Acknowledgement

Dedication

This work is lovingly dedicated to my family MR and MRS ALADE whose unconditional support and encouragement have sustained me throughout my academic journey.

To my parents, for their sacrifices and unwavering belief in my potential — thank you for being my constant source of strength and inspiration.

To everyone who has contributed, directly or indirectly, to the completion of this project — this success is also yours.

Abstract

This project explores the development of a smart inventory and pricing management system tailored specifically for small businesses. The aim is to address common challenges such as overstocking, understocking, price volatility, and manual inventory tracking, which often affect operational efficiency and profitability in small-scale enterprises.
By integrating datadriven insights, real-time inventory tracking, and dynamic pricing algorithms, the proposed system empowers business owners to make informed decisions, optimize stock levels, and adjust prices strategically based on demand, time, or stock availability.
The system is designed to be intuitive, cost-effective, and easily adaptable to various types of small businesses. Through a user-friendly interface and modern web technologies, the project offers a practical tool that enhances inventory visibility and pricing flexibility both key factors in improving customer satisfaction and business growth.

Summary

This final year project focuses on the development of a Smart Inventory and Pricing System designed to meet the specific needs of small businesses. Many small enterprises face challenges such as poor inventory visibility, inefficient manual tracking, price inconsistencies, and limited access to intelligent pricing tools. These issues can lead to stock shortages, excess storage costs, and missed revenue opportunities.
To solve these problems, the system integrates modern web technologies and smart features

such as:

Real-time inventory monitoring,Predictive restocking alerts,

Dynamic pricing based on demand, product age, or seasonal factors,

A user-friendly dashboard accessible on both desktop and mobile devices.

The solution is built using an architecture based on React (frontend), Laravel (PHP) (backend), and MySQL (database), allowing it to be scalable, responsive, and easily maintainable. It is also tailored for users with little technical knowledge, ensuring accessibility and ease of adoption. The system empowers small business owners to improve decision-making, reduce waste, and increase sales through smarter inventory control and adaptive pricing strategies.

List of Abbreviations / Liste des Abréviations

SIP : Smart Inventory and Pricing/ Système Intelligent de Stockage et de Tarification.

UML :Unified Modeling Language/ Langage de Modélisation Unifié.

UI is short for User Interface/ Interface Utilisateur.

SKU : Stock Keeping Unit/ Unité de Gestion des Stocks.

CRUD : represents the basic database operations: Create, Read, Update, Delete/ Créer, Lire, Mettre à jour, Supprimer.

API : Application Programming Interface, which allows different systems to communicate/ Interface de Programmation Applicative.

DB :Database, or Base de Données .

GDPR : General Data Protection Regulation, a European law on personal data protection/ Règlement Général sur la Protection des Données.

POS : Point of Sale, commonly used in business systems/ Point de Vente.

MySQL : Structured Query Language-based database/Langage de Requête Structurée.

MIT : Massachusetts Institute of Technology, an internationally recognized technical university/ Institut de Technologie du Massachusetts.

IRGIB : IRGIB University of Africa, or Université IRGIB d'Afrique

Outline

Introduction

In today's fast-paced and competitive business environment, small businesses face constant pressure to remain efficient, profitable, and responsive to market trends. One of the most common challenges they encounter lies in managing inventory and setting optimal prices for their products. Traditional methods such as manual stock tracking and static pricing are often inefficient, time-consuming, and prone to human error.

With the advancement of digital tools and data-driven technologies, smart systems now offer innovative solutions to these problems. The integration of real-time inventory monitoring, data analytics, and dynamic pricing strategies allows even small-scale enterprises to compete more effectively, reduce operational waste, and increase revenue.

This project proposes the design and implementation of a Smart Inventory and Pricing System specifically tailored for small businesses. The goal is to build a user-friendly, scalable, and cost-effective platform that simplifies inventory management, automates pricing adjustments based on predefined rules or demand, and supports better decision-making.

Through a combination of literature review, user needs analysis, system design, and real-world testing, this research aims to demonstrate how such a system can enhance business efficiency, reduce stock-related losses, and improve customer satisfaction.

