AssetWORKS

Physical Inventory Management

Quick Guide

Version 24.x
Last Modified 24.0 | March 2024

Technical Support

AssetWorks provides several ways to connect with the Customer Support team. Be prepared to provide detailed information to the representative. If you are reporting an issue by email, include screen shots of your problem. This will provide the Customer Support representative with the information needed to respond quickly and effectively.

Customer Support is available Monday through Friday, 7:00 a.m. to 7:00 p.m., Eastern Time.

Telephone: 1-610-225-8300

Email: M5Support@AssetWorks.com

Website: Community.AssetWorks.com

The support website can be used to open issues, subscribe to user groups and download documentation, as well as to access the latest AssetWorks news. For secure access to the website, contact Customer Support by calling the number above.

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Contents

Summary **1**

1. System Settings **2**

System Flags 2

Role Privileges 2

2. Data Setup **3**

Cycle Count Codes 3

ABC Class Codes 4

Part Inventory Parameters 8

3. Workflow ..... Error! Bookmark not defined.

Create Count 10

Physical Inventory Manager 12

Create Count Sheet 13

Enter Count 14

Variance Report 15

Adjust Inventory 17

Viewing Results 19

Updates **20**

Summary

This quick guide is intended to provide an overview of the M5 Physical Inventory Process. Controlling the accuracy of parts inventory is a very important system function. Organizations have several options available to identify and track the parts that will be included in physical inventories:

- Cycle Counts
- ABC Classifications
- Part Specific Data

In addition to the available methods for conducting the inventory process, this guide will cover the system settings, data setup, and workflow required for the module.

System Settings:

- System Flags
- Role Privileges

Data Setup:

- Cycle Count Codes
- ABC Class Codes
- Part Inventory Parameters

Workflow

- Physical Inventory Manager
- Create Count Sheet
- Enter Count
- Variance Report
- Adjust Count

1. System Settings

Various settings will have a direct impact on functionality and how the system will behave in certain scenarios.

For the Physical Inventory Module, the primary system settings that will drive functionality are system flags and role privileges.

System Flags

System Flag 2020 – Close-part Inventory (Y) or Open-part Inventory (N) – This flag indicates whether the Physical Inventory process will be performed using an Open or Closed parts room scenario, i.e. will the user allow parts to be issued and processed while the Physical Inventory process is going on?

System Flag 5038 – Update ABC Class codes to the Part Inventory Location frame? (Y/N) – If the user sets the flag to Yes, then the ABC Class codes will be updated at the location level by the running of the PINVMM process (via EOP) following the Physical Inventory count.

System Flag 5059 – Upload Physical Inventory Count? – This flag indicates if a remote processing device will be used to upload data from handhelds in the physical inventory process.

System Flag 5132 – Physical Inventory Count Sheet line items (9 to 20) – Choose the amount of line items per page for a Physical Inventory count sheet. Value range is between 9 and 20 inclusive.

Role Privileges

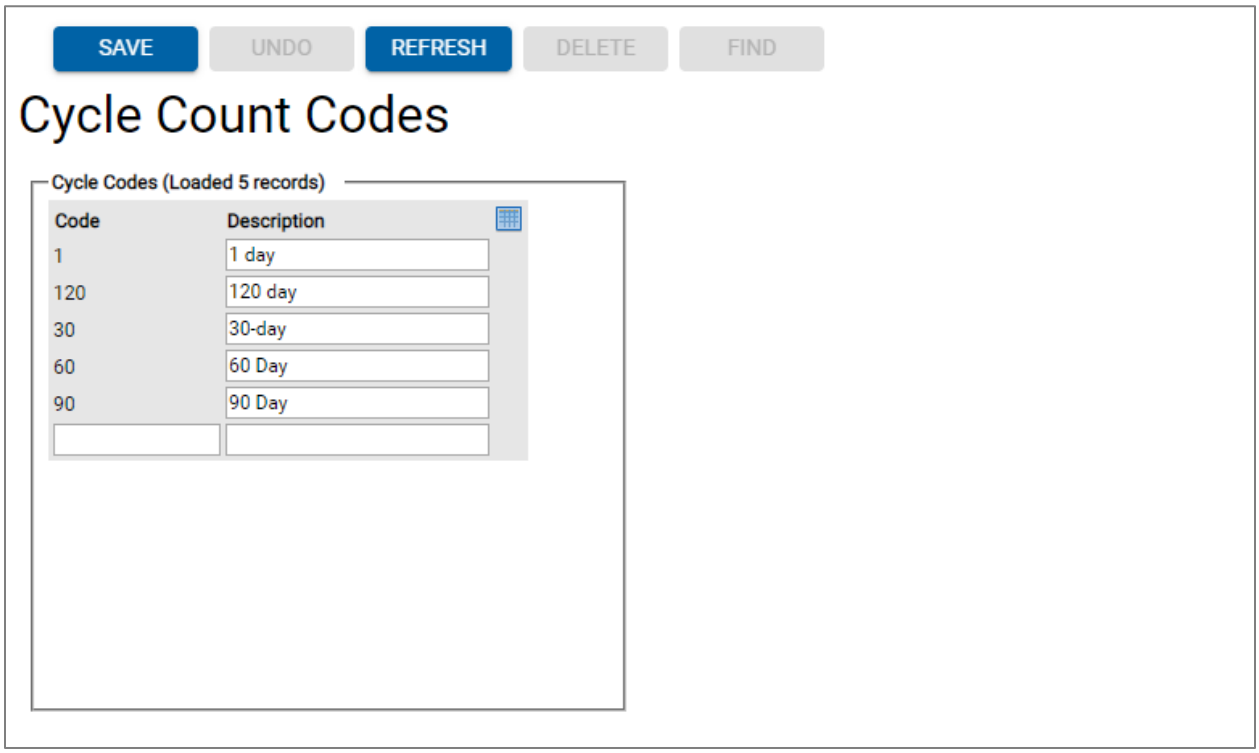
INV CYCLEDATE SPREAD – Allows a user to spread physical inventory cycle count dates.

MOBILE – PHYS INVTRY – Allows a user to perform physical inventory activities via a mobile device.

UPDATE PART INVENTORY – Allows the user to update part inventory.

2. Data Setup

Cycle Count Codes



The Physical Inventory has a selection criterion called Cycle Count Date. This selects all parts whose next physical inventory count date falls on the Monday that is earlier than the present date plus five days (essentially, it is assumed that users will run their cycle counts once per week).

A column exists on part_inv_loc for the last cycle count date (lt_cycle_dt). It can be the date the part was last counted as part of a cycle count, but it is primarily used as the baseline from which to calculate the next cycle count date for the part.

For parts that are part of a cycle (cycle_count_days > 0), the next_phy_dt function uses lt_cycle_dt, not lt_phy_dt to get the next PI cycle count date.

You will need the following authorization to use the functionality that allows the setting of the baseline date/next PI count date on the ABC Class frame: **INV CYCLEDATE SPREAD**.

