



User Manual

Inventory Loss Management System for Odoo v19.0

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1. Product Specification

The **Odoo Operational Inventory Loss Management System** is a comprehensive Odoo module designed to help businesses track, control, and analyze inventory losses. It provides a structured interface for recording wasted products, identifying root causes (e.g., spoilage, theft, handling errors), and enforcing approval workflows to ensure accountability. By integrating directly with Odoo's Stock and Accounting modules, it ensures that every wasted item is automatically removed from inventory and accounted for financially.

2. Features and Benefits

- **Comprehensive Inventory Loss Tracking:** Empower stakeholders to record detailed Inventory Loss events with precision, including product specifics, lots/serial numbers, and quantities, ensuring granular visibility into every inventory loss.
- **Evidence Collection:** Enforce accountability by photo evidence for specific Inventory Loss reasons (like Handling Errors or Spoilage), ensuring verifiable proof is captured before valuable stock is written off.
- **Automated & Tiered Approval Workflows:** Streamline operations with configurable cost thresholds that automatically approve low-value requests to save time, while routing high-value losses for mandatory manager review to maintain strict control.
- **Seamless Inventory & Accounting Integration:** Automatically trigger adjustments and financial journal entries immediately upon posting, ensuring that inventory levels and financial statements reflect real-time Inventory Loss without manual double-entry.

- **Customizable Reason Management:** Define business-specific Inventory Loss reasons with specific behavioural flags, enabling precise categorization and deeper root-cause analysis of inventory shrink.
- **Insightful Reporting & Analytics:** Generate professional PDF reports and utilize dynamic pivot views to analyse Inventory Loss trends by product, responsible employee, or reason, empowering data-driven decisions to minimize future losses.

3. Installation

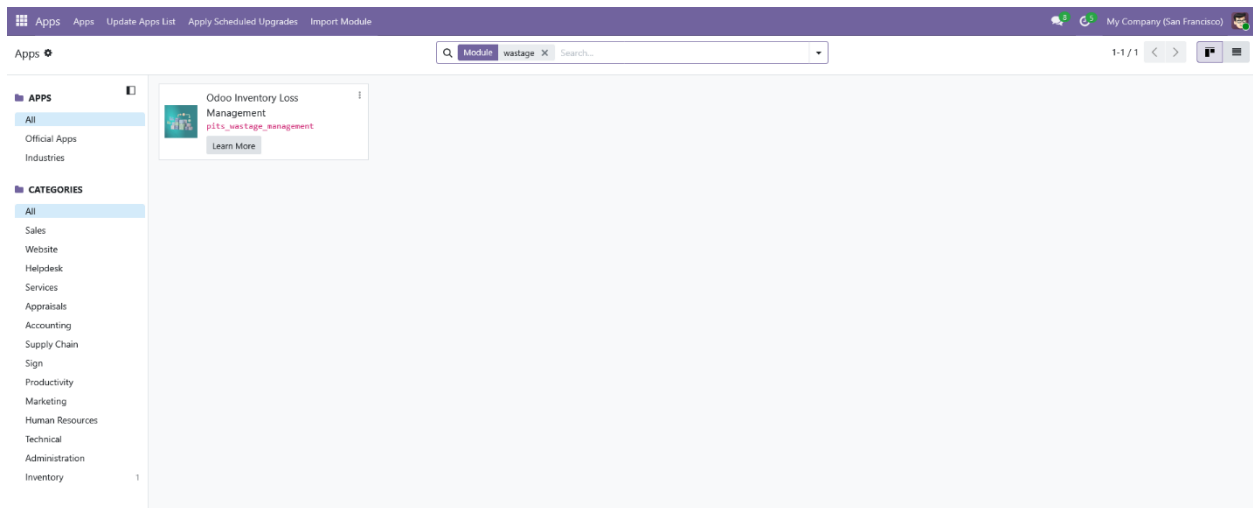


Figure 1 - Installation of Odoo Inventory Loss Management

To install the **Odoo Operational Inventory Loss Management**, follow the steps below:

