

RETAIL MASTERY SYSTEM

The Essential WhizBang! Guide to

INVENTORY MANAGEMENT



461824 782504

A large, faint barcode is positioned at the bottom of the page, oriented vertically. The numbers '461824' are printed above the barcode, and '782504' is printed below it.

Table of Contents

Introduction	4
How to Use This Kit	4
Why Bother With Inventory Management?.....	5
Goal: Maximum Money, Ideal Inventory	6
A Quick Overview of “Open to Buy” Planning.....	7
A Glossary of Terms & Commonly Used Calculations.....	9
Point of Sale Software: A Critical Business Tool	11
Buy Based On Past Statistics	15
Your Roadmap for the Future Starts by Looking at the Past	15
Do It: Gather Last Year’s Sales Statistics.....	16
Evaluate Your Department Structure.....	18
Five Tips for a Great Department Structure.....	18
Sample Department Structures	23
Plan Your Annual Sales.....	29
Two Ways to Plan Sales	29
Do It: Plan Your Annual Sales.....	30
Plan Your Markdowns.....	35
Markdowns Defined	35
Do It: Plan Your Markdowns	36
Determine Your Turnover Rate & Average Stock.....	39
What’s the Right Turn for Your Store?	40
Do It: Plan Your Target Turnover and Average Stock	41
Plan Your Ideal Beginning of Month Stock Levels	45
Do It: Plan Your Beginning of Month Stock Levels	46
Adjusting Your Stock Plan.....	48

Build Your Annual Open to Buy Plan.....	51
Do It: Calculate Your Open to Buy	51
FAQs – Adjusting Your Open to Buy Plan	54
Develop an Interim Plan.....	57
The Roadmap from Your Current Reality to Your Ideal Stock Position.....	57
Do It: Develop an Interim Plan	60
Using Your Open to Buy Plan – Take Action Monthly....	62
Do It: Use the Monthly Projections Worksheet	62
Take Action to Stay at Your Ideal Stock Level.....	67
Making adjustments to increase stock levels.....	68
Making purchase order adjustments to lower stock.....	68
Taking markdowns to lower stock	69
Making adjustments to increase sales.....	71
Open to Buy Wrap-Up	77
Take A WhizBang! Physical Inventory.....	78
Methods for Taking Physical Inventory.....	78
How to Take a WhizBang! Physical Inventory:	80
Compiling the Inventory Results.....	87
Inventory Timeline and Checklist	89
Analyzing Your Shortage Results.....	93
Gold Star Game Plan	96