

## DISTRIBUTION CENTER OVERSIGHT COMMITTEE REPORT MAY 2020

The DCO Committee met on its regular 2<sup>nd</sup> and 4<sup>th</sup> Wednesdays this past month.

The committee continued to monitor inventory and perform general office operations oversight. The committee also communicated via its channel on Slack and via email.

The items covered since the last monthly Board Teleconference are:

1. Reviewed and approved the monthly inventory statistics, reviewed orders, and inventory movements by the office. Need to replenish Amazon CA. *Action Item 1:* The office will prepare a shipment recommendation for committee approval. – **In Process**
2. The Amazon UK Long Term Storage Fee situation was discussed. It was determined that we need to remove some inventory from Amazon's UK warehouses to avoid costly long term storage fees. Several tasks are needed to be done before that can occur.
  - *Action Item 3:* The office will calculate what quantities need to be removed to leave about one year of supply in the Amazon UK warehouses. – **In Process**
  - *Action Item 4:* The DCOC Chair will contact the UK IG and their printer to see if they can accommodate storing the books. – **In Process**
  - *Action Item 5:* The office will get estimates from Amazon on freight to pull them back to Signal Hill or to send them to the UK printer. – **In Process**
3. The WSO inventory management project took a major step forward this month with the release of an upgrade to the Webgility software significantly improving the data download accuracy from our online ecommerce platforms. The upgrade was a direct result of interactions with Webgility support engineers who met with WSO and O&S over a period of a few months to work on error free downloads. This phase of the inventory project is now completed. The next phase will be to reconcile the Inventory on Hand in Quickbooks to our actual physical counts performed by the Signal Hill office staff. This will be done during the month of June and should be completed by the July inventory cycle. – **In Process**
4. The committee reviewed and modified an inventory SKU Addition and Removal Form put together by O&S accountants that will enable the SKUs for our products to remain synchronized on all three software platforms involved in their sales transactions. Those platforms are Quickbooks for the final accounting, Webgility Unify for the data download, and either Shopify or Amazon for the eCommerce portion of the process. The form will be put into use as soon as the office determines whether removing a SKU in one Amazon store results in it being removed across all our stores. A test was scheduled by the office. – **In Process**
5. The office presented a proposed plan to improve the inventory reorder process and reduce stock outages. The committee members reviewed the plan (*Action Item 2*) with the Operations Manager and staff and determined a minimum reorder formula was required to allow the process to work effectively. The Treasurer supplied a sample sales report from Quickbooks that could be used in the formula going forward and can be generated by our in-house bookkeeping staff. The office staff is going to implement this formula and report back to the committee at its next meeting. – **In Process**

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6. One of the office staff will be out on medical leave for an extended amount of time and the committee requested other employees be trained for handling some of the in-office duties pertaining to the management of paperwork , checking the mail, and depositing contributions. Action Items (7 & 8). The treasurer is developing a plan to cover the bookkeeping work while the employee is on leave.  
– **In Process**
  
7. The Sales Tax project and impact on the office was discussed. It appears there is some preliminary work in Shopify to modify the digital products collection so that some of the states can be excluded from sales tax on them. *Action Item 9:* The office will add all of the audio products to the newly created “Digital” collection while leaving them in the “Audio” collection. Note to follow about this to the office. – **In Process**

### **Items Carried Forward**

8. The office was closed for a week when the Covid 19 Safer at Home order was first given. The DCOC is developing a policy for an office closing process. This will be sent to the board for consideration and adoption in the event the office needs to be closed under various circumstances. – **In Process**

In service for the committee,

Bill D., Chair

Rich R., Vice Chair

Jim B., Board Secretary

Lucia S., Finance Vice Chair

Mark H., Member at Large