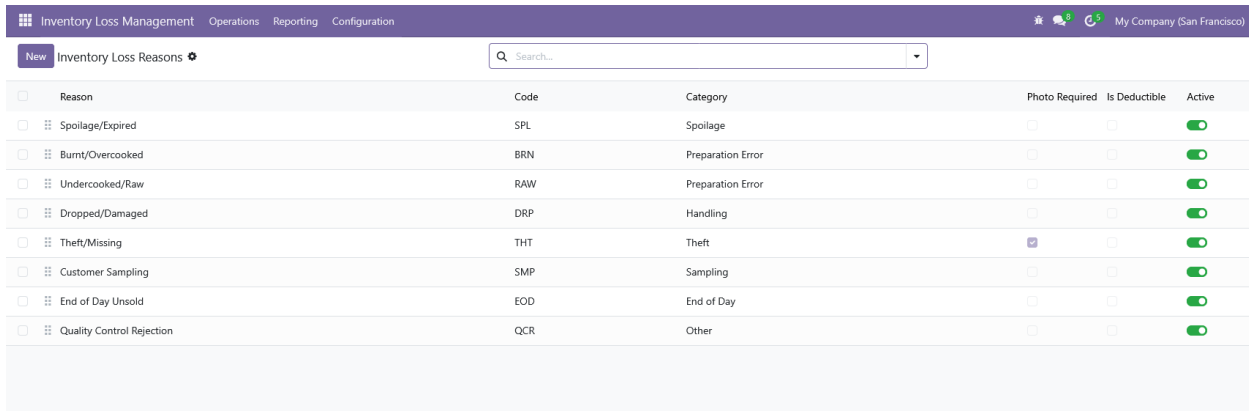
- Copy or upload the **Odoo Operational Inventory Loss Management** module into your Odoo *addons* directory.
- Go to the **Apps** menu in Odoo.
- Click **Update Apps List**.
- Search for **Odoo Operational Inventory Loss Management**.

- Locate the module in the results and click **Install**.

4. Configurations

4.1 Inventory Loss reasons

- Go to **Inventory Loss Management** → **Configuration** → **Inventory Loss Reasons**.
- Create Inventory Loss reasons such as *“Spoilage”* or *“Broken”*.
- Enter the **code** and **category** for each reason.
- Enable **Photo Required** if photo evidence should be mandatory for that reason.
- Enable **Is Deductible** if the Inventory Loss cost should be deducted from the deductible account or tracked separately.



Reason	Code	Category	Photo Required	Is Deductible	Active
Spoilage/Expired	SPL	Spoilage	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Burnt/Overcooked	BRN	Preparation Error	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Undercooked/Raw	RAW	Preparation Error	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Dropped/Damaged	DRP	Handling	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Theft/Missing	THT	Theft	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Customer Sampling	SMP	Sampling	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
End of Day Unsold	EOD	End of Day	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Quality Control Rejection	QCR	Other	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Figure 2 -Inventory Loss Reasons

4.2 Threshold Settings

- Go to **Inventory Loss Management** → **Configuration** → **Settings**.
- Set the **Auto-Approval Threshold Amount**.
- Any request with a total cost below this amount will be automatically approved and skip the manual approval step.
- Select a **Deductible Account**, which will be used for Inventory Loss reasons marked as deductible.

