

**Oracle® Fusion Applications Materials Management and
Logistics, Inventory Guide**

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Oracle® Fusion Applications Materials Management and Logistics, Inventory Guide

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Authors: Kristy Carlile, Ari Langer, Maneesha Nanda

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Preface

This Preface introduces the guides, online help, and other information sources available to help you more effectively use Oracle Fusion Applications.

Oracle Fusion Applications Help

You can access Oracle Fusion Applications Help for the current page, section, activity, or task by clicking the help icon. The following figure depicts the help icon.



You can add custom help files to replace or supplement the provided content. Each release update includes new help content to ensure you have access to the latest information. Patching does not affect your custom help content.

Oracle Fusion Applications Guides

Oracle Fusion Applications guides are a structured collection of the help topics, examples, and FAQs from the help system packaged for easy download and offline reference, and sequenced to facilitate learning. You can access the guides from the **Guides** menu in the global area at the top of Oracle Fusion Applications Help pages.

Note

The **Guides** menu also provides access to the business process models on which Oracle Fusion Applications is based.

Guides are designed for specific audiences:

- **User Guides** address the tasks in one or more business processes. They are intended for users who perform these tasks, and managers looking for an overview of the business processes. They are organized by the business process activities and tasks.
- **Implementation Guides** address the tasks required to set up an offering, or selected features of an offering. They are intended for implementors. They are organized to follow the task list sequence of the offerings, as displayed within the Setup and Maintenance work area provided by Oracle Fusion Functional Setup Manager.
- **Concept Guides** explain the key concepts and decisions for a specific area of functionality. They are intended for decision makers, such as chief financial officers, financial analysts, and implementation consultants. They are organized by the logical flow of features and functions.

- **Security Reference Manuals** describe the predefined data that is included in the security reference implementation for one offering. They are intended for implementors, security administrators, and auditors. They are organized by role.

These guides cover specific business processes and offerings. Common areas are addressed in the guides listed in the following table.

| Guide | Intended Audience | Purpose |
|---|--|---|
| Common User Guide | All users | Explains tasks performed by most users. |
| Common Implementation Guide | Implementors | Explains tasks within the Define Common Applications Configuration task list, which is included in all offerings. |
| Information Technology Management, Implement Applications Guide | Implementors | Explains how to use Oracle Fusion Functional Setup Manager to plan, manage, and track your implementation projects, migrate setup data, and validate implementations. |
| Technical Guides | System administrators, application developers, and technical members of implementation teams | Explain how to install, patch, administer, and customize Oracle Fusion Applications. |

For guides that are not available from the Guides menu, go to Oracle Technology Network at <http://www.oracle.com/technetwork/indexes/documentation>.

Other Information Sources

My Oracle Support

Oracle customers have access to electronic support through My Oracle Support. For information, visit <http://www.oracle.com/pls/topic/lookup?ctx=acc&id=info> or visit <http://www.oracle.com/pls/topic/lookup?ctx=acc&id=trs> if you are hearing impaired.

Use the My Oracle Support Knowledge Browser to find documents for a product area. You can search for release-specific information, such as patches, alerts, white papers, and troubleshooting tips. Other services include health checks, guided lifecycle advice, and direct contact with industry experts through the My Oracle Support Community.

Oracle Enterprise Repository for Oracle Fusion Applications

Oracle Enterprise Repository for Oracle Fusion Applications provides visibility into service-oriented architecture assets to help you manage the lifecycle of your software from planning through implementation, testing, production,

and changes. In Oracle Fusion Applications, you can use the Oracle Enterprise Repository for Oracle Fusion Applications at <http://fusionappsoer.oracle.com> for:

- Technical information about integrating with other applications, including services, operations, composites, events, and integration tables. The classification scheme shows the scenarios in which you use the assets, and includes diagrams, schematics, and links to other technical documentation.
- Publishing other technical information such as reusable components, policies, architecture diagrams, and topology diagrams.

Documentation Accessibility

For information about Oracle's commitment to accessibility, visit the Oracle Accessibility Program website at <http://www.oracle.com/us/corporate/accessibility/index.html>.

Comments and Suggestions

Your comments are important to us. We encourage you to send us feedback about Oracle Fusion Applications Help and guides. Please send your suggestions to oracle_fusion_applications_help_ww_grp@oracle.com. You can use the **Send Feedback to Oracle** link in the footer of Oracle Fusion Applications Help.

Review Inventory Balances

FAQs for Managing Item Quantities

What's the difference between primary quantity and secondary quantity?

Primary quantity is the quantity of items in the primary unit of measure.

Secondary quantity is the quantity of items in the secondary unit of measure.

Manage Inventory Transactions

Create Subinventory Transfer

Subinventory Transfers: Explained

Use a subinventory transfer to transfer material within your current organization between subinventories, or between two locators within the same subinventory. Examples of subinventory transfers are transferring between asset and expense subinventories, and transferring between tracked and non-tracked subinventories.

Availability Types: Explained

Availability types denote quantities of items that are available to transfer, and that are on hand.

You can view quantities in the following availability types:

- Available
- Secondary Available Quantity
- On Hand
- Secondary On-hand Quantity

Available

The quantity that is available to transfer based on the unit of measure you specify, which is the quantity on hand less all reservations for the item. This amount could include the amount that you have reserved if you enter a transaction source that has reservations against it. The available quantity includes reservations against the current transaction source, and is specific to the revision level, lot number, source subinventory, and source locator that you specify for the transfer.

Secondary Available Quantity

The quantity that is available to transfer in the secondary unit of measure. This value displays if the item is under dual unit of measure control.

On Hand

The current on-hand quantity for the item, based on the unit of measure you specify. The on-hand quantity is specific to the revision, lot number, source subinventory, and source locator you specify for the transfer. On-hand includes quantities for pending transactions.

Secondary On-Hand Quantity

The current on-hand quantity of the item in the secondary unit of measure. This value displays if the item is under dual unit of measure control.

FAQs for Subinventory Transfers

How can I immediately transfer material between subinventories?

Create a subinventory transfer. Subinventory transfers occur immediately after you create and submit them.

Create Miscellaneous Transaction

Creating Miscellaneous Transactions: Examples

There are many cases in which it is useful to create miscellaneous transactions.

Scenario

In your organization, you can create miscellaneous transactions to:

- Perform manual adjustments to the general ledger by receiving material from one account to inventory, then issuing that material from inventory to a different account
- Load all on-hand items at the beginning of the Oracle Fusion Inventory Management implementation process
- Issue items to individuals, departments, or projects
- Receive items that were acquired without purchase orders
- Enter adjustments and corrections to system quantities outside of performing cycle counting or physical inventory counting, due to theft, vandalism, loss, shelf life expiration, or inaccurate record keeping
- Issue damaged items to expense accounts, such as scrap

FAQs for Creating Miscellaneous Transactions

What's a miscellaneous transaction?

A miscellaneous transaction is a transaction, such as a miscellaneous issue or miscellaneous receipt, that you can use to issue material that does not have

or require documentation support. You can create miscellaneous transactions to make ad-hoc adjustments to on-hand quantities, or to issue material to individuals or projects that are not in inventory or receiving, such as a research and development group or an accounting department.

How can I receive material that does not have a purchase order number?

Create a miscellaneous transaction of type miscellaneous receipt.

How can I issue material without creating a movement request?

Create a miscellaneous issue on the Create Miscellaneous Transaction page in Oracle Fusion Inventory Management.

What's Enter Cost Details?

You can click **Enter Cost Details** to specify a cost for the transaction that is other than the default. If you do not specify a cost, the default current cost of the item is used.

Create Interorganization Transfer

Interorganization Transfers: Explained

Interorganization transfers enable you to transfer material between inventory organizations, which can be necessary if you define multiple inventories, warehouses, and manufacturing facilities as distinct inventory organizations.

