Inventory is one of your largest assets, and how you manage it can make or break your business.

Effective processes result in better inventory control, faster delivery of product to your customers, and improved cash flow.

In this module, we'll focus on the Eagle Order Point Report, the Suggested Order Report, the Purchase Order Format Report and the Combine Purchase Orders Report.

We will explore how they can assist with ordering merchandise and the maintenance of proper stock levels.

The Order Point Report is a key report, enhancing your ability to make better buying decisions.

This report quickly calculates an optimum stock level based on sales history.

The Order Point report, coupled with the Suggested Order Report is the crux of your Eagle Inventory Control capabilities.

Add to that the functions that allow you to create and combine purchase orders, and your Eagle system contains everything you need to keep inventory at an optimum value.

However, the key requirement of this process is maintaining data integrity in your 'Quantity on Hand' and sales figures. This, in turn, will ensure proper results when ordering merchandise.

Let's take a closer look at the Order Point Report or ROP.

It can be accessed from the Eagle browser under Inventory Reporting or by typing ROP at the launch bar.

This report uses accumulated sales history, including demand, lead time, and cost to determine the optimum stocking levels, or order points—for items.

You will want to run this report weekly since sales history is constantly fluctuating.

A Best Practice is to queue several ROP reports to run each week. The different reports can update defined categories of items with options specific to those categories.

To understand how this report calculates order points, we will turn our attention first to the underlying data contained in several of the fields found in Inventory Maintenance, or IMU.

This will provide a better understanding of what the report is checking for and what fields is being updated.

We'll start on the 'Stocking Tab' of the Inventory Maintenance screen.

The Order Point field, here, is calculated automatically by the Order Point Report.

Once established, suggested orders will be based on this field and some additional factors which will be discussed later.

Although the field is typically calculated automatically, you can set the order points manually.

Keep in mind that the order point may fluctuate when it is based on sales history.

The 'Minimum Order Point' is a manually updated field.

If you enter a value here , the Order Point will not drop below this number; it may change, but it will never fall below this point.

The 'Maximum Stock Level' is not typically used with true order point calculation.

If you establish a Maximum Stock Level, the suggested order quantities will bring the 'quantity on hand' back to this level on each order.

This can have an adverse effect on your stocking level because it ignores sales history.

Finally, there's a field labeled 'Safety Stock'.

Enter the quantity that you want to have on hand in case the demand is higher than expected.

For example, you might want to enter 1 for ceiling fans or refrigerators, but you may want to specify a higher number for something like snow shovels during the winter months.

When you run the Order Point Report, the system adds the safety stock to the order point it calculated to determine the new order point.

For example: You enter a safety stock of 1 for a particular ceiling fan.

When you run the Order Point Report, the system calculates a regular order point of 4.

It then adds the safety stock to that for a final order point of 5.

One other key field to point out is the ROP Protect flag on the Codes Tab.

If this field is set to Yes, you are telling the system to not change the order point field when the Order Point report is run.

In other words, setting this option to 'Y' means that an item's order point will remain constant, regardless of sales activity.

This field is often used for items that you manually set with an order point of 1 or 0. Expensive or special order items are sometimes set to maintain their current order point.

Now that we have discussed the Inventory Fields that relate to the order point, let's look at some of the options available on the Order Point Calculation Report.

Be aware, that this report can be run 'without' actually changing the Order Points.

This allows for a 'What if' analysis before you run the report with Option 'F'.

Running it with option F selected will actually change the Order Points in the inventory records.

Promotional sales can either be included or excluded from the calculation.

Be aware, though, that including promotional sales may in fact overstate sales if you are not planning the same promotion this year.

You can include Kit Records or Exclude Discontinued items.

You can also eliminate changing the order points of items recently added into inventory based on their 'Record Added' date.

Once you decide on the options, you will need to go to the OP Methods page and identify how many weeks of supply you would like to include in your calculations.

You can denote any lead time necessary to order these products or identify a number of weeks of safety stock that you would like to maintain.

