

2014

# ProTrac Purchasing

Purchasing that does not depend on walking the stacks, hand keying a PO, or buying what you just sold.

**ProTrac uses a Replenishment Process that reviews inventory on hand and inventory coming in on a Purchase Order. It uses Min – Max – and an Economic Order Point, Called Order Guide.**

Order Guide is the driver that takes care of Min and Max. If a product sale is moving up the Bell Curve, **Order Guide** can move Min and Max **up to reflect that increase in sales**. If a product is moving down the Bell Curve, **Order Guide** can adjust Min and Max down to reflect that situation.

## **INVENTORY COSTS ARE NEVER STANDING STILL**

If Inventory is TURNING 3-4 TIMES a year then life is good. If inventory is setting on the shelves and not moving or getting one turn per 12 months, then **the cost of inventory is moving up**. According to the National Association of Wholesalers **Setting Inventory**, costs the wholesaler 20% plus prime per annum.

For this Purchasing example, we will follow 6 items that are in the **CAE Product Line**. The products are **High Speed Drill Bits from Cleveland Manufacturing**.

**800-711-7374**

Mel Carney  
Professional Data Systems, Inc  
1/6/2014



# ProTrac Purchasing

**Display 1**, shows a search screen that can be used from an inventory maintenance program or directly from our ProTrac Order Entry.

The **CAE 05864E** was selected and a page from its inventory file is displayed.

**Display 2**, The Hi-lited Yellow shows the item number and 2 lines from the 6 line product description. Over 180 characters of description for each unit are available.

There are **44** units on hand, of which only **14** are available for sale. There are **30** units reserved for Sales Orders. Sales Orders have been created for this item and those orders are being filled by the warehouse.

The Minimum for this item is **50** and with only 44 On Hand, it is time to review a Purchase Order for the CAE Product Line.

**Display 1** Product Line Search from Inventory File

TST-Class Search

Class Search TST ProTrac(R) 8.22.01 MDC posb002

P/L: CAE 05864E Stocked: Yes

Description: 2-7/16" 135 DEGREE SPLT POINT

Full Description AIRCRAFT, HOLE DEVICE WITH

Class: P/L: CAE

SubClass: Year:

Description:

P/L	Item Number	Description	ClassCode	Sub Class	Available	List Price
CAE	05864E	2-7/16" 135 DEGREE SPLT POINT	5.0CUTTL	5.1HSDRL	14	9.38
CAE	0586862E	2-1/8" 135 DEG SPLT POINT	5.0CUTTL	5.1HSDRL	5	9.06
CAE	058686A HSS	2-1/8" 135 DEG SPLT PT ARCFT E	5.0CUTTL	5.1HSDRL	10	11.76
CAE	058877C	2-5/16" 135 DEG SPLT POINT	5.0CUTTL	5.1HSDRL	15	8.44
CAE	05897L	2-1/8" 135 DEG SPLT PT ARCFT	5.0CUTTL	5.1HSDRL	25	11.62
CAE	05900D	2-5/8" 135 DEG SPLT PT ARCFT E	5.0CUTTL	5.1HSDRL	10	10.32

**PROTRAC PURCHASING**  
These 6 products represent a small Product Line that has High Tensil strength drill bits.  
These items can be searched for by **Product Line, CAE, Item Number, 180 Characters in the description, Class Code 5.0CUTTL, or by Sub Class 5.1 HSDRL**

F5/Srch Exit

ESC=Exit

Highlight an item and press 'Enter' to select it.

**Display 2** Inventory Record for CAE 05864E

TST-Inventory Pg2

Inventory Pg2 TST ProTrac(R) 8.22.01 MDC ivm0002

P/L-Item#: CAE 05864E Resv AO: 0 QAVL: 14 QOH: 44

Desc 2-7/16" 135 DEGREE SPLT POINT AO BO: 0 Resv: 30 OnOrd: 0

AIRCRAFT, HOLE DEVICE WITH OnOrd AO: 0 CBO: 0 VBO: 8

Last Sale: 12/09/2010 Last Recvd: 08/13/2010 PO: 1094

OEM#: UOM: EA MIN: 50

Country: ConvFact: 1 MAX: 60

Active: Yes Stocked: Yes Price Per: 1 Order Guide: 55

Std Pack: EA StdPkQty: 1 Volume: 0.00 Unit Qty: 0

Ord By S/P: No Weight: 0.0000 Reorder Quantity: 1

POS Serial: No Purch Serial#: No Ex OPC: No New Order Qty: 0

Order Info:

PO Note:

GL COGS:

GL Invent:

GL Ret-Allow:

GL Defect Inv:

**As part of Replenishment, ProTrac has a Min of 50, Max of 60, and an Economic Order Point (Order Guide) of 55 units. Order Guide can move Min and Max to reflect the current sales velocity of this item.**

