

Working in small teams (2-3) answer the following questions based on the narrative and diagrams which follow

1. For the box labeled “A”, what would be the most appropriate description of this step in the process?
 - a. Verify Production Plan Before Ordering
 - b. Create & Send Purchase Requisition to Supplier and Accounting
 - c. Create & Send Purchase Order to Supplier and Accounting
 - d. Negotiate Terms/Conditions with Supplier
 - e. None of the above
2. For the box labeled “B”, what would be the most appropriate description of this step in the process?
 - a. Post Goods Receipt and Send to Accounting
 - b. Post Receipt of Materials in the General Ledger
 - c. Use Raw Materials to Make Snack Bars
 - d. Notify Plant Manager
 - e. None of the above
3. What would be the best name for the actor labeled “C”?
 - a. Ann
 - b. Accounts Receivable
 - c. Invoice
 - d. Accounting
 - e. None of the above
4. For the diamond labeled “D” what would be the most appropriate description of this step in the process?
 - a. PO Created?
 - b. Requisition Approved?
 - c. Raw Materials Needed?
 - d. Production Plan Scheduled?
 - e. None of the above
5. For the diamond labeled “E” what would be the most appropriate description of this step in the process?
 - a. Three Way Match?
 - b. Goods Receipt Posted?
 - c. General Ledger Updated?
 - d. Invoice Paid?
 - e. None of the above
6. For the box labeled “F”, what would be the most appropriate description of this step in the process?
 - a. Schedule Delivery
 - b. Invoice Vendor
 - c. Inform Plant Manager
 - d. Create Invoice
 - e. None of the above
7. For the box labeled “G”, what would be the most appropriate description of this step in the process?
 - a. Invoice Vendor
 - b. Update General Ledger
 - c. Pay Invoice
 - d. Schedule Delivery
 - e. None of the above

Read the following narrative and review the following diagram

You work for a company called FitterSnacker. Your company makes the best snack bars on the planet! There are lots of things that go into the snack bars like oats, sugar, raisins, etc. You started working for FitterSnacker a year ago and your job isn't very glamorous. You work on the receiving dock in the warehouse. Depending on what FitterSnacker is going to make and when they are going to make it, Paul, the plant manager, sends a purchase requisition to the procurement department and the raw materials show up on the receiving dock. You store the raw materials in the warehouse where they are used to make snack bars.

You don't want to spend your entire life working on the receiving dock so you've been talking with other people in the company trying to learn what they do so you will know more about how the business operates and can apply for a new position when one opens up. But for now you're stuck working on the receiving dock! As raw materials come in you create a goods receipt and send the good receipt to accounting to let them know exactly what raw materials have been received. You also update the inventory for raw materials and let the plant manager know when new raw materials have been received.

Your friend, Ann in accounting, has been telling you what she does with the goods receipt you send to accounting when you receive raw materials. When suppliers send you raw materials they also send the bill or what Ann calls an invoice to the accounting department. Before Ann pays the invoice she needs to do something called a 3-way match where she matches up the purchase order generated by the procurement department which lists everything that was ordered with the goods receipt you created listing what we received and the invoice that was sent to Ann from the supplier. If everything matches up then she pays the invoice. If things don't match up then she needs to resolve the issues.

You've also been talking to a friend, Patrice from procurement. Patrice actually buys all of the things that we need to make snack bars. She's not exactly sure what we need but she receives purchase requisitions from Paul the plant manager that lets her know what we need, how much of it we need and when we need it. Patrice needs to make sure that Paul has enough money in his raw materials budget before she orders the raw materials. If he doesn't have enough money in his budget then she will cancel the purchase requisition. If the money is in his budget then she will approve the purchase requisition. Patrice can buy things like oats and sugar from a number of different suppliers so the first thing she needs to do is select the best supplier based on what we need, when we need it and the pricing offered by the various suppliers. Once Patrice has selected the best vendor she creates a purchase order (PO) and sends it to the supplier. The PO is basically a contract that tells the supplier what we want to order from them, how much of it we want and the price we agreed to buy it from them. Patrice also sends a copy of the PO to Ann in accounting because she will eventually need it to pay the bills.

Once the supplier receives the PO they pick, pack and ship the materials to me in the warehouse and they send an invoice to the accounting department.

Review the following swim lane diagram. A number of pieces of information are missing. Based on the narrative provide the best answer to the questions above.

Purchase to Pay

