

Memo to Retail Inventory Managers

Are you tired of stockouts on high volume items and stagnant shelves of slow movers?

Do you want tailored SKU service levels?

Do you want to balance lost gross margin against inventory carrying cost?

Do you want to easily accommodate quantity discounts?

Our approach achieves these objectives:

- Simple, but mathematically rigorous, periodic review logic based on optimal Order-Up-To-Level (from On-Hand + On-Order)
- Covers broad spectrum of “staple” items with varying volumes and volatilities, including service parts
- Flexible review period for individual and grouped quantity discounts
- Flexible lead time to cover individual and grouped replenishments
- Optimizes individual SKU service level and turnover rate
- Trims unprofitable items from stocked assortment
- Can be implemented in R, Python, or even Excel (with Visual Basic macros)

Open-source details at github.com/raagnew/Optimal-Retail-Inventory-Turnover

Compare inventory policy for your own items with interactive spreadsheets

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