MERA

Distribution Management

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Purpose

The purpose of this document is to provide an overview of MERA Distribution Management, from the initial budgets to the final settlement of publisher. The document is not intended as a true manual, but more an attempt to show an overview and cohesion of the system. By detailed questions refer to the relevant manuals and documentation. This document does not cover any other MERA ERP and CRM functionality.

Audience

The document addresses both decision makers and users who want to understand the coherence of the system.

Basic data

MERA operates with the following base tables:

- **Customer Table** contains customers (dealers, retailers, clients) with name and address, characteristics, trade terms, route numbers etc.
- **Publisher Table** contains publishers with name and address, trade terms etc.
- **Publication Table** contains the publications with title, characteristics, current prices, return agreements etc.
- **Publication Basic Delivery Table** contains basic delivery quantities by customers and publications. Depending on the publication's distribution method, the table contains different information.
- **Issue Table** contains issues of the publication with title, characteristics, inventory, prices, sales and return dates etc.
- **Issue Delivery Table** contains historical and forecasted sales figures by customers and issues.
- **Financial Table** contains the chart of accounts.

Definitions

To ensure the understanding of the following we define:

- **Distribution Method** as the method used to determine the number of copies of a particular issue to be distributed to a customer.
- **Distribution Form** as the way by which the way of delivery (e.g. route number) for a delivery to a customer is determined.

Publication Maintenance

A publication is a pedigree for subsequent creations of issues containing title, prices and other characteristics. That is, any changes to a publication will not take effect before new issues are created after these changes are made.

The publication table includes among other things:

- **Title**. Keyword search on titles.
- **Barcode** and alternative bar codes that are used as alternative key for the publication number in connection with the import of sales and returns figures, scanning and WEB.
- **Current prices**. Purchase, cost of sale, customer and cover price.
- **Tax code**.
- **Minimum sale**. Minimum invoicing if sold less than of an issue.
- **Characteristics.** Category, format, language etc.
- **Publisher**.
- **Return Agreements** for customers and publisher.
  No returns.
  Control on 100% returns.
  Standard recall frequency.
- **Return processing** (environmental issues etc.) used in the return processing (transition of returned copies) and publisher settlement (environment invoice).
- **Bookkeeping**. Automatic bookings in the financial system.
- **Frequency**. Daily (newspapers), weekly, monthly, etc.
- **Main number**. Used for differentiated description and/or pricing of the weekdays for newspapers, as desired collected into one publication number.
- **Alternative numbers** used as alternative keys for imports of collected returns recorded by third party.
- **Change Description** as information at the next issues delivery – price changes etc.
- **Expected circulation figures** from a date or issue number.

The publication also contains standard **distribution method**, and a table with date indication of changes in method or changes in parameters associated with the method.

The following distribution methods are available:

- **Basic Delivery**, where the basic contains the customer's desired or calculated delivery quantity by publication.
  The publication contains, in this context, customer characteristic related standard seasonal changes.
- **Forecasted Deliveries**, where the delivery quantity is determined by the customer's sales development within a variable number of issues regulated by a MAD factor (Mean average deviation).
- **Prognoses Deliveries**, where delivery is based on a smoothed sales curve on last year's sales in equivalent periods.
- **Rank Row Deliveries**, where the delivery quantity is determined by a variable number of distributed issues ordered by revised net sales. Rank row can be based either on the last recalled issues or historical on sales in the same period last year. Delivery quantity is determined from the circulation figures. For example where the sum of all customers' third highest net sales are less than circulation figures.

The publication contains standard **distribution form** for packaging and distribution.

Budgeting

Per publication a budgeted delivery by month is entered. This budget can be combined with budgeted sales/returns percentage, customer and publisher price. These budgeted delivery figures are accumulated per publisher as budgeted purchase, and accumulated as financial budgets based on the individual publications sales, cost of sales and return accounts in the financial system.

This is used in budget control, where deviation to budget is divided into divergence in deliveries, sales/returns percentage and price.

Publication Basic Delivery Maintenance

A publications basic delivery is a combination of a publication and a customer number.

If the publication's distribution method is basic delivery based, the combination must have the normal delivery and any additional seasonal supply, which comes into force when creating the issues deliveries to customers. These quantities can be marked as being not adjustable in distribution.

For newspapers, these deliveries can be provided per weekday.

The publications, which are not basic delivery based, the existence of the combination indicates that the customer should have the relevant publication delivered. The delivery quantity, like on the basic delivery, can be entered. Indication as being non-adjustable is available as well. If delivery quantity is entered, it will act as a temporary and eventually negligible change in the automation-based distribution methods.
All changes are updated with a modification date.