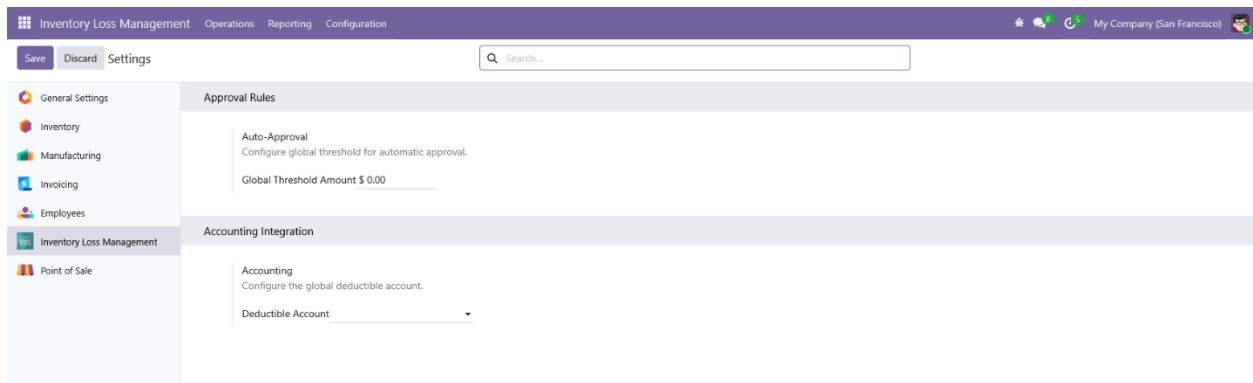


Figure 3 – Inventory Loss Settings

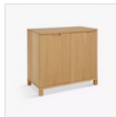
5. Workflow

Creating a Request

- Navigate to **Inventory Loss Management** → **Operations** → **Inventory Loss Requests**.
- Click **New** to create a request.
- Enter the **Source Location** (where the stock is currently stored).
- Enter the **Scrap Location** (where the stock will be moved as Inventory loss).

Create Inventory Loss Lines
✕

Product ? [E-COM07] Large Cabinet ▼ ↗

Image ? 

Quantity ? 1.00

Batch/Lot Number ?

Inventory Loss Reason ?

Responsible Employee ?

Estimated Unit Cost ? 800.00

Estimated Total Cost ? 800.00

Description & Evidence

NOTES

Inventory loss details...

EVIDENCE

📎 Evidence

Save & Close
Save & New
Discard

Figure 4 -Inventory loss lines

- Click **Add a line** in the **Detail Lines** tab.
- Select the **Product** and enter the **Quantity**.
- Units will be shown if **Units of Measure & Packagings** is checked in Inventory settings.
- Choose a **Reason** for the Inventory Loss.
- Select a **Lot/Serial Number**, if applicable.
- If the selected reason requires a photo, attach it in the corresponding line form.
- Click **Save**. The request will be saved in **Draft** status.

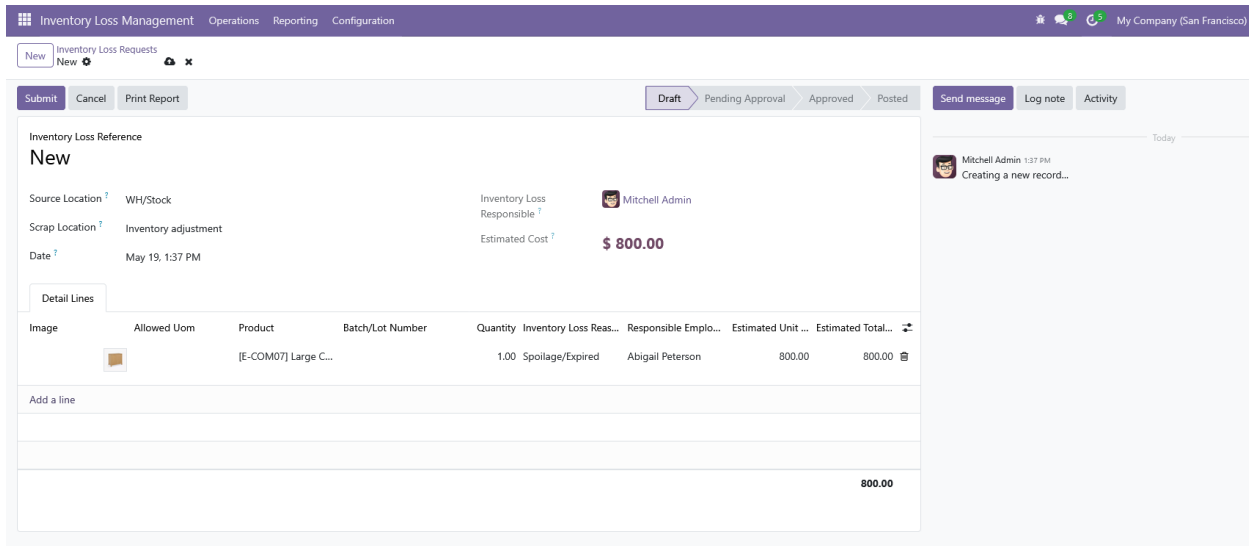


Figure 5 -Inventory Loss Request

Submission & Approval

- **Submit:** Click the **Submit** button.
 - **Scenario A (Low Value):** If the total cost is below the configured threshold, the request is **automatically approved**.
 - **Scenario B (High Value):** If the total cost exceeds the threshold, the request status changes to **Pending Approval**.
- **Review (Manager/Approver):**
 - Navigate to **Inventory Loss Management** → **Operations** → **To Approve**.
 - Open the pending request.
 - The Approver has permission to delete a product line but does not have permission to edit the product line details.
 - Click **Approve** to proceed.

