

5 Ways Acumatica Simplifies Item Management for Wholesale Distributors

STREAMLINE ITEM CREATION, KITTING, PACKAGING, AND PERISHABLE GOODS MANAGEMENT WITH TRACEABILITY

Wholesale distributors often stock and sell thousands of inventory items. These items may be similar, with only slight variations in size, style, or other attributes for each family of products. Acumatica **matrix items** simplify item creation using combinations of attributes. They also streamline the sales and purchasing processes for product families with flexible options for order entry. Acumatica Distribution Edition includes kitting, lot and serial control, flexible units of measure, and expiration dates for additional management of **complex and variable items**.

This ebook explains how these features simplify processes for item creation, long-term item management, purchasing, and sales. It also illustrates how wholesale distributors across distribution industries use these features to improve business processes.

SIMPLIFY PROCESSES FOR VARIABLE AND COMPLEX ITEMS



**MATRIX
ITEMS**

Page 2



**KITTING &
DISASSEMBLY**

Page 5



**SERIAL & LOT
TRACEABILITY**

Page 6



**UNIT OF
MEASURE**

Page 7



**EXPIRATION
DATES**

Page 8



**INDUSTRY USE
CASES**

Page 9



1. MATRIX ITEMS

Manage Items Using Attributes

Wholesale distributors across industries stock and sell like products. Distributors use product families to manage these items. Items in the product family are identical except for slight variations such as color, size, style, or grade. The combination of attributes and values results in thousands of combinations of products. Some attribute and value combinations are available while others are not.

Creating and managing product families of like items can be difficult, time-consuming, and prone to human error. Items may look the same, causing confusion. This confusion results in the **wrong items being sold or purchased**. It can also cause overstock and stock-out scenarios that lead to write-offs, costly rush orders, delayed shipments, and increased cost of goods sold. All of this creates barriers to growth.

Acumatica matrix items automate and streamline item creation, sales, and purchasing processes for product families that use item attributes and values.

The masking capabilities in Acumatica allowed us to handle our ring sizes. We sell fashion jewelry rings that are sized from 5 through 10. A traditional system like SAP Business One or MAS 200 couldn't handle something where you had different sizes within one master SKU.

- JAY CHENG, CHIEF EXECUTIVE OFFICER, J. GOODIN

ITEM ATTRIBUTES & OPTIONS

Acumatica matrix items start with a master SKU or template. This base item is defined in inventory with multiple attributes. Each attribute has options that define the characteristics of the unique inventory item. Here are some examples of matrix item attributes and options that are common across wholesale distribution industries:

SIZE

Clothing, shoes, and rings are sold in varied sizes. Beds, mattresses, and sheets are available in twin, full, queen, and king sizes. Even fasteners come in various lengths and sports equipment comes in multiple sizes.



COLOR

Computers and consumer electronics, automotive parts, furniture, and other products are available in multiple colors. Paint and coatings, clothing, and paper can be available in hundreds of colors making it even more difficult to manage item creation and on-going item maintenance.



STYLE



Create a template for apparel styles and use attributes and options to define unique items by color, sizes, sleeve length, and other variants. Styles are useful for food, equipment, furniture, doors and windows, and many other products.

PACKAGING



Acumatica supports flexible units of measure for purchasing, stocking, and sales to manage products with packaging variations. Users can define new units of measure and create conversions between units of measure.

MANUFACTURER



The manufacturer is an important variant in some industries. For example, an electronics customer may only purchase Hitachi components. In HVAC and plumbing, many parts only work with specific manufacturers' equipment and parts may not be interchangeable between manufacturers.

GRADE



Product grade is common in lumber, food, metals, minerals, chemicals, and other industries. Grade is a major requirement for segregating inventory. It is also useful for identifying inventory based on customer requirements. Use matrix items to create unique items by grade with different prices and special attributes.

DIMENSIONS



Dimensional inventory is impossible to manage in some ERP systems. Distributors need the ability to look across inventory to see products by dimension. For example, a lumber products distributor can cut a 16-foot board in half if they are out of stock of 8-foot boards.

MODEL YEAR



Manage models and model years for appliances, automotive products, and other consumer electronics using attributes or matrix items. Components may not be compatible with other years, and some products are not available for similar models.

COMPOSITION



Chemical composition is another tricky attribute for distributors. For example, a customer purchasing chlorine may be able to use multiple concentrations, while another customer may require specific concentrations of the product.

