**Analysis**

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| **Date** | **17 November 2022** |
| **Team ID** | **PNT2022TMID46949** |
| **Project Name** | **Project-Inventory Management System For Retailers** |
| **Maximum Marks** | **2 Marks** |

**Analysis:-**

Inventory analysis is a process for examining inventory levels to determine the ideal amount your company should carry. With careful inventory analysis, you can gain practical insight into the [profitability](https://www.skubana.com/skubana-blog/profitable-products).

Using stock analysis, your ecommerce company can ensure it has just enough inventory items on hand to avoid [stock out](https://dclcorp.com/blog/inventory/stockouts/) or overstock situations.

In addition, these insights can also be used to adjust pricing.

This translates to less excess or stagnant inventory, which takes up space and incurs greater carrying costs.

Inventory analysis is vital to supply chain optimization since it can help you consolidate suppliers or shift to single sourcing.