Backorder Process

For Microsoft Dynamics 365 Business Central

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1. Scope

This document, authored by Eagle360 Consulting, covers the process of sales backorder process in Business Central. It guides the user through the steps to be followed when creating the backorders for orders which are not fulfilled at the time.

2. Access to the software.

Once the user clicks on Business Central application link, it will redirect to the to the web browser and it will open the Business Central application. So, then it will request to enter the Office 365 logging credentials.

Enter the username and then the password as shown in below Figure 3.1 and 3.2.

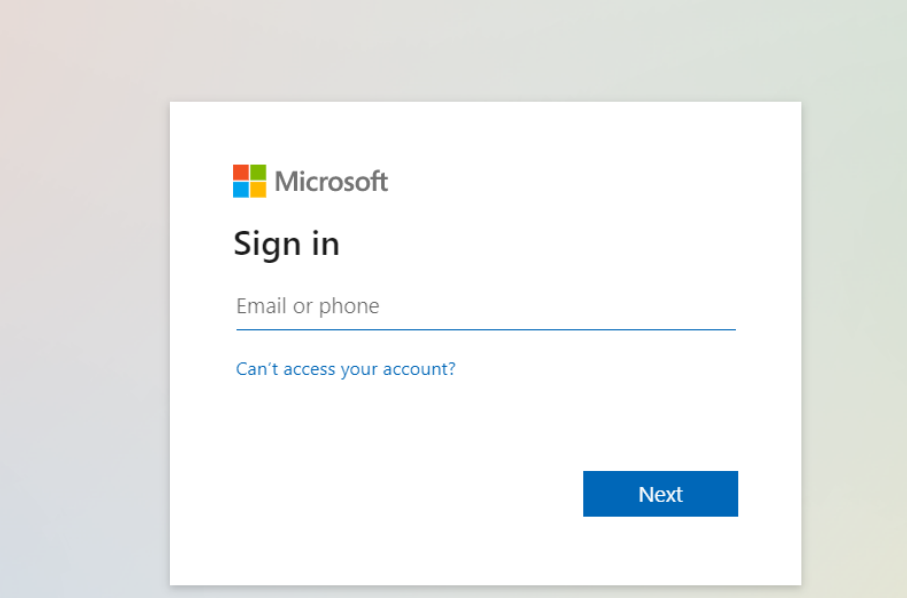


Figure 2.1 Logging page (Username)

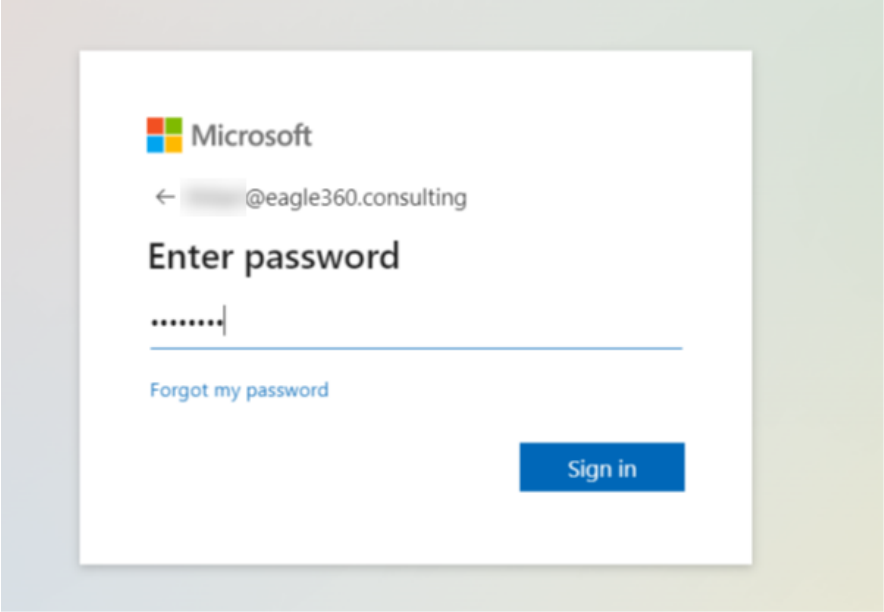


Figure 2.2 Logging page (Password)

3. Introduction to Backorder

A back order describes inventory that's absent from a company's reserves but still is available for customers to purchase. After the product arrives, retailers typically contact customers to complete the transaction. Selling this type of stock allows a business to continue selling popular products while retailers wait to replenish their supply. A company's backorders provide insight into its inventory management.

The Eagle360 Back Order Process is applicable for the orders which are not fulfilled yet and the warehouse shipments are not yet created.

Let's dive into the pros and cons of backordering.

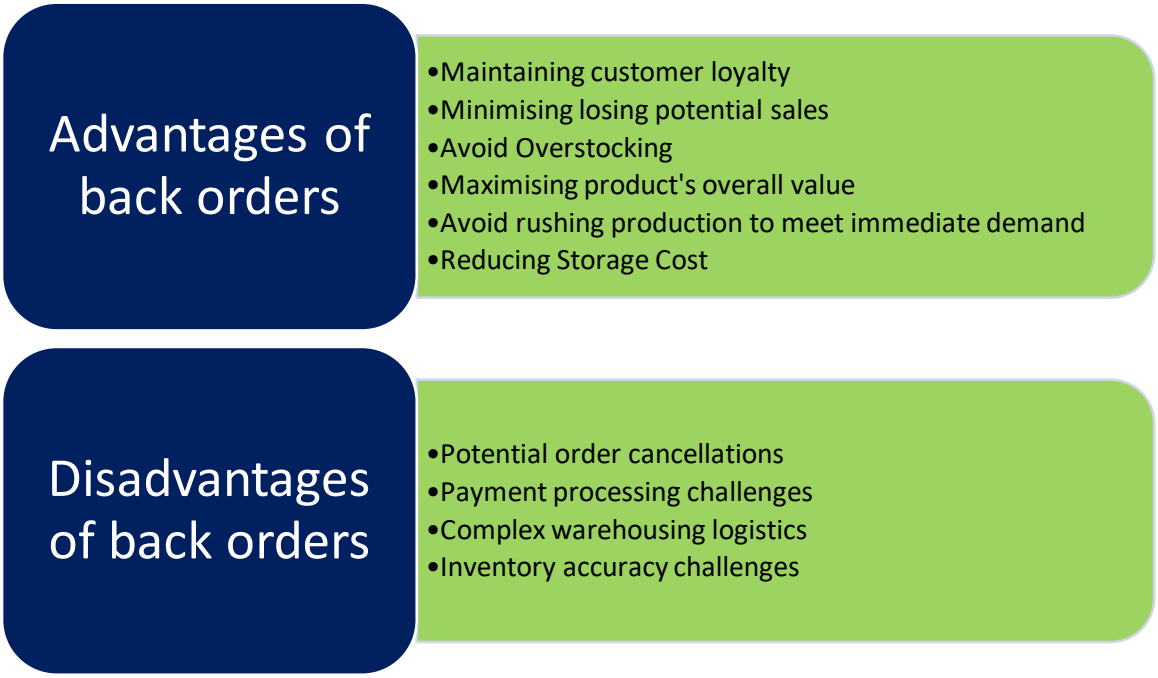


Figure 3.1: Advantages and Disadvantages of Back Orders

To effectively manage back orders, businesses need to balance their benefits with these potential problems. Careful planning, efficient inventory management, and effective communication are key to reducing the difficulties of backorders and enhancing their benefits.

4. Back Order Configurations

4.1 Back Order Setup

- Once the Back Order app is installed, Back Order Setup can be found by Searching in the Tell Me function. Type **Back Order Setup** in the Tell Me and click on the related link.
- Click on **Enable Back Order Function**.

