Microsoft Dynamics 365

Introduction to the Landed Cost Module in Dynamics 365 for Supply Chain Management

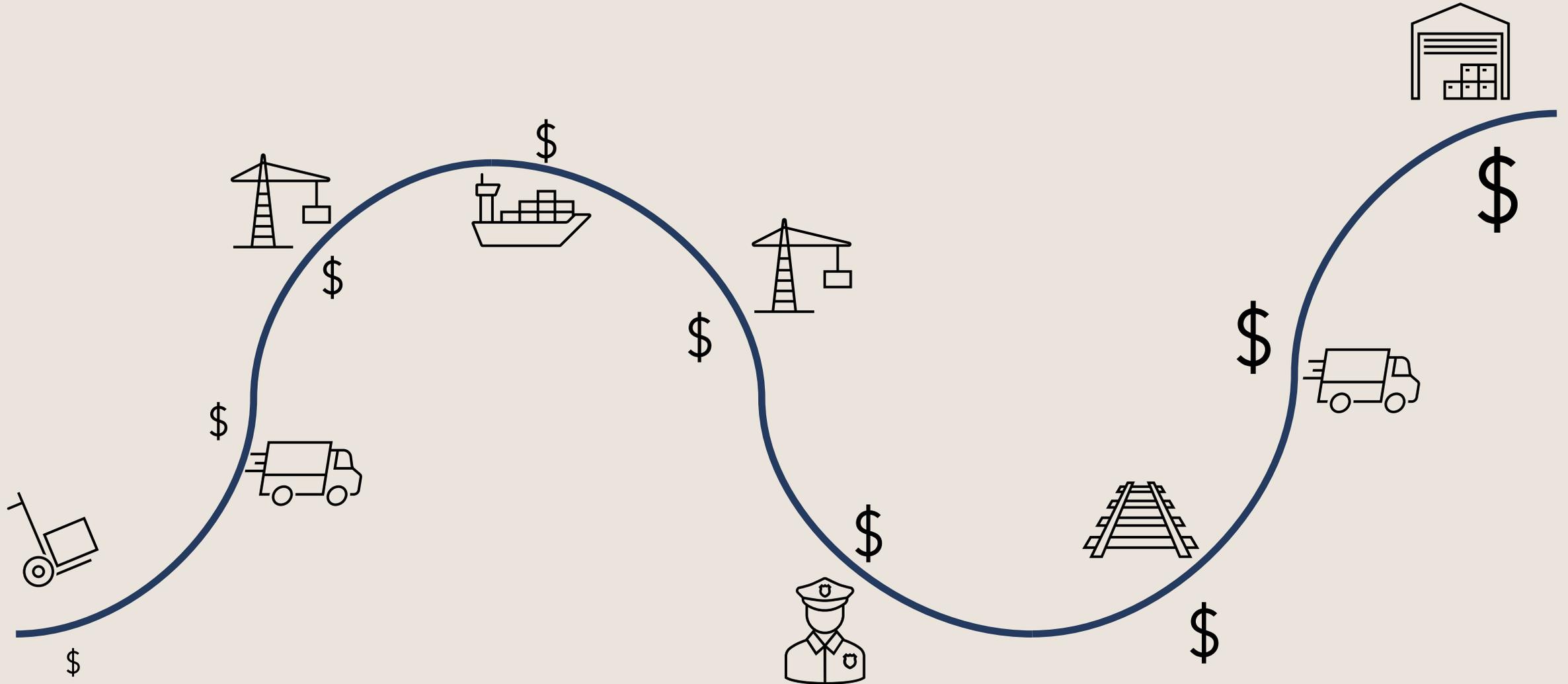Aaron Murch – Sr. R&D Solution Architect

Satish Panwar – Sr. Program Manager

Agenda

- What is Landed Cost?

- Module Benefits

- Terminology

- Getting Started

- Demo

- Transfer Orders

- Landed Cost vs. Transportation Management

- Roadmap

- Q&A

Imported Goods Inbound Process Flow

Module Benefits

❖ Improved visibility for tracking inbound purchase orders and transfer orders.

