Subsource Management allows you to assign parts to subsources you set up in your FLEX DMS Parts Inventory system. You control how the parts in the subsource are priced and the resupply method you want to use. If you use subsource management for resupply, you specify the criteria used to pull the parts in the subsource to a resupply list. When generating the resupply list, you can choose to include all subsources or only selected subsources. Various reports in the system allow you to specify the subsource you want to use when generating the report. This document walks you through setting up subsources in the FLEX DMS Parts Inventory module.

Creating Subsources

First, you need to create the subsources you are going to use. This includes entering parameters for the subsources that determine pricing.

Creating a New Subsource

1. Click **Subsource Matrix Pricing** on the System Setup & Updates menu. The Subsource Settings screen appears.
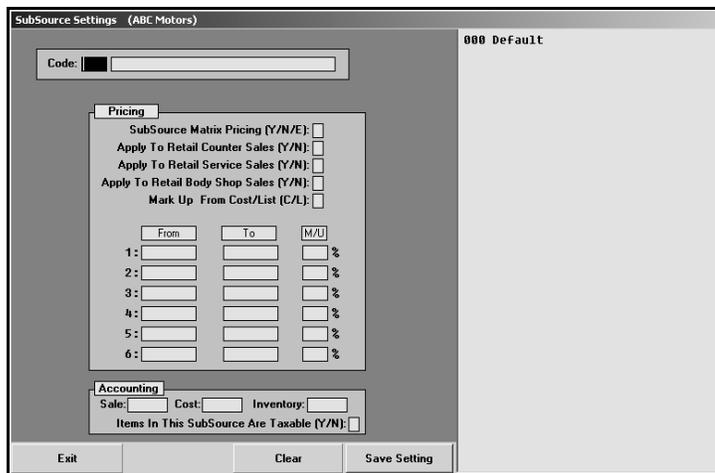
2. In **Code**, type the three-digit code you want to assign the subsource. If you only enter one or two digits, the system automatically adds leading zeroes to the code. For example, if you type 2, when you press ENTER to advance to the next field, the system will automatically make the code 002. Subsources can range from 001 to 999. Subsources are not source specific, so if you create subsource 001, it will be available for all nine inventory sources in the Parts Inventory module.

    When you enter a code, the screen automatically fills in with default settings preloaded in the system. These are the settings for subsource 000. You can use these settings or edit them as desired. If a part does not have a subsource set or if a part has a subsource set that is not defined in the parameters, 000 is used as the default.

3. In the next field, type a name or description for this subsource.

4. In **Subsource Matrix Pricing**, indicate if you matrix pricing for this subsource. Type **Y** for yes, **N** for no, or **E** for exclude.

    - **Y for yes:** When calculating matrix pricing on a part assigned to this subsource, the system will use the matrix pricing parameters set on this screen for this subsource.

    - **N for no:** When calculating matrix pricing on a part assigned to this subsource, the system will use the system matrix parameters (Parts, System Setup & Updates, Retail Matrix Pricing).

    - **E for exclude:** When calculating the matrix pricing on a part assigned to this subsource, the system will not use any matrix pricing.

5. Use the **Apply To Retail Counter Sales** field to indicate if you want to apply the pricing to parts on counter tickets. Type **Y** for yes or **N** for no. If you select **Y** and set pricing to "Use Subsource Matrix," the matrix pricing will be calculated on counter tickets. If you select **N** and set the pricing to "Use Subsource Matrix," the matrix pricing will not be calculated on counter tickets.

6. Use the **Apply To Retail Service Sales** field to indicate if you want to apply the pricing to parts on service repair orders. Type **Y** for yes or **N** for no. If you select **Y** and set pricing to "Use Subsource Matrix," the matrix pricing will be calculated on service repair orders (R/O types S,Q,C) for customer pay repairs and internal repairs if the parameter is set to charge retail on internal repair orders. If you select **N** and set the pricing to "Use Subsource Matrix," the matrix pricing will not be calculated on service repair orders.