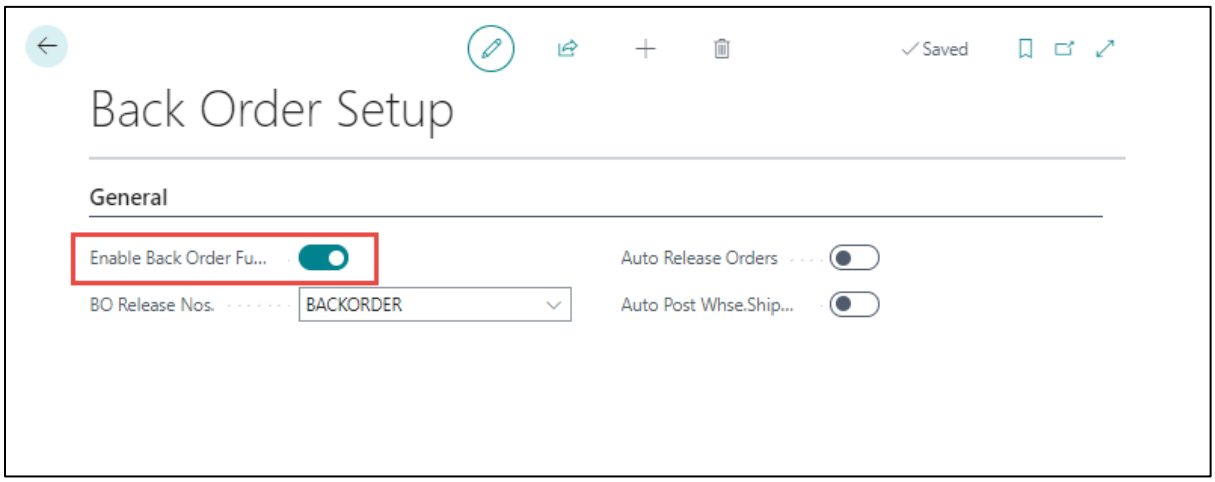


Figure 4.1: Back Order Setup

- Select the relevant No. Series created for Back Orders, into the **BO Release Nos.** Field.

Figure 4.2:Back Order No.

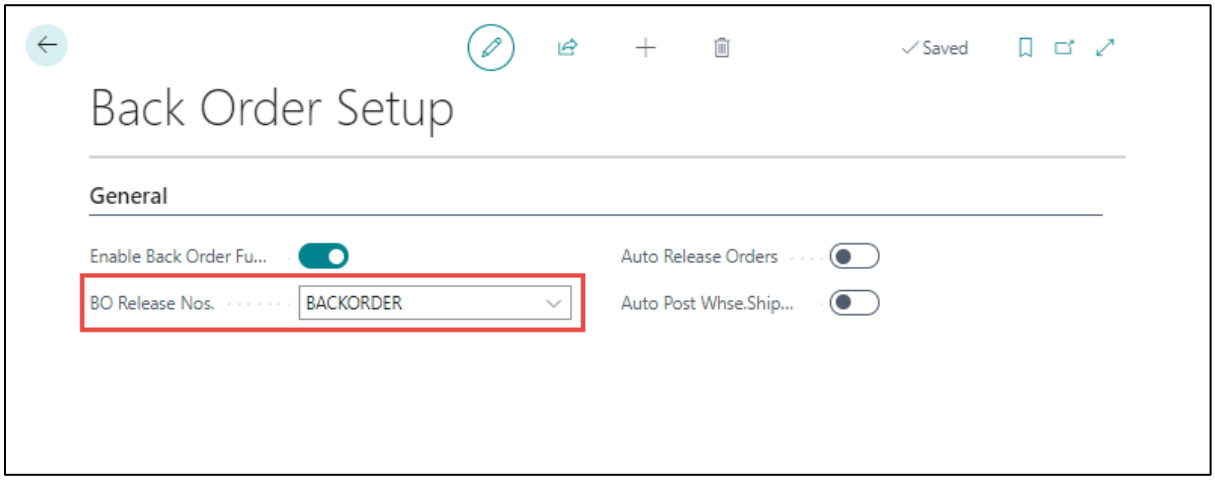


Figure 4.3: BO Release Nos.

After this there are some additional toggles that can be enabled.

- **Auto Release orders**: Enabling this allows the system to tick on Release column automatically in the Back Order Release page based on the Quantity in Stock availability.

- **Auto Post Whse. Shipment**: Once a Back Order line has been released, the system will generate a Warehouse Shipment for the line as well as a Warehouse Pick for the shipment. If this toggle is enabled, then the system will automatically Register the pick and post the shipment without any input from the user. This can be beneficial for streamlining the releasing process however, for companies where Item Tracking is utilised, they may prefer for the users to oversee registering of picks and shipping the order to ensure the correct Lot/Serial No. is provided to the customer.

4.2 Customer wise Back Order Setup

- **Back Order Not Allowed** Toggle specifies if the customer allows Back Orders.

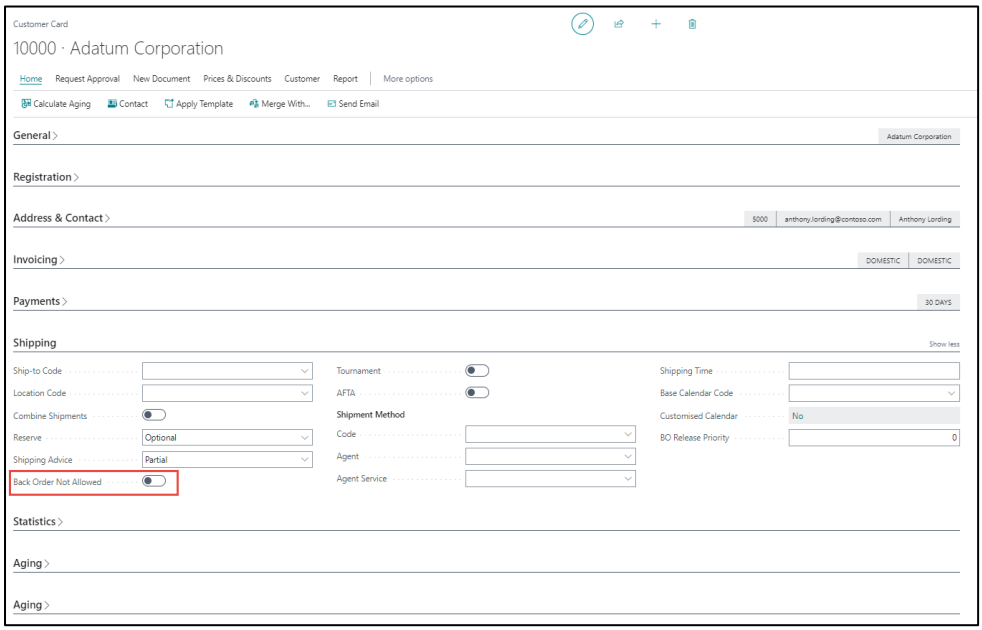


Figure 4.4: Back Order Not Allowed Toggle

5. Back Order Process

5.1 Backorder Release

- Navigate to **Back Order Release** Page by typing on the Tell Me.

