

## SFD/3000

### Introduction

HP's software for distribution applications is produced by Information Resources Operation located in Denver, Colorado. The organization was originally a small corporation formed in 1976 as an HP OEM. Acquired by HP in 1981, the organization is now a part of the Administrative Productivity Division, reporting into the Information Systems Group.

### Overview



#### AT A GLANCE

The line consists of two products. The original System For Distributors (SFD/3000) was first sold and installed in a wholesale distribution company in 1976. A second product, the sales subsystem of SFD/3000 was introduced in 1983 and called Order Management/3000 (OM/3000). An upgrade is available to the full SFD/3000 product.

### Product Positioning

Both products are targeted to wholesale distribution applications. SFD/3000, specifically, operates in the self-contained wholesale distribution operation. OM/3000 is either a "starter system" for small distributors, or is equally as popular as a system for operating entities of major accounts, who desire to keep purchasing, payables, and general ledger under regional or corporate control, sales order processing, inventory and accounts receivable under local control. The size of customers range from \$2.5 million in yearly sales to the Fortune 500 companies. However, the typical customer would be described as a wholesale distribution company ranging in sales from \$10 to \$30 million per year.

In the applications area, the distribution products complement both the manufacturing and financial software. In the manufacturing world, the products fit at the point of finished goods inventory. Since the products run on any size HP 3000 (they were, in fact, written for the HP 3000), the issue of computer size is one of adequate disc space and memory to handle the volume of transactions for the distributing entity.

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## Capabilities Matrix

Product	OM/3000	SFD/3000
Sales order processing	x	x
Accounts receivable	x	x
Inventory control	x	x
Sales analysis subsystem	x	x
Physical inventory	x	x
Purchase order processing		x
Accounts payable		x
General ledger		x
Classes (bundled in)		
Management Seminar	x (2 slots)	x (2 slots)
User Training	x (2 slots)	x (2 slots)
Documentation (bundled in)	x	x

## Solutions

Both products, SFD/3000 and OM/3000, are used in distribution environments as business solutions. The product design philosophy was one of the creation of operational tools to be used by business users in operating environments. While a data processing department may get involved at installation time or with on-going support, the true users of the system are employees in distribution environments.

## Features/Advantages/Benefits

### SALES ORDER PROCESSING

Features	Functions
On-line customer lookup	In more conventional computer systems, it is customary to require the user to specify a customer account number in order to be able to access computer information. SFD/3000 allows identification of customers by both name, part of a name, or telephone number in addition to account number.
Prestored customer information	Standard files are maintained on each customer which contain data used either for the billing/delivery cycle or to provide additional customer service. Typical information could be the customer's billing code or the fact the customer would not accept back orders.

10,000 shipping locations per customer	It is possible to maintain up to 10,000 prestored alternate shipping locations for each customer.
Real-time credit checking	Each customer is allotted an individual credit limit. The available credit is changed at the end of each day that a sale is made or a cash payment is received. The system will automatically check the customer's credit before releasing an order to be booked. The order taker also has the option to accept the order in a hold status.
Item substitution (complete and partial)	When stock is unavailable, predefined substitute inventory can be substituted automatically.
Conversion of quotation to order	Quotes may be converted to orders (or cancelled) in one easy step.
Stock identification	In conventional computer systems, it is vital that the stock identification number of the item is known before user lookup. SFD/3000 allows lookup of items both by approximate item number and by description.
Item inquiry	Once the item number is known, the quantity available to sell, on order, and on back order, may be displayed.
Item explosion	The system allows for one item to be exploded into several others automatically. One of the prime benefits of this feature is to allow for the sale of one item which is, in fact, a kit of parts each stocked individually.
Real-time distribution pricing	During the order function of an item, not only are the stock substitutions, explosion, and allocation/back order rules followed, but the system calculates the price of the goods on that sales order line. SFD/3000 pricing is among the most sophisticated available and includes all of the following: <ul style="list-style-type: none"> <li>- customer discounts</li> <li>- contract pricing (individual and general contracts)</li> <li>- list down pricing (volume price breaks as multiple price lists)</li> <li>- cost-up pricing</li> </ul>

