



Acquisition Plan: Genesis Acquisition Plan

Extension of Oracle Purchasing,
Genesis Budget Plus+ modules:
Consolidation and execution of the
acquisition plan in Oracle ERP



Contents

SYSTEM ARCHITECTURE WITH ORACLE eBS.....	3
MANAGEMENT SUMMARY	4
NO CUSTOMIZATION	4
INTRODUCTION.....	5
DESCRIPTION	6
SPECIFIC FEATURES	8
Integration of the budgeting process with the acquisition process	8
Secure operation of the acquisition plan in a centralized form	8
Electronic approval of the acquisition plans	8
Establish the acquisition strategy and set the assignment data.....	8
Bid requisition generation for acquisition source definition.....	9
Generating the purchase requisition	9
Acquisition plan for investments and internal services provision	9
HOW WAS THE PRODUCT DEVELOPED.....	10

MANAGEMENT SUMMARY

The consulting company, Genesis Software Consulting, offers a suite of products, which also includes Genesis Acquisition Plan, fully integrated into Oracle Applications E-Business Suite. Acquisition Plan is based on the budget baseline process centralizing the demand forecast of purchasable products, services and work orders; **centralized data are structured on acquisition codes and assessed in the reference currency; the assignment date time is set for each item line in the plan; the plan item lines are launched for generating requisitions for bidding – contracting, as well as for the supply.**



Genesis products have been designed as a new work interface in ERP application, a role rather than module-oriented one. In order to perform the same operations in the new interface, the user is faced with less screens, the information is condensed, automated and secured, while maintaining control and the possibility to correct operating errors.

Genesis Acquisition Plan is an application, which proves its utility for Oracle ERP systems where E-Business Suite and Genesis: Oracle Purchasing, Genesis Budget Plus+ modules are also implemented.

NO CUSTOMIZATION

At Genesis, we do not recommend changes (customization) on Oracle standard application. Why do we consider customizations as a problem? Regression – a development on a standard feature can involuntarily lead to malfunctions in other areas of the application. The application support can no longer be provided if the standard features have suffered changes. Upgrade to new versions of the application becomes more expensive if there are any customizations. Knowledge – you have the supplier's support and the related documentation for the standard applications, while for customizations, this information is partial and owned by a small number of developers. These are just a part of the trap list that can result by customizing ERP.

Therefore, we do not recommend and we do not agree with changing the standard Oracle application. We have developed our products as separate instruments, over standard features, without interfering with or changing them. Our products simplify the use of the Oracle Application to solve more efficiently your company's problems. Oracle application standard features remain unaffected by our products, and you can still use them independently from these ones.

INTRODUCTION

The budgeting and forecasting of the resource demand, used for the activities of a company or institution must connect naturally to the acquisition process – the connection key is called *Acquisition Plan*. Planning time horizon is typically one year; for this reason, the plan is also known as the *Annual Acquisition Plan*.

The plan must have a unique representation, as it should also be in audible, printed format. For this, it must be numbered and versioned in order to track the changes made in time.

The acquisition plan represents an indispensable mechanism for an effective management. With its help, we ensure that, at any time, the purchased items are consistent with the forecast of the resource consumption necessary to conduct the activities, and the value of these items fall within an approved budget. The acquisition plan represents the centralized demand of products, services and work orders, for a year, broken down by calendar months. Having a clear image of the demand, the Acquisition manager establishes the strategy to perform the plan by configuring the assignment data: acquisition method, the person responsible and the deadline. After establishing the acquisition strategy, the manager responsible uses the plan to run it in two specific directions: for bidding, generating the requisition used to substantiate the bidding process; for the proper acquisition, generating the purchase requisition. The requisitions generation process must be auditable by printing them as documents with unique number.

The acquisition plan enables the complete tracking of the acquisition process. For each item in the plan, **Genesis Acquisition Plan automatically brings the execution information: numbers of the bidding and purchase requisition, number of bid, contracts and orders. In a single centralized screen, the management can audit the entire acquisition process being able to identify potential problems and to make the right decisions in a timely manner.**

The elements of the budgetary control can be registered by using Genesis Acquisition Plan. The requisitions, generated from the plan, generate budgetary commitments on accounts. In the case of budgetary institutions, the acquisition process generates specific budgetary commitment documents.

Internally settled services - such as maintenance, training and transportation - require special planning mechanisms for acquisition. The bidding process is performed using a generic item, describing the project, and the acquisition execution is performed on specific items that indicate the products and services necessary for the project.

The acquisition planning for investment is performed similar to internally settled services. The investment is tendered and bid by using a sole, generic item, describing the investment project, and the execution is performed on specific items indicating the products and services needed for the investment. Genesis Acquisition Plan allows the investment projects to take place over several years, so it is contained in several investment plans.

Genesis Acquisition Plan, leading innovation in eBS, is the perfect solution for the centralized controlled performance of the acquisition activity in an institution, in line with the budget.

