Oracle SCM Cloud
Using Shipping
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Preface

This preface introduces information sources that can help you use the application.

Using Oracle Applications

Using Applications Help

Use help icons to access help in the application. If you don’t see any help icons on your page, click your user image or name in the global header and select Show Help Icons. Not all pages have help icons. You can also access Oracle Applications Help.

Watch: This video tutorial shows you how to find help and use help features.

You can also read Using Applications Help.

Additional Resources

- **Community:** Use Oracle Cloud Customer Connect to get information from experts at Oracle, the partner community, and other users.

- **Guides and Videos:** Go to the Oracle Help Center to find guides and videos.

- **Training:** Take courses on Oracle Cloud from Oracle University.

Conventions

The following table explains the text conventions used in this guide.

<table>
<thead>
<tr>
<th>Convention</th>
<th>Meaning</th>
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<tbody>
<tr>
<td><strong>boldface</strong></td>
<td>Boldface type indicates user interface elements, navigation paths, or values you enter or select.</td>
</tr>
<tr>
<td><strong>monospace</strong></td>
<td>Monospace type indicates file, folder, and directory names, code examples, commands, and URLs.</td>
</tr>
<tr>
<td>&gt;</td>
<td>Greater than symbol separates elements in a navigation path.</td>
</tr>
</tbody>
</table>

Documentation Accessibility

For information about Oracle’s commitment to accessibility, visit the Oracle Accessibility Program website.

Videos included in this guide are provided as a media alternative for text-based help topics also available in this guide.
Contacting Oracle

Access to Oracle Support

Oracle customers that have purchased support have access to electronic support through My Oracle Support. For information, visit My Oracle Support or visit Accessible Oracle Support if you are hearing impaired.

Comments and Suggestions

Please give us feedback about Oracle Applications Help and guides! You can send an e-mail to: oracle_fusion_applications_help_ww_grp@oracle.com.
1 Manage and Release Pick Waves

Create Pick Wave

Overview

You can create a pick wave based on demand selection, fulfillment, and processing criteria. You can track pick waves in the work area using the wave number and other details.

You can:

- Specify a release rule, or alternatively enter demand selection, fulfillment, and processing criteria
- Release the pick wave immediately
- Add the pick wave to the release schedule

To create a pick wave, select Navigator > Inventory Management, and then click the Create Pick Wave task from the task panel.

Pick Wave: Explained

A pick wave is a batch of shipment lines that are pick released together based on certain business-related criteria.

Examples of when you might want to use pick waves include:

- Fulfilling a particular customer demand
- Optimizing transportation
- Fulfilling backorders to reduce delay in shipment

Fulfilling a Particular Customer Demand

If your organization has customers who have specific quality demands, then you can create a pick wave to perform extra quality checks or follow special procedures during shipping.

Optimizing Transportation

You can process a batch of shipment lines that are bound by common ship-to location, shipping method, and shipping priority in order to optimize transportation. If your organization has several customers in one location, then your organization can choose to collect all the shipment lines for those customers and ship them together through a common carrier. For example, if an organization has 10 customers in location B, then it can collect all shipment lines for location B and create a pick wave to ship them together using a common carrier, such as UPS truck service.

Fulfilling Backorders to Reduce Delay in Shipment

If your organization chooses to fulfill backorders by putting them on a faster shipping schedule, then you can create a pick wave for all the backordered lines and ship them using a faster shipping method, such as Air.
Release Rule: Explained

Release rules enable you to determine which order lines are considered for release and to select your processing criteria. Selecting a release rule is efficient when you frequently use the same criteria to group order lines for release.

Release rules provide the flexibility to:

- Schedule pick waves using the Schedule Pick Wave process
- Specify multiple release criteria in a single step
- Select processing criteria

Scheduling Pick Waves Using the Schedule Pick Wave Process

Release rules enable you to schedule creation of pick waves to release shipment lines using the Scheduled Pick Wave page.

Specifying Multiple Release Criteria

When you select a release rule, the criteria defined in the rule gets selected. This criteria determines which order lines to consider and how to process them.

Selecting Processing Criteria

You can select and modify the processing criteria on the Options tab.

Demand Selection: Points to Consider

Demand selection criteria impact the way lines are selected for picking. Before selecting demand selection criteria, consider:

- Your organization's preferred criteria based on details pertaining to sales order, requested and scheduled dates, and item
- Your organization's preferred criteria for order fulfillment and processing

Sales Order, Requested and Scheduled Dates, and Item Details

Before selecting the sales order, requested and scheduled dates, and item details, you must plan how your organization will create a pick wave.

- Which subinventory will you use?
  Your choice of subinventory will result in the selection of those order lines that are planned to be sourced from the specified subinventory. The source subinventory is specified for the order lines during the sales order creation stage.
- Which sales order will you select?
  Determine if the shipment lines to be pick released are for a specific sales order.
- Which customer will you select?
  Determine if the shipment lines to be pick released are for a specific customer.
- Which shipment set will you select?
  If your organization groups order lines within a sales order to ship together based on customer specifications, then those sets of lines are shipped together in the same shipment. You can select the appropriate shipment set number from where the order lines will be selected.
• Which destination type will you select?
  Determine if the shipment lines to be pick released are for a specific geography, zone, or ship-to location.
• What are the specified date ranges?
  Determine the from and to scheduled ship dates and from and to requested ship dates.
• What item details will you specify?
  Consider if you are creating a pick wave for a specific item. If yes, then specify the catalog and category name along with the item name and description.

Shipping Details
The selected shipping method will enable selection of those order lines that are planned for shipping using the specified shipping method.

Pick Wave Options: Points to Consider
Options criteria impact the way lines are fulfilled and processed. Before selecting the options criteria, consider:

• Fulfillment criteria
• Processing criteria

Fulfillment Criteria
Before you select the fulfillment criteria, you must plan how your organization prefers lines to be fulfilled.

• What pick-from subinventory and pick-from locator will you specify?
  Consider your organization’s usage of a specific subinventory and locator to pick material from.

  Note: This is an optional criteria.

• What staging subinventory and locator will you specify?
  Consider your organization’s usage of a specific subinventory and locator to deposit the picked material for staging.

Processing Criteria
Before you select the processing criteria, you must consider your organization’s preference for processing lines.

• What release sequence rule will you specify?
  Consider your organization’s preference regarding the order in which lines are allocated during pick release.
• What pick slip grouping rule will you specify?
  Consider your organization’s preference regarding grouping of lines onto pick slips.
• What ship confirm rule will you specify?
  Consider if your organization prefers shipments to be ship confirmed as part of pick release.
• Will you automatically confirm pick slips?
  Consider if your organization prefers pick slips to be automatically confirmed during pick release.
• Will you create shipments?
  Consider if your organization prefers shipments to be created during the pick release process.
• Which shipment creation criteria will you use?
  Consider your organization’s criteria for creating shipments—whether a shipment can be created across orders or must be created from within an order.
• Will you automatically pack shipments?
  Consider if your organization prefers shipments to be automatically packed.
• Will you append existing shipments?
  Consider if your organization prefers to append shipment lines to the existing shipments.

Note: Here are the prerequisites for appending shipment lines:
  ◦ The appending limit must be defined as a value other than Do not append on the Manage Shipping Parameters page.
  ◦ An organization must be specified.
  ◦ Create shipments functionality must be enabled.
  ◦ Shipment creation criteria must be defined as across orders.
  ◦ Autoconfirm pick slips functionality must be disabled.

FAQs for Creating Pick Waves

What happens if I select prior reservations only?
Only the lines or portions of lines that were previously reserved are considered for pick release.

What happens if I include assigned lines?
The shipment lines that are assigned to shipments are considered for inclusion during pick release.

What happens if I add a pick wave to a release schedule?
You create the pick wave, however, the background process releases the lines. You will receive the pick wave number and can proceed to perform the next task at hand.

Schedule Pick Wave

Overview
You can schedule the creation of pick waves.
You can:
  • Specify the release criteria for a pick wave
• Schedule how frequently you want pick waves to be created
• Specify whether the output should be printed, and determine the format and layout of the output
• Specify whether you want to be notified after a pick wave is created

To schedule pick waves, select Navigator > Inventory Management, and then click the Schedule Pick Wave task from the task panel.

FAQs for Scheduling Pick Waves

How can I schedule pick waves for release?
Use the Schedule Pick Wave task to create and schedule pick waves to release shipment lines that meet certain criteria. The shipment lines are released in a controlled mode and on a regular basis.

Pick releasing of shipment lines that meet criteria specified in the release rule is automated.

