

Retail Store Stock Inventory Analytics Ideation

We chose as we inventory and POS software because it enabled him to stay on top of various parts of his business, including stock levels, accounting, and ecommerce, for a fraction of the cost that he would've spent with a traditional system. Doing so, according to Andrey, enabled them to "reduce costs and most importantly, scale"

"Within less than a year of starting we were able to open another shop in Oxford (our first is in Cambridge). The startup costs of a new shop were tiny compared to other similar businesses because we didn't need to buy bulky equipment or pay huge fees. In we went, and started selling straight away!"

- ANDREY PRONIN - PODAROK

Think of this step as creating an inventory wish list. A modern retail store, for example can write down their inventory management needs in this format:

- Must have the capabilities to run on tablets
- Must be able to generate inventory reports on margins and top-sellers
- Must be able to connect with accounting software
- Must integrate with online shopping cart

"All our inventory was on one computer! It had taken us many, many hours to upload all our inventory info, so when we lost it all in one go, it felt like a big Setback ,"

- MICHELLE WALES - CONCIOUS VIBES

Product Name - This is the name or title you give to each item. Keep it descriptive, but brief and accurate, so it's easy to find or remember (e.g., [Brand name] Maxi Skirt).

Product Description - Write a statement or two to describe the item. Will your customers see these product descriptions (i.e., will they be displayed on your ecommerce site)? If so, inject some personality into them.

Product Image - If you can, also upload product images into your inventory system. Doing so will make it easier for you to find items when you're ringing up sales. This will also be helpful if you have an ecommerce integration, as the images you have in your inventory or POS system will be displayed on your site.

SKU - The stock keeping unit, aka SKU, is a unique identifier for each of your products. If you have existing barcodes or supplier-barcode products, you can simply scan or enter them into the system. You also have the option of creating your own barcodes.

Create a flow chart

Start by putting your inventory management process on paper. This sounds basic, but don't skip it. Documenting your procedures enables you get a better handle on how inventory flows in your store. It keeps you organized and makes it easier to spot inefficiencies or areas for improvement. Lay out your procedures—from placing stock orders and receiving merchandise to replenishing shelves and completing stock takes—then create a flowchart detailing how everything takes place.

Save time and reduce errors

Go through your inventory process and find tasks to automate. Are there are any manual parts of the procedure that can be handled by your inventory software? Or, can you delegate particular steps to an app instead of a person? For instance, if your process requires copying purchase orders from your inventory program to your accounting software, you may want to consider integrating the two solutions so they can “talk” to each other and automatically sync data and make reconciliations easier. Or, if you're running both a physical store and an ecommerce site and you're spending time manually updating stock levels whenever a shoppers purchases something from one storefront, you should consider integrating the two channels so the data is automatically transferred.

Maintain inventory accuracy

Schedule it

You can't conduct a physical inventory count during normal business hours, as stock levels will be in flux. Not to mention, you won't be able to serve your customers when you're busy counting items in the back.

Prepare stock-taking materials and procedures

The first thing you'll need is a physical inventory count sheet. This is where you'll enter the items that you've counted along with their quantities and prices. Check to see whether your inventory software has a template or tool that you can use for this.

Enlist additional help if necessary

Will you be needing help with the task? If so, plan out the details early on. Who will assist you with counting? How will they get paid? What would their job description be? Give your staff an orientation well before inventory counting day (. Show them your count sheet and make sure they know how to properly fill it out. Give them a copy of the map and see to it that they know where they are assigned.

Start counting

Proceed to doing a physical count of your merchandise. The finer details of this process will depend on your store, the materials that you're using, and the procedure that you and your staff talked about.

Reduce inventory inaccuracies

If you find a lot of discrepancies in your inventory counts, you'll need to do a bit investigating to figure out the reasons behind the inaccuracies (aka: shrinkage). Common causes of shrinkage include administrative errors, employee theft, shoplifting, and supplier fraud. Find out which of these issues are causing shrink in your business and take the steps to prevent them. Here are a few ideas:

- Administrative errors
- Theft and Fraud

Identify and monitor important metrics

Also known as stock turn, this metric refers to the number of times that merchandise has sold out for a particular time period.

Forecast demand

Think of demand forecasting as a way to supercharge your inventory system. It's a strategy that forward-thinking retailers use so they're not just reacting to trends, but they're actually anticipating them.