

# Sage 500 ERP

## Inventory Management

### Improve Your Inventory Controls and Customer Service

The Inventory Management module for the Sage 500 ERP (formerly Sage ERP MAS 500) system puts you in firm control of your distribution business through every step of your inventory process. This powerful tool enables you to manage your warehouse and inventory levels more effectively, enhancing customer satisfaction while maximizing profits. It is a key component of the Sage 500 ERP distribution suite, which was designed with input from supply chain experts to meet the needs of the distribution industry.

The warehousecentric design of the Inventory Management module lets you track costs and sales histories by warehouse, enables you to quickly locate the items your customers are requesting, and allows you to continue taking orders during inventory cycle counting, ensuring that your business continues to operate at peak efficiency.

Inventory Management supports both assemble-to-order and build-to-order kits and includes full lot and serial number tracking. In addition, it supports FIFO, LIFO, Average, Actual, Standard, and Warehouse-Specific Costing. More advanced features include support for fixed asset inventories, substitute item definition, landed cost calculations, inventory catalog management, and powerful unit of measure conversion tables.

Sage 500 ERP takes inquiry, drill-down, monitoring, and data analysis to a whole new level with out-of-the-box business intelligence tools, including Business Insights Analyzer, Business Insights Explorer, Business Intelligence, Alerts, SAP® Crystal Reports for Sage 500 ERP, Web Reports, and integration with desktop productivity tools.



### BENEFITS

- Set up multiple price lists (in multiple currencies), multiple companies, and multiple warehouses.
- Realize your maximum profit potential with flexible inventory item attributes.
- Choose costing methods and specify price breaks to best fit your business and industry.
- Ensure your delivery promises are kept and on-hand stock balances are accurate.
- Receive and ship orders during inventory cycle counting, so your business never misses a beat.
- Define and apply Unit of Measure conversions to increase flexibility in the way stock is received, stored, and issued.
- Process and track inventory transactions including transfers in any unit of measure.
- Maximize sales with flexible pricing, discounting, and promotions.
- Analyze and monitor inventory data and transactions to reduce carrying costs and increase inventory turns.

### SAGE 500 ERP SOLUTIONS

- Financials and Project Accounting
- Manufacturing and Distribution
- CRM and E-Business
- Human Resources and Payroll
- Customization and Integration
- Business Intelligence

Warehouse: Rialto Rialto Distribution Center  
Item: Cable100 100' Standard Cable

Source: Purch Prod Line: Cables  
Warehouse:   
Primary Vendor:   
 Use Warehouse Replenishment Primary Vendor  
Buyer: Moncursor

Demand Formula: WtAvgAB  
Projected Demand: 0.1667 Box/Day  
Safety Stock Formula: 10Days  
Projected Safety Stock: 2.0000 Box  
Lead Time Formula: Last3Qualifying  
Projected Lead Time: 0 Days

Reorder Method: EOQ  
Use Min/Max Until: / /  
Minimum Stock: 0.0000 Box  
Maximum Stock: 0.0000 Box  
Order Point: 2.0000 Box  
Line Point: 3.0000 Box  
Standard Order: 8.0000 Box  
Cost of Replenishment:   
Carrying Cost %:   
Order Cycle: 7 Days

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“With Sage 500 ERP we have experienced improvement throughout our organization, including better accountability of our raw materials and in process inventory. Even though inventories have increased due to our expanded product range, our inventory control has improved by about 15 percent.”

Tony Orlando, CEO  
T&J Furniture

## System Implementation Options

Maximize your inventory investment by establishing a variety of system options to meet your unique business requirements.

- Identify a wide range of inventoried and noninventoried items.
- Define the inventory calendar of your choice.
- Set up multiple price lists (in multiple currencies), multiple companies, and multiple warehouses.
- Cross-reference part numbers with customer part numbers for quick reference during order entry and inventory processing.