	<ul style="list-style-type: none"> <li>- group pricing (volume discounts specified for a group of items)</li> <li>- amalgamated pricing</li> <li>- special pricing</li> <li>- chain discounting</li> <li>- override pricing</li> </ul>
Remote order entry	A simplified sales order-entry process allows the user's customers to enter and modify their own sales orders by means of a terminal at the customer's site. Security is enforced by allowing the customer access only to the order entry process, and within that process, only to enter or review orders.
Automated tax calculation	As part of the pricing routines for each order line, the tax applicable to that line is also calculated. SFD/3000 can handle: <ul style="list-style-type: none"> <li>- value added tax</li> <li>- multi-jurisdictional sales tax</li> <li>- federal excise tax</li> </ul>
Automated unit of measure conversions	SFD/3000 allows for stocking, ordering, and pricing items in different units of measure (for example, stocking quantities of "each;" selling in "dozens").
Line gross	As part of the pricing calculation, it is possible to check each order line for prespecified gross profit margin targets.
End of order gross profit checks	At the end of each sales order, a further check may be made to determine if the overall order meets prespecified gross profit targets.
Terms	The system automatically calculates terms for each sales order based on system wide or customer specified parameters. These terms can also be manually overridden by the sales order entry operator.
User customizable pickslips	Having input details of an order and determined which items should be back ordered, the next step is to print out a pickslip for the warehouse. This process is extremely flexible in SFD/3000 or OM/3000. The format of the pickslip, size, headings, end of order data, etc., are totally under user control. In addition to this flexibility, it is possible to control the time and frequency with which pickslips are

printed, the printer to which they are directed, and the types of orders for which they are to be generated. This process is additionally used to print customer order acknowledgements.

Flexible shipping process

An extremely flexible shipping process is available whereby details of the actual quantity shipped can be input (on an exception basis) and the order may be amended or corrected. (It is also possible to add freight charges to the end of an invoice before it is shipped.)

User customizable invoices

By using the identical process to that specified for pickslips, it is possible to fully customize invoices to each individual site's requirements. Facilities are provided to allow for reprinting of damaged, lost, or disputed invoices.

Shipping label

By entering the sales order number and the number of labels required, the system will automatically print shipping addresses on shipping labels which additionally show the number of packages in large characters.

Shipping manifests

This program will, on user request, print a summary of all orders by delivery route.

Exception tracking by operator

Each incident of a price override by an operator is logged and available for management reports.

## ACCOUNTS RECEIVABLE

Features

Functions

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User friendly cash application process

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The OM/3000 and SFD/3000 accounts receivable system operates using the "open item" principle. In such systems, the accurate allocation of payments against invoices is of paramount importance. The products provide a number of features which aid in this process, namely:

- multiple lookups on invoice details
- automatic allocation based on oldest first
- automatic calculation and application of prompt payment/terms discounts

- user controlled write-offs of small discrepancies
- manual allocation of cash by invoice number
- automatic display of customer data based on a given invoice number
- selection of invoices based on starting and ending dates
- debit memo processing

User controlled aging

An aged trial balance summary or detail report is produced at user specific intervals. The user can specify the type of aging required, defining their own aging periods. As part of this process, user definable service charges can be calculated and applied to delinquent account balances.

User controlled statements

Statements can be customized to each customer's site requirements. Selection of items to be shown on each statement, as well as selection of customers, may also be user defined. Format is also user defined.

Delinquency reports

A series of standard reports are available on delinquent accounts. These reports can be customized to an individual site's requirement during the installation process.

Service charges

Service charges are automatically calculated; the rate may be user defined according to their state regulations.

## INVENTORY CONTROL

Features

Functions

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Real-time inventory allocation at order entry

As the user input details the quantity of each item to be sold, the system remains available to sell. At that instant, the system will automatically allocate as much inventory as it can to the sale and will then create a back order record for any quantity not in stock. Allocated inventory is then no longer available for sale to the next sales order.

