Understanding how to Use Minimums and Maximums for Reordering Items

Inventory Management · https://retailedge.com/docs/understanding-how-to-use-minimums-and-maximums-for-reordering-items

Many people are using RetailEdge's reordering functions to either determine what they need to reorder or to auto-generate purchase orders.

Common Misunderstandings

However, there are some fairly common things that users don't understand.

1. Minimum and Maximums can be set on the Location Tab for any inventory item. There are four different ones to allow users to have some seasonality to their stocking levels (don't order sweaters in the middle of summer, etc.).
2. RetailEdge will not try to reorder items until the quantity in inventory falls BELOW the minimum. So set a minimum of 1 and not 0 if you want to reorder when you are totally out of an item. Although why you would want to do this is another topic of discussion.
3. If you want to just fill to a particular level you can set your minimums and maximums to the same value.
4. A zero minimum or zero minimum is a special case. Since the defaults are zero and we don't want people ordering on Minimums of zero we turn off reordering when this the case.

Keep it Simple at First

Don't get fancy with the levels until you understand how they work. We have some users that don't want to track inventory and set their quantities to 0 and are working into the negatives, and use negative min/maxes. Don't do this until you understand how these values work.

Test it Out First

Before you do anything set a minimum maximum for one item. Then run the Reordering Reports (minimums and maximums) and see how it works (Reports|Inventory|Items|Reorder-MinMax). Change the minimums and maximums and then see how this report changes.

Using them for Auto Purchase Order Generation

This report is the basis for the automatic Purchase Order generation. Try running this as well to see how it works (Inventory|Purchase Order|Auto Generate PO|Based on Min/Max). You can always delete the PO when it gets generated no harm done.

Consider Reordering Based on Sales Histories

You should consider the Reorder functionality based on Sales. This will autogenerate purchase orders base on your sales for a give period. This is a little more dynamic than static levels and can be a good restocking tool. You can run the reports first and then see how it works just like the Min/Maxes. This type of reordering also does not require setting mins and maxes so can save some time with your inventory management.