Retailers Save the Sale with Detailed, Real-Time Inventory Data

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Omni-channel operations and empowered consumers raise the value of advanced inventory management solutions

It's always been advantageous for retailers to know precisely where their inventory is, at any given moment of any given day. Beyond the simple operational benefits accruing from such accuracy, possessing granular, real-time, enterprise-wide inventory information has long been crucial to saving "lost" sales and avoiding unnecessary markdowns.

However, what was once a competitive advantage has become, in today's age of omni-channel operations and empowered customers, a basic business necessity. The good news is that meeting this requirement can confer numerous benefits on retailers and their customers. This shift has raised the value of advanced inventory management solutions, such as Oracle Retail Store Inventory Management, which are capable of keeping meticulous track of items both within an individual store and throughout a far-flung retail enterprise.

Drawing Shoppers into Stores

Numerous studies have confirmed a common-sense conclusion: when a retailer can provide a customer with reliable, real-time information about what items are currently in-stock in a brick-and-mortar store, that customer is more likely to visit the store – and hopefully purchase the item and potentially others. This is an extension of another proven proposition, namely that consumers who interact with retailers via multiple channels are likely to spend more with those retailers.

Sounds simple, doesn't it? But every retailer operating in the real world knows that it's anything but. For one thing, it's not simply a matter of tracking and publishing in-store inventories on-demand (though that's no mean feat in and of itself). To satisfy today's shopper, retailers need to know that if an item isn't in-stock in one store, it can be found in another store; or at a distribution center; or can be ordered directly from the manufacturer. Once that information is ascertained, the retailer needs to know how long it will take for the item to be shipped to the initial store, or to the customer's home, or whether the item can be successfully reserved for pickup by the customer at a different store.

This dizzying array of SKU-level inventory data needs to be consistently refreshed and updated, in as near to real-time as possible, in order to meet the requirements of today's customers. But even when the focus is brought down to the level of an individual store, achieving true inventory accuracy remains a daunting task. Every activity that has any impact on item count and availability must be factored in, including:

• Receiving processes

• Inter-store transfers

• Adjustments

• Counting processes

• Item damage

• Items reserved for sale, i.e. for fulfillment of online orders

With over 35 years of experience in the retail domain, Michael Colpitts has a broad experience base focused entirely within the retail space. From store and headquarters management to retail solutions product development management, Michael has hands-on experience in all areas of the software development lifecycle, from the definition of strategic direction, software design and programming, quality assurance, and release maintenance through solution implementation and execution. In his current role as a member of the Oracle Retail Solutions Management team, Michael is responsible for business development and the delivery and execution of internal and external communication and training of solution messaging.

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The Oracle Store Inventory Management solution reflects the complex reality of today's inventory requirements, for example by creating separate listings for on-shelf stock and backroom inventory. The solution can also create sub-groups within a product's inventory: for example, of the 25 items currently in the store, the system can identify which are on reserve; damaged and awaiting return to the DC or vendor; in an opened box and therefore subject to a markdown, etc.

Raising Confidence Levels

But technology, while vital to today's demanding inventory management requirements, is only part of the solution. Once an inventory management system is in place, retailers need to instill a sense of confidence in the data's accuracy, particularly among front-line store associates. When a customer in line at the point-of-service asks whether the item she wants is available in her size (but in blue, not red) at the store across town, the cashier needs to be assured that it is indeed in-stock there when she sees this information on her POS display.

Without a sense of confidence in this data, the associate might be tempted to make a confirming phone call to the other store before giving the customer the information she needs. But this is highly impractical when other customers are waiting in line to pay for their purchases. Simply put, any inventory management solution that isn't accompanied by data confidence will not be flexible or scalable enough to meet a modern retailer's needs.

The Oracle SIM solution is capable of providing this enhanced confidence level, and of delivering the data to precisely those who need it the most. The powerful application is accessible via handheld devices, providing store associates with the up-to-the-minute inventory data they require.

The solution's extension to smart technology also makes it easier to bring fresh data into the system, allowing barcode, carton, and pallet scanning to contribute to the retailer's ever-changing store of knowledge about what products are where, and in what quantities. And with fresh, reliable data comes the confidence needed to operate successfully in a customer-empowered marketplace.

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