Chapter 2.13: Managing Damaged Goods and Returns

Introduction

Managing damaged and returned items is an important part of your daily process. Within the Route Manager program, you have the ability to select a reasons why items are being returned, decide if the items will be returned to inventory or received as damaged, and run reports to closely monitor these situations. Using these options effectively allows you to provide better service and products for your customers.

Overview

Setting up Route Manager to manage damaged goods and returned items involves three steps:

1. Enable *Enhanced Inventory*.
2. Create a series of *Inventory Adjustment Codes*.
3. Enable two new options within each *Handheld Class*.

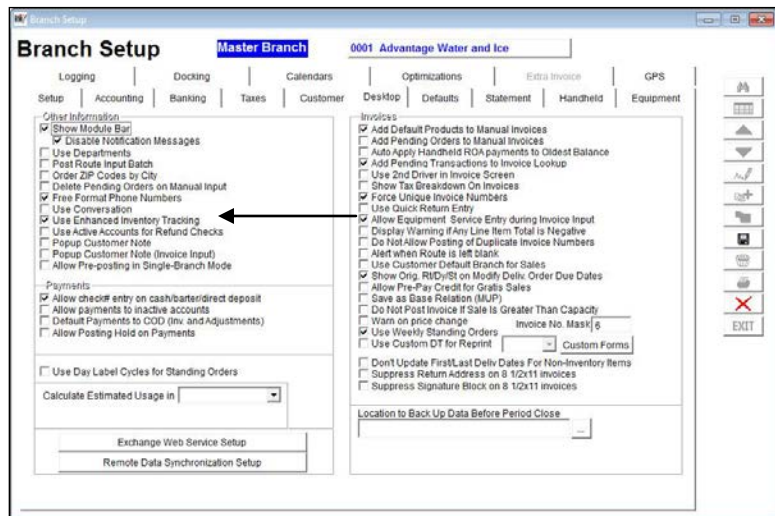Each item is covered within this document in the order listed.

Enable Enhanced Inventory

The *Enhanced Inventory* feature makes it possible to track inventory in multiple locations (i.e., warehouses, trucks, and off-site locations). This option is required to provide you with accurate damaged goods detail.

> **NOTE:** For information on all of the additional features available with *Enhanced Inventory*, refer to *Chapter 3.10* of the *Supplemental Manual*.

Follow the steps below to enable the *Enhanced Inventory* option.

1. Browse to *File > Branch Setup > Desktop* tab.

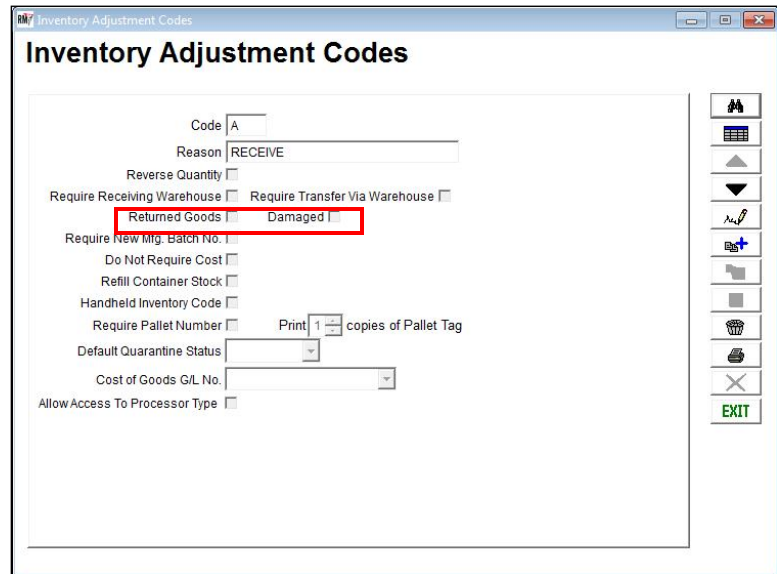2. Click **Modify** and select the option 'Use Enhanced Inventory Tracking'.

3. **Save** and exit the screen.

Continue to the next section to add *Inventory Adjustment Codes* to the system.

Inventory Adjustment Codes

In addition to the standard *Inventory Adjustment Codes* used on the desktop in Route Manager, you will need to create codes that will work for damages and returns. For example, 'Damaged Product' and 'Returned Product' are examples of *Inventory Adjustment Codes* that might be added.