To create a code, enter a unique code in the Code field along with a description for the code. Typically, these codes will be measured in terms of days.

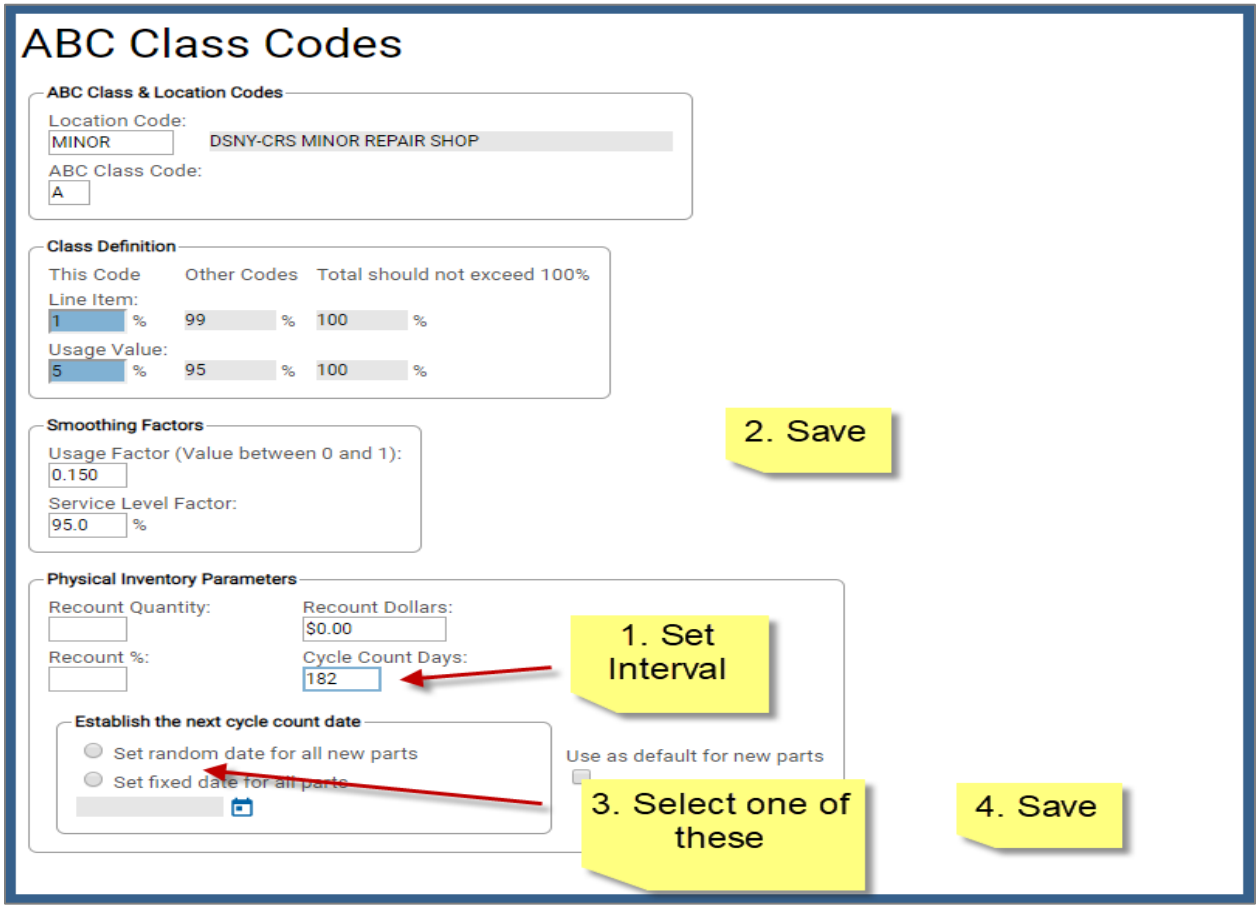
For example:

90	**90-Day Count**
120	**120-Day Count**

When finished, select the SAVE button.

ABC Class Codes

The ABC Classes must be configured for every part that you want included in the weekly cycles. Each part must be assigned to an ABC Class and the ABC Class code requires some configuration.



1. Set the cycle interval:
    a. If you want each part at this location that is a class “A” part counted every 6 months, then set the interval to 182 as shown in the example.
    b. If you want each part counted once a year, then set the interval to 365. You can use any interval.
2. Save settings. 0
3. There are two options here, but the “set random date for all new parts” must be selected when you are initially creating a cycle.
4. Save settings:
    a. After saving, the radio button selected will revert back to being unchecked. This save will set the initial cycle date (column lt_cycle_dt on table PART_INV_LOC) on all the parts at this location (“MINOR”) in this class (“A”).
    b. It will disperse the dates across all parts evenly over the length of the interval.
    c. For example, you have 156 stock class “A” parts at this location and the interval is 365 days. There’s 52 weeks a year, so three parts will be slotted into each week randomly, 52 times 3 and that accounts for all 156 parts.
5. Do this one time for all inventory locations and classes that you want to activate cycles for.
6. Setting a fixed date for all parts:
    a. If you select the "Establish fixed date for all parts in this class" option will prompt the user for a specific date to set all parts in the specified location and class, regardless of whether the part has a "next count date" or not.
    b. User must enter a future Monday. You always enter the next PI cycle count date you want to set for all of these parts.
    c. Using this option will cause all the parts to be selected on the same week as the date you just entered.
    d. Using this option does not create evenly dispersed cycles throughout the year.

More on ABC Class Codes

ABC Class codes are user-defined inventory movement codes assigned to stock parts used to indicate slow, medium, and fast-moving parts for the purpose of reordering those parts, specifically this pertains to ‘automatic’ reordering. If you are using the ‘manual’ reordering option, ABC Class Codes will not need to be setup unless you want to use them to help control Physical Inventory Counting.

ABC Class Codes are setup at the inventory location level, meaning each location designated as an inventory location will have its own set of ABC Class Codes.

M5 supports up to 36 ABC Class Codes, but for the purposes of this example, we will use A, B, and C.

Create a New ABC Class Code

Type in a valid inventory location in the Location Code field. Enter in a code, for example A, B, or C. This field has a limit of one character.

Traditionally, an ‘A’ part would indicate the most important parts, the high value parts. In a traditional model ‘A’ parts account for a large portion of the overall value but a small percentage of the total count of stock parts moved out of inventory.

Ultimately, it is up to the organization to decide how they wish to implement the ABC Class Codes and which codes will indicate which type of value to the organization.

Class Definition Section

The values entered in this section will designate the importance of each ABC Class Code for the inventory location.

- **Line Item** – This value is based on count. It will reflect the percentage of all parts being moved, such as, transferred or issued, out of inventory for the location.
- **Usage Value** – This value represents the percentage of the total amount of money spent on the parts moved out of inventory, such as everything issued or transferred at the inventory location.

