

## 6.5. Creating Purchase Orders

The goal of inventory planning is to place the right purchase orders at the right time. Streamline enables you to create purchase orders based on the generated purchase recommendations. These recommendations are considered as a starting point for deciding what to order currently from your suppliers.

Streamline allows you to review and adjust the ordered quantity before you send out the purchase order to the supplier. It also offers a range of factors that you can use to determine which items to include in the order. Among them:

- Excess part of a purchase order ([Excess order](#))
- Number of days the ordered quantity can supply (**Days of supply**)
- Purchase line value
- ABC analysis
- [Turn-earn index](#)
- [Gross margin](#)

Streamline automatically calculates all the listed factors if necessary data is imported. The **Excess order** and **Days of supply** are always calculated. Required data for the other factors are shown in the table below.

Factors	Required data
ABC analysis based on revenue.	<b>Item selling price</b>
<b>Turn-earn index, Gross-margin.</b>	<b>Item balance value or item purchase price</b>
Purchase line value.	<b>Item purchase price</b>

There are two ways to create purchase orders in Streamline:

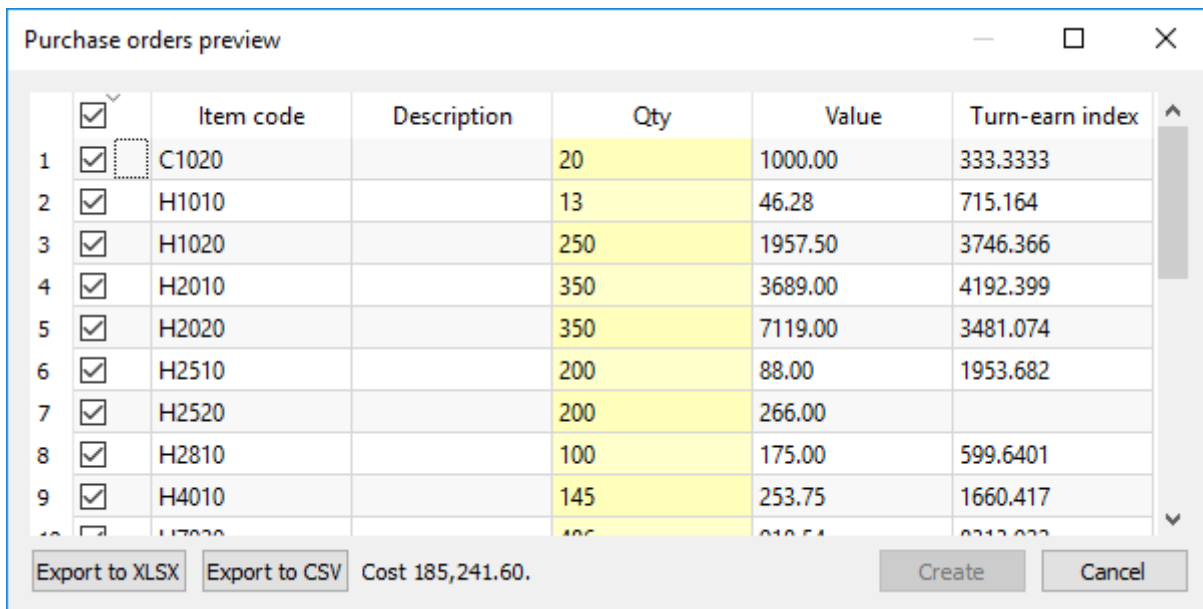
- [Create purchase orders in Streamline](#) and export them to Excel (or [your ERP system](#)).
- [Export inventory report to Excel](#) and edit purchase orders there.

Let us show you how to create purchase orders using these methods.

### Creating Purchase Orders in Streamline

To create purchase orders in Streamline:

1. Go to the **Inventory planning** tab and click the **Purchase orders** button in the tab toolbar. Then, Streamline opens the **Purchase orders preview** dialog (see figure below).



In the dialog, you can:

- sort the table by any column by clicking its header;
- select which items to include in the purchase orders;
- adjust the ordered quantity by editing the **Qty** column;
- export selected purchase order lines to Excel by clicking the **Export to XLSX** or **Export to CSV** button; and
- create purchase orders in the [ERP or accounting system](#) by clicking the **Create** button.

