

# Orphan Stock and Stock Matching

## Orphan Stock

Orphan stock occurs when a unit of stock becomes disassociated from its original purchase order. This can happen in several ways, such as manual stock adjustments made through the inventory screen or the addition of new stock during a stock take. Another common issue arises when non-existent stock is dispatched—if that stock is later returned, it remains unlinked to any purchase order, further complicating inventory tracking.

## Orphan Stock Cost Price

Whenever units of Orphan Stock are created, they will inherit the default cost price for that Variant or Unique Stock Record.

### Example 1

A customer has bought a Red Hat. There are no stock records for the Red Hat, but Bob has found one. He packs up the item and marks the order as despatched.

The Sales Order is not linked to a Purchase Order, so the true cost of the item is not known.

The Cost Price of the Variant as of today is £5.43, so £5.43 is recorded against the Sales Order and is used in margin reporting.

### Example 2

In IXO Commerce, Shelf A has 5 Blue Hats that arrived on PO123 at £2.34 each.

During Stock Take, those are not found, and the stock is removed. At the same time, Shelf B is found to have 5 Blue Hats, so these are added.

If there was no link to another stock record, those new ones would be added at today's cost price of £3.45.

Automated Stock Matching will automatically resolve this problem (see below)

# Stock Matching

IXO Commerce will attempt to match Orphan Stock Records as best it can, in order to reduce their number. This will occur in a few specific cases:

- If adjustments are made within a week of each other, for the same SKU
- If adjustments take place within the same store

If automatic Stock Matching is not possible, it will still be possible for a user to manually amend the Cost Price of Orphan Stock Records via the [Inventory](#) tab.

## Example 1

A customer has bought a Red Hat. There are no stock records for the Red Hat, but Bob has found one. He packs up the item and marks the order as despatched.

The Sales Order is not linked to a Purchase Order, so the true cost of the item is not known.

The Cost Price of the Variant as of today is £5.43, so £5.43 is recorded against the Sales Order and is used in margin reporting.

There is no matching adjustment, so nothing can be matched automatically.

## Example 2

In IXO Commerce, Shelf A has 5 Blue Hats that arrived on PO123 at £2.34 each.

During Stock Take, those are not found, and the stock is removed. At the same time, Shelf B is found to have 5 Blue Hats, so these are added.

Because these Stock Takes took place within a week of one another, IXO Commerce can update the Orphan Stock Records with Purchase Order and Cost Price information; the Stock Records on Shelf B will be linked to PO123, and their cost price will be set to £2.34.

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