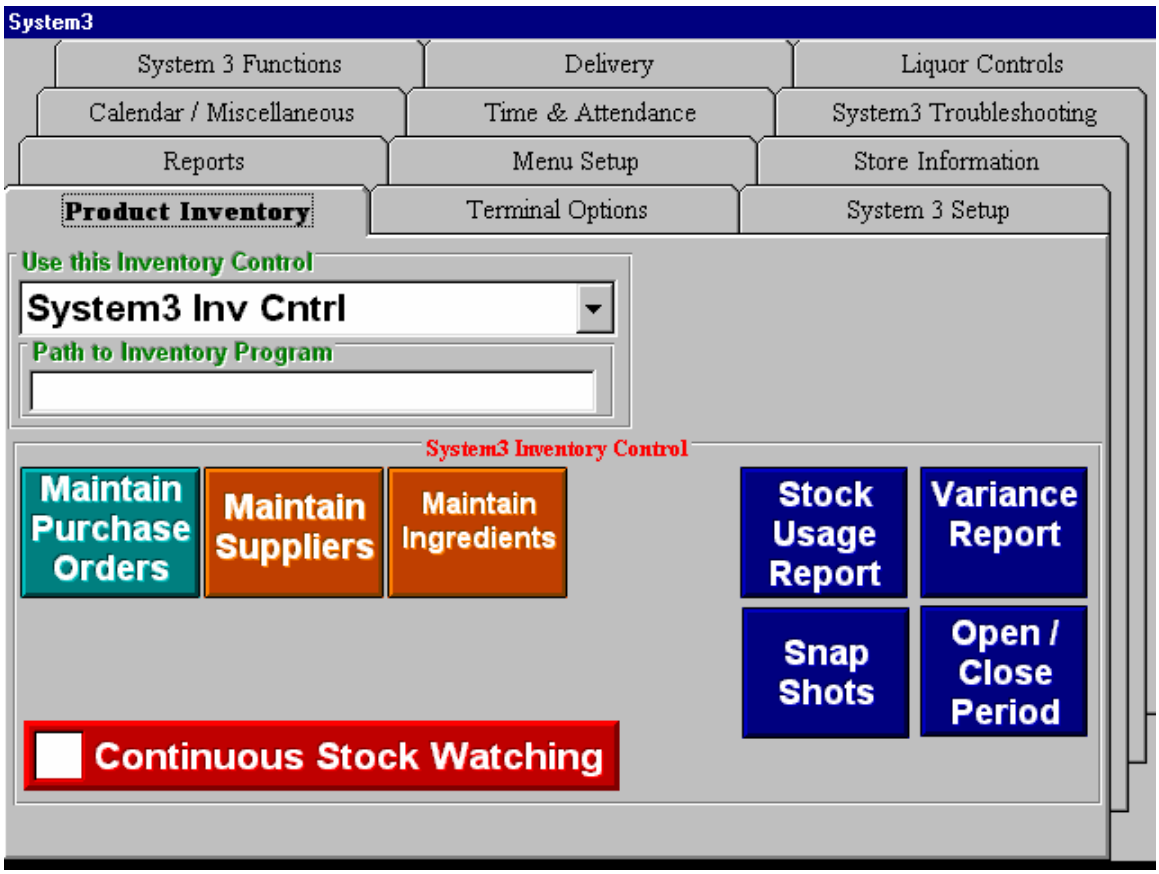
The Product Inventory Folder



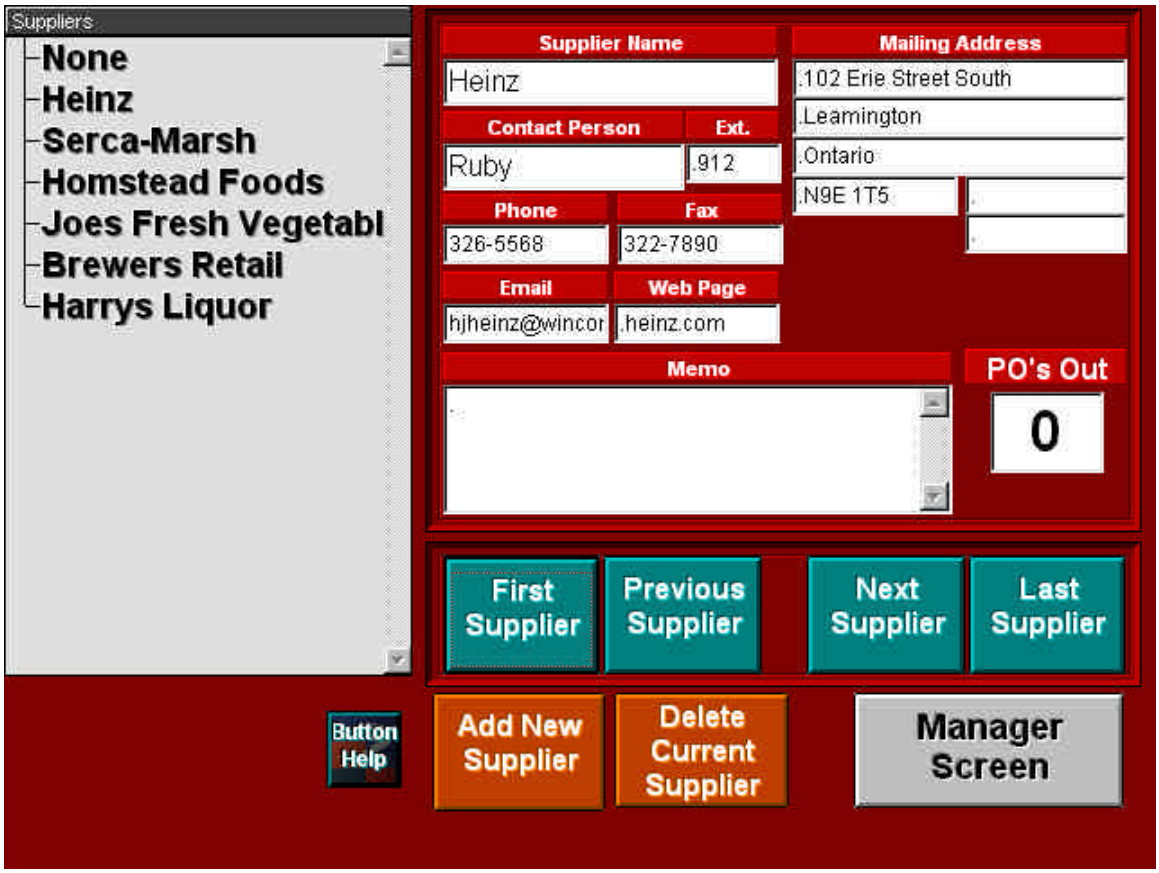
General Information

In addition to the System3 Native Inventory (called SPI hereafter) , System3 can interface with third party inventory packages. To see which third party packages are currently supported, touch the scrollbar to maximize the “Use This Inventory Control” window. It will display a list of available packages including the System3 POS SPI and a choice of None. If you select a third party package , you must enter the correct path to the chosen program. Touch the “Path To Inventory Program” window and enter the path using your desktop keyboard. For example if you had selected New Zealand Gold, you might type the following pathc:\NZGOLD\NZGOLD.EXE

The System3 POS Native Product Inventory

The SPI is designed to provide a simple product inventory functionality to System3, thus filling the need that is required for most small to medium establishments. SPI tries to accomplish this by allowing a manager to create a list of Suppliers, and a list of Ingredients. The list of Suppliers is used as a base for SPI to create purchase orders, as all Ingredients are cross-referenced to a Supplier. Thus SPI knows what ingredients to group together when creating purchase orders. SPI stores the mailing address, phone/fax/internet info of all Suppliers, as well as contact info. Each Ingredient has several fields that tell SPI how many to order at a time, when to order, as well as how to manage the stock levels.

