Purchase Request through Epicor System in Manufacturing Company

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Abstract. Purchase transaction is the most often performed transaction to fulfill the needs in a company. Company's needs shall be processed to be bought if purchase requisition for required items/services already be performed. This research aims to know the purchase requisition at sample company in terms of fulfilling the needs of the company which the procedure is carried out online through Epicor10 Environment system. Data collection methods used are interviews, direct observation, and literature reviews. Data obtained includes organizational structure, purchase requisition procedure, other various documents, and functions related to purchase requisition procedure. The result of this research shows that purchase requisition procedure applied by company has done fairly well, but there are some weaknesses in applying procedure. As for some of these weaknesses are no standards to create part number to register items or services to the system and multiple positioning causing inefficiency in purchase requisition procedure. It is recommended for the company to create clear standards, so that items or services needed can be processed easily and purchase requisition procedure is not obstructed by multi positioning.

Keywords: purchase request, epicor system, manufacturing company

Introduction

One of important aspects in the continuity of business processes in a company and a routine activity that occurred in the manufacturing company is procurement cycle. Purchasing process is directly related to the production process, if the purchase is of production's needs are being hampered, then the production process will also be hampered.

One of the procedures contained in the purchase process is the purchase request. Every department in the company that need to be purchase item should create a purchase request first and inform it to purchasing team. Purchasing team will be in charge of making purchases on items requested from each Department.

Sample company use Epicor10 Environment system in order to make improvements to the manual system which is less effective and efficient for the company. The system contained started to be integrated after the company began implementing a system of Epicor10Environment for 4 months.

Epicor10Environment is one of the products of enterprise resource planning (ERP) system that supports business processes by providing information in real time, integrated between the functional divisions of the company. Company information are integrated through the system was quite helpful to the company in running its business because the company can easily manage the data his company.

The authors assess the goods purchase request procedures performed on sample company is already in accordance with the theory of the purchase request items that are supposed to be, just that its application is done using the Epicor10Environment system. Any department wishing to request can easily publish her request to purchase parts through the system. It is rated more effective and efficient when compared to the issuance of the purchase request manually.

The issuance of the purchase request may be made when the goods are purchased already registered wants in the system. Each department staff on duty to publish a Purchase Requisition (PR) hasn't been able to make

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the part number for an item that is not yet registered in the system so it must rely on other staff to register it.

The authors assess it that way will only slow down the process of publishing the purchase requisition which can lead to the delay of the production process of the company because of the required goods have not asked to be purchased to the purchasing section.

Literature Review

According to Mulyadi (2001) the procedure is a sequence of clerical activities, usually involving several people in one or more departments, created to ensure the handling of the company's transactions are uniformly happens over and over again. Understanding other procedures expressed by Nafarin (2009) states that the procedure is the series of tasks that are interconnected and shaped in order to guarantee the implementation of work uniform.

From some of these definitions, it can be concluded that the procedure is an ordered sequence that usually involves several people within a Department or more to ensure a uniformly against handling transactions that occur repeatedly. Understanding the purchase according to Irawati (2006) is an activity to obtain a number of property or assets or services from one hand to the continuity of effort or the fundamental needs, so do payments over a certain amount of money or the service, for operational continuity of the company.

Procurement is a synonym for the purchase. According to Bodnar and Hapwood (2006) procurement is the business process from the selection of resources, booking and get your goods or services. Based on the above understanding, it can be concluded that the purchase is a business process from the selection of resources to acquire property assets as well as tau services for continuity of operations of the company.

Purchase Process

Generally, the purchase transaction according to Bodnar and Hapwood (2006) includes the following procedures:

a. Determine the needs

Determination of needs can be seen based on customer demand for an item and the production process of the company.

b. Choose resources

Determine the source provider to request the purchase of the needs of the company.

c. Request for quotation

Request for quotation made for items or services that cost very expensive or that its bid is required as the company policy.

d. Select suppliers

Compare purchase needs with suppliers that have been noted in the quotation document to indicate the quotation is appropriate to the request.

e. Issuing purchase orders

Identify purchase order document suppliers and confirm the ordered goods, quantity, price, delivery date, delivery period and period of payment.

f. Goods receiving

When suppliers perform document delivery, receipt of goods. Document the receipt of the goods when the goods are stored as inventory, without noting the source.

g. Invoice Verification

The invoice must be checked and matched with the acceptance of the goods and orders of payment to purchasing.

h. Supplier's Payment

Payments are made in accordance with the period of payment and requirements on master record or the purchase order supplier.

