Perennial ERP
Inventory Management

Software that helps Inventory Managers

Achieve the right balance between holding enough stock to meet customer demand and not having too much cash tied up in excessive and slow moving stock

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**WELCOME TO PERENNIAL ERP INVENTORY MANAGEMENT
FOR SMALL TO MEDIUM-SIZED ENTERPRISES**

We trust that this Product Overview will demonstrate to you how Perennial ERP can help you get the right balance between holding enough stock to meet customer demand and not having too much cash tied up in excessive and slow moving stock.

Please feel free to reprint and redistribute this Product Overview to anyone you think may be interested in learning about the functionality contained in Perennial ERP.

PERENNIAL ERP INVENTORY MANAGEMENT

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RIGHT PRODUCTS - RIGHT QUANTITIES - RIGHT PLACE - THE RIGHT TIME

How often have you found that, at the last minute, you are not able to deliver to your customers what they want when they want it?

Or you run out of parts that are needed for the next step in the production schedule.

Or you have to place urgent orders with your suppliers to get the products or parts you have run out of, and then just hope that they can deliver on time.

And when the stock comes in from your suppliers, you cannot relate it to the customer sales orders waiting for delivery, or to the production orders held up in the factory.

Perhaps you avoid these problems by carrying huge amounts of stock to make sure you never run out. But how much is that costing your business?

Many companies battle with this dilemma - how to deliver to their customers what they want when they want it, without having to carry excessive stock to do so.

In extreme cases, the amount of money tied up in stock can amount to almost 50% of sales turnover. Profits are eroded because of the high cost of carrying the excessive stock, and because the cash tied up in stock cannot be put to better use in the business.

Excessive investment in stock is combined with the massive costs to produce the end product caused by inefficiencies in the production process. Bottlenecks, running out of raw materials, too much of one product being made and not enough of another, all these inefficiencies combine to add to production costs that eat into hard-won profit margins.

With poor systems, production and purchasing managers cannot get an accurate picture of how much stock they need to make or buy, sales managers cannot be sure that customers will get their orders delivered on time, and financial controllers cannot get a clear picture of their company's performance and financial position quickly enough.

It gets even worse as companies with poor systems have to do endless stock-takes just to keep their stock figures up to date and accurate.

A Mismatch Between The Functionality Required And The Systems Installed

With ineffective systems, inventory managers struggle to identify how much of the wrong products they are carrying and how much of the right products they should be carrying. They cannot rely on their systems for the accurate stock levels they need when processing sales orders or for reordering the products and parts required for stock replenishment and production.

Inventory managers are finding that they just don't have the right software to perform these important business functions. And identifying the right solution can be a major challenge, as they have to wade their way through meaningless jargon and complex descriptions of the software's functionality just to try to understand how it will help them manage their inventory better.

Finally, An Affordable Solution For Your Business Is Now Available

After more than 20 years working alongside small and medium size enterprises (SME's) in both chartered accounting, business consulting and systems support, John Nankervis, the founder of Perennial Software, has observed at first-hand the problems that SME's have to contend with, and how they want them solved.

They are looking for a software and services solution that does more than just the mundane tasks. They want a solution that also will help them run their business better, taking into account their own special ways of doing things, and at a price they can afford.

Inventory managers want the system to calculate how much raw material and finished goods stock they need to buy and when to buy it; they want the system to automatically reduce stock of raw materials as it is used in production.

They want to track the delivery performance of their suppliers. Are they getting the stock they need at the times they are being promised? They also want to track their own performance in delivering to their customers. Are they delivering in full and on time to their customers 80%, 90%, or 100% of the time?

Perennial Software has demystified the complexity with Perennial ERP. We have developed an easy-to-understand and easy-to-use software and services solution that provides small to medium-sized manufacturers, wholesalers and retailers with what they want at a price that they can afford.

And most importantly, Perennial ERP has been developed from the ground up for small to medium-sized enterprises (SME's), companies that employ from around 20 to 100 people, and is available at an affordable price for such companies. No longer are SME's locked out of the software functionality that they need just because it is far too complex for their requirements or far too expensive for their budget.

Don't Take Our Word For It - Listen To What Our Clients Have To Say

In a recent independent survey, our clients gave Perennial ERP a rating of 4.7 out of 5 for our pricing, and 100% of the managers at our clients said that if they had their time over again, they would still choose Perennial ERP, and that they would recommend Perennial ERP to others.

And the main reasons our clients chose Perennial ERP in the first place?

Functionality and Price - Perennial ERP contains the functionality required at a much lower price than competitive software products. To may it even easier, we now offer a Pay-by-the-Month Subscription as an alternative to the traditional upfront licence fee.

Flexibility - Perennial ERP can be modified to suit specific requirements without degrading the client's right to software upgrades.

All-in-One - Perennial ERP contains modules for Manufacturing, Wholesale, Retail and Financial Control all in the same integrated software product.

Robustness for Data Integrity - Perennial ERP's Progress-based database provides the robustness required for SME's running mission critical applications.

Most importantly, Perennial ERP has been developed from the ground up for small to medium-sized enterprises (SME's), companies that employ from around 20 to 100 people, and is available at an affordable price for such companies. No longer are SME's locked out of the software functionality that they need just because it is far too complex for their requirements or far too expensive for their budget.

Discover How Perennial ERP Can Help You Dramatically Improve Your Business

Take the first step to explore Perennial ERP for yourself and see how it can help your business outperform your competitors and build customers for life by having the right products in the right quantities in the right place at the right time.

Call Perennial Software Pty Ltd on (03) 9243 5678 or email us at info@perennial.com.au for a **free no-obligation analysis of your business requirements** to find out whether Perennial ERP is the right fit for your business.

In the meantime, we invite you to explore the functionality of Perennial ERP as explained in this Product Overview.

WHAT IS PERENNIAL ERP?

Perennial ERP is an integrated Manufacturing, Wholesale Distribution, Retail Point-of-Sale and Accounting system that has been developed from the ground up for small to medium-sized enterprises (SME's). Perennial Software, the creator of Perennial ERP, has implemented and supported systems for small to medium-sized enterprises for over 20 years. We understand the problems that SME's confront day in day out in trying to service their customers as best they can. So we developed Perennial ERP to help you run your business to achieve the most important objective of all - to serve your customers better than your competitors and thereby grow your business profitably.

