CRUNCHTIME! NET-CHEF

Review and Post Inventory

Quick Start Guide

Document Details

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Overview

Once inventory counts are entered, users will review a summary of all transactions from the period and compare the expected on hand value of their inventory to what was just counted. Reviewing inventory lowers food costs by identifying opportunities for operational improvement. Once inventory is reviewed, it can then be finalized by "posting" the period.

System Requirements

- CES Version 10.00.00 or higher

Be sure to grab the latest version of this document here:

https://links.crunchtime.com/NCQS-ReviewAndPostInventory

OR by scanning the QR code to the left.

Watch the tutorials on MainCourse:
https://links.crunchtime.com/NCI105nsnb

Related User Group Permissions

Screen Name	Control Name	Description
NC-Inventory	Physical Inventory	Controls whether the "Create/Review Inventories" option is available on the menu and the "Count Sheet" link is available for an Inventory event.
NC-Inventory	Review	Controls whether the "Review" link is available for an Inventory event and whether the "Save and Review" button is available from the Data Entry screen.
NC-Other Store Tasks	Post Current Period Inventory	Enables the "Post Inventory" option on the Administration menu.
NC-Inventory	Override Variance Alerts	Controls whether the "Review" user can Save & Close with variances that exceed parameters defined by Inventory preferences.
Overdue Post Transactions	Override Restricted Post	Enables the Continue button in the Overdue Post Transactions pop-up, which will allow the user to override the restriction and post the period.

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Review Inventory

Why Review Counts?

Reviewing inventory counts and related inventory transactions for accuracy is the first step to lowering food costs and identifying operational issues. This gives you the opportunity to:

1. Correct any issues such as miscounts, incorrectly received orders, and other factors that could result in inaccurate inventory reporting.
2. Identify operational issues that negatively impact your business, such as incorrect portioning or theft.

Key Concepts

- *Book* – The amount of product that should be on hand, based on sales, vendor orders, adjustments, and other transactions recorded by the application.
- *Physical* – The amount of product on hand during an inventory count.
- *Variance* – The difference between the expected (Book) and actual (Physical) quantities or values.

Explained Variances	Unexplained Variances
An explained variance is one that can be traced back to a cause in the system. For example: • Incorrect Inventory Counts • Missing Adjustments • Inaccurate Daily Prep • Setup Issues You can typically correct these variances by adding or updating transactions in Net-Chef. Correcting these variances will lower costs and improve reporting.	An unexplained variance is one that cannot be traced back to a cause in the system. For example: • Over-Portioning • Under-Portioning • Incorrect Sales Transactions • Waste • Theft These variances cannot be corrected by editing transactions in Net-Chef. Identifying these variances will allow you to identify opportunities to improve your operation.

You'll always have *some* variances. The goal when reviewing variances is to correct explained variances and prevent future unexplained variances. You do NOT need to make all variances zero.

Remember: You should **NEVER** enter incorrect inventory counts!

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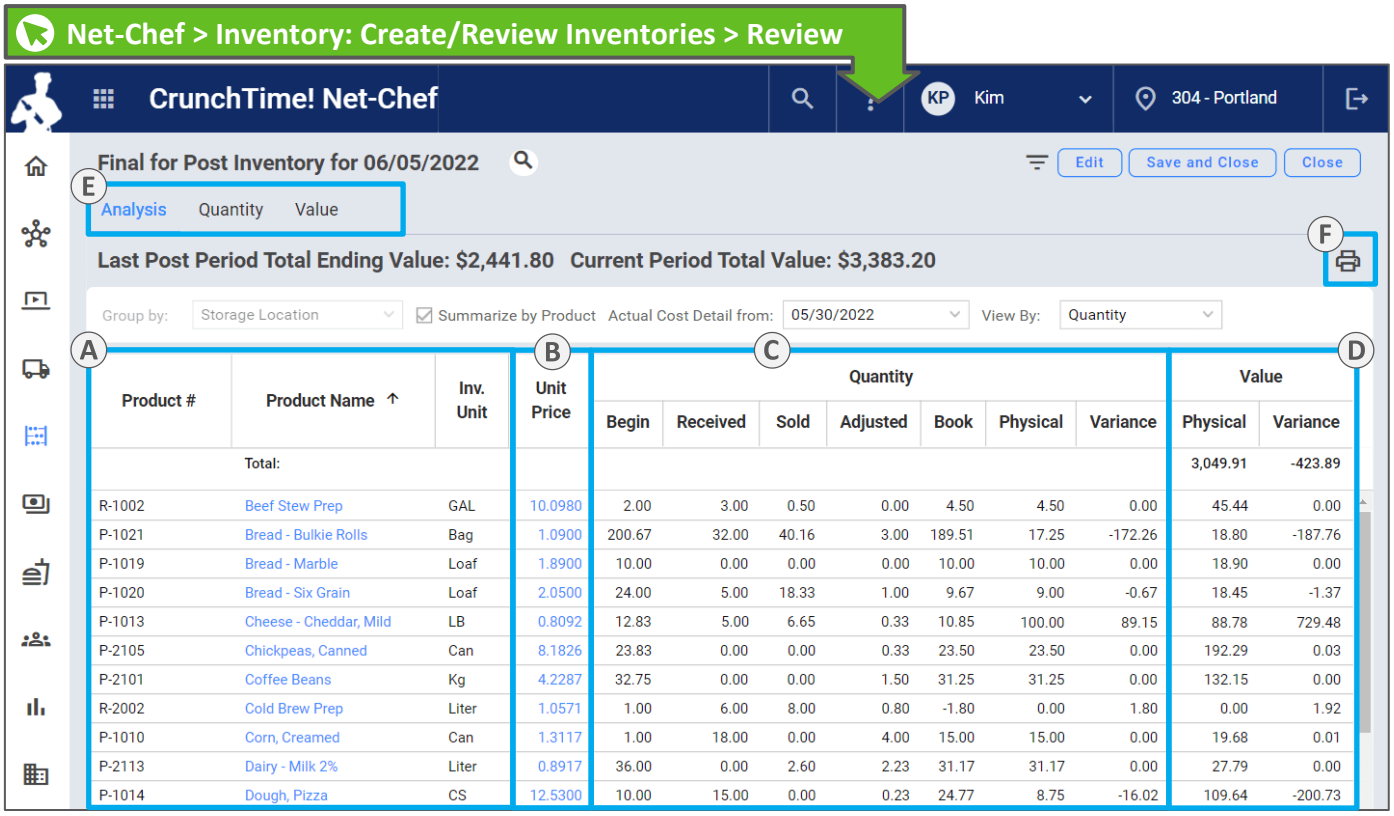
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Review Inventory

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Screen Overview



(A) The *Product Number* and *Product Name* indicate which product you are reviewing. The *Inventory Unit* indicates how this product is measured.

(B) The *Unit Price* for each product is displayed. Selecting this hyperlink opens a pop-up showing the cost changes for this product for the current period.

(C) The *Quantity* columns show the activity of this product throughout the period. These numbers are reported in each product's Inventory Unit.

(D) The *Value* columns show the monetary value of the product based on its inventory value throughout the period.

(E) You can adjust this report to see inventory transactions summarized by the *Quantity* or *Value* of the product. By default, you will see a combination of these two views on the *Analysis* tab.

(F) Select the *Printer* (Export) icon to print out a copy of the tab you are currently viewing, allowing you to reference this report while recounting products.

