



# RP400

## Stock Level Analysis Made Easy!

The RP400 enables inventory managers to efficiently analyze and update storeroom stocking levels.

### RP400 Features

- Written in Lawson 4GL coding for Unix/Windows with the same look and feel as native Lawson user screens.
- Calculates recommended Reorder Points and Maximum Quantities for each item, based on usage history and user parameters.
- Provides data analysis reports that show the exact calculations by item and the costs associated with a range of service levels.
- Flags statistical outliers so inventory managers can identify items that require additional analysis.
- Provides ready-to-use output file that can be directly uploaded into Lawson through MS Add-ins.

### Benefits

- Fast! Takes minutes instead of days to calculate an entire storeroom.
- Offers clear visibility into inventory activity of each item.
- Advances the organizational decision-making quality as a result of quantifiable information.
- Provides a mechanism to strategically manage inventory cost against risk of stock out.
- Affords management much greater confidence in decisions.

### RPI Consultants Enhance the Inventory Replenishment Process with Specialized Software Solution.

Analyzing and updating inventory stocking levels for IC12 items to appropriate levels can be a challenging undertaking for storeroom managers. Until now, in order to re-evaluate stock levels, inventory managers have had to either spend several days each year constructing their own personal data analysis or simply deal with problem items on a case by-case basis. Many analytical models, in fact, assume constant item demand levels—a very risky assumption in most industries. As a result, stock-outs continue, and the inventory manager is stuck playing a never ending game of catch-up.

### Best Practice: Automated Calculations Based on Statistical Usage Models

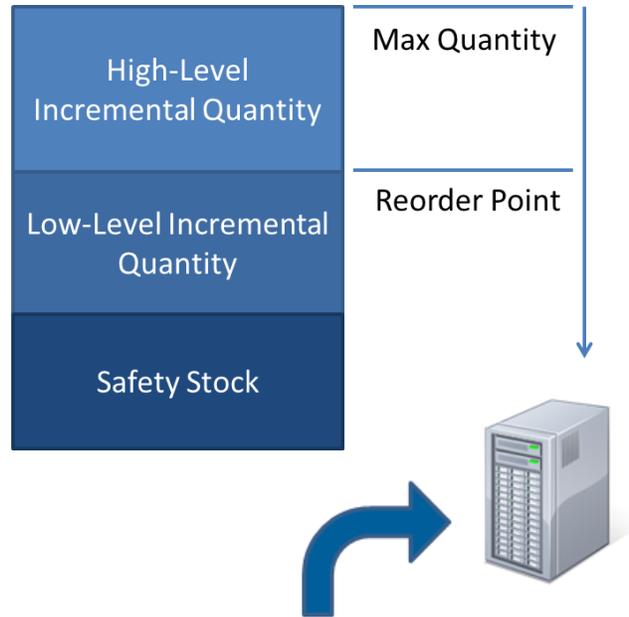
To meet the needs of inventory managers for an efficient, advanced solution for calculating optimal inventory stocking levels, RPI developed the RP400, a software solution for Lawson S3 that provides clear insight into inventory activity and recommends stocking levels based on statistical modeling. The results are presented in a manner that clearly shows how much inventory is required to meet desired service levels as well as the inventory value required to support each service level.

To achieve these results, RP400 calculates the statistical standard deviation for each item over a user-defined period of activity. Using this information, RP400 then calculates Reorder Point and Max Quantity values required to support a range of service levels. The key to the algorithm is the calculation of a statistically based Safety Stock that will cushion the organization from variability. The result is clear information that empowers managers to make the business decisions required to optimize carried inventory cost against the risk of item stock-outs.

# The Logic of RP400

The RP400 program calculates three distinct values for each item in a given storeroom (High Level Incremental Quantity, Low Level Incremental Quantity, and Safety Stock) and uses these three values to calculate the two values to be uploaded to Lawson (Reorder Point, Max Quantity):

- Reorder Point = Safety Stock + Low Level Incremental Quantity
- Max Quantity = Reorder Point + High Level Incremental Quantity



**Report 5:** Calculated Reorder Points and Max Quantities can be uploaded using Lawson MS Addins.

| Company | Location | Item   | Description     | Date Added | Prefer Bin | Outlier | Current ROP | New ROP | Current MAX | New MAX |
|---------|----------|--------|-----------------|------------|------------|---------|-------------|---------|-------------|---------|
| 100     | CS       | 100228 | DEOD OST 10 OZ  | 1/12/2011  | 02A21      |         | 10          | 9       | 15          | 12      |
| 100     | CS       | 100231 | CATH URETH 12FR | 1/12/2011  | 02C12      | *       | 455         | 400     | 900         | 450     |
| 100     | CS       | 100255 | BAG DRAIN 2.5L  | 1/31/2011  | 01A03      |         | 67          | 65      | 110         | 102     |
| 100     | CS       | 101333 | SYRINGE 30CC    | 2/1/2011   | 08R19      |         | 33          | 33      | 40          | 41      |

**About RPI**

RPI Consultants is an ERP implementation and optimization firm focused on delivering best practices through technology, systems integration, custom solution development, and process redesign. The RPI team includes certified technical and functional experts in Lawson and PeopleSoft as well as other automation technologies to enhance the procure-to-pay, financial reporting, and human resources processes. RPI is also a leader in the design and build of shared service operations for these functions.

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## Getting started

RP400 is easy to set up and run! With a simple guide and support from one of RPI’s experts, your IT department can install RP400 and set up appropriate security in under an hour.

Next we work with the organization’s inventory manager or analyst to determine a few basic parameters, such as how many days of transaction history to include. At that point, the inventory team can start running the report and adjusting IC12 stock levels immediately.

The RP400 reports provide the flexibility to produce analysis as detailed or as concise as desired. At a minimum, an organization will want to address items flagged as outliers, as well as items where the Max Quantity is being increased to make sure that the higher quantity will fit in the storeroom.

**Contact RPI today to discuss moving forward with RP400 in your organization.**