

By Julia Baker
S&R Content Manager

The management, strategies and systems around inventory are always of concern to retailers. Any mistake, whether it's a stockout, delayed shipping, or excess stock, can have a significant impact on sales, customer loyalty and efficiency. Maintaining up-to-date inventory levels and efficient supply chain replenishment is vital for meeting customer demand, availability and loyalty.

According to IHL Services, "In 2023, the total cost of inventory distortion was projected at \$1.77 trillion, down \$172 billion from 2022 with out-of-stocks accounting for \$1.2 trillion and overstocks totalling \$562 billion. Without question, a huge problem remains – one greater than the combined retail GDP of Latin/South America. This highlights the significant impact of both out-of-stocks and overstocks, emphasising the crucial need for accurate inventory replenishment strategies."

Supply chain inventory replenishment

Inventory replenishment, sometimes known as stock replenishment, is obviously transferring inventory from reserve storage to primary storage or directly to the sales floor and a crucial step for retailers in maintaining sufficient stock levels to meet consumer demand and fulfil orders.

Keeping shelves consistently stocked, also helps to prevent excess inventory that can result in expensive markdowns or spoiled products.



of inventory



Both out-of-stocks and overstocks emphasise the crucial need for accurate inventory replenishment strategies.

To minimise stockouts, the importance is to keep safety stock or backup inventory, a safeguard against unforeseen demands and disruptions in supply chain, it is a fine line to keep availability, specially if the demand predictions are not accurate. Utilising data, tracking patterns, and implementing automated systems to further orders is key.

We do have resources in South Africa to use, being up front on supply chain technology, says Anton Coetzee, Director at Relog, goes a long way in alleviating losses by, "minimising operational risk and reducing waste across your entire supply chain with a comprehensive

It is crucial for retailers to consistently monitor and modify their replenishment strategies.

If inventory is not kept up to date, the results are stockouts, bringing on negative consequences; lost sales and loss of customer loyalty and brand perception. And while backorders can be used to fulfil orders at a later date, it leads to customer frustration and lack of loyalty.



Anton Coetzee

risk assessment.” Research and innovation is constantly moving forward to combat loss. Efficient inventory can be achieved through the automation, tracking, and alignment of supply chain management with demand forecasts, all achieved at the touch of a button.

A well-thought-out inventory plan can also address potential issues that may arise from restocking too early or not accounting for shifts in customer demand or seasonal trends. These are often top concerns when dealing with items like perishable goods, seasonal items, or those with expiration dates.

Maximise cost efficiency for shipping

Streamlining inventory restocking can greatly decrease shipping fees. When a client makes multiple purchases when an item is not available at the closest warehouse, it could mean a double or triple order from suppliers, resulting in higher shipping charges and possible delays. Optimising stock quantities and strategically distributing merchandise among various warehouse sites, buyers can mitigate split shipments and any added expenses.

Using optimal sales data to accurately predict demand and strategically allocating inventory at the SKU level, products can be easily accessed at the most appropriate location. It not only reduces shipping expenses, but also improves delivery times, elevating the overall customer experience and streamlining supply chain operations.

Photo by Albin Berlin, Pexels



By optimising stock quantities and strategically distributing merchandise among various warehouse sites, buyers can mitigate split shipments and any added expenses.

Supply chain focuses on maintaining control and precision throughout each stage. Timely lead times play a crucial role in minimising delays and facilitating efficient reordering and restocking of product. The choice of vendor and their performance is also key.

Creating a strong presence

Automation facilitates faster reactions to shifting demands and minimises the need for manual tasks, ultimately resulting in quicker replenishment cycles.

Automated stock control streamlines order fulfilment, enhances demand forecasting, supports warehouse-level projections, and optimises internal stock levels. An automated system provides understanding of inventory and order flow, simplifying the task of keeping inventory aligned with both immediate and future needs. AI and ML (machine learning) are being utilised in automated supply chain.

With the dominance of AI, supply chains that utilise obsolete methods face difficulties in maintaining pace. By establishing feedback loops between customer demand, inventory levels, and sourcing, AI plays a key role in enhancing supply chain operations. Using ML, retailers can evaluate and categorise various types of data such as sales orders, seasonality peaks, and demand history.

Supply chain goes hand in hand with projected demand. Ongoing adaptation helps maintain accurate inventory levels and responds to changes in customer behaviour. To keep ahead in retail industry, it is more than just maintaining a stocked inventory. It involves implementing intelligent and adaptable tactics to minimise surplus goods and proactively meet customer needs. **SR**

Sources:

www.leafio.ai | <https://relog-supply-chain-logistics.com/>
www.ihlservices.com/product/retail-inventory



Serves: 4
Preparation time: 5 minutes
Cooking time: 25 minutes

INGREDIENTS

500g chicken livers
1 tsp turmeric
¼ tsp salt
3 tbsp dried chilli flakes
2 red peppers
2 garlic cloves
1 onion, chopped
1cm fresh ginger grated
2 tbsp oil
1 cinnamon stick
1 tsp curry powder
2 tomatoes
2 tbsp tomato paste
1 tsp sugar
½ cup water



Tasty & Delicious

Ideal for a family meal



GOLDI CHICKEN LIVERS TOMATO CHILLI CHICKEN LIVERS

These spicy chicken livers make a great starter or main meal.

Method:

Rub chicken livers with turmeric and salt. Set aside.

Blend chilli flakes, peppers, garlic, and ginger.

Heat oil over medium heat. Brown the chicken until golden and set aside.

Add the pepper mixture, cinnamon, curry, tomatoes, sugar, and water to the same pan. Toss and simmer for 10 minutes.

Return the chicken livers to the pan and serve with soft bread, chopped green chilli, and fresh coriander.

Great South African Chicken Every Day!

Follow us on | www.astralchicken.com

Johannesburg 011 206 0600, Cape Town 021 505 8000, Durban 031 563 3661

