

# WHITE PAPER – TRIMIT CONSIGNMENT 2017

This document contains information about the Consignment functionality in TRIMIT 2017

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# INTRODUCTION

There are several concepts regarding selling from external sites that need more or less the same support in an ERP system. The best known are 'Consignment', 'Concession' and 'Shop in Shop'. They have basically the following in common: a Company has their Products exposed at their Customer's store. The goods are still in possession of the Company. As soon as a consumer buys a Product from the Consignment site the Company will invoice its Customer after receiving the sales information.

The purpose of this document is to get the following questions regarding Consignment answered:

- What is Consignment?
- Which parts of the Consignment process is covered in standard NAV?
- Which parts of the Consignment process is covered within TRIMIT?
- How to setup Consignment in TRIMIT?
- How to work with TRIMIT Consignment?
- What part will always be Customer specific?
- What is not supported in TRIMIT concerning Consignment?

The functionality described is the functionality in **TRIMIT 2017 W1**

The pictures in this White Paper are based on the demo database for **TRIMIT 2017 W1** (based on Microsoft Dynamics NAV 2017) in the demo Company **CRONUS TRIMIT W1 Ltd.** (based on CRONUS International Ltd. from Microsoft Dynamics NAV 2017).

# COMPONENTS

**TRIMIT Consignment** contains the following objects:

|             |                |                                              |
|-------------|----------------|----------------------------------------------|
| The tables: | <b>6037028</b> | <b><i>Sales Import Journal Line</i></b>      |
|             | <b>6037029</b> | <b><i>Sales Import Journal Header</i></b>    |
|             | <b>6036332</b> | <b><i>Temp. Maintenance</i></b>              |
|             | <b>6037328</b> | <b><i>Maintenance Setup</i></b>              |
| The pages:  | <b>6037027</b> | <b><i>Consignment Import Journal</i></b>     |
|             | <b>6037028</b> | <b><i>Consignment Import Jnl.Subform</i></b> |
|             | <b>6037370</b> | <b><i>Temp. Maintenance</i></b>              |
|             | <b>6037371</b> | <b><i>Maintenance Setup</i></b>              |

Besides these special objects there are also changes in several existing objects.

## BASIC SETUP

In this chapter is described which Setup is needed in order to work with Consignment in NAV/TRIMIT. We are only focusing on the specific TRIMIT Setup. The NAV Setup is considered to be known, such as Location creation, Inventory Posting Setup, and Transfer Routes.

Also the data provided in the TRIMIT Demo Company specifically for Consignment has been discussed below in this chapter. With these data proper demonstrations can be given regarding the Consignment process.

## SETUP CONSIGNMENT JOURNAL

At least one Number Series needs to be setup and entered in the **Sales & Receivables Setup** on behalf of the **Consignment Journal**. This can be found via **Departments/Sales & Marketing/Administration**.

**Sales & Receivables Setup**

| General                     |          |                              |           |
|-----------------------------|----------|------------------------------|-----------|
| Dimensions                  |          |                              |           |
| Numbering                   |          |                              |           |
| Customer Nos.:              | CUST     | Issued Reminder Nos.:        | S-REM+    |
| Quote Nos.:                 | S-QUO    | Fin. Chrg. Memo Nos.:        | S-FIN     |
| Blanket Order Nos.:         | S-BLK    | Issued Fin. Chrg. M. Nos.:   | S-FIN+    |
| Order Nos.:                 | S-ORD-1  | Posted Prepm. Inv. Nos.:     | S-INV+    |
| Return Order Nos.:          | S-RETORD | Posted Prepm. Cr. Memo Nos.: | S-CR+     |
| Invoice Nos.:               | S-INV    | Direct Debit Mandate Nos.:   | DDM       |
| Posted Invoice Nos.:        | S-INV+   | <b>+ TRIMIT</b>              |           |
| Credit Memo Nos.:           | S-CR     | Summary Order Nos.:          | S-SUMORD  |
| Posted Credit Memo Nos.:    | S-CR+    | Campaign Discount Nos.:      | CAMPDISC  |
| Posted Shipment Nos.:       | S-SHPT   | Complaint Order Nos.:        | COMPLAINT |
| Posted Return Receipt Nos.: | S-RCPT   | Item Replacement Nos.:       | REPLACE   |
| Reminder Nos.:              | S-REM    | Consignment Journal Nos.:    | CONS      |
|                             |          | Gift Card Batch Nos.:        | GCBATCH   |

## DATA ON BEHALF OF CONSIGNMENT

In the TRIMIT Demo Company several entities are created on behalf of Consignment:

|                                |                                                                                                                                                                                                   |
|--------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Location Code</b>           | <i>CONS_1</i> has been created.<br>This is a virtual Location at the Customer site on which Consignment Products are displayed and sold.                                                          |
| <b>G/L Accounts</b>            | 2125 Finished Goods in Consignment<br>2126 Finished Goods (Interim) Cons.                                                                                                                         |
| <b>Inventory Posting Setup</b> | For <b>Location Code</b> <i>CONS_1</i> and <b>Inventory Posting Group Code</b> <i>FINISHED</i> , the <b>Inventory Posting Setup</b> has been filled.                                              |
| <b>Transfer Routes</b>         | Two Transfer Routes were setup: for <b>Location Code</b> <i>BLUE</i> to <i>CONS_1</i> and for <b>Location Code</b> <i>CONS_1</i> to <i>BLUE</i> .                                                 |
| <b>Customer</b>                | Customer <i>The Surf Shop</i> is a Customer from which the Address corresponds with the Address of <b>Location Code</b> <i>CONS_1</i> .<br>This Customer can be used as Customer for Consignment. |