**One of the 4 inventory screens for CAE 05864E Note Quantity Available 14, Quantity on Hand 44 Working Orders, 30,**

Next Prev F5/Srch Browse Edit PQ's

QtyCmds Serial 1)Pg1 3)Pg3 4)Pg4 9)Price

# ProTrac Purchasing

## ProTrac's Product Line

The above product, **CAE 05864E** is purchased from one of two vendors. ProTrac calculates the Lead time for a product line by adding the three columns

- **Lead Time** = How long it takes for product to arrive from each vendor
- **Safety Stock** = The amount of inventory the distributor wants to maintain above the normal amount on the shelf
- **Shelf**= The amount of inventory that ProTrac recommends to be on hand and available

## Order Point Calculation

ProTrac uses the lead time calculation, Inventory On Hand, Inventory on Sales Orders, Sales Velocity, and Inventory coming in on PO's - to create the Following Report

## Display 3 Vendor Lead Time Calculation

TST-APC/OPC Maint

APC/OPC Maint TST ProTrac(R) 8.22.01 MDC apc0002

P/L: CAE Alternate P/L:

P/L Name: CLEVLND IND MFG Class Code:

Description: CLEVLND IND MFG

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Vendors		Order Point Calc					
Vendor Number:	160	Lead Time:	4.00	Safety:	2.00	Shelf:	2.00
Alt Vend #1:	169	Lead Time:	5.00	Safety:	2.00	Shelf:	2.00
Alt Vend #2:	0	Lead Time:	0.00	Safety:	0.00	Shelf:	0.00
Alt Vend #3:	0	Lead Time:	0.00	Safety:	0.00	Shelf:	0.00
Alt Vend #4:	0	Lead Time:	0.00	Safety:	0.00	Shelf:	0.00
Alt Vend #5:	0	Lead Time:	0.00	Safety:	0.00	Shelf:	0.00

These products can be purchased from two vendors, 160 and 169 - The Lead Time, Safety Stock and Shelf are listed in weeks. There can be 6 alternate vendors for any one product line

Save Cancel

## Display 4 Order Point Guide Calculation using ProTrac's Replenishment Calculation

\*\*\* ProTrac TEST TEST TES TST 12/09/10 -

ProTrac(R) 8.22.01 Mel

ORDER POINT CALCULATION PAGE:

P/L ITEM NUMBER	DESCRIPTION	S	STAND/AVG COST	ON HAND	OLD GUIDE	NEW GUIDE	NET CHG	OLD MIN	NEW MIN	OLD MAX	NEW MAX	AVG WK SALE	TY SOLD	YTD
CAE 05864E	2-7/16" 135 DEGREE Y		4.6900	44	55	35	-20	50	28	60	46	4.36	61	71
CAE 0586862E	2-1/8" 135 DEG SPLI Y		4.5300	25	35	76	41	30	61	40	99	9.43	132	145
CAE 058686A HSS	2-1/8" 135 DEG SPLT Y		5.8800	10	20	12	-8	15	10	25	16	1.43	20	20
CAE 058877C	2-5/16" 135 DEG SPL Y		4.2200	15	30	15	-15	25	12	35	20	1.79	25	25
CAE 05897L	2-1/8" 135 DEG SPLT Y		5.8100	25	35	12	-23	30	10	40	16	1.43	20	20

TOTAL @ OLD GUIDE: 175 TOTAL VALUE QOH: 586.96

TOTAL @ NEW GUIDE: 150 # PARTS CHANGED: 5

NET CHANGE: -25 # PARTS INCR: 1

# PARTS DECR: 4

RUN OPTIONS-----

P/L: CAE

Lead Time: 4.00

Shelf Supply: 2.00

Safety Stock: 2.00

Class:

Always Round Order Guide Up: Yes

Adjust Order Guide TO Zero: No

Adjust Order Guide FROM Zero: No

Stocked Items Only: No

Adjust Order Guide Below Unit Quantity: Yes

Calc Avg Weekly Sales On: Current Period

From Date: 09/10/2010

To Date: 12/09/2010

Number of Weeks: 14

Run Type: Trial

Auto Adjust Min/Max Qty: No

Min #: 80.00

Max #: 130.00

Run this report prior to creating a Purchase Order. The changes in Order Guide, Min and Max are merely suggestions

CAE 05864E has not been selling as well and ProTrac is recommending that the new Order be reduced by 20

CAE 0586862E has been selling and ProTrac is recommending that the new Order Guide be increased by 41

For this example, ProTrac has been set where only the operator can update the New Order Guide and Min and Max. They would review ProTrac's recommendations and if they accept them they would instruct ProTrac to update the Order Guide, Min and Max to its recommendations. ProTrac can be set to do this automatically

# ProTrac Purchasing

## Popularity Codes

ProTrac can give you a quick look at what inventory is moving and what inventory is not moving - *as well as it used to move.*

You can set up your own Popularity Codes. This example has 5 review levels.