Here is an example of ABC Class Coding with A parts as the highest value parts:

- ‘A’ Parts – 20% (Line Item) of parts moved for 70% (Usage Value) of the total value of the parts moved.
- ‘B’ Parts – 30% (Line Item) of parts moved for 25% (Usage Value) of the total value of the parts moved.
- ‘C’ Parts – 50% (Line Item) of parts moved for 5% (Usage Value) of the total value of the parts moved.

Another example of ABC Class Coding with A parts as the most frequently moved parts:

- ‘A’ Parts – 70% (Line Item) of parts moved for 10% (Usage Value) of the total value of the parts moved.
- ‘B’ Parts – 20% (Line Item) of parts moved for 25% (Usage Value) of the total value of the parts moved.

- ‘C’ Parts – 10% (Line Item) of parts moved for 65% (Usage Value) of the total value of the parts moved.

There should be an inverse relationship between the Line Item and Usage Values at the high and low ends, and your middle codes, such as, ‘B’ parts in this example, should have values much closer to each other.

Note: These values for both Line Item and Usage Value for all ABC Codes MUST add up to 100%.

Smoothing Factors Section

The ABC Class also has two “smoothing” factors that will be factored into the automatic reorder calculation.

- **Usage Factor** – Value of how much the calculated usage can bend the forecast. As an example, a part is order exactly ten times a month for two years. The forecasted usage for next month will also be to use ten parts. But what should the forecasted usage be if zero parts are used for the month? If the usage factor is 10%, then the forecasted usage will be bent 10% towards the actual usage.

- **Service Level Factor** – When a part is needed, what percentage of the time should it be in stock? Parts of the highest importance should have higher service levels. For example, ‘A’ parts might be expected to be in stock 95% of the time when one is needed. There is a cost associated with establishing high service levels in that more parts needing to be on the shelf “just in case”, will drive up inventory costs.

Physical Inventory Parameters Section

Physical Inventory Parameters can also be setup for ABC Class Codes that will be associated with parts that are designated with the ABC Class Code.

- **Recount Quantity** – If a count is off by this number, it triggers a recount.

- **Recount Percentage** – If a count is off by this percentage, it triggers a recount.

- **Recount Dollars** – If a count is off by this amount of money, it triggers a recount.

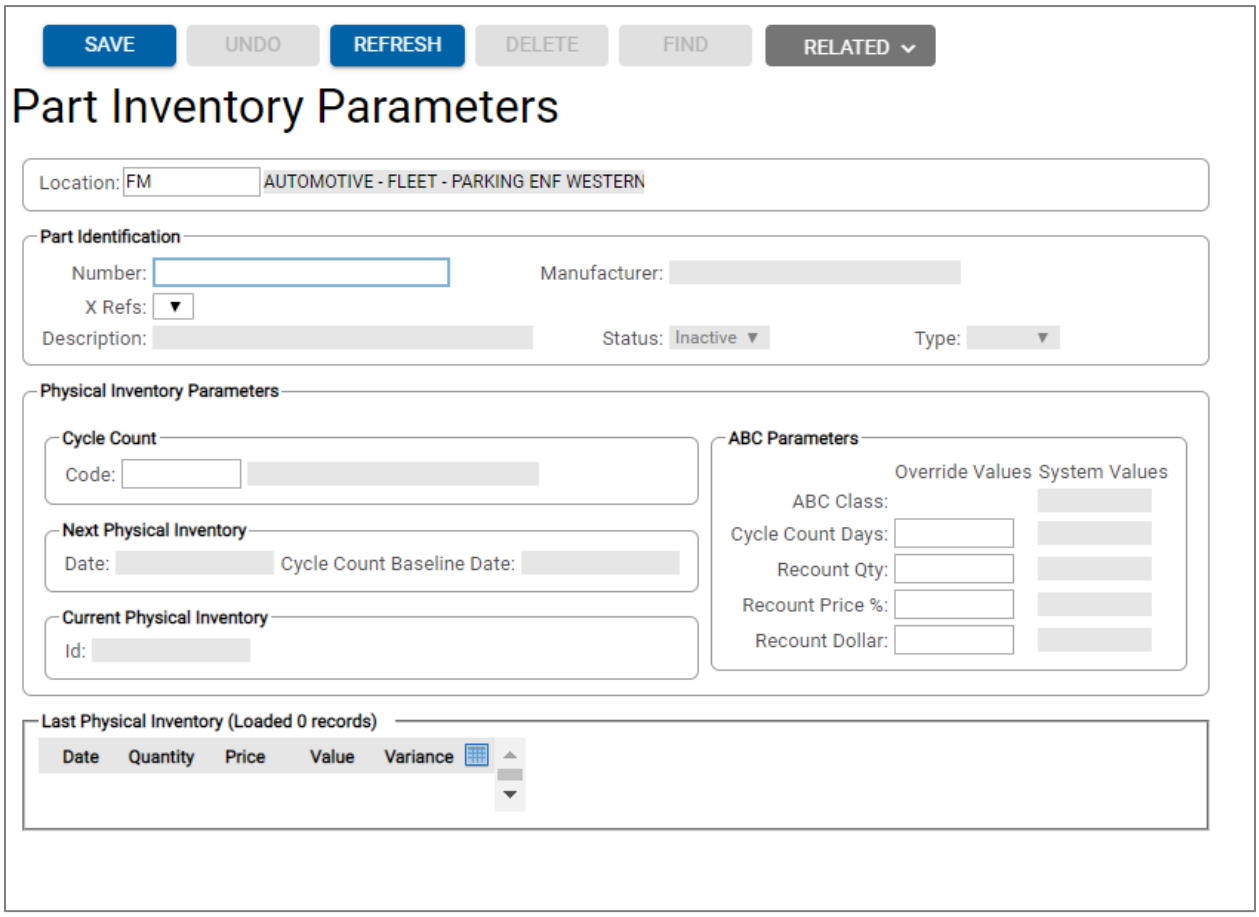
- **Cycle Count Days** – Selects the parts to be counted based on a particular number of days since the last part was counted. For example, a 7 in this field would mean that if a part has not been counted for seven days it would be included in the next count.

These values will carry over to the Part Inventory Parameters frame for individual parts designated with the ABC Class Code.

Establish Next Cycle Count Date

- **Set Random Date for All New Parts** – Select the radio button to set a random cycle count date for new parts.
- **Set Fixed Date for All Parts** – Select the radio button to set a fix date for the next cycle count.
- **Use as Default for New Parts** – Select the checkbox to use these physical inventory parameters for new parts with this ABC Class Code at this location.

Part Inventory Parameters



The Part Inventory Parameters frame allows you to view and modify the Physical Inventory parameters for a particular part. These parameters determine how parts are counted during a physical inventory.

To view or modify the parameters for a specific part, start by entering the inventory location of the part in the Location field at the top of the frame.

Part Identification

- **Part Number** - Enter the part number from Part Main here; the part must be a valid part at the inventory location selected. You can double-click in the field to select a part from the list of values (LOV).
- **X Refs** - This field automatically displays any cross references for the part.
- **Description** - Read-only. The description automatically displays with the value from Part Main.
- **Manufacturer** - Read-only. Part Manufacturer automatically displays the value from Part Main.
- **Status** - Active/Inactive. Read-only value from Part Main.
- **Type** - New/Used/Rebuilt. Read-only value from Part Main.