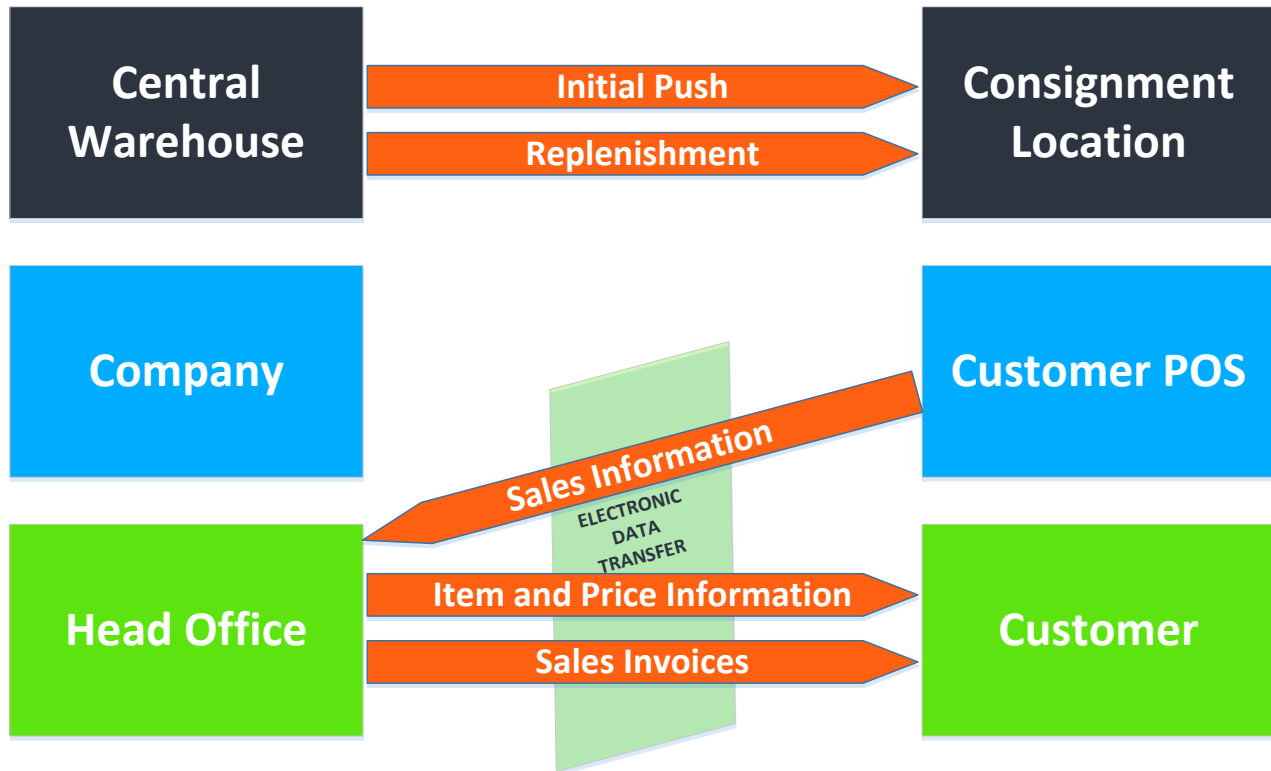
|                              |                                                                                                                                                                                                      |
|------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Master</b>                | <i>2420 Wetsuit</i> is the Master for which Stockkeeping Units (SKUs) have been created. This Product can be used for demonstration of the Consignment functionality in TRIMIT.                      |
| <b>Requisition Worksheet</b> | For Consignment a specific <b>Requisition Worksheet Batch Name</b> has been created: <i>CONS_1</i> . This Batch contains some calculated Lines of the <i>2420 Wetsuit</i> on the color <i>Blue</i> . |
| <b>SKU Maintenance Setup</b> | <b>SKU Maintenance Setup</b> has been filled for <b>Standard</b> and <b>Setup 1</b> . The <b>Setup 1</b> has been used to maintain the fields on the SKUs of the Master <i>2420 Wetsuit</i> .        |

As mentioned above **SKUs** for **Master** *2420 Wetsuit* on **Location** *CONS\_1* have been created.

For this Master also some stock has been created on **Location** *BLUE*, so Items can be transferred from *BLUE* to *CONS\_1*.

# CONSIGNMENT PROCESSES OVERVIEW

In this chapter the Consignment process is discussed. In the picture below this process is schematically described.



Everything starts with a contract between a Company and its Customer.

The Customer will display in his shop(s) the Products of the Company. The Company decides which quantities of the Products will be shipped to the different Consignment Sites (Locations).

Then the following actions will take place:

1. The Company ships the Products to the shop(s) of the Customer. If it concerns new Items or a new Consignment Location, this is called the *Initial Push*.
2. The Customer gets the necessary Product Information (like Item Number, Description, Barcode (EAN Code) and Price). This is mostly done electronically. The Customer feeds his POS system with this information, so he can sell the Products to the Consumers.
3. If all goes well the Consumer will Purchase the Products. The Purchase will be registered at the Customer's POS system. It is required that the Sales Information will be transferred from the Customer's POS system to the Company. Also this should happen electronically.
4. As soon as this Sales Information reaches the Company, it needs to be imported in the system. After that a Sales Invoice needs to be created, which will be sent to the Customer.
5. After posting the Sales Invoice the appropriate stock of the Products on the Consignment Location will be adjusted.
6. If the stock level in a shop reaches a certain level the Consignment stock could be replenished by the same Item.
7. If the Products are fashionable it may well be that in case of a new collection the existing Consignment stock goes back to the warehouse and the new Products will be initially pushed to the

Consignment Locations. It could also be the case that an old Product phases out and a new Product phases in.

8. Many Consignment Companies are confronted with leakage (or in other words: theft). This means that the stock levels need to be counted on a regular basis.

The above actions describe the Consignment Process in a nutshell. Many of these activities are supported in standard NAV/TRIMIT. Others need to be done outside the system. In specialized cases more Retail functionalities are required. In that case a Retail related systems such as LS Retail or DDD Retail is required. In the following chapter the above mentioned activities are described in more detail with the components in NAV/TRIMIT supporting them.

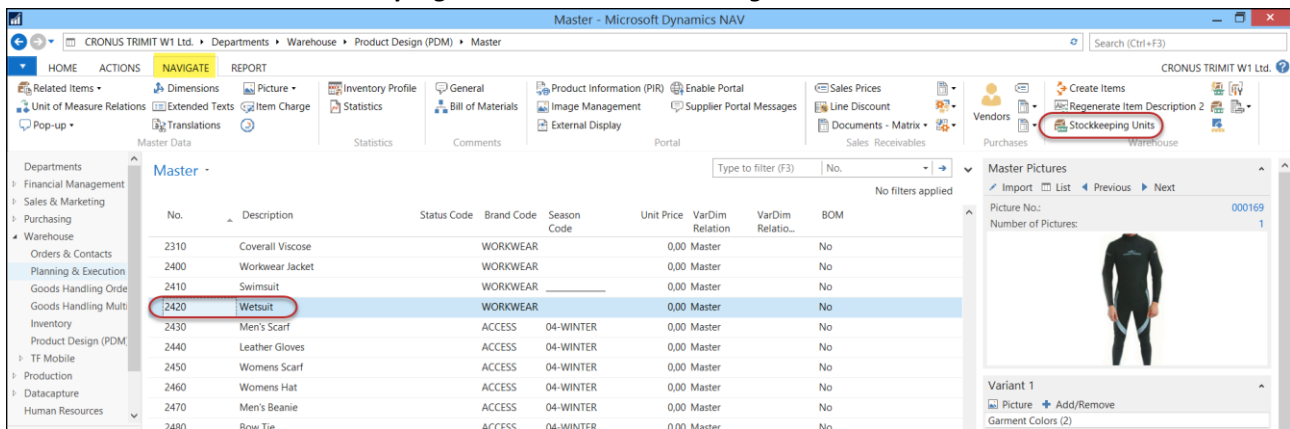
# CONSIGNMENT PROCESS DETAILS

## INITIAL PUSH

With the initial push the Company transfers a new Collection to the Consignment Location or an existing Collection to a Consignment Location of a new Customer.