Manage Pick Slips

FAQs for Managing Pick Slips

How can I record serial numbers that are not in a range?
Go to the Record Serial Numbers option in the Actions menu of the Confirm Pick Slips page to record serial numbers. This takes you to the Record Serials page where you can select the Select Serial Numbers button to record multiple serial numbers that are not in a range.

You can also select the Record Lots and Serial Numbers option in the Actions menu of the Confirm Pick Slips page. This takes you to the Record Lots and Serials page where you can select the Select Serial Numbers button to record multiple serial numbers that are not in a range.

How can I record multiple lot and serial numbers?
Go to the Record Lots and Serial Numbers option in the Actions menu to record multiple lots and serial numbers. Note that you can record lots and serial numbers if the item is both lot and serial controlled.

What are the limitations on editing exceptions?
An exception can be edited only on the Edit Pick page. Click the Edit option from the Actions menu. However, you can only modify the exception reason and not create any new exception.

How can I record more than one lot?
Go to the Record Lots option in the Actions menu to record multiple lots. Note that you can record lots if the item is lot controlled but not serial controlled.

How can I record serial numbers?
Go to the Record Serial Numbers option in the Actions menu to only record serial numbers. You can also go to Details to enter serial numbers. Note that you can record serial numbers if the item is serial controlled but not lot controlled.
What is due date?
A due date is a derived date based on whether a line is assigned or not.
The table shows how the due date is derived for picks.

<table>
<thead>
<tr>
<th>Pick</th>
<th>Shipment</th>
<th>Due Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>1234</td>
<td>A</td>
<td>Shipment A exists for the pick 1234. Hence the due date for the pick will be same as the shipment’s initial ship date</td>
</tr>
<tr>
<td>1235</td>
<td>None</td>
<td>Shipment does not exist for pick 1235. Hence the due date for the pick will be the same as the shipment line’s scheduled ship date.</td>
</tr>
</tbody>
</table>

What happens if I print pick slips immediately?
When you choose to print pick slips immediately, you have to specify the number of pick slip lines per pick slip. Whenever the specified number of lines are pick released, a pick slip document is printed. This continues till all the lines that meet the release criteria are pick released and printed.

For example, if you specify the number of pick slip lines as 25, then only a maximum of 25 pick slip lines can be printed on each pick slip. In this case, if 40 lines are pick released, then two pick slips are printed; one with 25 lines and the other with 15 lines.

How can I view picks and pick slips for a specific date?
Use the Release Date filter to view a list of pick waves that were generated on a specific date.
Use the Due Date filter on the Summary tab to view picks and pick slips due on a specific date.

Confirm Pick Slips

Overview
You use the Confirm Pick Slips page to enter details of picked material and confirm a pick slip.
You can do the following as part of confirming a pick slip:

- Enter details of picked material
- View and modify details of picks on a pick slip
- Enter multiple lot and serial number for picked material, if required
- Enter the transaction date for each pick
- Evaluate pick slip discrepancies

To confirm a pick slip, select Navigator > Inventory Management, and then click the Confirm Pick Slips task from the task panel.
FAQs for Confirming Pick Slips

What happens if I confirm a pick slip and navigate to ship confirm?
You can continue with processing the shipment and then ship confirming it as an integrated flow.

Can I add a secondary carrier to an Italian packing slip?
Yes. In the Additional Information column on the Management Shipments page or the Edit Shipment page in the Inventory Management work area in the Manufacturing and Supply Chain Materials Management offering, select Packing Slip for Italy for the regional information, and then enter a secondary carrier name.
2 Process and Confirm Shipments

Manage Outbound Shipments

Shipments: Explained

A shipment comprises a set of shipment lines, grouped by certain common shipping attributes, that are scheduled to be shipped to a customer's ship-to location on a specific date and time. You can include items from different sales orders in a shipment. You can either manually or automatically group shipment lines to create a shipment. The shipment lines are grouped by the mandatory default criteria: ship-from location and ship-to location. However, you may also include additional grouping criteria, such as customer, freight terms, FOB (Free on board), and shipping method.

A shipment can have the following three statuses:

- Open
- Confirmed
- Closed

Open Shipments

A shipment is open until it is confirmed.

Confirmed Shipments

A shipment is marked confirmed when it is ship confirmed, which means that all the lines in the shipment are loaded for shipping to the customer's ship-to location.

Note: A confirmed shipment may be reopened.

Closed Shipments

A shipment can be marked closed after it is confirmed. A closed shipment is the final stage the shipping process. A closed shipment indicates that the inventory and the order have been updated to reflect the shipping of items from the warehouse.

Note: A closed shipment cannot be reopened.

E-Signatures for Approval

If shipping transactions are configured for approval using e-signatures, the E-Signature page opens when you click Ship Confirm and close a shipment line. Use the page to approve the transaction.

The Electronic Signature IDs are recorded and available from the Manage Shipments and Edit Shipments pages.

For information about e-signatures, see the Oracle SCM Using E-Signatures and E-Records guide, available on the Oracle Help Center.

For information about how to configure e-signatures for supply chain management transactions, see the Oracle SCM Cloud Implementing Manufacturing and Supply Chain Materials Management guide, available on the Oracle Help Center.
Editing Shipments: Explained

Editing shipments enable you to edit multiple shipments simultaneously, thereby optimizing time and cost. When editing multiple shipments at once, consider how you will:

- Edit selected shipments
- Edit selected attributes

Editing Selected Shipments
You can edit only the shipments that you select to edit on the Manage Shipments page.

Editing Selected Attributes
You can edit only selected attributes for all the selected shipments. The updated value for the attribute will be the same for all the selected shipments.

Packing Shipments: Explained

Packing shipments is the process of packing items into packing units for shipping to the customer. Packing shipments provides the flexibility to:

- Manually pack
- Automatically pack

Manually Pack Shipments
You can pack shipment lines manually by creating packing units and specifying the lines that are packed in each of the packing units. Packing can be done for items as well as packing units. You can pack items into a packing unit and also pack those packing units into another packing unit. For example, you can pack items into a box and many boxes onto a pallet.

Automatically Pack Shipments
You can choose to automatically pack shipment lines into packing units by selecting the **Automatically Pack** option for the specific lines. The selected shipment lines are grouped by shared attributes, such as the ship-to location, and are then packed based on the preferred default packing configuration.

Note: You can automatically pack a shipment that is open and has at least one shipment line assigned to it. You can automatically pack if packing configurations have been defined.

Return Material Authorization: Explained

A return material authorization (RMA) is a return order your customers use to ship items back to your company to either return the item for repair or to receive credit for the returned item. When you receive a request from a customer to return goods, the order manager initiates an RMA order based on the original customer order (the order status must be closed or partially closed). This initiation automatically creates an RMA record in Oracle Fusion Receiving and a shipment in Oracle Fusion Shipping.
Taking on the role of the shipping manager, the order manager identifies the shipments that have been automatically generated for the RMA order. The order manager generates and emails the packing slip and commercial invoice for the shipment number to your customer. The customer can then send back the physical goods with the RMA paperwork to your company.

When your company receives the returned items, the receiving agent creates a receiving advice for the RMA using the RMA number referenced in the paperwork. A quality team inspects the returned items. If the items pass inspection, the goods are sent back to the customer. If the items do not pass inspection, the returned items are slated for repair or salvaged, and a credit memo is created and sent to the customer.

**Note:** The inventory manager performs the put away for the RMA to the appropriate subinventory. Receipt confirmation runs in the background to update order management about the RMA receipt, triggering the RMA order lines status to change from Awaiting Receiving to Awaiting Billing.

### Order Types: Explained

Order types are used to classify transactions.

Shipping order types include:

- Sales order
- Transfer order
- Return transfer order
- Outside processing order
- Return to supplier order
- Drop ship order
- Return Material Authorization

**Sales Order**

A sales order is the orchestration document representing the demand and supply for items. Sales order lines can be picked, packed, and shipped.

**Transfer Order**

A transfer order is the orchestration document representing the demand and supply for an internal material transfer. Transfer order lines are similar to sales order lines. They can be picked, packed, and shipped.

**Return Transfer Order**

A return transfer order is a transfer order for which a return transaction is initiated. The return is performed against the original transfer order. The price and tax for a return transfer order is derived in Oracle Fusion Receiving.

**Outside Processing Order**

An outside processing order is a work order where one or more operations of the work order are outsourced to a supplier who provides specialized manufacturing services. Such work orders are created and released within the Oracle Manufacturing Cloud solution.
Return to Supplier Order

A return to supplier order is a demand document for shipping items back to a supplier from a fully or partially received purchase order to receive credit for the items. Return to supplier orders are generated as a result of a return transaction initiated in Oracle Fusion Receiving.

