Ace Electronics, an electronic store in Delhi, is facing significant challenges in inventory management. The company struggles with frequent stockouts of high-demand products and overstocking of slow-moving items. These inefficiencies lead to lost sales, increased holding costs, and disruptions in production planning. Additionally, inaccurate inventory forecasting creates supply chain bottlenecks, affecting order fulfillment and customer satisfaction.

Business Problem Statement:

In the competitive market where firms are only getting normal profits, the cost of inventory may create hindrance in the company’s growth. Overstocked products leading to high holding costs and frequent stockouts causing lost sales. Inefficient demand forecasting and outdated inventory tracking methods result in excess stock accumulation, tying up capital and increasing storage expenses. At the same time, stock shortages of high-demand products lead to missed revenue opportunities and dissatisfied customers. How can Ace Electronics implement inventory optimization to balance stock levels, minimize holding costs, and ensure product availability?