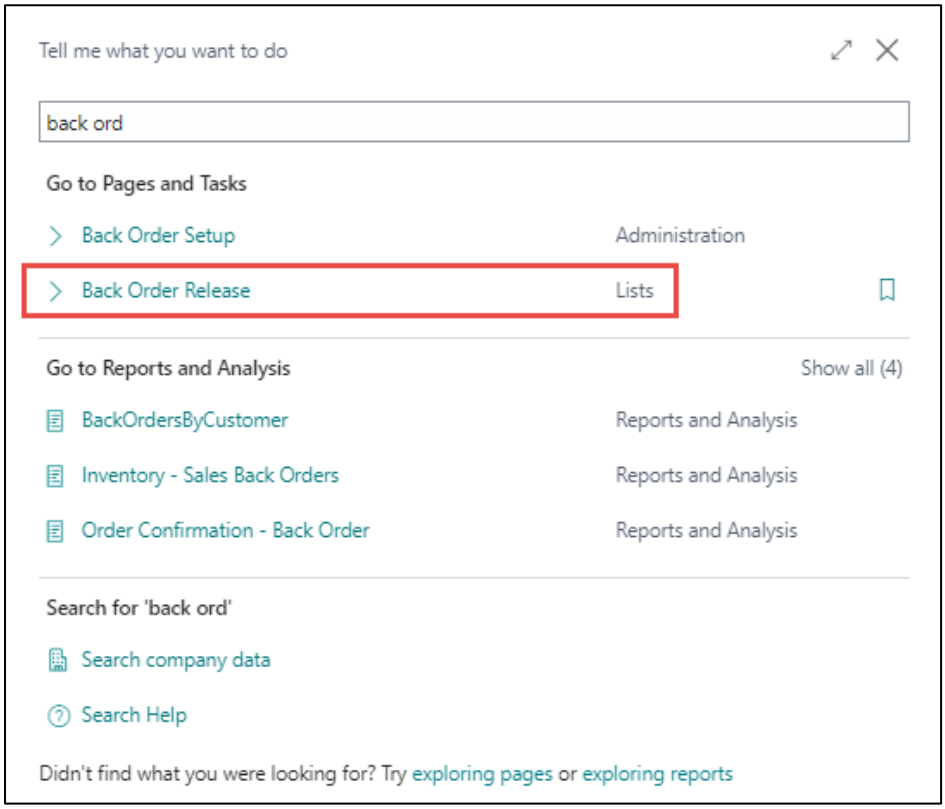


Figure 5.1:Navigate to Back Order Release Page

- Page columns are further explained in Appendix A. Currently the page has two copies of the same table showing with the bottom table titled **Backorder Release Sub Form** which shows all items related to particular customer selected on the Backorder Release Header Form.

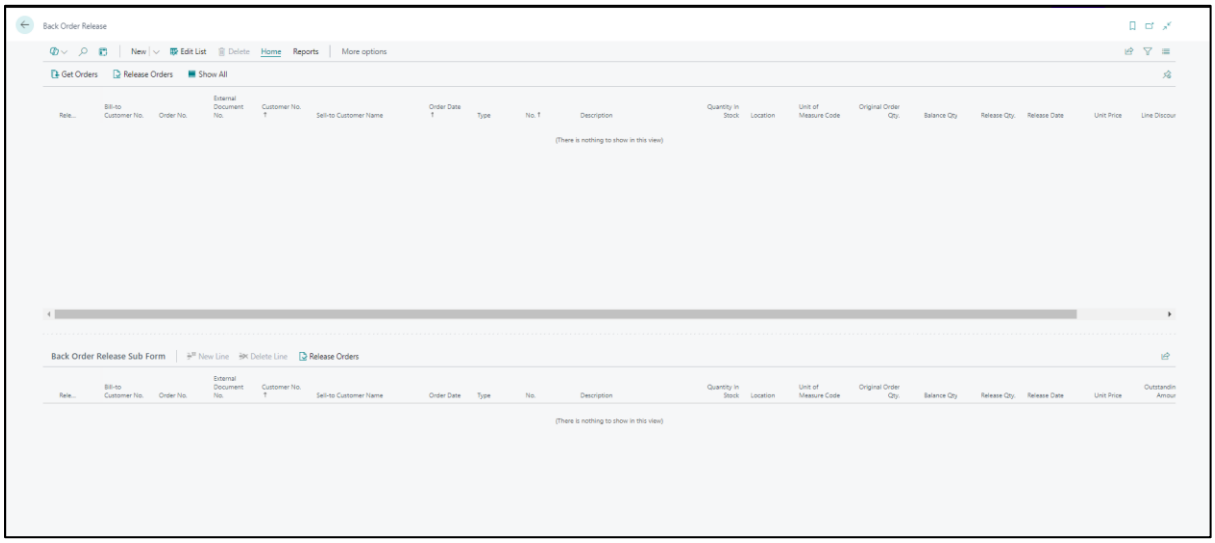


Figure 5.2 Back Order Release Page

- Lines will be populated once the user clicks on the Get Orders function. All outstanding Sales order lines that fit between the filters used will be populated on the page regardless of item availability. Users can then view which lines have available Quantity to fulfil the order lines.

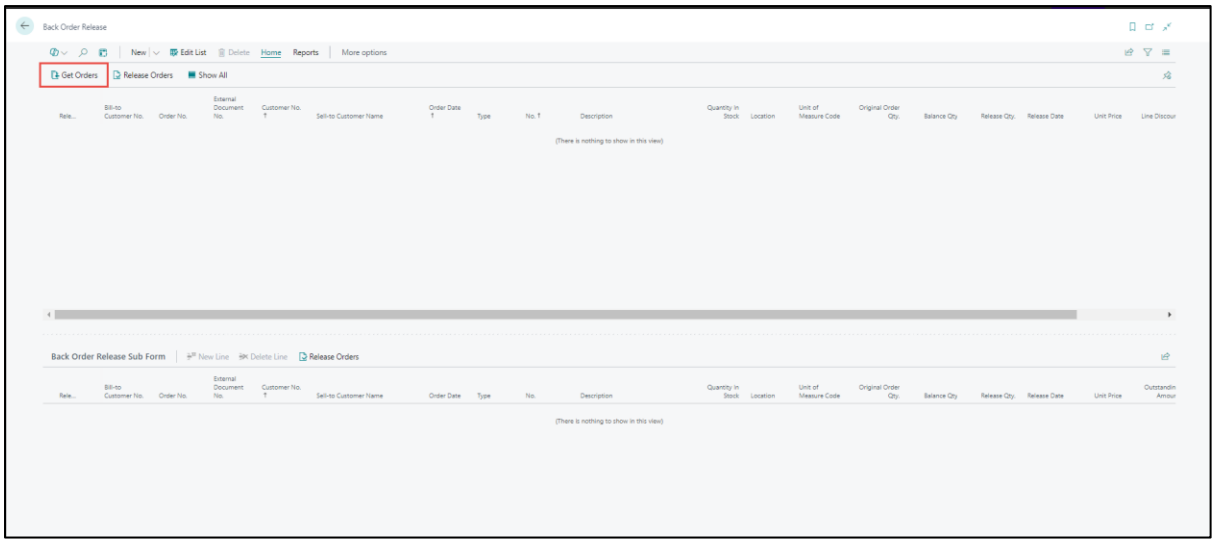


Figure 5.3 Click on Get Orders

- Next, brings up a filter page and is how the users populate the page. From here user can filter by Order No, Item No etc. Can add the Sell-to Customer No. filter to allow filtering by customer.

