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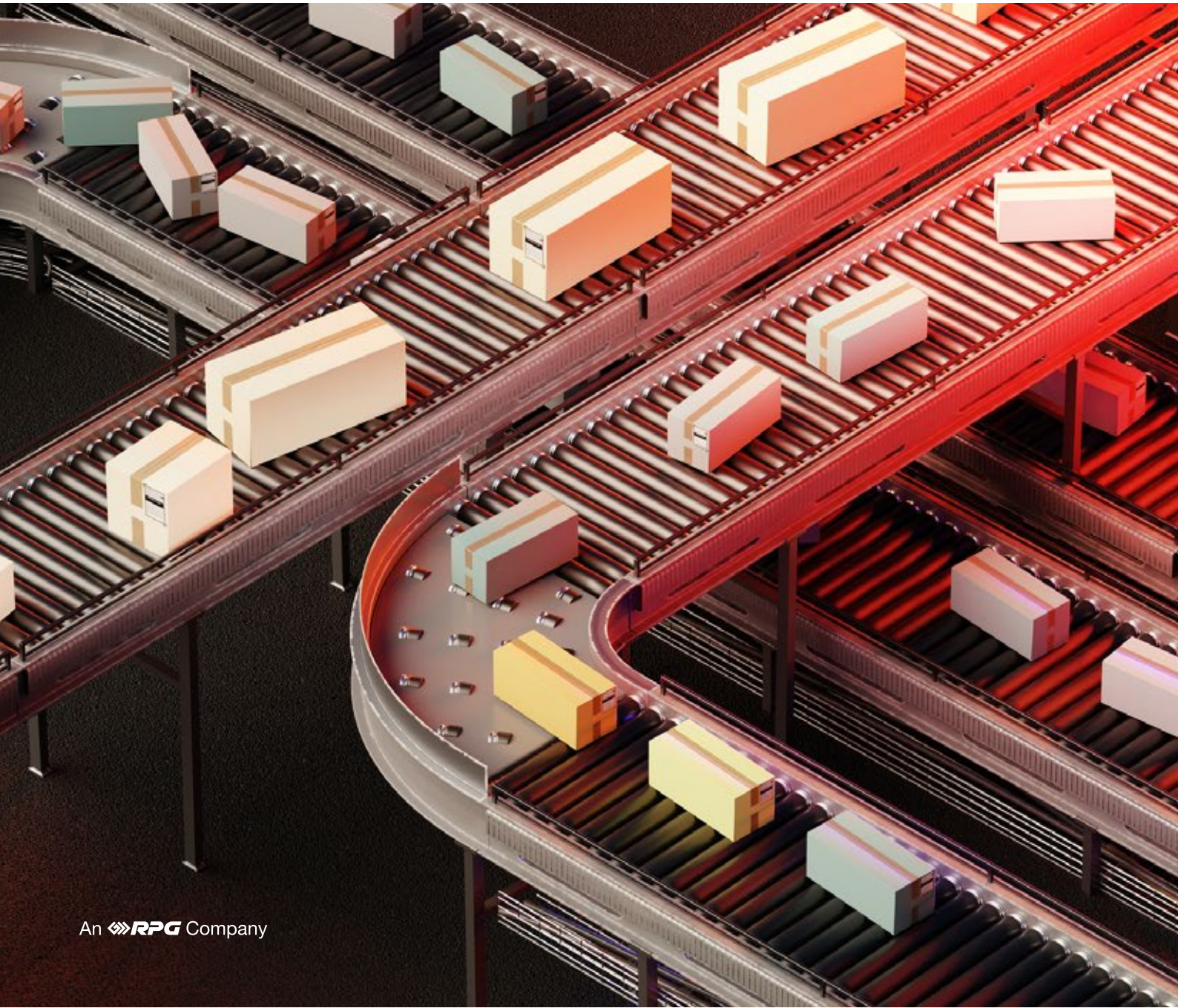
Cycle Counting in Manhattan Active Warehouse Management: Enabling Inventory Accuracy and Operational Excellence

