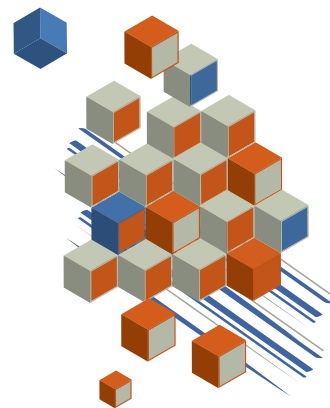




# Inventory Replenishment

**SIMMS** Inventory Management Software 8.0

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# Contents

- Inventory Replenishment . . . . . 1**
- Requirements to Use the Replenishment Manager . . . . . 1**
  - Assign a Default Vendor to an Item . . . . . 1**
  - Assign a Default Location to an Item . . . . . 2**
  - Set an Item’s Minimum On-Hand Quantity. . . . . 3**
- Replenishing Inventory . . . . . 3**
  - List Items for Replenishment . . . . . 3**
  - How SIMMS Calculates an Item’s Reorder Quantity. . . . . 3**
  - Change an Item’s Reorder Quantity . . . . . 4**
  - Change the Vendor for an Item . . . . . 4**
  - Change an Item’s Minimum On-Hand Quantity . . . . . 5**
  - Create a Purchase Order . . . . . 5**
  - View a Purchase Order . . . . . 5**
  - Create a Request for Quote (RFQ) . . . . . 5**
- Viewing Information Related to Replenishment. . . . . 6**
  - View an Items Stock Information . . . . . 6**
  - View Sales Orders . . . . . 6**
  - View the Purchase Orders for Unreceived Items. . . . . 7**
- Kit Builds and Replenishment . . . . . 7**
  - Replenish Insufficient Stock for a Kit Build . . . . . 7**
  - List Kit Components for Replenishment . . . . . 7**
- Batch Processing Replenishment Tasks . . . . . 8**
  - Create Purchase Orders for All Items . . . . . 8**
  - Create RFQs for All Items . . . . . 9**

# 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 that you can maintain economic stock levels without sacrificing customer service levels.

In the Replenishment Manager you create the purchase orders, or request for quotes (RFQ) needed to replenish your depleted stock.

In addition, you have access to the information needed to best determine how much inventory you should order. This includes such details as the quantity of an item on sales orders, items purchased but not yet received, and the quantity of an item in other locations.

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


## Requirements to Use the Replenishment Manager

To replenish a stock item from the Replenishment Manager, your item must have the following assigned to them in the Item Manager:

- A default vendor.
- A default location.

In addition, each item should have a minimum on-hand quantity set for it. If an item does not have a minimum on-hand quantity, 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.

## Assign a Default Vendor to an Item

1. Open the **Warehouse** menu, and then click **Item Manager**.
2. In the **Category** list, select your item's category.
3. In the list of items (leftmost), select the item you want to assign a default vendor to.
4. Click the **Edit** icon .
5. On the **Primary Info** tab, in the **Last/Pref Vendor** list, select your item's default vendor.

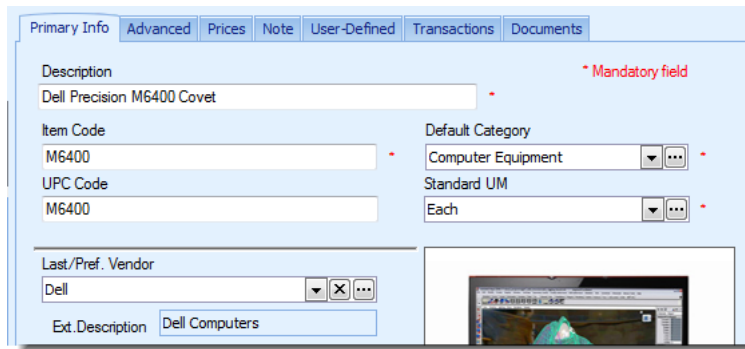



Figure 1: The Last/Pref Vendor is your default vendor.