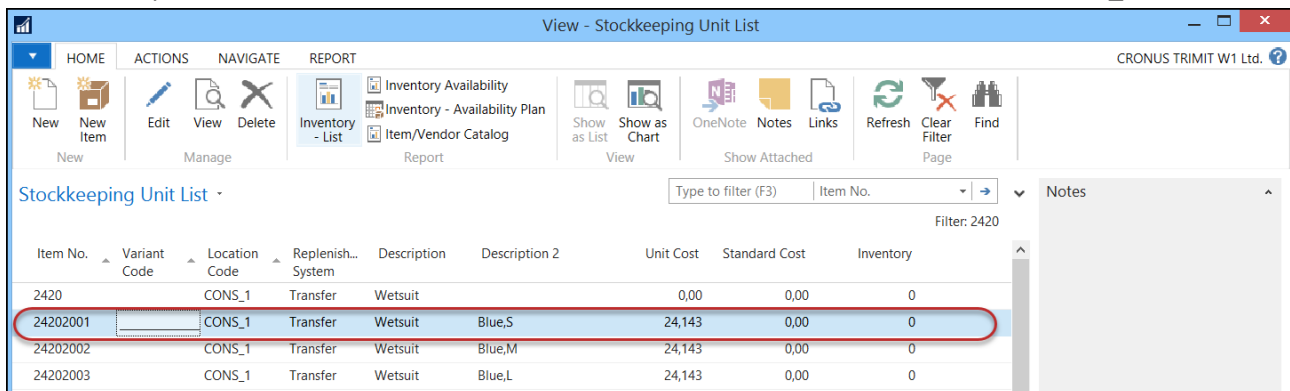
For this functionality we need the existing SKU cards in standard NAV. In these SKU cards we can maintain logistic parameters per Location. An example of a Master with Items with SKU cards is *2420 Wetsuit*. Go to **Departments/Warehouse/Product Design (PDM)/Master** to open the Master List.

To find a SKU card click **Stockkeeping Units** on the ribbon **Navigate**.



You can find more details regarding creating SKUs in the **White Paper – TRIMIT Item and SKU Maintenance**.

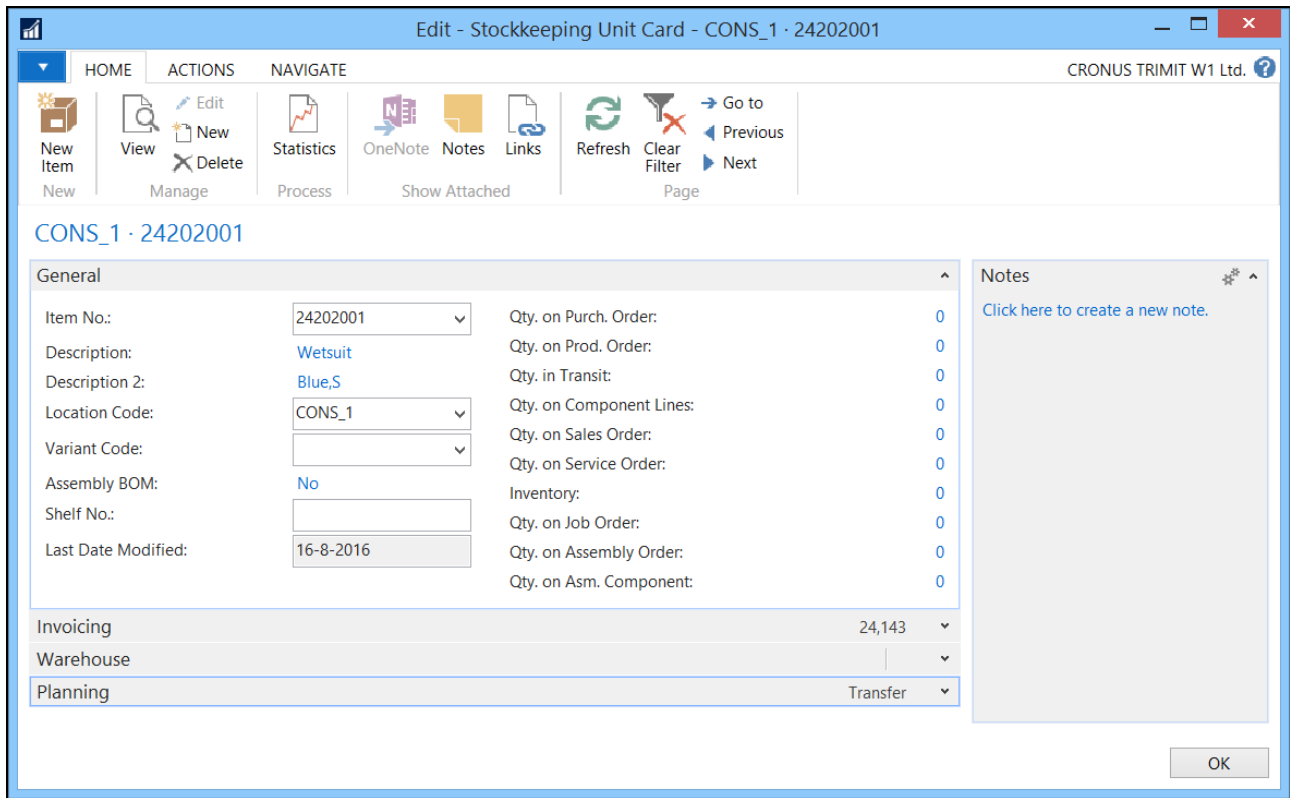
Select and open a SKU card from this list. I.e. of **Item No. 24202001** and **Location Code CONS\_1**



Then a SKU card of an Item (Master + VarDim combination) can be seen for a specific Location when clicking **Edit** on the ribbon **Home**.



In the example below it concerns a SKU card for a *Blue Wetsuit Size S* on Consignment Location *CONS\_1*.

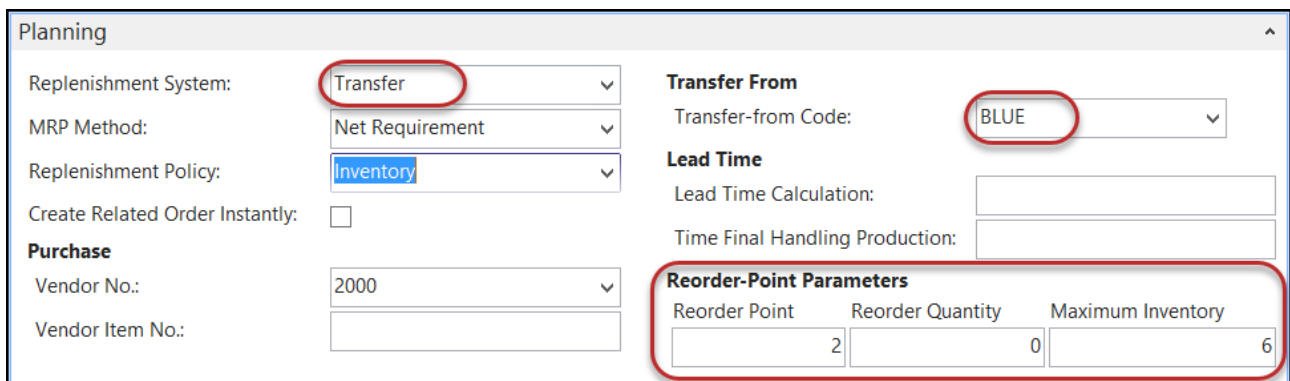


For the initial push the following setup on the SKU card is needed:

First on the FastTab **Planning** the **Replenishment System** should be *Transfer* and the **Transfer-from Code** should be the warehouse from which the Company wants to transfer the Products to the Consignment Location (in this example *BLUE*).

