

F. Monitoring physical inventory progress

✓ Responsible: Finance responsible assigned
Control: [IAC 02.03](#)

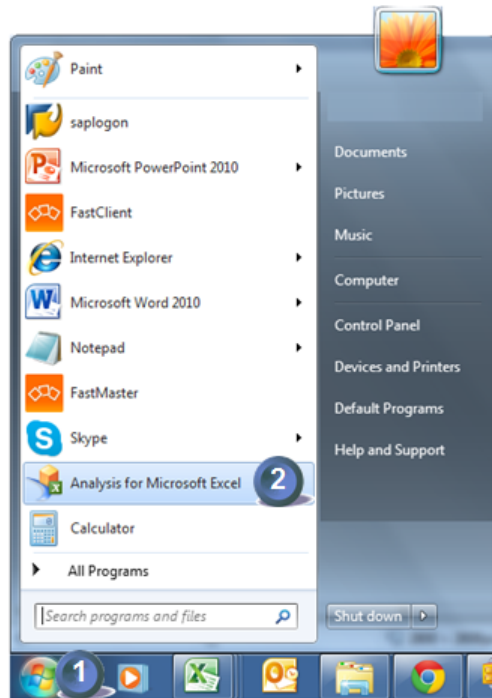
- Progress report every month available in BW with relevant communication

To get BW installed : Business warehouse

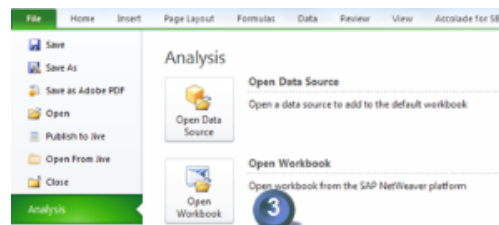
The reference for the coverage rate is the BW query physical inventory coverage rate

[1 - How to run the query ?](#)

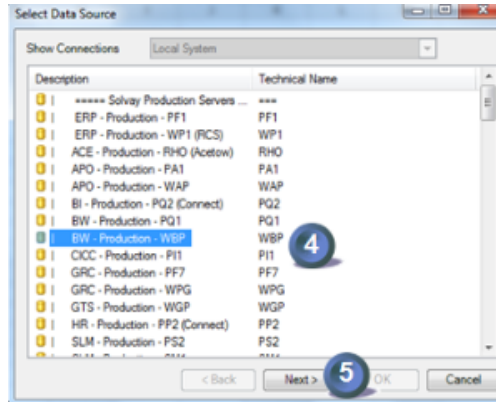
1. I open **Start** menu
2. I open **Analysis for Microsoft Excel** in the Start Menu / All program



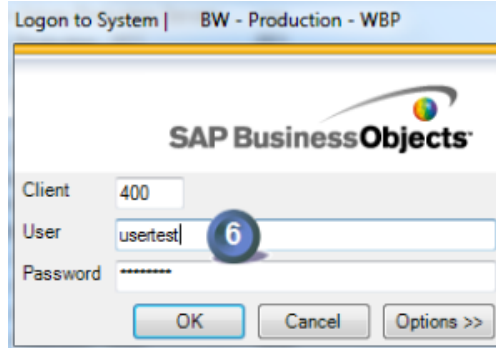
3. In **File** tab, I select **Analysis**. Then I click icon **open workbook** (from SAP NetWeaver)



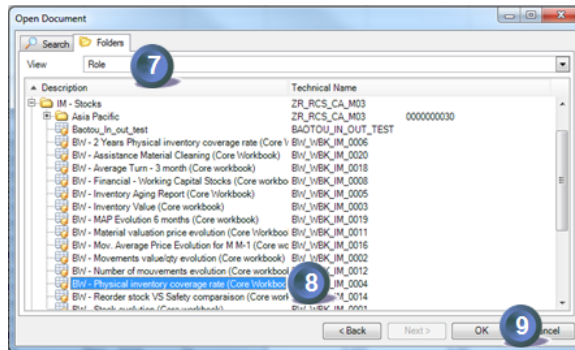
4. I select the data source **BW - Production - WBP**
5. And I click on **Next**



