

## **Problems in inventory management**

### **1. Inability to locate the inventory stocks**

One of the biggest problems in the warehouse would be to track the products in the inventory that need to be shipped or transported to customers.

What happens if the stocks are accessible? The deliveries reach the customers late which eventually degrades the brand's value and attracts low ratings on social media channels.

### **2. Choosing a manual inventory process**

Did you Know?

43 percent of small businesses in the United States don't track inventory or do so using a manual system. (Source)

Using manual inventory processes to track your inventory will end up in loads of confusion and be seen as one of the major inventory management issues too.

Unable to track the exact product stock's location and no update if the product has been delivered or not leads to customer's inability to order new products with projecting in-efficiency.

This gap in updates is also mainly due to the involvement of fast processes like multiple order tracking and the need for real-time inventory details.

### **3. Outdated products**

#### **Top Challenges & Solutions Of Inventory Management**

Updating products over time happens inevitably to keep the products fresh and stay relevant to the trends with matching buyer's expectations in the market.

So, in this process all the old products that are unsold need to be recorded for easy clearance and need to make way for the new ones.

Leaving the old products in the inventory can also result in major losses and can occupy much-needed space in the warehouses.

#### 4. Analyzing the market demand

A look into the market of how the product is doing is very important as the demand accelerates the production followed by growth in inventory stocks.

No analysis of the most selling or demand areas will end up having product shortages in the market-leading to lesser customer satisfaction and losing out on the brand value.

#### 5. Overstocking problems

Bringing in new stock without emptying the older ones will eventually lead to losses and cut into the profit margins.

Avoiding Inventory management challenges like mismanagement in the new stock acquisition and manual order updation is primary or it can result in certain products not being updated and end up being re-ordered.

#### 6. Inability to manage inventory waste and defects

Industry waste management is one of the biggest neglects that leads to damage to the inventory stocks in the warehouses.

With that, defective product tracking needs to be effectively done to maintain the stock delivery cycle and deliveries on time.

On the other hand, the costs that are attached to the inventory wastes and defects are more and lead to huge industry losses if they go unnoticed.

#### 7. Lack of a centralized inventory hub

Imagine switching multiple tabs for customer order details and tracking real-time data. This leads to inventory managers getting frustrated and slow delivery of results.

Without a unified dashboard, all conversations, order information, and delivery agents tracking will not flow into a single inbox.

This makes it difficult for inventory managers to manage requests and track products in the inventory.

#### 8. Expanding product range

Growing a product line and newly set up warehouses demand effective management of inventory stocks.

Manually updating the stock list and tracking orders without real-time data will end up in mismanagement.

All inventory managers need to view orders, and shipping details, and track the inventory stocks to allocate deliveries with the highest demands.

#### 9. Mismanaged order management

##### Top Challenges & Solutions Of Inventory Management

Managing customer orders to avoid overselling and running out of stocks is one of the most difficult tasks.

Delivering the orders on time and addressing their complaints if the order has some issues will have a big role to play in the reviews and ratings a brand is going to get.

And also, streamlining the order processes, tracking deliveries, and keeping the customer updated throughout his order journey needs to be prioritized.

#### 10. Rise in competition

Growing competition has led small businesses to expand their warehouse facilities to keep up with the increasing demands.

This in turn has led businesses to prioritize an inventory management system that keeps managers updated about all of the details of the orders.

Keeping up with the competition, maintaining the product stocks, and keeping up with the customer complaints and requests is a priority.

#### 11. Supply chain issues

Constant changes in the supply chain globally take a toll on inventory management planning.

This is mainly due to manufacturers and wholesale distributors deciding on your inventory journey throughout and requiring flexibility in supplies with offering long lead times.

Also, on the other hand, manually keeping a track of all inventory will only extend the delivery times for your customers.

#### 12. Lack of production planning

The inventory stock not reaching the warehouse in time to match the demand-supply cycle can be very frustrating.

Many factors can contribute to this, like slow production, lack of transportation, or delay in delivery times can lead to the in-availability of inventory stocks.

This, in turn, leads to delays in customer orders and attracts low customer ratings on social media channels.