Perennial ERP consists of the following modules:

Sales

Sales Order Management
Export Sales
Sales Analysis
Retail Point-of-Sale

Purchasing

Purchase Order Management
Import Costing
Purchasing Analysis

Inventory Management

Stock Control
Multi-Warehousing
Serial Number Tracking

Manufactured Products

Bills of Materials
Operations and Routings
Product Costings

Production Planning

Master Production Scheduling
Rough-Cut Capacity Planning
Requirements Planning

Production Activity Control

Purchase and Production Ordering
Stock Receipting and Back-Flushing Material
Quality Assurance

Accounting

Accounts Payable
Accounts Receivable
Cash Book
Fixed Assets
General Ledger

System Administration

Multiple Companies
Multiple Divisions
Multiple Departments
User Group Menu Security
Auditing

Perennial ERP has been developed using Progress Software's OpenEdge Application Development System. Data is stored in a Progress database, and front-end programs that users interact with when entering transactions, performing screen enquiries, and running reports can be developed using the Progress OpenEdge programming language, or other well-known languages such as Java.

Integration with Best of Breed Third-Party Software Products

Because Perennial ERP uses an ODBC compliant database, it can easily integrate with third-party products that add value to the core modules outlined above:

Crystal Reports – for customised report writing

CRM Systems – for sharing customer information with sales staff and field service representatives

Microsoft Excel – data in the Perennial ERP database can be sent to Excel spreadsheets for "what if" analysis and customised reporting

Payroll Systems – payroll summaries from third-party payroll software can be imported into Perennial ERP's General Ledger as an unposted general ledger journal

This Product Overview focuses on how Perennial ERP helps a company manage its Inventory and process its Stock Transfers, Stock Adjustments and Stock-Takes.

SETUP FOR INVENTORY MANAGEMENT

Before processing sales in Perennial ERP, several different types of "master" records need to be created. These records will be electronically transferred from your existing system by our Data Conversion process, and then maintained manually as required.

Products and Stock Items

Products

In Perennial ERP, products are kept at the company level, and stock items (sometimes known as Stock Keeping Units – SKU's) are kept for each warehouse in the company.

The company-wide product record stores data that is relevant to products no matter which warehouse it is stocked at. This includes descriptions, product groups, GL (general ledger) groups, and up to 4 selling prices. Note that many variations of selling prices can be setup in Perennial ERP for individual customers or customer groups.

A sample Perennial ERP product screen is shown below:

Purchased or Made Products

This particular product is the common household Dustpan and Brush set. Some fields are left blank as they are not required for this product. It is a manufactured product – see the "Purchased/Made" field at the bottom right of the screen.

Products can be identified as manufactured or purchased products, and they can be further identified as a finished product or a part of another product. Therefore, valid combinations of products are:

Manufactured Finished Products	Purchased Finished Products for Resale
Manufactured Component Parts	Purchased Raw Material Parts

Note that manufactured products for sale can be included in a bill of material as a manufactured part of another finished product. In this example, both the Dustpan and the Brush have their own product code and can be sold as separate manufactured products, as well as being sold together as a set.

Product Images

Clicking on the image button in Product Maintenance displays an image of the product, as follows:
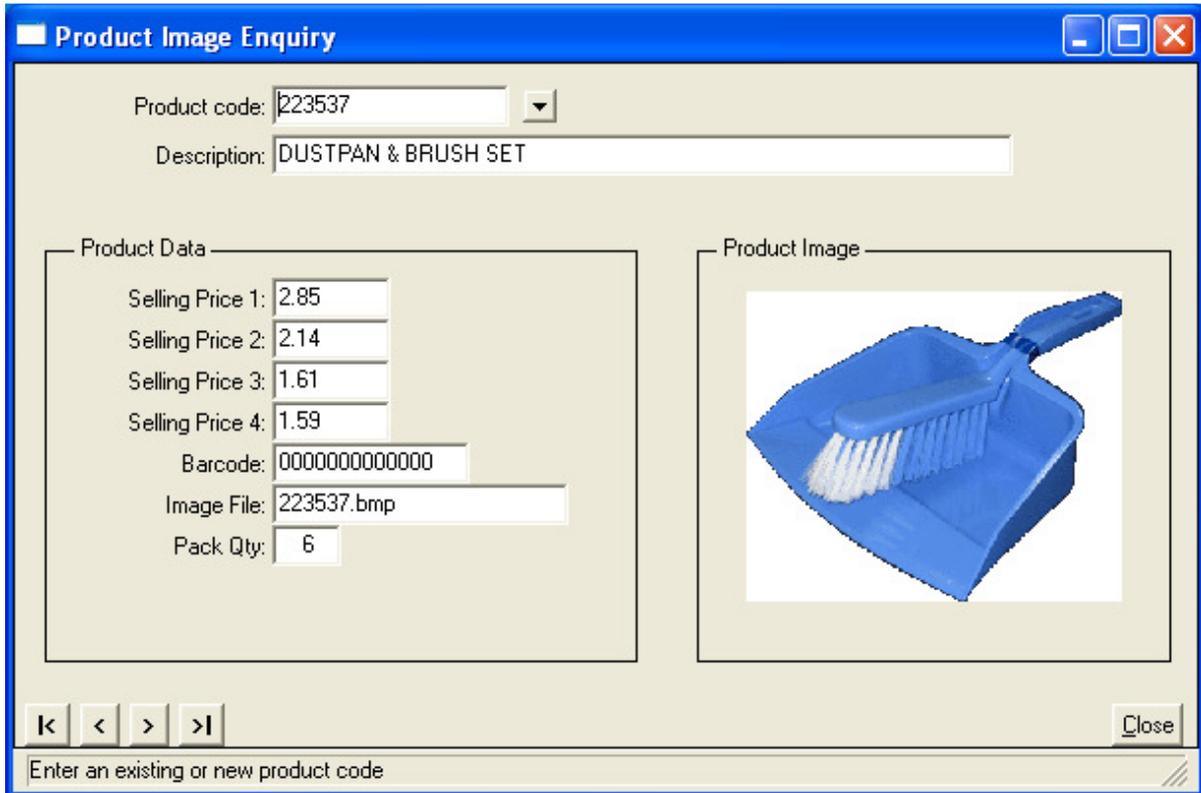

Serial Number Recording

Products can be flagged as requiring serial number recording. For serially numbered products, serial numbers must be entered when receiving the products into stock. Transaction enquiries are available to display details of these stock movements. This functionality will be shown later, as we process a stock receipt for a serially-numbered product.

