Manual

Advanced Intercompany

AUTOMATED DOCUMENT TRANSACTION BETWEEN COMPANIES

Microsoft
Partner

itm8®

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INTRODUCTION

Intercompany (IC) posting was introduced in Microsoft Dynamics NAV 4.0. ProFacto's add-on Advanced Intercompany is based on this functionality.

Advanced Intercompany offers

- Extended order handling between companies
- Export/import of item tracking
- Shipment/receipt functionality
- Possibility to view availability from another company
- More fields included in the Intercompany flow
- Possibility to set up custom fields in order to transfer specific data from/to orders
- Functionality for updating quantity and dates on orders in the other company
- Support for database handling of transactions between companies only
- Functionality for creating purchase order directly from the sales order when drop shipment is used

To demonstrate the flow, we operate with two companies - CRONUS Danmark A/S and CRONUS MASTER. CRONUS Danmark A/S is a company that sells items delivered from CRONUS MASTER.

ADVANCED INTERCOMPANY ROLE CENTER

To set up the role center for Advanced Intercompany, select it from My Settings.

If you want to be able to see the Advanced Intercompany Role Center from the Role Explorer, select Profile (Role) and check the field "Show in Role Explorer" on the profile. Now, it is possible to see the functions from the Advanced Intercompany Role Center from other role centers in Business Central.
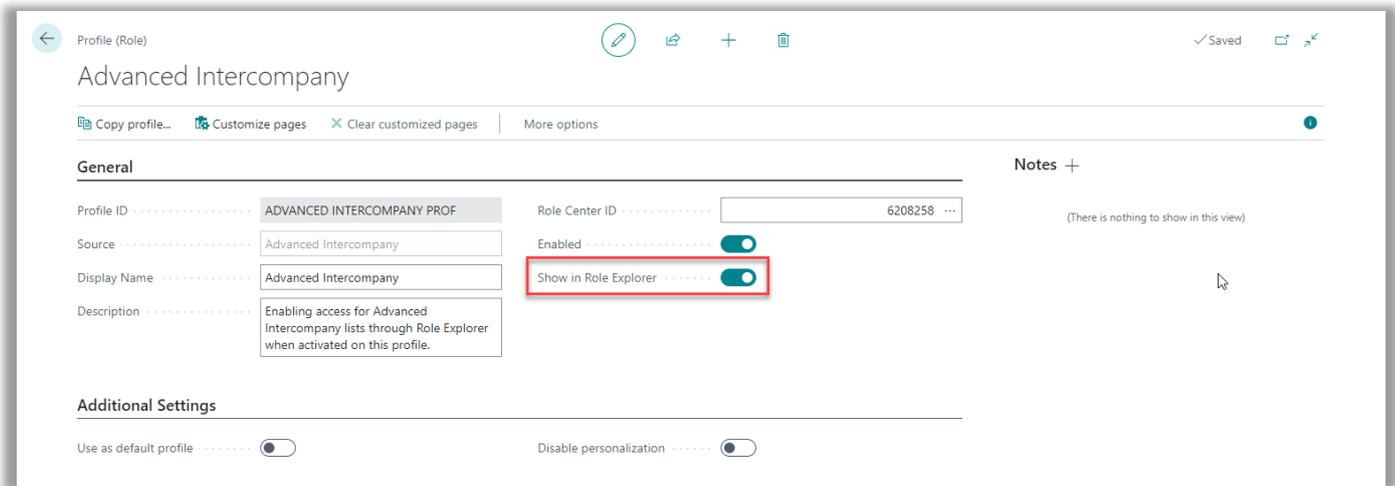
On the Advanced Intercompany Role Center, there is easy access to the areas used when working with Intercompany – for instance, the is an overview of the inbox and outbox transactions.
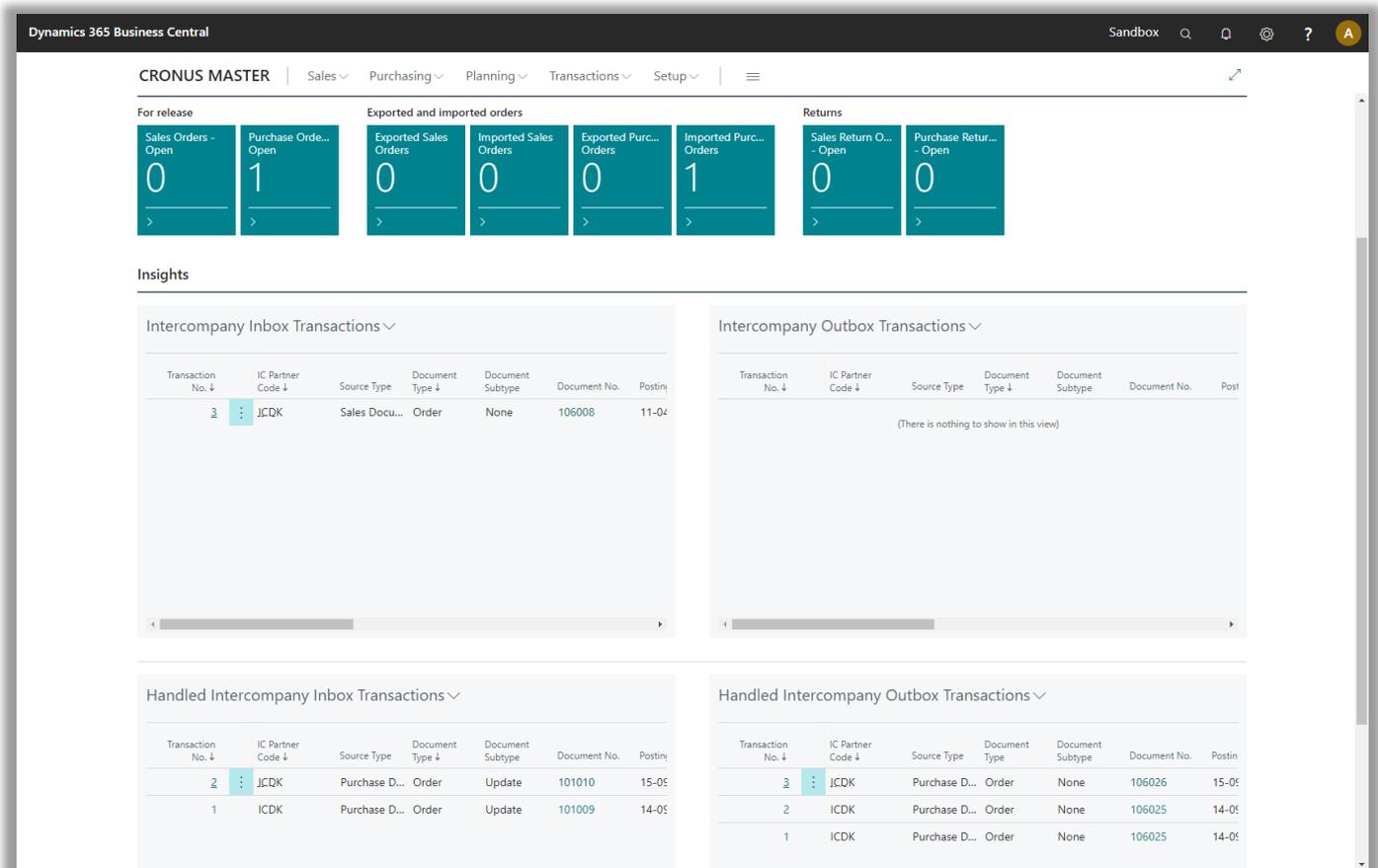
SETUP