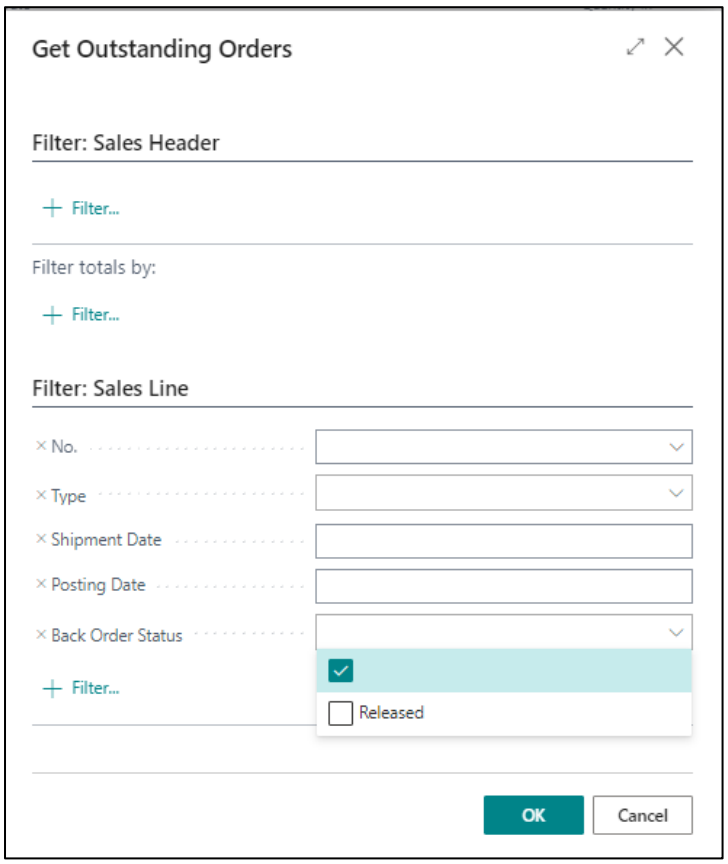


Figure 5.4 Get Outstanding Orders

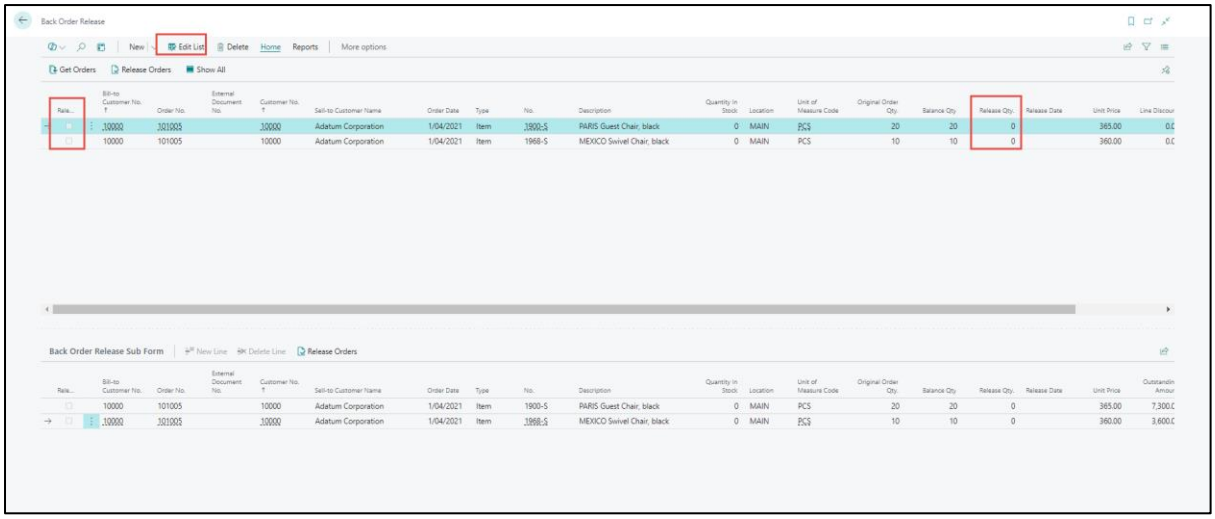


Figure 5.5 Release Qty

- Click on **Release Orders function** to group by Released. Orders with the same Ship-to Address will be combined into one shipment.

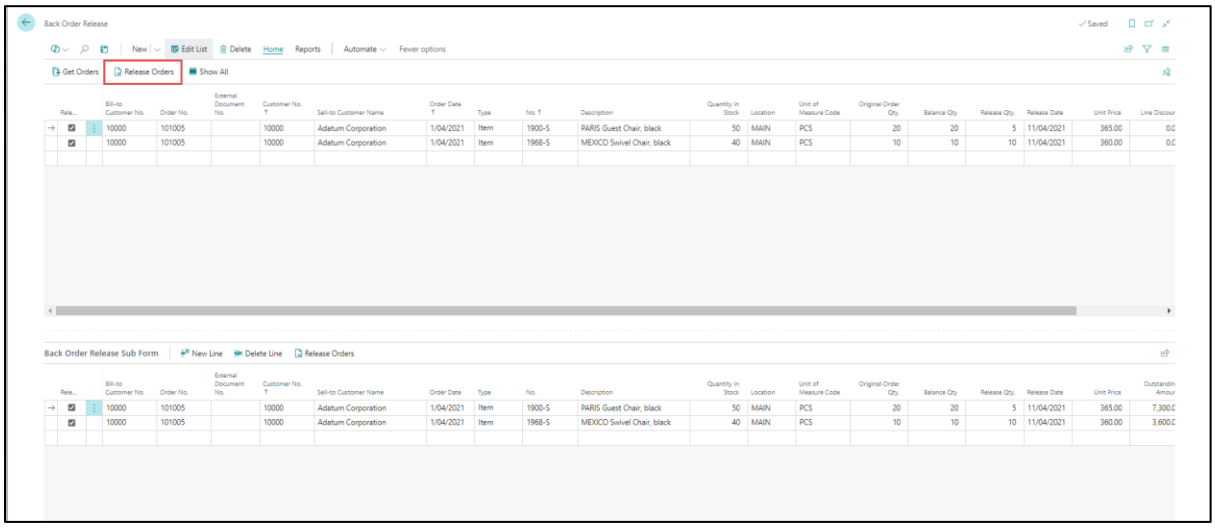


Figure 5.6 Release Orders

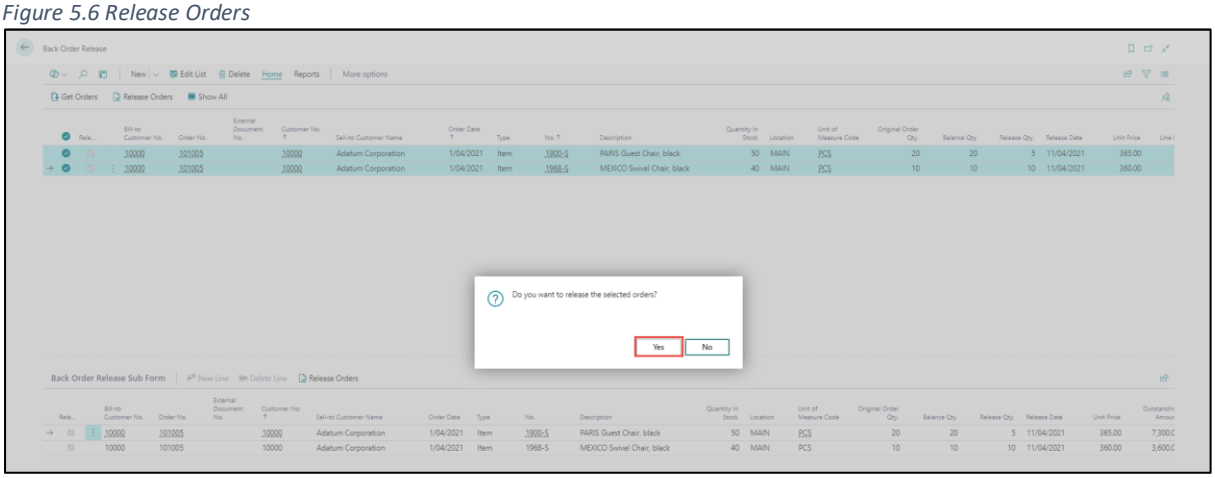
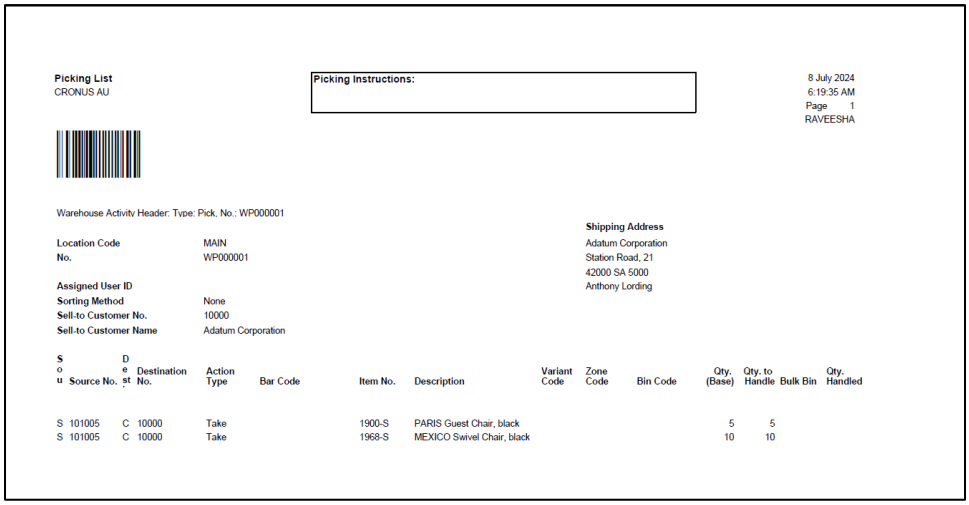


Figure 5.7: Click on Yes

- A **Picking List Report** will be automatically printed based on the user settings.