Unit of Measure

The Unit of Measure uses a validation table to ensure that only a valid unit of measure can be entered against a product. The unit of measure file is shown below. In this example, the stock unit is the same as the sales unit and the purchase unit.
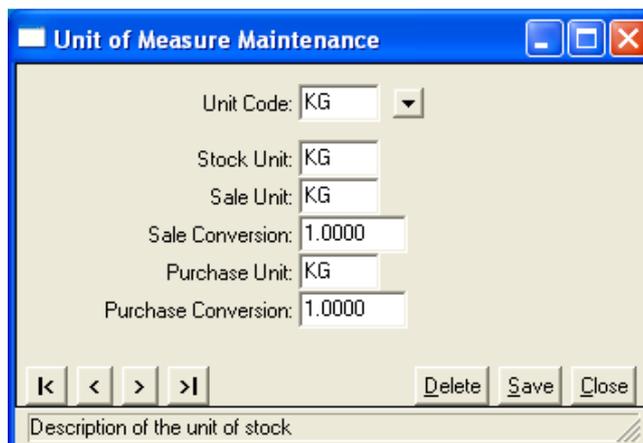
Product Group

Perennial ERP has a one-level or two-level product group hierarchy. If a two-level hierarchy is required, parent product groups are created, and a product group is created as a child of a parent product group.

In our example product, a one-level hierarchy is being used. The following screen shows how the product group for the dustpan and brush set has been created:

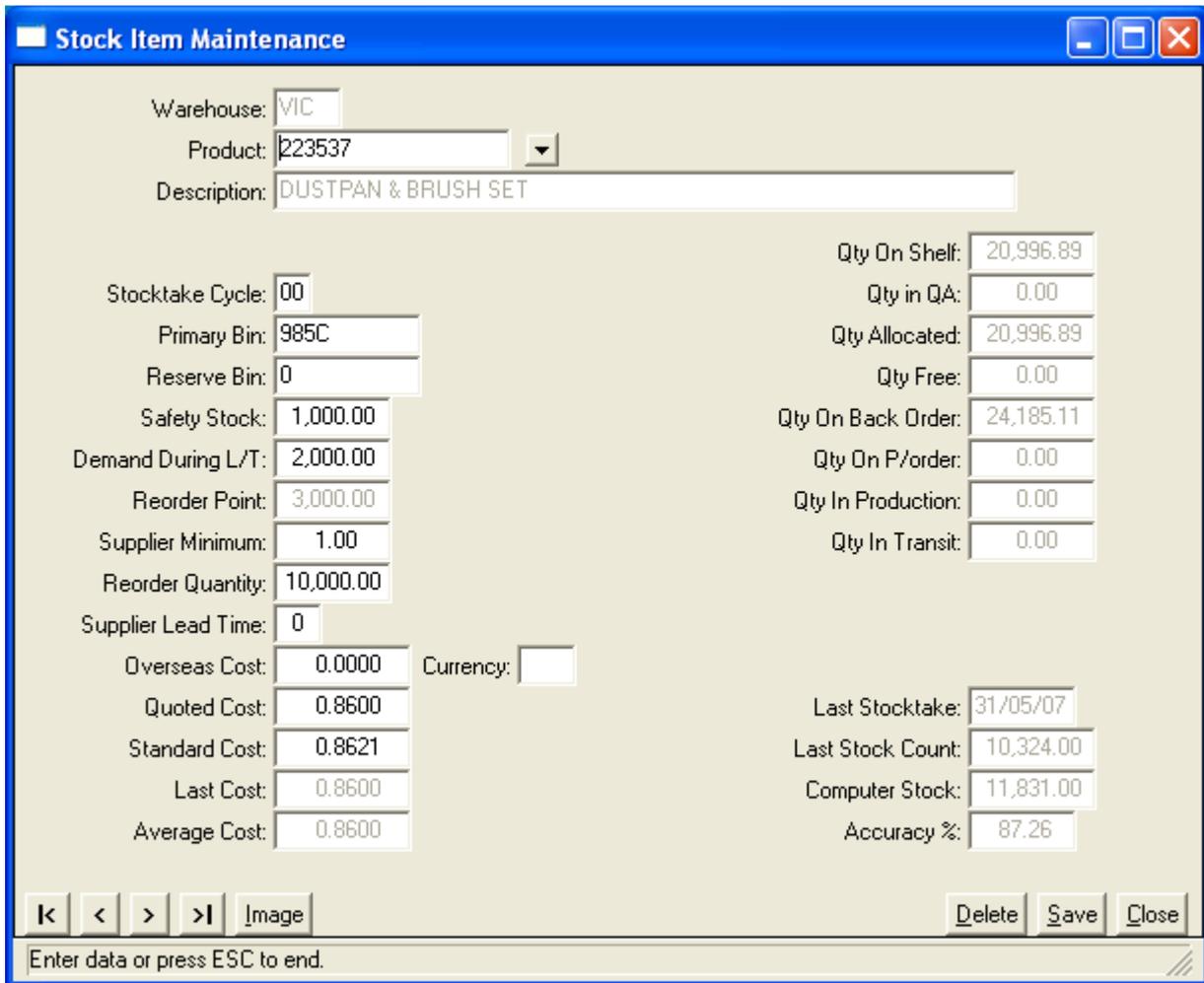Both the one-level and two-level hierarchies are used in Perennial ERP's sales analysis reports.

General Ledger Group

GL Groups are set up independently from product groups, and are used solely for posting stock movements to the chosen accounts in General Ledger. A sample GL Group screen for the "FG" GL group that the dustpan and brush set belongs to is shown below:

The Stock Movement Account is used to record the opposite of the posting to the Stock on Hand Account, which, in turn, is used to report Opening Stock on Hand (the opening balance of the account) and Closing Stock on Hand (the closing balance of the account) in Profit and Loss Statement reporting.

Stock Items

The warehouse-based Stock Item record stores data that is relevant to a product at a particular warehouse. A sample Perennial ERP stock item screen is shown below.

This screen shows information relevant to purchasing and reordering the product for the VIC warehouse. We will explain how the quantities relating to reordering are used when we cover stock reorders in Purchasing and Manufacturing

Costs and quantities are maintained at the warehouse level. The last purchase cost and the weighted average cost are maintained by transactions processed in the system, primarily by the Purchasing system. The standard cost can be maintained manually, and can also be calculated and updated by the Manufacturing system.

