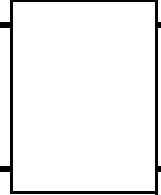

OSAS Reorder Processing

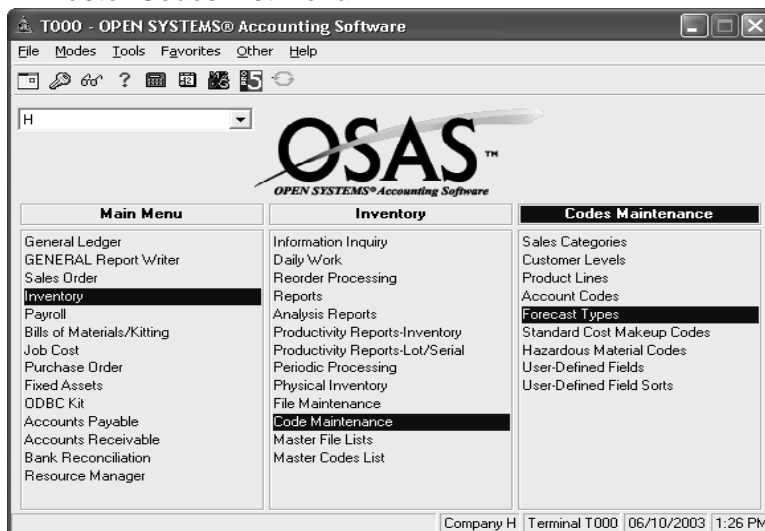


The following OSAS Reordering Processing training guide will provide the users with the information necessary to set up and run the reorder processing functions in the OSAS Accounting Software. With proper set up the reorder processing function can help increase profits and control inventory costs.

Discussed in the book will be a walk through of the functionality necessary for the different options available for reorder processing. Methods for reorder processing covered include; Min/Max, Forecast, and Economic Order Quantity (EOQ). After the reorder set up for an inventory item, documentation of the calculation process for reorders and the generation of requisitions will be visited and discussed as well.

Forecast Types

IN Master Codes List Menu



IN Forecast Types

The screenshot shows the 'Forecast Types' dialog box. The 'Forecast Type' is set to 'MTH' and the 'Description' is 'Weighting on Last Month'. The table below lists 12 back periods with their respective weighting factors, periods, and dates.

Period	Weighting Factor	Pd/Year	Begin Date	End Date
Back 1	100	05/2000	05/01/2003	05/31/2003
Back 2	0	04/2000	04/01/2003	04/30/2003
Back 3	0	03/2000	03/01/2003	03/31/2003
Back 4	0	02/2000	02/01/2003	02/28/2003
Back 5	0	01/2000	01/01/2003	01/31/2003
Back 6	0	12/1999	12/01/2002	12/31/2002
Back 7	0	11/1999	11/01/2002	11/30/2002
Back 8	0	10/1999	10/01/2002	10/31/2002
Back 9	0	09/1999	09/01/2002	09/30/2002
Back 10	0	08/1999	08/01/2002	08/31/2002
Back 11	0	07/1999	07/01/2002	07/31/2002
Back 12	0	06/1999	06/01/2002	06/30/2002

Adjustment %:

Forecast Types can be used to predict seasonal or current demand trends for inventory items. You can set up a different forecast type for inventory items with different demand trends; seasonal, slow moving, fast selling, or consistent. You assign a forecast type to an item location on the Location Information screen in the Item or Item Locations function. The setup information for the forecast type assigned to an item location is used to calculate reorder quantities when you use the Calculate Reorders and the Reorder Report functions.

Enter the forecast type you want to add or edit in the **Forecast Type** field. If you are adding a new forecast type, the **Copy from** field appears. You can copy the setup information from an existing forecast type and then edit the setup information. Edit, accept, or enter a description for the forecast type.

The INPDxxx table is read to determine the date range of your company's fiscal periods. The fiscal periods are displayed in the **Period Back 1 - 13**, **Begin Date**, and **End Date** fields. The system counts backwards through the fiscal periods (Back 1 fiscal period, Back 2 fiscal periods, etc.) in relation to the fiscal period of the current system date. When the screen displayed above was printed, the system date was 05/11/99, in fiscal period 5. If you count back one fiscal period, the period would be 04/1999 and since this company is on a calendar fiscal year the date range for period 4 is a beginning date of 04/01/99 and an ending date of 04/30/99.

Enter a percentage amount in the **Weighting Factor** field for the fiscal period(s) whose sales activity you want to use to forecast the sales demand to use when calculating the reorder quantity for items assigned to this forecast type. The percentage amount entered is used as the weight factor for the period's historical sales activity when the Calculate Reorders and Reorder Report functions calculate reorder quantities. The total of the weight factor percentage amounts must be equal 100%.

IN Forecast Types Screen

Period	Weighing Factor	Pd/Year	Begin Date	End Date
Back 1	100	05/2000	05/01/2003	05/31/2003
Back 2	0	04/2000	04/01/2003	04/30/2003
Back 3	0	03/2000	03/01/2003	03/31/2003
Back 4	0	02/2000	02/01/2003	02/28/2003
Back 5	0	01/2000	01/01/2003	01/31/2003
Back 6	0	12/1999	12/01/2002	12/31/2002
Back 7	0	11/1999	11/01/2002	11/30/2002
Back 8	0	10/1999	10/01/2002	10/31/2002
Back 9	0	09/1999	09/01/2002	09/30/2002
Back 10	0	08/1999	08/01/2002	08/31/2002
Back 11	0	07/1999	07/01/2002	07/31/2002
Back 12	0	06/1999	06/01/2002	06/30/2002

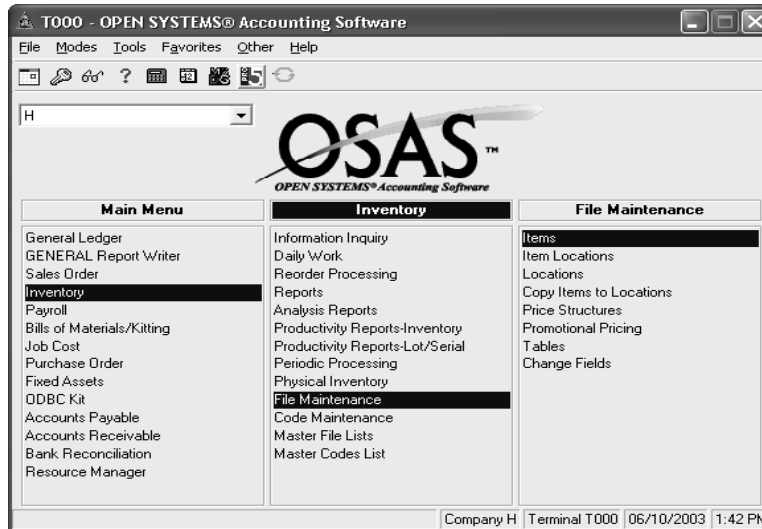
For example, the forecast type **MTH** displayed on the screen above is set up to base the forecasted demand for items assigned this forecast type totally on last month's sales activity, a weight factor of 100. If you wanted to base the forecast demand on sales activity for the same period a year ago, enter *100* as the **Back 12** weighting factor (if your company uses 12 periods.) Weight factors can also be divided over several periods. If you want to base the forecasted demand on the last five months sales activity, enter 20 as the weighing factor for Period Back 1, 2, 3, 4, and 5.