Document Purchase

According to Mulyadi (2001) document that is used in purchase accounting systems are:

a. Purchase Request Form

This document is the form that is filled out by the warehouse function to request the purchase function do purchase goods with the type, amount, and quality as those in the purchase request.

b. Quotation

This document is used to request a price quote for items that are not repeatedly occur (not repetitive), which concerns the amount of rupiah purchases.

c. Purchase Order

This document is used to order goods to suppliers that have been selected.

d. Goods Receipt

This document created by the acceptance of the function to indicate that the goods are received from the supplier meets the type, quality and quantity specifications, as listed in the purchase order.

e. Purchase Order Changes

Sometimes the necessary changes to the content of the letter of purchase order that has been previously published.

f. Cash Reimbursement

This document is created by the function of basic accounting for the purchase transaction logging.

Purchase Request

According to Gilarso (2007) the term request has a specific meaning, namely, it always refers to a relationship between the amount of a certain goods to be purchased and the price of those goods. The demand is the amount of stuff that is willing and able to be purchased at a variety of possibilities of price, during a certain period, assuming everything else stays the same (ceteris paribus).

Understanding the purchase according to Irawati (2006) is an activity to obtain a number of property or assets or services from one hand to the continuity of effort or the fundamental needs, so do payments over a certain amount of money or the service, for operational continuity of the company.

Based on the above understanding, it can be concluded that the purchase request is an activity to obtain a number of property or assets or services from one hand to the continuity of effort or needs willing and able to be purchased at a variety of prices, likely during the period of the continuity of the company's operations.

Required documents for the purchase request

According to Mulyadi (2001) documents used in the accounting systems of purchasing one is a purchase request letter where it takes the form of document description of goods which are required to be purchased.

Request and Purchase

One of the procedures that form the system of purchase according to Mulyadi (2001) is the procedure of purchase request. The function of the warehouse request purchase in the form a letter of request to purchase the purchase function. Items are not stored, for example, to goods that are used directly, the functionalities directly wear make a request directly to the purchase of the purchase function using the purchase request letter.

Results and Discussion

Sections related to the procedure of purchase request

Sections related to the procedure of purchase request are as follows:
a. Requestor
Requestor is staff appointed by the head of his Department, eight each for publishing a request for the purchase of goods or services will be required in the Department through Epicor10 Environment.
b. Senior Project Manager
One of the tasks of a Senior Project Manager at the company is registering goods or services into the system by way of giving the part number in order to process the request purchase of goods or services may be performed.
c. the Head of the Department
The duties of the head of department (HOD) is conducting a review and authorize the request purchase of goods/services will be required on its part.

Flowchart of procedure Purchase Requisition

The procedure of purchase request for goods or services:
a. Issuance of Purchase Requisition
Each department appoints requestor to publish a purchase requisition goods or services that are needed in his department online through systems Epicor. Requestor must first ascertain whether the goods or services that want to booked already registered in the system or not, when goods or services wanted to ordered has not yet registered into the system, then the staff concerned is obliged to register the item by giving the part number or the number of items that are unique to identify goods or services required.

Goods or services that already have a part number or which means the item has been registered into the system can be directly published online purchase request through the system. Purchase request has been published into the system will be informed to the head of department) via e-mail.
b. Part Number Creation
Requestor's knowledge about the limitations of the classification of goods or services required him to wait for a part number made by senior project manager who not only served to make the part number but also the company's projects.