The **Export to CSV** button is specially designed to export very large tables.

In our example, the data source is a spreadsheet, that's why the **Create** button is greyed out. However, if you create a project using

- one of [special data connections](#) or
- the **Database connection** with the [exporting query](#) configured,

Streamline is able to create purchase orders in the system which is the project's data source. For example, if you create a project from a QuickBooks company file, the **Create** button automatically sends the selected purchase order lines into QuickBooks and creates corresponding purchase orders there. We will show how that works later in this article.

2. Let's sort the table by the **Turn-earn index** column to find out the most profitable items (see figure below).

	<input checked="" type="checkbox"/>	Item code	Description	Qty	Value	Turn-earn index
1	<input checked="" type="checkbox"/>	H7030		389	735.21	26,994.32
2	<input checked="" type="checkbox"/>	H7020		486	918.54	8313.922
3	<input checked="" type="checkbox"/>	L2020		91	12,103.00	4193.832
4	<input checked="" type="checkbox"/>	H2010		350	3689.00	4192.399
5	<input checked="" type="checkbox"/>	H1020		250	1957.50	3746.366
6	<input checked="" type="checkbox"/>	H2020		350	7119.00	3481.074
7	<input checked="" type="checkbox"/>	R1001		396	31,680.00	3358.444
8	<input checked="" type="checkbox"/>	H2510		200	88.00	1953.682
9	<input checked="" type="checkbox"/>	L1010		2230	98,120.00	1731.668

Export to XLSX   Export to CSV   Cost 185,241.60.   Create   Cancel

3. Now, as an example, let's select several items and adjust the ordered quantity for some of them (see figure below).

	<input checked="" type="checkbox"/>	Item code	Description	Qty	Value	Turn-earn index
1	<input checked="" type="checkbox"/>	H7030		500	945.00	26,994.32
2	<input checked="" type="checkbox"/>	H7020		500	945.00	8313.922
3	<input checked="" type="checkbox"/>	L2020		100	13,300.00	4193.832
4	<input type="checkbox"/>	H2010		350	3689.00	4192.399
5	<input checked="" type="checkbox"/>	H1020		250	1957.50	3746.366
6	<input checked="" type="checkbox"/>	H2020		350	7119.00	3481.074
7	<input type="checkbox"/>	R1001		396	31,680.00	3358.444
8	<input checked="" type="checkbox"/>	H2510		200	88.00	1953.682
9	<input type="checkbox"/>	L1010		2230	98,120.00	1731.668

Export to XLSX   Export to CSV   Cost 24,354.50.   Create   Cancel

Streamline automatically marks the adjusted quantities with blue.

4. Finally, let's export the selected lines into Excel by clicking the **Export to XLSX** button (see figure below).

A	B	C	D	E	F
	Item code	Description	Qty	Value	Turn-earn index
1	H1020		250.	1957.5	3746.366
2	H2020		350.	7119.	3481.074
3	H2510		200.	88.	1953.682
4	H7020		500.	945.	8313.922
5	H7030		500.	945.	26994.322
6	L2020		100.	13300.	4193.832

In the next section, we show how you can create and send purchase orders in a 3-rd party system.

## Creating and Sending Purchase Orders to Your ERP/accounting System

In order to send purchase orders into your ERP system, you should create a Streamline project using a connection to your system. Streamline has build-in bi-directional connections to:

- [QuickBooks](#),
- [Microsoft Dynamics NAV](#),
- [Spire](#),
- [Unleashed](#), and
- [TradeGecko](#).

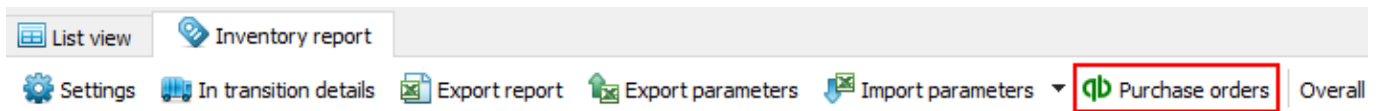
Moreover, if your system is not on the list, you can establish a similar connection to it by using the [Database connection](#).

Further, we show how to create and send purchase orders in QuickBooks.

First, we [created](#) a project from a QuickBooks sample company file.