## Inventory Item Attributes

Realize your maximum profit potential by providing flexibility for all aspects of your business—and accounting for every eventuality.

- Designate an inventory item as seasonal or flag it as a hazardous material.
- Designate whether or not an item is subject to trade discounts, included on packing slips, or can be back-ordered, returned, or drop-shipped.
- Assign each item to an item class and define item substitutions.
- Allocate each item to one or more bin locations per warehouse, and assign separate bin precedence for distribution and manufacturing if needed. Ranges of lots or serial numbers can be entered with advanced masking to create a lot and serial numbering system.
- Classify separate units of measure for stocking, selling, buying, and pricing each item. Define how the conversion calculates for each classification.
- Assign inventory items to product categories to sort products available through Sales Order Entry.
- Rank items by percentage of COGS, Gross Margin, Quantity Sold, and Hits.
- Kitting supports stocked Assemble-to-Order (ATO) kits, and on-the-fly assembly of Build-to-Order (BTO) kits. Disassembly of ATO kits is also supported, and users can define whether or not returns are allowed for full kits or kit components.

## Inventory Valuation and Costing

Choose costing methods and specify price breaks to best fit your business and industry.

- Choose from five different costing methods (FIFO, LIFO, Standard, Actual, and Average), depending on your objective.
- Set up vendor price lists.
- Define multiple break and price tiers for each vendor/item combination.
- Perform cost and quantity adjustments for each inventory item.
- Track period balances and valuations on an inventory period basis.
- View current quantities and valuations for inventory items online.

## Inventory Management Processing

Make sure that all of your delivery promises are kept and on-hand stock balances are accurate with the advanced warehouse management and inventory transaction capabilities in Sage 500 ERP.

- Support an unlimited number of user-defined inventory transactions.
- Attach documents or images to any inventory item or transaction.
- View sales and purchase history for each inventory item by warehouse—including a view of the UOM used.
- View available quantity of an item as on-hand, pending, on sales order or on purchase order.
- Assign general ledger reference codes and reason codes at the line level of various transactions.

## Security

Organize security groups and assign permissions to restrict access to any confidential transactions and account information.

- Set up specific security groups, to access defined user groups.
- Establish access permissions, such as display only, excluded, add/change/delete, or supervisory.

## Physical Inventory

Receive and ship orders during inventory cycle counting, so your business never misses a beat.

- Execute a complete physical inventory process without the need to interrupt other business processes, such as receiving and shipping.
- Perform cycle counts based on user-defined criteria, such as items, bins, inventory hits, or inventory turns.
- Create general ledger and adjusting transactions automatically.

## Pricing, Discounting, and Promotions

Used in Sales Order, pricing is maintained in the Inventory Management module.

- Establish pricing by warehouse. If the Multicurrency module is used, different currencies can be used at each warehouse.
- Define pricing structures by customer types.
- Product price groups, in conjunction with customer price groups, are used to relate pricing information to groups of items within a company. For example, define a group for items that have the same discount.
- Manage contract pricing for customer buying a particular item or items from a particular product price group.
- Maintain unlimited number of price breaks based on quantity, monetary amount, weight, or volume for each product group or item.
- Pricing policies can be assigned an effective and expiration date, discount pricing method, base price, and price break type.
- Price breaks can be based on list price, existing price sheets, customer pricing, or average, standard, or replacement costs.
- Establish discount policies for customers who belong to a national account and buy specific inventory items or product price groups.
- Manage sales promotions by defining start and stop dates for promotional pricing, break types, and discount methods.
- The system automatically provides the customer with the best pricing based on defined pricing policies and models.

## Business Insights

Analyze and monitor inventory data and transactions to reduce carrying costs and increase inventory turns.

- Organize, analyze, and graph virtually any data related to inventory items and transactions including carrying costs, hits, and stocking levels to get a clear picture of your inventory in real time.
- Use the Data Alerts module to monitor stock levels and even alert management when lots expire or are about to expire.