SPI decreases all the stock levels when the Clear & Store is run at the end of the business day. When the manager chooses to create Purchase Orders (PO's), SPI compares the stock level of each Ingredient with the criteria for ordering as set by the manager. If SPI finds that an Ingredient needs to be ordered, it creates a PO to it's Supplier with the amount needed. The manager has the option to manually edit PO's.
When a shipment is received from a supplier, the manager simply selects the matching PO from SPI, and the stock levels are adjusted accordingly.
The Stock Usage and Variance Reports can be run at any time. Data in these reports is deleted when a clear and store is done.

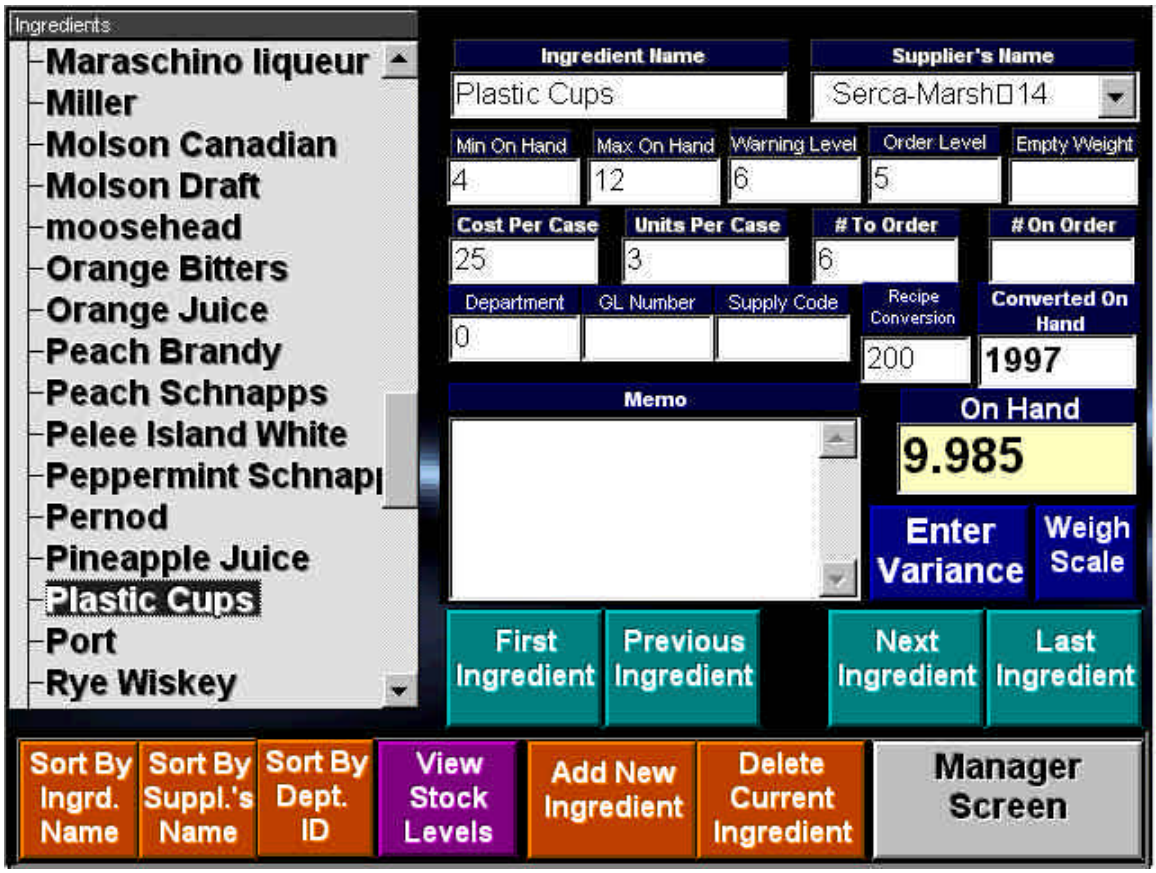


Using The SPI

Always begin by first creating any new suppliers as your initial step. This will make it easier when you set up your ingredients. Touch the Maintain Supplier Button to access the Supplier screen as shown here. To add a new supplier, touch the Add Supplier button . A new supplier called "Temp Name" will appear in both the Supplier Name window and in the Supplier Name List. Use your desktop keyboard to edit the windows .When finished start the process again for a new supplier or press the Manager Screen button.
Button and window descriptions are as follows:
Supplier Name List is used for quick navigation through the suppliers. Use the scroll bar to move up or down. Simply select the name of a supplier and that supplier's information will be automatically displayed.
Name is the name of the currently selected supplier.
Mailing Info is the mailing address (includes Address 1, Address 2, City , State or Province, Postal/Zip Code). This information is used by SPI to create purchase orders.
Phone , Fax, Email, Web Address is informational .

