

# IT'S 2 A.M.:



## Do you know where your inventory is?



Inventory represents **45% to 90%** of all expenses for small businesses

(U.S. Small Business Administration)

### How you manage inventory says a lot about the potential for your success, or maybe your downfall.

**Getting caught short**

can lead to lost sales opportunities and disappointed customers

**Having too much**

increases storage costs, leads to waste, and can erode profits

Getting inventory right serves as a barometer for your company's overall health!

For small **MANUFACTURERS**, inventory management is even more difficult, as there are **MANY MOVING PARTS** and **PIECES**

## IT'S TIME TO WAKE UP!

### Gain control of inventory with these five best practices.

1

**Categorize inventory into three categories:** safety, replenishment and excess/obsolete stock to pinpoint when and what you need to order.

2

**Balance cost-effective inventory levels with providing great customer service.** If you are always out of stock, customers will go elsewhere.

3

**Determine who is responsible for inventory.** Is it a team? Is it an inventory manager? You?

4

**Consider all parts of your inventory including raw materials and works in progress.** Only look at finished goods, and you miss the bigger picture of your inventory.

5

**Use automated inventory management to know the difference between your best seller and your most profitable items,** and to find ways to sell off excess stock.

## AN INVENTORY MANAGEMENT SYSTEM CAN HELP...



### Cut costs

Create inventory profitability reports to see which items are selling and which have the greatest (and least) profit margins

### Increase productivity

Set up automatic purchase orders to replenish inventory when it reaches a certain level

### Eliminate errors

Create Assemblies that define exactly how many parts, components or materials are required to complete a product

- ✓ **MANAGE INVENTORY.**
- ✓ **GAIN INSIGHT.**
- ✓ **ACHIEVE MORE.**

Get the core accounting features you need, plus powerful and flexible tools especially for manufacturing-related businesses, including robust inventory-related management, improved control and tracking of assembly jobs, and industry-specific reports. Save time, increase accuracy and become more profitable from start to finish.



Sage 50 Quantum Accounting