6. Click the **Save** icon .

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

### Assign a Default Location to an Item

1. Open the **Warehouse** menu, and then click **Item Manager**.
2. In the **Category** list, select your item's category.
3. In the list of items (leftmost), select the item you want to assign a default location to.
4. Click the **Edit** icon .
5. On the **Advanced** tab, in the **Default Location** list, select your item's default location.

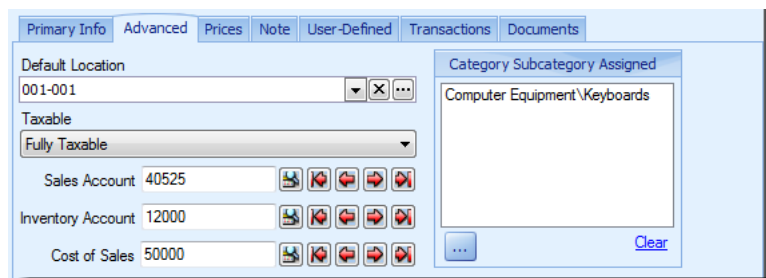


Figure 2: Selecting an item's default location.

6. Click the **Save** icon .

## Set an Item's Minimum On-Hand Quantity

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

1. Open the **Warehouse** menu, and then click **Item Manager**.
2. Click the **Tools** menu, and then click **Item Reorder**.
3. In the **Item** list, select the item that you want to set a minimum on-hand quantity for.
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**.

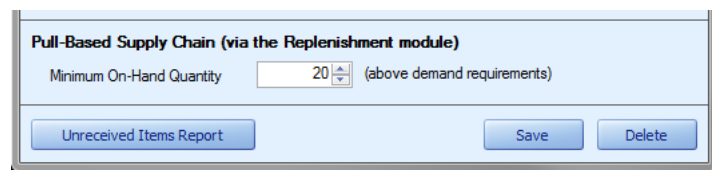


Figure 3: Setting an item's minimum on-hand quantity.

## Replenishing Inventory

The Replenishment Manager is a central location from which you can replenish your depleted inventory. You can replenish your stock by either creating a purchase order or an RFQ.

### List Items for Replenishment

1. Open the **Purchasing** menu, and then click **Replenishment Manager**.
2. Click **Query Data**.

SIMMS lists in the Replenishment Manager all your stock items that need replenishment.

### How SIMMS Calculates an Item's Reorder Quantity

SIMMS calculates an item's reorder quantity and then enters it in the Replenishment Manager's Quantity field. This quantity restores your stock to the level you set as its minimum on-hand quantity.

For example, you set the minimum on-hand quantity for Dell monitors at 40 and you have 15 of these monitors on sales orders. SIMMS generates a reorder quantity of 25.

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

### Change an Item's Reorder Quantity

You can change the reorder quantity SIMMS calculates for an item.

- ◆ In the **Replenishment Manager**, list the items that require replenishment. In the **Quantity** field, type your item's new reorder quantity.

### Change the Vendor for an Item

An item's default vendor is entered in the Vendor field. It is this vendor that is used for purchase orders or RFQs.

1. In the **Replenishment Manager**, list the items that require replenishment. 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. In the **Replenishment Manager**, list the items that require replenishment. For the item that you want to change its minimum on-hand quantity, click in the **Minimum** field, and then click **Reorder Configurator** (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. In the **Replenishment Manager**, list the items that require replenishment. Click the **On PO** check box for the item you want to purchase.
2. In the **Required Date** box, select a date, and then click **Create PO**.

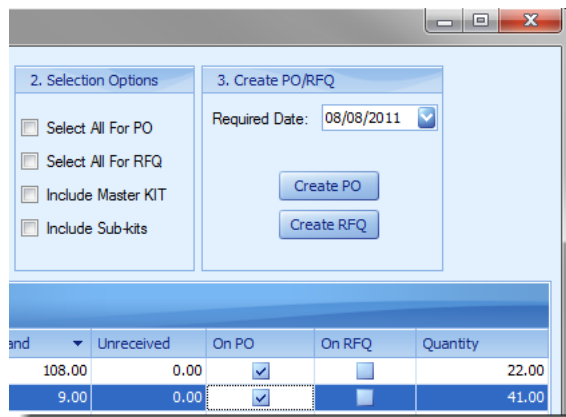


Figure 4: Creating a purchase order to replenish stock.