Picking List
CRONUS AU

Picking Instructions:

8 July 2024
6:19:35 AM
Page 1
RAVEESHA

Warehouse Activity Header: Type: Pick, No.: WP000001

Location Code	MAIN
No.	WP000001
Assigned User ID	
Sorting Method	None
Sell-to Customer No.	10000
Sell-to Customer Name	Adatum Corporation

Shipping Address
Adatum Corporation
Station Road, 21
42000 SA 5000
Anthony Lording

Source Type	Source No.	Destination Type	Destination No.	Action Type	Bar Code	Item No.	Description	Variant Code	Zone Code	Bin Code	Qty. (Base)	Qty. to Handle	Bulk Bin	Qty. Handled
S	101005	C	10000	Take		1900-S	PARIS Guest Chair, black				5	5		
S	101005	C	10000	Take		1968-S	MEXICO Swivel Chair, black				10	10		

Figure 5.8: Picking List

❖ Note: Once the order is fully released, the line will be removed from the list.

5.2 Sales Order - Backorder Fast Tab

- The **Backorder Fast Tab** of the Sales Order page has three designated fields to display the progress of the order.
  - **Back Order Status** is updated from 'Blank' to 'Released' once there has been a release of any quantity from the Backorder Release Page.
    - Back Order status will be changed to Release in both sales line and header.
  - **Back Order In-Progress** Boolean is ticked to = TRUE once the lines have been populated in the Backorder Release Page and ticket again to = FALSE once those quantities have been released.
  - **Back Order Not Allowed** is a lookup field that takes to the customer card. There should be a field on the customer card that signals if the specific customer allows Backorders. The value – Yes or No populates here.

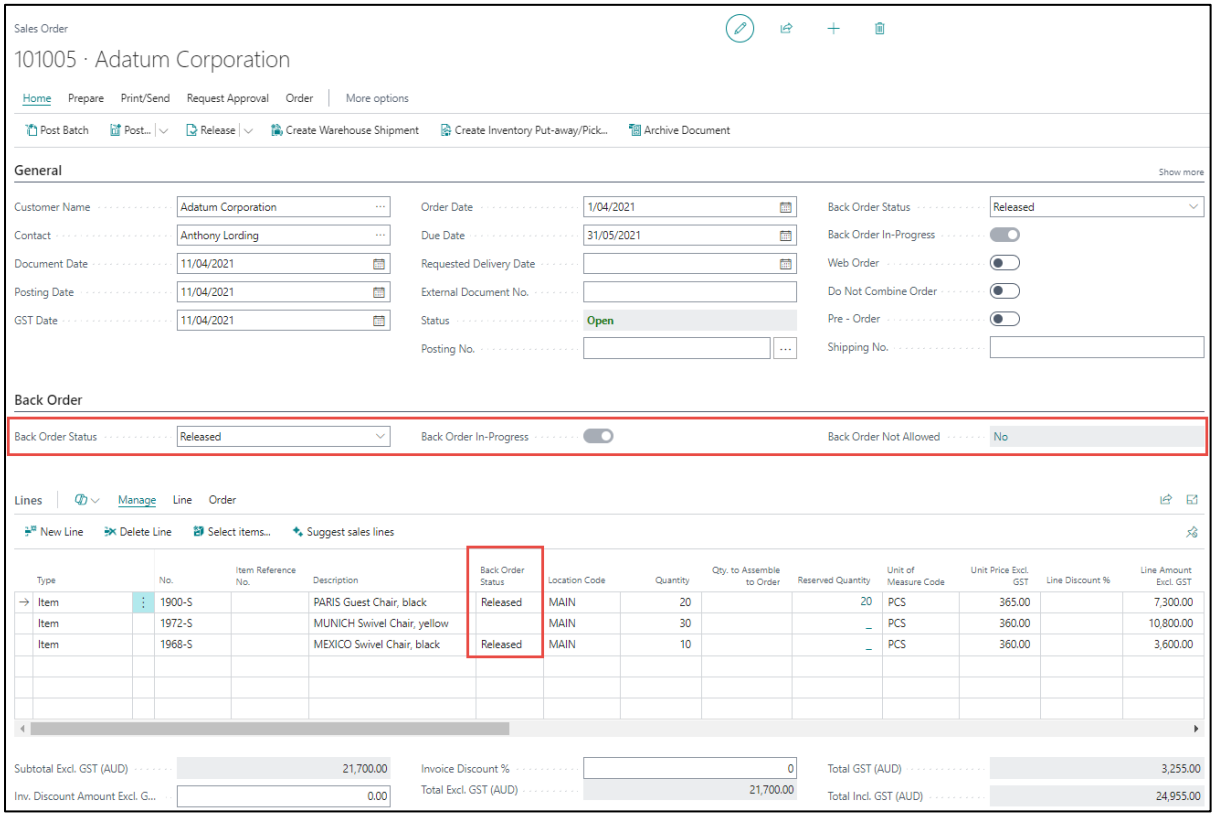


Figure 5.9: Back Order Fast Tab

- Once the order is released, the **Warehouse Shipment** and **Warehouse Pick** will be created. The user must be able to post the documents.

