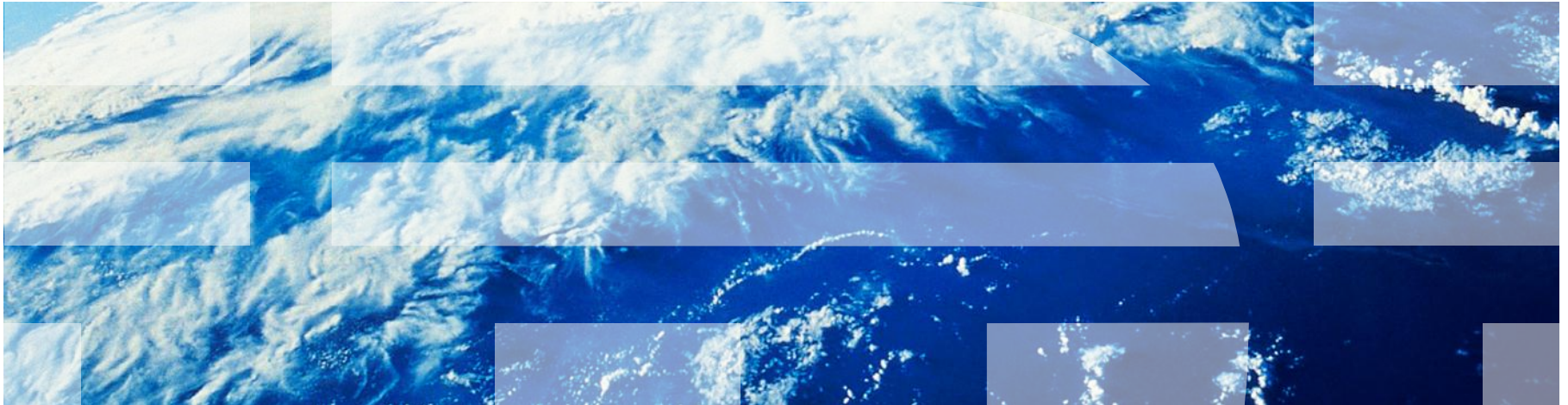


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# Purchasing New Features for Maximo 7.5

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# Agenda

- Purchasing Enhancements
- Receiving Enhancements
- Demonstration

## Purchasing – Purchase Order Revisions

- Provides revision (update) capability to purchase order (PO) document
- Revision number field added on PO header
- Uniqueness of the record based on PO number and the
  - Revision number
- View Revision History to keep track of changes
- Previous revision becomes Revised. New revision becomes APPR
- Business rules control what can be edited
- Control options to stop processing Receipts and Invoice during PO Revision

## Business Rules

- Revise PO Action on Approved Purchase Orders
- New PO always created in Revision 0
- Revise PO duplicate of original PO
  - Same PO Number w/next Revision Number
- New statuses to support the revisioning process
  - Revised & Pending Revision
- Revise PO action creates PO in Pending Revision status
- Revised PO submitted for approval
  - New Revision's status changes to Approved
  - Previous Revision status changes to Revised

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## Business Rules Continued

- Configurable Edit Rules
- Certain Information CANNOT be edited
  - PO Currency, Contract Ref, Charge To
- Changes that are made on revised PO's will only effect future transactions
- More edit options when No Partial Receipts
- Restricted edit options when Partial Receipts

## Solution

- Provide Revision capability.
  - PO Number not changed. Revision Number added
- A new field revision will be added as a part of the key of Purchase Orders and will default to 0 on the insert of a new PO
- Uniqueness of the record will be both the PO number and the Revision number
- To make changes after a PO has been approved the user will have to revise the PO via Select Action
  - Status change to make updates to PO Not Allowed

## Benefits

- Audit Trail of Changes through View Revision History
- Simplified PO Management
  - One PO number is used throughout the PO lifecycle
- Changes made/tracked to the PO even after receipts
- Simplified Procurement process
  - Changes do not create new PO numbers
  - Easy to find status on PO

## Purchasing –Taxes

- **Additional Tax Types**

- Provide an easy and configurable option to define additional tax types
- Users can define up to 27 tax types using DB configuration

- **Tax Exempt Items**

- Provide the capability to flag an item as tax exempt
- The flag can be set at Item, Item/Org, InvVendor level
- Ability to override the flag at PR/PO level for exception handling

