

Key Components of SOPs

Inventory Control
(Example)

Logo	WAREHOUSE SOP	Approved by	Head SCM & Finance Controller
		Issue Date	14-June- 2011

Module 3 Exercise 1: SOP Development (Solution)

Inputs	Process Definition : To ensure uniformity in process to reduce the variance in system stock & physical stock	Outputs
RESPONSIBLE (who executes)	Activity No:	Frequency / Date / Day
	Description / Steps	Tool (SAP/Excel/Manual)

Company Logo

WAREHOUSE SOP	Document No.	DBS-SCM-IN-01
	Approved by	Head SCM & Finance Controller
	Issue Date	14-June- 2015

Auditor	1.7	Submit the PV(Physical Verification) report to SAM (Sales Area Manager)	Monthly	Manual
SAM	1.8	Coordinate the approval of any stock adjustments from the UO basis the PV report in 15 days of PV report submission	Monthly	Manual
SAM	1.9	Share the stock adjustment approval to Warehouse M		
Warehouse manager	1.10	Take help of DEO and make changes in SAP after approval is received	Monthly	Manual
		Carried out while receiving and picking operation is not performed		
		by Count, make sure all the SKU's are stored properly		
Key Enablers				
ACCOUNTNABLE (who owns the process)		Warehouse M		
CONSULTED (who verifies the process)		Supply Chain Head		
Key Metrics		Inventory Accuracy		
		Inventory percentage		
		match of product quantity and location to the data in the inventory system.		

Title

The SOP number

Approval Member

Organization Name

Date of issuance

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(Example)**

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Module 3 Exercise 1: SOP Development (Solution)

Inputs		Process Definition : To ensure uniformity in process to reduce the variance in system stock & physical stock	Outputs	
RESPONSIBLE (who executes)	Activity No.	Description / Steps	Frequency / Date / Day	Tool (SAP/Excel/Manual)
Shift Supervisor	1.1	Perform the cycle count and update inventory log	Daily	Manual
Shift Supervisor	1.2	Submit the inventory log to Data Entry Operator	Daily	Manual
Data Entry Operator	1.3	Crosscheck the inventory on SAP for SKU quantity and batch	Daily	SAP
Data Entry Operator	1.4	Fill in SAP details in Inventory log and submit the same to warehouse manager	Daily	SAP

Process Definition : To ensure uniformity in process to reduce the variance in system stock & physical stock

Business Rules	1. Inventory count should be carried out while receiving and picking operation is not performed 2. While carrying out Inventory Count, make sure all the SKU's are stored properly	Monthly	Manual
Key Enablers			
ACCOUNTABLE (who)			

The purpose of the procedure/task

Key Metrics	Inventory Accuracy	Inventory accuracy is defined as the number of correct cycle counts as a percentage of total annual cycle counts. A correct count is determined by a match of product quantity and location to the data in the inventory system.
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Key Components of SOPs

Specific components to successfully perform the task/procedure

RESPONSIBLE (who executes)	Process Definition: To ensure uniformity in process to reduce the variance in system stock & physical stock				
Shift Supervisor	Activity No:	Description / Steps	Frequency / Date / Day	Tool (SAP/Excel/Manual)	
Shift Supervisor	1.1	Perform the cycle count and update inventory log	Daily	Manual	
Data Entry Operator	1.2	Submit the inventory log to Data Entry Operator	Daily	Manual	
Data Entry Operator	1.3	Crosscheck the inventory on SAP for SKU quantity and batch	Daily	SAP	
Auditor	1.4	Fill in SAP details in Inventory log and submit the same to warehouse manager	Daily	SAP	
Auditor	1.5	Audit physical stock count taking independent of SAP records (as blind count)	Monthly	Manual	
Auditor	1.6	Compare it with SAP and reconcile the same with the cycle count log, breakage/leakage log, expiry log, and hold/quarantine log to tally the reports.	Monthly	Manual	
Auditor	1.7	Submit the PV(Physical Verification) report to SAM (Sales Area Manager)	Monthly	Manual	
SAM	1.8	Coordinate the approval of any stock adjustments from the UO basis the PV report in 15 days of PV report submission	Monthly	Manual	
SAM	1.9	Share the stock adjustment approval to Warehouse Manager	Monthly	Manual	
Warehouse manager	1.10	Take help of DEO and make changes in SAP after approval for stock adjustment is received	Monthly	SAP	
Warehouse manager	1.11	File the approval for stock adjustment	Monthly	Manual	
Business Rules	<ol style="list-style-type: none"> Inventory count should be carried out while receiving and picking operation is not performed While carrying out Inventory Count, make sure all the SKU's are stored properly 				
Key Enablers					
ACCOUNTABLE (who owns the process)					
CONSULTED (who verifies the process)					
INFORMED (associates to tell)					
Key Metrics	Metrics		Definition		
Key Metrics	Inventory Accuracy		Perpetual inventory count (Cycle count) process & month end physical verification is for stock to arrive at correctness or variance in system stock & physical stock		

