



SAP Ariba 

Supply Chain Collaboration - Understanding OCAR and Handling Units

Feb 2024

THE BEST RUN



Agenda

Order Confirmation Approval Request (OCAR) scenario:

- OCAR rule and tolerance/Control key with Auto Approval
- OCAR Approval status significance
- OCAR notification and Purchasing agent

Packing Handling Unit (HU) Ship scenario:

- Need of HUs
- Packaging Instructions details
- HU PDF labels

OCAR Rule and Tolerance: Buyer Settings – OCAR rules

Supplier can send order confirmations that do not comply with defined tolerances and require buyer approval in Price, Quantity and Delivery Date. To allow OCAR process for **Purchase Orders**, enable the “**Allow suppliers to send order confirmations that do not comply with defined tolerances and require buyer approval**” rule

| | |
|---------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------|
| Allow suppliers to send order confirmations that do not comply with defined tolerances and require buyer approval. | <input checked="" type="checkbox"/> |
| | <input type="checkbox"/> Except quantity deviations. |
| | <input type="checkbox"/> Except delivery date deviations. |
| | <input type="checkbox"/> Except unit price deviations. |
| Order confirmation deviation approval level. | Single-level deviation approval ▾ |
| Allowed actions for order confirmation deviation approval. | <input checked="" type="checkbox"/> Approve. |
| | <input checked="" type="checkbox"/> Approve and update. |
| Allow suppliers to edit components in order confirmations. | <input checked="" type="checkbox"/> |

To allow OCAR process for **Scheduling Agreements**, enable the “**Allow suppliers to send order confirmations for scheduling agreements and scheduling agreement releases that do not comply with defined tolerances and require buyer approval**” rule

| |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <input checked="" type="checkbox"/> Allow suppliers to send order confirmations for scheduling agreements and scheduling agreement releases. |
| Allow suppliers to send order confirmations for scheduling agreements and scheduling agreement releases that do not comply with defined tolerances and require buyer approval. <input checked="" type="checkbox"/> |

OCAR Rule and Tolerance:

Buyer Settings – Tolerances

Buyer can set **Quantity**, **Delivery Date** and **Price Tolerance** in the Default Transactions Rules

| | |
|---------------------------------------------------------------------------------|-----------------------------------------------------------------------------------|
| Allow suppliers to increase item quantities on order confirmations. ⓘ | <input checked="" type="checkbox"/> |
| Apply line item quantity tolerance to order confirmations. ⓘ | <input type="text" value="10"/> % (Maximum underdelivery allowed.) |
| Apply line item unit price tolerance to order confirmations. ⓘ | <input type="text" value="2"/> % |
| Allow suppliers to change the currency for unit price on order confirmations. ⓘ | <input type="checkbox"/> |
| Apply line item subtotal amount tolerance to order confirmations. ⓘ | <input type="text"/> % |
| Apply line item delivery date tolerance to order confirmations. ⓘ | <input type="text" value="5"/> Days (Maximum before the requested delivery date.) |
| | <input type="text" value="5"/> Days (Maximum after the requested delivery date.) |

In case the Supplier creates the OC with deviations which falls **inside** the tolerance, then the OCAR will be **auto approved**.

In case the Supplier creates the OC with deviations which falls **outside** the tolerance, then the OCAR needs to be approved by the Buyer in the Supply Chain Monitor.

OCAR Rule and Tolerance:

Buyer Settings – Tolerances and Control Keys

The tolerance set in the Default Transactions rules can be overruled if the PO has control keys:

```
<ControlKeys>
  <OCInstruction value="requiredBeforeASN">
    <Lower>
      <Tolerances>
        <QuantityTolerance>
          <Percentage percent="10.0"/>
        </QuantityTolerance>
      </Tolerances>
    </Lower>
    <Upper>
      <Tolerances>
        <QuantityTolerance>
          <Percentage percent="10.0"/>
        </QuantityTolerance>
      </Tolerances>
    </Upper>
  </OCInstruction>
</ControlKeys>
```

In the given example, the Quantity Tolerance considered is the one present in the control keys, while the Price and Delivery Date tolerance are taken from the Default Transaction Rules.

OCAR Approval Status significance:

When the supplier submits an order confirmation with deviations, SAP Business Network automatically generates an approval request that has the same ID as the order confirmation with the added suffix _AR.

| Description | Status |
|--------------------------------------------------------------------------------------------------|----------------------------------|
| If the buyer has not approved a line-item deviation | Awaiting Approval |
| If the buyer has rejected a line- item deviation | Rejected |
| If the buyer has 'Approved' a line- item deviation | Approved |
| If the buyer has selected the 'Approve and Update' line-item deviation | Approved awaiting change order |
| If the Buyer sends a new change order with deviation which falls outside the tolerance of the OC | Awaiting supplier reconfirmation |

OCAR Notification and Purchasing Agent role

Buyer Settings – Notification

Buyers has an option to receive email notifications whenever there is Order confirmation that require approval.