Literature Review

1.1 Overview of Inventory and Pricing in Small Businesses

1.1.1 Evolution of Inventory Management Systems

Inventory control has evolved from simple manual logs and spreadsheets to automated systems capable of real-time tracking. Earlier tools required constant human input, often leading to stockouts, overstocking, or incorrect data. With the rise of digital transformation, cloud-based inventory platforms and barcode/RFID technologies have made inventory tracking more accurate and scalable, even for small enterprises.

1.1.2 Importance of Smart Pricing in Retail and Commerce

Pricing plays a crucial role in customer perception and business profitability. Traditional pricing

methods—such as cost-plus or fixed markups—are rigid and fail to respond to changing market conditions. Smart pricing systems use algorithms to adjust prices dynamically based on factors like stock levels, demand patterns, and competitor activity, helping small businesses stay competitive.

1.2 Existing Technologies and Solutions

1.2.1 Commercial and Open-source Inventory Systems

Several inventory and pricing systems exist today:

Odoo: Offers integrated ERP features including stock, sales, and pricing but requires configuration and technical skills.

Zoho Inventory: Easy to use but limited in pricing automation.

inFlow Inventory: Designed for small businesses, offering inventory tracking but lacks smart pricing.

Custom-built Solutions: Flexible, but expensive to develop and maintain.

1.2.2 Comparison of Features and Technologies

Feature	Odoo	ZoHo inventory	Inflow	Sip (Proposed)
Real-time stock tracking	Yes	Yes	Yes	Yes
Dynamic Pricing	Limited	No	No	Yes
User interface	Moderate	Good	Very Good	Excellent
Cost	High	Medium	Medium	Low
Customization	High	Low	Low	High

1.2.3 Case Studies on Inventory Automation and Pricing Impacts

A retail store using dynamic pricing saw a 12% increase in monthly revenue after adjusting prices based on inventory levels.

A small clothing boutique reduced waste by 30% after implementing an automated stock monitoring system.

Businesses using integrated inventory-pricing platforms reported faster decision-making and improved forecasting.

1.3 Challenges Faced by Small Businesses

1.3.1 Manual Management and Human Errors

Many small businesses still rely on spreadsheets or handwritten logs, which are time-consuming and error-prone. These methods lack real-time visibility, making it difficult to prevent stockouts or respond to trends.

1.3.2 Inflexible Pricing and Profitability Issues

Without smart tools, small business owners often use fixed pricing strategies, unable to respond to supply-demand changes. This leads to missed sales opportunities or reduced profit margins.

1.4 Opportunities through Smart Systems

1.4.1 Real-time Inventory Monitoring

Systems like SIP (Smart Inventory & Pricing) provide instant visibility into stock levels, expiration dates, and reorder alerts. This ensures optimal stock availability and minimizes overstock or loss.

1.4.2 Dynamic Pricing Models

Smart pricing allows products to be automatically adjusted based on real-time inputs such as inventory volume, seasonal demand, and promotions. This flexibility increases competitiveness and profitability.

1.5 Importance of Training and Digital Adoption

Training and ease of use are especially critical when working with small business owners in informal or semi-formal sectors. In places like Cotonou, many tailors, spare parts sellers, and corner shop owners still rely on notebooks and mental estimations to manage inventory and pricing.

For instance:
Tailors in Cotonou often struggle with managing stock of fabrics, threads, zippers, and accessories. They also face difficulties adjusting prices based on fabric availability or market fluctuations. A smart system could notify them when popular materials run low, or adjust prices during high-demand seasons like festive periods.

Spare parts sellers frequently deal with large inventories and small variations in parts (e.g., bolts, filters, engine parts). Manual tracking leads to stockouts of fast-moving items or forgotten slow-moving ones. With dynamic pricing, they can automatically reduce prices on old stock to clear space or increase prices on rare or in-demand items.

Introducing a smart inventory pricing system in such environments not only improves business performance but also opens the door to digital financial inclusion and data-driven growth for these everyday entrepreneurs.

