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Tips to Optimize Your Use of NetSuite Inventory Management

TIPS TO OPTIMIZE YOUR USE OF NETSUITE INVENTORY MANAGEMENT

An efficient inventory management process begins with accurate, accessible information that enables you to answer inventory questions such as: How many item types do I have, and where are they? How many items have I committed to sell? Do I need to keep these items in stock, or can I order as needed?

NetSuite Inventory Management allows you to track inventory levels and movements in real time across multiple locations, helping you make these key business decisions. In this ebook, we'll share best practices and tips for optimizing your inventory management process.



1. INVENTORY ADJUSTMENT – NEGATIVE INVENTORY

The inventory adjustment transaction changes the quantity and value of an inventory item without entering a purchase order. For example, this transaction can be used to account for clerical errors, changes in costs, thefts, or miscounts.

Negative Inventory. NetSuite creates a report and notifies you of any negative inventory values so they can be corrected with actual inventory counts. The report is generated when you run your month-end closing checklist. A physical count should already be completed before you begin this task.

To review negative inventory:

1. Go to Transactions > Inventory > Review Negative Inventory.
2. On the Review Negative Inventory Page, in the As of Date field, enter the date for the review.
3. List of inventory items shows any items that have negative inventory.
4. Adjust the amounts for the listed items so they are no longer negative.

Review Negative
Inventory

2. ADJUST INVENTORY FORMS

Adjust inventory forms lets you change the quantity and value of an inventory item without first specifying a purchase order.

NetSuite bases the cost estimate for a standard-cost item on the total amount: quantity. If you use the LIFO or FIFO costing methods, enter an inventory adjustment to change the quantity and value of an inventory item; do not use the Inventory Worksheet (described below) if you use LIFO/FIFO costing. You will lose your historical data on those items with the worksheet.

For custom transaction fields, any field marked for Inventory Adjustment is also available for Inventory Transfer.

To enter an inventory adjustment:

1. Go to Transactions > Inventory > Adjust Inventory. The Inventory Adjustment page appears.
2. For OneWorld accounts, in the Subsidiary field, select the subsidiary you want to associate with this adjustment.
3. Set values in fields of each of the following sections or subtabs: Primary Information, Classification, and Adjustment.
4. Add the individual item or items you need to adjust. NetSuite will prompt you to update any necessary Inventory Details as needed.
5. Update your "Adjust Qty By" by using "+" and "-" — for example, to decrease an item by 5, you would enter "-5." *See example image above.*
6. Click Save.

Inventory
Adjustment

3. ADJUST INVENTORY WORKSHEETS

Inventory Worksheets let you enter changes to the quantity or value of inventory items except for lot numbered items, serial numbered items, or inactive items. You can also enter adjustments for up to 1,000 line items at a time.

When you open an existing inventory adjustment to make changes, only items included in the original adjustment appear in the list. The list shows all items from the original adjustment and cannot be filtered to exclude any of these original items.

To use the adjust inventory worksheet:

1. Go to Transactions > Inventory > Adjust Inventory Worksheet. The Inventory Worksheet page appears.
2. For OneWorld accounts, in the Subsidiary field, select the subsidiary you want to associate with this adjustment.
3. Set values in fields of each of the following sections or subtabs: Primary Information, Classification, and Adjustment.
4. Adjust your quantity in the “New Qty” field — you will simply enter the new total quantity. For example, the previous amount was 27, and you increase by 10. You would enter “37.”
5. Click Save.

**Example of
Worksheet
Adjustment**

4. INVENTORY TRANSFER OVERVIEW

The inventory transfer transaction records and updates details about location per item and inventory level changes when items are transferred between two or more locations.

Basic Inventory Transfer. An inventory transfer that decreases items in the source location and increases them in the receiving location all in one step.

