

Order Intake

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Order intake corresponds to the orders that have been issued by our customers. This Wiki page aims at defining the requirements for the availability of a healthy and transparent Orderbook. Indeed, orderbook healthiness and transparency is a prerequisite for proper management & decision taking. It enables operational and financial forecasting, particularly during uncertain times.

A health orderbook is maintained through the discipline and rules that need to be followed. This will avoid to pitfalls: unconfirmed orders and backorders, which will pollute the orderbook and send wrong signals to the organization. Transparency enables to measure reasons for unhealthiness and provides a sound base for continuous improvement.

1. Principles, Prerequisites & Definitions

1.1. Principles & Prerequisites

The Orderbook dashboard / report shows the following order statuses for current month and future months:

In Scope	Out-Of-Scope
<ul style="list-style-type: none">• Open confirmed/non-confirmed orders• Closed orders – Delivered• Blocked orders• Unconfirmed Orders + Backorders	<ul style="list-style-type: none">• Closed orders – Not delivered• Rejected orders

Standardization and discipline will help maintain a healthy and transparent orderbook, which can be leveraged at all levels of the organization, from top management to GSKA. The following guiding principles will enable this.

In order to secure the healthiness of Orderbook, several rules must be followed Group-wide:

1. Sales Orders must be recorded in SAP within 2 days
2. Sales Orders must be confirmed within 2 days
3. Backorders must be continuously managed (2 days max): either rescheduled, or rejected, or blocked for further processing

Furthermore, to ensure transparency of the Orderbook, one must also respect the following:

1. Standard Blocking Codes must be used to follow-up on exceptions
2. Standard Rejection Codes must be used to ensure continuous improvement (Which sales are we losing ? Why are we losing them ?)

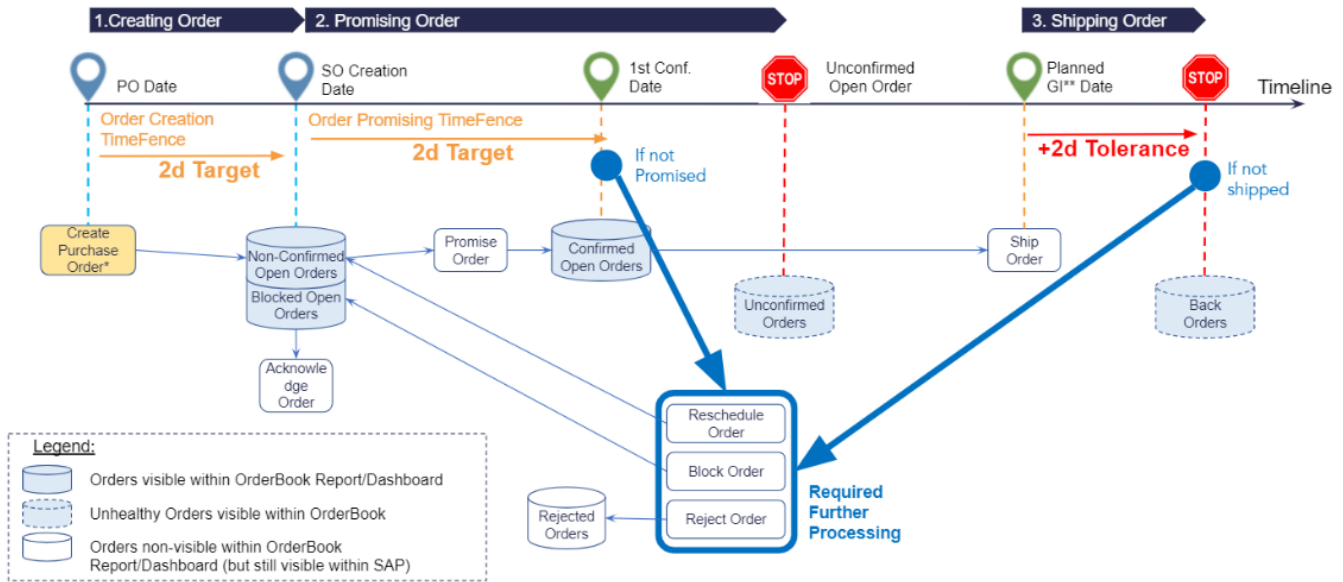
1.2. Definitions

Object	Definition
Order	A Sales Order (Header or ItemLine) to an external customer (Intra-Group sales and internal stock replenishments are not in the scope of this Playbook).

Closed Order	Any Order that is either: <ul style="list-style-type: none"> • Completely fulfilled (delivered, invoiced, invoiced receipt, closed) • Not fulfilled at all, and closed manually (eg remaining partial delivery not required anymore)
Open Order	Any Order that is not closed
Non-Confirmed Open Order	Open order for which no promise (date & quantity) was made to the customer
Confirmed Open Order	Open order for which at least one promise (date & quantity) was made to the customer
Unconfirmed Order	An open order that is not confirmed 2 days after its creation in SAP or after its "Credit Release" (if applicable), taking into account:
Backorder	An open confirmed order for which the planned goods-issue is passed by more than 2 days (is neither blocked nor rejected)
Blocked Order	An open order that cannot be fulfilled temporarily for: <ul style="list-style-type: none"> • Either internal reasons (credit block, compliance check, missing price, transport cannot be found, promising cannot be made, ...) • Or external reasons (unclear customer commitment: date, quantity, ship-to, ...) <p>The Blocking Code is applied to identify:</p> <ul style="list-style-type: none"> • The reason why the open order cannot be fulfilled (through the description of the code) • The role responsible for unblocking the code (through the authorizations) <p>The Blocking Codes can either be set at Header or Item level</p>
Rejected Order	An order that is closed due to the inability of one of the 2 parties to fulfill its initial commitment: <ul style="list-style-type: none"> • Either by the customer (goods are not required anymore) • Either by Solvay (goods cannot be supplied anymore within the conditions that were agreed with the customer)
Blocking Code	An SAP code that is put at Header or Item level of the Sales Order to stop further processing and identify: <ul style="list-style-type: none"> • The reason why it is blocked (credit limit exceeded, transportation cannot be found, ...) • The function/role entitled to solve the root-cause and unblock the Order/Item (through authorizations, depending on the GBU)
Rejection Code	An SAP code that is put at Header or Item level of the Sales Order to definitely park the Order out of the OrderBook. The code identifies: <ul style="list-style-type: none"> • The root-cause for canceling the sales • Whether it is due to Solvay or customer

2. How to Keep the Orderbook Healthy?

The process flow below describes the timeline and steps to be followed in order to maintain a healthy orderbook. This process will also enable us to keep track of problems to be investigated later.



The orderbook playbook keeps track of Group best practices to keep the Orderbook healthy.

3. Order intake KPIs

There are two main KPIs to be tracked in relation to the order intake process.

- Order Entry Cycle Time. This KPI measures the percentage of orders entered into the system in less than 2 days versus total number of orders.
- Order Promising Cycle Time. This indicator explores the time taken to confirm an order in SAP by comparing the order line creation date and the confirmation date. The target is to be less than 48 hrs (≤ 2 business days). It measures also a "Stability" and highlight subsequent changes in confirmation date afterwards.

These KPIs are kept at the Group level within the [Global Supply Chain Dashboard](#) . and more detailed KPI functional description in the [Confluence Application wiki](#).

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