

Exensys Software Solutions Ltd.		AA/B/CCDD V x.y
White Paper		W. E. F. dd/mm/yy



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eXensys – Picking Strategy

Business Performance Sustained

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Introduction

Objective of this document is to furnish a conceptual analysis of Picking strategy in the Inventory Management. Retrieving materials promptly so you can supply them to customers is likely the most important activity you do in your warehouse facilities.

Overview

- **Picking Strategy**

Picking Strategy involves selection of the product from the storage locations required to meet a customer order request. Picking strategy for every item is to be mapped to the Sub organization. There are 3 Picking strategies :

1. General
2. First In First Out
3. First Expiry First Out.

- **Item Master –Inventory Data**

Picking strategy for an item is defined in suborganization. If the item is Lot applicable then Picking strategy field will be enabled with General and First In First Out option . If the item is expiry applicable, then along with General, First In First Out, First Expiry first out strategy also will be enabled .

Sub organization	SO1
Item code	Drug1
Base UOM	No.
Picking strategy	<ol style="list-style-type: none"> General FIFO FEFO

- FIFO Strategy

The Receipt posting date of an item will be taken as the criteria for the First In First Out picking Strategy at the time of issue.

Sub organization	SO1
Item code	Additives
Base UOM	No.
Picking strategy	FIFO

Receipt Transaction

Item Code	Specification	UOM	Stock type	Location	Bin	Lot No	Qty	Receipt Date	Grade
Additives		No.	unrestricted	Store-A	B1	Lot A	200	10.09.08	A
			unrestricted	Store-B	B1	Lot B	100	20.08.08	B

Issue Transaction

In the issue transaction for the item “Additives” it consider only receipt posting date since the picking strategy is FIFO. Issue of items will be based on the picking strategy predefined.

Item Code	Specific ation	UO M	Locati on	Bin	Lot No	Bala nce Qty	Issue Qty	Grade
Additives		No.	Store-A	B1	Lot A	100	100	A

- FEFO Strategy

If the picking strategy is First expiry first out then Issue of the items will be as per the shelf life expiration date.

Sub organization	SO1
Item code	Milk Powder
Base UOM	No.
Picking strategy	FEFO

Receipt Transaction

Item Code	Specification	UOM	Stock type	Location	Bin	Lot No	Qty	MFG. date	Expiry Date	Grade
Milk Powder		Liter	unrestricted	Store-A	B1	Lot A	100	01.08.08	10.09.08	A
			unrestricted	Store-B	B1	Lot B	150	04.08.08	12.09.08	B

Issue Transaction

In the issue transaction for the item “Milk Powder” it consider only shelf life expiration date.

Issue of items will be based on FEFO defined for the item in the suborg.

Item Code	Specific ation	UO M	Locati on	Bin	Lot No	Bala nce Qty	Issue Qty	Grade
Milk Powder		No.	Store-A	B1	Lot A	100	100	A

- **General Strategy**

If the picking strategy is “General” then Issue of the items can be user specific. Issue of items is not restricted by expiry dates or receipt dates.

Sub organization	SO1
Item code	Chilli Powder
Base UOM	No.
Picking strategy	General

Receipt Transaction

Item Code	Specification	UOM	Stock type	Location	Bin	Lot No	Qty	MFG. date	Expiry Date	Grade
Rod		Liter	unrestricted	Store-A	B1	Lot A	100	01.08.08	10.09.08	A
			unrestricted	Store-B	B1	Lot B	150	04.08.08	12.09.08	B

Issue Transaction

In the issue transaction for the item “Chilli Powder” user can issue as desired . There will not be any restriction specific to expiry date and receipt date.

Item Code	Specification	UOM	Location	Bin	Lot No	Balance Qty	Issue Qty	Grade
Milk Powder		No.	Store-A	B1	Lot A	100	10	A
			Store-B	B1	Lot B	150	20	B

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Benefits

- Picking strategy helps in retrieving the materials based on expiry dates and receipt dates.
- If inventory is perishable , the oldest items can be picked first by the picking strategy.

Conclusion

This document discusses the Picking strategy for the retrieval of items from Inventory. This also gives the overview of the benefits of picking strategy.

