

Comprehensive Overview Doc

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Introduction

Functions and Capabilities

Two methods of replenishment are supported by this application: Replenishment by Vendor and Replenishment from Warehouse.

The suggested Proforma (Interim Purchase Order) is the basic replenishment action document for replenishment by vendor. It greatly helps increase staff productivity without sacrificing thoroughness in dealing with hundreds or even thousands of SKU's or styles. Re-buy is also the appropriate first step in better management of replenishment's key objectives:

BETTER IN-STOCK SERVICE LEVEL

BUILDING MARGIN ON THE COGS (COST OF GOODS SOLD)

AND IMPROVED INVENTORY PRODUCTIVITY

- A) IN-STOCK SERVICE LEVEL – Setting and dynamically changing targets as item movement changes.
- B) MARGIN ON THE COGS – Using joint replenishment to build purchase orders that qualify for vendor terms and concessions without overbuying on individual items.
- C) INVENTORY PRODUCTIVITY – Ability to buy more frequently. Focusing buying attention on items that are moving and need to be bought. Playing SVR (scheduled vendor review) against the best minimum to get a better balance between margin and inventory.
- D) REPLENISH STORES FROM WAREHOUSE – Provides the ability to replenish stores from warehouse inventory by creating warehouse transfers.

Ordering correctly is an important first step, but other reports are needed to manage in-stock service level and inventory productivity. Examples of these reports are:

- A) REPLENISHMENT MASTER LISTING
- B) INVENTORY BELOW MINIMUM LIST
- C) STOCK STATUS REPORT

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Most Current.....To Least Current

	WK1	WK2	WK3	WK4	WK5							
	5	+	4	+	3	+	2	+	1	=	15*	5 x 30 = 150
Actual Sales												4 x 25 = 100
per Week:	<u>30</u>		<u>25</u>		<u>19</u>		<u>21</u>		<u>18</u>			3 x 19 = 57
												2 x 21 = 42
												1 x 18 = 18
												<u>367*</u>

367 divided by 15 = 24.47 Average Weekly Sales

WEEKS SUPPLY

The number of weeks the current stock should last based on the computed average weekly sales.

The following fields are used to enter the re-order conditions that must be met to qualify items for replacement.

RE-ORDER HITS

This field indicates the number of times a sale caused the on hand to equal zero. This field is also updated during the United Sales Posting. A number in this field may indicate that the minimum stock quantity should be greater.

VELOCITY CODE

This is a letter code labeling a specific product as a fast seller, slow seller or anything in between. This field is not used by the system at this time.

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Mdse. Replenishment --- ADD

Program: 5xxVR021

Pfkey 1 - Restart

Pfkey 16 - Exit

Store: 01 Central

Dpt: 01 Cls: 001 Vendor: 123456 Style: BOB

Color: Size: Dim:

Short SKU#: 0011001 BOB

QA3 Style: 0002

Reorder Hits	:	0	Lead Time	:	00
# Out of Stock	:	0	Receipt Cnt	:	4
Velocity Code	:	F	PUM	:	01
Repl. Source	:	V (W-Whse, V-Vendor)	Store Rank	:	D
Safety Period	:	1	Last Count Date:		
Minimum Buy	:	10	Tickets Req	:	Y
Minimum Stock	:	50	On Hand	:	4
Maximum Stock	:	100	On Order	:	0
MODEL/CUT #	:		Committed	:	0
Hold Repl. Date	:	10/25/04	In Transit	:	0
Epected Wkly Sls	:	1	Avg Wkly Sales	:	0.5
Minimum Weeks	:	10	Weeks Supply	:	8
Maximum Weeks	:	20			
Auto Update (Y/N)	:	Y			

Record Added to Replenishment File

Press "ENTER" to continue *

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