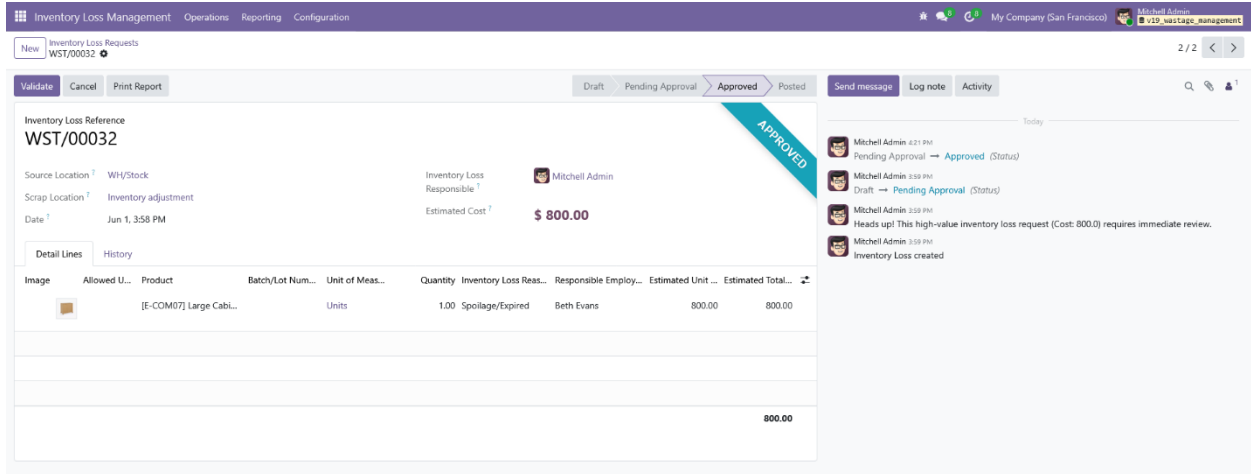


Figure 6 -Approved Inventory Loss Requests

- Once Approved, click **Validate** to make updates in inventory/accounting.

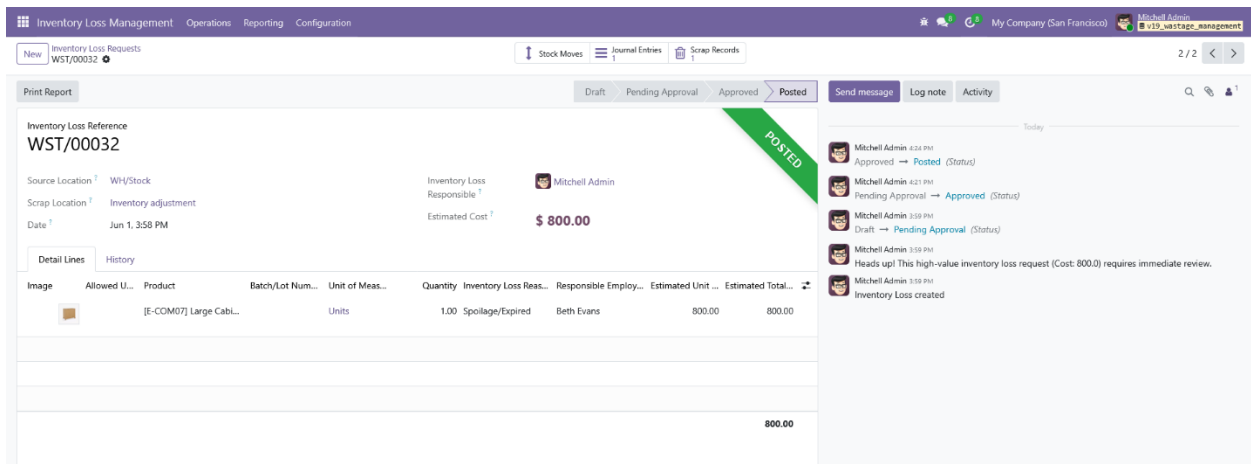


Figure 7 -Posted Inventory Loss Requests

- **Reject:** Click Reject. A popup will appear asking for the rejection reason. Once confirmed, the request moves to the Rejected state and is locked.

