

# The how, what, when and why of stock control

An introductory guide for  
the modern wholesaler





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# Introduction

**Let's begin with a question: on a scale of 1-10, how would you rate your current inventory management processes? Now, keep that number in your head for a while.**

If the answer is anything other than a 10, then this eBook could be the most important thing you read this year. Why? Because **establishing effective stock control policies and supporting them with appropriate inventory management systems is an essential part of a successful, modern distribution business.**

The truth is, the world is changing. In fact, a more accurate truth is that the world has changed, and businesses like yours need to develop more agile processes to remain competitive.

Right now, a more accessible, more instantaneous retail and buying culture is affecting the way all service industries work. Customers demand wider product selections, greater convenience, excellent quality,

and faster deliveries – and the knock-on effect of this is felt by everyone, not least wholesalers.

This is why getting your inventory management just right is so vital. It can significantly improve your profitability. In fact, for a lot of organisations it can be the difference between profit and loss.

Your peers know this. Your competitors know this. And if they are not already updating their software estates accordingly, it's certainly in the planning stage.

Among supply chain leaders, warehouse and in-store technology i.e. integrated ePOS system, improvements for inventory management are currently the investment priority, with almost half (46%) choosing to spend their money this way<sup>1</sup>. In fact, as many as 81% of the customers we surveyed saw a new ERP or business management solution as an important part of their strategy for growth.

<sup>1</sup>Aberdeen : End-to-end logistics capabilities

But in a crowded market that offers seemingly endless solutions to a variety of stock-related problems, how are you supposed to know where to start?

Well, we think right here is as good a place as any. This eBook will outline the stock control challenges your organisation is likely to face, explore the types of inventory management and stock control software solutions available, and help you make an informed choice about your future investments.

Still have that number in your head? Let's see how we can turn it into a 10.



# Part One

## The what, when and why of stock control



# The big inventory problem

The ubiquity of eCommerce has resulted in a new breed of customer; one that expects ultimate convenience. This means vast product choice and instant availability.

As a response, online retail is posing a huge threat to retailers and wholesalers alike.

Put simply, if you run out of stock in your warehouse or on your shop floor, online competitors are waiting in the wings to take your customers. In fact, 70% of shoppers would go to a competitor rather than wait if an item was unavailable<sup>2</sup>.

The result is a cutthroat business environment, where wholesalers are struggling to meet customer expectations and make processes more agile and efficient, while battling seemingly endless obstacles.

According to the Aberdeen group, the biggest challenges organisations like yours currently face

70%

of shoppers will go to a competitor if an item is out of stock

<sup>2</sup> SymphonyIRI Group



challenges organisations like yours currently face are a need to reduce costs (37% cited this as an issue), manage growth expectations (31%), meet changing customer demands (23%), and get better information to aid decision-making (19%)<sup>3</sup>. Any of those sound familiar?

Each of these challenges make inventory management either harder to execute or more important to get right. But so many organisations are falling way short of expectations.

For instance, 43% of SMEs businesses do not track their inventory at all, or use manual processes to do so<sup>4</sup>. And in total, one-third of businesses will miss a shipment deadline because they've sold an item that wasn't actually in stock<sup>5</sup>.

A modern inventory management software solution can be the key to solving many of these challenges. In fact, automating the processes that bring complexity to inventory management is often the first step in a wider digital transformation program, designed to make entire supply chains more flexible and effective.

<sup>3</sup> Aberdeen Group, February 2017

<sup>4</sup> Wasp Barcode. Small Business Report

<sup>5</sup> People Vox : 6 surprising stats about warehouse efficiency





Great things happen when we listen  
to our customers, to our partners  
and to each other

## Key takeaway

### **Investing in a modern inventory management**

solution can solve the biggest problems for wholesalers, provide a genuine competitive advantage, and kick-start wider digital transformation.



# The secret to successful stock control

**Robust stock management is one of the best and easiest ways to reduce costs and save time. But before you even look at inventory management systems to help you achieve this, you need to get your house in order.**

Your business system is not a panacea for your stock management problems. Your business system is simply the tool you will use to automate and enforce your stock control policy.

To do this you need to firstly take the time to establish what an effective stock management policy for your business should look like. Only then can you decide what processes, procedures and rules you will enforce via your business system. An experienced ERP software consultant will also take you through effective stock control policies and then ensure

your system is set up to yield continuous, tangible benefits.

Get your stock control policy right and then let your system do the work.

As you can see, when it comes to successful inventory management there's no quick fix - but there may be a magic number by which you can benchmark your progress.