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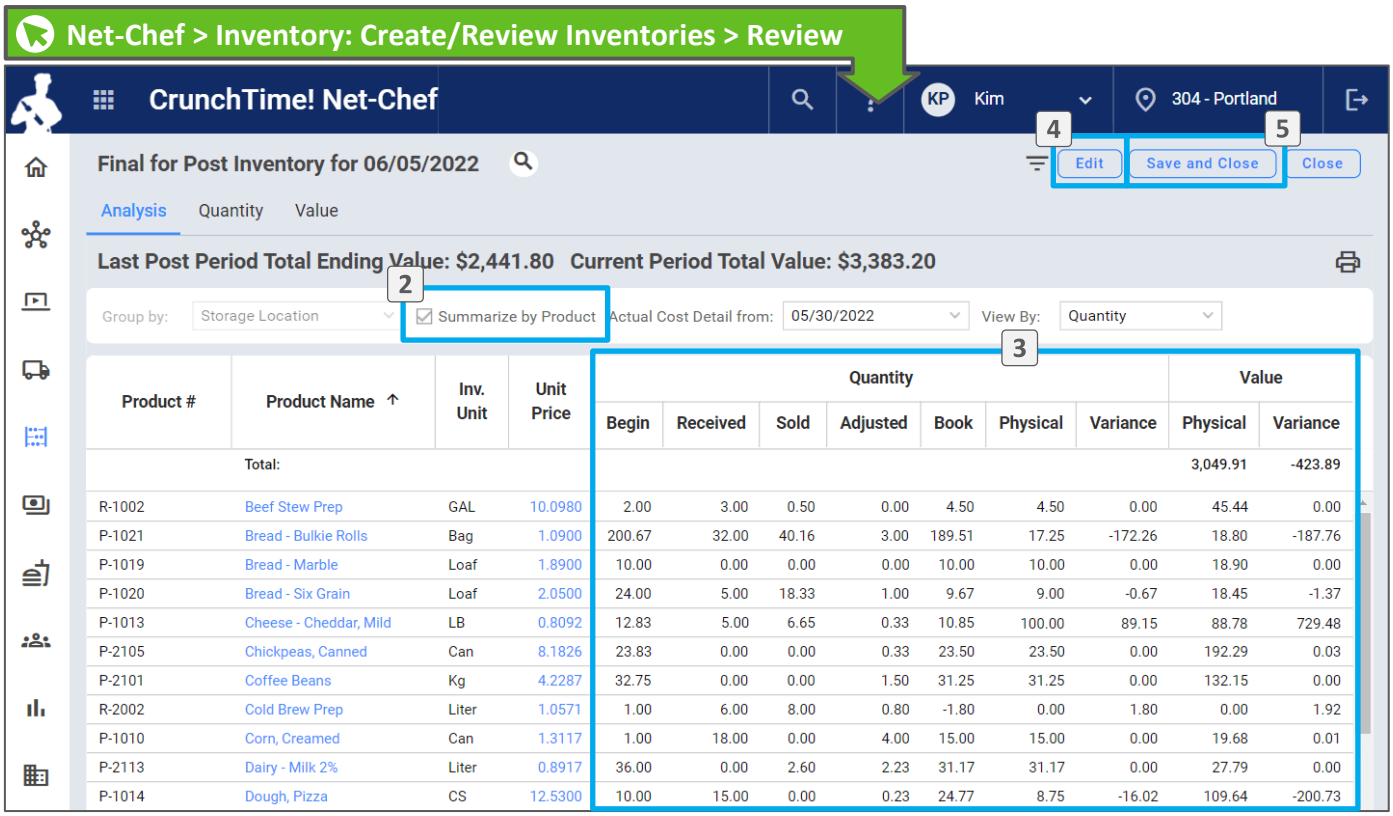
Review Inventory

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Inventory Review Basic Steps

1. Once counts have been entered for all products, select *Save & Review* from the Data Entry screen.

Tip: We recommend reviewing your counts right after entering them, however if you need to review counts later, just select the *Review* link from the Create/Review Inventories screen.



2 Select *Summarize By Product* to see one row per product (checked by default but can be unchecked).

3 Review the *Quantity* and *Value Variances* to identify any inventory issues and operational opportunities. If your corporate team hasn't provided you with specific guidelines for reviewing inventory, continue reading to learn about our recommended review process.

4 If necessary, select *Edit* to adjust counts on the Data Entry screen.

Note: Always re-select *Save and Review* after editing inventory counts.

5 When finished reviewing, select *Save and Close*.

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Recommended Review Process

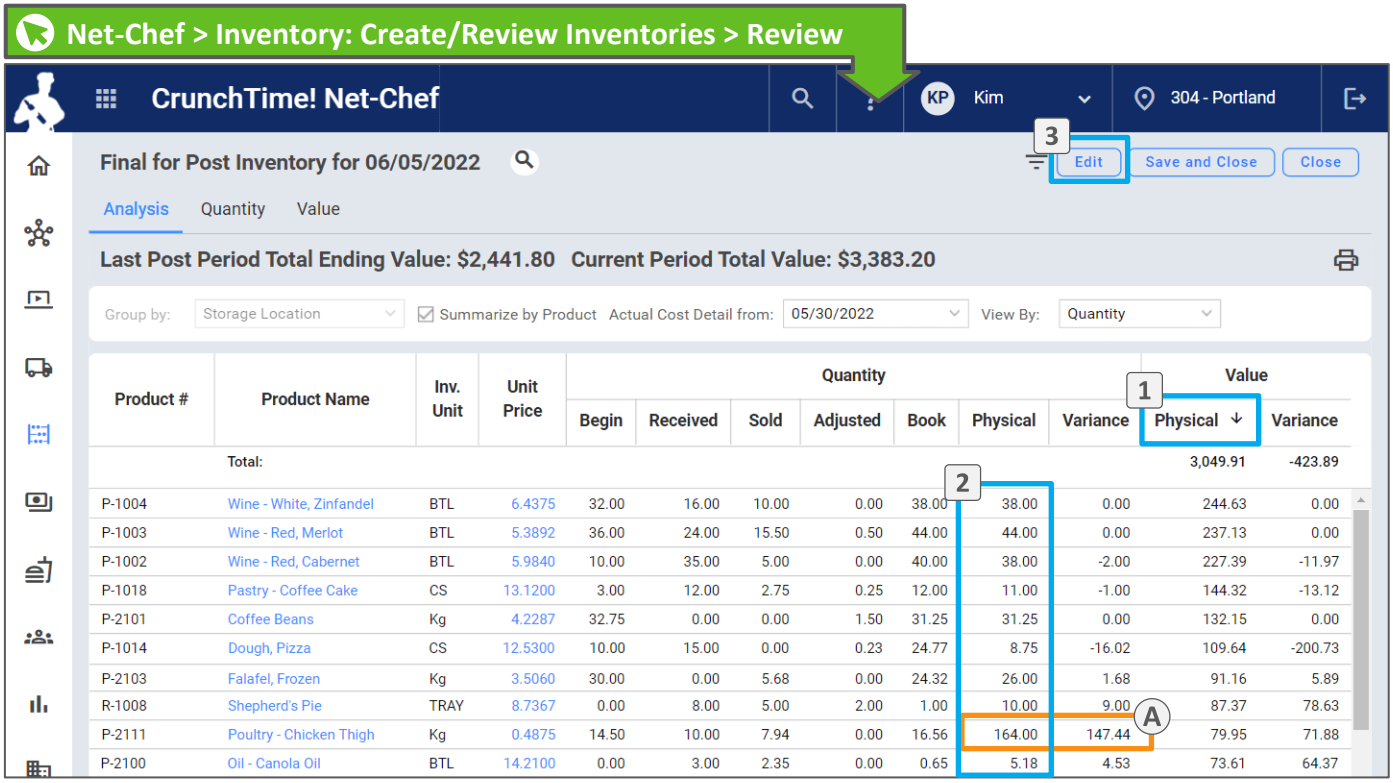
Crunchtime Recommended Process

Our process will help you quickly review the products that are costing you the most money, making inventory faster, more consistent, and super accurate.