In addition to being able to transfer one or more items in a single transaction, you can transfer partial quantities of the same item to different subinventories and locators in a single transaction. The items that you transfer must exist in both the source and destination organizations.

You can create the following types of interorganization transfers:

- Direct interorganization transfers
- In-transit interorganization transfers

Direct Interorganization Transfers

Direct interorganization transfers move items directly between inventory organizations. The destination organization receives the material immediately when you submit the transaction.

In-transit Interorganization Transfers

In-transit interorganization transfers move items directly from the source organization to in-transit inventory. You usually transfer material to in-transit inventory when transportation time is significant. If you set the FOB point to

Receipt on the Manage Interorganization Parameters page, the destination organization owns the shipment when it receives the shipment. If you set the FOB point to Shipment, the destination organization owns the shipment when the shipping organization ships it.

Transfer Charges: How They Are Calculated

A transfer charge indicates the percentage of an item's value to charge when internally transferring an item from a source organization to a destination organization.

Settings That Affect Transfer Charges

The value that you specify in the **Transfer Charge Percentage** field determines the percentage of the item's value that is charged to the destination organization upon transfer.

How Transfer Markups Are Calculated

The cost of a widget is \$10.00. You specify the transfer charge percentage for an interorganization transfer as 10, to denote 10% (which amounts to \$1.00 per widget). When you transfer 15 widgets from inventory organization A to inventory organization B, the account for inventory organization B is charged \$15.00.

Manage Movement Requests

Movement Requests: Explained

Movement requests are requests for the movement of material within an inventory organization such as a warehouse or facility.

The following types of movement requests exist:

- Requisition movement requests
- Replenishment movement requests

Requisition Movement Requests

Requisition movement requests are manually created, and can be used for subinventory transfers and account issues. Once a movement request has been submitted, the movement request is ready to be sourced and transacted.

A movement request creates instructions to pick or move material for warehouse personnel. You can create a requisition movement request to manually relocate stock within a warehouse. You can also create a requisition movement request to issue material out of a certain location. For example, you might want to issue out stock for damaged goods, or to a certain project.

Replenishment Movement Requests

Replenishment movement requests are requests that are generated by min-max planning to replenish material when a minimum quantity for a specific item is reached. Replenishment movement requests replenish material that is sourced from a different location within the same inventory organization. For example, a requisition movement request can be generated to move material from a bulk locator to a fast pick locator.

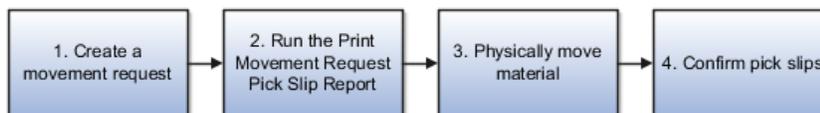
Movement Request Process Flow: Example

When you fully transact a movement request, you perform the complete process required to request movement of material, physically move material, and confirm physical movement of material.

Scenario

You are charged with performing the entire movement request process flow.

The movement request process flow includes creating a movement request, running the Print Movement Request Pick Slip Report, physically picking material, and confirming pick slips, as illustrated in the following diagram:



To perform the movement request process flow:

1. Manually create a requisition movement request on the Manage Movement Requests page.
2. Run the Print Movement Request Pick Slip Report using the Enterprise Scheduler Service.

Give the pick slips to the warehouse operator.

3. Physically move material according to the Movement Request Pick Slip Report's specifications.
4. Confirm pick slips.

To confirm pick slips, verify that you have moved the material according to the Movement Request Pick Slip report, and confirm the items to be shipped on the Confirm Pick Slips page.

If necessary, you also enter discrepancies such as changing the quantity of items that you picked.

Setting Up Replenishment Movement Requests: Example

This example illustrates the prerequisites that you need to perform to set up the generation of replenishment movement requests.

Scenario

You are charged with performing the prerequisites necessary to set up the generation of replenishment movement requests. You perform the following:

1. Set up min-max planning on the subinventory level.

On the Create Subinventory or Edit Subinventory page:

- Select item sourcing options
- (Optional) Specify lead times

2. Set up min-max planning on the item subinventory level.

On the Add Item to Subinventory page or Edit Item Subinventory page:

- Select Min-Max planning.
- Specify minimum and maximum quantities.
- (Optional) Specify the desired fixed lot multiple value or minimum and maximum order quantities.

You only need to specify these values if supplier constraints affect replenishment.

- Select **Subinventory** for the item sourcing option, as well as the source subinventory.
- (Optional) Specify lead times.

3. In the Print Min-Max Planning Report Enterprise Scheduler Service program, select Subinventory for the planning level.

The Min-Max Planning Report generates movement requests to replenish material for the items and subinventories for which you set up min-max planning.

4. Run the Print Min-Max Planning Report Enterprise Scheduler Service program.

Manage Pending Transactions

Pending Transactions: Explained

A pending transaction is either a transaction that is waiting to be executed, or a transaction that has been executed but has resulted in an error.

FAQs for Managing Pending Transactions

What's the difference between the validated and staged transaction states?

The Validated transaction state denotes an inventory transaction that is created in the Oracle Fusion Inventory Management application.

The Staged transaction state denotes a transaction whose record is in the transaction open interface table. Usually, Staged transactions are created in external applications.

What happens when I add a transaction to the Process Schedule?

The transaction is submitted. The transaction will be executed when the Transaction Manager runs the next time.

Manage Lots

Selecting Lot Number Uniqueness Control: Critical Choices

Select one of the following lot number uniqueness control options to apply to the items in your inventory organization:

- No uniqueness control
- Across items

No Uniqueness Control

You can assign the same lot number to multiple items in the same inventory organization and across inventory organizations. The following table provides an example of how lot numbers are generated when uniqueness control is not applied, both within and across inventory organizations.

| Within Inventory Organization | Across Inventory Organizations |
|--|--|
| Item AS100 (printer) / Lot LN100 | Item AS100 (printer) / Lot LN100 |
| Item AS101 (laptop computer) / Lot LN100 | Item AS101 (laptop computer) / Lot LN100 |

Across Items

You can only assign a unique lot number to a single item in one inventory organization. If the same item is also in a different inventory organization, you must assign that item a unique lot number. The following table provides an example of how lot numbers are generated when uniqueness control is applied across items, both within and across inventory organizations.

| Within Inventory Organization | Across Inventory Organizations |
|--|--|
| Item AS100 (printer) / Lot LN100 | Item AS100 (printer) / Lot LN300 |
| Item AS101 (laptop computer) / Lot LN200 | Item AS101 (laptop computer) / Lot LN400 |

FAQs for Managing Lots

What happens to an inactive lot?

When a lot's status becomes inactive, the lot is still included in available-to-transact, available-to-promise, and available-to-reserve calculations.

Additionally, the lot:

- Is included as on-hand supply when you are performing min-max or reorder point planning calculations.
- Is included as on-hand inventory in all inquiries and reports, including the inventory valuation report.
- Can be transacted.
- Can be reserved.

What happens when a lot expires?

When a lot expires, the lot is not considered on-hand supply when the user is performing min-max or reorder point planning calculations.

Additionally, an expired lot:

- Cannot be reserved for a date beyond the expiration date.
- Is included in on-hand quantities, and can be transacted.
- Is included in a cycle count; cycle count entry and adjustments are allowed.

What happens if I allow different lot statuses in an organization?

Select **Yes** to allow new lot quantities to inherit the status of the existing lot. Select **No** to disallow transacting of new lot quantities into existing lots. Select

With Exception to allow transacting of lot quantities if the on-hand balance of the destination organization is zero.

What happens if I select different lot generation options for lot control?

Select **At item level** to generate lot numbers using the starting lot number prefix and the lot number of the predefined item. Select **At organization level** to generate lot numbers using the lot name generation options for prefix, zero pad suffix, and total length. Select **User defined** for users to define lot numbers at item receipt.

