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Category	Inventory
Course	Best Practice
Version	1.0
Client	Generic
Software	2.12.100

Inventory Best Practice

We recommend several best practices for managing inventory and automatic ordering. These methods can reduce your stock holdings, streamline labour effort, and increase customer service.

Procedure to Get Started and Follow Inventory Best Practices

Hints and Tips

- ✓ Inventory management is running perpetual inventory, to know what your stock on hand (SOH) is.
- ✓ SOH integrity is only sustained by correctly processing all stock movements in SUREfire.
- ✓ Inventory is a means to an end; don't make labour savings your motivation.
- ✓ Benefits of good inventory management:
 - Get early warning of too low/too high stock levels
 - Identify shrinkage and incorrect deliveries
 - Reduce stock holdings
 - Have accurate auto-ordering, which fixes your stock levels.
- ✓ Manual orders demand higher product knowledge and can be inconsistent between staff. We recommend you auto-order if you run perpetual inventory, and sell more than 250k p/week or operate multiple stores.
- ✓ The best practice is to receipt and invoice-match all perpetual stock. Both these tasks will increase SOH and set new lines to stocked; so if you only do one, inventory will be fairly accurate. However, you won't know if there are any discrepancies.
- ✓ Check the arrangement with your suppliers about incorrect deliveries – do you adjust the invoice, or pay in full and raise a credit note?

1.	<p>Link stock codes for products that have multiple stock records. <i>*E.g. cigarettes and liquor sold by carton and unit.*</i> <i>*Refer to the PRO-1e Link Stock Code Fact Sheet.*</i></p>
2.	<p>Set up electronic established supplier/s for electronic invoice pickup. <i>*Refer to the TECH-3a Configure Metcash for Electronic Invoice Pickup Fact Sheet & TECH-3b Configure a Supplier for Rymac Electronic Orders and Invoices Fact Sheet.*</i></p>
3.	<p>Set the department/s you'll manage inventory for to perpetual stock. <i>*Refer to the TECH-4a Configure Perpetual Inventory Fact Sheet.*</i></p>
4.	<p>Perform a stocktake on the department/s that will run perpetual stock, to start with correct base-line SOH values. <i>*Refer to the INV-7a Full Stocktake Fact Sheet & INV-7b Partial Stocktake Fact Sheet.*</i></p>
5.	<p>If you want to use auto-ordering:</p> <ul style="list-style-type: none"> • Contact the SUREfire Retail Services Team to add the Average Daily Sales calculation to the overnight scheduled tasks. • Set the auto ordering default parameters. • Set desired stock levels or presentation quantities. <p><i>*Refer to the TECH-3d Configure Automatic Order Settings Fact Sheet.*</i> <i>*Refer to the INV-2h Set Presentation Levels and Desired Stock (Mobile) Fact Sheet.*</i></p>
6.	<p>Create manual or automatic orders in SUREfire. <i>*Pay attention to multiple cases and seasonal products ordered.*</i> <i>*Refer to all the INV-2 Ordering Fact Sheets.*</i></p>
7.	<p>Create automatic Investment Buy orders, to get the promo buy benefit without the promo sell obligation. <i>*Refer to the INV-2d BOS Automatic Orders Fact Sheet.*</i></p>
8.	<p>Have a consistent receipting process for a supplier. Options:</p> <ul style="list-style-type: none"> • Receipt every load with RF device. • Accept electronic invoices without receipting/checking discrepancies. • Visually receipt non-inventory departments (not recommended). <p><i>*Refer to the INV-3a Receipt Stock Deliveries Fact Sheet.*</i></p>
9.	<p>Finalise invoices in SUREfire, so that SOH is correct. <i>*If there isn't an electronic invoice, translate the paper version into SUREfire; this makes it easier to identify discrepancies with the receipt.*</i> <i>*Refer to the INV-4a Invoice Matching Fact Sheet and INV-4b Manually Create an Invoice Fact Sheet.*</i></p>
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- Hints and Tips**
- ✓ **Stocktakes** highlight theft problems, managers not correcting negative SOH, incorrect receipting practices, incorrect scanning practices at POS...
 - ✓ Don't allow staff to change ticketing or space management; under and over stocks are symptoms that something's not working with inventory.
 - ✓ A **negative SOH** value can be the result of a misspick, theft, staff not receipting or invoicing stock correctly or at all, and/or poor scanning practices at POS (e.g. scanning different flavours under one EAN, when they each have their own EAN.)

10.	<p>Raise credit notes for quantity short-deliveries, to correct SOH. <i>*You only do this if you finalised the invoice and accepted it in full.*</i> <i>*If you don't require evidence, a stock adjustment will achieve the same thing.*</i> <i>*Refer to the INV-5c Credit Notes Fact Sheet.*</i></p>
11.	<p>Always perform a stock adjustment for stock that doesn't leave the store through normal channels. <i>*Allocate relevant reason codes, so that you can monitor why stock adjustments are done on the BOS Stock Adjustment report.*</i> <i>*Refer to the INV-6a Stock Adjustments Fact Sheet and the TECH-1i Configure Reason Codes Fact Sheet.*</i></p>
12.	<p>Perform regular stocktakes, AND rolling/partial stock checks to maintain accuracy. <i>*Count perishable/high value departments more frequently.*</i> <i>*Instead of rolling stocktakes that find issues, you may rely on observation disciplines that focus on issues by exception.*</i> <i>*Refer to the INV-7a Full Stocktake Fact Sheet, INV-7b Partial Stocktake Fact Sheet, and the INV-7c Capture Stock Counts Fact Sheet.*</i></p>
13.	<p>Walk the store every day after shelves are restocked but BEFORE the next order and credit note cut-off, looking for exceptions:</p> <ul style="list-style-type: none"> • Have stock-fillers put overstocks on a trolley that the manager reviews – chances are it's a misspick. • Look for gaps in shelves – either there's an associated misspick or it wasn't auto-ordered because SOH is wrong. • Monitor extra stock in capping or out the back – learn common products that don't fit, so that exceptions stand out. • Use the RF device to check SOH and invoice history. • If the supplier invoiced you for missing stock, raise a credit note. • If SOH is incorrect, raise a stock adjustment or do a partial stocktake.
14.	<p>Run the Negative SOH report every day (BOS Reports menu -> Stock), and do a stock adjustment or partial stocktake to match physical SOH. <i>*Investigate why products are on the report.*</i></p>
15.	<p>Set disciplines at POS to reduce non-scan sales, and scan every item. <i>*Run the Non Scan Sales by Operator (Reports -> Sales) to identify poor scanning practice; this reports the quantity of products sold which have an open \$0.00 price (this prompts for price at POS).*</i> <i>*Run the EAN Not Found Report (Reports -> Maintenance) to check if operators are reporting these products (if allow unknown EAN is configured), and to check sales to adjust/correct SOH.*</i></p>
16.	<p>Audit managers on inventory tasks.</p>
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