Whitepaper



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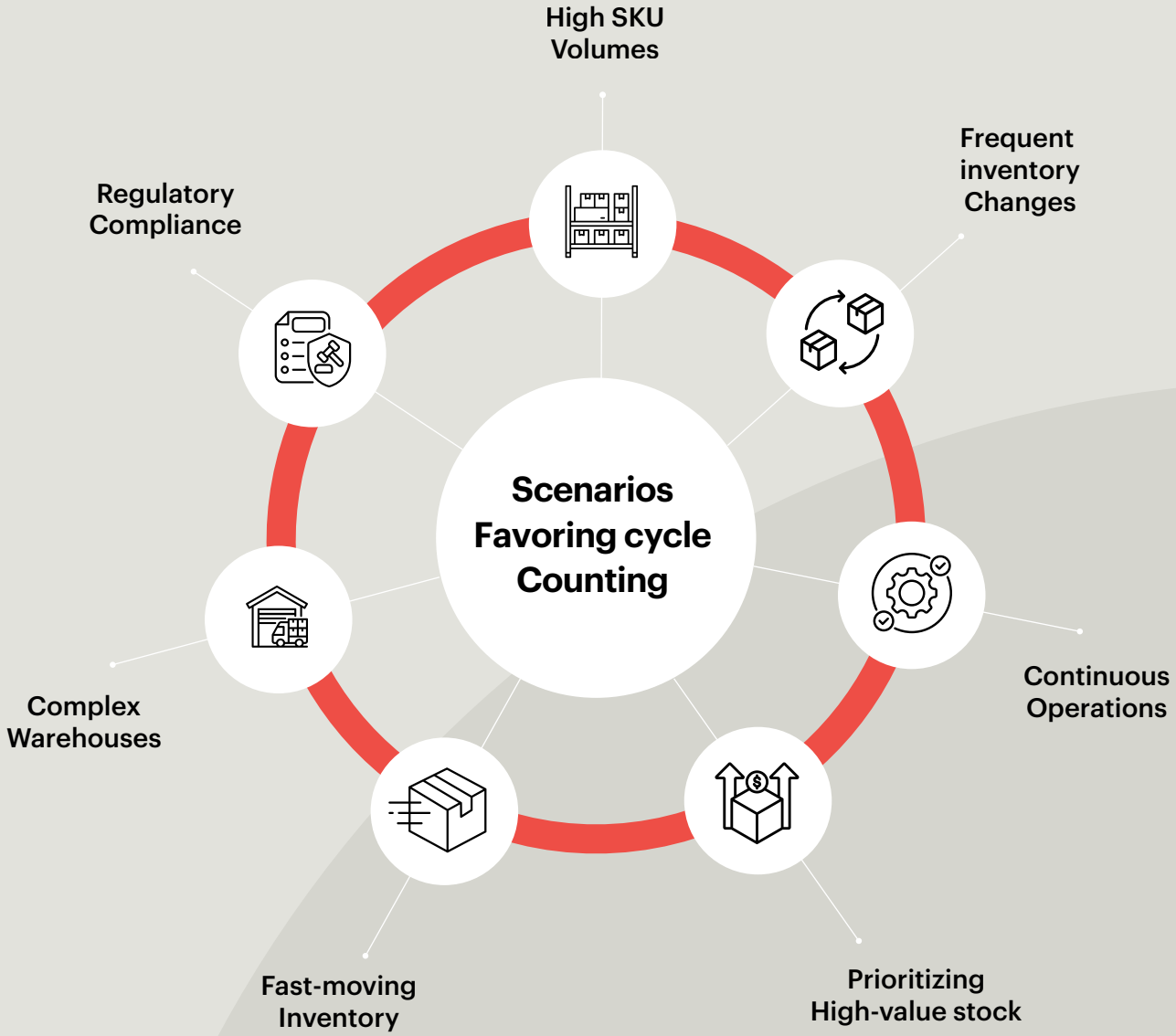
7 key scenarios favoring Cycle counting



Inventory accuracy is one of the most critical success factors in modern warehouse operations. Inaccurate inventory can affect order fulfillment, customer satisfaction, labor efficiency, and overall supply chain performance. A well-designed Cycle Counting process in Manhattan Active Warehouse Management (MAWM) helps organizations maintain real-time inventory accuracy while allowing warehouse operations to continue without disruption.

Understanding cycle counting in MAWM

Cycle counting is a systematic inventory verification process in which selected warehouse locations or items are counted periodically according to business rules such as product category, vendor, inventory value, movement frequency, or last count date.
In MAWM, cycle count plans can be configured for specific warehouse areas, zones, aisles, or item groups. The system automatically generates cycle count tasks for locations that have not been counted within a configurable period (for example, 182 days) while keeping inventory available for allocation. A pending cycle count flag is applied to the location to ensure visibility and control without affecting normal warehouse operations.

Intelligent task creation and assignment

MAWM provides flexible task management to optimize cycle counting execution:

- Cycle count tasks are generated based on configured eligibility rules and counting strategies.
- Duplicate cycle count tasks are prevented when an open task already exists for the location.
- Users can access tasks through assigned task groups or request them via mobile workflows.
- MAWM assigns the nearest eligible task based on location sequence, task zones, and proximity rules.
- The system prevents multiple associates from working in the same aisle simultaneously, improving productivity and reducing operational conflicts.

Blind counting for improved accuracy

A key best practice in inventory control is blind counting, in which warehouse associates do not see the expected inventory quantity in the system. This eliminates bias and ensures the physical count accurately reflects the actual warehouse inventory.
Depending on the location type and inventory handling method, MAWM supports different counting approaches:

Case and LPN-based counting

For reserve locations, case inventory, and LPN-managed inventory:

- Associates scan location and inventory license plates (iLPNs).
- Inventory expectations are hidden from the user.
- The system validates inventory placement and records counts.
- Any inventory discrepancies are flagged for further processing.

Pallet and UPC-based counting

For pallet-controlled locations:

- Associates confirm the number of pallets or iLPNs at the location.
- If variance exists, MAWM prompts for a detailed count.
- The system captures individual pallet and inventory details via scanning.