The percentage amount entered in the **Adjustment %** field is used to allow for expected increases or decreases in demand. If you are expecting sales of items assigned this forecast type to increase by 10%, enter *10* in this field. If you expect sales to decrease by 0%, enter *-10* in the **Adjustment %** field. Leave this field blank to base the forecast on the historical information only.

Use the Forecast Types List function on the Master Codes Lists menu prints a list of the forecast types you have set up for your company.

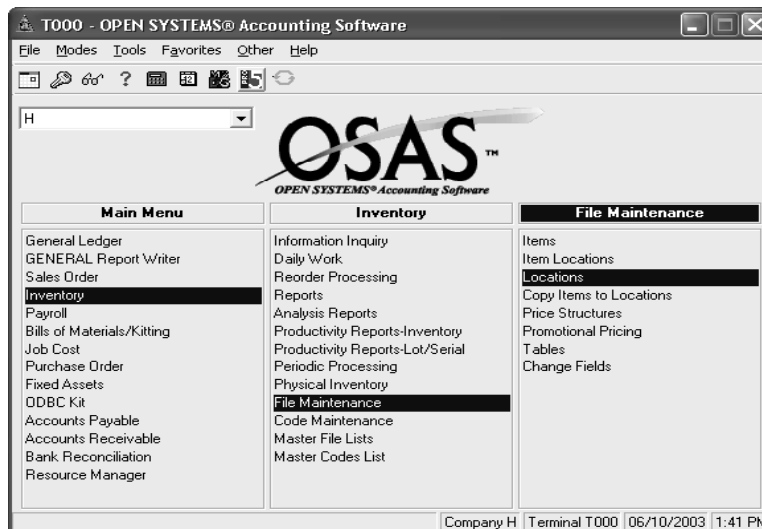
Locations

IN File Maintenance Menu



Select File Maintenance from the Inventory menu to set up and maintain pricing, locations, and the items in your company's inventory.

IN File Maintenance Menu



Locations are the places where your inventory items are stored-warehouses, retail stores, receiving docks, cities, trucks, and vendors. **Before you can set up items in Inventory, you must set up at least one location.** To set up or maintain locations, select Locations from the File Maintenance menu.

IN Location Screen

The screenshot shows the 'IN Location Screen' with a search window open. The search window displays a list of location descriptions under the heading 'Location Description'. The list includes:

Location Description	
< begin >	
CA0001	OAKLAND WAREHOUSE
MD0001	BALTIMORE WAREHOUSE
MN0001	MINNEAPOLIS WAREHOUSE
MN0002	MINNEAPOLIS MANUFACTURING
TX0001	DALLAS WAREHOUSE
< end >	

The main screen contains the following fields:

- Location ID
- Name
- Address 1
- Address 2
- Address 3
- City/State
- Zip/Country
- Contact
- Phone Number
- Fax Number
- Carrying Cost Pct
- Ordering Cost Amt

At the bottom of the screen, the status bar shows: Company H | 06/10/2003 | Terminal T000 | OVR

In the **Location ID** field, enter the ID of the location you want to add or edit. To edit an existing location, the **Inquiry** (F2) command, is available to select the location ID from the list that appears.

If you are adding a new location, enter the new ID for the new location. The **Copy from** prompt appears. The **Inquiry** (F2) command is available to select an existing location ID to copy from.

Note

When adding a location ID, try to set up a location ID scheme that is descriptive. For example, a warehouse location ID might begin with WH, a vendor location ID with VN, or a receiving dock with RC.

IN Location Screen

The screenshot shows a window titled "Locations" with a menu bar (Commands, Edit, Modes, Other, Help) and a toolbar. The main area contains the following fields:

- Location ID: MN0001
- Name: MINNEAPOLIS WAREHOUSE
- Address 1: 453 LAKE DRIVE
- Address 2: (empty)
- Address 3: (empty)
- City/State: MINNEAPOLIS MN
- Zip/Country: 55355 US
- Contact: (empty)
- Phone Number: () - () - ()
- Fax Number: () - () - ()
- Carrying Cost Pct: 24.0000
- Ordering Cost Amt: 5.0000

At the bottom right, a status bar displays: Company H | 06/10/2003 | Terminal T000 | OVR

Enter or edit the location name, address, contact, phone, and fax information for the location. If you plan to use the **Economic Order Quantity (EOQ)** for reorder processing, enter a carrying cost percentage and an ordering cost amount for the location.

The **Carrying Cost Pct** is expressed as a percentage of the stocked value of an inventory item at this location and represents what it costs you to store/stock an item at this location. The Carrying Cost Pct is used in the formula that calculates the EOQ. The value for the carrying cost percent will default when you add an item in this location, but it can be overridden for an individual inventory item on the item's Location Information screen in the Items or Items Locations function.

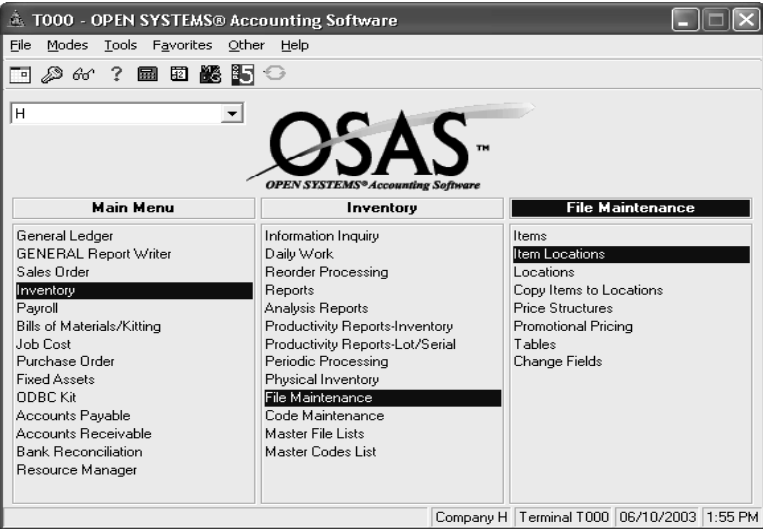
The **Ordering Cost Amt.** is expressed in dollars and represents the amount it costs to place an order from this location. It should include the total shipping costs, labor, and stocking costs. The value for the ordering cost amount will default when you add an item in this location, but it can be overridden for an individual inventory item on the item's Location Information screen in the Items or Item Locations function.

