

# Inventory Planning for SAP<sup>®</sup> Business One

VALOGIX<sup>®</sup> Inventory Planner is seamlessly integrated into SAP<sup>®</sup> Business One, providing automated forecasting, replenishment, and optimization at the tips of your fingers.

VALOGIX Planner gives you instant visibility to all warehouses, field stock, customer locations, and everything in between. Optimization provides exceptional value by reducing inventory, controlling new purchases and improving customer service.

For: Audio, Automotive, Building Materials, Consumer, Construction, Electrical, Food and Beverage, HVAC, Industrial, Lawn & Garden, Medical & Dental, Plumbing, or any type of distributor.

## Enhanced Planning Features

### Automated Forecasting and Replenishment Planning

- Enhanced forecasting for highly seasonal and slow-moving items
- Vendor planning for easy replenishment management
- New Items are easier and faster with the “proxy process”
- Simultaneously generates new orders and stock transfers\*

### Sophisticated Item Management

- Enhanced details show lead time, service levels, vendor, and more
- Full visibility at all locations: virtual, real, and customers (if desired)
- Dynamically computes and reports on excess and obsolete inventory
- Automatically sets shelf stock by item and location

### Seamless Integration

- Completely integrated in SAP Business One
- Main menu provides fast access to planning
- Replenishment planning is optimized for better asset and spend control
- Automatically creates either full or draft Purchase Orders

\* May require the optional Valogix Stock Transfer module.

### Value You Gain

Valogix solutions provide dramatic results that help improve **positive cash flow**.

#### Savings

20% - 40%  
Inventory  
Reduction

15% - 30%  
Reduction  
in Stock-outs

6% - 15%  
Reduction in  
Expedited Shipments

#### Improvements

15% - 25%  
Increase in  
Sales & Revenues

5% - 12%  
Productivity  
Gains

*“We used to spend all day, everyday creating orders by running multiple reports to avoid over and under purchasing. Since implementing VALOGIX Planner, we create our orders in less than three hours. We have increased our productivity by 30 hours a week and by only ordering what we need, we’ve significantly reduced our excess stock while at the same time, increasing service levels across all of our lines. ~Maurice Riley, Camlab, Ltd.*



# Advanced Inventory Planning and Replenishment

## Item Master Demand History & Forecasting

The Valogix-built algorithms include trend, seasonal, and multiplicative models like Season-Trend or Trend-Season. Forecasting 'new' items is simple and easy using Proxy History or Supersede History. This enables the user to set a forecast by referencing the history of an existing item. VALOGIX Planner automatically sets optimal stocking quantities for each item at each location, creating dramatic costs savings while improving customer service levels.

Forecasting is automatic, requiring little to no user input to choosing which algorithm to use.

**Inventory Planning Details**

Item Number: A0004  
 Location: 01  
 Item Description: Sample Item  
 Item Group: Items

History & Forecast		Location Details	
In Stock	+ 130.00	Committed	0
Ordered	+ 75.00	Forecast PH	1185
Backordered	+ 140.00	Excess Committed	0
Excess Committed	- 0.00	Lead Time	30
Stocking Quantity SQ	- 1,229.00	Order Frequency	37
Independent Net	= -759.00	Planning Horizon	37
Dependent Net	= 0.00	Service Level	99
Net Quantity	= -759.00	Network Net	-750
Required Quantity	759.00		

Location: 01  
 Location Total  
 Location Detail Only

#	Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
1	2008	149	113	1177	1414	1318	122	142	192	1185	1183	125	144	7264
2	2009	189	162	1217	1384	1255	183	151	165	1222	1264	142	120	7464
3	2010	118	129	1032	1053	1052	140	148	135	952	936	105	105	5905
4	2011	135	176	922	1264	1208	120	139	168	0	0	0	0	4133

#	Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
1	2011	0	0	0	0	0	0	0	141	974	973	109	107	2309
2	2012	129	126	945	1112	1050	123	126	144	0	0	0	0	3755

