

# Turning Inventory to Cash: *Effective Management for Wholesale Distribution*

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**Interaction Versa**

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# Effective Inventory Management

“It’s easy to change cash into inventory...  
the challenge is to turn inventory back in to cash!”

~ Jon Schreibfeder, Author

Achieving Effective Inventory Management



# Effective Inventory Management

- ▶ My background
- ▶ What is the purpose of good inventory management?
- ▶ Contradictions
  - ▶ Good customer service
  - ▶ Poor customer service
- ▶ “SWG” (Scientific Wild Guessing)



# Effective Inventory Management

- ▶ The goal of effective inventory management
  - ▶ “Effective inventory management enables an organization to meet or exceed customer’s expectations of product availability with the amount of each item that will maximize net profits or minimize its total inventory investment” ~ Jon Schreibfeder
- ▶ Asking the right questions

# Effective Inventory Management

- ▶ Developing the right program
  - ▶ Business policies
  - ▶ Good computer software
  - ▶ The knowledge to use the software
- ▶ Understanding why you are in business
- ▶ Cooperate responsibility
  - ▶ Sales people and technicians
  - ▶ Purchasing people



# Effective Inventory Management

- ▶ Warehouse personal
- ▶ Awareness of the cost of bad inventory
- ▶ Inventory theft
- ▶ The obvious
  - ▶ Maintain a clean warehouse
  - ▶ Make sure everyone knows where to find what
    - ▶ What did you do with...?
    - ▶ Where did you leave...?



# Effective Inventory Management

- ▶ Record keeping
- ▶ Who should be a warehouse manager?
  - ▶ Knowledge of products
  - ▶ Is not a technician
- ▶ Who should be the receiving people
  - ▶ Should be technical
  - ▶ Should not be new to your warehouse

# Effective Inventory Management

- ▶ Use ranking by hits
  - ▶ The golden 80/20 rule
  - ▶ ABC ranking of inventory
- ▶ Approved stock list
- ▶ Getting your warehouse in order
  - ▶ Develop a meaningful rack/bin location assignment
  - ▶ **\*\*Insert screenshot of xTuple location site item\*\***
  - ▶ User ABC racking to assign location



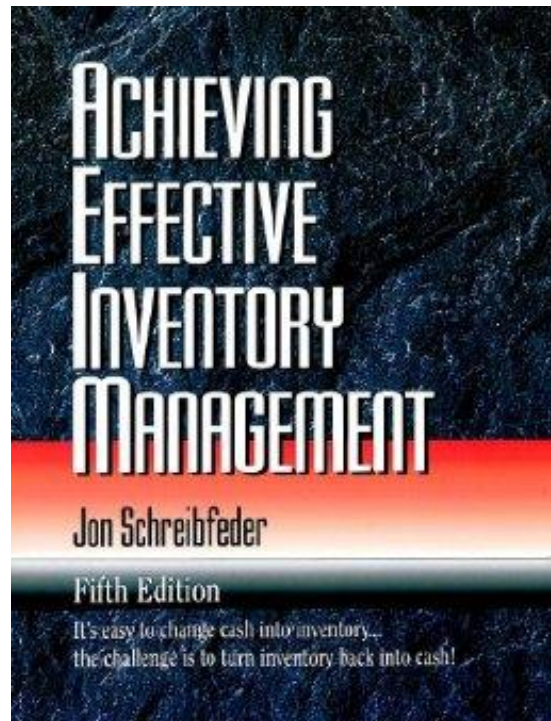


# Effective Inventory Management

Q & eh?



# Effective Inventory Management



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