- **Tax Code Hierarchy**

- Configurable screen where tax code determination hierarchy can be defined
- Maximo tax engines leverages the hierarchy to derive tax code



## Additional Tax Types

- Problem
  - MX7.1 comes with 5 tax type
    - Recall: Tax Type is a component of computed Tax on purchasing document for instance State and/or County and/or City
  - No additional tax types available
  - Users relied on extensions to satisfy requirements
- Solution
  - Provide an easy and configurable option to define additional tax types
  - Users can define up to 27 tax types using DB configuration
  - Out of Box, 5 tax types will be provided to maintain backward compatibility

## Additional Tax Types - Steps

- Define New Types Dialog
  - Users can define up to 27 new tax types
  - Upon clicking OK system looks for tax attributes within Maximo
  - System then displays user with the objects to be modified
- Apply/Discard Changes
  - User then proceeds with the changes or discards the changes
  - User may decide to go back and edit changes provided changes have not been applied
- Update Tax Types
  - Inserts records in tax tables
- Via App designer expose the newly created Tax Types
- Tax Code Configuration
  - Org application > Purchasing Options > Tax Options

## Tax Exempt Item

- Problem
  - Certain items are always tax exempt when bought
  - Within Maximo one cannot flag items as tax exempt
  - Users relied on manually examining PO lines and deleting taxes or creating their own extensions/rules
- Solution
  - Provide the capability to flag an item as tax exempt
  - The flag can be set at Item, Item/Org, InvVendor level
    - Determining Tax exempt value is based on tax code hierarchy
  - Value Defaults from Item to Item/Org to InvVendor
  - The flag will always get copied over to PR/PO to indicate tax exemption status of the item

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## Benefits

- Define items as tax exempts and not monitor at the PR/PO level
- Simplified Tax management at Item level
- Ability to override the flag at PR/PO level for exception handling
- Increased Productivity

## Tax Code Derivation - Business Rules

- Tax Rule configuration available through Tax options dialog
- User specifies “order” in which Maximo should use the “source” to determine tax code and tax exemption
- The order is for specific organization
- Tax engine first determines if procurement is tax exempt or not
- If tax exempt (based on Item tax exempt flag), no tax is calculated
- If not tax exempt, then Maximo examines and source-order configuration information to derive the appropriate tax code.
- User can still override taxes determined by Maximo
- Taxes are copied over from the predecessor document
  - For example, if PO is sourced from PR, PR taxes are copied over to PO

## Receiving – Receipt Tolerances

- User can define receipt tolerance at various levels
- Tolerance may be defined at Item, ItemOrg, Inventory, Invendor, and PO line levels
- System will honor these tolerance and stop overreceipt per the tolerance defined
- Provides functionality to control against ‘over-receipt’ of lines against a PO.
- Establishes a tolerance threshold at which the user will be stopped during an over-receipt situation.

## Receipt Tolerances – Problem Statement

- The 7.x (and earlier) receiving application allows the customer to over-  
receive against purchase orders.
  - In 6.x a message was added to warn the user, however there was still  
no way to control over-receipt of items and services.
  
- Solution: Add a configurable receipt tolerance to set a limit at which items  
and services can be over-received

## New Attributes

- Added Receipt Tolerance attribute (%) to ITEM, ITEMORGINFO, INVENTORY, INVENDOR, POLINE. Default will be null, assumes no tolerance specified.
- Added Receipt Tolerance Quantity attribute to POLINE.
- Added Receipt Tolerance Amount attribute to POLINE. (for use by service lines only)



## New Business Rules

- POLINE - Add business rule to calculate receipt tolerance quantity and/or amount based on percentage.
- RECEIPTS – Add business rule to evaluate POLINE receipt tolerance quantity or amount.
- RECEIPTS – Add error message if tolerance is exceeded. User has option to create return lines for exceeded quantity/amount.

## Receiving – Voiding Receipts

- Reverses a receipt transaction without the use of a return transaction.
- Voided receipts will execute the same business logic as a return (balance/cost adjustment, etc) but will not be available for inclusion on a credit invoice
- Voiding available for unprocessed receipts
- Receipts that have been matched cannot be voided
- Receipts that have inspected cannot be voided

## Receipt Voiding

- Problem: The 7.x (and earlier) receiving application writes directly into the receipt transaction tables (MATRECTRANS). As a result, any time a customer has made a mistake to a receipt line, the only option to back out the mistake is to post a return line to reverse the receipt.
- The problem with this practice is that return lines are eligible for inclusion on credit invoices. Customers may inadvertently submit a credit invoice to a/p for a line that was meant to correct an error.
- Solution: Give the receiving user the ability to make a receipt correction that will back out a previous receipt without the possibility of inclusion in a credit invoice. aka Receipt Voiding

## Receipt Voiding – Design Elements

- Receiving application
  - New action button ‘Select Receipts to Void’.
  - Action will spawn a dialog using the same logic and layout as ‘Select Items for Return’.

