BellHawk® Systems Corporation
Tracking Your Operations Like a Hawk
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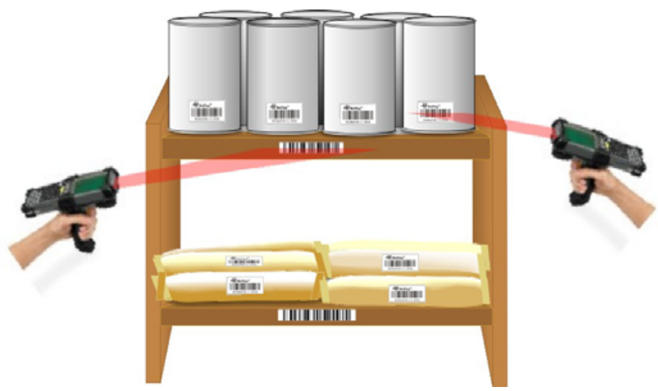
BellHawk Inventory Auditing Module

This module supplements the inventory verify-adjust transaction, which comes as standard with a BellHawk material tracking system. The standard inventory verify-adjust transaction enables designated personnel to scan or select a location or container, see what should be there on the screen of a mobile computer or PC, and then make immediate adjustments to quantities on hand.

The inventory auditing module, by contrast, is designed for use by material handlers who are "taking inventory". In this case, BellHawk produces an inventory discrepancy report that can be used by a materials manager as the basis for adjusting inventory. Discrepancies and their resolution are tracked by the auditing module, such that this module can be used as the basis for performing a formal inventory audit for financial reporting purposes.

Basically the inventory auditing operation proceeds as follows:



1. Scan the location barcode on the shelf, rack, bin or over a floor location. This will start inventory taking at a location.
2. Scan the tracking barcode on each container in that location.
3. For each material that is supposed to be in each container, BellHawk will display the part number and description of the material in the container and request the quantity of the material. The operator will then enter the quantity of material. They may enter zero if there is none of the material there.
4. When the quantities of all materials in all the containers have been entered, the inventory taker will then be asked to enter a note if there are any discrepancies, such as different material being in a container.

A similar transaction is used to record loose/bulk material inventory in locations such as bins, tanks and silos.

Unlike standard inventory tracking transactions, the data from both these transactions does not update the main inventory-tracking table in the BellHawk database but instead is written into an inventory validation table. Also notes about extra material or other anomalies, such as defective material, are recorded in the same validation table.

When inventory taking is finished at a barcoded location, the person taking inventory selects a "Finished taking inventory at a specific location" transaction and then scans the location barcode. At this point in time, the inventory recorded in the location is compared with that recorded in the main inventory-tracking table and any missing containers or materials noted in the inventory validation table.

If an extra container is found at a location, then it will be automatically moved to its new location in the main BellHawk database when found. The record in the validation table will, however, be marked to record the container having been moved, so these discrepancies can be reported. Also the validation table will be searched and, if the container is marked as missing from another location, that entry will be automatically marked as resolved to reflect the move to the new inventory location.

Discrepancies are marked with the time and date that the inventory taking at a barcoded location was completed and initially they are marked as unresolved. The materials manager can review the discrepancies by printing a report and/or reviewing the discrepancies on a screen. The materials manager can then make any corrections or take appropriate actions to correct inventory using the standard BellHawk inventory verify-adjust transaction. Once the discrepancies are resolved then the materials manger can mark the discrepancies as resolved and write a note, if needed, as to the resolution.

The materials manager is able to print out a report of all discrepancies resolved during a given date range, along with notes as to how they were resolved. The materials manager is also able to sort discrepancies on the inventory validation screens by date, location, type and status (pending or resolved).

Notes about discrepancies in materials in containers or in locations are treated as discrepancies that need to be resolved. These are intended to cover all the unexpected cases where the inventory taker needs to communicate a discrepancy to the materials manager. They are tracked through resolution just like missing containers or wrong quantities.

There is an administrative flag whereby the inventory taking can be changed from “blind” to “verify” mode. In this case the quantities of each material in each container are displayed and the inventory taker is asked to verify the quantity and only change the quantity if they observe a discrepancy. The difference between this and the basic verify-adjust transaction is that the discrepancies are logged and reported rather than being fixed immediately.

It is only necessary to temporarily stop standard inventory transactions at a single barcoded rack–shelf location while inventory is being taken at that location. Standard inventory transactions can continue as normal at all other locations.

This avoids shutting down operations while inventory is being taken or paying a lot of overtime to take inventory over a weekend or holiday. Inventory can be taken incrementally and a warehouse or stock–room can be continuously validated, one section at a time, on a rotating day–by–day schedule.

The discrepancy report can be exported in the form of an Excel spreadsheet, so that materials managers can sort and graph this output as part of their inventory validation process.

For more information, please contact Sales@BellHawk.com or call 1–508–865–8070 and press “1” for sales. Also please see www.BellHawk.com for more information about the BellHawk line of software modules.