7. Use the **Apply To Retail Body Shop Sales** field to indicate if you want to apply the pricing to parts on body shop repair orders. Type **Y** for yes or **N** for no. If you select **Y** and set pricing to "Use Subsource Matrix," the matrix pricing will be calculated on body shop repair orders (R/O type B) for customer pay repairs and internal repairs if the parameter is set to do so. If you select **N** and set the pricing to "Use Subsource Matrix," the matrix pricing will not be calculated on body shop repair orders.

8. In **Mark Up From Cost/List**, indicate if you want to calculate the markup based on cost or list price. Type **C** to calculate the retail price as a markup from the cost price or **L** to calculate the markup from the list price.

9. Use the **From** and **To** columns to set the price range for the markup percentage you will enter in the **M/U** column. The pricing column values must be in increasing order. Line 1 must be less than line 2, line 2 must be less than line 3 unless the following line is zero. If the cost/list price of the part falls into the price range entered on that line, then the markup percentage on that line is used.

10. In the **M/U** column, specify the markup percentage for the price set in the pricing column.

11. Use the **Inventory**, **Sale**, and **Cost** fields to indicate the general ledger inventory, sale, and cost accounts for this subsource. When a part sale assigned to this subsource is updated, these are the accounts the sale will post to in Accounting.

12. Use the **Items In This Subsource Are Taxable** field to indicate if the parts in this subsource are taxable. Type **Y** for yes or **N** for no. This will determine if tax is applied to the part sales.

13. Click **Save Setting**. The subsource appears in the window on the right side of the screen.

14. Continue to create subsources as needed.

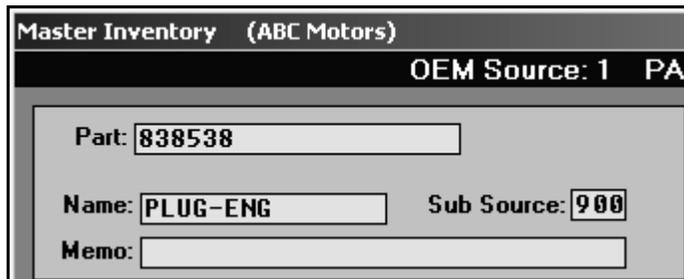15. Click **Exit** to close the screen when you are finished.

Editing a Subsource

1. Click the subsource in the list on the right side of the screen. The information for the subsource will fill in on the screen.

2. Edit the information for the subsource as needed.

3. Click **Save Setting**.

Assigning Parts a Subsource

Once you create subsources, you assign them to parts on the Master Inventory screen. If a part is associated to a subsource, the parameters defined for that subsource will be used when the part is sold or scanned for resupply. If a part is associated to a subsource that does not exist, the subsource parameters for subsource 000 will be used. If a part is not associated to any subsource, then subsource 000 will be used. Subsource 000 is the default subsource that comes preloaded in the system.

1. Click **Master Inventory** on the Parts Inventory main menu.

2. Bring up a part record.

3. In **Subsource**, type the subsource you want to assign the part.

4. Click **Save**. Continue to add subsources to parts as needed. When you are finished, click **Exit** to close the Master Inventory screen.

Adding Accounting Parameters

When adding the Integrated Parts Sales parameters, the Accounting Department can specify the inventory, sale, and cost account used for each subsource you created. This determines where the parts sales post when the sales are updated to Accounting through the end-of-day update.

Understanding How Subsource Management Affects Sales

When you created your subsources, you specified the pricing you wanted to use for the subsource and whether the pricing should be applied to parts sales (including quotes), service sales, and body shop sales. This is the information specified on the Subsource Matrix Pricing screen in the Parts System Setup. When you add a part to a counter slip or repair order, the price is calculated based on the pricing specified for the subsource assigned to the part. Similarly, when you update part sales to Accounting, the sales post to the accounts specified in the Integrated Parts Sale parameters set in the Accounting System Setup. If you did not assign accounts to a subsource, the sale will post to the accounts specified in the Accounting parameters.