In general, we refer to the documentation of Business Central Intercompany posting. See chapter *Intercompany Postings*.

In this chapter, we describe the most important setup tables and the changes in Advanced Intercompany that differ from the standard Business Central.

Check list

- Set up Company (IC Setup)
- Set up IC Partner
- Set up Customer/Vendor
- Set up Items
- Set up Job Queue

COMPANY SETUP

Intercompany Setup

Select Intercompany Setup and set up the company's "IC partner Code" and other settings.

This code is shown on the IC transactions that you send to the partners to identify your company as the source of the transaction.

This means that if another company wants to trade with this company, an Intercompany Partner with reference to this company, using the "IC partner Code" defined her, must be set up.

Of course, it is possible to refer to multiple companies if they are set up using the same guidelines.

General
"IC Partner Code"

Identification of the current company for Intercompany transactions exchanged with other companies.
The code will be used to connect an Intercompany partner in another company to this company.

"IC Inbox Type"

Specifies what type of Intercompany inbox you have, either *File Location* or *Database*.

"IC Inbox Details"

Used to specify path of where to exchange files, when "IC Inbox Type" *File Location* is chosen.

For "IC Inbox Type" *Database* keep the field blank.

"Auto. Send Transactions"

Activates transactions in the Intercompany outbox to be send automatically to the Intercompany partner as soon the transaction arrives in the outbox.

"Default IC Gen. Jnl. Template"

Journal Template that will be used for creating journal lines as soon the transactions arrive in the Intercompany inbox.

"Default IC Gen. Jnl. Batch"   Journal Batch that will be used for creating journal lines as soon the transactions arrive in the Intercompany inbox.

Advanced Intercompany Setup

The Advanced Intercompany Setup is where company specific settings for the Advanced Intercompany functionality are specified. Settings are grouped in three sections: *General*, *Updates* and *Supplier*.

General

"Create Purchase Document from Sales Release"

Will create a drop shipment purchase order for the items on a sales order, which has a vendor relation (on SKU, on Item Vendor or on Item) to a vendor that is set as an IC Partner.

"Send IC Order on Release"

Sends IC Order message when a purchase order to an IC Partner is released, otherwise the IC Order must be sent manually.

"Send IC Update on Release"

Sends an update message from the purchase order in the purchasing company, when the purchase order is released and new modifications related to IC have been made.
Sends an update message from the sales order in the selling company, when the sales order is released, and new modifications related to IC have been made.

"Post IC Sales Invoice"	Invoices related sales order when the purchase order is invoiced from the invoice message import.
"Post IC Cr. Memo"	Invoices related sales return order when the purchase return order is invoiced from the credit memo message import.
"Post IC Purchase Receipt"	Automatically posts the purchase receipt when a shipment message is imported.

Updates

Updates on sales and purchase lines will initially be populated to IC fields where they can be evaluated and then transferred manually. Some fields can be updated automatically depending on some of the fields in this section.

"Update Dates"	Updates "Promised Receipt Date" on purchase order/lines.
	Updates "Requested Delivery Date" on sales order/lines.
"Update Quantity"	Updates "Quantity" on purchase/sales lines.
"Price Method"	Can update direct cost and unit prices from the other company based on this setting.
	Default Both "Unit Price" in selling company and "Direct Unit Cost" in purchasing company are calculated as normal.
	Selling Company Updates "Direct Unit Cost" on purchase order line (and related sales order line) in the purchasing company from "Unit Price" on sales order line in the selling company.
	Purchasing Company Updates "Unit Cost" on sales order line in selling company from "Direct Unit Cost" on the purchase order line in the purchasing company.
"Update Item No."	Updates "Item No." or "Item Reference No." on sales order line in the selling company from "Item No." on purchase order line in the purchasing company.
	Updates "Item No." on purchase order line in the purchasing company from "Item No." on sales order line in the selling company.
"Transfer Location"	Updates "Location Code" on sales order line in the selling company from purchase order line in the purchasing company. Requires aligned location setup between the companies.

"Allow IC Update"	Must be set in the purchasing company if the selling company is allowed to send order updates.
"Use IC Sales Price"	Must be set if "Direct Unit Cost" on the drop shipment purchase order should be inserted from the sales price in the selling company. This price will be overwritten from a confirmation or update messages if "Price Method" is set to *Supplier Company*.
"IC Sales Price warning"	Specifies the handling if "Use IC Sales Price" is set and no related sales price is found in the selling company. The values are *None*, *Warning*, *Error*.

