

Inventory Levels Setup

In order to use the **Phase-In**, **Phase-Out**, and **Inventory Levels** systems, there are several setup steps that must be completed.

1. Creating Sources

Parts Purchases -> Setup -> Source Code Setup. You can create as many Sources as you want.

- The **Source Description** column is only for your benefit – the text in that column doesn't affect any programming
- You can have as many Order Pads as you want. When you run **Create a Stock Order**, you are asked which Order Pad to use. By grouping Sources on an Order Pad, you can control your Stock Orders
- **Skip on Stock Order** causes parts in this Source to be skipped when you run Create a Stock Order even if the Source is in the selected Order Pad
- **Skip Phase-In / Phase-Out** causes parts in this Source to be skipped during the Phase-In and Phase-Out routines. For example, you could put parts in this source that you never want to phase-In
- **Lock Description** and **Lock Matrix Price.** These columns cause parts in the marked Source to not have their Description or Matrix / List Price updated when the factory parts master is loaded
- **Phase-In Rule Code, Phase-Out Rule Code, and Inventory Level Rule Code:** You can have as many of each rule as desired. Only one rule can be applied to a Source, but a rule could have multiple criteria (this is covered in more detail below)

2. Setup Phase-In Criteria

Parts Purchases -> Setup -> Parts Phase-In Setup. This is where you set the various criteria that would make a rule fire during the phase-in process.

- **Example:** You could have two lines for **RULE1**. The first line might say **RULE1 / Minimum Sales 3 / Minimum Pieces to Phase-in 6 / Days Reviewed 180**. This would require 3 separate sales (either Repair Order or Counter Tickets), with a total pieces sold of 6 (maybe 4 on one RO, and two counter tickets of 1 each). The second line might say **RULE1 / Minimum Sales 6 / Minimum Pieces to Phase-in 9 / Days Reviewed 270**
- If the Part meets either rule, it would be considered eligible for phase-in

Note: The screen will automatically sort the entries by **Phase-In Rule Code** and **Minimum Sales to Phase-In**. While this makes it easier to keep track of what rules you have, be careful that you haven't wound up on the wrong line while typing.

3. Setup Phase-Out Criteria

Parts Purchases -> Setup -> Parts Phase-Out Setup. This is where you set the various criteria that would make a rule fire during the phase-out process.

- **Example:** You could have two lines for **RULE1**. The first line might say **RULE1 / Minimum Sales 3 / Minimum Pieces to Keep 6 / Days Reviewed 180**. This would require 3 separate sales (either Repair Order or Counter Tickets), with a total pieces sold of 6 (maybe 4 on one RO, and two counter tickets of 1 each). The second line might say **RULE1 / Minimum Sales 6 / Minimum Pieces to Keep 9 / Days Reviewed 270**
- The part has to fail both rules to be eligible for phase-out

Note: The screen will automatically sort the entries by Phase-out Rule Code and Minimum Sales to Keep. While this makes it easier to keep track of what rules you have, be careful that you haven't wound up on the wrong line while typing.

4. Setup Inventory Level Rules

Parts Purchases -> Setup -> Inventory Rules Setup. This is where you set the rule that governs stock levels once a part has been phased-in. You can only have one line per rule.

- **Example:** You could have a line called **LEVEL1 / Minimum Days of Stock (BRP) 10 / Days of Supply to Stock (BSL) 30 / Days of History to Review 180**. If this part had an average daily piece demand of .5, then the system would set the Best Stock Level to $.5 * 30 = 15$ and the Best Reorder Point to $.5 * 10 = 5$. When the stock level dropped to the BRP, the system would reorder enough to get you back to the BSL. So you would only order this in groups of 10. This avoids the problem of reordering one's and two's every week
- There is only one line per Inventory Level Rule

Note: Again, the system will automatically reorganize the entries based on **Rule Code**. Be careful that you are typing where you think you are.

5. Setup Global Dettings

Parts Purchases -> Setup -> Parts Purchase Setup.

- **General -> Phase-in Recency of Sale.** This determines how recently a part must have sold in order to be eligible for consideration during the phase-in routine. A common setting would be **15D** (for 15 Days). So if a part has not sold during the last two weeks, even if it met its rule for phase-in with sales prior to that time, it would not be considered for phase-in. This prevents a part showing up week after week if you have already decided not to phase it in. It will only show up for the number of weeks you decide
- **General -> Never Phase-In Interval.** On the **Item Card -> Ordering** tab, you can specify **Never Phase-in**. This prevents a part from being considered for phase-in regardless of number of sales, Source, etc. When this box is checked, the **Item Card -> Ordering -> Never Phase-In Date** is set. When the **Never Phase-In Interval** expires, the Never Phase-in checkbox is turned off. This allows you to say a part should "never" be phased in, but review the part again after a period of time (say after a new model year comes out, maybe you would want to rethink). A common setting for this value would be 9M (9 months) or 1Y (1 year)
- **General -> Default Source Code.** Instead of having to remember to always go set a Source Code on every part, the system will assign the Default Source Code after the first purchase or sale. The system will only set the Source Code to the **Default Source Code** if the **Item Card -> Ordering -> Source Code** is empty