Counterman Quarterly Newsletter

Tech Tip of the Month… (Reprint)

INSIDE THIS ISSUE:

Month-End/Year-End (EOM/EOY)

With each passing month there are specific processes you should be doing at month-end. As we approach the close of 2015, I would like to discuss the Month-End and Year-End processes and why the benefits of processing EOM/EOY updates within the Counterman software is so important. One of the most important parts of the month-end processes is called: "Update Sales History". This process will take the monthly sales figures for each individual inventory item and place that total into the "History Summary" area (viewable in the Inventory Maintenance screen). This provides a wealth of information, as you can see at-a-glance the number you have sold for any given month/year, while zeroing out the MTD (Month To Date) history fields to make room for the next month's totals. This information has tremendous value when building a purchase order (ReOrder List) for any given vendor. This process will also generate a report to show sales history for the current month for each individual vendor and/or category. But beyond this benefit, is the value of allowing Counterman to help make sure you don't run out of items that have a proven sales history, referred to as "Resetting ReOrder Points". Obviously, you don't want to run out of any items you sell on a regular basis. This tool is intended to help insure you do not lose any sales on popular items while maintaining a minimal stocking level. Allowing Counterman to help in this area is an incredible time saver and the control you have over this function will help make sure you don't run out while making sure you don't have too many of them either. This is all done by utilizing the sales history that is updated each month (as part of the month-end process of Updating Sales History EOM/EOY), using a number of months (for average sales), and

the "Re-Order Levels" grid in Counterman, all of which you fully control. You can even set it up for seasonal changes by using the "Old Months" from prior year's future months. Here is what happens when the process of "Reset Re-Order Points" is run:

Utilizing the Sales History data, the Number of Months and Re-Order Levels grid, Counterman will look at each individual inventory item and reset the "Re-Order" level and "Maximum Balance" fields to your preset levels based on proven past sales history. If you are interested in setting this up, here is a checklist of what to do:

1. First, determine the total number of months you want to use for "sales averaging". In other words, what months do you want included when Counterman does the calculation. For example, if you wanted to use a total of six months sales history with no consideration for seasonal sales, set the "Months" and "Old Months" as follows:

INVENTORY AVERAGES:			
Months	6	**Old Months**	0

This can be found from the Main Menu, 1-Maintenance/Display, 8-System Variables, 1-General and is located on the bottom-right of this screen. This is initially where you setup the total number of months Counterman will use for calculating the average sales history numbers to be used with the grid setup in step #2. You can also set this up for seasonal sales by entering a value in the "Old Months" field. Counterman will still use the total number of months from the "Months" field, but if a number is found in the "Old Months", rather than go back that number of months, it will use

UPDATED PRICE BOOK VENDORS (FOR THIS RELEASE) 29—NEWLY UPDATED PB'S

AD	Advantage Perf.	**HD****	Harley-Davidson	**PT**	Power Twins	**TR**	Tucker Rocky
AR **	Arctic Cat USA	**HH**	Helmet House	**PU**	Parts Unlimited	**VH**	Vega Helmets
AR **	Arctic Cat (Canada)	**HQ****	Husqvarna	**RO**	Romaha	**VL**	Van Leeuwin
BM**	BMW	**KM****	Kawasaki M/C	**SB**	Sullivan Brothers	**VT**	Tedd's V-Twin
CA	Castle Sales	**KN**	K&N Engineering	**SM**	Southern M/C	**WP**	Western Power
CCI	Custom Chrome	**KT****	KTM Motorcycle	**SN**	Sullivan's USA	**YA****	Yamaha M/C
DS	Drag Specialties	**MU**	Mid USA	**TL**	Troy Lee Designs		
FX	Fox Racing	**PO****	Polaris/Victory	**TM****	Triumph M/C		

IMPORTANT!
(NEW) = New Vendor/Supplier!

** = OEM Franchise Only! (or retail prices only will be provided)

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future months from last year's sales in this calculation. So if you were to enter as follows:

INVENTORY AVERAGES:

Months 6 **Old Months** 3

Counterman would still look at a total of six months, but use three moths from last year's sales history. So basically, three months back from the current month and three future months from last year. It is important to understand that the "Months" is the Total Number of months, so if you plan on using the "Old Months", it will always need to be set equal or lower than the number in "Months".

2. Setting up the "Re-Order Levels" grid is the next consideration in this process. The way this works is, Counterman will be Resetting Re-Order and Maximum Balance fields to the levels set in this grid after calculating the average sales numbers for each inventory item. When you access this grid (from the Main Menu, 1-Maintenance/Display 7-Re-Order Levels), you will be presented with five columns: "Minimum Bal" and "Maximum Bal" represent the "Reorder Level" and "Maximum Balance" fields in Inventory Maintenance and represent the fields that will be affected by this process. The "Monthly Low Avg" and "Monthly High Avg" columns represent the average monthly sales levels as calculated by Counterman (note: these levels have 2-digit decimals, as sales levels can average below a whole number if you sell less than one per month). Both of these columns represent monthly average sales history totals. The last column can be used to affect only certain "Categories" defined in Inventory Maintenance. You have the control to edit this grid however you see fit. The grid that comes with Counterman is fairly conservative, and is setup to keep enough slow moving items in stock, while faster moving items (meaning higher average sales per month) have lower levels than the actual monthly sales levels because you order more often than once a month. Bottom line is, you can edit this grid to work the best for your individual shop. I have included a partial screen capture of what this screen looks like below:

Minimum Bal	Maximum Bal	Monthly Low Avg	Monthly High Avg	Category
0	0	0.00	0.19	
1	1	0.20	0.79	
3	3	0.80	2.99	
4	4	3.00	4.00	
5	5	4.01	5.00	
6	6	5.01	6.00	
7	7	6.01	7.00	
8	8	7.01	8.00	
9	9	8.01	9.00	
10	10	9.01	10.00	
11	11	10.01	15.00	
12	12	15.01	20.00	

3. The last step is to actually run the process that puts all of this into play. I would recommend running a "Combined Re-Order List" and backing up Counterman before you run this process. It is important to mention that, because Counterman will be using the Sales History Summary information for this process, performing month-end processes, primarily the "Update Sales History EOM/EOY" on a regular basis is definitely required. That said, all that is left is to run the process found in Main Menu, 1-Maintenance/Display, 1-Inventory, 8-Reset Re-Order Points. It is recommended this process be run AFTER Updating Sales History at (and as part of) the month-end processes. Once this is done, re-run the "Combined Re-order List" report to see the difference the process made. If you're not happy with the results, you can always massage the "Re-Order Levels" grid, or change the number of months used for averaging.

Ride Safe...

Ralph Weaver