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Warehouse and Production Management

React to Change Based on Facts And Real-Time Insights

Inventory represents one of the largest expenses for many small and midsize businesses. Balancing accurate inventory management with cost-effective production is crucial for delivering on promise and keeping customer satisfaction high. The SAP Business One® application offers best-practice functionality to help you meet your inventory and production management requirements.

In order to improve on-time delivery and reduce shortages without maintaining surplus inventory, businesses need an integrated application to manage inventory accurately across multiple warehouses and locations. The application should provide a number of inventory valuation models and support consignment and drop shipping. It should facilitate core production planning, including material requirements planning and production orders management, and provide multiple types of bills of materials (BOMs). It should give you real-time access to accurate information on inventory and production orders from your desktop or mobile device, whether you are in the office, at the warehouse, or at a remote location.

SAP Business One provides exactly this kind of support, and powered by the SAP HANA® platform, it provides the latest in in-memory computing technology at a price you can afford. Available in the cloud or on premise – the choice is yours.

Optimised Inventory and Production Processes

The SAP Business One application helps streamline your inventory and production management processes. It can help manage detailed warehouse data, optimise stock locations, track and record stock movements, and execute production orders (see the table on next page).

The software's warehouse and inventory management features provide reliable information about inbound and outbound shipments as well as current inventory levels so you can cost-effectively manage your supply chain and increase customer satisfaction. You can keep track of product inventory, quantity at each warehouse, movement history, and stocking status from your desktop or mobile device.

An integrated application, SAP Business One reliably synchronises your inventory, order, and financial accounting data. The software automatically values each good's movement, cost and price change, eliminating any need for manual interaction and reducing associated errors and their costs.

Using the application's integrated production functionality, you can manage various types of BOMs and link your warehouses with your order processing and production operations. Additionally, you can plan material and resource requirements for multilevel production processes and maintain an optimum level of inventory.

WAREHOUSE AND PRODUCTION MANAGEMENT FEATURES IN SAP BUSINESS ONE®

Warehouse and Inventories	Stock Movements	Production and Material Requirements Planning
Manage inventories in multiple warehouses and locations using FIFO, moving average, serial or batch, or standard costing; perform available-to-promise checks.	Record goods receipts and goods issues, and track stock transfers between warehouses.	Create and maintain multilevel bills of materials (BOMs) containing items, resources (capacity), and text (instructions).
Maintain multiple units of measure and item prices in local and foreign currency.	Enable consignment, drop shipping, and back-to-back orders.	Issue and release production orders manually and by back flush.
Manage inventory by bin location in warehouses.	Use the pick-and-pack manager functionality to fill deliveries.	Plan material requirements using the material requirements planning wizard.
Generate comprehensive item list, transaction, and valuation reports.	Perform inventory and cycle counts.	Globally maintain prices for BOMs.

SAP Business One®

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Sophisticated Inventory Tracking And Costing

SAP Business One provides comprehensive support for inventory tracking and valuation. It supports multiple unit types, so you can purchase and sell your inventory in different units – such as buying in cases and selling in individual bottles. You can set up warehouses in zones, managing inventory by its bin location in each warehouse.

The application lets you create an unlimited number of price lists, integrate multiple currencies, preassign prices to specific customers, and define discount rules that are automatically applied to transactions with vendors and customers. Special pricing tools allow you to manage discounts based on volume, cash, or customer accounts.

The software supports both serial and batch number management. You can generate and assign serial or batch numbers to items received from vendors and draw from available batches when items are released. You can integrate bar coding to pick or transfer items between locations.

Costing methods – such as FIFO, moving average, serial and batch, and standard price – are fully integrated to give you a deep understanding of your item costs, letting you accurately define prices and item discounts.

Comprehensive Available-To-Promise Functionality

With SAP Business One, you can perform instant availability checks and track item stock levels with real-time visibility of the inventory you have "available to promise." The software provides you with quantity details, adjusted by what is already committed to other customers, incoming purchases, and production orders.

Thanks to the power of SAP HANA, available-to-promise (ATP) checks occur in real time. You can propose new delivery schedules, control delivery quantities, and reschedule deliveries on the fly. And before you put your plans in action, you can simulate the impact of any planned adjustment.

The ATP function takes into account items that move inventory out of your warehouse, such as:

- Sales orders with positive quantity
- Accounts receivable reserve invoices with positive quantity
- Inventory transfer requests
- Production orders
- Purchase orders with negative quantity
- Accounts payable reserve invoices with negative quantity

With the power of SAP HANA, SAP Business One lets you simulate the impact of schedule adjustments before you put plans into action.

Efficient Management of Stock Movements

SAP Business One records goods receipts and issues in any warehouse and allows you to track your stock transfers from one warehouse to another. The application can integrate individual item prices or price lists, updating inventory valuation at the same time. It also fully integrates inventory and accounting transactions. As a result, when stock levels are adjusted, inventory accounts are immediately credited or debited, and applicable inventory variances are accounted for as soon as a stock movement is posted.

The pick-and-pack manager function lets you create pick lists rapidly and pull the listed items from the inventory. You can perform cycle counts while orders are received and shipped, so business activity does not have to be delayed to perform stocktaking. If the cycle count shows a level below the minimum stock point or a stock level discrepancy, the software notifies those in designated roles and purchasing managers.

The inventory count functionality allows you to record initial quantities, perform inventory tracking, and post stock differences by warehouse, item, vendor, or any custom-defined property. Stocktaking forms are generated and printed using the print layout designer or the SAP Crystal Reports® software in SAP Business One.