Navigate to *Lists > Product Codes > Inventory Adjustment Codes*.

1. Click the **Add** key.

2. Enter a code and reason for the new adjustment code.

3. Select one, or all, of the following options:

   a. ***Returned Goods:*** Select this option to use the adjustment code for product returns on the handheld — these products will be returned to inventory (i.e., *Wrong Product* or *Not Needed*).

   b. ***Damaged:*** Choose this option to use this adjustment code for damaged items that should <u>not</u> be returned to inventory (i.e., *Leaky Bottle* or *Damaged Product*).

   NOTE: Select *Returned Goods* to enable the *Damaged* option.

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   c. ***Cost of Goods G/L No (requires Damaged option above):*** Optionally, select an alternate *Cost of Goods G/L* account for this adjustment code. Leave the option blank to use the standard *Cost of Goods* account assigned to the damaged item.
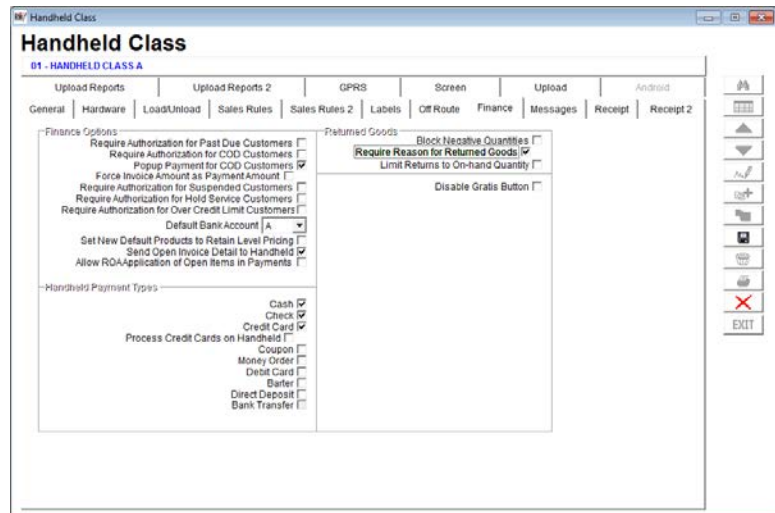
Cost of Goods G/L No.

4. Add all of the *Damaged* and *Returned* adjustment codes needed.

5. **Save** your changes and exit the screen.

Handheld Class

Each *Handheld Class* will need to be modified to allow your drivers to use the damaged and returned items options on the handheld.

Navigate to *Lists > Routes > Handheld Class*, and select the *Finance* tab.

In **Modify** mode, select the option 'Require Reason for Returned Goods.'

Next, enable damaged items to be offloaded during the *Afternoon Unload* process by selecting the *Load/Unload* tab. Choose the option 'Allow Entry of Broken Bottles on Unload.'

NOTE: This option applies to all damaged items, not just *Bottles.*
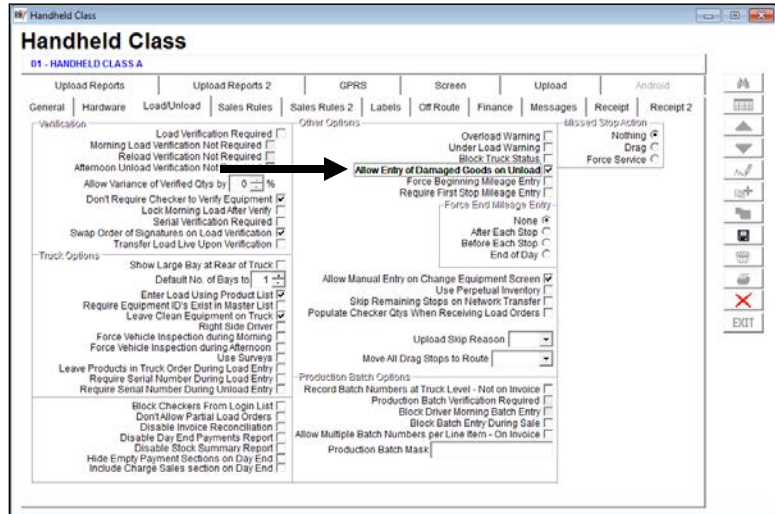
Save your changes and repeat these steps in each *Handheld Class*.