Supplier

Contains information about the supplier company if availability information is retrieved from that company instead of our own.

This is relevant to use for an installation where all stock is produced and purchased from one company and then sold through Advanced Intercompany to the other companies, that do not contain stock.

"Item Supplier Company"	Defines another company in the database that contains the main inventory and is required for the other fields in this section and the 3 default fields mentioned just above.
"Calc. availability from Supplier"	Will show the availability of items from the "Item Supplier Company" instead of the present.
"Reserve Lot/SN from Supplier"	When a sales/purchase order line on a tracked item is inserted, tracking lines will be created if Lot/SN are available in the "Item Supplier Company". This information will be sent to the supplier company with the IC Order and creates a reservation on the sales order there.
"Reserve with FEFO from Supplier"	Works together with "Reserve Lot/SN from Supplier" but selects the oldest expiration first no matter the "Costing Method" on the item.
"Default Main Location"	Overwrites "Location Code" on sales order line in the purchasing company if "Item Supplier Company" is defined.
"Default Return Location"	Overwrites "Location Code" on sales return order line in the purchasing company if "Item Supplier Company" is defined.
"Default Purchasing Code"	Overwrites "Purchasing Code" on sales order line in the purchasing company if "Item Supplier Company" is defined.

IC PARTNER SETUP

Setting up IC Partner can be found on the Intercompany Role Center activated from the Advanced IC Setup Page, or simply by typing IC Partner in the Search Box. On this page, companies that your company is either buying from or selling to are set up.

General - Advanced Intercompany field

"Purchasing Code"

The code is setting up which type of purchase the Intercompany partner is using.
On the purchasing code definition, settings determinate if the purchase is "Drop Shipment" or "Special Order".

General - Standard Intercompany fields

"Code"

Identifies the Intercompany partner.

"Name"

Company name of the Intercompany partner.

"Currency Code"

Currency code used by the Intercompany partner.

"Transfer Type"	Defines the type of transfer used for the Intercompany partner.
	File Location
	IC transactions will be processed using files exchanged in the path defined in "Folder Path".
	NOT SUPPORTED BY ADVANCED INTERCOMPANY.
	Database
	IC transactions will be processed within the database.
	Email
	IC transactions will be processed using e-mails sent to or from the e-mail address defined in field "Email Address".
	NOT SUPPORTED BY ADVANCED INTERCOMPANY.
	NO IC Transfer
	IC transactions will not be processed.
"Folder Path"	For "Transfer Type" *File Location* only.
	Defines the path where IC transactions are exchanged.
"Company Name"	For "Transfer Type" *Database* only.
	Defines the company within the database which is represented by the Intercompany partner.
"Email Address"	For "Transfer Type" *Email* only.
	Defines the e-mail address for IC transactions.
"Auto. Accept Transaction"	Transactions from this Intercompany partner will be accepted automatically if this setting is chosen.
"Blocked"	Blocks orders related to this partner from being posted as Intercompany transactions.

Sales Transaction

"Customer No."	Defines a customer to be used in Intercompany sales transactions.
"Receivables Account"	Defines a general ledger account to be used in Intercompany sales transactions.

"Outbound Sales Item No. Type"	*Internal No.* Using internal item numbers. This requires that the item numbers to be used in IC transactions must be alike in both selling company and purchasing company.
	Common Item No. Using common item numbers. This requires that the "Common Item No." field on the item card is filled in on all items to be used in IC transactions. The common number must be alike in both selling company and purchasing company. This is a kind of simple mapping directly set on the item cards.
	Cross Reference Using the mapping from the item cross reference list. Set up the cross references from the item card, action group *Related*, *Item*, *Item References*.

Purchase Transaction

"Vendor No."	Defines the vendor to be used in Intercompany purchase transactions.
"Payables Account"	Defines the general ledger account to be used in Intercompany purchase transactions.
"Outbound Purch. Item No. Type"	*Internal No.* Using internal item numbers. This requires that the item numbers to be used in IC transactions must be alike in both selling company and purchasing company.
	Common Item No. Using common item numbers. This requires that the "Common Item No." field on the item card is filled in on all items to be used in IC transactions. The common number must be alike in both selling company and purchasing company. This is a kind of simple mapping directly set on the item cards.
	Cross Reference Using the mapping from the item cross reference list. Set up the cross references from the item card, action group *Related*, *Item*, *Item References*.
	Vendor Item No. Using the "Vendor Item No." defined on the item card inside the *Replenishment* fast tab. Must be defined in the purchasing company. In the selling company it is "No." on the item card.
"Cost Distribution in LCY"	Costs are allocated in local currency.

CUSTOMER/VENDOR SETUP

Vendor setup

In the selling company, the vendor(s) must be set up in order to interact as IC vendor(s).

General
"IC Partner Code"   The field specifies the IC Partner Code of the vendor if the vendor is one of the company's Intercompany partners.

When the vendor has been assigned an IC partner code, IC transactions can be sent to the company's IC outbox when creating a purchasing document for the vendor. Transactions marked with the vendor's number are automatically marked as IC transactions when they are posted.

Customer setup

In the delivering company, you must specify the customer(s) that you want to trade with (IC partners).

General
"IC Partner Code"   The field specifies the IC partner code of the customer if the customer is one of the company's IC partners.

When the customer has been assigned an IC partner code, IC transactions can be sent to the company's IC outbox when creating a sales document for the customer. Transactions marked with the customer's number are automatically marked as IC transactions when they are posted.

ITEM SETUP

On the item, a vendor must be specified. It is used when a purchase order is created with Drop Shipment, meaning direct delivery. If the vendor is set up as an IC partner an IC purchase order is also sent.

Advanced Intercompany also supports item tracking which is described later in the document.

Replenishment

"Vendor No"	When using Intercompany it is importing to have defined the vendor from where the item is purchased from. On the vendor, field "IC Partner Code" is referring to the Intercompany partner supplying the current item.
"Vendor Item No."	When using *Vendor Item No.* as transfer type in Intercompany partner setup, please fill in "Vendor Item No." in purchasing company.