Use **Proceed** (PgDn) command to save the information entered. You can use the **Delete** (F3) command to delete a location if there are no items with quantities on file for the location.

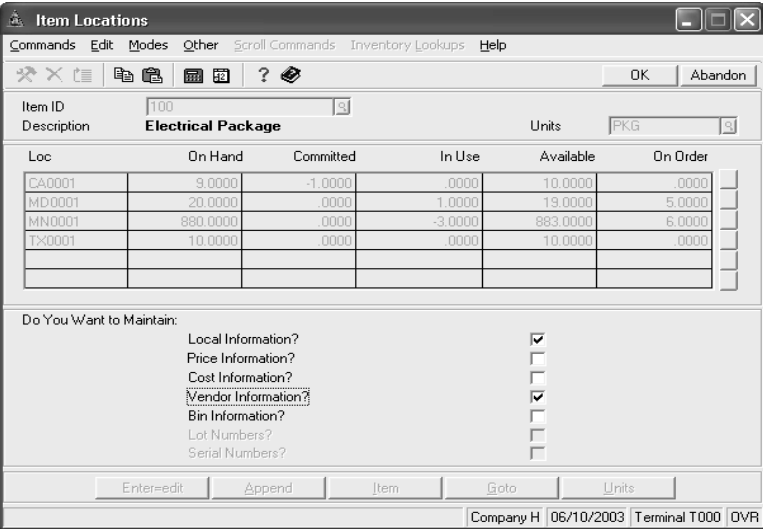
A list of the locations and the information set up for each location can be produced using the Location Detail List function on the Master File Lists menu.

Item Location Information

IN File Maintenance Menu



IN Items Screen



If you selected **YES** for **Item Location?** the Items Locations Selection screen appears.

The Item Locations Selection screen can be accessed two ways:

- Using the Items function on the File Maintenance menu by selecting **YES** for **Item Locations?** on the Item Selection screen.
- Using the items Locations functions on the File Maintenance menu.

The information and screens are the same no matter which function you use to access Item Locations information.

If you enter this function by selecting Items Locations from the File Maintenance menu, the same screen appears, but you must enter the item **ID** you want to work with in the **Item ID** field. The **Inquiry** (F2) is available to select an item ID from the list that appears.

Entering Local Information

IN Item Locations - Location Information Screen

Item Locations - Location Information	
Item ID	100
Description	Electrical Package
Location	MN0001
Units	PKG
Defaults	
Vendor ID	ELL001
Bin Number	E-10
Price ID	BUILD
Lead Time	5.0
Status	Active
Forecast Type	REG
Inventory Value	
Item Value	302135.20
COGS Adjustment	.00
Adjusted Value	302135.20
Order Quantities	
Maximum Qty	25.0000
Order Point	12.0000
Safety Stock	4.0000
EOQ	7.0000
Min Order Qty	7.0000
Item Quantities	
On Hand	880.0000
Committed	.0000
In Use	-3.0000
Available	883.0000
On Order (PO)	6.0000

If you selected **YES** for **Local Information?** the Location Information screen appears.

In the Defaults section of the screen, enter the default information for the item at this location. Enter the ID of the vendor that you normally purchase this item from in the **Vendor ID** field. In the **Bin Number** field, enter the bin where the item is stored at this location.

Enter the **Price ID** used for the item. The **Inquiry** (F2) command, is available to select the price ID from the list that appears. The **Maintenance** (F6) command is also available if you need to add a price ID for this item location.

Note

A price ID can also be assigned on the General Information screen in the Items function. If a different price ID is assigned on this screen (Location Information screen in Item Locations), the price assigned here is used by the system when calculating pricing.

In the **Lead Time** field, enter the number of days it usually takes the vendor entered in the **Vendor ID** field above to ship the item to you. This default lead-time is used when the system calculates the order point for this item location when you use the Reorder Processing function.

IN Items - Location Information Screen

Item ID: 100		Location: MN0001	
Description: Electrical Package		Units: PKG	
Defaults			
Vendor ID	ELL001	GL Account Code	01
Bin Number	E-10	Sales	401010
Price ID	BUILD	COGS	501010
Lead Time	5.0	Inventory	104410
Status	Active	WIP	104210
Forecast Type	REG	Inventory Adjustments	104510
Inventory Value		COGS Adjustment	504110
Item Value	302135.20	Purch Price Variance	504210
COGS Adjustment	.00	Phys Count Variance	104610
Adjusted Value	302135.20	Phys Count Adjustment	504310
Order Quantities		Transfer Cost	503110
Maximum Qty	25.0000	Item Quantities	
Order Point	12.0000	On Hand	880.0000
Safety Stock	4.0000	Committed	.0000
EOQ	7.0000	In Use	-3.0000
Min Order Qty	7.0000	Available	883.0000
		On Order (PO)	6.0000

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Enter Active, Discontinued, Superseded, or Obsolete in the **Status** field. You can assign a status to both an item and an item location. When the status assigned is not the same, the item location status is dependent on the item status. The status assigned on this screen, Location Information in the Item Locations function, is used by the system.

If the Item Status is: Item Location Status Can Be:

Active	Active, Discontinued, Obsolete, Supersede
Discontinued	Discontinued, Obsolete, Supersede
Supersede	Obsolete, Supersede
Obsolete	Obsolete

When you enter transactions, the system reads the status for the Item Location. You cannot purchase an item for an item location with a status of obsolete, discontinued or supersede. You cannot sell an item from an item location with a status of obsolete.

In the **Forecast Type** field, enter the forecast type to be used for the item location. The **Inquiry** (F2) command, is available to select a forecast type from a list or you can use the **Maintenance** (F6) command to set up a forecast type for this item location. The forecast type you select is used to calculate the reorder point for this item location by the Reorder Processing function.

IN Items - Location Information Screen

Item Locations - Location Information

Commands Edit Modes Other Help

OK Abandon

Item ID	100		Location	MN0001
Description	Electrical Package		Units	PKG
Defaults				
Vendor ID	ELL001		GL Account Code	01
Bin Number	E-10		Sales	401010
Price ID	BUILD		COGS	501010
Lead Time	5.0		Inventory	104410
Status	Active		WIP	104210
Forecast Type	REG		Inventory Adjustments	104510
Inventory Value			COGS Adjustment	504110
Item Value	302135.20		Purch Price Variance	504210
COGS Adjustment	.00		Phys Count Variance	104610
Adjusted Value	302135.20		Phys Count Adjustment	504310
Order Quantities			Transfer Cost	503110
Maximum Qty	25.0000	Status	Item Quantities	
Order Point	12.0000	Manual	On Hand	880.0000
Safety Stock	4.0000	Calc	Committed	.0000
EOQ	7.0000	Calc	In Use	-3.0000
Min Order Qty	7.0000		Available	883.0000
			On Order (PO)	6.0000

Company H 06/10/2003 Terminal T000 QVR

Information is defaulted in from the General Item information screen. Changes here will override those defaults.