**Replenishment Plan**

Select	Item No.	Item Description	Warehouse	Supplier	Action	Approved Quantity	Required Quantity	Drop Ship	Shortage Ratio	Net Quantity
<input type="checkbox"/>	A0001	IBM Infoprint 1312	01	V10000	Buy	12	12		-0.11	-12
<input type="checkbox"/>	A0003	IBM Infoprint 1226	01	V20000	Buy	15	15		-0.11	-15
<input type="checkbox"/>	A0003	IBM Infoprint 1226	02	01	Transfer	41	41		-0.95	-41
<input type="checkbox"/>	A0003	IBM Infoprint 1226	04	01	Transfer	18	18		-1.00	-18
<input type="checkbox"/>	A0004	Sample Item	01	V10000	Buy	759	759		-0.57	-759
<input type="checkbox"/>	A0004	Sample Item	04	01	Transfer	13	13		-1.00	-13
<input type="checkbox"/>	A0006	HP 600 Series Inc	02	V20000	Buy	5	5		-1.00	-5
<input type="checkbox"/>	A0006	HP 600 Series Inc	04	V20000	Buy	3	3		-1.00	-3
<input type="checkbox"/>	B10000	Printer Label	02	V10000	Buy	5	5		-1.00	-5
<input type="checkbox"/>	B10000	Printer Label	04	V50000	Buy	16	16		-1.00	-16
<input type="checkbox"/>	C0002	Motherboard P4 Turbo - Asus C	04	V20000	Buy	9	9		-1.00	-9
<input type="checkbox"/>	C0003	Intel P4 2.4 GHz	01	V10000	Buy	22	22		-0.65	-22
<input type="checkbox"/>	C0008	Monitor 17" TFT	01	V10000	Buy	46	46		-1.35	-46
<input type="checkbox"/>	C0019	Mouse USB	01	V20000	Buy	50	50		-1.32	-50
<input type="checkbox"/>	C0019	Mouse USB	04	V20000	Buy	9	9		-1.00	-9
<input type="checkbox"/>	C0011	Memory DDR-RAM 512 MB	01	V10000	Buy	24	24		-0.62	-24
<input type="checkbox"/>	C0011	Memory DDR-RAM 512 MB	04	V10000	Buy	72	72		-1.00	-72
<input type="checkbox"/>	P10002	PC - P4 2.4G, DDR, 152MB, 400G I	01	01	Make	3	3		-1.00	-3
<input type="checkbox"/>	P10003	PC Set 1	02		Buy	7	7		-1.00	-7
<input type="checkbox"/>	P10003	PC Set 1	04		Buy	4	4		-1.00	-4

Number of Items: 41  
 Quantity: 33,035,000  
 Total Value: 435,962.38  
 Total Weight: 582,691.920  
 Total Volume: 14,321.940

## Automated Replenishment Planning

VALOGIX Planner recommends optimal stocking levels for all items at every location. The system calculates the correct amount of stock needed to cover the expected demand for each item's planning horizon. Then it recommends purchase orders, transfer orders and production orders. This makes more efficient use of critical company assets.

Automated replenishment planning eliminates guess work and manual effort, saving valuable time and money. The interactive replenishment reports allows you to plan for more items, order more frequently, reduce stock levels and free-up cash.

## Vendor Planning

The Vendor Planning feature allows you to plan replenishments by Vendor to create the most efficient purchase order. It provides quick visibility of minimum Vendor requirements includes dollar, volume, weight and quantity. You can meet Vendor Freight requirements, Lot Sizes, Purchase Unit of Measures and much more. The system automatically calculates your shortage risk for each item so you know the potential for stock-outs. Purchase orders are automatically prepared once approved.

