



Program Statement

OPI: FPI
NUMBER: 8241.03
DATE: 8/1/2003
SUBJECT: Customer Order Accuracy

1. **PURPOSE AND SCOPE.** To develop and implement a plan to achieve 98 percent accuracy of sales orders within SAP.

This directive includes testing of orders from customers.

- ❖ This does not include stock transfer orders (STO) (internal orders from other factories within Federal Prison Industries (FPI)).

Reliable data within SAP is crucial for the successful operation of Material Requirements Planning (MRP).

2. **SUMMARY OF CHANGES.** This revision removes the reference to **Millennium**, and inserts the term **SAP**, UNICOR's new ERP System.

The computation method for determining the accuracy rate was changed.

Changes will be made in what items are to be tested within a sales order.

Any references to invoice type were changed to the payment method.

3. **PROGRAM OBJECTIVES.** The expected results of this program are:

a. The accuracy of the data entered in a sales order in SAP will be improved.

b. The process for ordering raw materials will be improved by accurate order information.

4. **DIRECTIVES AFFECTED**

a. **Directive Rescinded**

PS 8241.02 Customer Order Data Entry Accuracy (8/7/01)

b. **Directive Referenced**

PS 8270.02 Customer Service Center Manual - UNICOR
(2/18/98)

5. **STANDARDS REFERENCED.** None

6. **RESPONSIBILITY.** The Manager of the UNICOR Customer Service Center (CSC) at FMC Lexington will develop and implement a plan to achieve 98 percent accuracy of relevant sales order entry data.

The Associate Warden/Superintendent of Industries (AW/SOI) will develop and implement a plan to achieve 98 percent accuracy for those locations entering their own customer orders.

7. **DEFINING ACCURACY OF ORDER ENTRY DATA.** All data entered into SAP must match that shown on the customer's order before it will be considered accurate. The CSC and the field locations will review these items as part of order data accuracy sampling.

- ❖ Purchase order number
- ❖ Payment Method
- ❖ Partners: "sold to", "ship to", "bill to", and "payee"
- ❖ Line item part numbers and descriptions
- ❖ Line item pricing
- ❖ Line item quantity
- ❖ Due date/Delivery date
- ❖ Customer point of contact (POC)
- ❖ Special shipping instructions
- ❖ Configuration line item
- ❖ Customer address

8. **TESTING FOR ACCURACY.** The CSC Manager or AW/SOI will initiate procedures to test all customer orders' accuracy level.

- ❖ The data contained in SAP will be compared with the hard copy of the same order, including any or all modifications associated with the order, to determine accuracy.

- ❖ If no hard copy or paper documentation of the order exists (i.e., credit card, Internet, Electronic Data Interchange orders), then the customer will be contacted to verify that the information entered into SAP sales order is accurate.
- ❖ Each month, staff will select at random a sample size of three percent of the orders entered in the previous month. The sample size must consist of at least 20 different orders.

9. **CALCULATION OF THE ORDER ACCURACY RATE.** Certain sales order entry data must be tested at the factory level.

- ❖ **Step 1:** Take the total number of orders tested and multiply by 11 (total number of elements an order can fail by)
- ❖ **Step 2:** Take the total number of errors found and subtract from the total number in Step 1.
- ❖ **Step 3:** Take the number in Step 2 and divide by the total number from Step 1.

Example: Step 1: 30 x 11 characteristics = 330
 Step 2: 330 - 3 errors found = 327
 Step 3: 327/330 = 99% Accuracy Rate

10. **TESTING OF ORDERS**

- ❖ The customer's purchase order number must agree with that shown in SAP, or the credit card holder's name must be shown on the credit card order (last name, first name).
- ❖ Payment Method
 - ❖ C = AR Credit Card
 - ❖ F = AR Checks
 - ❖ O = AR OPAC/GOALS

All orders entered at the UNICOR CSC at FMC Lexington will have the following payment methods applied. All military, private vendors, U.S. Postal Service, Judiciary and all MIPRs will have a payment method of "F" for AR Checks, except for credit card orders from within these agencies. These credit card orders will have a payment method of "C" for AR Credit Card.