Depending on the transfer type defined in the Intercompany partner card, setting up the fields mentioned below is important for having the Intercompany transaction process running smoothly.

General

"No."

Defines the item number. Be aware the item number must be alike in both selling company and purchasing company when using *Internal No.* as transfer type in Intercompany partner setup, defined in the fields "Outbound Sales Item No. Type" and "Outbound Purch Item No. Type".

"Common Item No."

When using *Common Item No.* as transfer type in Intercompany partner setup, please fill in "Common Item No." in both selling company and purchasing company.

"Vendor Item No."

When using *Vendor Item No.* as transfer type in Intercompany partner setup, please fill in "Vendor Item No." in purchasing company.

JOB QUEUE SETUP

If you want to automate the transfer of transactions in the inbox it is possible to set up a job in the job queue.

The job executes transactions in the inbox in order to create sales orders in the receiving company.

Insert a Job Queue Entry for *Report 6208250 "Complete IC Inbox Action"* with a recurrency frequency that suits your business flow.

INTERCOMPANY POSTINGS
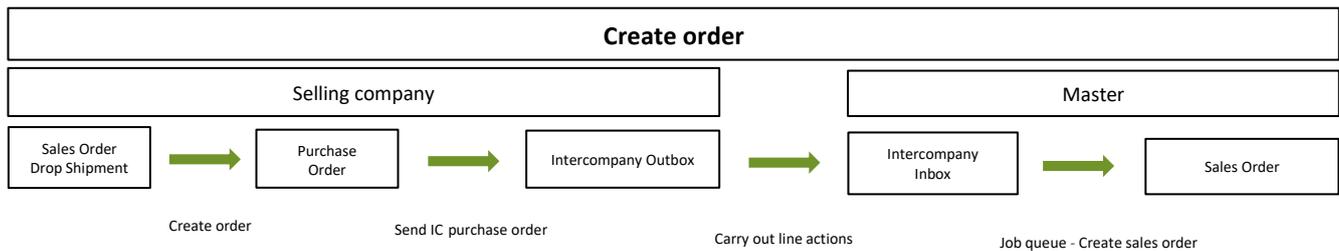
Create order

This function creates a purchase order if the sales order line is set up for drop shipment. If the item is bought of a vendor that is set up for Intercompany posting, the purchase order is transferred to the Intercompany outbox.

These steps might also be executed manually - Intercompany is in essence an optimization of the processes involved.