Notification can be set under Manage Profile - Notifications.

| | | |
|---------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------|
| Order Confirmation | <input checked="" type="checkbox"/> Send a notification when an order confirmation is rejected. | * abc@hotmail.com |
| Order Confirmation Deviation Approval | <input checked="" type="checkbox"/> Send a notification digest to the purchasing agent when there are order confirmation deviations that require approval, with this frequency, in hours: 1 <input type="text"/> | If there is no purchasing agent information in the purchase order, send an email to email address: * abc@hotmail.com,xyz@yahoo.com,def |

Customer can define 3 email and it is valid for all the OC Deviation. The 3 emails set in the notification settings are used as default, in case no Purchasing Agent Role is defined in that PO.

OCAR Notification and Purchasing Agent role: Buyer Settings – Notification with Purchasing Agent Role

In case the notification must be directed to a specific user, then Buyer can specify a **Purchasing Agent Role** in the PO to receive the notification to the specific purchasing agent email.

```
</Contact>  
<Contact role="purchasingAgent">  
  <Name xml:lang="EN">Orchid Zhu</Name>  
  <Email name="default">abc@hotmail.com</Email>  
  <Phone>  
    <TelephoneNumber>  
      <CountryCode isoCountryCode="US">1<</CountryCode>  
    </TelephoneNumber>  
  </Phone>  
</Contact>
```

Advanced Packaging Handling Units

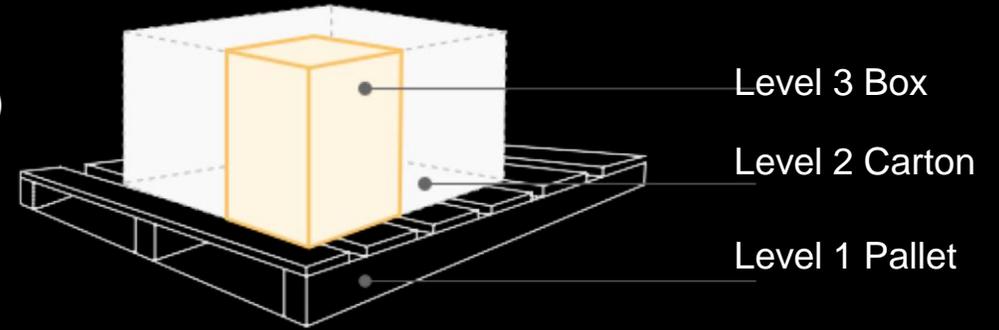
Definition:

➤ What is a handling unit (HU)?

Handling unit is a physical unit consisting of packing materials (Box, Carton, Pallet, Container) and the goods contained in it.

Each HU is identified with a unique ID Number.

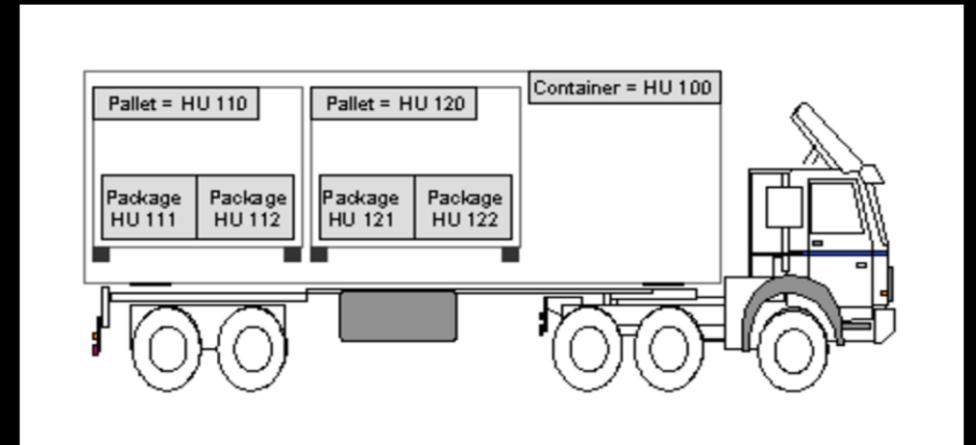
Example: Pallet is the HU 001, Carton is the HU 002 and Box is the HU 003.



➤ What are the packaging instructions?

Packaging instructions dictate how your ship notice items will be packed and contain information about packaging materials.

Example: Item "Chain Wheel" is contained in a box of 12; 4 boxes are contained in 1 Carton; 1 Pallet is used for 1 Carton.