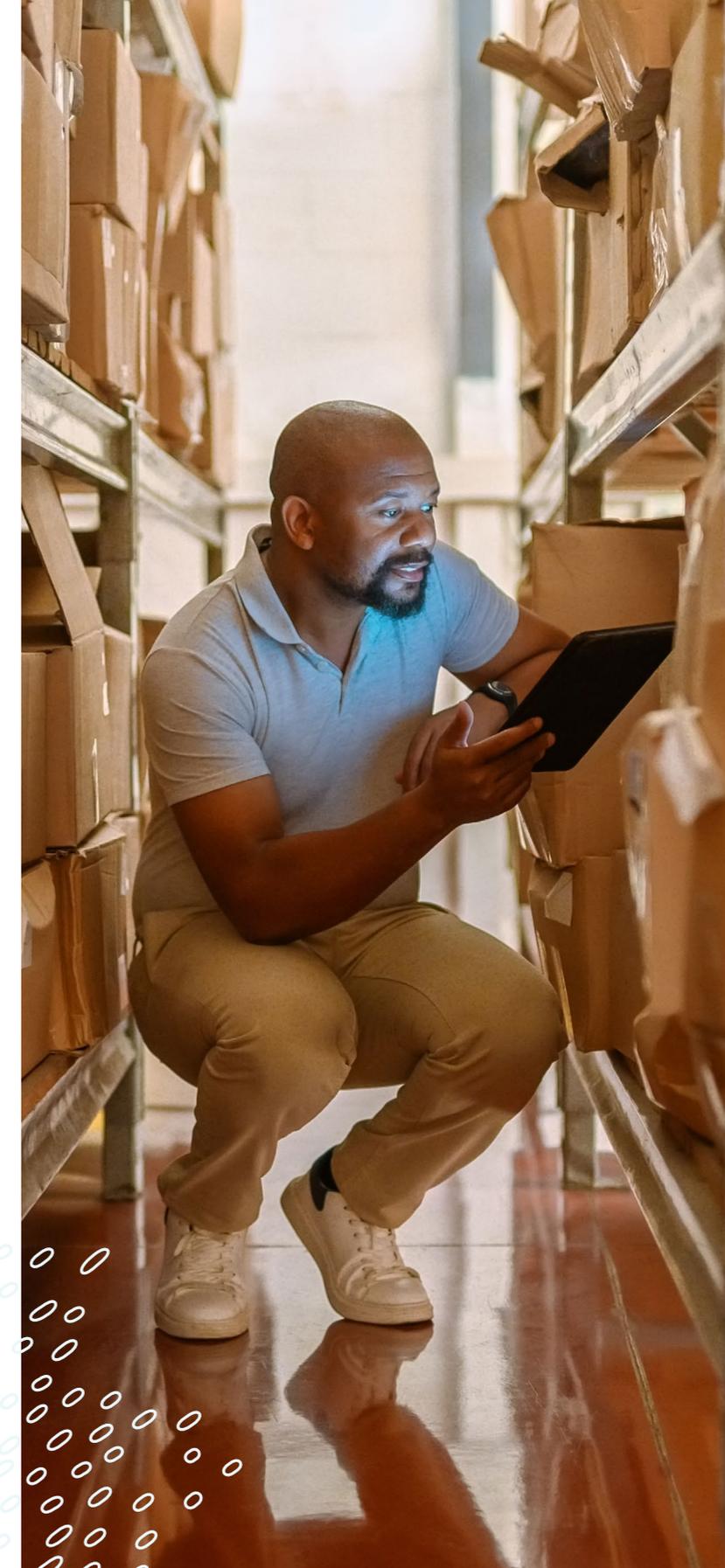
Use the Transfer Inventory Form to post information regarding changes in the inventory levels for each item in each location. To enter a basic inventory transfer:

1. Go to Transactions > Inventory > Transfer Inventory. The Inventory Worksheet page appears.
2. Complete the primary information, classifications, and item subtabs.
3. Click Save.
4. When you click Save, your inventory is updated for each location.
5. You can view transfers you create by going to Transactions > Inventory > Transfer Inventory > List.

When you need to transfer inventory from one location to another, you can enter inventory transfer orders to schedule and track the movement of items.

Transfer orders are different from basic inventory transfers because you can track each stage of the transfer process and know when and where items are in transit.

1. A transfer order is entered to schedule the movement of items and can go through approval process.
2. When a transfer order is approved, the items are committed out of the source locations' inventory and the On Order items increase.
3. Transfers are then fulfilled out of the source locations. You have the option to enable the pick, pack, and ship features for this process.
4. Finally, the destination location enters a receipt for the items.



5. INVENTORY TRANSFER REPORTS AND ANALYTICS

You can review reports showing inventory costs, stock levels, activity, valuation, revenue generated, and profitability. Then, use this information to identify successes and problems within each workflow process.