Figure 5.10 Warehouse Shipment Lines

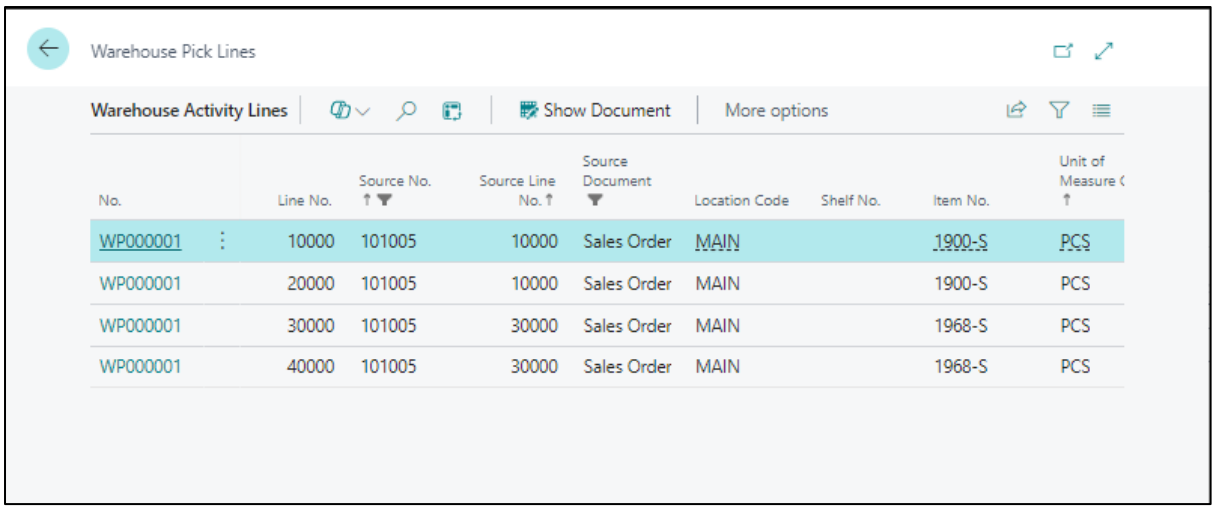


Figure 5.11: Warehouse Pick Lines

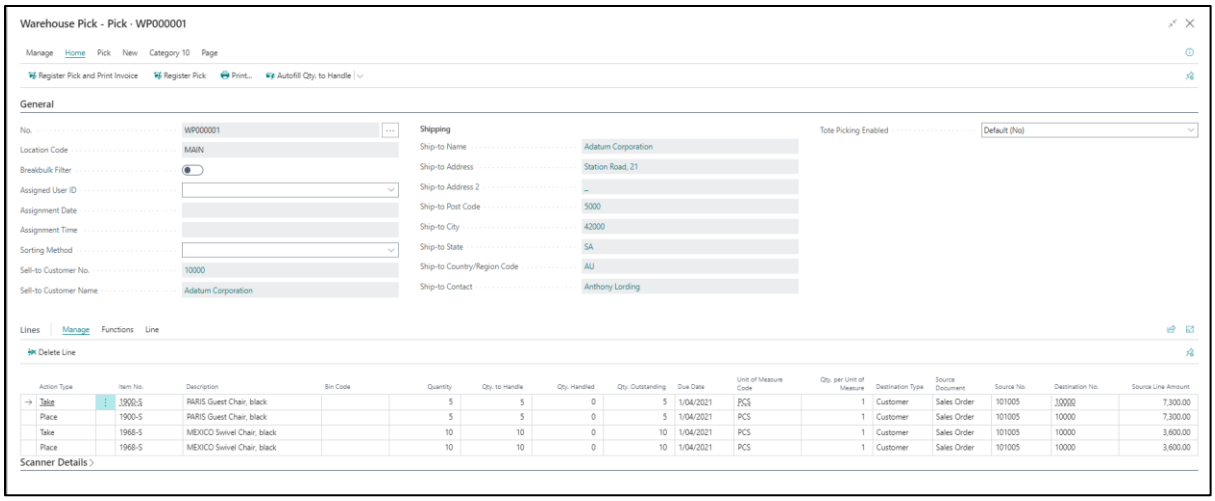


Figure 5.12 Warehouse Pick

5.3 Back Order Reports

❖ Back Order Release Report – This report was created from the lines on the Back Order Release page.

- Navigate to **Back Order Release** Page.
- Click on **Reports** Menu and select **Print**.

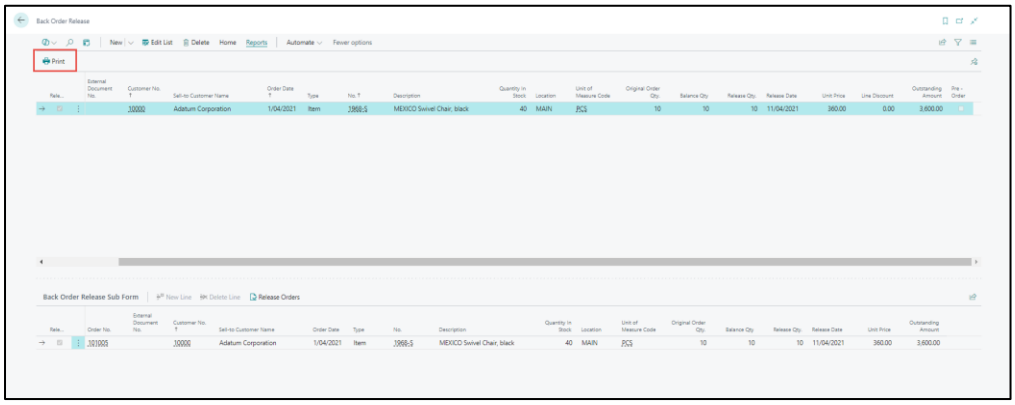


Figure 5.13: Reports

- Enter Filters.

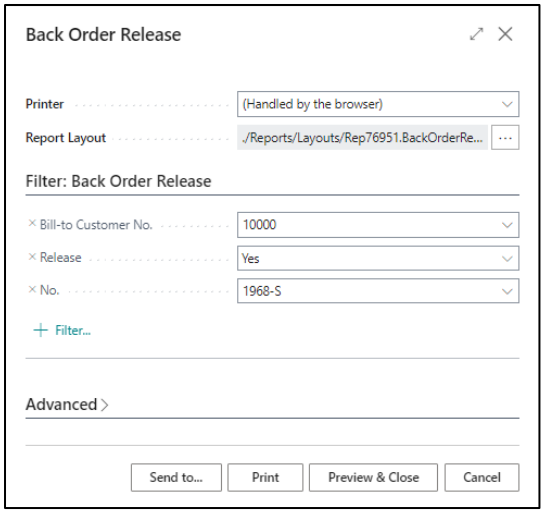
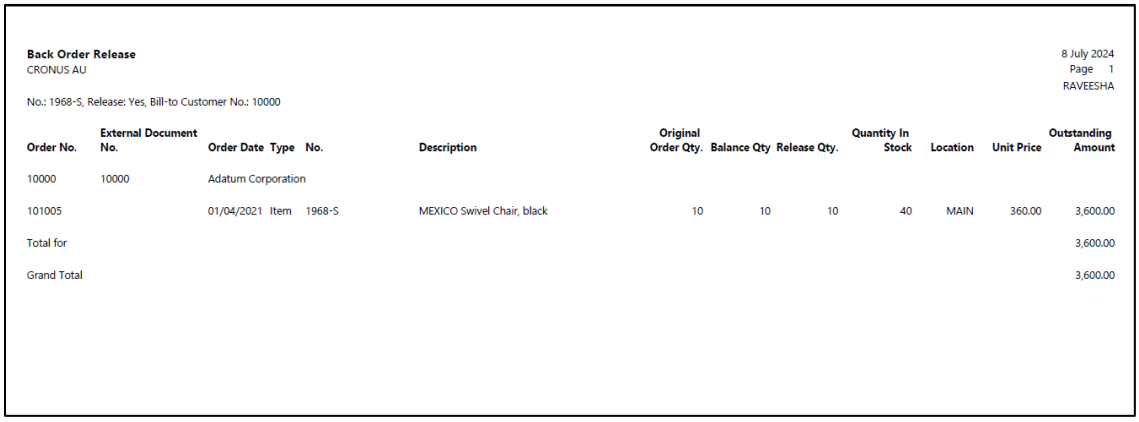


Figure 5.14: Back Order Release Report Filters

- **Back Order Release Report** Preview



Back Order Release
CRONUS AU

8 July 2024
Page 1
RAVEESHA

No.: 1968-S, Release: Yes, Bill-to Customer No.: 10000

Order No.	External Document No.	Order Date	Type	No.	Description	Original Order Qty.	Balance Qty	Release Qty.	Quantity In Stock	Location	Unit Price	Outstanding Amount
10000	10000	Adatum Corporation										
101005		01/04/2021	Item	1968-S	MEXICO Swivel Chair, black	10	10	10	40	MAIN	360.00	3,600.00
Total for												3,600.00
Grand Total												3,600.00

Figure 5.15: Back Order Release Report Preview

❖ Back Orders by Customer Report – This report specifies the available Back Order quantities per customer.

- Type **Back Orders by Customer** in the Tell Me and click on the related link.
- Enter filters.

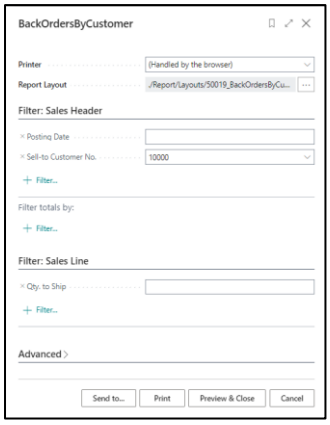


Figure 5.16: Back Orders by Customer Report Filters

- Click on **Print** or **Preview and Close**.

CRONUS AU

Back Orders by Customer

8/07/2024 8:09 AM
1
RAVEESHA

Filters: Sell-to Customer No.: 10000

Order No.	Reference WHS	Date	Item No.	Description	Quantity	Price	Value ETA. Qty. Date
10000	**Adatum Corporation**						
101001		2/04/2021	1996-S	ATLANTA Whiteboard, base	12	2,643.00	31,716.00
101002		1/05/2021	1928-S	AMSTERDAM Lamp	7	104.00	728.00
101002		1/05/2021	1968-S	MEXICO Swivel Chair, black	10	360.00	3,600.00
101005		11/04/2021	1900-S	PARIS Guest Chair, black	20	365.00	7,300.00
101005		11/04/2021	1968-S	MEXICO Swivel Chair, black	10	360.00	3,600.00
101005		11/04/2021	1972-S	MUNICH Swivel Chair, yellow	30	360.00	10,800.00
Total							**57,744.00**
Grand Total							**57,744.00**

Figure 5.17: Back Orders by Customer Report

❖ Inventory - Sales Back Orders Report – This report specifies the item wise Back Order quantities per sales order.

