BaanERP 5.0c Warehousing
Inventory Handling

Module Procedure

UP148A US
# Document information

## Document

<table>
<thead>
<tr>
<th>Document code</th>
<th>UP148A US</th>
</tr>
</thead>
<tbody>
<tr>
<td>Document group</td>
<td>User Documentation</td>
</tr>
<tr>
<td>Document title</td>
<td>Inventory Handling</td>
</tr>
<tr>
<td>Application/Package</td>
<td>BaanERP 5.0c Warehousing</td>
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<td>Edition</td>
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</tr>
<tr>
<td>Date</td>
<td>September 1999</td>
</tr>
</tbody>
</table>

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About this document

Read this document to get an overview of the Inventory Handling (INH) module’s functionality and to learn more about the functional procedures that are related to INH.

You need no detailed knowledge of the BaanERP software to read this document. However, you are more likely to understand the contents if you are familiar with:

- The overall structure of packages, modules, and sessions within the BaanERP software
- The general business procedures used in everyday business practice
- The basic concepts of enterprise resource planning

For detailed descriptions of the module’s sessions, refer to BaanERP’s comprehensive online Help.

To use this document

Read Chapter 1, “The Inventory Handling (INH) module in BaanERP,” if you want to know more about:

- INH’s functionality
- The relationship of INH with other modules

Read Chapter 2, “The inventory handling concepts,” if you want to know more about:

- The inventory handling concepts.
- How to maintain warehousing-order types and warehousing procedures.

Read Chapter 3, “The inventory handling procedures,” if you want to know more about:

- The warehousing order concept
- The results of the inventory handling procedures
- The sessions in the inventory handling procedures
- The optional sessions related to the inventory handling procedures

Read Chapter 4, “The update inventory procedures,” if you want to know more about:

- The sessions in the update inventory procedures
- The results of the update inventory procedures
- The session that is related to the update inventory procedures

Read Chapter 5, “To work with blocking and unblocking,” if you want to know more about:

- The inventory blocking concepts as applied in BaanERP Warehousing
- The results of inventory blocking
- The inventory blocking sessions
Read Chapter 6, “To work with consignment inventory,” if you want to know more about:

- How to work with not-owned consignment inventory
- How to work with owned consignment inventory

**Terms used in this document**

<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>ABC analysis</td>
<td>An evaluatory process in which items are classified into those making a large contribution (A items), an intermediate contribution (B items), and a small contribution (C items) to the total inventory turnover.</td>
</tr>
<tr>
<td>activity</td>
<td>A step in a warehousing procedure. An activity can be a BaanERP Warehousing session or a manual activity.</td>
</tr>
<tr>
<td>adjustment order</td>
<td>A warehousing order created specifically to adjust inventory where a variance has occurred. An adjustment order adjusts inventory and creates financial transactions.</td>
</tr>
<tr>
<td>advance shipment notice</td>
<td>A notice that an item has been shipped. An ASN is sent or received by EDI in advance of the shipment. The ASN also includes details of a shipment about to arrive. Synonym: ASN, shipment notice</td>
</tr>
<tr>
<td>bill of lading</td>
<td>The legal document used by the carrier that states what is transported (nature, quantity, weights, and so on) to what address.</td>
</tr>
<tr>
<td>blocking</td>
<td>A function used to block inventory transactions. You can define blockings by location, zone, lot, or stockpoint.</td>
</tr>
<tr>
<td>bulk location</td>
<td>The location used mainly for large inbound quantities and/or containers and to indicate from which pick locations can be replenished.</td>
</tr>
<tr>
<td>buy-from business partner</td>
<td>The business partner from which you order goods or services. This usually represents a supplier’s sales department. The definition includes the default price and discount agreements, purchase-order defaults, terms of delivery, and the related ship-from and invoice-from business partner.</td>
</tr>
<tr>
<td>consignment inventory</td>
<td>The goods owned by a third party and that are stored in a warehouse belonging to another party. Two types of consignment inventory exist, owned consignment inventory and not-owned consignment inventory. Owned consignment inventory are goods your company owns and stores in a customer’s warehouse without receiving payment until the goods are used or sold. You do not register the goods as consignment inventory, because the goods are still part of your inventory. Not-owned consignment inventory are goods a supplier owns, but that are stored in your warehouse without being paid for until the goods are used or sold. You register the goods as consignment inventory.</td>
</tr>
<tr>
<td>Term</td>
<td>Description</td>
</tr>
<tr>
<td>-------------------------------------------</td>
<td>-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>cycle-count order</td>
<td>An order generated by the system to count the inventory by stock point at a certain frequency and to subsequently enter the counted quantities into the system. A cycle-count order consists of an order number and a sequence number indicating the number of counts performed on this order. As a result of the count action, you can adjust the inventory.</td>
</tr>
<tr>
<td>electronic data interchange</td>
<td>Way to exchange information with your business partners by using electronic mail. Information include catalogs, sales and purchase orders, and all other types of information necessary to carry out business transactions.</td>
</tr>
<tr>
<td>goods-received note</td>
<td>The note used to register the quantities received in a warehouse. The system prints the expected quantity on the note.</td>
</tr>
<tr>
<td>inbound advice</td>
<td>A list generated by the system that indicates the location where received goods must be stored, taking into consideration storage conditions, blockings, and so on.</td>
</tr>
<tr>
<td>inventory</td>
<td>The goods stored in a warehouse.</td>
</tr>
<tr>
<td>inventory-transaction type</td>
<td>The kind of transactions carried out on the inventory. The following inventory-transaction types are available: - Receipt - Issue - Transfer - Item transfer</td>
</tr>
<tr>
<td>invoice</td>
<td>A document stating a list of prices of delivered goods and services, which must be paid under certain conditions.</td>
</tr>
<tr>
<td>issue</td>
<td>The transaction type that is used to withdraw goods from inventory.</td>
</tr>
<tr>
<td>load</td>
<td>All goods and/or shipments carried by one carrier on a specific date and time, by using a specific route.</td>
</tr>
<tr>
<td>location</td>
<td>A distinct place in a warehouse where goods are stored. A warehouse can be divided into locations to manage the available space, and to locate the stored goods. Storage conditions and blocks can be applied to individual locations. Special types of location exist for such purposes as receipt of inventory, inspection, and staging.</td>
</tr>
<tr>
<td>lot</td>
<td>A number of items produced and stored together identified by a (lot) code. Lots identify goods.</td>
</tr>
<tr>
<td>outbound advice</td>
<td>A list generated by the system that advises you the location and lot from which goods must be issued, taking into consideration factors such as blocked locations and the outbound method.</td>
</tr>
<tr>
<td>outbound-order line</td>
<td>A warehousing-order line of type Issue. An outbound order line gives detailed information about planned issues and actual issues, for example: - Item data - Ordered quantity - Warehouse from where the goods are issued</td>
</tr>
<tr>
<td>packing list</td>
<td>A document that shows all shipments of a load.</td>
</tr>
<tr>
<td>Term</td>
<td>Description</td>
</tr>
<tr>
<td>-------------------------</td>
<td>-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>packing slip</td>
<td>An order document that shows in detail the contents of a particular package for shipment. The details include the order number, a description of the items, the shippers or customers item number, the quantity shipped, and the inventory unit of the shipped items.</td>
</tr>
<tr>
<td>pick location</td>
<td>The inventory location designated for order picking purposes. A pick location is mainly used for the outbound of small quantities and/or containers that can be replenished by bulk locations.</td>
</tr>
<tr>
<td>picking list</td>
<td>A document that lists the material to be picked for manufacturing or shipping orders. This document is used by operating personnel to pick manufacturing or shipping orders.</td>
</tr>
<tr>
<td>receipt</td>
<td>The physical acceptance of an item into a warehouse. A receipt registers: received quantity, receipt date, packing-slip data, inspection data, and so on.</td>
</tr>
<tr>
<td>run number</td>
<td>A code assigned to a group of warehousing-order lines when they are advised or put away.</td>
</tr>
<tr>
<td>shipment</td>
<td>All goods that are transported to a specific address on a specific date and time by using a specific route. An identifiable part of a load.</td>
</tr>
<tr>
<td>ship-to business partner</td>
<td>The business partner to which you ship the ordered goods. This usually represents a customer’s distribution center or warehouse. The definition includes the default warehouse from which you send the goods, the carrier who takes care of the transport, and the related sold-to business partner.</td>
</tr>
<tr>
<td>stockpoint</td>
<td>The smallest inventory level that can be registered in the system. The stock point is registered by the following data: - Warehouse - Location: only if you have locations - Item - Inventory date: important if you work with LIFO or FIFO - Lot: only if the item is lot controlled</td>
</tr>
<tr>
<td>storage list</td>
<td>The document that states the warehouse/locations where goods are to be stored. A storage list is used by warehouse personnel to place the received items in the right location within the warehouse.</td>
</tr>
<tr>
<td>transfer</td>
<td>The transfer of goods from one warehouse to another.</td>
</tr>
<tr>
<td>warehouse</td>
<td>A place for storing goods. For each warehouse, you can enter address data and data relating to its type.</td>
</tr>
<tr>
<td>warehousing order</td>
<td>An order for handling goods in the warehouse. A warehousing order can be of the following inventory-transaction types: - Receipt - Issue - Transfer - Item transfer Each order has an origin and contains all the information needed for warehouse handling. Depending on the item (lot or nonlot) and warehouse (with or without locations), lots and/or locations can be assigned. The order follows a predefined warehousing procedure.</td>
</tr>
</tbody>
</table>
Inventory Handling

