FeneVision® Best Practice

Inventory Setup and Configuration

Introduction

The purpose of this document is to aid in inventory setup and implementation by describing the various areas of the system which play a role in inventory setup.

Implementation Worksheet

Below are items to think about prior to setting up inventory parts. Answer once for each type of part (vinyl, glass sheets, drum, box, bottle of argon, screws, etc.).

- How will the item be used in the Bill of Materials (BOM)?
- How (in what units) is the quantity on hand measured?
- How (in what units) is the item purchased?
- How (in what units) is the item received?
- How does the vendor price the item?
    - How is the cost of the item measure (typically the same as it is priced by the vendor)?
- Is the item optimized? In what units is the item optimized?

This worksheet may aid in determining/recording the above information. UOM is short for "Unit of Measure."

Part	BOM UOM	On Hand UOM	Purchased UOM	Received UOM	Vendor Price UOM	Cost UOM	Optimized Length UOM

Inventory Quantity Transaction Overview

The following inventory quantities are tracked by the system. These quantities fluctuate during normal business flow, creating inventory transactions. Outlined below are the typical transactions that take to place day-to-day.

- QOSO – Quantity on Sales Order - Inventory on orders in the system that are not released to production.
- QOPO – Quantity on Purchase Order - Inventory on open purchase orders
- QA – Quantity Allocated - Inventory that is allocated (e.g., spoken for) on the production floor
- QOH – Quantity on Hand - Inventory currently on hand

The following actions cause inventory quantity transactions. These transactions can be seen via Inventory – Transactions. See the Glass Stock Sheet Transactions section below for more detail on those special transactions.

- Entering a Sales Order Line Item – QOSO increases (BOM Secondary UOM)
- [RTI off] Allocate a Schedule – QA increases (BOM Primary UOM). De-Allocate Schedule does the opposite.
    - *Note: If lineally optimizing, interface files must be released!*
    - *Note: For glass sheets, QA increases with optimization.*
- [RTI off] Relieving a Schedule – QA decreases (BOM Primary UOM) and QOH decreases (BOM Primary UOM). Replenish Schedule does the opposite.
- Completing a pattern in Opti-Break – QOH decreases for
- Completing a Sales Order Line Item – QOSO decreases (BOM Secondary UOM)
- [RTI on] Accepting a Sales Ordered Line Item – QOH decreases (BOM Secondary UOM)
    - *Or scanning an inventoried part for the first time*
- Shipping a Sales Order Line Item – QOH decreases for non-manufactured, shipped, ordered inventory items.
- Posting a Sales Order Invoice – QOH decreases for non-manufactured, not shipped, ordered inventory items.

- Creating a PO – QOPO increases (On Hand UOM)
- Receiving a PO – QOPO decreases (On Hand UOM) and QOH increases (On Hand UOM)
- Inventory Adjustment – QOH adjusted as entered.
- Inventory Cycle Count – QOH adjusted as entered.

Realtime Inventory (RTI)

Realtime Inventory (RTI) is a system-wide setting that can be on or off. **This is not a setting that should be changed without first consulting FeneTech!** This setting impacts how and when inventory is relieved from the system, but also changes how and when inventory transactions are created. This impacts accounting exports and is not supported by some accounting interfaces. RTI is best practice for most users going forward, however.

Allocating and relieving a schedule are both defined above but notice the [RTI off] tag applied. Those two actions are only applicable when RTI is off. When it is on, those two actions are not possible in the system, and QA is always 0.

As mentioned above, when using RTI, the allocating and relieving of schedules is not required and in fact, it removes the necessity for all QA transactions. With RTI on, when a unit is scanned complete on the floor (Tracking), the inventory is relieved at that time to keep the inventory quantities on hand more accurate through the production process without relying on users to tell the system when to relieve inventory. Each inventory category must be set up as an "Auto Relieve" category for inventory to be automatically deducted. Otherwise, inventory must be managed manually using adjustments. In some instances, this is preferable, which is why this setting is available per category.

Glass Stock Sheet Transactions

Glass relieving happens differently than most other types of material because of the integration with the Opti-Glass and Opti-Break applications. Parts marked by the "GLASS" Part Type in CORE are excluded from the above inventory transactions and instead are handled entirely by Opti.

With RTI off, glass sheet inventory is relieved in Opti-Glass by right-clicking on a release in the View Glass Cutting screen and selecting "Set All Complete". The user is then prompted with a screen to inform the system on how many sheets of each glass types where used. This then deducts from the inventory in CORE.

With RTI on and the glass category **not** marked as "Auto Relieve" in CORE, inventory is relieved in the same manner as if RTI was off.

With RTI on and the glass category marked as "Auto Relieve" in CORE, as each sheet is accepted in Opti-Break, it is relieved from CORE. When the user clicks the "Next Pattern" button on a pattern that has not yet been relieved, it relieves from CORE.

Note that Opti always relieves using the Stock UOM, so make sure the Stock UOM is sheet for the child glass parts. See the example setup in the Child (Stock Sheet) Glass Parts section.

Inventory Setup

This section will outline some setup screens and give example setups for common inventory part types.

General Tab

The UOM settings described below can be related to the Implementation Worksheet section above.

