

Case Study 5: Seasonal Inventory Management – ToyJoy

Executive Summary

ToyJoy experienced excess inventory and frequent stockouts after the holiday season. This report analyzes 3 years of inventory and sales data to identify inefficiencies, seasonal demand trends, and provide actionable recommendations to optimize inventory planning.

Business Objectives

- Identify high overstock and low sales products
- Predict seasonal demand trends
- Reduce waste and avoid stockouts
- Improve cash flow and inventory turnover

Key KPIs

KPI	Description
Units Sold	Total quantity sold per product
Inventory Turnover	Units sold ÷ Average inventory
Stockout Rate	Frequency of out-of-stock events
Excess Inventory Value	Cost of unsold inventory
Seasonal Trends	Sales spikes during festivals

Insights & Findings

- Educational toys and board games showed low inventory turnover
- Action figures and soft toys faced frequent stockouts during festivals
- Sales peak during Diwali, Christmas, and summer holidays

Recommendations

Quick Wins:

- Reduce stock for slow-moving items
- Increase safety stock for high-demand products

Long-Term:

- Implement seasonal forecasting
- Optimize reorder points
- Use ABC inventory classification

Conclusion

Aligning inventory with seasonal demand can reduce excess stock by 20%, improve availability, and enhance revenue and customer satisfaction.