Drop Ship Order

A drop ship order is one where material flows directly from a supplier or contract manufacturer to the customer. The seller relies on the supplier or contract manufacturer to build, store, and ship product to the customer. A drop ship purchase order is placed with a supplier, along with instructions that describe how to ship the items, and then the supplier ships directly to the customer.

Return Material Authorization

A return material authorization (RMA) is a return order used by the customer to return items back to your company. The return is performed against the original sales order. Use one of the following values as the return type for the RMA.

- **Cancel the Item.** Use this value to cancel an item that does not include a shipment. For example, a contract for wireless phone service typically does not include a shipment, so your customer can’t physically return it, but you can cancel it.
- **Return for Credit.** Use this value for an item that your customer can’t return for some reason or if your customer didn’t receive the shipment. For example, your customer received the item, but it’s severely damaged.
- **Return for Credit and Return Item.** Use this value for an item that your customer must return. For example, your customer received an incorrect item from the manufacturer and wants reimbursement. When the manufacturer receives the returned item, the manufacturer issues a credit memo to the customer.
- **Return for Repair.** Use this value for an item your customer requests repair.

Transfer Orders and Shipping Integration: How It Is Processed

Transfer order processing is integrated with Oracle Fusion Shipping. You can pick, pack, and ship transfer order lines in Shipping. You can also generate shipping documents for a transfer order.

**Settings That Affect Transfer Order and Shipping Integration**

Supply chain orchestration rules affect transfer order processing when integrating with shipping. These rules determine if a transfer order is routed directly through Oracle Fusion Shipping, or through Oracle Fusion Order Management. Shippable transfer order lines are interfaced to shipping directly from the transfer order pages in Oracle Fusion Inventory Management.

**How Transfer Orders Are Processed Through Shipping**

Oracle Fusion Shipping plays a key role in transfer order processing. The following parameters are important components of the transfer order and Shipping integration:

- Shipping can generate shipping documentation for transfer order lines.
- A transfer order line initially maps to one shipment line.
- Ship confirm updates the shipped quantity on transfer order lines.
- Shipping can accept a shipment line with internal locations for ship-to locations.
- Shipping validates the update of shipping-relevant attributes on transfer orders.
• Lines for return transfer orders are treated similar to the ones in the original transfer order, but are identified separately with an order type of return transfer order.
• Transfer orders that do not require physical return of material are not interfaced to Shipping.
• Shipping can generate transfer order shipping cost records to pass to Costing.

Generating Shipping Costs for Transfer Orders: How They Are Processed

The Generate Shipping Cost process generates shipping cost records for shipping costs tied to a transfer order shipment.

Settings That Affect Generating Shipping Costs for Transfer Orders

Shipping cost records are generated for all transfer orders.

How Shipping Costs for Transfer Orders Are Processed

The Generate Shipping Cost process has the following requirements:

• Shipping costs at the shipment or container level are prorated down to the shipment line level so that summaries are provided by shipment line.

  Note: This applies to shipment header and container level charges only.

• Prorating calculations are performed using the weight for the given shipment line.
If no weight was entered for the lines being prorated, then the quantity is used to drive the prorating calculations.

  Note: This applies to shipment header and container level charges only.

• For shipping costs at the line level, the full charge associated with the delivery line is passed onto Costing.

  Note: This applies to delivery line level charges only.

• Records in the Shipping Costs table are summarized by shipment line and freight cost type.
• Shipping costs cannot be changed for transfer orders or return transfer orders after the shipment has been confirmed and interfaced to Inventory.
• Costs in the shipping cost table are picked up when the associated transfer order shipment inventory transaction is picked up by Costing.

Shipping Cost Changes on Transfer Orders: Explained

You can change transfer order shipping costs on the Record Shipping Costs page, whether or not the shipment or shipment lines are open, confirmed, or closed. However, for delivery lines associated with transfer orders, you cannot make changes to the shipping costs after a confirmed shipment is interfaced to inventory. You can still view shipping costs, but you cannot update them.
Access the Record Shipping Costs page from the Manage Shipments and Manage Shipment Lines pages to view, change, cancel, or record new shipping costs.

Oracle Fusion Shipping performs two validations on transfer order costs. They include:

- Protecting against duplicate freight costs
  You cannot add a new shipping charge when the same shipping charge is currently in the freight cost table against the same delivery line.
- Disallowing changes after interfacing to Inventory
  Shipping costs tied to a transfer order are passed to Inventory and onto Costing. Once the confirmed shipment lines are interfaced to Inventory, Costing is triggered to pick up these costs. You cannot change shipping costs after confirmed shipping lines have been interfaced to Inventory.

>Note: This restriction applies to delivery lines associated with transfer orders only.

**Oracle Social Network for Outbound Shipments: Explained**

Social objects are records within a business application that are mapped into the Oracle Social Network.

With social networking, you can share an aspect of your application, such as outbound shipments, with everyone who plays a part in getting the job done. Oracle Social Network uses conversations, or online discussions, as the central point of collaboration. Conversations can include messages, replies, documents, and links. You can also mark messages to initiate a discussion among members.

Important aspects for outbound shipment social objects include:

- Outbound shipment attributes
- Outbound shipment conversations
- Requirements
- Authorized users

The Oracle Social Network is common to most Oracle applications. For details about the social network, see the Social Network chapter of the Oracle SCM Cloud: Using Common Features for Applications Cloud guide. Also, see the Oracle SCM Cloud: Using Oracle Social Network guide.

**Outbound Shipment Attributes**

A social object exists for outbound shipments. You can share the outbound shipment social object and create conversations for outbound shipments on the Edit Shipment page.

Anyone on the Oracle Social Network can reference an outbound shipment that has been shared on the Oracle Social Network. However, you can only access the Edit Shipment user interface from the Oracle Social Network, and take further actions on a shipment, if you have the authorized privileges for the Edit Shipment page.
Here are the outbound shipment attributes available on the Oracle Social Network conversation:

- Shipment
- Shipping Method
- Waybill
- Initial Ship Date
- Planned Delivery Date
- Shipment Status
- Ship-From Organization
- Customer
- Ship-To Location

⚠️ Note: You can only view attributes for which you have authorized access.

You can enable or disable the display of individual attributes in the Setup and Maintenance work area.

Outbound Shipment Conversations

Click the Social button on the Edit Shipment page to share the outbound shipment social object for the social network conversation. If the outbound shipment social object has already been shared, clicking this button enables you to access the related social discussion.

⚠️ Note: You can only access the Edit Shipment page if you have the authorized permissions.

Requirements

The following requirements must have already been met to use the outbound shipment social object:

- Configure Oracle Social Network for Oracle Fusion Applications
- Enable the outbound shipment for Oracle Social Network tracking as a social object
- Set up the outbound shipment for manual sharing

Authorized Users

Authorized users include:

- Warehouse manager
- Shipping manager
- Shipping agent

Related Topics

- Social Networking: Highlights
FAQs for Managing Outbound Shipments

What's the difference between inbound shipments and outbound shipments?
Inbound shipments are items that you receive into the warehouse. Oracle Fusion Receiving supports the receipt of purchase orders, purchase requisitions, return material authorizations, and interorganization shipments.
Outbound shipments are items that you ship out of the warehouse. Oracle Fusion Shipping automates and helps manage outbound shipments.

How can I record shipping costs?
Select the shipment for which you want to record costs and click Record Shipping Costs. You can create one or more shipping cost records for shipments, items, or packing units in the Record Shipping Costs page.

How can I change ship options?
Use the Change Ship Options option from the Actions menu to change the ship options for the selected shipment.

Why can’t I change shipping costs on a transfer order?
You cannot make updates to shipping costs after a transfer order shipment has been confirmed and interfaced inventory.

How can I ship confirm a shipment?
Select the shipment on the Manage Shipments page or the Edit Shipment page and select the Ship Confirm option. However, you must select a ship confirm rule or specify ship confirm options, as well as resolve all error exceptions, before you can ship confirm the selected shipment. You must also record lot and serial numbers for items that have that requirement.

Can I ship confirm a shipment before resolving all exceptions?
Yes. You can ship confirm a shipment without resolving information and warning exceptions. However, you cannot ship confirm a shipment without resolving error exceptions.

How can I view the document job set applicable for the shipment?
Select the shipment on the Manage Shipments page and click Review Document Job Set to view the document job set applicable for the shipment.

