

# Subcontract Issue

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# Window Introduction

# Introduction

## **Introduction:**

Basic external processing provides you with the means to instruct a supplier or subcontractor to process individual production steps such as operations or sub-operations. The external processing of production order operations is frequently used for standardized process steps such as galvanizing which you cannot perform in your own factory. In the case of galvanizing, you may have environmental reasons for outsourcing this step to your subcontractor.

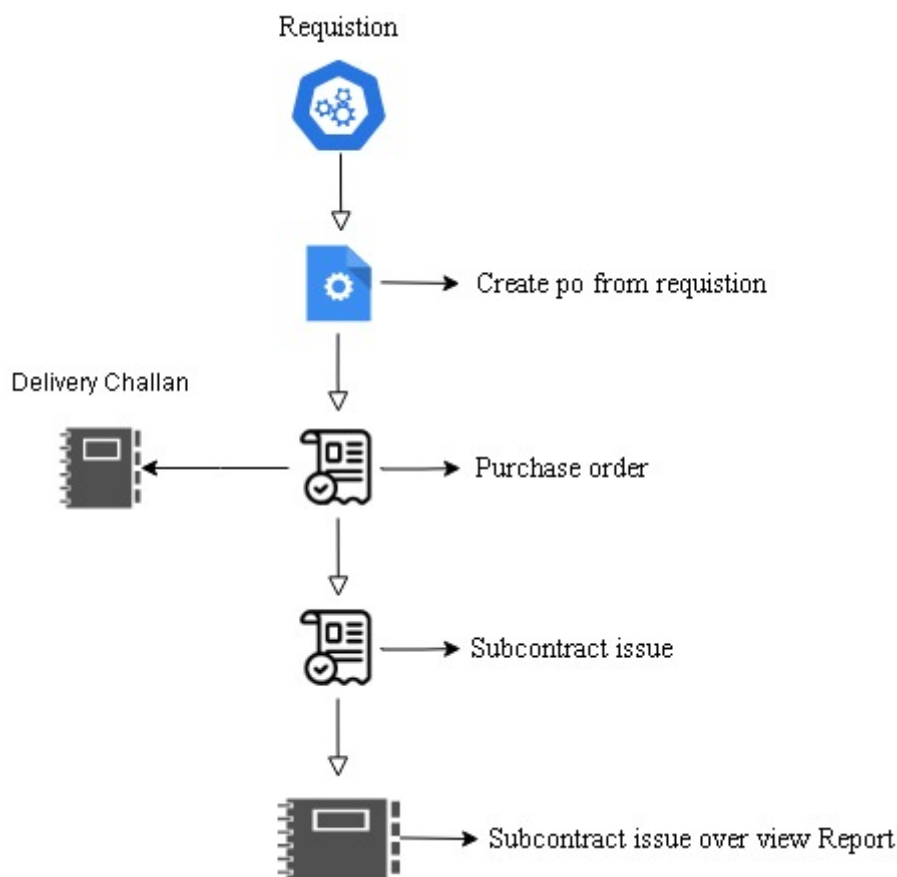
## **Business Example:**

In a pump industry there will be multiple operation performed to get the required component as per the customer requirement. Certain resource will not be available inside the company to perform few operations. So Requisition will be raised from Production Que and converted to purchase order. And Subcontract Issue will be done with delivery challan.

# Subcontract Issue flow chart



# Subcontract Issue Flow chart



# Tabs

# Subcontract Issue

The screenshot displays the 'Subcontract Issue' form in the Konnect Analytics application. The form is organized into two columns. The left column includes fields for 'Client' (Konnect Demo), 'Target Document Type' (Subcontract Issue), 'Document No' (1000006), 'Name' (40 as rod), 'Description', 'Vendor' (Germany), 'Subcontract Warehouse' (Subcontract), 'Grand Total' (1.00), and 'Document Status' (Completed). The right column includes fields for 'Organization' (Manufacturing Discrete), 'Account Date' (15/03/2019), 'Purchase Order' (800050), 'Subcontract receipt', 'Partner Location' (Coimbatore), 'User/Contact', and 'Currency' (INR). There are also checkboxes for 'Rework' and 'Delivered'. At the bottom, there are buttons for 'Document Action' and 'Posted'. The top of the form shows a search bar with 'subcontract issue' and a user profile dropdown.