#### 13. Mismanagement in processes

Using basic technology or manually managing inventories will not seem like a difficult task if the business is small and caters to a small number of customers.

But, when it grows in size, all the tasks that were easy initially will be a lot to handle and will need assistance to be dealt with maintaining the customer orders.

#### 14. Lack of needed software

Initially, a small business with a limited number of deliveries to attend to will not feel the need to use an inventory management platform.

Without the necessary software in place, keeping track of the inventory, generating reports, and keeping tabs on delivery agents will not be possible.

#### 15. Maintaining an efficient warehouse

For a business, the processes in a warehouse to maintain or manage inventory stocks are a lot and involve a lot of steps.

Processes such as picking up, packing, receiving, and returning have to be as efficient as possible to maintain seamless delivery processes.

#### 16. Data inaccuracy

When using a manual process for managing your warehouse, all the data you need for tracking and reporting the inventory statuses feels like a huge task.

In this day and age, tracking your order details should be done with a flick of a finger and not via a phone with a long list of numbers to call.

#### 17. Lesser process visibility

Consider an order that you placed doesn't come with an order tracking system, customers would be disappointed and switch to a brand that offers complete visibility.

An inventory that is hard to find or track inside the warehouse leads to delayed order deliveries.

Finding the correct inventory stocks and keeping up the customer delivery times is very important for businesses and maintaining good impressions.

#### 18. Maintain appropriate stock levels

Keeping up with the customer orders and maintaining inventory stocks according to the demands is vital in inventory management.

Products that spoil easily and breakable stocks need special assistance for storage.

Also, on the other hand, choosing proper inventory management techniques for high-value inventory stocks will increase customer satisfaction.

#### 19. Warehouse space management

Managing inventory spaces to accommodate new inventory stocks can be a daunting task.

Using a manual process, charting out a plan, and allocating spaces for inventories will take up a lot of time and resources.

Also, the plan needs to be in sync with the timing of the inventory reaching the warehouse. So, ultimately without an automated inventory system in place, this is a difficult role to master.

#### 20. Manual billing and documents

Manually keeping a track of all the inventory management reports, purchase orders, and invoices will be a difficult task.

With that, the time taken to draft bills and invoices will be a lot and can lead to multiple items being missed out as well.

### **Proposed Solutions in inventory management**

#### 1. Evaluation of stocks

A clear examination of product stock daily updates, error reports, and up-to-date information of the inventory data will help plan for the monthly and quarterly reports.

Segregate your audit reports by categories and inventory cycle counts to calculate the finances.

In an inventory management platform, view audit reports based on regions and areas with also able to plan for the successive financial years as well.

## 2. Automating orders and reducing errors

For managing inventories faster, automating the whole process of setting reordering points based on current stocks and availability would make the processes efficient.

An inventory management platform does that by preventing delays in orders and increasing customer satisfaction rates.

## 3. Increase storage and ensure safety

For managing a warehouse, an inventory management platform assists in clearing stocks quickly and removal of outdated products.

Sorting inventory storage according to compartments and automating order processes like packaging and shipping assists in managing inventory management challenges faced by managers.

## 4. Forecasting

An inventory management platform with demand forecasting allows you to envision the demands and schedule the orders.

Integrating with accounts and sales data, the prediction for your e-commerce businesses can be set strongly.

Scheduling inventory orders based on changing customer preferences, stock availability or customer trends will turn profitable for a brand.

## 5. Control measures

A stock control system that is a part of the inventory management platform assists in managing inventory that has perishable, delicate, and discontinued products.

Moreover, periodic maintenance of equipment that is used to stock inventory is one of the important tasks to manage inventory in a warehouse for the efficient flow of processes.

Advantages such as tracking stock problem location with the cost and quantity can help us access the problem and help customers in need. All these can be done with the help of an inventory management platform.

#### 6. Evolving packaging

Categorize and assign inventory stocks according to packaging standards from the inventory management platform.

This helps in controlling the shipping costs according to the size of the product and directs them to storage locations that are easily accessible.

#### 7. A unified dashboard

Upgrading or shifting to a single platform solution for all your inventory and stock management will be a great decision for your business.