The warehousing-order type determines the sequence of activities that the order must follow.

A procedure for handling warehousing orders. A procedure can be linked to an order type, depending on the transaction type of the order type.

A part of the warehouse that can be assigned to specific employees or vehicles. Each location can be assigned to a zone.

### Acronyms used in this document

- ACP: Accounts Payable
- ACR: Accounts Receivable
- BOM: Bill of Material
- CAT: Cost Accounting
- COM: Common Data
- CPR: Cost Accounting
- EDI: Electronic Data Interchange
- EMM: Enterprise Management Module
- ERP: Enterprise Resource Planning
- GLD: General Ledger
- IBD: Item Base Data
- INA: Inventory Analysis
- INH: Inventory Handling
- INP: Inventory Planning
- INR: Inventory Reporting
- IPU: Item Purchase Data
- ISA: Item Sales Data
- LTC: Lot Control
- MCS: System Tables
- PSS: Project Scheduling System
- PTC: Product Testing and Control
- PUR: Purchase Control
- QM: BaanERP Quality Management
- RMP: Resource Master Planning
- ROU: Routing
- RPT: Repetitive Manufacturing
- RRP: Resource Requirements Planning
- SFC: Shop Floor Control
- SLI: Sales Invoicing
- SLS: Sales Control
- SOC: Service Order Control
- TRP: Tools Requirements Planning
- WMD: Warehousing Master Data
Legend

- Mandatory session
  Indicates a mandatory session

- Optional session
  Indicates an optional session

- OF
  Indicates a package

- PCS
  Indicates a module

- PCS
  Indicates a module that is described in the module procedure
1. The Inventory Handling (INH) module in BaanERP

This chapter gives information about the following:

- The INH concept as applied in BaanERP
- INH’s functional procedures
- The modules related to INH
- The functionality of INH’s business objects

1.1 The INH concept as applied in BaanERP

An efficient and accurate inventory handling system is a critical factor in the success of trading companies and production companies. Using a inventory handling system, you must be able to control, for example:

- The receipt of goods
- The issue of goods
- The cycle counting process
- The blocking of goods

The INH module in BaanERP offers the functionality to manage the inventory transactions and inventory movements.
The INH module is an execution module. You can use INH to handle the inventory transactions and inventory movements. In INH you can maintain, for example, the following data:

- Receipt data
- Inspection data
- Outbound data
- Shipment data
- Cycle counting data

The INH module is related to the actual storage of goods in the warehouse(s) of your company, for example, the receipt and issue of goods is managed with INH.

**Master data and prerequisites**

Before you can successfully use the INH module, you must set up data in the following modules:

- Item Base Data (IBD)
- Item Purchase Data (IPU)
- Item Sales Data (ISA)
- Enterprise Management Module (EMM)
- Cost Accounting (CPR)
- Warehousing Master Data (WMD)
- Bill of Materials (BOM)
You must also enter the necessary data in the Inventory Handling Parameters (whinh0100s000) session.

1.2 INH’s functional procedures

INH contains the following procedures:
- The maintain warehousing-order types and warehousing procedures
  procedure
- The receipt procedure
- The inspections procedure
- The outbound procedure
- The shipment procedure
- The cycle counting procedure
- The inventory adjustment procedure

1.3 The modules that are related to INH

Figure 2 shows the modules that are related to INH.

The links between the modules and INH are as follows:
- The PUR, SOC, SLS, SFC, PSS, RRP and RMP modules generate
  warehousing orders which are handled in INH.
- The TRP module triggers the receipt of tool items in INH.
- The IBD and WMD modules send information about items to INH.
- The BOM module sends bill of materials data to INH.
The Inventory Handling (INH) module in BaanERP

- The CPR module sends item cost accounting data to INH.
- The INP module feeds information about planned inventory transactions to INH.
- The INA module sends valuation data to INH.
- The INR module receives data from tables maintained in INH sessions and receives blocking data from INH.
- The LTC module tracks the movements of lot controlled items which are controlled by warehousing orders.
This chapter describes the following inventory handling concepts:

- To work with warehousing-order types and inventory-transaction types
- To work with order origins and inventory-transaction types
- To work with warehousing-order types and warehousing procedures

This chapter also describes the ‘To maintain warehousing-order types and warehousing procedures’ procedure.

2.1 To work with warehousing-order types and inventory-transaction types

To understand how inventory-transaction types, warehousing-order types and their associated warehousing procedures work, you need an understanding of the meaning of these concepts and the relationships between these concepts.

Inventory-transaction types

Inventory-transaction types determine the kind of warehousing procedures that you can link to a warehousing-order type. Four basic inventory-transaction types are available in BaanERP Warehousing. These are:

- **Receipt** (used for incoming inventory).
- **Issue** (used for outgoing inventory).
- **Transfer** (used for inventory movements which have elements of both receipt and issue, such as movements between warehouses or between work centers warehouses or project warehouses).
- **Item transfer** (used for replacing items or for the physical transfer of items).

