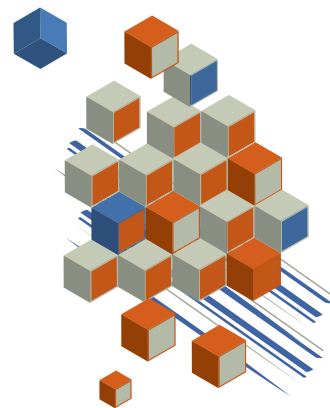




Inventory Replenishment

SIMMS Inventory Management Software 7.3

January 30, 2011



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Inventory Replenishment

You manage inventory replenishment in the Replenishment Manager. The Replenishment Manager is designed as a *pull-based* supply chain tool. As such, it is sales orders (demand) that triggers stock replenishment. The benefit of this supply chain model is to reduce your inventory levels and thereby reducing the cost of carrying too much inventory.

In the Replenishment Manager, you create the purchase orders, or Request for Quotes (RFQ), needed to replenish your depleted inventory.

In addition, you have access to the information required to manage the replenishment process, such as in the following columns:

- **SO Demand**
This column displays the quantity of your items on sales orders.
- **On Hand**
This column displays the quantity of your item in the location on its sales order.
- **Unreceived**
This column displays the quantity of your items on unreceived purchase orders.
- **On Hand Other Locations**
This column displays the quantity of your items on-hand in other locations.
- **UnprocessedRFQ**
This column displays the quantity of your items on unprocessed RFQs.

The Replenishment Manager is integrated with the Build Queue (kit building). If there is an insufficient quantity of an item for a kit build, you can add that item to the Replenishment Manager from the Build Queue window.

You can create a purchase order or an RFQ for more than one item at a time. This feature is called batch processing and helps to speed up the replenishment process.

Requirements to Use the Replenishment Manager

To replenish an item from the Replenishment Manager, your item must have the following assigned to them:

- A default vendor
- A default location

In addition, each item should have a minimum on-hand quantity set for it. If no minimum on-hand quantity is set for an item, the item will not appear in the Replenishment Manager until its inventory level is below zero (0). In other words, it will not appear in the Replenishment Manager until you run out of stock and your item is backordered.

Assign a Default Vendor to an Item

1. On the **Inventory** menu, click **Item Manager**.

The Item Manager window opens.

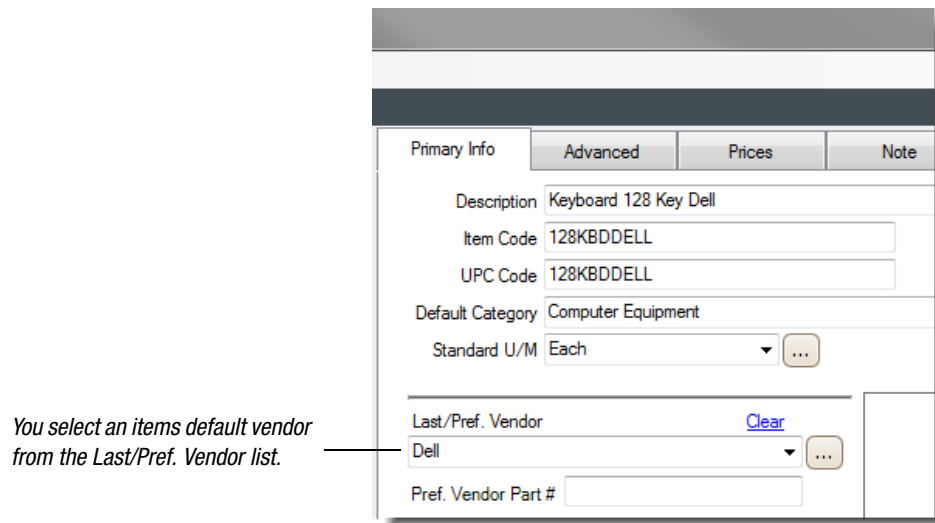




Figure 1: The Primary Info tab on the Item Manager


2. In the **Category** list, select your item's category.
3. In the list of items (left side of window), select the item you want to assign a default vendor to.
4. Click the **Edit**  icon on the toolbar.
5. On the **Primary Info** tab, in the **Last/Pref. Vendor** list select your item's default vendor.
6. Click the **Save**  icon on the toolbar.