Note that fields that cannot be maintained manually are disabled, and have a "duller" appearance than those that are enabled for update. Note also that stock items are created "on the fly" for the warehouse that the user is logged into when a new product is created, however, reorder quantities and costs still have to be updated manually where required.

OBJECTIVES OF INVENTORY MANAGEMENT

The main objectives of Inventory Management include:

1. Optimizing inventory levels, and

2. Minimizing delays in product availability.

These objectives fit in precisely with what Perennial ERP has been designed to do. Our statement of purpose is:

> *To help small to medium-sized companies build customers for life by having the right products in the right quantities at the right place at the right time.*

This will be achieved through software functionality in Perennial ERP that will help companies:

1. Accurately determine how much stock of each product a company needs to carry.

2. Accurately determine supplier and production lead times.

3. Accurately determine demand during lead time for each product.

4. Record the level of safety stock required for each product based on the inventory manager's assessment of how many days late supply may be from either suppliers or production.

5. Automatically include stock items that require replenishment in the Stock Reorder Recommendations Report (for purchased products, such as firearms) and in the Production Schedule (for manufactured products, such as ammunition).

6. Record the purchase and production order quantities to reorder for each product, which can be based on the minimum/maximum system if desired.

7. Forecast customer demand to use as an input to the Production Schedule up to 10 weeks in advance.

8. Continuously monitor customer, supplier and production delivery performance.

Two key ingredients are required to make this functionality work towards achieving the objectives set out above. They are:

1. The software programs must be easy to understand and use.

2. Stock balances must be reasonably accurate.

Perennial ERP has been developed specifically for small to medium-sized companies, which we classify as companies with revenues from $5 million to $25 million, and companies that employ from around 20 to 100 people. In designing the software, we have taken into account that these types of companies do not require or desire the additional complexity contained in ERP software developed for the mid-market and for large corporates. In fact, there is an argument that the larger ERP systems contain too much complexity for the markets they address anyway, particularly in relation to Manufacturing.

A significant factor for successful Inventory Management is maintaining accurate stock balances. This requires that the software accurately updates stock balances from the transactions that are processed, and that adequate business processes are in place to ensure that all movements of stock are recorded accurately and at the right time.

To ensure that Perennial ERP is meeting its part of this requirement, stock discrepancy reports can be scheduled to run each night to ensure that all source transactions (e.g. stock receipts, stock despatches) are being recorded accurately as stock transactions, and that stock balances are being correctly updated from the

stock transactions. If any imbalances occur for any reason, they are reported so they can be addressed, and they are fixed automatically as the report is run.

So, onto the functionality contained in Perennial ERP's Inventory Management System.

Optimizing Inventory Levels

Perennial ERP has a report called the Recommended Stock Levels Report, which calculates the stock levels that should be carried in the warehouse that the report is run for.

The calculation of the amount of stock to carry is performed as follows:

a. Determine the average daily quantity sold based on actual sales last year for the number of months that the inventory manager specifies. In conjunction with running this report monthly, specifying a number of months other than 12 takes into account seasonal factors.

b. Determine the supplier or production lead time based on the average number of days between when an order is placed for the product and when it is received into stock.

c. Multiply (a) by (b) to get the demand during lead time.

d. Calculate safety stock based on the number of days the user specifies that supply of the product may be late. For example, if the average lead time is 2 days, you might want to calculate safety stock by assuming that supply will on average be one day late, so safety stock is calculated as one day's demand during lead time.

e. Add (c) to (d) to arrive at the quantity of stock that should be carried, before taking into account the minimum quantity to order either from a supplier or from production.

f. Set the quantity of stock to carry to the minimum quantity to order if it is less than that quantity.

g. Calculate the surplus or deficiency of stock that is being carried by comparing current Stock on Shelf against the Qty To Carry, and cost out the difference to see what effect the carrying of surplus stock is having on your working capital requirements.

This report was recently used against a client's live data and recommended reducing stock of its Class A and B products from $232,000 to $184,000, a reduction of over 20% and a cash flow saving of $48,000. The smarter you get at this exercise the better the result will be.

Minimizing Delays in Product Availability

The functionality provided in Perennial ERP to achieve the objective of optimizing inventory levels goes hand in hand with the functionality available to minimize delays in product availability. Extra functionality to ensure that customers are delivered the right products in the right quantities at the right places and at the right times are:

A. For supply of externally purchased finished products and of parts for manufacture (explained in the section of this report on Purchase Order Management):

    i. Reorder Recommendations Report

    ii. Automatically Generate Purchase Orders from Reorder Recommendations

    iii. Purchase Orders by Due Date Report

    iv. Outstanding Purchase Orders Enquiry by Order Number, by Product and by Supplier

    v. Supplier Deliveries Performance Report

B. For supply of internally manufactured finished products and of component parts for manufacture (explained in the section of this report on Production Planning and Control):

    i. Master Production Schedule (MPS)

    ii.   Material Requirements Plan (MRP)

    iii.   Automatically Generate Production Orders and Purchase Orders from the MRP

    iv.   Production Orders by Due Date Report

    v.   Production Orders Enquiry by Order Number, by Product and by Work Centre

    vi.   Production Deliveries Performance Report

The above functionality in Perennial ERP provides all the tools needed to achieve the objective of providing customers with what they want when and where they want them, whilst at the same time carrying only the required amount of inventory.

Transaction Processing

The other functionality in Perennial ERP's Inventory Management system are to do with processing stock transactions other than sales, purchasing and production transactions. These transactions are Stock Adjustments, Stock Transfers, and Stock-Takes.

Stock Transfers

Perennial ERP's Stock Transfer functionality allows users to:

1. Place a stock transfer request on another warehouse (usually a bulk storage warehouse);

2. Enquire on outstanding stock transfer requests;

3. Enter a stock transfer outwards transaction based on the stock transfer request;

4. Enquire on outstanding stock transfers outwards (i.e. entered but not despatched);

5. Despatch a stock transfer outwards;

6. Receive a stock transfer inwards based on the stock transfer request.

Placing a Stock Transfer Request

The following screen shows how a stock transfer request is placed by a user at the requesting warehouse (VIC in this example) on the relevant bulk storage warehouse (NSW). The first "Instructions" line is updateable by the requesting warehouse and will form part of the stock transfer outwards transaction. The second "Instructions" line is updateable only by the warehouse that the stock is to be transferred from when processing the stock transfer outwards. This facilitates communication between the two warehouses.