Advanced Packaging with Handling Units

Buyer Settings – Transaction Rule and Auto Numbering

Enable Business Rule:

- Enable Transaction rule – “Allow suppliers to use advanced packaging on ship notice” for the suppliers you want to use this feature.

Allow suppliers to use advanced packaging on ship notices. ⓘ



- Configure Auto numbering for Handling units
You can configure how the advanced packaging wizard for ship notices will automatically number handling units.
Go to **Administration - Configuration - Document Numbering Preference**

| Advanced Ship Notice | | | | | | | | | |
|--------------------------|--------------------|--------|--------|---------|-----------------|------|--------|----------------|---------------------------------------------------------------------|
| Supplier | Configuration type | Prefix | Suffix | Rolling | Max. characters | From | To | Current number | Actions |
| Ariba Supplier - TEST | GS1 | 01000 | | No | 17 | 1 | 999999 | | Edit Refresh Delete |
| ↳ Create | | | | | | | | | |
| Handling Units | | | | | | | | | |
| Supplier | Configuration type | Prefix | Suffix | Rolling | Max. characters | From | To | Current number | Actions |
| Ariba Supplier - TEST | GS1 | 08000 | | No | 17 | 0 | 99999 | 10 | Edit Refresh Delete |
| ↳ Create | | | | | | | | | |

Advanced Packaging with Handing Units

Buyer Settings – Auto Numbering

Activate business rule to conform SSCC format compliance by suppliers

It might be required to use the Global Standard (GS1) system for labelling the Handling Units.

To allow GS1 numbering, enable the “**Require suppliers to provide a Global Individual Asset ID for line items on ship notices that conforms to the Serial Shipping Container Code (SSCC) format**” rule.

Require suppliers to provide a Global Individual Asset ID for line items on ship notices that conforms to the Serial Shipping Container Code (SSCC) format.



SSCC Label example:

SSCC-18 Barcodes



(00) 0 0123456 000000001 8

↑ ↑ ↑ ↑ ↑
 Application GS1 Company Serial Number Check Digit
 Identifier Prefix
 ↑ ↑ ↑
 Extension GS1 Prefix or Serial Number
 Digit Serial Number based on
 length of GS1
 Company Prefix

Application Identifier (AI)
 The AI "00" indicates the SSCC-18 data structure will follow.

Extension Digit
 The Extension Digit has no defined logic and is used to increase the capacity of the Serial Reference.

GS1 Company Prefix
 GS1 Company Prefixes are 7-10 digits. Serial Reference Numbers are 6-9 digits.

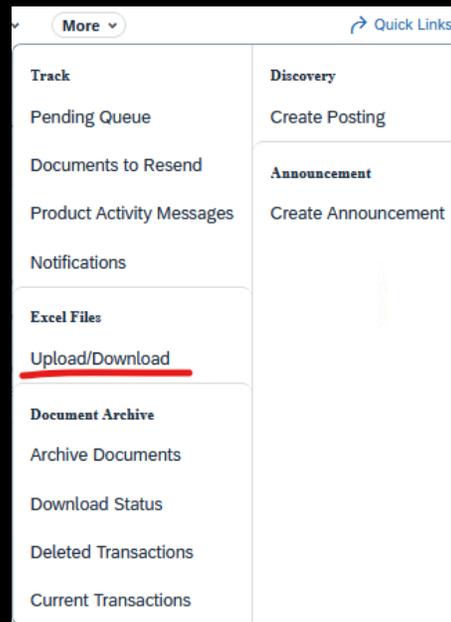
Serial Reference
 The Serial Reference number is assigned by the holder of the GS1 Company Prefix to uniquely identify a shipping container (logistic unit). A Serial Reference cannot be reused for a minimum of 12 months. The combined length of the GS1 Company Prefix and Serial Reference is always 16 digits.

Advanced Packaging with Handing Units

Buyer Settings – Packing Instruction

Upload Packaging Specifications / Instructions

- Buyer can upload the packaging specifications under Upload/Download - Upload - Packing Instructions
- The packaging instructions are used to define the hierarchy of packing. E.g., like Pallet - Carton - Box
- A single material can have one or multiple packing hierarchies.



| | A | B | C | D | E | F | G | H | I | |
|---|----------------------------|----------|----------------------|----------|------|-----------------|--------------------|--------------------------------|------------------|--|
| 1 | SAP Ariba | | | | | | | | | |
| 2 | Packaging Instructions | | | | | | | | | |
| 3 | | | | | | | | | | |
| 4 | Packaging Specification ID | Material | Material Description | Capacity | Unit | Packaging Level | Packaging Material | Packaging Material Description | Maximum Capacity | |
| 5 | 2Box_1Carton_1Pallet | 100-110 | Chain Wheel | 48 | EA | 1 | PLT90 | Pallet | 48 | |
| 6 | 2Box_1Carton_1Pallet | 100-110 | Chain Wheel | 48 | EA | 2 | CTN60 | Carton | 48 | |
| 7 | 2Box_1Carton_1Pallet | 100-110 | Chain Wheel | 12 | EA | 3 | BOX30 | Box | 12 | |