Create order			
Selling company		Master	

With Advanced Intercompany, it is possible to create a purchase order directly from the sales order as shown in the picture below. This is an enhancement to the standard Business Central functionality.
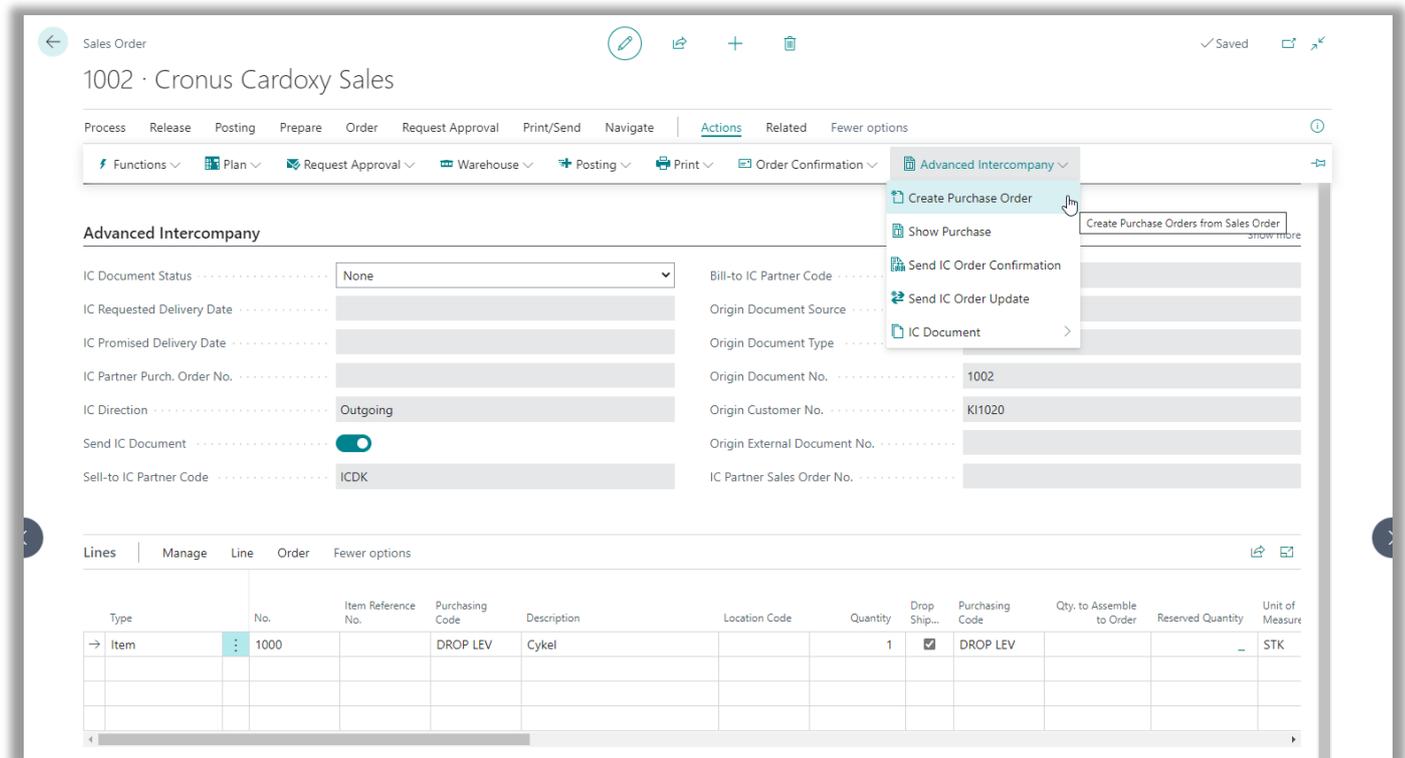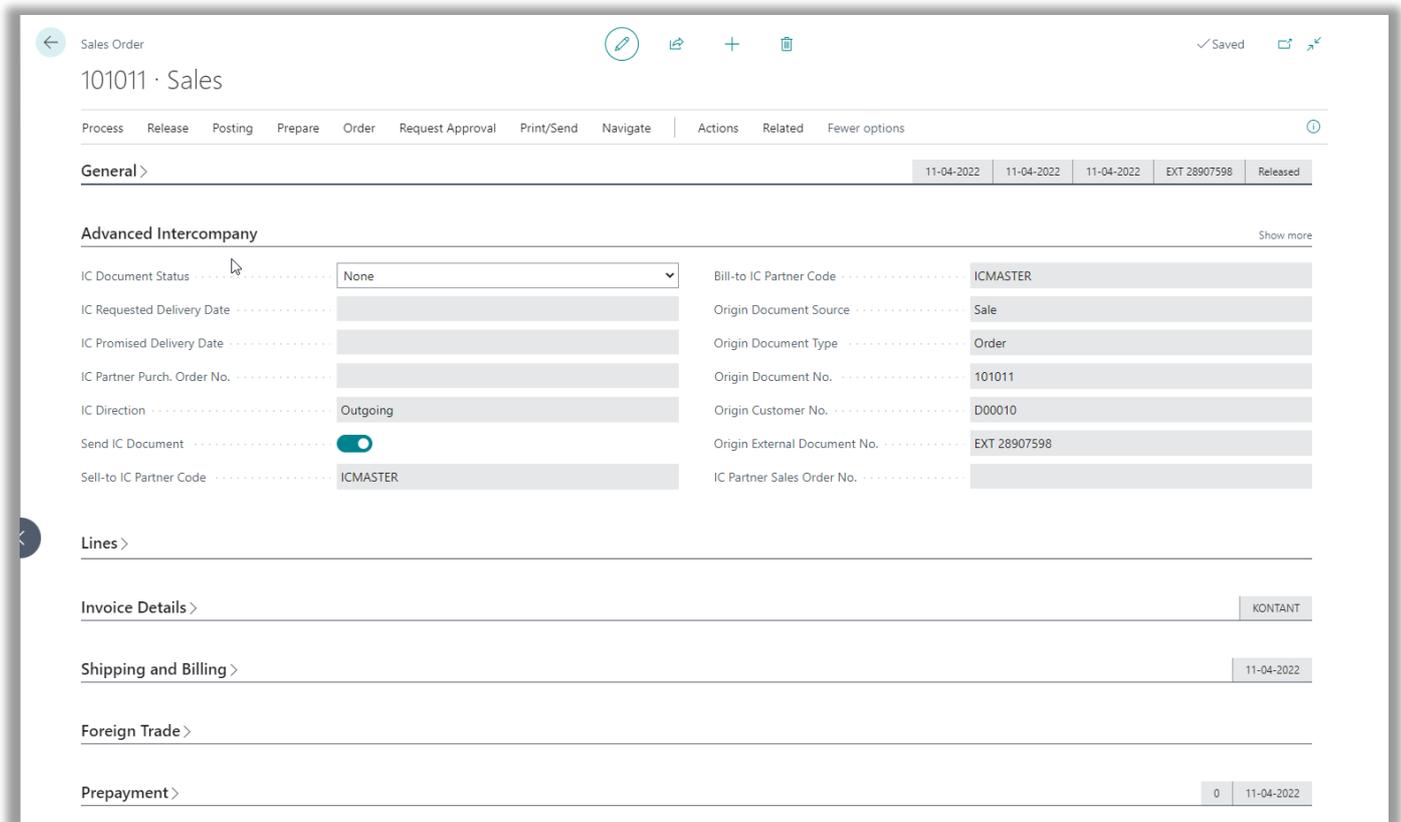

Sales orders in CRONUS MASTER
On the sales order in CRONUS MASTER, there is a reference to the purchase order and the sales order in CRONUS Danmark A/S.

There is also a reference to the original external document number from CRONUS Danmark A/S because this often is used when shipping the order.


Order posting

As mentioned, the automated creation of Intercompany orders is an optimization of manual processes whereas the processes regarding posting of the orders have been changed completely.

Shipments

Posting of shipments takes place in CRONUS MASTER. When the shipment has been posted in CRONUS MASTER it is sent to the Intercompany outbox and transferred to the Intercompany inbox in CROUS Denmark.

If a job is set up to handle the transactions in the job queue, the purchase order is posted as received and the sales order is posted as shipped.
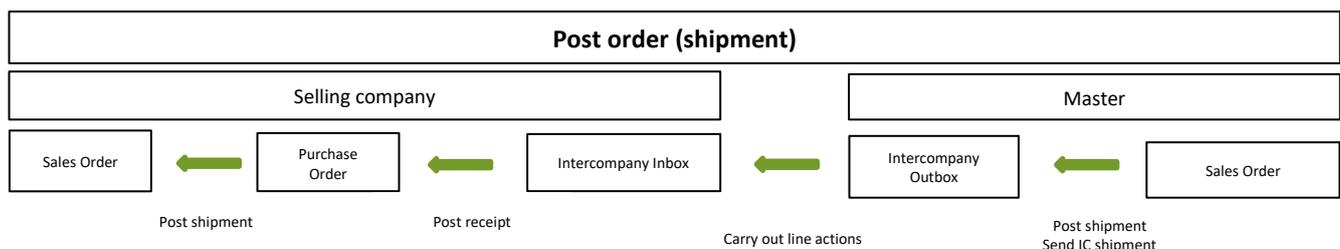
Invoicing

Invoicing of the sales order takes place in CRONUS MASTER. When the sales order has been invoiced in CRONUS MASTER it is sent to the Intercompany outbox and transferred to the Intercompany inbox in CRONUS Danmark A/S.

If a job is set up in the job queue to handle the inbox, the purchase order is posted as invoiced.

