

Understanding Inventory Replenishment for Manufactured Items

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This guide explains how to use the Target and Replenish Balance fields to automatically maintain inventory levels of assembled goods. It is intended for system administrators.

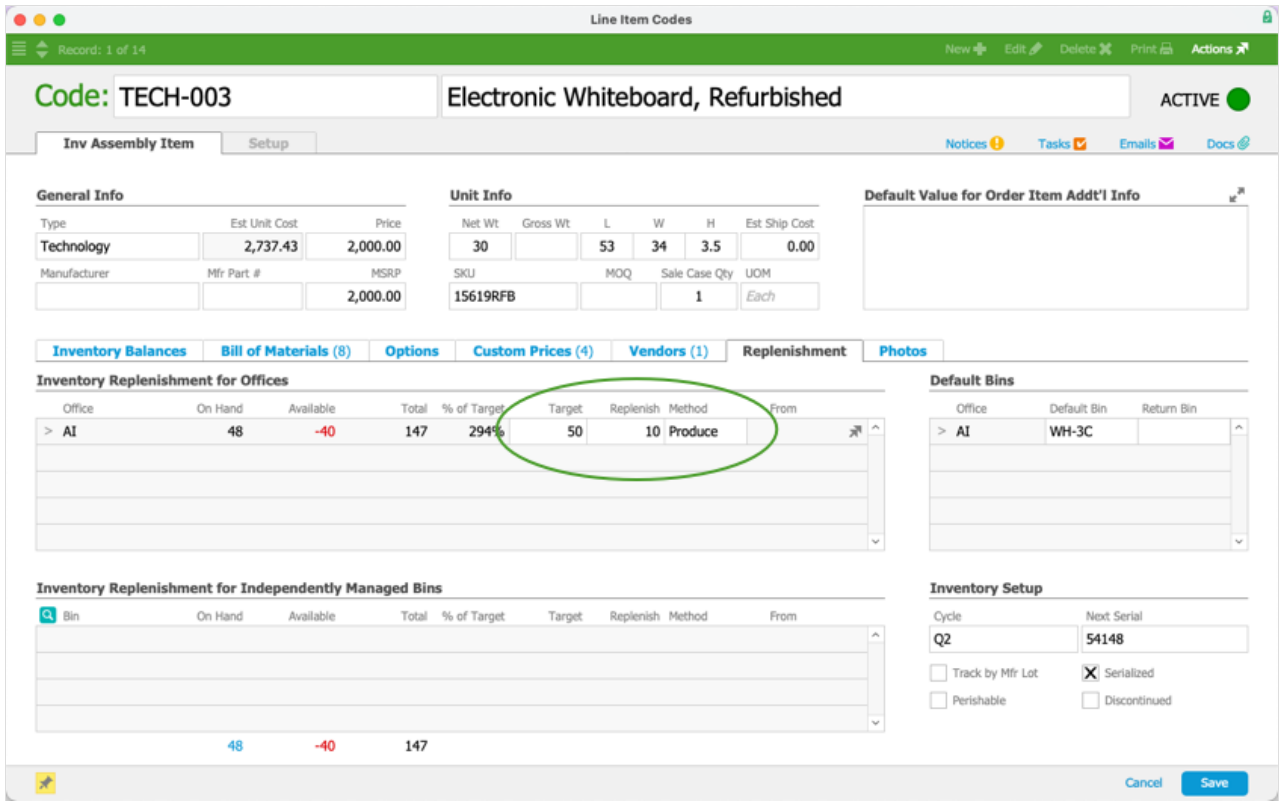
You can keep stock at just the right levels using aACE's robust automation features for existing replenishment production orders. Configuring your system for inventory replenishment for manufactured items involves:

1. [Setting the Target and Replenish Balance fields on your line item codes \(LICs\)](https://aace6.knowledgeowl.com/help/configuring-inventory-replenishment-for-manufactured-items#SetTheReplenishmentFieldsForLICs)
(<https://aace6.knowledgeowl.com/help/configuring-inventory-replenishment-for-manufactured-items#SetTheReplenishmentFieldsForLICs>)
2. [Configuring the Generate Inventory Replenishment automation schedule](https://aace6.knowledgeowl.com/help/configuring-inventory-replenishment-for-manufactured-items#ConfigureTheAutomationProcess)
(<https://aace6.knowledgeowl.com/help/configuring-inventory-replenishment-for-manufactured-items#ConfigureTheAutomationProcess>) in your system preferences
3. [Configuring your internal Company records](https://aace6.knowledgeowl.com/help/configuring-inventory-replenishment-for-manufactured-items#ConfigureInternalCompanyRecords) (<https://aace6.knowledgeowl.com/help/configuring-inventory-replenishment-for-manufactured-items#ConfigureInternalCompanyRecords>)

