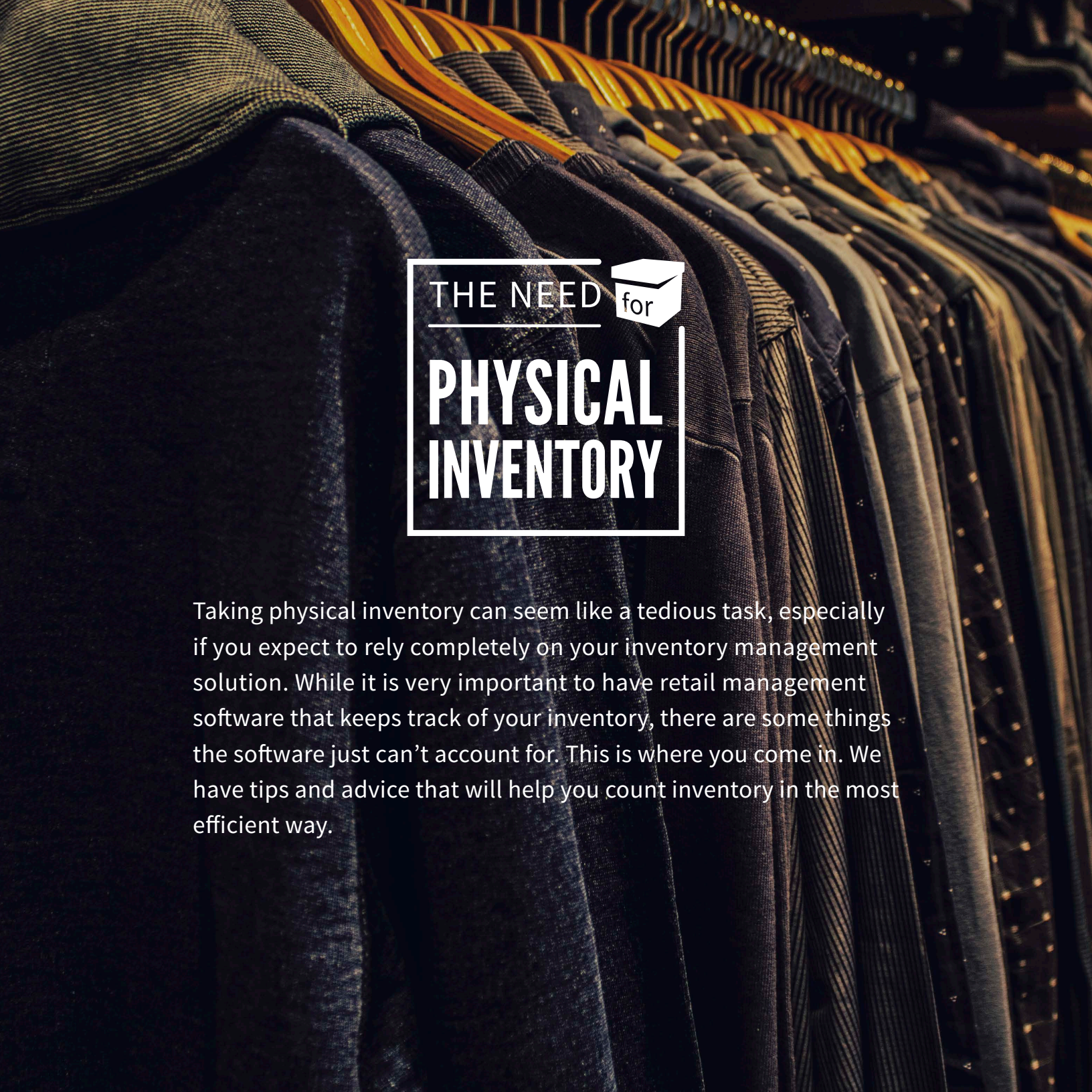


THE NEED



PHYSICAL INVENTORY



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Taking physical inventory can seem like a tedious task, especially if you expect to rely completely on your inventory management solution. While it is very important to have retail management software that keeps track of your inventory, there are some things the software just can't account for. This is where you come in. We have tips and advice that will help you count inventory in the most efficient way.



