Alternative Stocking Techniques

Consignment	Consignment material is owned a vendor but stored on your site. Be sure to separate it from your other stock items for control, and flag it in the system so it's separated from book inventory. Vendors may inventory consignment items and we may require purchase if it sits for a defined period of time. Consignment items are included in usage, but not in investment - which improves turnover.
Vendor Managed Inventory (VMI)	This is inventory in partnership with a vendor. Vendors receive, stock and conduct physical inventories on these items. VMI inventory is usually free issue but not always. Like consignment items, this inventory should be segregated from your main area. Vendor may set up this area for you, often as a service.
Vendor Stocking	This is your inventory stored at the vendor's site. The stocking agreement can be formal or informal, and this situation significantly reduces lead time. Like consignment items, you may have to buy these items after a period of time. These items are included in usage but ordered as needed and not in your inventory log - which improves turnover.
Free Issue	These are low-value/high-volume materials that may or may not have item numbers. They could be stored in the main storeroom, at point-of-use, or in satellite stores/vending machines. These items are not tracked and don't need to be issued, nor do they appear as usage or inventory. Normally manage by the supplier, free issue items are not picked up in history.
Controlled Delivery Dates	By design, order point replenishment is reactive: when the reorder point is reached, a replenishment notice is immediately generated to purchase replacement parts. Anticipated demand and lead times are considered in setting min/max quantities, but actual "need" dates are not. Replenishment parts typically ship as they're available. You don't have to accept items or can ask for a delayed invoice if parts are delivered before the request date.