First, Previous, Next , Last Supplier buttons are used to step through the list of suppliers in a more methodical manner.

Delete Supplier will remove the currently selected supplier from the list. Confirmation is requested since once confirmed, all information on the supplier is destroyed and cannot be recovered. Any ingredients belonging to that supplier will be assigned by SPI to a supplier name None. Note: An easy way to replace a supplier for a group of ingredients is to edit the supplier's information to that of the new supplier. All of the old supplier's ingredients are now associated with the new supplier.



Adding/Editing Ingredients

Press the Maintain Ingredients button to display the ingredients screen as shown here. To add a new ingredient, press the Add New Ingredient Button . The name Temp Ingredient appears in the Ingredient Name List. Using your desktop keyboard, type the new ingredient name in the small ingredient window. The Temp name disappears in the Ingredient list and is replaced by the new ingredient name. Now touch the scrollbar in the Supplier Name window to show your current list of suppliers. Touch the supplier for the new ingredient and the supplier name will appear in the supplier window. Update the rest of the information for the new ingredient . Button and windows descriptions are as follows: **Ingredient List** is used for quick navigation through the ingredients. Simply touch the name of the ingredient and its information will be displayed automatically.

Name is the name of the currently selected ingredient.

Supplier Name is the name of the supplier that this ingredient is associated with for PO purposes.

Min On Hand is the minimum the SPI should ever allow the stock level to drop to unless overridden by the manager.

Max On Hand is the maximum the SPI should ever allow the stock level to climb to unless overridden by the manager. This ensures that PO's will not order too much on any particular ingredient.

Order Level is the level at which the SPI will create a purchase order when the manager tells it to examine all ingredients. For example, if lettuce is set at order level 4 and there are 3 heads in stock, SPI will order more lettuce because it sees that lettuce is running low. It will not order more if the order level is set at 5 , see Warning Level for more info. You can set this value a decimal if desired.

Empty Weight is used to record the weight of an empty liquor bottle, which will adjust the weight of a full or partial bottle. This gives you a true weight of the actual liquor. Note that you only need to do this once for each ingredient/ bottle type.

Warning Level is used when PO's are created . If an ingredient's stock level is above the order level but below the warning level , the SPI will warn the manager that the stock level is getting close to the order level and it asks if the manager would like to order it now while they are creating a PO for that supplier . If you wish not to use this functionality, just set the Warning Level to zero. You can set this value a decimal if desired.

Cost Per Unit is the cost you pay per unit , see Units for more information. This information is used to report $'s in the stock usage report.

Units Per Case is the increment set for any ingredient, be it a case of beer or a bag of flour ,set by bottles and by ounces.

 # To Order is the number of units to order not the number of cases. **# On Order** is the number of units currently on order .

Memo is a message window that the manager can use for example as a reminder of the number of units per case of an ingredient.

On Hand is the minimum the SPI should ever allow the stock level to fall to unless overridden by the manager.

First, Previous, Next, Last Ingredient buttons are used to step through the ingredients in a more methodical manner.

Sort By Ingredient Name allows you the sort all current ingredients by alphabetical order as they appear in the Ingredient Name List window.

Sort By Supplier sorts ingredients by supplier name.

Delete Ingredient will remove the currently selected ingredient from the list. Confirmation is requested . After confirmation, all information for that ingredient is destroyed and cannot be recovered.

The View Stock Levels Button will produce a report for the selected ingredients. To select multiple ingredients you will need a keyboard. Holds down the Ctrl key and click or touch the desired ingredients.

If you enable the Transparent option , the printed copy of this report will not show the amount on hand.

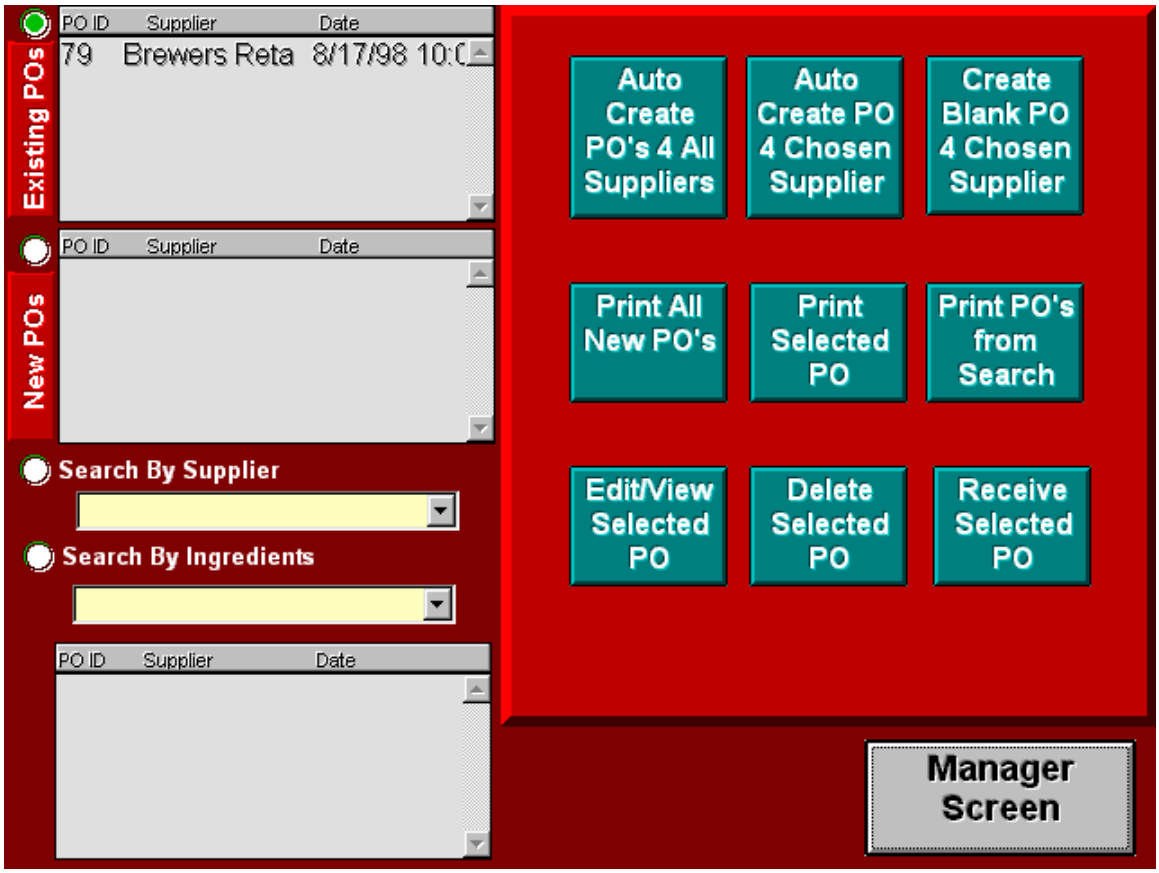
The Department Window Allows you to set an ingredient to a department number . This makes it possible to run all of the Stock reports by department . Note that the departments that you use are in no way related to the departments that you set up in the System3 Setup folder and in the menu. They can of course be the same for convenience purposes . Leave it blank if you are not using it.

