3 Ways to Enhance Your Retail Operations

with Inventory Management

Like many other industries, retail is constantly evolving and changing, making it challenging for owners and managers who are trying to keep up with the latest trends while balancing many things on their plate. For retailers, managing their business's inventory is just one piece of the puzzle to success: its vital role in keeping businesses running and bringing in revenue makes inventory management software essential to implement.

Auto-Star offers a range of cutting-edge point of sale solutions that help retailers better manage their inventory's *operational productivity, keep their stock organized while growing profits, and build stronger relationships with customers and employees.* This eBook will cover 3 Ways to Enhance Your Retail Operations with Inventory Management:

▶ Get Full, Unbridled Control of Your Inventory

Because inventory management is critical to your business's capital, it's vital that you use your point of sale (POS) software to harvest data and get complete control over your inventory. Use your point of sale systems inventory management software to keep track of your inventory from start to finish; use historical data to ensure you have a proper margin of error when ordering products to reduce the likelihood of stock-outs, get automatic-suggested product ordering, and manage all your vendors in one place. There is a lot to master in order to gain full control of your inventory but with the right POS on your side, you can accomplish all of this.

For example, proper software can send and receive inventory orders electronically making it easy to track your vendors. Once an order is input your customers receive an electronic invoice which can be downloaded, allowing them to monitor arrival times. This also allows the business to effectively verify their orders once the products are delivered.

AUTO-**STAR**
seamless **POS** abilities

In addition to tracking inventory movement, top-of-the-line software uses historical data and real-time insights to calculate the most precise order quantities. With scientific purchasing, it's easier than ever to keep track of customer trends and demand, while improving your order accuracy. As a result, you can make better-informed business decisions, stock what you need, and create a more profitable system.

Improve Quality Control:

Once you've established command over your inventory margins and automated ordering, you can focus on quality control. Use your inventory software to identify and eliminate unprofitable dead stock that has no foreseeable profit value so you can clear off valuable shelf space. By reducing the amount of dead stock in your inventory, you further your bottom line by boosting sales activity.

In addition to identifying dead stock, you can manage your system to easily avoid spoilage. This can be done by monitoring receiving dates, outgoing stock, and more to gain vital insights into how each product moves through your store. Your system should take variables into account like seasonal fluctuations, thus allowing you to avoid over-ordering and spoilage. This type of monitoring can help forecast inventory needs for maximum profitability.

Enhance Operations with Inventory Management:

Inventory management software can do more than optimize your control over stock: it can increase your team's operational efficiency as well. For example, warehouse employees can use barcode and wireless technology to improve inventory input time by taking inventory tracking on the go with mobile POS solutions. This way, your employees can quickly see inventory on hand and spend less time ordering.

Another way you can enhance your business's operations and boost time management is by limiting order quantities. By consolidating orders for multiple store locations and cross-docking to efficiently distribute inventory, you can save time and money. A multi-store inventory solution also allows you to split stock as needed between stores avoiding stock out issues and preventing you from wasting money on more of the same products you already have.

Lastly, scientific ordering software can streamline product purchasing using sophisticated algorithms so you can gain fine-tuned forecasting capabilities.

LEVERAGE YOUR POS SYSTEM

The use of calculated order suggestions can reduce issues with seasonal spikes, stock-outs, and overstock—all to improve operations.

GO MOBILE

Use mobile devices so employees can instantly access your inventory to see what you have and what is gone.

ORDER MULTIPLES

Keep better track of order multiples so that you're ordering and selling those items at the optimal price. Use forecasting models in your POS system to determine more accurate future demand.

Reduce Stock Outs and Overstocks:

Ensuring customers who visit your retail or eCommerce store aren't disappointed by stockouts is one of the most vital reasons to manage inventory. Avoid losing another sale with inventory monitoring built to circumvent stock-out issues.

An effective point of sale and inventory management solution improves cycle counting by calculating and tracking your merchandise on a regular or cyclical basis. This way, you can update your records live to stay on top of stock levels and keep accurate inventory counts. Additionally, cycle counts can improve loss prevention; with better merchandising and continued counting, you can reduce internal and external theft or fraud. Furthermore, this software can also help avoid overstocks and slash prices (and cutting profits) to unload it.

On top of having accurate cycle counting, limiting overstocks with "just in time" inventory can improve cash flow. Recently, a small health-food store that we worked with used scientific ordering and inventory management to keep **$20,000** in their pocket every month. The $1.5 million in sales stayed the same, but they had that money in the bank rather than tied up in inventory on the shelf.

With the right inventory management system, you can find the right balance preventing both stock-outs and overstocks. Plus, it can alert you when it's time to re-order so you never run out of your most popular products.

