

Multi-Bin Advanced Distribution

White Paper
February 2005

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Overview

You're a distributor of home improvement items that sends out over a dozen shipments per day. When preparing orders, each employee takes care of one full order and runs back and forth through different aisles across the warehouse floor. Each picking list only logs the aisle number and section letter, but employees still need to search through several shelves and crates. You just discovered that two employees have approved orders for two different customers each requesting 50 garden hoses and there are only 50 available in the warehouse. Now, you receive a request from a sister warehouse for a shipment of rugs that needs to be available immediately for a customer in their area.

It's easy for warehouse managers to feel overwhelmed when inventory layout is unstructured, distribution is unmanageable, and item shortages surface during inventory picking.

Many manufacturers, distributors, importers, and exporters face similar experiences on a day-to-day basis. As a result, orders do not get filled effectively, the number of orders filled is relatively low, and salespeople and their customers become upset when approved orders are delayed. Each warehouse needs to overcome the following problems:

- **Unstructured Inventory** – When employees need to search through large warehouse facilities to find items for sales orders or for bill of materials, then your inventory establishment is unstructured. This problem reduces the number of orders that can be filled, while creating a chaotic working environment conducive to on-the-job injuries.
- **Ineffective Distribution** – When one warehouse has an item available and another warehouse does not, the salesperson that places an order for the item should be able to send the order to the correct warehouse to ship the item to the customer immediately.
- **Unsecured Items** – If a salesperson places an order and sees that the warehouse has the quantity available that item must be available during sales order picking. Another sales order for the same item should not be approved if there is not enough quantity to fill both orders.

You may be unaware that many of these problems can be solved with your manufacturing/distribution software. This white paper focuses on each problem and the solution you need from a manufacturing/distribution software. This white paper also offers the recommendation of using MAS 90® or MAS 200® with the Multi-Bin Advanced Distribution module, and details how certain features can be set to counteract these common warehouse issues.

Structuring Inventory

To increase the number of orders your warehouse can fill and have warehouse floor employees work more efficiently, your employees need to know the exact location of inventory items. They also need to be able to distribute picking sheet orders so that multiple employees can process a single order. This section offers recommendations and features needed in a manufacturing/distribution software to ensure your inventory is spread effectively.

Ability to Enter Multiple Bin Locations

Having picking sheets that let workers know which aisle an item is not very useful when there are multiple shelves of inventory items. You need a manufacturing/distribution software that allows you to create inventory bins to enter the exact location of warehouse items. Your bin locations should reflect your warehouse standards – if you have one item that requires multiple bins, you should be able to track the quantity available in multiple bins. If you store numerous items in a single bin, then you should be able to process the single bin for numerous different inventory items. Picking sheets should print the bin number or ID to allow warehouse pickers to quickly locate an item.

Power to Easily Transfer Items

If you need to transfer an item from one bin to another, your manufacturing/distribution software should allow you to quickly transfer the quantity information. If one warehouse plans to transfer an item to another warehouse, your manufacturing/distribution software should allow the transfer of the item from one bin location to the other bin location, making the item immediately available for sales orders and bill of materials assembly while providing the exact location of the item in the receiving warehouse. If a warehouse is resorting the warehouse stock and needs to transfer an item from one bin location to another in the same warehouse, your manufacturing/distribution software should enable you to complete that task quickly.

Capability of Printing Separate Picking Order Sheets

When it comes to quickly filling sales orders and bill of material line items, the better you organize your employees' tasks, the more your warehouse can accomplish. Select a manufacturing/distribution software that allows you to split picking sheets into different areas of the warehouse. Multiple employees will be able to fill the same order in less time.

Establishing Effective Distribution

When you're able to establish a distribution process that allows your company to quickly stock and ship items, your workflow will greatly improve. This section offers recommendations and features needed in a manufacturing/distribution software to increase your distribution capabilities.

Enter the Location of Items

When you receive a new arrival of items, your manufacturing/distribution software should allow you to enter the bin location of the goods. The total quantity should be automatically calculated by adding the goods with the existing quantity of the item available in the warehouse.