- Type **Inventory - Sales Back Orders** in the Tell Me and click on the related link.
- Enter filters.

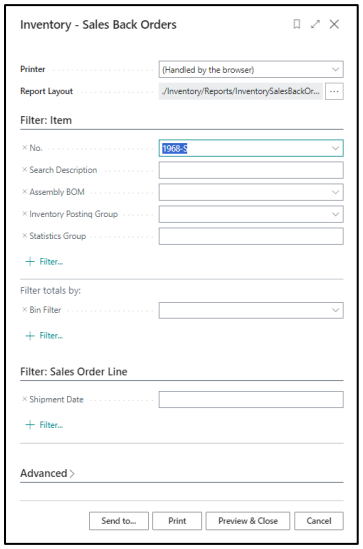
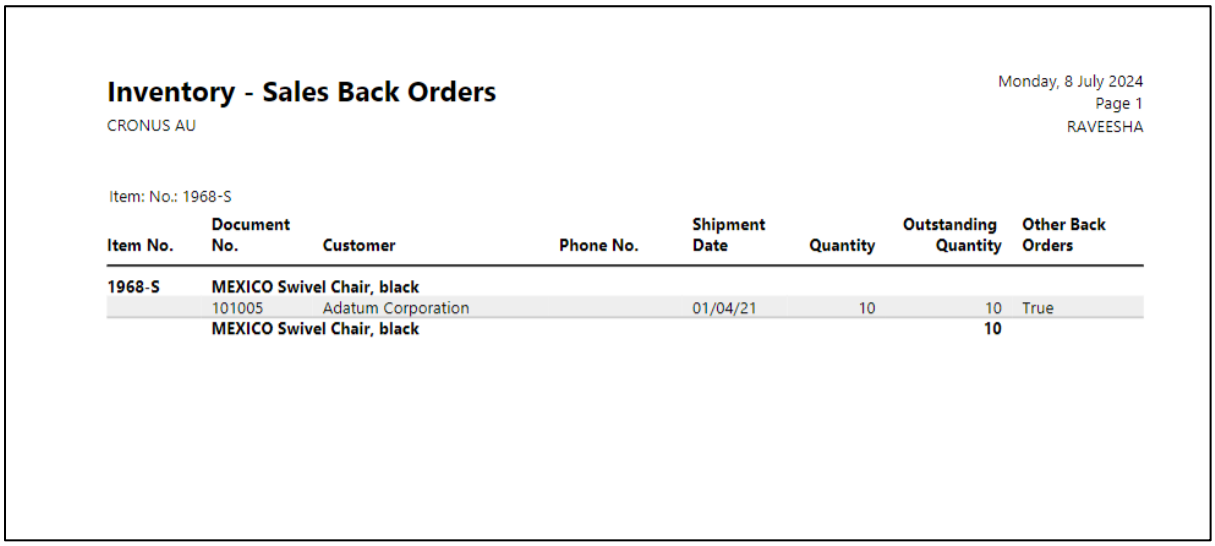


Figure 5.18: Inventory - Sales Back Orders Report Filters

- Click on **Print** or **Preview and Close**.



Inventory - Sales Back Orders

CRONUS AU

Monday, 8 July 2024
Page 1
RAVEESHA

Item: No.: 1968-S

Item No.	Document No.	Customer	Phone No.	Shipment Date	Quantity	Outstanding Quantity	Other Back Orders
1968-S	**MEXICO Swivel Chair, black**						
	101005	Adatum Corporation		01/04/21	10	10	True
	MEXICO Swivel Chair, black					**10**	

Figure 5.19: Inventory - Sales Back Orders Report

❖ Order Confirmation Back Order 2 Report – This report specifies the available Sales orders with Back Order quantities per item.

- Type **Order Confirmation Back Order 2** in the Tell Me and click on the related link.
- Enter filters.

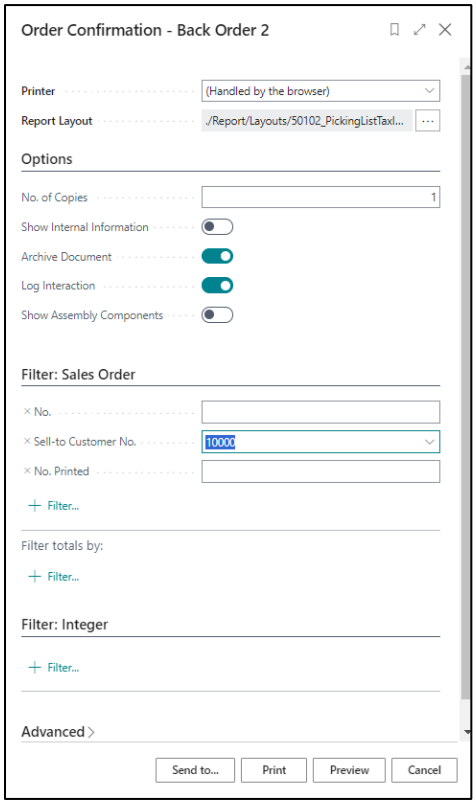
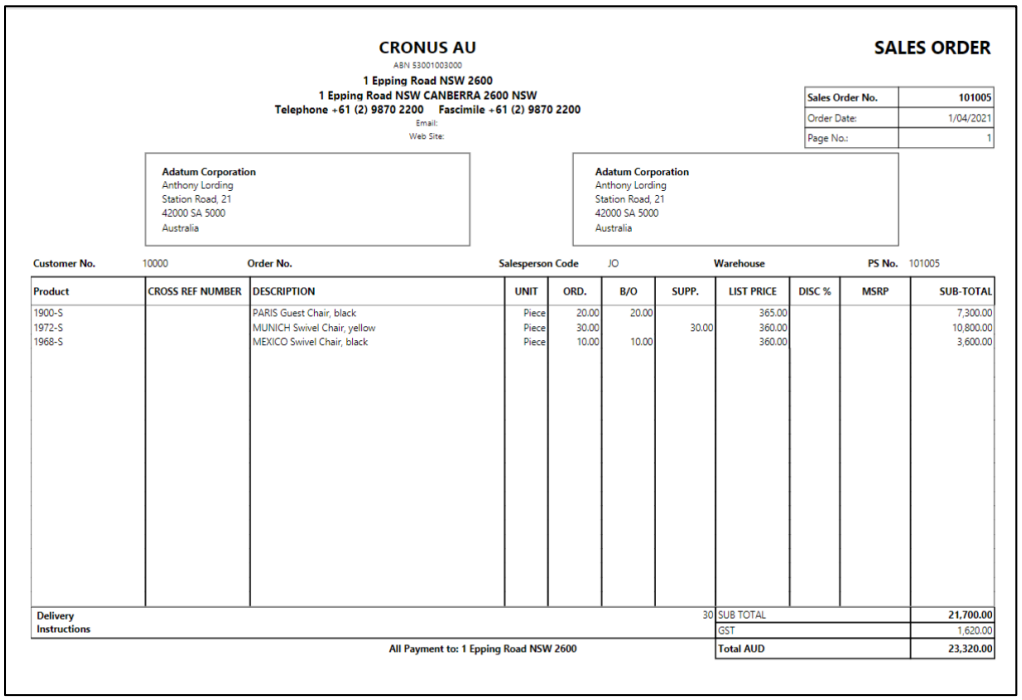


Figure 5.20:Order Confirmation Back Order 2 Report Filters

- Click on **Print** or **Preview and Close** (two copies will be printed automatically).