Already a Pro? Here's the Short Version:

1. Review the top 10 highest value products (largest positive *Physical Value*).
2. Review the top 10 products with the largest positive and negative *Variance Value*.
3. Review the products with the highest and lowest *Unit Price*.

Top 10 High Value Products



Product #	Product Name	Inv. Unit	Unit Price	Quantity Begin	Received	Sold	Adjusted	Book	Physical	Variance	Value Physical	Variance
	Total:										3,049.91	-423.89
P-1004	Wine - White, Zinfandel	BTL	6.4375	32.00	16.00	10.00	0.00	38.00	38.00	0.00	244.63	0.00
P-1003	Wine - Red, Merlot	BTL	5.3892	36.00	24.00	15.50	0.50	44.00	44.00	0.00	237.13	0.00
P-1002	Wine - Red, Cabernet	BTL	5.9840	10.00	35.00	5.00	0.00	40.00	38.00	-2.00	227.39	-11.97
P-1018	Pastry - Coffee Cake	CS	13.1200	3.00	12.00	2.75	0.25	12.00	11.00	-1.00	144.32	-13.12
P-2101	Coffee Beans	Kg	4.2287	32.75	0.00	0.00	1.50	31.25	31.25	0.00	132.15	0.00
P-1014	Dough, Pizza	CS	12.5300	10.00	15.00	0.00	0.23	24.77	8.75	-16.02	109.64	-200.73
P-2103	Falafel, Frozen	Kg	3.5060	30.00	0.00	5.68	0.00	24.32	26.00	1.68	91.16	5.89
R-1008	Shepherd's Pie	TRAY	8.7367	0.00	8.00	5.00	2.00	1.00	10.00	9.00	87.37	78.63
P-2111	Poultry - Chicken Thigh	Kg	0.4875	14.50	10.00	7.94	0.00	16.56	164.00	147.44	79.95	71.88
P-2100	Oil - Canola Oil	BTL	14.2100	0.00	3.00	2.35	0.00	0.65	5.18	4.53	73.61	64.37

1 Select the *Physical Value* column header twice to bring (sort) the highest value products to the top.

2 Confirm that counts for the top 10 products are accurate.

Ⓐ This high Quantity Variance suggests that the count was entered incorrectly, causing the Physical Value of this product to be overstated.

3 Select *Edit* to correct counts as necessary.

Tip: Your top 10 valued products are typically the same from week-to-week. If you notice a product is missing, or one has appeared unexpectedly, this is a sign that a count may have been entered incorrectly.

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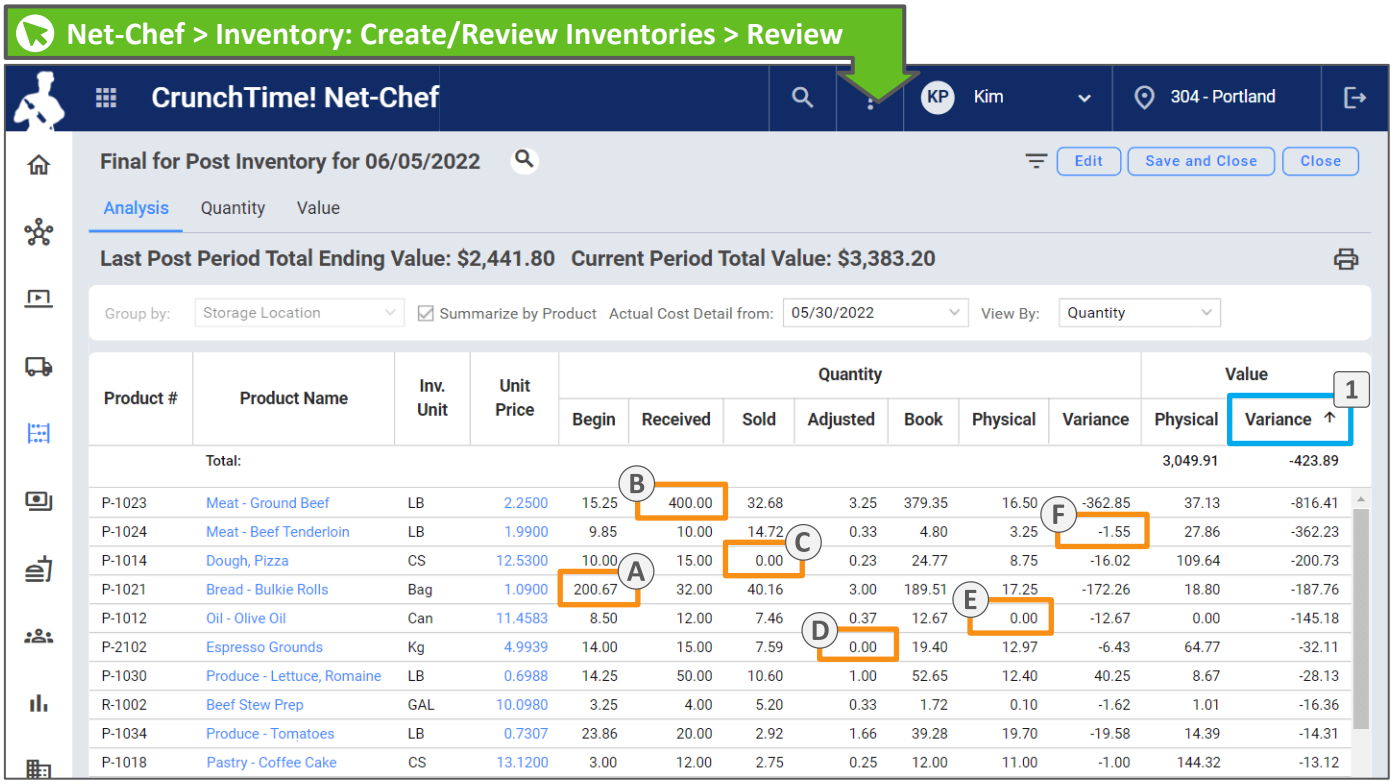
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Recommended Review Process

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Top 10 Negative Variances

Checking negative variances allows you to identify receiving issues, missed counts, and recipe setup issues.