Basic deliveries can be changed or created either from another publications basic delivery, or an actual manual registration. In the registration process the rejects of creation of new basic deliveries for customers, which has a list of valid publications.

Subscriptions

The subscription system includes:

- Registration of subscription for a certain period or a number of issues with automatic postage calculation.
- Invoicing.
- Registration of payment and start of subscription.
- Creation of renewal invoice.
- The subscriptions are included in the general distribution as a prepaid, not adjustable, basic delivery.

Issue Creation

Before any forecast, goods receipt or distribution is made, the appropriate issue has to be created. This is done by calling the publication number, and fill in edition number, packing, shipping and selling date, as well as other deviations from the publication. Thereby the created issue number is a copy of the publication including the changes entered.

If the publication has a main number, the issues will be available under the main number and not the entered publication number. This applies mainly to newspapers with different distribution methods, pricing and title; for example Saturday-Sunday issues.

Distribution Method and parameters are determined from the publication and its corresponding date-dependent distribution method table. These may subsequently be amended on the issue.

Recall and return date can be calculated on the basis of number of days from the publications basic data, otherwise when creating the next issue.

You will now be able to find this edition in various enquiries on publication (main number) and in the packaging program, where it will be shown on packing date. Concurrent it will be made available under the recall program under the calculated expected recall date.

Goods Receive

If the publication is already received on edition creation, enter the received quantity on creation.

Upon subsequent receipt of goods to the distribution warehouse location, enter or scan publication and issue number and the quantity received. When confirming, the distribution warehouse stock balance is updated. If the received quantity differs from the expected circulation figure, then the issue's delivery by customer may be automatically adjusted to the quantity received and already generated delivery notes can be reprinted.

If e.g. newspapers are not received and packed centrally, but locally around the country, the "goods receipt" could be calculated as the quantity distributed plus remaining copies and the remaining copies automatically transferred to the return warehouse location for later publisher returns and settlement.

Issue Basic delivery

Since all issues will bear distribution method and parameters when creating, you can transfer the publications or another publication basic delivery or part of it in different ways.

This could be:

- Transfer all selected.
- Downloading new dealers in the publications basic delivery, which are not in the issues basic delivery. This is especially useful, if the issues basic delivery is generated in a previous stage (prognosis), or it is generated selectively.
- Include temporarily closed dealers. This is only interesting in the context of generating forecasts.

In connection with the transfer of basic delivery-based deliveries the transfer could be modified by a +/- percentage, transferring additional seasonal delivery +/- a percentage and transfer +/- a quantity. These figures will become the issues delivery quantity. If you enter the circulation figure, the system will automatically adjust the delivery quantities to match the circulation figure.

When it is not a basic delivery-based delivery the system, based on various parameters associated with the issue, generate a basic delivery for the issue, which like the above, gets adjusted to match the circulation figure.
After generation, you can manually change the issues basic delivery.
The issues basic delivery also includes subscriptions.
The issue is now ready for delivery.

Delivery Maintenance

One can enquire on the packaging program to see which issues is to be packed on a specific date.

One can then tick the individual issues, and collect them on a delivery number, where each issue can have specified packing table, handler and sequence. On confirmation, the system will extract the relevant issues and customers and generate delivery notes. If you have not entered packing table, handler and sequence, the system will make a suggestion. This process can and must be repeated on changes in delivery or changes in the issues basic delivery.

Once the delivery is ready, you can print delivery notes or create various files to package systems such as TOP. Packing List Print Files can be downloaded and printed locally (Newspapers which are not packed centrally for example).

At this point there has been no financially updates in the system, and the above processes can be repeated if there is last minuet changes in for example the issues circulation figure or similar.

Delivery notes will be numbered with the delivery number and a sequence number. Delivery notes will be printed in packing table, delivery network and route number sequence. Possibility of ordering by number of picks, in order to pack delivery notes with the least frequent publications first, to release packet personnel.

In addition, each delivery note is now associated with the delivery date on the selected network.

Packing

After packing, any changes can be reimported from possible package systems, and the delivery is confirmed.

The following updated in the system:

- Stock balance at the distribution warehouse location is reduced.
- Delivery notes are recorded as sales and preliminary receivable of customers.
- The issue delivery table gets updated with the distributed quantity by customer.
- Any remaining stock may be transferred to an extra deliveries warehouse location, to the return warehouse location or as scrap.

Extra deliveries

Extra deliveries can be entered for later delivery.