**Replenishment Plan**

Show Shortages Only  
 Show All Planned Items

Select	Item No.	Item Description	Warehouse	Supplier	Action	Approved Quantity	Required Quantity	Drop Ship	Shortage Ratio	Net Quantity	Unit Weight
<input checked="" type="checkbox"/>	A00002	IBM Infoprint 1222	04	V1010	Buy	96	96		-1.00	-18	100.00
<input checked="" type="checkbox"/>	C00001	Gauge	04	V1010	Buy	7	7		-1.00	-7	0.00
<input checked="" type="checkbox"/>	C00007	Hard Disk Seagate 400 GB	04	V1010	Buy	5	5		-1.00	-5	0.00
<input checked="" type="checkbox"/>	C00009	Keyboard Confort USB	04	V1010	Buy	4	4		-1.00	-4	0.00
<input checked="" type="checkbox"/>	C00007	Hard Disk Seagate 400 GB	01	V1010	Buy	26	26		-0.70	-26	0.00
<input type="checkbox"/>	C00004	Tower Case with Power supply	01	V1010	Buy	26	26		-0.55	-26	0.00
<input type="checkbox"/>	C00009	Keyboard Confort USB	01	V1010	Buy	23	23		-0.40	-23	0.00
<input type="checkbox"/>	C00001	Gauge	01	V1010	Buy	8	8		-0.17	-8	0.00
<input type="checkbox"/>	C00004	Tower Case with Power supply	04	V1010	Buy	1	1		-0.11	-1	0.00
<input type="checkbox"/>	A00002	IBM Infoprint 1222	02	V1010	Buy	0	0		0.72	21	100.00
<input type="checkbox"/>	C00001	Gauge	02	V1010	Buy	0	0		2.39	35	0.00
<input type="checkbox"/>	C00007	Hard Disk Seagate 400 GB	02	V1010	Buy	0	0		3.55	39	0.00
<input type="checkbox"/>	C00009	Keyboard Confort USB	02	V1010	Buy	0	0		5.25	42	0.00
<input type="checkbox"/>	C00004	Tower Case with Power supply	02	V1010	Buy	0	0		9.00	46	0.00
<input type="checkbox"/>	A00002	IBM Infoprint 1222	01	V1010	Buy	0	0		11.50	184	100.00
<input type="checkbox"/>	A00005	HP Color Laser Jet 4	04	V1010	Buy	0	0		15.67	235	0.00
<input type="checkbox"/>	A00005	HP Color Laser Jet 4	01	V1010	Buy	0	0		16.64	549	0.00
<input type="checkbox"/>	A00005	HP Color Laser Jet 4	02	V1010	Buy	0	0		32.00	320	0.00
<input type="checkbox"/>	L104029MC	Memory Chip	01	V1010	Buy	0	0		125.00	1250	0.00
<input type="checkbox"/>	L104029MC	Memory Chip	02	V1010	Buy	0	0		650	650	0.00

Number of Items: 64  
 Quantity: 37,955,000  
 Total Value: 520,864.26  
 Total Weight: 1,275,679.920  
 Total Volume: 109,713.140



## Automated Forecasting - Optimization - Replenishment

Inventory Investment Analysis

Find:  Item Number  Find

Item Number	Description	Warehouse	Current Investment	Ideal Investment	Difference In V...
A00005	HP Color Laser Jet 4	01	174,600.00	9,900.00	164,70
A00005	HP Color Laser Jet 4	02	101,999.70	3,090.90	98,90
A00001	IBM Infoprint 1312	02	100,000.00	16,800.00	83,20
A00005	HP Color Laser Jet 4	04	75,000.00	4,500.00	70,50
A00002	IBM Infoprint 1222	01	52,578.65	3,174.56	49,40
LM4029MC	Memory Chip	01	46,950.00	0.00	46,95
S10000	Server Point 10000	01	61,832.40	28,855.12	32,97
LM4029MC	Memory Chip	02	24,999.00	0.00	24,99
C00007	Hard Disk Seagate 400 GB	01	38,588.34	18,073.02	20,51
A00006	HP 600 Series Inc	01	22,736.00	2,273.60	20,46
C00007	Hard Disk Seagate 400 GB	02	25,000.00	5,500.00	19,50
C00001	Guage	02	20,000.00	6,000.00	14,00
C00002	Motherboard P4 Turbo - Asus Chipset	02	15,000.00	1,800.00	13,20
C00001	Guage	01	28,164.75	15,242.10	12,92
P10004	PC Set 2	01	17,698.10	5,309.43	12,38
LM4029MC	Memory Chip	04	11,250.00	0.00	11,25