The 2,700 companies and merchants surveyed by Zebra Technologies Corporation<sup>6</sup> in 2017 classed their current inventory management accuracy at 74% - but said it needed to reach 83% to cope with the impacts of omnichannel selling.

It's clear that some improvement is required. Currently, human error is the single biggest issue in 46% of warehouses. And by investing in stock management solutions, wholesalers see an opportunity to eliminate manual processes, eradicate human error, and permanently increase their inventory management accuracy.

<sup>6</sup> Zebra Technologies Corporation Survey 2017

Inventory management  
accuracy needs to reach **83%**  
to cope with the impacts of  
omnichannel selling.



Once you have a clear picture of how much stock you have, everything else can fall into place; more cost-efficient processes, less money tied up in stock, seamless deliveries and happy customers.

So, ultimately, **the secret to successful stock control** is anything that can help you reach this magic number – and go as far beyond it as possible.

**“ To efficiently run three branches I rely heavily on up-to-date, accurate and timely information; something we weren’t getting from our old system. Knowing that we were missing out on the capabilities to better manage our stock, increase sales and enhance our customer service, it was time to look for an alternative. I’m very confident our investment in Intact iQ will last us the next 15 years. ”**

**— Sean Haugh, Managing Director - Provincial Floorcoverings**



## Key takeaway

Inventory management accuracy needs to be at least **83% accurate** to deal with modern demands.

# Part Two

## The how of stock control





# The Modern Inventory Platform

**As previously mentioned, in order for any stock control software system to live up to its potential, you need to have robust stock control procedures in place to begin with.**

Many businesses believe that their stock control procedures are fit for purpose. However, even the most skilled warehouse managers find it difficult to get it 100% right. Implementing an effective stock control policy and finding the perfect fit system to support these policies takes time. You need to dedicate the resources required to ensure the outcome yields tangible benefits for your business.

Inventory management solutions come in all shapes and sizes, and can vary depending on the industry e.g., from industry specific systems like builders merchant software to wholesaler distribution software and everything in between. But essentially anything

that ensures you have the appropriate level of stock to meet customer demand while keeping the costs associated with holding that stock to a minimum can provide huge benefits to your business.

Robust stock control software also replaces manual stock counts and data entry whilst providing staff with the information they need, when they need it.

And with advancements in technology, fully integrated mobile apps are providing key personnel with instant accurate insights into the status of orders and inventory anytime, anywhere. For those looking to sell online, integrating an eCommerce platform is now also easier and more cost-effective than ever before.

Many inventory management solutions will also support the use of either handheld barcode scanners or RFID systems – which can be either handheld or embedded in your warehouse – to keep track of stock and automatically share data with those who need it.

One of the major advantages of this is that you always have a real-time view of what you have and where – something that’s not possible with periodic inventory systems and manual processes.

This means you can avoid stock-outs and overstocks and keep your customers happy – all while achieving optimal cost-efficiency.

But it’s important to note that this technology can’t transform bad stock management processes. Rather, it can serve to further enhance those that are already established, efficient and well-orchestrated.





## **Barcode inventory systems**

Barcode inventory systems are far more accurate and efficient than manual processes. They can be used to automatically update your inventory system, resulting in greater accuracy, real-time updates, streamlined reporting and automated re-orders.

## **RFID**

RFID tags can provide real-time insights into the movements of packages around your warehouse and beyond. Using either handheld scanners or tag-readers positioned around the warehouse, you can gain complete visibility into your inventory, and simplify tracking and reporting.

# Assessing Your Needs

The inventory management solution your organisation needs will depend on a number of factors, including your size, budget and existing capabilities.

With that in mind, here's a general list of requirements that a good stock management platform should support. You may not need or want all of them, but take a moment to mentally tick off the ones you have, and make a mental note of those you think you might need.

- Real-time data
- Multiple warehouse management
- Yard management (for merchants only)
- Multiple branch support
- Interbranch/company transfer support
- Dead/slow moving stock information
- Returns management
- e-Commerce integration
- Fully integrated ePOS system



# Product specific attributes

- Batch/Serial tracking
- Barcoding
- Rolling or partial stock takes
- Traceability & multiple units of measure
- Consignment & direct drop
- Mobile stock-taking & maintenance
- Mobile proof of delivery
- Stock bin management
- Pick face replenishment
- Assembly builds
- Replenishment rules & automated replenishment features
- ABC stock-taking
- Replenishment paths
  - Picking note creator
  - More efficient picking procedures
  - Automated enforcement of your stock control rules



A woman wearing a yellow hard hat and a white jacket is holding a tablet and looking at it in a warehouse setting. The background shows tall blue metal shelving units filled with white bags of material.