How can I modify the document job set before ship confirm on a shipment?
Select the Document Job Set value on the Change Ship Confirm Options page to apply the document job set for the shipment on shipment confirmation.

What's a return to supplier transaction?
A transaction that allows you to return items to a supplier and receive credit for the items without interacting directly with the supplier. The return is routed through the organization to the outsourced manufacturer or supplier. The organization sends the items back to the supplier.

What's a noninventory shipment?
A shipment transaction created in Closed status for material that is not physically delivered into inventory in the warehouse. Noninventory shipments are used for return to supplier transactions to print shipping documents for the supplier and send advance shipment notices (ASNs) to the customer. The shipping process for return to supplier transactions does not generate inventory transactions or affect on-hand balances.
What are tax determinants?
Explicitly or implicitly available details on transactions such as receipt, ship confirm, and consumption that become inputs into the tax determination process. The tax determination process calculates the applicable taxes on the transaction. Examples of tax determinants are Taxation County, Product Fiscal Classification, and Tax Classification Code.

Why can't I edit the tax determinants?
You must provide a value for the Taxation Country attribute before you can edit the following fields:

- Transaction Business Category
- Document Fiscal Classification
- User-Defined Fiscal Classification
- Product Fiscal Classification
- Intended Use
- Product Category

Also, some shipment and receiving lines don't show tax determinants due to their line status.

How can I process pending inbound shipment confirmations or errors?
For inbound shipment confirmations whose interface status is ready, but which may not have been processed or which may have errors, click Manage Shipping Transaction Corrections in Spreadsheet from the Shipments task list in the Inventory Management work area. Then you can edit the errors and upload the data. To do this task you need a spreadsheet add-in. From the Navigator, click Download Desktop Integration Installer, to install the add-in.

How can I process pending outbound shipping requests?
To check which lines are in Ready to Interface integration status for pending outbound shipping requests, you can click Manage Shipment Lines from the Shipments task list in the Inventory Management work area. Then click the Create Outbound Shipment Request task to interface the transactions.

What happens if consolidate backordered lines?
When you choose to consolidate backordered lines, any line that was split and subsequently backordered will be automatically consolidated with other backordered lines that it was part of originally. When a backorder occurs, Oracle Fusion Shipping searches for existing shipment line backorders for the particular line. If a qualified existing backorder is found, then the current backordered shipment line is consolidated with the existing backordered shipment line.

Note: Only unassigned and unpacked backordered lines will be consolidated.

Can I view shipment summaries across all my organizations?
Yes. You can select All Organizations to view summary of shipments and shipment lines for all the accessible organizations.

How can I find sales orders that contain project details?
The Project Sales Order check box on the Manage Shipment Lines page indicates whether a sales order line contains project details or not. To see the project details of the sales order, go to the Inventory > Review Completed Transactions page after the shipment line is shipped and interfaced to inventory.

Review Shipping Exceptions
Shipping Exceptions: Explained

Shipping exception is an unexpected event resulting out of a conflict between the requirements of the shipper, customer, or transportation carrier.

Shipping exception enables you to:

- Define and maintain the three types of shipping exceptions
- View and modify predefined exceptions
- Modify severity levels of exceptions

Define and Maintain New Shipping Exceptions
You can define and maintain new exceptions. The exceptions can be of three types:

- Shipment: exceptions that are logged against shipments.
- Picking: exceptions that are logged during the picking process.
- Batch: exceptions logged to store the messages generated during the automated shipping processes such as automatically pack and ship confirm.

View and Modify Predefined Exceptions
You can view and use predefined exceptions. You can choose to activate or inactivate predefined exceptions based on their validity for your organization. You can only modify the severity level for predefined exceptions.

Modify Severity Levels of Exceptions
You can define and maintain the following severity levels of shipping exceptions:

- Error: Requires resolution before the transaction can be closed.
- Warning: Can be superseded and does not require resolution to close the transaction.
- Information: Provides information on a particular transaction. The user is not required to act on the information exception to close the transaction.

Related Topics
- Predefined Exceptions: Explained

FAQs for Shipping Exceptions

How can I resolve a shipping exception?
Select and view details of the exception you want to resolve. Use the Closed option from the Status drop-down list and save to resolve the exception. You may need to correct the cause of the error before closing the exception.

How can I log a shipping exception?
Select Create Exception Record from the Actions menu to log an exception for a shipment or items within a shipment.
Manage Drop Shipments

Drop Ship: Overview

Drop ship is an order fulfillment strategy where the seller does not keep products in inventory. Instead, the seller relies on suppliers or contract manufacturers to build, store, and ship orders to customers. When a customer places an order for a drop shipped product, the seller issues a purchase order for the item and provides instructions for shipping directly to the customer. The supplier ships the product to the customer.

The following figure illustrates the drop ship process flow.

You can generate shipping documents for your drop ship orders. Shipments are automatically created when an advance shipment notice (ASN) is created by the warehouse manager for the drop ship purchase order or by the supplier in the Supplier Portal. The shipping manager generates the packing slip, bill of lading, and commercial invoice as is applicable to the shipment. The generated paperwork is sent to the supplier manually, typically through email. The supplier can then ship the goods to the customer with the paperwork received from the seller.

Note: The shipping paperwork for a drop ship order is similar to that of a regular sales order.

Drop Shipment: Explained

Drop ship is an order fulfillment strategy where the seller does not keep products in inventory. Instead, the seller relies on suppliers or contract manufacturers to build, store, and ship orders to customers. Material flows directly from the supplier to the end customer. In this flow, the shipment is called a drop shipment.

The drop ship flow includes the following steps:

1. A customer places an order for a product.
2. The seller issues a purchase order for the item and provides instructions for shipping directly to the customer.
3. The suppliers or contract manufacturers ship the product.
4. The seller earns a profit.

FAQs for Manage Drop Shipments

What's drop ship?
Drop ship is an order fulfillment strategy where the seller does not keep products in inventory, but relies on suppliers to build, store, and ship orders to customers.

What's a drop ship purchase order?
An order shipped from a supplier directly to the end customer, without the handling, stocking, or delivery of goods.

Can I print shipping documents for drop ship orders?
Yes. The shipping manager can print the packing slip, bill of lading, and commercial invoice for drop shipments.

How can I send shipping instructions for drop ship orders?
You can send shipping instructions manually to the supplier either with the shipping paperwork or by email. The supplier, in turn, sends the paperwork to the customer.

How can I send an ASN for a drop ship order?
A customer advance shipment notice (ASN) is created when the warehouse manager or supplier creates an ASN for a drop ship order. You can send this ASN to the customer using Integrated Cloud Service (ICS) integration or business to business (B2B) messaging using Oracle Collaboration Messaging Framework, given the customer has enabled it.

ICS is an end-to-end integration orchestration platform that simplifies how to use and apply product integrations offered within the cloud. Oracle Fusion Collaboration Messaging Framework provides the ability to manage business to business (B2B) communications with large numbers of suppliers.

What's the difference between a purchase order return and a drop ship purchase order return?
For a regular purchase order return, you can return goods to either receiving or the supplier.
For a drop ship purchase order return, you can only return goods to the supplier. You cannot return goods to receiving.
3 Execute Shipping Documents

Executing Shipping Documents: Overview

With Oracle Fusion Shipping, you can elect to generate and print shipping documents for customer orders. The type of shipping documents is dependent on the specific customer order and purchase transaction.

Types of shipping documents include, but are not limited to:

- Advance shipment notice (ASN)
- Packing slip
- Bill of lading
- Commercial invoice

Print Packing Slip Report: Explained

When you ship goods, you can print a packing slip report to follow those goods. The packing slip report lets you provide detailed information about a shipment to a customer, to another organization as a transfer, or to a supplier as a return.

The packing slip report follows the goods during transportation and contains details about the contents of a particular package, carton, pallet, or container for shipment. Before printing a packing slip report, you can define attributes specific to your shipment, such as packing slip status, transportation reason, shipment description, and so on.

Related Topics

- View Report Output from Scheduled Processes

Printing a Packing Slip Report as a Scheduled Process: Procedure

To print a packing slip report for a shipment as a scheduled process, perform the following steps:

1. In the Navigator, select Scheduled Processes, and then click Schedule New Process.
2. In the Name field, click the down arrow, and then click Search.
3. In the Name field, enter Print Packing Slip Report, and then click Search.
4. In the search results, select Print Packing Slip Report from the drop-down list, click OK, and then click OK again.
5. Select the process details specific to your shipment.
6. (Optional) To schedule the packing slip to print at a later date or frequency, click Advanced, and then click the Schedule tab to enter the criteria.
7. Click **Submit**.