To create and send purchase orders to QuickBooks, do the following:

1. Go to the **Inventory planning** tab and click the **Purchase orders** button in the tab toolbar (see figure below).



2. Select the items you want to include in the purchase orders in the **Purchase orders preview** dialog opened. Adjust the quantities if necessary (see figure below).

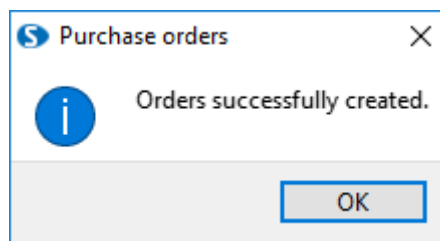
	<input type="checkbox"/>	Supplier	Item code	Description	Qty	Value	Order #	Turn-earn index
1	<input checked="" type="checkbox"/>	Lipps Pool Sup...	POCO-AQ	Aqua	10	7500.00	4	129.2973
2	<input checked="" type="checkbox"/>	Lipps Pool Sup...	POCO-FG	Forest Green	20	17,500.00	4	84.09419
3	<input type="checkbox"/>		PUBR	Pulley Bracket	5	465.00	1	38.7049
4	<input checked="" type="checkbox"/>	Anderson's Har...	ANPI-BL	Anchor Pin, Black	100	2500.00	2	9.696848
5	<input checked="" type="checkbox"/>	Philip Pump M...	ANBA-BL	Anchor Base, Bl...	3	203.40	6	4.166117
6	<input checked="" type="checkbox"/>	Anderson's Har...	RO-1/4in	Rope w/Core 1/...	330	165.00	2	2.186025
7	<input type="checkbox"/>		REHO	Retainer Hook, ...	9	446.40	1	
8	<input type="checkbox"/>	Fran's Fasteners	AN-12x1	Anchor, 12x1 R...	150	67.50	3	
9	<input type="checkbox"/>	Fran's Fasteners	SC-12x1.75-SS	Screw, Track 12...	150	582.00	3	
10	<input type="checkbox"/>	Lipps Pool Sup...	TRTO-CL	Track Top Clear	12	780.00	4	
11	<input type="checkbox"/>	Perry Cutting C...	LEED-CL	Leading Edge, ...	59	295.00	5	
12	<input type="checkbox"/>	Perry Cutting C...	PUEN	Pulley End Cast...	6	60.00	5	

As you see, we sorted the table by the **Turn-earn index** column, selected top 5 items having suppliers set, and adjusted the quantities for some of them.