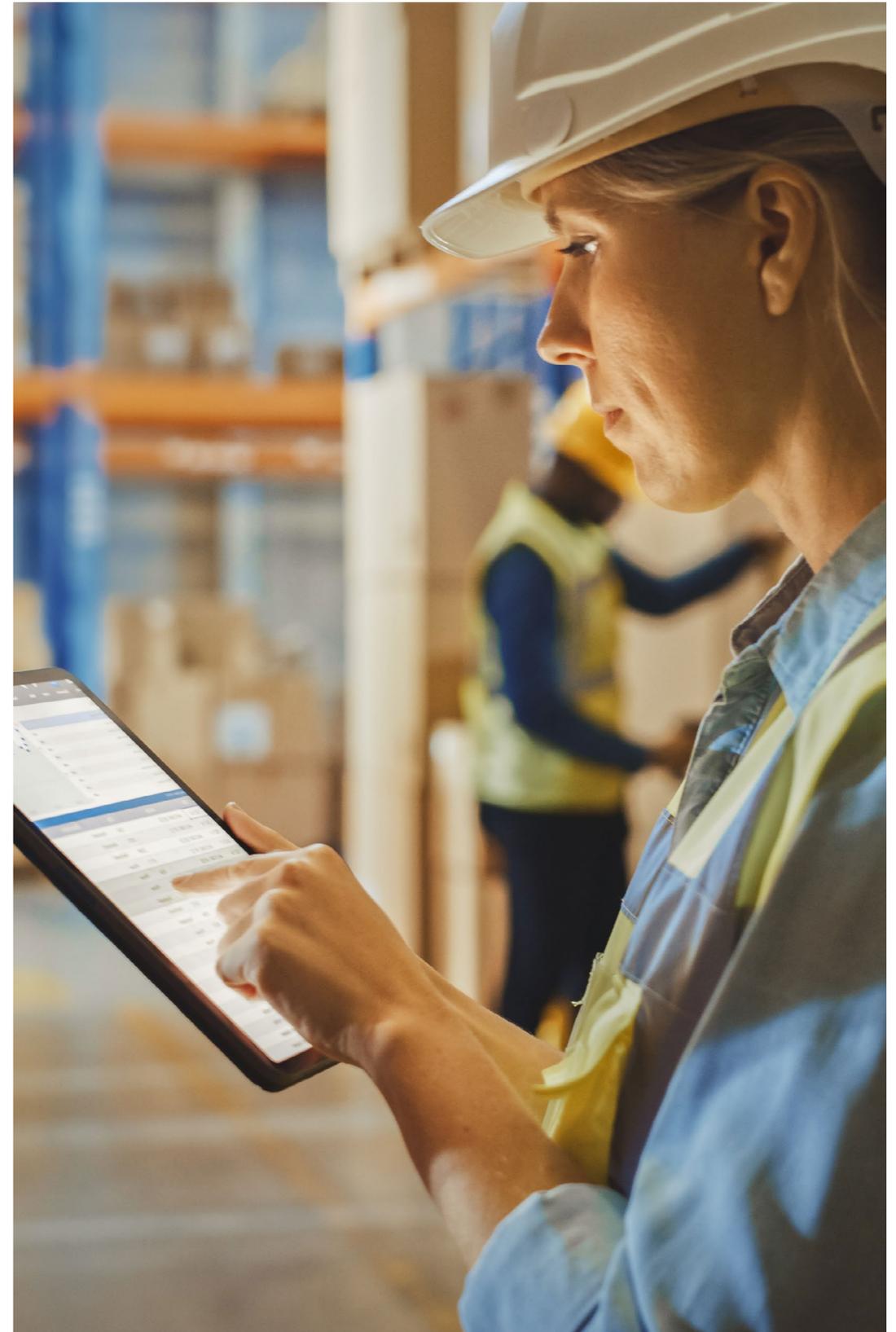
Reports can you help identify:

- Current stock status;
- Items that are profitable, or not; and
- Areas of the inventory workflow that are working well or need attention.

Pick, Pack, and Ship With Transfer Orders. The Pick, Pack, and Ship feature assists you with processing transfer orders. It also provides warehouse and shipping departments with their own processes to fulfill orders. This enables greater flexibility in processing and tracking orders through fulfillment and shipment.

You can separate transactions for each step:

- To pick the items from inventory (Fulfill Orders)
- To pack the items to prepare them to be shipped (Mark Orders Packed)
- To ship the items to the receiver (Mark Orders Shipped)



6. INVENTORY MANAGEMENT DASHBOARD OVERVIEW

Inventory dashboards provide you with timely, at-a-glance rollup of the reporting, key searches, key performance indicators, and metrics meaningful to your business. Role-specific dashboards further customize the view, providing key stakeholders with snapshots of inventory standing tailored to their needs.

- **CFO Dashboard:** At an executive level, dashboards provide a high-level view of overall business health and top KPIs, such as Inventory Value, Operating Cash Flow, and COGS.
- **Purchasing Manager:** Dashboards specific to functional roles, such as the purchasing manager, provide a single location to manage daily tasks, such as monitoring open PO's, re-order points, and vendor management.



CFO Dashboard

Purchasing
Manager

- **Inventory/Warehouse Manager:** Central to understanding and optimizing inventory usage across the organization, an inventory manager dashboard provides warehouse or inventory leads with essential information about fulfillment, stock allocations, and inventory in transit.

Inventory/
Warehouse
Manager

SUPPORTING YOU ALONG THE WAY

We have resources to help you learn more about NetSuite Inventory Management, including courses available for free via [NetSuite LCS Explorer Pass](#).

- [How Do I Create Service Items Overview](#)
- [Inventory Management Overview](#)
- [How Do I Transfer or Adjust Inventory Overview](#)

LCS Company Pass provides advanced, subscription-based training that allows all NetSuite users to engage in continuous education easily and cost-effectively. With on-demand learning, hands-on lab exercises, and multiple training options, LCS Company Pass can help accelerate your entire organization's system knowledge and productivity.

Join the NetSuite Support Community

The [NetSuite Support Community](#) is an online gathering place for NetSuite professionals to share information, experiences, and advice. Ask a Support Guru for help with how-to questions or start a public discussion with the community.





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