Advanced Packaging with Handling Units

ASN - Pack Items

1. At the **Create Ship Notice** page, fill in all mandatory fields (Packing slip ID, Delivery date etc.)
2. Click on **Pack Items** button
3. Define Packaging Instruction selecting one from the available ones.

Create Ship Notice

Download PDF Pack Items Save Exit Next

* Indicates required field

| | |
|---------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------|
| SHIP FROM BParnau Supplier - TEST Update Address Pittsburgh, PA United States | DELIVER TO Storage Location 171A - Address Nam Update Address Palo Alto, CA United States |
|---------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------|

▼ Ship Notice Header

| | |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------|
| SHIPPING Packing Slip ID:* Test123 Invoice No.: Requested Delivery Date: -- Ship Notice Type: Select Shipping Date: <input type="text"/> Delivery Date: <input type="text"/> | TRACKING Carrier Name: <input type="text"/> Service Level: <input type="text"/> |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------|

Define packaging instructions

Exit Next

1 Create ship notice 2 Define instructions 3 Confirm packing 4 Print labels 5 Review ship notice

We don't have instructions for packing one or more of your ship notice items. Please choose or enter packaging instructions.

Summary

| Number of items | 1 | | | |
|-----------------|--------------------|--------------------------|----------|--------------|
| ASN item no. | PO no. | Part no. and description | Batch ID | ASN Quantity |
| 10.1 | PurchaseOrder_PI01 | 100-110 Chain Wheel | | 48 PC |

Items to be packed

| Handling unit type | Outer packaging material | Inner handling unit | Quantity | Gross weight | Net weight | Unit |
|-----------------------|--------------------------|------------------------------|----------|--------------|------------|-------------------------------------------------------------------|
| ▼ 100-110 Chain Wheel | | | | | | Packaging instructions 4Box_1Carton_1Pallet_PLT90 / CTN80 / BOX30 |
| ▼ PLT90 | 100-110 - PLT90 | Contains 100-110 CTN60 | 48 | 58 | 48 | KGM |
| ▼ CTN60 | 100-110 - CTN60 | Contains 100-110 BOX30 | 48 | 50 | 48 | KGM |
| ▶ BOX30 | 100-110 - BOX30 | Contains 100-110 Chain Wheel | 12 | 13 | 12 | KGM |

Advanced Packaging

Handling Units – Confirm packing

4. Confirm Packing: manual adjustment can be done
5. Print Labels
6. Review Ship Notice and Submit

Label example:



Print labels

Save Exit Next

1 2 3 4 5

Create ship notice Define instructions Confirm packing Print labels Review ship notice

✓ You're all set to print labels and confirm this ship notice.

Summary

Number of items 1 Total packed 100.00 %

| ASN item no. | PO no. | Part no. and description | Batch ID | ASN Quantity | Packed quantity | Packed percentage |
|--------------|--------------------|--------------------------|----------|--------------|-----------------|-------------------|
| 10.1 | PurchaseOrder_FI01 | 100-110 Chain Wheel | | 48 PC | 48 of 48 | 100.00% |

Packing hierarchy What's this?

PLT90 1 CTN60 1 BOX30 4

Manage Print all labels

| Handling unit type | ASN item no. | Global individual asset ID | Pack ID | Part no. and description | Packed quantity | Batch ID | Production date | Expiry date | Package document No. |
|--------------------|--------------|----------------------------|---------|--------------------------|-----------------|----------|-----------------|-------------|----------------------|
| Handling Unit 1 | | | | | | | | | |
| PLT90 1 (1/48) | | 111000000000000195 | 1 | | | | | | |
| CTN60 1 (4/48) | | 111000000000000201 | 2 | | | | | | |
| BOX30 1 | 10.1 | 111000000000000218 | 3 | 100-110 Chain Wheel | 12 PC | | | | |
| BOX30 2 | 10.1 | 111000000000000225 | 4 | 100-110 Chain Wheel | 12 PC | | | | |
| BOX30 3 | 10.1 | 111000000000000232 | 5 | 100-110 Chain Wheel | 12 PC | | | | |
| BOX30 4 | 10.1 | 111000000000000249 | 6 | 100-110 Chain Wheel | 12 PC | | | | |

Thank you!