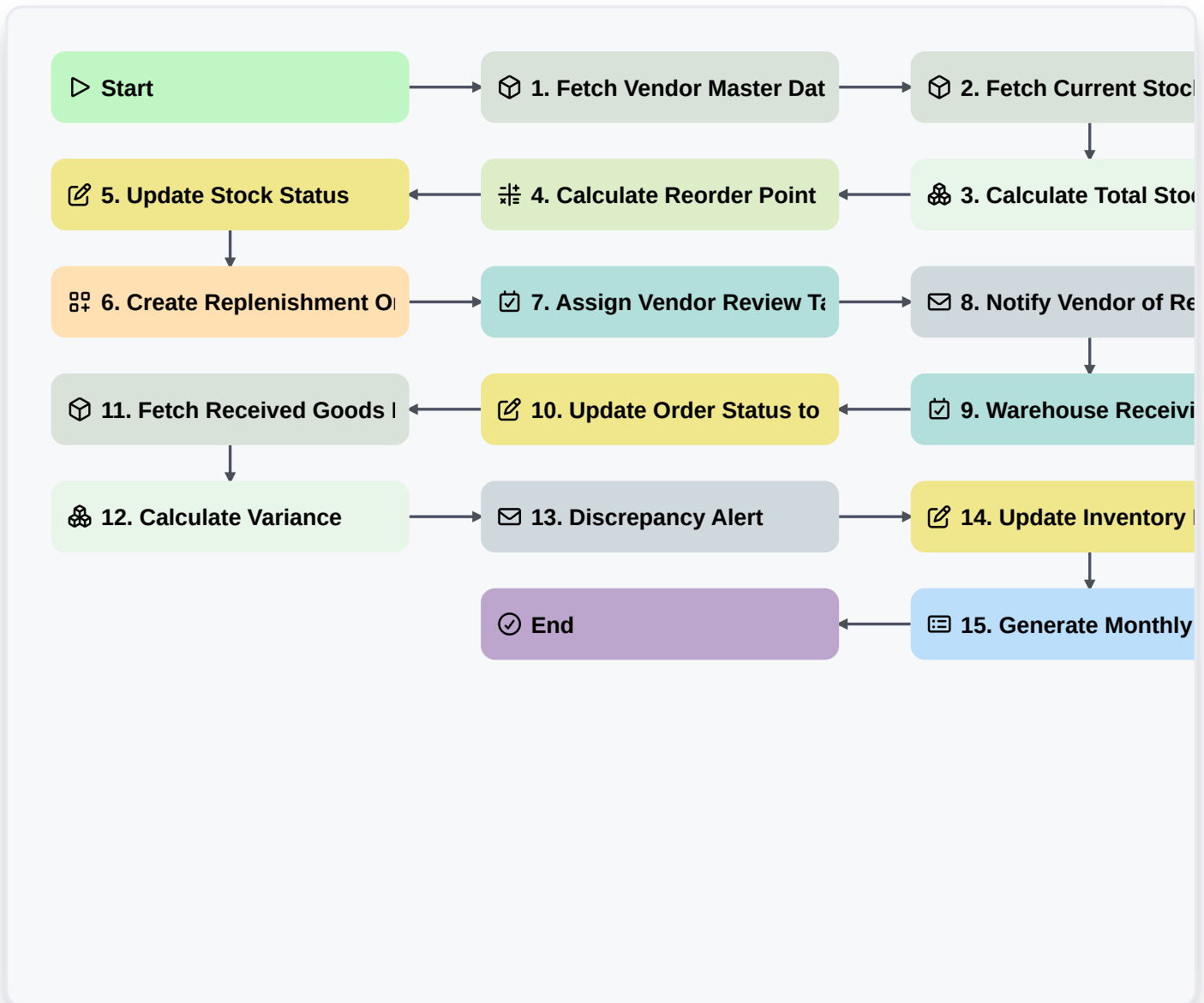


# Vendor Managed Inventory (VMI) Workflow



## ▷ Start

Start of the Workflow/Process.

## 📦 1. Fetch Vendor Master Data

Retrieve vendor profiles and their specific service level agreements (SLAs) from the Vendor Data Model.

## 📦 2. Fetch Current Stock Levels

Retrieve existing inventory quantities from the Inventory Data Model for all items under VMI.

## 🧮 3. Calculate Total Stock Value

Sum the value of all items currently in stock to determine total capital tied up in VMI.

## 📐 4. Calculate Reorder Point

Execute formula  $(\text{Average Daily Usage} * \text{Lead Time}) + \text{Safety Stock}$  to determine if replenishment is needed.

## 📝 5. Update Stock Status

Update the 'Status' field in the Inventory Data Model to 'Low Stock' when thresholds are breached.

## 📄 6. Create Replenishment Order

Create a new entry in the Purchase Order Data Model for the required quantities.



📌 **7. Assign Vendor Review Task**

Create a task for the Vendor Representative to review and confirm the replenishment quantities.

✉️ **8. Notify Vendor of Replenishment**

Send an automated email to the vendor contact with the details of the new replenishment order.

📌 **9. Warehouse Receiving Task**

Create a task for the Warehouse Manager to prepare for incoming stock arrival.

✍️ **10. Update Order Status to 'In Transit'**

Update the Purchase Order entry status once the vendor confirms dispatch.

📦 **11. Fetch Received Goods Data**

Retrieve data from the Goods Receipt entries to verify quantities against the order.

⚖️ **12. Calculate Variance**

Compare 'Ordered Quantity' vs 'Received Quantity' to identify discrepancies.

✉️ **13. Discrepancy Alert**

Send an email to the Procurement Manager if the variance exceeds the allowed tolerance.

✍️ **14. Update Inventory Levels**

Increase the quantity in the Inventory Data Model following a successful goods receipt.

📄 **15. Generate Monthly VMI Performance Report**

Create a report summarizing stockouts, order accuracy, and vendor compliance for the month.

🏁 **End**

End of the Workflow/Process.