Warehousing procedures

The warehousing procedures determine the activities that you must carry out for the warehousing order. You can link warehousing procedures to warehousing-order types.

Warehousing-order types

The warehousing-order type determines which warehousing procedures you must carry out for the warehousing order to which the warehousing-order type is linked. For each warehousing-order type you must specify the inventory-transaction type and the warehousing procedures. The inventory-transaction type that is linked to the warehousing-order type determines the warehousing procedures that can be carried out according to the warehousing-order type.
## 2.2 To work with order origins and warehousing-order types

Warehousing orders can originate from many different modules within BaanERP, including PUR, SLS, SFC, SOC, and PSS. The order origin indicates the module from which the warehousing order originates. All warehousing orders are associated with an order origin. The table below shows the relationships between order origins, warehousing-order types, and inventory-transaction types:

<table>
<thead>
<tr>
<th>Order origin</th>
<th>The inventory-transaction types of the warehousing-order types that can be linked to the order origin</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>Issue</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Receipt</td>
<td>Only in case of a sales return order.</td>
</tr>
<tr>
<td></td>
<td>Transfer</td>
<td></td>
</tr>
<tr>
<td>Purchase</td>
<td>Receipt</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Issue</td>
<td>Only in case of a purchase return order.</td>
</tr>
<tr>
<td>Service</td>
<td>Issue</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Receipt</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Transfer</td>
<td></td>
</tr>
<tr>
<td>Production</td>
<td>Issue</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Receipt</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Transfer</td>
<td></td>
</tr>
<tr>
<td>Transfer</td>
<td>Transfer</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Item Transfer</td>
<td></td>
</tr>
<tr>
<td>Purchase schedule</td>
<td>Receipt</td>
<td></td>
</tr>
<tr>
<td>Sales schedule</td>
<td>Issue</td>
<td></td>
</tr>
<tr>
<td>Assembly</td>
<td>Transfer</td>
<td></td>
</tr>
<tr>
<td>Sales (manual)</td>
<td>Issue</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Receipt</td>
<td>Only in case of a sales return order.</td>
</tr>
<tr>
<td>Purchase (manual)</td>
<td>Receipt</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Issue</td>
<td>Only in case of a purchase return order.</td>
</tr>
<tr>
<td>Service (manual)</td>
<td>Issue</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Receipt</td>
<td></td>
</tr>
<tr>
<td>Production (manual)</td>
<td>Issue</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Receipt</td>
<td></td>
</tr>
<tr>
<td>Transfer (manual)</td>
<td>Transfer</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Item transfer</td>
<td></td>
</tr>
</tbody>
</table>
2.3 To work warehousing-order types and warehousing procedures

A warehousing-order type is associated with warehousing procedures, which in turn determines what kind of activities must be applied to a warehousing order. The table below shows which warehousing procedures you can link to which warehousing-order types (the warehousing-order types are examples).

<table>
<thead>
<tr>
<th>Warehousing-order type</th>
<th>Inventory-transaction type</th>
<th>Warehousing Procedure</th>
</tr>
</thead>
<tbody>
<tr>
<td>WR</td>
<td>Receipt</td>
<td>Receipt procedure</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Inspection procedure</td>
</tr>
<tr>
<td>WI</td>
<td>Issue</td>
<td>Outbound procedure</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Shipment procedure</td>
</tr>
<tr>
<td>WT</td>
<td>Transfer</td>
<td>Receipt procedure</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Inspection procedure</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Outbound procedure</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Shipment procedure</td>
</tr>
<tr>
<td>WIT</td>
<td>Item-transfer</td>
<td>Receipt procedure</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Inspection procedure</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Outbound procedure</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Shipment procedure</td>
</tr>
</tbody>
</table>

2.4 To maintain warehousing-order types and warehousing procedures

In BaanERP, every movement of inventory is controlled by a warehousing order. Warehousing orders are required for issues, receipts, transfers, and item transfers. You must set up these warehousing-order types before any inventory handling can take place.

Similarly, you can set up warehousing procedures. These allow you to specify:

- Which activities (sessions) are part of the procedure.
- Whether individual sessions are run manually (that is, by the user) or whether the functionality of the session will be run automatically by BaanERP without user intervention.

Note: You must perform the maintain warehousing-order types and warehousing procedures procedure as part of system installation.

The results of the maintain warehousing-order types and warehousing procedures procedure are:

- The creation of all the warehousing-order types that can be used in the installation.
- The definition of which sessions and activities are to be performed by users, as distinct from the functionality performed automatically by BaanERP.
Figure 3 shows the steps in the maintain warehousing-order types and warehousing procedures procedure.

<table>
<thead>
<tr>
<th>Step</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Warehousing Procedures (whinh0105m000)</td>
</tr>
<tr>
<td>2</td>
<td>Activities by Procedure (whinh0106m000)</td>
</tr>
<tr>
<td>3</td>
<td>Re-executable Activities (whinh0107m000)</td>
</tr>
<tr>
<td>4</td>
<td>Warehousing Order Types (whinh0510m000)</td>
</tr>
<tr>
<td>5</td>
<td>Default Order Types by Origin (whinh0520m000)</td>
</tr>
</tbody>
</table>

To maintain warehousing-order types and warehousing procedures, take the following steps.

**Step 1  ** Warehousing procedures (whinh0105m000)

Use this session to specify warehousing procedures with their procedure type.

**Step 2  ** Activities by Procedure (whinh0106m000)

Use this session to specify which activities you must carry out for each warehousing procedure.

You can use activities related to sessions, as activities within the warehousing procedures. You must manually start the activities that are specified in the procedures. If you do not specify a mandatory activity in a procedure, BaanERP automatically carries out this activity.
The table below shows the activities (sessions) that you can choose to define a warehousing procedure. The table also shows if the activity is mandatory:

<table>
<thead>
<tr>
<th>Warehousing procedure</th>
<th>Activity</th>
<th>Mandatory</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Receipt Procedure</td>
<td>Print Goods Received Note</td>
<td></td>
<td>Generate Inbound Advice (whinh3201m000) is only a mandatory activity if both the warehouse and the item are location controlled.</td>
</tr>
<tr>
<td></td>
<td>(whinh3412m000)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Receipts (whinh3520m000)</td>
<td>yes</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Generate inbound Advice</td>
<td>dependent</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(whinh3201m000)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Generate Storage List</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>(whinh3415m000)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
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</table>

**Step 3  Re-executable Activities (whinh0107m000)**

Use this session to specify the activities that you can carry out (again) if the activity in the Activity field is the last activity that is carried out.
Step 4  **Warehousing Order Types (whinh0510m000)**

Use this session to view warehousing-order types, which you can define and maintain in the Warehousing Order Types (whinh0110s000) session. You can define a warehousing-order type by specifying:

- The corresponding inventory-transaction type.
- The relevant procedures.

See also Chapter 2.3: “To work with warehousing-order types and warehousing procedures”.

