Theoretical / Variance Stock Control

Principle of Theoretical Stock Control

Theoretical Stock Control is a set of reports and stock-take functions for Theoretical Stock on Hand Report and Theoretical vs Actual Stock on Hand Variance Report. Where **Theoretical Stock on Hand** is the stock on hand according to your SpaceBiz system (see below) and **Actual Stock on Hand** is your own physical stock count.

SpaceBiz calculates your Theoretical Stock on Hand as follows:

Theoretical Stock on Hand = (Opening Stock + (Purchases – Credit Notes/IBT-Out)) – Sales

In order for SpaceBiz to generate Theoretical Stock on Hand figure it requires following:

- Opening Stock on Hand (your last Closing Stock)
- Purchases and Credit Notes for period
- Sales for period
- Correct Inventory to **PLU Item Linkage** (see document "Recipes and Linking")

Stock Take Procedure

1) **Stock Sheet Preparation**

   Method 1)
   You can use your own stock count sheet for your stock take (spreadsheet). This requires that you have a column on your spreadsheet which is showing the SKU or barcode for your inventory item.

   Very easy way to create this spreadsheet is to simply Copy and Paste (special/text) your inventory items (Go to Cost Center → Inventory Control → Inventory Items and copy / paste from there).

   Method 2)
   You can print stock sheet from SpaceBiz (Cost Center → Stock Take → Actual Stock Take)
   (if you are using Actual Stock Take system as well – strongly recommended that you do).

2) **Capturing the stock on hand count back on SpaceBiz**

   When you have counted your stock on hand you must go to SpaceBiz and capture that back on the Variance Closing Stock screen. To do that go to Cost Center → Stock Take → Variance Stock Take and then select the date which you have done your closing stock on. Note that you can only capture closing stock, which then automatically becomes your opening stock (upon acceptance).

   There are 3 different ways to capture your Variance stock on hand QTY's in SpaceBiz.

   > **Method 1) Add Bulk** – Allows you to capture your entire stock count on one page and then save this as your closing stock in SpaceBiz. **Note:** Items showing on this screen is strictly items which you have previously done Stock Count on. If an item is not in the list you need to add that single item using the 3th method (see below)

   > **Method 2) Universal Import** – Allows you to copy and paste your stock take count from

Spreadsheet or stock-take device (CSV file). Note: it is compulsory for you to have either barcode or SKU code column on your spreadsheet. Once the data is pasted (see instruction on screen) you will be prompted to specify which column from your data is SKU / Barcode and which one is your stock on hand QTY. Once accepted the pasted data will become your closing stock.

Method 3) Single Item – Allows you to add item by item your stock count into the closing stock for the day.

We recommend method 2.

Note: As far as doing Actual and Variance stock take you can easily use your Actual Cost Stock count into the variance for the same day. All you need to do is copy your Actual Cost Stock Count and paste this in your Universal Import. This way you will not need to capture the stock count twice – in Actual Cost and Variance stock take screens.

3) **Finalize and accept closing stock as your opening for the new period.**

After completing step 2 you can already do the stock variance reports (see below). Once your reports are all looking correct and you are happy with it you must finalize / accept the closing stock. This is done by clicking on Finalize / Accept closing stock. **Until the point of Acceptance you can still edit your closing stock count.**

Note for retail users:
If you are using MiniPOS or retail mode (2) of your POS the stock on hand QTY displaying on your MiniPOS or POS will be updated to the closing stock QTY's if you do the stock acceptance within the next 12 hours.

Reporting

Theoretical Stock on Hand report

Available via your Reports → Stock → Stock on Hand

Theoretical stock on hand report shows what is theoretical stock on hand.
Following options are allowed:

- **Stock on hand as of date:** any date in the past or current date (default). This option allows historical stock on hand report. This is useful if you have hard copy of your stock on hand to which you need to do variance spot check as well as if you would like to do statistics.

- **Filters:** Name, Category, Stock grouping, etc are various filter which allows you to display theoretical stock on hand on only certain items instead of your entire cost center item list.

- **Variance Options.** If your stock on hand date specified above matches a closing stock date SpaceBiz will offer a variance report for that specific date.