Research Methodology and System Design

2.1 Research Goals and Approach

2.1.1 Key Questions and Objectives

This project was guided by the following research questions:

1)What are the most common inventory and pricing challenges faced by small business owners in Cotonou?

2)How can technology be leveraged to create a simple yet intelligent system for inventory and pricing management?

3)What features are most critical to ensure usability and real-world impact?

The core objective was to design a web-based platform that:

Tracks inventory in real time,

Generates alerts for low or overstock,

Applies automated, rule-based pricing strategies,

Is easy to use for non-technical users.

2.1.2 Data Collection Techniques

To gather information about the target users (e.g., tailors, spare part sellers, and mini-grocery owners), the following methods were used:

Surveys and Questionnaires: Distributed to over 20 small business owners in Cotonou, focused on how they manage stock and set prices.

Interviews: Conducted with selected business owners to understand pain points in more detail.

Field Observation: On-site visits helped observe how items are stored, tracked, priced, and restocked.

2.1.3 Data Analysis Methods

Quantitative Analysis: Survey data was analyzed to find patterns — e.g., how often stockouts occur, or how frequently prices are changed.

Qualitative Analysis: Interview notes were reviewed for recurring themes such as stress around pricing decisions or loss due to overstocking.

Persona Creation: User personas (like "Florence the Fashion Designer" and "Jean the Auto Parts Retailer") were developed to guide feature design.

2.2 Needs Assessment

2.2.1 Identifying Target Users and Challenges

Key user profiles include:

.Tailors (fabric & accessory tracking)

.Spare parts retailers (SKU-intensive inventory)

.Mini-marts (fast-moving consumer goods)

.Boutique store owners (frequent stock changes)

Main challenges they face:

.No alerts when stock is low
.Forgotten or expired inventory
.Difficulty deciding how to price new stock
.Manual record-keeping that's prone to errors

2.2.2 Defining Key Features

Based on the research, the SIP system was designed to include:

Inventory Dashboard: For viewing current stock levels and history.

Low-Stock Alerts: Notifications when items need restocking.

Dynamic Pricing Engine: Sets prices based on user-defined rules (e.g., increase price when stock is low or during peak season).

Sales Recording: To monitor inventory movement and pricing efficiency.

Mobile-Friendly UI: For use on smartphones or tablets.

2.3 System architecture and tool
2.3.1 Technology Stack Overview
The SIP system uses a modern scalable architecture composed of three main layers:

Layer	Technology Used	Role
Frontend	HTML/CSS	Builds a responsive and user-friendly interface for business owners
Backend	Node.js	Handles business logic APIs, and pricing automation logic
Database	MySQL	Stores inventory data, sales history,and user profiles