❖ Ability to accurately track both estimated and actual landed costs associated to inbound voyages.

❖ Ability for companies to take legal ownership of goods overseas and accrue item costs while in transit.

❖ Inquiries and reports for in-transit goods and costs

Key Terminology

❖ **Voyage** - A voyage is a distinct movement from an outbound location, through a specific set of destinations over a specified period, to a specified inbound warehouse location.

❖ **Shipping Containers** – Used to group goods that are physically together or need to be costed together.

❖ **Goods in Transit Order** - Landed Cost creates a new type of order to manage the receipt of goods after the original purchase order has been invoiced before the goods have been physically received, this concept is known as a goods in transit order.

❖ **Costs** - Cost can be set up for different levels of a voyage and apportioned to the item level through rules that support quantity, volume, weight, amount, and defined volumetric divisors. This works for both up-front estimates as well as actual costs at time of invoice.
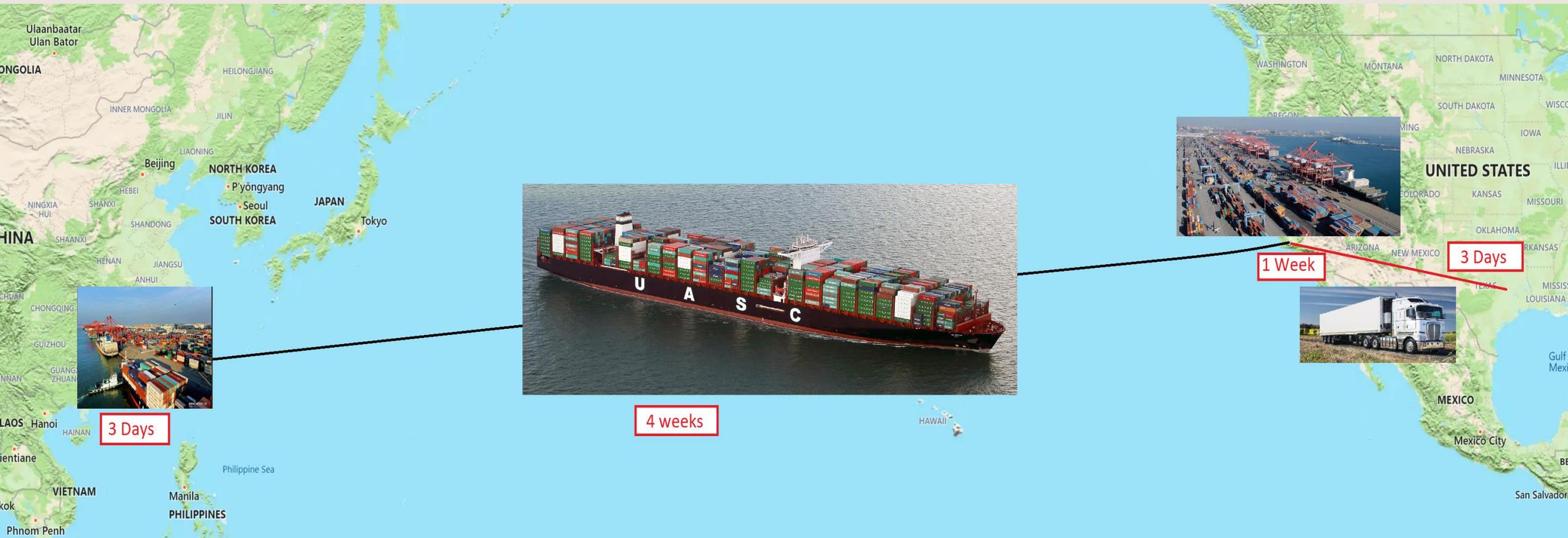
Getting Started

Getting Started

❖ Enable "Landed cost" feature within feature management

❖ Configurations

  ❖ Update Delivery Terms

  ❖ Landed Cost Module Configurations

  ❖ Procurement and Sourcing Configurations

❖ Additional setup when using Landed Cost in advanced warehousing scenarios:

  ❖ Add mobile device menu items

    ❖ Goods in transit item receiving

    ❖ Goods in transit item receiving and putaway (*enabled via a separate feature that is currently in preview*)

  ❖ Setup Location Directive for *Goods in transit*

  ❖ Create a work template for *Goods in transit*

❖ Review the [Landed Cost Docs articles](#) for full setup details

Demo

Satish Panwar

Demo Scenario

❖ Contoso Entertainment Systems US, located in Austin, Texas, purchases computer components from their supplier, Best Office Supply, located in Shanghai, China.

❖ These goods are shipped ocean freight and there is a roughly 6 week in-transit time associated with these deliveries.

❖ Contoso purchases and takes legal ownership of the goods as soon as they leave supplier warehouse and is responsible for all insurance paid for the shipment of goods. **(EXW)**

    ❖ Full list of available Incoterms 2020 available here

❖ Contoso will be responsible for tracking the status of their container throughout the shipping process.

3 Days

4 weeks

1 Week

3 Days

Contoso's Supply Chain

Transfer Orders

Transfer Orders

❖ Landed costs are also available for accruing transportation costs for transfer orders between warehouses in a single legal entity/company in F&O.

❖ Transfer Orders work similarly to what was described in the Purchase Order example above; however, they do not have the concept of a Goods in Transit Order. (Since there is no ownership change.)

❖ Transfer Orders do work for warehouses with "Advanced warehousing" enabled.

  ❖ Ensure you ship the container via the shipment confirmation button on the shipment form vs. the voyages form.

  ❖ You will have an outbound load and shipment along with an associated inbound voyage.

Landed Cost vs Transportation Management (TMS)

Voyages in Landed Cost vs. Inbound Loads in TMS

❖ You can use TMS for both inbound and outbound operations. Although Landed cost provides most of the same basic functionality as TMS for inbound operations, it also adds some functionality. Therefore, you might want to consider using TMS for outbound operations and Landed cost for inbound operations.

❖ In general, we don't recommend that you use both modules together for inbound operations

  ❖ If you do use the two modules together, you must not share source documents between them. For example, don't use the same purchase order for both a load in TMS and a voyage in Landed cost.

  ❖ In particular, you must ensure that you don't set up the system to create inbound loads automatically. If items from purchase orders are included in a voyage, they can't be handled as part of a load.

Landed Cost vs. TMS - Key Considerations

❖TMS and Landed cost don't share reference data for entities such as cost setup, journeys, and legs. If you use both modules, you must re-create the unshared reference data.

❖Landed cost doesn't provide an ASN for the electronic receipt of goods. Additionally, it doesn't support Warehouse Management mobile app flows that process load receiving, license plate receiving, or mixed license plate receiving.

❖Landed cost provides only limited support for rate shopping by vendor. Although you can enter freight forwarder values, Landed cost doesn't compare them across multiple vendors.

❖TMS supports the creation of freight charges that are connected to transfers. Although these charges can be viewed from the transfer order, the landed cost isn't added to the item cost. Freight reconciliation is supported through the creation of a freight bill that is based on these charges. This freight bill is then matched against a vendor freight invoice.

   ❖ Review the following TechTalk for full details on [TMS functionality related to freight reconciliation](#)

❖Additional details for this comparison of these modules are located on Microsoft [Docs](#)

Roadmap

Roadmap

❖ Data entities for importing of landed cost objects
  ❖ Voyage creation
  ❖ Container tracking status update
❖ Provide integration template to support 3rd party freight forwarders integration

Questions?

References and Additional Learnings

- Docs Articles - Landed cost module - Supply Chain Management | Dynamics 365 | Microsoft Docs

- In-depth configuration and walkthrough (posted by Mohamed Shoman) - Dynamics on-demand – YouTube

- Landed Cost Yammer Group – forum to view and post your questions with Microsoft R&D - (178) Yammer : Finance and Operations Insider Program : Landed Cost : All Conversations

Thank you