Step 5  **Default Order Types by Origin (whinh0520m000)**

Use this session to view default warehousing-order types for warehousing orders, depending on the order origin. You can assign default order types to order origins in the Default Order Types by Origin (whinh0120s000) session.
This chapter describes the concept of warehousing orders and the following main inventory handling procedures:

- The receipt procedure
- The inspections procedure
- The outbound procedure
- The shipment procedure

3.1 The warehousing orders concept

Every inventory transaction in BaanERP Warehousing is controlled by a warehousing order. From receipt to shipment, warehousing orders control the movement of inventory.

Warehousing-order types and warehousing procedures must be set up before any inventory can be handled. (See also Chapter 2: “The inventory handling concepts”). The warehousing-order type links the warehousing order to a procedure.

Warehousing orders can be generated either manually in INH or automatically from within other BaanERP packages or modules (see also: Chapter 1.3, “The modules related to INH” and Chapter 2.2, “To work with order origins and warehousing-order types” (see especially the mentioned order origins)). For example, a confirmed sales order can automatically trigger a warehousing order of inventory-transaction type Issue. A purchase order can automatically trigger a warehousing order of inventory-transaction type Receipt. The Inventory Planning (INP) module within BaanERP Warehousing tracks planned inventory transactions, which will become warehousing orders.

The warehousing orders are stored in the Warehousing Orders (whinh2500m000) session. This session serves as the central INH session in which all inventory transactions can be viewed. Warehousing orders with inventory-transaction type Receipt have inbound order lines linked to it. Warehousing orders of inventory-transaction type Issue have outbound order lines linked to it. Warehousing orders of inventory-transaction type Transfer or Item Transfer have both inbound order lines and outbound order lines linked to it. You can view the inbound order lines in the Inbound Order Lines (whinh2510m000) session and the outbound order lines in the Outbound Order Lines (whinh2520m000) session.
3.2 Before receiving goods

Before you receive goods, the ship-from business partner can inform you, by means of an ASN (via EDI), that goods are on the way.

An ASN gives details of shipments that are about to arrive and serves as a link between the warehousing order and the receipt. An ASN can include:

- The planned delivery date and time
- The warehouse and address where the goods will be delivered
- The order from which the shipment results
- The shipped item and its quantity

By using and managing ASNs, you can enhance the receipt process. Instead of having to scan an entire conveyance, warehouse personnel can receive a shipment against a previously received ASN. So, the use of ASNs makes the receipt process faster and less prone to error. ASNs are displayed in the Shipment Notices (whinh3500m000) session and the Shipment Notice Lines (whinh3501m000) session.

Shipment notice lines for which receipt did not take place yet can be viewed in the Expected Shipments (whinh3821m000) session. You can use this session to link shipment notice lines to receipts. This session can only be started from the Receipts (whinh3520m000) session.

Inbound order lines which are not (fully) received and which are not blocked are displayed in the Expected Order Lines (whinh3820m000) session and in the Expected Orders (whinh3822m000) session. You can use these sessions to link inbound order lines to receipts. These sessions can only be started from the Receipts (whinh3520m000) session.
3.3 The receipt procedure

The receipt procedure controls the arrival and storage of incoming inventory.

The results of this procedure are:

- The arrival and correct storage of incoming inventory.
- The updating of all warehouse and inventory data to reflect the new inventory situation.
- The updating of GLD data.

Figure 4 shows the steps in the receipt procedure.

To receive goods, take the following steps:

**Step 1 Print Goods Received Note (whinh3412m000)**

Use this session to print a goods received note. This action should be performed just before or after the goods arrive to ensure that changes to any individual order lines are included.

**Step 2 Receipts (whinh3520m000)**

Use this session to enter a receipt. You can receive goods based on:

- ASN lines by use of the **Add Expected Shipments** option in the **Specific** menu.
- Inbound order lines by use of the:
  - **New** button
  - **Add Expected Order Line** option in the **Specific** menu.
You can also:

- Register unexpected shipments
- Enter many receipt lines in one go
- Correct a receipt if required

When a receipt, that is based on a purchase order, is confirmed, the following happens:

- The PUR module in BaanERP Order Management is updated with the received quantity and receipt date.
- The payment cycle is triggered in the GLD module of BaanERP Finance, if BaanERP Finance is implemented.

### Step 3 Generate Inbound Advice (whinh3201m000)

Use this session to generate inbound advice for confirmed receipts. The session advises locations and lots where necessary. This enables you to use an optimal put-away sequence.

The inbound advice serves as an instruction to move received inventory into a warehouse. So, an inbound advice might, for example, read as follows: Take 10 of item A from location Receipt3 and put them in location Bulk5.

Inbound advice can also be generated or created as follows:

- If the Generate Inbound Advice (whinh3201m000) session is not an activity in the receipt procedure, an inbound advice is generated as soon as a receipt is confirmed.
- An inbound advice can be generated for any confirmed receipt by selecting the Generate Advice option from the Specific menu in the Receipts (whinh3520m000) session.
- An Inbound advice can be created manually in the Inbound Advice (whinh2515m000) session.

As a result of the generation of an inbound advice the following occurs:

- The allocated inventory of the source location increases.
- The on-order inventory of the destination location increases.

### Step 4a Put Away Inbound Advice (whinh3203m000)

If an inbound advice is generated or created, no inventory transactions have yet taken place. If the items are physically taken from one location and put away in the new location, the inventory transactions must be updated. This update is performed by the Put Away Inbound Advice (whinh3203m000) session.

Inbound advice can also be put away as follows:

- An inbound advice can be put away by selecting the Put Away Advice option from the Specific menu in the Inbound Advice (whinh2515m000) session.
If an inbound advice is associated with a storage list, the inbound advice is put away by use of the storage list. (See also: Step 5, “Storage List (whinh2515m100)”).

If an inbound advice is put away, BaanERP reflects the fact that the physical movement of items has taken place which results in the following:

- The inventory on hand at the source location is decreased and the available capacity is increased.
- The inventory on hand at the destination location is increased and the available capacity is decreased.
- The allocated inventory at the source location is decreased.
- The inventory on order at the destination location is decreased.

**Step 4b Generate Storage List (whinh3415m000)**

Use this session to generate a storage list that tells warehouse personnel where to store the inventory.

When inbound advice is generated, the destination locations can be anywhere in the warehouse, which could lead to an inefficient put-away sequence. The storage list is used to make this sequence more efficient by, for example, including all items that are to go to a particular location on one list.

**Note**

You can only generate a storage list for location controlled warehouses.

**Step 5 Storage List (whinh2515m100)**

Use this session to view and put away the storage list by:

- Inbound advice
- Storage mission
- Run

The results of putting away the storage list are the same as the results of putting away an inbound advice. See also: Step 4a, “Put Away Inbound Advice (whinh3203m000)”.

**3.4 The inspection procedure**

Where incoming inventory must be inspected and approved, the inspection procedure must be carried out following on the receipt procedure. This procedure enables users to inspect and approve or reject received inventory.

To be able to carry out the inspection procedure for received items, you must specify the following settings:

- Your warehouse must have a location of the **Inspection** type. In the Warehouses (whwmd2100s000) session, you can specify if a warehouse has locations. In the Locations (whwmd3100s000) session, you can specify the locations of the warehouse.
- An inspection procedure must be specified for the warehousing-order type. The first activity of the inspection procedure must be the Approvals (whinh3522m000) session.