Critical fields in Inventory Setup's General Tab appear in bold:

- **UOM Schedule –** List of available, configured unit of measure schedules.
- **Width (Length) –** If the part number has only one lineal dimension reference, this field is used to store the length. A common use for this field is the stock length of frame and sash profiles. This field is referenced when the system performs a lineal optimization. The UOM for this field must match the system UOM.
- **Length UOM –** Default unit of measure for length.
- **Cost UOM –** Default unit of measure for cost derived from UOM setup.
- **Stock UOM –** Default unit of measure for stock. This can be different from the 'Cost UOM'.
- **BOM Primary UOM –** Identifies what UOM the BOM is in to determine the correct conversion to be done when calculating inventory requirements. If the part is optimized through a lineal positioner or through Opti-Glass, the BOM primary UOM will be set to piece or sheet, respectively. Otherwise, it will typically be set to inches or mm, depending on whether the system is in imperial or metric.
- **BOM Secondary UOM –** Identifies what UOM the BOM is in to determine the correct conversion to be done when calculating inventory requirements. This is used during Order Entry to determine the amount to be deducted from inventory based on the system measurement type. This will typically be set to inches or mm, depending on whether the system is in imperial or metric.
- Days to Average – See the below section on Daily Average Usage.
- Stock Scrap % - Percentage of inventory adjustment due loss stock from material waste during production
- Cost Scrap % - Percentage of cost adjustment due to loss of material from production waste.

BOM Primary and Secondary Examples

These two UOM settings can be particularly confusing. More than likely, the inventory part being worked with will fall into one of these three categories. The descriptions below should help with determining how to set up these UOMs.

- **Non-optimized parts** – When using a part that does not get optimized, the BOM (secondary) UOM and the primary UOM are the same. For instance, a manufactured IG may use a grid key. The primary and secondary would be set to each. This amount will be deducted from inventory when inventory is relieved for the order.
- **Lineally optimized part** – When using a part that is optimized with a linear positioner, the primary UOM will be a piece (i.e., stick). The secondary UOM will be determined by the measurement of the part (typically length). When ordering units through Order Entry, the system will calculate the inches or mm to be used but will optimize by piece. The amount deducted will be based on the primary UOM upon optimization.
- **Opti-Glass optimized part** – When using glass or interlayer that is optimized through Opti-Glass, the BOM primary UOM would be a sheet, whereas the BOM secondary UOM would be SQIN/SQM. When ordering units through Order Entry, the system will calculate the SQIN to be used but will optimize for sheets. Inventory will be deducted by sheet via Opti-Break.

General Tab - Examples

Vinyl

For a lineally optimized item, such as vinyl, the Width field is critical. This represents the length of the item that will be used by the optimizer. This length should be provided the BOM Secondary UOM, or in this case, inches. In the screenshot below, the interface will optimize using the fact that a stick is 192 inches.

UOM Schedule	Width (Length)	Length UOM	Height	Thickness	Weight	Weight UOM	Cost UOM	Stock UOM	BOM Primary UOM	BOM Secondary UOM	Selling UOM
192 INCH STICK (1...	192.0000	IN	0.0000	0.0000	0.0000	IN	STICK	STICK	STICK	IN	STICK

Notice that the BOM Primary UOM and BOM Secondary UOM do not match. This occurs in optimized parts like vinyl. Prior to optimization, the amount of vinyl needed on a sales order (QOSO) is calculated in inches, which is the BOM Secondary UOM. During optimization, the conversion from inches (IN) to stick (STICK) occurs. Then, during schedule allocation and relief, the quantity transactions occur in the STICK UOM.

Note: Some interfaces have been updated to relieve sticks of material with each cut for use with RTI. This would eliminate the allocation and relief steps above. Check with FeneTech about the optimizer being used and if it supports RTI.

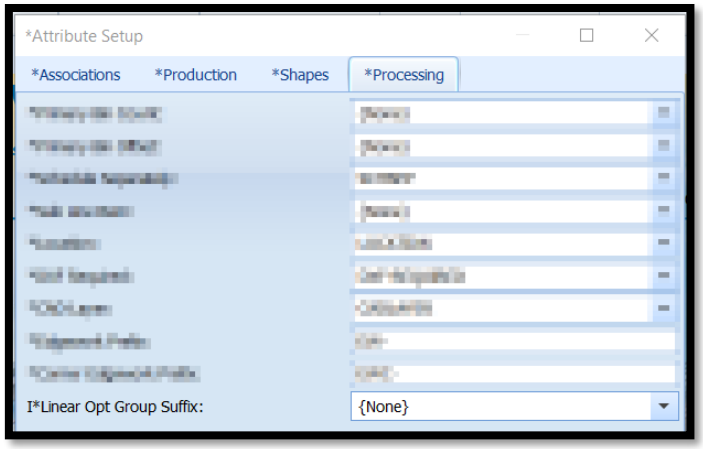
Common mistakes:

- Not releasing interface files prior to schedule allocation and relief
  - Causes inventory transactions to occur using the BOM Secondary UOM instead of the Primary
- Adding a new part, but not adding it to the optimizer interface
  - When parts are placed on an interface by part path, not placing the part with a path in the interface
- Assigning both H and W attributes, when there should only be one
  - A piece of vinyl should only have 1 dimension in the BOM

Complications:
Some other common practices with vinyl parts can cause issues if not managed correctly. The focus here will be on painted and/or foam filled (acts) vinyl parts. When one of these acts happened prior to optimization, the optimizer being used needs to be aware. Traditionally, multiple parts were created even though a single inventory part is all that truly existed. This is still valid configuration, but when an act occurs, it requires manual adjustments to add and remove the material from each part.

Note: The following is currently only valid for the following interfaces: Linear Positioner, ProLine Saw, Joseph Saw.

The better way of configuring this is to create a "Linear Opt Group Suffix" attribute. This attribute should return nothing or a suffix string to be added to the optimized part at the time of optimization. In other words, it should return the paint color (e.g., "-Blue") or indicate that the part is foam filled (e.g., "-FF"). Returning something with this attribute will force the painted/foam filled vinyl to be optimized separately from the common material. The "Group" field in the interface setup must be in use as well.



Each/Piece

This is the simplest type of part. Everything is done by piece or each. Example parts are nuts, bolts, screws, springs, etc.

