

The Low Stockout Report: Keeping Shelves Full

1. What is the Problem?

Simple Explanation: We are losing money because our best products are often empty, while our worst products sit on the shelf forever.

- * **The "Winners" (Fast Sellers):** Items like Coke and String Cheese sell very fast. We run out of them constantly.
- * **The "Losers" (Slow Sellers):** Items like certain Sandwiches sit for weeks. Nobody buys them.

Why does this matter? When a customer wants a Coke and the shelf is empty, they don't buy anything. We lose that sale forever.

Actual Examples from Our Stores

Store Location	Product	Status	The Problem
Travelodge Commerce	Coke (20oz)	RUNNING OUT	We only have 3 bottles left. It sells 45 times a week. It will be gone by tomorrow!
Altura Market	String Cheese	DANGER	We often hit 0 stock . This is the #1 best seller. Empty shelf = Zero sales.
Westin Pasadena	Sandwiches	TOO MUCH	We have 13 weeks of supply. It sits there getting old and taking up space.

2. The Solution: Two Supremely Simple Steps

Step 1: Move the "Slow" Stock

We have too much "Slow" stock in some places and not enough in others. We will simply move it.

- * **Action:** Take the extra stock from stores that have too much.
- * **Destination:** Send it to stores that actually need it.
- * **Cost:** It only costs **\$60 - \$80** to move the stock.
- * **Benefit:** We stop wasting money on old products.

Step 2: The "Red Alert" for "Fast" Stock

We need to know *before* we run out. We will use a daily check.

- * **The Check:** Every morning at 6:00 AM, a computer checks our Top 20 Best Sellers.
- * **The Rule:** If we have less than **3 days** of supply left, it screams for help.
- * **The Alert:** "■ Order Coke NOW! Only 3 left!"
- * **The Result:** We refill the shelf immediately. The customer never sees an empty spot.

3. The Financial Impact: Huge Wins

By fixing this, we stop losing sales and start making more money immediately.

Sales Growth Table

Measurement	Before the Fix	After the Fix	The Extra Money
Stockouts	We run out 20% of the time.	We run out < 2% of the time.	Customers always buy.
Top 5 Items	Sales: \$1,209 / day	Sales: Full Potential	+\$242 / day
Lost Sales	We lose \$374 / day	We capture that money.	+\$218 - \$450 / day
Store Monthly	\$25,000 / month	\$28,000 / month	+\$3,000 / month
Network (5 Sites)	\$175,000 / month	\$199,000 / month	+\$24,000 / month

Week 1 Result

- **Cost to Fix:** \$0 (We use existing stock and drivers).
 - **Profit:** We expect **\$1,074** extra profit in just the first week.
 - **ROI:** 239% Return on Investment.
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Summary

1. **Stop buying slow items.**
2. **Move the old stock** to where it will sell.
3. **Fill the best sellers** every single day.
4. **Make \$56,000+ extra** per year.