When you are working with an **older system** or if you are depending on a **manual inventory review**, it is very difficult to determine what is:

- **Selling**
  - **Not selling**
    - **Or Not Selling As Well**

All of the products on the **Popularity Code Report** are selling. By definition of the Codes some are selling better than others and some need to be replaced.

## Display 5 Popularity Code Set Up Screen

PopCode	Description	% Units	% Sales
A	FAST MOVERS	30.00	30.00
B	NORMAL MOVEMENT	30.00	30.00
C	REVIEW LEVEL	20.00	20.00
D	REVIEW LEVEL II	10.00	10.00
E	DISCONTINUE	10.00	10.00

## Display 6

## Popularity Code Report

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*** ProTrac TEST TEST TBS          TST
ProTrac(R) 8.22.01
Mel
Popularity Code Report
  
```

P/L Item Number	Description	Vend#	ClassCode	Old PCode	New PCode	Period Units	Period Sales	Percentage
CAE 0586862E	2-1/8" 135 DEG SPLIT POINT	160	5.0CUTTTL	A	A	145		45.89
PopCode 'A' SUB-TOTAL:						145		45.89
CAE 05864E	2-7/16" 135 DEGREE SPILT POINT	160	5.0CUTTTL	A	B	71		22.47
PopCode 'B' SUB-TOTAL:						71		22.47
CAE 05900D	2-5/8" 135 DEG SPLT PT ARCFT E	169	5.0CUTTTL	B	C	35		11.08
CAE 058877C	2-5/16" 135 DEG SPLIT POINT	160	5.0CUTTTL	B	C	25		7.91
PopCode 'C' SUB-TOTAL:						60		18.99
CAE 05897L	2-1/8" 135 DEG SPLT PT ARCFT	160	5.0CUTTTL	B	D	20		6.33
PopCode 'D' SUB-TOTAL:						20		6.33
CAE 058686A HSS	2-1/8" 135 DEG SPLT PT ARCFT E	160	5.0CUTTTL	A	E	20		6.33
PopCode 'E' SUB-TOTAL:						20		6.33
TOTAL By Units Sold:						316		

Total Items: 6  
 Changed Items: 5  
 Calculate By: Product Line  
 P/L: CAE  
 Class:  
 Start Date: 01/01/2010  
 End Date: 12/09/2010  
 Update Inventory: NO

# ProTrac Purchasing

## Planned or Trial Purchase Order

ProTrac has created a **TRIAL PO for the CAE Product Line**. There is no need to Walk the Stacks or manually key the information onto a PO Form.

Before you run this report you would have let ProTrac recalculate your **Order Point and Min/Max**.

Before you select the **GenPO** button you may want to run a couple of reports, called the **Trial Purchase Order Report**. **Display 8 and Display 9** show that report.

## Display 7 Trial Purchase Order in the (P) Planning Stage

**TST-Purchasing Pg1**

Purchasing Pg1 TST ProTrac(R) 8.22.01 MDC pur0001

Vendor: 160 American Tool Companies Manifest: PO#: 1119  
 Confirm#: Order Date: 12/09/2010 Sales ID: MDC  
 Contact: Steve Olsen Phone: (602)567-3455 Status: P

P/L	Item Number	Description	SC	OrderQty	SP	PurchPrice	Extended
CAE	05864E	2-7/16" 135 DEGREE SPILT POIN	P	28	EA	4.6900	131.32
CAE	0586862E	2-1/8" 135 DEG SPLIT POINT	P	24	EA	4.5300	108.72
CAE	058686A HSS	2-1/8" 135 DEG SPLT PT ARCFT	P	5	EA	5.8800	29.40
CAE	058877C	2-5/16" 135 DEG SPLIT POINT	P	10	EA	4.2200	42.20
CAE	05897L	2-1/8" 135 DEG SPLT PT ARCFT	P	5	EA	5.8100	29.05
CAE	05900D	2-5/8" 135 DEG PT ARCFT	P	12	EA	5.1600	61.92

Line#: 1 Of: 6 Vol Tot: 0.00 Core Cst: 0.00 Frgt Cst: 0.7500 Mdse Tot: 402.61  
 Notes: N Wght Tot: 0.0000 Core Tot: 0.00 Frgt Tot: 56.25 Order Tot: 402.61  
 Desc: 2-7/16" 135 DEGREE SPILT POINT

Next Prev Add Edit Delete Browse F5/Stch Find 1)Rpts  
 Header GenPO Receive MLoc 3)Hist 4)Create 5)Comp 6)Util Cancel

ESC=Exit, F9=Alternate Items **Before Ordering there are some reports that you may wish to run**

## Display 8

## Trial Purchase Order Report

PURCHASE ORDER - TRIAL REPORT

FROM:  
 \*\*\* ProTrac TEST TEST TES  
 \*\*\* DO NOT USE DO NOT USE \*\*\*  
 LEES SUMMIT, MO 64063  
 (816)554-3010

TO:  