What's the difference between creating lot UOM conversions automatically and creating lot UOM conversions as a result of user confirmation?

When lot UOM conversions are created automatically, lot-specific UOM conversions are created using the parameters of the lot quantities received.

When lot UOM conversions are created as a result of user confirmation, lot-specific UOM conversions are created using the lot quantities received.

Manage Serial Numbers

Selecting Serial Number Uniqueness Control: Critical Choices

Select one of the following serial number uniqueness control options to apply to the items in your inventory organization:

- Unique within items
- Unique within organization
- Unique across organizations

Unique Within Items

You cannot assign the same serial number to the same item, regardless of whether that item exists in the same or a different inventory organization.

For example, if you assign serial number SN100 to item A, you cannot assign serial number SN100 to any other instance of that item in any inventory organization. You could, however, receive a different item with serial number SN100 in any inventory organization.

The following table provides an example of the serial numbers that are generated for two separate items when serial number uniqueness is set to be within items.

| Organization | Item | Serial Number |
|--------------|-------------------------|---------------|
| M1 | AS100 (Printer) | SN100 |
| M1 | AS101 (Laptop Computer) | SN100 |

Unique Within Organization

The same serial number uniqueness rules apply as when you set serial number uniqueness control to be within items. Additionally, setting serial number uniqueness control to be within an organization prevents the same serial number from existing multiple times within the same inventory organization.

For example, if you assign SN100 to item A in a particular inventory organization, you cannot receive item B with serial number SN100 in the same inventory organization. You can, however, receive item B with serial number SN100 in any other inventory organization.

The following table provides an example of the serial numbers that are generated for two separate items when serial number uniqueness is set to be within an organization.

| Organization | Item | Serial Number |
|--------------|-------------------------|---------------|
| M1 | AS100 (Printer) | SN100 |
| M1 | AS101 (Laptop Computer) | SN101 |

Unique Across Organizations

The same serial number uniqueness rules apply as when you set serial number uniqueness rules to be within an organization. Additionally, setting serial number uniqueness control to be across organizations prevents the same serial number from being assigned to more than one item, regardless of the inventory organization.

For example, if you assign SN100 to item A, you cannot receive item B with the serial number SN100 in any inventory organization. In this example, SN101 and SN100 belong to different inventory organizations.

When you assign a particular inventory organization's serial number uniqueness control to be across organizations, serial number uniqueness is similarly restricted for all inventory organizations.

The following table provides an example of the serial numbers that are generated for two separate items when serial number uniqueness is set to be across organizations.

| Organization | Item | Serial Number |
|--------------|-------------------------|---------------|
| M1 | AS100 (Printer) | SN100 |
| M2 | AS101 (Laptop Computer) | SN101 |

FAQs for Reservations and Picks

What's a reservation?

A reservation links a supply source (such as on-hand inventory or a purchase order) to a demand source (such as an account, cycle count, or user-defined

demand source), and guarantees allotment of material to the demand source. You can reserve material at the subinventory, locator, and if applicable, lot and serial number level.

What's a pick?

A pick is a manually- or automatically-created suggestion to honor a reservation when on-hand inventory is available. Picks can be created for material at the subinventory, locator, lot and serial number levels.

What's a cycle count reservation?

A cycle count reservation is a reservation with the demand document type of cycle count.

You can create a cycle count reservation if, during picking or shipping, you have determined missing material and you want to ensure that no one else tries to use or pick the missing material. Cycle count reservations are deleted when you perform a cycle count of the item in the specified location.

What happens to reservations when I make changes to supply sources?

Reservations against the following supply sources are changed accordingly:

- On hand: Once on-hand supply has been issued against a specified demand, the same material cannot be issued against another demand.
- Purchase order: If you reduce the quantity of material in or cancel a purchase order that is reserved against a demand, the corresponding reservation is modified or cancelled.

Any other changes to the purchase order that affect the expected quantity also trigger changes to the associated reservation.

Confirm Pick Slips

Confirm Pick Slips: Overview

You use the Confirm Pick Slips page to enter details of picked material and confirm a pick slip.

You can do the following as part of confirming a pick slip:

- Enter details of picked material
- View and modify details of picks on a pick slip
- Enter multiple lot and serial number for picked material, if required
- Enter the transaction date for each pick

- Evaluate pick slip discrepancies

To confirm a pick slip, select **Navigator - Pick Slips** , and then click **Confirm Pick Slips**.

FAQs for Confirming Pick Slips

What happens if I confirm a pick slip and navigate to ship confirm?

You can continue with processing the shipment and then ship confirming it as an integrated flow.

Plan Inventory Replenishment

Min-Max Planning: Explained

Use min-max planning to maintain inventory levels for all of your items or for selected items. Min-max planning requires specification of minimum quantity and maximum quantity inventory levels for your items. When you print the Min-Max Planning report, the inventory level for an item, on-hand quantities plus on-order quantities, is considered. If the inventory level is below the minimum quantity defined for the item, min-max planning suggests a new purchase requisition or movement request to bring the inventory level back up to the maximum quantity. You perform min-max planning at the inventory organization level or at the subinventory level.

You perform the following actions for min-max planning:

- Define min-max planning attributes when setting up items, item subinventories, or inventory organizations.
- Print the Min-Max Planning report.

Define Min-Max Planning Attributes

To use min-max planning you set the attributes used by min-max planning. The following attributes are used by min-max planning calculations:

- Min-max minimum quantity
- Min-max maximum quantity
- Fixed lot multiple
- Minimum order quantity
- Maximum order quantity
- Round reorder quantity

To use min-max planning at the organization level, you set the attributes used by min-max planning when you manage items. First, you set the Inventory Planning Method attribute to min-max planning. When you define min-max parameters at the organization level, you also have the option to define sourcing rules to generate purchase requisition information for buy items.

To use min-max planning at the subinventory level, you set the attributes used by min-max planning when you manage item subinventories. First you enable min-max planning for the item subinventory. When you define min-max parameters at the subinventory level, you also have the option to define sourcing rules to generate purchase requisition information or movement requests for the suggested replenishment quantities.

Print the Min-Max Planning Report

Print the Min-Max Planning report to show planning information for all min-max planned items in an organization or subinventory or for items with on-hand balances either below or above their assigned minimum or maximum on-hand quantities. When you submit the Min-Max Planning report, the first parameter you specify is the planning level parameter to specify organization level or subinventory level.

Note

The Min-Max Planning report does not initiate the Requisition Import process. Min-max planning writes requisition information into the Requisition Interface table. You must run the Requisition Import process to create requisitions.

A default item source may be defined at the organization, subinventory, or item level. Min-max planning uses the information from the lowest level to determine the source from which to requisition the item. The ascending hierarchy is:

1. Item in a subinventory
 2. Source in a subinventory
 3. Item in an organization
 4. Source in an organization
-

Min-Max Planning Report Parameters: Points to Consider

When you run the Min-Max Planning report, you set many parameters to specify the results you want for the current submission of the report.