BOMs and Production Orders

SAP Business One supports all your basic requirements for production activities by enabling you to manage BOMs, production orders, and material requirements accurately and efficiently.

The application simplifies the definition and management of BOMs for production, assembly, and sales. In addition to items, you can include resources in all BOM types. A resource might be equipment, enabling you to record capacity, or text, such as specific instructions. For example, with a production BOM, you can document the type, quantity, and price of materials needed to manufacture the final products; the key resources needed; and specific routing instructions as well as quantity available.

Once BOMs have been defined, production orders can be created and released. Component and resource needs, costs, and materials availability are automatically added to your work orders. This provides for accurate allocation of raw materials and resources to products and support for volume control.

You can initiate and track the production process and move the materials used in the process through your organisation. For example, once a production order is released to the shop floor, SAP Business One can automatically issue transactions for components needed to produce the parts.

Material Requirements Planning

Through the material requirements planning (MRP) functionality in SAP Business One, you can maintain an optimum production plan for multilevel production processes. This support replaces informal, ad hoc production scheduling with a structured process using data from various sources to create an accurate picture of your production and supply chain.
It adds resource information to requirements planning so you can incorporate machine capacity.

Sources of data include:
- Bills of materials
- Inventory data
- Input from scheduled production and purchase orders
- Demand derived from actual and forecasted orders

Using the MRP wizard, you can specify timelines, stock, and data sources to be considered in planning. SAP Business One uses this data to make recommendations concerning your material needs – what you'll need and how much and when, as well as your resource needs. Once these recommendations are reviewed, you can generate the production and purchase orders needed to manufacture a final product in the quantity and time specified by the production schedule. This takes into consideration all requirements for product components and resources.

The software also helps you plan the purchase of non-BOM items based on sales forecasts, minimum and maximum quantity levels, and demands made through the warehouse.

Production and Warehouse Reports

Reporting functionality in SAP Business One, including SAP Crystal Reports software, supports the generation of a comprehensive set of reports to meet your warehouse, inventory, or production management reporting needs. You can choose from a variety of report formats – including PDF, Microsoft Word, and Microsoft Excel – to display as standard reports or compile report information into dashboards. Detailed reports on stock transactions and inventory valuations, inventory counts, BOMs, production planning, and material requirements provide the information necessary to make quick and effective management decisions. And with interactive
drill-down functionality, you can click through relevant data and get answers quickly.

Thanks to the speed of SAP HANA, SAP Business One gives you powerful reporting functions that enable data-intensive analyses to be run in seconds. Ad hoc reporting features let employees run through what-if scenarios leveraging the familiar Microsoft Excel interface, no longer needing the assistance of IT or a consultant.

Out of the office? No problem. A wide range of reports and dashboards are available on the SAP Business One mobile app.

Benefits of an Integrated Solution

SAP Business One helps you streamline your inventory and production management processes to optimise operational efficiency and productivity. With the software that can be deployed on-premise or in the cloud, you can manage detailed warehouse data, track and record stock movements, and execute production orders accurately and efficiently.

With the visibility SAP Business One provides across key functions of your business, you can reduce shortages without needing to carry surplus inventory, thus reducing inventory costs while improving customer service.

Because it's an integrated application, it reliably synchronises your warehouse management, production, sales, and financial accounting data.

It automatically values every goods movement and cost and price change, eliminating the need for manual interaction with its associated errors and costs.

The software's MRP feature helps you plan material requirements for complex, multilevel production processes and maintain an optimum inventory level. Incorporation of resource data into BOM data provides insight into production requirements, improves production costing and accounting, and can help identify bottlenecks.

Data is updated in real time, so the reporting functions yield accurate insights, enabling you to meet customer demand and expectations.

Summary

Accurate inventory management and cost effective production is crucial to an organisation's ability to deliver on promise. Inventory and production management tools in the SAP Business One® application help manage detailed warehouse data, track and record stock movements, and plan and release production orders based on your material requirements planning.

Objectives

- Manage inventory across multiple warehouses and locations
- Track and record stock movements
- Ensure raw materials and parts are ordered and available for production when needed
- Avoid shortages and ensure timely delivery without maintaining surplus inventory
- Access real-time, accurate information from your desktop or from your mobile device

Solution

- Inventory management based on diverse costing models
- Support for multiple units of measure and pricing, goods receipts, and tracking of stock transfers
- Enablement of consignment and drop-shipping orders
- Efficient management of bills of materials and material requirements planning
- User-friendly, up-to-date reporting

Benefits

- Greater efficiency through automated processes
- Improved customer service thanks to on-time delivery and fewer shortages
- Lower inventory costs
- Keener business insight

About Seidor

Seidor is the No. 1
SAP Business One Partner in Africa.

Seidor is Africa's most awarded SAP Business One partner, SAP PartnerEdge Gold status, SAP EMEA Pinnacle Award Winner, SAP Business One Africa Partner-of-the-Year 2005-2011, SAP Business One Africa Retail Partner award 2013-2014 and SAP Business One VAR of the year 2105.

Our 150+ staff service more than 280 customers across the continent through full service branches in Johannesburg, Cape Town, Durban, Nairobi, Dar es Salaam, Lusaka and Ebene, and our extensive business and technology partner network enhances our reach and capacity.

Used by more that 55,000 customers around the world, SAP Business One brings sales, financial management, banking, purchasing, manufacturing, inventory management, service and customer relationship management together in one flexible, responsive system.

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