▶ Cut Down on Waste and Generate Higher Profits

Did you know that inventory and labor are the two most expensive aspects of running a retail operation? Luckily, once you reduce the cost of inventory with improved management and control, then you're capable of lowering the overall expense of your operations. **You can narrow costs by monitoring several key performance indicators:**

- Average customer spend
- Sell-through rate
- Inventory turnover

These figures will help identify what is selling well and what isn't to optimize your inventory spending. The more accurate your inventory is, the better your bottom line performs. Also, by managing these items in real-time, you can maximize your inventory to boost sales and reduce holding costs.
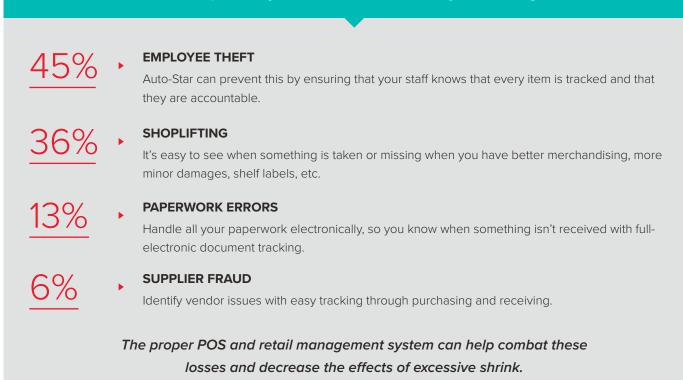
Decrease Retail Shrink:

Utilizing proper inventory management software can also ease the burden of your back-office employees. For instance, it can decrease the likelihood of inventory shrink. With the power of real-time inventory tracking, your accounting team can rest assured that their sales sheets are accurate. Furthermore, staff can survey shelf stock with mobile POS devices to monitor for missing items that may have fallen victim to theft.

Tracking shrinkage as part of physical counts is an efficient way to identify trends in defective items or suppliers and spot trends in theft and misuse. For example, a recent study stated that the average shrink percentage in the retail industry is about 2% of sales. While that may not appear to be a lot, consider that shrinkage cost retailers more than **$50.6 billion** in losses in 2018, according to the National Retail Security Survey on retail theft. So, if your retail store made $1 million in sales with 50% gross margins, your shrinkage at just 2 % costs you $10,000—that's a significant amount of missed profit.

There are four primary sources of inventory shrinkage in retail:

45% ▸ **EMPLOYEE THEFT**
Auto-Star can prevent this by ensuring that your staff knows that every item is tracked and that they are accountable.

36% ▸ **SHOPLIFTING**
It's easy to see when something is taken or missing when you have better merchandising, more minor damages, shelf labels, etc.

13% ▸ **PAPERWORK ERRORS**
Handle all your paperwork electronically, so you know when something isn't received with full-electronic document tracking.

6% ▸ **SUPPLIER FRAUD**
Identify vendor issues with easy tracking through purchasing and receiving.

The proper POS and retail management system can help combat these losses and decrease the effects of excessive shrink.

▸ Get Better Business Insights and Boost Customer Satisfaction

When you utilize the reports generated by your inventory management software, you can make better data-driven decisions to improve customer and employee satisfaction while having a positive impact on your bottom line. In addition, your reports can help you forecast and determine the right product mix for your retail store.

Inventory management software can help your business make the most of your insights by providing:

- **Access to real-time data:** Businesses need to know what inventory is on hand and receive automated alerts when stock levels are low, and automatically record all your transactions and updates inventory levels.

- **Fast and accurate order fulfillment:** Balancing inventory levels means your orders must get turned around more quickly than ever. After all, warehouses don't store inventory: they move it.

- **Detailed KPIs:** Use KPIs to track how your business is performing with insights into productivity, operations, and customer satisfaction.

- **Ability to track orders:** Use mobile and barcode technology to capture inventory movement through your business, including shipping and receiving.

> "
>
> *"The major advantage to Auto-Star is the 5-star customer support. The staff is knowledgeable, they listen to the needs of their customers, and are proactive. They're the best I've ever worked with."*
>
> **— Jerome Posthumus, General Manager at The Bake Oven**

AUTO-STAR
seamless POS abilities

Improved Customer Service:

So, how exactly do you improve customer service with business insights? It starts with eliminating stress on employees by providing them with reliable inventory knowledge. If they know where everything is, and product availability, then they can move faster and help more customers.

When customers have questions about location, price, weight, and more, having access to accurate, up-to-date inventory on a mobile device can make it much easier to answer customer inquiries and point them in the right directions. Plus, business insights can alleviate worker fatigue with directed picking. Retailers can optimize workflows and eliminate wasted movement to increase fulfillment. Handheld devices can guide the picker towards the most efficient path through the warehouse by minimizing extra steps and backtracking.

Conclusion

Your business depends on choosing the ideal inventory and POS solution. Otherwise, you could potentially lose precious time and money. Retail inventory management can be challenging; however, you can find the tech solution and expert guidance to make it easy with the right partner.

That's why Auto-Star is proud to provide an industry-leading point of sale and inventory management solution. Paired with our 5-star customer service, we're your go-to retail POS provider.

Contact us and begin optimizing your inventory today!

www.auto-star.com | **info@auto-star.com** | **1-888-460-6963**