- In case of a purchased item, at least one of the check boxes below must be selected. The selection of one of these check boxes selects, or enables you to select, the **Inspection** check box on the Purchase order line (tdpur4101s000) session:
  - The **Inspection** check box on the Item Purchase Data (tdipu0101s000) session
  - The **Inspection** check box on the Item Supplier Information (tdipu0110s000) session
  - The **Inspection** check box on the Ship-from Business Partners (tccom4121s000) session.

After receipt, BaanERP checks whether BaanERP Quality Management applies to the item, the order, and/or its supplier. If so, the inspection is carried out by BaanERP Quality Management and the inspection results are reported in the Inventory Inspection Data (whinh3122s000) session.

If BaanERP Quality Management does not apply, BaanERP checks whether inspection is required for the order in BaanERP Warehousing. If you receive items in the warehouse for which inspection is required, these items are, as a result of the receipt procedure, taken from the receipt location and put away in the inspection location. For each inspection location to be used, an approval record is created for the quantity of items placed in that location. BaanERP creates the approval records in the Approvals (whinh3522m000) session. You can use the Inventory Inspection Data (whinh3122s000) session to approve or reject inspected goods.

The results of the inspections procedure can be:

- The generation of new inbound advice to move inventory from the inspection locations to normal inventory.
- The registering and storage of amounts of inventory that can be different from those received.
- The updating of PUR, GLD and PTC (Quality Management) module.
Figure 5 shows the inspection procedure.

To inspect received goods, take the following steps:

**Step 1 Approvals (whinh3522m000)**

Use this session and the corresponding Inventory Inspection Data (whinh3122s000) session to record both approvals and rejections for inspection orders.

Approved inventory should be moved to a pick location or a bulk location.

For the rejected inventory an inventory adjustment order is generated automatically. This means that the rejected inventory is just removed from the inventory. You can view and modify this inventory adjustment order in the Cycle Counting/Adjustment Orders (whinh5500m000) session. For more information how to handle inventory adjustment orders, see Chapter 4.2, “The inventory adjustment procedure”.

**Note**

You have to decide yourself what to do with the rejected inventory. If you want to take it back into inventory, you must create a new adjustment order, because the rejected inventory is no longer part of your inventory.

You can perform multiple inspections on a receipt line, which has several advantages:

- Multiple rejection reasons can be given for the same receipt line.
- Approved goods can be put away without waiting for the entire order to be inspected.
When inventory is approved or rejected during inspection and the inspection results are saved in the Inventory Inspection Data (whinh3122s000) session, the PTC, GLD, and PUR modules are updated with the new data, which reflects:

- The actual quantities of approved inventory that are now registered and put away
- The amending of any invoices
- The statistics required by BaanERP Quality Management
- Where appropriate, the payment cycle is triggered in the General Ledger (GLD) module of BaanERP Finance.

**Step 2 Generate Inbound Advice (whinh3201m000)**

Use this session to generate inbound advice for goods that are approved during inspection. The session advises locations and lots where necessary. This enables you to use an optimal put-away sequence.

The inbound advice serves as an instruction to move approved inventory into a warehouse. So, an inbound advice can read as follows: Take 10 of item A from location Inspection1 and put them in location Bulk5.

Inbound advice can also be generated or created as follows:

- If Generate Inbound Advice (whinh3201m000) is not an activity in the inspection procedure, an inbound advice is generated as soon as an inspection line is approved.
- An Inbound advice can be created manually in the Inbound Advice (whinh2515m000) session.

As a result of the generation of an inbound advice the following occurs:

- The allocated inventory of the source location increases.
- The on-order inventory of the destination location increases.

**Step 3a Put Away Inbound Advice (whinh3203m000)**

If an inbound advice is generated or created, no inventory transactions have yet taken place. If the items are physically taken from one location and put away in the new location, the inventory transactions must be updated. This update is performed by the Put Away Inbound Advice (whinh3203m000) session.

Inbound advice can also be put away as follows:

- An inbound advice can be put away by selecting the Put Away Advice option from the Specific menu in the Inbound Advice (whinh2515m000) session.
- If an inbound advice is associated with a storage list, the inbound advice is put away by use of the storage list. (See also: Step 5, “Storage List (whinh2515m100)”.)
If an inbound advice is put away, BaanERP reflects the fact that the physical movement of items has taken place which results in the following:

- The inventory on hand at the source location is decreased and the available capacity is increased.
- The inventory on hand at the destination location is increased and the available capacity is decreased.
- The allocated inventory at the source location is decreased.
- The inventory on order at the destination location is decreased.

**Step 3b Generate Storage List (whinh3415m000)**

Use this session to generate a storage list, which tells warehouse personnel where to store the inventory in a warehouse.

When inbound advice is generated, the destination locations can be anywhere in the warehouse, which could lead to an inefficient put-away sequence. The storage list is used to make this sequence more efficient by, for example, including all items that are to go to a particular location on one list.

**Note**

You can only generate a storage list for location controlled warehouses.

**Step 4 Storage List (whinh2515m100)**

Use this session to view and put away the storage list by:

- Inbound advice
- Storage mission
- Run

The results of putting away the storage list are the same as the results of putting away an inbound advice. See also: Step 3a, “Put Away Inbound Advice (whinh3203m000)”.

### 3.5 The optional sessions in the inbound process

The following sessions can also be used to maintain and inquire about inbound data:

- Shipment Notice References (whinh3102s000)
- Shipment Notice Packaging (whinh3103m000)
- Ship-From Default Routings (whinh3114m000)
- Inbound Shipment Routings (whinh3115m000)
- Shipment Packing Structure (whinh3116m000)
- Shipment Notice Item Load Structure (whinh3117m000)
- Receipt Correction (whinh3121s000)
- Purge Shipment Notices (whinh3250m000)
- Remove Inbound Advice (whinh3260m000)
- Print Inbound Advice Log (whinh3465m000)
- Receipt Packing Structure (whinh3816m000)

This list does not include history sessions.
### 3.6 The outbound procedure

The outbound procedure controls the movement of all inventory going out of the warehouse or going out of a location in case of a transfer. The outbound movement of goods is initiated and controlled by a warehousing order of one of the following inventory-transaction types:

- Issue
- Transfer
- Item transfer

The results of the outbound procedure are:

- The physical movement of inventory from a warehouse to a staging location or a shipment vehicle.
- The updating of all inventory and warehouse data to reflect the new inventory situation.
- The updating of the relevant tables in the SOC, SFC, SLS and PSS modules to reflect the issue of inventory (also PUR if a return is involved).

Figure 6 shows the outbound-advice procedure.

**Step 1** **Generate Outbound Advice (whinh4201m000)**

Use this session to generate an outbound advice for an outbound-order line. An outbound advice shows where the inventory must be taken from and where it must go. This enables you to use an optimal picking sequence. The outbound advice serves as an instruction to move inventory out of a warehouse. So, an outbound advice can read as follows: Take 10 of item A from location Bulk5 and put them in location Staging2.
Outbound advice can also be generated or created as follows:

- An outbound advice can be generated for any outbound-order line by selecting the **Generate Advice** option from the **Specific** menu in the Outbound-Order Lines (whinh2520m000) session.

- An outbound advice can be created manually in the Outbound Advice (whinh2525m000) session.