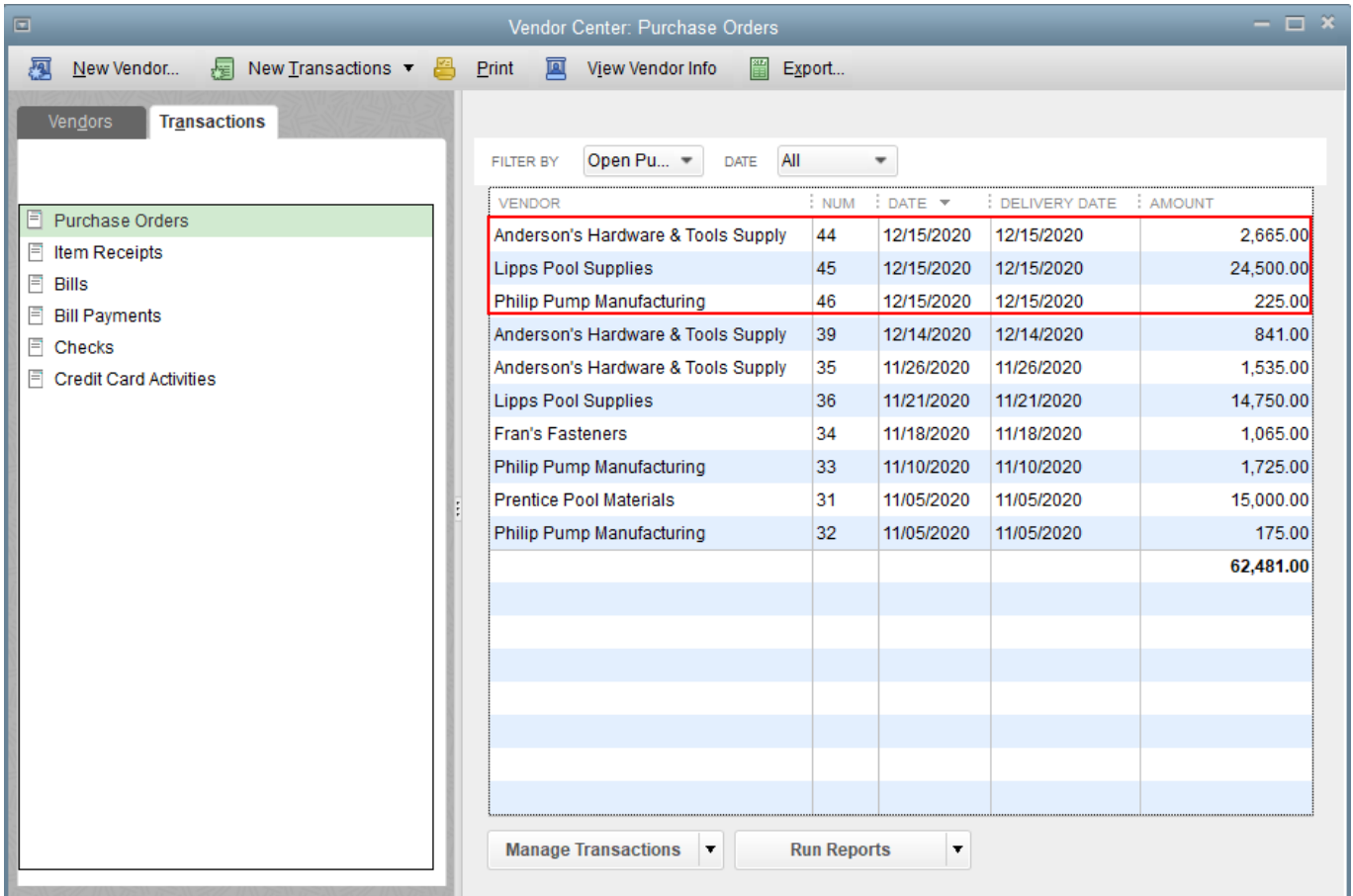
The **Purchase order preview dialog** displays two additional columns in our case, the **Supplier** and **Order #** columns. That's because the QuickBooks connection pulls supplier information from the company file as well as the preferred supplier (longer supplier) for each item if it is set. The **Order #** column has nothing in common with the purchase orders' numbers in the connected system. It only shows some internal Streamline's enumeration for purchase orders based on the [item; supplier] pairs. So that, if items have the same supplier (shown in the **Supplier** column), all of them get the same order number shown in the **Order #** column.

Empty cells in the **Supplier** column mean that those items don't have preferred supplier set in QuickBooks.