Current Investment : 1,843,560.42      Difference In Value : 354,100.40  
 Ideal Investment : 1,489,460.02      % Difference : 19.207

### Stock Investment Analysis

Based on your target service levels, VALOGIX Planner creates a forecast, sets optimal stocking levels and identifies your ideal inventory investment. It compares the recommended stock investment to your actual stock investment.

VALOGIX Planer makes it easy to identify and take action on obsolete, excess and inactive items. You can quickly filter, sort and drill down into item detail and make better decisions.

**Challenge yourself to find the cash hidden in your warehouse!**

Current Investment :	1,843,560.42	Difference In Value :	354,100.40
Ideal Investment :	1,489,460.02	% Difference :	19.207

### Demand History Alerts

VALOGIX Planner analyzes historical demand for erratic behavior and reports all items which exceed the user-defined threshold. This report enables the user to easily identify unusual demand which may have occurred from a large one-time sale, the loss of a large customer, or other unusual events. You can then modify the history for any items for planning purposes to help ensure proper stocking levels moving forward. Having access to relevant data can help you track your performance and guide you to reduce costs, improve service levels, and increase productivity.

History Exceptions Report

Date: 09/15/2011  
 Standard Deviation Threshold: 2.500  
 Sort Criteria: Spike Severity

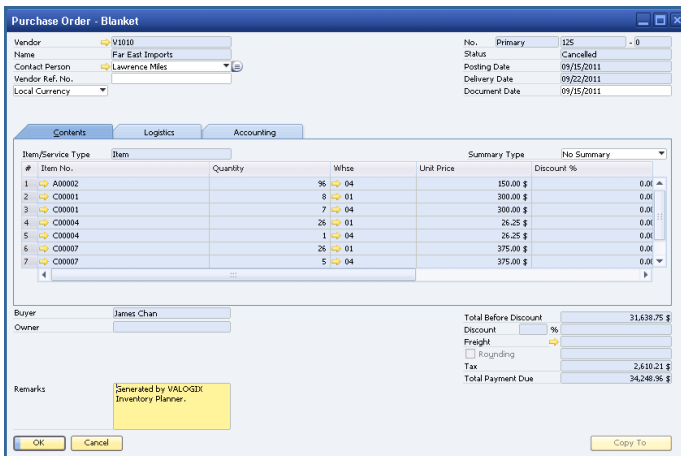
Item Number	Description	Location	Month	History Value	Expected Value	Lower Limit	Upper Limit	# Std. D...
A00001	IBM Infoprint 1312	01	05/01/2011	5,000.00	1,685.39	-1,138.57	4,509.75	2.93
A00001	IBM Infoprint 1312	02	02/01/2011	96.00	27.60	-30.90	86.10	2.92
C00006	Sheet Metal	02	01/01/2011	15.00	2.26	-8.74	13.26	2.89
015515	WHITE FOAM TRAY #25	01	06/01/2011	282.00	102.72	-97.37	272.81	2.64
015560	WHITE FOAM TRAY #10K	01	09/01/2010	353.00	136.18	-71.55	344.01	2.61
C00002	Motherboard P4 Turbo - Asus Chipset	02	01/01/2011	14.00	4.73	-4.19	13.65	2.60
C00002	Motherboard P4 Turbo - Asus Chipset	04	01/01/2011	23.00	14.79	6.69	22.90	2.53

### Stock Transfers - Fast & Efficient

The VALOGIX® Stock Transfer Module enables SAP Business One users with multiple physical locations to optimize their inventory investment by managing the intra-company transfer of inventory from one location to another. With the inventory transfer functionality, SAP Business One users have the ability to approve transfer requests, print a pick list, define and print a packaging list and Bill of Lading, and receive the stock.

