

About Low Stock Purchase Orders

You use low stock purchase orders to replenish stock. You run low stock reports through the (RR) Inventory Reports screen. The Low-Stock Report shows suggested order quantities, based on three months' usage or 17 months' usage.

When you run the Low-Stock Report, you can create a low-stock file, which you can use to create purchase orders automatically. You create purchase orders automatically using the Short Buys action code in the Purchase Order Entry window. You can also use the low-stock file when posting stock transfers.

The Low-Stock Report can calculate the suggested order quantity in two ways: using the sales history of each item and the projected number of weeks between purchases, or using minimum and maximum stock levels. You specify which calculation you want to use when you print the report. Complete information about low stock reports is available in the Reports Menu in your online help.

About Low Stock Formulas

When creating low stock purchase orders, there are several formulas from which you can choose. The following abbreviations are used in these formulas:

OH = On-hand

OO = On-order

BO = Backordered

CW = Cycle Weeks

M1, M2, etc. = Month 1, Month 2, etc.

LM = Low Month

HM = High Month

MTD = Month To Date

For the purpose of these formulas, Month 1 (M1) is the previous month. Month 2 (M2) is the month before that, and so on. For example, if M1 is May, then M2 is April, and so on. Following this example, M13 would be June of the previous year.

Low-Stock Purchasing

The 3-Month Weighted formula is:

$$((M1 \times 2) + M2 + M3) / 17 = \text{Weekly Need}$$

$$\text{Weekly Need} \times \text{CW} = \text{Need}$$

$$(\text{Need} - (\text{OO} - \text{OH})) + \text{BO} = \text{Order Quantity}$$

Min/Max Low-Stock Formula: (If OH is at or below minimum:)

$$\text{Max} - \text{OH} = \text{Need}$$

$$(\text{Need} - (\text{OO} + \text{OH})) + \text{BO} = \text{Order Quantity}$$

The 3-Month Weighted + MTD formula is:

$$(\text{MTD} + M1 + M2 + M3) / (13 + \text{Week \# of Current Month}) = \text{Weekly Need}$$

$$\text{Weekly Need} \times \text{CW} = \text{Need}$$

$$(\text{Need} - (\text{OO} - \text{OH})) + \text{BO} = \text{Order Quantity}$$

The 13-Month Weighted formula is:

$$((M1 + M2 + \dots + M13) - (\text{LM} + \text{HM})) / 11 = \text{Weekly Need}$$

$$(\text{Weekly Need} \times \text{CW}) / 4 = \text{Need}$$

$$(\text{Need} - (\text{OO} - \text{OH})) + \text{BO} = \text{Order Quantity}$$

**Figure 1: The
Low-Stock
Limits Dialog
Box**

Low Stock Limits

LOW STOCK 3

Data Source
 Build Low-Stock
 Specify a Low-Stock File
File: LOW-STOCK

Vendor Options
Set PO Vendor To: Purchasing Vendor ID
 Check Vendor Alias
Match On:
Look In: Purchasing Vendor ID

Options
 Include All Items
 Include Drop Ship Quantities?

Locations
Loc: To: +
 Include ALL Locations

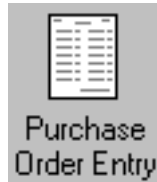
Limits

Item #:	To:	Cat 1:	To:
Item Co:	To:	Cat 2:	To:
Class:	To:	Cat 3:	To:
Dept:	To:	Cat 4:	To:
Pri. Bin:	To:	Assort:	To:
Sec. Bin:	To:	Prefix:	To:

Settings
Program: Cycle
Weeks: 10
LS Formula: 3 Month Weighted

Display Items Cancel

Creating a Low-Stock Purchase Order



- 1 Double-click  to open the Purchase Order Entry window.


- 2 In the Action Code list box, click Low-Stock.

- 3 The Select Custom Low Stock Settings dialog box opens. You can select a custom low-stock setting or create a new one.

To open an existing setting, select it from the drop down list, then click Select.

To build a new setting, click Cancel and go to **Step 4**.

- 4 The Low-Stock Limits dialog box opens, as shown in Figure 1. You can limit the items that appear in the Low-Stock Items dialog box. You can also specify the location(s) to include and the settings to use. Complete the boxes in this dialog box. For more information, see your online help.

Note: In the Low-Stock Limits dialog box, you can change the settings you specified in Step 3. Click , then from the Profile drop down list, click a low-stock setting. Then, click Select.

- 5 After you complete the boxes and set limits, click Display Items.

Note: While the system is searching for items, you can minimize the window and work in another window. At any time during the search, you can stop it by clicking Abort in the Retrieving Low-Stock Records dialog box.

- 6 The Low-Stock Items dialog box opens. This box displays all the items corresponding to the limits set in the Low-Stock Limits dialog box. For more information, see **Using the Low-Stock Items Dialog Box**.

Note: All items must be assigned a vendor before creating the purchase order. To learn more, see your online help.

- 7 When you finish, click  to create the purchase order.

Low-Stock Purchasing

- 8 The All Low-Stock Items Have Been Added message displays. You can add more items to the purchase order or click Show Totals to complete the process. If you click Show Totals, go to **Step 9**.

To add more items, click Add Additional Items. The Item Detail Tab opens. Add as many new items as you want. For more information, see Placing Items on the Purchase Order. When you finish, click the Order Totals Tab.

- 9 The Order Totals tab opens. End the order as you normally would.
- 10 If you had more than one vendor on the purchase order, repeat steps 8-9 for each vendor.
- 11 When all low-stock purchase orders are created, the All Low-Stock POs Have Been Created message displays. Click OK. The cursor returns to the Name box in the Global Tab.

Using the Low-Stock Items Dialog Box

The Low-Stock Items dialog box lets you easily view all the items, vendors, and cost on the purchase order.

The items for each vendor and vendor location are grouped together so you don't have to hunt for a vendor or item. The total cost, total weight and minimum freight and minimum order of all the items with that vendor are displayed on a yellow line.

You can:

- Remove items
- Change vendors
- Save data
- Change the layout
- Change the vendor location
- Compare pricing
- Limit by vendor
- Limit by vendor location.

For more information on this dialog box, see your online help.