**Print Shipping Documents for Configured Items: Explained**

You can print the details of the model and options selected for configured items on fulfillment documents. This is known as the sales order view. The application calls a service at the time of shipment confirmation that provides this information. You can view the details of the configured product on the packing slip and commercial invoice throughout the receiving, inventory, and shipping processes. This helps avoid confusion when shipping configured products because the contents of the shipment are indicated on the documents.

> **Note:** The quantities of the components contained in the configured item display on the documents in terms of a single unit quantity. This means that the documents show the number of required components when the configured item quantity equals one.

**Print Shipping Documents for RMAs: Critical Choices**

You can select whether or not you want to print shipping documents for your customer returns. To print shipping documents for RMAs (return material authorizations), select the **Print shipping documents for return material authorizations** option on the Manage Receiving Parameters page.

In the Setup and Maintenance work area, use the following:

- Offering: Manufacturing and Supply Chain Materials Management
- Functional Area: Receiving
- Task: Manage Receiving Parameters

> **Note:** The **Print shipping documents for return material authorizations** option is a onetime setup step for your organization. You do not set this up per transaction.

**Print Shipping Documents**

If shipping documents are required, your organization may select the **Print shipping documents for return material authorizations** option on the Manage Receiving Parameters page. For example, this can happen when your customer returns an item through a RMA (return material authorization). The return transaction is then completed in two steps as follows:

1. Creation of a shipment upon receipt of the RMA in Oracle Fusion Receiving.
   
   Shipment lines are created for each item on the RMA order.

2. Confirmation of the shipment in Oracle Fusion Shipping upon put away of the receipt in Receiving.
   
   This leads to the closure of the shipment. You can now generate shipping documents for the RMA order based on the shipment number.
Don't Print Shipping Documents

If shipping documents are not required, do not select the **Print shipping documents for return material authorizations** option on the Manage Receiving Parameters page. Your customer return is completed in one step and you do not have to confirm the shipment in Shipping.

Print Shipping Documents for Return to Supplier Transactions: Critical Choices

You can select whether or not you want to print shipping documents for your return to supplier transactions. To print shipping documents for these transactions, select the **Print Shipping Documents for Returns to Suppliers** option on the Manage Receiving Parameters page.

To set access to the Manage Receiving Parameters page, in the Setup and Maintenance work area, use the following:

- Offering: Manufacturing and Supply Chain Materials Management
- Functional Area: Receiving
- Task: Manage Receiving Parameters

**Note:** The **Print Shipping Documents for Returns to Suppliers** option is a one time setup step for your organization. You do not set this up per transaction.

Print Shipping Documents

If shipping documents are required, or if several people are involved in the process to ship the product back to the supplier then your organization may select the **Print Shipping Documents for Returns to Suppliers** option on the Manage Receiving Parameters page. For example, this can happen when your organization’s customers return the item to your organization, and then you must return the items to the supplier. This is a one time setup step for your organization and it cannot be changed for individual transactions. The return to supplier transaction is then completed in two steps as follows:

1. Creation of the return to supplier transactions in Oracle Fusion Receiving.
2. Confirmation of the return to supplier shipment in Oracle Fusion Shipping. This leads to the closure of the shipment and creation of the shipping documents.

Don't Print Shipping Documents

If shipping documents are not required, do not select the **Print Shipping Documents for Returns to Suppliers** option on the Manage Receiving Parameters page. Your return to supplier transaction is completed in one step and you do not have to confirm the shipment in Shipping.
Return to Supplier Transactions with Shipping Documents: How They Are Processed

When you need to return items to the supplier, you may choose to print shipping documents for transporting the returned items back to the supplier. Returns may be needed when a customer rejects an item from their received shipment, a defect is found internally, and so forth. To print shipping documents for the return, follow the two-step return process that starts in Oracle Fusion Receiving and continues through to Oracle Fusion Shipping.

Settings That Affect Return to Supplier Transactions

To print shipping documents for your return to supplier transactions select the **Print Shipping Documents for Returns to Suppliers** option on the Manage Receiving Parameters page.

*Note:* The **Print Shipping Documents for Returns to Suppliers** option is a one-time setup step for your organization. You do not set this up per transaction.

How Return to Supplier Transactions Are Processed

Return to supplier transactions are processed in two steps:

1. Create the return to supplier transaction in Oracle Fusion Receiving.

   The receiving agent has an offline interaction with the supplier to obtain the return material authorization number for the return. Then, the receiving agent creates the return to supplier transaction by providing details such as the returned quantity and return material authorization (RMA) number. Finally, the receiving agent submits the transaction for processing and the transaction moves to Shipping.

2. Create and confirm the return to supplier shipments in Oracle Fusion Shipping.

   Shipping treats the items on the return to supplier transaction as a noninventory shipment and stages the items without creating a shipment. Noninventory shipments do not generate inventory transactions or affect on-hand balances. Therefore, the application skips actions such as backorder, cycle count, pick release, and record serials, since these actions are not applicable to noninventory shipments. The shipping manager searches for the return transactions, assigns the return to supplier lines to shipments, and performs ship confirm. Upon ship confirm, Shipping generates the shipping documents for the customer, and creates and sends the automatic shipment notices (ASNs) automatically to the supplier.

Corrections to Return to Supplier Transactions With Shipping Documents

You can make corrections to return to supplier transactions. The corrections are reflected on shipping documents up until the returned products are shipped within the Shipping application. If you make corrections after the products are shipped, the changes are still accepted in Receiving. Receiving maintains automated interfaces with Oracle Fusion Payables, Oracle Fusion Cost Management, and Oracle Fusion Purchasing to share the corrected quantity information. The table explains when changes are allowed within the Shipping application based on the type of correction to the return to supplier transaction and the associated shipment status.
### Example

When your organization’s customer initiates a return, they return the item to your organization. Your organization must then send the items back to the outsourced manufacturer or supplier. Therefore, instead of your customers returning the items directly to the suppliers, your customer’s items are routed through your organization to your organization’s suppliers. In this instance, you must create shipping documents for transporting the items back to the suppliers.

### Related Topics

- What’s a noninventory shipment?
Apply Document Job Set Rules and Output Preferences: Explained

The Apply Document Job Set Rules and Output Preferences scheduled process runs at the time of shipment confirmation to identify the corresponding document job set applicable and the output preferences associated with the shipment. Based on the configured document job set rules and document job set preferences, the document job set is applied and submitted as a scheduled process at the time of shipment confirmation.

You can run the Apply Document Job Set Rules and Output Preferences process manually to override the document job set associated with the shipment.

Attach Shipping Documents to Shipment: Explained

Use the Attach Shipping Documents to Shipment process to attach shipping documents to the shipments.

When you select the Attach Document option on the Manage Shipping Document Output Preferences page, this scheduled process runs at the time of shipment confirmation to attach the output of the corresponding job of the document job set to the shipment as an attachment.

You can run the Attach Shipping Documents to Shipment process manually to attach output of the shipping reports to the shipment.

Generate Remit-to Number with Shipments for Argentina

You can generate a remit-to number associated with a shipment for reporting to Argentinian regulatory authorities. You need to ensure that Enable Document Numbering is selected for the Manage Localization System Option for the Argentina Business Units in the Financials offering. Also ensure that the document sequence is set up by using the tasks Manage Document Sequences and Manage Document Sequence Categories.

FAQs for Execute Shipping Documents

How can I update a packing slip status?

Ship confirm a shipment on the Management Shipments page or on the Manage Shipment Lines page. By default, the packing slip status value is the ship confirm rule associated with that shipment.

Alternatively, you can select the Change Ship Confirm Options action to change the packing slip status for a shipment. Packing slip status values are:

- Final. The default value when the Close shipment check box is selected for the ship confirm.
- Draft. The default value when the Close shipment check box is not selected for the ship confirm.
If a shipment is not closed, you can also update a packing slip status when you print a packing slip report. Use the scheduled process **Print Packing Slip Report** on the Scheduled Processes Overview page. You can print (or reprint) immediately or schedule a future print date.

What's a return to supplier transaction?

A transaction that allows you to return items to a supplier and receive credit for the items without interacting directly with the supplier. The return is routed through the organization to the outsourced manufacturer or supplier. The organization sends the items back to the supplier.

Can I print shipping documents for transfer order shipments?

Yes, you can print the packing slip, pick slips, and bill of lading for transfer order shipments.

How can I print shipping instructions on shipping documents for transfer order shipments?

You can print shipping instructions on the packing slip and bill of lading for transfer order shipments by entering instructions in the **Notes to Supplier** field on the Manage Transfer Order pages.