The amount displayed in the **Item Value** field is the value of this item in stock, the quantity in stock, and the unit cost. You cannot edit the information here. The quantity in stock and its unit cost information is displayed on the Cost Detail section of the Cost Information screen and can be entered or edited on that screen.

IN Items - Location Information Screen

Item Locations - Location Information			
Commands Edit Modes Other Help			
Item ID 100		Location MN0001	
Description Electrical Package		Units PKG	
Defaults			
Vendor ID	ELL001	GL Account Code	01
Bin Number	E-10	Sales	401010
Price ID	BUILD	COGS	501010
Lead Time	5.0	Inventory	104410
Status	Active	WIP	104210
Forecast Type	REG	Inventory Adjustments	104510
Inventory Value		COGS Adjustment	504110
Item Value	302135.20	Purch Price Variance	504210
COGS Adjustment	.00	Phys Count Variance	104610
Adjusted Value	302135.20	Phys Count Adjustment	504310
Order Quantities		Transfer Cost	503110
Quantity	25.0000	Status	
Maximum Qty	25.0000	Manual	
Order Point	12.0000	Calc	
Safety Stock	4.0000	Calc	
EOQ	7.0000		
Min Order Qty	7.0000		
Item Quantities			
On Hand	880.0000		
Committed	.0000		
In Use	-3.0000		
Available	883.0000		
On Order (PO)	6.0000		
Company H 06/10/2003 Terminal T000 OVR			

In the **Maximum Qty** field, enter the maximum number of units you want to have on hand at any one time. This value is used by the Reorder Processing function for the Min/Max reorder method.

The value in the **Order Point** field should be the quantity you want to have on hand when you place an order for the item at this location. It is an estimate of the quantity you will use during the lead-time, the time it takes to process and order for the item location. This value should include any safety stock you wish to have on hand. When the number of units in stock reaches this quantity, the item location will be listed in the Alert Report. If you edited or entered the **Order Point** field value, select **Manual (M)** in the order point Status field. If the order point has been calculated by the Reorder Processing function, Calculated is displayed in the order point status field. If you want the order point value to be permanent, select **Frozen (F)** for the order point status. When the status is Frozen, the system will not recalculate this value when the Calculate Reorders function is used.

In the **Safety Stock** field, enter or edit the minimum quantity you wish to have on hand at all times because of the unpredictability of the reorder process. The system will calculate this value as 50% of the order point. You can select **Manual** or **Frozen** for the safety stock **Status** field. If the status is set to **Frozen**, the system will not recalculate this field when you use the Calculate Reorders function. If the safety stock value has been calculated by the Reorder Processing function, *Calculated* is displayed in the **Status** field.

IN Items - Location Information Screen

The amount entered in the **EOQ** (Economic Order Quantity) field should be the quantity you normally want to order. The EOQ balances the cost to place an order against the cost to carry additional stock in inventory. This value is calculated in the Reorder Processing function. You can select **Manual** or **Frozen** for the **EOQ Status** field. When **Frozen** is selected for the status, the system does not recalculate this field when you use the Calculate Reorders function. If the EOQ value has been calculated by the Reorder Processing function, Calculated is displayed.

Enter the minimum quantity you want to order in the **Min Order Qty** field. The Reorder Processing functions use this field for the Min/Max reorder quantity calculation.

Enter the GL Account Code for the set of general ledger accounts you want to use when processing transactions for this item location. The **Inquiry (F2)** command, is available to select a code from the list or you can use the **Maintenance** command to create a new GL Account Code. Once you select the **GL Account** Code to use, the GL accounts for that code will be displayed in the GL Accounts section of the Location Information Screen. *You cannot edit the account numbers here.*

The preferred method for entering the initial quantities for the in-use, committed, and on-order fields in the Item Quantities section of the Location Information screen is to use the **Inventory Transactions** function on the **Daily Work** menu. This method of initial quantity produces an audit trail for your setup entries. Use the chart below to determine what type of transaction and status to use to update the quantity fields to reflect your current inventory quantities. Once an item has been set up and you begin processing transactions for the item, you should not edit these quantities. These fields are updated on-line when you enter transactions (an invoiced sale also updates quantities during the Post Transactions function).

Note

In Options and Interfaces on the Company Setup menu in the Resource Manager, set the Inventory option Allow Editing of Quantities? to NO to prevent editing of the quantities on this screen.

The On-Hand quantity reflects the total of the quantities listed in the date/cost buckets displayed in the Cost Detail section of the Cost Information screen.

Entering Vendor Information

If you selected **YES** for Vendor Information? on the Item Location Selection screen, it is the next screen to appear.

The item ID, description, location, and default unit of measure are displayed in the header section of the screen. Use this screen to set up the vendors that you normally purchase this item from.

IN Items - Vendor Information Screen

Item Locations - Vendor Information

Commands Edit Modes Other Scroll Commands Help

Item ID: 100 Location: MN0001
Description: Electrical Package Units: PKG

Vendor	Vendor's Part Number	Lead	Quantity	Unit Cost	Last PO Date
ELL001	757223DHIE	5.0	4.0000	343.5500	12/21/2000

Line No (000001 of 000001)

Enter = edit Append Goto Next screen Previous screen

Company H 06/10/2003 Terminal T000 OVR

System will update information to be used with reorder processing.

If you want to set up a vendor, use the **Append** command. The Edit Vendor Information window appears. To edit information for a vendor, place the cursor at the vendor ID and press **Enter**.

IN Items - Vendor Information Screen

Edit Vendor Information

Commands Edit Modes Other Help

Vendor ID: ELL001 Name: ELLIS ELECTRICAL SUPPLY Lead Time: 5.0

Vendor's Part: 757223DHIE

Last Order Qty: 4.0000 Units: PKG
Last Order Cost: 343.5500
Last Order No: 00000034
Last Order Date: 12/21/2000

Base	Quantity	Cost	Units
1.0000	.0000	343.5500	PKG
1	.0000	.0000	
2	.0000	.0000	
3	.0000	.0000	
4	.0000	.0000	
5	.0000	.0000	

Enter the vendor ID and the part number used by the vendor for the item. The vendor's part number is printed on purchase orders printed in Purchase Order. In the **Lead** field, enter the number of days it usually takes the vendor to ship the item to this item location. The order quantity cost, purchase order number, and date of the last purchase of this item from the vendor can be entered or edited. After setup, this information is updated by the system when you purchase the item from this vendor through Accounts Payable/Purchase Order and should not be edited.