UOM Schedule	Width (Length)	Length UOM	Height	Thickness	Weight	Weight UOM	Cost UOM	Stock UOM	BOM Primary UOM	BOM Secondary UOM	Selling UOM
PC	0.0000		0.0000	0.0000	0.0000	PC	PC	PC	PC	PC	PC

Common mistakes:

- Adding an H or W attribute onto the part
  - These parts should be dimensionless.
- Forgetting the quantity attribute (typically Q) for quantities greater than

Each/Piece Stocked by Box

This is very similar to the Each/Piece configuration except the UOM schedule includes one or more box quantities. A unique UOM schedule should be used for each box quantity, unless all parts assigned to the schedule can use all box/quantity conversions within the schedule.

UOM Schedule	Width (Length)	Length UOM	Height	Thickness	Weight	Weight UOM	Cost UOM	Stock UOM	BOM Primary UOM	BOM Secondary UOM	Selling UOM
BOX of 50	0.0000		0.0000	0.0000	0.0000	PC	PC	BOX	PC	PC	PC

Common mistakes:

- Assigning multiple box quantities to single UOM schedule when they are not applicable to parts assigned to the schedule.
    - Ex: Assigning a box of 60, box of 85 and box of 100 to a UOM schedule used by a part that is only purchased/stocked in boxes of 100.
    - This allows users to mistakenly select the invalid box quantities in PO Entry and Cycle Count Entry

Child (Stock Sheet) Glass Parts

Child or stock sheet glass parts should be configured using the following UOM schedule configuration. Glass Setup will do this automatically.

- SQM/SQFT – Weight, Cost
- SQMM/SQIN – BOM Secondary
- SHEET – Stock, BOM Primary, Selling

General | Details

Part	Description	UOM Schedule	Width (Length)	Length UOM	Height	Thickness	Weight	Weight UOM	Cost UOM	Stock UOM	BOM Primary UOM	BOM Secondary UOM	Selling UOM
[redacted].03.0.CLR-.-----.----.0096x0130	3 mm (1/8") [redacted] 0096x0130	[redacted]-3 mm (1/8")	3 302,0000	MM	2 438,0000	3,0000	7,5000	SQM	SQM	0096x0130	0096x0130	SQMM	0096x0130

Parent Glass Parts

Parent glass parts should be configured using the following UOM schedule configuration. Glass Setup will do this automatically.

- SQM/SQFT – Weight, Cost, Stock
- SQMM/SQIN – BOM Primary, BOM Secondary, Selling

General | Details

Part	Description	UOM Schedule	Width (Length)	Length UOM	Height	Thickness	Weight	Weight UOM	Cost UOM	Stock UOM	BOM Primary UOM	BOM Secondary UOM	Selling UOM
[redacted].03.0.CLR-.-----.----	3 mm (1/8") [redacted]	[redacted]-3 mm (1/8")	0,0000	MM	0,0000	3,0000	7,5000	SQM	SQM	SQM	SQMM	SQMM	SQMM

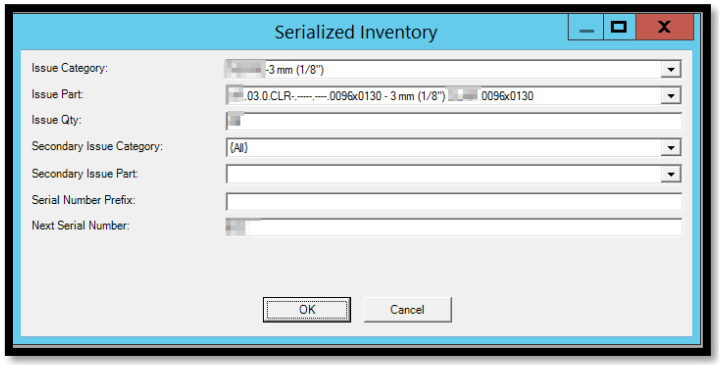
Serialized Glass Parts

More commonly known as a “crate,” “stoche,” or “block” of glass. These parts require little UOM setup. The critical setup required for these parts is the child part relationship. All this configuration is handled by Glass Setup.

Type: Serialized Inventory

General | Details

Part	Description	Weight	Weight UOM	Cost UOM	Stock UOM
[redacted].03.0.CLR-.-----.----.0096x0130.B	3 mm (1/8") [redacted]	0,0000	SQM	SQM	EA



Interlayers (e.g., PVB, EVA, SGP)

Interlayer parts should be set up in the same way as glass. There should be parent and child (stock roll) parts. However, BOM setup and inventory processes may change if using an Opti Interlayer cutting interface.

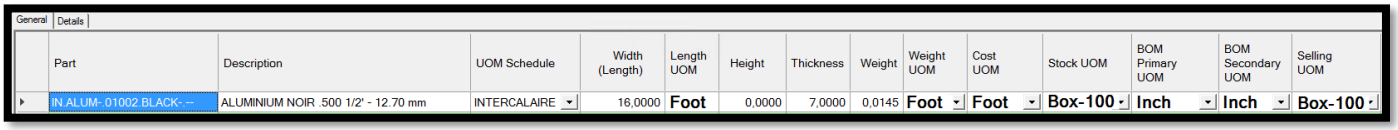
- Using Opti Interface – Works just like glass does, but for rolls instead of sheets.
- Not Using Opti Interface – The configuration and setup differs from customer to customer, but below are two typical implementations.
    - Only parent parts are used in the BOM and inventory.
        - No roll level inventory is managed by the system.
        - Purchasing of rolls must be done manually by investigating the floor inventory on the floor.
    - Only child parts are used in the BOM and inventory.
        - The BOM has logic to choose a roll size at the time of order entry and is likely to be used.
        - Cycle counts should be performed often as users may not choose the same size as the system.

