



2015 WinNetStar Training Classes

Stock Class Details

Software Development-M4
RIMSS Business Systems Technology

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Stock Class

Stock Class is a classification given to each individual inventory item based on its sales history. The stocking classes are used to help determine suggested stock orders. As a new Item is created in the Item Master it should be assigned a Stock Class. Default should be "6 – New Items".

Stocking Classes Used by the System			
Number	Description	Up-Grade to:	Down-Grade to:
1	Regular Stock or Fast Moving Item	N/A	8
5	Seasonal Items	N/A	N/A
6	New Items	1 or 5	8
7	Manually Order Items	N/A	N/A
8	Down-Graded Non-Stock Items	1 or 5	N/A
9	Non-Stock Items	1 or 5	N/A
U	Non-Stock Emergency Ordered Items	1 or 5	N/A

Any other value can be given by the user for use in filtering stock orders by class; however, the above classes have special rules.

Stock Class 1 – Regular Stock or Fast Moving Item And Stock Class 6 – New Items

The Stocking Class Criteria for determining a Fast Moving Item (Stock Class – 1) is established by the user in the Stocking Source.

Criteria for Existing Items

There is an established level of sales that an existing Item must meet in order to remain a Class 1 Item or be up-graded to a Class 1 Item. This criterion is established by the user in the Stocking Source and is maintained as follows:

Number of Historical Months to Review	12
Number of Months with a Sale	4

The number of historical months to review represents the number of preceding months the system will look for sales of that Item.

The Number of Months with a Sale represents the number of months during the historical review period that a sale must have occurred in order to remain a Stock Class 1. The quantity of Items sold is ignored. In the above example, the Item must have been sold in 4 of the past 12 months to remain a Stock Class 1. Otherwise the system will downgrade the Stock Class from 1 to 8.

Criteria for New Items

A New Item refers to an Item that is being added to the Location Item Master. A New Item should be given a Stock Class 6 if the user wants to evaluate it as a potential stocking Item. All Items with Stock Class 6 will be subject to user defined criteria to be upgraded to a Class 1 Item. This criteria is also established by the user in the Stocking Source and is maintained as follows:

Number of Months to Review (starting with the Item's "date entered" and ending X number of months in the future)	12
Number of Months with a Sale	6

A Stock Class 6 Item will keep this classification until one of two things happen:

First – If, at any time from the date the Item was entered into the system to the expiration of the Number of Months to Review, the Item reaches the Number of Months with a Sale criteria, then the Item will be up-graded to a Class 1.

Second – If the time period for review expires (starting with the date entered and ending after the indicated Number of Months to Review) without achieving the required Number of Months with a Sale, then the Item will be down-graded to a Stock Class 8.

In the above example, if the new Item were entered on January 1, 2009, the Item would not be eligible for down-grade until January 1, 2010; however it could be up-graded as early as June 1, 2009 if there were a sale of this Item in each of the first 5 months and on June 1.

Therefore, the date a new Item is entered into the system is important since this will be the starting date for the Number of Months to Review for a new Item.

A New Item should not be set up as a Stock Class 1 even if the user knows that the Item will have sales to justify this classification. This is because the up-grade and down-grade process will look at sales **history** and automatically down-grade the Item to a Stock Class 8.

Stock Class 5 – Seasonal Items

Within the Item Master for each Item is a check box for Seasonal Items. If the check box is selected this designates the Item as a Seasonal Item. Seasonal Items are upgraded to Stocking Class 5 instead of 1.

Seasonal Items within Class 8, 9, or U will be upgraded to Class 5 if the Item meets the upgrade criteria. A Class 5 Item is not subject to down-grade.

Stock Class 7 – Manually Ordered Items

Stock Class 7 Items represent Items the user would like to order manually. These may be Items that do not turn over very frequently, and or may be high dollar items. However, this stock class can be included on a Suggested Order and the system will calculate a suggested quantity to order based on the BSL and BRP. Stock Class 7 Items are not subject to upgrade or downgrade.

Stock Class 8 – Down-Graded Non Stock Items

Stock Class 8 represents Items that were once a Stock Class 1 or 6 and have been down-graded to Non-Stock status due to not meeting the required level of sales to justify stocking. Items with this Class can be subsequently up-graded to a Stock Class 1 or 5 (if seasonal) if they meet the sales level criteria established in the Stocking Source.

Stock Class 9 –Non Stock Items

Stock Class 9 represents Items that do not meet the level of sales necessary to justify keeping the Item on hand. Items with this Class can be subsequently up-graded to a Stock Class 1 or 5 (if seasonal) if they meet the sales level criteria established in the Stocking Source.

Stock Class U – Non Stock Emergency Ordered Items

This stock class represents one time or very infrequently ordered Items. A customer may need a very rare Item and in order to put the Item on an order, it must have a master file record. If the user does not anticipate ever having to order the Item again or knows that it will be very infrequently, they can assign it a Stock Class U. Items with this Class can be subsequently up-graded to a Stock Class 1 or 5 (if seasonal) if they meet the sales level criteria established in the Stocking Source.

Stock Class (Any Other) – User Defined

The user may define their own stocking classes and use them for filtering purposes in generating Suggested Stock orders or reports. User defined Stock Classes will not be subject to system generated up-grades or down-grades.

For instance, a user may have an Item that they always want to keep one and only one on hand. They could set up a Stock Class A for this Item and set the BSL Qty and BRP Qty overrides in the Location Item Master to 1 and then always include Stock Class A when generating a Suggested Stock Order. The Suggested Stock Order program will then check the quantity on hand and if it is zero will suggest an order of 1.