If the sales order is set up to be invoiced (the field "Post IC Sales Order" on "IC Setup"), the sales order is being invoiced. If the field "Post IC Sales Order" is not set, the process can be handled manually in the selling company.
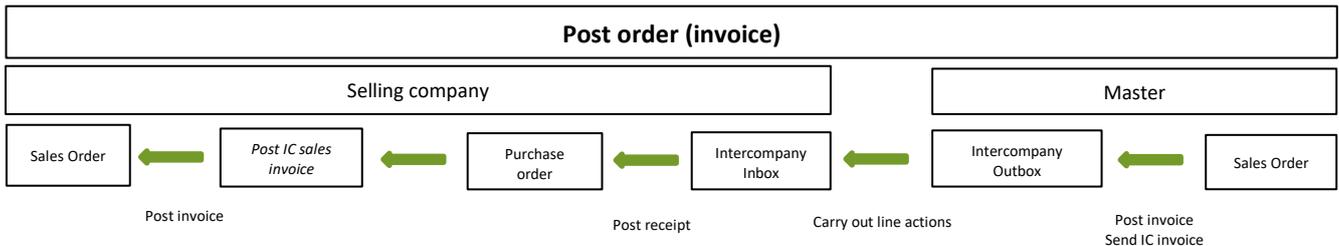
Set up "Post IC Sales Invoice"

If you want to invoice the sales order in the selling company when it is posted in CRONUS MASTER, the field "Post IC Sales Invoice" must be set to Yes in "Advanced Intercompany Setup".
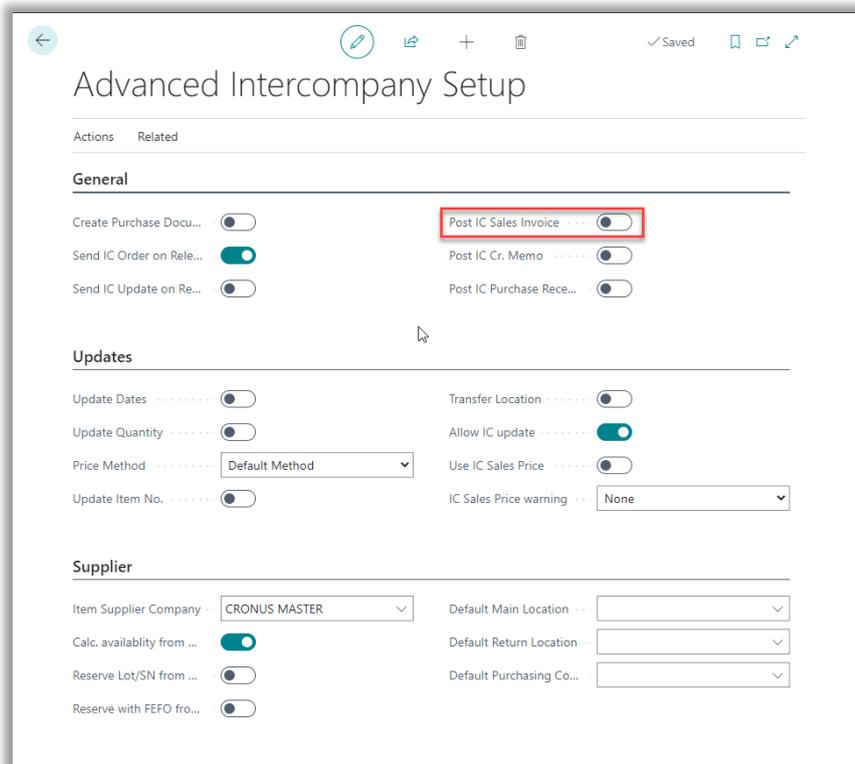

Item Tracking

If a sales order or a purchase order has item tracking, the item tracking lines are equally transferred to the receiving company.

The item tracking lines can be viewed on an unhandled transaction on the card that opens if you press the field "Transaction No." on the line in the inbox. If the transaction has been handled, the item tracking lines can be viewed from the created sales or purchase document.
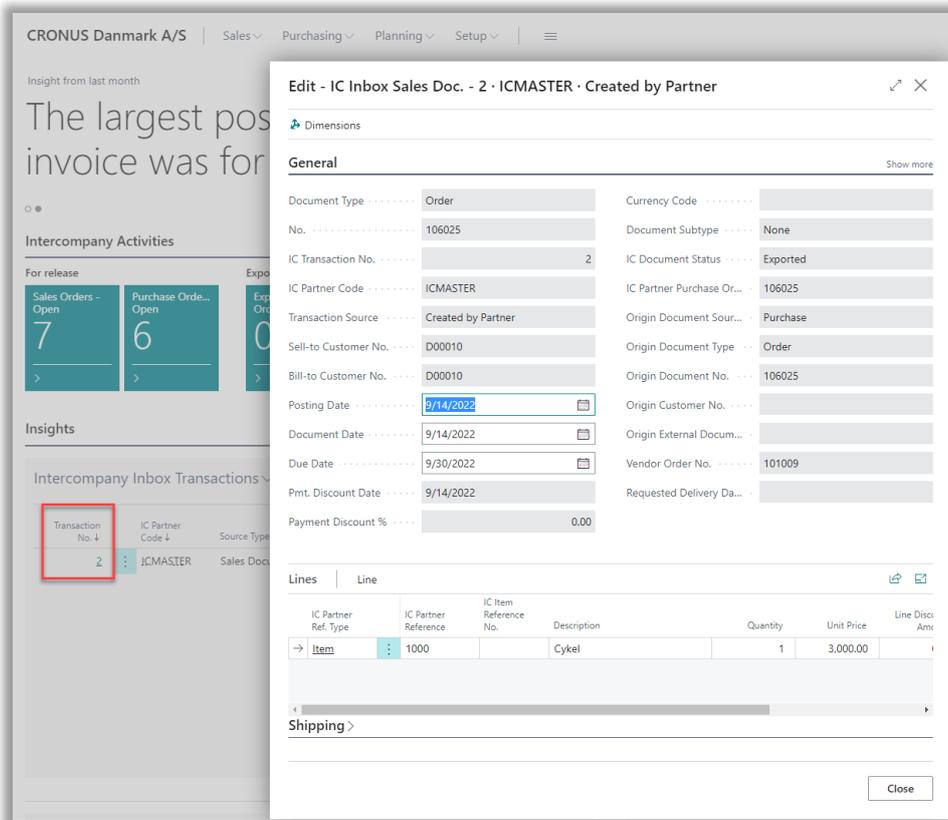
Item Availability