The GL Number Window Allows you to set a GL number for any desired ingredient. This info can be used for producing a custom report. Leave it bank if you are not using it.

The Supply code Window Allows you to set an alphanumeric code to an item so that you can add the item to a purchase order that has been created for a supplier other than the one that is set up for that ingredient .

The Recipe Conversion Window and Converted On Hand Window

In the example displayed above, plastic cups are supplied by the case. There are 3 units per case (3 sleeves of 200 cups) . Inventory tracking for cups can now be done by case and by cup. The recipe conversion factor is set at 200 and the item recipe in the menu is set at 1. In this example, 3 cups have been used. The Clear and Store has been run and the on hand and converted on hand values are respectively changed to 9.985 sleeves and 1997cups. The values prior to the Clear and Store were 10 and 2000. Note that this also works using Continuous Stock Watching.



Purchase Orders, General Description

Touch the Maintain Purchase Orders button on the main inventory screen to gain access to the purchase order screen as shown here The list of suppliers is used as a base for SPI to create PO's . The SPI monitors ingredients as they are used and cross-references them to the proper supplier. Thus, SPI knows which ingredients to group together when creating a PO.

All purchase order functions are directly related to the ingredient levels that have been set for each ingredient. Make sure you understand the meaning of the various levels that have been established for each ingredient (see adding/editing ingredients). It is also important to remember that the number of ingredients ordered on any PO converts from "units" to "cases".

The three top buttons all create a PO. You may use any one of the three buttons.

The Auto Create PO's 4 All Suppliers Button uses the SPI memory to automatically determine which suppliers need PO's issued and which ingredients you need to order from that supplier. You can edit any of these PO's that you wish to change.

The Auto Create PO 4 Chosen Supplier Button creates a PO for a supplier that you select and then uses the SPI memory to determine which ingredients you need to order from that supplier. You can edit the PO if you wish to change it.

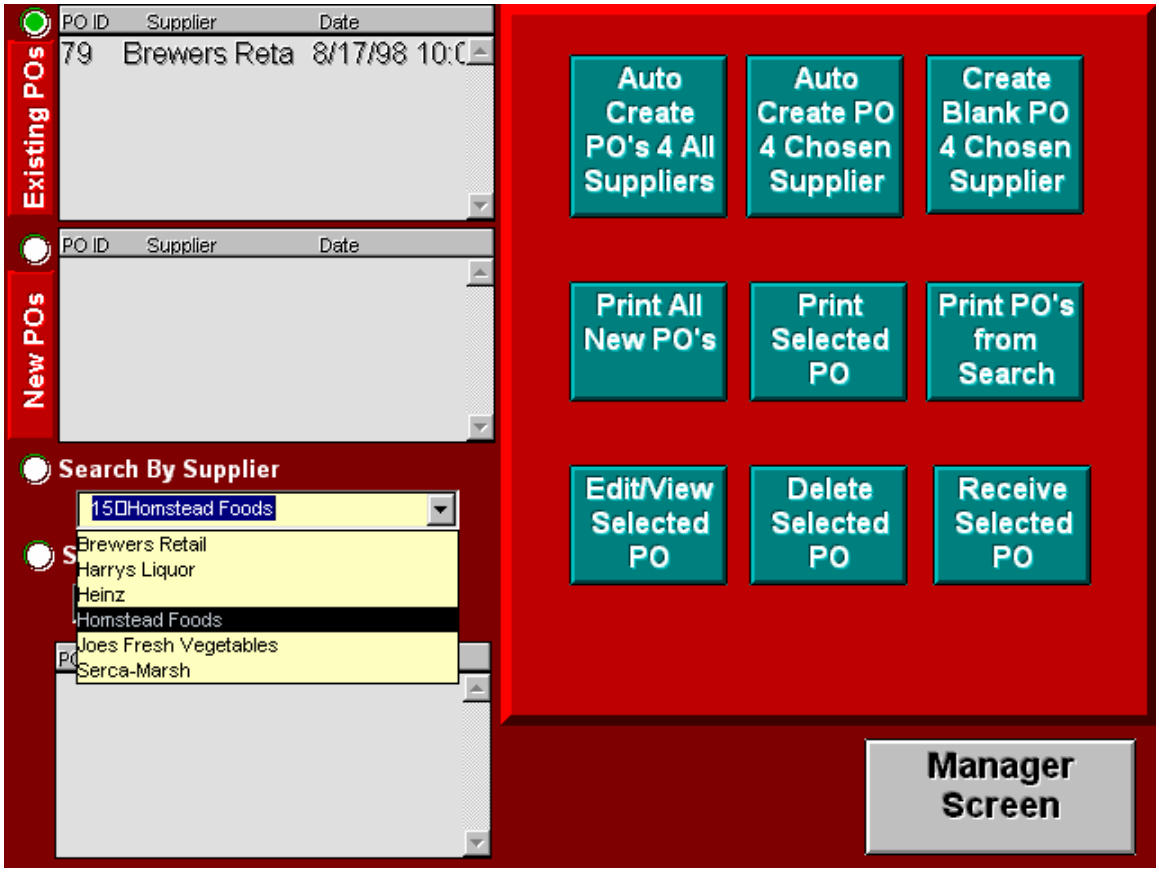
The Create Blank PO 4 Chosen Supplier Button allows you to manually select a supplier and manually order ingredients from that supplier regardless of the amount on hand.