Note

The last order information for all vendors set up for the item is the information used to determine the lowest last cost by the Determine Vendor option in the Generate Orders function on the Daily Work menu in Purchase Order.

If this vendor offers quantity breaks, enter the quantity, cost, and units that must be purchased before you receive the quantity break.

The **Delete** (F3) command is available to delete invalid information on this screen. Place the cursor at the vendor information you want to delete and press **F3**.

Use the **Next** screen, command to move to the next screen selected with **YES** on the Item Location S

Reorder Processing

Use the functions on the Reorder Processing menu to calculate reorder amounts, generate purchase requisitions, and produce a report that you can use to analyze the reorder quantities.

Inventory Main Menu Screen

Main Menu	Inventory	Reorder Processing
General Ledger	Information Inquiry	Calculate Reorders
GENERAL Report Writer	Daily Work	Reorder Report
Sales Order	Reorder Processing	Generate Purchase Requisitions
Inventory	Reports	
Payroll	Analysis Reports	
Bills of Materials/Kitting	Productivity Reports-Inventory	
Job Cost	Productivity Reports-Lot/Serial	
Purchase Order	Periodic Processing	
Fixed Assets	Physical Inventory	
ODBC Kit	File Maintenance	
Accounts Payable	Code Maintenance	
Accounts Receivable	Master File Lists	
Bank Reconciliation	Master Codes List	
Resource Manager		

The reorder process is designed to review summary history for sales, issues, or transfers for a selected group of items and estimate usage in the future. From this usage and current quantities it determines a suggested reorder quantity. It determines an order point by applying a weighting factor to sales history activity to determine an estimated usage for the next month. Based on the forecasted usage and the lead-time, the order point is calculated. Safety stock is calculated from the order point. If an item is below the order point, a reorder quantity will be suggested.

Item General Information Screen

General Information	
Item ID	100
Description	Electrical Package
Status	Active
Item Type	1=Nonserialized
Kitted Item?	
Track Lots?	
Auto Reorder?	<input checked="" type="checkbox"/>
Base UOM	PKG
Sales Category	P1
Product Line	MATERIAL
Item Price ID	BUILD
Tax Class	03 Ind/Agr Prod.
Base Unit W/t	758.0000 Lbs
Hazardous Code	

User - Defined Fields	
Sorted Fields	01 Application BUILDING 02 Department ELECTRIC
Other Fields	03 Color

Calculate Reorders

Calculate Reorders Screen

Calculate Reorders

Commands Edit Modes Other Inventory Lookups Help

OK Abandon

Pick Item ID From Thru

Location ID From MN0001 Thru MN0001

Product Line From APPLIANCE Thru APPLIANCE

Application From Thru

Department From Thru

Include Issues in Annual Usage? ☒

Include Transfers Out in Annual Usage? ☒

Include Material Requisitions in Annual Usage? ☒

Remove All Calculations and Start Over? ☒

Replace Overlapping Calculations? ☐

Company H 06/10/2003 Terminal T000 OVR

Use the Calculate Reorders function to calculate the quantity of an item to reorder based on one of three methods:

1. Economic Order Quantity (EOQ) uses the actual annual usage, unit cost, carrying cost (as a percentage) and order cost.
2. Forecast uses the forecast type assigned to the Item Location and sales history.
3. Min/Max uses the **Minimum Order Qty** and the **Maximum Qty** set up on the Location Information screen in Item Locations.

Use the Calculate Reorders function to determine the reorder quantity for the items you specify based on the EOQ (Economic Order Quantity), Min/Max, and Forecast Methods.

If the **Status** fields **Order Point**, **Safety Stock**, and **EOQ** are not set to Frozen, the system calculates values for these fields and changes their status to Calc during the Calculate Reorders function. (These fields are located in the Order Quantities section of the Location information screen in Item Locations.)

The following definitions are used by the system when calculating these field values and the reorder quantity:

Annual Use	The total of up to 12 months of history. If 12 months are not available, this Quantity will be short.
Forecast Use	Estimated usage in one month based on weighting factors applied in the forecast. (Weighting factors are set up in Forecast Types on the Codes Maintenance menu.) This usage is used to calculate order point safety Stock.

Item Location Information Screen

Item ID		Location	
100	Electrical Package	MN0001	PKG
Defaults		GL Accounts	
Vendor ID	ELL001	GL Account Code	01
Bin Number	E-10	Sales	401010
Price ID	BUILD	COGS	501010
Lead Time	5.0	Inventory	104410
Status	Active	WIP	104210
Forecast Type	REG	Inventory Adjustments	104510
Inventory Value		COGS Adjustment	504110
Item Value	302135.20	Purch Price Variance	504210
COGS Adjustment	.00	Phys Count Variance	104610
Adjusted Value	302135.20	Phys Count Adjustment	504310
Order Quantities		Transfer Cost	503110
Quantity	25.0000	Status	Manual
Order Point	12.0000	Calc	Calc
Safety Stock	4.0000	EOQ	7.0000
Min Order Qty	7.0000	On Hand	880.0000
Item Quantities		Committed	.0000
		In Use	-3.0000
		Available	883.0000
		On Order (PO)	6.0000

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Order point Estimated usage during lead-time PLUS safety stock. Usage during lead-time is calculated by pro-rating forecasted usage time lead days/30.3333. The quantity is then multiplied by 1.5. Two order points are shown. The order point on the Min/Max line is the minimum order quantity you set up in the Order Quantities section of the Location Information screen.

An order is generated ONLY if stock falls below the order point. The system will calculate Order Point unless the user set the Order Point Status to Frozen.

Safety Stock Safety stock is the buffer against uncertainty in vendor deliveries. The system uses 33% of estimated usage during lead-time. 33% is arbitrarily set and should result in a 90% customer service level. It is easy to calculate and effective.

A value for the field Safety Stock Status field is set to Frozen.

When you use the Calculate Reorders function, the system calculates reorder amounts for all three reordering methods and creates entries for each reorder method in the Inventory Requisitions file (INRQxxx).

