

SAP Product Brief
SAP Business One



WAREHOUSE AND PRODUCTION MANAGEMENT WITH SAP® BUSINESS ONE

Managing Warehouses and Inventory to Optimize
Production, Distribution, and Storage Cost

Streamlined and optimized distribution processes are crucial to customer satisfaction and inventory cost control. Even if your product line is extensive and complex, the SAP® Business One application offers comprehensive inventory and production management functionality to meet your business needs. You can manage detailed item, inventory, and warehouse data; track and record inbound, outbound, and inter-warehouse stock movements; and plan and release production orders based on your material requirements planning.

The sophisticated warehouse and inventory management tools in the SAP® Business One application allow you to manage your supply chain and enhance customer satisfaction by providing reliable information about inbound and outbound shipments as well as current inventory levels.

You can manage item master data using various costing models to get an up-to-date insight into your inventory value by warehouse or item. Use integrated production functionality to manage all types of bills of materials and to process production orders efficiently.

SAP Business One gives you integrated accounting functionality, so you can be assured that your warehouse management and your financial accounting data are consistently synchronized. Changes to item cost and product prices are immediately and automatically considered, and the inventory value is recalculated based on the assigned valuation model.

Use the material requirements planning wizard in SAP Business One to effectively plan material requirements for complex, multilevel production processes.

SAP Business One has powerful reporting tools to meet any aspect of your warehouse and inventory reporting needs. Detailed reports on item transactions and valuations, inventory counts, production planning, and material requirements provide the information you need to make quick and effective management decisions

| Warehouse and Production Management in SAP® Business One | | |
|---|--|--|
| Warehouses and Inventories | Stock Movements | Production and MRP |
| Manage inventories in multiple warehouses and locations using FIFO, moving average, or standard costing | Record goods receipts and goods issues, and track stock transfers between warehouses | Create and maintain multilevel bills of materials (BOM) |
| Maintain units of measure and item prices in local and foreign currency | Enable consignment, drop-ship, and back-to back orders | Issue and release production orders manually and by backflush |
| Implement serial and batch number management | Use pick and pack manager to fill deliveries | Plan material requirements using the material requirements planning (MRP) wizard |
| Generate comprehensive item list, transaction, and valuation reports | Perform inventory and cycle counts | Globally maintain prices for BOMs with parent and child items |

Figure 1: Warehouse and Production Management Features of SAP Business One

Warehouses and Inventories

SAP Business One lets you manage individual warehouses as well as group multiple warehouses into one location. Perform instant availability checks and track item stock levels – such as committed, ordered, or available items – by warehouse, individual item, and item group.

Comprehensive item master data management in SAP Business One lets you maintain item numbers and descriptions with detailed purchasing, sales, and inventory data. Multiple units of measure and factors can be used when managing base, purchasing, packaging, and sales units, in order to streamline picking, packing, and final delivery.

Item prices integrating multiple currencies can be based on several price lists, such as retail and wholesale, which are applied automatically to transactions with vendors and customers. Special pricing tools allow you to automatically apply volume, cash, and account discount.

SAP Business One manages both serial and batch number items. Generate and assign batch numbers for goods receipts and draw from available batches when goods are issued. Serial numbers can be manually generated upon goods receipt, but bar code integration in SAP Business One allows you to assign and use bar code labels to simplify serial number management. Transaction reports show all transactions affecting batches and serial numbers.

Costing methods, such as FIFO, moving average, and standard, are fully integrated. Inventory valuation and last purchase price per item are automatically updated after each transaction.

Stock Movements

SAP Business One records goods receipts and goods issues in any warehouse. By integrating individual item prices or price lists, you simultaneously update inventory valuation. SAP Business One transparently integrates inventory and accounting transactions. As a result, stock levels are adjusted, inventory accounts credited or debited, and applicable inventory variances accounted for as soon as a stock movement is posted. Inventory transfer functionality allows you to readily move items from one warehouse to another.

The SAP Business One pick and pack manager lets you easily create pick lists and pull the listed items from the inventory.

Consignment and drop-ship orders are smoothly processed by creating dedicated customer warehouses.

You can perform cycle counts while orders are received and shipped, so that business activity does not have to be postponed to perform stocktaking. If the cycle count shows a level below the minimum stock point or a stock level discrepancy, the powerful SAP Business One alerts manager feature notifies your warehouse and purchasing managers.