Physical Inventory Parameters

- **Cycle Count** - A Cycle Count is one method for collecting physical inventory counts. Cycle Count Codes determine how often a physical inventory count is performed on a specific part. Enter a code or double-click in the field to select one from the list of values (LOV).
- **Next Physical Inventory Date** – Read-only. Date of the next scheduled physical inventory.
- **Cycle Count Baseline Date** - Used as the baseline to schedule future counts.
- **Current Physical Inventory ID** - If the part is currently part of an existing Physical Inventory, that ID will display in this field.

ABC Parameters

ABC Class codes are user-defined inventory movement codes assigned to stock parts used to indicate slow, medium, and fast-moving parts for the purpose of reordering those parts, specifically this pertains to ‘automatic’ reordering.

If you are using the ‘manual’ reordering option, ABC Class Codes will not need to be setup unless you want to use them to help control Physical Inventory Counting.

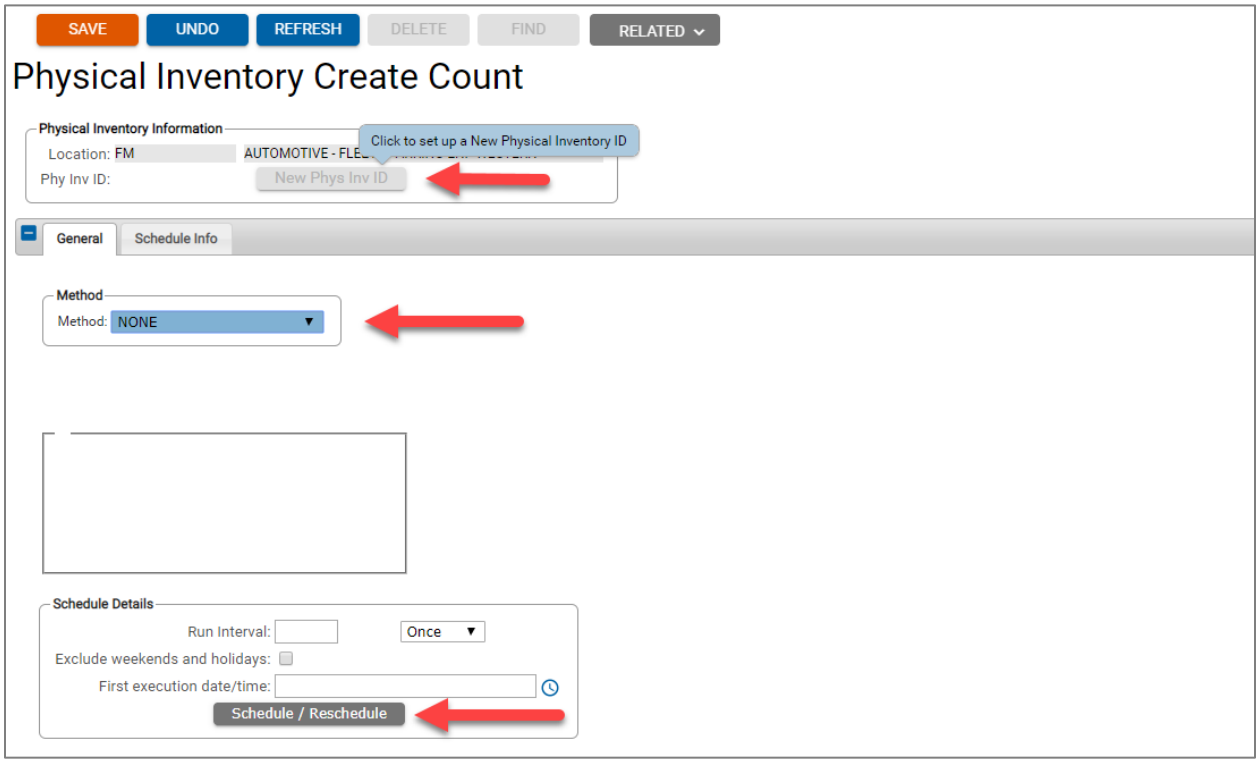
The System Values will populate automatically if the part has valid ABC Class Code assigned on the Part Inventory Location Manager frame (Reorder tab). You can enter Override Values if necessary.

For a more in-depth explanation of ABC Codes, see ABC Class Codes section above.

Last Physical Inventory

This section will display the data from previous Physical Inventories involving the part. Each record lists the Date, Quantity, Price, Value, and Variance for the part.

