

Product Training Consignment Inventory

Where "Lean" principles are considered common sense and are implemented with a passion!



Consignment

Consignment inventory can be used for both customers and suppliers.

Consignment inventory for customers is used for inventory that is shipped to customers but is not invoiced until the items are consumed. Items remain as inventory in WinMan.

Consignment Inventory for suppliers is used for inventory held on site, but still owned by the supplier. Ownership is transferred when the item(s) are consumed.

Consignment Sales

Customer Master

The screenshot shows the 'Customer Master' form in SAP, specifically the 'Details' tab. The form is for customer 'C00003' (Cronies Holding Company). The 'Consignment Location' field is set to 'CGSN1' and is highlighted with a red arrow. Other fields include Industry (000), Department (SALES), Trading Status (Trading), Their Identifier (|), Customer Pricing ([Any]), Site ([Default]), and Picking Location.

- ❑ Customers that are to have goods sent to them must have a consignment location in their customer master (found on the Details tab).
- ❑ It is recommended that each customer having consignment inventory have a location specific to the customer.
- ❑ Any availability can be used with the customer location. Consignment inventory will always be designated as Not Available.

Consignment Sales

Sales Order Prefix

The screenshot shows the 'Sales Order Prefixes' form in SAP, specifically the 'General' tab. The 'Sales Order' field is set to 'CS'. The 'Description' is 'Consignment Orders'. The 'Next Number' is '1'. The 'Account Division' is '01'. The 'Order Type' is 'Order'. The 'Consignment Sale' checkbox is checked. The form has 'Save' and 'Cancel' buttons at the bottom.

- ❑ A Sales Order prefix can be set up for consignment orders.
- ❑ A check box for Consignment Sale can be selected and will default the Consignment sale option for the sales order.

Consignment Sales

Sales Order Header

The screenshot shows the 'Sales Orders' window with the 'Additional Information' tab selected. The 'Consignment Sale' checkbox is checked, indicating that this sales order header is for a consignment sale. Other fields include Order number (SO 1051), Customer (C00003-0000), and various dropdown menus for Department, Industry, and Sales order source.

- The Consignment Sale check box in the sales order header is the default for the sales order lines.
- This can be defaulted from a sales order prefix, or manually selected.
- Consignment Sale can be found on the Additional Tab of the Sales Order header.

Consignment Sales

Sales Order Lines

The screenshot shows the 'Sales Orders' window with the 'Additional Information' tab selected for a specific line item. The 'Consignment Sale' checkbox is checked, and a red arrow points to it from the text on the right. Other fields include Type (Stock item), Item (1007-383), and various date and sequence fields.

- The Consignment Sale check box will designate if the sales order line is a consignment sale. An order can have mixed items that are consignment and not consignment.
- Note:** For reporting, it is easiest not to mix consignment/non-consignment and have a prefix for consignment orders.
- This is defaulted from the sales order header, or manually selected.
 - Consignment Sale can be found on the Additional Tab of the Sales Order item

Consignment Sales Shipment

Effective Date	Quantity	Quantity's Source Type	Location Id	Source Type	Source	Availability	Goods Receipt
17/07/2007	1	0 A	MAIN	Stock Adjustment		Sales and Manufacturing	
15/08/2007	-2	0 A	MAIN	Stock Adjustment		Not Available	
16/05/2008	2	0 C	R145	Consignment		Not Available	
16/05/2008	2	2 G		Consignment batch		Not Available	
23/07/2007	-1	0 H	Shipped	Shipment	SH0001003	Not Available	
16/06/2007	-2	0 H	Shipped	Shipment	SH0001006	Not Available	
16/06/2007	10	0 H	Shipped	Shipment	SH0001006	Not Available	
16/06/2007	10	0 H	Shipped	Shipment	SH0001006	Not Available	
21/06/2007	10	0 H	Shipped	Shipment	SH0001008	Not Available	
16/05/2008	-2	0 H	Shipped	Shipment	SH0001023	Not Available	
16/06/2007	-9	0 JI	MAIN	Issued To Job	JP0000005	Not Available	
23/07/2007	10	0 M	MAIN	Manufactured	MD0000001	Sales and Manufacturing	
15/08/2007	20	0 M	MAIN	Manufactured	MD0000003	Sales and Manufacturing	
16/06/2007	20	6 M	MAIN	Manufactured	MD0000006	Sales and Manufacturing	
21/06/2007	10	10 M	MAIN	Manufactured	MD0000009	Sales and Manufacturing	
15/06/2007	2	0 R	MAIN	Returned Item	RM4000002	Not Available	GR0000002
16/06/2007	9	0 R	MAIN	Returned Item	RM4000003	Not Available	GR0000003
04/03/2008	1	1 R	MAIN	Returned Item	RM4000001	Not Available	GR0000004

- ❑ Consignment Sales Orders are shipped the same way as regular sales orders
- ❑ Once the shipment is finalized the items are moved to the consignment location found in the customer master.
- ❑ Consignment Inventory has an Availability of "N" and has a quantity outstanding of the quantity shipped.

Consignment Sales Invoicing

Shipment Id	Effective Dat	Delivery Note	Sales Order Id	Delivery Name	Customer	Customer Na	Include
SH0001023	16/05/2008		S000001051	Cronies Holdn	C00003-000	Cronies Holdn	<input checked="" type="checkbox"/>

Shpm	Sales	Sales O	Item	Item Descr	Qu	Sal	Material Val	Eff	It	Consign	Quant	Includ
SH00	2131	S0000	1007383	Referenc	2	2.00	0.0000	16/05/	1	<input checked="" type="checkbox"/>	2	<input checked="" type="checkbox"/>

- ❑ To manual invoice in the Sales Invoices module must be created to create the invoice for the consignment item.
- ❑ To add the item, select a Shipped Item. All un-invoiced items will display. Select the items to be invoiced.
- ❑ Once the items has been invoiced, it will be removed from Stock.
- ❑ If a partial quantity is to be invoiced, simply change the quantity in the grid for the amount to be invoices.

Consignment Purchasing

Areas and Locations

The screenshot shows the 'Areas & Locations' dialog box with the following fields:

- Location: CGSN1
- Description: Consignment Location 1
- Location Information (highlighted)
- Account Division: 01
- Capacity: 100
- Availability: Consignment
- Exclude From MRP:
- Consumable Sequence:
- Pick Sequence:

Buttons: Save, Cancel

Consignment Purchasing

Purchased Consignment Items

- Purchased items are considered consignment items if they are received into a location with an availability of Consignment.
- The location an item will be received into is as follows;
 - Supplier Cross Reference Location
 - Location from Goods Receipt Header (which can be defaulted using the location in Suppliers)
 - Location from Product Master
- Items that are received into a consignment location will show an on-hand balance. However no accounting transactions are generated
- Once an item is moved from a consignment location to a non-consignment location it can be consumed and a GRNI transaction will be generated.