## Critical Fields:

- 1) Purchase order- This field is used to mention the service charge for the operation performed at the vendor end. Service product purchase order document no to be tagged in this field.
- 2) Name- Internal reference name for the document.
- 3) **Vendor**- Vendor will be taken automatically from the purchase order selected.
- 4) Partner Location- Vendor will be taken automatically from the purchase order selected. user can edit the partner location if needed.
- 5) Subcontract Warehouse- Name of the ware house where the material is sent for subcontracting process. Ware house will display when Is subcontract check box is checked in warehouse master.
- 6) Currency- Currency type needs to be selected.

7) Account Date- The Accounting Date indicates the date to be used on the General Ledger account entries generated from this document. It is also used for any currency conversion.

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## **Critical & onetime setup fields:**

1) Organization Field- This Field is used to select the organization which you are going to process the order.

2) Target Document Type- This Field is used to select the type of the document that you are going to process.

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## **Non-Critical Fields:**

1) Subcontract Receipt- This field can be used when we need to create an issue against a subcontract receipt. If any component has rework received in previous subcontract receipt we can send back using this option.

2) User Contact- The person who is preparing the subcontract issue document his name can be selected.

3) Delivered check box- If all the components against the subcontract issue is received system will auto check this checkbox. It is a read only field.

4) Vessel/Flight No- This field can be used to mention the Vehicle details.

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## **Serial number/Lot number (ASI):**

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## **Zoom conditions:**

1) Subcontract Receipt

2) Manufacturing order

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## **Customization:**

# Input/Items

The screenshot shows the 'Subcontract Issue: 1000206\_800425' form in the KONECT ERP system. The form is divided into several sections for data entry:

- Header:** Subcontracting Issue: 1000206\_800425, PrintNotes, Manufacturing Cost Collector: 80680\_Manufacturing Discrete Plant\_84371.
- Line Information:** Line: 1, Description: (empty), Manufacturing Order: 80680\_Manufacturing Discrete Plant, Warehouse: Discrete-Shopfloor Warehouse, Product: Sub Assembly 1\_Sub Assembly 1, UOM: Each.
- Quantity and Price:** Quantity Issued: 25, Line Amount: 25.0, Manufacturing Order Activity: Fitting, Locator: 1000005, Attribute Set Instance: (empty), Tax: No Tax, Recieved Qty: 25, Price: 1.00.
- Supply and Return Options:**
  - ☐ Supplied by org & consumed by vendor
  - ☐ Supplied through third party & consumed by vendor
  - ☐ New Product returned from vendor
  - ☒ Supplied by org & returned from vendor
  - ☐ Supplied through third party & returned from vendor
  - ☒ VIP

## Critical Fields:

- 1) Line Number- Line number is the sequence of the product's added.
- 2) Warehouse- The warehouse from were the component is issued.
- 3) Locator- The Locator from were the component is issued.and the stock is deducted.
- 4) **Product**- The product which is issued to the vendor for subcontracting purpose.
- 5) Tax- Tax provided to the selected product.If tax is fixed in product master the same tax will be taken here user can edit the tax if needed.
- 6) Quantity Issue- The product Quantity Issued to the vendor for subcontracting.
- 7) **Price**- Price for the subcontracting process.
- 8) Line Amount- Multiplies the price with the quantity and displays the amount without tax.

9) Supplied by org & consumed by vendor - Raw material will be provide to the vendor by the company from the companies warehouse and end product will be collected back.And the raw material will be consumed completely in the vendor end.

10) Supplied by org & returned from vendor - Product will be provided by the company only operation (Process) will be done by the vendor and the product will be sent back.(Example : For performing a milling operation in a component).

11) Supplied through third party & Consumed by vendor - Raw material will be provide to the vendor by the Third party supplier (Company will provide a Purchase order for the raw material product to the third party supplier )and end product will be collected back from vendor.And the raw material will be consumed completely in the vendor end.

12) Supplied through third party and returned from vendor - Product will be provide to the vendor by the Third party supplier (Company will provide a Purchase order for the raw material product to the third party supplier ) operation will be performed in vendor and end product will be collected back from vendor.

13) New product returned from vendor - New product will be received from vendor after consuming raw material which was sent by company from companies warehouse.

14) WIP - After consuming raw material it will be called as Work in-progress item.