You can also set order points based on cost , set a new order point as a percentage of the previous one , or copy order points.

Choices here combined with your sales history will play heavily in determining your inventory Order Points.

The OP Weights page is where you are going to tell the Eagle system how much emphasis to put on sales history for a given time period of time.

Remember, Order Point Calculation is adept at keeping the Supply consistent with the Demand. Be sure to review the Training on Demand course titled Running the Order Point Report (ROP) for more in depth information on these settings.

Now that we have reviewed how Order Points are calculated, the next logical step is to discuss Eagle's Suggested Order Report, or the RSO.

The Suggested Order Report uses the order points generated by the ROP to calculate the new quantities to be ordered.

Your Order Point Report should be scheduled to run on a weekly basis.

Along with this process, you should consider automating your suggested orders. This can be a major time saver.

To learn more about scheduling these processes in your Eagle system, be sure to watch the Training on Demand courses titled, "Automating Order Point Updates" and "Automating Suggested Orders".

The Suggested Order report offers you several types of options to customize the report, including ones that determine how the order is calculated , ones that determine which items are included in the report , and other assorted options.

Let's review how the report calculates the amount to order for an item, subject to the options that were selected.

The system calculates the current quantity by adding 'Quantity on Hand' plus 'Quantity on Order' and subtracting the 'quantity that is committed' through orders and layaways.

If this total is less than the Order Point, the system suggests ordering the quantity that brings the total back up to the order point.

It will round this figure by the value located in the order multiple or standard pack fields dependent on which vendor it is being ordered from.

Typically, items ordered from the Primary vendor are rounded by the Order Multiple and items ordered from the Manufacturing Vendor are rounded by the Standard Pack.

If a Maximum Stock Level is specified, the system will increase the amount to order so that the quantity on hand will be returned to that Maximum Stock Level. Remember, this field is not based on sales history and it can inflate your inventory levels. Best Practice would be to leave this field blank and allow the system to suggest an order point based on what has sold.

The Suggested Order report can be converted directly into a Purchase Order using option 'F' to 'Create a final PO'

You can also use Option 'W' to create a non-final or temporary PO.

During this process, the vendor's minimums, set within the Vendor record in MVR, would also be taken into account.

If you plan to use the suggested orders to create a purchase order, be sure to click the 'PO Header' page and enter the required information.

Once reviewed and maintained, a Purchase Order can be printed, faxed or emailed via the Purchase Order Report, or

The Purchase Order Report can be accessed directly from the Purchasing and Receiving screen or through the Purchasing Reports Menu.

The 'From/To' page specifies what POs are to be printed or electronically sent and can also be used to limit what prints on the report.

The 'Options' Page allows you to identify which fields appear in the output.

You will want to review the Training on Demand course titled 'Emailing Purchase Orders' to select the correct options and easily transmit orders to your vendors via email.

The Combined Purchase Orders report, or BPO, allows you to combine multiple POs for the same vendor into one PO.

The POs must be the same type (normal, credit, defective, etc.) in order to combine them on this report.

If the status is different, they can be combined, although there are some limitations which are described in detail in Online Help.

To run the report, launch BPO from the Browser and review the print setup.

On the Options page, enter the PO number to which you want to append up to 20 other POs.

Then select the POs that you want to merge into this report.

This report can be run immediately, or added to an End of Day Queue.

As with any report, you can save the report with these settings and, if you wish, use it as the default for BPO.

To review the overall process, we begin by allowing Eagle to use your inventory data to calculate order points with the ROP report.

Then the RSO is run to create a suggested order based on current stock levels and the new order points.

Next, we can reprint, fax or email the purchase orders created with the RSO report.

Finally, if there are any PO's for the same vendor that need to be combined, we simply run the BPO report.

By maintaining the integrity of your inventory file through correct Point of Sale, Ordering and Receiving Procedures, your Eagle system has the powerful tools needed to create accurate order points and in turn suggested orders based on your sales history and your industry's forecasted demand.