

Exact Macola ES: Advanced Distribution

Macola ES's Advanced Distribution (ADIS) package helps your organization run more efficiently and effectively by managing quality, product costs, customer returns and materials.

Macola ES's ADIS application consists of a set of six specific functions: Landed Cost, Hard Allocation, Multi-Bin, Confirm Pick and Return Material Authorization. This functionality, described in detail below, provides added benefits and value to the way your business manages its operations.

Landed Cost

ADIS' Landed Cost capability enables you to calculate all costs, in addition to the cost of the product, normally associated with purchasing and receiving materials in-house for resale or production. These costs, called landed costs, include such items as freight, import duties, custom charges, and in-house handling charges.

The Landed Cost Tracking System ensures that landed costs are capitalized against the inventory item, allowing for accurate ROI (Return on Investment) and COGS (Cost of Goods Sold) analysis by location.

What happens if your company receives invoices for landed costs prior to the receipt of the ordered merchandise? Within the ADIS application, you have the ability to update the associated landed costs to equal the actual landed costs. This adjustment ensures that when you receive the item, Macola ES updates the inventory cost for the cost of the item plus the actual landed cost. Conversely, if you receive the merchandise before the invoices for the landed costs, Macola ES calculates the standard landed costs and either adds them to the item cost or posts them to a General Ledger (G/L) account during inventory receiving, depending on the selected landed cost code.

The Landed Cost System supports companies dealing with international vendors and others who require comprehensive inventory costing inclusive of all landed costs.

Multi-bin

A Multi-Bin system supports tightly controlled stockroom environments, as you can create and maintain multiple bins within a location. Within ADIS, multiple items may reside in the same bin and the same item may



Macola ES Advanced Distribution business benefits:

- Landed cost capability
- Multi-bin tracked within one warehouse
- Update quantity on hand of an item when picked
- Return Material Authorization (RMA)
- Purchase requisitions and request for quote



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reside in multiple bins within a location. You may also define the physical limitations of a bin's space by specifying a bin maximum based on quantity, weight, or volume.

Benefits of Multi-bin include the following:

- Provides for easy location of parts
- Effectively uses available physical space, reducing storage costs and inventory carrying costs
- Minimizes labor cost of locating inventory

Confirm pick

The Confirm Picking function updates the quantities of on-hand and allocated items by location. It adjusts the location quantities to reflect the quantities that you picked to fill a specified order.

Some Confirm Pick features include the following:

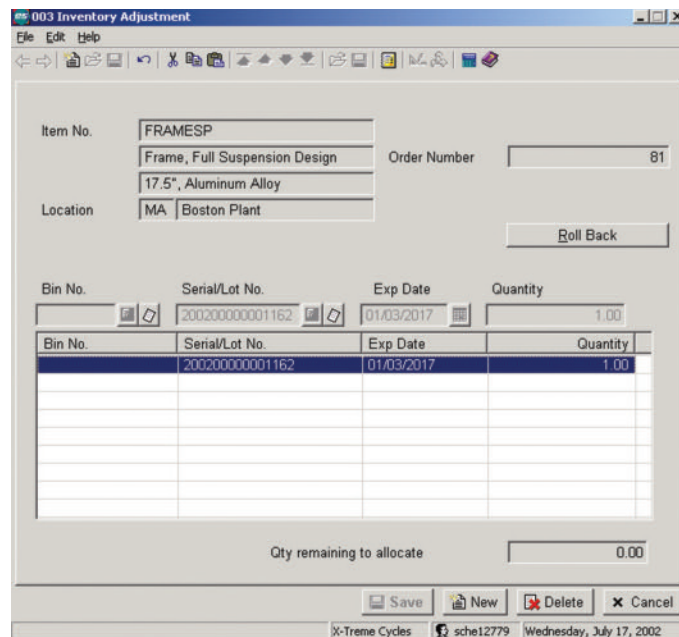
- Pick All automatically assigns picking dates to all line items for the selected order at the selected location
- Pick Certain does not assign picking dates automatically, but proceeds to the line item screen of the order where you may pick and unpick line items manually

Instead of reducing inventory at the time of shipping or billing, Confirm Pick reduces inventory at the time of picking. This adds flexibility to the way you do business. Macola ES also enables inventory pick/ship staging through ledger suspense.

Return Materials Authorization

Return Materials Authorization gives your customer service and sales representatives the power to track authorizations for return of products from customers and automatically trigger reshipment or credit. RMA provides a means to enter, track and resolve customer returns. You can then analyze your RMAs to look for trends in returns for particular items or return reasons.

RMA helps improve customer satisfaction by providing a centralized application for entry and resolution of authorizations for material returns from the customer. This allows your customer service representatives to enter RMAs immediately, when the customer is still on the phone. RMA can help reduce returns by allowing you to track which items are returned the most and for what reasons to allow identification of possible quality problems.



The Inventory Adjustment screen is displayed whenever you are selecting, maintaining or changing bin or serial/lot information for receiving.

Entry of Return Materials Authorizations

One RMA is entered per phone call/customer. It can apply to multiple invoices and orders. The customer service representative or salesperson taking the call can then, on a line-by-line basis, indicate which items being returned should be credited and which should be reshipped. The RMA can be linked to an existing or historical customer order, or not linked at all, in the case that the return is for an order that is no longer in history.

Reshipment of items

The reshipment can be for the same item or another item - so a substitute item of comparable value can be returned to the customer in exchange for the incorrect or damaged item. The reshipment may occur before or after the items being returned are received. Hence, depending on policy, the item being reshipped may be shipped out immediately or held until the items being returned are received. Regardless, the order for reshipment becomes a normal customer order that may be processed in the same manner as other orders.



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Credit for returns

Alternative to reshipment, the customer may request a credit for the items being returned. The credit, too, may be on hold until the items are received from the customer or may be issued immediately. It will create a credit memo in Order Entry that can be processed as other credits.

Receipt of returned goods

Items being returned can be received into a material review location to allow returned items to be inspected prior to receipt into inventory. This allows damaged items to be kept from being shipped to an unsuspecting customer. The items awaiting review may be rejected from or received into standard parts or finished goods inventory at the discretion of the parts inspector. Advanced Distribution helps your organization run more efficiently and effectively. It contributes by accurately calculating the total cost of your products, alerting you to items requiring quality inspection, allocating items appropriately for different customers, minimizing labor cost and misallocated physical space and correctly tracking inventory quantities and customer returns.

Hard allocation

ADIS allows you to use hard allocation in addition to soft allocation. Using hard allocation, you commit specific serial, lot and/or bin numbers to an order during the order entry process. This is beneficial when specific lots must remain together. For example, when painting a large area, a painter will prefer to use cans of paint from the same lot to avoid even slightly mismatched colors.

Inspecting for quality

When material arrives at your dock, not all of it may be in acceptable condition. This may not be immediately apparent and the possibility exists that you won't know this until you perform an inspection of the newly received goods.

Macola ES provides a process to handle these situations. The Receiving Inspection application allows you to enter receipts as you normally would, thus recording the receipt date necessary for updating receipt and vendor delivery performance data. The goods are then quarantined until they pass through a multi-step inspection and disposition process.

For more information about *Macola ES Advanced Distribution*, please contact your Exact Software business partner or account representative today, or visit www.exactamerica.com/macola.