Note: By default, SIMMS updates your last/preferred vendor (default vendor) with the vendor from which you last purchased the item. To prevent SIMMS from changing your last/preferred vendor, go to **Setup > Settings > Global Settings > Purchasing** tab, and then click **Last/Pref. Vendor Static**.

Assign a Default Location to an Item

1. On the **Inventory** menu, click **Item Manager**.

The Item Manager window opens.

2. In the **Category** list, select your item's category.
3. In the list of items (left side of window), select the item you want to assign a default location to.
4. Click the **Edit**  icon on the toolbar.
5. On the **Advanced** tab, in the **Default Location** list, select your item's default location.

You select an item's default location from the Default Location

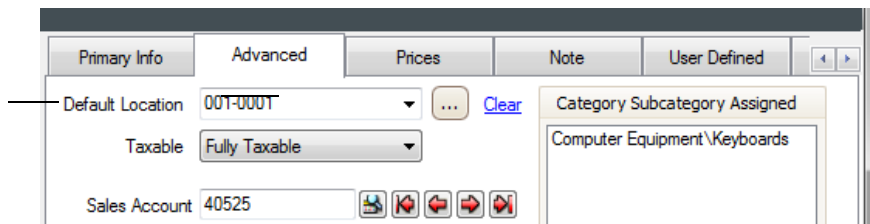


Figure 2: A partial view of the Advanced tab on the Item Manager

6. Click the **Save**  icon on the toolbar.

Set an Item's Minimum On-Hand Quantity

An Item's minimum on-hand quantity is the quantity of an item you want in stock above any demand for that item (its safety stock). If your demand for an item is greater than its minimum on-hand quantity, the item is added to the Replenishment Manager.

1. On the **Inventory** menu, click **Item Manager**.
The Item Manager window opens.
2. On the **Tools** menu, click **Item Reorder**.
The Reorder Point Configurator dialog box opens.
3. In the **Item** list, select the item that you want to set its minimum on-hand quantity.
4. In the **Location** list, select your item's location.
5. In the **Minimum On Hand Quantity** box, type the minimum on-hand quantity for your item, and then click **Save**.

Type here the minimum on-hand quantity you want for your item.

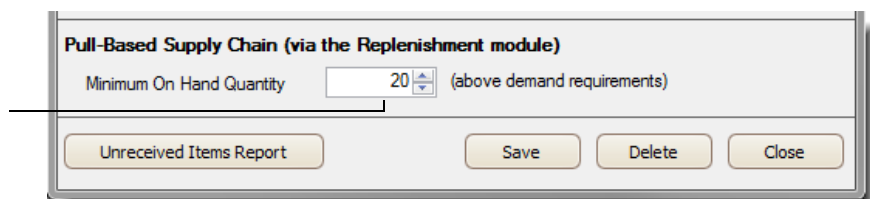


Figure 3: A partial view of the Reorder Point Configurator

Replenishing Inventory

The Replenishment Manager is a central location from which you can replenish your depleted inventory. The first step in the replenishment process is to list, in the Replenishment Manager's grid, the items that are below their minimum on-hand quantity. You can then replenish your stock by either creating a purchase order or an RFQ.

List Items for Replenishment

1. On the **Modules** menu, point to **Purchasing**, and then click **Replenishment Manager**.

The Replenishment Manager window opens.