Min-Max Planning Report Parameters

The table below lists the parameters you specify when you run the min-max planning report and explains the options you select for each parameter.

| Parameter | Options |
|-----------------------|---|
| Organization | Specify the organization to run the report for. |
| Sort By | Select one of the following to specify how you want the report output sorted: <ul style="list-style-type: none">• Item• Category• Buyer |
| From Item and To Item | Enter a range of items to restrict the report to one or more items. |
| Planning Level | Specify whether min-max planning will be performed for the entire organization or for a specific subinventory. |
| Item Selection | Specify whether min-max planning will include only items under minimum quantity, only items over maximum quantity, or all min-max planned items |
| Subinventory | Enter the subinventory for which you want to run the report. |

| | |
|------------------------------------|---|
| Lot Control | Specify whether min-max planning will include lot controlled items, non-lot controlled items, or both. |
| Demand Cutoff Date | Enter the demand cutoff date. The report includes demand on or before this date. |
| Demand Cutoff Date Offset | Enter the demand cutoff date offset |
| Supply Cutoff Date | Enter the supply cutoff date. The min-max planning calculation includes open supply orders on or before this date. |
| Supply Cutoff Date Offset | Enter the supply cutoff date offset. |
| Restock | Enter yes or no to indicate whether to generate purchase requisition information or movement request orders. |
| Ship-to Location | Enter the ship-to location to be specified on any requisition records created during the Min-Max Planning process. |
| Net Unreserved Orders | Enter yes or no to specify whether to include unreserved order quantity in min-max planning calculations. |
| Include Interface Supply | Enter yes or no to indicate whether to include interface supply as supply quantity. |
| Net Reserved Orders | Enter yes or no to specify whether to include reserved order quantity in min-max planning calculations. |
| Include Nonnettable Subinventories | Enter yes or no to specify whether to include nonnettable subinventories. |
| Display Format | <p>Choose one of the following:</p> <ul style="list-style-type: none"> • Display all information. The report displays all columns. • Do not display supply and demand details. The report does not display the Minimum Order Quantity, Maximum Order Quantity, and Multiple Order Quantity columns. • Do not display order constraints. The report does not display the On-Hand Quantity column. |
| Display Item Description | Enter Yes or No to indicate whether to display item description. |
| Include Purchase Order Supply | Enter yes or no to indicate whether to include purchase order supply. |
| From Category and To Category | Enter a range of categories to restrict the report to one or more categories. |
| From Buyer and To Buyer | Enter a range of buyers to restrict the report to one or more buyers. |
| Purchasing by Revision | Specify whether to issue purchase order by item revision. |
| Include Movement Request Supply | Specify whether movement request supply will be included in the min-max planning calculations. |

Min-Max Planning Replenishment Quantities: How They Are Calculated

Min-max planning calculates whether the total available quantity is less than the minimum quantity to decide whether to suggest a new order. When min-max planning decides to suggest a new order, another calculation is used to determine the order quantity to suggest.

Settings That Affect Min-Max Planning

The settings that affect min-max planning fall into one of the following two categories:

- Attributes you define for items, item subinventories, or inventory organizations.
- Parameters you specify when printing the Min-Max Planning report

The attributes you define include the following min-max planning attributes and order quantity modifier attributes:

- Min-max minimum quantity
- Min-max maximum quantity
- Minimum order quantity
- Maximum order quantity
- Fixed lot multiple

How Min-Max Planning Is Calculated

The definitions of the variables used in the min-max planning calculations depend upon whether you perform min-max planning at the organization level or at the subinventory level. The following table provides the definitions for the variables at each level.

| Variable | Organization Level Definition | Subinventory Level Definition |
|------------------|--|--|
| Quantity on Hand | Nettable Quantity on Hand: The sum of quantities on-hand for the item across all the nettable subinventories within your organization. Non-nettable quantities may optionally be included. | The quantity in the subinventory you specify when you submit the Min-Max Planning report. |
| On Order | The sum of open purchase orders and requisitions. | The sum of open purchase orders, purchase requisitions, and subinventory transfer movement requests scheduled for receipt at the specified subinventory on or before the supply cutoff date. Supply orders referencing a different subinventory, or with no subinventory specified, are not included. |

| | | |
|--------------------------|---|---|
| Open Demand | The sum of reserved and unreserved sales orders, inventory reservations, account issue movement requests. | The sum of inventory reservations (including reserved sales orders), account issue movement requests, and subinventory transfer movement requests scheduled to ship from the specified subinventory on or before the demand cutoff date. Inventory reservations referencing a different subinventory, or with no subinventory specified, are not included. |
| Minimum Quantity | Minimum quantity defined for the applicable item. | Minimum quantity defined for the applicable item subinventory. |
| Order Quantity Modifiers | Order quantity modifiers defined for the applicable item. | Order quantity modifiers defined for the applicable item subinventory. |

Min-Max planning uses the following three calculation steps:

1. Calculate Total Available Quantity.

The equation used to calculate total available quantity depends upon a combination of the min-max planning level and what you select for the net demand options. The following table provides the equation used to calculate total available quantity for each combination of min-max planning level and net demand option.

| Min-Max Planning Level | Net Demand Options Selected | Total Available Quantity Equation |
|------------------------|---------------------------------------|--|
| Organization | No for all of the net demand options | Nettable Quantity On Hand + On Order |
| Organization | Yes for any of the net demand options | Nettable Quantity On Hand + On Order - Open Demand |
| Subinventory | No for all of the net demand options | Quantity On Hand + On Order |
| Subinventory | Yes for any of the net demand options | Quantity On Hand + On Order - Open Demand |

2. Suggest a new order if Total Available Quantity < Minimum Quantity.

3. Calculate Order Quantity using the equation Order Quantity = Maximum Quantity - Total Available Quantity, adjusted for order quantity modifiers. The order quantity modifiers are used to adjust the order quantity as follows:

- If the order quantity is less than the minimum order quantity, the order quantity is revised up to the minimum.
- If the order quantity is greater than the maximum order quantity, the order quantity is revised down to the maximum.

- If revision is necessary for the order quantity to be a multiple of the fixed lot multiple, the order quantity is revised accordingly.

Min-Max Planning Example

The following example shows how Oracle Fusion Inventory Management uses the item attributes and the Min-Max Planning Report parameters to perform min-max planning to determine whether an order should be placed, and how min-max planning calculates the quantity to order. For this example, assume the item has the following quantity values and item attribute settings:

- Nettable quantity on hand = 25
- Open supply quantity = 50 with all supply within the supply cutoff date
- Open reserved sales order quantity = 90 with all demand within the demand cutoff date
- Min-max minimum quantity = 100
- Min-max maximum quantity = 500

Using the above scenario, when you run the Min-Max Planning report for the organization level with No specified for the Net Reserved Orders parameter, the following calculations are performed:

1. Total available quantity: $25 + 50 = 75$
2. Below minimum quantity check: $75 < 100$
The total available quantity is less than the min-max minimum quantity, so an order is suggested.
3. Maximum quantity less total available quantity: $500 - 75 = 425$
To bring the quantity available back to the min-max maximum, min-max planning will suggest an order with the quantity to order = 425.

Using the above scenario, when you run the Min-Max Planning report for the organization level with Yes specified for the Net Reserved Orders parameter, the following calculations are performed:

1. Total available quantity: $25 + 50 - 90 = -15$
2. Below minimum quantity check: $-15 < 100$
The total available quantity is less than the min-max minimum quantity, so an order is suggested.
3. Maximum quantity less total available quantity: $500 - (-15) = 515$
To bring the quantity available back to the min-max maximum, min-max planning will suggest an order with the quantity to order = 515.

Rounding the Reorder Quantity: How It Affects Min-Max Planning Reorder Calculations

When you specify to round reorder quantities, min-max planning reorders for item subinventories are automatically rounded up or down.

Settings That Affect Rounding the Reorder Quantity

Reorder quantities for an item subinventory are calculated based on:

- The setting that you select for the **Round Order Quantity** parameter on the Manage Inventory Organization Parameters page, General tab, of the inventory organization containing the item subinventory
- The value that you specify for the **Fixed Lot Multiple** text box on the Add Item to Subinventory window

How Rounding the Reorder Quantity Affects Min-Max Planning Reorder Quantity Calculations

If you enable rounding the reorder quantity for the inventory organization, and specify the fixed lot multiple for the item subinventory, the reorder quantity is rounded up. If you disable rounding the reorder quantity for the inventory organization, and specify the fixed lot multiple for the item subinventory, the reorder quantity is rounded down.

Note

To round reorder quantities, you must specify a fixed lot multiple.