CRONUS AU
ABN 53001003000
1 Epping Road NSW 2600
1 Epping Road NSW CANBERRA 2600 NSW
Telephone +61 (2) 9870 2200 Fascimile +61 (2) 9870 2200
Email:
Web Site:

SALES ORDER

Sales Order No.	101005
Order Date:	1/04/2021
Page No.:	1

Adatum Corporation
Anthony Lording
Station Road, 21
42000 SA 5000
Australia

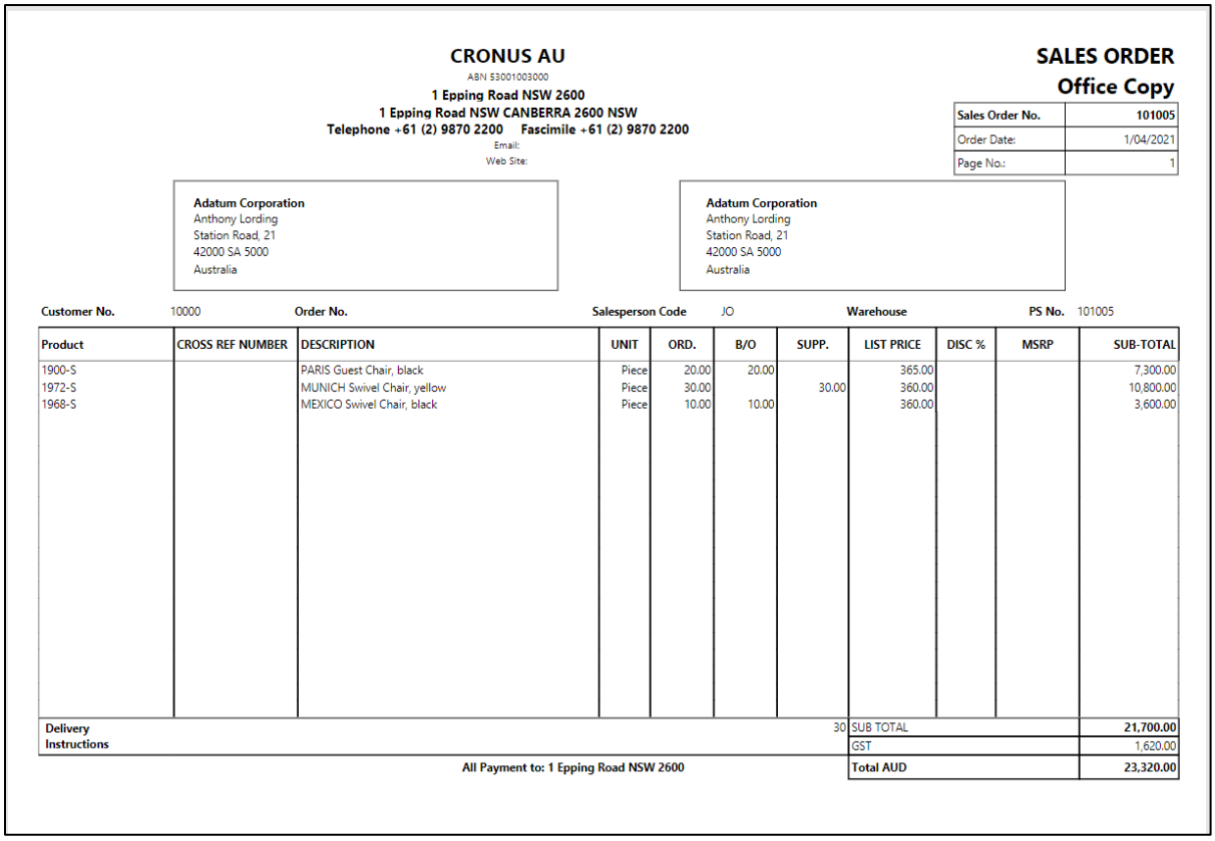
Adatum Corporation
Anthony Lording
Station Road, 21
42000 SA 5000
Australia

Customer No. 10000 Order No. Salesperson Code JO Warehouse PS No. 101005

Product	CROSS REF NUMBER	DESCRIPTION	UNIT	ORD.	B/O	SUPP.	LIST PRICE	DISC %	MSRP	SUB-TOTAL
1900-S		PARIS Guest Chair, black	Piece	20.00	20.00		365.00			7,300.00
1972-S		MUNICH Swivel Chair, yellow	Piece	30.00		30.00	360.00			10,800.00
1968-S		MEXICO Swivel Chair, black	Piece	10.00	10.00		360.00			3,600.00

Delivery Instructions	30	SUB TOTAL	21,700.00
		GST	1,620.00
All Payment to: 1 Epping Road NSW 2600		Total AUD	23,320.00

Figure 5.21:Order Confirmation Back Order 2 Report (Original)



CRONUS AU
ABN 53001003000
1 Epping Road NSW 2600
1 Epping Road NSW CANBERRA 2600 NSW
Telephone +61 (2) 9870 2200 Fascimile +61 (2) 9870 2200
Email:
Web Site:

SALES ORDER
Office Copy

Sales Order No.	**101005**
Order Date:	1/04/2021
Page No.:	1

Adatum Corporation
Anthony Lording
Station Road, 21
42000 SA 5000
Australia

Adatum Corporation
Anthony Lording
Station Road, 21
42000 SA 5000
Australia

Customer No. 10000 **Order No.** **Salesperson Code** JO **Warehouse** **PS No.** 101005

Product	CROSS REF NUMBER	DESCRIPTION	UNIT	ORD.	B/O	SUPP.	LIST PRICE	DISC %	MSRP	SUB-TOTAL
1900-S		PARIS Guest Chair, black	Piece	20.00	20.00		365.00			7,300.00
1972-S		MUNICH Swivel Chair, yellow	Piece	30.00		30.00	360.00			10,800.00
1968-S		MEXICO Swivel Chair, black	Piece	10.00	10.00		360.00			3,600.00

Delivery Instructions	30	SUB TOTAL	**21,700.00**
		GST	1,620.00
All Payment to: 1 Epping Road NSW 2600		**Total AUD**	**23,320.00**

Figure 5.22: Order Confirmation Back Order 2 Report (Office Copy)

6. Appendix A

Table Column	Column Breakdown
Release	Once ticked, signals that the line will be actioned when the user runs the 'Release Orders' function from the 'Process' tab. Can be ticked manually which will in turn populate the Release Qty and Release Date columns. Can also be ticked in reverse when the user populates the Release Qty column.
Bill-to Customer No.	Bill to customer No. for the sales order line. Could be swapped for Sell to Customer No. and should ideally be adjacent to a Ship-to Address or code
Order No.	Standard Sales Order No. field
External Document No.	Standard External Document No. field
Customer No.	Standard Customer No. field for the Sales Order line
Sell-to Customer Name	Standard Sell to Customer Name. Questions about the consistency or requirement for the different customer names and numbers.
Order Date	Standard Sales Order Date
Type	Standard Sales Line Type field – could be removed – only items will be placed on Backorder
No.	Standard item No. field
Description	Standard item Description field
Quantity in Stock	Current available stock level
Location	Sales order location field
Unit of Measure Code	Standard Item UOM field
Original order Quantity	Gives visibility to the original order quantity – outstanding quantity may not be entire original quantity when previous shipments have been created.
Balance Qty	Outstanding order quantity. Original order quantity *minus* Quantity Shipped. Automatically updated depending on order progress
Release Qty	Quantity to be released to Warehouse Shipment from this page when the 'Release Orders' function is used from the 'Process' tab. Updated manually by the user through the 'Edit List' function. Can also be auto populated by the user clicking the 'Release' Boolean in the first column. When populated automatically, only the available qty will be added.
Release Date	Populated Automatically by either the Release Quantity or Release Boolean being actioned by the user. Will show the date that the release was created – can also be manually edited.
Unit Price	Standard Unit Price field
Line Discount	Standard order Line Discount field
Outstanding Amount	Outstanding amount. Unit Price *multiplied by* Balance Quantity.

----------End of Document----------