

Creating Project Data Based on Sales Orders & Tracking Project Data Under Product Lines

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Abstract:- The purpose of this white paper is to explain the requirement of creating data of projects based on Sales Orders and tracking them under Product Lines of items in Project Accounting module, discuss the benefits of this and elaborate the design to achieve this requirement.

I. INTRODUCTION

➤ Scope

The scope of this design includes all projects created under project accounting module globally and all sales orders created in relation to those projects.

➤ Objective

There is no direct connection between Sales Orders (header level) and Projects in standard Oracle system for Project Accounting module. Here the requirements are to create project transactions – budgets and expenditures based on sales orders automatically, and to track all project data (budgets, expenditures, revenue and invoice) under product lines of the items.

III. IMPLEMENTATION

➤ Segment 5 of the Chart of Accounts is Designated to Store Product Lines.

- Product Line of an Item will be Stored in Segment 5 of the COGS Account in the Master Item Setup.

II. METHODOLOGY

- Product line is a group of related products. In SE, it is basically a 3 digit number to identify and distinguish different types of products. It is used as the 5th segment in the chart of accounts, and the PL for each item is available under the segment5 of COGS account of the item master setup.
- Projects will be connected to sales orders by a new DFF in the SO header.
- Order will have ship only workflow in them, so that invoice will not be created from OM to AR.
- A custom program will create tasks based on the PLs of the items in SO lines and generate the budgets based on order line level information.
- Another custom program will bring the COGS generated at the material transaction level once the SO lines are shipped.

