

Mint Classics Inventory Analysis & Recommendations

1. The Business Problem

The objective of this analysis was to investigate the inventory data of Mint Classics Company. The goal was to provide data-driven recommendations for reorganizing or reducing inventory, which would support the business decision to close one of their storage facilities while maintaining timely customer service.

2. Data-Driven Findings and Recommendations

A thorough analysis of the company's database was conducted using SQL. This revealed three critical insights that directly inform the inventory reduction strategy.

Finding 1: The South Warehouse is Significantly Underutilized.

The inventory is not distributed evenly across the four warehouses. The South facility holds a substantially smaller quantity of items compared to the others, making it an operational outlier.

- **East:** 219,183 items
- **North:** 131,688 items
- **West:** 124,880 items
- **South: 79,380 items**

Recommendation: We strongly recommend **closing the South warehouse**. Its inventory is small enough to be absorbed by the other three facilities, achieving the primary business objective with minimal disruption.

Finding 2: Several Product Lines are Severely Overstocked.

An analysis of the stock-to-sales ratio reveals that numerous products have inventory levels that far exceed their sales performance. For example, the '**1995 Honda Civic**' has a ratio of **10.65**, meaning there are over 10 units in stock for every single unit sold. This pattern is consistent across the top 10 most overstocked items.

Recommendation: Immediately **reduce future purchase orders** for the top 10 overstocked products. A promotional sale should be considered to clear this excess inventory, which will free up both working capital and warehouse space.

Finding 3: High-Volume "Dead Stock" is Taking Up Space.

The analysis identified a product that has generated zero sales, making it "dead stock." Specifically, there are **7,733 units of the '1985 Toyota Supra'** in stock that have never been purchased by a customer.

Recommendation: Liquidate all dead stock immediately. This product represents tied-up capital and inefficient use of space. It should be removed from the active product line and not be reordered.

3. Conclusion

The data confirms that it is viable for Mint Classics to close a storage facility. By **closing the South warehouse, liquidating unsold stock** like the '1985 Toyota Supra', and **optimizing inventory levels** for overstocked items like the '1995 Honda Civic', the company can significantly reduce operating costs, improve efficiency, and create a more profitable inventory system.