



Professional Proficient Precise

7 Benefits of Maintaining an Accurate Inventory

This is a checklist provided by Cross Docks Australia that can be useful to your business to identify the benefits of maintaining an accurate inventory of your stock. Below are seven key areas in which maintaining an accurate inventory can help to benefit your business.

1. Knowledge of Stock Quantities

- At any point in time you can be aware of the physical quantities of the stock in your warehouse. This adds to the overall control and management of your business.
- Avoid problems of over-selling units to a customer and finding you do not have the physical quantities in stock to be able to fulfil the order.

2. Efficient stocktake process

- If you have maintained the inventory throughout the year you will have eliminated a majority of the clerical errors meaning less mistakes to correct come stocktake.

3. Good customer service

- You can ensure your customer's orders are being shipped correctly.
- You can respond to customer complaints and identify if and where errors have occurred to further improve your efficiency.

4. Efficient re-ordering process

- A detailed knowledge of your inventory quantities means you can ensure you always have the correct amount of stock on hand.
- You will avoid the distraction of having to recount physical quantities or check with your sales managers to know how much stock needs to be reordered.

5. Minimize stock theft

- While this is an unfortunate thing, it is also a reality.
- If your staff know that the business maintains an accurate inventory and that it is kept up to date, it is a great incentive not to steal stock because any variances will be detected quickly.
- It is perhaps more of a psychological deterrent but nonetheless a powerful one.

6. Maintain control

- Make sure that all record keeping along the way is kept auditable.
- Mistakes can be isolated and easily corrected if stocktake has been accurately recorded.
- It acts as a safety net to avoid a complicated recount to find the mistakes.

7. Analyse variances

- Analyse any variances from the host system to the physical count.
- Helps determine if mistakes were made or whether there has been loss off stock.
- For the current stocktake you can identify and correct any mistakes.
- For future reference you can tighten procedures to reduce loss of stock through stealing or breakage and discover ways that stocktake can be improved in the future.