

Cores Management

The core manufacturing industry recycles or refurbishes used equipment and rebuilds the "core," or foundation of the product so it can rival a brand new product. Core products include equipment like brake shoe kits, engines and batteries. A customer usually purchases a remanufactured core product to replace a similar item that no longer works. As far as your customer is concerned, the product that is being replaced is useless and could be thrown away. Unfortunately, this can be a complicated process that most systems cannot support.

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To encourage your customer to bring the worn or "dirty" core product to your warehouse, a core charge is automatically added to the order when you enter a remanufactured core product on a line. This core charge is refunded when the customer returns the dirty core. When your customer brings the dirty core to your warehouse, you enter it like a regular customer return. You must match or allocate the dirty core being returned with the core charge from the original sales order to establish the amount of credit the customer receives.

Management is simple and automated. With your Infor system, you will be able to:

- f* Determine who has what core
- f* Track when the manufacturer wants it back, expiration dates and grace periods
- f* Become more efficient at the counter to sell, buy and return cores
- f* Record your transactions from the counter to your warehouse all the way to your General Ledger
- f* Stop giving cores credit where credit isn't due

Vendors sometimes add an implied core cost to your purchase price of remanufactured core products, and then sell the "raw materials" to the remanufacturing industry - making cores tracking an essential part of managing your bottom line. When you enter a vendor return for the dirty core, you can allocate each dirty core to the implied core cost that the vendor added when you purchased the associated remanufactured core product. The vendor usually determines if the core is salvageable and refunds your core charge accordingly. The dirty core is dismantled, cleaned, refurbished, inspected, then remanufactured to specifications before it re-enters the supply chain.