You can modify generated or created outbound advice in the Outbound Advice (whinh2525m000) session.

As a result of the generation of an outbound advice the following occurs:

- The allocated inventory of the source location increases.
- The on-order inventory of the destination location increases.

**Step 2  Release Outbound Advice (whinh4202m000)**

Use this session to approve outbound advice. If this session is not an activity in the outbound procedure, it is carried out automatically. If you want to check the generated outbound advice before you approve them, this session must be an activity in the outbound procedure.

**Step 3  Generate Picking List (whinh4415m000)**

Use this session to generate the picking list, which details all the items, locations/lots and quantities for a manufacturing or shipping order. You can sort the picking list in a number of ways. The picking list is used by operating personnel to pick manufacturing or shipping orders.

**Step 4  Picking List (whinh2525m100)**

Use this session to view and confirm the picking.

On the picking list, the several outbound advice are grouped by run and picking mission. You can confirm a:

- Single outbound advice
- Picking mission
- Complete run

If not enough inventory is found on the advised location, a new outbound advice must be generated.

As a result of the confirmation, BaanERP reflects the fact that the physical movement of items has taken place which results in the following:

- The inventory on hand at the source location is decreased and the available capacity is increased.
- The inventory on hand at the destination location is increased and the available capacity is decreased.
- The allocated inventory at the source location is decreased.
- The inventory on order at the destination location is decreased.
Step 5   Approvals (whinh3522m000)

After the picking confirmation, you can approve or reject the picked inventory by use of this session and the corresponding Inventory Inspection Data (whinh3122s000) session.

Where inventory is rejected, you can choose to generate new outbound advice to account for the discrepancy. For the approved outbound advice, shipment lines are created in the Shipment Lines (whinh4531m000) session.

For the rejected inventory, an inventory adjustment order is generated automatically. This means that the rejected inventory is just removed from the inventory. You can view and modify this inventory adjustment order in the Cycle Counting/Adjustment Orders (whinh5500m000) session. For more information how to handle inventory adjustment orders, see Chapter 4.2, “The inventory adjustment procedure”.

You have to decide yourself what to do with the rejected inventory. If you want to take it back into inventory, you must create a new adjustment order, because the rejected inventory is no longer part of your inventory.

3.7  To use optional sessions in the outbound procedure

The following optional sessions allow you to maintain and inquire on outbound data:

- Process Outbound (whinh4200m000)
- Outbound Advice by Order Line (whinh2525m200)
- Runs (whinh4500m000)
- Sort Options for Picking/Storage List (whinh4103m000)
- Outbound Order Lines by Warehousing Order (whinh2520m100)
- Negative Inventory (whinh2535m000)
- Project Inventory (whinh2545m000)
- Project Inventory by Item (whinh2545m100)

This list does not include history sessions.
3.8 Before shipping goods

As a result of the outbound procedure:

- Loads can be generated and stored in the Loads (whinh4540m000) session. Loads are only generated if a carrier or route is specified on the warehousing order from which the shipment results. You can also manually create loads in the Loads (whinh4540m000) session.

- Shipments are generated and stored in the Shipments (whinh4530m000) session. You cannot manually create shipments.

- Shipment lines are generated and stored in the Shipment Lines (whinh4531m000) session. Each outbound advice results in one or more shipment lines. If there is no shipment yet to which the shipment line can be linked, a shipment is generated as well. A shipment line is linked to a shipment for which the following data equals the warehousing order data of the shipment line:
  - Ship-from type and ship-to type
  - Ship-from code and ship-to code
  - Ship-from address and ship-to address
  - Terms of delivery
  - Shipment procedure activities
  - Route
  - Carrier
  - Planned delivery date

*Note*

For production orders, no shipment lines are generated.

Before you start the shipment procedure you can modify shipments, shipment lines, or loads by use of the above mentioned sessions or by use of the following sessions:

- Shipment Lines by Warehousing Orders (whinh4535m000)
  You can use this session to view and maintain shipments for each outbound-order line.

- Compose Loads (whinh4134m000)
  You can use this session to add shipments to a load or to remove shipments from a load.

- Split Shipments (whinh4231m000)
  A shipment may need to be split because it is too big for a single conveyance or carrier. This can be due to weight restrictions or the size of the shipment.
  Whether you must split a shipment is an operational decision without impact on warehousing data or financial transactions.
  You can move all or part of a shipment to:
    - A different, existing shipment
    - One or more new shipments
The shipment procedure

The shipment procedure controls the preparation and documentation required for a shipment of inventory.

The shipment procedure’s results are:

- The confirmation of all the shipment details
- The generation of all the relevant paperwork to accompany a shipment of inventory

Figure 7 shows the shipment procedure.

To ship goods, take the following steps:

Step 1 **Confirm Shipments/Loads (whinh4275m000)**

Use this session to confirm a shipment or load. The confirmation of a shipment or load means that inventory is moved from the staging location and has physically left the warehouse.

You can also confirm:

- Shipments by selecting the Confirm option from the Specific menu in the Shipments (whinh4530m000) session or by clicking the Confirm button in the Shipments (whinh4130s000) session.
- Shipment lines by selecting the Confirm option from the Specific menu in the Shipment Lines (whinh4531m000) session or by clicking the Confirm button in the Shipment Lines (whinh4131s000) session.
- Loads by selecting the Confirm option from the Specific menu in the Loads (whinh4540m000) session or by clicking the Confirm button in the Loads (whinh4140s000) session.

**Note**

The Confirm Shipments/Loads (whinh4275m000) session is not used for production orders.
Step 2  **Print Bills of Lading (whinh4470m000)**  
**Print Packing Slips (whinh4475m000)**  
**Print Packing Lists (whinh4476m000)**

Use these sessions to print the documentation that accompanies the shipment.

**Step A  Confirm ASN (whinh4532m000)/EDI**

The **Generate ASNs Automatically** check box in the Inventory Handling Parameters (whinh0100s000) session determines whether ASNs are generated and confirmed automatically:

- If this check box is selected ASNs are generated and confirmed automatically when shipments are confirmed and an EDI relation exists with the business partner the shipment is going to. The ASNs are directly sent to and further processed in the EDI module in BaanERP Electronic Commerce.
- If this check box is cleared ASNs are not generated and confirmed automatically when shipments are confirmed. In this case you can create and confirm ASNs manually using the Confirm ASN (whinh4532m000) session. The ASNs are after manually confirmation sent to and further processed in the EDI module in BaanERP Electronic Commerce.

Only confirmed shipments appear in the Confirm ASN (whinh4532m000) session.

**Note**

This step is not a part of the shipment procedure but it is closely related to it.

### 3.10 To use optional sessions in the shipment procedure

The following sessions can also be used to maintain and inquire about shipment data:

- Outbound ASN Routings (whinh4115m000)
- Clustered Shipment Lines for Bills of Lading (whinh4136s000)
- Remove Confirmed Shipments (whinh4250m000)
- Print Shipping Discrepancies (whinh4435m000)
- Print Outbound Data (whinh4460m000)

This list does not include history sessions.
In BaanERP Warehousing you can update the registered inventory with the actual figures in two ways. You can carry out:

- Cycle counts
- Inventory adjustments

4.1 The cycle count procedure

Cycle counts are used to check the registered inventory against the actual inventory available.

