



C. Performing the physical inventory

 **Responsible:** Physical inventory manager (PIM)

Reference: [Physical inventory - check list](#)


The physical inventory manager (PIM):

1. Organize a preparatory meeting with the operational team to:
 - Define which warehouses and products are included in the count,
 - Review counting instructions,
 - Define roles and responsibilities,
 - Ensure availability of information systems, printers and handling equipment (fork-lift trucks,)
2. Notify affected parties providing adequate lead time to plan appropriately:
 - Notify suppliers for the deliveries that will not be accepted during this time, if applicable
 - Advise customers in advance of the shut-down period, if applicable
 - Inform employees to allow them sufficient time to plan the activity
3. Prepare the storage area:
 - Arrange items so that they can be easily counted
 - Ensure there are no hazards in the warehouse that could be dangerous during the inventory count
 - Clearly mark package quantities if necessary
 - Clearly mark items that will not be counted with "DO NOT COUNT"

 **Off-site physical inventory:**

Stock value above 100K€: The presence of a Syensqo employee or any person delegated by Syensqo is mandatory.

Stock value below 100K€: It enough to be evidenced by a confirmation letter (including inventory date, list of products of the count, stock location, type of count (meter reading,...), the name of the person in charge and his signature)

 **WP2 procedures**

SAP Procedures

Responsible: Physical inventory manager (PIM)

WP2 procedures

Warehouses in IM: [IM_004 Creating an IM physical inventory](#)

Warehouses in WM: [IM_003 Performing a WM inventory](#)


PF2 procedures

Google doc procedure: [Physical Inventory by transactions](#)

IS Documentation for Cycle Counts : [PTP-WM-Cycle counting Inventory Process](#)

It requires that:

1. **No inventory movements** (receptions, shipments or transfers) may be recorded in the inventory register during the physical count of the warehouse, in case of full inventory counts:
 - Everything is shipped before the physical inventory begins
 - No movement of material is made during the count process
 - No order is filled or material is received during the count process

 In case of full inventory counts, it is **recommended to count when production is stopped** or during a period when there is limited movement of inventory

2. Any items shipped and not picked up or receipt that come in, **are segregated and labelled “do not inventory”**
3. **Blind counts are performed:** The physical inventory is made without the knowledge of the quantity in the inventory records

- Batch number, item code, description, location, and other information necessary to perform the count are printed on the counting sheet but not the item quantity information.

4. Each count team has an **assigned zone to count**

- Counting team progression should be as **linear** as possible
- They receive **count sheets and tags**
- In the absence of bar-coding / scanner device, it is recommended that **counting is performed by team of two persons**
- One person counts the item and attaches a tag to the inventory items that were counted
- The second one records in the inventory document the actual quantity counted

5. At the end of, and during the inventory count process, the PIM and if possible the FRA **walk through the warehouse** and visually **inspect that a count tag is attached to every inventory item** to check that all inventory items have been counted and also ensure that the inventory is not counted twice

6. Exemptions for counts must be justified by cost savings, e.g. off-site locations; however, they have to be evidenced by a confirmation letter (including inventory date, list of products of the count, stock location, type of count (meter reading,...), the name of the person in charge and his signature)

7. Cycle counts can be split by storage location or bins, in case of counts using WM Module;



When cycle count is used PIM should insure that all materials physically present in the warehouse are counted



Responsible: Physical inventory manager (PIM)

- Check that all count sheets are **collected** and that they are **input** into the system.
- If the location have structure for such, it is OK for use of scanner guns or equivalent devices.
- Recording of count results is made with **dedicated functionalities** of the inventory management system.
- A **list of inventory discrepancies** calculated automatically by the inventory management system is printed.
- The PIM **identifies items that require a second count** according to the rules defined in the site procedure. As far as possible, it is a different count team who performs the second count.
- The **results of the second count are recorded**, and if necessary a third count can be asked. Otherwise a **definitive list of inventory discrepancies is communicate** to the PIM.
- The inventory documents (count sheets when applicable and discrepancies list) are **archived** by the PIM.