Spacers

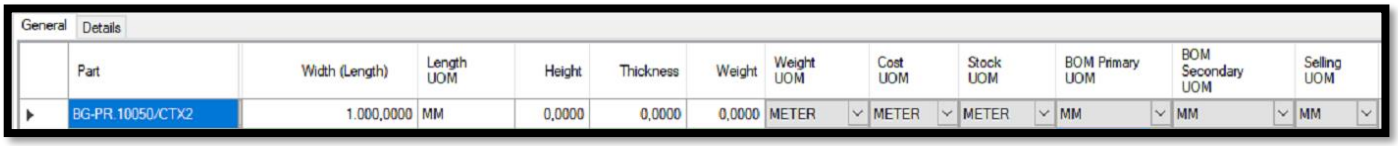
There are typically two (2) types of spacer parts in the BOM:

1. The part(s) that are required for the bender interface(s), but are not relevant from an inventory standpoint.
2. The parts used for the inventory, which should have the following configuration:

- MM/IN – BOM Primary, BOM Secondary
- All other UOMs are dependent on the type of spacer and customer, but below are two examples.



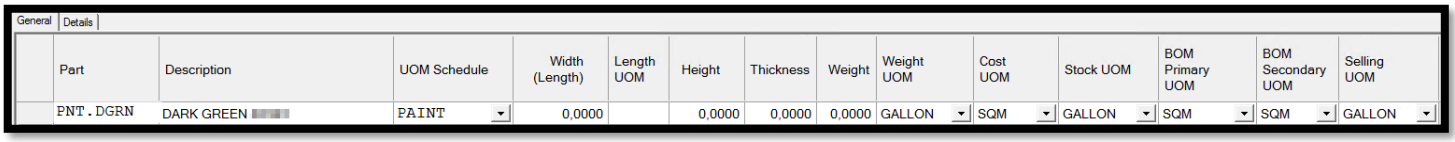
Part	Description	UOM Schedule	Width (Length)	Length UOM	Height	Thickness	Weight	Weight UOM	Cost UOM	Stock UOM	BOM Primary UOM	BOM Secondary UOM	Selling UOM
IN.ALUM-.01002.BLACK-.--	ALUMINIUM NOIR .500 1/2' - 12.70 mm	INTERCALAIRE	16,0000	Foot	0,0000	7,0000	0,0145	Foot	Foot	Box-100	Inch	Inch	Box-100



Part	Width (Length)	Length UOM	Height	Thickness	Weight	Weight UOM	Cost UOM	Stock UOM	BOM Primary UOM	BOM Secondary UOM	Selling UOM
BG-PR.10050/CTX2	1.000,0000	MM	0,0000	0,0000	0,0000	METER	METER	METER	MM	MM	MM

Paint

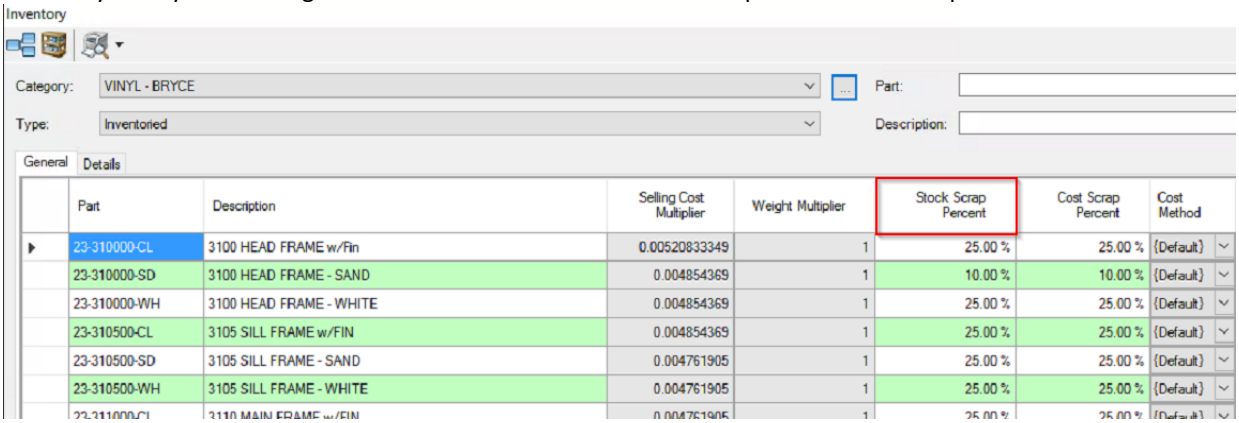
Paint parts require a more sophisticated UOM Schedule that relates a liquid measurement to a square length measurement (SqFt/SqM). However, once that is complete, the UOM setup is straight forward. See the below example.



Part	Description	UOM Schedule	Width (Length)	Length UOM	Height	Thickness	Weight	Weight UOM	Cost UOM	Stock UOM	BOM Primary UOM	BOM Secondary UOM	Selling UOM
PNT.DGRN	DARK GREEN	PAINT	0,0000		0,0000	0,0000	0,0000	GALLON	SQM	GALLON	SQM	SQM	GALLON

Stock Scrap %

The Stock Scrap Percentage is the % markup of the stock of an inventoried item due to the loss of material during production waste. An example of this would be as follows, we have 25% assigned as the stock scrap %, which means when we use that inventoried part that we are accounting for 25% loss of that overall item, and in such are adjusting the items inventory use by x1.25 = to get us the actual inventoried used in the production of that product.

