BALANCE TO BUY™
Recommended Process for Inventory Management

WEEKLY

Re-order

Purpose: To review sales from last week and determine which styles should be re-ordered. Doing re-orders weekly will help reduce the amount of time you are out-of-stock on styles that sell well. For styles that are constantly being re-ordered, think about ordering 2-3 of them to have back stock (1 to show, 1 to go). If you cannot re-order weekly, try bi-weekly or split your vendors so that you do half one week & half the next week.

Reports: **Sales Report** (under Essentials tab) You can select "ASSET" ownership and "INVENTORY" transaction type to eliminate memo sales & S/O's. Recommend saving and scheduling this report to be sent weekly/bi-weekly.

Fast Seller Report (under Essentials tab) Can have the same selections as the Sales Report. This report will give you all items that have sold within 90 days of being received**.**

Styles Report (under Summary-Detail tab) Can set up for key vendors to ensure all program pieces and best sellers are being re-ordered according to sales performance.

For multi-location retailers: When doing re-orders, you may not need to re-order a style that has sold well in a store but never sold in a different store. If Store A has sold a style that Store B has had for a certain amount of time (6 months +) and they have never sold it, consider transferring the style from Store B to Store A. The exception would be program/tray pieces.

Stock-Balance against re-orders: Before placing re-orders with vendor, look for any aged pieces that are not performing. Request to return those items and use as credit towards your re-order. This will help keep your aged inventory under control.

MONTHLY

Report Memo Sales

Purpose: To report memo sales to your vendors so that they can invoice you for the product that was sold. Depending on the terms of the vendor, this may need to be done more frequently than monthly but, in most cases, monthly is acceptable.

Report: Styles Report (under Summary-Detail reports). Filter by vendor & memo sold. Like all BTB reports, this can be saved and scheduled to be emailed directly to you monthly. Then you can review the report and send to your vendor to be invoiced.

Clean up Memo Inventory

Purpose: To send back any memo inventory that has had 0 sales in the past 12-18 months. This helps to create showcase space and allows you to exchange poor-performing merchandise for new styles, which, in turn, can produce sales for you. This is also a good time to remove any duplication in styling you may have in memo & asset inventory. Memo inventory should be used to 'supplement' your showcases. Ensure when choosing memo inventory, it is not a duplication of asset inventory.

Report: Inventory & Aged for Memo only

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QUARTERLY

Review Program Trays

Purpose: To ensure your programs are being replenished and trays are full. If you are having delays getting product from a vendor, it may be worth sourcing the same/like product from a more reliable source. If you have fast-selling items, order more than 1 to reduce stockouts. For non-performing program styles, consider eliminating or replacing.

Report: Styles Analysis

Review YTD Trends by Category

Purpose: To see how your categories are performing compared to last year. This helps benchmark where the business is performing but also identifies any categories that are out-performing last year or falling behind. If you have categories that are out-performing, be sure to review those categories by price point – this may be the time to add some new styles or buy deeper on the fast sellers. If you have categories that are slower than LY, ask yourself why? Is it product mix, is it a high aged category, have your sales team shifted what they are comfortable selling or is it a category that is trending down across the industry?

Report: Summary-Detail Report Category. Use the "BY PERIOD" menu to select YTD period. Be sure to adjust your sales start date.

Review YTD Trends by Vendor

Purpose: See how your key vendors are trending YTD compared to last year. It is important to be aware of how vendors are doing so you can create a strategy to increase the business with them or exit out (if they are no longer performing).

Report: Summary-Detail Report Vendor. Use the "BY PERIOD" menu to select YTD period. Be sure to adjust your sales start date.

Re-Merchandising

Purpose: To identify opportunities to use aged asset inventory that cannot be returned/exchanged to fill price points that need inventory. Suggest making "YOUR CHOICE" trays and moving aged inventory into a price point (i.e. $699). Re-merchandising is not about putting inventory on sale but rather re-tagging, re-pricing and cleaning it up to use inventory you already own to fill price points that may need it. And in turn, you may finally get that aged piece out of your showcase! Pick a different category every two weeks, actioning the changes and then moving on to the next category.

Report: Summary Detail Report by Category by Price Point and/or Inventory Comparison

Video: Remerchandising with Abe Sherman

YEARLY

Review Alloys

Purpose: To review your sales from alloys and work with your vendor to get alloys re-furbished or exchanged for new styles. If the alloys you have are aged and you are not getting sales from it, it could help to get new/different styles that may be more relevant (on trend).

Report: Inventory & Age -- filter Transaction Type to Inventory & Faux Sample and sort by Vendor Style