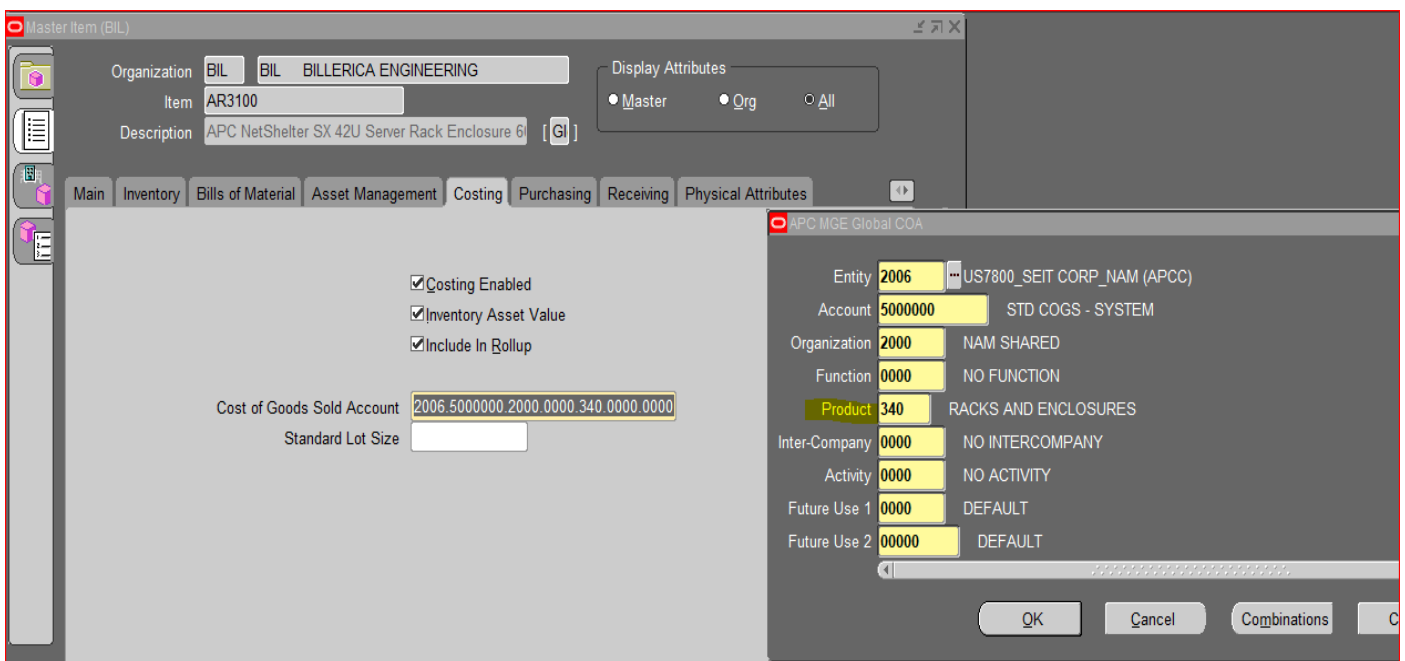


Fig 1 Item Configuration

- *New order types (one for normal project orders and one for RMA / return project orders) will be created. Similarly, 2 new order line types will be created.*

