



Warehouse Stock Take Process

Ver : 1.0

AT / FIN / WI 07

Date : 09/07

1. Objective

The objective of this procedure is to describe the activities involved in making the inventory take at the warehouse.

2. Scope

- The scope of the activities defined in the procedure is applicable to the Warehouses in the UAE.
- The inventory in the retail stores and van locations is outside the scope of this SOP.

3. Inputs

- SLA's /KPI defined for Inventory and discrepancies resolution.

4. Responsibilities

- Country finance manager is responsible for managing the whole process in coordination with concerned dept. (Logistic, warehouse, Sales Channels, IT).
- All concerned Department should cooperate with Finance Dept.

5. Activities

Yearly planning of stock take to be done beginning of each year, & one month in advance of the schedule finance inform logistics to prepare the plan.

Logistics prepare plan & provide for finance review. (all tasks "logistics & Finance review" to be completed within one week time max)

Plan should include:

- 1- information about promotional activities if any (need to create buffer zone) (coordination with channels & category to have clear info)
- 2- Number of zones + draft map + control sheet
- 3- Pending or issues related to GRN's not yet captured due to system problems or due to missing PO's or returns having problems or missing documents.
- 4- List of counting team + control team from logistics available for support.
- 5- Team that need training (counting team) & the training schedule
- 6- Logistic provide zones available in SK & relation to ERP inventory organization (mapping of zones in SK & ERP).



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Finance to ask for modification of logistics proposal & forward back within 48 hours.

Three weeks before stock take.

Logistic Dept. will send Notification Letter to all Sales Channels to inform them about the exact date of stock take.

Receive plan of stock requirements of retail shops (build up of stock level) “ no deliveries will be done three days before stock take”

Receive plan of buffer zone requirements for retail (in case of **launch promotion** taking place during stock take & supplier stock arrival taking place within stock take period)

Receive plan for wholesale buffer zone requirement (maximum for two products in case of promotion running with one of the customers & stock required to be delivered during stock take period).

Wholesale. Send notification for all customers informing the period of stock take to insure no orders to be received during stock take.

Two weeks before stock take.

1-Logistic Dept send update to finance for remaining pending issues.

All concerned departments work on solving these issues & rectifying the problems within the same week.

2-Finance Dept. will perform suppliers reconciliation for all principles (NOKIA, Sony Ericsson, Samsung, Mobily, Motorola, LG) & identify any missing GRN still to be captured. Further more, inter-company reconciliation should be done to insure no inter-company invoices are missed.

3- Finance print all pending SLO- SLI (retail * phone care & van related to warehouse)) in addition to the unclosed sales orders “back orders”, unclosed move order, mover order done in ERP & not yet confirmed in SK or not transacted in SK, inter-warehouse transfers (local or outside the country) & put plan with logistics to insure all stock collected or delivered have been posted to the system. Moreover, print all backorders still pending & work with logistics to close these orders.

4- IT insure that no move order transacted in ERP is not transacted in WMS or Vic versa.

7 days before the stock take day

- 1- Logistic Dept. will send reminder Notification Letter to all Sales Channels to inform them about the stock take date to insure that retail store finalize there stock requirements. Buffer zone for retail & wholesale created (if part of the plan)



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- 2- Finance print all pending SLO- SLI (retail * phone care & van related to warehouse) in addition to the unclosed sales orders “back orders”, unclosed move order, mover order done in ERP & not yet confirmed in SK or not transacted in SK, inter-warehouse transfers (local or outside the country) & update plan with logistics to insure all stock collected or delivered have been posted to the system (No pending document should be accepted if older than 3 days). Moreover, print all backorders still pending & work with logistics to close these orders.
- 3- IT insure that no move order transacted in ERP is not transacted in WMS or Vic versa

6 days before the stock take day

- 4- All customers returns to be stopped to insure enough time given to warehouse for capturing the data. (including petrol stations)
- 5- Sales Channels Managers will communicate with Logistic Dept. in order to secure the required stock in advance for their locations / customers during the period of stock take.
 - a. **Note: the period of stock take is 5 days (3 days before + 1 day for stock take + 1 day after).**

5 days before the stock take day

- 6- Finance Dept. will perform suppliers reconciliation for all principles (NOKIA, Sony Ericsson, Samsung, Mobily, Motorola, LG). Further more, inter-company reconciliation should be done to insure no inter-company invoices are missed
- 7- Country finance manager will take necessary steps to organize the inventory and make inventory teams including logistic controllers as per logistic list & communicate the info to the concerned department.

3 days before the stock take day

- 8- Logistic Dept. shall stop all stock transfer from warehouses to Retail Sales & Van Sales Departments 3 days prior the day of the stock take.
- 9- Logistic Dept. shall capture all Goods Receipt Notes (GRN) in the system
- 10- Finance print SLO- SLI report in addition to the unclosed sales orders “back orders”, unclosed move order, mover order done in ERP & not yet confirmed in SK or not transacted in SK, inter-warehouse transfers (local or outside the country) & no pending items should be available.



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2 days before the stock take day

- 11- Finance Dept. shall **stop all manual whole sale invoices 2 days** prior the day of the stock take. Insure all manual invoices has been captured into the system.
- 12- Finance Dept. will make sure that all whole sales invoices / sales return are captured in the ERP system without any backorders.
- 13- Finance Dept. will perform customer reconciliation for all top customers and identify any double invoicing or missing sales return.
- 14- Finance review the first draft of the Map per warehouse & insure that the stock preparation is taking place. (Arrangement of the products per zone/ bin match the map, plus easy to be counted & controlled) “same item within one zone need to be joined together. Moreover, enough space between different items should be arranged for easy tracking “multiple of 5 if possible”). Furthermore, conduct meeting with all stake holders to insure all are aligned & all pending task are known & plan clear for every body.
- 15- Also, control that all damaged items are segregated & placed in different zone (damaged Zone).

