

## HOW DO INACCURATE

# Inventory Records Erode Operational Efficiency?

Omnichannel success now depends on success in BOPIS, click & collect, curbside pickup, "retail-to-go" and ship-from-store – and you can't achieve it without accurate inventory records.

*Inventory accuracy is directly related to operational efficiency. Let's look at how.*

## SHORTAGES

- Occur when an item's actual count is lower than the system's inventory record
- Often result in late replenishment orders and unknown out-of-stocks
- Fulfillment specialists waste time looking for items that don't exist
- Customer is left unsatisfied
- Adjustment is necessary to correct the shortage in the system

## OVERAGES

- Occur when an item's actual count is higher than the system's inventory record
- Often result in premature replenishment orders, meaning higher inventory and potential future markdowns
- Can only be corrected by a cycle count, category count or full physical inventory

## KEY TAKEAWAYS



- Both shortages and overages result in increased inventory levels



- Inaccurate inventory records cause wasted labor, employee dissatisfaction, increased inventory costs, dissatisfied customers and lost sales



- Investments in counting more frequently are easily returned by operational expense reduction and increased sales