6. Enter user and password

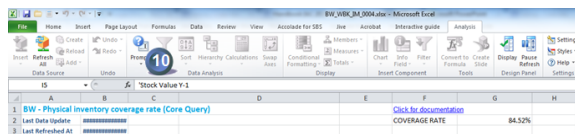


7. Select folders tab and then choose **Role** in order to select core workbooks



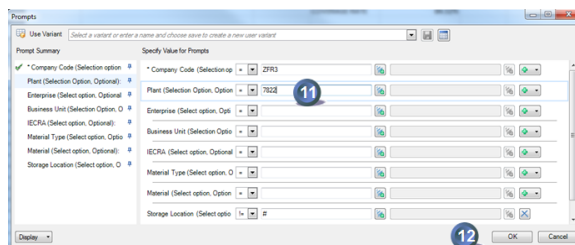
8. Open the workbook **physical inventory coverage rate (core workbook)**

9. Press OK



10. Click on  (Analysis tab)

11. Enter the data you want to display in the report. Here is the only mandatory the company code.



12. Press ok

There are two spreadsheets in the file:

- one for the FI (Z120 & Z125)
- one for other type of materials

BW - Physical inventory coverage rate (Core Query)

Click for documentation

COVERAGE RATE 10.12%

Total (B) / Total (A)

Storage Location	Material Plant	Value	Quantity Stock (Y-1)	Material Inventory (Y)	Unit Price Y-1	Stock Value Y-1 (Y-1 Qty * Y-1 Price)	Inventory Value Y (Y-1 Qty * Y Price)	
Overall Result:							4.536.764,72 EUR	420.964,42 EUR
6180124	BOBNET A SOUPAPE GENU DN 65 PN 16	2%	3 PC	1	1.064,12 EUR	3.192,36 EUR	3.192,36 EUR	
6180127	BOBNET A SOUPAPE DN15 J ACCESS	4%	2 PC	1	461,19 EUR	922,38 EUR	922,38 EUR	
6180128	BOBNET TOURNANT SPHER JC DN15 MOTOR2N	2%	2 PC	1	420,00 EUR	840,00 EUR	840,00 EUR	
6180130	BET TOURNANT SPHER JC DN15 PN16 MOTOR2N	2%	2 PC	1	420,00 EUR	840,00 EUR	840,00 EUR	
6180131	BET TOURN SPH JC DN15 PN16 MOTOR2N	2%	2 PC	1	420,00 EUR	840,00 EUR	840,00 EUR	
6180132	BET TOURN SPH JC DN15 PN16 MOTOR2N	2%	2 PC	1	420,00 EUR	840,00 EUR	840,00 EUR	
6180133	BOBNET TOURN SPHER JC D 6 DN15 PN162N	2%	2 PC	1	420,00 EUR	840,00 EUR	840,00 EUR	
6180134	BOBNET TOURN SPHER PERLIN DN15 MOTOR2N	2%	2 PC	1	420,00 EUR	840,00 EUR	840,00 EUR	
6180135	BOBNET TOURN SPH PERLIN DN15 MOTOR2N	2%	2 PC	1	420,00 EUR	840,00 EUR	840,00 EUR	
6180136	BOBNET TOURNANT SPHER JC D 6 DN15 J	4%	2 PC	1	420,00 EUR	840,00 EUR	840,00 EUR	
6180140	BOBNET VANNE DN15 INOX JC21	4%	2 PC	1	420,00 EUR	840,00 EUR	840,00 EUR	
6180146	SOUPAPE SARAG 82020 A VISC A	2%	2 PC	1	420,00 EUR	840,00 EUR	840,00 EUR	
6180148	SOUPAPE SARAG 1910 PC 10 B DN 100	2%	2 PC	1	420,00 EUR	840,00 EUR	840,00 EUR	
6180150	SOUPAPE SARAG 1910 LC 2 B DN 100	2%	2 PC	1	420,00 EUR	840,00 EUR	840,00 EUR	
6180151	SOUPAPE SARAGEN F07 DN150 PN16 3.762N	2%	2 PC	1	420,00 EUR	840,00 EUR	840,00 EUR	
6180154	VANNE PAPILLON DN 200 PN 16 ANRI	2%	2 PC	1	420,00 EUR	840,00 EUR	840,00 EUR	
6180155	VANNE PAPILLON DN 200 PN 16 ANRI	2%	2 PC	1	420,00 EUR	840,00 EUR	840,00 EUR	
6180159	BULAN ENCELSI STAMP CHY 700	4%	2 PC	1	420,00 EUR	840,00 EUR	840,00 EUR	
6180164	PULE DROBNA WELD (EN) S095P1 100	2%	2 PC	1	420,00 EUR	840,00 EUR	840,00 EUR	