1 day before the stock take day

- 16- Finance Dept. shall **stop all whole sale invoices 1 days prior** the day of the stock take. Insure all manual invoices has been captured into the system
- 17- In case of pending SLO SLI in addition to the unclosed sales orders “back orders”, unclosed move order, mover order done in ERP & not yet confirmed in SK or not transacted in SK, inter-warehouse transfers (local or outside the country) , GRN's not sorted, or any other issue not fulfilled as per the plan, disciplinary action should be taken against respective part **& immediate action to be taken to solve the problem else no need to conduct stock take with pending issues.**
- 18- Logistic send the stock as per SKU'S from SK (soft copy) to track differences prior to stock count (VRS ERP).
- 19- Logistic super user will compare the quantities of SK with ERP & keep records for review.



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Day of the Stock Take (this could take two days to be completed)

- 20- Country Finance manager review the final map & confirm matching to the actual stock locations plus the control sheet form (two hours before stock take).
- 21- Country Finance Manager receive confirmation from IT UAE that all ERP user access are blocked until further instruction.
- 22- UAE IT send soft copy of ERP channel wise stock level (product wise) to Country Finance Manager. (The CFM consolidate the file to make the first check on discrepancies “ERP Vs WMS ” & identify the extra control needed on selected items to avoid re-checking after stock take completed).
- 23- No items to be cleared from customs on the day of stock take.
- 24- Warehouse and Logistic Department will keep all new arrivals (from UAE / Principles); were GRNs have not been raised in both WMS & ERP; in the Buffer Zone Area.
- 25- Country Finance manager assign specific locations & provide reports for each inventory team (the assigned accountant will be the team leader for his group).
- 26- A) All stock counted should be done with scanners & the counting should be from left to right per pallet & top to bottom (Z type not snack type) zone by zone (left to right top to bottom).
B) Report generated should be numbered plus should be available as soft copy (if possible) & logged on the control sheet by logistics. (in case no scanners are available each zone counted should have excel soft copy separately which will make it easy to control it).
 - a. (information available on the control sheet as follows)
 - b. **Zone number --- Count status--- Difference between counted quantity & system “variance report--- control status--- final confirmation status --- data modification & upload to WMS status--- ERP upload status.**
- 27- All Inventory Teams should receive copy of the scanned report for that zone (without quantities) & items to be controlled already marked by CFM. Once zone is completed, information will be matched against scanned report (modify manually the scanned report & same in system “excel soft copy”) of logistics. In case of discrepancy reconfirmation of the quantity to be done by one member of the count team with a controller & update the records with the final agreed quantity.

- 28- At the end of each zone controlled & final stock agreed inventory team member will sign the final scanned report and submit to CFM. CFM update the control sheet status for easy follow up & update the map by crossing that zone as completed. Seal the zone to insure no movement take place (Tape....)
- 29- (Zone by Zone) soft copy to be printed compared to manually modified scanned report & co-signed by CFM & logistic manager. Once done upload in WMS zone by zone.
- 30- Country finance manger/ logistic manager to make the split of channel stock that need to be uploaded in ERP using the file received from UAE IT team. Mythology as follows:
 - a. Physical stock matched first to Retail ERP level (we consider no shrinkage/ extra in retail from warehouse)
 - b. Physical stock matched first to Van ERP level (we consider no shrinkage/extra in Van from warehouse)
 - c. Difference to be considered as shrinkage or extra in wholesale
 - d. In case the item shrinkage is more than wholesale ERP stock then we deduct from Van & after from retail
- 31- logistic manager will send Stock Take Report to IT UAE in order to upload the qty on ERP system. CFM will take sample of products available in WMS zone wise, cross check these items to physical reports controlled & match total quantities of all zones to total channels stock.
- 32- IT UAE will generate "Variance Report" excel sheet and send it to Country Finance Manger in order to approve the cycle count entries on ERP system. Finance review the uploaded quantities & Approval the cycle count. In case some data couldn't be uploaded due to system issues, It to repot these to the Country Finance manager & target date need to be fixed for fixing these problems.
- 33- Generate first draft result of stock take after approval.

One Day after the Stock Take day

- 34- Country Finance Manager will send notification to IT UAE to enable all users' access and inform all concerned dept to resume the operations only if the upload is done at pending status as minimum.

a. Note: This object includes the summary of all stock take activities

Five Days after the Stock Take day



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35- Final result of stock take to be communicated to HO corporate by Country Finance manager.

6. Outputs

- Final Stock Take Report.
- Update stock on ERP System.
- Update stock on WMS.

7. Monitoring and Measurement

- ERP Variance Report.
- Discrepancy Report.

8. Forms and Records

Name	Reference
Logistic scanned report	
IT confirmation report (SLO-SLI Move order status).	
Inventory Excel Sheet	AT/FIN/FRM 18
Discrepancy Report	AT/FIN/FRM 19
Final Stock Take Report	AT/FIN/FRM 20
ERP Variance Report	AT/FIN/FRM 21

9. Interfaces

SOP	None
ISO	Clause 7.5.5

10. Proceed Tailoring

None