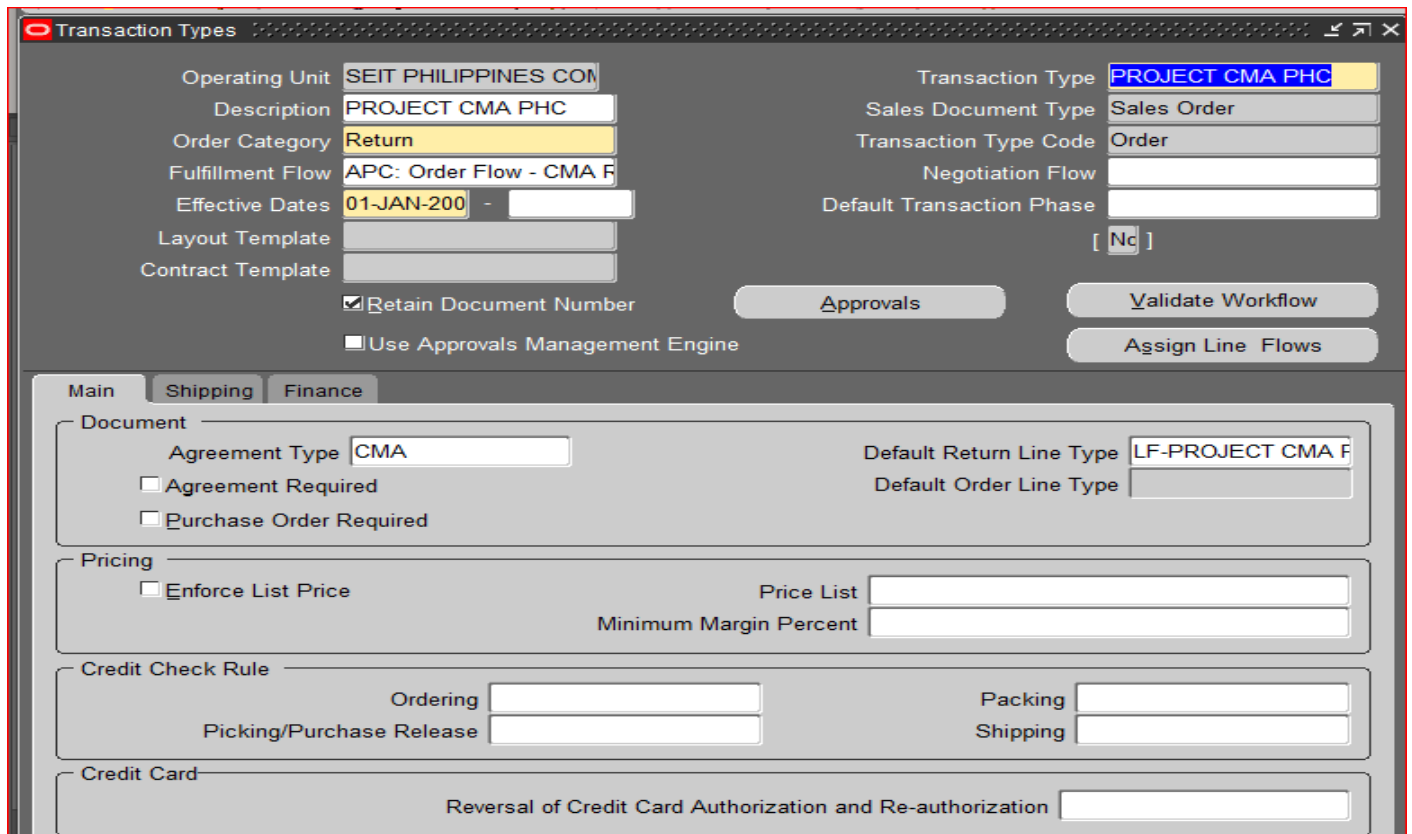


Fig 2 Transaction Types Configuration

- *New Budget Entry Method will be Created with Entry Level Top Tasks*

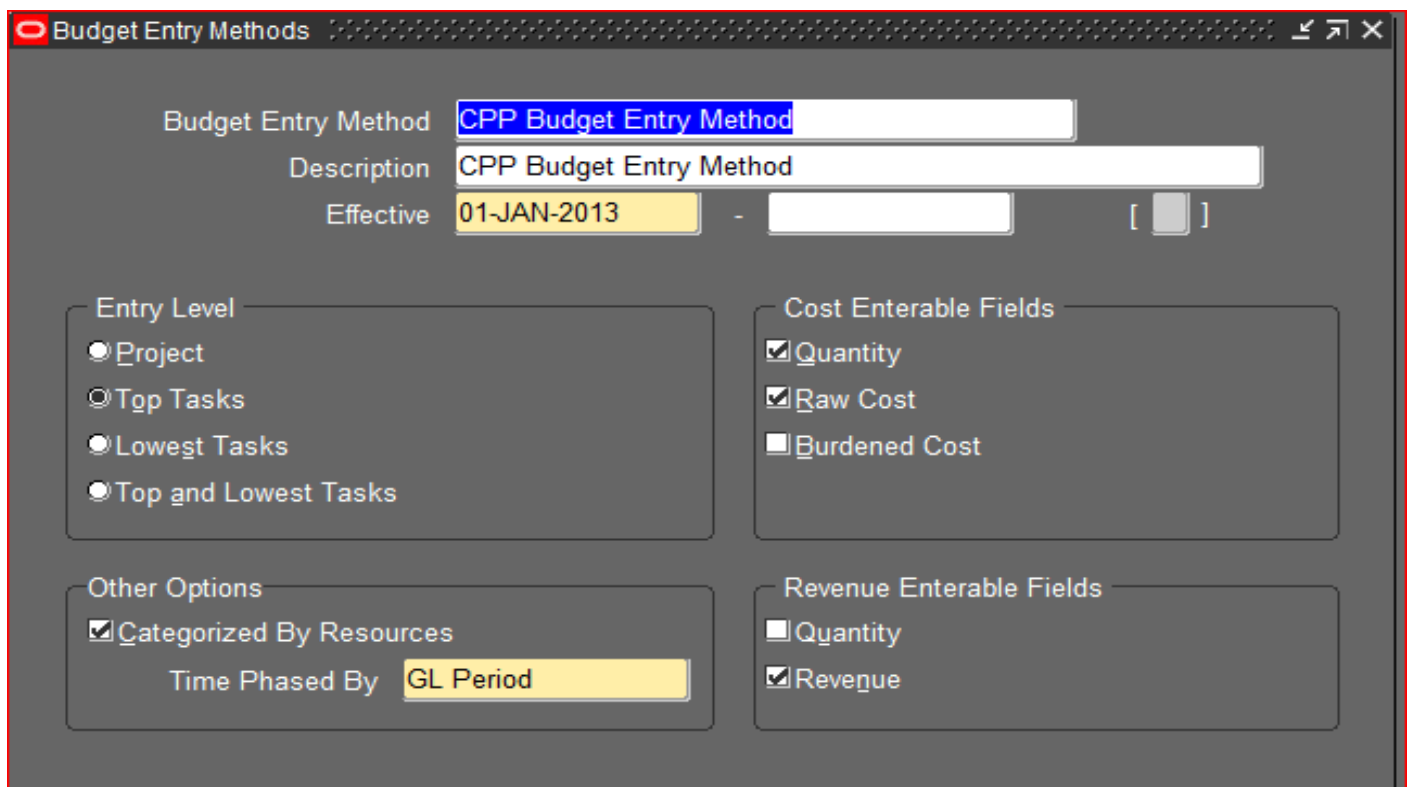


Fig 3 Budget Entry Methods Configuration

- *Expenditure Category will be used as the Resource List for budgets. Project types and templates will be created using this and the Budget entry method mentioned above.*