Once the options are selected you can press "Go" which will result into a Theoretical Stock on Hand report on your screen showing the following columns and details:

Group	SKU	Category	Description	Unit	Opening Stock	Incoming Qty	Outgoing Qty	Sales	Th.Closing Stock	Buying Price	Th.Closing Value
📁		COLD BEVERAGES	LEMONADE	each	68	72	0	68	72	R 4.06	R 292.58

Where the columns are as follows:

- **Opening Stock** – your previously counted stock.
- **Incoming QTY** – Purchases and IBT-In (multi-store only)
- **Outgoing QTY** – Credit Notes and IBT-Out (multi-store only)
- **Sales** – sales for the period between opening stock date and report date. The sales is based on your linkage assuming that it is verified before you draw this report.
- Theoretical Closing Stock **- Theoretical Stock on Hand**
- **Buying price** – last buying price prior to the report date
- Theoretical Closing Stock Value
- The bottom of the screen will also show total for the theoretical stock on hand value

Theoretical stock on hand can be viewed in details for a single item as shown below by clicking on the line with your mouse:

Using this screen will help you find your problem better if your calculated stock on hand does not make sense.

Period Variance Report

Available via your Reports → Stock → Period Variance Report

Theoretical stock on hand report shows what is the variance between your Actual stock on hand (that you counted) and the Theoretical Stock on Hand (see section above).

Variance report allows you to draw variance for period between any Actual opening and closing stock dates. This allows you to do stock take every day but report not only daily but over a week or a month or any period of your choice.

Options for the report look similar to the options for the Stock on Hand report above. The difference between the Stock on Hand and variance report is that you must select Start and End date for the report.

Theoretical Stock on Hand Variance in BEVERAGES

Opening Stock Date:	27th of June, 2010 - Sunday
Closing Stock Date:	29th of June, 2010 - Tuesday
Show what	⦿ Show only items with stock on hand ○ Show all items
Filter for keyword:	% (eg. "mince% %cans", % = anything)
Apply Filter to:	☐ Category ☐ Description ☐ Sku ☐ Stock Group
Sort list by	SKU ▾ and then by Stock Group ▾ Go

Once the Go button is pushed the system will prompt for type of the report:

Opening Stock: 27th of June, 2010 - Sunday
Closing Stock: 29th of June, 2010 - Tuesday
Days Covered: 2

Report Theoretical Closing Stock Only
☑ Show Sales
Report Variance - All
Report Variance - Unders   Report Variance - Overs

Once the type of report is specified you will get the result which looks like this:

Report Variance - Unders

Group	SKU	Category	Description	Unit	Sales	Th. Closing Stock	Actual Closing Stock	Variance	Buying Price	Variance Value
📁	17	JUICES	ORANGE JUICE	litre	0.8	6.8	6.2	-0.6	R 9.50	R (5.70)

The report will indicate what is the variance between Theoretical Stock on Hand and Actual Stock on hand (your count). The last two columns will also retrieve the last buying price and show what is the variance value.

The bottom of the screen will indicate your total variance value.

 If you are unsure why the theoretical closing stock is showing what it does you can click on the line and verify the details (as described in the previous section).

Correcting Acceptance Mistakes

Once your stock take has been accepted it creates the new day opening stock and becomes read only.
If you need to alter a closing stock QTY you must go to the calendar and click on the day of the opening stock (next day). Then you must click on "Undo This Opening Stock". This will allow you to undo the Acceptance of your previous day closing stock and remove the opening stock. Once this is done you will be allowed to edit the closing stock again and then re-accept it in order to create next day's opening.

Stock Take Calendar

Your stock take calendar will clearly indicate your days with stock on hand records. Please see the legend at the bottom of the screen for more information. Please note that you can change the year of the calendar.

Please note that the content of this document covers Version 7.1 of SpaceBiz.

<u>Space Solutions Open Source Initiative</u>

Please consider using and supporting Open Source Technology and standards!
SpaceBiz Software itself is entirely build using open source standards and software.
Companies and services relying / supporting open source technology and standards: Google, Yahoo, FaceBook, Amazon, Oracle, etc.
90% of the online banking in the world is using Java which is open source technology.
This entire document is created using Oracle OpenOffice.org v3.
Please feel free to email us for more information.