*"Using the advanced inventory planner from Valogix, we were able to reduce inventory by 10% yielding roughly \$300,000 in cash that had been tied up. We were delighted with the results."*

Rick Crowder, VP/GM, Industrial Commodities Inc.



**Purchase Order - Blanket**

Vendor: V1010  
 Name: Far East Imports  
 Contact Person: Lawrence Miles  
 Vendor Ref. No.:  
 Local Currency:

No.: Primary 125 - 0  
 Status: Cancelled  
 Posting Date: 09/15/2011  
 Delivery Date: 09/22/2011  
 Document Date: 09/15/2011

Item/Service Type	Item	Quantity	Whose	Unit Price	Discount %
1	A00002	96	04	150.00 \$	0.00
2	C00001	8	01	390.00 \$	0.00
3	C00001	7	04	300.00 \$	0.00
4	C00004	26	01	26.25 \$	0.00
5	C00004	1	04	26.25 \$	0.00
6	C00007	26	01	375.00 \$	0.00
7	C00007	5	04	375.00 \$	0.00

Buyer: James Chan  
 Owner:

Total Before Discount: 31,638.75 \$  
 Discount: %  
 Freight: %  
 Rounding:  
 Tax: 2,610.21 \$  
 Total Payment Due: 34,248.96 \$

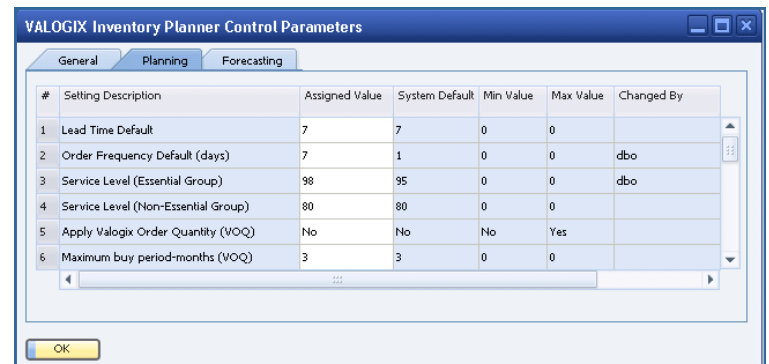
Remarks: Generated by VALOGIX Inventory Planner.

## Purchasing Made Easy

The approved Replenishment Plan automatically creates new Purchase Drafts or live Purchase Orders right in the SAP Business One Purchasing module. This eliminates the need to re-key data, avoids costly mistakes, and provides the user with all the control and approvals they require.

## Planning Control at your Fingertips

Since every business is different, Valogix puts planning control at your fingertips. These settings are simple to use and guide the system in running the planning processes. Defaults are preset to get you started. Once you start planning with Valogix, you can refine these settings to enhance your processes and results.



**VALOGIX Inventory Planner Control Parameters**

#	Setting Description	Assigned Value	System Default	Min. Value	Max. Value	Changed By
1	Lead Time Default	7	7	0	0	
2	Order Frequency Default (days)	7	1	0	0	dbo
3	Service Level (Essential Group)	98	95	0	0	dbo
4	Service Level (Non-Essential Group)	80	80	0	0	
5	Apply Valogix Order Quantity (VOQ)	No	No	No	Yes	
6	Maximum buy period-months (VOQ)	3	3	0	0	

## The Bottom Line

We know you work hard every day. You may think your inventory is under control, but can you be sure? Each day you are not using Valogix solutions, you are missing out on the opportunity to **free up CASH**. For example, based on an inventory value of \$1,000,000 and an average inventory reduction and productivity gains of approximately 31%, you could free up as much as \$310,000! It doesn't get any easier or better than this.