Using Subsource Management Resupply

Once you have set up your subsources and assigned them to parts, you can specify if you want to use subsource management to generate a Resupply list. When you created your subsources, you determined the pricing you wanted to use for the subsource. Similarly, you can determine what type of resupply method you want to use. You can use subsource management, Pearson's, Micro-Management, or Ford ADMI resupply methods. The decision is up to you.

Entering Subsource Management Resupply Parameters

If you choose to use subsource management for resupply, use the following instructions to enter your resupply parameters. If you want to use a different resupply method, refer to the Parts Inventory manual or F1 help for information about how to enter the different resupply parameters. If necessary, you can create new subsources on this screen.

1. Click **Resupply & Returns** on the Parts Inventory main menu.

2. Click **Set Supply Parameters**.

3. Click **Subsource Management**. The Subsource Settings screen appears.

4. Use the **Enable Subsource Resupply For This OEM Source** field to indicate if you want to enable resupply for the selected parts inventory source. Type **Y** for yes or **N** for no. If you select **Y**, the system will use the subsource parameters entered on this screen when scanning the inventory to generate the suggested resupply order. If select **N**, the system will use the resupply parameters you set using one of the other resupply setup screens.

5. In **Subsource**, type the three-digit code for the subsource, or click the subsource in the list on the right side of the screen. The description for this subsource fills in the field next to the code.

   If you are creating a new subsource, type the code and description. The subsource will appear in the list on the right side of the screen when you save the settings.

Tip: At this point, you can click **Fill Defaults** to fill in the screen with the default setting that come with the system. When prompted, click to select if you want the phase out to be based on hits or days

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6. Use the **Exclude This Subsource From Resupply** field to indicate if this subsource should be included when generating a resupply list. Type **Y** for yes or **N** for no.

7. Use the **Lost Sales Counted As Sales** field to indicate if you want to count lost sales as sales. Type **Y** for yes or **N** for no.

8. Use the **Phase-In Pull To Order** field to indicate if you want the system to automatically add parts to the suggested order that meet the phase in requirements. Type **Y** for yes or **N** for no. If you select **Y**, not all parts meeting the phase-in criteria will necessarily pull to order since they may not meet the resupply criteria or may currently have ample stocking quantities on hand, even though they meet the phase-in criteria. If you select **N**, you will see all parts meeting the phase-in criteria on the exception report and can then manage them appropriately.

9. In **Phase-Out Days/Hits**, specify if you want to phase out parts based on days or hits. Type **D** for days or **H** for hits.

   If you select **D** for days, the system will look at the part's last sale date to determine if the part should be phased-out. To calculate how many days it's been since the parts last sale, the system will use the part's last sale date. If the part does not have a last sale date, it will use the part's last resupply date. The **BPO** column (Begin Phase-Out) is the number of days to begin phase out or the number of days to stop ordering a part unless another sale or a lost sale is flagged for this part. The part will cycle through begin phase-out again. The **EPO** column (End Phase-Out) is the number of days to end phase out or when the part record will clear from the system at next month-end update.

   If you select **H** for hits, the system will look at how many hits the part has had. The **BPO** column (Begin Phase-Out) is the number of hits a part requires before it will begin phase out. The **EPO** column (End Phase-Out) is the number of months of sales used to calculate the hits. The part will begin phase-out when the number of hits falls below the number entered in the **BPO** column in the number of months entered into the **EPO** column. **The system will only look at a maximum of 24 months.** If you enter a value greater than 24 in the **EPO** column, the system will only look at 24 months. The part will end phase-out when the hits in the specified month fall below half of the value entered into the **BPO** column. This type of phase-out process is more widely accepted as the standard process throughout the industry.