Enquiring on a Stock Transfer Request

The following screen shows the status of stock transfer request just entered as not yet having been received nor despatched by the warehouse transferring from.

Entering a Stock Transfer Outwards

A stock transfer outwards transaction is created by the warehouse that the requested stock is to be transferred from, as shown in the following screen, which contains functionality that is similar to the sales order entry and invoicing screens.

The stock transfer request number is entered in the stock transfer header, and the product lines are automatically populated from what has been entered for the relevant stock transfer request. The stock transfer request will be updated to show the request has been received.

Note that the stock transfer is being entered for despatch to a warehouse called "GIT", being the Goods In Transit warehouse. When the stock transfer is actually despatched, stock at the warehouse transferring from is reduced, and stock in transit at the "GIT" warehouse in increased.

When the stock transfer is being received into the requesting warehouse, it gets received from the same "GIT" warehouse, thereby reducing stock in transit at that warehouse, and increasing stock at the requesting warehouse. At any time stock in transit can be determined by printing the Stock Balances Report for the Goods In Transit warehouse.

Normally, the warehouse transferring from has sufficient stock available for transfer. If it doesn't, the stock transfer for the particular product is placed on backorder, and can only be despatched when sufficient stock arrives and is entered as a stock receipt into the warehouse transferring from.

A Stock Transfer Picking Slip can be printed to facilitate picking of the stock from the warehouse. The format of the picking slip is usually modified to suit specific requirements.

Enquire On Outstanding Stock Transfers by Product

Stock transfers not yet despatched (i.e. "outstanding") can be enquired upon by product, as per the following screen. Additionally, individually stock transfers can be enquired upon using the same Stock Transfer Outwards Entry screen explained above, or can be reported upon using the Outstanding Stock Transfers Report.
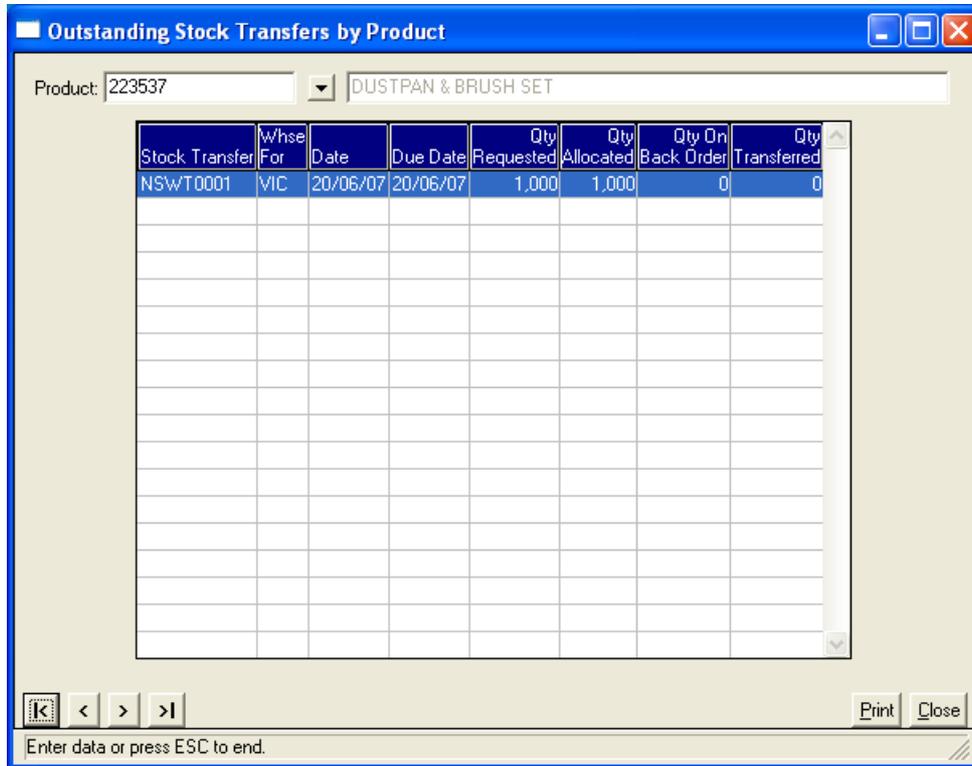
Despatching a Stock Transfer Outwards

The screen below shows the stock transfer being despatched. Stock at the warehouse despatching from is reduced by the Qty To Despatch and stock in transit at the Goods In Transit warehouse is increased.
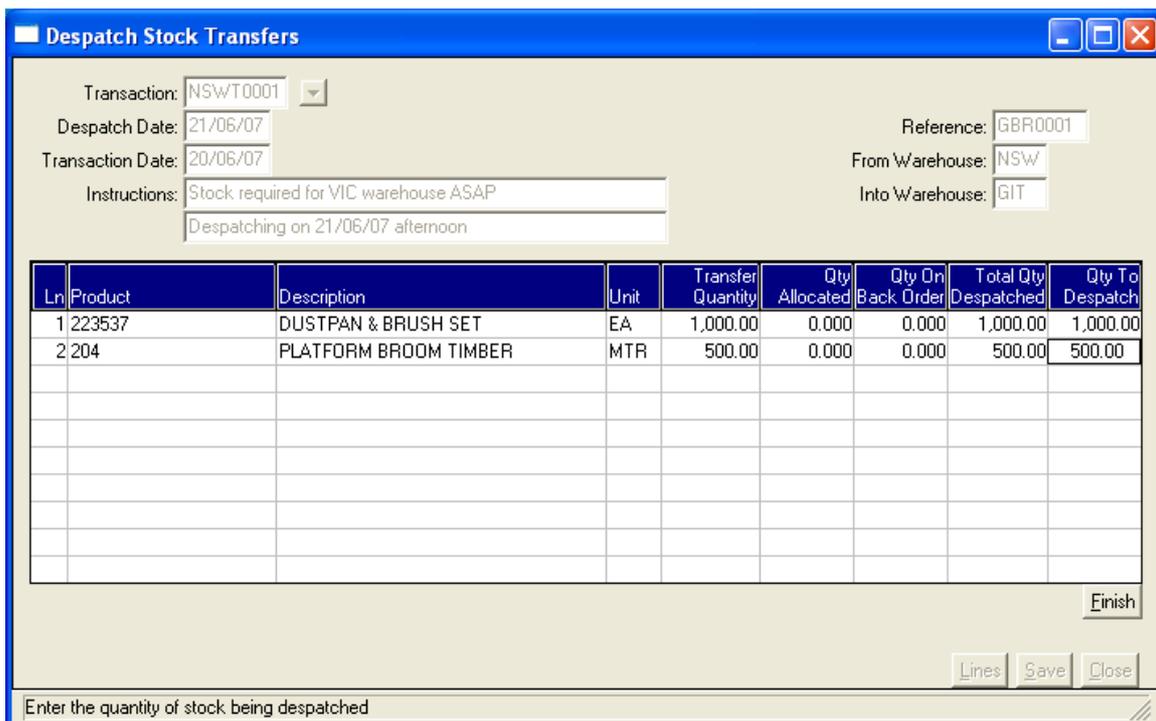
Enter a Stock Transfer Inwards