On the item card, Advanced Intercompany makes it possible to view stock/availability in other companies/ suppliers.
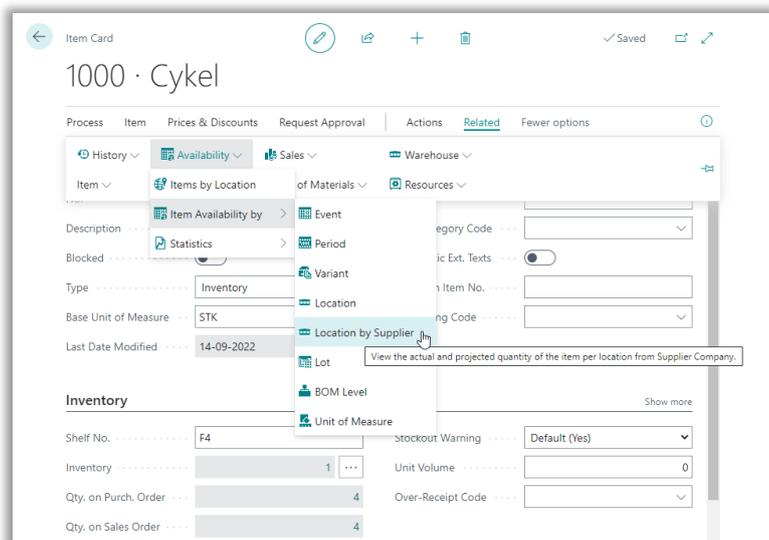
Error handling

When running the processes, errors can occur. This applies both to creation of orders and to posting of orders. If an error occurs, it is saved in the IC inbox and the field "Line Action" has the value *Error*.

An example of an error is posting a sales order in CRONUS MASTER in the beginning of a month. The request for posting of the purchase order is sent to the selling company. If the posting period has not been extended for the next month, posting of the purchase order will fail. This means that the transaction in the inbox is not being handled, and it will remain in the inbox with the value *Error* in "Line Action".

For this reason, it is necessary to monitor the inbox in order to handle errors quickly.

To re-process a transaction, chose the transaction in the unhandled inbox or outbox on the role center. Chose the action menu Accept and then "Carry Out Line Actions".
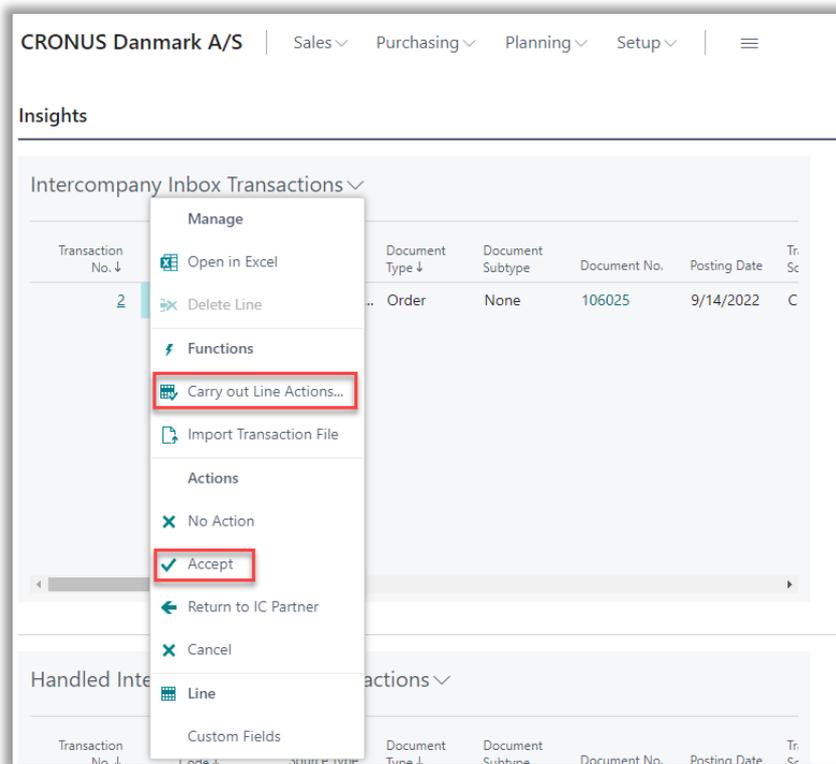
APPENDIX A - DEMO DATA

Advanced Intercompany provides a pre-defined set of demo data, which can be inserted on demand. Demo data are useful when learning how to use Advanced Intercompany.

Applying demo data will insert setup and a few Intercompany Partners in two or three companies.

The demo data creation function can create new companies based on an existing company, or you can refer to existing companies and apply demo data into these.

When creating demo data with new companies, you must have Business Central opened in the company from where you copy the current company into the new companies. The new companies will be based on an exact copy of the contents of the current company.

If you are setting demo data up in a database provided with the standard installation, you want to create the demo companies based on the CRONUS company.

You will be able to adjust the settings for demo data. Company names used can be changed and a few default codes to be used with the demo data can be altered if you prefer using alternatives to the predefined settings.

Default companies are 'CRONUS DK (Supplier)', 'CRONUS NL' and 'CRONUS DE'.

