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Inventory Optimization Checklist

Use this step-by-step checklist to optimize your inventory, reduce carrying costs, improve order fulfillment, and maximize profitability. This framework aligns with best practices and can be directly applied using Yunefy's inventory management tools.

1. Data Accuracy & Visibility

☐ Ensure all SKUs are consistently named and categorized.

☐ Automate real-time inventory tracking across all channels.

☐ Regularly reconcile physical stock with system records.

2. Demand Forecasting

☐ Leverage historical sales and seasonality for accurate forecasts.

☐ Incorporate promotions, market trends, and external factors into forecasting.

☐ Review and adjust forecasts monthly or quarterly.

3. Segmentation & Prioritization

☐ Apply ABC analysis to classify items by value contribution.

☐ Use XYZ analysis to classify items by demand variability.

☐ Focus attention on high-value, high-variability SKUs first.

4. Replenishment & Safety Stock

☐ Define reorder points based on lead times and demand variability.

☐ Set safety stock levels to balance service levels and carrying costs.

☐ Automate purchase orders for fast-moving items.

5. Warehouse Optimization

☐ Organize layout by demand frequency and SKU velocity.

□ Implement cycle counting for ongoing accuracy.

□ Use barcoding/RFID for faster picking and fewer errors.

6. Supplier & Lead Time Management

□ Track supplier reliability and average lead times.

□ Negotiate flexible contracts for critical SKUs.

□ Diversify suppliers for risk management.

7. Performance Monitoring

□ Track KPIs such as fill rate, stockout rate, and carrying costs.

□ Benchmark against industry standards regularly.

□ Use dashboards to visualize trends and take action quickly.

8. Continuous Improvement

□ Schedule quarterly inventory audits and reviews.

□ Encourage cross-team collaboration between sales, operations, and procurement.

□ Leverage technology (AI/ML) to enhance optimization efforts.