Responsibility (who executes)

Key Components of SOPs

Inventory Control (Example)

Specific components to successfully perform the task/procedure

Activity No:	Description / Steps	Frequency / Date / Day	Tool (SAP/Excel/Manual)
1.1	Perform the cycle count and update inventory log	Daily	Manual
1.2	Submit the inventory log to Data Entry Operator	Daily	Manual
1.3	Crosscheck the inventory on SAP for SKU quantity and batch	Daily	SAP
1.4	Fill in SAP details in Inventory log and submit the same to warehouse manager	Daily	SAP
1.5	Audit physical stock count taking independent of SAP records (as blind count)	Monthly	Manual
1.6	Compare it with SAP and reconcile the same with the cycle count log, breakage/leakage log, expiry log, and hold/quarantine log to tally the reports.	Monthly	Manual
1.7	Submit the PV(Physical Verification) report to SAM (Sales Area Manager)	Monthly	Manual
1.8	Coordinate the approval of any stock adjustments from the UO basis the PV report in 15 days of PV report submission	Monthly	SAP
1.9	Share the stock adjustment approval to Warehouse Manager	Monthly	Manual
1.10	Take help of DEO and make changes in SAP after approval for stock adjustment is received		
1.11	File the approval for stock adjustment		

- Inventory count should be carried out while receiving and picking operation is not in progress.
- While carrying out Inventory Count, make sure that the count is done properly.

Activity Number and Description / Steps

Key Components of SOPs

**Inventory Control
(Example)**

**Frequency / Date /
Day**

Key components to successfully perform the task/procedure

Frequency / Date / Day	Description / Steps	Frequency / Date / Day	Tool (SAP/Excel/Manual)
Daily	Perform the cycle count and update inventory log	Daily	Manual
Daily	Submit the inventory log to Data Entry Operator	Daily	Manual
Daily	Crosscheck the inventory on SAP for SKU quantity and batch	Daily	SAP
Daily	Fill in SAP details in Inventory log and submit the same to warehouse manager	Daily	SAP
Monthly	Audit physical stock count taking independent of SAP records (as blind count)	Monthly	Manual
Monthly	Compare it with SAP and reconcile the same with the cycle count log, breakage/leakage log, expiry log, and hold/quarantine log to tally the reports.	Monthly	Manual
Monthly	Submit the PV(Physical Verification) report to SAM (Sales Area Manager)	Monthly	Manual
Monthly	Coordinate the approval of any stock adjustments from the UO basis the PV report in 15 days of PV report submission	Monthly	Manual
Monthly	Share the stock adjustment approval to Warehouse Manager	Monthly	Manual
Monthly	Take help of DEO and make changes in SAP after approval for stock adjustment is received	Monthly	SAP
Monthly	File the approval for stock adjustment	Monthly	Manual
Monthly	Inventory count should be carried out while receiving and picking operation is not performed. While carrying out Inventory Count, make sure all the SKU's are stored properly		
Monthly	Warehouse Manager		
Monthly	Supply Chain Head		
Monthly	Metrics	Definition	
Monthly	Inventory Accuracy	Perpetual inventory count (Cycle count) process & month end physical verification is for stock to arrive at correctness or variance in system stock & physical stock	

Key Components of SOPs

**Inventory Control
(Example)**

Logo	WAREHOUSE SOP	Approved by	Head SCM & Finance Controller
		Issue Date	14-June- 2011

