6.7. Two-echelon Planning

Streamline allows you to plan inventory and generate purchase plan in case of two-echelon planning. The first echelon is usually represented by consuming locations (for instance, stores) that generate demand and are supplied by the second echelon - a central warehouse or distribution center (DC). Streamline can generate purchase plan for the DC that is used to supply your main stock and corresponding replenishment plans for each of your locations to prevent the stores from the outage.

Depending on your business logic Streamline allows you to define how the DC should be treated. There are two options:

- DC is considered as an intermediate warehouse between suppliers and locations; or
- in addition to the first option, it also incorporates one of the imported locations.

In the first variant, DC can't sell products. It supplies the first echelon only. The second option allows it having its own sales history (borrowed from the incorporated location) and sell items to the customers.

To activate two-echelon planning, go to the menu **File** > **Settings** > **Distribution center** tab and check the **Enable** option.

Inventory data is imported into the **Distribution center** tab by using **Import/Export parameters**. Imported data is displayed in blue color.

	Category	Category 2	Item code	Description	DC on hand	DC pending sales orders	DC in transition	DC lead time, days	DC order cycle, months	DC min lot	DC rounding
1	Pharmacies	Pharmacies	05-T48	Cold & Flu Tablets	610	0	2000	60	1	100	20
2	Food/Beverages	Alcoholic Beve...	002661-1 × Ca...	Dark Beer	123	0	0	60	1	1	12
3	Fashion	Clothing Wint...	016542 Yellow	Winter Coat	3649	0	0	120	1	600	1
4	Fashion	Clothing Wint...	016543 Purple	Winter Coat #2	0	500	0	120	1	600	1
5	Consumer goo...	Electronics	45645-HW	Advanced Health Watch	0	0	0	90	1	1	1
6	Food/Beverages	Alcoholic Beve...	050046 Rondel ...	Champagne & Sparkling ...	83	0	0	60	1	1	12
7	Food/Beverages	Chocolate	056213 AUTU...	Truffles	32	0	0	60	1	1	6
8	Food/Beverages	Water	056329 N PW, ...	Bottle water #2 new	0	0	0	60	1	60	6
9	Food/Beverages	Water	056329 PU PW,...	Bottle water	150	0	0	60	1	60	6
10	Food/Beverages	Chocolate	120565 Cadbur...	Milk Chocolate bar	41	0	0	60	1	1	9
11	Pharmacies	Pharmacies	VB2166 150	Vital Blue 150 g Vitamins n...	0	0	200	60	1	1	20

Distribution center report has the same structure as Inventory report except for the column **Safety stock debt**.

Safety stock debt is the amount of inventory that needs to be ordered to replenish the safety stocks at the stocking locations.

Next: Inventory Optimization via Inter-Store Transfers

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