Product #	Product Name	Inv. Unit	Unit Price	Quantity							Value	
				Begin	Received	Sold	Adjusted	Book	Physical	Variance	Physical	Variance ↑
	Total:										3,049.91	-423.89
P-1023	Meat - Ground Beef	LB	2.2500	15.25	400.00	32.68	3.25	379.35	16.50	-362.85	37.13	-816.41
P-1024	Meat - Beef Tenderloin	LB	1.9900	9.85	10.00	14.72	0.33	4.80	3.25	-1.55	27.86	-362.23
P-1014	Dough, Pizza	CS	12.5300	10.00	15.00	0.00	0.23	24.77	8.75	-16.02	109.64	-200.73
P-1021	Bread - Bulkie Rolls	Bag	1.0900	200.67	32.00	40.16	3.00	189.51	17.25	-172.26	18.80	-187.76
P-1012	Oil - Olive Oil	Can	11.4583	8.50	12.00	7.46	0.37	12.67	0.00	-12.67	0.00	-145.18
P-2102	Espresso Grounds	Kg	4.9939	14.00	15.00	7.59	0.00	19.40	12.97	-6.43	64.77	-32.11
P-1030	Produce - Lettuce, Romaine	LB	0.6988	14.25	50.00	10.60	1.00	52.65	12.40	40.25	8.67	-28.13
R-1002	Beef Stew Prep	GAL	10.0980	3.25	4.00	5.20	0.33	1.72	0.10	-1.62	1.01	-16.36
P-1034	Produce - Tomatoes	LB	0.7307	23.86	20.00	2.92	1.66	39.28	19.70	-19.58	14.39	-14.31
P-1018	Pastry - Coffee Cake	CS	13.1200	3.00	12.00	2.75	0.25	12.00	11.00	-1.00	144.32	-13.12

1 Select the *Value Variance* column to bring the largest negative variances to the top of the screen, then review the top 10 products for accuracy:

- (A) The *Beginning Quantity* is **too high** compared to the *Physical Quantity*, suggesting that too much product was counted at the end of last period.
- (B) The *Received Quantity* is **too high** based on normal receiving.
  - Use the Booking Journal to determine if too much product was received on an order.
- (C) The *Sold Quantity* is **too low** based on normal sales.
  - Use the Actual/Theoretical Cost report to determine if a recipe is using too little of this product. Contact your corporate team for assistance correcting recipes.
- (D) The *Adjusted Quantity* is **too low** based on normal operations.
  - Use the Adjustment Summary to identify any missing waste (Inventory and Recipe Adjustments) or Daily Prep transactions.
- (E) The *Physical Quantity* is much **lower** than the *Beginning Quantity*.
  - Recount this product to ensure no counts are missing or incorrect.
- (F) The *Quantity Variance* is **low** and the *Value Variance* is **high**.
  - Check the Unit Price link to see if there was a large price increase.

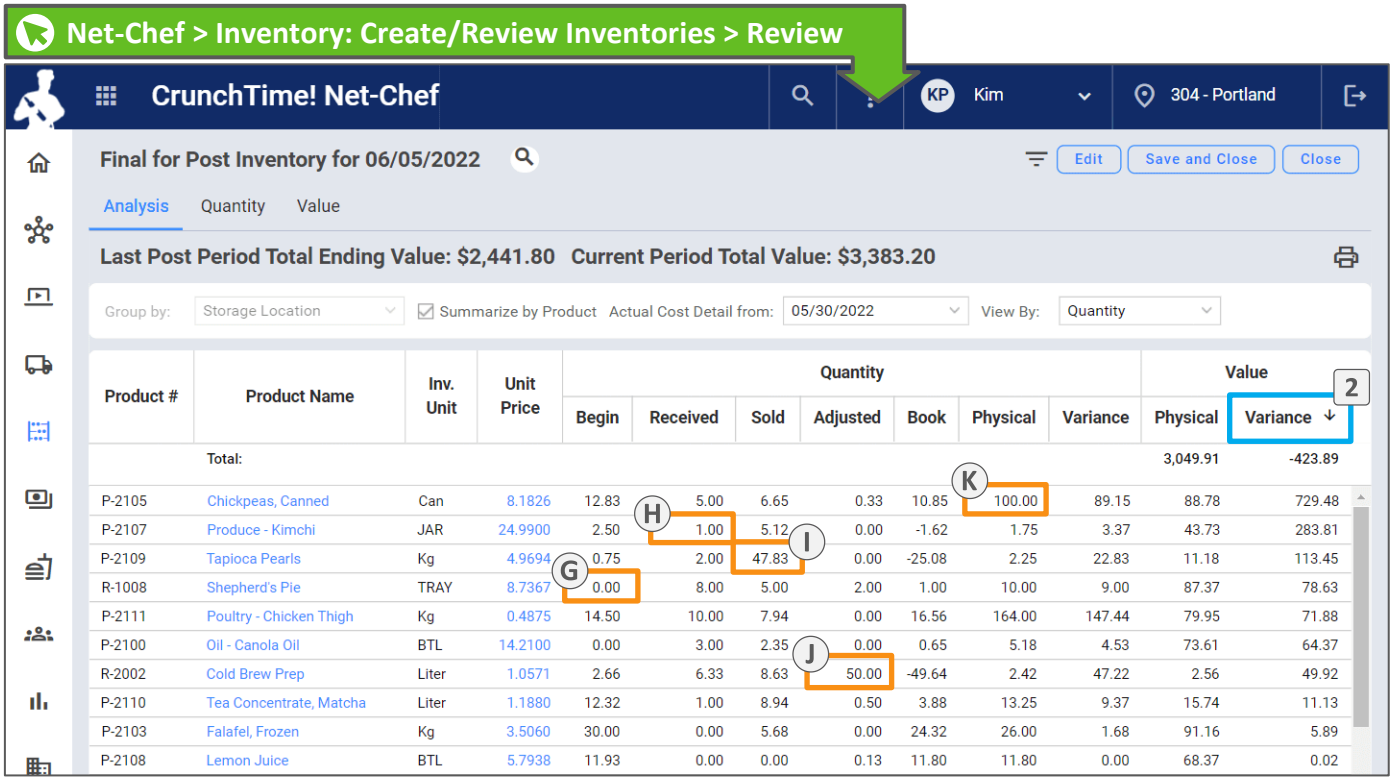
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Recommended Review Process

(Continued)

Top 10 Positive Variances

Checking positive variances allows you to identify receiving issues, incorrect counts, and setup issues.



Product #	Product Name	Inv. Unit	Unit Price	Quantity							Value	
				Begin	Received	Sold	Adjusted	Book	Physical	Variance	Physical	Variance
	Total:										3,049.91	-423.89
P-2105	Chickpeas, Canned	Can	8.1826	12.83	5.00	6.65	0.33	10.85	100.00	89.15	88.78	729.48
P-2107	Produce - Kimchi	JAR	24.9900	2.50	1.00	5.12	0.00	-1.62	1.75	3.37	43.73	283.81
P-2109	Tapioca Pearls	Kg	4.9694	0.75	2.00	47.83	0.00	-25.08	2.25	22.83	11.18	113.45
R-1008	Shepherd's Pie	TRAY	8.7367	0.00	8.00	5.00	2.00	1.00	10.00	9.00	87.37	78.63
P-2111	Poultry - Chicken Thigh	Kg	0.4875	14.50	10.00	7.94	0.00	16.56	164.00	147.44	79.95	71.88
P-2100	Oil - Canola Oil	BTL	14.2100	0.00	3.00	2.35	0.00	0.65	5.18	4.53	73.61	64.37
R-2002	Cold Brew Prep	Liter	1.0571	2.66	6.33	8.63	50.00	-49.64	2.42	47.22	2.56	49.92
P-2110	Tea Concentrate, Matcha	Liter	1.1880	12.32	1.00	8.94	0.50	3.88	13.25	9.37	15.74	11.13
P-2103	Falafel, Frozen	Kg	3.5060	30.00	0.00	5.68	0.00	24.32	26.00	1.68	91.16	5.89
P-2108	Lemon Juice	BTL	5.7938	11.93	0.00	0.00	0.13	11.80	11.80	0.00	68.37	0.02

2 Select the *Value Variance* column again to bring the largest positive variances to the top of the screen, then review the top 10 products for accuracy:

- G The *Beginning Quantity* is **too low** compared to the *Physical Quantity*, suggesting that too little product was counted at the end of last period.
- H The *Received Quantity* is **too low** based on normal receiving.
  - Confirm that all orders for this product were reconciled correctly.
- I The *Sold Quantity* is **too high** based on normal sales.
  - Use the Actual/Theoretical Cost report to determine if a recipe is using too much of this product. Contact your corporate team for assistance correcting recipes.
- J The *Adjusted Quantity* is **too high** based on normal operations.
  - Use the Adjustment Summary to identify incorrect waste adjustments. Review Daily Prep transactions to verify the correct recipe setup.
- K The *Physical Quantity* is much **higher** than the *Beginning Quantity*,
  - Recount this product to ensure no counts are missing or incorrect.

