

SOP: Reordering Thresholds & Supplier Communication Protocols

This SOP details the processes for managing **reordering thresholds and supplier communication protocols**, including setting inventory reorder points, monitoring stock levels, initiating reorder requests, maintaining supplier contact information, establishing communication timelines, coordinating order confirmations, and handling discrepancies or delays. The purpose is to ensure timely replenishment of inventory, minimize stockouts, and maintain strong supplier relationships through effective and consistent communication strategies.

1. Purpose

To define standardized procedures for managing inventory reordering thresholds and communication with suppliers, ensuring timely replenishment and strong supplier relationships.

2. Scope

This SOP applies to all staff responsible for inventory management and supplier communications within the organization.

3. Responsibilities

- **Inventory Manager:** Set reorder points, monitor inventory, initiate reorders.
- **Procurement Team:** Review and process order requests, maintain supplier information.
- **Warehouse Staff:** Update stock levels and report anomalies.

4. Procedure

4.1 Setting Inventory Reorder Points

1. Analyze historical sales and usage data.
2. Determine minimum, maximum, and safety stock levels for each item.
3. Set reorder threshold in the inventory system.
4. Review thresholds quarterly or after significant demand shifts.

4.2 Monitoring Stock Levels

1. Conduct daily/weekly inventory reviews using the inventory management system.
2. Flag items at or below reorder thresholds for action.
3. Document any discrepancies in stock records and investigate causes.

4.3 Initiating Reorder Requests

1. Generate reorder requisition when item drops to reorder threshold.
2. Send requisition to Procurement Team for approval.
3. Procurement Team creates and forwards purchase orders to respective suppliers.

4.4 Maintaining Supplier Contact Information

1. Keep an up-to-date supplier database including contact names, phone numbers, emails, and addresses.
2. Review and verify supplier information at least twice a year.

4.5 Communication Protocols with Suppliers

1. Send order requests during designated business hours.
2. Request written confirmation of orders within 2 business days.
3. Maintain a log of all communications per order (emails, calls, confirmations).
4. For urgent items, follow up with a phone call.

4.6 Order Confirmation & Updates

1. Verify receipt of order confirmation.
2. Request estimated delivery dates from suppliers.

3. Update order status in the inventory system.

4.7 Handling Discrepancies or Delays

1. Identify and communicate discrepancies or expected delays with supplier immediately.
2. Document all issues and resolutions in the communication log.
3. Escalate unresolved issues per escalation matrix.

5. Communication Timeline Example

Step	Activity	Responsible	Timeline
1	Send purchase order to supplier	Procurement	Day 0
2	Supplier order confirmation	Supplier	Within 2 business days
3	Delivery updates (if delays)	Supplier	Immediately upon change
4	Receipt of goods & stock update	Warehouse	Upon delivery

6. Recordkeeping

- Maintain all purchase orders, confirmations, and communication logs for each order.
- Archive records for a minimum of 2 years or as required by company policy.

7. Review and Revision

Review this SOP annually or upon significant changes in inventory policies or supplier arrangements.

Note: All staff must familiarize themselves with this SOP and ensure compliance to maintain efficiency and supplier trust.