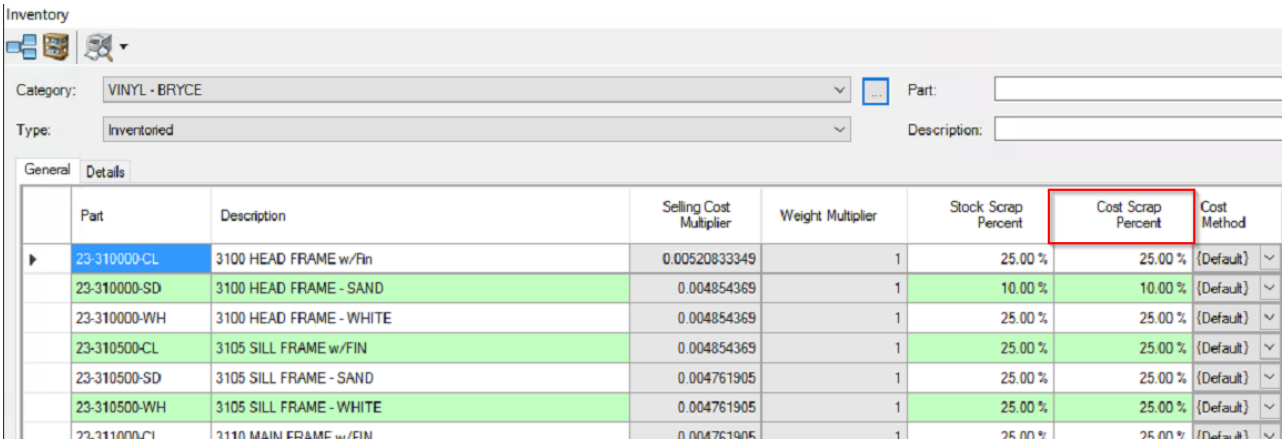


Part	Description	Selling Cost Multiplier	Weight Multiplier	Stock Scrap Percent	Cost Scrap Percent	Cost Method
23-310000-CL	3100 HEAD FRAME w/Fin	0.00520833349	1	25.00 %	25.00 %	{Default}
23-310000-SD	3100 HEAD FRAME - SAND	0.004854369	1	10.00 %	10.00 %	{Default}
23-310000-WH	3100 HEAD FRAME - WHITE	0.004854369	1	25.00 %	25.00 %	{Default}
23-310500-CL	3105 SILL FRAME w/FIN	0.004854369	1	25.00 %	25.00 %	{Default}
23-310500-SD	3105 SILL FRAME - SAND	0.004761905	1	25.00 %	25.00 %	{Default}
23-310500-WH	3105 SILL FRAME - WHITE	0.004761905	1	25.00 %	25.00 %	{Default}
23-311000-CL	3110 MAIN FRAME w/FIN	0.004761905	1	25.00 %	25.00 %	{Default}

Cost Scrap %

The Cost Scrap Percentage is the % markup of the cost of an inventoried item due to the loss of material during production waste. An example of this would be as follows, we have 25% assigned as the cost scrap %, which means when we use that

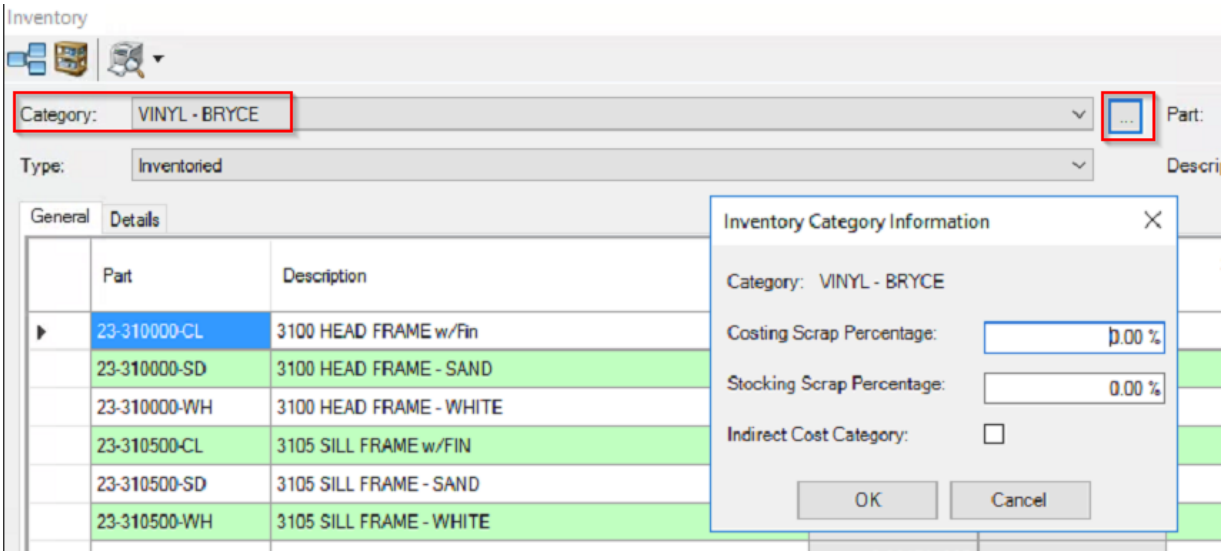
inventoried part that we are accounting for 25% loss of that overall item, and in such are adjusting the item cost to the original x 1.25 = new item cost.



Category Scrap % / Indirect Cost

Scrap % can be done on an individual basis like shown above per inventoried product, or it can be assigned based on category selected. When doing it per category, make sure you have one selected as this will not work with it set to "ALL," then click on the ellipses "…" button next to category. After doing that a window will appear with the Category Name, Cost/Stock scrap %, and a button to select if this is an indirect cost category or not. To apply a category wide scrap percentage, you can just fill in these two slots and once clicking "OK" they will be applied after closing and reopening CORE.

To Assign items as Indirect Costs, first make sure they are all in the same category and nothing else in that category will be associated as Indirect Cost. Then once that's verified, select the category in the drop down and follow the same process as above, click into the ellipses. Once in here, check off the Indirect Cost Category, and now every item in this category will be associated as an Indirect Cost in the System.