The Print All New PO's Button prints all PO's displayed in the New PO's window. Touch the small circle in the upper left corner of the New PO's window to activate that window then press the Print All New PO's button.

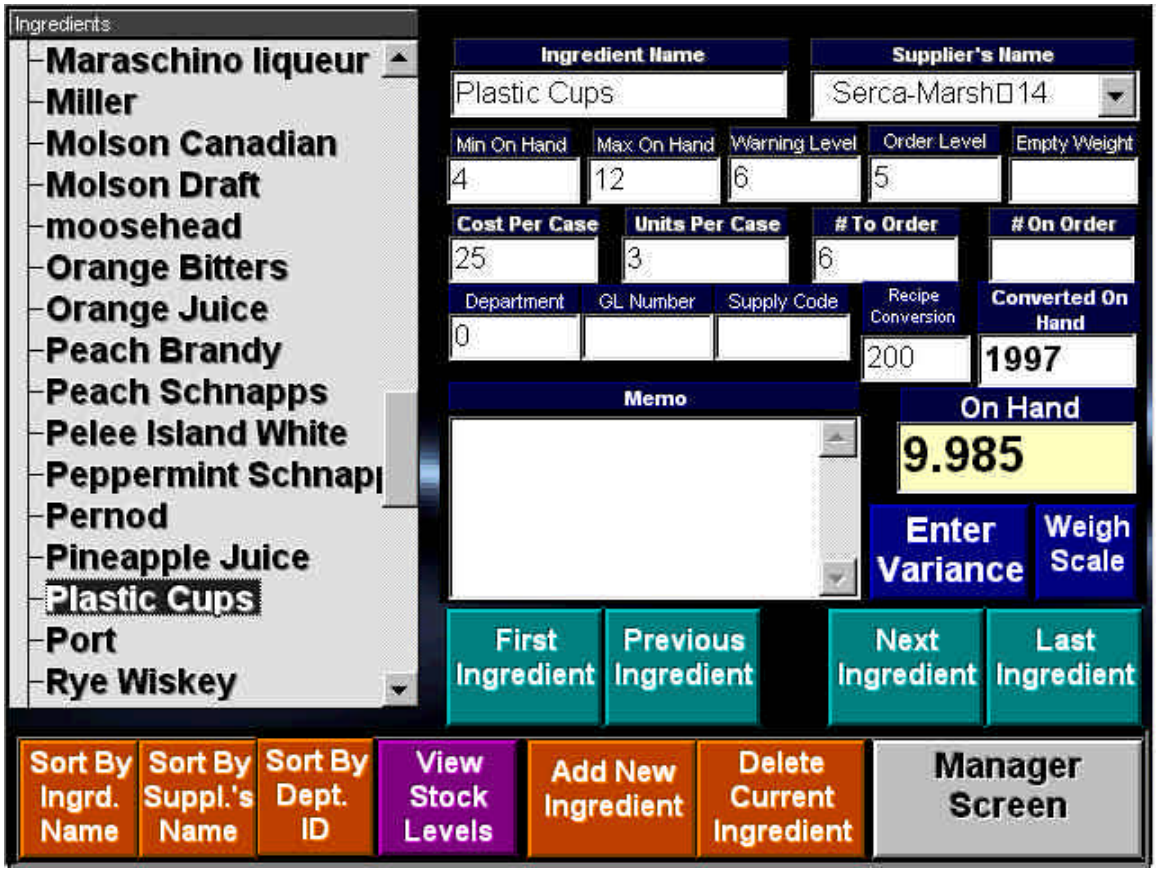
The Delete Selected PO button will delete the entire PO. Start by touching the small circle in the upper left of the PO window you wish to activate. Highlight the desired PO then press the

Delete Selected PO button. All data will be removed from the SPI. A confirmation message is displayed.

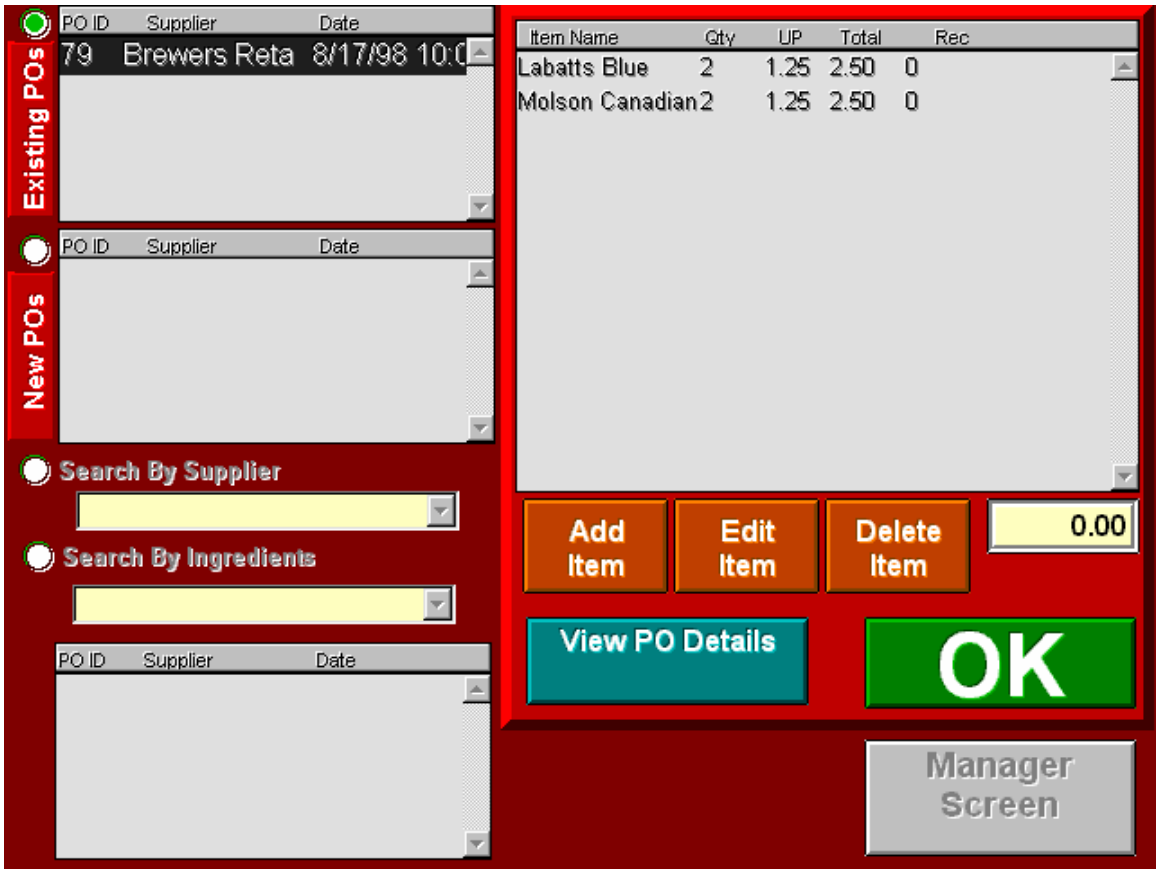
The Receive Selected PO Button is used to receive ingredients as they arrive from a supplier and place them into inventory . To receive a PO into inventory and automatically update the ingredients on hand, press the small circle in the upper left corner of the desired PO window , highlight the PO you wish to receive then press the Receive Selected PO button. A confirmation message informs you that the ingredients have been received and updated.