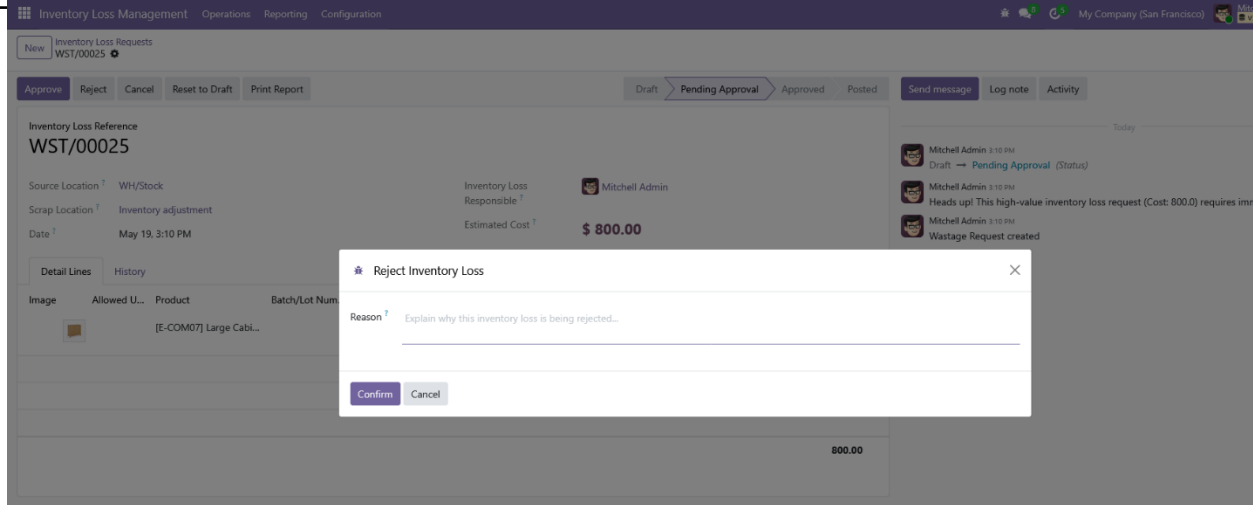


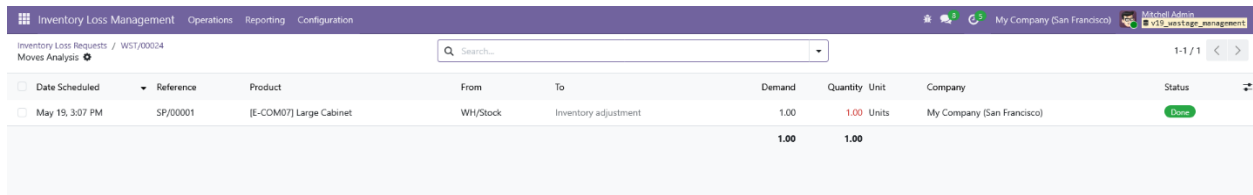
Figure 8 -Reject Inventory Loss Reason

- Inventory Loss Requests allow you to record and manage product losses in POS and Manufacturing due to damage, expiry, or production issues.
- Navigate to Point of Sale → Orders → Inventory Loss Requests. Only POS-related Inventory loss requests are displayed here, and you can select the respective Shop.
- Navigate to Manufacturing → Operations → Inventory Loss Requests to manage manufacturing-related Inventory loss requests.

Stock & Financial Impact

Once a request reaches the **Posted** state:

- **Inventory Updated:** Stock is deducted from the **Source Location**.



Date Scheduled	Reference	Product	From	To	Demand	Quantity	Unit	Company	Status
May 19, 3:07 PM	SPJ/0001	[E-COM07] Large Cabinet	WH/Stock	Inventory adjustment	1.00	1.00	Units	My Company (San Francisco)	Done

Figure 9- Move Analysis

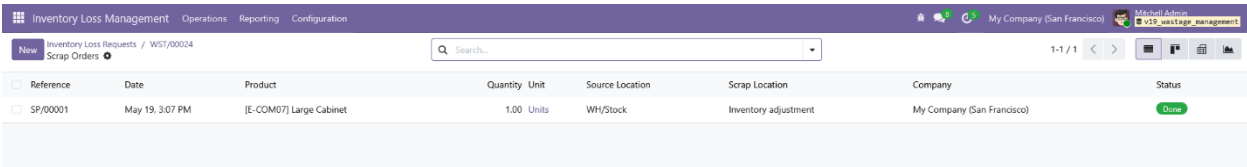
- **Accounting Updated:** Corresponding financial journal entries are generated.