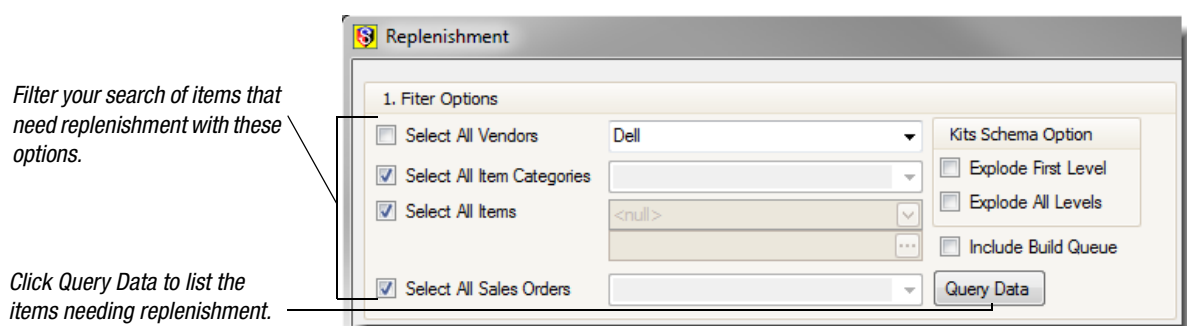


Figure 4: The Replenishment Manager first section

2. Click **Query Data**.

SIMMS lists all items that are below their minimum on-hand quantity in the Replenishment Manager's grid.

Filter Your List of Items for Replenishment

By default SIMMS lists all items that have fallen below their minimum on-hand quantity in the Replenishment Manager's grid. You can filter your search results by vendor, category, item, or sales order.

For example, to filter your search results by vendor, under **Filter Options**, clear the **Select All Vendors** check box, and then select a vendor from the adjacent list. Click **Query Data**.

SIMMS lists in the grid only the items that require replenishment from your chosen vendor.

How SIMMS Calculates an Item's Reorder Quantity

SIMMS calculates the quantity of an item to place on a purchase order or an RFQ based on the following formula:

$$\text{Minimum} - (\text{Supply} - \text{Demand}) = \text{Quantity}$$

See Table 1: Replenishment Formula for an explanation of this formula.

Table 1: Replenishment Formula

Formula	Explanation
Minimum	<p>This is the quantity entered in the Minimum field.</p> <p>It is an item's minimum on-hand quantity as set in the Item Reorder Point Configurator.</p>
Supply	<p>This quantity is the sum of the following fields: On Hand, Unreceived, UnprocessedRFQ.</p>
Demand	<p>This quantity is the sum of the following fields: SO Demand and Kit Demand.</p>
Quantity	<p>This quantity is the results of SIMMS calculations and is entered in the Quantity field.</p> <p>SIMMS enters this value as your reorder quantity on your purchase orders or RFQs.</p> <p>You can change this quantity.</p>

Change an Item's Reorder Quantity

SIMMS calculates and then enters an item's reorder quantity in the Quantity field. SIMMS enters this value as your reorder quantity on your purchase orders or RFQs.

- ◆ For the item that you want to change its reorder quantity, in the **Quantity** field, type the item's new reorder quantity.

Change the Vendor for an Item

An item's default vendor is entered in the Vendor field. This vendor is used in purchase orders or RFQs.

1. Select your item's row, and then click **Vendor**.
The Switch Vendor dialog box opens.
2. In the **New Vendor** list, select a new vendor for your item, and then click **Apply**.

Change an item's Minimum On-Hand Quantity

1. For the item that you want to change its minimum on-hand quantity, click in the **Minimum** field, and then click **Reorder** (this button only appears after you click in the Minimum field).

The Item Reorder Point Configurator dialog box opens.

2. In the **Minimum On Hand Quantity** box, type your item's new minimum on-hand quantity, and then click **Save**.

Create a Purchase Order

1. After listing your items in the Replenishment Manager's grid, for the item you want to purchase, in the **On PO** field, click the check box.
2. In the **Required Date** box, select a date, and then click **Create PO**.