MATERIAL



Material is another attribute commonly used to differentiate items. For example, furniture may be available in several distinct types of fabric, and hardware may be available in stainless steel, brass, bronze, and other materials.

“We break servers down into individual parts with serial numbers, but since we don’t necessarily sell them as that part, our inventory process can be a bit complex . . . We have our normal complexity caused by swapping out the generic for a specific part, but it can get more involved when we have to add extra parts like cables or trays. All of this has to happen automatically before the order goes to the warehouse.”

- RYAN BROWN, CEO, XBYTE TECHNOLOGIES



ITEM CREATION

Matrix items generate inventory items in seconds using multiple attributes. Templates expedite the item creation process providing default values for order fulfillment, purchasing, stocking, and general ledger settings. You can mask part numbers using attribute values, a fixed number of characters for each item segment, and separators such as dashes. This process creates “smart part numbers” that are unique, meaningful, and easy to find. You can also configure the item description. You can remove unavailable combinations before item creation. For example, a distributor may only carry extra-small shirts in black and extra-large in blue and red.

Attribute Value	Extra Small	Small	Medium	Large	Extra Large
Black	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Blue	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Red	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

You can generate the new matrix items after completing the attribute definitions. Acumatica validates the data to ensure that unique items are created.



ITEM MAINTENANCE

Newly created items are displayed in a matrix item grid. Filter and sort the grid for easy matrix item updates. For example, you can filter the grid to view only black tee-shirts. You can then quickly adjust prices for each item.

Inventory ID	Description	MSRP	Last Cost
TEE-BLK-SM	Tee Shirt, Black, Small	\$13.00	\$10.00
TEE-BLK-LG	Tee Shirt, Black, Large	\$15.00	\$10.00
TEE-BLK-MD	Tee Shirt, Black, Medium	\$14.00	\$10.00



PURCHASING & SALES

Matrix items provide table and matrix views to streamline purchasing and sales. Add matrix items to the order. Select the matrix item template. In the table view, users can find the item by selecting each attribute. With the matrix view, users can enter quantities directly into a grid that displays all matrix item combinations. This process is easier for matrix items that only have a few attributes.



COMMERCE

Acumatica provides native integration with BigCommerce. SKU categories, attributes, and images inside Acumatica are used in the storefront to **help customers find products faster**. Integration with other commerce and marketplace platforms such as Shopify, Magento, eBay, and Amazon are supported through marketplace applications.

“Acumatica’s sales, purchasing, inventory, and fiscal management software helped our swimming pool supplies distribution business reach profitability in year one.”

- JOHN CWALTNEY, OWNER, POOL SOURCE LLC



2. KITTING & DISASSEMBLY

Create Kits to Stock or Pick Components for Orders with Advanced Features

Many distributors manage kits of components assembled, stocked, and sold together. Kitting is prevalent in durable goods for automotive, electronics, machinery, and other products. Kitting is less common in non-durable goods, but there are cases when food, chemicals, and other products are sold as kits. For example, kitting is common in the prepared meal industry where meals are assembled into kits for delivery to consumers.

Distributors often assemble kits to stock to fulfill orders for preassembled kits. In other cases, they sell the kit and pick the kit components during the order fulfillment process. Distributors often include non-stock items in kits. Non-stock items may include instructions, user manuals, or labor to account for assembly costs.

Many distributors break kits down into their base components. This is common when the distributor purchases products that are disassembled to stock. For example, an electronics distributor may buy computers. They break the computers down into their components and sell them individually.

In other cases, distributors may need to break down kits to use components for other orders. For example, an automotive parts distributor may stock carburetor kits. Some of the components are included in multiple kits. They can disassemble excess stock for one kit to get components for other kits where they have excess demand.

The disassembly process may result in the loss or damage of kit components. For example, a part may be clipped to another part in the kit. Removing the part may damage the clip, resulting in the loss of the second part. The disassembly process needs to support the loss or damage of components and the costing associated with the scrapped item.

Acumatica provides flexible kitting options for both stock and non-stock kits. Non-stock components can be included in the kit assembly. Account for scrapped components resulting from the disassembly process.

“By tracking and authenticating asset movement in the supply chain and in the warehouse through use of technologies such as RFID and blockchain, order verification is automated, minimizing errors and our customers can have much more confidence that the goods they’re purchasing are authentic, not counterfeit.”

