**SAP Business One
How-To Guide**

How to Work with Inventory Cycles

Applicable Releases:

SAP Business One 8.8

SAP Business One 2007 A

SAP Business One 2007 B

All Countries

English

September 2009

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Introduction

Cycle counting is a physical inventory process in which a subset of items is counted at regular intervals. The cycle-counting approach can be used, for example, to ensure that inventory levels of fast-moving items are checked more frequently than slow-moving items.

SAP Business One lets you define cycles for inventory counts by specifying the frequency, the alert date, and the time of the inventory count. You then assign one or more inventory cycles to an item or groups of items. You can also be notified whenever an inventory cycle count needs to be performed.

Defining Inventory Cycles

Inventory cycles can help you track the timing of cycle counts for specific items or groups of items. SAP Business One provides two ways for you to define inventory cycles:
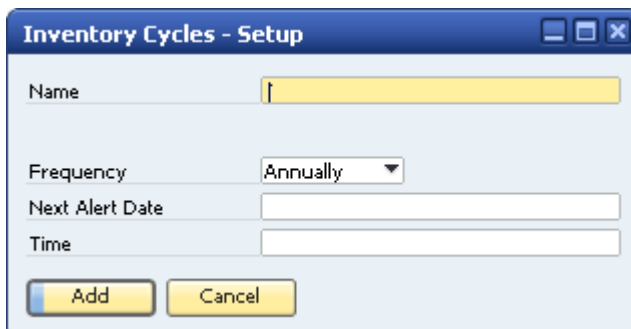
- You define an inventory cycle and later assign it to specific items or item groups.

  See Defining, Updating, and Removing Inventory Cycles.

- You define an inventory cycle for a specific item group.

  See Defining an Inventory Cycle for an Item Group.

Defining, Updating, and Removing Inventory Cycles

Defining an Inventory Cycle

1. From the SAP Business One *Main Menu*, choose *Administration → Setup → Inventory → Inventory Cycles*.

   The *Inventory Cycles - Setup* window opens.

2. Provide the following information:

Field	Activity/Description
Name	Specify the name of the cycle. The name must be unique for each cycle you create.

Field	Activity/Description
Frequency	Define how frequently you want to count inventory by selecting one of the following values from the dropdown list: • *Daily* An alert is issued every day. • *Weekly* An alert is issued on the same day every week. If you select a weekly cycle, from the adjacent field, select the day of the week. • *Every 4 Weeks* An alert is issued on the same day every four weeks. If you choose a monthly cycle, from the adjacent field, select the day of the month. • *Monthly* An alert is issued on the same date every month; for example, the 20th of every month. • *Quarterly* An alert is issued on the same date every third calendar month. • *Semi-annually* An alert is issued on the same date every sixth calendar month. • *Annually* An alert is issued on the same date once each year. • *One Time* A single alert is issued on the specified date.
Next Alert Date	If you selected a *Frequency* of *Quarterly*, *Semi-annually*, *Annually*, or *One Time*, you can specify the date of the upcoming cycle. This field is optional. If this field is blank, you must specify the next alert date for an item when you later assign it to the inventory cycle. For more information, see step 4 in Linking Inventory Cycles Manually. **EXAMPLE** You have specified August 20, 2009 in *Next Alert Date*. SAP Business One sets the alert date according to the frequency you selected: ▪ *Quarterly* – November 20, 2009; February 20, 2010; May 20, 2010; and so on ▪ *Semi-annually* – February 20, 2010; August 20, 2010; February 20, 2011; and so on ▪ *Annually* – August 20, 2010; August 20, 2011; and so on ▪ *One Time* – August 20, 2009

Field	Activity/Description
Time	Specify the time of day to issue the alert. This field is optional. **NOTE** You use either a 12-hour or 24-hour time format. The displayed time format is determined according to the settings in the *Time Format* field on the *Display* tab of the *General Settings* window (*Administration → System Initialization → General Settings*).

3. To save the defined inventory cycle, choose the *Add* button.

Updating an Inventory Cycle

You can change the frequency, date, and time settings of an inventory cycle at any time.

1. From the SAP Business One *Main Menu*, choose *Administration → Setup → Inventory → Inventory Cycles*.

2. In the *Inventory Cycles - Setup* window, browse to an inventory cycle.

3. Change the relevant fields.

4. To save your changes, choose the *Update* button.

Removing an Inventory Cycle

You can remove an inventory cycle if it is not linked to an item or item group.