Note: These inventory replenishment processes also coordinate well with [backorder management functionality](https://aace6.knowledgeowl.com/help/understanding-backorder-management) (<https://aace6.knowledgeowl.com/help/understanding-backorder-management>) to streamline your operations.

Working with the Target and Replenish Balance Fields

aACE automates your manufactured item's inventory based on the settings you enter for an item's Target, Replenish, and Method fields.



The relation between these two fields can be summarized as, "When the inventory Total amount reaches the Replenish Balance level, generate a production order to reach the Target level." These parameters can be customized for each office in your organization that sells an item. The Method field specifies how to obtain the needed units.


In the screenshot above, the refurbished whiteboard LIC shows the AI main office's Target value set to 50 and the Replenish Balance number set to 10. This tells aACE the maximum number we want on the shelf at any time is 50; however, when inventory levels decline to 10 or less, the system should automatically generate a production order to bring the count back up to the Target.

Running the Replenishment Process

After you set the Target and Replenish fields, you can configure the [automation schedule](https://aace6.knowledgeowl.com/help/configuring-automation-schedules) to automatically run the replenishment process.

In addition, you can manually trigger the process from two modules:

- Main Menu > Inventory > Line Item Codes
Note: You can locate all items that need reorder by clicking the footer link to Find Items Requiring Replenishment. You may need to filter that list to show only assembly items.

- Replenish a single item – At the list view, locate that LIC record. Click line-level Actions () > Replenish Inventory.
- Replenish a batch of items – At the list view, filter the list to show the desired LICs. Then click Actions > Generate Production Orders for Inv Replenishment.
- Main Menu > System Admin > Preferences > Automation Schedules
 - On the Schedule Status tab, locate the entry to Generate Inventory Replenishment, then click Run. Note: The system asks whether it should run the process locally or on the server; for most situations, the best option is to run it on the server.

Running the Generate Inventory Replenishment process creates additional records:

- Production Orders – aACE generates a production order for each LIC that has both 1) parameters entered for Target and Replenish, and 2) a Total balance below the Replenish amount.
Note: These auto-generated orders are initially assigned the record Type of "Inventory Replenishment". You can manually change that type. However, changing the record Type will *remove* that production order from aACE's ongoing, automatic updates (see below).
- Notices – aACE generates a notice for the relevant team members. This internal message summarizes the purchase order information. Team members can jump directly to the production order records by clicking the go-to link.
Note: You can customize which team members receive notifications in two ways: 1) change the team in the [Notice Setup module](https://aace6.knowledgeowl.com/help/overview-of-notice-setups) (<https://aace6.knowledgeowl.com/help/overview-of-notice-setups>), and 2) change the members on the team in the [Teams module](https://aace6.knowledgeowl.com/help/setting-up-teams) (<https://aace6.knowledgeowl.com/help/setting-up-teams>).

Automatic Updates to Existing Production Orders

Your inventory levels change continually. Each day, you may have increased inventory from returns or additional demand from new orders. A production order created just a few hours ago might be outdated by the time it's sent to your fulfillment team. To help you manage this business reality, aACE can *automatically* update your inventory replenishment production orders.

While inventory replenishment production orders are in Pending status, if the replenishment process runs again, LICs with a changed Total balance will prompt adjustments to the existing production order:

- For items with increased *inventory*, aACE automatically reduces the replenishment