Tip: You can use the Physical Inventory Summary report to see what your normal receiving, sales, and adjustments are for a particular product.

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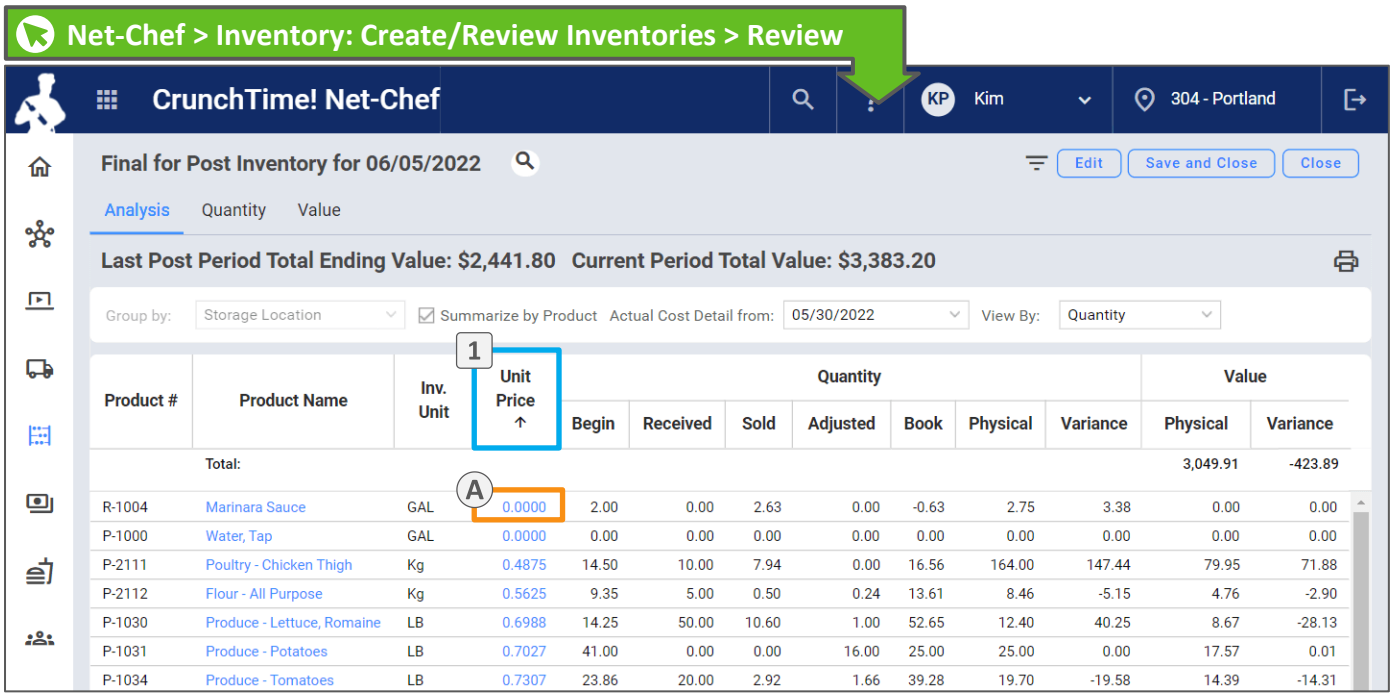
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Recommended Review Process

(Continued)

Check the Unit Price

Checking for 0.0000 prices allows you to identify receiving mistakes or pricing issues that need to be corrected by your corporate team.



Product #	Product Name	Inv. Unit	Unit Price	Quantity							Value	
				Begin	Received	Sold	Adjusted	Book	Physical	Variance	Physical	Variance
	Total:										3,049.91	-423.89
R-1004	Marinara Sauce	GAL	0.0000	2.00	0.00	2.63	0.00	-0.63	2.75	3.38	0.00	0.00
P-1000	Water, Tap	GAL	0.0000	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
P-2111	Poultry - Chicken Thigh	Kg	0.4875	14.50	10.00	7.94	0.00	16.56	164.00	147.44	79.95	71.88
P-2112	Flour - All Purpose	Kg	0.5625	9.35	5.00	0.50	0.24	13.61	8.46	-5.15	4.76	-2.90
P-1030	Produce - Lettuce, Romaine	LB	0.6988	14.25	50.00	10.60	1.00	52.65	12.40	40.25	8.67	-28.13
P-1031	Produce - Potatoes	LB	0.7027	41.00	0.00	0.00	16.00	25.00	25.00	0.00	17.57	0.01
P-1034	Produce - Tomatoes	LB	0.7307	23.86	20.00	2.92	1.66	39.28	19.70	-19.58	14.39	-14.31

1 Select the *Unit Price* column to bring the lowest prices to the top of the screen, then check for any products with a unit price of '0.000'.

Ⓐ Here is an example of a produced recipe that has a 0.0000 value, which doesn't make sense. To correct the price, ensure all orders with this product (or sub-products) have been reconciled correctly.

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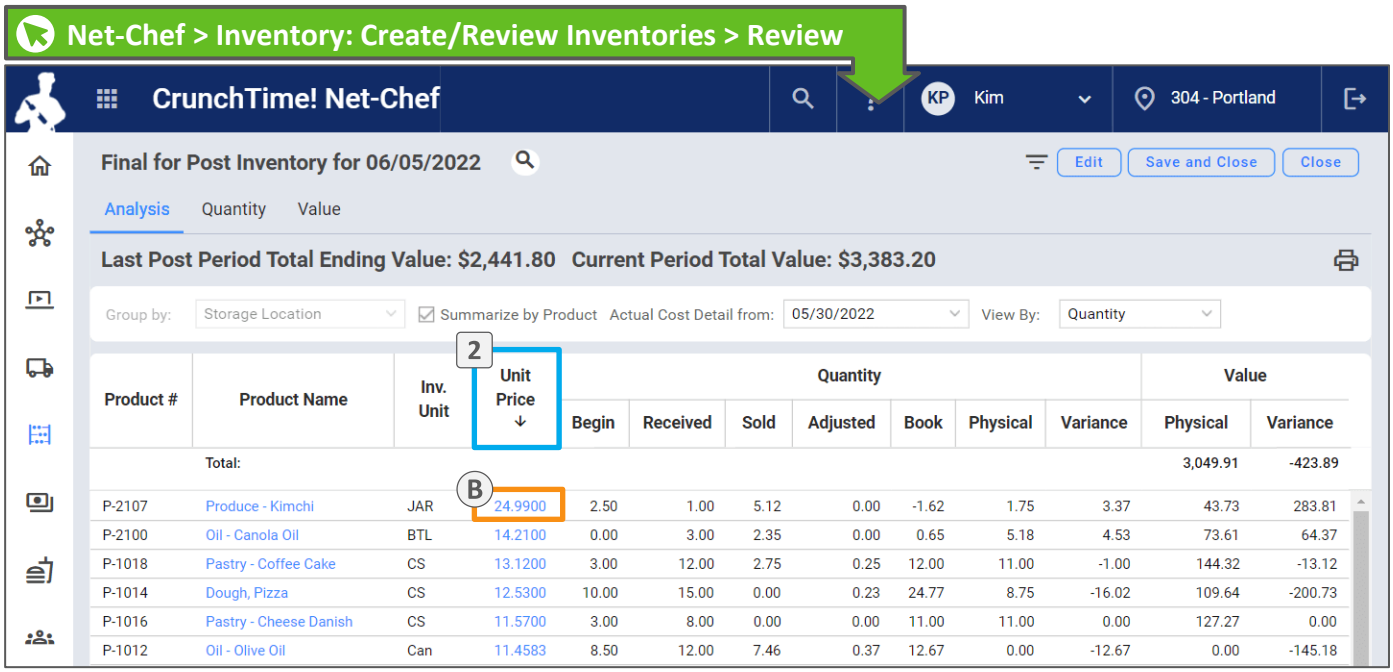
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Recommended Review Process

(Continued)

Check the Unit Price (Continued)

Checking for high prices allows you to identify receiving mistakes or pricing issues that need to be corrected by your corporate team.