Details Tab

The Details Tab of Inventory Setup contains location-specific information. This includes bin assignments, costs, and inventory levels. All these areas can be set up differently for various locations.

Bin Assignments

Bins are areas on the production floor where inventory is stored. All inventoried parts in the system must be assigned to at least one bin. For this reason, there is a default bin per location. The Bin Management screen is available by clicking the  button in the top left of Inventory Setup.

Bin Management allows the user to create bins and assign parts to those bins. Bins are an excellent tool but should be used only with a full understanding of every area of the system that they impact. These include, but are not limited to: Cycle Counts, Receiving, Inventory Transfers, Inventory Management, Inventory Transactions, Inventory Adjustments, Reporting and Shipping. Contact FeneTech to review all the benefits and process changes that come along with using multiple bins.

Costs

The cost fields can be updated here although it is not recommended. A change here will be logged as an inventory transaction, but with little detailed information. It is recommended to perform cost adjustments via Inventory Adjustments instead so that more detailed information can be included.

The Cost UOM is the same as the Cost UOM on the General Tab and cannot be edited on the Details Tab. The dollar amount of the cost fields corresponds to the Cost UOM.

Std Cost	Last Cost	Avg Cost	Cost UOM
$14.0770	$13.5923	$13.5935	STICK

Std Cost	Last Cost	Avg Cost	Cost UOM
$0.0435	$0.0435	$0.0435	PC

Inventory Levels

Below are descriptions of the critical settings for managing inventory as a purchasing manager within the Details Tab.

- **Reorder Point** – Set by the user to trigger material ordering. When an item's calculated 'Quantity Remaining' has fallen below its Reorder Point, it will appear red in Inventory Requirements when using the Reorder Point filter.
  - 'Quantity Remaining' is described and defined in the Purchasing Module best practice (BP0072).
- **Seasonal Quantities** – Set different high/low quantity values per month. The button text turns bold when seasonal quantities exist on a part. If any month is left blank, the system will default to the 'Reorder Point' and 'Qty High Level' specified on the 'Details' tab.

- **Tolerance** – Percentage a part can differ from the expected value during a cycle count. If the count is outside the tolerance specified, then the quantity field will be highlighted. Tolerance can be specified in three separate places.
  - **Lowest Priority** – On the 'Cycle Count' ('Inventory' >> 'Cycle Counts').
  - **Medium Priority –** In 'Inventory Setup' on the general tab.
  - **Highest Priority –** In 'Inventory Setup' on the details tab.

Units of Measure (UOM)

Although inches to feet and millimeters to meters are very simply conversions, the system requires those to be defined inside what are called UOM Schedules. UOM Setup allows users to configure these conversions between different units of measure.

When defining a UOM Schedule the smallest possible UOM should be used as the Base UOM. The conversion numbers stored in the database will only go up to 4 decimal places, so you won't want to convert down and run into rounding issues. In general, always start with inch or mm.

Separate UOM Schedules should be defined for each type of inventory part required. UOM Schedules can be shared between parts but should be done so between parts of the same type and inventory category. When sharing UOM Schedules, be aware that all UOMs defined in the schedule will be available to users. For this reason, it is common to separate UOM Schedules for items that are similar but are not purchased or stocked in the same UOMs. This does result in more UOM Schedules to maintain however, so this is done both ways depending on the confidence in the day-to-day users.

The best example of separating UOM Schedules is vinyl. Some vinyl comes it 192-inch sticks while others come in 168- or 144-inch sticks. If setup using the same UOM Schedule, a user would be able to order 168-inch sticks of a type of vinyl that does not come in that length. See the Vinyl section below for an example.

The best example of combined UOM Schedules is glass stock sheets. The reason being the maintenance of UOM Schedules would become enormous over time with the different sizes available. Users are typically given the responsibility of being aware of the UOM they are using. See the Glass Parts section below for an example.

Below are example UOM Schedules for different part types.

Vinyl

Vinyl is pulled by INCH in the BOM, optimized by STICK, but could be priced by FT or STICK. The example schedule below informs the system of how to convert between these units.

UOM Schedule Name: 192INCHSTICK
Base UOM: IN

UOM	Conversion Factor	Equivalent UOM
INCH	1.0000	INCH
FT	12.0000	INCH
STICK	16.0000	FT