The screenshot displays a 'Receipt Details' form with the following fields and values:

Field	Value
Transaction Type	RECEIPT
Inspection Status	COMP
Status Changed By	
Status Date	
Requested By	LIBERI
Entered By*	WILSON
Actual Date*	2/18/10 11:51 AM
Invoice	
Packing Slip	

At the bottom of the form, there are four buttons: 'Select Receipts to Void', 'Select Items for Return', 'Select Ordered Items', and 'New Row'. A red arrow points to the 'Select Receipts to Void' button.

- MATRECTRANS, MATUSETRANS and SERVRECTRANS
  - New transtype ‘VOIDRECEIPT’
- Add ‘VOIDRECEIPT’ to transtype domain

## Receipt Voiding – Design Business Rules

- User will use the 'Select Receipts to Void' action to create voided receipts...no direct line entry.
- Selecting one or more lines for voiding will create the requisite lines on the screen.
- Voided receipt quantity will default as: [quantity received – quantity returned – quantity voided]
- All fields will be read-only with the exception of REMARKS, ENTEREDBY and ACTUALDATE.
- Save validation will validate qty compared to received/returned/voided qty.
  - Transaction cannot be recorded against a receipt that has already been included in a matched and approved invoice.

## Receiving – Returns

### ▪ **Returning Service**

- Service Returns can be processed similar to Material returns
- Button has been added similar to Material Return
- Simplifies return process for Service and makes return process consistent

### ▪ **Returning Assets**

- User can select which assets to return
- Based on non rotating items logic
- Added validation to check for Move and Cost consistency

## Return Asset to Vendor

- Problem: The 7.x (and earlier) receiving application allows the user to return rotating items that have been received from a vendor. This adjusts the balance and costs for this inventory item appropriately.
  - The problem is that the system does not allow the user to select the asset(s) that were associated with the return. These asset records will remain in the system and can still be used/referenced in inventory etc.
  
- Solution: Add support to allow the user to select the rotating assets that are included with the return transaction
  - ...and add the necessary business rules to set the returned assets to an appropriate 'returned' status.

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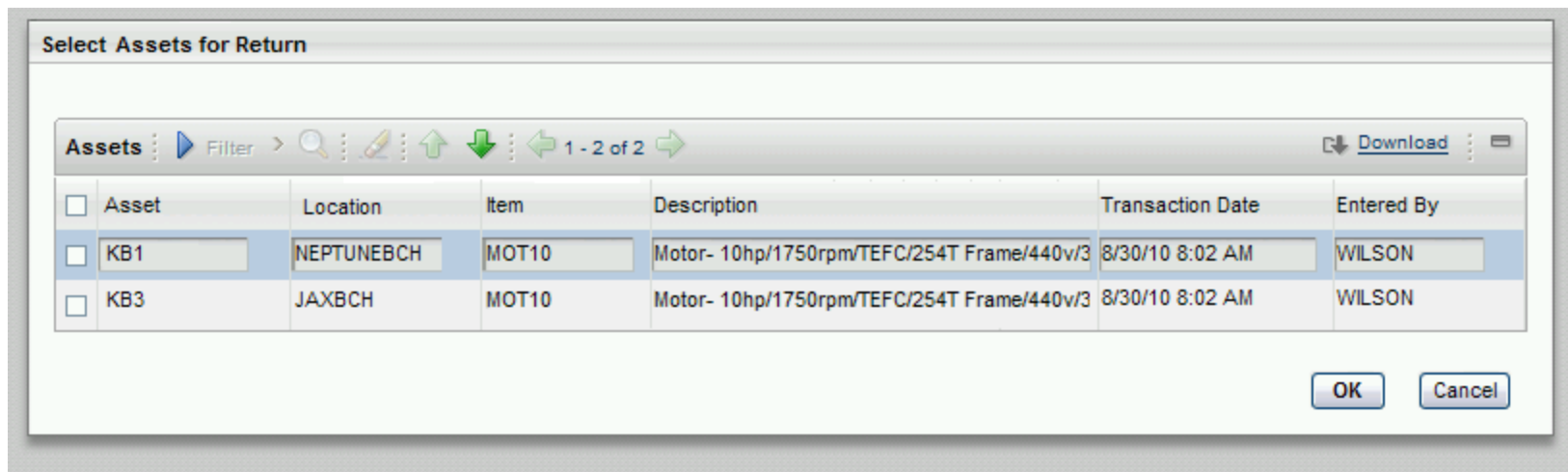
## Return Asset To Vendor Enhancements