Ability to Distribute Individual Components of Packaged Items

If a warehouse item is actually sold as part of a sales kit of several items, whenever one kit is sold your manufacturing/distribution software must be able to distribute each individual item and list the quantity available in the appropriate bin location.

Utilize the Latest Technology for Quickly Distributing Items

Select a manufacturing/distribution software that allows you to take advantage of the latest technology to allow your warehouse employees to quickly distribute inventory items. For example, barcode scanners allow employees to scan items being selected for shipment or being stocked in a bin. You should be able to upload the scanned information into your manufacturing/distribution software and know the exact bin location from which the item was scanned.

Securing Items

If a salesperson places an order and your manufacturing/distribution software displays the item is available, the item should remain available when the order is being prepared for shipping. This section offers recommendations and features needed in a manufacturing/distribution software to ensure your inventory is available during inventory picking.

Ability to Allocate Items on a Sales Order

To fully satisfy the sales process and customers, when an item is listed as available during a sales order, it should be available in the warehouse on the day the order is shipped. Your manufacturing/distribution software should be able to allocate an item at order entry time, marking it as unavailable for other orders, to guarantee specific inventory to customers.

Allow Picking Sheets to Allocate Inventory by Bin Location

Not only should your manufacturing/distribution software allocate items – it should allocate the items from an exact bin location on picking sheets. That way if two warehouse pickers need the same item, they will know exactly which bins to pull from ensuring that they will both be able to fill their orders.

Multi-Bin Advanced Distribution for MAS 90 or MAS 200

Multi-Bin Advanced Distribution contains many of the features that can help you solve the problems of unstructured inventory, ineffective distribution, and unsecured items. Multi-Bin Advanced Distribution follows the technology standards set by Best Software® with their MAS 90® or MAS 200® application.

Problems Solved

Multi-Bin Advanced Distribution allows your warehouse to complete standard inventory functions while tying the data into your MAS 90 or MAS 200 accounting, distribution, and manufacturing software. This section lists the features required for a structured inventory system, effective distribution, and securing items, and how Multi-Bin Advanced Distribution includes and handles the requirements.

Structuring Inventory

Features Required	Multi-Bin Advanced Distribution
Creating multiple bin locations	Multi-Bin Advanced Distribution allows you to create as many bins as required for your warehouses. Select the product lines that require bin locations and the items will be tracked by the bin. You can also create temporary bin locations.
Printing bin locations on picking sheets	Multi-Bin Advanced Distribution can be configured to include the bin locations on sales order picking sheets and bill of materials picking sheets.
Transfer items from one bin to another	The Bin Transfer Entry feature in Multi-Bin Advanced Distribution allows you to transfer a specific amount of items from one bin location to another. You can transfer items from one bin to another in the same warehouse or a different warehouse.
Split pick sheets	You can set an option in Multi-Bin Advanced Distribution to split picking sheets for sales orders and bill of materials by sections of the warehouse.

Establishing Effective Distribution

Features Required	Multi-Bin Advanced Distribution
Set bin location in a receipt of goods	In a receipt of goods, you can create or select the bin location with Multi-Bin Advanced Distribution.
Distribute sales kits	Multi-Bin Advanced Distribution allows your warehouse to know the exact location of each item on a sales kit package.

Features Required	Multi-Bin Advanced Distribution
Use latest distribution technology	If you purchase the ScanBlaster and Bar Code modules with Multi-Bin Advanced Distribution, your warehouse personnel will be able to scan item barcodes during stocking and picking and then upload the information into MAS 90 or MAS 200 to update the quantities available.

Securing Items

Features Required	Multi-Bin Advanced Distribution
Guarantee items for sales order	Multi-Bin Advanced Distribution allows you to select an option that will mark selected items as unavailable to guarantee the amount for a specific sales order. The Clear Sales Order Distribution feature will allow you to clear any allocated items making them available for future orders, in case an order is delayed and items are needed for a current order.
Allocate items by bin location	When printing picking sheets, Multi-Bin Advanced Distribution will allocate inventory items to a specific bin location ensuring each order will be filled.

Technology Features

The Multi-Bin Advanced Distribution software requires MAS 90 or MAS 200. Multi-Bin Advanced Distribution is installed as a separate module to the MAS 90 or MAS 200 system. For full technology features and requirements for MAS 90 and MAS 200, visit Best Software's website at www.bestsoftware.com.

