INVENTORY II™

Real Time Costing

Any company is extremely dependant on knowing their cost prices as they affect the contribution margins in the most direct way. Inventory II introduces a new era for ERP systems where cost prices are fully recalculated and known at any point in time. Periodic jobs for calculating cost prices are history – it's there and it's on-line available all the time.

Real time - Real cost

The architecture of Inventory II is based on the unique Watermark database technology. One of the major benefits of this technology is that any changes to the database can be tracked down to a very detailed level and that's actually the golden key for doing real-time costing.

At any point in time Inventory II can detect exactly what has changed in the Inventory – eliminating the need for complete recalculations - with Inventory II changes are simply just being applied to the costing profile, their consequences are calculated and further applied in terms of adjustments. In fact all the known ingredients of the traditional costing process are included in this processing ... it just happens real-time.

This incremental costing processing is handled in a very efficient background process on the server, thus the on-line users are not affected – the only impact is that the same on-line users have access to real-time calculated cost prices.

The process of closing the inventory is now just a matter of having a closing date updated in the system ... simply to prevent further posting in the closed period.

Functionality wise Inventory II is adding a set of new features to the costing approach. These include the ability to have the entire costing fixed on packing slip prices. If prices have changed at the time of posting the invoices the changes will simply be posted on the standard cost price accounts. This is a very efficient way to prevent delayed invoices from causing cost prices to fluctuate over time – once posted then fixed.

Furthermore Inventory II comes with a brand new simplified model for weighted average costing. To achieve a clean average model where all the known disadvantages have been eliminated once and for all, this approach is based on closing/opening transactions for each period. This approach is extremely fast and ensures maximum visibility on what contributes to the average cost price within each period.
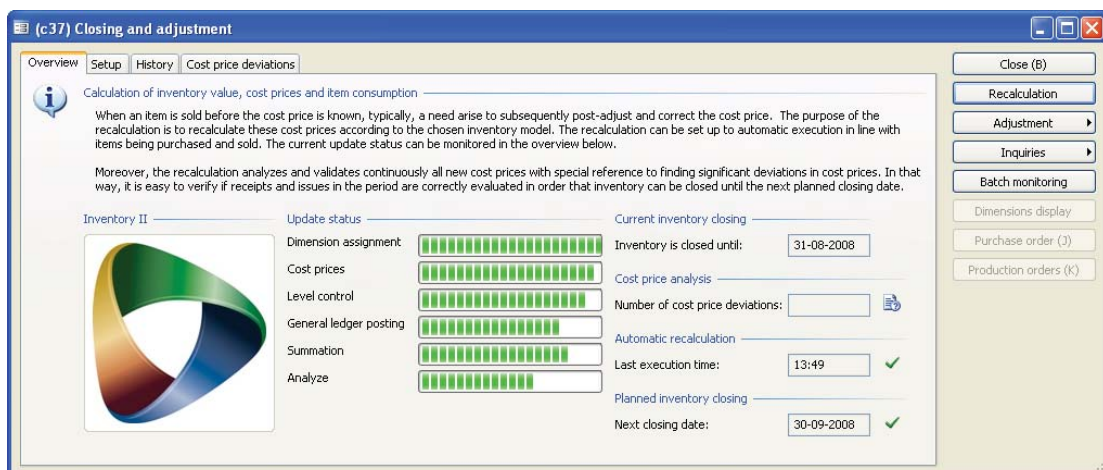
Adjust anything at any time

The process of adjusting inventory on-hand levels or transactions can be rather cumbersome for standard Dynamics AX users. First of all it requires the inventory to be closed, which most often only happens on a monthly basis. Furthermore adjustment of on-hand levels cannot be performed directly from the on-hand form - with Inventory II the ability to adjust anything at any time is available:

Anything: Besides from receipt transactions and on-hand levels, *issue transactions* can be adjusted. Often items are sold before their real cost price is known due to delayed purchase invoices, and often such issue transactions end up with an incorrect cost price estimate which will have a direct impact on GL when closing the period. With Inventory II such issue transactions can simply be adjusted so that any period can be closed with a result which is not damaged by incorrect cost price estimates.

Any time: The old requirement for having the inventory closed before doing adjustments is history with Inventory II installed. Everything is fully recalculated at any point in time, thus adjusting inventory can be done whenever needed: if inventory value needs to change as of now ... simply go adjust now.

Cost price deviation monitor

Any CFO should be concerned about whether the inventory valuation and posted amounts are correct when the time for period closing is near. There are several reasons for that: Items are often sold before cost prices are known which means that cost prices are *estimates*, errors in data entry during the period, errors in prices, currencies, etc. It's a simple fact that it's impossible to manually check cost prices on all issue transactions within a period.

With Inventory II the CFO is ensured that such illegal cost prices do not enter the system without being caught – this insurance is called *The Cost price deviation monitor*. Inventory II is constantly monitoring all new cost prices in the system with the purpose of detecting suspicious cost prices. A cost price is said to be suspicious when it deviates more than 'n' percent from existing cost prices – obviously 'n' is defined in setup. Whenever a suspicious cost price is detected, a cost price deviation with detailed information about what caused the deviation is immediately created. Thus the cost price deviation monitor holds the complete list of suspicious receipts to be checked before being ready to close the period. Obviously cost price deviations are fully integrated with the alert system so that these warnings can find their way to mail boxes of relevant employees if required.

FSB Development

FSB Development is a software company developing modules for Microsoft Dynamics AX.

The Inventory II module for Microsoft Dynamics AX is an extension to the standard Inventory module. Inventory II applies speed and simplicity to the standard Inventory module. Inventory II is the right choice for companies looking for real-time advanced inventory management, high scale transaction volume capabilities or 24/7 operation. Inventory II is avaiable for version 3.0, 4.0, 2009 and 2012 of Microsoft Dynamics AX.

Inventory II is sold via certified Dynamics AX partners in more than 30 countries. More than 150 Dynamics AX customers with over 15000 AX users have chosen Inventory II.

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