Example: Rounding the Reorder Quantity

Assume that the reorder quantity is 24. If you enable rounding the reorder quantity and specify 10 for the fixed lot multiple, the reorder quantity is rounded up to 30. If you disable rounding the reorder quantity and keep the fixed lot multiple at 10, the reorder quantity is rounded down to 20.

Specifying the Fixed Lot Multiple: How It Affects Min-Max Planning Reorder Calculations

The fixed lot multiple setting specifies fixed numeric multiples in which items are transacted. Min-max planning uses the fixed lot multiple setting to calculate reorder quantities for item subinventories.

Settings that Affect Fixed Lot Multiple Specifications

Reorder quantities for an item subinventory are calculated using:

- The value that you specify for the **Fixed Lot Multiple** text box on the Add Item to Subinventory window
- The setting that you select for the **Round Order Quantity** parameter on the Manage Inventory Organization Parameters page, General tab, of the inventory organization containing the item subinventory

How Specifying the Fixed Lot Multiple Affects Reorder Quantity Calculations

To round reorder quantities, you must specify a fixed lot multiple. If you specify the fixed lot multiple for the item subinventory and enable rounding the reorder quantity for the inventory organization, the reorder quantity is rounded up. If you specify the fixed lot multiple for the item subinventory and disable rounding the reorder quantity for the inventory organization, the reorder quantity is rounded down.

Example: Specifying the Fixed Lot Multiple

Assume that the reorder quantity is 24. If you specify 10 for the fixed lot multiple and enable rounding the reorder quantity, the reorder quantity is rounded up to 30. If you disable rounding the reorder quantity, the reorder quantity is rounded down to 20.

FAQs for Inventory Replenishment

What's inventory organization-level min-max planning?

Inventory organization-level min-max planning replenishes a particular item in an inventory organization. When you use inventory organization-level min-max planning, inventory balances, purchase requisitions, and internal sales orders are treated as supply; sales orders and account issue movement requests are treated as demand.

To set up organization-level min-max planning, navigate to the Create Item page, Specifications tab in Oracle Fusion Product Information Management. Select Min-Max Planning for the inventory planning method, then specify minimum and maximum levels.

What's subinventory-level min-max planning?

Subinventory-level min-max planning replenishes items in a subinventory using the minimum and maximum inventory levels and fixed lot multiple value that you specify for a particular item subinventory. When you use subinventory-level min-max planning, inventory balances, purchase requisitions, and movement requests are treated as supply.

What happens if I select the Supplier item sourcing type for replenishment?

Items are replenished from an external supplier.

Perform Cycle Counting

Cycle Counting: Explained

Cycle counting is an inventory accuracy analysis technique where inventory is counted on a cyclic schedule rather than once a year to ensure the accuracy of inventory quantities and values.

Cycle counting enables you to keep inventory records accurate by correcting errors between the system on-hand (perpetual) and actual on-hand (physical) quantities. Cycle counting can also be a valuable tool to help identify patterns in the errors found. Analysis of these patterns can suggest and help to prioritize improvements in training, tools, and processes. Over a period of time these improvements may increase the average level of inventory record accuracy.

Accurate system on-hand quantities are essential for managing supply and demand, maintaining high service levels, and planning production. Most effective cycle counting systems require the counting of a certain number of items every workday with each item counted at a prescribed frequency. You can perform cycle counting instead of taking complete physical inventories, or you can use both techniques side-by-side to verify inventory quantities and values.

Create and Manage Cycle Counts

Adding Items to a Cycle Count: Explained

When you add items to a cycle count, you specify the items that you want to include in the cycle count.

You can:

- Manually add items to a cycle count
- Automatically add items to a cycle count

Note

To be able to add an item to a cycle count, you must set the item's **Cycle Count Enabled** attribute to Yes.

Manually Adding Items to a Cycle Count

Manually add items to a cycle count by searching for and selecting the desired individual items on the Define Classes and Items page.

Automatically Adding Items to a Cycle Count

Automatically add items to a cycle count by selecting an ABC assignment group on the Enter Primary Details page. All of the ABC assignment group's items are added to the cycle count. The ABC assignment group's ABC classes are also added to the current cycle count classes, and classifications are maintained for the included items.

You can choose to synchronize class information for existing items in the cycle count based on the new ABC assignments. You can also choose to have any items that are no longer in the ABC group automatically deleted from the cycle count item list. To be able to change classifications of items in a cycle count independently of ABC classes, choose the **None** option for the synchronization mode.

Cycle Count Approval Tolerances: How They Are Calculated

This topic discusses how cycle count approval tolerances are calculated.

Settings That Affect Approval Tolerances

You specify values for the following settings on the Define Classes and Items and Define Schedules and Approvals pages:

- **Quantity Tolerance Percentage** and **Negative Quantity Tolerance Percentage**: Limits that you define for the positive and negative difference between the actual cycle count quantity and the system tracked on-hand quantity.
- **Positive Adjustment Value Tolerance** and **Negative Adjustment Value Tolerance**: Limits that you define for the total value of a cycle count adjustment.

How Approval Tolerances Are Calculated

Approval tolerances are first calculated using class- and item-level values that you specify on the Define Classes and Items page. If you do not specify values on the class and item level, approval tolerances are calculated using values that you specify on the Define Schedules and Approvals page.

Example: Calculating Approval Tolerances

The following table provides examples of values for quantity variance and adjustment value tolerances for one item in a cycle count:

| Item Attributes | Value |
|--------------------|---------|
| Item Standard Cost | \$10.00 |

| | |
|--|-------|
| Positive Quantity Tolerance Percentage | 5% |
| Negative Quantity Tolerance Percentage | 10% |
| Positive Adjustment Value Tolerance | \$200 |
| Negative Adjustment Value Tolerance | \$250 |

Using the values from the previous table, the following table provides examples of four different count scenarios for the item, and the tolerances that each different scenario violates:

| System On-Hand Quantity | Count Quantity | Quantity Variance | Adjustment Quantity | Adjustment Value | Tolerance Exceeded |
|-------------------------|----------------|-------------------|---------------------|------------------|--|
| 100 | 106 | +6% | +6 | +\$60 | Positive Quantity Percentage |
| 100 | 88 | -12% | -12 | -\$120 | Negative Quantity Percentage |
| 100 | 122 | +22% | +22 | +\$220 | Positive Quantity Percentage and Positive Adjustment Value |
| 100 | 73 | -27% | -27 | -\$270 | Negative Quantity Percentage and Negative Adjustment Value |

FAQs for Cycle Counts

What are positive and negative hit and miss percentages?

Positive and negative hit and miss percentages define the positive and negative tolerances for the percentage difference between the system tracked on-hand quantity and the actual cycle count quantity. A count is considered to be a hit if it is within these tolerances, and a miss if it is outside them. The hit and miss tolerances are used to evaluate the accuracy of cycle counting procedures, rather than the accuracy of inventory.

What happens if I select Adjust if Possible for serial number adjustments?

If a serial number discrepancy exists between the count quantity and system quantity, or if the entered serial numbers do not correspond to the serial numbers already in the specified location, adjustments are attempted if the adjustment variance and value are within tolerances. These adjustments consist of receipts and issues of the appropriate serial numbers to and from the specified location and are applicable only to instances in which new serial numbers or shipped serial numbers are counted.

FAQs for Creating Manual Count Schedules

Why would I create a manual count schedule?

You can create a manual cycle count schedule in addition to or instead of creating an automatic cycle count schedule. You can create a manual schedule to add an additional count for a particular item if you want to count the item more frequently than the automatically scheduled counts require. Additionally, you can create a manual schedule for specific subinventories, locators, and items, and set the count for any inventory date. For example, you could create a manual schedule to count item A wherever it can be found in subinventory X. You could also create a manual schedule to count all item quantities in subinventory Y, locator B-100.