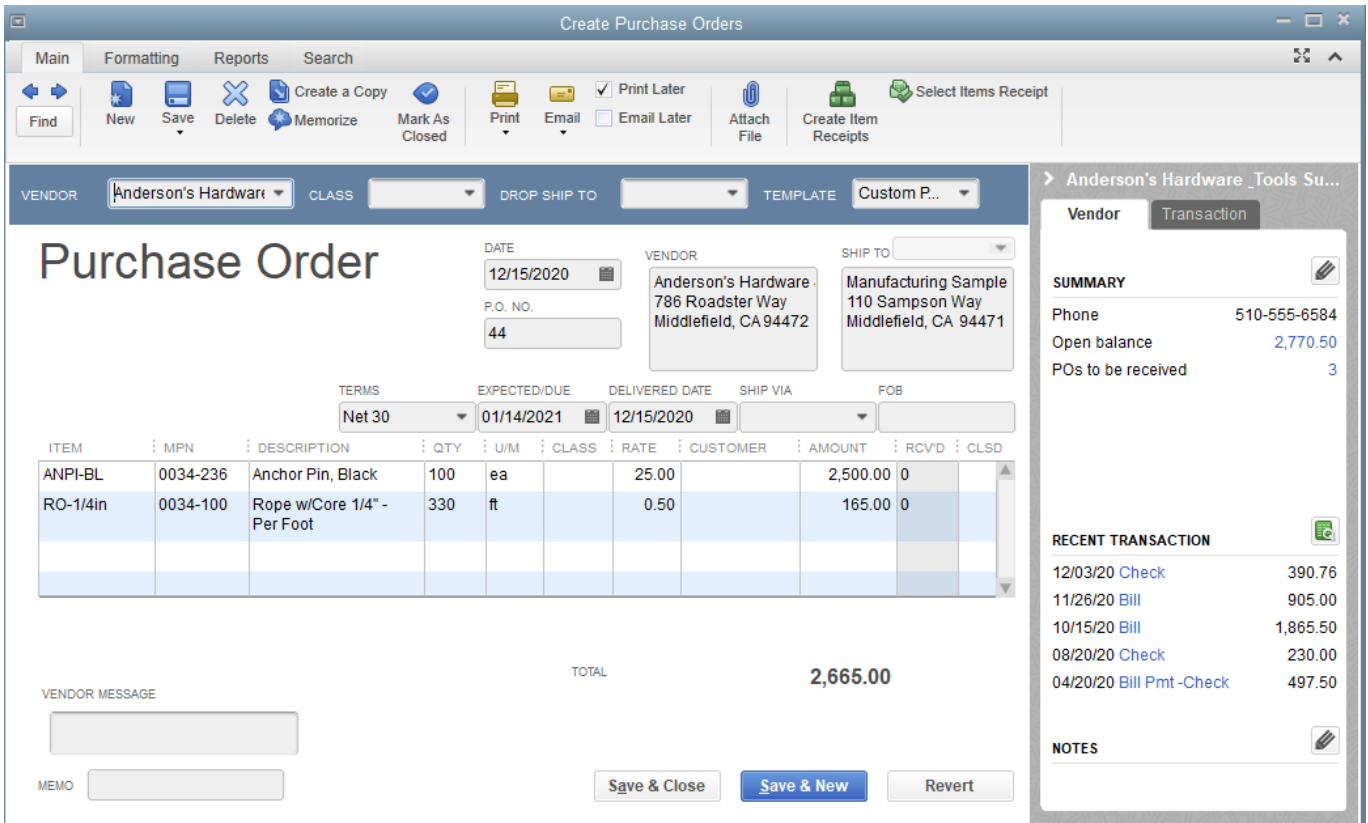
3. Click the **Create** button to send and create purchase orders in QuickBooks. If everything is okay, Streamline notifies you that the orders have been created successfully (see figure below).



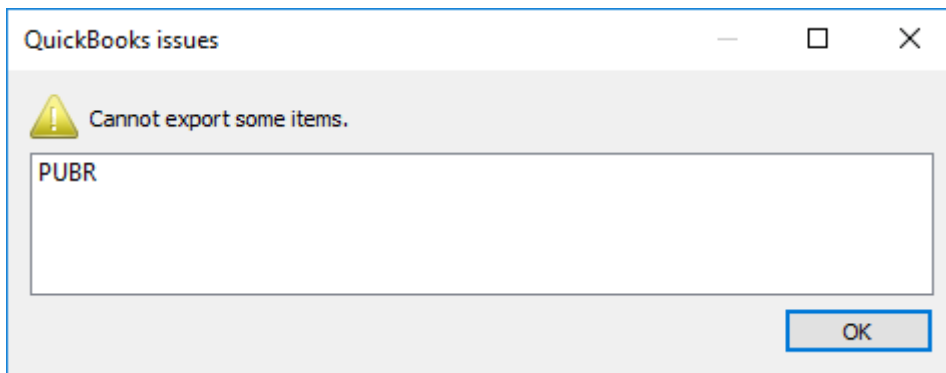
As you see, Streamline has created three new orders (**#44**, **#45**, and **#46**) in QuickBooks (see figure below).



Streamline creates a single purchase order in QuickBooks for all items having the same supplier in the **Supplier** column (see figure below).



QuickBooks disallows creating purchase orders having no supplier given. Thus, if you try to create a purchase order having order line with no supplier set, Streamline warns you that some items have not been exported and shows a list containing their codes (see figure below).



