

# Inventory Value

The Suncorp Inventory Value Widget gives you a snapshot of your total inventory value and the total retail value of your current stock. It's powered by your inventory apps.

## About this Widget

This Widget helps with inventory control by identifying depreciation, excess and shortages and forecasting stock levels.

- ✓ By tracking the current cost and value of inventory on hand, the Widget identifies sales patterns that can be used to maintain optimum inventory levels
- ✓ Future orders can be adjusted to minimise excess inventory (potentially increasing carrying costs and product obsolescence) or shortage of inventory (losing sales and customers)

## Data essentials

To work effectively, this Widget needs inventory information to be entered accurately each day.

## Making the most of your Widget

- ✓ Ensure that inventory cost and retail price/mark-up are set up correctly
- ✓ Match your inventory cost value against bills and invoices on a regular basis
- ✓ Ensure cost values are correctly represented in the inventory software

## Tips to address a negative trend

### 1. Implement better product traceability

- ✓ Track the journey and location of individual products to minimise lost and misplaced inventory, and provide greater accuracy around supplier orders and product access

### 2. Decrease the cost of goods

- ✓ Negotiate better prices with vendors or find cheaper suppliers
- ✓ Balance the costs and benefits of bulk purchases, as the reduced cost of buying in bulk may not always outweigh the cost of holding more product

### 3. Streamline ordering systems

- ✓ Evaluate and implement systems around how and when orders are made, and who makes them, to simplify procedures and reduce costs

### 4. Adjust inventory control processes

- ✓ Identify stages of the inventory process that could become more cost effective, from raw materials and production processes through to finished goods and transportation
- ✓ Regularly review and amend inventory strategies to find the optimum inventory level for each product
- ✓ Categorise products as specifically as possible so different strategies can be applied to each category
- ✓ Determine the demand and supply variability for each category in order to set replenishment parameters
- ✓ Decrease or eliminate low margin products if they aren't viable
- ✓ Address ways to reduce excess and obsolete stock and sell off excess stock more effectively

## Troubleshooting

The most common problems are caused by:

- Inventory items entered incorrectly
- Opening balances entered incorrectly (ie. the quantity of each item held)
- Sales invoices not entered on day of sale

## Corrective action

Trade Gecko users can search for inventory support [here](#)