Generate Count Schedules

Cycle Count Schedules: How They Are Generated

This topic discusses how cycle count schedules are generated.

Settings That Affect Cycle Count Schedule Generation

Cycle counts are generated using the automatic schedule parameters that you set on the Define Schedules and Approvals page. On this page, you must enable automatic scheduling to generate cycle counts. Additionally, you must set the **Cycle Count Enabled** item attribute to Yes for each item you want to include in a cycle count.

How Cycle Count Schedules Are Generated

Cycle count schedules are generated at the frequency that you define. For example, if the frequency is weekly, cycle counts are scheduled for all items that need to be counted on all of the workdays in the current week. If the frequency is daily, cycle counts are scheduled for items that are due for counting on the current date.

A cycle count request is generated for each item number, revision, lot number, subinventory and locator combination for which on-hand quantities exist. Cycle count requests are ordered first by subinventory and locator, then by item, revision, and lot. A unique sequence number is assigned to each cycle count request, and can be used for reporting, querying, and rapid count entry.

Generate Count Sequences

Cycle Count Sequences: How They Are Generated

This topic discusses how cycle count sequences are generated.

Settings That Affect Count Sequences

Count sequences are generated using the automatic schedule parameters that you define on the Define Schedules and Approvals page, and the manual schedule parameters that you define on the Manage Manual Count Schedules page.

How Count Sequences Are Generated

Count sequences are generated for each item number, revision, lot number, subinventory and locator combination for which on-hand quantities exist. Count sequences are ordered first by subinventory and locator, then by item, revision, and lot. A unique sequence number is assigned to each count sequence. You can use this sequence number for reporting, querying and rapid count entry.

Example 1: Count Sequence Generation

Assume that an inventory organization has the following on-hand quantities:

- Locator B1.1.1: 100 EA
- Locator: B1.1.2: 10 EA
- Locator: B1.1.3: Does not include any on-hand quantities

Assume that the cycle count schedule has the following information:

- Item: PLT100
- Subinventory: BULK
- Count Zero Quantity: No
- No locator is specified at the schedule level

Using the on-hand quantities and cycle count scheduling information described, the count sequences generated are:

- Item: PLT100; Subinventory: BULK; Locator: B1.1.1; Suggested Quantity: 100 EA
- Item: PLT100; Subinventory: BULK; Locator: B1.1.2; Suggested Quantity: 10 EA

Note that cycle count sequence generation would differ if the following changes existed:

- For a lot- or revision-controlled item, generation of cycle count schedules would result in different count sequences for different revisions and lots, depending on whether the item is lot-, revision-, or lot/revision-controlled).
- If the item is serial number-controlled, the serial number options that are defined in the cycle count properties determine that either different cycle

count sequences are generated for each serial number, or one cycle count sequence is generated for multiple serial numbers.

Example 2: Count Sequence Generation

Assume that an inventory organization has the following on-hand quantities:

- Locator B1.1.1: 100 EA
- Locator: B1.1.2: 10 EA
- Locator: B1.1.3: Does not include any on-hand quantities

Assume that the cycle count schedule has the following information:

- Item PLT100
- Subinventory: BULK
- Count Zero Quantity: Yes
- No locator is specified at the schedule level
- The Item/locator combination exists between Item PLT100 and all of the locators in the BULK subinventory

The count sequences generated would be the following:

- Item: PLT100; Subinventory: BULK; Locator: B1.1.1; Suggested Quantity: 100 EA
- Item: PLT100; Subinventory: BULK; Locator: B1.1.2; Suggested Quantity: 10 EA
- Item: PLT100; Subinventory: BULK; Locator: B1.1.3; Suggested Quantity: 0 EA

FAQs for Generating Count Sequences

When should I generate count sequences?

Generate count sequences just before you want to count the physical material, since count sequences are generated for balances that are on hand at the moment that you generate count sequences.

Import Count Sequences

Integrating Cycle Counting With an External Application: Explained

This topic discusses how to integrate cycle counting with an external application.

You can:

- Import count sequences

- Export count sequences
- Review count interface records

Importing Count Sequences

You can import an external application's count sequence records to process them in Oracle Fusion Inventory Management using the Cycle Count Open Interface. You might want to do this if, for example, your company runs Oracle applications, but your company's inventory organizations are managed by a third-party warehouse that uses a different system.

After the records are imported to the Cycle Count Open Interface's tables, cycle count adjustments can be processed using an open API, a concurrent program such as `GenerateCountSchedules` or `GenerateCountSequences`, or the Oracle Fusion Inventory Management cycle counts user interface.

Exporting Count Sequences

You can export count sequences to populate an ADF-DI-enabled Excel spreadsheet. You can use this spreadsheet to:

- Review count interface records.
- Serve as the data source for importing count sequence records from Oracle Fusion Inventory Management to an external application's database.

After the records are imported, you can edit count sequence data using the third-party application.

Reviewing Count Interface Records

When you review count interface records, you view and make changes to cycle count sequences in an ADF-DI-enabled spreadsheet rather than in the Oracle Fusion Inventory Management cycle counting user interface.

Note

Before you can review count interface records, you must first export count sequences.

Perform Physical Inventory Count

Manage Physical Inventories

Specifying Quantity Tolerance Percentages: Explained

When you specify quantity tolerance percentages, you set the positive or negative difference between the physical tag count and system on-hand quantity that, when exceeded, requires an adjustment approval.

You can specify:

- Positive quantity tolerance percentage
- Negative quantity tolerance percentage

Positive Quantity Tolerance Percentage

The value that you enter for the positive quantity tolerance percentage specifies the positive percentage difference between the physical tag count and system on-hand quantity that, when exceeded, requires an adjustment approval.

For example, you enter 10 as the positive quantity tolerance percentage. The physical tag count is 111, and the system on-hand quantity is 100. Because the physical tag count is at least 10% greater than the system on-hand quantity, the adjustment resulting from this count requires approval.

Negative Quantity Tolerance Percentage

The value that you enter for the negative quantity variance tolerance percentage value specifies the negative percentage difference between the physical tag count and system on-hand quantity that, when exceeded, requires an adjustment approval.

For example, you enter 10 as the negative quantity tolerance percentage. The physical tag count is 89, and the system on-hand quantity is 100. Because the physical tag count is at least 10% less than the system on-hand quantity, the adjustment resulting from this count requires approval.

Tag Generation Sequence: How It Is Calculated

The tag generation sequence defines the sequence in which tags are generated.

Settings That Affect Tag Generation Sequence

Define the tag generation sequence using the Tag Generation Sequence choice lists: **Sequence 1**, **Sequence 2**, **Sequence 3**, and **Sequence 4**.

Note

You do not need to select values for all four sequences.

How Tag Generation Sequence Is Calculated

Tags are generated in numerical and alphabetical order using the tag generation sequence that you specify.