Module 3 Exercise 1: SOP Development (Solution)

Inputs	Process Definition : To ensure uniformity in process to reduce the variance in system stock &	Outputs
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Business Rules

Shift Supervisor	1.2	Submit the inventory log to Data Entry Operator	Daily	Manual
Data Entry Operator	1.3	Crosscheck the inventory on SAP for SKU quantity and batch	Daily	SAP

Business Rules	<ol style="list-style-type: none"> Inventory count should be carried out while receiving and picking operation is not performed While carrying out Inventory Count, make sure all the SKU's are stored properly
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Warehouse manager	1.10	Take help of DEO and make changes in SAP after approval for stock adjustment is received	Monthly	SAP
Warehouse manager	1.11	File the approval for stock adjustment	Monthly	Manual
Business Rules	<ol style="list-style-type: none"> Inventory count should be carried out while receiving and picking operation is not performed While carrying out Inventory Count, make sure all the SKU's are stored properly 			
Key Enablers				
ACCOUNTNABLE (who owns the process)	Warehouse Manager			
CONSULTED (who verifies the process)	Supply Chain Head			
INFORMED (associates to tell)				
Key Metrics	Metrics		Definition	
	Inventory Accuracy		Inventory accuracy is defined as the number of correct cycle counts as a percentage of total annual cycle counts. A correct count is determined by a match of product quantity and location to the data in the inventory system.	

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**Inventory Control
(Example)**

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		Issue Date	14-June- 2011

Module 3 Exercise 1: SOP Development (Solution)

Inputs	Process Definition : To ensure uniformity in process to reduce the variance in system stock &	Outputs
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Process Owner and Verification Personal

Shift Supervisor	1.2	Submit the inventory log to Data Entry Operator	Daily	Manual
Data Entry Operator	1.3	Crosscheck the inventory on SAP for SKU quantity and batch	Daily	SAP
Data Entry Operator	1.4	Fill in SAP details in Inventory log and submit the same to warehouse manager	Daily	SAP
Auditor	1.5	Audit physical stock count taking independent of SAP records (as blind count)	Monthly	Manual
		Compare it with SAP and reconcile the same with the cycle count log		

ACCOUNTNABLE (who owns the process)	Warehouse Manager		
CONSULTED (who verifies the process)	Supply Chain Head		
Business Rules	1. Inventory count should be carried out while receiving and picking operation is not performed 2. While carrying out Inventory Count, make sure all the SKU's are stored properly		
Key Enablers			
ACCOUNTNABLE (who owns the process)	Warehouse Manager		
CONSULTED (who verifies the process)	Supply Chain Head		
INFORMED (associates to tell)			
Key Metrics	Metrics	Definition	
	Inventory Accuracy	Inventory accuracy is defined as the number of correct cycle counts as a percentage of total annual cycle counts. A correct count is determined by a match of product quantity and location to the data in the inventory system.	

Key Components of SOPs

Inventory Control (Example)

