Using Location Codes

You're likely already aware that you use location codes to document the physical location of items.

You can also use them for so much more, including updating the last physical inventory date in Inventory Maintenance, tracking sales and profitability, helping employees find items to sell, fill an order, reprice, re-order, do physical inventory counting, and more.

The ability for any employee to find a piece of inventory in your store quickly and easily by simply looking up a location code can pay dividends in the form of improved efficiency and better customer service.

You can incorporate location codes in Inventory Viewers, Business Advisor, Performance Manager, and Compass Analytics to give detailed analysis on one location, a range of locations, or select locations.

Location codes are easy to use.

Pick a topic and we'll show you how.

Topics

- Set Up
- Best Practices
- Maintenance

Set Up

You set up location codes on the Stocking Tab in Inventory Maintenance. Look for it in the Quantities section.

You can add or change the code by typing it in the Location field and selecting Change.

Location Codes are user defined and may contain up to five alpha or numeric characters.

It's important to note that Eagle does not support Location Codes by any setup files like Departments or Classes.

By clicking the Location hyperlink, you will see the fields for all six available locations.

Location One is typically considered the primary location, with the other Locations used to provide information for items that are cross-merchandised or back stocked.

Keep in mind that even though you can have up to six locations per item, Eagle tracks only one quantity on hand.

This means that you will be able to track where an item is cross-merchandised or back stocked, but you won't know the quantity of the item that is in each location.

This is still a useful tool for physical counting and for order fulfillment, as it allows you to see where else you have this same item located within your store.

Best Practices

Let's examine some best practices about location code setup that have proven successful over time.

The first thing to consider before using Location codes is the range of codes you want to use to name your locations.

Remember that the Location field is five characters long and can be a mix of numbers and letters. We also need to consider that the code we use follows a logical range for Eagle, and a logical flow through your store.

Ideally, you would like to be able to walk your store from your first Location to your last location without having to retrace your steps.

Eagle reads location codes from left to right, so when using numbers, your code should include a zero ahead of single digit numbers one through nine.

A common organization of location codes is to separate store aisles by left side, right side, and outside walls.

For example, you might apply aisle one's location codes as 01R01.

We call this a common-sense location because there is a literal meaning to the code. You'll find this location on the right side of aisle one, in the first four feet of gondola.

It follows that 01R02 is the second four feet of gondola on the right-hand side of the aisle and 01L01 is the first location in aisle one on the left.

You could use the letter W to refer to outside walls as in the example, 01W01. This would be the location associated with aisle one, set against the outside wall, and is the first wall location associated with aisle one.

This form of location code makes it very easy for employees to find locations without using a location map because the code tells them precisely where to go.

Not all stores can use this location code method because of the way they set up their stores.

In this case, you could use a standard numbering system. Remember that Eagle reads numbers from left to right, so if you're going to use a numerical system, be sure to use leading zeroes in the location codes.

For example, if you plan to use a four-digit code, your first location would be 0001. You would continue using leading zeroes until you get to 1000.

Interior location codes typically represent a four-foot section of gondola, but you have the flexibility to adapt the codes to your store's needs.

Just remember, anywhere you have inventory, you should have a location code.

Exterior Locations are typically larger and represent sections of warehouse racking or large sections of the yard where you display lumber or garden products for sale.

A good rule-of-thumb for exterior locations is to keep them small enough so that someone could count the items in that location in approximately thirty minutes.

This allows for accurate cycle counting in the yard while the business is open.

Another good practice is to track new items loaded into the system regardless of how you load them.

Whether you load them manually, from the catalog, from the Inventory Import Tool, or when downloading the Electronic Packing Slip from your main distributors, it can be valuable to use a default location such as NEW.

The default location allows inventory managers to track new items that have come into the store, merchandise them properly, and assign the correct location code.

You set up the default location in the Class record in Inventory Maintenance.

Enter the default code in the location field. Select Change when you're finished.

You can also use location codes as informational data.

For example, for items that have been discontinued or closed out, it might make sense to give these items a location of DISC or CLOSE.

This helps you track merchandise you want to remove from your standard inventory.

Remember also that you can create viewers to sort a special location like CLOSE to view or move items to the promotion file.

To save more time, use location codes to process price changes.

When you print bin tags in location code order and every bin tag has a location code on it, the price change process becomes much more efficient.

Your employees know exactly where this item is and can promptly place the new bin tag. Retails stay current and you maintain your margins.

Another good practice is to use location codes to show items that you might have missed during a cycle count.

After completing a cycle count for a particular location, and after running the Physical Inventory report to finalize the counts, create a viewer that includes the columns: Item, Description, Location, QOH, Cost, and Last Physical.

Then sort the Last Physical column to show the oldest date at the top.

The viewer is useful in showing missed items and it's easy to build.

Using it helps improve the accuracy of your cycle counts.

Maintenance

If you are not using Location codes today, you can start by following these easy steps and achieve even greater control of your inventory.

First, develop a floor plan map of your store which shows all gondola and shelving.

Then decide on a numbering scheme like the ones we discussed in Best Practices. Make sure the codes flow logically and label the locations for quick identification.

Finally, update your inventory with each item's new location code.

There are several ways to update and maintain location codes. The simplest way is to change the Location field in Inventory Maintenance.

You can also update location codes with an RF gun or Eagle Mobile Inventory hand-held device, or by running the Data Import Tools program.

When using a hand-held device, you can capture the location of any scanned item, along with the number counted.

Then it's just a matter of including option I along with the other count options on the Physical Inventory Report.

Remember that you can add default locations by using the Location field on the Class File to attach a code of NEW to SKUs added to the inventory file.

These practices, in conjunction with a daily report such as the Inventory Status report to print all SKUs with a location of New, ensures that you've merchandised every item properly with an accurate location code.

Many of you have stores that have seasonal merchandise in which you probably move several aisles in and out of the stores, depending on the season.

Or, maybe you just like to reset parts of your store periodically to give it a fresh look.

You can use the Item Code Update Report to change location codes en-masse.

You can also create a spreadsheet with the changes and use the Data Import Tools function to update the location codes.

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