



Retail
Management
Solutions

After

P R E S E N T S

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Inventory Turns



Calculation

Turns = Cost of Good Sold ÷ Average Inventory Cost



Measures the number of times you sell through your inventory during the year



Example: If your Sales are \$500,000 and your Cost of Sales are \$300,000 and your Average Inventory is \$150,000 then your

Turns = \$300,000 ÷ \$150,000 = 2

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Review

Gross Profit Return on Investment (GPROI)



Calculation

$GPROI = \text{Gross Profit} \div \text{Average Inventory Cost}$



Measures the amount returned on every dollar invested in inventory



Example if GPROI = 300% it means that for every dollar invested in inventory the return is \$3.00

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Review

Inventory Control Types



Average Inventory Cost



Basic

- Uses Average Cost to Calculate Current Value
- Allows Negative On-Hand Quantity



Advanced

- Uses FIFO to Calculate Current Value
- Does Not Allow Negative On-Hand Quantity
- Uses Holding Tank

Inventory Control Setup



For Both Basic & Advanced

- Start with FLC
- Set at item level in Product Manager under Sale Parameters
 - Use Block Editing

Inventory Control Tools



For Both Basic & Advanced

- Data Anomaly Feature in Product Manager
- Android Application for Counting



Basic

- Report: Low Stock Report
- Report: Data Anomaly Report



Advanced

- Holding Tank