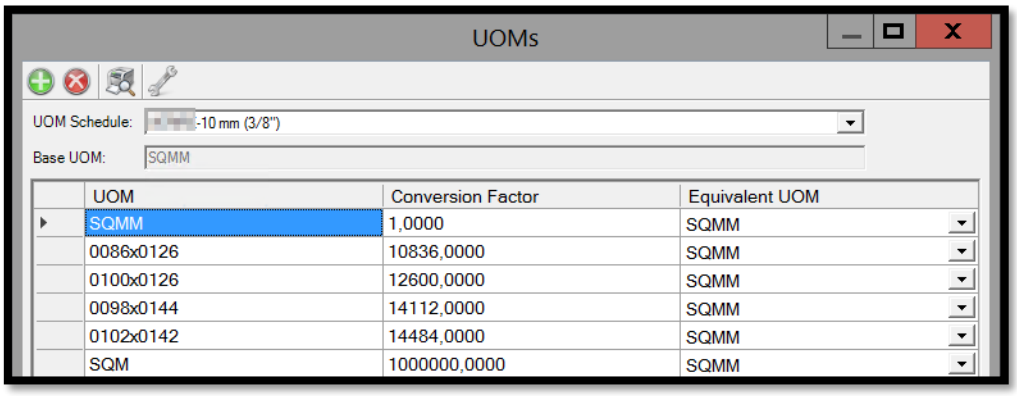
Each/Piece

UOM Schedule Name: EACH
Base UOM: EA

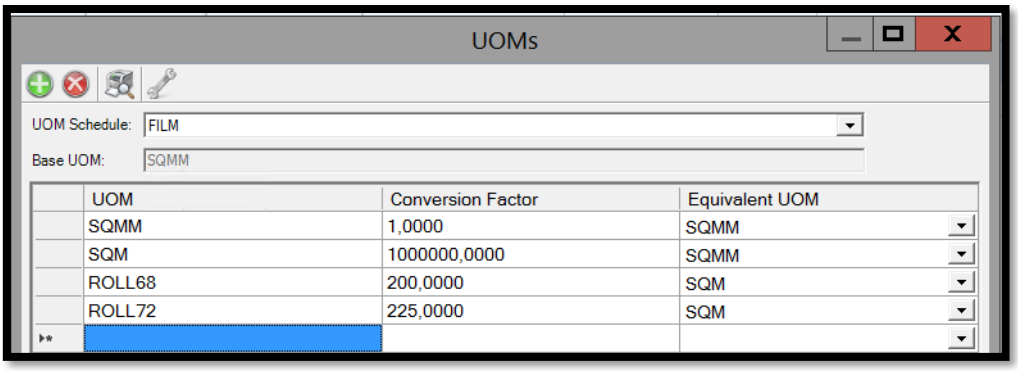
UOM	Conversion Factor	Equivalent UOM
EA	1.0000	EA

Glass Parts

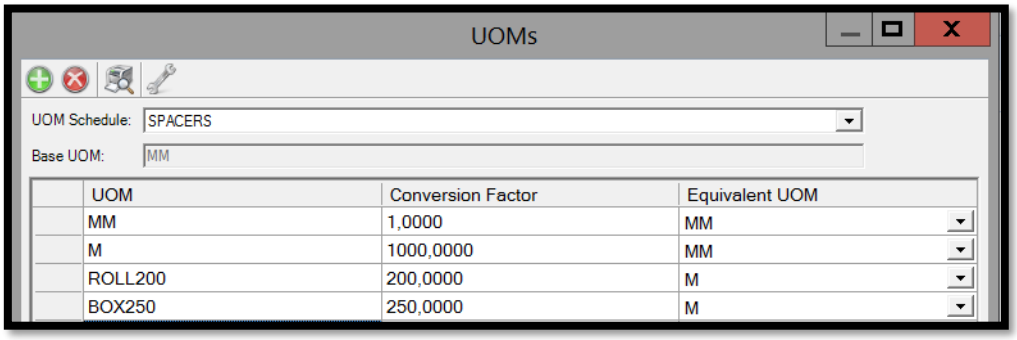
Both child and parent glass parts use the same UOM Schedules. These are created and maintained by Glass Setup and split into UOM Schedules by glass thickness. Below is an example UOM Schedule for glass.



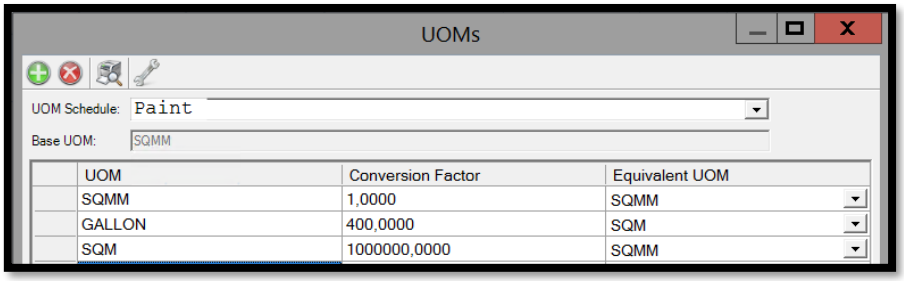
Interlayers (e.g., PVB, EVA, SGP)



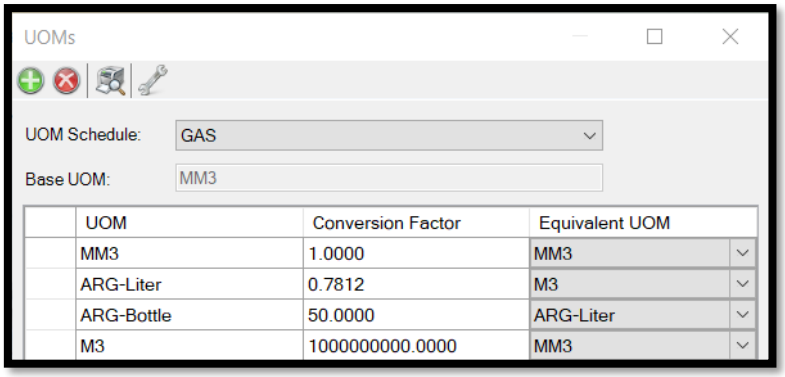
Spacers



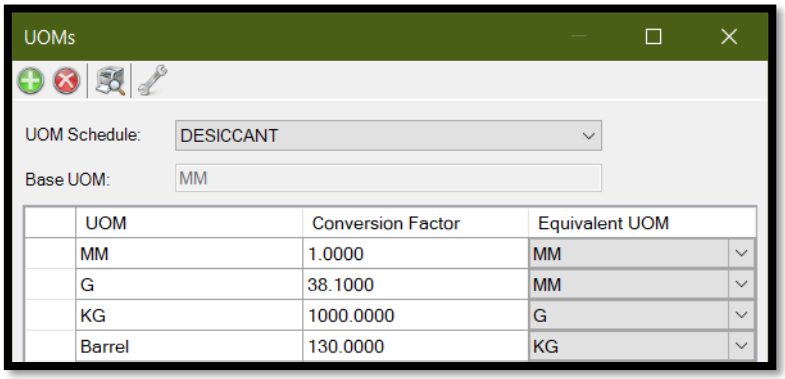
Paint



Gas Fill


UOMs
UOM Schedule: GAS
Base UOM: MM3
UOM Conversion Factor Equivalent UOM
MM3 1.0000 MM3
ARG-Liter 0.7812 M3
ARG-Bottle 50.0000 ARG-Liter
M3 1000000000.0000 MM3