Date	Number	Partner	Reference	Journal	Company	Total	Status
Jun 1	STJ/2026/06/0001		WST/00031	Inventory Valuation	My Company (San Francisco)	\$ 0.00	Posted
						\$ 0.00	

Figure 10 - Journal Entries

- **Traceability:** Smart buttons appear at the top right of the form, allowing you to view the related **Stock Moves, Scrap Records, and Journal Entries**.



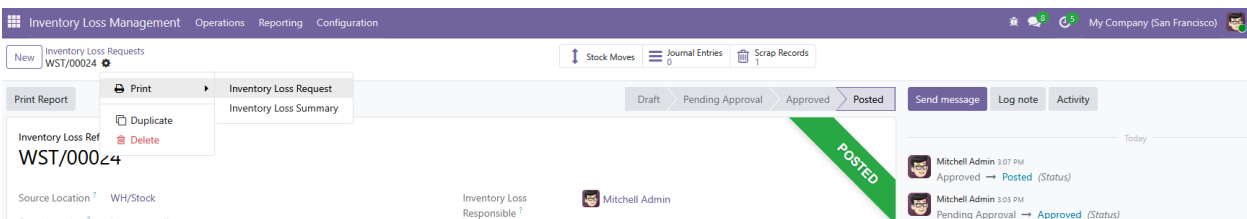
Reference	Date	Product	Quantity	Unit	Source Location	Scrap Location	Company	Status
SP/00001	May 19, 3:07 PM	[E-COM07] Large Cabinet	1.00	Units	WH/Stock	Inventory adjustment	My Company (San Francisco)	Done

Figure 11 - Scrap Orders

Reporting & Analytics

PDF Documentation

- **Inventory Loss Request:**
Open a specific Inventory loss request and click **Print** (or use the **Print** menu) → **Inventory Loss Request** to download a structured PDF copy.
- **Inventory Loss Summary:**
In the main list view, select multiple Inventory loss records using the checkboxes. Then click **Print** → **Inventory Loss Summary** to generate a consolidated report for the selected records.



The screenshot shows the 'Inventory Loss Request' form for reference WST/00024. The 'Print Report' menu is open, showing options for 'Inventory Loss Request' and 'Inventory Loss Summary'. A green 'POSTED' banner is visible in the top right corner of the form area. The activity log on the right shows the request was approved and then posted by Mitchell Admin.

Figure 12 - Print Reports

Interactive Reporting Dashboard

- **Inventory Loss Cost Trends:**

View a line chart of Inventory loss costs over time to identify seasonal spikes or recurring patterns. You can switch to **Pivot View** to generate a spreadsheet-style report for Excel export.