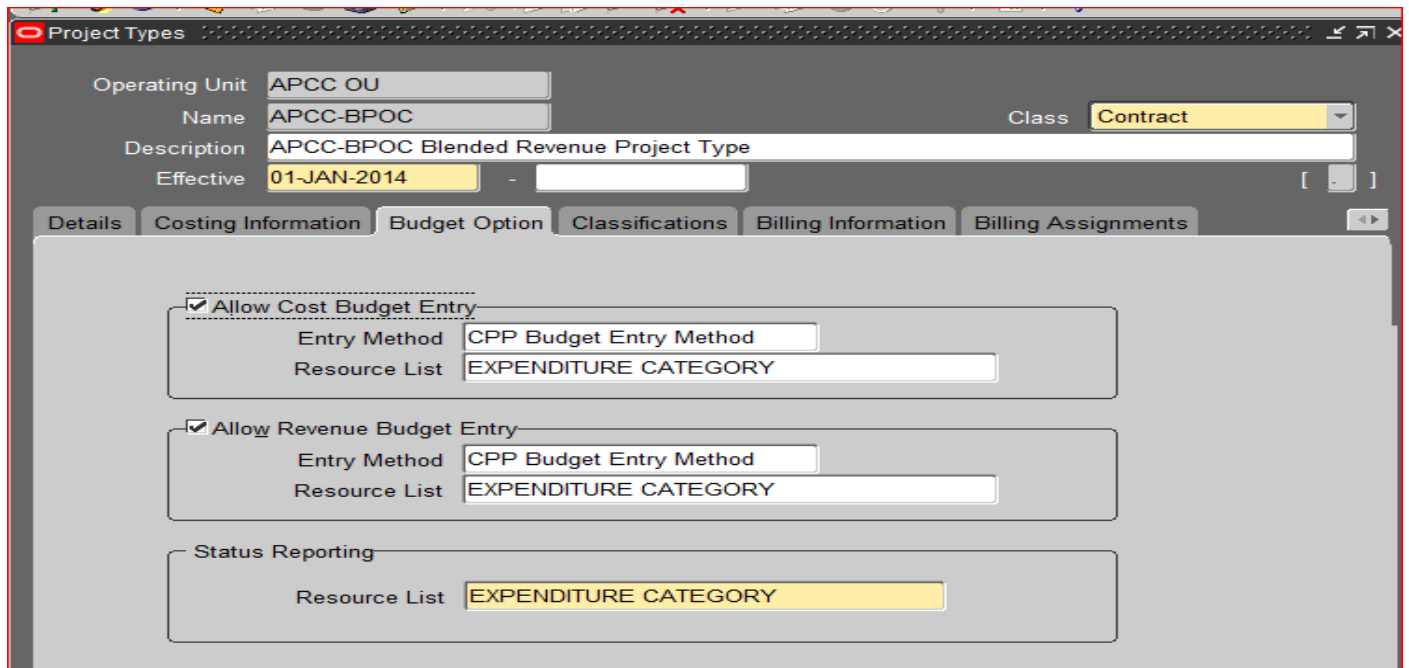


Fig 4 Project Types Configuration

- *Once project is created by copying a project template, order will be created using one of the project order types. A DFF will be created in order header level where the project number will need to be provided manually to link the order with the project.*

