active* to enable all item functions. You can assign one or more pending statuses for an item, to be implemented on future dates. These statuses become effective on their assigned effective dates. You can view the status history of an item if needed.

Status Attributes

- Status attributes enable and disable the functionality of an item over time.
- Each status attribute allows you to enable the item for particular use. For example if you set the status attribute *Purchasing* to yes then you can place the item on a purchase order.
- The status attributes are related to the item defining attributes. You cannot enable a status attribute if you do not set the corresponding item attribute to yes.

Item Attribute Relationships

When you define an item, Oracle Inventory enforces particular relationships between some of the item attributes:

- Required Attributes
- Interdependent Attributes
- Updateable Attributes
- Control Level Dependencies

Status Attribute Interdependencies

Attribute	Must be set to	If
Stockable	No	Inventory item is set to <i>No</i>
Transactable	No	Stockable is set to <i>No</i>
Purchasable	No	Purchased is set to <i>No</i>
Build in WIP	No	Inventory item is set to <i>No</i> or BOM tem Type is NOT set to <i>Standard</i>

Status Attributes and Functionality

Status Attribute	Functional Area	Functionality
Stockable	Inventory	Allows you to store the item in an asset subinventory
Transactable	Inventory, Order Management, Purchasing, WIP	Allows you to transact the item Inventory, Order Management, Purchasing and WIP
Purchasable	Purchasing	Allows you to place the item on a purchase order
Build in WIP	Work in Process	Allows you to build the item on a discrete job and/or a repetitive schedule

Status Attributes and Functionality

Status Attribute	Functional Area	Functionality
Customer Orders Enabled	Order Management	Allows you to place the item on a sales order
Internal Orders Enabled	Inventory, Order Management, Purchasing	Allows you to create an internal sales order for the item
BOM Allowed	Bills of Material	Allows you to create a bill of material for the item
Invoice Enabled	Receivables	Allows you to create an invoice for the item

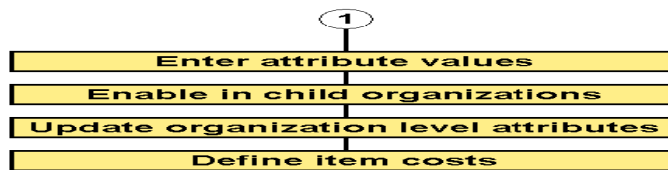
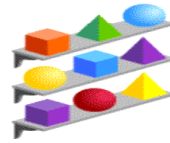
Viewing Item Attributes

(N) Items > Master Items

(M) View > Query by Example > Enter

Defining Items

- Use the Master Item window to define and update items and item attributes



Templates Oracle Inventory has several predefined templates that you can use to define and update items or you can create your own templates. If you regularly define many items that share the same values for a number of attributes, you may want to define item templates to avoid duplicating effort. You can only use “Copy” once when adding an item. You can predefine templates with relatively few attributes enabled because you can apply more than one template to define one item

Attributes in Templates You can enable attributes and assign them values in each template that you create. When you apply a template to an item, Oracle Inventory updates only the attributes that are enabled for the template. The order in which templates are applied is extremely important.

Organization Assignment and Organization Item



Item Control Level



Master-Level Control An attribute you maintain at the master level has identical values across all organizations that use the item.

Organization-Level Control An attribute you maintain at the organization level may have different values for each organization that uses it.

Attribute Control Some attributes can be maintained at only the Master level or the Organizational Level. Unit of Measure should be maintained at the Master level. If using multiple organizations, the Min-Max attribute should be maintained at the organization level.

(N) > Items > Master Items

Deletion Constraints

- **After an item is used, for example in an assembly, Oracle Inventory automatically creates references to it.**
- **Oracle Inventory checks all possible references to an item and does not allow it to be deleted until every reference is removed.**

Implementation Considerations

You should set all costing attributes at the organizational level because costing is most commonly done at organizational level. WIP requires costing at org level to set up WIP accounting classes. Costing of individual items is specific to individual organizations because of location and other considerations.

Costing Method

Costing method is chosen and set at the inventory organization level. Within a set of books, an enterprise can have multiple cost methods specified at each organization level. For example, a company may have one average cost org and one standard cost org. Available costing methods are as follows:

- Standard
- Weighted
- Average
- FIFO
- LIFO

