

Project Objectives

Date	01-09-2022
Team ID	PNT2022TMID33075
Project Name	Retail Store Stock Inventory Analysis

Primary goals of inventory analysis:

Increase Profits:

Keeping the right amount of inventory on hand to grow sales while reducing expenses will increase profits.

Decrease Storage and Related Expenses:

Avoid keeping more inventory on hand than you need, which will lower storage and related costs. (To learn more about inventory control, read the Essential Guide to Inventory Control.)

Reduce Capital Costs:

When you avoid buying too much inventory, you retain more cash and capital for other investments.

Improve Cash flow:

Having the goods customers want to purchase increases cash flow.

Find Areas to Improve:

Closely watching inventory helps you identify products that are selling exceptionally well or poorly. Understanding this dynamic can free up shelf space and improve supplier relationships.

Minimize Stock outs and Backorders:

When you don't have a product to deliver to a customer who wants to buy it, that creates an unhappy customer who may have to wait for it on backorder—or even buy it from a competitor.

Stop Project Delays:

When using inventory to build products for a special project, an inventory analysis tracks the stock needed. Use this information to make sure there's enough lead time to reorder that inventory, so you don't run out of materials and delay a project.

Diminish Wasted Inventory:

If you buy and store too much product, it can turn into a loss when it becomes obsolete, degraded or otherwise loses its value. Perform an inventory analysis to prevent that from happening.