

Rootstock Software®

Manufacturing Inventory Control



Rootstock Software® provides the breadth and depth of solutions that today's discrete manufacturers need to operate and grow their business. Whether a small operation with five users, or a large organization with many sites and hundreds of users, Rootstock offers a solution for all sizes and types of discrete manufacturers and supports the manufacturing system requirements of Build to Order, Build to Stock and even Engineer to Order Manufacturers – whether standard or actual cost in both a single and multi plant environment.

Rootstock Manufacturing Inventory Control supports a number of business processes relating to the maintenance of item inventories, inventory valuation and planning and setting of item policies such as lead time and MRP planning. Purchase Requisition Maintenance for Direct Material Items is also supported in this module as is a Supply Demand Review (an output of MRP) which illustrates the supply and demand picture with projected on hand balances helpful to a material planner for managing the inventory.

While production items are initially entered in the Production Engineering module, for those that are entered in an active status, the Rootstock Item Master maintenance function will automatically establish Inventory part policies and attributes such as lead times and MRP planning policies and Safety Stock policies as determined by the Inventory

Commodity code assigned during this item master maintenance.

It is important to understand the structure of the inventory information to appreciate all of the tracking of costs and quantities that are maintained. All inventories (quantities) are maintained by Item and Location within a Division and Site.

The Location is both a Location ID and a Location Number (typically a 'row – bin – aisle'). The Location ID is typically a physical location with a plant (such as Stores or Floor Stock). These Location ID's have their own master file and are identified as 'on hand nettable' and 'on hand non nettable' - and MRP will only review inventory that is located in On Hand Nettable locations.

There are additional attributes 'assigned' to inventories and they are as follows:

- *Lot Controlled:* If an item is lot controlled then the Lot Number is set and noted in the "Location Section" field of the Inventory Location record
- *Serial Controlled:* If an item is to be 'serial tracked' which means that any inventory transaction must identify the specific serial number, then this Serial Number is set in the "Location Section" field of the Inventory Location record. If the Item is also Lot Controlled, then this can be so noted in a 'comments' field within the Inventory Location record.
- *Backflush Location:* If an item is a 'backflush' candidate then in the "Location Section" field of the Inventory Location the word 'Backflush' is set to denote such a location type. Lot and Serial Controlled items cannot be 'back flushed'.

In a project control environment it is necessary to also maintain the inventories by project. Therefore an additional piece of information on the Item Location Record is the project.

While the user will maintain the inventories at a Division, Site, Item, Project (if Project Control environment), Location Id, Location Number, Serial (if a Serial Controlled item), Lot (if a Lot Controlled item), Location Section (for Backflush locations), - the system also has additional records containing the quantities (and dollars) by Division-Site-Item and by Division-Site-Item-Project (if Project Control environment).

There are a number of transactions that available to the user to maintain inventories. Some of the inventory transactions available include:

- *Inventory Additions*
- *Inventory Adjustments*
- *Inventory Scrap*
- *Unplanned Issues*
- *Unplanned Receipts*
- *Location to Location Movements*
- *A 'project to project' transfer (in a project control environment)*
- *A dollar adjustment (in a weighted average cost environment)*

In a weighted average cost system, the user will need to note the unit costs on an inventory addition while in a standard cost system the costs are not on specified on the transaction by the user.

As noted earlier there is a Supply Demand Review (also termed Requirements Analysis) that is available for each item. This Requirements Analysis presents the supplies (work orders, purchase requisitions, purchase orders) and demands (customer orders and forecasts, work order demands, subcontract requisition and subcontract purchase order demands) in due date sequence with an associated projected on hand balance. The planner can review this supply and demand picture on line and it is helpful in managing reschedules and review of shortage conditions.

Purchase requisitions are also maintained through Inventory Control. The material planner can add requisitions within this module and then once the requisitions are approved they can be converted to Purchase Orders within this module. MRP generates planned requisitions. Planned requisitions must be changed to firm status prior to their being approved.

Another benefit provided by the Inventory control module is the Audit Trail Inquiry. An audit trail is generated for every material movement and labor transaction. The Audit Trail Inquiry can be used to track the historical view of an item's increments and decrements to inventory or the cost associated with determining the inventory balance.

About Rootstock Software®

Rootstock Software® is the leading Software as a Service (SaaS) provider of manufacturing enterprise software serving discrete manufacturers in the mid-market. Rootstock Software® was launched in 2008 in response to the growing need for a SaaS solution for mid-market manufacturers to cut costs, improve processes, and drive revenues. Rootstock is a premier partner with NetSuite Inc, a leading vendor of on-demand, integrated business management software suites for the mid-market enterprise and divisions of large companies. Rootstock and NetSuite deliver these critical manufacturing capabilities to the underserved mid-market with minimal IT infrastructure investment. For more information, please visit <http://www.rootstocksoftware.com>.