The process of purchase request through this system will be more easily applied if the requestor provided training to learn the classification needs of the

company. Most of the regular staff of the requestor is not too know the specification of goods or services detail is needed. The existence of a proper training can reduce the burden of senior project manager tasks so that there are no more employees who perform a duplicate post of which can hinder the productivity of the company.

Goods or services not have part number will be informed to Senior Project Manager to be able to do purchase request. The Senior Project Manager will receive an e-mail about the manufacture part number. Manufacture part number will be performed when the goods or services that are required to have a clear and complete description, from the name, type, size, brand, color, classification or other items. Items that do not have a sufficient description cannot be registered into the system in accordance with company policy.

Senior Project Manager also conducted an inspection of the goods, if there is any doubt about the need for these goods, then a Senior Project Manager will requestor or discuss it with General Manager. Senior Project Manager will send an e-mail reply against the requestor if the part number has been requested in the input into the system.

c. Review and Authorization

Requestor will send an e-mail to head of department if the purchase request has been published into the system are accompanied by PR number. Head of the department will conduct a review in advance against the goods or services are required to be ordered, if the goods or services are indeed needed in his department, then head of the department will approve such goods or services for which approval will also be carried out in the system.

d. Purchase

Procurement department will be doing the buying process further towards the goods or services requested by other departments after getting e-mail in the form of PR number from head of department. The selection of suppliers, quotation, and the issuance of purchase orders will be carried out by the department of procurement.

The issuance of the purchase request on the Epicor10 System Environment has multiple steps that must be performed, the following is the steps to publish the purchase request:

a. Enter the username and password on the system.

b. Select the Epicor "Menu" on the display screen to select the modules you want to use.

c. On the module "Purchase Management", select "General Operation" then select the "Requisition Entry".

d. Select New Requisition to create new demand.

e. Select "New Line" to make how line or how many kinds of goods or services requested.

f. Requestor can choose goods or services that have been registered into the system as required in the column "Part/Rev" by clicking on that column.

g. When you are finished, press "Search" on the top right of the screen.

h. the system will display a selection of goods or services that have been registered.

i. On the column "Where Part Description Contains", please enter one of the words representing the description of the goods.

j. Choose goods or services required by way of double clicking a list of such articles.

c. The display will change back as it was complete with a part number and description of the goods or services that are required.

b. Start entering the date of issuance of the purchase request.

m. Type in goods or services quantity required in the column "Our Qty".

n. Select the icon "Save" to save your purchase request to the system.

o. Click Dispatch Requisition to send purchase request to head of department).

p. Action column, click the arrow below reconciled, it will appear an option that is Send or HOD Approval.

q. In a column, select the name of the Dispatcher head of each Department.

r. Requestor sends e-mail to the various heads to review purchase request and authorize when appropriate.

s. Head the various who accept e-mail will enter into the system to perform authorization with the Dispatching purchase request.

t. Click Ok button and purchase request has been completed.

The Process of Making Part Number

Goods or services have been classified can be registered into the system with the following steps:

a. Enter the username and password on the system

b. Select the name of the company that needs the goods or services in the Department.

c. Select the "Material Management" module

d. Then select "Inventory Management"

e. Next, choose the menu "Setup"

f. The screen display will change as follows: g. Click the New icon on the top left corner of the screen to create a new part number.

h. Enter the part number, description of item, unit of measure of goods, the class, as well as group items.

i. Click the "Save" icon located next to the "New" icon to save the part number into the system.

j. Item has been registered into the system and can do purchase request process.

Conclusion

Purchase request Procedures are applied in the system of Epicor is not much different when compared with the purchase request procedures in theory, just that there are shortcomings in the process of inputting goods/services that are needed into the system which is quite time-consuming. Employees who register their goods/services into the system as well as other companies run time-consuming so goods or services into the system be delayed resulting in disruption of production activities.

The authors suggested that the company provide training to the requestor to know or know the goods or services required in detail, so that the process of classification of the part number in accordance with company policy can be done by the requestor without having to wait for a senior project manager who also have other tasks to be done. This is certainly going to streamline the company's productivity because there will be no more delays in the issuance of purchase requests in the company.

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