

# CONTRACT PURCHASING



FUJITSU GLOVIA, INC.



## Creating a partnership with suppliers for favorable pricing and Just-in-Time delivery

GLOVIA G2 Contract Purchasing offers a unique opportunity to increase your leverage with suppliers by negotiating purchasing contracts with committed pricing and flexible delivery schedules. Contract Purchasing can help control inventory levels, realize the benefits of JIT deliveries and achieve a strategic edge in interactions with suppliers.

### Automatic Vendor Allocations

Contract Purchase Orders provides the ideal situation for balancing purchases of an item across several sources of supply. The system allows one or more suppliers to be assigned for an item along with a supplier priority and split percentage. Releases generated by the system can then be automatically split on a percentage basis among multiple suppliers. Effectivity and review dates take fluctuations in supplier capacities into account and provide management control.

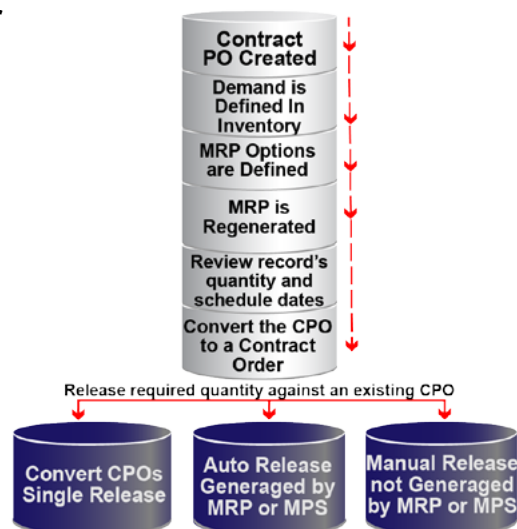
### Timely Releases

After contracts are set up, your material planners are free to communicate directly with your suppliers to coordinate contract releases for material deliveries. With each release, the supplier receives a full schedule update showing both currently released and forecasted delivery schedules.

### Higher Productivity

By providing the capability for multiple contract releases with controls for valid date ranges, line quantities and pricing schedules, the system eliminates the need for managing and controlling the large number of conventional purchase orders that would otherwise be required. Contract Purchasing automatically tracks and accumulates the actual receipts as they occur, providing up-to-the-minute order status. Totals for authorized and shipped amounts as well as quantities released are also available on demand.

### Contract Purchase Order Releasing Process



## Synchronized Requirements

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Each release highlights new delivery requirements, changed schedule dates or quantities and delivery cancellations. Based on this updated demand schedule, material planners can then work directly with suppliers to synchronize delivery dates with the latest production plan.

## Just-in-Time Deliveries

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True Just-in-Time material scheduling is a reality with this system because contract releases can automatically be converted from the computer-planned orders generated by the GLOVIA G2 Material Requirements Planning (MRP) and Master Production Scheduling (MPS) applications. This dynamic communication link is what allows Contract Purchasing to help you and your suppliers manage the supply process and reduce total lead-time and material costs.

## Contract Purchase Order Entry

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- Vendor pricing schedule with date effectivity
- Contract terms and conditions
- Total authorized amount and released amount
- Last release number and date tracking
- Control for start, expiration and re-negotiating dates
- Date control for contract completed and closed
- Vendor item number cross reference
- Comments and notepad at header and line level
- MPS/MRP cycle reference source
- View currently released schedule in effect
- Review prior released deliveries
- View next release pending information
- Delivery schedules include firm and forecasted releases
- Multiple delivery schedules per line item
- Manual contracts close or re-open
- Copy feature for renewal or new contracts

## Confirm Releases

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- Review auto-generated releases from MPS and MRP
- View MPS and MRP exceptions and gross to net detail
- Preview pending schedule changes
- Confirm changes and contract releases to supplier
- Assign reason code for rescheduled deliveries

## Released Material Processing

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- Cascaded receiving through open deliveries
- Receipt reversals
- Delivery history
- Move tickets
- Support return-to-vendor shipping orders

## Vendor Allocation Policies

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- One or more suppliers per item
- Effectivity date by range
- Supplier split percentages and priorities

## Inquiries and Reports

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- Items on contract
- Contract buy history
- Printed contract purchase orders
- Printed purchase order releases
- Conversion exceptions
- Purchase price variances
- Period receipts
- Contract status
- Pre-release review
- Period financial impact
- Vendor information
- Returns-to-vendor status
- Release status review
- MPS/MRP contracts

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