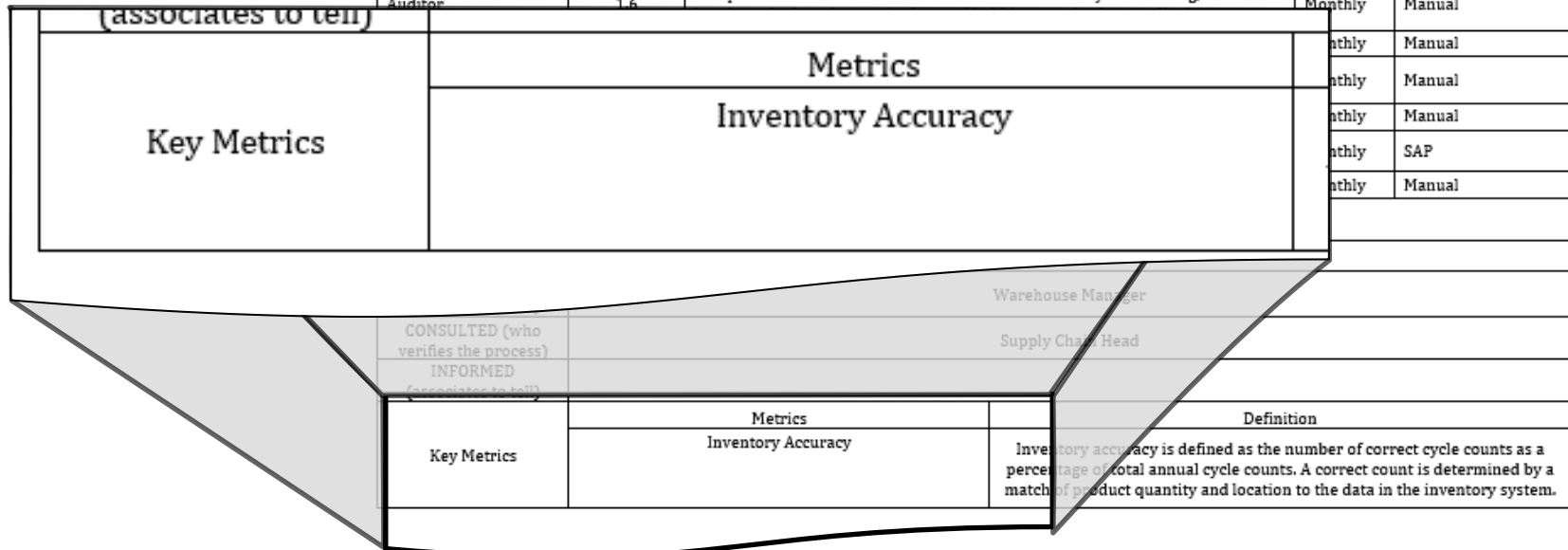
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Module 3 Exercise 1: SOP Development (Solution)

Inputs	Process Definition : To ensure uniformity in process to reduce the variance in system stock & physical stock	Outputs
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Effectiveness Criteria

Shift Supervisor	1.2	Submit the inventory log to Data Entry Operator	Daily	Manual
Data Entry Operator	1.3	Crosscheck the inventory on SAP for SKU quantity and batch	Daily	SAP
Data Entry Operator	1.4	Fill in SAP details in Inventory log and submit the same to warehouse manager	Daily	SAP
Auditor	1.5	Audit physical stock count taking independent of SAP records (as blind count)	Monthly	Manual
Auditor	1.6	Compare it with SAP and reconcile the same with the cycle count log.	Monthly	Manual



Key Components of SOPs

Inventory Control (Example)	Logo	WAREHOUSE SOP		Head SCM & Finance
			Approved by	Controller
			Issue Date	14-June- 2011

Key Metric Definition


	Activity No:	Description / Steps	/ Date / Day	(SAP/Excel/Manual)
KPI Metric Definition				
Inventory accuracy is defined as the number of correct cycle counts as a percentage of total annual cycle counts. A correct count is determined by a match of product quantity and location to the data in the inventory system.				
		1. Inventory count should be carried out while receiving and picking operation is not performed 2. While carrying out Inventory Count, make sure all the SKU's are stored properly	Monthly	SAP
			Monthly	Manual
Business Rules				
Key Enablers				
ACCOUNTNABLE (who owns the process)				Warehouse Manager
CONSULTED (who verifies the process)				Supply Chain Head
INFORMED (associates to tell)				
Key Metrics	Metrics		Definition	
	Inventory Accuracy		Inventory accuracy is defined as the number of correct cycle counts as a percentage of total annual cycle counts. A correct count is determined by a match of product quantity and location to the data in the inventory system.	

SOP Process

SOP Document Tracking and Archival

This file or database should indicate:

- The SOP number
- Version number
- Date of issuance
- Title
- Author
- Status
- Organizational division
- Reviewed and Approval personal

	WAREHOUSE SOP	
Document ID: DBS-SCM-IN-001	Process Title: Inventory Control	Issued Date: 10-June-2014
Version # 1.0	Prepared By: Mr. ABC	Date Prepared: 01-June-2014
Effective Date: 14-June-2014	Reviewed By: Mr. PQR	Date Reviewed: 05-June-2014
Standard:	Approved By: Mr. XYZ	Date Approved: 08-June-2014

The organization should maintain a master list of all SOPs