The final step in the Stock Transfer process is to enter the stock transfer inwards for the particular stock transfer request. This is done as the requesting warehouse using the following screen. The product lines are automatically updated from the stock transfer request and the quantity being received needs to be entered to confirm that all stock requested is being received.

Stock at the requesting warehouse is increased and stock in transit at the Goods in Transit warehouse is reduced. The stock transfer process is complete.

Stock Adjustments

Stock adjustments are entered using the following screen to write off stock or to adjust the quantity of stock on hand, outside of a stock-take, for any number of reasons. For serially-numbered products, serial numbers need to be recorded with the stock adjustment, after the adjustment has been entered.

Recording the Serial Numbers

Note that multiple ranges of serial numbers can be received for the same stock receipt. Perennial ERP's Inventory Management System provides enquiries of serial numbers recorded against their respective transactions either by Product Code or by Serial Number.

Serial Number Enquiries

The serial number records for a serially-numbered product can be viewed using the following enquiry:

Alternatively, the transactions for a particular serial number can be displayed as follows:
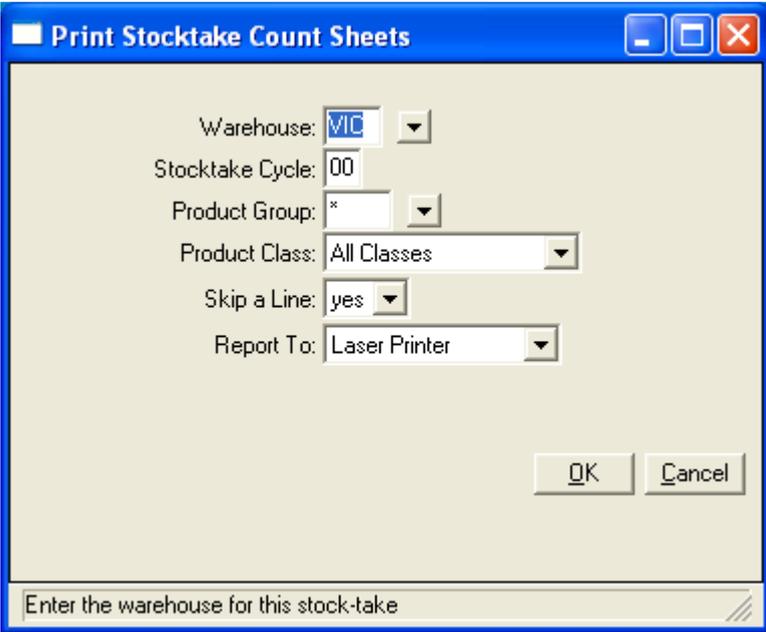
Stock-Takes

Stock-takes are normally performed at the end of each financial year to get an accurate stock valuation, but can also be performed on a cyclical basis to check the accuracy of the perpetual inventory system (i.e. physical stock on hand measured against computer stock on hand). If the cyclical stock-takes confirm that perpetual inventory is accurate, then the full annual stock-take may not be considered necessary.

The functionality contained in Perennial ERP for conducting a stock-take and updating stock quantities with stock counts is summarised in the following steps:

1. Print Stock-Take Count Sheets

Stock-take count sheets are printed for each warehouse, usually by product group by primary bin location by product code. Often, this program requires some modification to suit the particular needs of the company, as companies often place stock in their warehouses in different ways.

The stock-take sheets can be printed for a full end of financial year stock-take, or for individual stock-take cycles performed throughout the year. It may be preferred to conduct cyclical stock-takes may be conducted for the most important products (i.e. Class A only or Class A and Class B), rather than for all classes of products (Class A, Class B and Class C).

2. Reset Stock Count Exceptions

This program should be run after all transaction processing affecting stock (e.g. sales invoices, stock receipts) prior to the stock-take has taken place. The program:

1. Retains the value of stock on hand as at the start of the stock-take for exceptions reporting, and for calculating the stock count adjustments to be made for each stock item to the quantities on hand and to the quantities free that are current at the time of posting the stock counts. This allows a company to re-start their usual business transaction processing as soon as the physical stock-take has finished. Entering the stock counts and posting the adjustments can be done after normal business has resumed.

2. Resets the stock counted at the last stock-take to zero, to allow for update by this stock-take.

3. Conduct the Stock-Take – Bar Code Scanning Option

The physical stock-take is conducted. This can be a full stock-take or a cyclical stock-take for stock items in a particular stock count cycle.

Perennial Software has specified the functionality required to conduct the stock-take using Bar Code Scanners. This specification has been provided to and costed by one of Perennial Software's business partners. This functionality can vastly improve the speed and accuracy of the physical stock-take by reducing the potential for human error. It can also download the stock counts from the barcode scanners directly into Perennial ERP as unposted stock count transactions for review before posting, once again saving a considerable amount of time and reducing the likelihood of errors.

4. Stock Count Entry

Stock Counts can be entered in the same sort sequence as the stock counts are printed, or they can be entered in any sequence required, as follows:

1. Automatically - After creating a new stock count transaction header, you are asked for a product group code. If you enter a valid product group code, the stock count transactions will be automatically created in the same sequence as the count sheets for that product group, i.e. by primary bin location by product code.

2. One by One - If you leave the product group code blank, you can enter any product codes for the counts you wish to enter one by one in any sequence. Entering a valid product code will create a stock count transaction line, leaving the primary bin location blank, and allow you to enter the quantity counted.

3. Scanner Download – If the Bar Code Scanning option is implemented for the physical stock-take, the stock counts can be downloaded from the scanners into Perennial ERP as unposted stock count transactions.

The date of the stock-take on the transaction header must be the date the stock was counted, not the date the stock counts are being entered, to ensure that stock count adjustments are posted to the Stock Transaction History with the correct date.

