

# Setting Up an Inventory Item with Multiple Vendors



## Introduction

The first question is: Do you want to establish unique stocking levels for each vendor that you buy from? If the answer is yes, then you will need an item set up in the Inventory File for each vendor. If the part numbers are the same, then you will need to add a prefix to the beginning of the part number such as:

NAS-1234 (purchased from NASCO)

VIC-1234 (purchased from Victor)

Assume you could buy an item directly from Victor or from NASCO and that the part number is the same for both companies (i.e. 1234). You would then need to set up two items in the inventory file, each with a unique prefix to identify the source from which they are purchased.

### Example:

NAS – 1234 (purchased from NASCO)

The screenshot shows the 'Inventory Master File Maintenance' window for item NAS-1234. The 'Main' tab is selected. The 'Location' is set to 1. The 'Stock Number' is NAS-1234. The 'Description' is GLOVES, LEATHER. The 'Ext Description 1' through 'Ext Description 3' are empty. The 'Status' is 0 - Active. The 'Class' and 'Category' are empty. The 'Unit' is PR. The 'Count/Unit' is 1.00. The 'Vendor' is NASCO. The 'Vendor Stock #' is NAS-1234. The 'Alternate Vendor' is empty. The 'History Flag' is No. The 'ID # for Gas' is empty. The 'Bin Location' and 'Alt Bin Location' are empty. The 'Substitute Item 1' and 'Substitute Item 2' are empty. The 'UPC #' is empty. The 'Taxable' flag is 0 - Taxable.

VIC – 1234 (purchased from Victor)

The screenshot shows the 'Inventory Master File Maintenance' window for item VIC-1234. The 'Main' tab is selected. The 'Location' is set to 1. The 'Stock Number' is VIC-1234. The 'Description' is GLOVES, LEATHER. The 'Ext Description 1' through 'Ext Description 3' are empty. The 'Status' is 0 - Active. The 'Class' and 'Category' are empty. The 'Unit' is PR. The 'Count/Unit' is 1.00. The 'Vendor' is VICTOR. The 'Vendor Stock #' is VIC-1234. The 'Alternate Vendor' is empty. The 'History Flag' is No. The 'ID # for Gas' is empty. The 'Bin Location' and 'Alt Bin Location' are empty. The 'Substitute Item 1' and 'Substitute Item 2' are empty. The 'UPC #' is empty. The 'Taxable' flag is 0 - Taxable.

Both of the above items are exactly the same. When purchased from NASCO the operator would use the part number NAS – 1234, but when purchased from Victor the operator would use VIC – 1234.

Each item would maintain a unique sales history, purchase history, order points, order quantities and lead times. This would make it possible to have different costs and selling prices for each item (even though they are identical in use).

This method would also make it possible to purchase from an unlimited number of vendors, each having separate order points, etc. In other words, this method would create unique items in inventory for the same item purchased from different vendors.

There are two advantages to this method.

1. It makes it possible to purchase from an unlimited number of vendors.
2. It makes it possible to maintain different stocking levels and history for each vendor.

If you purchase the same item, sometimes from NASCO and sometimes from Victor, but don't care about separate order points for each one, then you can create one inventory part number without a manufacturer prefix.

In this example:

1. The part number would be 1234.
2. The primary vendor in the inventory record would be the vendor used most often.
3. The alternate vendor would be the backup vendor, in this case Victor. This would make it possible to have two vendors identified for the same item.

**Note:** The primary vendor will be the one used for electronic price updates.

**Example:** even though the primary vendor is NASCO, if the purchase order was started using Victor as the vendor, the operator could still enter the part number as 1234.

The advantage to this method is that you don't have to establish prefixes for each vendor. While setting up prefixes is not a complicated process, it could be a training issue, in some cases, for the counter personnel or purchasing.

If you're using one part number for items purchased from two different vendors, then there will probably be two different UPC numbers. How does the receiving program know which item to receive against when there are two different UPC numbers?

The solution in this case is to use the Multiple UPC file. The first (primary) UPC number would be entered into the Inventory Master Record. The second (or third, fourth, etc.) would be placed in the Multiple UPC file by first entering the part number and then the UPC for the item. This method makes it possible to have an unlimited amount of UPC numbers assigned to one item.

**Have questions?** Feel free to [send us an email](#), we welcome the questions!

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