

5 Solutions To Common Inventory Challenges

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Cloud Ease
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Use reorder points on inventory items to keep purchasing streamlined and inventory manageable.

Reorder points (otherwise known as minimum or maximum levels) help a business to understand the quantity of stock which they have in the warehouse(s). Why is this important to a business?

Insufficient inventory on hand means lost sales to the business whilst having excessive inventory on hand effects the cash flow of the business as you have money tied up in inventory which cannot be used on other operating activities.

Getting that balance correct is where the reorder points can assist, with businesses who set minimum and maximum reorder points able to manage their cash more effectively.

**Spend
money on
implementation
and training
for business
critical software
applications.**

When a business makes the decision to replace their legacy systems and to invest in a new cloud based inventory management system it is important to also invest in implementation and training.

Business owners need to see a return on investment from their systems in terms of productivity gains. However a system which is not properly implemented or when they try and setup and train themselves in the software they may suffer for months before they learn the basics of the software.

**Take time
to get to
know your
technology
so that
you can
use all the
functionality.**

Inventory management systems are now very fully featured and those businesses who take the time to get to know what functionality is available and how it can be used within their business have a competitive advantage.

Software companies are also constantly adding new features and functionality so businesses need to assign dedicated resources to learn the software functionality or engage a consultant to provide training and support.

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Rearrange the warehouse to setup for picking efficiencies.

Warehouses are where a business' inventory investment is stored but sometimes these are not setup efficiently. Inventory picking is one area where business efficiency can be often improved.

Imagine a scenario when a sales order is sent to the warehouse for picking and the employee needs to go from one end of the warehouse to the other to pick the items. The time taken to pick an order is a business cost and so setting up the warehouse for picking efficiencies is important.

Popular products being placed closest to the dispatch area as well as setting up products groups and recording location and bins for all inventory in your inventory management system are some of the efficiencies which can be implemented.



**Stop doing
annual
stocktakes
and move to a
more regular,
smaller cycle
counting and
reconciling
routine.**

Historically the annual stocktake involved a considerable amount of time and effort on the part of the business. Usually conducted over an entire day and often out of hours it involved physically counting every item of stock and recording the quantity. These figures were then compared with the business' accounting records and adjustments were processed.

Given the dynamic nature of business today, business owners need real time information so they can make informed decisions. Using an inventory management system which is cloud based means that stock counts can be done more regularly using tablets ensuring the business has the most up to date information about its inventory investment.



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