1. The EOQ method compares the cost of placing a purchase order (and all associated receiving and invoicing costs) against the cost of carrying stock in inventory. It uses the **Carrying Cost Pct** and **Order Cost Amt.** fields from the Location. If an item is expensive to order or expensive to stock you can override the **Carrying Cost Pct** and **Order Cost Amt.** in the EOQ Overrides section of the Cost Information screen in Item Locations. In general, the higher the cost of the item, the lower the purchase quantity. The traditional EOQ formula is used using Annual Use as the movement variable. The EOQ formula is:

$$\frac{2 * \text{Annual Usage} * \text{Order Cost}}{\text{Value} * \text{Carry Cost}}$$

2. The Forecast method calculates estimated usage based on the formula set up in the forecast type assigned to the Item Location. The **Safety Stock** value set up in the Order Quantities section of the Location Information screen in Item Locations is added to the estimated usage. The On Order quantity plus the Quantity Available Is subtracted from that sum.

$$\begin{array}{r} \text{Estimated Usage Calculated from Forecast Type} \\ + \text{Safety Stock} \\ - \text{On Order} + \text{Available} \\ \hline \text{Reorder Quantity} \end{array}$$

3. Min/Max calculates a reorder quantity for an item whenever the Available quantity plus the On Order quantity is less than the **Minimum Order Qty** set up in the Order Quantities section of the Location Information screen in Item Locations. The reorder amount is the **Maximum Qty** minus the On Hand quantity plus the On Order quantity. (It is assumed that any safety stock buffers are included in the minimum stock level, **Minimum Order Qty**.)

If (Available Quantity + On Order Quantity) < Minimum Order Qty THEN

$$\begin{array}{r} \text{Maximum Qty} \\ - \text{On Order} + \text{Available} \\ \hline \text{Reorder Quantity} \end{array}$$

Reorder Report

Reorder Report Screen

Reorder Report

Commands Edit Modes Other Help

OK Abandon

Calculation Method:

- ☒ EOQ
- ☐ Forecast
- ☐ Min/Max
- ☐ All

Print By:

- ☒ Item
- ☐ Product Line
- ☐ Application
- ☐ Department
- ☐ User-Defined Sort 1
- ☐ User-Defined Sort 2

Do You Want to Print the Report By Location? ☒

Include Items That Are Above Order Point? ☐

Company H 06/10/2003 Terminal T000 OVR

All three-order methods can be shown on the Reorder Report. When you generate purchase requisitions in Purchase Order, you may chose from any of the three methods OR the lowest reorder quantity OR the highest reorder quantity.

The following notes may occur in the Nt. column when and error condition is found while printing the Reorder Report:

HM - History Missing One or more months of summary history are missing in the last year. Summary sales history is used to produce the forecast used to calculate EOQ.

FM - Forecast Missing The item is not assigned a Forecast Type.

FQ - Frozen Order Quantity The EOQ Status field is set to Frozen.

Sample of the Reorder Report

08/31/1999
2:10 PM

Builders Supply
Reorder Report
Location ID TX0001 By Item ID

Page 1

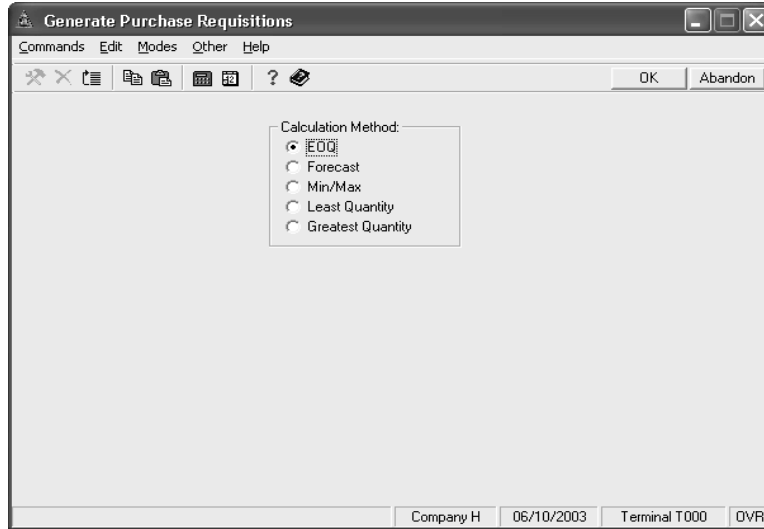
Item ID	Product Line	Loc. ID	Application	Last Cost	Available	Annual Use	Order Point	EOQ	Nt.
Description		UOM	Department	Lead Time	On Order	Forecast Use		Forecast	
			Forecast Type		Safety Stock			Min/Max	
900	APPLIANCE	TX0001	MJR APPL	239.6600	1.0000	1.0000-	3.0000	.0000	HM
Refrigerator - Black		EA	ELECTRIC	7.0	.0000	10.0000	3.0000	10.0000	HM
			REG		1.0000		8.0000	24.0000	

----- Notes -----
HM = History Missing FM = Forecast Type Missing FQ = Frozen Order Quantity * = Frozen Quantity or Forecast Type Missing

End of Report

Generate Purchase Requisitions

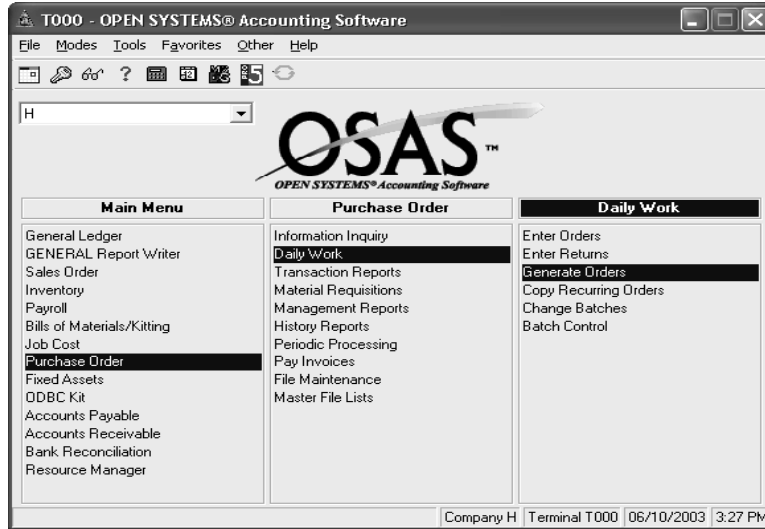
Generate Purchase Requisitions Screen



If Inventory is interfaced with Purchase Order, the Inventory Requisitions file (INRQxxx) is used to create purchase requisitions for each item location in the Purchase Order Purchase Requisitions file (POPQxxx) based on the reorder method selected on this screen. You can use the Generate Orders function on the Daily Work menu in Purchase Order to complete the purchase requisition process.

Purchase Order Generating Orders

Daily Work Menu With Generate Orders Selected



The Generate Orders function is used to select and generate purchase orders. This function can help you find the most efficient, cheapest or fastest way to restock items or satisfy a particular demand.