Product #	Product Name	Inv. Unit	Unit Price	Quantity							Value	
				Begin	Received	Sold	Adjusted	Book	Physical	Variance	Physical	Variance
	Total:										3,049.91	-423.89
P-2107	Produce - Kimchi	JAR	24.9900	2.50	1.00	5.12	0.00	-1.62	1.75	3.37	43.73	283.81
P-2100	Oil - Canola Oil	BTL	14.2100	0.00	3.00	2.35	0.00	0.65	5.18	4.53	73.61	64.37
P-1018	Pastry - Coffee Cake	CS	13.1200	3.00	12.00	2.75	0.25	12.00	11.00	-1.00	144.32	-13.12
P-1014	Dough, Pizza	CS	12.5300	10.00	15.00	0.00	0.23	24.77	8.75	-16.02	109.64	-200.73
P-1016	Pastry - Cheese Danish	CS	11.5700	3.00	8.00	0.00	0.00	11.00	11.00	0.00	127.27	0.00
P-1012	Oil - Olive Oil	Can	11.4583	8.50	12.00	7.46	0.37	12.67	0.00	-12.67	0.00	-145.18

2 Select the *Unit Price* column again bring the highest prices to the top of the screen, then check for any products with incorrect pricing.

Ⓑ Here is an example of a product with a unit price that is too high. To correct the price, ensure all orders with this product (or sub-products) have been reconciled correctly.

Note: If you need further assistance correcting a Unit Price, contact your Crunchtime admin.

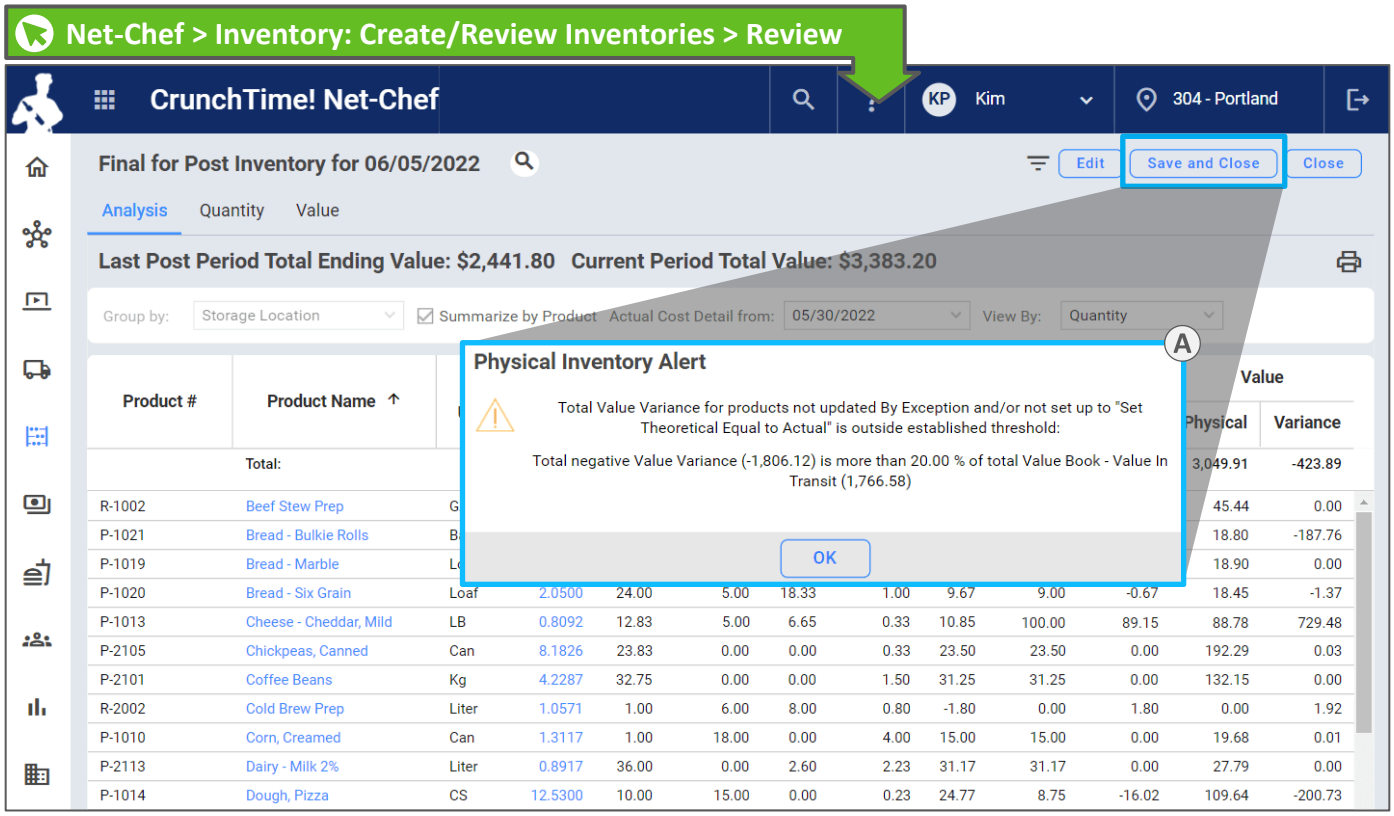
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Physical Inventory Alert

Overview

Some companies will establish variance thresholds to help ensure accurate inventory counts. If these thresholds are exceeded, you will receive an alert when selecting *Save and Close* from the Review screen. The variances for these products must be corrected to complete the review.

Setup: These thresholds are configured on the Inventory Preferences screen in Enterprise Manager, and enforced only when the Inventory Variance Post Restriction is enabled in the Location settings.



Ⓐ In this example, the total Negative Variance Values are more than 20% of the total Book + In Transit Values (for these products).