## Exporting Purchase Orders Information to Excel

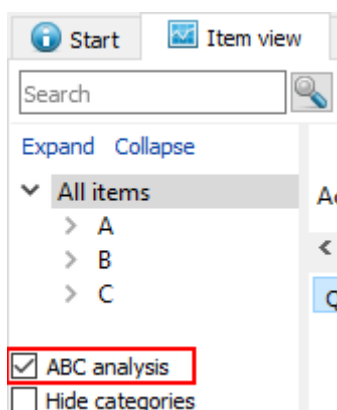
This way can be used as an alternative to the standard workflow that exploits the **Purchase order preview** dialog. This method is designed to cover the situations when the way you create purchase orders differs from the standard. The idea is to offer the planner a range of KPIs that he can use to decide which items to include in the orders. These KPIs include:

- the excess part of a purchase order;
- number of days the ordered quantity can supply;
- purchase line value;
- ABC analysis;
- Turn-earn index;
- Gross-margin.

Further, we give you a basic idea of how you can use any of these KPIs to create purchase orders. As an example, we use ABC analysis as the KPI.

Here are the steps to follow:

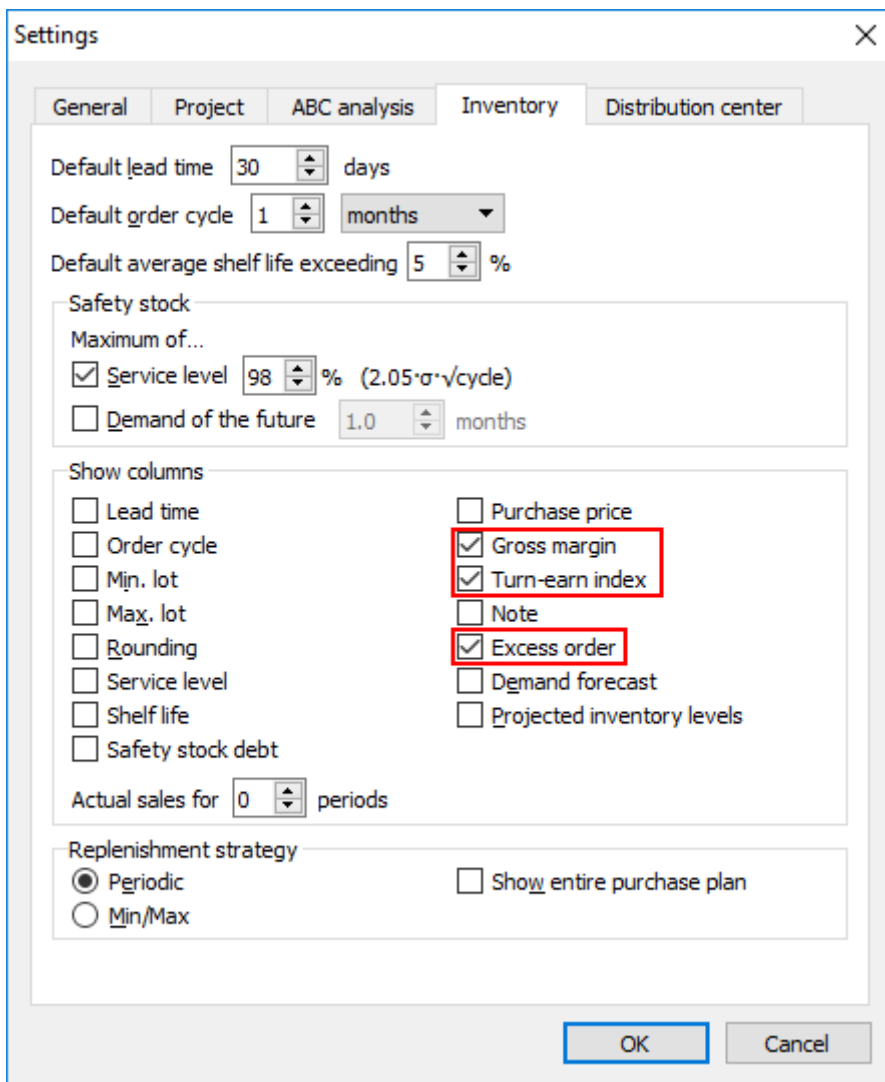
1. Add the necessary KPIs to the inventory report table. In our case, this is the **ABC analysis** column. To do this, go to the **Demand forecasting** tab and check the **ABC analysis** option below the tree in the **Tree view** (see figure below).