10. Use the **Enable Economic Ordering** field to indicate if you want to enable economic ordering. Type **Y** for yes or **N** for no. If you select **N**, the resupply will be determined solely on the days supply, phase-in, and phase-out criteria. If you select **Y**, use the **E/O Value**, **LDS**, and **HDS** fields on the bottom right-hand side of the screen to set the economic order criteria you want to use.

11. In **4QS**, specify the four-quarter sales. The values in this column are used to determine which matrix line (Sales Level Line) is used base on the part's four-quarter sales. The lines must be in decreasing order. The 4QS value on line A must be greater than line B, line B must be greater than line C, etc.

12. Use the **LDS** field to specify the low-days supply. When a part's on-hand quantity falls below the specified low-days supply, the system will suggest an order to bring the on-hand quantity up to the high days supply.

13. In **HDS**, specify the high-days supply. When a part's on-hand quantity falls below the specified low-days supply, the system will suggest an order to bring the on-hand quantity up to the high days supply.

14. In **PIH**, specify the phase-in hits. If a part is a non-stocking part, any part with a stock status other than Y, N, or C, and its sales are greater than the phase-in hits in the specified months, the system will recognize it as a phase-in part. If the **Phase-In Pull To Order** field is set to **Y**, the system will automatically order the part if it meets resupply criteria for placing the part onto the order. If the field is set to **N**, the part will show on the "Testing For Phase In" exception list.

15. Use the **PIM** field to specify the phase-in months. This is the number of months of sales used to calculate if a part qualifies as phase-in.

16. Use the **BPO** field to specify the begin phase-out time. (Refer to step 9.)

17. In **EPO**, specify the end phase-out time. (Refer to step 9.)

18. In **E/O Value**, specify the phase in by economic order value. This is used by Hyundai dealers. Use the **LDS** field to specify the low-days supply for the phase in by economic order value and the **HDS** field to specify the high-days supply for the phase in by economic order value.

19. Click **Save**. If you created a new subsource, it will now appear in the window on the right side of the screen.

20. Continue to add resupply parameters to each subsource as needed.

21. Click **Exit** to close the screen when you are finished.

Tip: Use the **Verify Inventory** to print a subsource discrepancy report. The report will list all parts in the current inventory source that have been assigned to an invalid subsource.

Deleting a Subsource

1. Click the subsource in the list on the right side of the screen. The information for the subsource will fill in on the screen.

2. Click **Delete**.

3. Click **Yes** when prompted to verify you want to delete the subsource.

4. The parameter for this subsource will be removed from the subsource list in the window on the right side of the screen and no longer apply to that group of parts. All parts that were assigned the deleted subsource will default to subsource 000.

Editing a Subsource

1. Click the subsource in the list on the right side of the screen. The information for the subsource will fill in on the screen.

2. Edit the information for the subsource as needed.

3. Click **Save**.

Printing the List

1. Click **Print List**.

2. When prompted to verify your printer is ready, click to select **To Printer** to print the information or **To Screen** to view the information on your screen.

3. Once you select your print type, click **Print**.

Viewing Part Detail

The **Part Detail** button on the Subsource Management screen allows you to look up a part to see what the results would be if the part were assigned to the subsource selected on the previous screen. These results are not based on the subsource the part is actually assigned.

1. Click **View Part Data**. The Part Detail screen appears.

2. In **Part**, type the part number for the part you want to see. The information for the part fills in on the screen.

3. The first section on the screen displays the information from the part's master inventory record.

4. The **Phase-In**, **Phase-Out**, **Suggested Order**, **Sales Level**, and **Retail** fields display the results if the part were to be added to the current subsource.

5. The remaining fields display information from the part's master inventory record.

6. The **12 Month Sales** section displays information from the part's master inventory record.

7. Click **Sales History** to view a list of documents this part appears on for the current month. Click **Back** to close the sales data.