To create a Blank PO choose the desired supplier from the Search supplier drop down list then press the Create Blank PO 4 Chosen Supplier button. A confirmation message appears asking you if you are sure you want to create a blank PO. To order ingredients supplied by that supplier, touch the small circle in the upper left corner of the New PO's window . This activates the PO's listed in the New PO's window. Now highlight the PO displayed in the Existing window and press the Edit/View Selected PO button.



To add an ingredient, press the add ingredient button and from the drop down list of items, select the ingredient desired. The ingredient name appears in the item window. Now order the number of desired cases using the scrollbar in the Total Cases Ordered window.
The ingredient that you ordered will appear in the Item Name window. When you have finished ordering , press the OK button to return to the main inventory screen.. **To edit an ingredient** , highlight it in the Item Name window and press the Edit Item button . You can Manually adjust the Number of cases ordered (override the SPI) by using the scroll bar in the Total Cases Ordered window and receive partial shipments by using the scroll bar to adjust the Cases Received window.
To **delete** an ingredient highlight it in the Item Name window and press the Delete Item button. You are asked to confirm your choice. Press the OK button to return to the Main Inventory screen.



The View PO Details Button displays three windows . The first tells you who created the PO and when. The second tells you who last modified the PO and when. The third identifies who finished the PO (received it into inventory).

Open / Close Inventory Description:

The Open Close Inventory (OCI) is designed to help managers track the variance between '*Ideal*' and '*Actual*' usage. By entering in the 'hard' inventory count on a periodic basis, a manager can compare what stock changes have occurred. The '*Actual*' usage comes from the opening formula:

$$ActualUsage = OpenInventory + (purchases - returns) - CloseInventory$$

This is to be compared to the Ideal usage that is calculated based on the following equation:

$$IdealUsage = \#ItemsSold * Item\,\mathrm{Re}\,cipeUnits$$

This comparison can then be used to determine the amount of waste and theft.

$$ActualUsage - IdealUsage = Theft + Waste$$ For example:

> Say your opening inventory for Molson Canadian happened to be 100 bottles. During the course of your period (for this case let's use 1 week) you purchased 96 bottles and returned 24 bottles. At the end of the period, your number of bottles on hand was 68.This means your actual usage was {100 + (96 - 24) - 68} 104 bottles. Now according to your sales figures, you only sold 92 bottles of Canadian. Thus, 12 bottles have not been accounted for and can be considered waste or theft.

This type of scenario also works for all other inventory items, thus allowing you to get a handle on the amount of inventory that is disappearing from your bar or kitchen.

