



Inventory Management: How You Can Help

LESSON OBJECTIVE: Explain to employees how they can help keep an accurate inventory count and manage the store's inventory daily.

ESTIMATED COMPLETION TIME: 3 to 5 minutes. For a longer version, see the extra discussion points at the end.

HOW TO USE: Show your students the PowerPoint presentation. You can read the script or paraphrase. While we've provided some general suggestions for how employees can help you manage your inventory, you will want to insert your own store's policies for how you should handle each situation.

Slide 1

Introduction

- We learned in the previous lesson on the inventory cycle that good management of our inventory makes our store more efficient and profitable. It's also critical to providing good customer service. Remember that we will lose sales if we don't have what our customers want, and it will hurt our customer service image.

Slide 2

The inventory cycle has several basic parts:

- Ordering product, delivery to the store, placing it on the shelf, occasionally counting it for accuracy, selling the product, and sometimes purging slow moving inventory when necessary.
- We want the process to go as smoothly as possible, but sometimes something happens and the process breaks down. In many cases, it's our (the management) job to have systems in place that ensure a well-managed inventory process.

Slide 3

How you, the employee, can help.

- In this lesson, we'll review the ways you can help our store maintain an accurate inventory count, and thus keep better control of our inventory.

Slide 4

Place items in their correct location.

- When you're receiving items from a delivery, put them in the correct location in the backroom or on the shelf. While this seems like it's obviously the right thing to do, it's easy to get in a hurry and put boxes wherever we find an empty spot in the backroom. This creates confusion later and takes us longer to find it when it's time to restock.

Slide 5

Fill empty shelves.

- When there's an empty space where there should be a product, that's called an out of stock. Out of stocks mean we don't have what the customer wants and therefore we lose sales. When you see an empty shelf, refill it with stock from our backroom and report it to the manager so we can order more.

Slide 6

Keep aisles organized.

- It doesn't matter if we have the right product in our store if we or our customers can't find it. Messy and disorganized aisles prevent us from finding products quickly. They also create the customer perception that we may be out of the products they need.

Slide 7

Watch for theft.

- Theft is a big problem in managing our inventory. If we order five of one product and someone steals one, it may take us a while to discover that we're out of that product. Always be on the lookout for signs of shoplifters. An empty package is a common sign that a shoplifter has been at work. Report this to your store manager immediately.



Slide 8

Watch for orphan items.

- Orphan items are items in the wrong place in the store. If they're in the wrong place, we and the customer can't find them, so we assume we're out of that product. Whenever you see an orphan item, return it to its appropriate department.

Slide 9

Report damaged merchandise.

- Whenever you find damaged or unsellable merchandise, report it to your store manager. Some examples of unsellable items are mistinted paint, miscut keys, defective returns and dead plants.

Slide 10

Double check what you're scanning.

- When you scan something in at the register, make sure the product that appears on the register is the same as what you scanned. Sometimes, there's an error in our POS, with the UPC code connected to the wrong product in the POS system. Sometimes, the manufacturer has the wrong UPC code on a product. Report this to a manager immediately.
- Sometimes you will have to enter a UPC code or a quantity manually. Double check that you enter the correct code and quantity. Not only will the price be wrong, we will order the incorrect amount of that item the next time we place an order.

Slide 11

Scan individual items.

- It's best to scan individual items, even if you have a lot of them, like plumbing parts. While the customer might think that all of the items in a bin are the same, sometimes a different part may have slipped in. You don't want to misrepresent the sale. You also don't want the customer to get something he or she didn't need, and have to come back for the correct part.
- Also make sure two items are not stuck together, such as in plumbing, where the customer may have been figuring out how to fix a plumbing problem and joined two pieces together to see how they fit. Scan them as individual pieces.

ADDITIONAL DISCUSSION POINTS:

- Are there any other ways, specific to your store, that employees can help you maintain inventory? If you already have some policies in place, now is a good time to review them.
- How often and for how long would you like your employees to spend organizing and maintaining aisles? Discuss your company's expectations.
- Talk about how your store conducts annual inventory or cycle counting.

ADDITIONAL TRAINING: For further training: Show the Trainer's Toolbox lesson, The Inventory Cycle, for any employees who haven't seen it yet.