1. From the SAP Business One *Main Menu*, choose *Administration → Setup → Inventory → Inventory Cycles*.

2. In the *Inventory Cycles - Setup* window, browse to an inventory cycle.

3. To remove the inventory cycle, use one of the following methods:

    o   From the *Data* menu, choose *Remove*.

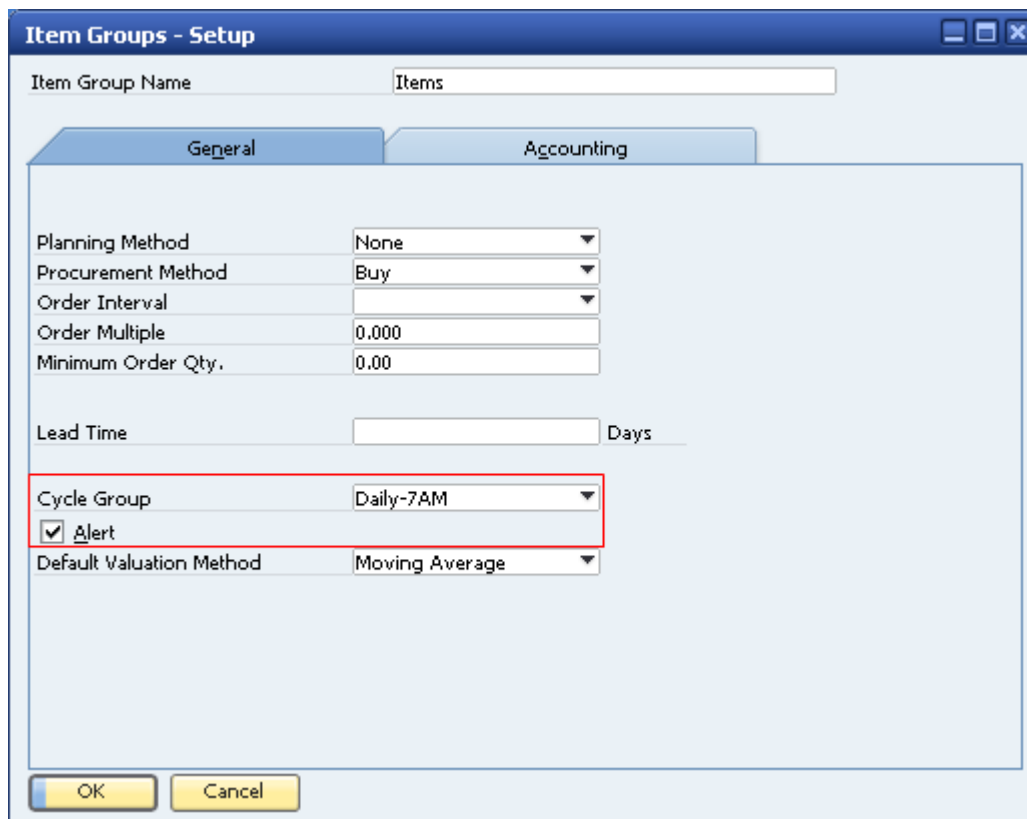   o   Right-click the window and choose *Remove*.

Defining an Inventory Cycle for an Item Group

You can define and schedule inventory counts for an item group by specifying one or more inventory cycles for the group. If you want to schedule the same inventory count for a group of items, you then link each item to the relevant item group. As a result, the inventory cycle for the item group is determined automatically for each item (see Linking an Inventory Cycle Automatically).

Procedure

1. From the SAP Business One *Main Menu*, choose *Administration → Setup → Inventory → Item Groups*.

   The *Item Groups - Setup* window opens.

2. Browse to find an existing item group or create a new item group.

3. To define an inventory cycle for the item group, you can select an existing inventory cycle or create a new one.

   o From the *Cycle Group* dropdown list, choose one of the existing inventory cycles.

   o From the *Cycle Group* dropdown list, choose *Define New* to define a new inventory cycle. For more information, see Defining, Updating, and Removing Inventory Cycles.

4. To activate an alert notification of a scheduled inventory count for this group, select the *Alert* checkbox.

   If you select the checkbox, the inventory cycle alert is selected automatically on the *Inventory Data* tab in the *Item Master Data* window where that item group is selected.

5. To save your changes, choose the *Update* button.

   ## Note

   You can change or remove the defined inventory cycle for the item group at any time. Any changes you make to an item group affect only new items you assign to that group, for all warehouses. Existing items that are already linked to the item group are not affected. For example, if you change the inventory cycle defined for an item group, SAP Business One does not update the new inventory cycle accordingly for the existing items that are linked to that group.