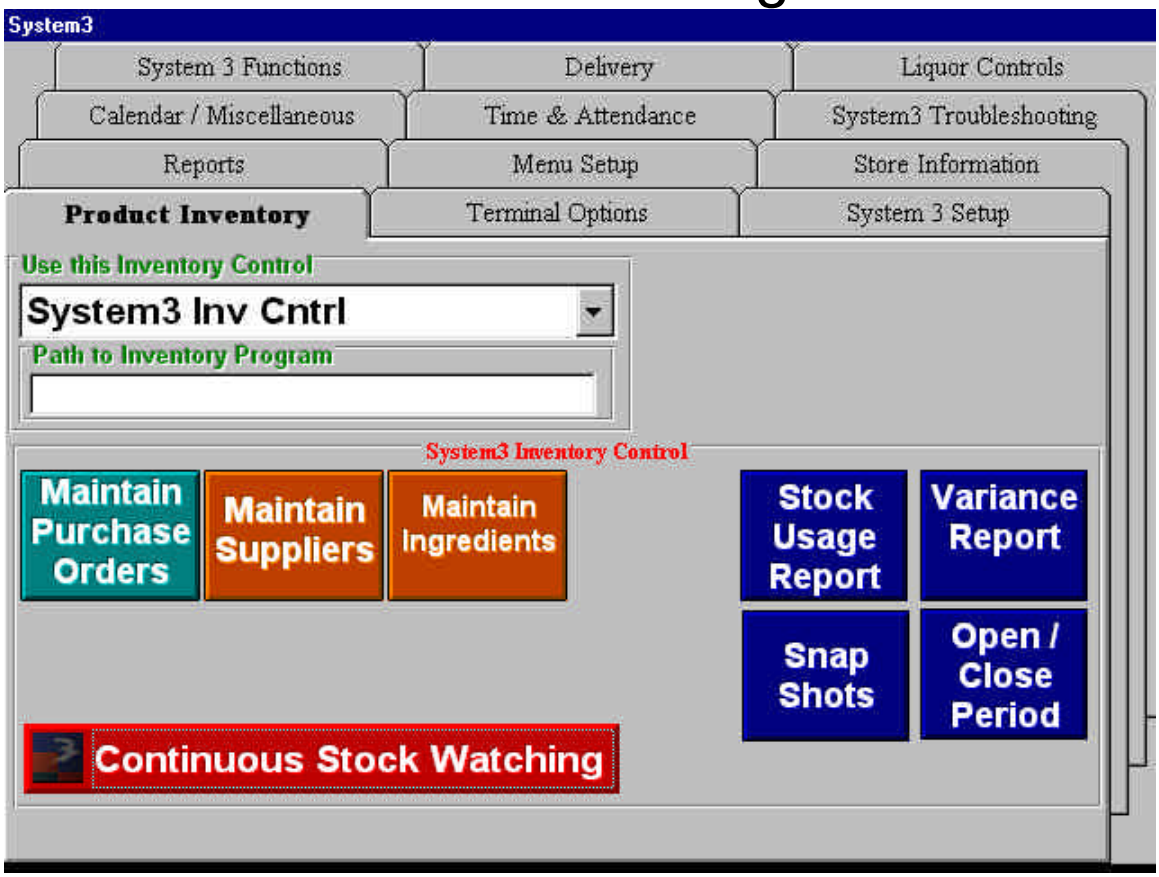
Methodology*:*

Once your inventory is setup, it requires very little to implement this added functionality. Continue to create purchase orders and enter variances as normal.
Whenever a 'hard' count of **all** inventory stock is taken, enter it into the system using the OCI screen. This will automatically close out the old period, start a new period and adjust all inventory levels accordingly.

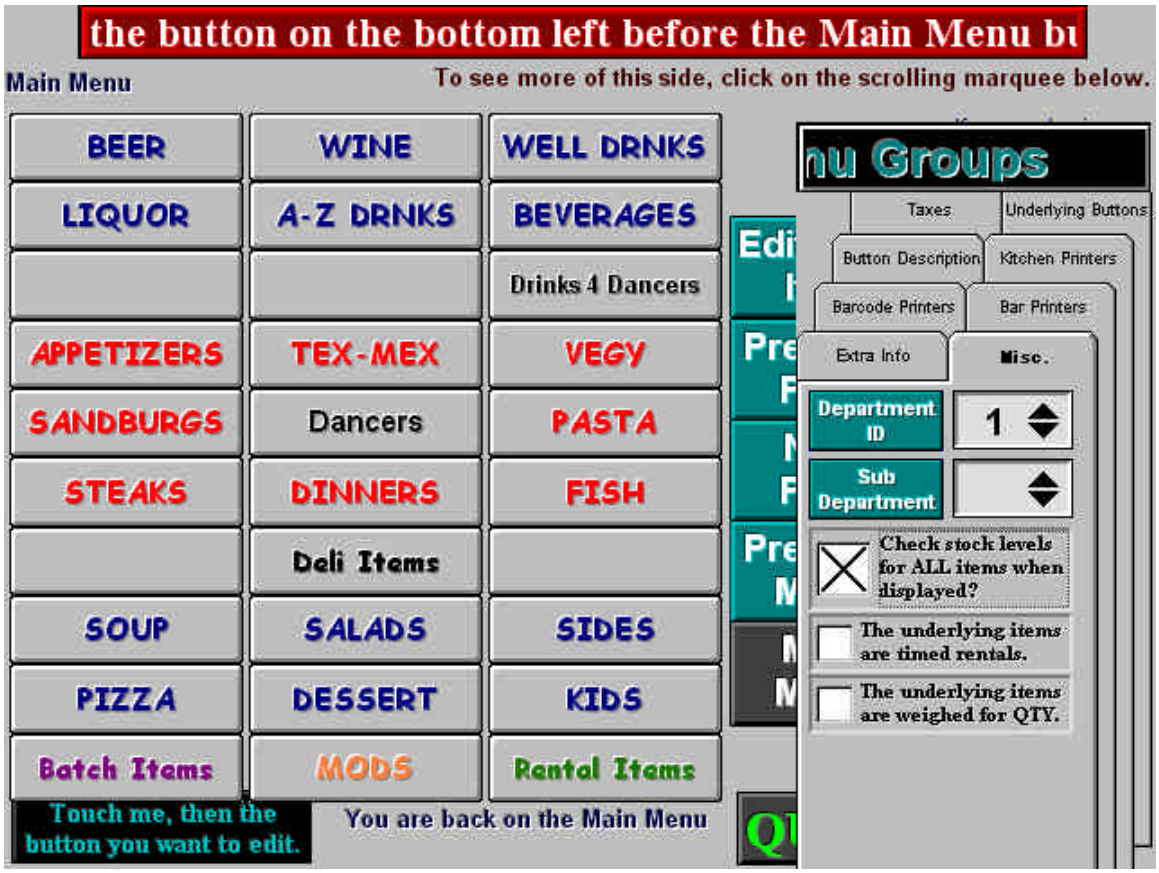
Report:

To run the report, simply choose the opening and closing dates from the drop down boxes and press the 'Run Period Report' button. The report displays all ingredients, sorted by name. All pertinent information for each ingredient is displayed, the columns include: Opening Level, Total Purchases, Total Returns, Closing Level, Actual Usage, Ideal Usage and +- Ideal
All corresponding dollar values are also included.

Continuous Stock Watching



This function is used in conjunction with the System 3 Inventory Control.
Continuous Stock Watching allows you to track the number of items sold from your menu and constantly keep track of the remaining amounts . Once a pre set warning level is reached , the item button will display a small yellow flag .Inside the flag is the number of remaining items.
When a pre set 86 level is reached another yellow box with an X inside, will appear and servers cannot order any more of that item unless a manager over rides the request.
It is important to note that warning and 86 messages are only shown or updated after an order is cashed out.