Unit-level counting

For multi-SKU or unit-tracked locations:

- Associates perform item-level scanning using the grocery scan functionality.
- Each barcode scan represents a single unit.
- Variances are identified immediately, and inventory adjustments are processed according to configured business rules.

Inventory adjustment and exception handling

MAWM provides robust inventory reconciliation capabilities during cycle counting:

- If inventory is found in an incorrect location, MAWM can relocate it to the correct location.
- Missing inventory can be moved to a lost inventory bucket for investigation.
- Previously lost inventory found during counting can be restored to the correct location.
- Inventory adjustments are communicated to downstream systems via Inventory Adjustment PIX and Condition Code PIX messages.

These automated updates ensure inventory records remain synchronized across enterprise systems.

Recount management and variance control

MAWM supports configurable recount strategies to maintain inventory integrity.
For certain inventory types:

- Negative variances may require immediate inventory adjustment.
- Positive variances may require a secondary count before updating inventory.
- Recount tasks can be automatically created with higher priority.
- Recount tasks are assigned to eligible users, preventing the original counter from performing the recount and improving audit reliability.

This approach provides an additional layer of control for high-value or sensitive inventory.

Integration with automation systems

For highly automated warehouses, MAWM can integrate cycle counting with material handling systems such as GTP (Goods-to-Person).
The process includes:

- Sending cycle count requests from MAWM to automation systems.
- Receiving completed count results and inventory adjustment messages.
- Updating inventory based on validation results from automation systems.
- Maintaining the last cycle count timestamps for item-level tracking.

This integration enables accurate inventory control even in highly automated fulfillment environments.

Key configuration areas in MAWM cycle counting

Successful cycle counting implementation requires proper configuration across multiple MAWM components:

- Cycle Count Plan Criteria
- Count Execution Strategy
- Count Planning and Task Creation Rules
- Task Groups and User Eligibility
- Task Zone Proximity Rules
- Recount Tolerance Strategy
- Inventory Adjustment PIX Configuration
- Labor Configuration
- Automation Integration Configuration

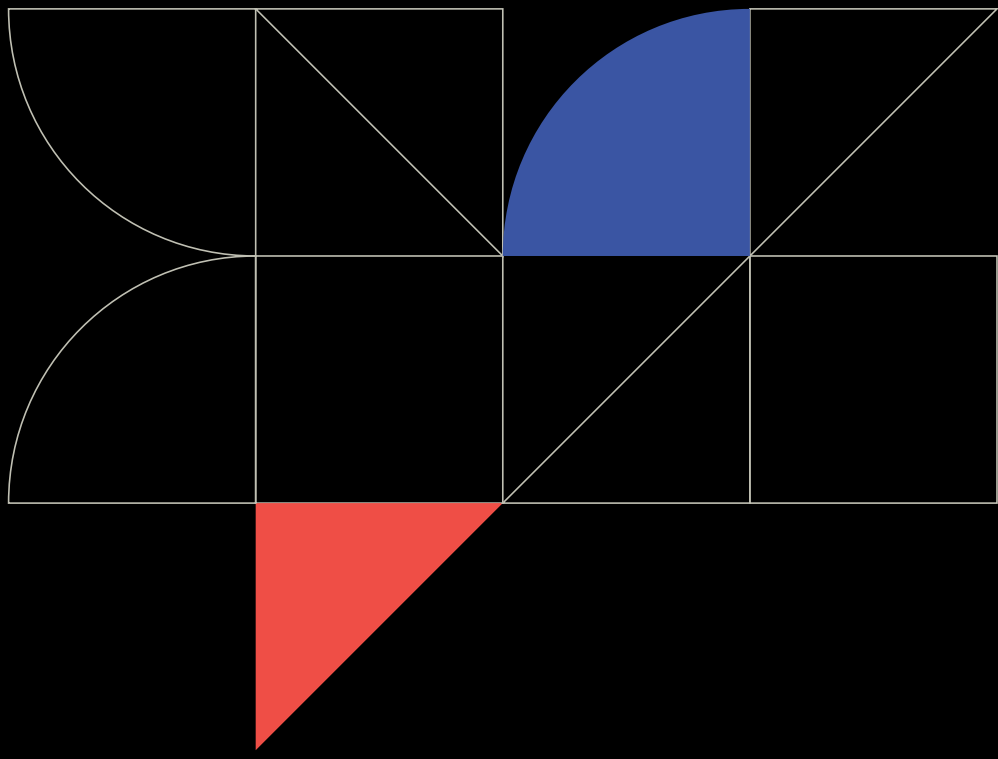
These configurations ensure cycle counting aligns with business processes, warehouse layout, and operational goals.

Conclusion

Cycle counting in Manhattan Active Warehouse Management is more than a physical inventory verification. It is a strategic capability that improves inventory accuracy, operational efficiency, and supply chain visibility.

By combining intelligent task assignment, blind counting, automated reconciliation, and real-time system integration, MAWM enables organizations to achieve higher inventory confidence while supporting continuous warehouse operations.

As warehouses continue to evolve toward automation and digital transformation, effective cycle counting remains a cornerstone for reliable fulfillment and supply chain excellence.



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