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ACQUISITION PLAN

Excerpt from Steve Jobs – Innovation secrets, Carmine Gallo

"One month after the Boston Macworld Expo, Apple launched the **Think different** ad campaign, widely credited for restoring Apple's image after the debacle of the previous years. The campaign, preceded by Jobs's presentation, highlighted the difference between innovators and imitators: the former cherish the dreams and strongly believe in the ability of their customers to change the world, while the imitators see in their customers only the image of money and nothing more."

DESCRIPTION

Genesis Acquisition Plan product integrates features from Oracle Purchasing and Genesis Budget Plus+, in order to provide the planner the ability to **achieve in a controlled manner, centralized**, the acquisition for an institution. **The Acquisition Plan**, the core entity of Acquisition Plan product, is the Genesis solution for centralized operation: to collect the annual demand of purchasable resources approved at cost center level consistent with the budget; defining the acquisition strategy by entering the assignment data; running the plan for bidding, contracting and acquisition.



Fig. 1. Genesis Acquisition Plan

Acquisition Plans are uniquely identified by year, version and revision. Plans are unique on institution (legal entity) collecting data from the organizations' plans (departments & equipment) performing activities (projects and project tasks). The acquisition plan is feeding with data from *Genesis Budget Plus+* forecasting plan.

Plan item lines are automatically classified by types: products, services, work orders and investments, according to the type of *Forecasting Plan* from which came from, and the items category contained herein.

Several actions can be performed on an acquisition plan: populate, whereby the organization and activity level based plans, are centralized; defining the exchange rate in relation with the reference currency; approval, whereby the collected data in the plan, are tracked through an approval workflow. The process of performing the acquisition plans uses electronic approval mechanisms from Oracle Workflow, thus providing managerial and economic control mechanisms.

The plan item lines can be analyzed from different perspectives: grouped by items, quantities or values; or grouped on items categories, on values, in the functional currency or in a reference currency.

The acquisition plan evolves in time materializing the following planning steps: assignment, which determines, for each plan item line, the assignment method, the person responsible and the timelines of the assignment; bidding, whereby the plan item lines are contained in a requisition to establish the supply source and finalized with an agreement; execution, whereby the bid plan item lines are contained in a purchase requisition to the supplier.

Genesis Acquisition Plan product also treats the special case of internal settled service planning, and investment. In these cases, the acquisition plan contains two types of plan item lines, associated with each other: a master plan item line, required for bidding the work; several secondary plan item lines, required for the execution of the work.

The generation process of the requisition, from the acquisition plan item lines, are controlled through an Oracle Workflow process, which ensures the electronic approvals, managerial and preventive financial control, as well as the automatic run of the *Purchase Requisition* report. Electronic notifications display the available budget funds, and the budget control formula. The values contained in the requisition, automatically generate encumbrance journals in Oracle General Ledger.

With Genesis Acquisition Plan, all standard Oracle features remain unaffected, obtaining a friendly and intuitive user interface where different users manage complex processes in various stages.

Use of Acquisition Plan product in Oracle implementation projects enabled Genesis to expand the ERP implementation in the area of resource use forecasting and demanding. Using a single centralizing form, planners manage now both the centralization of the purchasable resources demand, with setting the acquisition strategy, and the performance and control of acquisition execution, for an entire year of activity, broken down by accounting period.

SPECIFIC FEATURES

Genesis Acquisition Plan integrates the budget baseline process and the forecasting with the acquisition process within Oracle eBS, in order to provide the planner with the possibility to strengthen the demand of purchasable resources from operating activities or investments, and the controlled performance of plan execution, using a single centralized application form.



Integration of the budgeting process with the acquisition process

Managers need that the foundation of the bottom-up decentralized budget, detailed at the level of the resources demand, to be integrated with the acquisition execution centralized process.

Genesis Acquisition Plan integrates the foundation process of the budget performed in **Genesis Budget Plus+** product, with the acquisition process from *Oracle Purchasing*, to be able to match items and values acquired with the approved budget of the activities forecasting plan, detailed at the level of resources required, for each cost center.



Secure operation of the acquisition plan in a centralized form

In order to control the acquisition process in a centralized manner, the planners are using a single application, regardless of the type of activity from which the request derives: operation or investment.

Centralization also implies the possibility of roles and rights based secure operation. Buyers may also play the role of planner for the plan item lines for which he/she is responsible.

Genesis Acquisition Plan provides the integrating solution for centralized, execution and monitoring of the acquisition plan. The plan is uniquely identified by the number of the year, with version and revision control numbers associated.

Item	CPV Description	Item Code	Tip	Contr.	UOM	Total	Total EUR	Responsible Person
301.30.30192124-6	Felt-tipped pens	30153110MAA001	PRSD	BUC	156			Balazs Doron
301.30.30192124-6	Felt-tipped pens	30153110MAA001	PRSD	BUC	52			Balazs Doron
301.30.30192124-6	Felt-tipped pens	30192124MAA001	PRSD	BUC	1			Balazs Doron
301.30.30192126-0	Technical pens	30192126MAA001	PRSD	BUC	10			Balazs Doron
301.30.30192126-0	Technical pens	30192126MAA001	PRSD	BUC	10			Balazs Doron
301.30.30442200-5	Terminal boxes	B11111100B001	PRSD	BUC	900			Balazs Doron
301.30.30192119-9	Teaching supplies	30192119MAA001	PRSD	BUC	10			Balazs Doron
301.30.42514310-8	Air filters	42514310MAA001	PRSD	BUC	15			Balazs Doron

Fig. 2. Acquisition plan



Electronic approval of the acquisition plans

The acquisition plan goes through an approval process – prerequisite for execution start.