After selecting the On PO check box, click Create PO.

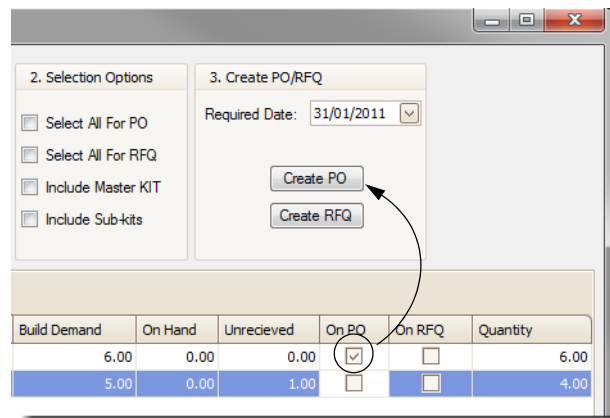


Figure 5: Creating a purchase order in the Replenishment Manager

SIMMS creates a purchase order for your item, and removes the item from the Replenishment Manager's grid.

View a Purchase Order

You can view the purchase order you created from the Replenishment Manager. However, you can only view that purchase order within the same session you created it.

To view purchase orders created previously in the Replenishment Manager, you need to open them in the Transaction Manager.

To view a purchase order created in the Replenishment Manager do the following:

1. During the same session that you created your purchase order, click **Find POs**.

The Find Document window opens.

2. Select your purchase order's row, and then click **Details**.

Your purchase order opens in the Transaction Manager.

Create a Request for Quote (RFQ)

1. After listing your items in the Replenishment Manager's grid, for the item you want to create an RFQ, in the **OnRFQ** column, click the check box.
2. In the **Required Date** box, select a date, and then click **Create RFQ**.

SIMMS creates an RFQ for your item, and removes the item from the Replenishment Manager's grid.

Viewing Information Related to Replenishment

In the Replenishment Manager you have access to the information related to the replenishment process, such as unreceived items on purchase orders, sales orders for your items, and stock information.

By reviewing this information you can properly evaluate the supply and demand for an item and in turn make the appropriate purchasing decisions.

View this information by clicking in the appropriate field and then clicking the corresponding button that displays at the bottom of the window. Keep in mind the button does not display if you do not select its corresponding field.

See Table 2: View Information Related to Replenishment.

Table 2: View Information Related to Replenishment

Select this field:	This button displays:
On Hand	View Stock
On Hand Other Sites	View Stock
SO Demand	View SOs
Unreceived	View POs

View an Items Stock Information

1. For the item that you want to view its stock information, click in one of the following fields:

- **On Hand**
- **On Hand Other Sites**

2. Click **View Stock**.

The Stock Window opens.

View Sales Orders

1. For the item that you want to view its sales order, click in the **SO Demand** field, and then click **View SOs**.

The Stock Transactions window opens.

2. Click your sales order's row, and then click **Details**.

Your selected sales order opens in the Transaction Manager.

View the Purchase Orders for Unreceived Items

1. For the item that you want to view its purchase orders, click in the **Unreceived** field, and then click **View POs**.

The Stock Transactions window opens.

2. Select your purchase order, and then click **Details**.

Your selected purchase order opens in the Transaction Manager.

Kit Builds and Replenishment

If there is insufficient stock of an item for a kit build, you can add that item to the Replenishment Manager. You do this in the Build Queue window.

The Build Queue window lists all kit builds that are in process. A kit shaded red in the Build Queue window indicates there is insufficient stock of one of its component items.

Replenish Insufficient Stock for a Kit Build

1. On the **Modules** menu, point to **Kits**, and then click **Build Queue**.

The Build Queue window opens.

Red indicates there is insufficient quantity of an item for a kit build.

Click the check box to add an item to the Replenishment Manager.