- CASVAL TINOCO, IS MANAGER, BLUEFIN COLLECTIBLES



3. SERIAL AND LOT TRACEABILITY

Manage Compliance with Lot and Serial Traceability for Recalls & Quality Control

Distributors of technology products, machinery, and automotive parts require serial tracking to manage inventory effectively. Serialized inventory is critical for managing recalls and for manufacturer warranties to determine how to handle product replacements or service.

Distribution ERP applications must capture serial numbers during the receipt of goods process or during sales order entry to identify which serial numbers were included in the customer order. In some cases, serial tracking must support the identification of serialized components assembled in kits.

“Acumatica helps us make sure all components are reflected accurately in inventory . . . It also makes sure we know what each component is related to what light and accurately reflects the true cost of a kit assembly.”

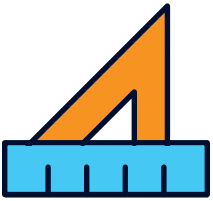
- SHIVANI RAVAL, DIRECTOR OF OPERATIONS FIDELUX LIGHTING

Lot tracking is a must-have for distributors of food products, chemicals, medical supplies, metal products, pharmaceuticals, and other non-durable goods. Lot tracking improves compliance with industry and customer quality requirements.

Define lot numbers during sales order entry or capture them during purchase order receipt entry. Lots are traceable through all inventory transactions to customer shipments. Lots are used in combination with expiration dates to manage stock rotation for perishable inventory. Lots are crucial for quality and compliance to manage recalls for spoiled or contaminated products. Distributors must have adequate lot tracking to identify which customer sales are impacted by the recall.

Serialized and lot-controlled inventory helps to track item and inventory attributes. For example, an electrical products distributor may have customers that only purchase General Electric components. The manufacturer can be distinguished as an attribute linked to each serial or lot number. This helps customer service and warehouse operations to sell and pick the correct components based on the customer’s specifications. Attributes are also common in non-durable goods distribution. For example, a customer may require specific formulations of a drug. The formulation can be documented as a lot attribute to find the correct inventory item for the order.

Improve customer experience with Acumatica serial and lot tracking for quality and compliance with attributes for lot and serialized inventory.



4. UNIT OF MEASURE (UOM)

Variable UOM for Purchasing, Stocking, and Sales with User-Defined Conversions

Distributors often struggle with unit of measure conversion. They may purchase in one unit of measure, stock in another unit of measure, and sell in yet another unit of measure. For example, a beverage distributor may buy inventory by the case, stock by eaches, and sell in six-packs or 12-packs.

Distributors may buy larger packages of goods and break them down for resale. For example, an agricultural products distributor may buy pesticides in 20-gallon drums. They repackage the contents from the 20-gallon drum to create 20 units of 16-ounce bottles for resale.

Unit of measure conversions can be difficult to set up in some ERP applications. Users must have the ability to define units of measure and how each unit of measure is related or converted to other units of measure.

Some ERP applications provide additional features to streamline order entry for both purchasing and sales. For example, a chemical distributor may have options to buy a 100 gallon or 20-gallon vat of the same item. The replenishment system will recommend purchasing 10 units of 100 gallons and 3 units of 20 gallons if the projected demand is 1,060 gallons. Sales can be automated to select the correct combination of items to fulfill orders. For example, a sales order for 120 gallons may automatically add two line items to the order—one unit for the 100-gallon vat and one unit for the 20-gallon vat.

Unit of measure management is useful for kitting and disassembly. For example, a distributor may use kitting to create larger containers of products for bulk orders. Conversely, they may disassemble larger packages into smaller quantities to create unique SKUs or to fulfill demand when they are out of stock for smaller packages to avoid costly backorders or rush orders from vendors.

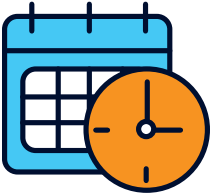
Acumatica provides flexible, user defined UOM conversions and variable UOM for purchasing, inventory, and sales.

“As far as unit of measure conversion . . . instead of having to track your binders of products to see how many square feet of this is on a pallet, how many tons of this come on a truckload—we’ve got all of that information in one spot for our people now.”

- PATRICK SAUTER, VICE PRESIDENT KING’S MATERIAL, INC.

“Acumatica has provided a consistent, up-and-running environment with no downtime, which translates into our ability to focus on the business . . . We now have one environment and one database that we can access from anywhere.”