How can I generate shipping documents at shipping confirmation?

You can generate shipping documents at shipment confirmation by defining the shipping document job set rules. Alternatively, you can generate shipping documents at shipment confirmation by manually selecting the document job set for a shipment by using the **Change Ship Confirm Options** action on the Edit Shipment page.

How can I view the document job set associated with a shipment?

Once the shipment is confirmed, you can view the document job set associated with the shipment on the Manage Shipments page in the Search Results. The Document Job Set column shows the document job set that was applied for the shipment on shipment confirmation. You can also view the ID of the document job set scheduled process applied for the shipment on shipment confirmation in the Job Set Process ID column.

**Drop Ship Transactions**
Print Shipping Documents for Drop Ship Orders: Critical Choices

You can select whether or not you want to print shipping documents for drop ship orders. To print shipping documents for these transactions, select the Print shipping documents for drop ship orders option on the Manage Receiving Parameters page.

In the Setup and Maintenance work area, use the following:

- Offering: Manufacturing and Supply Chain Materials Management
- Functional Area: Receiving
- Task: Manage Receiving Parameters

Note: The Print shipping documents for drop ship orders option is a one-time setup step for your organization. You do not set this up per transaction.

Printing Shipping Documents

If shipping documents are required for your drop ship orders, then your organization selects the Print shipping documents for drop ship orders option on the Manage Receiving Parameters page. For example, you might select this option when the supplier for your organization creates an advance shipment notice (ASN) for the drop ship order. This option is a one-time setup step for your organization and can’t be changed for individual transactions. The drop ship order is then completed in two steps as follows:

1. Creation of the ASN by the supplier in the Supplier Portal. Alternatively, a warehouse manager can enter an ASN by clicking the Create ASN task from the task panel of the Inventory Management work area.
2. Confirmation of the shipment by the shipping manager for the drop ship order. This confirmation leads to the closure of the shipment and creation of the shipping documents.

Note: The shipping paperwork for a drop shop order is similar to that of a regular sales order.

Don’t Print Shipping Documents

If shipping documents are not required, do not select the Print documents for drop ship orders option on the Manage Receiving Parameters page. Your drop ship order is completed in one step and you don’t have to confirm the shipment.

Related Topics

- Recording the Shipment of Drop Ship Products to the Customer: Explained
- Using the AP Invoice Option for Drop Ship Purchase Orders: Explained
- Creating an ASN on a Drop Ship Purchase Order: Procedure

Drop Ship Transactions with Shipping Documents: How They Are Processed

For customer orders for products that are not in inventory, you can use a supplier or contract manufacturer to build, store, and ship the product to the customer. This transaction is known as a drop shipment. A drop ship purchase order is issued to the supplier or contract manufacturer, who in turn, ships the product to the customer.
For example, assume your customer places an order with you that requires a drop ship. The order manager sends a purchase request to purchasing, which places a purchase order with your supplier, and then your supplier ships directly to the customer. The drop ship purchase order, along with paperwork instructing how to ship directly to the customer, is provided to the supplier. The supplier or contract manufacturer ships the item, and your company earns a profit.

You can generate shipping documents for drop ship orders. The shipment for a drop ship purchase order is automatically created when the advance shipment notice (ASN) is created by the supplier on the Supplier Portal or by the warehouse manager in the Inventory Management work area in the Manufacturing and Supply Chain Materials Management offering. The shipping manager generates the packing slip, bill of lading, and commercial invoice for the drop ship order for manual delivery to the supplier. The supplier then ships the goods to the customer with the applicable paperwork.

The following figure illustrates the shipping document process flow for drop ship orders.

Settings That Affect Generation of Shipping Documents for Drop Ship Transactions
To print shipping documents for your drop ship transactions, in the Setup and Maintenance work area, use to the following:

- Offering: Manufacturing and Supply Chain Materials Management
- Functional Area: Receiving
- Task: Print shipping documents for drop ship order

Note: The Print shipping documents for drop ship orders option is a one-time setup step for your organization. You do not set this up per transaction.

FAQs for Drop Ship Transactions

Can I print shipping documents for drop ship orders?
Yes. The shipping manager can print the packing slip, bill of lading, and commercial invoice for drop shipments.

How can I send shipping instructions for drop ship orders?
You can send shipping instructions manually to the supplier either with the shipping paperwork or by email. The supplier, in turn, sends the paperwork to the customer.
How can I send an ASN for a drop ship order?

A customer advance shipment notice (ASN) is created when the warehouse manager or supplier creates an ASN for a drop ship order. You can send this ASN to the customer using Integrated Cloud Service (ICS) integration or business to business (B2B) messaging using Oracle Collaboration Messaging Framework, given the customer has enabled it.

ICS is an end-to-end integration orchestration platform that simplifies how to use and apply product integrations offered within the cloud. Oracle Fusion Collaboration Messaging Framework provides the ability to manage business to business (B2B) communications with large numbers of suppliers.
4 Manage Outside Processing Services

Outside Processing: Overview

Outside processing is a business process where one or more operations of a work order are outsourced to a supplier who provides specialized manufacturing services. These services may vary depending on the nature of the industry.

Outside processing is often adopted as a strategic alternative to in-house manufacturing for the following reasons:

- To lower manufacturing costs due to production costs
- To leverage state of the art manufacturing technology
- To increase capacity to overcome production bottlenecks
- To focus on core competencies

The following figure is an example of outside processing:

The following figure explains a business flow where three operations are required to complete a work order: operation 10 which is machining, followed by operation 20 which is plating, and operation 30 which is assembly. Operation 20 is a supplier operation which is performed by outside processing.

- An Original Equipment Manufacturer (OEM) performs the first operation in-house and ships the machined parts to a supplier for plating.
- The supplier performs the plating operation and sends the plated parts to the Original Equipment Manufacturer (OEM).
- The OEM receives the plated parts and pays the supplier for performing the value added services.

In the entire process, the OEM retains the ownership of the goods that are sent to and received back from the supplier.
Outside Processing in Shipping: Explained

In outside processing, one or more manufacturing operations in a work order are outsourced to external providers. The Original Equipment Manufacturer (OEM) handles selective manufacturing operations in-house and outsources other manufacturing operations to one or more service providers.

Outside processing improves operational efficiency by:

- Providing visibility into supply chain functions
- Reducing manual intervention
- Improving management of demand and supply side changes
- Providing better insight into outside processing costs

The outside processing flow begins and ends within the Oracle Manufacturing Cloud solution. Manufacturing sends the shipment lines to Oracle Fusion Shipping for processing. From Shipping, the lines are packed and shipped to the supplier. The supplier then performs their services on the goods and sends the goods back to the OEM. The OEM receives the goods in Oracle Fusion Receiving and delivers the processed items to Manufacturing. For more detailed information about the outside processing business process flow, see the Using Oracle SCM Cloud Using Manufacturing guide. For more information about outside processing in Receiving, see the Oracle SCM Cloud Using Receiving guide.
The following figure shows a high-level overview of the outside processing flow as it relates to shipping and receiving.

Explanation of callouts:

1. Manufacturing sends shipment lines for outside processing to Shipping.

2. Shipment lines are imported into Shipping for packing and shipping to a supplier or manufacturing partner for outside processing.

3. The supplier or manufacturing partner receives the items and performs the agreed upon outside processing services.

4. After the supplier or manufacturing partner has completed service on the items, the items are sent back to the original manufacturer.

5. Outside processing items are received back from the supplier or manufacturing partner in Receiving and delivered to the original manufacturer to progress the work order to completion.

Throughout the entire process, the original manufacturer retains ownership of the goods that are sent to and received back from the supplier or manufacturing partner. The work order and purchase order information follow all the steps of the outside processing flow.

Note: Manufacturing calls Oracle Fusion Supply Chain Orchestration to enable the shipping of partially finished assemblies by creating shipment requests. The supply chain orchestration process tracks and monitors supply orders for outsourced manufacturing operations. For more information about outside processing in Supply Chain Orchestration, see the Oracle SCM Cloud Using Oracle Supply Chain Orchestration guide.
Use the Manage Shipment Lines page and the Edit Shipment Line page to perform shipping-related tasks for outside processing.

The job roles associated with outside processing in shipping are warehouse manager and shipping manager. Using outside processing in Shipping, you can:

- Create shipments for shipment lines to a supplier
- Print shipping documents associated with the shipment, such as the packing slip and bill of lading

Integration with Oracle Global Trade Management Cloud is available for outside processing. However, integration with Oracle Transportation Management Cloud is not available for outside processing.

