

# Giving Inventory a Structure

Giving inventory a structure that includes departments, classes, and finelines helps to manage the business by enabling your ability to examine inventory details.

With greater detail, it's easier to see which items are moving and which are not.

Greater detail also makes searching for this information efficient.

In this course, we describe the structure of inventory data within the system.

We'll look at the hierarchy, setup, and available reporting, so you can take advantage of all the information available.

## Objectives

- Inventory Hierarchy
- Setup
- Copyrecs
- Inventory Import Tool
- Reporting

## Inventory Hierarchy

The system has three levels of hierarchy built in for organizing and categorizing inventory.

These are Department, Class, and Fineline.

Department is the highest of the three levels and is a required field on every SKU in the system.

You cannot add a SKU without linking it to a Department.

Because every SKU requires it, Department is a broad category.

Each department typically covers a lot of products.

Think of things like Paint, Electrical, Ignition & Tune-up, Perennials, Cameras, Hair Care, etc...

The type of business helps determine logical product groupings.

The next hierarchy level is Class.

Class is an optional field that is more specific than Department, but not as detailed as Fineline.

Using it can improve reporting capabilities by giving more details.

Class is typically where you fine tune groups of items within a Department.

For instance, within the Paint department, classes could include Interior Paints, Exterior Paints, Spray Paints, Stains, and Paint accessories.

In the Camera Department, on the other hand, classes might include SLR, Point and Shoot, Waterproof, and Medium Format cameras.

When setting up classes within a department, think about logical groupings and remember that some departments lend themselves to more classes than others.

Finally, we have Finelines.

A Fineline is the most specific of the three levels.

Like Class, it is an optional field, but using it really helps fine-tune reporting.

A Fineline is a group of very similar items.

For example, within Electrical items, think of wall outlets.

These may include 110v 10-amp outlets, 110v 20-amp outlets, and 220v 40-amp outlets.

All these items are very similar, and it makes sense to group them together in a Fineline.

Using another example, an Automotive Accessories department may have a Class called Exterior Accessories, and within that, a Fineline called Antennas.

This fineline may include standard antennas, power antennas, and cellular antennas, all similar items.

Classes and Finelines do not have to be related to Departments, but they often are. Many businesses use Classes and Finelines to further categorize items within a Department.

Sometimes a Fineline stands alone, independent of a Department.

Think of sheets of sandpaper. There is 100 grit, 220 grit, 400 grit, etc. It makes sense to group these items together in a Fineline. But, to which department do they belong?

Some say the Paint Department because abrasives are an accessory for stripping paint.

Others say the Power Tool Department because you need sandpaper to make a Power Sander a useful tool.

In cases like this, it makes sense to set up the Fineline, but not link it to a specific department.

There are some other things to keep in mind when setting up an inventory hierarchy.

Each SKU can have only one Department, One Class, and One Fineline assigned to it.

If your system is Multistore, these three fields are all Master Data.

They **MUST** be the same in every store.

If you don't already have a program for controlling the structure of your inventory from a Buying Coop or parent company, it's helpful to diagram a program on paper or in a spreadsheet before entering the information in the system.

Remember, if your current system uses only department, adding classes and finelines improve your reporting capabilities.

Here is an example of how to categorize items within a Department called Building Materials.

This is not the only way to do it of course, but it gives an idea of how you can structure your Classes & Finelines.

## Setup

To setup departments, classes, and finelines, in the browser launch bar, type MDE to open Department Maintenance.

You can also click the hotlink located on the department field title in Inventory Maintenance. There is also a hotlink to add classes and finelines.

Department Codes are two characters in length.

They are alphanumeric and may include any combination of letters and numbers.

Next, enter the Department Name. The system allows up to 32 characters for this field.

The Code and Name are the only required fields when adding a Department.

If the system is Multistore, remember to choose the store that you are working in.

And, if adding a new department, remember that you must add it in each store or select All Stores prior to pressing the Add button.

Although you're only required to set up a code and name for each department, a couple of the other fields can be very helpful.

The GP% field sets a default Desired Gross Profit % for new SKUs added in that Department.

The Non-Merchandise Department field is useful to mask departments from displaying their sales in the Business Advisor. Use this for Departments like Gift Cards, so the system doesn't skew Sales & Profit numbers.

The Square Feet field is for entering the footage devoted to a particular Department. With this data, you can pull Sales by Sq Foot or Inventory by Sq Foot.

Once you have entered the desired fields, press Add from the Ribbon Menu to add the new Department Code.

Now let's look at Class Maintenance, or MCL.

Once again, you only need to enter a Class Code which can be up to three characters and a Class Name.

As with Departments, add any new classes to every store if in a multi-store system.

Use the up arrow to choose All Stores and update all the defined stores within the system.

As with department, a couple of the other fields can be helpful.

The GP% field sets a default Desired Gross Profit % for new SKUs added in that Class.

The Location field is useful to set up a Default Location code for new SKUs added in that Class.

