



# Improving Supply and Stock Management in the Retail Sector

## Mandate

At the first meeting, Benjo, a major toy retailer, mentioned several organizational features that it wished to improve, including:

- Distribution operations planning;
- [Inventory management](#);
- [Procurement](#);
- Receiving;
- Warehouse layout;
- Positioning of stock in the store;
- Implementation of [management indicators](#);
- Support for operational supervision.

To support it on its road to improvement, the company wanted to enlist SIM's services for a structured approach that would allow prioritization of activities in optimizing the use of human and material resources. The objective was to promote an increase in company profitability and to structure its operations.

## Solutions implemented

- Review of the procurement, receiving, and inventory management processes

The first step was to study the procurement, receipt of goods and inventory management processes and assess the strengths and weaknesses of the resources involved. In this step we also defined the corporate objectives in order to establish which indicators should be developed to measure the progress of the organization. Companies usually evaluate themselves according to three components: revenues (study of customers and representatives), stock turnover (inventory management) and costs. These corporate objectives were then clearly defined for each area of the organization.

- Development of a procurement process and cash flow maximization

The second step was to develop the procurement process to measure inventory turnover and maximize cash flow use. We implemented the tools necessary to measure supply costs, return management and waste management. Purchase orders were linked to production costs and the planning table to facilitate tracking of each production order. Those responsible for purchasing received training and coaching during the development of the process and at the end of the project.

[Coaching](#) has enabled the staff to improve, to better manage their time, and to be proactive rather

than reactive.