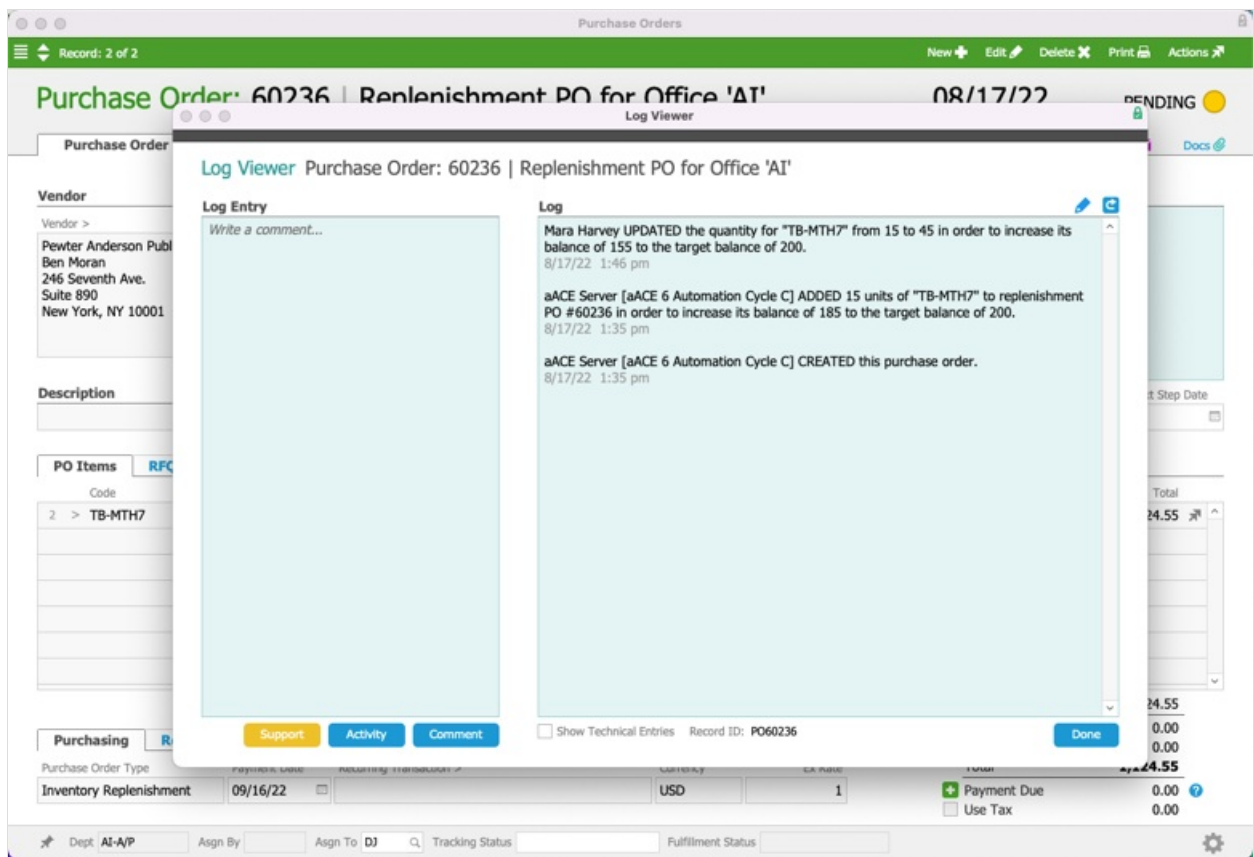
quantity.

- For items with increased *demand*, aACE automatically increases the replenishment quantity.

As updates are generated, aACE tracks everything in the production order log (Order detail view > Actions > View Logs). The log shows which automation cycle or manual trigger created or updated the production order, plus the relevant quantities, products, and target balances.

Example of Updates to Production Order

The following screenshot shows the log of an inventory replenishment purchase order in Pending status.



The log shows that the order was created when the Generate Inventory Replenishment process ran as part of Automation Schedule C. It was initially created for 15 units to bring the inventory level to the target balance of 200. Later on, another order for the item was processed, reducing the inventory further. Then a team member manually triggered the replenishment process. This increased the production order quantity to ensure it would meet the Target balance.

Tips

- Lead Times – When you set the Replenish Balance quantity, account for the time needed for new inventory to arrive.
- Case Quantities – If an inventory item is ordered by cases, the replenishment production order will ensure that the individual item count meets or exceeds the Target quantity. For example, suppose that an item was prepared in packages of 50. If the item's Target value was 75, and the current balance of booklets was below the Replenish Balance of 20, then aACE would order two packages to ensure the Target value was met.
- Removing Items from Replenishment – You can remove a specific LIC from the replenishment process by *clearing* the Target and Replenish Balance fields (i.e. *deleting* all values from these fields).

Warning: You must *delete* all values from these fields. If you enter zeroes, aACE will still include the LIC in replenishment processes.
