



Friendly Systems Inc

Working Together To Build Your Business

Newsletter

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Purchasing Power

Are you harnessing the power of the Purchase Order module to automate your payables processing? Every company buys products and services, even if they do not resell those products or use them in a manufacturing process. All of these items can be more efficiently handled by using the Purchase Order module, improving your cash forecasting abilities, mediating common misunderstandings, and perhaps even saving some money.

The Purchase Order module records and tracks the contracts you enter into with your vendors. These contracts are often not formal written agreements; but simply a verbal price quote response to a request. As you record those contracts in Purchase Order, you create a record of the cost quote and other pertinent details about the order. This record can prove to be an invaluable resource for forecasting upcoming expenses, mediating disagreements, and tracking where your money is spent.

Improve Cash Management

Creating a purchase order for every foreseen expense is an excellent way to get a handle on upcoming expenditures. Even relatively small purchases quickly can add up within a busy organization. By using Purchase Order to record every expense, you create a record you can include it in a tally of financial obligations. The Cash Management Report provides a handy summary of cash requirements for any three consecutive future periods you specify. You can use this report to analyze future cash needs and effectively plan cash flow on a weekly, monthly, or quarterly basis. Accounts Payable open invoices can also be included, giving you a complete snapshot of present and future obligations.

Minimize Misunderstandings

In creating a purchase order, you have a record of the details of your transaction such as: pricing, features, and shipping options. When the product arrives and it is not what you ordered, or when the invoice arrives and the price is different than you expected, you will have a much stronger negotiating position with your vendor if you have maintained this record. And by providing the vendor with a copy of the PO when you initially place the order, you can preemptively head off potential misunderstandings.

Material Requisitions — The Internal Purchase Order

Think of material requisitions as internal purchase orders. Your company is the vendor, and your staff members are the customers. Using a material requisition type of purchase order you can efficiently chronicle the product and service requests of your staff. When the sales department needs a box of paper, or the marketing department needs a floor mat, have them create a material requisition. Not only will you eliminate the steady stream of verbal requests, you will be able to efficiently track the requisitions and even expense the products to the department making the request.

Add Approval Options

Using Custom Office, you can add user-defined fields to the header page of purchase order entry such as fields for management approval and date approved. For security, you can make these fields read-only for all users except management. To further increase your peace of mind, use Business Alerts to send an Email to the appropriate manager when a purchase order is created.

No Inventory Required

The Purchase Order module integrates with Accounts Payable, Inventory, Job Cost or Work Order, General Ledger, and Bank Reconciliation. The Accounts Payable module is required, but none of the other modules are required for the Purchase Order module to operate. Most significant is that you do not need the Inventory Management module to operate Purchase Order. You can establish Miscellaneous Items and Miscellaneous Charges that represent the items and services you buy. Comment Codes with 100 characters of description can be set up to speed the entry of standardized text on your orders.

If your company is already utilizing Purchase Order for the products you resell or manufacture, expand the scope of its use to include all of the products and services you buy. If your company is not yet utilizing Purchase Order, consider adding this strong performer to your MAS 90 or MAS 200 software solution.



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