Linking Inventory Cycles to Items

To automate the cycle counting process, you first create inventory cycles and then link them to items. If you manage more than one warehouse, you need to perform inventory counts in each warehouse where the item is stored.

SAP Business One gives you two options for linking an inventory cycle to an item:

- You link an inventory cycle manually to an item in each warehouse in which the item is stored.

  See Linking Inventory Cycles Manually.

- You link the inventory cycle automatically to an item in all warehouses by using the item group to which you link the item. For example, an item is stored in three different warehouses. You can link up to three different inventory cycles for the item, one for each of the three warehouses. Or you can link the same inventory cycle for the item in all three warehouses.

  See Linking an Inventory Cycle Automatically.

Linking Inventory Cycles Manually

You can link an inventory cycle to an item in a specific warehouse.

Prerequisite

You have defined at least one inventory cycle. For more information, see Defining, Updating, and Removing Inventory Cycles.

Procedure

1. From the SAP Business One *Main Menu*, choose *Inventory → Item Master Data → Inventory Data* tab.

2. Browse to an item.

3. Click 🗐 (*Form Settings*); from the *Table Format* tab, select the *Visible* checkbox for the following columns: *Cycle Code*, *Next Count Date*, *Time*, *User*, and *Alert.*
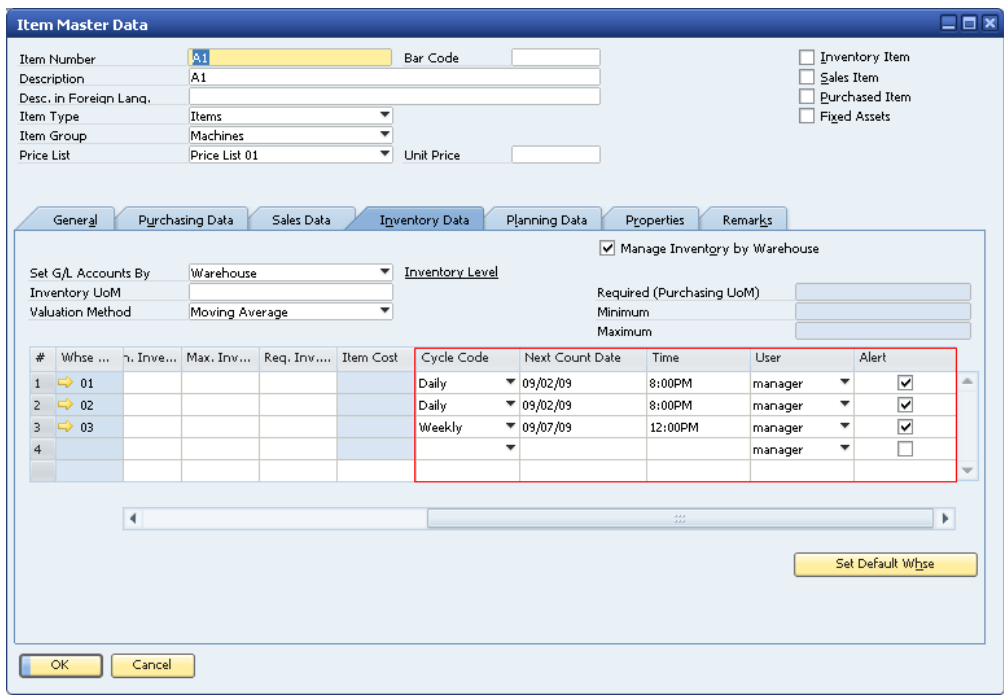
4. To link an inventory cycle to the item in a specific warehouse, specify the following information for the relevant warehouse:

Field	Activity/Description
Cycle Code	From the dropdown list, choose an inventory cycle name, as defined previously in the *Inventory Cycles - Setup* window.
	When you choose an inventory cycle, all information is populated automatically by the data of the inventory cycle. You can change this information manually.
	💡 **Note**
	Any changes you make here apply only to the inventory cycle definition for the item in the warehouse. The data in the inventory cycle definition itself is not changed.
Next Count Date	The date of the next inventory count according to the *Next Alert Date* defined for the inventory cycle you have selected. You can specify another date, as needed.
Time	The time of the next inventory count according to the *Time* defined for the inventory cycle you have selected. You can specify another time, as needed.
User	SAP Business One user to whom the alert is sent.
	The default user is *Manager*. You can choose a different user.
Alert	Select whether you want SAP Business One to issue an alert to the user specified in the *User* field when the next inventory count is due. When an alert is issued, the *Messages/Alert Overview* window opens. For more information about the *Messages/Alert Overview* window, see the online help for SAP Business One.
	If you link the inventory cycle automatically according to item group selection, the *Alert* checkbox selection is determined by the definition of the relevant item group. For more information, see Defining an Inventory Cycle for an Item Group.