Orders entered on this screen are not purchase orders; they are just *proposed* orders. These proposed orders are stored in the **POPQxxx** (Purchase Requisition) file until the order is generated and created in the **POOHxxx** and **POORxxx** (Open Order) files.

Generate Orders Screen

The screenshot shows the 'Generate Orders' window with a menu bar (Commands, Edit, Modes, Other, Scroll Commands, Help) and a toolbar with icons for various actions. The main area contains a table with the following data:

Item ID	Init Date	Sc	Vendor	Loc ID	Flag	Quantity	Ext Cost
820003	06/09/2003	IN	ACE001	CA0001	✓	100.0000	1125.00
820003	06/09/2003	IN	MIL001	MD0001	✓	100.0000	395.00
820003	06/09/2003	IN	EDD001	TX0001	✓	100.0000	389.00
820004	06/09/2003	IN	ACE001	CA0001	✓	30.0000	393.60
820004	06/09/2003	IN	MIL001	MD0001	✓	30.0000	229.50
820004	06/09/2003	IN	JOH001	TX0001	✓	18.0000	188.82
820005	06/09/2003	IN	ACE001	CA0001	✓	21.0000	356.79
820005	06/09/2003	IN	MIL001	MD0001	✓	30.0000	224.70
820005	06/09/2003	IN	HEN001	TX0001	✓	30.0000	509.70
Item:XXX	06/09/2003	IN	PLA001	MD0001	✓	10.0000	2296.30
Item:XXX	06/09/2003	IN	PLA001	MN0001	✓	23.0000	5036.77
Item:XXX	06/09/2003	IN	PLA001	TX0001	✓	10.0000	2321.60
TEST 1	06/09/2003	IN		MN0001	✓	25.0000	.70
					✓		
					✓		
					✓		
					✓		

At the bottom, there is a command bar with buttons: Enter=edit, Append, Toggle flag, Flag all, Unflag all, Sort, View, Determine vendor, Enter vendor, Generate, Clear vendors, Combine lines. The status bar shows: Company H | 06/11/2003 | Terminal T000 | OVR.

The active commands are displayed in the command bar on the bottom of the screen. Use the Hot Keys--displayed as capital letters--to select a command.

Command**Action****Enter = edit**

Press **Enter** to edit the line item where the cursor is located. The edit line box will be displayed, and you can make changes.

Append

Press **A** to add a line to the list. The append line box will be displayed, and you can add the line.

Toggle flag

Press **T** to change the flag on the item, where the cursor is located

All flagged orders will become open orders, when you use the Generate Orders function. When orders are generated, all orders with the same vendors and location ID's, are printed in one purchase order.

Flag/ Unflag all

Press **F** to change all the line items, without vendors, to flagged,

Press **U** to change all the line items, without vendors to unflagged.

Sort

Press **S** to view the options for sorting line items.

- Item ID
- Location ID
- Source Application
- Initialization Date
- Vendor ID

View

Press **V** to display the view box, showing the line item detail. You may not make changes to the order here.

Generate Orders Screen

Item ID	Init Date	Sc	Vendor	Loc ID	Flag	Quantity	Ext Cost
820003	06/09/2003	IN	ACE001	CA0001	✓	100.0000	1125.00
820003	06/09/2003	IN	MIL001	MD0001	✓	100.0000	395.00
820003	06/09/2003	IN	EDD001	TX0001	✓	100.0000	389.00
820004	06/09/2003	IN	ACE001	CA0001	✓	30.0000	393.60
820004	06/09/2003	IN	MIL001	MD0001	✓	30.0000	229.50
820004	06/09/2003	IN	JOH001	TX0001	✓	18.0000	188.82
820005	06/09/2003	IN	ACE001	CA0001	✓	21.0000	356.79
820005	06/09/2003	IN	MIL001	MD0001	✓	30.0000	224.70
820005	06/09/2003	IN	HEN001	TX0001	✓	30.0000	509.70
Item:XXX	06/09/2003	IN	PLA001	MD0001	✓	10.0000	2296.30
Item:XXX	06/09/2003	IN	PLA001	MN0001	✓	23.0000	5036.77
Item:XXX	06/09/2003	IN	PLA001	TX0001	✓	10.0000	2321.60
TEST 1	06/09/2003	IN		MN0001	✓	25.0000	.70
					✓		
					✓		
					✓		
					✓		

Enter-edit Append Toggle flag Flag all Unflag all Sort View
Determine vendor Enter vendor Generate cLear vendors Combine lines

Company H 06/11/2003 Terminal T000 OVR

The active commands are displayed in the command bar on the bottom of the screen. Use the Hot Keys--displayed as capital letters--to select a command.

Command Action

Determine Vendor Press **D** to display the Determine Vendor box, with criteria that may be used to determine the vendor to be used.

- Lowest Last Cost
- Fastest Lead Time
- Best Break Point Cost

Note

The item in question will need to have to have vendor information assigned to it through Inventory to determine the best vendor. The item needs to be set up on the Vendor Information Screen.

Enter Vendor Press **E** to display the Enter Vendor box: you may enter the vendor to assigned to all flagged items. The **Inquiry** (F2) command is available to select the Vendor from a list.

Generate Press **G** to generate flagged orders with a vendor.

Note

Orders with the same Location and Vendor will be put on the same order when generated. If separate orders are desired, you will need to generate the orders separately.

cLear Vendors Press **L** to clear the vendor ID's for all flagged items

Combine Lines Press **C** to combine flagged lines with identical vendor ID's, item ID's, location ID's and requested shipping dates.
Lines that are combined, have ** in the Source Application field.

Generate Orders With Append Line Window

Select **A** to Append a line. Enter the following information:

Field	Description
Vendor ID	Enter the ID of the vendor that you will be ordering from. The Inquiry (F2) command is available. This field may be left blank.
Location ID	The location ID defaults in here, you may change it. The Inquiry (F2) command is available.
Item ID	Enter the ID for the item that you are ordering. . The Inquiry (F2) command is available.
Description	The description of the Item defaults in here, you may change it.
Requested Ship Date	Enter the date that you are asking for the items to be shipped on. this field is only available if the option to use requested ship dates is set to YES
Quantity	Enter the quantity of the item that you are ordering
Units	The default unit of measure defaults in here, you may change it. The Inquiry (F2) command is available.
Unit cost	Enter the unit cost for this Item, or leave this field blank. If the extended cost is entered, the Unit cost will be computed.
Extended Cost	Enter the extended cost, or leave this field blank. If the Unit Cost is entered, the Extended cost will be computed.
Date Initiated	The workstation date defaults in here, you may change it.
Entered by	Enter the name of the person entering this transaction, or leave this field blank.
Source Application	PO will default in here, you may change it.
Reference ID	Enter an ID to reference this transaction or leave this field blank.

