

The Ticking Clock on Tracking Inventory

Get Rid of The Clutter For More Profits

YES, I am going to talk about inventory again. For most of you, this is your largest and most important asset to track and make work for you. Here are just a few tips to effectively manage and track your inventory.



Make Your Inventory Work For You

How many times do you "turn" your inventory each year? How long has some of that inventory been in stock? You may be surprised to find out that, when determining the age of your inventory, your *gut instinct* is typically way off. Increase the return on your inventory investment by selling some of those items that have been in your store for more than 180 days, and replace them with the items you can barely keep in stock.

Here is the step-by-step solution:

1. Determine which items have been on the sales floor - or even worse, on the stock shelves - for more than 180 days. I'll bet you more than half of your inventory falls into this category.
2. Move those items to a prominent part of the sales floor.
3. Train your staff about the aged inventory and the importance of selling it. Express to them that the faster they move product, the sooner you can purchase more of the goods **they** like!
4. If aged product is still not selling, add a spiff program to help move that product faster.

Remember: Attacking and reducing your aging inventory keeps your stock fresh and statistically improves your GMROI and inventory turns.

Track Your Inventory

We are now in mid-**November**. In light of the success stories we've heard from retailers who have embraced the inventory tracking e-blasts we sent last year, I encourage you to set aside a few hours in the next four weeks to physically count the items in your store. Compare this count against your inventory tracking system. Because you can often make more profit on accessories than on the larger-ticket items, consider how important it is to have popular accessories in stock. **Do not be out-of-stock** on the quick selling, profitable items. I strongly suggest you count all of your inventory, including some of the more tedious items like accessories. Don't be afraid.

Consider this for a timetable:

3rd Week of November: Combo Accessories
4th Week of November: Band & Orch. Accessories & Percussion
1st Week of December: Fretted, Amps and Keyboards
2nd Week of December: Sound Reinforcement and Recording
Last Week of November: Band Instruments and Print Music

In order to have your entire store's inventory reconciled before year-end, count one area each week. Delegate and have everyone help out. Hold an inventory pizza party. It really works and says "thank you" to your employees at the same time.

Managing inventory goes hand-in-hand with making profitable sales. Fresh and fast-moving inventory makes more sales and related cash flow. Find some time to give your most important tangible asset the greatest chance of generating profits at a time you need it most.