- Receiving & Shipment Receiving
  - Add the 'Select Assets for Return' Dialog box and business rules
  
- Assets
  - Add the business rules for setting the asset to 'decommissioned' and 'returned to vendor'.



## Select Assets for Return - UI

- 'Select Assets for Return' button – Implemented using conditional UI. Button will only be available for receipts with eligible assets for return.
- UI look/feel similar to 'Select Items for Return'



## Select Assets for Return Dialog – Business Rules

- Assets displayed must conform to the following:
  - For storeroom-received items:
    - Must be in the original receipted storeroom.
    - Asset inventory cost must be equal to the cost for the receipt line being reversed. (compare  
ASSETS.INVCOST=MATRECTRANS.UNITCOST)
    - Asset must not have been moved. (ASSET.MOVED = TRUE)
  - For direct-issue items:
    - Asset must not have been moved. (ASSET.MOVED = TRUE)

# Invoicing

- Centralized Invoice
  - Consolidate PO from different sites on a Single Invoice
- Reversed Invoice
  - Error correction feature used to backout an approved invoice
- Copy PO lines
  - Better View to select PO for Invoicing purposes
- GL Post Date
  - New Date column containing Invoice Post Date

## Invoice G/L Posting Date

- Use for derive the transaction posting financial period.
- Added an Invoice G/L Posting Date to the invoice header.
- Options
  - Ability to use a Vendor's Invoice Date as the G/L Posting Date
  - Ability to validate the G/L Posting Date at each Invoice Save
- Changes
  - UI
  - Configuration

# G/L Posting Date - Invoice Header Screen

Invoices - Windows Internet Explorer

http://qarh06.svg.usma.ibm.com:7001/maximo/ui/?event=loadapp&value=invoice&uisessionid=102

Google

Invoices

Find: [ ] Select Action [ ]

List Invoice Invoice Lines Terms and Conditions Specifications

Invoice \*1207 [ ] Site BEDFORD [ ] Type \*INVOICE [ ] Status ENTERED [ ]

Attachments [ ]

Invoice Details PO Details Dates

Original Invoice [ ] PO [ ] Contract Reference [ ] Entered Date 3/7/11 10:56 AM [ ]

Reverse Invoice [ ] Site [ ] Contract Type [ ] Invoice Date [ ]

Vendor Invoice [ ] Company [ ] Contract Reference Revision [ ] G/L Posting Date \*3/7/11 10:56 AM [ ]

Approval # [ ] Buyer [ ] Payment Schedule [ ] Due Date [ ]

Entered By \*WILSON [ ] Receipts [ ] Total Cost [ ] Paid Date [ ]

Uninvoiced Total [ ]

Remit To Costs

Company \* [ ] Check # [ ] Pretax Total 0.00 [ ]

Address [ ] Bank [ ] Total Tax 0.00 [ ]

Contact [ ] Bank Reference # [ ] Invoice Total 0.00 [ ]

Payment Terms [ ] Phone [ ] Currency \*USD [ ]

Check Code [ ] Pay Tax to Vendor?  Total Base Cost 0.00 [ ]