## View a Purchase Order

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

1. During the same session that you created your purchase order, click **Find POs**.
2. Select your purchase order, and then click **Details**.

## Create a Request for Quote (RFQ)

1. In the **Replenishment Manager**, list your items that require replenishment. Click the **OnRFQ** check box for the item you want to request a quote for.

2. In the **Required Date** box, select a date, and then click **Create RFQ**.

## Viewing Information Related to Replenishment

In the Replenishment Manager you have access to the information related to the replenishment process. This includes the number of unreceived items on purchase orders, the number of items on sales orders, 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.

You can also view related sales orders, purchase orders, and stock information by clicking in the appropriate field and then clicking the corresponding button that displays at the bottom of the window. A button only displays if you 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**.

### 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**.

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

## View the Purchase Orders for Unreceived Items

1. For the item you want to view its purchase order, click in the **Unreceived** field, and then click **View POs**.
2. Select the purchase order you want to view, and then click **Details**.

## 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 build shaded red indicates there is insufficient stock of one of its component items.

### Replenish Insufficient Stock for a Kit Build

1. Open the **Manufacturing** menu, Open the **Kitting (BOM)** submenu, and then click **Build Queue Manager**.

Kit Section		Request Section				Build Section			Build Status	Replenishment
Description		Transaction	Date	Location	Qty	Ord...	Location	Qty	Completed	Kit Demand
Code	UPC	Order ...	Due ...	Mfr. Lot	UM	Date	Mfr. Lot	UM	Action	Add
vtech dect 6.0 handheld		Kit	01/10/2...	002-0001	28.00	189	002-0001	28.00	0%	
VTECH60HND	VTECH60HND	189	01/1...	10/01/2010 ...	Each	01/1...	10/01/20...	Each	Start Build	<input checked="" type="checkbox"/>
Computer Kit		Kit	10/09/2...	001-001	1.00	125	001-001	1.00	0%	
D456778		125	10/0...	09/10/2010 ...	Each	10/0...	09/10/20...	Each	Start Build	<input type="checkbox"/>

Figure 5: Replenishing depleted component items for a kit build.

2. For any kit that is shaded red, under **Replenishment**, in the **Add** field, click the check box to add the kit's component item to the Replenishment Manager.

You can add all depleted items for all kits 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 Kit Components for Replenishment

1. Open the **Purchasing** menu, and then click **Replenishment Manager**.

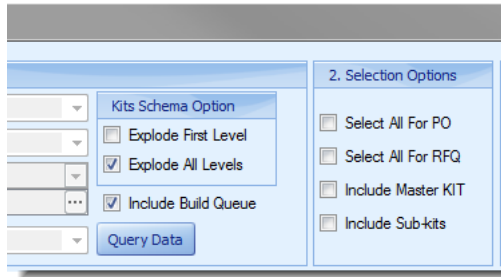


Figure 6: Add depleted items from kit builds to the Replenishment Manager.

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

## Batch Processing Replenishment Tasks

Instead of creating your purchase orders and RFQs for one stock item at a time, you can process them at the same time.

### Create Purchase Orders for All Items

1. In the **Replenishment Manager**, list your items that require replenishment. 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**.

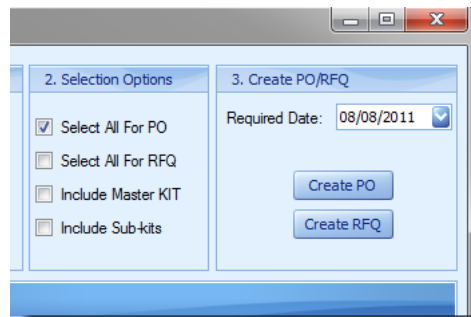


Figure 7: Batch processing replenishment tasks.

## **Create RFQs for All Items**

1. In the **Replenishment Manager**, list your items that require replenishment. 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**.