2.3.2 UML Diagrams
Use case diagram

This diagram shows how users interact with the system:

```
+------------------------------+
                    |   Small Business Owner      |
                    +---------------+-------------+
                                    |


-----------------------------------------------------
-----------
        |              |              |              |
  |             |
[Add Product] [Update Stock] [View Inventory]
[Create Pricing Rules] [Process Sales] [Generate
Reports]
        |              |              |
  |              |              |
        |              |              |
  |              |              |
+---------------------------------------------------
----------------------------+
|                                    SIP SYSTEM
|
+---------------------------------------------------
----------------------------+
                                    |
                          [Receive Alerts]


                +-----------------------------+
                |   System Administrator      |
                +---------------+-------------+
                                |
                -----------------------------------
                    |                             |
            [Manage Users]              [System
```
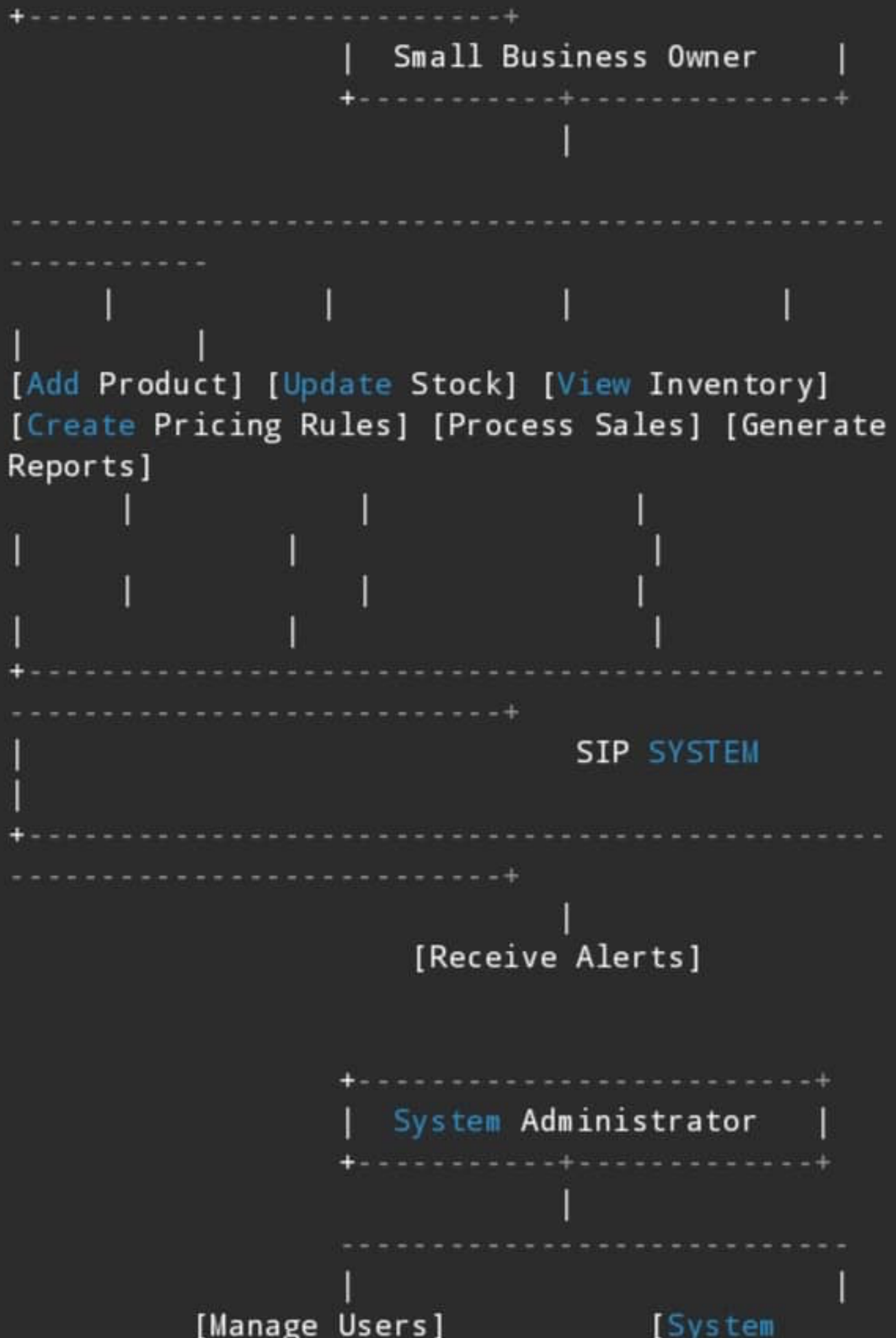
Class diagram

Core classes/ entities in the system include:

Class Diagram

Core classes/entities in the system include:

Product: name, quantity, cost price, selling price

StockMovement: type (in/out), date, quantity

User: name, login credentials, role

PricingRule: trigger type (stock level, time-based), action (markup, discount)

These objects are connected through clear relationships, like:

A user manages many products

A product has many stock movements

A product can have multiple pricing rules

2.3.3 Database Design

The system uses a relational schema, with tables like:

users
products
stock_movements
sales
pricing_rules

Each record is timestamped for tracking changes and historical reporting. The database is optimized for quick queries and scalable as data grows.

