

Preventing Dead Stock by Reviewing Daily Inventory Problems

Daily review m-27.20.1.1 (m-6.21 and EOD 01-151)

Purpose: Identifies recent inventory issues that could lead to “dead inventory” if not addressed immediately. This report identifies all transactions that happened within specific date range, including credits, adjustments and cancelled items.

Process:

- 1) Look at cost of the item
- 2) Review orders cancelled yesterday
- 3) Follow the 9 Lives of Dead Inventory if necessary

Possible Inventory Problems report is designed to identify transactions where the inventory has increased for an item that meets one of the following criteria:

- Product is Discontinued or a "T"emporary Item (NS)
- ROP is zero
- The On Hand (BAL AFT) has taken the inventory level from below the ROP factor to over the ROP factor
 - See ROP factor in Menu-27.1.21, field 16. Inventory Problem report - ROP factor
 - If the ROP factor field is blank, the default is 2.0 (2 times the ROP)
- POR - purchase order receiving will be added to the report, if one of the above 3 criteria is met AND the receiving quantity is greater than the ordered quantity

The difference between Menu 6.21 and the EOD report is that Menu 6.21 is selectable by beginning and ending dates. Also, today's cancelled orders that result in a possible inventory problem will be on the report "real-time".

Transaction (TNX) codes: _____

- C/M - Credit Memos (returns to stock)
 - If sellable keep or transfer to selling branch
 - If not sellable – 9 lives of dead inventory
- CAN – Cancelled in Order Entry
 - If On Hand:
 - If sellable keep or transfer to selling branch
 - If not sellable – 9 lives of dead inventory
 - If On Order:
 - Cancel PO from Supplier
- ADJ or P/I – Inventory Adjustment from menu-8.4 or menu-9
 - Double Check Count
 - If Count Correct:
 - If sellable keep or transfer to selling branch
 - If not sellable – 9 lives of dead inventory
- POR – PO Receiving (when received more than ordered)
 - If sellable keep or transfer to selling branch
 - If not sellable – 9 lives of dead inventory