



processing within 24 hours, prompt shipping, and speedy delivery at a low cost. Needless to say, consumers with these expectations do not tolerate backorders.

There are hidden costs of

Don't Overstock

having too much inventory as well. Having lots of extra inventory means you have capital tied up, unavailable for other things. Pinched cash flow makes doing business that much more difficult.





knowing your precise level of inventory and

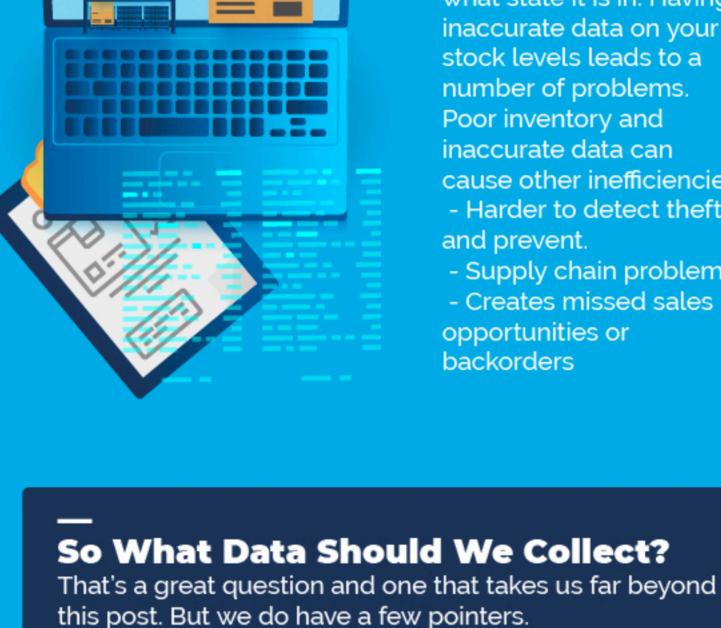
Know Thy

Inventory

what state it is in. Having inaccurate data on your stock levels leads to a number of problems. Poor inventory and inaccurate data can cause other inefficiencies: - Harder to detect theft and prevent. - Supply chain problems - Creates missed sales

The main problem is; not

- opportunities or backorders



quantity? How are these numbers changing over time?

What SKUs do

What is your On Hand

and/or damaged

you have and in

what quantities?

quantity, your unavailable

quantity, and open order

What's the lead

time needed to

manufacture)

each item?

order (or

Where is each **SKU located?**

This will be extremely

to forward staging and

general warehouse

layout.

important when it comes

This will help you determine how far out you need to plan and when you need to reorder.

Is there enough labor force to move the stock

when needed? Products are not the only assets that need to be coordinated. Having appropriate quantities and floor placement will not matter if you do not have the labor necessary to move those items in a timely manner. This is why having real-time data is important



