

# 10 rules for ordering and stock control

- 1. Order from your suppliers on a regular monthly cycle**
- Make a list of the regular suppliers you will order direct from every month (keep this list as small as possible)
  - Schedule regular supplier orders into week 1,2,3, or 4 each month – display this timetable on the wall in your office or inward goods area
  - Don't place orders when reps call – stick to your monthly schedule

- 2. Order 60 days stock** (order everything – to 60 days cover)
- If 60 days order is too big - then order 45 days cover every 2 weeks
  - Don't order more than 60 days stock to get a discount – unless the discount is large (e.g. at least 25%)
  - Delay a very small order unless it reaches a satisfactory minimum e.g. \$100

- 3. Check Out-of-Stocks weekly**
- Never be out-of-stock of best-selling products!
  - Place an additional order with a supplier when any product in the Top 100 best sellers is Out-of-Stock

- 4. Have a foolproof system for Special Orders for customers**
- Advise the customer how long until the next order for that supplier (from the 4 week ordering timetable)
  - If the customer wants their special order urgently or a special order from a non-regular supplier charge a Special Order Fee (say \$7-50? – or \$12-50 if they want it posted?)
  - Record customer contact details and give them a copy of the Special Order for confirmation
  - Ensure Special Orders are placed within 24 hours or added to the next regular order and customers are notified when goods arrive. Ensure all staff know where to locate Special Orders and how to do them!
  - Police the Special Order system strictly!

- 5. Check and correct the stock levels in your POS** every time you create an order
- Print out the Computer - suggested order and check stock levels (correct any differences immediately)
  - Also – Check and correct any products on the Negative Stock On Hand report every week

- 6. Receive the order and match the cost prices** in your POS system to the invoice costs
- Adjust any quantities not delivered – enter back ordered products as new orders in your POS system if applicable
  - When notified of price increases – recalculate your retail prices and adjust the price stickers on shelves or on existing stickered stock

- 7. Decide on any Promotional Pricing or Specials**
- Discounts received from suppliers **should not always** be passed on to customers as lower prices
  - Only lower the retail price if the product is on promotion to generate increased sales volume
  - If you lower the price – the only way to increase sales is to advertise the price reduction with **signage** instore

- 8. Display all of the incoming stock in the shop** (NOT the store room)
- Increase shelf facings for best sellers (A good guide is that facings should equal 1 month's sales)

- 9. Use the agreed system before adding new products** or ranges
- Add new products into the appropriate Sub-Category and Category (Toniq = Departments and Groups)
  - Clear ranges that fail as early as possible – don't keep the unsold products on your shelf
  - Don't carry a product unless you sell 6 per year (you may make some exceptions)

- 10. Mark discontinued and Dead products as "Don't Re-Order"**
- Discontinue and clear anything that hasn't sold in 6 months
  - Zero the SOH and in your POS system
  - Remove discontinued stock from the shelf and re-merchandise the good sellers to fill the space
  - Clear stock on a "Sale" code (e.g. 30% off initially, then 50% off if unsold)