 Vendor: 160 American Tool Companies PO #: 1119  
 Conf#: Sales ID: MDC  
 Contact: Steve Olsen Ord Date: 12/09/  
 Phone: (602)567-3455 Status: P  
 Shipvia: Special Inst:

CPer = Current Period  
 LPer = Last Period  
 PC = Popularity Code

P/L	Item Number	Description	Avail	WBO & CBO	OnOrd	MIN	Order MAX	Guide	Qty SP	Purch Ord	Price	Core Price	Extended	CPer	LPer	PC
1	CAE 05864E	2-7/16" 135 AIRCRAFT, H	14	0	8	50	60	55	1	28 EA	4.6900	0.00	131.32	61	10	A
2	CAE 0586862E	2-1/8" 135 AIRCRAFT RH	5	0	1	30	40	35	1	24 EA	4.5300	0.00	108.72	132	1	A
3	CAE 058686A HSS	2-1/8" 135	10	0	0	15	25	20	1	5 EA	5.8800	0.00	29.40	20	0	A
4	CAE 058877C	2-5/16" 135 AIRCRAFT RH	15	0	0	25	35	30	1	10 EA	4.2200	0.00	42.20	25	0	B
5	CAE 05897L	2-1/8" 135 HSS	25	0	0	30	40	35	1	5 EA	5.8100	0.00	29.05	20	0	B
6	CAE 05900D	2-5/8" 135	10	0	0	15	25	20	1	12 EA	5.1600	0.00	61.92	30	0	B
Totals for: CAE			Wt:	0.00		Qty:		84		Total:		\$402.61				

ProTrac has created a Trial Purchase Order and you want to know how the items on that Purchase Order are selling. This Trial PO Report gives you a picture of the activity and even lists the Popularity Code on the last column.



# ProTrac Purchasing

## Display 9 Trial Purchase Order Report – Who bought the items on this Purchase Order

PURCHASE ORDER - TRIAL REPORT

FROM:  
 \*\*\* ProTrac TEST TEST TES  
 \*\*\* DO NOT USE DO NOT USE \*\*\*  
 LEES SUMMIT, MO 64063  
 (816)554-3010

If a customer has purchased 100 of an item that normally sells 10 a week, this report would let you see what customers are buying and who has ordered this large amount of product. You can call the customer and **Thank them** for the business and ask if this is going to be a normal order for this product or was it a special order. You were able to improve your customer service with the call and ensure that you are not buying something that will give you too much stock in your warehouse.

12/10

TO:  
 Vendor: 160 American Tool Companies  
 Conf#:  
 Contact: Steve Olsen  
 Phone: (602)567-3455  
 Shipvia:

PO #: 1119  
 Sales ID: MDC  
 Ord Date: 12/09/2010  
 Status: P  
 Special Inst:

P/L	Item Number	Description	Avail	CBO	VBO & OnOrd	MIN	MAX	Order Guide	SP	Qty Ord	Purch Price	Core Price	Extended	CPer	LPer	PC
1	CAE 05864E	2-7/16" 135 AIRCRAFT, H	14	0	8	50	60	55	1	28 EA	4.6900	0.00	131.32	61	10	A
Acct No Customer Name Inv Date Inv No Order No Qty Shipped																
32ND01 32ND ST. CONSTRUCTIO			12/09/2010	2574	4861	25										
2	CAE 058682E	2-1/8" 135 AIRCRAFT RH	5	0	1	30	40	35	1	24 EA	4.5300	0.00	108.72	132	1	A
Acct No Customer Name Inv Date Inv No Order No Qty Shipped																
32ND01 32ND ST. CONSTRUCTIO			10/20/2010	2543	4283	100										
3	CAE 058686A	2-1/8" 135	10	0	0	15	25	20	1	5 EA	5.8800	0.00	29.40	20	0	A
Acct No Customer Name Inv Date Inv No Order No Qty Shipped																

# ProTrac

### ProTrac is designed to:

- Help you reduce your **inventory levels** while improving your **Customer Service**
- Help you have the correct inventory available for your customers
  - When they want the inventory
- Help your people **find the inventory** in your data base
- Price the inventory correctly
- Quickly handle a sales order and any inventory questions
- Get the customer's paperwork handled so that they leave with a printed sales ticket or invoice in their hand
- Immediately Update your Accounts Receivable

### Most Importantly:

- Let you go home at the end of the day, with all of your invoices sent, incoming inventory updated, and your **Business Model** running the way you want.