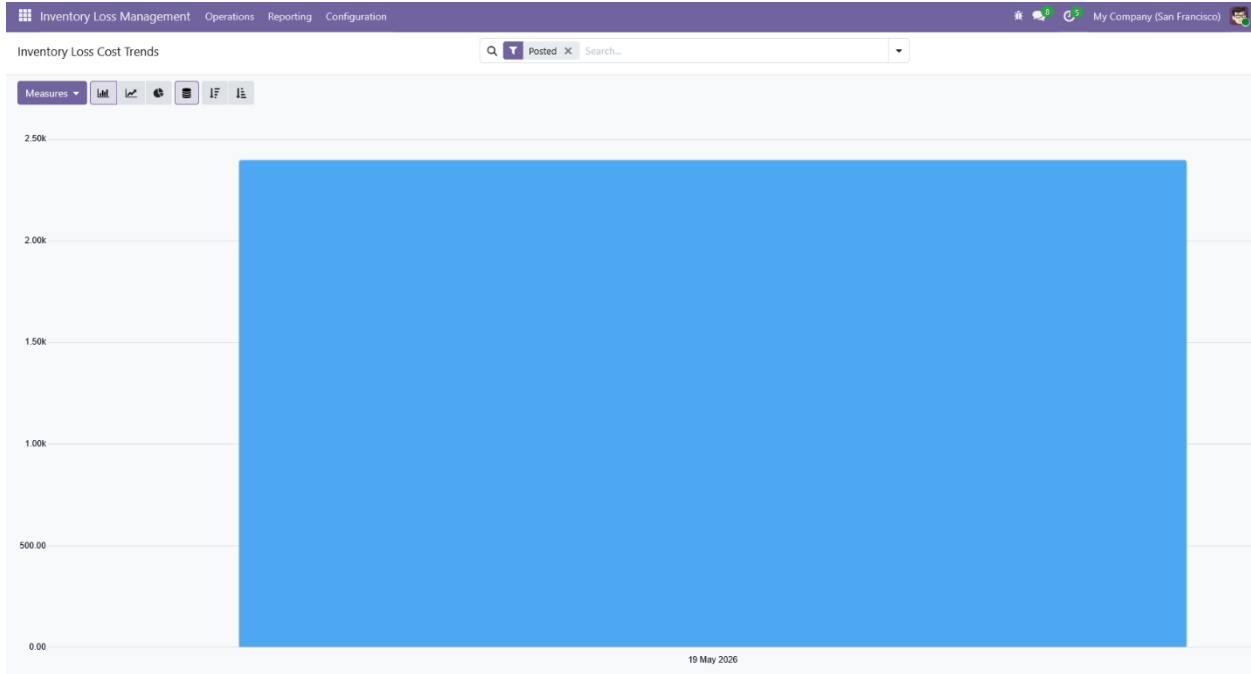


Figure 13 - Inventory Loss Cost Trends

- **Inventory Loss by Reason:**

Access a visual breakdown (Pie or Bar Chart) showing which reasons (e.g., *“Spoilage”*, *“Handling Error”*) contribute most to Inventory loss.

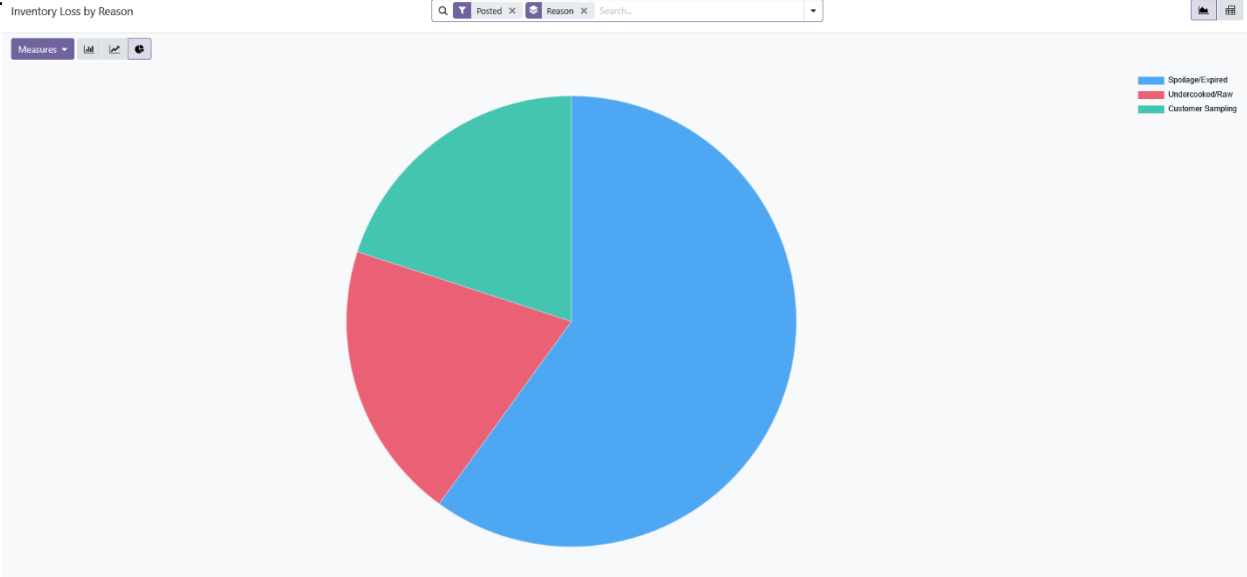
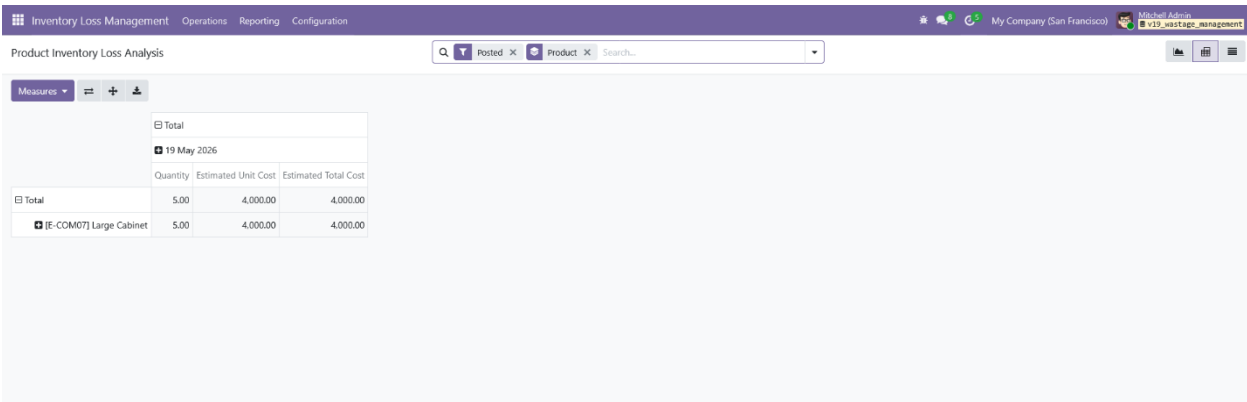