5. To save your changes, choose the *Update* button.

Linking an Inventory Cycle Automatically

You link an inventory cycle automatically to all warehouses according to the item group to which you link the item.

Prerequisite

You have defined at least one inventory cycle for an item group. For more information, see Defining an Inventory Cycle for an Item Group.

Procedure

1. From the SAP Business One *Main Menu*, choose *Inventory* → *Item Master Data* → *Inventory Data* tab.

2. Browse to an item.

3. To automatically link the inventory cycle to the item, according to the item group selection, from the *Item Group* dropdown list in the *General* area, choose the relevant item group with the defined inventory cycle. A message appears asking you whether or not to update the item information according to the chosen item group.

> **Note**
>
> To display the inventory cycle defined for the item group, open the *Item Group - Setup* window and display the relevant item group. For more information, see Defining an Inventory Cycle for an Item Group.

As a result, for each warehouse, the fields related to the inventory cycle are filled automatically. You can change data in these inventory cycle fields for each warehouse. For more information, see step 4 in Linking Inventory Cycles Manually.

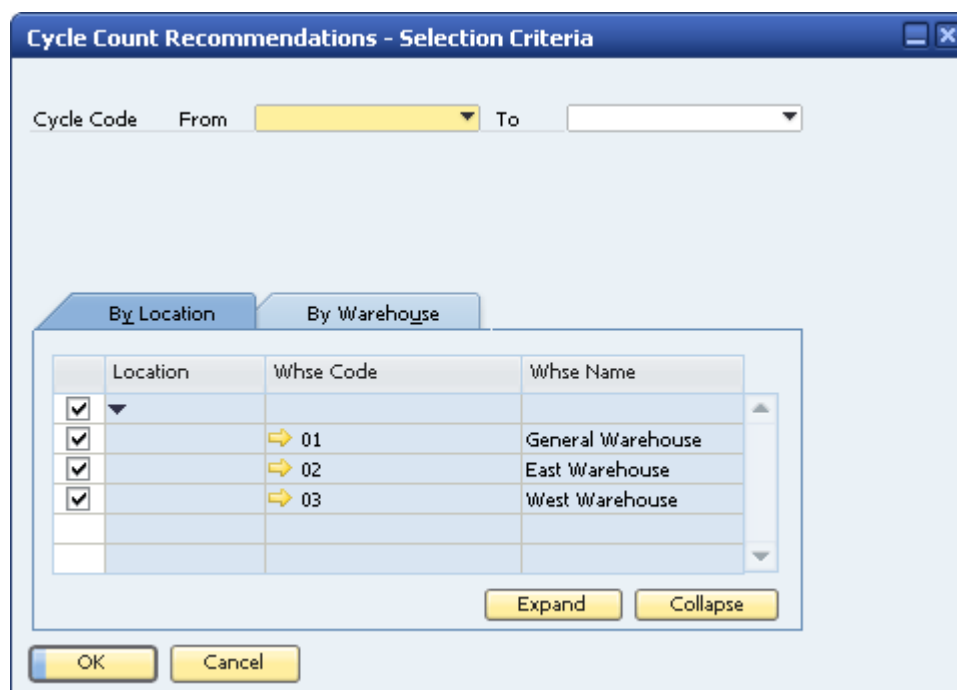4. To save your changes, choose the *Update* button.

Generating Cycle Count Recommendations for Past-Due Cycle Counts

SAP Business One lets you generate recommendations for performing past-due cycle counts based on inventory cycles linked to your items. The results are displayed regardless of the selection of the *Alert* checkbox on the *Inventory Data* tab, in the *Item Master Data* window.

Procedure

1. From the SAP Business One *Main Menu*, choose *Inventory → Inventory Transactions → Cycle Count Recommendations*.

    The *Cycle Count Recommendations - Selection Criteria* window opens.

2. Specify the following data for the selection criteria:

Field/Tab	Activity/Description
Cycle Code From … To	From the dropdown list, select a range of inventory cycles you want to include in the recommendations. If you do not select any cycles, the recommendations considers all inventory cycles.
By Location	On this tab, the warehouses are grouped by their location. Select a location to include all its warehouses in the report. You can also eliminate a specific warehouse from within a selected location by deselecting it. Use the *Expand* and *Collapse* buttons to view a detailed list of warehouses or a list of locations only.
By Warehouse (Including From … To, Excluding From … To)	On this tab, specify a range of warehouses to be included in or excluded from the report.