- CHARLES SNYDER, IT DIRECTOR PROPHARMA DISTRIBUTION



5. EXPIRATION DATES

Lot Expiration Dates with First-Expired, First-Out Picking and Stock Rotation

Distributors of perishable goods manage inventory using expiration dates. Expiration dates can be associated with lots or serial numbers. Expiration dates are captured at the receipt of goods or defined during sales order entry.

Expiration date tracking can be used for order fulfillment to pick items that are closest to their expiration date. This process is known as first-expired, first-out (FEFO). FEFO picking limits risk and exposure for distributors of perishable inventory improving turns, lowering costs, and increasing profitability.

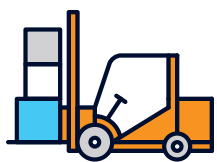
Customer service can see inventory expiration dates to ensure a minimum number of days until the expiration date for specific customer requirements or requests. For example, a customer may require that products have a minimum of 30 days remaining until the expiration date. Customer service can select the right inventory lots and reserve them for the customer order. This functionality improves the customer experience by ensuring their business needs are addressed quickly while they are on the phone.

Expiration dates are useful for finding physical inventory nearing its expiration date, which may need to be tested for quality. Expiration dates improve stock rotation to move older stock to the front of shelves for picking.

Acumatica supports expiration dates for perishable inventory. Expiration dates are used for stock rotation and quality control. Customer service has visibility into expiration dates for sales order entry, and order fulfillment processes support first-expired, first-out picking.

FIELD SERVICE & DELIVERIES

Many distributors provide on-site services for products they sell. This is especially common in machinery and equipment and hardware, plumbing, and HVACR. It is also common for distributors to deliver products to customers. Acumatica provides integrated field service to create service orders, manage deliveries, and to schedule deliveries and technicians with mobile field service reporting and data capture.



INDUSTRY USE CASES

Item Management for Distributors

Matrix items and complex, variable products pose problems for distributors across industry segments. Many distributors do not realize they have problems, and few realize there are applications like Acumatica that can help. The following section highlights how distributors in various wholesale industries can harness the power of Acumatica to improve their business and their bottom line.

“Acumatica saved us time and money processing over 4,500 orders per day. Since it’s cloud-based, Acumatica can support our double and triple digit growth rates.”

- CHRIS NELSON (CPA), CFO, YOUNGEVITY

AUTOMOTIVE PRODUCTS



Automotive and transportation product distributors use matrix items to create item records for like products. Attributes are useful for identifying warranties and manufactured dates. Carburetors, pistons, and other parts are often sold in kits. Serial tracking is common, and parts vary by model year and by manufacturer. Traceability is required for quality control recalls.

CONSUMER GOODS



Chemicals, food, pharmaceutical, and other non-durable goods distributors rely on lot traceability, expiration dates, and attributes. Hard goods distributors track products by serial number. Matrix items expedite sales and purchase order entry keeping the entire supply chain running as smooth as possible.

FURNITURE & HOME GOODS



Chairs, sofas, cabinets, and other furniture come in assorted styles, colors, and different fabrics. Cabinets and wood products are offered in many wood species and finishes. Home goods such as shelves, curtains, lighting, and flooring also come in assorted sizes, styles, and colors. All these examples are ideal for matrix items.

LUMBER & BUILDING SUPPLIES



Lumber and wood come in varied species with different product grades. Dimensional inventory requirements—including length, width, and thickness—result in thousands of combinations of products. Lot tracking and attributes are useful for identifying additional information for lumber and building materials. These features make it easier to identify products for sale.

CHEMICALS, COSMETICS, & COATINGS



Traceability is a major requirement for chemical, cosmetics, plastics, and coatings distributors. Perishable products are tracked by lot with expiration dates and attributes to identify ingredients and concentrations. Lot tracking improves quality compliance with government and industry regulations.

FASHION, APPAREL, & JEWELRY



Matrix items fit this industry like a glove. Most fashion and apparel products are available in assorted styles, sizes, and colors making matrix items a must-have for this industry. Footwear distributors use matrix items to manage items by size, width, style, and other attributes. Jewelry distributors manage unique styles and sizes.

PETROLEUM PRODUCTS

Petroleum products have considerable variations in chemical composition and are often packaged in different-sized containers. Matrix items, lot tracking, expiration dates, and attributes are helpful for item creation. Acumatica provides field service with route management to help petroleum product distributors manage customer deliveries with integrated GPS navigation.