MAS 90 or MAS 200 Integration

Recommended by more CPAs than any other business management application in its class, Best Software's MAS 90 offers a broad selection of feature-rich solutions, including accounting, financial reporting, distribution, manufacturing, and e-business management. The software is widely recognized for its ease of use and its ability to empower customers with insightful information.

MAS 200 offers all the functionality of MAS 90, but incorporates all the benefits of a client/server platform, including more efficiently distributed processing, high performance, enhanced data integrity and reliability, remote access support, and scalability. MAS 200 is also available on the Microsoft SQL Server platform.

Multi-Bin Advanced Distribution overcomes the MAS 90 or MAS 200 limitation of a single bin per item. The Multi-Bin Advanced Distribution enhancement can share information with other MAS 90 or MAS 200 modules when integrated. Multi-Bin Advanced Distribution can be integrated with the Inventory Management (required), Purchase Order, Sales Order, Bill of Materials, Return Merchandise Authorization, Work Order, Bar Code, and ScanBlaster modules. The following table describes the data Multi-Bin Advanced Distribution shares with the modules.

Module	Data Shared
Inventory Management	You must have the Inventory Management module to use the Multi-Bin Advanced Distribution. Multi-Bin Advanced Distribution reshapes your inventory tracking system and allows you to track multiple bin locations per warehouse per item.
Purchase Order	Multi-Bin Advanced Distribution modifies the Purchase Order module to utilize bin locations for receipt of inventory items. Bin locations are also utilized for return of goods and material requisition entries.
Sales Order	The Multi-Bin Advanced Distribution module extends the capabilities of your Sales Order module by allowing you to flag inventory items involved in sales orders. In a standard MAS 90 or MAS 200 system, sales orders commit inventory. Items are still available for purchase by another customer. Multi-Bin Advanced Distribution commits inventory to another level - allocated. Allocated inventory items are not available for purchase by other customers until you release the items.
Bill of Materials	The Multi-Bin Advanced Distribution module integrates with Bill of Materials so bin quantities can be tracked throughout the production and disassembly processes.
Return Merchandise Authorization	Multi-Bin Advanced Distribution integrates with the Return Merchandise Authorization module so that quantity can be distributed to bins before transactions are generated.
Work Order	The Multi-Bin Advanced Distribution module integrates with Work Order so bin distributions can be entered and updated along with each work order entry.
Bar Code	Multi-Bin Advanced Distribution modifies the Bar Code module by expanding the import files to include bin locations.
ScanBlaster	The ScanBlaster module is a cost effective barcode scanning solution that you can use with the MAS 90 or MAS 200 Bar Code module. ScanBlaster runs on a Palm OS device with a barcode reader attached, allowing you to scan item barcodes and cut the inventory data entry time in half. ScanBlaster includes a field that allows pickers to enter the bin location from which the item was picked.

Open Architecture

Unlike most manufacturing/distribution software packages, the Multi-Bin Advanced Distribution source code is available to all Best Software Master Developers to further modify the software to suit a particular company's specific needs.

Conclusion

This section details final recommendations for selecting a manufacturing/distribution software and summarizes the topics discussed in this white paper.

Recommendations

- If you are interested in purchasing Multi-Bin Advanced Distribution, have your reseller perform a system review of your current manufacturing/distribution software to ensure Multi-Bin Advanced Distribution is the right software for your company.
- Sign-up managers for training courses to use the MAS 90 or MAS 200 Core Manufacturing and Distribution modules and Multi-Bin Advanced Distribution to their fullest potential.
- Learn about each setup option available in Multi-Bin Advanced Distribution and how it affects the daily activities of managers, sales staff, and warehouse employees.

Summary

Although all manufacturing, distributors, importers, and exporters are faced with the difficult problems of unstructured inventory, ineffective distribution, and unsecured inventory items, there are easy-to-use features within the Multi-Bin Advanced Distribution software that do not only reduce these problems, but also increase the accuracy of picking sheet orders and customer satisfaction.

We are committed to helping your company succeed. Your reseller will help you choose the right products and training to suit your current and future business needs.