COUNT INVENTORY REGULARLY

You should be counting your inventory regularly so you always know if the data in your system is consistent with your count. Unfortunately, theft happens, and that is something that your inventory management system cannot account for. Since theft isn't exactly listed as a daily transaction, you have no way of knowing that two pairs of shoes just left the store, hidden in a backpack.

You can mitigate the effects of missing inventory by regularly performing physical count of the merchandise in your store. Get started by:

- Setting a date in advance to take full inventory
- Scheduling your staff accordingly
- Holding yourself accountable

This ensures that you have an accurate count of what products you have available for your customers to purchase. Don't miss out on a sales opportunity because your data isn't up to date!



MAKE IT MANAGEABLE

Thinking about counting all of your inventory, by hand, is daunting and overwhelming. We recommend you perform physical inventory on all of your merchandise quarterly or biannually. This doesn't mean you have to do it all at once though.

You should break up your store by product category and take inventory in small segments. For example, thoroughly count women's apparel one day, kids' shoes the next, and work through each section of your store using this manageable approach. This will ensure that you are consistently up-to-date and familiar with your products.

Women's
Apparel

MONDAY

Men's
Apparel

TUESDAY

Kid's
Apparel

WEDNESDAY

Shoes

THURSDAY

Essentials/
Accessories

FRIDAY



ORGANIZE YOUR STORE

Preparing your store for physical inventory will decrease the time it takes to complete the process. To the best of your ability you should:

- Place products in their appropriate departments
- Ensure each item is labeled
- Turn labels so the UPCs are facing upward.

This will allow you to quickly go through and account for all of your merchandise. The more organized your store is on a regular basis, the less painful this process will be. If you are always keeping an eye on where your products are, labeling your products as soon as you get them, and correctly setting up your store, preparing your store for physical inventory will be a breeze!

A close-up photograph of a person's hands holding and interacting with a tablet. The person is wearing a dark sweater and a ring on their finger. In the background, there is a wooden desk with several spiral-bound notebooks and a yellow object, possibly a bag or folder.

STAY FOCUSED

While you are taking physical inventory, be sure that you are not distracted, but fully focused on the task at hand. With that said, breaks are extremely important. Set up a schedule so that you do inventory for a set amount of time and have a mandatory break. This gives everyone a chance to clear their minds and regroup, so it is easier to stay focused and improve accuracy.

Ringling sales, generating reports, entering purchase order information, and any other data-related activities should be put on pause while you're counting inventory in order to avoid mistakes and ensure that your numbers are accurate.

A photograph of three people (two men and one woman) smiling and looking at a document together. The man on the right has a beard and is wearing a blue denim shirt. The woman in the middle is wearing a red and black plaid shirt. The man on the left is wearing a grey shirt. They are all looking down at a document on a table.

TRAIN YOUR EMPLOYEES

To reduce the chance of human error, you should properly train your employees prior to the start of physical inventory. Assign employees to distinct departments, and have a method of scanning (up and down or right and left). This will prevent scanning overlap and allow for easy identification of UPCs not found.

To avoid distractions and mistakes, make sure if you have enough staff to attend to your customers and ring sales.



ACCOUNT FOR ITEMS YOU CAN'T SELL

Items that you have accounted for while taking inventory, but cannot sell, due to damage or condition, should be classified as non-sellable within your retail management software. This classifies the item as unable to be sold and therefore necessary to replace, even though it was not purchased.

If the item is defective, damaged, or is not in a condition to be put back on the sales floor, it should be managed back to the vendor or donated so that it is not taking up space in your stock room. Run reports on your non-sellable inventory so that you can track what merchandise has not been reliable and rethink your future buying.



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Physical inventory should be added into your routine at least twice a year. Use these tips to help the process go smoothly and painlessly. It is always good to have an accurate count of your inventory and to be fully aware of the status of your merchandise.

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