Tracking features for re-ordering and procurement will be of great use to all the inventory managers in the warehouses.

With that, automatic updates on the product stocks, availability of real-time inventory data, and cloud storage of reports will be highly beneficial for managing your inventories quicker.

#### 8. Keeping a track of expanding product lines

An inventory management platform can be used to keep a record of multiple products with a view of complete stock history.

Track the delivery agents, unsold products, and products in stock with the platform.



Use analytics to also see the product line's demand in different places by automatically allocating inventories for that region.

#### 9. Addition of productivity tools

Tracking a delivery person, shipments, stocks, and customer interactions with a mobile or desktop version give information access anytime and anywhere.

All the information that is available is stored on a cloud without the need to be saved multiple times and is done automatically.

This on-the-go availability of tools increases productivity and raises customer satisfaction rates with the processes flowing faster. Non-usage of productivity tools is one of the main inventory management issues faced by many startup businesses.

#### 10. Take advantage of lead times and predict demands

When ordering products with high demands, considering lead times is a definitive move.

High-demand products can be tracked and managed easily from the warehouses using an inventory management platform.

Utilizing the continuous ordering cycles, the platform automates the reorder points by calculating the average lead time to prevent stockouts.

An inventory management system can also help with predicting high demands and allocating the stocks accordingly.

#### 11. Faster processes

Inventory management platforms offer advanced technologies like product location scanning and barcode technology for better inventory tracking capabilities.

With that, the use of the platform on mobile devices equipped with cloud storage can streamline inventory management and help efficiently manage warehouse stocks.

#### 12. Clear performance reports

Keep track of all the order data, measure customer satisfaction rates and other information like order processing speed to serve the customers better.

Also, get reports on areas with the most sales, customer segments, and delivery times to improve the customer experience.

#### 13. Include Pictures

In an inventory database, adding images would be a greater attraction point for purchasing, improve processes, and lead to better results.

For instance, adding an image of the inventory stocks in the inventory management platform allows us to identify, prioritize, and segregate inventory based on the requests.

Also, adding images of the contents in the inventory can increase sales confirming the bulk purchase and shipment ready goods.

#### 14. Paperless Transactions

A big advantage of using inventory management platforms is not just limited to easing processes but also cutting down paper usage for reports and invoices.

Considering the environmental impact, going paperless is a great and trendy move for companies to switch to new-age tools.

With that advantage, going paperless will make the accounting, tracking, and reporting processes much faster.

#### 15. Keep a track of service processes

An inventory management system's biggest plus point is its ability to track service processes such as shipment errors, damaged or defective products, and missed delivery appointments.

Additional features such as assessing a supplier's performance, spot and fixing supply chain issues, and minimizing errors to ensure a smooth flow of inventory processes will make the overall process better.

#### 16. Multi-location tracking

Manage warehouses in different locations with multi-location tracking features such as tracking of stocks and implementing measures for warehouse overstocking.

Advantages like scheduling notifications for automated inventory tracking and setting up multiple tabs to track warehouse processes and accessing important transit details will fasten the processes.

#### 17. Technical support and Updation

When managing an inventory, the features list can be overwhelming and often confuses inventory managers.

For this, online or offline trainee support will be assigned for the assistance and training of the product.

This can enhance the customer relationships and helps in better understanding of the product to increase their productivity levels.

#### 18. Improve communication

With an inventory management platform, communication with the suppliers can be improved too.

With an integrated dashboard in place, the inventory managers can view all of the inventory data in real-time with a simple user interface.

Advanced tools like Kapture offer automated communication messages and help manage accounting, sales, and warehouse operations in one window.

#### 19. Automate billing and reports

An inventory management platform can assist businesses with billing and reports by completely automating the process and storing the same as well.

All the billing, invoices, and reports associated with the inventory stocks will be stored according to the dates and can be viewed or downloaded anytime or on any device.

## 20. Seamlessly manage warehouse spaces

One of the biggest inventory management issues that can be addressed by an efficient management platform in place.

Using an inventory management platform, the stock lists can be tracked and moved according to their market demands.

New product stocks can only be procured based on the demand and available space in the warehouse.