Inventory receiving

OM/3000 and SFD/3000 have a feature to allow for the input and recording of purchase orders and also a facility is provided which allows for maintenance of an "on order" quantity for each item.

Work in process control (WIP)

The primary purpose of the WIP subsystem is to allow for the carrying out of services to goods before the goods are sold. A typical example might be cutting of pipe to the desired length with a piece to be returned to stock. The WIP system covers the issue of stock to a work order, recording of labor and costs, and returning to stock of newly created materials.

Inventory control

Features exist for the control of:

- count of stock outs
- comprehensive stock tracking
- gross profit tracking by team
- warehouse location of item
- minimum stock
- maximum stock

Back order management

The system will maintain details of back orders which can then be analyzed for both purchasing and allocation reasons. A back order allocation routine is provided which can accept user defined criteria and will allocate inventory to back ordered lines automatically or the user can release orders manually.

## SALES ANALYSIS

Features

Functions

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Historic sales

Information relating to sales orders is kept on line for any length of time determined by the user.

Customizable reporting

User defined reports and selection of information to be reported. Information may be selected for 13 user defined periods per year, or for ranges of sales orders by by number, or for date. Reports may be generated automatically or on demand.



Comprehensive  
selection  
criteria

Information may be summarized into comprehensive sales analysis reports by customer, sales representative, product class, or item. Selection may reflect actuals or budget for current or previous year.

## Markets

The primary distribution market within the U.S. is very large. The products have been the most successful in the following vertical markets: office products; paper; electronics; medical products; industrial; plumbing, heating, and cooling; electrical; hardware; toys; hobbies; sporting goods; art supplies; computer hardware and software; optical products.

In summary, OM/3000 and SFD/3000 fit best where there are discrete articles and inventory, where orders are received by the wholesaler either by mail or telephone, and shipped either directly from the vendor or out of their own warehouse.

Secondary markets include those vertical markets that may involve more complex issues of "fit" because of issues such as lot number tracking. Those secondary markets are: chemicals, pharmaceuticals, food, tires, automotive, heavy equipment and machinery, lumber, appliances, and building materials.

The products were designed to address the three business requirements of distribution: customer service, financial control, and inventory control. Our customers have reported significant productivity gains from having an integrated on-line system that eliminates duplicate entry of information.

Our distribution products are different than the competition because they are designed by distributors and installed and supported by business distribution experts in HP software applications centers, and we have a satisfied customer base with over 200 installations in the distribution world.

## Questions and Answers

Q. Where are the HP software centers located?

A. They are located at HP Area Sales Offices in the U.S., as well as in the United Kingdom, Australia, and South Africa.

Q. Is the product customizable?

A. Modifications that would add to the saleability of the product will be bid, if desired, where source code is available.

Q. Can the modules of the product be unbundled and sold separately?

A. No. However, modules can be installed one at a time within a reasonable timeframe.

Q. Is there a Users Group?

A. Yes. Users have an extremely active users group of distribution business managers. Named "SIGSFD", the group has elected to be part of the International HP 3000 Users Group, but holds separate meetings.

Q. Is OM/3000 or SFD/3000 OEM-able?

A. No.

Q. Is OM/3000 or SFD/3000 on the A-1 discount schedule?

A. Yes.

Q. Is OM/3000 or SFD/3000 on the new software schedule?

A. Yes.

Q. Is consulting available for the products?

A. Yes, implementation/implementation assistance is available. Additional days of consulting time may also be purchased.

Q. Can specials be done for the product locally?

A. Modifications may be done locally if they are reporting only changes or other changes which do not affect the data base.

- Q. What is the minimum amount of disc space required?
- A. One 120 megabyte drive (HP7925) is minimum, but don't plan on storing much history. A Disc Space Configuration Guide for determining the amount of disc space needed, based on customer's volume and amount of history desired, is available to installation and support staffs.
- Q. Do SFD/3000 and OM/3000 run on all HP terminals?
- A. No. We recommend the following HP terminals: 2392A, 2382A, 2622A, 2624B, any 2626, 2628A, any 2629, and any 264X(except 2640).