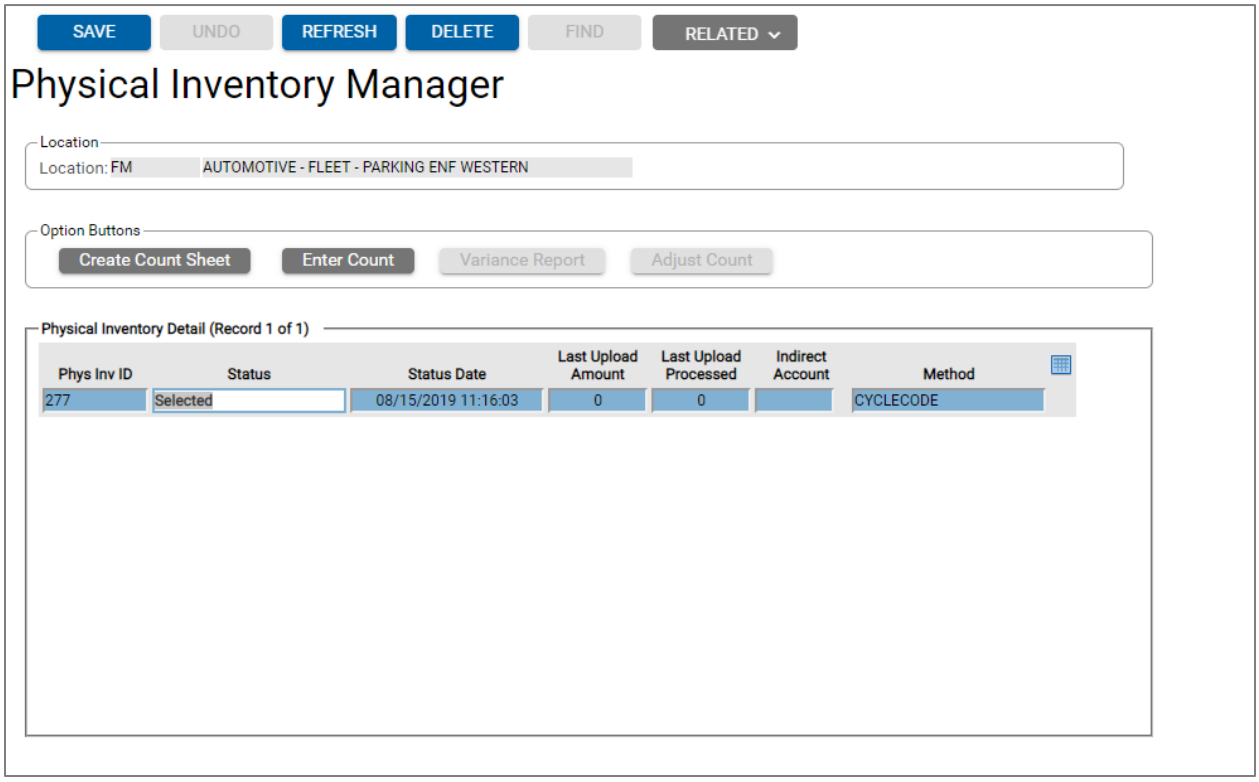
Create Count



Location	The location where the physical inventory will be conducted.
New Phys Inv ID Button	Select this button to create a new physical inventory.
Method	The different methods to conducting the physical inventory are: bin, cycle count days, ATA system, ATA component, cycle code, part number, seasonal, unit cost, and value amount.
Options	Depending on what method chosen the options to select are all, specific and range. If the options for specific and range are selected, the range or specific selections must be entered as the next step.
Reselect Flag	Reselect parts are counted within cycle? If cycle counting is being used, if this flag is set, the parts will be included in this count.

Count Sheet Sort by:	The count sheets can be sorted by bin or part number.
Counts	After the user saves, the count information will be displayed which shows part line count, part item count and value of the inventory to be counted.
Run Interval	Enter a value if using options other than *once*.
Exclude Weekends and Holidays	Select the checkbox to exclude weekends and holidays in the count.
First Execution Date/Time	Date/Time of first execution
Schedule/Reschedule	Select this button to schedule the physical inventory.

Physical Inventory Manager



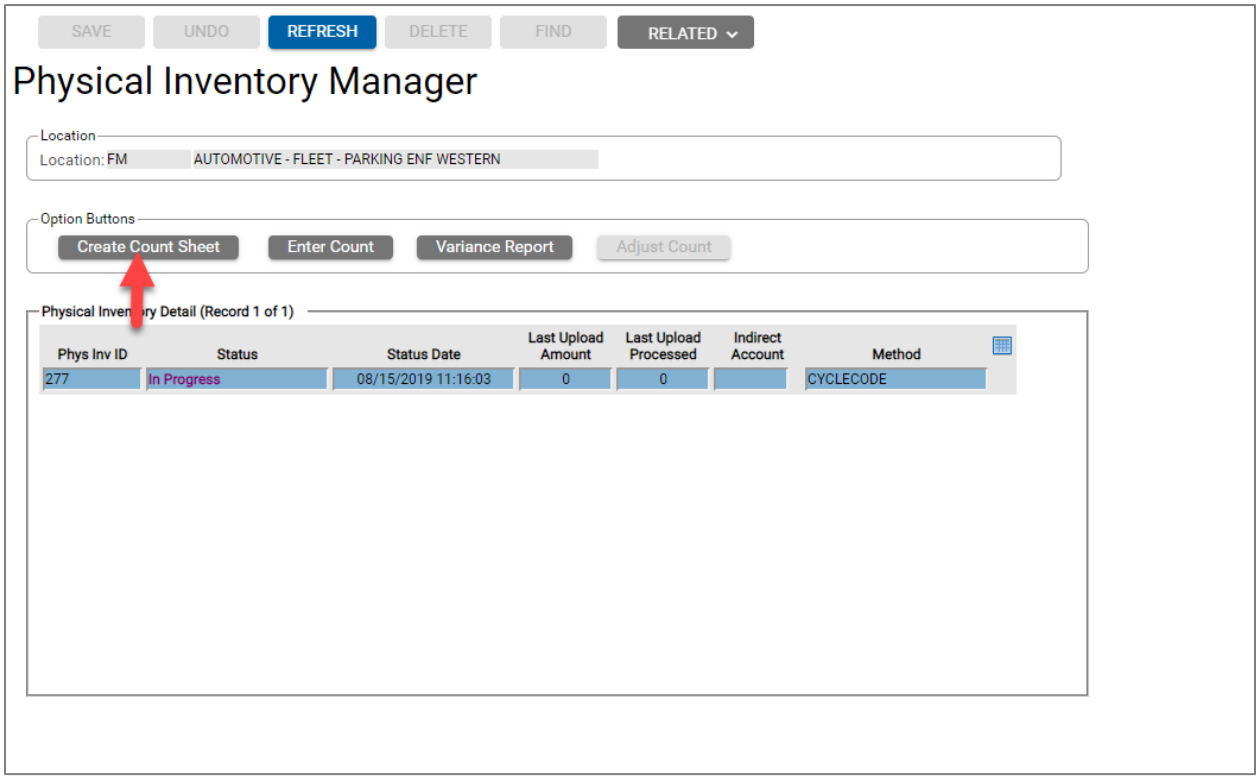
This is where you create the count sheets, enter counts, print the variance reports, and make the inventory adjustments.

Inventory Statuses

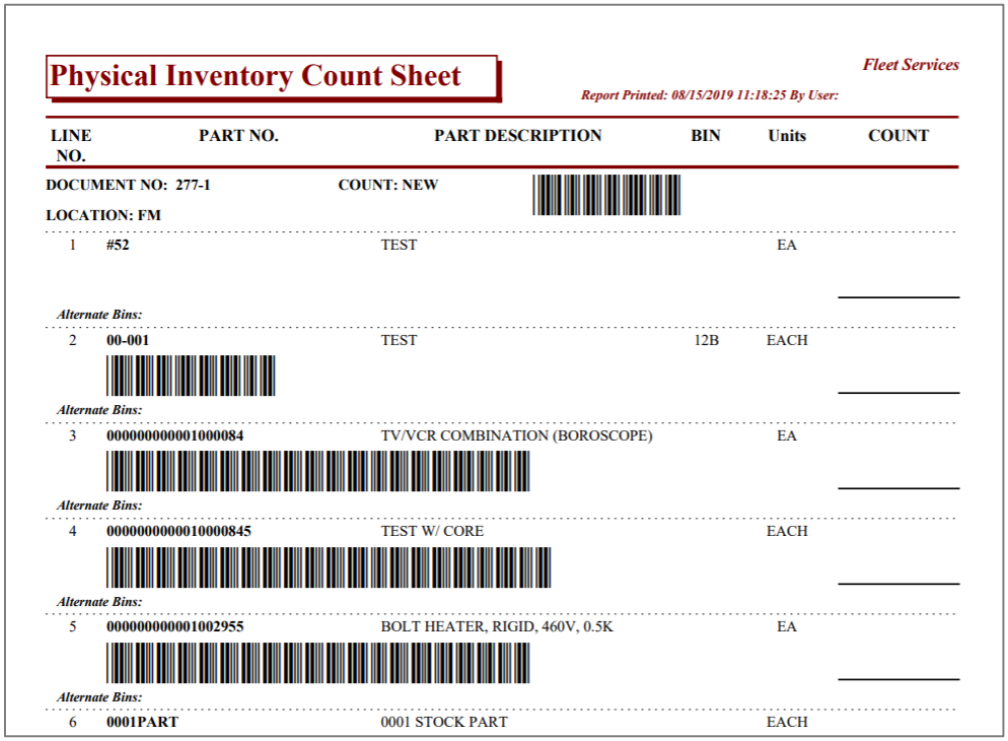
- **In Progress** – Ready to create the count sheet.
- **Counted** – After the counts have been entered.
- **Variance Printed** – After the variance report is printed.
- **Variance Print (Recount)** – The variance report was run again to do a recount.