## Key takeaway

Stock management systems come in a variety of shapes and sizes. Deciding which you need comes down to the **unique requirements of your business**. For more advice on this, one of our software experts would be delighted to talk to you.



## The top 5 benefits of an Inventory Management Solution

**All good inventory solutions will help you improve the accuracy of your stock management.**

But the right solution can help you do so much more; creating a more agile and responsive warehouse that can easily scale as your company grows.

We've been in this industry for almost 30 years. In our opinion, these are the five most important things a really good inventory management system can give you.

# The facts needed to forecast demand - and delight customers

With accurate insight into stock levels, you can consistently provide what it is your customers need – and keep them coming back for more, while still keeping overheads to a minimum. But that's just the start. The data your inventory management solution provides can deliver vital, actionable insights into your business. With the right analysis these insights can reveal patterns and market trends, and help to identify new ways to maximise profits.





## The ability to automate labour-intensive processes

Data entry takes a lot of time and resources. Especially if you have a lot of stock.

A modern inventory solution, coupled with handheld devices that scan stock and automatically enter data into your inventory management system, can help you eradicate the need for manual data entry and stock counts.

**With 'point and scan' capabilities you can implement far more efficient processes – with little to no training involved.**

## Visibility of everything, everywhere

With a cutting-edge, fully integrated stock management solution you can provide your team with real-time insights into the exact status of orders and inventory. This helps you meet lead times, ensure timely deliveries and run the most efficient warehouse possible. Ultimately it results in low costs, better decision-making and consistently happy end customers.



# 4.

## A farewell to human error

Human error is an inevitable part of, well, being human. So, if you currently have manual inventory processes it's almost a certainty that you're losing money due to unavoidable mistakes.

A good stock control software solution will allow you to pick, pack and ship goods without your team having to complete paperwork or input data. This doesn't just make life easier for your employees – it makes your inventory management more accurate. So you can **say goodbye to human error, miscalculations, unnecessary stock-outs and dissatisfied customers.**

## Lower costs

**Insight into your inventory means you no longer have warehouses full of stock just sitting there.**

And when your overheads are more streamlined, you're free to explore new business opportunities.

A really good stock management system will also help you reduce staffing costs through automation or redirecting them to other areas of the business. And up-to-date insights into your inventory mean you can make real-time decisions about when and how to scale your workforce.



# Stock management success stories

Now we've shown you the impact a stock management solution can have on your business, allow us to tell you a little about ours.

*Intact iQ* provides a fully integrated ERP and inventory management solution that enables merchants, wholesalers and retail companies to automate and simplify their inventory-related processes – saving time, reducing costs and improving inventory accuracy.

Here's what our customers have to say.



**“ We can see in an instant the stock levels in each of our branches. The ability for all our sales staff to access that information has been really helpful in driving growth within the business. ”**

— Des Byrne, General Manager - Euro Sales

**“ We have revolutionised how we handle stock. The predictive models in Intact iQ are excellent. Rather than depending on one person’s knowledge of stock, the system now takes care of it. ”**

— Pat White, IT Manager - Euro Sales

**“ Intact iQ has reduced our stocktake times - which once was a three - day ordeal - down to a 9 or 10-hour procedure. And we can trust our stock figures at any given time. ”**

— Garrett OHare, General Manager - Clondalkin Builders Providers

**““ When a customer is on the phone or at the end of an email, they want a quick response. Intact iQ is fast and reliable at giving accurate up to date stock levels. ””**

— Adam Walters, Sales Advisor - Smith Bros

**““ Intact iQ deducts the stock accordingly as soon as we sell an item. Huge amounts of time wasted doing things manually has now been automated. ””**

— Michael Smith, IT Manager - Klipspringer

**““ The Intact iQ Mobile Warehouse Solution allows us to book goods in quickly and efficiently, providing immediate updates of stock levels so that everybody within the business knows where they are at any one point in time. ””**

— Lee Harris, Stock Controller - Zodiac Stainless Steel

**Your next steps**

## **Ready for wholesale change?**

An inventory management software solution is a must-have for the modern wholesaler. By improving the accuracy of your stock management you can reduce costs, enhance customer satisfaction and gain a competitive advantage over the competition. And there's no better time to get started than right now.

For a more detailed look at how you can improve your warehouse processes, download our Effective Stock Management eBook.

**Download ebook** 

# Ready to get started?

Intact Software has been providing perfect-fit ERP and business management solutions that elevate businesses like yours since 1992. If you want to see how we can help you, *get in touch* and talk to one of our experts.