Generate Orders With Edit Line Window

The screenshot shows two overlapping windows. The top window is titled 'Generate Orders' and the bottom window is titled 'Edit Line'. The 'Edit Line' window contains the following fields:

- Vendor ID: BOR001
- Location ID: MN0001
- Item ID: 810002
- Desc: Paint - White - SemiGloss
- Requested Ship Date: 7/7
- Quantity: 5.0000
- Units: PT
- Unit Cost: 1.8000
- Ext. Cost: 9.0000
- Date Initiated: 06/11/2003
- Entered By: Mike H.
- Source Application: PO
- Reference ID: 44

Below the fields is a table with columns for Item ID, Location ID, Item ID, Desc, Quantity, Units, Unit Cost, Ext. Cost, and a checkbox. The table is currently empty. At the bottom of the 'Edit Line' window are several buttons: Enter-edit, Append, Toggle flag, Flag all, Unflag all, Sort, View, Determine vendor, Enter vendor, Generate, Clear vendors, and Combine lines. The status bar at the bottom of the 'Edit Line' window shows 'Company H | 06/11/2003 | Terminal T000 | OVR'.

The Fields are the same as the Append Line above.

Generate Orders With Select Sort Method Box

The 'Select Sort Method' dialog box has a title bar with 'Select Sort Method' and standard window controls. It contains a list of methods with radio buttons next to them:

- ☐ Item ID
- ☒ Location ID
- ☐ Source Application
- ☐ Initialization Date
- ☐ Vendor ID

At the bottom of the dialog box are 'OK' and 'Abandon' buttons.

Choose from the list the method that is to be used to sort the line-items.

1. Item ID
2. Location ID
3. Source Application
4. Initialization Date
5. Vendor ID

Generate Orders With Determine Vendor Box

The 'Determine Vendor' dialog box has a title bar with 'Determine Vendor' and standard window controls. It contains a list of criteria with radio buttons next to them:

- ☒ Lowest Last Cost
- ☐ Fastest Lead Time
- ☐ Best Break Point Cost

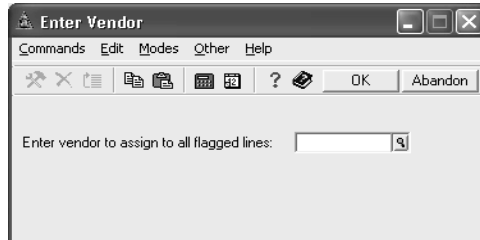
At the bottom of the dialog box are 'OK' and 'Abandon' buttons.

Choose the criteria, to be used, to determine the vendor.

1. Lowest Last Cost
2. Fastest Lead Time
3. Best Break Point Cost

Note

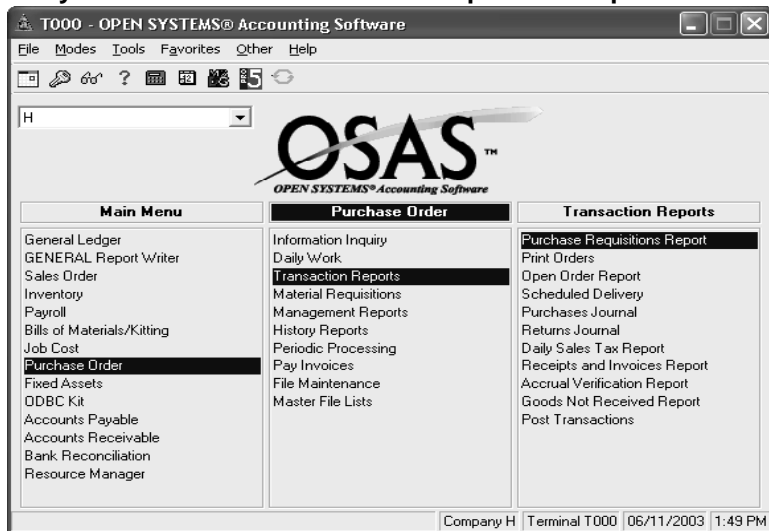
The item in question will need to have to have vendor information assigned to it through Inventory to determine the best vendor. The item needs to be set up on the Vendor Information Screen.

Generate Orders With Enter Vendor Box

Enter the vendor to be assigned to all flagged lines. The **Inquiry** (F2) command is available to choose a vendor from a list.

Purchase Requisition Report

Daily Work Menu With Purchase Requisition Report Selected



You can use the Purchase Requisition Report to view requisitions that are on file and to view totals for the orders you select.

Purchase Requisition Report Selection Screen

Enter the following information:

Field	Selection
Item ID From/Thru:	Enter the range of Item ID's you want in the report. The Inquiry (F2) command is available, if interfaces with Inventory are activated in Options and Interfaces.
Location ID From/Thru	Enter the range of Item ID's you want in the report. The Inquiry (F2) command is available.
Source Application From/Thru	Enter the range of Source Applications you want in the report. The Inquiry (F2) command is available.
Initial Date From/Thru	Enter the range of Initial Dates you want in the report.
Vendor ID From/Thru	Enter the range of Vendor ID's you want in the report. The Inquiry (F2) command is available.
Print By:	

- 1. Requisitions with vendors** to have requisitions, which include vendors, printed
- 2. Requisitions w/o vendors** to have requisitions, which do not include vendors.
- 3. Both** to print requisitions without regard to vendor.

Select:

- 1. Flagged Requisition** to have flagged requisitions included in the print
- 2. Unflagged Requisitions** to have the Unflagged requisitions included in the print.
- 3. Both** to have both the flagged and unflagged requisitions printed.

Print By:

- 1. Item ID** to have the print organized by the Item ID's
- 2. Location ID** to have the print organized by the Location ID's
- 3. Vendor ID** to have the print organized by the Vendor ID's

Select an output device for the report:

(P)rinter - to send the report to a printer

p(R)evuew - to view what the printed report looks like in a GUI window. The system prompts you to select the printer you want to use for the preview. You can select whether to send the report to a printer.

(F)ile - to print the report to a file

(S)creen - to print the report to the screen

(E)nd - to exit from the selection screen without printing the report

Example of a Purchase Requisition Report

07/15/1999
2:14 PM

Builders Supply
Purchase Requisition Report
Flagged Requisitions with Vendors by Item ID

Page 1

Item ID	Loc. ID	Units	Vendor ID	Source	Date Initiated	Quantity	Unit Cost	Extended Cost
Item Description			Vendor Name	Entered By				
100	MN0001	PKG	ACE001	PO	03/31/1999	1.0000	343.5500	343.55
Electrical Package			ACE PLUMBING SUPPLY COMPANY					

Item 100 TOTAL								343.55
								=====
GRAND TOTAL								343.55

End of Report