Continue to the next section to be guided through the daily process that will be followed.

Daily Processing

Processing damaged and returned products can be completed on the desktop or handheld. Both options are detailed within this section.
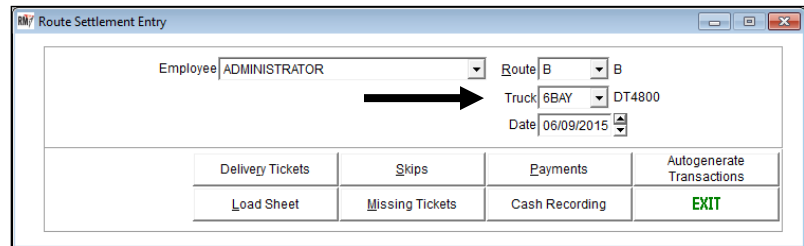
Route Settlement Entry (Desktop Entry)

The *Route Settlement Entry* program allows you to process damaged and returned items on the desktop.

NOTE: To process damages and returns, the daily route transactions should be keyed into the system prior to following the steps below.

Navigate to *Transactions > Route Settlement Entry*.

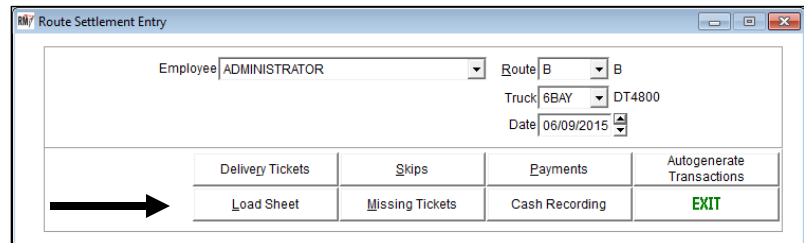1. Enter the *Route*, *Truck*, and *Date* of the route that will be updated.

2. Choose the **Load Sheet** option.
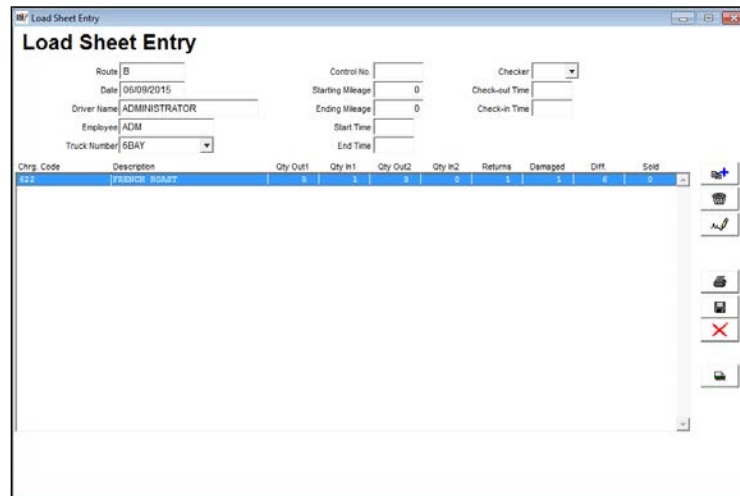
3. Double-click on an item that a returned or damaged item was received for:
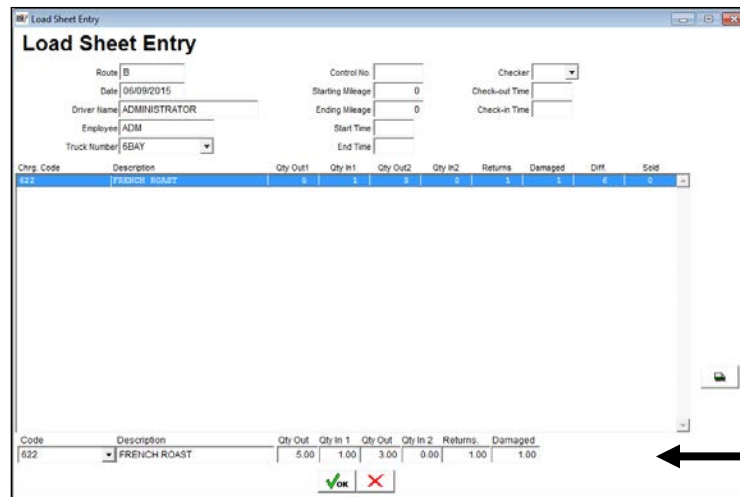
This will activate the entry field on the bottom of the screen.

