



Managing Inventory in a Small Store

LESSON OBJECTIVE: Help employees learn some of the techniques small stores use to manage inventory. You can use this as a springboard into an explanation of how your store manages inventory.

ESTIMATED COMPLETION TIME: Approximately 3 minutes for the video. Use the Summary section if you wish to review the main points in the video. Use the Additional Discussion section to spend more time on this topic.

HOW TO USE: View the video. If you wish to spend additional time, use the discussion guide below.

SUMMARY OF POINTS FROM THE VIDEO:

- No matter what the size of your store, it's important to always appear to be fully stocked so customers are confident your store has what they need.
- Know the difference between A, B, C and D items. A items are those that move quickly, or that are frequently purchased by customers. B items are purchased less frequently, while C and D items are purchased the least frequent of all.
- Need to have a depth of product on A movers. A store with a limited floor space might want to carry mostly fast-moving items to maximize floor space.
- Manufacturers can help create planograms that focus on the best-selling items. Sometimes it's important to at least try items to see how they sell. Sometimes, stocking an item is important because of the impression it makes on your customers.
- Engage customers to find out what products they want to see in the store. In a small store, there's a lot less room for error in creating a product mix, so it's important to use the feedback of those that shop the store frequently.

ADDITIONAL DISCUSSION:

- What are some examples of fast and slow moving items? Discuss your store's philosophy of having a balance between fast moving and slow moving items. What are the advantages and disadvantages of each type of item?
- When do you decide to clear out an item and stop selling it? What happens when you decide to clear it out—do you donate it, sell it at a discount or do you have another tactic?
- What is your store's plan for keeping inventory relevant to your customers? How do you use customer feedback? What do you do when a customer asks for an item and you don't have it?

ADDITIONAL TRAINING: View the Trainer's Toolbox lessons titled "Inventory Management: How You Can Help" and "Introduction to the Inventory Cycle" for additional training on the basics of inventory.