Select the row that contains the physical inventory to begin processed. This activates the option buttons.

Create Count Sheet



The first step in the physical inventory process is to create the count sheet. Select the Create Count Sheet button to generate the report.



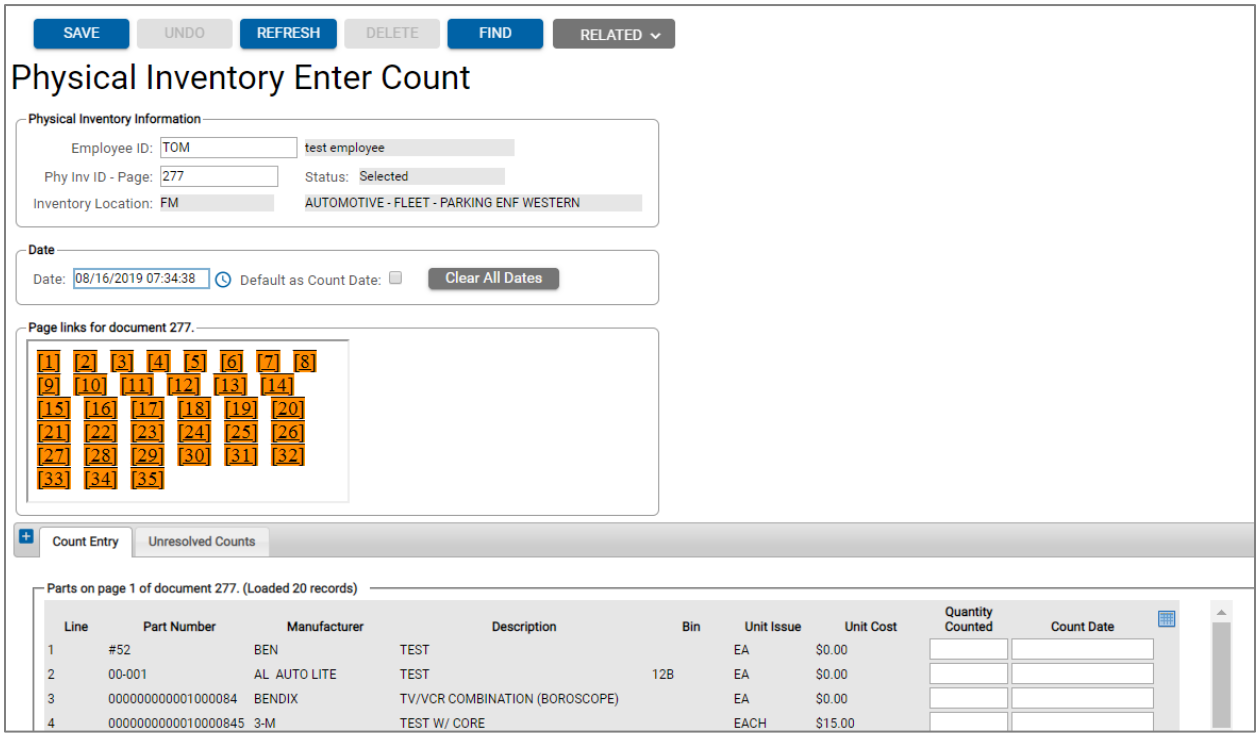
Physical Inventory Count Sheet

Fleet Services

Report Printed: 08/15/2019 11:18:25 By User:

LINE NO.	PART NO.	PART DESCRIPTION	BIN	Units	COUNT
DOCUMENT NO: 277-1		COUNT: NEW			
LOCATION: FM					
1	#52	TEST		EA	
Alternate Bins:					
2	00-001	TEST	12B	EACH	
Alternate Bins:					
3	00000000001000084	TV/VCR COMBINATION (BOROSCOPE)		EA	
Alternate Bins:					
4	00000000001000845	TEST W/ CORE		EACH	
Alternate Bins:					
5	00000000001002955	BOLT HEATER, RIGID, 460V, 0.5K		EA	
Alternate Bins:					
6	0001PART	0001 STOCK PART		EACH	