When delivery notes gets printed at the extra deliveries warehouse location the customers delivery network and the delivery date is determined. This delivery can be changed by the handler at the warehouse.

The following gets updated on an extra delivery:

- Stock balance at the extra deliveries warehouse location gets reduced.
- The delivery note gets recorded as sales and preliminary claim on the customer.
- The issues delivery table gets updated with the extra delivery to the customer.
- The delivery note gets attached to the date of delivery on the customer's delivery network.

Recall Program

One can request a recall program to see which issues are to be recalled on a certain day.

There is a function to generate a recall program by specifying from/to recall date by which the system extracts the issues to be recalled within the given period. The system responds back with a number of customers and 50% of the distributed quantity per issue, which could give an indication of whether it is a large or small recall program.

On closed customers the entire delivered issues are recalled.

After that the recalls by customers can be printed.

The recall note number will be a 6-digit recall order number, and a 2-digit serial number per customer (several notes to the same customer) and a check digit.

After printing the customers recall note number can be enquired upon and this number will follow everything regarding this recall. The recall note will be attached to both the delivery network and the pick up on the network.

Delivery

One can at any time print various delivery papers by date range and networks. There is no update at this stage, the system only considers the documents (delivery notes, extra deliveries, invoices and recalls), which is affiliated.

Complaints

After delivery to customers the registration of the following types of complaints is available:

- Receiving denied
- Packing Error
- Packing Error with replacement delivery
- Delivery Error
- Delivery Error with replacement delivery

Common to all types of complaints is that they always take basis from the customer's delivery note.

This means that all complaints will be updated on the original delivery note, which should prevent double registration of complaints. In addition, all complaints inherit the delivery note's date and number followed by a serial number.

Replacement deliveries will be printed and treated as an extra delivery, but for 0.00

The difference between the various types of complaints is partly what is recorded and what is being updated.

Car Sales

One can make stock transfers between, for example, the extra deliveries warehouse location and individual vehicles.

In addition, you can enter each vehicles sale to customers with registration of voucher number, date and customer. After entry of publication number, issue and quantity the following gets updated:

- Vehicle inventory balance is reduced.
- Sale of goods and preliminary claim of customer.
- The issues delivery extra deliveries.

Customer returns

As the return gets record this either by files from 3rd party, scanning system, weight based line or manually, or on the WEB.

For manual return processing input/scan recall note number whereby the customer's 6-digit recall order will appear with the account number, etc. completed. Then enter/scan publication and issue number and quantity. When the entry is finished, confirm the transaction. There are now generated a return document with return order number and a serial number if the same orders is recorded several times.

The following gets updated:

- Return order with each notes returned quantity. That is, on the 6-cifferede return order everything is recorded. Both through imports and manually. The individual records are to be found thru the order if necessary, maybe with image of a scanned document attached.
- The return note is recorded and stored as interim debt to the customer.
- The Issue table is updated with the returned quantity from the customer.
- The stock on the return warehouse location is updated.

From certain customers the received and imported sales figures from the customers forms the basis for return processing.

Return Complaint

Since the vast majority of return complaints will be made after settlement, you must consider the following carefully before registration:

Should the dealer be credited immediately or should the return reclaim be entered for settlement by the next billing (see customer settlement).

In connection with the return complaints there are a number of enquiries to aid in the analysis phase.

Based on the return order, where you see the entire recall with registered returned quantity per issue, you can drill down and query the individual return notes and complaints regarding this return order. Then you can enter complaints text and quantity and generate a credit voucher to use for paying compensation or a claim voucher for the next customer settlement. The issue delivery table gets updated with return complaint quantity and the voucher is recorded as either preliminary or actual debt to the customer.

Customer Settlement

Customer settlement - invoicing - are done on elective periods. All delivery notes, return notes and complaints have been recorded as interim receivables or payables. When invoicing all previously not invoiced vouchers are extracted and form an invoice containing all documents for the period, which is now transferred from the interim to the actual account receivable. In connection with invoicing any delivery fee, minimum invoicing and reminder fee and interest are generated as well. If the customer has an invoice account attached, the invoice will be posted to the invoice account.