Cycle-count orders are used to manually count the inventory by stock point and subsequently enter the counted quantities into the system.

New cycle-count orders are generated based on the following:

- Count frequencies specified for categories of the ABC classification
- Inventory levels
- Last count date of the stock point

The result of the perform cycle count procedure is the updating of the registered inventory with the actual inventory figures.
Figure 8 shows the steps in the cycle count procedure.

To perform a cycle count, take the following steps:

**Step 1  Inventory Handling Parameters (whinh0100s000)**

The **Cycle Counting** tab in this session allows you to set a number of parameters that control how cycle counts are performed. For example:

- The counting intervals (in weeks)
- Whether to block inventory during cycle counting
- Whether to cycle count consignment inventory
- The conditions under which to force cycle counting
- The percentage and value counted for items of classes A, B and C
Step 2  **Cycle Counting Data (whinh5540m000)**

Use this session to view cycle count data for each stock point. The default cycle count data for each stock point results from the cycle count data in the Inventory Handling Parameters (whinh0100s000) session. You can for each stock point overrule the default data in the Cycle Counting Data (whinh5540m000) session. You can also use this session to force cycle counting for specific stock points.

Step 3  **Generate Cycle Counting Orders (whinh5200m000)**

Use this session to generate cycle-count orders. For every stock point in the specified selection, BaanERP determines whether that point should be counted and placed on a cycle-count order.

You can also regenerate cycle-count orders when a recount is requested. A recount is requested if the **Recount** check box in the Cycle Counting/Adjustment Order Lines (whinh5101s000) session is selected.

The generated cycle-count orders are stored in the Cycle Counting/Adjustment Order (whinh5500m000) session and the Cycle Counting/Adjustment Order Lines (whinh5501m000) session.

When a cycle-count order (line) is generated, stock points can be blocked. Whether or not the stock points are blocked is indicated by the **Block During Warehouse Cycle Counting** check box in the Inventory Handling Parameters (whinh0100s000) session.

If you also print the cycle-count orders by use of this session, you do not have to print cycle-count orders by use of the Print Cycle-Count Orders (whinh5400m000) session (see also Step 4).

Step 4  **Print Cycle Counting Orders (whinh5400m000)**

Use this session to print the cycle-count orders (counting lists.) These are used to register the physically counted quantities.

A cycle-count order must be printed before any counted inventory can be entered in the Cycle Counting/Adjustment Order Lines (whinh5101s000) session. Cycle-count orders can be printed by use of the current session or by use of the Generate Cycle Counting Orders (whinh5200m000) session.

*Note*

If you did not yet print the cycle-count orders by use of the Generate Cycle Counting Orders (whinh5200m000) session, the current step is mandatory.

Step 5  **Reason Codes for Variance Changes (whinh5110m000)**

In this session you can specify reasons for counted variances. You can link the reason to the variance in the Cycle Counting/Adjustment Order Lines (whinh5101s000) session.
Step 6  **Cycle Counting/Adjustment Order Lines (whinh5501m000)**

Use this session to enter or view the cycle-count results.

If you think the counting results are not correct, you can specify that the cycle-count order line must be recounted by selecting the **Recount** check box in this session.

Step 7  **Print Cycle Counting Check Report (whinh5401m000)**

Use this session to print the cycle count report to check the count data that is entered in the Cycle Counting/Adjustment Order Lines (whinh5101s000) session. The report contains:

- The cycle-count order lines for a given cycle-count order
- The count number

Both the entered (counted) quantity and the registered quantity are printed for each order line.

Step 8  **Approve Cycle Counting Variances (whinh5801m000)**

Use this session to approve or reject counted variances for cycle count orders. Variances need to be approved if at least one of the following is true:

- Approval is mandatory for the reason code for variance changes that is entered for the variance in the Cycle Count/Adjustment Order Lines (whinh5101s000) session.
- The counted variance in percentage is more than the variance percentages that are permitted between registered and actual inventory for a specific ABC group as is specified in the Inventory Handling Parameters (whinh0100s000) session.
- The counted value variance is more than the value variances that are permitted between registered and actual inventory for a specific ABC group as is specified in the Inventory Handling Parameters (whinh0100s000) session.

Step 9  **Process Cycle Count/Adjustment Orders (whinh5201m000)**

Use this session to adjust the registered quantities of inventory according to the results of the cycle-count orders.

To process the count results of a cycle-count order line, the following fields in the Cycle Count/Adjustment Order Lines (whinh5101s000) session must be set as follows:

- The **Counted Inventory** check box must be selected.
- The **Approval** field must be empty or have the value **Approved**.
- The **Recount** check box must be cleared, which allows only the cycle-count order lines with the highest count number for each cycle-count order line to be processed.
Cycle-count orders can also be processed as follows:

- Select the **Process Order Lines** option in the **Specific** menu of the Cycle Count/Adjustment Orders (whinh5500m000) session.
- Select the **Process Order Lines** option in the **Specific** menu of the Cycle Counting/Adjustment Order Lines (whinh5501m000) session.
- Select the **Process Order Lines Without Counted Differences** option in the **Specific** menu of the Cycle Counting/Adjustment Order Lines (whinh5501m000) session.

The processed cycle-count orders are stored in history if the **Cycle Counting/Adjustment Orders History** check box in the Inventory Handling Parameters (whinh0100s000) session is selected. You can view the processed cycle-count orders in the History Processed Cycle Counting/Adjustment Orders (whinh5550m000) session.

### 4.2 The inventory adjustment procedure

Inventory adjustments are changes that can be made to the registered inventory levels without performing a cycle count.

The result of the inventory adjustment procedure is the updating of the registered inventory with the actual inventory figures.

Figure 9 shows the steps in the inventory adjustment procedure.

![Figure 9 The inventory adjustment procedure](image)

The inventory adjustment procedure consists of the following steps:

**Step 1  Cycle Counting/Adjustment Orders (whinh5500m000)**

Use this session to manually create inventory adjustment orders for inventory adjustments that do not result from a cycle count.

Inventory adjustment orders are generated automatically when goods are rejected during inspection in the Inventory Inspection Data (whinh3122s000) session. See also:

- Section 3.4, “The inspection procedure”, Step 1, Approvals (whinh3522m000).
The update inventory procedures

- Section 3.6, “The outbound procedure”, Step 5, Approvals (whinh3522m000).

Step 2  Cycle Counting/Adjustment Order Lines (whinh5501m000)
Use this session to specify the item and the quantity by which the item’s inventory must be adjusted for the stock point.

Step 3  Process Cycle Count/Adjustment Orders (whinh5201m000)
Use this session to actually adjust the registered inventory quantities.

Inventory adjustment orders can also be processed as follows:
- Select the Process Order Lines option in the Specific menu of the Cycle Count/Adjustment Orders (whinh5500m000) session.
- Select the Process Order Lines option in the Specific menu of the Cycle Counting/Adjustment Order Lines (whinh5501m000) session.

The processed inventory adjustment orders are stored in history if the Cycle Counting/Adjustment Orders History check box in the Inventory Handling Parameters (whinh0100s000) session is selected. You can view the processed inventory adjustment orders in the History Processed Cycle Counting/Adjustment Orders (whinh5500m000) session.