#### NOTE:

This setup discussed in this paragraph should only be the case for SKU cards on Consignment Locations. Eventual SKU cards – if any – for the normal warehouses have their own specific setup.



In standard NAV there are several combinations for the Inventory fields.

In TRIMIT, the field **Reordering Policy** which is not on the card, is automatically set to *Maximum Quantity*.

Therefore, you need to fill the **Maximum Inventory** and the **Reorder Point** which must be a quantity  $> 0$ .

**NOTE:**

For every Consignment Location a Location needs to be created. Don't forget to fill the correct **Inventory Posting Setup** and the appropriate Transfer Routes.

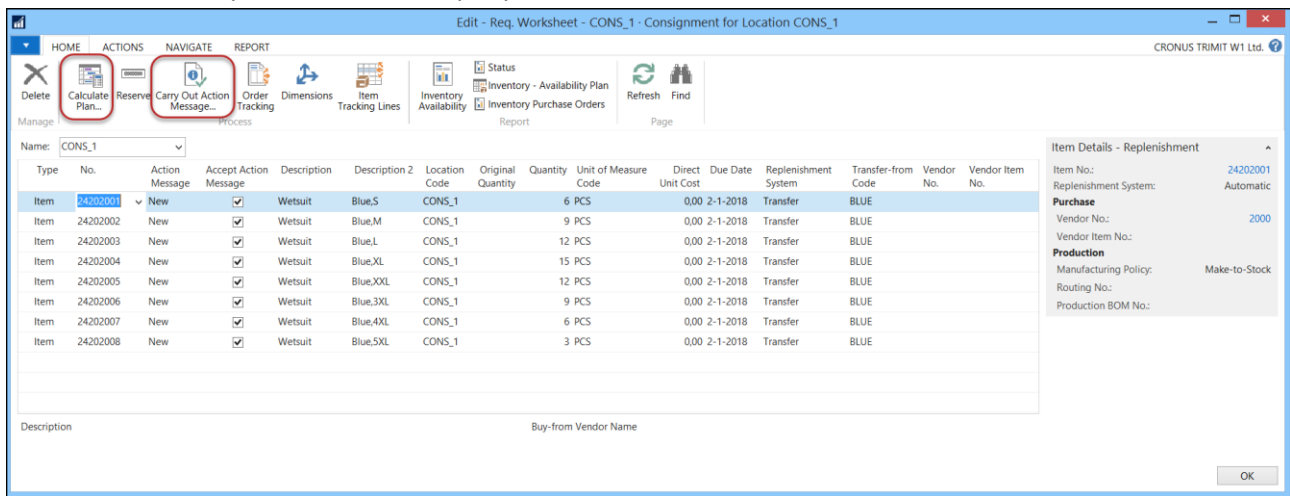
## VIA REQUISITION WORKSHEET

In this example the setup will result in an initial push of 6 pieces transferred from Location *BLUE* to Consignment Location *CONS\_1*.

The Transfer Order can be created via the standard NAV **Requisition Worksheet**.

In the **Requisition Worksheet** the Transfer Lines can be calculated by clicking **Calculate Plan** on the ribbon *Home*.

We did that already in the Demo Company for Item Nos. 242020\*



| Type | No.      | Action Message | Accept Action Message               | Description | Description 2 | Location Code | Original Quantity | Quantity | Unit of Measure | Direct Unit Cost | Due Date | Replenishment System | Transfer-from Code | Vendor No. | Vendor Item No. |
|------|----------|----------------|-------------------------------------|-------------|---------------|---------------|-------------------|----------|-----------------|------------------|----------|----------------------|--------------------|------------|-----------------|
| Item | 24202001 | New            | <input checked="" type="checkbox"/> | Wetsuit     | Blue.S        | CONS_1        |                   | 6        | PCS             | 0.00             | 2-1-2018 | Transfer             | BLUE               |            |                 |
| Item | 24202002 | New            | <input checked="" type="checkbox"/> | Wetsuit     | Blue.M        | CONS_1        |                   | 9        | PCS             | 0.00             | 2-1-2018 | Transfer             | BLUE               |            |                 |
| Item | 24202003 | New            | <input checked="" type="checkbox"/> | Wetsuit     | Blue.L        | CONS_1        |                   | 12       | PCS             | 0.00             | 2-1-2018 | Transfer             | BLUE               |            |                 |
| Item | 24202004 | New            | <input checked="" type="checkbox"/> | Wetsuit     | Blue.XL       | CONS_1        |                   | 15       | PCS             | 0.00             | 2-1-2018 | Transfer             | BLUE               |            |                 |
| Item | 24202005 | New            | <input checked="" type="checkbox"/> | Wetsuit     | Blue.XXL      | CONS_1        |                   | 12       | PCS             | 0.00             | 2-1-2018 | Transfer             | BLUE               |            |                 |
| Item | 24202006 | New            | <input checked="" type="checkbox"/> | Wetsuit     | Blue.3XL      | CONS_1        |                   | 9        | PCS             | 0.00             | 2-1-2018 | Transfer             | BLUE               |            |                 |
| Item | 24202007 | New            | <input checked="" type="checkbox"/> | Wetsuit     | Blue.4XL      | CONS_1        |                   | 6        | PCS             | 0.00             | 2-1-2018 | Transfer             | BLUE               |            |                 |
| Item | 24202008 | New            | <input checked="" type="checkbox"/> | Wetsuit     | Blue.5XL      | CONS_1        |                   | 3        | PCS             | 0.00             | 2-1-2018 | Transfer             | BLUE               |            |                 |

After clicking **Carry Out Action Message** on the ribbon *Home*, the appropriate Transfer Order(s) will be created.

