



Inventory Management Assessment

Inventory represents one of the largest expenses for many small and mid-sized enterprises (SMEs). Balancing accurate inventory management with cost-effective production is crucial for delivering on promise and keeping customer satisfaction high.

In order to improve on-time delivery and reduce shortages without maintaining surplus inventory, businesses need an efficient enterprise resource planning (ERP) solution to manage inventory accurately across multiple warehouses and locations. If you're unsure if you need a new inventory management solution, complete the following Inventory Management Assessment to find out.

To complete the Inventory Management Assessment, select the number that best corresponds to your level of agreement with the following statements.

1 | My company has to manually locate and count inventory to verify quantity on hand.

- 1
disagree
- 2
slightly disagree
- 3
neutral
- 4
slightly agree
- 5
agree

2 | My company's warehouse and accounting department are unable to synchronize goods receipts and inventory warehouse levels.

- 1
disagree
- 2
slightly disagree
- 3
neutral
- 4
slightly agree
- 5
agree

3 | I manually record goods receipts and stock transfers between warehouses.

- 1
disagree
- 2
slightly disagree
- 3
neutral
- 4
slightly agree
- 5
agree

4 | My current system's interface doesn't provide a user-friendly way to view or maintain account balances or purchase analyses.

- 1
disagree
- 2
slightly disagree
- 3
neutral
- 4
slightly agree
- 5
agree

5 | My company's current system doesn't make invoicing, cancellations, and credit memos with a PO reference easy to carry out.

- 1
disagree
- 2
slightly disagree
- 3
neutral
- 4
slightly agree
- 5
agree

6 | My current inventory management solution doesn't have a clear product development road map for the features I need.

- 1
disagree
- 2
slightly disagree
- 3
neutral
- 4
slightly agree
- 5
agree

7 | My company doesn't have the ability to easily view documents trails for audit purposes or manage returns, additional expenses, or multiple currencies.

- 1
disagree
- 2
slightly disagree
- 3
neutral
- 4
slightly agree
- 5
agree

8 | My company needs to frequently make inventory adjustments but do not have an automated procedure to carry out this operation.

- 1
disagree
- 2
slightly disagree
- 3
neutral
- 4
slightly agree
- 5
agree

9 | My inventory management system isn't connected with accounting. Creating purchase requests, POs, goods receipts is a manual operation.

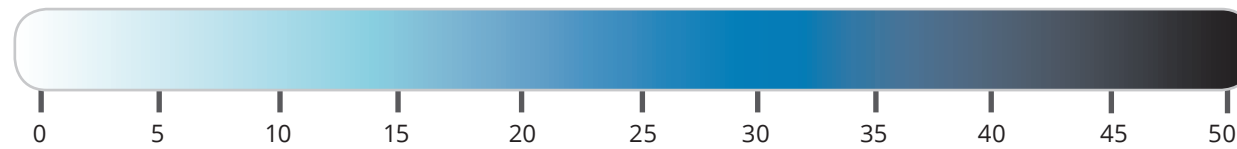
- 1
disagree
- 2
slightly disagree
- 3
neutral
- 4
slightly agree
- 5
agree

10 | My company's current inventory management system makes it difficult to deliver accurate, real-time inventory reporting when I need it.

- 1
disagree
- 2
slightly disagree
- 3
neutral
- 4
slightly agree
- 5
agree

How to Obtain Your Score

Add up the numbers you selected for each of the previous statements to obtain your inventory management score. Next, identify the range where your score falls on the following scale.



Effective inventory management requires a single view of your business to help you stay in control. Having the right system in place your business will help you drive profitable growth. See how your current system ranks and what options are available to improve your inventory management.

What does my inventory management score mean?

If you scored between 1-14

Your inventory management system is presently able to support your business needs. However, as your business continues to grow, it's important to be aware of your system's limitations and what signs to look for when you start to outgrow its functionality. Consider if your current systems will be able to manage larger volumes of stock, customer orders, and shipments as you continue to grow and potentially add more locations.

Also, consider how easy is it to access business data from the system. Can it provide you with accurate and real-time reporting? If you are anticipating fast growth in the future, you may want to consider evaluating an ERP solution for greater visibility across your entire business.

If you scored between 15-34

You are experiencing efficiency pains but with a little more control and functionality, your warehouse could be running better. Your current systems may be able to keep up but it comes with additional manual upkeep. In the long run your ability to share inventory data, track stock turnover, or maintain visibility across your business may be compromised. If you are losing time, money, and business due to a lack of efficiency with your current inventory management system, now is the time to consider moving to a new solution.

With an ERP system, you can connect your inventory management with the other business functions including finance, human resources, sales and marketing, and logistics for a more streamlined operation. For example, an ERP system gives you the ability to track stock turnover automatically while you maintain control of what merchandise comes in, and from which invoice or lot number. With better reporting you would have all the tools to forecast demand to prevent overstocking.

If you scored between 35-50

Your inventory management system is creating a bottle neck that is preventing your business from growing. Using disparate applications to keep track of your accounting and inventory processes means the chance for manual data entry error increases. This leads to communication challenges with your business' accounting due to information silos.

It is at this stage of growth, that businesses should be evaluating ERP solutions on the market and an ERP partner to assist them with the implementation of their chosen software. By integrating your inventory management with other business functions gives you the ability to perform cycle counts on specific areas of the warehouse without disturbing day-to-day operations. Now's the time to move to an ERP solution that will help you reduce inventory costs, planning time, and back-orders.



Contact a Vision33 ERP consultant today.

If you'd like to discuss the results of your inventory management assessment with a qualified ERP consultant, contact a Vision33 consultant today at contact@vision33.com.

About Vision33

Offering something more than your typical enterprise resource planning (ERP) solutions partner, Vision33 is a business process implementer that helps challenge your business processes to improve efficiency and attain your goals for growth and success. Vision33 works with fast growth companies from small and mid-sized enterprises (SMEs) to large enterprise subsidiaries.