How Shipping Accepts Shipment Lines for Shipment to Suppliers for Outside Processing: Explained

The outside processing flow begins within the Oracle Manufacturing Cloud solution. Manufacturing sends shipment lines to Oracle Fusion Shipping for processing by way of the supply chain orchestration processes. For information about outside processing in Manufacturing, see the Oracle SCM Cloud Using Manufacturing guide. For information about the supply chain orchestration processes for outside processing, see Oracle the SCM Cloud Using Supply Chain Orchestration guide.

Shipping accepts the work order, purchase order, and end assembly information and automatically sets the order type for these shipment lines to outside processing. Work order information is stored in the order attributes, and purchase order information is stored in the source order attributes. You can use these attributes to search shipment lines for outside processing for a specific work order or purchase order throughout the entire shipping process. You can also configure shipping documents to include these attributes, as well as end assembly details.

Because the goods are predefined in Manufacturing as outside processing and these shipment lines are not sales order-related, Shipping creates these lines as staged directly. You can then pack and ship the shipment lines to the supplier for outside processing.

Confirming Shipment of Lines for a Work Order for Outside Processing: Examples

In this example, an operator in manufacturing generates a work order to manufacture an assembly item with multiple operations, and one of the operations is a supplier operation.
The prerequisites before processing the work order are:

- Oracle Fusion Supply Chain Orchestration creates a purchase requisition for the required outside processing of the work order's supplier operation.
- Oracle Fusion Purchasing approves the requisition and generates a standard purchase order for outside processing of the partially finished assembly for the work order.
- The work order progresses to complete the first operation for the full quantity.
- Manufacturing calls on the supply chain orchestration process to enable the shipping of the partially finished assembly by creating shipment requests. The supply chain orchestration process also communicates the shipment request details, including the work order details and the purchase order details to Oracle Fusion Shipping.
- A shipping user confirms the shipment of the partially finished assembly to the outside processing supplier within Shipping.

Confirm Shipment of Lines

To confirm shipment of lines for an outside processing work order, the warehouse manager:

1. Queries for shipment lines of the type outside processing on the Manage Shipment Lines page.

2. Records the shipping quantity and other shipping details on the Edit Shipment Lines page after reviewing the details of the work order, purchase order, and end assembly for these shipment lines. This action triggers automatic creation and assignment of the lines to a new shipment.

3. Queries the assigned shipment number on the Manage Shipments page and records the shipment details (such as shipping method, waybill, freight terms, and so on), and then confirms the shipment.

Based on the default ship confirm options, the shipment is confirmed and closed at the same time. While closing the shipment, an event is published for outside processing. The supply chain orchestration process listens to the event, updates the supply order appropriately, and initiates the updates on the work order. The warehouse manager can now query the work order within Manufacturing to verify the shipment and the shipped quantity details on the supplier operation.

Note: For consecutive supplier operations, goods move from one supplier to the next directly. The last supplier ships the goods back to the original manufacturer.

Confirm Shipment of Lines for Partial Quantities

In this example, the criteria is the same as the first scenario except that the warehouse manager splits the shipment lines into two or more partial quantities. Each quantity is recorded and assigned to separate shipments, which the warehouse manager must ship confirm and close.

FAQs for Manage Outside Processing Services
Can I initiate corrections or returns for goods delivered from outside processing suppliers?

Yes. You must initiate corrections or returns for shipment lines for outside processing within the Oracle Manufacturing Cloud solution.
5 Integrate with External Systems

Manually Interface Shipment Lines to External Systems: Explained

You can manually specify criteria to interface shipment lines to external systems. This enables you to reserve material and send shipment requests while bypassing the regular processing steps.

Use the Create Outbound Shipment Request page (accessed from the Inventory Management work area) to specify the criteria to interface shipment lines with an external system. To initiate the shipment request, select either a shipment line or pick wave release rule, or enter a sales order.

External System Shipping Integration Processes: Explained

You can communicate requests to ship orders to execution partners.

Use the following processes to interface with external systems:

- Generate Shipment Requests
- Perform Shipping Transactions
- Confirm Shipment Process

Generate Shipment Request

Use this process to schedule sending the shipment lines to external systems. This is a manual process to reserve material and send shipment requests. This process skips the regular processing steps and handles regular organizations, as well as those that are controlled by external systems.

Perform Shipping Transactions

This process handles the shipment confirmation interface records. It processes the pending transaction records received into the open interface from both regular and externally controlled organizations.

The Perform Shipping Transactions process validates the data on the transaction records before processing them. It records any errors from the validation step and leaves the transaction records in the open interfaces. You can view, edit, resolve errors, and reprocess the interface records with errors.

Confirm Shipment Process

This process confirms the shipment, prints shipping documents, sends the shipment advice, and initiates the inventory update process.
External System Shipping Integration Statuses: Explained

Use external system shipping integration statuses to search for externally controlled shipment lines in a specific status. These statuses are helpful when integrating with external systems, such as is the case when interfacing with contract manufacturing.

External system shipping integration statuses available from the Inventory Management work area include:

- Lines ready to interface
- Interfaced lines awaiting ship confirm
- Lines with interface errors

External system shipping integration statuses available from the Edit Shipment, Edit Shipment Line, and Manage Shipment pages include:

- Ready to interface
- Interfaced
- Confirmed

Note: The integration status is not available by default. Select the integration status field from the View menu.

Shipment Request Interface

The Shipment Request Interface enables you to view the error status of processed shipment lines. The Shipment Request Interface is a read-only interface and it depicts items which are currently processing or which have an associated error.

To reprocess a transaction which contains an error, you must rerun the transaction in the transaction source system (for example, Oracle Fusion Distributed Order Orchestration).

Run the Shipment Request Interface by selecting the Manage Shipment Message Interface link from the Tasks pane of the Shipments Overview page.

Before launching this interface, you must:

- Load import data to the Shipment Interface tables (WSH_TRANSACTIONS_HISTORY and WSH_DEL_DETAILS_INTERFACE). For more information on each interface table, see Oracle Enterprise Repository for Oracle Fusion Applications.
  
  You can load data to interface tables using predefined templates and the Load Interface File for Import scheduled process, which are both part of the External Data Integration Services for Oracle Cloud feature. For other implementations, optionally use this feature only if you have SFTP configured for it.

- Establish parent-child relationships for the Shipment Interface tables (WSH_TRANSACTIONS_HISTORY and WSH_DEL_DETAILS_INTERFACE).

FAQs for External System Integration
How can I review and resolve interface record errors for shipment transactions?

Use the Manage Shipping Corrections in Spreadsheet task to manage pending transactions and transactions with processing errors. Access this task from the task panel of the Inventory Management work area. This task uses a spreadsheet interface to enable you to review and edit interface transactions and their corresponding errors related to the shipping transactions received from external systems.

What's an execution partner?

An external company that provides execution services like a logistics service provider or contract manufacturer.

Why do some shipment lines remain unprocessed?

Setup data in third-party logistics or warehouse management applications can be incomplete or incorrect, which may cause shipping requests from Oracle Inventory Management Cloud to remain unprocessed.

How can I reprocess shipment lines that remain unprocessed?

Based on the information from the third-party logistics or warehouse management applications about the lines that are required to be resent for processing, search for the Interfaced integration status with other parameters on the Manage Shipment Lines page, select one or more shipment lines, and reset their integration status to Ready to Interface.
6 Reserve Inventory

FAQs for Reservations and Picks

What's a reservation?

A reservation links a supply source (such as on-hand inventory or a purchase order) to a demand source (such as an account, cycle count, or user-defined demand source), and guarantees allotment of material to the demand source. You can reserve material at the subinventory, locator, and if applicable, lot and serial number level.

What's a pick?

A pick is a manually- or automatically-created suggestion to honor a reservation when on-hand inventory is available. Picks can be created for material at the subinventory, locator, lot, and serial number levels.

What's a cycle count reservation?

A cycle count reservation is a reservation with the demand document type of cycle count.

You can create a cycle count reservation if, during picking or shipping, you have determined missing material and you want to ensure that no one else tries to use or pick the missing material. Cycle count reservations are deleted when you perform a cycle count of the item in the specified location.

What happens to reservations when I make changes to supply sources?

Reservations against the following supply sources are changed accordingly:

- On hand: After on-hand supply has been issued against a specified demand, the same material cannot be issued against another demand.

- Purchase order: If you reduce the quantity of material in or cancel a purchase order that is reserved against a demand, the corresponding reservation is modified or canceled.

  Any other changes to the purchase order that affect the expected quantity also trigger changes to the associated reservation.