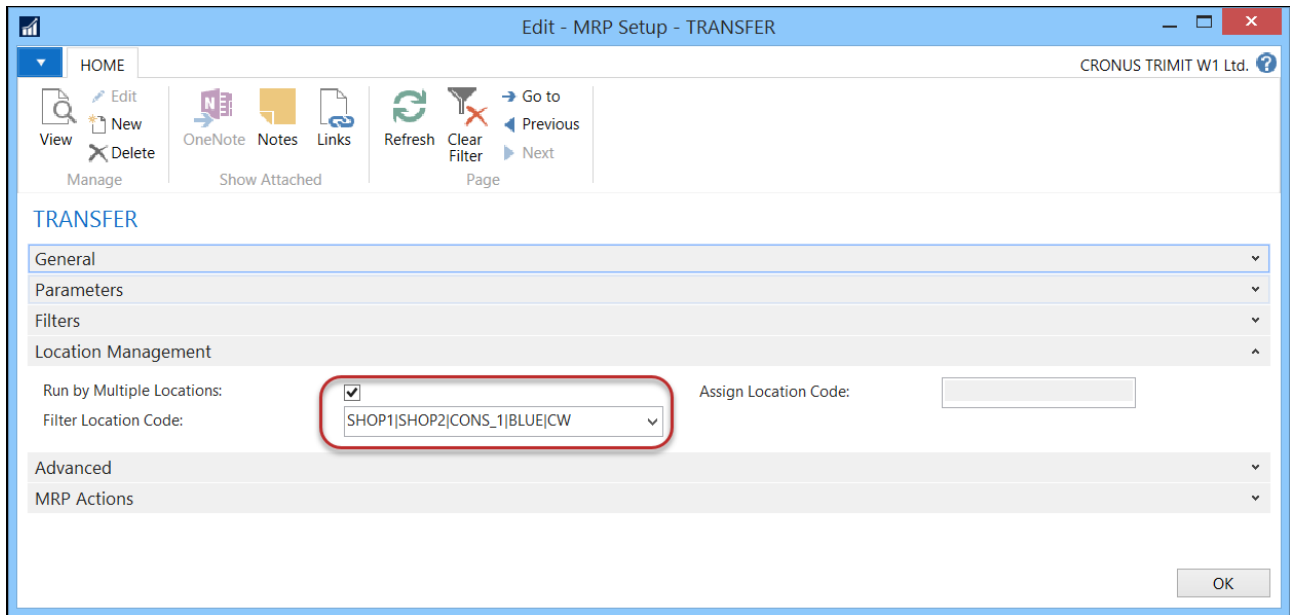
Keep in mind that the **TRIMIT Pick Document** does not take Transfer Orders into account. The Transfer Order document should be used for picking – or perhaps you use the advanced WMS functionality for Picking. Take into consideration that in case of a shortage the last Transfer Order(s) to be picked will receive less or nothing of a specific Product.

## VIA TRIMIT MRP CALCULATION

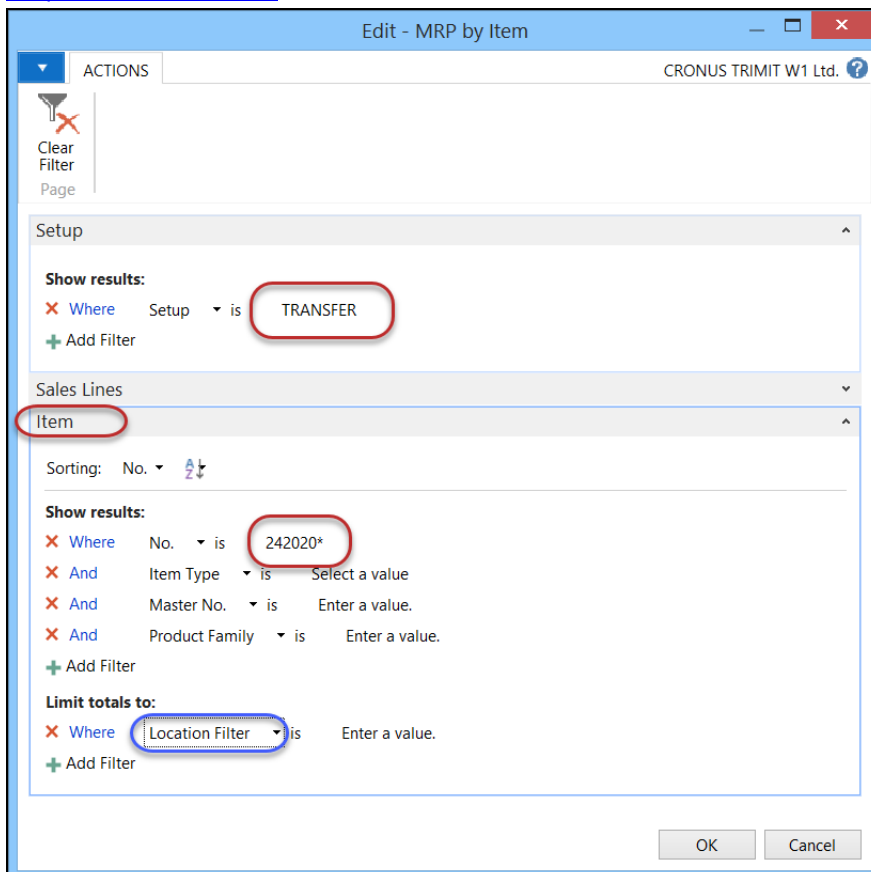
Instead of using the **Requisition Worksheet** to create Transfer Orders based on the fields on the SKU card, it is now (since TRIMIT 2017) also possible to use the **TRIMIT MRP Calculation**.

In that case, the **MRP Setup** should have a checkmark in the field **Run by Multiple Locations** and in the field **Filter Location Code** should include the Consignment Location and the Location from which you want the Items to be transferred from.

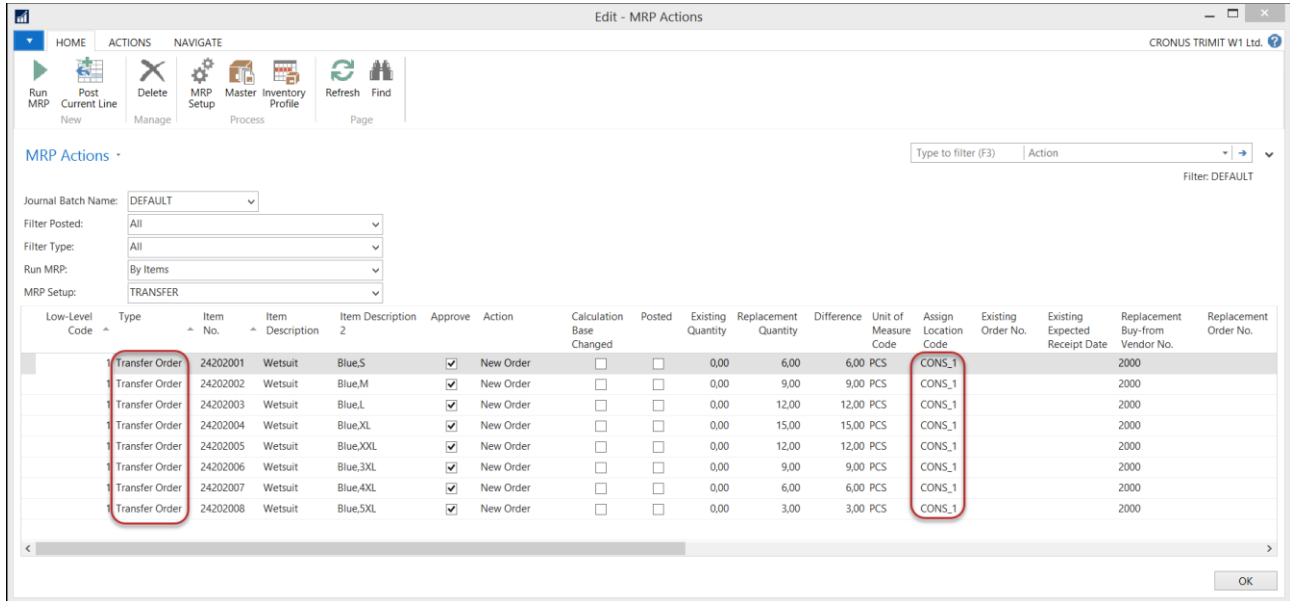
In the example below, we created **MRP Setup TRANSFER** and in the **Filter Location Code** we included *CONS\_1* and *BLUE*.