Kit Section		Request Section			Replenishment
Description		Location	Qty	Kit Demand	
Code	UPC	Due D...	Man.Lot	UM	Add
Bike Red		001-0001		1.00	1.00
BIKE RED		25/01/2...	01/25/2011 - 1	Each	<input checked="" type="checkbox"/>

Figure 6: The Building Queue.

- For any kit that is shaded red, click the check box under **Replenishment** to add that item to the Replenishment Manager.

You can add all depleted items to the Replenishment Manager in a single step by clicking the **Add All Shortages to Replenishment** check box at the bottom of the window.

List Items in the Build Queue for Replenishment

- On the **Modules** menu, point to **Purchasing**, and then click **Replenishment Manager**.

The Replenishment Manager window opens.

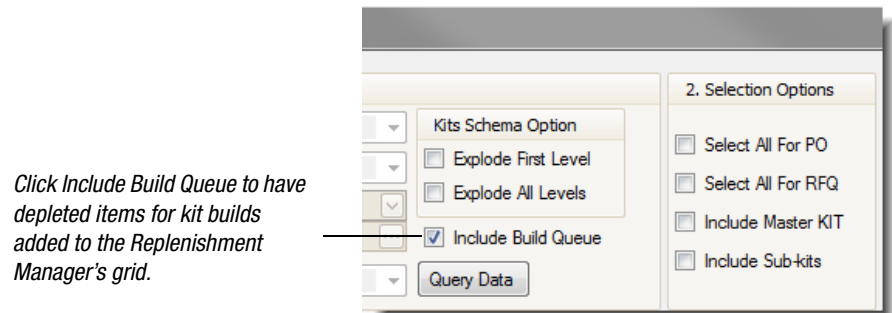


Figure 7: Add depleted items from kit builds to the Replenishment Manager.

- Under **Kits Schema Option** click any of the following options:
 - Explode First Level**
 - Explode All Levels**
- Click **Include Build Queue**, and then click **Query Data**.

Batch Processing Replenishment Tasks

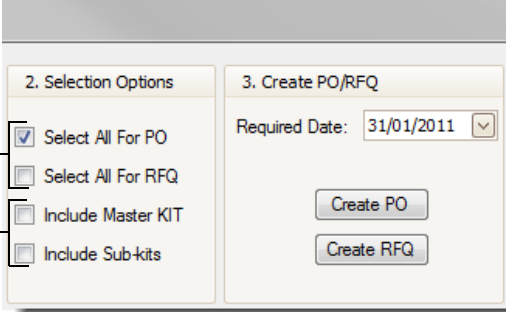
Instead of creating your purchase orders and RFQs one item at a time, you can select all your items and then process them together at the same time.

Create Purchase Orders for All Items

1. After listing your items in the Replenishment Manager's grid, click **Select All For PO**.
2. Click any of the following options:
 - **Include Master Kit**
 - **Include Sub-kits**
3. In the **Required Date** box, select a date, and then click **Create PO**.

Click Select All For PO, or Select All For RFQ to create a purchase order or RFQ for all your items in the Replenishment Manager's grid.

You can include both master kits and sub-kits on your purchase order or RFQ.



The screenshot shows a software interface with two main panels. The left panel, titled '2. Selection Options', contains four checkboxes: 'Select All For PO' (checked), 'Select All For RFQ', 'Include Master KIT', and 'Include Sub-kits'. The right panel, titled '3. Create PO/RFQ', features a 'Required Date' field with a dropdown menu showing '31/01/2011' and two buttons: 'Create PO' and 'Create RFQ'. Two lines from the text on the left point to the 'Select All For PO' checkbox and the 'Include Master KIT' checkbox.

Figure 8: Batch processing replenishment tasks.

Create RFQs for All Items

1. After listing your items in the Replenishment Manager's grid, click **Select All For RFQ**.
2. Click any of the following options:
 - **Include Master Kit**
 - **Include Sub-kits**
3. In the Required Date box, select a date, and then click **Create RFQ**.