Entering stock counts will update the quantity counted at this stock-take for each stock item. This value is accumulated, which allows for multiple stock count entries to be made for the same stock item.

4. Create Zero Stock Counts

Every stock item on file at every warehouse must have a stock count entered. This is because the computer system may have a balance on hand for a stock item that is not physically in stock at the time of the stock-take, and therefore has not been counted.

If some of all of the counts are being entered one by one, then stock items that do not have any physical stock on hand will not have been entered. This program is run after all stock counts have been entered to automatically create zero stock count transactions for all stock items that do not already have a stock count entry for the current stock-take.

5. Stock Count Exceptions Report

This report will show the differences between stock on hand as at the commencement of the stock-take, as recorded in the Reset Stock Count Exceptions program, and the total quantity counted and entered for each stock item. The purpose of this report is to review the stock-take, and perhaps perform any re-counts where large differences are reported.

6. Unposted Stock Counts Report (optional)

The stock counts entered can be printed prior to posting if necessary. This report will also provide a cost for the stock counts entered, so that a stock valuation can be determined prior to posting the stock counts. This step is optional.

7. Post Stock Counts

After the stock counts have been reviewed and amended if necessary, the stock counts must be posted to make the stock count adjustment to stock on hand and to stock free, to create a stock transaction history record for the adjustment, and to update the stock on hand and stock movement accounts in General Ledger.

8. Posted Stock Counts Report

After posting, the posted stock counts can be printed showing the same detail as the Unposted Stock Counts Report. This step is mandatory and must be performed before the next end of month update of the Inventory Management system.

9. Stock Valuation Report

The Stock Valuation Report can be printed at any time. It can be printed for the stock-take count quantity or for the current quantity on hand.

Tracking Stock Movements

The three most commonly used enquiries used in Inventory Management are shown below.

Stock Balances Enquiry

This enquiry shows the stock balances for multiple warehouses, with total quantities for all warehouses shown at the bottom on the screen. Links to other enquiry programs (e.g. Outstanding Sales Orders by Product) are available to drill down to the transactions behind the stock balances.

Stock Transaction History Enquiry

Monthly Sales Enquiry

Inventory Management Reports

A full listing of reports available in Perennial ERP's Inventory Management system is provided in Appendix 2 – Perennial ERP Program Listing. The ones most commonly used on a daily or weekly basis are:

➢ Stock Balances Report - displays all balances for each stock item at the selected warehouse

➢ Stock Valuation Report – provides a stock-take valuation based on stock-take balances or current stock on hand, using standard, average or last cost.

➢ Stock Transaction History Report – a full history of stock transactions for the stock items selected similar to the detail contained in the Stock Transaction History Enquiry.

WHY CHOOSE PERENNIAL ERP?

If you make, if you buy, if you sell, if you import, if you export, Perennial ERP is an ideal fit for small to medium-sized enterprises (SME's), organisations that employ from around 20 to 100 people.

Why?

Functionality That Will Help You Outperform Your Competitors

Perennial ERP provides you with the ideal level of functionality you require to run their business operations and to account for them. Perennial ERP helps our clients manage their operations through planning and control so that they are always able to supply their customers what they want when they want it, by having the right products in the right quantities in the right place at the right time.

Perennial ERP, a modern Windows-based application, has been designed from the ground up for SME's. It does not have the complexity of the larger systems that have been designed for the mid-market and for large corporations, nor is it a dumbed-down version of such a system. When designing Perennial ERP's functionality, it had to pass the test "Would the people working for an SME understand how to use this software?"

A Software and Services Solution

Perennial ERP contains the software tools you can use to manage your business, but also the complimentary services needed to help you get the best out of our software. We can draw on many years of experience to help you understand the relationship between what you do and how to get the benefits you want from using Perennial ERP. For example, you will probably want to use Perennial ERP to help you keep track of your stock, but if your stock is located in different areas of your warehouse that makes it difficult to count, you may not realise that benefit. Our services will help you avoid the "garbage-in garbage-out" syndrome that will kill off any benefits you are expecting from your system.

Best Value for Money Solution on the Market

Perennial ERP's pricing for both software licence fees and for related software services offers a solution that is both affordable and that represents the best value for money solution available in Australia. We can offer this pricing for 2 reasons:

1. We have developed Perennial ERP using Progress Software's OpenEdge, an application development system is known for fast application development, and that is ideally suited for applications developed for SME's.

2. We keep things lean and mean at Perennial ERP and focus on getting the job done for our clients. We do not have endless discussions on insignificant technical matters that provide little benefit to our clients or to the software that we develop.

One Integrated Application

Perennial ERP has been developed to provide the key business functions in one integrated application. It does not have "hooks" into other tightly-integrated applications that some other systems do.

A common example is Manufacturing, which requires real-time integration with the Inventory Management, Sales Order Management and Purchase Order Management modules. Some software vendors offer third-party Manufacturing software to make their ERP application complete, but this solution can often create more problems than it tries to solve.

Perennial ERP has all this functionality in one application developed by one company using one application development system where the data is stored in one robust database.

This aspect is very important for 3 reasons:

1. Our clients only have to deal with one organisation that takes full responsibility for the complete application.

2. Custom modifications made to the software to satisfy specific client requests are not at risk of being excluded in future upgrades.

3. Errors related to integrating data from multiple systems cannot happen.

Functionality Customised to Meet Your Specific Requirements

Perennial ERP provides levels of functionality that can be turned on or off depending on what features you wish to use.

Whilst Perennial ERP is delivered with a substantial amount of functionality that has been developed over a period of almost 15 years, SME's often require specific modifications to meet their "non-standard" requirements.

Specifically-requested modifications can be made to Perennial ERP without jeopardising the client's right to software upgrades under our Annual Maintenance program.

Multi-Skilled Software Development and Support Resources

Our software development and support partner, Linx IT Consultants, employs around 35 multi-skilled software analysts, programmers, testers, and implementation and training consultants that possess all the skills that could possibly be required to help you get the benefits you want from a new business system.

Implementation Guarantee

We at Perennial Software are fully aware that deciding on a new business software system for your company is a difficult decision to make.

Traditionally you have been required to make an investment of tens of thousands of dollars without really being able to assess the suitability of the software being proposed for your business. Our Implementation Guarantee provides you with the security of knowing that you will fully understand what our solution offers prior to making a purchasing commitment.