- Requisition: If you reduce the quantity of material in or cancel a requisition that is reserved against a demand, the corresponding reservation is modified or canceled.
Any other changes to the purchase order that affect the expected quantity also trigger changes to the associated reservation.

- Transfer order: If you reduce the quantity of material in or cancel a transfer order that is reserved against a demand, the corresponding reservation is modified or canceled.

Any other changes to the purchase order that affect the expected quantity also trigger changes to the associated reservation.

- Transfer order return: If you cancel a transfer order return that is reserved against a demand, the corresponding reservation is canceled.

- Work order: If you reduce the quantity of material in or cancel a work order that is reserved against a demand, the corresponding reservation is modified or canceled.

Any other changes to the purchase order that affect the expected quantity also trigger changes to the associated reservation.
7 Manage Brazil Outbound Shipments

Brazil Outbound Shipment Fiscal Documents: Overview

The Brazilian fiscal government authority has implemented a requirement that a fiscal document (Nota Fiscal in Portuguese) must accompany shipments to document trade between suppliers and customers.

The fiscal document serves as a bill of lading to detail the quantity of items transported from the supplier to the customer (and in the case of reverse flows, from customers to suppliers). It also serves as a proxy invoice from the supplier that documents the material costs, supplier charges, and taxes payable by the customer.

The Brazilian fiscal authority mandates that domestic suppliers and customers retain the fiscal documents for government tax purposes. Companies are also required to retain fiscal documents so that fiscal authorities can review applied taxes on the sale and purchase of goods and services.

Oracle Fusion Shipping integrates with fiscal document generation, which is part of Oracle Financials Cloud. Fiscal document generation manages the generation and approval of fiscal documents by:

- Handling fiscal document requests from other systems
- Obtaining tax information from the tax system
- Submitting and managing fiscal document approval requests to the fiscal authority (government) system
- Communicating fiscal document approvals and rejections back to the requesting system

The fiscal document includes the relevant details of a sale, purchase, or transfer of goods between trading partners in Brazil. The fiscal document has a unique ID number, identifies the parties, their locations, and the quantities of goods being transported. Based on information derived from the shipment, you can request fiscal document generation for the associated shipment. You can also monitor the fiscal document approval process, however, you can’t ship confirm the shipment until the fiscal document is approved.

**Note:** Before processing fiscal documents, you must associate an inventory organization with a Brazilian business unit. Shipping determines whether or not an organization is a Brazil organization by checking if the fiscal document generation feature is enabled for a billing business unit. If this feature is enabled for an organization, it’s implied that the organization is a Brazil inventory organization.

Brazil Outbound Shipment Flow: Explained

The Brazil outbound shipment flow streamlines the process flow for fiscal document generation and approval for shipments originating from inventory organizations based in Brazil.

Oracle Fusion Shipping is integrated with fiscal document generation to process and monitor the fiscal document submission and approval process. Fiscal document generation is part of Oracle Financials Cloud. This outbound shipment process flow ensures compliance with Brazilian fiscal document processing requirements.
The Brazil outbound shipment flow is shown in the following figure.

Explanation of callouts:

1. The Brazil outbound shipment flow begins with the creation of a shipment.
2. After the outbound shipment is staged, the action Request Fiscal Document is enabled for the shipment.
3. You can then request fiscal document generation by clicking the action Request Fiscal Document. (Recall fiscal document generation manages the generation and approval of fiscal documents.)
4. After a fiscal document is approved, the fiscal document status associated with the shipment is updated to Approved, and the action Ship Confirm is enabled for the shipment.
5. You can then confirm the shipment and print the fiscal document.

Shipping integrates with fiscal document generation to ensure compliance by generating and approving fiscal documents. Fiscal document generation submits the fiscal document to the fiscal authority and receives the necessary approvals. Fiscal document approval is communicated to Shipping, which enables users to proceed with the ship confirm process. This process flow provides the necessary validations to ensure a shipment can’t be processed without an approved fiscal document.

**Note:** The Brazil outbound shipment flow supports only inventory transfer types Transfer Order Interorganization Shipment and Return to Supplier. The following inventory transaction types are not supported: Transfer Order Interorganization Transfer, Transfer Order Return Shipment, and Transfer Order Intraorganization Transfer. Also, interorganization transfers from the Create Interorganization page in Oracle Fusion Inventory Management are not supported.
Use the Manage Shipments page to manage fiscal documents for shipments originating from inventory organizations based in Brazil.

Comparison of a Brazil Outbound Shipment Flow with a Regular Outbound Shipment Flow

Several differences exist between a regular outbound shipment flow and a Brazil outbound shipment flow. The fundamental difference is that outbound shipments originating from a Brazilian inventory organization require a fiscal document, whereas a regular outbound shipment does not require a fiscal document.

Other differences include:

- You can't confirm the shipment until the fiscal document is approved by the fiscal authority.
- You can't edit the shipment while fiscal document approval is in process.

Additionally, the fiscal document serves as the bill of lading for shipments originating from Brazil, detailing the quantity of items transported from the supplier to the customer.

Related Topics

- Interorganization Transfers: Explained

Managing Brazil Outbound Shipments: Explained

Oracle Fusion Shipping provides a comprehensive process flow to ensure fiscal documents are generated for shipments originating from inventory organizations based in Brazil.

Shipping users can request fiscal document generation from the Manage Shipments page. The job roles supported are:

- Warehouse manager
- Shipping manager
- Shipping agent
- Fiscal document specialist

Note: The fiscal document specialist handles the fiscal document approval process within Oracle Financials Cloud.

The following actions are available on the Manage Shipments page for managing Brazil outbound shipment transactions enabled for fiscal document generation:

- Request Fiscal Document. This action enables you to request generation of the fiscal document. To initiate this action, the shipment must be in status staged.

- View Fiscal Document Attributes. This action enables you to view attributes associated with the fiscal document. However, you can initiate this action only after the fiscal document is approved.

These actions appear only if the business unit associated with the inventory organization is enabled for fiscal document processing.
Shipping is integrated with fiscal document generation to process and monitor the fiscal document submission and approval process. The outbound shipment process flow ensures compliance with Brazilian fiscal document processing requirements. You have complete visibility and control of fiscal document processing.

The Manage Fiscal Document Generation page provides a consolidated view of all fiscal document-related information. This page is owned by fiscal document generation, which is part of Oracle Financials Cloud. From this page, you can monitor and review the status of your fiscal documents. Note that the transaction number represents the shipment number. You can also perform various other actions, such as update fiscal attributes, generate fiscal document, and print fiscal document. You navigate to this page by either clicking the task Manage Fiscal Document Status from the Shipments work area or by clicking the action View Fiscal Document Attributes from the Manage Shipments page.

Fiscal Document Transaction Types: Explained

An internal shipment for fiscal document transactions requires a shipment (and receipt) and a fiscal document. The Brazil outbound shipment flow supports only in-transit interorganization transfers. Direct interorganization transfers, intraorganization transfers, and return internal material transfers are not supported.

Related Topics
- Interorganization Transfers: Explained

Fiscal Document Shipping Statuses: Explained

Use the fiscal document statuses to search for your fiscal documents in a specific status. Fiscal document statuses available from the Manage Shipments page include: In process, Approved, and Canceled.

After you request fiscal document generation, the shipment is in status In process. Note that you can no longer update the shipment. After the fiscal document is in status Approved, you can confirm the shipment. If the fiscal document is canceled, you can close the shipment.

Fiscal Document Duty Job Role for Shipping Users: Explained

To access fiscal document generation-related tasks, you must have the duty job role Fiscal Document Generation Duty assigned to you.

This duty role is not provisioned automatically. This role contains fiscal document processing entitlements, such as Submit Transaction for Fiscal Document Generation, Manage Fiscal Attributes, and Print Fiscal Document. If you are a warehouse manager, shipping manager, or shipping agent and want to perform fiscal document tasks, ask your applications administrator to manually assign these roles to you.
Glossary

**backorder**
An order or an order line that is withheld from processing until inventory becomes available.

**drop ship**
To take the title of a product, but not actually handle, stock, or deliver it, such as when one supplier ships directly to another or to the buyer’s customer.

**drop ship order**
A drop ship order is one where material flows directly from a supplier or contract manufacturer to the customer.

**drop shipment**
A type of shipment where the shipper is not the seller. This shipper ships directly to the customer. The shipper for an internal drop shipment is another business unit. The shipper for an external drop shipment is an external supplier.

**pick wave**
A batch of shipment lines that are pick released together based on certain business-related criteria.