Tracking By Menu Group

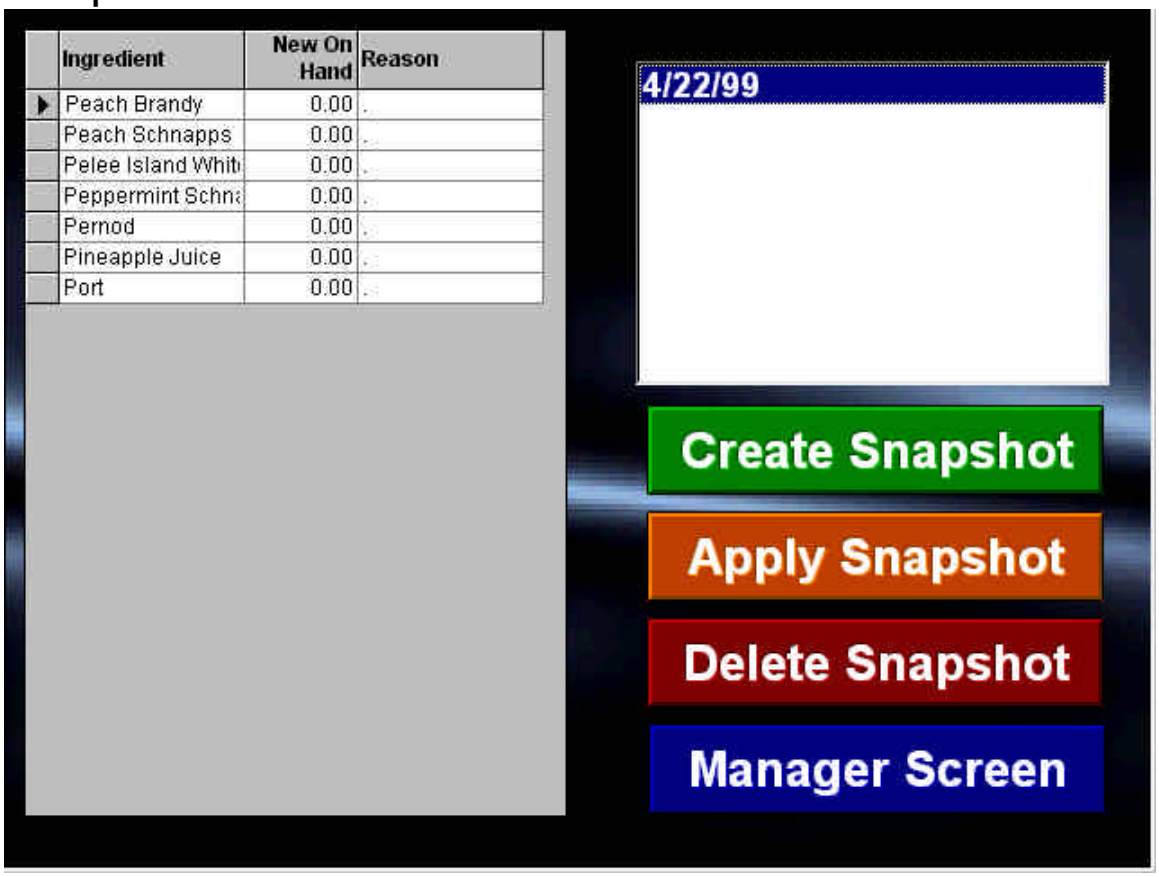
Set up is accomplished using the Menu Editing feature. Once Continuous Stock Watching is turned on, you have two options for tracking items. You may track a complete menu group and use the System 3 default warning level of 20 and 86 level of 0. To set this up you need only turn on the Check Box for that menu group.

Tracking Individual Menu Items

To track items individually , you do not need to turn on the tracking for the menu group. Edit each item by turning on the Check Stock Level button and assign the desired warning level and 86 level for that item.

Remember that if you are using a Quick Screen it must also be set up.

Snap Shots



Inventory snapshots are intended to allow a manager to perform a stock take, spread out over a couple days. The manager selects which items he is going to be counting, and the computer stores a snapshot current level. The manager can then have someone count those items. The manager can then take the time to correct any possible discrepancies, and enter the corrected figures at a later time. The changes to the stock level would then take place **retroactively.** All current stock figures will be adjusted by the difference between the new number and the original number stored by the snap shot. Variances will automatically be created based on the changes made to the snapshot.

One snapshot can be taken per day, but as many snapshots can be 'active' at one time as you would like. This way a manager can perform a snapshot each night of their beer stock, have the bartender count the stock and fill in an inventory stock sheet. The manager can then take the time to enter in all seven snapshots at the end of the week, and all inventory totals will be adjusted accordingly.

How to Create a Snapshot

1. Click the 'Create New Snapshot' button.
2. Select the ingredients you would like to have stored by placing a checkmark in their respective box.
3. Press OK once you have selected all of the desired ingredients.

How to Enter Values in a Snapshot

1. Select the snapshot date you would like to work on from the ‘Available Snapshot’ list.
2. Fill in any of the corrected on hand figures you have on the ingredient list.
3. Fill in any reason for the correction you would like recorded next to the ingredient.

How to Apply a Snapshot

1. Select the snapshot date you would like to apply from the ‘Available Snapshot’ list.
2. Check the numbers for any possible errors / omissions.
3. Click the ‘Apply Snapshot’ button.

How to Delete an Unwanted Snapshot

1. Select the snapshot date you would like to apply from the ‘Available Snapshot’ list.
2. Click the ‘Delete Snapshot’ button.

Using A Weigh Scale To Monitor Liquor Waste

NOTE : The only scale that works with System 3 is the NCI-WEIGHTRONIX MODEL 6710.

You can combine the use of the SPI with a weigh scale to record any variance between the amount of liquor that should be on hand versus what is actually on hand. This is accomplished by setting the item recipe to the actual weight of the liquor used . As the item is sold , accumulated weight is subtracted from the on hand total weight . This subtraction takes place when the Clear and Store is run or in real time if the Continuous Stock Watching is enabled.

1. Using the scale , weigh and record on paper a full bottle of that brand and make a note of that weight.
2. If you are using shot glasses to pour liquor , weigh an empty shot glass and record that weight on paper. You will use this info later. Do the same with a full shot glass.
3. Open the SPI and go to the desired ingredient.
4. Place the empty bottle on the scale and press the weigh scale button. Press the Empty Weight window to see the confirmation message and press OK . The weight will display in the Empty Weight window.
5. Subtract the empty bottle weight from the full bottle weight and enter the number in the Units Per Case window.
6. Place your partial bottle on the scale and press the blue Weigh Scale button. Use the pop up # pad and enter the number of full bottles that you have. The on hand combined total weight will now appear in the On Hand window.
7. Now go to the menu setup and create the recipe for that item . Enter the weight of the shot (Full minus Empty) and press the Add button to set the recipe.

You are ready to go with that item !

AFTER SALES PROCEDURES

The on hand numbers are reduced based on items sold. This is accomplished after each Clear & Store (or in real time if the Continuous Stock Watching is enabled).
After the clear and store and before any new sales are made ,open the SPI and go to the ingredient (brand) that you wish to check. Place your part bottle on the scale and use the pop up pad to enter the number of full bottles. If no liquor was wasted or is missing the On Hand Number will not change. If it does change , run the Variance report to see how large the variance is.