3. To generate recommendations according to the selection criteria, choose the *OK* button.

   The *Cycle Count Recommendations* window opens.
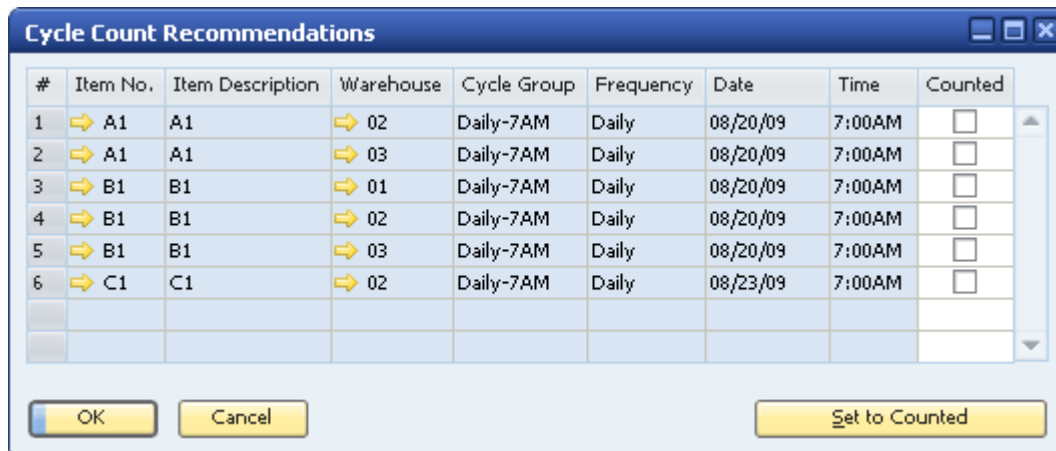
The following information is displayed:

Field	Description
Item No. *Item Description*	Item number to be counted and its description
Warehouse	Code of the warehouse in which the item is located, as defined for the inventory cycle
Cycle Group	Name of the inventory cycle linked to the item
Frequency	Inventory frequency, as defined for the inventory cycle in the *Inventory Cycle - Setup* window
Date	Date of the last inventory count that was not performed, as defined for the item and the warehouse in the *Next Count Date* field on the *Inventory Data* tab in the *Item Master Data* window.
Time	Time of the last inventory count that was not performed, as defined for the item and the warehouse in the *Time* field on the *Inventory Data* tab in the *Item Master Data* window.

4. If you have completed an inventory tracking for an item, select the *Counted* checkbox in the row for that item. For example, you have counted the item's quantity in the warehouse. Then, to set all the selected inventory counts to "counted," choose the *Set to Counted* button.

For the selected inventory cycles, the *Next Count Date* field on the *Inventory Data* tab in the *Item Master Data* window is updated to the future appropriate date. Therefore, since the next count date for those inventory cycles is in the future, rows selected as *Counted* then disappear from the *Cycle Count Recommendations* window.

💡 NOTE

SAP Business One updates the *Next Count Date* field according to the definition of the inventory cycle linked to the item regardless to the date you performed the inventory cycle count and updated the item row as *Counted* in the *Cycle Count Recommendations* window. For example, for one of the items, you selected an inventory cycle with a quarterly frequency; August 20, 2009 is specified in *Next Alert Date* field on the *Inventory Data* tab in the *Item Master Data* window.

On September 2, 2009 you generated the cycle count recommendations, performed the inventory cycle count for the item, and updated the item row as *Counted* in the *Cycle Count Recommendations.*

SAP Business One updates the next alert date as November 20, 2009.

Authorizations

For information about the authorizations required for cycle counting, see the online help as well as the document *How to Define Authorizations,* which you can download from the documentation area of SAP Business One Customer Portal at http://service.sap.com/smb/sbocustomer/documentation.

Database Tables Reference

For information about the tables used for inventory cycles, see the *Database Tables Reference* .chm file, which you can download from SAP Community Network.

To download the *Database Tables Reference* .chm file:

1. Go to https://www.sdn.sap.com/irj/sdn/businessone.

2. Under *BUSINESS ONE KNOWLEDGE CENTER*, click the link of the SAP Business One release version you want.

3. Click the *SDK Help Center* link.

4. In the *File Download* window, do one of the following:

   o To open the .zip file, choose the *Open* button; then extract the `REFDB.chm` file to your computer.

   o To save the .zip file to your computer, choose the *Save* button.

   You can open the .zip file and extract the `REFDB.chm` file later.

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