Example: Default Tag Generation Sequence

This example lists the sequence of tags that are generated from the default tag generation sequence:

1. Sequence 1: Subinventory
2. Sequence 2: Locator
3. Sequence 3: Item
4. Sequence 4: Revision

The following sequence of tags is generated:

1. Tag 1: Subinventory 1, Locator A, Item AS54888
2. Tag 2: Subinventory 1, Locator B, Item CM11911
3. Tag 3: Subinventory 1, Locator C, Item CM11222
4. Tag 4: Subinventory 1, Locator D, Item MEC_123
5. Tag 5: Subinventory 1, Locator D.1, Item MEC_123-A
6. Tag 6: Subinventory 2, Locator W, Item 100-3456-200
7. Tag 7: Subinventory 2, Locator X, Item Gr2_11234
8. Tag 8: Subinventory 2, Locator Y, Item 346-2210
9. Tag 9: Subinventory 2, Locator Z, Item AS54888
10. Tag 10: Subinventory 2, Locator Z.1, Item AS54888-A
11. Tag 11: Subinventory 3, Locator 1.0, Item VC_103
12. Tag 12: Subinventory 3, Locator 1.0.1, Item VC_102
13. Tag 13: Subinventory 3, Locator 1.0.2, Item VC_101
14. Tag 14: Subinventory 3, Locator 1.1, Item AS54888
15. Tag 15: Subinventory 3, Locator 1.2, Item CM11222
16. Tag 16: Subinventory 3, Locator 1.3, Item AS55888

Example: User-Defined Tag Generation Sequence

This example uses the same subinventories, locators, items, and revisions as the default tag generation sequence example and lists the sequence of tags that are generated from the following user-defined tag generation sequence:

1. Sequence 1: Item
2. Sequence 2: Revision
3. Sequence 3: Subinventory
4. Sequence 4: Locator

The following sequence of tags is generated:

1. Tag 1: Item 100-3456-200, Subinventory 2, Locator W
2. Tag 2: Item 346-2210, Subinventory 2, Locator Y
3. Tag 3: Item AS54888, Subinventory 1, Locator A
4. Tag 4: Item AS54888, Subinventory 2, Locator Z
5. Tag 5: Item AS54888-A, Subinventory 2, Locator Z.1
6. Tag 6: Item AS54888, Subinventory 3, Locator 1.1
7. Tag 7: Item AS55888, Subinventory 3, Locator 1.3
8. Tag 8: Item CM11222, Subinventory 1, Locator C
9. Tag 9: Item CM11222, Subinventory 3, Locator 1.2
10. Tag 10: Item CM11911, Subinventory 1, Locator B
11. Tag 11: Item Gr2_11234, Subinventory 2, Locator X
12. Tag 12: Item MEC_123, Subinventory 1, Locator D
13. Tag 13: Item MEC_123-A, Subinventory 1, Locator D.1
14. Tag 14: Item VC_101, Subinventory 3, Locator 1.0.2
15. Tag 15: Item VC_102, Subinventory 3, Locator 1.0.1
16. Tag 16: Item VC_103, Subinventory 3, Locator 1.0

FAQs for Managing Physical Inventories

What happens if I select different approval type options for physical inventories?

Select **Always** to require approval of all physical inventory adjustments. Select **If out of tolerance** to hold for approval those counts that are outside the limits of the positive and negative quantity tolerance percentages or value tolerances. Select **Never** to allow any adjustment to post without approval.

FAQs for Recording Physical Inventory Tags

What should I do with unused tags?

Void unused default and blank tags. Typically, companies are required to track the status of each inventory tag that is generated. For this reason, you should

void unused tags to alleviate the chances of unused tags being reported as missing or lost. When you void a default tag (such as a tag that identifies a stock-keeping unit for which there is system on-hand quantity), the quantity in that location is adjusted to zero. Voiding the tag indicates that you did not use the tag in question, presumably because the stock-keeping unit corresponding to the tag did not exist.

When should I create dynamic tags?

Create dynamic tags when you are performing a physical inventory count and find items for which tags have not been generated. Use dynamic tags to record counts for these items.

FAQs for Post Physical Inventory Adjustments

What happens when I post physical inventory adjustments?

When you post physical inventory adjustments, a material transaction is created that adjusts the item quantity and debits or credits the adjustment account that you specify for the physical inventory. If the count of an item matches the snapshot system on-hand quantity, there is no adjustment transaction posted. After adjustments are posted, you cannot generate tags, update tag counts, or make any changes to that physical inventory. Physical adjustments are not posted if any are pending approval; you must approve or reject all of your adjustments before you can post them.

Analyze Materials Management and Logistics Performance

Monitor Warehouse Operations Dashboard

Warehouse Operations Key Performance Indicators: Explained

Key performance indicators (KPIs) measure how well an organization or individual performs an operational, tactical, or strategic activity that is critical for the current and future success of the organization.

The Warehouse Operations Dashboard contains the following KPIs:

- Inventory Value
- Hit or Miss Accuracy
- Exact Matches Rate

Inventory Value

The Inventory Value KPI shows the total value of inventory owned by your organization. The KPI indicates whether the material is physically available in the warehouse or if the material is in transit. The KPI report enables you to compare the inventory value for a selected time period with the prior year's inventory value for that same time period. You can also compare inventory value by inventory categories.

Hit or Miss Accuracy

The Hit or Miss Accuracy KPI shows the percentage of the cycle count that falls within the hit and miss tolerances of a total cycle count. This KPI provides the rate of hits during the cycle counting process. The KPI report enables you to compare the hit or miss accuracy for a selected time period with the prior year's hit or miss accuracy for that same time period.

Exact Matches Rate

The Exact Matches Rate KPI shows the exact match entries as a percentage of the total cycle count entries. An exact match entry is an entry where the counted quantity entered is the same as the system quantity. The rate of exact match entries obtained during the cycle count is called Exact Matches Rate. The KPI

report enables you to compare the exact matches rate for a selected time period with the prior year's exact matches rate for that same time period.

Warehouse Activity Dashboard Calculations: Explained

The Warehouse Activity Dashboard provides a summary of the most critical operations within the warehouse. You can launch into specific work areas to further drill down to get a better understanding of the issues and take corrective actions.

The dashboard shows completed and not completed values for:

- Outbound shipments
- Pick slips
- Inbound shipments
- Cycle count sequences to record

Outbound Shipments

Outbound shipment totals include:

- **Past Due, Not Completed:** Includes all shipments that were due to ship prior to today, and have still not shipped.
For example, this includes all shipments with initial ship dates of yesterday and prior, but that are not in a Closed status. Shipments that are in a Confirmed status are counted towards the completed total.
- **Past Due, Completed Today:** Includes all shipments that were due to ship prior to today, and that have shipped today.
For example, this includes all shipments that were set to a Confirmed or Closed status today and had an initial ship date prior to today.
- **Due Today, Not Completed:** Includes all shipments that are due to ship today, and that have not yet closed.
- **Completed Today:** Includes all shipments that have shipped today.
For example, this includes all shipments that have been set to Confirmed or Closed status today. This does not include past due shipments that were completed today.

Pick Slips

Pick slip totals include:

- **Due Today, Not Completed:** Includes all pick slips due to be confirmed today, and that have not yet been confirmed.
For example, all the pick slips that are open today and whose activities are due today (pick slip status equals Open and the activities due date equals **Today**).
For example, for a given date of X, this column reflects all pick slips with a due date of X and a status of Open.

The count in the column equals the sum of all open pick slips (outbound + replenishment + requisition) for the due date value of **Today** in the Pick Slips work area.

- Completed Today: Includes all pick slips confirmed today.

Inbound Shipments

Inbound shipment totals include:

- Past Due, Not Completed: Includes all expected shipment lines due to be received prior to today, and that have not yet been received.

This is the sum of all expected shipment lines for the due date value of **All Past Due** in the Receipts work area.

- Past Due, Completed Today: Includes all expected shipment lines due to be received prior to today, and that have been received today.
- Due Today, Not Completed: Includes all expected shipment lines due to be received today, and that have not yet been received.

These lines reflect the sum of all expected shipment lines for the due date value of **Today** in the Receipts work area.

- Completed Today: Includes all expected shipment lines received today.

This does not include past due shipments that were completed today.

Cycle Count Sequences to Record

Cycle count sequences to record include:

- Due Today, Not Completed: Includes all pending count sequences with a status of Open.

This is the sum of all unique items pending for count (both serialized and nonserialized) in the Counts work area.

- Completed Today: Includes all count sequences that are counted and have a count date of today.

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Inventory Value KPI: How It Is Calculated

The Inventory Value key performance indicator (KPI) displays the total value of inventory owned by your organization. The KPI report presents a hierarchical view of sequential and year ago inventory value comparisons. The system calculates inventory value as a product of item quantity and cost. You can filter the report by year, organization, and inventory category.