The **TRIMIT MRP Calculation** should now be run *Per Item* to get the same result as we saw earlier in the [Via Requisition Worksheet](#). I.e. as follows:



This would result in the following MRP Actions (because **MRP Setup TRANSFER** has been setup to use the MRP Actions):



MRP Actions

Journal Batch Name: DEFAULT

Filter Posted: All

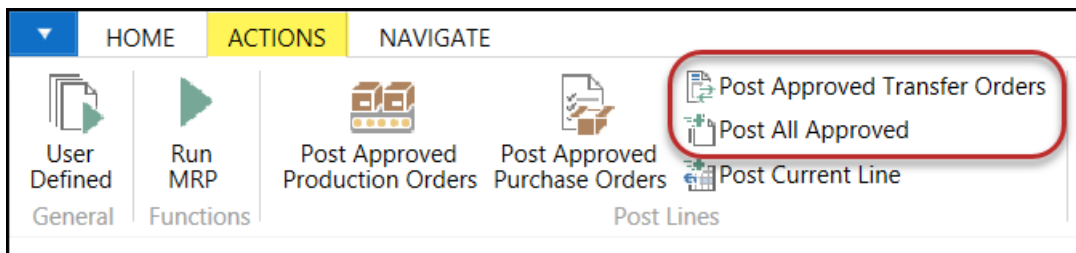
Filter Type: All

Run MRP: By Items

MRP Setup: TRANSFER

| Low-Level Code | Type           | Item No. | Item Description | Item Description 2 | Approve | Action    | Calculation Base Changed | Posted | Existing Quantity | Replacement Quantity | Difference | Unit of Measure | Assign Location Code | Existing Order No. | Existing Expected Receipt Date | Replacement Buy-from Vendor No. | Replacement Order No. |
|----------------|----------------|----------|------------------|--------------------|---------|-----------|--------------------------|--------|-------------------|----------------------|------------|-----------------|----------------------|--------------------|--------------------------------|---------------------------------|-----------------------|
|                | Transfer Order | 24202001 | Wetsuit          | Blue,S             | ✓       | New Order |                          |        | 0,00              | 6,00                 | 6,00       | PCS             | CONS_1               |                    |                                | 2000                            |                       |
|                | Transfer Order | 24202002 | Wetsuit          | Blue,M             | ✓       | New Order |                          |        | 0,00              | 9,00                 | 9,00       | PCS             | CONS_1               |                    |                                | 2000                            |                       |
|                | Transfer Order | 24202003 | Wetsuit          | Blue,L             | ✓       | New Order |                          |        | 0,00              | 12,00                | 12,00      | PCS             | CONS_1               |                    |                                | 2000                            |                       |
|                | Transfer Order | 24202004 | Wetsuit          | Blue,XL            | ✓       | New Order |                          |        | 0,00              | 15,00                | 15,00      | PCS             | CONS_1               |                    |                                | 2000                            |                       |
|                | Transfer Order | 24202005 | Wetsuit          | Blue,XXL           | ✓       | New Order |                          |        | 0,00              | 12,00                | 12,00      | PCS             | CONS_1               |                    |                                | 2000                            |                       |
|                | Transfer Order | 24202006 | Wetsuit          | Blue,3XL           | ✓       | New Order |                          |        | 0,00              | 9,00                 | 9,00       | PCS             | CONS_1               |                    |                                | 2000                            |                       |
|                | Transfer Order | 24202007 | Wetsuit          | Blue,4XL           | ✓       | New Order |                          |        | 0,00              | 6,00                 | 6,00       | PCS             | CONS_1               |                    |                                | 2000                            |                       |
|                | Transfer Order | 24202008 | Wetsuit          | Blue,5XL           | ✓       | New Order |                          |        | 0,00              | 3,00                 | 3,00       | PCS             | CONS_1               |                    |                                | 2000                            |                       |

After clicking **Post all approved** or **Post Approved Transfer Orders** or **Post All Approved** on the ribbon **Actions**, the Transfer Orders will be created.



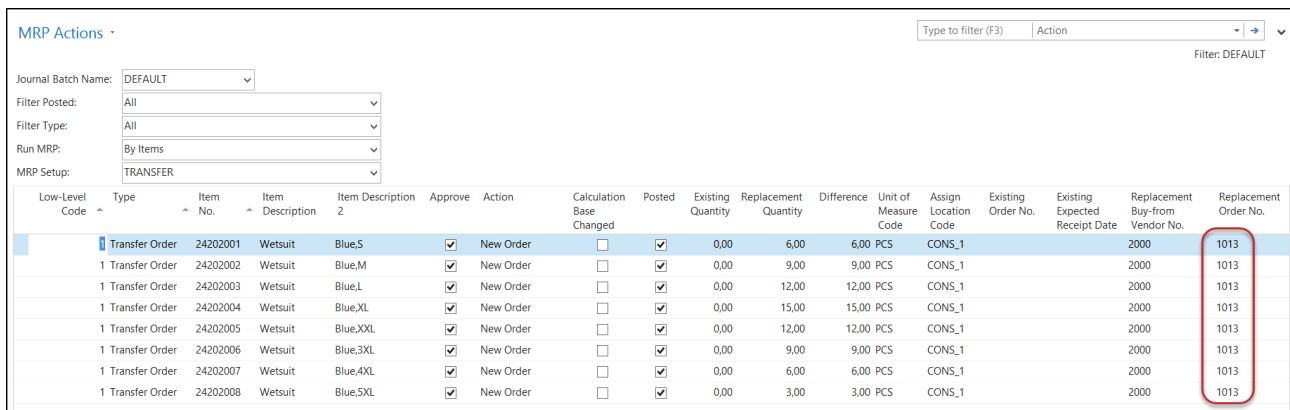
HOME ACTIONS NAVIGATE

User Defined Run MRP

Post Approved Production Orders Post Approved Purchase Orders Post Current Line

Post Approved Transfer Orders Post All Approved

Now in the field **Replacement Order No.** you can see the number of the **Transfer Order** that has been created:



