



Making Inventory Counts Easier

9 Ways to Take the Pain out of Counting Your Products



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Introduction.

Conducting physical inventory counts probably isn't on your list of favorite things to do, but it's a must for any retailer. Keeping a close eye on the stock you have on paper versus what's actually in-store enables you to maintain inventory accuracy, spot causes of shrinkage early, and ensure you always have the right amount of stock at the right time.

Here are 9 pointers to help make this easier on you and your staff.

01

Taking a physical count? Consider cycle counting.

Cycle counting is the process of partially counting merchandise on a continuous basis so you can monitor stock levels without interrupting store hours. Cycle counting can be done daily or weekly (usually before the store opens) and can free you from doing full inventory counts.

Philip Pravda of [SuitCafe.com](https://www.suitcafe.com) highly recommends this method. **“I owned four luxury menswear shops, and my method for taking physical inventory was almost daily,”** he shares.

“I’d choose small sections of the store or a particular brand of shirt, suit, coat, etc. I’d count them up with the style numbers and sizes, then walk over to my computer and compare. Doing the whole store for a small business is difficult because you’re always helping customers and certainly don’t want to close early or for a full day to do inventory.”

Similarly, Preston Wily of ecommerce site [SewellDirect.com](https://www.sewelldirect.com) says, conducting partial inventory counts on a continuous basis has worked well for them.

“Our shipping department employees are each assigned a handful of audits to do every week. High-volume products come up for audit much more frequently than low-volume sellers, but each product is counted at least once per year,” he says. **“We also catch problems a lot sooner, which keeps them from becoming huge issues.”**

02

If you must do a full physical inventory count, schedule it ahead of time.

The question of when (and how often) you should conduct full physical counts really depends on you. Some stores do a count once a year, and others conduct them biannually. Still others do them even more often.

The Retail Doctor Bob Phibbs [writes on his blog](#) that it’s best to do it on the last weekend of January or at the end of July because your SKUs are potentially at their lowest during these periods.

But whatever you decide, settle on a date well in advance (weeks or even months before), and make sure your employees know what’s coming up. At this stage, you need to take down the names of the people who’ll be helping you with your physical count. Make sure they’re available on the decided date.



03

Make use of technology.

Traditional physical inventory counts are done with a pen and paper, with staff using a count sheet to tally up the products and reconcile data in the system. This method might get the job done, but it's highly inefficient and requires double entry.

And since physically counting inventory is already a “manual” task, the last thing you need is to have to tally and record data yourself.

If you're using a POS or [inventory management software](#), check to see if it offers inventory counting features you can use.

04

Map your store.

Draw up a map of your store and stockroom that illustrates where your products are located. As Phibbs notes: **“Sketch out the location of every rack, display, wall, and shelf if necessary.”**

Doing so will give an at-a-glance view of your store and make it easier for you to assign people to each section, so you can determine the best way to go about the counting process (i.e. where to start, how to move around the store).

Your map can also serve as a handy checklist when you're actually counting products. You can mark off the sections that've already been counted, making it easier to see how much you've completed.



05

Label boxes and shelves.

Don't go in blind. If you're doing a physical count, mark the boxes or shelves in your stockroom if the products in them aren't visible.

As the blog [Supply Chain Cowboy](#) puts it, "When the time comes to count inventory, having everything in a marked location is a necessity. Those loose boxes and stray pallets without a home are often the problems that come back to haunt you while you try to reconcile. Even if you must make new, temporary locations for the duration of the count, put everything in a well-marked and defined place, and leave it there."

06

Think about items that are in limbo.

When planning your inventory counts, figure out how you're going to deal with things that are in limbo. These could include in-transit merchandise, such as outstanding orders from suppliers or products that have been returned. Ideally, these items should be processed and dealt with before performing the count to avoid any confusion later on.

Ditto for faulty products. If you encounter damaged items before the count takes place, deal with them early on.

07

Orient your staff.

See to it that your team is familiar with all the steps you took above. If you created a map, show it to them and ensure they know where people are assigned.

Did you change the position of certain items or relabel boxes and sections? Tell them — or better yet, show them. Take a walk with them on the sales floor or in the stockroom so they can familiarize themselves with everything. This will make the task of actually counting and reconciling much easier.



08

Prepare food and drinks for your staff.

Water, sodas, and a few boxes of pizza will go a long way in keeping your employees happy and efficient.

Physically counting inventory is a tedious process, so you want your team to stay on top of their game. Keeping them well-fed and watered helps them do just that.

09

After the count, pay attention to the numbers.

Finished counting and reconciling your inventory? Generate reports so you can analyze the data and see what you can do to improve your business.

What exactly should you do with these reports? Here are a few suggestions:

Pinpoint high-risk zones. Use your inventory reports to identify high-risk zones or regions in your store(s). Tell your staff about these areas, and figure out how you can minimize losses in those regions.

Compare multiple completed inventory count reports. Once you've completed multiple counts over a period of time, examine those reports so you can spot patterns. This will help you figure out why losses or discrepancies are taking place so you can take preventive action for the future.



Bottom Line.

Smooth and painless stocktakes don't happen by accident. Details are planned well in advance, and the products, materials, and tools you'll be using are prepared beforehand. If you intend to do physical inventory counts anytime soon, complete the tasks we talked about above. Doing so will make your life so much easier!

About Vend

Vend is a cloud-based retail software platform that enables retailers to accept payments, manage their inventories, reward customer loyalty and garner insights into their business in real time. Vend is simple to set up, works with a wide range of point of sale devices and operates on any web-capable device with a browser.

Whether it's simplifying the inventory process, cutting 30 minutes from their end-of-day bookkeeping or making it simpler for them to sell their products on multiple channels, Vend's mission is to make retailers' lives easier.

With Vend, retailers are able to focus less on transaction and inventory concerns and more on creating that relationship with their customers. Vend aims to empower merchants by putting the right data and tools into retailers' hands and enabling them to do things themselves – and succeed.



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