To add any other KPI (from the listed above) in the inventory report:

1. Go to the **Inventory planning** tab.

- Click the **Settings** button in the tab toolbar.
- Check the necessary option in the **Show columns** group (see figure below).



- **Excess order** option shows the excess part of a purchase order.
- **Turn-earn index** option shows the turn-earn index data.
- **Gross-margin** option depicts the gross-margin data.

2. Sort the report by the key column by clicking its header. In our case, this is the **ABC analysis** column (see figure above).

	Category	Item code	ABC analysis	Model type	On hand	Days of supply	Pending sales orders	In transition	Safety stock	Qty	Order now Value	Days of supply	Stockout	Overstock
1	Plywood	L1010	A 34.8%	Seasonal ...	198	8	0	100	21	2230	98,120.00	92	1736	0
2	Roof	R1001	A 18.5%	Seasonal ...	30	4	0	0	6	396	31,680.00	62	346	0
3	Lumber	L2020	A 6.76%	Seasonal ...	5	3	0	0	3	91	12,103.00	63	76	0
4	Hinges	H2020	A 4.99%	Seasonal ...	20	2	0	0	13	350	7119.00	33	754	0
5	Concrete Block	C1020	A 4.56%	Seasonal ...	120	57	10	0	3	20	1000.00	10	0	0
6	Roof	R1003	A 3.73%	Seasonal ...	40	47	0	0	3	70	10,780.00	63	11	0
7	Lumber	L2102	B 3.65%	Seasonal ...	52	47	0	0	2	16	2000.00	15	0	0
8	Hinges	H2010	B 3.6%	Seasonal ...	35	4	0	50	13	350	3689.00	33	689	0
9	Roof	R1002	B 2.93%	Seasonal ...	20	30	0	0	2	52	6864.00	63	21	0
10	Lumber	L2101	B 2.66%	Seasonal ...	61	81	0	0	2	28	2772.00	40	0	0



3. Export the report to Excel by clicking the **Export report** button in the tab toolbar. Streamline automatically creates, opens, and saves an Excel file containing the report table (see figure below).

		ABC			Days	Pending		Safety	Order now				
Category	Item code	analysis	Model type	On hand	of supply	sales orders	In transition	stock	Qty	Value	Days of supply	Stockout	Overstock
1	Plywood	L1010 A 34.8%	Seasonal & trend	198	8	0	100	21	2230	98120	92	1736	0
2	Roof	R1001 A 18.5%	Seasonal & trend	30	4	0	0	6	396	31680	62	346	0
3	Lumber	L2020 A 6.76%	Seasonal & trend	5	3	0	0	3	91	12103	63	76	0
4	Hinges	H2020 A 4.99%	Seasonal & trend	20	2	0	0	13	350	7119	33	754	0
5	Concrete Block	C1020 A 4.56%	Seasonal & trend	120	57	10	0	3	20	1000	10	0	0
6	Roof	R1003 A 3.73%	Seasonal & trend	40	47	0	0	3	70	10780	63	11	0
7	Lumber	L2102 B 3.65%	Seasonal & trend	52	47	0	0	2	16	2000	15	0	0
8	Hinges	H2010 B 3.6%	Seasonal & trend	35	4	0	50	13	350	3689	33	689	0
9	Roof	R1002 B 2.93%	Seasonal & trend	20	30	0	0	2	52	6864	63	21	0
10	Lumber	L2101 B 2.66%	Seasonal & trend	61	81	0	0	2	28	2772	40	0	0
11	Handles	H1020 B 2.15%	Seasonal & trend	30	4	0	0	11	250	1957.5	35	188	0
12	Lumber	L2010 B 2.01%	Seasonal & trend	50	121	0	10	1	0	0		0	36
13	Lumber	L2030 C 1.71%	Seasonal & trend	73	317	5	0	1	0	0		0	41
14	Fence	F1020 C 1.71%	Seasonal & trend	208	213	0	0	3	0	0		0	155
15	Plywood	L1020 C 1.13%	Seasonal & trend	30	58	0	0	1	40	1960	62	1	0

Now, you can continue creating your purchase orders based on the exported table.

[Next: Exporting Purchase Plan](#)

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