1: Material has been counted the current year
Blank: Material has not been counted the current year

List of materials in inventory at the end of the previous year

2 - Why the coverage rate is lower than expected ?

- Answer 1 : The physical inventory is not finished
- Answer 2 : There is no more quantity of some materials that were in the inventory at last year end
- Answer 3 : Inventory flag is updated in BW on Saturday

For question related to physical inventory procedure in RCS, please refer to APM training document :



Warehouses in IM



Warehouses in WM

ANSWER 1

The physical inventory is not finished

There are 7 steps in a physical inventory in MM when there is no variance and 10 steps when a recount is needed

Physical inventory creation	MI31	
Inventory count from printing	MI21	
Physical stock calculation	Out of RCS	
Inventory count entry	MI04	counted
Inventory count differences printing	MI20	
Inventory count differences validation	MI07	validated
Results display	MB03	
Inventory recount if needed	MI11	
Inventory recount entry	MI04	counted
Inventory recount differences validation	MI07	validated

A physical inventory is taken into account in the BW query when the status is validated (step 6 & 10)

ANSWER 2

There is no more quantity of some materials that were in the inventory at last year end

The reference used by the calculation of the coverage rate is the inventory at the end of the previous year.

It is recommended to count all inventories even if the quantity is equal to zero and follow this procedure :

Phys. Inv. History Set zero count Other Count

Plant 7677 ZFR3 La Rochelle
Stor. loc. 1130 Pelles fab

Item	Material	Batch	Sales Value	Quantity	UnE ZC
	Material description	STy		Quantity	SKU
1	18002	1035401LNE		0	K6
	LA NITRATE 2N5 SOL ENG 1700 KG	1			K6
2	22957	1029501CNE			K6

- Create the inventory document with MI13 and select "only materials with zero stock". If necessary you can change in the control section to the relevant "MA. no. items/doc"
- In MI04 (inventory count) click on "set zero count" => All item ZC box will be checked
- Validate with MI07
- Create a new inventory document with MI31 and select materials "only materials w/o zero stock" and complete the procedure

Selection acc. to stock balance

▼ Acc. to stck

Threshold value for stock

SP threshold value for VO mat.

Only materials with zero stock

Only materials w/o zero stock

ANSWER 3

Inventory flag is updated in BW on Saturday

The query reports the coverage rate as of last friday night.

3 - E-mail validation from GCCO

- By September coverage rate in value is above 80% of prior year-end value for the FI, and above 90% for other type of material knowing that each reference is counted every 3 years for manufacturing supplies and every year for all other types of materials.
- In case of exceptions to the rules defining the physical coverage rate for year end, the FRA publishes last quarter physical inventory planning and require GCCO validation.
- The validation mail is posted in the Electronic Control Evidence Depository

For information : SBS dashboard - Coverage rate indicator

Inventory coverage rates are followed using this indicator in SBS dashboard





To receive automatic broadcast

Either you run the query as previously explained or you can receive automatically a monthly broadcast

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- "Per event" information
 - Determination of the threshold for the value of discrepancies for one stock count or one month of cycle count above which the GCCO, plant manager and GBU supply chain director are informed
 - Maximum threshold is 1% of the value of counted inventory
- Internal control testing to ensure compliance to Group mandatory principles