

# Making it Count: Best Practices for Running Physical Inventory

**Mike Atherton, xTuple DC**

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# Best Practices

- ▶ Goal: eliminate physical counts
- ▶ Goal: never post cycle counts
  - ▶ Actual Count = System Count
- ▶ Always use Count Slips
  - ▶ Tightest level of control
  - ▶ Critical when items in Site are in multiple locations
  - ▶ Required with Serial Number/Lot/Location control
- ▶ Generate 30 Cycle Counts each day (as random as possible)



# Two Types of Counting

- ▶ **Physical Inventory**
  - ▶ Count all items in a Site
  - ▶ Including inactive items
  - ▶ Filters are better used in Cycle Counting
- ▶ **Cycle Counts**
  - ▶ Count subset of items (generate specific number of counts)
    - ▶ Maximum Number of Tags to Create
  - ▶ Best to generate a fixed number of daily counts



# Cycle Counting: Misunderstood

## ▶ Purpose of Cycle Counting

### ▶ What it is not:

- ▶ A means of achieving inventory accuracy

### ▶ What it is:

- ▶ A means to validate inventory accuracy

### ▶ Goal:

- ▶ Generate Cycle Counts each day where the actual count matches system inventory
- ▶ Soooooo, if you are really good you never have to post your inventory counts



# Some Terms

## ▶ Count Tag

- ▶ A unique count that appears on the Count Tag Edit List report
  - ▶ Represents a single Site/Item count
  - ▶ Quantity is “four wall”
    - ▶ Site/Item/QOH

## ▶ Count Slip

- ▶ A unique count for the specific Site/Item/Location and/or Lot Serial Number
  - ▶ Ties back to a Count Tag number on the Count Tag Edit List
  - ▶ Required for Location and Lot Serial controlled items
  - ▶ You can count non-location, non-lot serial controlled (Regular control) items with Count Slips
  - ▶ You **MUST** count location and lot/serial controlled items with counts slips

# Some Terms

## ▶ Count Slip

- ▶ Unlike the Count Tag, there is no report definition for Count Slips
  - ▶ Represents a single Site/Item count
  - ▶ Quantity is “four wall”
    - ▶ Site/Item/QOH
  - ▶ Buy them at Staples / Uline / Grainger

## ▶ Best Practice

- ▶ Use Count Slips for everything
- ▶ Site can be set to “Force the use of Count Slips”

# Some Terms

## ▶ Freeze Inventory

- ▶ Set on counts when count created
- ▶ Thawed when count is posted
  - ▶ MAKE SURE the “Thaw Frozen Inventory” is check on Post Count Tags
- ▶ Freezes QOH when the counts are generated
- ▶ Tracks activity during the period between freeze and thaw
- ▶ Activity is netted against the quantity posted when thawed

## ▶ Best Practice

- ▶ There is not one for freezing
- ▶ Consider not freezing and cycle counting when there is little inventory activity



# Other Consideration

## ▶ Cycle Count Frequency

- ▶ Determines how often an item is ELIGIBLE to appear on a Cycle Count
- ▶ Be careful
  - ▶ All items set to 10
  - ▶ 5000 items in the DB
  - ▶ It will be years between cycle count appearances for each item



# Contact

**Mike Atherton**

**xTuple Evangelist & Director of Training**

**[Mike@xTuple.com](mailto:Mike@xTuple.com)**