Other agencies will have a payment method of "O" for AR OPAC/GOALS, with the exceptions of credit card orders from within these agencies. These credit card orders will have a payment method of "C" for AR Credit Card.

- ❖ The partners shown in the sales order must agree with the purchase or credit card holder. The partners are:
 - ❖ Sold to party,
 - ❖ Ship to party,
 - ❖ Payee, and
 - ❖ Bill to party.

Credit card orders should have the sold to party, payee party, and bill to party as the same customer number.

- ❖ The line item part number and description in SAP must agree with that shown on the order.
- ❖ The line item price must agree with that shown on the order.
- ❖ The line item quantity must agree with that shown on the order.
- ❖ The line item configuration string must agree with the custom options the customer selected.

Exceptions are made for orders which follow a different format, such as Social Security Administration orders.

- ❖ The sales order line item due date in SAP will agree with the due date the customer specified (either on the hard copy of the customer order, the last modification/amendment to the order, or other documentation indicating the customer's authorization).
- ❖ The sales order header text will contain relevant customer point of contact (POC) information, along with the phone and fax number if available.
- ❖ The sales order header text will contain special shipping instruction (i.e., inside delivery, special set-up instruction, or mark for instructions)

If the customer order contains multiple shipping addresses, then the instructions will be contained at the drop-ship to level.

11. **ACCURACY TESTING AT THE FACTORY.** Certain sales order entry data must be tested at the factory level.

- ❖ All factories (including those entering their own orders) will perform an accuracy test each month on the data described below.

Although the AW/SOI is responsible for the data accuracy, the Business Manager will be responsible for conducting these tests.

- ❖ Staff will select at random a sample of 10 percent of the orders entered the previous month on which some shipment has been made.
- ❖ The sample will not exceed 50 orders.
- ❖ The following items, contained in SAP, must be correct before an order can be considered accurate at the factory level.
 - ❖ The quantity shipped at the line item in SAP will agree with the shipping documentation for that line item (i.e., GBL, picklist).
 - ❖ The last shipping date at the line item level in SAP will agree with the date on the last shipping document for that line item (i.e., GBL, pick list).
 - ❖ Shipping tracking information (i.e, pro number).

12. **CALCULATING THE ORDER ACCURACY RATE AT THE FACTORY**

- ❖ **Step 1:** Take the total number of orders tested and multiply by 3 (total number of elements an order can fail by).
- ❖ **Step 2:** Take the total number of errors found and subtract from the total number in Step 1.
- ❖ **Step 3:** Take the number in Step 2 and divide by the total number from Step 1.

Example:

- Step 1:** 30 x 3 characteristics = 90
- Step 2:** 90 - 3 errors found = 87
- Step 3:** 87/90 = 96.6% Accuracy Rate

The types and frequency of errors discovered will be documented.

13. LESS THAN 98 PERCENT ACCURACY

a. If the accuracy level is less than 98 percent, the CSC Manager or the AW/SOI will review the accuracy test's findings to determine the causes for the inaccuracies and develop a corrective action plan to achieve the desired accuracy level.

b. The CSC Manager will report the findings and corrective actions in writing to the AW (I&E), FMC Lexington, who will forward the report, with any comments, to the Senior Deputy Assistant Director.

The AW/SOI for those locations entering their own customer orders will also report findings and corrective actions, in writing, through the General Manager who will forward the report, with any comments, to the Senior Deputy Assistant Director.

c. The AW/SOI will report the results of tests done at the factory level via the narrative on the monthly Memorandum of Agreement.

14. ACCURACY LEVEL OF 98 PERCENT OR GREATER. If the accuracy level is 98 percent or greater, the CSC Manager (or AW/I&E, SOI) may conduct the accuracy tests quarterly instead of monthly.

/s/

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Director