



## The Best Practices for Managing Your E-Commerce Inventory

There are a ton of moving parts in an e-commerce business, but one of the most important is without question, the inventory. Much more than just a concept pertaining to supply and demand, your company's inventory is one of the first major investments made and requires a full-scale management system in order to run successfully.

Tired of having an overstocked warehouse? Can't understand why your business is losing money on supply? Feeling confused about the marketplace and the needs of your customers?

You need better inventory management practices and ShippingTree can help! Features like real-time inventory updates, order fulfillment tracking and robust monthly reports aim to make the confusing, clear.

The most effective inventory management practices are ones that include detailed organization, prioritization of products, and accurate forecasting methods. Too much supply or too little is a major no-no (and can really hurt your business financially), but with better understanding and today's variety of tools you can kiss those overstocked days goodbye.



# An Organization System is the KEY

It pretty much goes without saying that if you're running a business you've got to stay organized, but not every company has a detailed system in place. Larger brands with a ton of inventory often opt for barcode applications that do most of the leg work for them, but small and medium sized businesses can use even the most basic of methods to help from falling into chaos.

A visual representation of your stock (think: laying out your warehouse in a way that prioritizes products) is a free and easy solution to the organization problem. ShippingTree warehouses are both secure and efficient, offering tools that help you see what's in stock so that you know what you can sell – and perhaps more importantly what you can't!



## Prioritize Those Products: Core and Non-Core

Separating your stock into two distinct categories – core and non-core - is a basic rule of thumb for all e-retailers. But how do you make the distinction?

Core products are the pieces that you never want to run short on or out of while non-core applies to basically everything else in your inventory.

When organizing products according to their demand in the marketplace you make it much easier to prioritize supply replenishment, and not only that, you also help guarantee that specific products are always readily available.

## Keep an Eye on Your Supply

Keeping on top of supply replenishment is fundamental in running a successful e-commerce company. Experts and e-retailers agree that if your store says the product is available, it should be!

Smaller businesses can get away with doing physical inventory counts once a week (read: some recommend that it's best to have the same person in charge of the count each time for maximum accuracy). But if that sounds too time consuming, or just not possible, there are plenty of software programs designed to assist with replenishment.

Either way, it is vital that you stay on top of your supply, as there's nothing more disappointing for customers than a store that's constantly out of stock.

# Accurate Forecasting

If you've found your business running into surplus stock issues, chances are your forecasting is off. Accurate forecasting allows you to stay on top of customer needs without killing your budgets on overstock.

## Be Able to Predict:

- The Products You Need
- When You'll Need Them
- Quantity

## How You Get There:

- Conduct Market Research
- Analyze Patterns in Demand
- Understand Stock Levels

## Conclusion

Keeping customers happy, and your business' bottom line even happier, smart inventory management practices are essential for an e-commerce company's success.

Cloud-based software like ShippingTree aims to make the inventory management process easier through a variety of tools benefitting both your business and your customer base. The ultimate goal for any management system is accuracy and consistency, and through tracking, real-time inventory

updates and cost-effective shipping methods, ShippingTree offers that and then some.

## Sources

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