**NOTE: Choose any one supply type to proceed the transaction & functions have been described above.**

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## **Critical & onetime setup fields:**

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## **Non-Critical Fields:**

1) Manufacturing cost collector- manufacturing cost collector is choose only when you perform

Consumed by vendor supply type.

2) UOM- Unit of measurement.

3) Purchase Order- If Supply by third party Consumed & Supplied by third party return option is selected system will generate a purchase order and display the purchase order document name in this field. This is a read only field.

4) Purchase order Line-If Supply by third party Consumed & Supplied by third party return option is selected system will generate the a purchase order and display the purchase order document line details in this field. This is a read only field.

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## **Serial number/Lot number (ASI):**

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## **Zoom conditions:**

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## **Customization:**

1) ASI Scan option in process Button, its help to scan multiple serial numbers and it will populate concurrent serial numbers in Attribute tab

Tabs

# Attributes

The screenshot shows the 'Attributes' form in the Konnect ERP system. The form is titled 'Subcontract Issue: 1000206...' and is located under the 'Input / Items' tab. The form contains several fields for data entry:

- Client:** Konnect Demo
- Organization:** Manufacturing Discrete
- Input Items:** 1000206\_800425\_Sub Assembly 1\_Sub Assembly 1
- Attribute Set Instance:** (Dropdown menu)
- Date Material Policy:** (Dropdown menu)
- Movement Quantity:** 1
- Auto Generated:** (Checkbox)

The form also includes a 'Summary' tab and a 'Home (97)' button. The top navigation bar shows the user is logged in as 'Logesh D@Konnect Demo/Manufacturing Discrete/Konnect Demo Instance Admin'.

## Critical Fields:

- 1) Input items - Subcontract issue document number & product details will be displayed.
- 2) Attribute set Instance - The values of the actual Product Attribute Instances. The product level attributes are defined on Product level.
- 3) Movement Quantity - It is based on attribute set instance

## Critical & onetime setup fields:

## **Non-Critical Fields:**

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## **Serial number/Lot number (ASI):**

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## **Zoom conditions:**

## **Customization:**

Tabs

# Asset/Tools

The screenshot shows the KONECT ERP interface for a 'Subcontract Issue' document. The top navigation bar includes the KONECT ERP logo, a search bar with 'subcontract receipt' entered, and user information: 'Logesh D@kconnect Demo/Manufacturing Discrete/Kconnect Demo Instance Admin'. The main header shows 'Home (97)' and 'Summary' tabs, with the current document titled 'Subcontract Issue: 1000206 ...'. Below the header is a toolbar with various icons. The main form area is titled 'Data requested' and contains several input fields: 'Client\*', 'Organization\*', 'Subcontracting Issue', 'Description', 'Asset', 'UOM', 'Product\*', 'Attribute Set Instance', 'Quantity Issued', and 'Balance Qty'. A checkbox labeled 'Supplied by org & returned from vendor' is also present. The bottom right corner of the form area shows '0/0'.

## Critical Fields:

- 1) Subcontract Issue - Subcontract issue document no will be populated
  - 2) **Asset** - If any development work done for new product then tools will be send to subcontract (Vendor) for specific operations.(Asset tool example - Jigs & fixture)
  - 3) **Product** - Subcontract process product details will be mentioned.
  - 4) Quantity Issued - Quantity issued for subcontract process will be mentioned.
  - 5) Balance Qty - Pending quantity yet to be received
  - 6) Supplied by org & returned from vendor - Material send to vendor & received from vendor as same product.
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## **Critical & one time setup Fields:**

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## **Non-Critical Fields:**

1) Description - Product description will be mentioned.

2) UOM - Product Unit of measurement

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## **Serial number/Lot number (ASI):**

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## **Zoom conditions:**

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## **Customization:**



# Document Action

# Validations

## **Save:**

- 1) System will check whether all the Mandatory Fields are filled.
  - 2) System will check the Purchase order ,vendor,vendor location
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## **Delete:**

System will delete the order and its history from the database.This can be done only when the document status is Draft status and In progress Status.

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## **Document action prepare:**

- 1) System will check the Purchase order,vendor,vendor location and convert the document status to In progress.
  - 2) System will check the Period control for the document date whether it is open.
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## **Document action complete:**

System will complete the document and change the document status to complete.

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## **Document action void/reverse correct actual:**

1) Void- system will reverse all the cost transaction data's and change the document status to Void

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## **Document action close:**

1) System will check whether all the issued material is returned and the delivered check box is check and change the Document status to close.

