

# TAKING STOCK

**The first three articles in this series have looked at how the cash flow of a small business can be controlled by the computer. Now we turn to how the supply and demand of goods can be efficiently monitored. We have chosen Dragon Data's Stock Recording System and two programs for the Sirius as examples of stock handling packages.**

In a perfectly run business, where the owner or manager knows exactly what customer demand will be, and what is currently in stock, over- or understocking would never occur. They are both the results of poor information. Computerised stock systems are an excellent way of avoiding poor information.

To carry out the task of stock control, computers have to provide a variety of answers for management. The business needs to know what stock it has, how fast (or slowly) particular lines are moving, when it will need to reorder, as well as the value of what is currently in stock.

The computerised stock system aims to monitor stock movements. These movements can be broken down into the following categories: outgoing stock that is issued to meet sales orders; incoming stock that is bought in from suppliers; stock allocated to meet orders; and stock on order.

To these four categories has to be added the ability to make adjustments to stock levels for goods returned by customers, or for goods sent back by the business to its suppliers — in other words, reject goods. Stock-taking also frequently turns up discrepancies between what is actually on hand, and what is supposed to be on the shelves.

In addition, the system has to keep track of stock values. So as well as recording quantities and monitoring stock movements, the program has to handle price information.

Stock control systems fall into two rather

different types, depending on whether they are intended for small businesses in the retailing or distribution fields, or for manufacturing companies. In the latter case, the stock system usually has to take into account the fact that various components will be drawn from stock during the manufacturing process and will be assembled into one manufactured unit. Many microcomputer-based stock control systems try to cover the needs of both types of business. In this article, we will concentrate on the retailing and distribution type of business.

Since stock control is bound up with so many aspects of a business's activities, it is usual for stock systems to *integrate* with a number of other programs ('integration' means that two or more applications packages will allow values and data to be passed from one application to another). A typical, fully integrated system might be linked to the purchase ledger, the purchase order processing system, an invoicing module, the sales ledger and sales order processing.

Integration has a number of advantages. Take a business, for example, which has a stock control system integrated with its sales order processing system. If these two systems are able to communicate with each other, the stock files can be automatically updated at the same time as the sales order is created. Then too, if the sales order system can look up the stock file for a full narrative description of a stock item and its selling price as soon as the stock code is entered, the operator will have less data to input — and less opportunity for making erroneous entries.

The starting point for any stock control system is, of course, the stock data file. Every system will have a way of identifying all stock lines by a unique code number and by a narrative description. The code number is used by the program as a filing key.

This can lead to a relatively simple stock system, or, in the more sophisticated packages, it can be rather complicated. Dragon Data's Stock Recording System, for the Dragon 64 with a floppy disk drive, provides an example of the simpler sort of system.

This package allows the user eight alphanumeric characters for the stock item code, plus a two-digit product group code. This means that any stock item can be assigned to one of 50 product groups (the maximum that the system will cater for). If any stock item is given an item code of less than eight digits, say 445, the system automatically right-justifies the number. This means that entering 445 is the same as entering 00445 or 00000445.

The point about justification is important. ACT

## Keeping The Shelves Filled

Automated tills can read product information directly off bar code labels and record the sales on a central stock control computer. Such instant feedback allows big stores to ensure that the shelves and warehouses contain the right products in the right quantities



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