Figure 14 - Inventory Loss by Reason

- Product Inventory Loss Analysis:**
 Identify the most frequently wasted products to prioritize and improve inventory control where it matters most.



Product Inventory Loss Analysis			
19 May 2026			
	Quantity	Estimated Unit Cost	Estimated Total Cost
Total	5.00	4,000.00	4,000.00
IE-COM07J Large Cabinet	5.00	4,000.00	4,000.00

Figure 15 - Product Inventory Loss Analysis

6. User Groups

The Inventory Loss Management module includes three primary security groups to control access and workflow:

- **User:** Create Inventory loss records and view their own entries.
- **Approver:** Reviews and decides on all Inventory loss requests.
- **Manager:** Full control over settings and every records.

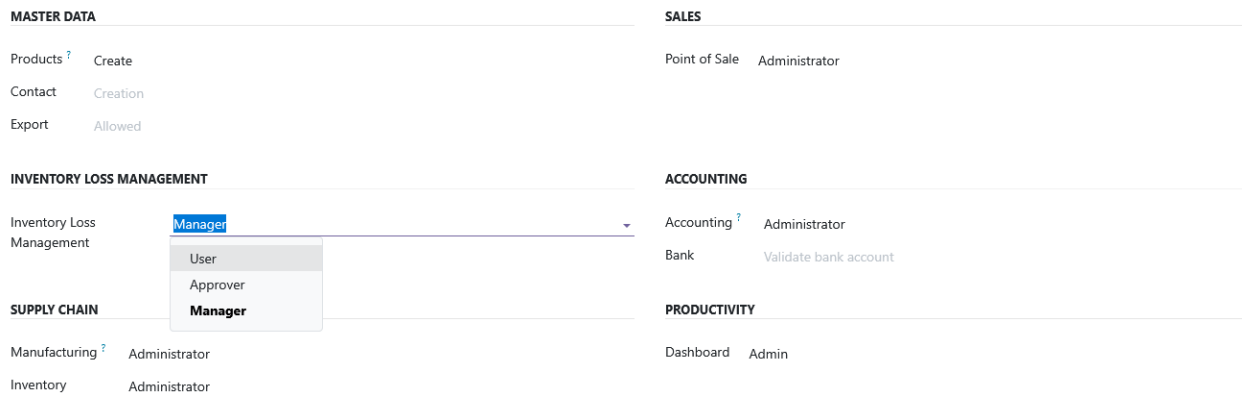


Figure 16 – User Groups



7. Technical Requirements / Compatibility

- Compatible with Odoo Community and Enterprise Editions v19.0

8. Change Log / Release Notes

- Version 1.0.0 – March 2026
 - Initial release.

9. Support

If you have questions, use our contact form at webshopextension.com or email at support@webshopextension.com.