If, after completing the Training Sessions, you are not entirely confident that Perennial ERP's software functionality and the related services we provide will meet your business requirements as stated in the Sale Agreement, you do not have to proceed with the implementation of Perennial ERP, and we will refund your deposit for the Software Licence Fees in full.

Our guarantee goes hand in hand with our leading edge analysis and implementation process that provides you with every opportunity to ensure that you are making the right decision.

Our process allows you to experience Perennial ERP's software functionality the way you will want to use it in your business. You will also be able to judge the quality of our data conversion, training, and, if required, program modification services **before** making the final decision to proceed with the implementation of Perennial ERP for your business.

ABOUT PERENNIAL SOFTWARE PTY LTD

Creators of

Perennial ERP

Software that helps manufacturers, wholesalers and retailers build customers for life by having the right products in the right quantities in the right place at the right time.

Who Are We

Perennial Software Pty Ltd is a software solutions provider to small and medium-sized enterprises (SME's) that manufacture, wholesale, and retail. Our purpose is to help our clients improve their ability to service their customers by always having the right products in the right quantities in the right place at the right time.

What We Do

We provide software solutions that work for our clients, solutions that are founded upon **Perennial ERP**, a modern Windows-based enterprise software system that provides the accounting, sales, purchasing, inventory and production management functionality required by SME's. Perennial ERP contains the tracking mechanisms our clients need to maintain complete awareness and control over the state of customer orders, purchase orders, production orders, stock availability, and the accounting of every transaction processed through the system.

Multi-skilled Software Development and Implementation Team

Our partnership with Linx IT Consultants provides us with a substantial mix of software development and implementation resources to be able to deliver solutions that precisely meet any specific requirements of our clients that are not already satisfied by the functionality contained in Perennial ERP. We deliver these solutions without impairing the rights of our clients to future upgrades of Perennial ERP.

Our Background of Success

The origins for the development of Perennial ERP began in 1990, when Perennial purchased the rights to another Australian-developed software product called Pacific Software. During the 1990's, Perennial further developed and customised Pacific Software for use by almost 150 end-users spread over 18 SME's, ranging from 4 user sites to 30 user sites.

The Evolution of Our Software to Meet the Expanding Needs of Our Clients

Some of Perennial's clients expressed a need for a manufacturing system that integrated with their sales, purchasing, inventory management and accounting systems. In addition, Microsoft Windows, with its graphical user interface ("GUI"), was beginning to become the operating system of choice for SME's.
So by 1999, a major project to develop a manufacturing module designed specifically for SME's and to re-develop the software for the Windows GUI environment was underway. Whilst the software's front-end (e.g. entering a sales order) had to be re-written to cater for the Windows GUI environment, much of the earlier version of the software could still be used as the basis for the background processing that occurs (e.g. updating stock balances) as a result of the user's input.

During this time, Perennial also took this opportunity to review and improve the programs that perform the background processing, including taking advantage of many new programming techniques that became available with each new version of Progress OpenEdge, the software development platform used by Perennial to develop Perennial ERP.

New Technology Delivering Highly-Valued Business Benefits

In November, 2005, Perennial commenced installing this new Windows version of its software at one of our long-time clients, an industrial supplies wholesaler with a total of 15 end-users.

After going live in March, 2006, the response from the client was that Perennial ERP was *"far, far better than the old system"*.

The new feature of the software that this client appreciated the most is the ability to process sales quotes, sales orders, sales invoices and purchase orders, all containing many product lines, in an updateable browser similar to a spreadsheet. This feature makes it very easy for the client find review and change anything they have already entered.

Not long after, Perennial won an important new client, a retailer of period-style furniture and lighting. This client also wholesale to other retailers in country areas and interstate. Most of the goods they sell are purchased either locally or from overseas (particularly China), but they also manufacture bathroom vanities and mantle-pieces for fireplaces.

For this client, the Point-of-Sale part of the application had to be developed into a more complete Retail application. This was a substantial development project which took several months to complete, and in March, 2006, Schots went live with up to 30 end-users.

After a particularly busy last weekend of June, 2006, when they had their annual sale, the response from the client was that they "***did not have a single problem with the software. Our staff had no problems using it, and we are very happy with the way it stood up over the weekend.***"

Independent Surveys Validate Perennial ERP's Success

In late 2006, Perennial engaged The Quantum Organisation to provide marketing and business development consulting. One of the tasks that Quantum carried out was to survey several of the key end-users using the new Windows version of the software, which by now had been brand-named as Perennial ERP.

The most significant result of this survey was that all of the key end-users surveyed stated that if they had their time over again, they would still choose Perennial as their business systems software and services provider.

Another key finding of the survey was that Perennial would need additional resources to grow. This finding confirmed a view that Perennial already held, and negotiations to form a partnership with one of Melbourne's largest private software development companies, Linx IT Consultants, came to fruition during 2007.

A Partnership to Serve Our Clients Better and Multiply Our Client Base

Linx will assist Perennial with implementing Perennial ERP at new clients that we are able to help. Linx employs around 35 software analysts, programmers, testers, and implementation and training consultants. Their major client is the Toll Transport Group, who they have been helping since 1999, so their expertise in developing and maintaining software solutions using the same software development platform (Progress OpenEdge) as Perennial has used will allow for substantial enhancements to Perennial ERP, with resultant benefits to our clients, in the coming years.

At all times, Perennial maintains a high-level project management role to ensure that the client is delivered with what we have promised. We engage Linx on behalf of our clients for software development, implementation and training services, but we will always retain the responsibility for ensuring that our clients get the solutions that they need to run their businesses better.

About John Nankervis - Founder of Perennial Software Pty Ltd

John Nankervis has gained extensive experience in selling, implementing and supporting business software applications to SME's (small to medium-sized enterprises) over a 20 year career in the software industry.

John spent the first 12 years of his career working with chartered accountancy firms, including Price Waterhouse and Pannell Kerr Forster. During this time, John qualified as a Chartered Accountant, a qualification he still holds today.

Since the mid-1980's, John has been recommending, selling, implementing and supporting business software solutions for a diverse range of SME's. He has successfully completed RMIT University's Master Of Business Administration Degree, and has completed four of the education courses in inventory and production management that are run by the Australian Chapter of the American Production and Inventory Control Society (APICS).

HOW TO CONTACT US

If you want to find out more about Perennial ERP, you can contact us either by mail, by email, or most easily, by telephone. Please address your enquiry to the attention of:

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