

# Understanding Our Stock Management Types: A Guide for New Team Members

## 1. Introduction: Why Stock Management Matters

Welcome to the team! This guide is designed to clarify three key methods we use to manage product stock for our online channels: **Pre-order/Configured Stock**, **Safety Stock**, and **Stock Reserve**. The primary goal of these functions is to give us precise control over what customers can buy online by solving different business challenges, from launching a limited-edition product to preventing overselling during a campaign. You'll see how we use file uploads into our data system (DAS) to manage these rules. Crucially, many of these features are "hosted" in DAS as a practical way to manage capabilities that our main order management system (MAO) doesn't natively support through a user interface. DAS acts as the control plane, sending the final instructions to MAO. Let's break down each concept one by one.

## 2. The Core Stock Management Concepts

### 2.1. Concept 1: Pre-order & Configured Stock

- **What it is:** This is a method to manually **override** or **create** a stock quantity in the system. It's important to note that despite the 'Pre-order' name, this function is not exclusively for items awaiting arrival. Its core purpose is to manually set a specific, sellable quantity. We use this when the official inventory system (like RMS) shows a value we don't want to use for online sales, such as zero. This gives us the power to enable sales for products whose inventory isn't tracked in our standard systems, or to launch highly controlled, limited-edition campaigns.
- **Primary Use Cases:** We use this feature for two main scenarios, which are determined by the Supply Type field in the data file:
- **Limited Pre-orders ( one time ):** This is perfect for selling a fixed, limited number of items for a special campaign or product launch. For example, we can configure a stock quantity of 30 units. Once those 30 units are sold, the item is sold out and will not be replenished.
- **Daily On-Hand Stock ( on hand ):** This is used for items that don't have a reliable live inventory count, such as fresh produce from a consignment partner. We can configure the system to report a stock of 30 units *every single day* until a specified end date, ensuring a consistent daily quantity is available for sale.
- **How It Works in Our System:** A user uploads a file to DAS that specifies the item, location, and the desired stock quantity. The file also includes the supply type (one time or on hand) and a start/end date for the configuration. DAS then processes this file and sends the specified stock quantity to MAO for the duration of the configuration.

### 2.2. Concept 2: Safety Stock

- **What it is:** Safety Stock is best understood as an "invisible buffer." It is a quantity of stock that we physically have in our inventory but intentionally hold back from being

available for sale online. This is our primary tool for risk management in online inventory, protecting both the business from overselling and our customers from disappointment.

- **Primary Use Cases:** This feature provides two key benefits:
- **Preventing Overselling:** Its main purpose is to create a buffer against inventory discrepancies. These can happen for various reasons, such as finding damaged goods, inaccurate inventory counts, or an item being sold in a physical store before the online system has a chance to update. For example, if we have 10 items in stock and set a Safety Stock of 3, only 7 will be available for customers to buy online.
- **Making an Item Unavailable:** This is a clever secondary use of the feature. If we need to quickly stop online sales for a product (e.g., due to spoilage or a quality issue), we can set an extremely high Safety Stock number (like 999,999). This makes the sellable quantity zero, effectively taking it offline without changing the actual inventory data.
- **How It Works in Our System:** A user uploads a file to DAS containing the item, location, the safety stock quantity, and the start and end dates for the rule. During this period, the safety stock number is subtracted from the on-hand quantity. Once the end date passes, the safety stock is automatically cleared to zero, and the full on-hand quantity becomes available for sale again.

### *2.3. Concept 3: Stock Reserve*

- **What it is:** Stock Reserve is a specialized method for earmarking a specific portion of our inventory for online marketing campaigns on different platforms like Shopee or Lazada. This capability is critical for executing coordinated, multi-platform marketing events with guaranteed stock availability.
- **Primary Use Case:** The sole purpose of this function is to guarantee that a certain number of products are set aside exclusively for a specific promotion. This prevents the campaign's allocated stock from being sold through other channels. For example, if we have 100 units of a product, we can reserve 30 for a Shopee campaign and 20 for a Lazada campaign, ensuring they are available for shoppers on those platforms during the event.
- **How It Works in Our System:** Like the other methods, this is initiated by a file upload to DAS. However, in this case, DAS simply acts as a messenger. It passes the reservation request—which includes the item, location, quantity, platform, and campaign dates—directly to MAO. It is MAO that contains the logic and performs the actual reservation, holding that stock for the specified campaign.

### *2.4. A Note on Resync Stock*

While not a primary stock management type, you may also encounter a process called **Resync Stock**. This is a troubleshooting tool. When we notice a stock discrepancy between our systems and a sales platform, a user can upload a file to DAS to trigger MAO to "re-sync" or re-send the correct stock count for a specific item. This is used on an as-needed basis to correct errors. Now that we've covered each type, here is a simple table to help you remember the key differences.

### 3. At a Glance: Comparing the Concepts

Concept, Primary Purpose, Key System Behavior

Pre-order/Config Stock, To create or override the stock quantity shown online., "DAS sends a specific number (e.g., 30) to MAO, ignoring the real inventory count. Can be a one-time amount or a daily refresh."

Safety Stock, To reduce the sellable quantity to prevent overselling., DAS tells MAO to subtract this number from the actual on-hand stock. The sellable quantity is (On Hand) - (Safety Stock).

Stock Reserve, To earmark a portion of existing stock for a specific campaign., "DAS sends a request to MAO, which then holds a specific quantity for a platform (e.g., Shopee) so it can't be sold elsewhere."

Understanding these distinctions is key to managing our online inventory effectively.

### 4. Conclusion: Putting It All Together

These three stock management functions—Pre-order/Configured Stock, Safety Stock, and Stock Reserve—are essential tools for our team. They provide precise, rule-based control over our inventory for different business needs. By using them correctly, we can confidently launch special products, run successful marketing campaigns, and prevent customer disappointment from overselling.