

# CASE STUDY

## ALLOA (AUTOMATIC LINE LEVEL ALLOCATION)

### PROBLEM:

In NetSuite there is no option to consolidate lines in to a single shipment for multi location inventory. In order to ship out items from the non-default warehouse, ALLOA requirement came into the existence. The purpose of ALLOA is to ship out lines of orders that are back ordered. There are a few things that determine if a line or lines ships out. ALLOA follows below criteria.

- Customers default warehouse on address level.
- Percent of lines that can be fulfilled. (>51%)
- Expectancy of item arrival days from vendor. (3 days)

### APPROACH:

The following approach has been decided to make the ALLOA a success story. These steps cover all the logic implemented.

- Filter out the sales orders that are a day or older. For this we created a search that filters out the results that are a day or older and any item or a number of items on sales order are backordered.
- If >51% lines are available at default warehouse then ship out.
- If an item is available in the non-default warehouse, it will only ship out from the non-default warehouse if all the lines can be fulfilled from either warehouse. (When all the lines can be fulfilled we call this ship complete)
- If a line has an arrival date of <=3 days, we wait for the item to arrive and then ship it out with the other lines on the order. This is only happens when looking at the default warehouse.
- If a line has late arrival date of >3, then we disregard the arrival date. This is only happens when looking at the default warehouse
- Partials. We only do a partial shipment when the shipping warehouse meets the requirements above. Look at partials as an after the fact clause. We only do partials when we are already shipping based on the rules above.
- ALLOA doesn't allow items to go to item fulfillment which are set to "DO not commit", Hold or restricted due to any restriction on line level.

### SOLUTION:

As per NetSuite standards we can't create single shipment with multiple locations. Suppose there are three items, two can be fulfilled from default location and one from non default location then two shipments will be created one from default and other from non default.

We have created a scheduler for automatic fulfillment of orders based on the approach defined above. To make this functionality work we made some changes in accounting preferences following the below steps.

- So first navigate to Set UP>Accounting >Accounting Preferences.
- Set fulfill based on commitment to allow uncommitted.

We can't think of ALLOA logic without ALLOW Uncommitted setting.

### GOAL ACHIEVED:

Using ALLOA programming logic it has become possible to ship out items with no stock at default warehouse. It allows us to ship out items from other warehouses if we don't have enough quantity available in stock at default warehouse.

For this to work, we have made changes in order management settings in accounting preferences and set value of the field Fulfillment Based on Commitment to ALLOW Uncommitted, without setting this field to ALLOW uncommitted NetSuite doesn't allow the user to grab the item quantity in multiple locations.