METALS & MINERALS

Distributors of metal products, minerals, stone, clay, glass, and concrete products often struggle to manage inventory. There are hundreds of variables for products including grade, size, style, color, and chemical composition. Matrix items, lot tracking, and attributes streamline the process of creating and managing inventory. Customer service staff can quickly find the right product for customer orders, and replenishment is easy with smart part numbers and details to help them understand exactly which products they need to purchase.



EQUIPMENT & MACHINERY

Equipment and machinery distributors sell medical and dental equipment, foodservice equipment, industrial and construction machinery, and farm and mining equipment. They rely on matrix items to manage equipment variations. Serial tracking is essential for equipment and replacement parts. Kitting and disassembly are common for repair kits and variable components. A field service module is also available for remote services.



GROCERY & ALCOHOL

Groceries and alcoholic beverages are available in assorted flavors with various packaging options. Consider potato chips, which are available in assorted sizes and many flavors. Alcoholic beverages are similar and sold in different units of measure. These products lend themselves perfectly to Acumatica's flexible unit of measure conversions and matrix items. Lot tracking and expiration dates are required to manage quality, stock rotation, and product recalls. Streamline customer deliveries with the connected field service application.



PAPER & PUBLICATIONS

Distributors of paper, books, magazines, greeting cards, and other paper products can be overwhelmed with product variations. Matrix items quickly create unique items by size, weight, color, or material. Use lots or attributes to identify publication dates and formats for books and magazines. Greeting card distributors can use kits to create unique collections for sale to retailers.



HARDWARE, PLUMBING, & HVAC

Managing inventory for hardware, plumbing, heating, ventilation, air conditioning, and refrigeration products can be difficult due to the wide variety of components. A fastener distributor can create tens of thousands of unique items quickly using attributes such as material, length, thread type, thread direction, and head type. Attributes are used to identify the manufacturer, make, model, and model year of HVAC and plumbing equipment. Serial tracking is common, and many distributors provide field service for on-site installation and repair.



TECHNOLOGY PRODUCTS

Computers, electronic components, electrical products, lighting, audio visual equipment, and other technology products have many variations. Attributes such as manufacturer, model number, model year, and size can be used for smart part numbers using matrix items to easily identify items in inventory for sales and purchasing. Serial tracking is common, providing traceability to the inventory receipt for returns and warranties.



TOY, HOBBY, & SPORTING GOODS

Many collectible products are serialized. Toys such as dolls and games are available in varied sizes, versions, and colors. Other hobby products such as drones and radio-controlled vehicles have variations in size with serialization for manufacturer warranties. Matrix items are perfect for sporting goods distributors to manage uniform and equipment such as helmets, pads, gloves, and boots. Kitting and disassembly are also common in toy, hobby, and sporting goods distribution.





Simple and Effective Item Management with Acumatica

Distributors struggle to manage items and product families effectively without a modern ERP application. It is difficult to differentiate between items that have slight variations, causing errors in purchasing and sales. It is equally difficult to manage extensive product families with different units of measure, attributes, and serial or lot tracking with expiration dates.

Acumatica makes variable and complex item management easier with matrix items, kitting and disassembly, lot and serial traceability, flexible unit of measure conversions, and expiration dates.

Acumatica Distribution Edition helps distributors to reduce shipping and carrying costs, minimize write-offs for spoilage or obsolescence, and increase sales with integrated commerce. This provides a distinct competitive advantage with lower prices, higher profits, and on-time shipments. It provides everything distributors need to grow their business while creating an exceptional customer experience.

The future-proof Acumatica cloud platform is designed for modern technologies, rapid integrations, scalability, and ease of use. Acumatica provides the best business management solution for digitally resilient wholesale distributors. Built for mobile and telework scenarios and easily integrated with the collaboration tools of your choice, Acumatica delivers flexibility, efficiency, and continuity of operations to growing small and midmarket distributors.

ABOUT ACUMATICA

Acumatica Cloud ERP provides the best business management solution for digitally resilient companies. Built for mobile and telework scenarios and easily integrated with the collaboration tools of your choice, Acumatica delivers flexibility, efficiency, and continuity of operations to growing small and midmarket organizations.

Business Resilience. Delivered.

Learn how Acumatica can work for your business by visiting us online at pcbennett.com or by calling us at **425-831-7924**.