Acquisition plan contains a configurable electronic approval flow that uses Oracle Workflow.

The planner has the **Annual Acquisition Plan report**, which can be run and printed for auditing.



Establish the acquisition strategy and set the assignment data

The acquisition plan can cover a wide range of scenarios: acquisition with unique source, with multiple sources, with tendering, with blanket agreement or specific agreements. The acquisition procedure should be consistent with value limits grouped by categories of acquisitions.

Genesis Acquisition Plan allows, for each plan item line, to define the acquisition strategy by setting: the assignment

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ACQUISITION PLAN

procedure, the person responsible, and the period of the bid.

Item No.	CPV	CPV Description	Assignment Mode	Total	Total EUR	Responsible Person
20.01.30	30192124.6	Fall-ignited pens	Direct Purchase	4734	1076.91	Balmsu Doran
20.01.30	30192130.0	Technical pens	Direct Purchase	100	22.73	Balmsu Doran
20.01.30	30197620.8	Writing paper	Direct Purchase	100	22.73	Balmsu Doran
20.05.30	32442203.6	Terminal boxes	Direct Purchase	3000	2046.45	Balmsu Doran
20.01.30	30162110.9	Teaching supplies	Direct Purchase	20	4.55	Balmsu Doran
20.01.30	45314010.8	Nut files	Direct Purchase	1500	340.91	Balmsu Doran
20.01.30	44531600.7	Nuts	Direct Purchase	100	22.73	Balmsu Doran
20.01.30	45222110.3	Waste disposal site construct	Direct Purchase	100	22.73	Balmsu Doran

Fig. 3. Configuration of the acquisition strategy



Bid requisition generation for acquisition source definition

The management needs that the *Acquisition plan* – after centralizing the resources demand from the activities plan, with the setting of the acquisition strategy and after it was approved – to be integrated with the acquisition process.

Genesis Acquisition Plan is naturally integrated with *Oracle Purchasing*, for requisitions generation and monitor.

Bidding requisition represents the first document, the *Acquisition plan* can generate. The process is controlled through Oracle Workflow, and include: approval notifications, interfacing with Oracle Purchasing, generating encumbrance journals in Oracle General Ledger and running the *Purchase requisition* report.

The auction with the winning supplier, and the associated agreement which closes the bidding process, are visible in the *Acquisition plan*.



Generating the purchase requisition

The acquisition requisition for execution represents the second document that the *Acquisition plan* can generate.

This can happen subject to completion of the auction process.

The generation process is controlled through Oracle Workflow and include: approval notifications, interfacing with Oracle Purchasing, generating of encumbrance journals in Oracle General Ledger and running of the *Purchase requisition* report.

ReqNo	LineNo	Approved Date	Quantity	Need by date	Organization	Subinventory	Status
286	1	18-SEP-2013	4	01-JAN-2012	H01 Who Headquarter IC	H01-001	APPROVED
335	3	09-OCT-2013	32	01-JAN-2012	H01 Who Headquarter IC	H01-001	APPROVED

Fig. 4. Requisitions generated from the plan



Acquisition plan for investments and internal services provision

Genesis Acquisition Plan also supports the special cases of acquisition for the investment activity or the internal services provision.

The *Acquisition plan* centralizing form can be used both for the common activities and for the special ones.

The element that distinguishes the special activities is the presence of two types of plan item lines: a master plan item line which contains the general item describing the investment project or service provision (maintenance, training, and transportation); one or more secondary lines, associated to the master line, representing the resource demand, needed for the work fulfillment.

The bidding requisitions are generated only from the master plan item line, and the acquisition execution requisitions are generated only from the secondary plan item lines.

HOW WAS THE PRODUCT DEVELOPED

Genesis Acquisition Plan was developed progressively, covering the problems raised by different customers in implementation projects. Experiencing complex design, development and testing processes, we have developed a standalone product, with proper screens and tables, which interface with the standard modules. The product is easy recognizable as an entity and control, like any other Oracle product.

Genesis Acquisition Plan refers to all the technical elements characterizing an Oracle product: It has its own schema of the database objects, specific configuration elements, operating forms and operation outcome interrogation forms. Genesis development team uses in the *Acquisition Plan* the modern mechanisms offered by Oracle Workflow. Thus, the developed operating form, *Acquisition Plan* contains two workflow processes. The first process is used to approve the acquisition plan. The second process approves the generated requisitions, interfaces with Oracle Purchasing and Oracle General Ledger and runs the audit reports.

Genesis Acquisition Plan has its own set of reports supporting the planning process. The requisitions generation process automatically runs the *Purchase Requisition* report.



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