Enter Count

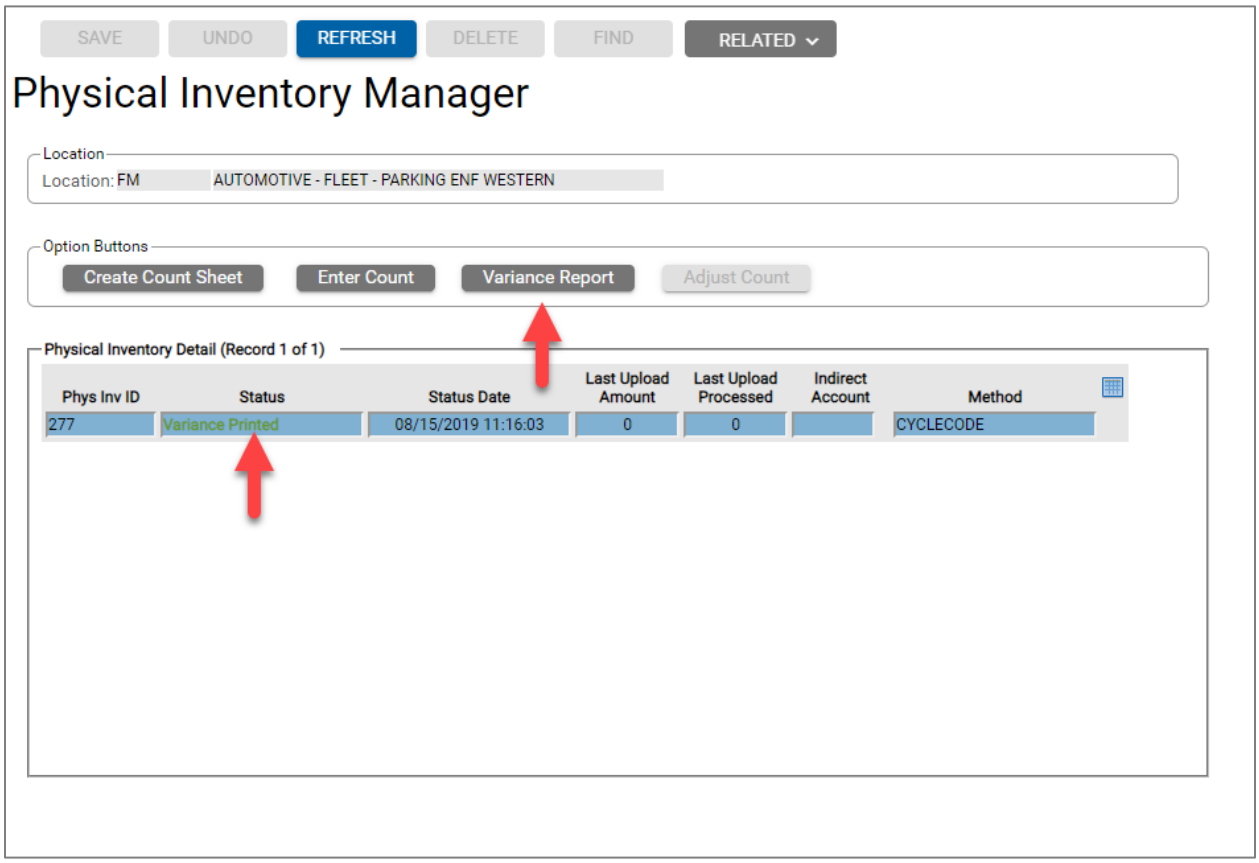


Orange indicates pages to be counted and Cyan (greenish-blue) indicated pages that have already been counted.

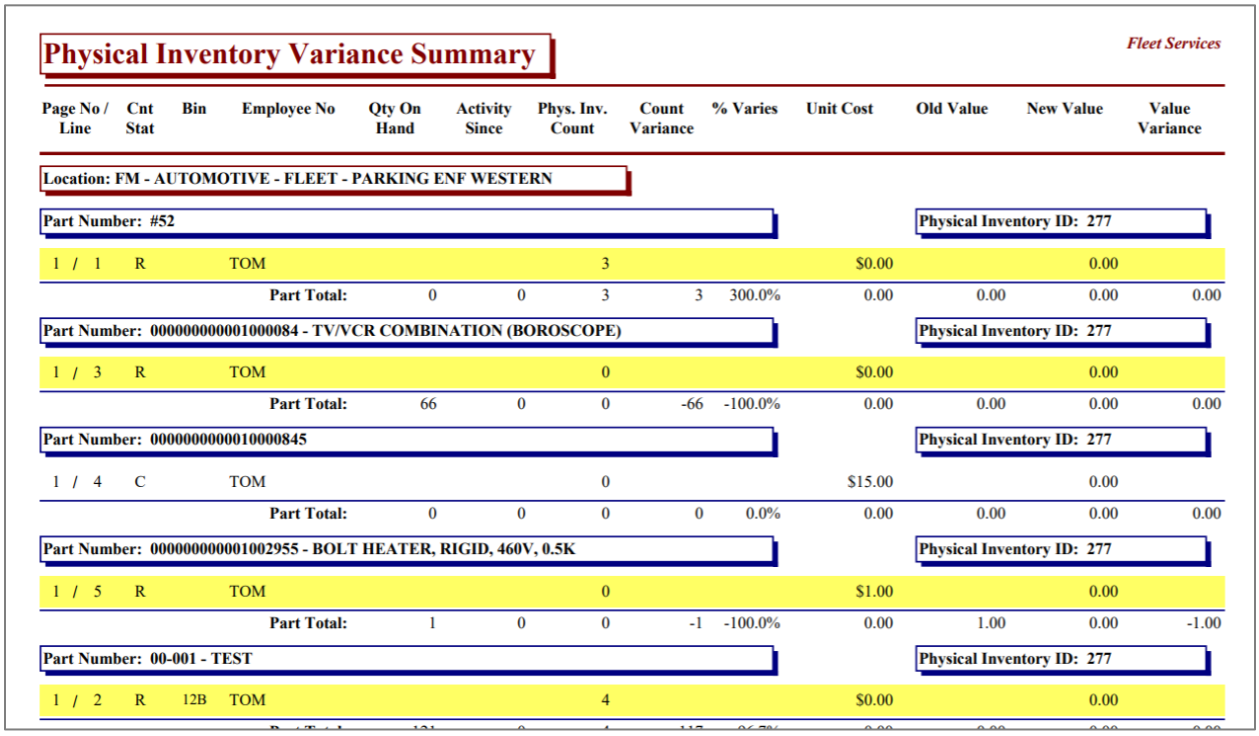
After entering the counts, the status will change to: *Counted*.

Variance Report

After entering the count, select the Variance Report button. The status will change to *Variance Printed*.



