

# Material Supply

*A fully integrated system for components outsourcing assembly*

glovia G2 Material Supply is a fully integrated application designed to close the loop between you and your supplier by supporting the outsourcing of your assemblies. The system facilitates issuance of component materials to a supplier in conjunction with the placement of a purchase order (PO) for both planned and unplanned assemblies.

Material Supply lets you identify outsourced items, generate a bill of materials (BOM) structure for assembly and issue/track outsourced components until they are returned. In addition, the system's integration with various financial management tools lets you perform financial and audit control functions.

## *Planned Outsourcing*

Material Supply allows you to "pre-plan" the outsourcing of assemblies by enabling "buy item assemblies" to have a manageable BOM structure and adding the material supply item components required to the material supply planning table.

Once this has been done, the BOM components can be issued to the vendor with the release of a PO. They are then shipped, along with accompanying BOM shipping documents, detailing the material contents of the shipment.

## *Unplanned Outsourcing*

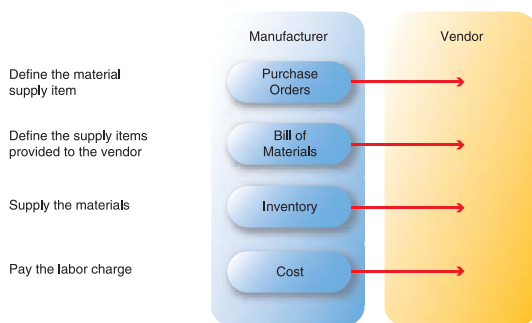
In the dynamics of the manufacturing environment, occasions arise in which the need to outsource an assembly may not be planned. Due to the financial implications that result from the necessity to outsource an unplanned assembly, you need an application that can consistently and accurately manage material supply item POs on the fly.

With Material Supply, this is easily accomplished by adding the unplanned outsourced assembly's components to the material supply item planning table – just as you would with a planned outsource assembly – then structuring the material supply item components as a BOM attached to the unplanned assembly's PO.

## *Integrated Planning of Outsourced Materials*

"Material Supply" items are planned by glovia G2 Material Requirements Planning (MRP) or Project Resource Planning (PRP), and identified as components required to be provided to a supplier on the creation of a PO.

## *Material Supply involves managing four types of material supply information*



### *Versatility*

The application provides the financial control of three item types, thereby creating the capability for an extremely flexible relationship between manufacturer and supplier.

- **Chargeable supply items:** The supplier bills for the entire subassembly. The cost of the material supply items is subtracted from the supplier's invoice total.
- **Customer-furnished supply items:** The supplier bills only for the value-added cost or his contribution to the subassembly.
- **Consigned material:** The supplier bills for the entire subassembly. Material Supply periodically checks inventory and generates a report used to charge the supplier through glovia G2 Billing for supplied materials.

### *Complete Visibility*

The system manages materials at a supplier's inventory location as though it were an extension to your location. Items are tracked until they are received back from the supplier. They are then backflushed or consumed to reflect issuance from the supplier, which provides continuous, full visibility.

### *Material Supply*

- Supports outsource manufacturing
- Synchronizes supply component items with PO placement
- Generates BOM structure shipping document for buy items components
- Supports material supply item/supplier cross-reference
- Provides consistent pick, issue, pack and ship processes
- Identifies material supply items as supplier to supplier by using MRP/PRP

### *Supply Item Types*

- Chargeable
- Customer-furnished
- Consigned

### *Purchase Orders*

- Approve pre-planned or unreleased POs
- Discrete, unplanned "on the fly" processing for your outsourced materials

- Analysis notification of PO BOMs impacted by Engineering Change Notices (ECNs)
- Purchased item price roll-up

### *Material Movement*

- Issue material supply items to POs
- Ship-to-Supplier Master Location management
- PO receipt of completed items from supplier backflushed or consumed reflecting supplier issue
- Validation and tracking of all components shipped to suppliers from the time they leave your facility until they are returned

### *Material Supply Integration*

- Engineering
- PRP/MRP
- Purchasing
- Inventory
- Work Orders
- Accounts Payable
- Billing
- Engineering Change

### *Accounts Payable*

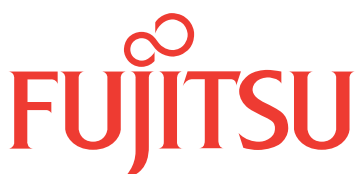
- Customer furnished supply items supports "value added" charges by supplier
- Chargeable supply items netted from supplier invoice

### *Billing*

- Creation of accounts receivable invoices
- Periodic inventory reporting for consigned material billing to suppliers

### *Material Supply Audit Trail Facility*

- Maintains Supply Item Deduction file to offset supply items
- Offset transactions included in supply item deduction report
- Tracks material supply POs through supplier master location
- Tracks receipt of completed PO items from supplier back to work center



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