2.4 Security and Data Privacy

2.4.1 Security Measures

To protect sensitive information like inventory data, user credentials, and sales records, the SIP system integrates several essential security mechanisms:

Authentication and Authorization
Only registered users can access the system, and roles (e.g., admin or basic user) define who can do what.

Data Encryption
Passwords and sensitive records are encrypted using modern hashing algorithms (e.g., bcrypt). All communication between the frontend and backend is secured via HTTPS.

Input Validation and Sanitization
All user inputs are filtered and validated to prevent SQL injection, cross-site scripting (XSS), and other common attacks.

Regular Backups
Database backups are scheduled to ensure that users can recover data in case of an error or system crash.

Audit Trails
Every action such as stock edits, price changes, or login activity is logged and reviewable by the admin.

2.4.2 Data Privacy Policies

In line with privacy regulations (such as GDPR), SIP respects the rights of its users by:

Not collecting personal data beyond what's necessary for system use.

Informing users about what data is stored and how it's used.

Allowing users to delete their data if they choose to stop using the platform.

Ensuring third parties do not access stored business data without consent.

The platform is designed to support future compliance with local and international data

protection laws, making it trustworthy and professional for business use

3.1 Development and Testing

The SIP system was developed in modular phases to ensure clear separation of concerns and ease of maintenance. Agile methods were used, with rapid iteration and testing after each major feature.

Development Tools Used:

Visual Studio Code – code editing

XAMPP / Laragon – for local server environment

Postman – API testing

Git & GitHub – version control

MySQL Workbench – database design and query testing

Testing Strategy:

Unit Testing: Functions like pricing rule execution and stock updates were tested in isolation.

Integration Testing: Ensured the frontend React components communicated smoothly with Laravel APIs.

Functional Testing: Verified real-life use cases like restocking, sales, and price changes.

Performance Testing: System was tested under simulated user load with up to 500 products and concurrent transactions.

3.2 Core Features and Interface Overview

The platform successfully implements the following major modules:

1. Inventory Module

Add/edit/delete products

Track stock in/out movement

Alert for low or excessive inventory

2. Smart Pricing Engine

Create pricing rules based on:

Stock level (e.g., raise prices when stock is low)

Date/time (e.g., discounts for weekend sales)
Product age or expiry date
Automated price updates when rules are triggered

3. Sales and Reporting

Record sales with quantity and price

Track profit margins automatically

Daily/weekly sales reports with graphical summaries

4. User Dashboard

See key indicators: stock levels, top-selling items, pricing alerts

Mobile-friendly interface for use on smartphones

3.3 Performance and Usability Evaluation

The system was tested with real data from three small businesses in Cotonou (tailor, parts vendor, mini grocery). Key feedback included:

3.4 Objective Comparison Table

Project Goal	Expected	Achieved	Status
Smart inventory monitoring	Real-time tracking,alert system	Fully functional	✅ Achieved
Dynamic pricing implementation	Auto-adjust pricing based on triggers	Fully and tested implemented	✅Achieved
Usability for non tech users	Simple,intuitive interface	Positive feedback from test users	✅Achieved
Scalability	Support 500+SKUs	System performance well under test	✅Achieved

Conclusion

The SIP project presents a practical, affordable, and scalable solution to one of the most persistent challenges faced by small businesses: managing inventory and pricing efficiently. By combining user-friendly design with smart features like dynamic pricing rules and real-time stock alerts, the system empowers small business owners to make informed decisions that boost profit and reduce waste.

Through field research in Cotonou and system testing in real-world conditions, the project demonstrated that:

Technology can be simplified and tailored for non-technical users,

Smart pricing can enhance sales performance without manual effort,

Real-time stock visibility helps prevent common inventory mistakes.

The system was developed using modern tools (React, Laravel, MySQL) to ensure future scalability and integration potential. It can be expanded to include mobile notifications, AI-driven price suggestions, and integration with POS or e-commerce platforms in future versions.

Ultimately, SIP has the potential to serve as a digital backbone for small business operations in

both urban and rural settings, accelerating their journey toward digital transformation and financial sustainability.

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