MRP Actions

Journal Batch Name: DEFAULT

Filter Posted: All

Filter Type: All

Run MRP: By Items

MRP Setup: TRANSFER

| Low-Level Code | Type           | Item No. | Item Description | Item Description 2 | Approve | Action    | Calculation Base Changed | Posted | Existing Quantity | Replacement Quantity | Difference | Unit of Measure | Assign Location Code | Existing Order No. | Existing Expected Receipt Date | Replacement Buy-from Vendor No. | Replacement Order No. |
|----------------|----------------|----------|------------------|--------------------|---------|-----------|--------------------------|--------|-------------------|----------------------|------------|-----------------|----------------------|--------------------|--------------------------------|---------------------------------|-----------------------|
|                | Transfer Order | 24202001 | Wetsuit          | Blue,S             | ✓       | New Order |                          | ✓      | 0,00              | 6,00                 | 6,00       | PCS             | CONS_1               |                    |                                | 2000                            | 1013                  |
| 1              | Transfer Order | 24202002 | Wetsuit          | Blue,M             | ✓       | New Order |                          | ✓      | 0,00              | 9,00                 | 9,00       | PCS             | CONS_1               |                    |                                | 2000                            | 1013                  |
| 1              | Transfer Order | 24202003 | Wetsuit          | Blue,L             | ✓       | New Order |                          | ✓      | 0,00              | 12,00                | 12,00      | PCS             | CONS_1               |                    |                                | 2000                            | 1013                  |
| 1              | Transfer Order | 24202004 | Wetsuit          | Blue,XL            | ✓       | New Order |                          | ✓      | 0,00              | 15,00                | 15,00      | PCS             | CONS_1               |                    |                                | 2000                            | 1013                  |
| 1              | Transfer Order | 24202005 | Wetsuit          | Blue,XXL           | ✓       | New Order |                          | ✓      | 0,00              | 12,00                | 12,00      | PCS             | CONS_1               |                    |                                | 2000                            | 1013                  |
| 1              | Transfer Order | 24202006 | Wetsuit          | Blue,3XL           | ✓       | New Order |                          | ✓      | 0,00              | 9,00                 | 9,00       | PCS             | CONS_1               |                    |                                | 2000                            | 1013                  |
| 1              | Transfer Order | 24202007 | Wetsuit          | Blue,4XL           | ✓       | New Order |                          | ✓      | 0,00              | 6,00                 | 6,00       | PCS             | CONS_1               |                    |                                | 2000                            | 1013                  |
| 1              | Transfer Order | 24202008 | Wetsuit          | Blue,5XL           | ✓       | New Order |                          | ✓      | 0,00              | 3,00                 | 3,00       | PCS             | CONS_1               |                    |                                | 2000                            | 1013                  |

You can find more details regarding this functionality for Transfer Orders in the **White Paper – TRIMIT Material Requirement Planning** (at least as of TRIMIT 2017).

## TRANSFERRING PRODUCT INFORMATION

Although the Products are in possession of the Company, the Customer is selling them via his POS system to the Consumer. This means that it is necessary that the Customer has all the relevant Product Information in his system. This system will mostly be fed electronically. In the figure on page 4, it is called **Electronic Data Transfer**.

The format of this electronic data transfer is depending on the Customer demands – even in case of standardized EDI. These interfaces need to be developed on project basis.

## TRANSFERRING SALES INFORMATION

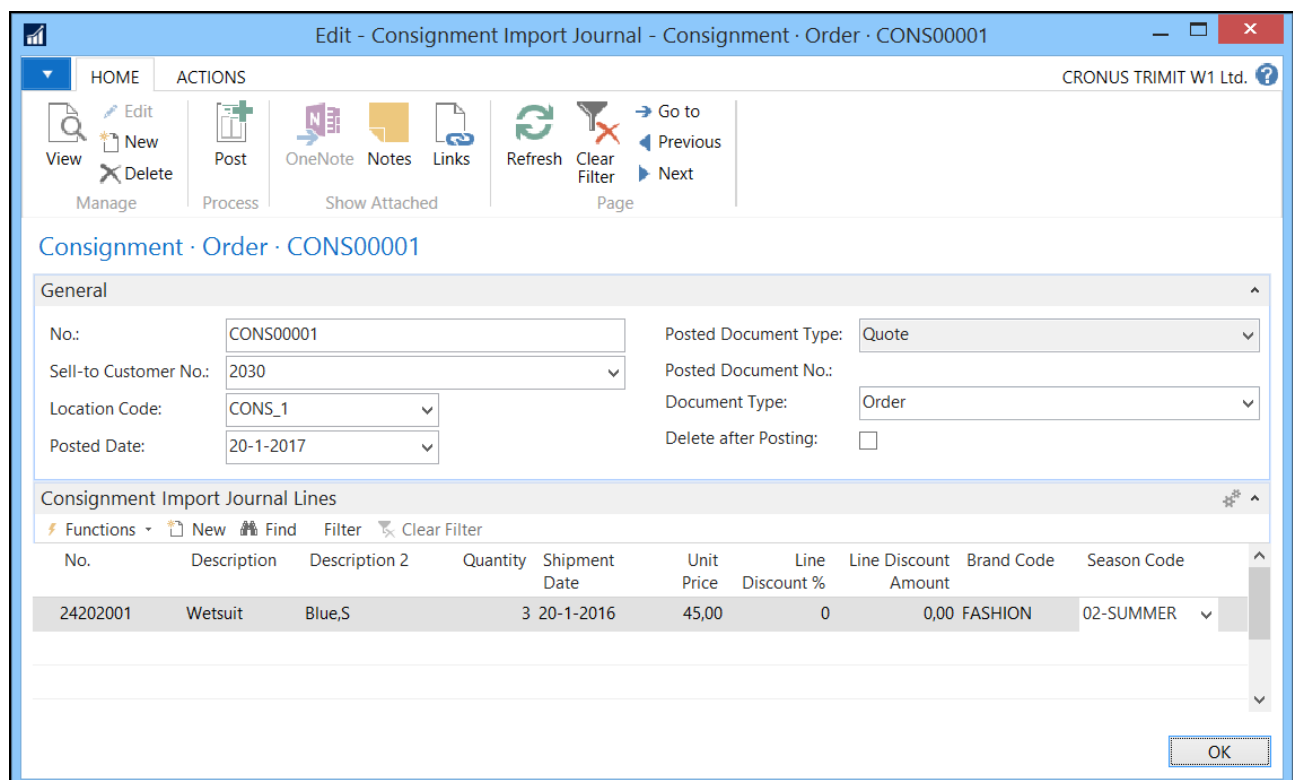
The Customer sells the Products via his POS system. The Customer needs to inform the Company about the Products sold. Also this will mostly take place electronically; for instance EDI. Again the format is Customer specific and needs to be developed on project base.

## IMPORT SALES INFORMATION

The file created for **Electronic Data Transfer** by the Customer and send to the Company now needs to be imported in the NAV/TRIMIT Database.