# Actions

## **Verify:**

Not applicable

## **Create lines from:**

This button will help you to get reference from manufacturing order document no.

## **Copy from/lines:**

This button will help you to copy the Input/item lines from another subcontract issue line. We need to mention the issue number to copy it.

## **<custom actions>**

Not applicable

# Process

# Issue Process

Home (20) | Summary | **Subcontract Issue: 1000052 ...**

Issue

Client\* Konnect Demo

Target Document Type\* Subcontract Issue

Document No 1000052

Name\* test

Description

Vendor\* Test vendor

Organization\* Manufacturing Discrete

Post Date\* 28/12/2022

Purchase Order\* 800188

Subcontract receipt

Partner Location\* coimbatore

Create lines from  
CopyFrom Issue  
ASI Product Scan  
Post  
DocumentAction ▶

Create lines from

Input / Items | Attributes | Asset / Tools | Attributes

2 Records

Organization	Description	Subcontracting Issue	Product	Attribute
Manufacturing Discrete		1000052_test	Test raw material_Test ra...	
Manufacturing Discrete		1000052_test	Test raw material_Test ra...	

1) **Create lines from** : It is used to generate subcontract issue for certain product with reference to manufacturing order.

2) **Copy from issue** : Copy line process will help you to copy the subcontract issue lines from any subcontract issue.

# Input/ items process

**KONECT ANALYTICS** sales order Logesh D@Konnekt Demo.Manufacturing Discrete/Konnekt Demo Instance Admin

Feedback | Profile | Preference | Change Role | Log Out

Home (21) | Summary | Bill of Materials & Formula... | Product: 002 tank assy 00... | **Subcontract Issue: 1000066 ...** | Sales Order: 80019

Issue > Input / Items ASL\_Scan 1/2

Client\* Konnekt Demo Organization\* Manufacturing Discrete

Subcontracting Issue 1000066\_test PrintNotes

Line\* 10 Manufacturing Cost Collector

Description

**Attributes**

0 Records

Organization	Date Material Policy	Auto Generated	Attribute Set Instance	Movement Quantity	InputItems	Active
No Records found						

1) **ASI Scan** : Its help to scan multiple serial numbers and it will populate concurrent serial numbers in Attribute tab

# Video



Video

# Issue Video

# Reports

S.NO	Report type	Report Name	Report Purpose
1	Menu Report	Subcontract issue overview report	This report is used to track how much quantity issued,received & pending quantity to be received from the vendor with document no.
2	Menu Report	Subcontract Reconciliation report	This report is used to track how much quantity issued to vendor,received from vendor & pending quantity yet to be received from vendor.Report will be displayed with vendor name, document date & document no.
3	SQL Report	Subcontract stock report	Sum of issue quantity,receipt quantity & pending quantity with vendor name.
4	SQL Report	Subcontract Reconciliation with Value	This report is used to track how much quantity issued to vendor,received from vendor & balance quantity yet to be received from vendor with value.Purchase order value will be displayed if invoice done against it.

# Form and process

# Short Close Issue

The screenshot shows the 'Short Close Issue' process form in SAP. The top navigation bar includes 'Home (116)', 'Summary', and 'Short Close Issue'. Below the navigation bar, a message asks 'Do you want to start the Process?' and provides instructions: 'Short Close the Subcontract Issue, The process will check the already delivered qty and move the remaining qty from SubContract Warehouse to the original Warehouse and mark the issue as completed'. The form contains the following fields and options:

- Subcontracting Issue:** A dropdown menu.
- Account Date:** A date field with a calendar icon.
- Options:** Three checkboxes: 'Scrap', 'Unprocessed', and 'Run as Job'.
- Saved Parameters:** A dropdown menu with save and delete icons.
- Buttons:** 'OK' and 'Cancel' buttons at the bottom right.

## Parameters :

- 1) Subcontracting Issue : It is used to mention the subcontract Issue document no.
- 2) Account Date : It is used to subcontract Issue account date.
- 3) Scrap : It will be selected if product needs to be moved to scrap.
- 4) Unprocessed : It will be selected if material received in Unprocessed condition.

## Process use :

By using this process we can able to short close subcontract Issue.

If partial Quantity received from vendor in without process we can able to receive it by selecting Unprocessed check box.