The comprehensive inventory count functionality allows you to record initial quantities, perform inventory tracking, and post stock differences by warehouse, item, item group, vendor, or any custom-defined properties. Stocktaking sheets are generated and printed easily using the SAP Business One print layout designer

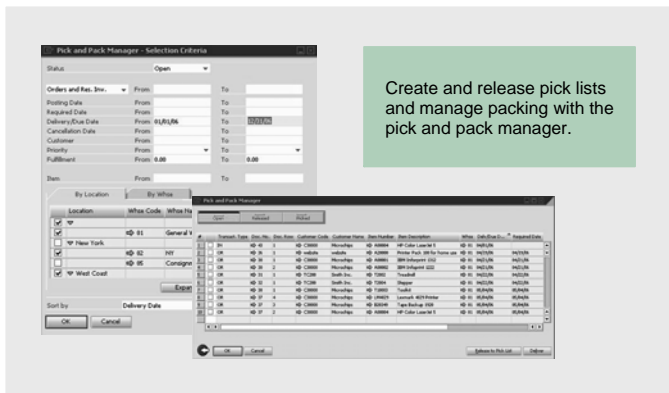


Figure 2: SAP® Business One Pick and Pack Manager

Production and Material Requirements Planning

SAP Business One simplifies definition and management of production, assembly, sales, and template bills of materials (BOMs). You can store bill-of-materials numbers, descriptions, warehouses, and item compositions in easy steps, while recording per-item quantities, production issue methods, prices, and comments at each level. When you add a bill of materials to purchase, production, or sales orders, pricing and quantities are automatically recorded for both the product and its components.

SAP Business One supports standard, special, and disassembly production orders. Bills of materials can easily be entered into production orders so that item availability, warehouse location, and issue method are automatically recorded.

By storing a production due date, production scheduling can be managed using SAP Business One alerts management.

Material requirements planning (MRP) in SAP Business One allows you to plan material requirements for complex, multilevel production processes. Using the MRP wizard in SAP Business One, you can create MRP scenarios specifying planning horizon, items, and data sources. Once defined, MRP scenarios can be saved and reused for subsequent planning phases.

The MRP functionality will automatically generate production and purchase orders needed to manufacture a final product in the quantities and time specified by the production schedule, taking into consideration all requirements for product components.

Production and Warehouse Reports with XL Reporter

The XL Reporter tool in SAP Business One allows you to create sophisticated warehouse and production management reports as well as MRP reports. These are generated in SAP Business One and displayed in Microsoft Excel templates as standard reports or as dashboards. You can use predefined templates to issue inventory status, audit, and valuation reports, as well as item and warehouse transaction lists. XL Reporter also allows you to generate production reports, such as production orders by status and bill-of-materials reports. Data in reports is refreshed in regular, predefined intervals, so you are constantly updated on inventory levels and production schedules.

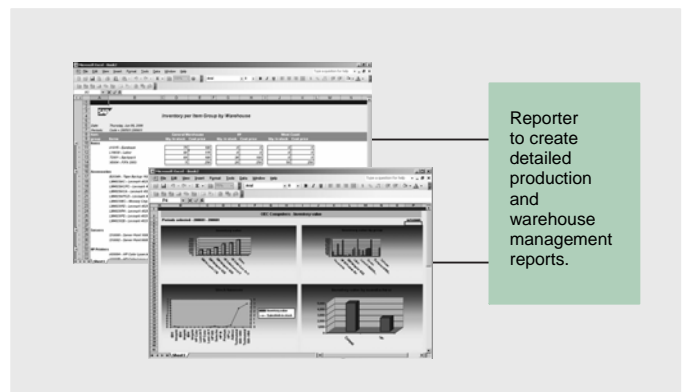


Figure 3: XL Reporter Production report Samples

The Drag&Relate™ feature of SAP software and the standard Microsoft Excel interface allow you to create your very own reports in a few easy steps with the report definition wizard. For more advanced reporting, use the report designer to integrate custom queries, parameters, formulas, and layouts. The report organizer allows you to execute and manage your reports and efficiently distribute them to other users through easily created report books.

To learn more about how SAP Business One can empower your warehouse management and production organization to grow your business and effectively service your vendors and customers, call your SAP representative today on 1300 440 444 or visit us on the Web at www.microchannel.com.au