Sample output



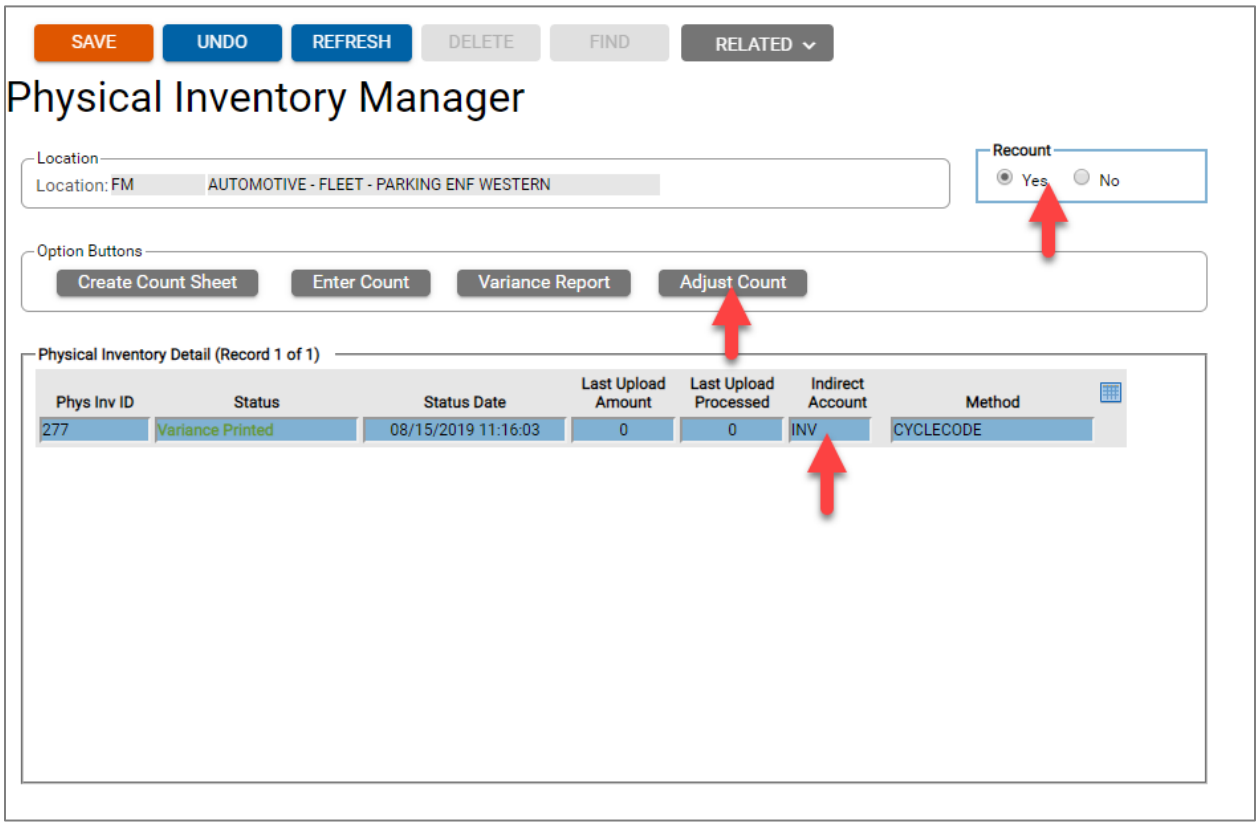
Physical Inventory Variance Summary

Fleet Services

Page No / Line	Cnt Stat	Bin	Employee No	Qty On Hand	Activity Since	Phys. Inv. Count	Count Variance	% Varies	Unit Cost	Old Value	New Value	Value Variance
Location: FM - AUTOMOTIVE - FLEET - PARKING ENF WESTERN												
Part Number: #52										**Physical Inventory ID: 277**		
1 / 1	R		TOM			3			$0.00		0.00	
			Part Total:	0	0	3	3	300.0%	0.00	0.00	0.00	0.00
Part Number: 000000000001000084 - TV/VCR COMBINATION (BOROSCOPE)										**Physical Inventory ID: 277**		
1 / 3	R		TOM			0			$0.00		0.00	
			Part Total:	66	0	0	-66	-100.0%	0.00	0.00	0.00	0.00
Part Number: 0000000000010000845										**Physical Inventory ID: 277**		
1 / 4	C		TOM			0			$15.00		0.00	
			Part Total:	0	0	0	0	0.0%	0.00	0.00	0.00	0.00
Part Number: 000000000001002955 - BOLT HEATER, RIGID, 460V, 0.5K										**Physical Inventory ID: 277**		
1 / 5	R		TOM			0			$1.00		0.00	
			Part Total:	1	0	0	-1	-100.0%	0.00	1.00	0.00	-1.00
Part Number: 00-001 - TEST										**Physical Inventory ID: 277**		
1 / 2	R	12B	TOM			4			$0.00		0.00	

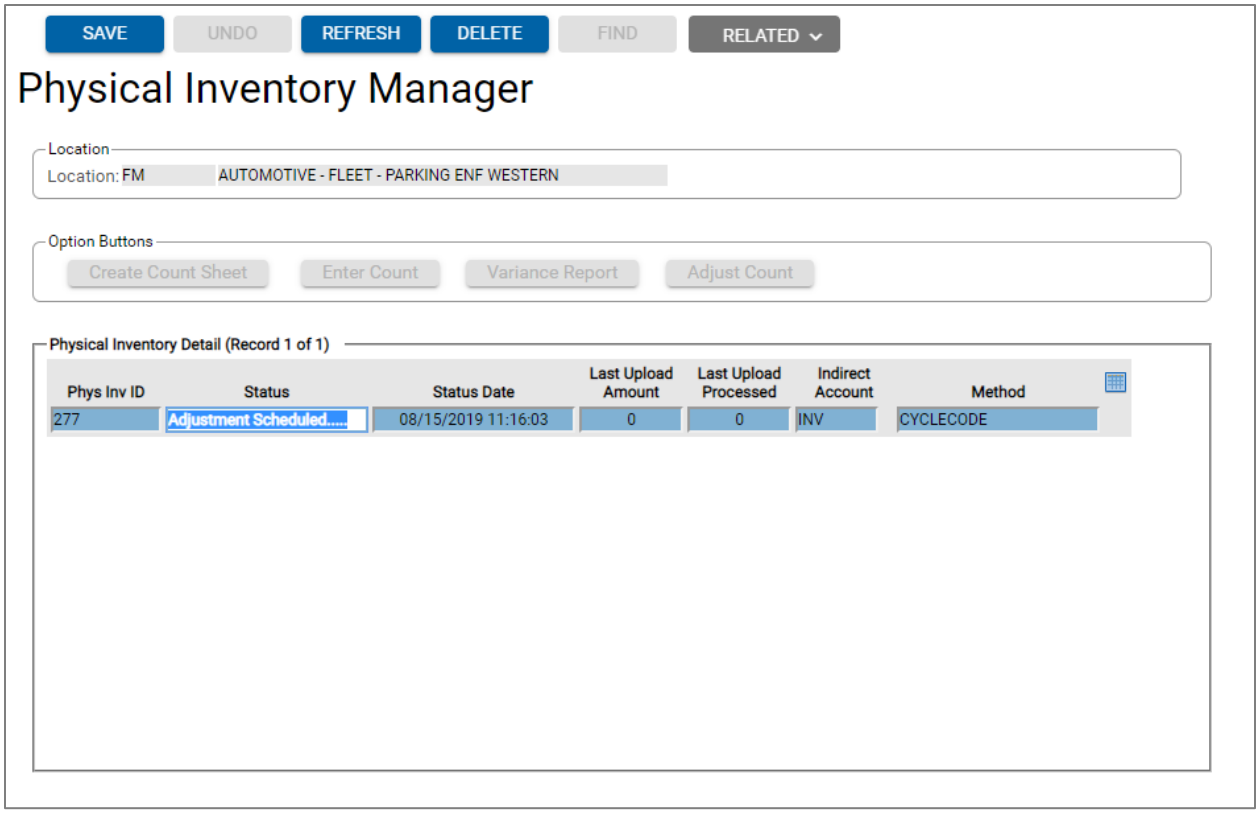
Adjust Inventory

Enter a valid Indirect Account code to make the Adjust Count button active.



You can also enter an indirect account code and select Yes from the recount section to perform a recount. This allows you to start from the beginning with creating a count sheet.

Select the Adjust Count button after you have finished adjusting the counts. The status will change to *Adjustment Scheduled* then *In Progress (Recount #).*


SAVE
UNDO
REFRESH
DELETE
FIND
RELATED
Physical Inventory Manager
Location
Location: FM
AUTOMOTIVE - FLEET - PARKING ENF WESTERN
Option Buttons
Create Count Sheet
Enter Count
Variance Report
Adjust Count
Physical Inventory Detail (Record 1 of 1)
Phys Inv ID
Status
Status Date
Last Upload Amount
Last Upload Processed
Indirect Account
Method
277
Adjustment Scheduled.....
08/15/2019 11:16:03
0
0
INV
CYCLECODE

Viewing Results

You can use the following three frames to view the physical inventory results:

- Part Inventory Parameters
- Part Journal Query
- Part Inventory Location Manager

Updates

Release	Section	Description
23.2	All sections	Applied miscellaneous writing style updates throughout the document.