The invoice contains the following:

12.12	12980109	Pakkeseddel			295,30	73,82	369,12
13.12	12970089	Pakkeseddel		46,50		0,00	46,50
14.12	13010059	Pakkeseddel		54,50		0,00	54,50
14.12	1301005901	Pakkereklamation		−16,50		0,00	−16,50
1	3365 12504	The Mirror (MAN – LØR)	16,50	−16,50			
14.12	13060376	Pakkeseddel			528,70	132,17	660,87
15.12	13050124	Pakkeseddel		228,10		0,00	228,10
16.12	13130059	Pakkeseddel		54,50		0,00	54,50
16.12	A0866991	Ekspeditionsgebyr			122,50	30,62	153,12
16.12	A0866992	Avisgebyr			83,10	20,77	103,87
12	AVISF	Hverdagsgebyr	5,55		66,60	16,65	
2	AVISS	Søndagsgebyr	8,25		16,50	4,12	
		Subtotal		1.018,70	7.563,33	1.890,81	10.472,84
		Total retur		−1.156,40	−7.318,68	−1.829,66	−10.304,74

- Invoice containing delivery note number, taxable, tax-free, tax and total amount.("Pakkeseddel" – delivery note)
- Issue specification of the package and delivery complaints ("Pakkereklamation" – Packaging error) and minimum invoicing.
- Various delivery fees. ("Ekspeditionsgebyr" – delivery fee, "Avisgebyr" – News Paper fee.
- The first page will contain payment slip with invoice amount.

28.11	996413		Avisretur						
1	3168	12473	Aftonbladet (man–søn)	18,00	14,40	14,40			
1	3168	12474	Aftonbladet (man–søn)	18,00	14,40	14,40			
2	3262	12471	Dnevni Avaz (Bosnien)	12,00	9,00	18,00			
2	3262	12473	Dnevni Avaz (Bosnien)	12,00	9,00	18,00			
2	3262	12474	Dnevni Avaz (Bosnien)	12,00	9,00	18,00			
2	3262	12475	Dnevni Avaz (Bosnien)	12,00	9,00	18,00			
2	3262	12476	Dnevni Avaz (Bosnien)	12,00	9,00	18,00			
1	3365	12467	The Sunday Mirror (SØN)	28,00	21,00				
1	3365	12467	Retur er større end levering						
1	3142	12471	Verdens Gang	15,00	12,00	12,00			
1	3142	12473	Verdens Gang	15,00	12,00	12,00			
1	3142	12474	Verdens Gang	25,00	12,00	12,00			
1	3142	12475	Verdens Gang	25,00	20,00	20,00			
1	3142	12476	Verdens Gang	25,00	20,00	20,00			
1	3168	12472	Aftonbladet (man–søn)	18,00	14,40	14,40			
2	3262	12472	Dnevni Avaz (Bosnien)	12,00	9,00	18,00			
1	3142	12467	Verdens Gang	25,00	20,00				
1	3142	12467	Retur er større end levering						
1	3142	12472	Verdens Gang	15,00	12,00	12,00			
23	996413		Total			239,20	0,00	0,00	239,20
28.11	996912		Magasinretur						
3	4124	1211	Bilsport Classic	50,00	30,00		90,00	22,50	
2	6136	1247	Bild Der Frau	15,50	9,61		19,22	4,80	

- Return Specification with all return registration and complaints per voucher number and issue number. This specification also contains any comments from entering complaints. "Avisretur" – News Paper returns, "Magasinretur" – others.
- Interest with specification of interest calculated items.
- Account statement if the customer has an open balance (payment reminder).

The print is printed in customer order, which will lead to that all communication to the customer regarding bookkeeping is completed with this operation.

Invoiced can be mailed instead of printed and/or form the base for EDI exchange e.g. EDIFACT.

Publisher Return

After any stock movements between the return warehouse location and extra deliveries location or distribution location the publisher return specification is generated by entering a closing date. All issues that is allowed to be returned at the specified date forms a publisher return order with the stock balance at the return ware house location..

At the confirmation a publisher return voucher is printed and the following is updated:

- Return warehouse location's stock balance.
- Return note attached to the publisher.
- Calculation of possible environmental invoice.
- Calculation of possible return fee.

Publisher returns forms the base for EDI exchange e.g. EDIFACT or ISPC.

Publisher Settlement

Upon receipt of publisher invoice the document is entered in the system.
All incoming goods will be on goods receive notes as goods delivered, but not invoiced.

The user can request a publisher settlement voucher with not settled receipts and returns at a given date. This voucher can be cross-checked with the publisher's invoice and deviations can be entered indicating whether new settlement will occur or not. By confirming this voucher, the attached receipts and returns will wholly or partially be transferred from the received not invoiced account to received, and creditor debt is updated.

Calculation of distribution costs can be performed based on quantity delivered, weight, number of deliveries etc.

Along with the publisher return calculations (including environmental etc.) the final payment to the publisher can be calculated and done.

Management Information System

All transactions forms the base for an information system, that instantly gives answers to questions regarding deliveries and returns within any grouping desired,