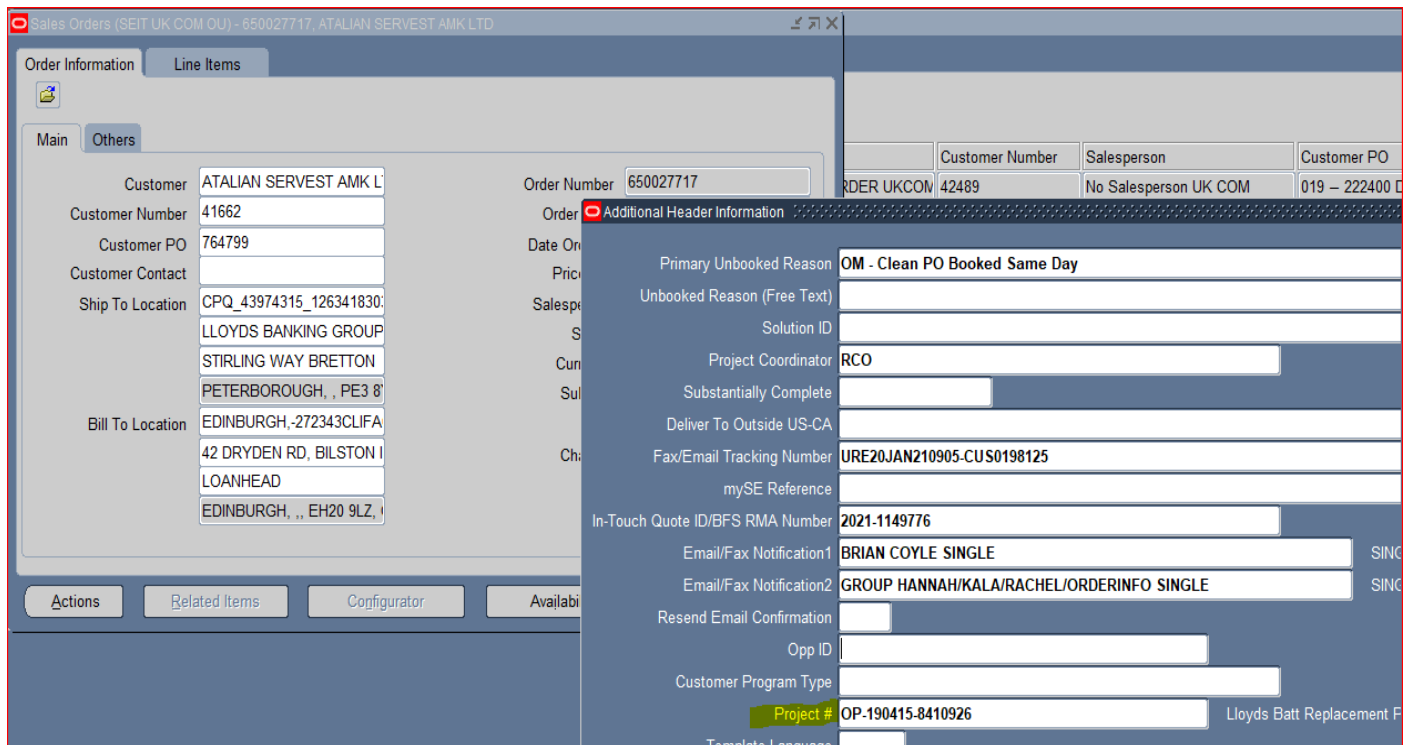


Fig 5 Sales Order Creation

- *A custom program is designed to create tasks under projects based on PLs of items used in the lines of the SOs linked with that project. It will also generate budgets based on the order lines – revenue budget based on price and cost budget based on item cost. Expenditure category (which is used as the resource list for budgets) will also be derived based on item master information such as item type.*

- Order will have ship only workflow, so once items are shipped, it will not generate invoice in AR but it will generate COGS.
- Once COGS /DCOGS is generated after order line is shipped, a custom program is designed to bring that cost to PA under expenditures under the task which is same as the PL of that item.
- Revenue and invoice will be generated using the same tasks which were created under the project based on the PLs of the items.