4. Enter the number of items returned or damaged within the *Returns* or *Damaged* fields, and click **OK** to update the *Load Sheet*.
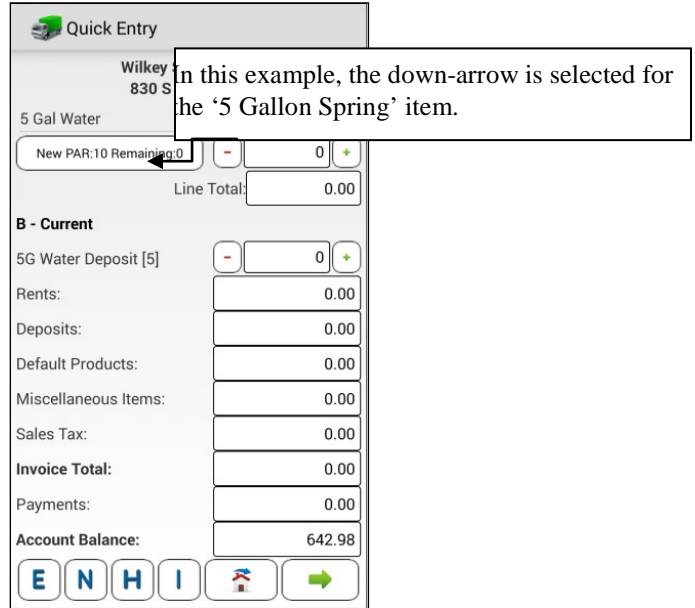
5. Click **Save** to accept the changes and exit the *Load Sheet* screen.

Handheld Invoice Entry

The *Quick Entry* screen on the handheld will automatically prompt the driver to select a damaged or returned *Inventory Adjustment Code* when a negative quantity is entered:

In this example, the down-arrow is selected for the '5 Gallon Spring' item.
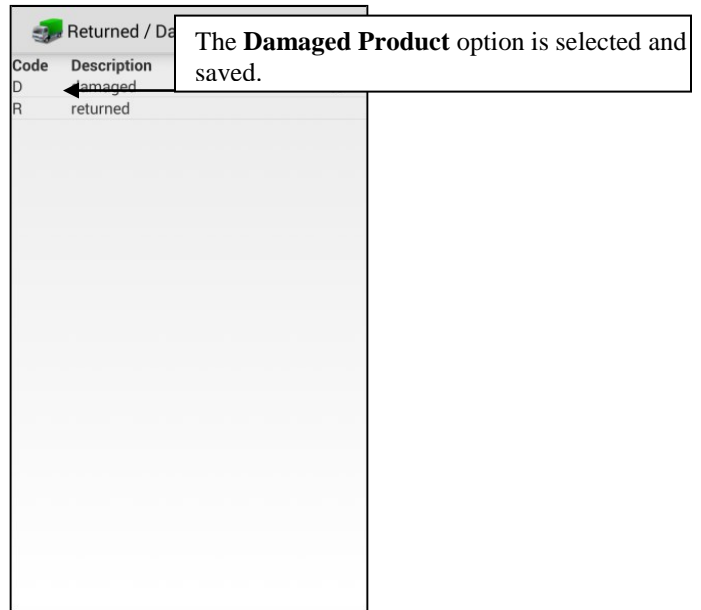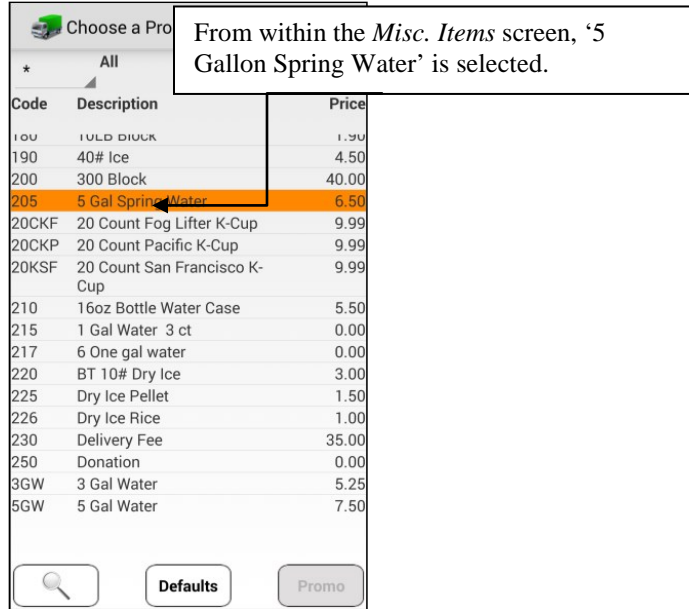
The **Damaged Product** option is selected and saved.
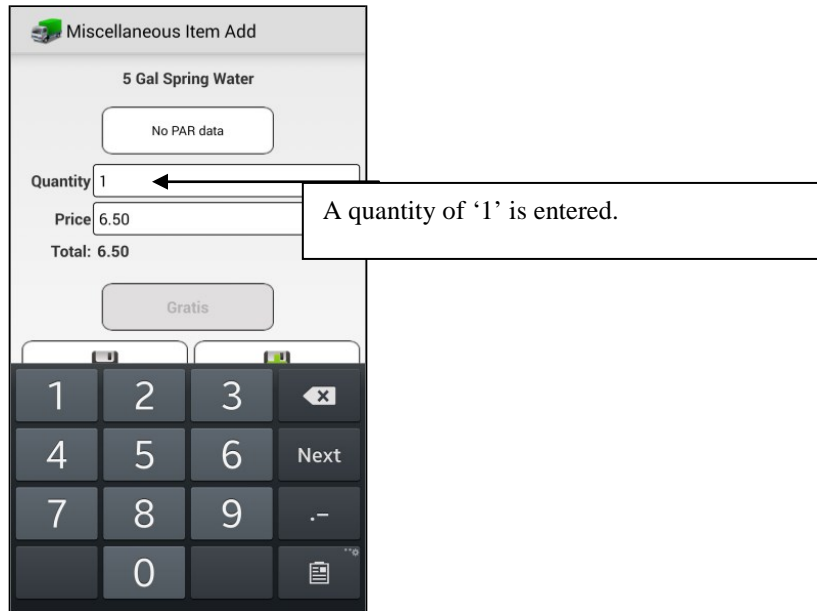
An alternate method for completing the same task can be performed by selecting the minus symbol on the *Enter Quantity* screen after tapping on the item from within the *Misc. Items* screen:

From within the *Misc. Items* screen, '5 Gallon Spring Water' is selected.

Code	Description	Price
180	10LB Block	1.90
190	40# Ice	4.50
200	300 Block	40.00
205	5 Gal Spring Water	6.50
20CKF	20 Count Fog Lifter K-Cup	9.99
20CKP	20 Count Pacific K-Cup	9.99
20KSF	20 Count San Francisco K-Cup	9.99
210	16oz Bottle Water Case	5.50
215	1 Gal Water 3 ct	0.00
217	6 One gal water	0.00
220	BT 10# Dry Ice	3.00
225	Dry Ice Pellet	1.50
226	Dry Ice Rice	1.00
230	Delivery Fee	35.00
250	Donation	0.00
3GW	3 Gal Water	5.25
5GW	5 Gal Water	7.50

A quantity of '1' is entered.

The minus (**-**) sign is touched on the keypad.

The **Damaged Product** option is selected and saved.

Printed Invoice

Once the invoice is saved and printed, the damaged item(s) will be noted in a special *Damaged Product* section:

```
Account 100000
Robert Jordan
2100 Standiford Ave
Modesto, CA  95350

PO Number:           Class:
123456789                      Other


Item                        Qty  Price        Amount
--------------------------------------------------------
                    Damaged Product              <---
--------------------------------------------------------
515    5 Gallon Sp [Tx]       -1 @ 5.75         -5.75
--------------------------------------------------------
Sales                                           -5.75
Tax                                             -0.86
INVOICE TOTAL                                   -6.61
Previous balance:                               57.50
Account Balance                                 50.89
          Last Amount Paid: 204.45  (12/05/2008)
```