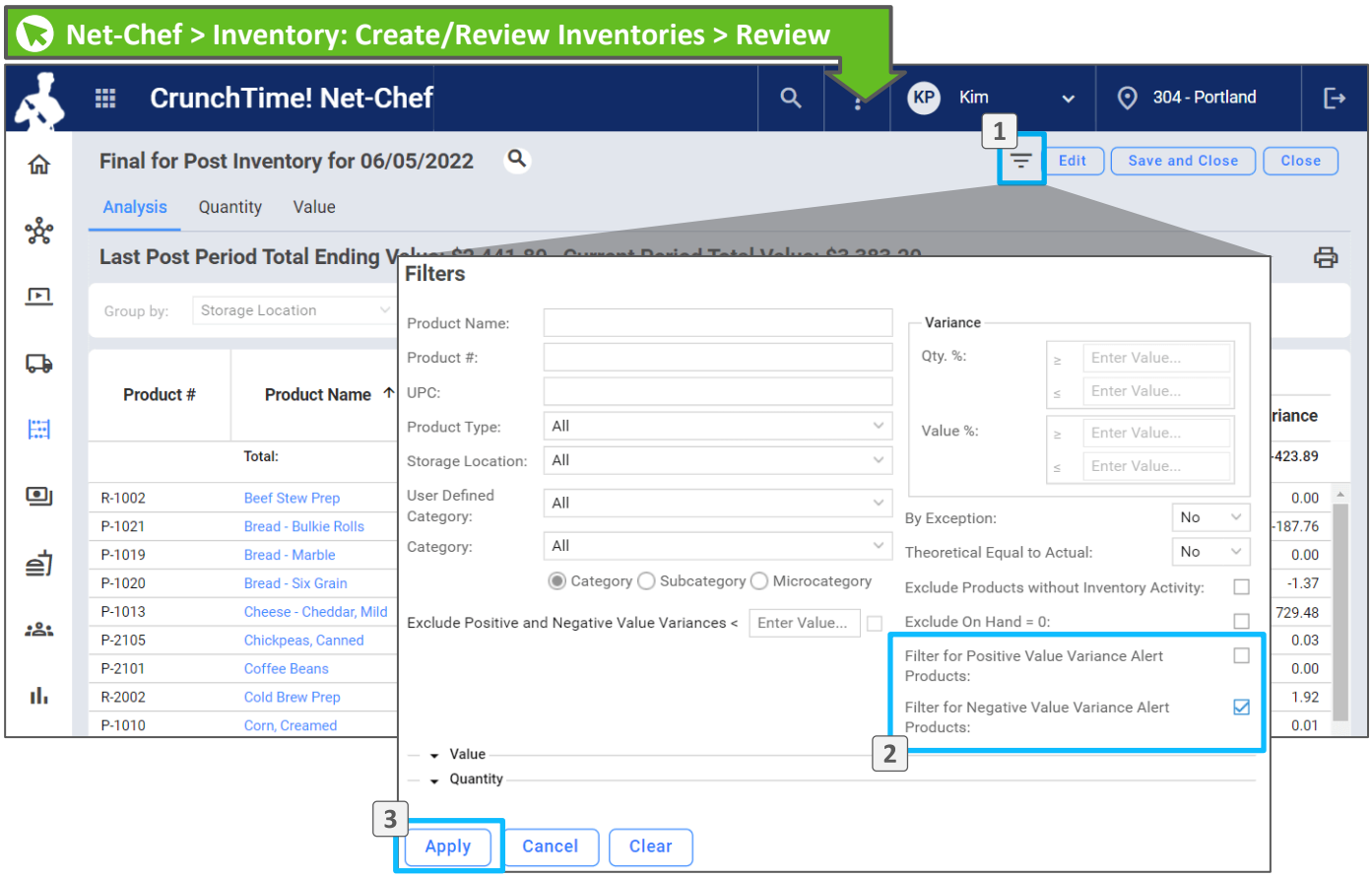
Note: Users with the "NC-Inventory > Override Variance Alerts" permission enabled will have the options to *Continue* past this alert or *Cancel* to return to the Review screen.

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Physical Inventory Alert

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Identify Alert Products



1. Select the *Filter* icon.
2. Choose the *Filter for Positive Value Variance Alert Products* or *Filter for Negative Value Variance Alert Products* options to see the products that are causing you to receive this alert.
3. Select *Apply*.

Super User Note: The Physical Inventory Alert will not include the following products:

- Products whose counts were entered using *By Exception*.
- Products with the *Set Theoretical Equal to Actual* setting enabled in Enterprise Manager.

These products will also be excluded when either of the *Alert Product* filters are selected.

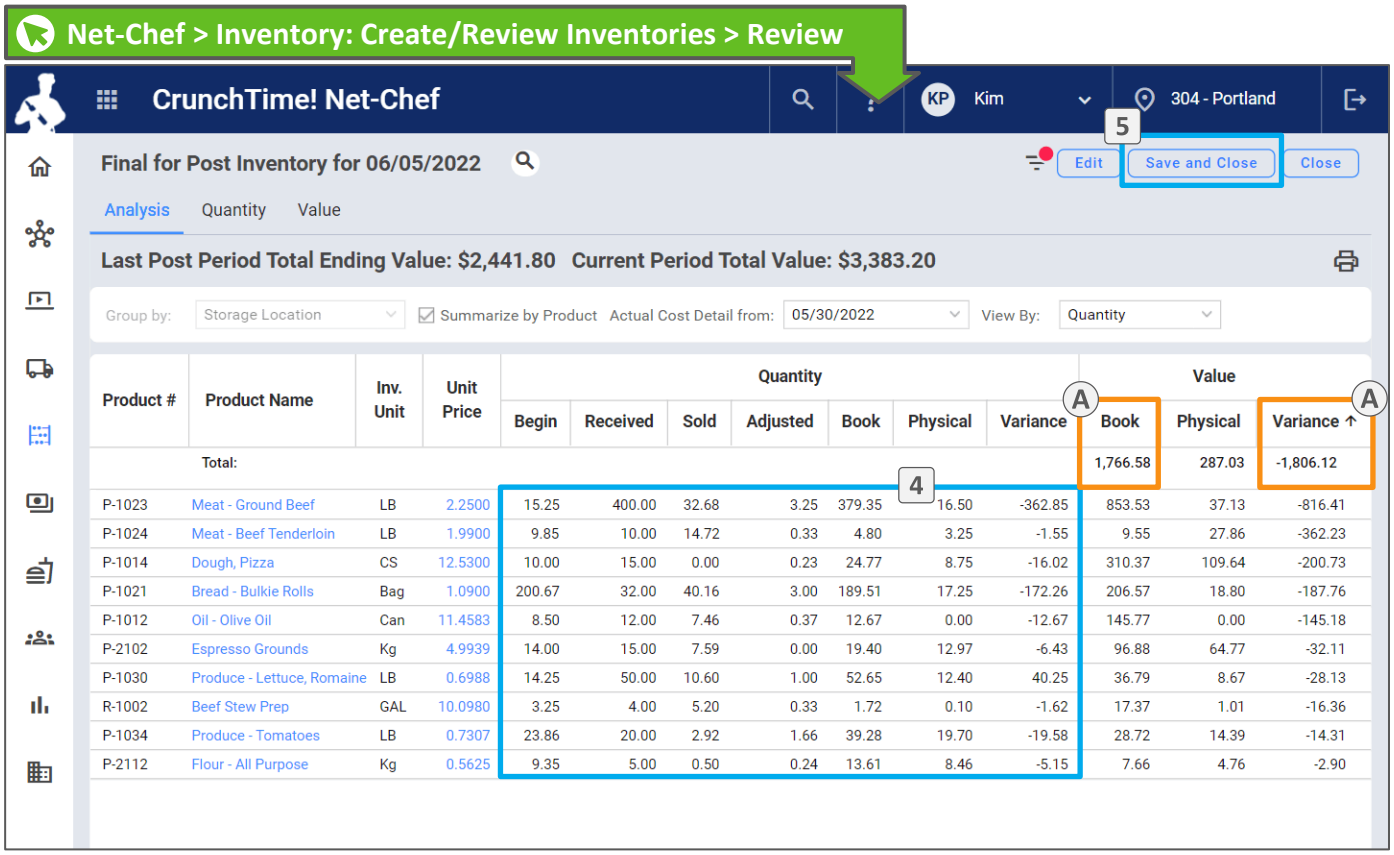
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Physical Inventory Alert

