

INVENTORY CONTROL

How accurate inventory supports MRP, shop control, purchasing, shipping, and inventory value.

1. WHY INVENTORY CONTROL MATTERS



Accurate Real-Time Inventory

Enables reliable MRP planning and reduces shortages and overstocking.



Material Availability

Supports job release and rescheduling based on actual material on hand.



Location Accuracy

Specific storage locations reduce errors in receiving, issuing, picking, and counting.



Customer & Cash Flow Impact

Fewer shortages, fewer delays, lower expediting costs, and better customer confidence.

2. CORE INVENTORY CONTROL ELEMENTS



Locations

Track stock by physical bin, rack, shelf, or staging area.



Lot / Serial Control

Trace lots or serials through receipts, issues, picks, and transfers.



PO Receipts

Receive purchased items into inventory.



Job Receipts

Receive finished job outputs into inventory.



Job Issues

Issue materials to jobs in real time.



Order Picking

Pick sales order lines for shipment.



Stock Transfers

Move stock between locations.



Stock Counts & Adjustments

Count and correct on-hand quantities.

3. LOCATION & TRACEABILITY BEST PRACTICES



Use Real Locations

Create locations for actual bins, racks, shelves, receiving, shipping, and staging areas.



Assign Default Locations

Each item should have a Receipt Location and Primary Location.



Use Transitory Locations

Setup item receipt locations for QC/Inspection and stock transfer to primary once passed.



Use Lot / Serial Only When Needed

Apply traceability where legally required or operationally valuable.



Label What You Receive

Use PO and Job receipt labels to identify lots, serials, and stock on hand.

4. PROCESS DISCIPLINE DRIVES ACCURACY



Receive accurately

Use PO Receipts and Job Receipts promptly.



Issue in real time

Update Job Issues when materials are actually used.



Pick through sales orders

Keep all order picking inside the system.



Count regularly

Use cycle counts and stock counts to correct variable-use items.



Transfer clearly

Move stock with Stock Transfers instead of informal moves.



Adjust only when needed

Use Stock Adjustments for non-standard inventory events.



BEST PRACTICE: Accurate inventory is the foundation for effective MRP, reliable job release, efficient shipping, and a healthy closed-loop manufacturing system.