When a 'Return' type code is selected, the product is displayed as a standard line item (negative quantity) on the invoice, since the item is being returned to inventory.
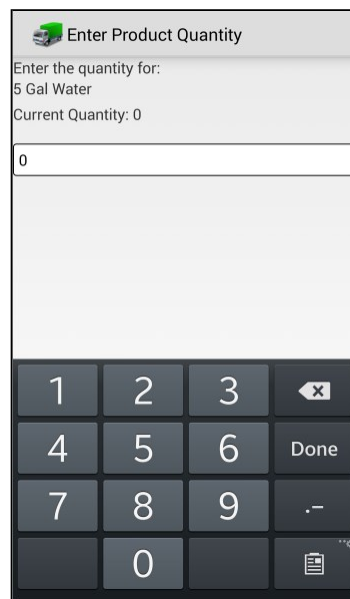
Afternoon Unload

During the *Afternoon Unload* process, damaged items (not being returned to stock) need to be offloaded from the truck. To do this, follow the steps below on the handheld:

1. Navigate to *Afternoon >Unload Truck*.

2. Select the *Bay* that contains the damaged item(s).

3. Select the item.

4. On the initial quantity screen, enter the quantity of non-damaged items being offloaded and touch **Continue**.
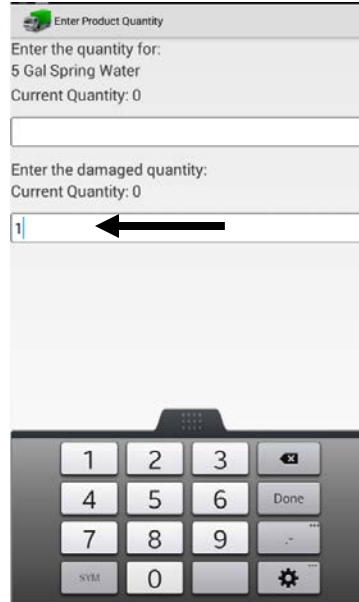

NOTE: Do not include any damaged items in the quantity entered. If you are not removing any non-damaged items for the current product, simply touch **Continue**.

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5. A *Damaged Quantity* screen will be displayed on the handheld; enter the number of damaged items being offloaded for this product and tap **Continue**.

6. Proceed to unload the truck, and repeat this process for all damaged items.

Variance Report

The standard *Variance Report* from the handheld will include damaged product information:

NOTE: On the receipt above, one '5 Gallon Spring water was returned as a damaged item.

Product Returns Report

The *Product Returns Report* will automatically print with the *Variance Report* on the handheld if any returns or damaged items were received on route.

This report will include each *Inventory Adjustment Code* selected, and list the product quantities and price totals.

```
              PRODUCT RETURNS REPORT


Damaged Product    [DAMAGED]
---------------------------------------------------
Robert Jordan       [515      ]    1.00
---------------------------------------------------
     Total                         1.00

Wrong Product
---------------------------------------------------
Easy Mart  2        [515      ]    1.00
---------------------------------------------------
     Total                         1.00

Driver :   Conner, Aaron
Route  :   A    B02
Truck  :   001
Date   :   28/10/2008
```

Reports

During the *Afternoon Card* process, the *Product Sold Report* will include a column for all of the damaged items received on route.

Product Sold Report (Data Upload)

| | | | | | | | ROUTE A | DAY B02 |
| | | | | | | | ON | 01/20/2009 |

Charge Code	Description	Checked Out	Checked In	Sold	Damaged	Variance	Efficiency	Returned
308	7 lb Bag	10	5	5	5	0	0	50.00%	0
515	5 Gallon Spring	10	7	3	3	1	0	30.00%	0
530	Equipment Rent	0	0	0	1	0	-1	0.00%	0
5 Gallon Returned		Picked Up 4		Checked In 0		Variance 4		

NOTE: You can also reprint this report by going to Reports > Route Reports > Reprint > Reprint Product Sold Report.

Conclusion

Managing returned and damaged items is an important aspect of your business. By providing you with the necessary tools in Route Manager to ensure that each item is properly received and processed, we hope that

this feature will assist you in your quest to provide the best products and services to your customers. If you have further questions, please contact Advantage Route Systems.

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Warning

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