8. When you are finished, enter another part number, or click **Close** to return to the Subsource Management screen.

Generating the Suggested Resupply List

If you selected to use subsource management as your resupply method, you will generate a suggested resupply list based on subsources. The resupply process works the same way it always has. The only difference is how the system generates the resupply list.

1. Click **Resupply & Returns** on the Parts Inventory main menu.

2. Click **Generate Order List**.

3. Click **Scan Inventory For List**. The Generate Parts Order List Using Subsource Management Parameters screen appears.

Tip: If this screen does not appear, the **Enable Resupply** field on the Subsource Settings screen is set to **N** for no. Return to the screen, and set the field to **Y** for yes.

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4. Use the **Include Non-Returnable Parts** field to indicate if you want the list to include parts flagged non-returnable. This is determined by the code in the **Reorder Code** field on the Master Inventory screen. The default entry is **N** for no. If you want to include these parts, type **Y** for yes.

5. Use the **Ignore Negative On-Hand Quantities In Inventory** field to indicate if you want the scan to ignore parts that have negative on-hand quantities. The default entry is **N** for no. If you leave the default entry of **N**, the system will calculate a suggested order quantity using the negative on-hand quantity. If you select **Y** for yes, the system will calculate a suggested order using a zero on-hand quantity.

6. Use the **Sub-Source** fields to specify up to five subsources to include or exclude in the scan. Click to if you want to include or exclude these subsources. The system will scan the parts assigned to the subsources specified or ignore the parts in the subsources specified. If you leave the **Sub-Source** fields blank, the system will scan the entire inventory.

7. Click **OK** when prompted to verify you want to generate the list.

8. The system will prompt you when the list is ready. Click **OK** to acknowledge the message.

9. Use the remaining options on the Resupply menu to print, edit, and submit the resupply order as needed.

Generating Reports

At the end of the month, you will print reports to review your inventory information. Several new reports have been added to accommodate subsources, and many of the existing reports have been enhanced to allow you to filter the report based on subsource. Below is a list of the new reports and the reports that can now be filtered by subsource.

Sales Reports

- **Monthly Parts Sales Summary Only:** This report provides a summary of the monthly sales. You can specify a subsource for the report.

- **Print Lost Sales:** This report identifies the lost sales. You can specify a subsource for the report.

- **Parts Stocked In During Month:** This report identifies the parts that were stocked in during the current month. You can specify a subsource for the report.

Inventory Data Verification Reports

- **By Subsource:** This report provides an analysis of the parts based on subsource.

Inventory Analysis Reports

- **Age Analysis:** This report lists a breakdown of the inventory aging. You can specify a subsource for the report.

Inventory Value Reports

- **Print Inventory Trial Balance:** This report provides a trial balance of your inventory. You can specify a subsource for the report.

Print Counter Pads & Bin Lists

- **For Subsource:** This report identifies all of the parts assigned to a specific subsource.

Using Subsource Utilities

The system contains a utility that allows you to assign parts to a subsource without having to manually edit the part file. This will be useful as you create subsources and need to move parts between subsources. A part must meet all of the criteria you specify in order to be assigned to the subsource. When the transfer is complete, the system will print a report. The printout will show all the parts that qualified to be changed. If the part line displays *** on the far right, the part was moved from one subsource to the new subsource. If the part line does not display ***, the part qualified for the move but was already in the specified subsource.

1. Click **System Setup & Updates** on the Parts Inventory main menu.

2. Click **Miscellaneous Maintenance**.

3. Click **Miscellaneous Data Movement**.

4. Click **Assign Subsource**.

5. Specify the criteria a part must meet to be assigned the subsource. Only parts that meet *all of the criteria you specify* will be assigned the subsource.

6. Type the subsource.

7. When prompted to verify your printer is ready, click to select **To Printer** to print the information or **To Screen** to view the information on your screen.

8. Once you select your print type, click **Print**.