

How Negative Stock Controls affect RETAIL

Introduction

Retail Catalog Items that come from Stock (Catalog Items can also be non-stock, e.g. Services, etc.) are subject to Inventory Management. In the Inventory Module, there are controls provided, by Stock Item, whether or not Negative Issues are allowed, i.e. whether a Stock Item, by Store, may fall below Zero Quantity. This means that some Stock Items may have Negative Stock strictly controlled, and other Items not.

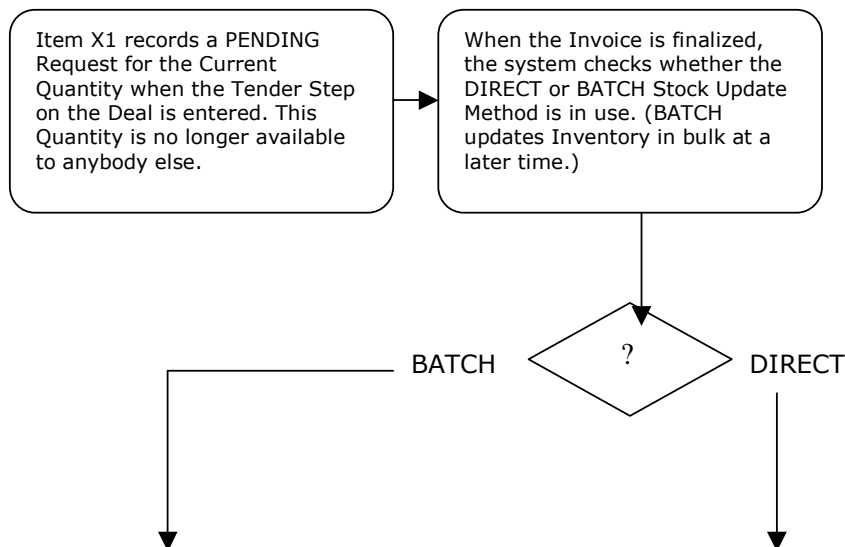
In order to manage and enforce these controls, the system keeps careful track, in real time fashion, of all Stock Requests. The system manages not only the physical Quantity on hand for each Stock Item, per Store, but also records Order Requests, Pending Requests, Reserve Requests and Transaction Requests.

How this affects Retail and Distribution

The Retail Control Parameters may be set to ignore Inventory's Negative Stock Controls, which effectively means that if the Item is physically present, it can be sold and delivered or dispatched, regardless of Inventory's view of the situation. Such an arrangement is feasible in certain Retail Operations, but not in others. If your Retail Operation includes the use of other Management Modules that may Reserve Stock, for instance for Manufacture or Planned Maintenance, then it is not advisable to ignore Inventory's controls. Also, if you want to be able to sell the 'last item' from another Store where there is only 1 left, the system can only ensure this if Negative Stock Controls are enforced, because it will then be able to reserve that Item until it is Collected, Shipped or Delivered, effectively preventing anybody else from selling the same Item in the meantime.

When Retail is set to enforce Inventory Negative Issue Controls, we observe the following steps taken by the system to control Stock Items sold on Retail deals: -

- 1) Items for which sufficient Quantity is available at Point of Sale



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BATCH: The PENDING Request remains in place until the next Stock Batch Update is performed, Inventory is updated with the Sale Quantity, and the Pending indicator is removed.

DIRECT: As soon as the Update Transaction is registered, PENDING is replaced with TRANSQ, meaning that the Transaction Processor will remove TRANSQ the moment it updates Inventory with the Sale Quantity.

2) Items for which sufficient Quantity is available at another Store, but not at the Point of Sale

Item X2 records a RESERVE Request on the Quantity in the Store where it is available, effectively making this Quantity unavailable to anybody else.

At the time that Delivery / Collection / Shipping is effected, RESERVE is replaced with TRANSQ by the Transaction that will update Inventory, and the Transaction Processor removes TRANSQ when updating Inventory.

3) Items for which sufficient Quantity is NOT available

Item X3 records an ORDER Request into the Order Queue.

When Goods Received include the Quantity ear marked for this Deal, Item X3 is accorded a RESERVE Request until further processed.

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