IV. OUTCOME

- Tasks are created automatically under the projects based on Product Lines of items used in the Sales Orders associated with the projects. Budgets are created automatically based on the Sales order line details.

Task Number	Task Name	UOM	Quantity	Raw Cost	Burdened Cost
300	3 PHASE GP UPS 41-2	Hours	0.00	126,829.11	126,829.11
301	MGE PRODUCTS 1	Hours	0.00	134,604.00	134,604.00
331	INROW COOLING	Hours	0.00	93,419.40	93,419.40
340	RACKS AND ENCLOSURE	Hours	0.00	65,846.63	65,846.63
341	RACK POWER DISTRIBUTION	Hours	0.00	39,224.34	39,224.34
351	1 PHASE WARRANTY	Hours	0.00	5,625.00	5,625.00
353	MAINTENANCE SERVICE	Hours	0.00	86,949.90	86,949.90
356	INTERVENTION SERVICE	Hours	0.00	11,540.10	11,540.10
357	INSTALLATION SERVICE	Hours	0.00	57,000.00	57,000.00

Fig 6 Cost Budget

- DCOGS/ COGS generated in OM for the sales order lines are brought into PA and captured in expenditures under particular tasks.

Trans Id	Project	Task	Expnd Type	Item Date	Employee/Supplier	Quantity	UOM	Proj Func Burde	Project Burdene	Accrued Revent	Bill Amou
11255368	OP-200402-952407	501	ITB PRODUCTS	07-FEB-2021		1		18,420.48	18,420.48	Gl	
11255369	OP-200402-952407	501	ITB PRODUCTS	07-FEB-2021		1		15,828.55	15,828.55	Gl	
11255370	OP-200402-952407	500	ITB SERVICES	07-FEB-2021		2		2,036.76	2,036.76	Gl	
11255371	OP-191114-907561	340	ITB PRODUCTS	07-FEB-2021		2		29.52	29.52	Gl	
11255372	OP-191114-907561	340	ITB PRODUCTS	07-FEB-2021		2		29.52	29.52	Gl	
11255373	OP-191114-907561	340	ITB PRODUCTS	07-FEB-2021		2		29.52	29.52	Gl	
11255374	OP-191114-907561	340	ITB PRODUCTS	07-FEB-2021		2		29.52	29.52	Gl	
11255375	OP-191114-907561	340	ITB PRODUCTS	07-FEB-2021		2		29.52	29.52	Gl	
11255376	OP-191114-907561	340	ITB PRODUCTS	07-FEB-2021		2		29.52	29.52	Gl	
11255377	OP-191114-907561	340	ITB PRODUCTS	07-FEB-2021		2		29.52	29.52	Gl	

Fig 7 Expenditure Items Workbench

V. CONCLUSION AND BENEFITS

This will help in directly tracking all Sales orders under a project and create budgets based on the order lines instead of creating them manually. This will save time (around 15-30 minutes per project) and effort for business users and will avoid manual errors. Creating expenditures based on DCOGS/ COGS generated for order lines will save manual intervention of providing project details while shipping and avoid unintended manual errors. The time saved will be around 15-30 minutes per project again, depending on number of order lines.

Capturing the data under product lines as tasks will ensure easier reconciliation instead of manually reconciling later based on GL entries. Here the reconciliation can be easily performed in PA module as all budgets, costs, revenue and invoice will be tracked under the tasks that are created based on product lines.

Project Accounting module is implemented in around 20 operating units of which 15 are actively using the module. At an average around 850 projects are created per year.

So total time saved is around 30-60 hours per month.

Creating project data such as budgets, expenditures based on Sales orders and tracking all project data under product lines of items in SO lines is a crucial business requirement which saves a lot of manual effort and time and creates a more efficient process. With a customized solution, we not only meet this requirement, but we also make the system flexible for further enhancements.

This process is currently used globally in oracle in SE wherever Project Accounting module is implemented.

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