The Square Feet field is for entering the footage you devote to a particular Class. With this data, and as with department, you can pull Sales by Sq Foot or Inventory by Sq Foot.

Once you have entered the desired fields, press Add on the Ribbon Menu to add the new Class Code.

To enter Fineline codes, open Fineline Maintenance by typing MFI into the Launch bar of the Eagle Browser.

Entering Fineline codes is very similar to both Department and Class codes. The main difference is that Fineline Codes are 6 characters in length.

Again, multi store users will need to add the Fineline to each store or select the All Stores option.

Let's look at optional fields for Finelines.

The Stocking Dept field enables setting a link between the Finesline and its parent department.

We mentioned this earlier when we discussed the sandpaper example. If this finesline applies to more than one department, leave this field blank.

The Square Feet field is for entering the footage you devote to a particular Finesline. With this data, you can pull Sales by Sq Foot or Inventory by Sq Foot.

Once you enter the desired fields, press Add on the Ribbon Menu to add the new Finesline Code.

## Copyrecs

When working in a multi-store environment, the system makes it easy to copy the framework of departments, classes, and finelines to each store so that you don't have to do it manually.

First, setup dummy vendor ABC and one SKU with that vendor as the primary.

The Vendor type will be P or primary and the Vendor code will be ABC.

Type COPYRECS in the launch Bar to open the Copy Records Report.

On the Options page, choose the From and To stores. Note that you can leave the To store field blank to copy the structure to all stores in your system.

Enable the desired check boxes to copy Departments, Classes, and Finelines.

Next, open the From/To page and specify the Vendor that you just created.

Then run the report.

After the report runs, the system copies the Department, Class, and Finesline structure you created to the new store along with the dummy vendor and SKU.

Finally, delete the dummy Vendor and SKU from each store in your system.

## Inventory Import Tool

With the Department, Class, and Finesline codes set up, there are two common ways to add these to your items.

Set them up one at a time in Inventory Maintenance (IMU) or use the Inventory Import Tool for mass updates.

The IMU approach works on any System in any business.

It facilitates the best accuracy, but it is the slowest method. It's necessary to touch every SKU that needs a Class and Finesline with this method.

If your system has the Inventory Import Tool installed, you can use the tool to selectively change items.

To do this, build an IMU Viewer to display the SKU, Description, Department, Class, and Finesline for the entire inventory.

Then export the Viewer to a spreadsheet.

Update the Class and Finesline Codes in the spreadsheet as needed. You can copy/paste Codes across a range of items.

Save the file, and then save it again as a .csv file.

Finally, use the Import Tool to add the changes to the system.

For more information on using Inventory Import tools, refer to online Help and other Epicor University courses.

## Reporting

You greatly increase your reporting options once you add Classes & Finelines to all your SKUs.

You can now run nearly any Report, Viewer, or Compass Query, using Class or Fineline as a selection criterion.

This allows you to view only the items you want to see, not everything in your inventory.

Here are some examples:

Run an Inventory Valuation Report (RIV) for just the Spray Paint class.

Run an Item Status Report (RIS) to show the items with negative QOH in the Fineline for Copper Piping Tees.

Build a viewer that shows the Differences between Replacement Cost and Average Cost for items in the Class: Audio & Video Wire Accessories.

Your system likely has two reports running as part of your End of Month and End of Year queues that you were not using.

These reports are the Class Sales/Purchase History Report (RCL) and the Fineline Sales/Purchase History Report (RFI).

Once you add Class and Fineline to your SKUs, these two reports provide you with important data you can use to make decisions about your business.

Check your report spooler to display or print these reports.

## Recap

As you can see, giving inventory a structure that includes departments, classes, and finelines helps to manage the business by enabling your ability to examine inventory details.

With this greater detail, it's easier to see which items are moving and which are not and makes searching for this information efficient.

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# EPICOR

#### Corporate Office

804 Las Cimas Parkway  
Austin, TX 78746  
USA

Toll Free: +1.888.448.2636  
Direct: +1.512.328.2300  
Fax: +1.512.278.5590

#### Latin America and Caribbean

Blvd. Antonio L. Rodriguez #1882 Int. 104  
Plaza Central, Col. Santa Maria  
Monterrey, Nuevo Leon, CP 64650  
Mexico

Phone: +52.81.1551.7100  
Fax: +52.81.1551.7117

#### Europe, Middle East and Africa

No. 1 The Arena  
Downshire Way  
Bracknell, Berkshire RG12 1PU  
United Kingdom

Phone: +44.1344.468468  
Fax: +44.1344.468010

#### Asia

238A Thomson Road #23-06  
Novena Square Tower A  
Singapore 307684

Singapore  
Phone: +65.6333.8121  
Fax: +65.6333.8131

#### Australia and New Zealand

Suite 2 Level 8,  
100 Pacific Highway  
North Sydney, NSW 2060  
Australia

Phone: +61.2.9927.6200  
Fax: +61.2.9927.6298