

Strategic Recommendations for Slow-Moving and Overstocked Items

Supplement to Retail Business Performance & Profitability Analysis

Objective

This document presents actionable strategies for addressing **slow-moving** and **overstocked products**, based on insights derived from the Tableau dashboard and data analysis.

1. Slow-Moving Items – Strategic Suggestions

Slow-moving products were identified based on **low quantity sold** and **negative or low profit margins**. These items contribute to poor inventory turnover and occupy valuable warehouse space.

Strategies:

- 1. Discontinue or Phase Out Poor Performers**
Products like the "**Lexmark MX611dhe Monochrome Laser Printer**" and "**Cubify CubeX 3D Printer – Triple Head**" show consistent underperformance and should be considered for discontinuation.
- 2. Bundle with High-Demand Products**
Combine slow movers with top sellers as part of bundled offers (e.g., add-ons or combo deals) to improve stock movement.
- 3. Seasonal or Flash Promotions**
Use **Fall and Winter seasons** (when overall sales dip) for targeted promotions, discounts, or clearance sales of these items.
- 4. Reevaluate Demand Forecasting**
Revise the forecasting model to account for real-time sales velocity and prevent excess ordering of slow-movers in the future.
- 5. Limit Restocking Cycles**
Reduce purchase frequency for these items and focus on a **just-enough inventory** model.

2. Overstocked Items – Strategic Suggestions

Overstocked items were identified as those with **high quantities in inventory** but **low or negative profitability**. These items may tie up capital and occupy storage inefficiently.

Strategies:

- 1. Inventory Liquidation Campaigns**
Launch clearance campaigns to sell off overstocked items like the "**Chromcraft Bull-Nose Conference Table**" or "**Double Head Cubify Printers**" at discounted rates.
- 2. Introduce Tiered Markdowns**
Apply **gradual discounting** based on shelf time (e.g., 10% off after 30 days, 25% off after 60 days, etc.) to recover costs efficiently.

3. **Offer Bulk Discounts to B2B Buyers**

Promote excess inventory to wholesale clients or corporate buyers in **bulk order formats** at reduced prices.

4. **Optimize Warehouse Utilization**

Transfer overstocked items to **secondary outlets or regional warehouses** to free up space for fast-movers.

5. **Improve Procurement Controls**

Implement stricter reorder points and stock level controls to avoid surplus, especially for **bulky, slow-selling categories like Furniture**.

Insights from Dashboard

- **Furniture** is a frequently overstocked and underperforming category.
- **Technology** consistently drives higher profits — ideal for reallocating shelf space.
- **Spring and Summer** are peak seasons for product movement — use them for clearance and promotions.

Conclusion

Strategically managing slow-moving and overstocked items will enhance inventory turnover, reduce holding costs, and maximize profitability. These recommendations support a **data-driven approach** to retail optimization.