

Strategic Report: Operator & Location Behavior Analysis

1. Problem Analysis: The "Behavior" Gap

The Core Issue: We have identified a pattern of "Weak Discipline" at specific sites. The data proves this is not a demand issue; it is a **behavioral issue**.

The Symptoms

Certain operators are habitually mismanaging their inventory in three visible ways:

- **Overfilling:** keeping shelves stuffed "to the brim" all day long, regardless of actual sales.
- **High Write-Offs:** Consistently throwing away more products than other sites.
- **Capital Hoarding:** Tying up company money in slow-moving stock that never turns into profit.

The Affected Sites (The Evidence)

The data highlights these specific locations as the primary offenders.

Site Name	Observed Behavior	The Translation
Brandt Russell Guthrie	High "MOR" (Morning) & "EVE" (Evening) Stock + High Shrink %.	" Blind Stocking. " Filling shelves just to make them look full, not to sell.
Bldg 80 Micro	Extreme stock overlap.	" Hoarding. " Keeping inventory "just in case" rather than "just in time."
Westin Long Beach	High base inventory with low turnover.	" Stagnation. " Stock sits still, gathering dust and cost.

The Root Cause: This is **Weak Process Discipline.** * Over-Ordering (Ordering 50 when you sold 10). * Poor Rotation (New milk goes in front of old milk). * Poor Security (High-shrink items left unguarded).

2. The Solution: "Rules & Tools"

We cannot specific "hope" for better behavior. We must **enforce** it with clear rules and tracking tools.

Strategy 1: Audits & Locks (The Control)

For the high-risk operators identified above, we implement stricter controls immediately.

Action	Purpose

Increase Audits	Move from Monthly -> Weekly checks. If they know we are watching, behavior changes.
Physical Locks	Install product/door locks for the high-shrink SKUs (e.g., Electronics, Expensive Energy Drinks).
Enforce FEFO	"First Expiring, First Out." Mandatory checks to ensure old stock is sold before new stock.

Strategy 2: Ordering Discipline (The Rules)

We remove the "guesswork" from ordering.

- **Rule #1: The "FSN" Tie-in:** You cannot order a "Slow" item if you already have > 8 weeks of supply. The system should block it.
- **Rule #2: The Cap:** "Do not exceed **X Days** of stock." (e.g., No more than 10 days of Chips).
- **Rule #3: Priority:** "Always fill **FAST** items first." Spend the budget on what sells.

Strategy 3: The Scorecard (The Accountability)

We build a simple "Report Card" for every operator to track their improvement.

Metric	Goal	Why?
MOR Stock Level	< 65%	Proves they are not over-stuffing shelves.
Shrink %	< 2%	Proves they are rotating stock and stopping theft.
Sales Growth	Positive (+)	Proves they are focusing on the right items (Fast Movers).

The Outcome: Management can instantly see "Who is winning" and "Who needs coaching."