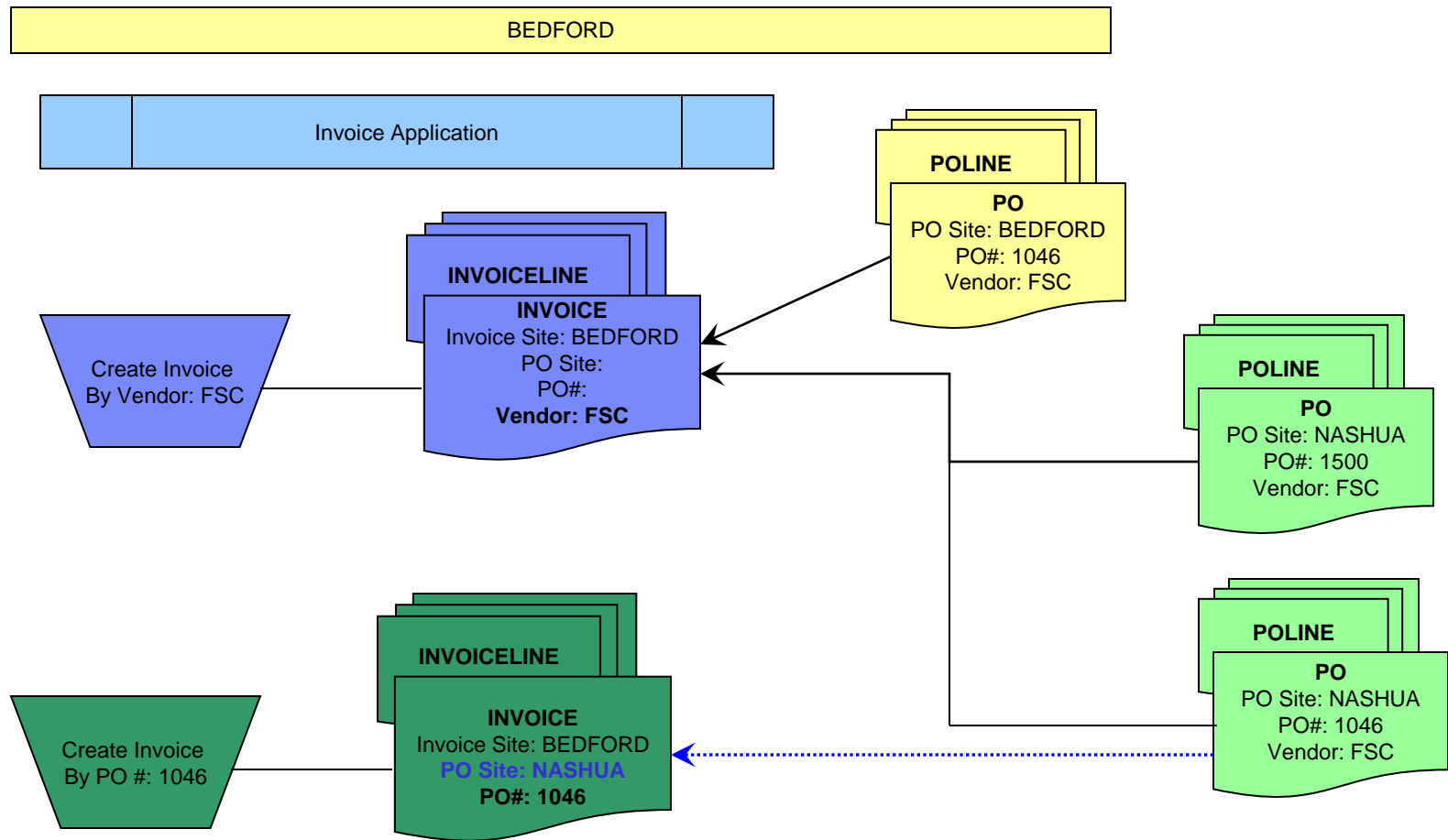
Done

Local intranet 100%

## Centralized Invoice

- A central Invoice department received an invoice from a vendor which contains multiple of Purchase Orders (PO) sites. Those POs are different than the site of the Invoice generated within the same organization
  - Benefit
    - Invoices from a Vendor which combined multiple of PO's from different sites no longer have to be broken out into separate invoices (prior MX 7.5 version).
    - Less invoices to maintain
    - Better alignment with ERP integration

# Maximo 7.5 - Centralized Invoice



## Centralized Invoice - Business Rules

- Allows a Maximo user to create a single invoice with the PO sites that are different than the invoice site within the same Organization
- An invoice can be entered by a **PO number** where the PO Header Site Id is not same as the Invoice Site Id
- An invoice can be entered by a **Vendor Number** where a user can use the 'Copy PO Lines' dialog to choose PO from different sites than the Invoice Site.
  - The PO Lines / Materials / Services will be displayed all the relevant PO Lines/Materials/Services for that vendor.