Create demo data

From the Advanced Intercompany Setup page, you have to access the action "Create Demo Data".
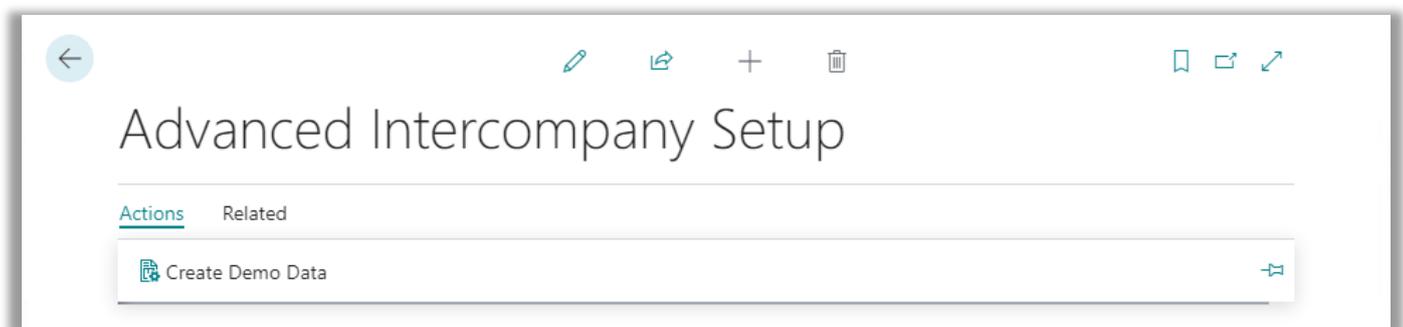
Create Demo Data settings

Demo data is created on basis of the settings in the Create Demo Data page. The default settings are set when opening the page and if the "Save Settings" option not already has been set.

| "Save Settings" | The current settings will not be replaced with the default settings when field "Save Settings" is set. The field is set automatically when "Supplier Company Name" is set. |
| | If you want to restore the default settings on this page, you must deselect the "Save Settings" option, the close and re-open the page. |

Companies

"Supplier Company Name"	Company from which items are delivered within the Intercompany structure.
"1st Purchaser Company Name"	Company to which items are delivered within the Intercompany structure.
"2nd Purchaser Company Name"	Company to which items are delivered within the Intercompany structure.
	Field "2nd Purchaser Company Name" is not mandatory. If this field is left blank, only the companies defined in "Supplier

Company Name" and "1st Purchaser Company Name" are created/processed.

Default Codes

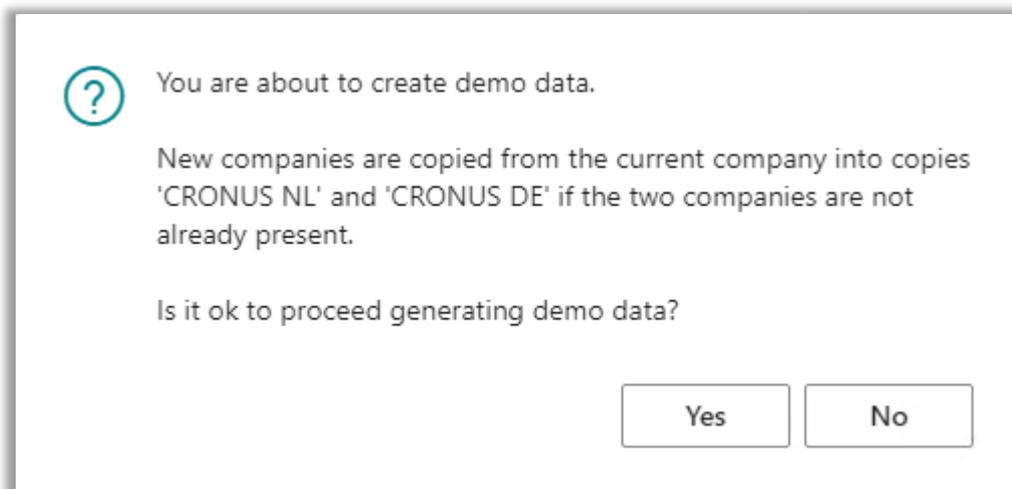|	
"Gen. Business Posting Group Code"	Posting Group Code used when setting up customers and vendor.
"Customer Posting Group Code"	Posting Group Code used when setting up customers.
"Vendor Posting Group Code"	Posting Group Code used when setting up vendor.
"Customer Payment Terms Code"	Date formula used when setting up customers.
"Vendor Payment Terms Code"	Date formula used when setting up vendor.
"Drop Shipment Code"	"Purchasing Code" defining for drop shipment. The code is used when setting up Intercompany Partner. In the demo data, Intercompany Partners will have "Purchasing Code" set up for drop shipment.

Create Demo Data

To create demo data, push the action "Start Create Demo Data". Demo data will be inserted with pre-defined values.

Demo data comes with setup for one "Supplier Company" and one or two "Purchaser companies". The companies are set up with Intercompany settings to be ready to interact with each other.

See the *Demo Data Walk-through* in the *Advanced Intercompany Quick Guide* for more information.

If the companies defined not already exist, the supplier- and purchaser companies will be copied from the current company.

? You are about to create demo data.

New companies are copied from the current company into copies 'CRONUS NL' and 'CRONUS DE' if the two companies are not already present.

Is it ok to proceed generating demo data?

Yes   No

If you are satisfied with your settings, then proceed by pressing "Yes".

Copying companies takes a while. When completed, the companies from the setup are updated with Intercompany settings including Intercompany partners, customers and a vendor.

APPENDIX B – INTERCOMPANY SETUP FEATURE

In a transition period, the old IC Setup page is active causing an error when accessing the page.
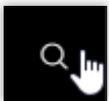It is necessary to set up a feature if the following error occurs.

Go to *Feature Management* by using the search field.

Here you must enable 'Feature Update: Automatically accept intercompany general journal transactions'

APPENDIX C - TERMS USED

Drop Shipment — Shipping with direct delivery.

FEFO — First Expired First Out. Use items ranked by expiration date.

Purchasing company — The company within the Intercompany structure to which purchased items are delivered.

Selling company — The company within the Intercompany structure from where items are sold and shipped from.

Update message — Messages exchanged between companies within the Intercompany structure. Update messages are to be found in the inbox and the outbox.

Update messages can be information, confirmation, or requests for changes in the original order.