4.3  The optional session in the cycle count and inventory adjustment procedure

You can delete the existing cycle count orders and inventory adjustment orders at any point by use of the Delete Cycle Counting/Adjustment Orders (whinh5210m000) session. The selected orders are deleted regardless of their status. The deleted orders are not stored in history.
Inbound movement, outbound movement, transfer or assembly of items can be blocked at various inventory levels, which include:

- Warehouse
- Zone
- Location
- Stock Point
- Lot
- Global

At each of these levels, you can impose a block for one or more transactions. You can also block inventory at these levels for all transactions at once.

Consequences of blocking inventory

When you block inventory of an item for all transactions, the item’s inventory on hold is increased with the blocked quantity.

When you block inventory of an item for certain transactions and not for all transactions, the item’s inventory on hold is not increased; the inventory is just blocked for inbound, outbound, assembly, or transhipment.

Uses of blocking in BaanERP

Blockings by warehouse, zone, location, lot, and stock point can be used when you do any of the following:

- Register the receipt of items
- Control the inbound movement of items
- Control the outbound movement of items
- Enter inventory transactions
- Create cycle-count orders
- Create inspection orders

You can block inventory by use of the following sessions:

- (Un)Block Warehouses/Zones/Locations (whinh6110m000)
- (Un)Block Locations by Transaction (whinh6111m000)
- (Un)Block Zones by Transaction (whinh6112m000)
- Global (Un)Block Warehouses/Zones/Locations (whinh6210m000)
- (Un)Block Lots (whinh6120m000)
- (Un)Block Lots by Transaction (whinh6121m000)
- Global (Un)Block Lots (whinh6220m000)
- (Un)Block Stock Points (whinh6530m000)
- (Un)Block Stock Point by transaction (whinh6131m000)
- Global (Un)Block Stock Point by Product Expiration Date (whinh6230m000)
Inventory can also be blocked as a result of the following:

- **Storage inspection orders**
  Inventory can be blocked if the items have not yet passed inspection or have not yet left the inspection receipt location. If inventory is blocked during inspection depends on the value of the *Inspection Blocks for CP* check box in the Inventory Handling Parameters (whinh0100s000) session.

- **Cycle-count orders**
  Inventory can be blocked if the items are included on a cycle-count order. When you process a count list, the inventory blocked for cycle counting is automatically unblocked. If inventory is blocked during cycle counting depends on the value of the *Block During Warehouse Cycle Counting* check box in the Inventory Handling Parameters (whinh0100s000) session.
6. To work with consignment inventory

BaanERP’s consignment functionality applies if inventory ownership and storage are handled by different parties. If you work with consignment, at least one of the following situations applies:

- Supplier-owned inventory or not-owned inventory is stored at a user warehouse.
- User-owned inventory or owned inventory is stored at a customer warehouse.

As a result, the consignment inventory is one of the following:

- Inventory you store that still belongs to a business partner.
- Inventory you own that is stored by a third party.

This chapter describes how you can handle:

- Not-owned consignment inventory
- Owned consignment inventory

6.1 To work with not-owned consignment inventory

Not-owned consignment inventory are goods owned by a supplier but stored in your warehouse which will not be paid until after the goods are used for sales, production, or transfer. You register the goods as consignment inventory.

Not-owned consignment inventory is almost always stored in a warehouse of the **Consignment (not owned)** type. Consignment inventory can also be stored in a warehouse of the **Normal** type. You can only store consignment inventory in a warehouse of the **Normal** type if you receive goods based on a purchase order of the **Consignment Replenishment** type.

Figure 10 shows how you can handle not-owned consignment inventory.
To work with consignment inventory

To handle not-owned consignment inventory, take the following steps:

**Step 1**  **Purchase orders (PUR)**

Consignment inventory can get into the warehouse through a purchase order of the **Consignment Replenishment** type. This purchase order will generate a warehousing order of the **Receipt** type when it is released to warehousing.

**Step 2**  **Warehousing Master Data (WMD)**

In the Item Warehousing Data (whwmd4100s000) session, you can specify whether not-owned consignment inventory or normal (owned) inventory is issued first.

**Step 3**  **Inventory Handling (INH)**

The receipt of the consignment inventory is registered in BaanERP by use of an inbound-order line. As a result, the consignment inventory record now has the **Received** status. When the not-owned consignment inventory is used, an outbound-order line is generated and the consignment usage status is changed to **Used**.

When the consignment inventory is shipped or transferred, a purchase order of the **Consignment Payment** type is generated for that consignment inventory. The purchase order, of the **Consignment Payment** type, allows the owner of the inventory to be paid after the consignment inventory has been used. The records for the used consignment inventory for which such a purchase order has been generated will receive the **Processed** status.

**Step 4**  **Purchase orders (PUR)**

You must process the purchase order of the **Consignment Payment** type in the Process Delivered Purchase Orders/Schedules (tdpur4223m000) session. As a result, BaanERP Finance is informed to pay for the used goods. In ACP an invoice must be created manually and matched with the purchase order of the **Consignment Payment** type.

**Step 5**  **Consignment Inventory and Usage (whinh2540m000)**

You can use this session to view the consignment inventory movements (receipts and issues) and the consignment inventory status (see also Step 3).

**Step 6**  **Delete Processed Consignment Inventory (whinh2240m000)**

Use this session to delete fully processed consignment inventory records.
6.2 To work with owned consignment inventory

Owned consignment inventory are goods owned by your company and stored in a customer’s warehouse for which your company will only receive payment after the goods are used or sold. You do not register the goods as consignment inventory, because the goods are still part of your inventory. Because this inventory is assigned to a specific customer, you cannot use it for other purposes.

Owned consignment inventory is always stored in a warehouse of the Consignment (owned) type.

Figure 11 shows you how to handle owned consignment inventory.

To handle owned consignment inventory, take the following steps:

**Step 1 Sales orders (SLS)**

To put own inventory in a customer’s warehouse, you must create a sales order of the Consignment Replenishment type. This sales order results in a warehousing order of the inventory-transaction type Transfer because no ownership change is involved.
To work with consignment inventory

Step 2  Inventory handling (INH)
By means of the warehousing order of inventory-transaction type Transfer, the consigned goods are transferred from one warehouse to another, where the receiving warehouse is a warehouse of the Consignment (owned) type.

Step 3  Customer informs you about his consignment inventory usage
When a customer uses consignment inventory, he must inform you about:
- The quantity of the consignment inventory he used.
- The date/time he used the consignment inventory.

How the customer informs you about his consignment inventory usage depends on the agreements you made.

Step 4  Sales orders (SLS)
After a customer informs you about his consignment inventory usage, you must create a sales order of the Consignment Invoicing type and release this order to BaanERP Warehousing with the Release to Warehousing (Batch) (tdsls4246m000) session.

Step 5  Inventory handling (INH)
The release of the sales order of the Consignment Invoicing type to BaanERP Warehousing updates the inventory records in INH.

Step 6  Invoicing
The release of the sales order of the Consignment Invoicing type to BaanERP Warehousing triggers the invoicing process in SLI. As a result:
- An invoice is created to be sent to the customer.
- An open entry is created in ACR.

After the customer pays the invoice, you can match the customer’s payment with the open entry in CMG to close the transaction.