## Centralized Invoice - Business Rules (cont.)

- PO number Validation
  - The PO number entered in belongs to the **multiple sites** with in the same Organization; the system will ask a user to choose from the 'Select Value'
  - If PO number entered in the header screen that does **not** belongs to **same organization** as the invoice is creating; the system gives an error message that Purchase Order is not valid. (Same as current)

## Reverse Invoice

### ▪ Business Requirements

- A business required to cancel an approved/paid invoice without doing an return transaction due to the typos in the original invoice.
- Benefit
  - Allows to create an reversal invoice against PO lines that have already been fully matched.
  - Allows for the ability 'back out' an approved incorrect invoice without return of goods.
  - Better alignment with ERP integration
  - The staging reverse invoice gives less complicated G/L posting if a user selected a wrong reverse invoice.

## Reverse Invoice - Business Rules

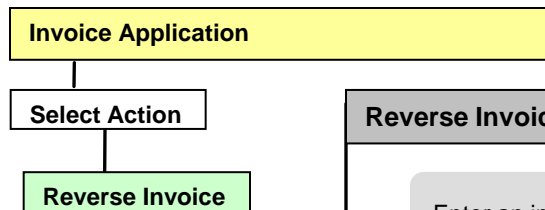
- A user must select an 'Approved or Paid'
  - Invoice, Credit or Debit Memo
  
- Only one Invoice/Credit/Debit memo can be reversed at a time
  - Will not allow merging multiple Invoices, Credit, or Debit memos
  
- The Reverse Invoice Number field (REVINVOICENUM) contains 'null' in the Original Invoice's

## Reverse Invoice - Business Rules (cont.)

- Cannot reverse an invoice
  - Created from Receipts/Return
  - Following invoice types:
    - CONSIGNMENT: An Invoice created for the Consignment Payment Invoice
    - LABOR: An invoice created using the Labor Reporting application
    - SCHED: An Invoice created using the Payment Schedule functionality from Contract
  
- How to display the quantity/costs for the Reverse Invoice/Credit/Debit?
  - The minus symbols in the Quantity field, if applicable.

## UI - New 'Reverse Invoice' Option in Select Action

- A user must select an approved or paid original Invoice, Credit, or Debit that has no Reverse invoice against for that invoice. Select a 'Reverse Invoice' option from the 'Select Action'
- A user who has appropriate security authorization will see the new option 'Reverse Invoice' from Select Action menu.
  - A dialog box will be displayed as follows:



The screenshot shows a dialog box titled 'Reverse Invoice'. At the top, there is a grey instruction bar: 'Enter an invoice number or generate one by clicking Autonumber'. Below this, there are four required fields:

- \* Invoice: Two text input fields.
- \* Reversal Reason: One text input field.
- \* G/L Posting Date: One text input field.
- \* Status: A dropdown menu with 'Approved' and 'Pending Reverse' as visible options.

At the bottom right of the dialog, there are three buttons: 'Autonumber', 'OK', and 'Cancel'.

## Reverse Invoice at PENDREV Status

- The new Invoice, Invoice Lines, and Invoice Line Costs will be duplicated from the original Invoice, Invoice Lines, and Invoice Line Costs.
- New Reverse Invoice
  - The Original Invoice Number will be stored in the new reverse invoice's ORIGINVOICENUM column
- The Original Invoice
  - The new reverse invoice number will be stored in the original invoice's REVINVOICENUM column (new column)

## Reverse Invoice at APPR Status

- Maximo Invoice Application will insert all the related records that were created by the original Invoice/Credit/Debit memo by setting opposite values
  - The new inserting related records will follow the same business rules as the original invoice/credit/debit memo that was inserted at the approval.
  - Reverse any variances previously created and update the appropriate costs
  - **INVOICEMATCH**
  - **INVOICETRANS**
  - **MATRECTRANS**
  - **MATUSETRANS**
  - **SERVRECTRANS**
  - **INVENTORY.AVERAGECOST**
  - **INVENTORY.LASTCOST**
  - **INVVENDOR.LASTCOST**
  - Sets the original invoice status being reversed as “**REVERSED**”
  - Sets the new Reverse Invoice status as ‘**APPR**’

## Purchasing – 360 View of Supply Chain

- Provides users with a view to all current SCM related records. The related records are PR, PO, RFQ, RECEIPT, INVOICE and CONTRACTS.
- New action will be introduced within the Purchasing module, *View Related Records*
- The *View Related Records* will replace the existing actions, *View Invoice Lines* and *View PR Line Items* in PO
- User will be able to trace the status of PR, PO, Receipts, etc.
- One stop-shop for entire Supply Chain view



# Questions