Settings That Affect the Inventory Value KPI

You can filter the Inventory Value KPI on the following criteria:

- **Year:** Select a year value for comparison.
- **Currency:** Select a currency for the KPI report.
- **Inventory Category:** Select a specific inventory category or select **All**.
- **Organization:** Select the organization for the KPI report.
- **Period:** Select the time period that you want to appear in the KPI figure for year ago comparison. For example, **2010 Q1**.

How the Inventory Value KPI Is Calculated

There are several calculations involved with the Inventory Value KPI table.

| Table Heading | Calculation |
|---|---|
| On-Hand Value | Material that is physically available in the warehouse. The system calculates the on-hand value by multiplying the on-hand item quantity and the cost. |
| In-Transit Value | Material that is in transit. The system calculates the in-transit value by multiplying the in-transit item quantity and the cost. |
| Total Value | Sum of the on-hand value and in-transit value. |
| Percentage Change in Total Value from One Year Ago | <p>Percent of total value change between the selected year and the prior year. For example, if your organization has 3300 notebook computers at a cost of 600 USD each in 2011, and 2970 notebook computers at a cost of 700 USD each in 2010, the total change from a year ago is 4.76%.</p> <p>Inventory value for 2010: 2970*700 USD=2,079,000 USD</p> <p>Inventory value for 2011: 3300*600 USD=1,980,000 USD</p> <p>Percentage Change in Total Value from One Year Ago: $[(2079000-1980000)/2079000]*100=4.76\%$</p> |
| Percentage of Total Value | <p>The total inventory value for a category as a percentage of the total inventory across all categories. For example, if the value of desktop computers, notebook computers, handheld devices, and monitors in your organization is 12100 USD, 3300 USD, 720 USD, and 88 USD respectively, the percent of total value for desktop computers is 77%.</p> <p>Total inventory value: 12100 USD+3300 USD+720 USD+88 USD=15708 USD</p> <p>Percentage of Total Value: $(12100/15708)*100=77\%$</p> |

For the selected time period, the Inventory Value KPI figure shows the total inventory value compared with the same time period for the prior year. For example, if you select **2011 Q1** for the **Period** field, the KPI figure displays the following bars:

- **Current Total Inventory Value:** Displays inventory value for the current period (for this example, Q1 2011).
- **Total Inventory Value One Year Ago:** Displays results for Q1 2010.

The values are shown for each of your selected inventory categories (such as desktop computer, notebook computer, hand held devices, monitors, and so forth).

Hit or Miss Accuracy KPI: How It Is Calculated

The Hit or Miss Accuracy key performance indicator (KPI) displays the percentage of the cycle count that falls within the hit and miss tolerances of a total cycle count. This KPI provides the rate of hits during the cycle counting process. An entry is termed as a hit if the discrepancy between the entered and system quantities falls within the specified tolerance limits.

Settings That Affect the Hit or Miss Accuracy KPI

You can filter the Hit or Miss Accuracy KPI on the following criteria:

- **Year:** Select a year value for comparison.
- **Organization:** Select the organization for the KPI report.
- **Period:** Select the time period that you want to appear in the KPI figure for year ago comparison. For example, **2011 Q1**.

How the Hit or Miss Accuracy KPI Is Calculated

There are several calculations involved with the Hit or Miss Accuracy KPI table.

| Table Heading | Calculation |
|--|--|
| Total Entries | The total count of cycle count entries in the specified period. |
| Total Hit Entries | <p>An entry is termed as a hit if the discrepancy between the entered and system quantities falls within the specified tolerance limits.</p> <hr/> <p>Note</p> <p>The total number of hit entries is not shown in the KPI table.</p> |
| Hit or Miss Accuracy Percentage | <p>Accuracy level of an organization's inventory. The value is calculated as a percentage of the total hit entries to the total number of entries (Total Hit Entries/Total Number of Entries)*100). For example, if you have 110 hit entries and 112 total entries, the Hit or Miss Accuracy is 98%.</p> <p>Hit or Miss Accuracy Percentage: $(110/112)*100=98\%$</p> |

| | |
|--|---|
| Percentage Change from One Year Ago | <p>Percent of hit or miss accuracy change between the selected year and the prior year. For example, if your organization had a hit or miss accuracy of 99.9% in 2011 and 98.9% in 2010, the total change from a year ago is 1%.</p> <p>Percentage Change from One Year Ago: $[(99.9-98.9)/99.9]*100 = 1\%$.</p> |
|--|---|

For the selected time period, the Hit or Miss KPI figure shows the hit or miss accuracy percent compared with the same time period for the prior year. For example, if you select **2011 Q1** for the **Period** field, the figure displays the following bars:

- **Hit or Miss Accuracy:** Displays results for Q1 2011.
- **Hit or Miss Accuracy One Year Ago:** Displays results for Q1 2010.

Exact Matches Rate KPI: How It Is Calculated

The Exact Matches Rate key performance indicator (KPI) shows the exact match entries as a percentage of the total cycle count entries. An exact match entry is an entry where the counted quantity entered is the same as the system quantity. The rate of exact match entries obtained during the cycle count is called Exact Matches Rate.

Settings That Affect the Exact Matches KPI

You can filter the Exact Matches Rate KPI on the following criteria:

- **Year:** Select a year value for comparison.
- **Organization:** Select the organization for the KPI report.
- **Period:** Select the time period that you want to appear in the KPI figure for year ago comparison. For example, **2011 Q1**.

How the Exact Matches KPI Is Calculated

There are several calculations involved with the Exact Matches Rate KPI table.

| Table Headings | Calculations |
|----------------------|---|
| Total Entries | The total count of cycle count entries in the specified period. |
| Total Match Entries | <p>The total count of exact match entries in the specified period. An exact match entry is an entry where the counted quantity entered is the same as the system quantity.</p> <hr/> <p>Note</p> <p>This value does not appear in the KPI table.</p> <hr/> |

| | |
|--|--|
| Exact Matches Rate Percentage | <p>Accuracy level of an organization's inventory. The value is calculated as a percentage of the total match entries to the total number of entries (Total Match Entries/Total Number of Entries)*100). For example, if you have 110 match entries and 112 total entries, the exact matches rate is 98%.</p> <p>Exact Matches Rate: $(110/112)*100=98\%$</p> |
| Percentage Change from One Year Ago | <p>Percent of exact match rate change between the selected year and the prior year. For example, if your organization had an exact matches rate of 99.9% in 2011 and 98.9% in 2010, the total change from a year ago is 1%.</p> <p>Percentage Change from One Year Ago: $[(99.9-98.9)/99.9]*100=1\%$.</p> |

For the selected time period, the Exact Matches KPI figure shows the exact matches rate percent compared with that same time period for the prior year. For example, if you select **2011 Q1** for the **Period** field, the figure displays the following bars:

- **Exact Matches Rate:** Displays results for Q1 2011.
- **Exact Matches Rate One Year Ago:** Displays results for Q1 2010.

FAQs for Warehouse Operation Dashboard

What's the difference between inbound shipments and outbound shipments?

Inbound shipments are items that you receive into the warehouse. Oracle Fusion Receiving supports the receipt of purchase orders, purchase requisitions, return material authorizations, and interorganization shipments.

Outbound shipments are items that you ship out of the warehouse. Oracle Fusion Shipping automates and helps manage outbound shipments.

Glossary

item subinventory

An association of an item with a subinventory that is created when you add an item to a subinventory.

maximum quantity

The suggested maximum quantity to maintain as on-hand inventory. This maximum displays on the Min-Max Planning report, indicating that any order placed should not force the on-hand quantity of the item to exceed this quantity.

minimum quantity

The minimum on-hand quantity at which to place an order.

subinventory

A physical or logical grouping of inventory such as raw material, finished goods, defective material, or a freezer compartment.