Therefore a specific Consignment Journal is available.

You can find it in **Departments/Sales & Marketing/Order Processes/Consignment Journal**



Below the explanation of the fields is given. First the fields of the FastTab **General** (header) are discussed, followed by those on the FastTab **Consignment Import Journal Lines** and ended by the ribbon **Actions**.

## FASTTAB GENERAL

### NO.

In this field a unique number of this **Consignment Journal** must be entered. Therefore a number series must be setup: see [Setup Consignment Journal](#).

### SELL-TO CUSTOMER NO.

This field needs to be populated with the Customer number from which the import is originating. Without **Sell-to Customer No.** the Consignment Journal can't be posted.

### LOCATION CODE

This is the code of the Consignment Location from where the Products are sold.

*Tip: You can use a GLN code (Global Location Number) for the Location Code, if the GLN code is a part of the export of the POS system of the Customer.*

### POSTED DATE

This is the date on which the Sales Orders are created from this Journal. This Date is only visible when the field **Delete after Posting** is *No*.

### POSTED DOCUMENT TYPE

Initially this field will show the lowest possible value which is *Quote*.

But as long as the **Posted Date** and the **Posted Document No.** are blank, this does not mean that the Consignment Journal has been posted. If you have removed the checkmark from the **Delete after Posting**, this field will automatically be updated by posting by the value in **Document Type**.

### POSTED DOCUMENT NO.

If you have removed the checkmark in the **Delete after Posting**, this field will be filled automatically by posting and the retained Consignment or Sales Import Journal cannot be posted again.

### DOCUMENT TYPE

Here you enter the **Document Type** to be used for the Sales Header by posting of this Consignment or Sales Import Journal. The value of this field would normally be *Order*.

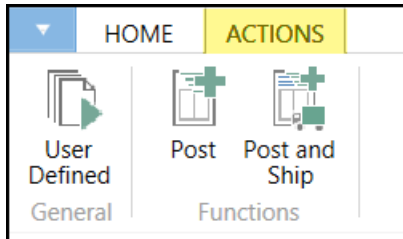
### DELETE AFTER POSTING

This Boolean determines whether the Consignment Journal will be deleted after the lines have been transformed into sales orders.

## FASTTAB CONSIGNMENT IMPORT JOURNAL LINES

The Consignment Journal lines needs to be converted after posting the Consignment Journal into Sales Order Lines. Therefore the attributes on these lines have the same meaning as on the Sales Order Lines.

## RIBBON ACTIONS



### POST

Posting the Consignment Journal creates the Sales Document(s) based on the **Document Type** of the Header of the Consignment Journal. This means that the Quantities to Ship and Invoice are still open.

### POST AND SHIP

This function not only creates the Sales Document(s), but posts the Shipments as well. In this case the Quantity to Ship is 0, but the Quantity to Invoice is still open.

The latter is the most advisable option. This function can only be run if the **Document Type** is set to *Order*.

## POSTING SALES INVOICES

The Shipments can be posted directly from the Consignment Journal or afterwards on the created Sales Order. This will result in stock reduction on the Consignment Location. The Invoices can be created later according to standard TRIMIT/NAV procedure.

Several times above **Electronic Data Interchange** (EDI) has been discussed. This could also be the case for Sales Orders. This has to be realized on project base currently.

## REPLENISHMENT

As mentioned above the stock level has been reduced on appropriate Consignment Locations after posting the Sales Orders (Shipments) created from the Consignment Journal.

If this reduction comes below the **Reorder Point** the system will be triggered to replenish the goods.

The replenishment procedure is depending on the other logistic parameters, such as **Maximum Inventory** and **Reorder Quantity**.

Keep in mind that the **Reordering Policy** (field of standard NAV) is not shown on the TRIMIT SKU card. It is by default set to *Maximum Qty*.

Therefore only the fields **Reorder Point**, **Reorder Quantity** and **Maximum Inventory** are applicable in TRIMIT for the replenishment.

| Planning                        |                          |                   |
|---------------------------------|--------------------------|-------------------|
| Replenishment System:           | Transfer                 |                   |
| MRP Method:                     | Net Requirement          |                   |
| Replenishment Policy:           | Inventory                |                   |
| Create Related Order Instantly: | <input type="checkbox"/> |                   |
| <b>Purchase</b>                 |                          |                   |
| Vendor No.:                     | 2000                     |                   |
| Vendor Item No.:                |                          |                   |
| <b>Transfer From</b>            |                          |                   |
| Transfer-from Code:             | BLUE                     |                   |
| <b>Lead Time</b>                |                          |                   |
| Lead Time Calculation:          |                          |                   |
| Time Final Handling Production: |                          |                   |
| <b>Reorder-Point Parameters</b> |                          |                   |
| Reorder Point                   | Reorder Quantity         | Maximum Inventory |
| 2                               | 0                        | 6                 |

In the example above the replenishment will be triggered, if the stock level reaches below the **Reorder Point** of 2. In the Requisition Worksheet a Transfer Line will be proposed that will bring up the inventory on the Consignment Location back to the **Maximum Inventory** of 6.

## HANDLING NEW COLLECTION

There are two ways of handling new Collections:

### PULL BACK/ PUSH IN

The simplest way of handling a new Collection for the Consignment Location is transferring back all the Products from the old Collection and making an initial push for the new Collection as described in [Initial Push](#).

In order to determine what and how many Products need to be transferred back is a matter of counting when the goods have actually returned in the Central Warehouse or creating a Transfer Order based on the stock on the Consignment Location. The latter could only be the case, if the stock in the system is in correspondence with actual stock. This is rarely the case due to - amongst other things - theft.

### PHASING

A new Collection can be phased in while the old Collection is phased out. This can be achieved by changing the logistic parameters on the SKU cards.

However, this has to be managed in a specific way, for instance: which Products will be replaced by which other Products? And it does not need to be a 1:1 relationship necessary, for instance: Product A and B will be replaced by Product C, D and E.

How a Company wants to do this needs to be analyzed. If necessary the software must be customized on project basis.

## STOCK COUNTING

Stock Counting is very essential for Consignment activities. Among other things theft is very common. This can only be managed and reduced when you know exactly what your stock is. Otherwise the whole replenishment system fails. The stock counting procedure will be handled according to standard NAV stock counting features.



## SKU MAINTENANCE

As discussed above the standard NAV logistic parameters on the **SKU cards** are managing the quantities to transfer to the Consignment Location. This means that for every Item an SKU needs to be generated for every Consignment Location. This means that if a Master contains  $X$  colors,  $Y$  sizes – ergo:  $X * Y$  Items – and will be sold on  $Z$  Consignment Locations, that for this Master  $X * Y * Z$  **SKU cards** need to be generated and maintained.

This is undoable. Therefore, TRIMIT has designed functionality to create the **SKU cards** and maintain the fields on the **SKU cards** without going into the individual cards.

The details of this TRIMIT SKU Maintenance, can be seen in the ***White Paper – TRIMIT Item and SKU Maintenance.***