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Identify Alert Products (continued)



Product #	Product Name	Inv. Unit	Unit Price	Quantity							Value		
				Begin	Received	Sold	Adjusted	Book	Physical	Variance	Book	Physical	Variance ↑
	Total:										1,766.58	287.03	-1,806.12
P-1023	Meat - Ground Beef	LB	2.2500	15.25	400.00	32.68	3.25	379.35	16.50	-362.85	853.53	37.13	-816.41
P-1024	Meat - Beef Tenderloin	LB	1.9900	9.85	10.00	14.72	0.33	4.80	3.25	-1.55	9.55	27.86	-362.23
P-1014	Dough, Pizza	CS	12.5300	10.00	15.00	0.00	0.23	24.77	8.75	-16.02	310.37	109.64	-200.73
P-1021	Bread - Bulkie Rolls	Bag	1.0900	200.67	32.00	40.16	3.00	189.51	17.25	-172.26	206.57	18.80	-187.76
P-1012	Oil - Olive Oil	Can	11.4583	8.50	12.00	7.46	0.37	12.67	0.00	-12.67	145.77	0.00	-145.18
P-2102	Espresso Grounds	Kg	4.9939	14.00	15.00	7.59	0.00	19.40	12.97	-6.43	96.88	64.77	-32.11
P-1030	Produce - Lettuce, Romaine	LB	0.6988	14.25	50.00	10.60	1.00	52.65	12.40	40.25	36.79	8.67	-28.13
R-1002	Beef Stew Prep	GAL	10.0980	3.25	4.00	5.20	0.33	1.72	0.10	-1.62	17.37	1.01	-16.36
P-1034	Produce - Tomatoes	LB	0.7307	23.86	20.00	2.92	1.66	39.28	19.70	-19.58	28.72	14.39	-14.31
P-2112	Flour - All Purpose	Kg	0.5625	9.35	5.00	0.50	0.24	13.61	8.46	-5.15	7.66	4.76	-2.90

4 Review the narrowed list of products to correct counts and related inventory transactions.

5 Once all necessary changes have been made, select *Save and Close*.

A

Pro Tip: To resolve this alert, the sum *Variance Value* for the relevant alert products must be less than X% of the *Book + In Transit Value* of those same products. With the filter applied from the previous steps, it's easy to see these sum values (as indicated in the screenshot above). The percentage X is the threshold defined by your corporate team and seen in the alert message.

In this example, the sum *Variance Value* of the negative variance products must be less than 20% of the sum *Book + In Transit Value* for those same products. To determine what *Variance Value* is needed to continue, we take 20% of 1,766.58 to get 353.35 (1,766.58 x 0.2 = 353.35). Because we are looking at negative variances, the total *Variance Value* of these products must be -$353.35 or less (closer to zero) to continue.

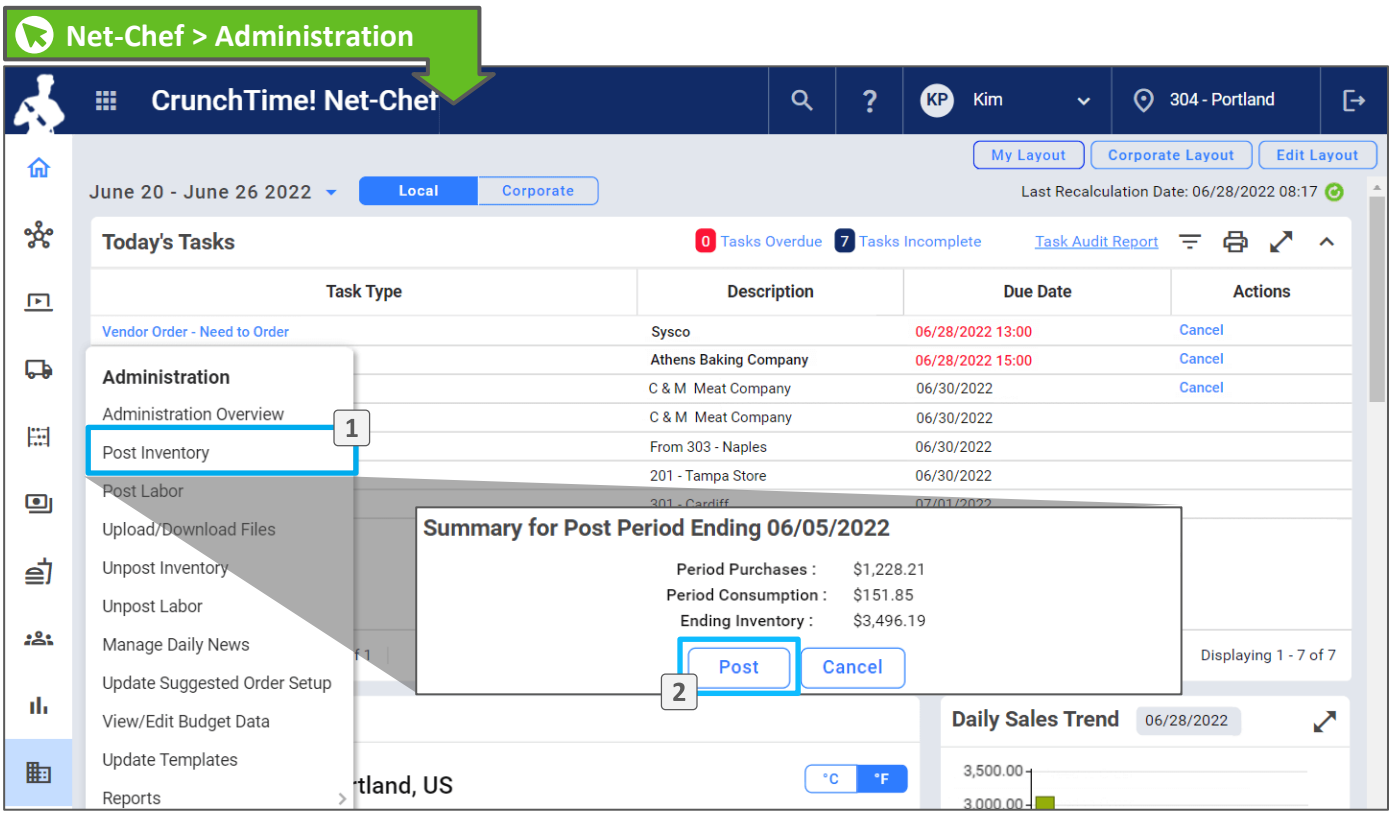
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Post Inventory

Post a Period

Once inventory counts have been entered and reviewed, the period is ready to be posted. Posting inventory will finalize all transactions for the period.

Warning: Do **NOT** post incorrect inventory counts as an attempt to resolve variances!



1. From the Administration menu, select *Post Inventory*.
2. Select *Post* to finalize inventory for the period.

Note: A user must select *Save & Close* from the inventory Review screen before they can post. If the counts have not been saved prior to posting, the user will be directed to the Review screen.

Attention: Depending on your corporate setting, overdue transactions may prevent you from posting. Users with the "Overdue Post Transactions > Override Restricted Post" permission enabled will have the option to continue past this alert. In the case that there are no post restrictions defined in Enterprise Manager, then all users will have the option to bypass this alert, whether this permission is enabled or not.

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