Desiccant


UOMs
UOM Schedule: DESICCANT
Base UOM: MM
UOM Conversion Factor Equivalent UOM
MM 1.0000 MM
G 38.1000 MM
KG 1000.0000 G
Barrel 130.0000 KG

Bill of Material (BOM)

The system will always use dimensional attributes (W and H) if they are on a part in the BOM. This is critical information to understand when configuring a BOM. If a part is a lineal (vinyl, spacer), it should only have 1 dimensional attribute. If both exist, the system will multiply those together and you will see that the BOM needs 100 inches of something instead of 20 (W = 10, H = 10). The opposite is true for area parts (i.e., glass, gas) that should have both attributes. Lastly, a part that has no length and is using an Each/Piece UOM Schedule, should not have dimensional attributes at all. These parts should use the quantity attribute (Q) described below.

The quantity attribute can exist on all types of parts. It simply acts as a multiplier for the part. Quantity attributes must always return whole numbers. Decimal values will cause BOM errors. If it is required to use a decimal value, you can replace the use of the quantity attribute with a dimensional attribute, which allows decimals. This may look strange in configuration but will allow the use of decimal values.

Common mistakes:

- Adding W or H to a non-dimensional part, thus pulling a large amount of stock
- Adding both W and H to a lineal part, thus pulling a large multiple of stock
- Returning decimal values in a Q attribute (the system will throw an error for this)

To recover from the above mistakes, manual inventory adjustments are required. A quantity manual adjustment will correct QOH values but depending on the action that caused the issue a cost adjustment may also be required. Purchase Order mistakes add the accounting element as well. A Return Purchase Order can be used to resolve a mistake from the accounting aspect as well as QOH and costing. The RPO process should be examined to define a procedure that is understood and works for the user.

Daily Average Usage

Daily Average Usage is a feature that most users start without as it requires historical data to work effectively. For this reason, it is often left unimplemented. This section will explain the functionality and how to set it up for use.

In Inventory Setup's General Tab, there is a setting called "Days to Average." This can be set per part but will typically be set to the same number of days for all parts in the system. A per category number is also common. From the User Manual:

- **Days to Average -** Number of days included in the inventory level average calculation. If "Days to Average" is thirty, the system will look back at inventory usage over the last 30 days to determine the average daily usage.

A job then runs daily (by default) to calculate each part's Daily Average Usage (DAU). This number is then shown and used in the "Days On Hand" (DOH) calculation inside of Inventory Requirements. This calculation is simply QOH / DAU = DOH. Lastly, DOH is used to calculate the "Shortage Date" of each part. Note that this date may be filled in with the current date even if this configuration is not in place.

In the Inventory Requirements screen there is also a "Show" filter for "{Days On Hand}." Selecting this filter instead of the default "{Reorder Point}" filter will filer the parts displayed by comparing the primary vendor's lead time and the DOH. From the User Manual:

- **{Days On Hand} –** Show only parts that will run out before the primary vendor can replenish stock. So, any part where "Days On Hand" is less than the primary vendor's lead time (configured in Vendor Setup) will be displayed when this filter is selected.

Useful Reports and Screens

Below are useful reports and screens related to inventory. Not all inventory related screens are listed.

- Inventory System Reports
    - Inventory Aging – Shows inventory grouped by age of inventory. The report uses inventory transaction and lot tracking data to report 0-30, 31-60, 61-90 day old total quantity and total value. If lot tracking is not used, then the report will not return data.
    - Inventory Quantity – Shows inventory quantity adjustments over a date range.
    - Inventory Valuation – Shows inventory value adjustments over a date range.
    - Inventory Usage – Shows inventory usage and cost over a date range.
- Inventory Requirements Screen – Displays a large amount of inventory data and provides the ability to generate POs using that data.

    - QOSO – To view detail, double-click in the QOSO column for a given part.
    - QOPO – To view detail, double-click in the QOPO column for a given part.
        - Note that this is not yet a base report. Contact FeneTech to see if this report can be deployed in your version.
- Inventory Transactions Screen – Displays the inventory transactions against a given part for a date range.
    - An especially useful tool for hunting down inventory issues and causes.

Testing

The following are basic testing steps to ensure inventory is working correctly according to expectations and configuration.

- Create a Cycle Count, and input values as they are expected to be entered (manual, website, mobile inventory)
    - Verify posted Cycle Count updates appear in the Inventory Transactions screen.
    - Confirm the QOH changes to the correct value.
        - Remember the Date and Time are important and transactions that occur between the count and the post will change the resulting posted QOH.
- Create a Manual Adjustment, and confirm values are adjusted as expected.
    - Verify the Manual Adjustment update appears in the Inventory Transactions screen.
    - Confirm the QOH changes to the correct value.
- Create a Serialized Adjustment using various actions.
    - Verify the Serialized Adjustment update appears in the Inventory Transactions screen for both parts
    - Confirm the QOH changes to the correct value for both parts
- Create an Inventory Transfer
    - Verify the Inventory Transfer update appears in the Inventory Transactions screen for both locations
    - Confirm the QOH Changes to the correct value.
- Create and release a Schedule.
    - [RTI off] Allocate the Schedule
    - [RTI off] Confirm QA increases by the amount of material on the schedule
    - [RTI off] Relieve the Schedule
    - [RTI on] Scan a unit complete using Tracking.
    - Confirm QOH and QOSO decrease as expected.