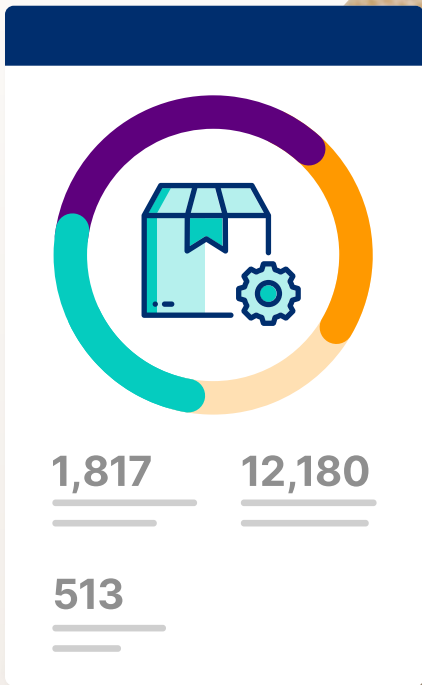




The Ultimate Guide to Multichannel Inventory Management



The Ultimate Guide to Multichannel Inventory Management

Understanding how to efficiently and effectively manage inventory is key for a growing business. And while you may consider yourself an expert in inventory management processes, the best solution is typically to invest in software that allows you not to have to manage your inventory at all.

Inventory and manufacturing waste account for an annual loss of **\$163 billion** in revenue worldwide – largely due to human error. The effects are felt at every level, as businesses lose an average of \$1.1 trillion each year from inventory distortion, with 14% of small business owners citing cash flow as a primary concern.



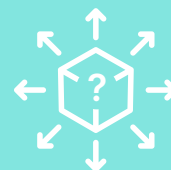
\$163 Billion
USD

ANNUAL LOSS
worldwide from inventory & manufacturing waste



\$1.1 Trillion
USD

ANNUAL LOSS
worldwide from inventory distortion



With human error looming at the forefront of these significant losses, it's key for small businesses and multichannel sellers to find ways to reduce error and create leaner, more efficient processes.

Multichannel inventory management involves tracking, managing, and fulfilling orders across multiple channels. When you manage multiple channels, like your own eCommerce marketplace, Amazon, retailers, and more, it's imperative to have [inventory management software](#) to keep track of all your processes.

With a comprehensive IMS, you're able to:

- › Reduce time spent managing inventory
- › Eliminate human error when it comes to [inventory management](#)
- › Make more informed inventory decisions
- › Scale and add sales channels easily

For product sellers who rely on multiple channels, inventory management can help you keep all your processes in one single source of truth, so you don't have to juggle spreadsheets and varying systems.

However, it is important to know some of the ins and outs of inventory management in order to get the absolute most out of your software solution. In this eBook, we'll cover everything from the basics of inventory management to real-world case studies of small businesses benefitting from Cin7's inventory management software solution.



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Section 1:

Inventory basics

What is inventory management?

At its core, inventory management is the systematic process of ordering, counting, storing, and tracking product supply. An inventory management system describes the processes and tools businesses use (both physical and digital) to track, record, and analyze inventory movements and sales performance across the supply chain.

An inventory management system doesn't necessarily mean software. An inventory management system can be one, or more, spreadsheets you use to track stock. If you're a small product seller who only uses a single channel, a spreadsheet may work for you in the short term; however, multichannel inventory management requires a scalable system.



Cin7 Core and **Cin7 Omni** are examples of cloud-based inventory management software (IMS) solutions that deliver Connected Inventory Performance by creating a real-time picture of everything you make and sell, everywhere you need it – across systems, channels, marketplaces and regions.



Connected Inventory Performance is an evolved form of inventory management software (IMS) that allows businesses to tailor their inventory experience based on how and where they sell.

Section 1: Inventory Basics

What is multichannel inventory management?

Multichannel inventory management describes the process of managing stock from various sources, like:

- › Online marketplaces
- › Brick-and-mortar locations
- › Wholesale

Since you're dealing with a variety of different channels, you need to track different data and different product information, which can be overwhelming if you're just using spreadsheets.

When it comes to multichannel inventory management, it's crucial to find software that allows you to visualize stock information in a centralized dashboard.

Why is inventory management important?

If you want to grow your business, you need a lot of inventory. If you have a lot of inventory, then you need inventory management.

You must have enough inventory to run a successful product-focused business with satisfied customers and meet market demand. Therefore, systematic and transparent inventory management is critical to a business's bottom line. For instance, it costs money to store inventory, so inventory managers or other stakeholders try to determine the minimum space required to store the appropriate amount of inventory.

Businesses will use many metrics to determine whether they're managing inventory well. One of these metrics is the [inventory turnover ratio](#). Generally, the higher the ratio, the better it is for the company because it means that inventory isn't sitting idle on warehouse shelves, where it doesn't make money. (In fact, it costs money.) A good inventory turnover ratio indicates that it is being used in production or sold.



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Automated inventory management software will help you optimize your inventory turnover ratio and make smarter reordering decisions.

Inventory Types

Inventory management can be complex because there are various types of inventory that small businesses have to account for.

The 9 types of inventory

| | | |
|---|--|---|
|  | RAW MATERIALS | Materials or purchased parts that make up finished products |
|  | WORK-IN-PROGRESS GOODS | Partially completed goods in the process of becoming finished goods |
|  | FINISHED GOODS | The final product manufactured by the industries or companies that is ready to be sold by wholesalers, retailers, etc |
|  | TRANSIT INVENTORY | Inventory that is in transit from the manufacturer to the retailer/wholesaler shop (aka pipeline inventory) |
|  | SAFETY STOCK | Extra inventory that protects against uncertainties in demand, lead time, and supply variations |
|  | ANTICIPATION INVENTORY | Stock that is set aside and used to absorb uneven consumer demand during a certain period |
|  | DECOUPLING INVENTORY | Extra raw materials or WIP goods that are set aside to avoid production interruptions |
|  | CYCLE INVENTORY | The portion of total inventory that is constantly turned over and replaced with new stock (the minimum stock needed to maintain quotas) |
|  | MAINTENANCE, REPAIR, AND OPERATIONS (MRO) INVENTORY | The products that support the production process of the finished goods, such as lubricants, screws and ball bearings, gloves, packing materials, etc. |

Inventory management vs. Connected Inventory Performance

With 67% of small businesses using spreadsheets for inventory tracking, it's no surprise that inventory inefficiency is an alarming problem. By transitioning to a Connected Inventory Performance model, businesses can obtain a clear picture of inventory levels to reduce inefficiency and improve flow.

Connected Inventory Performance is comprised of five key components:

- › Automation
- › Inventory visibility
- › Traceability
- › Integrations with hundreds of applications
- › Insights

Whether you need more connection between inventory lifecycle stages or sales channels, you'll find frictionless inventory flow with Connected Inventory Performance unmatched by any other traditional IMS. Connected Inventory Performance also comes equipped with a suite of features not included in traditional IMS, such as:

- › Warehouse management system (WMS)
- › Built-in point of sale (POS)
- › Built-in EDI
- › Reporting

With all these features included in your inventory management software, it's much easier to visualize how all your processes connect.



So, what does Connected Inventory Performance mean?

Connected Inventory Performance

is an evolved form of inventory management software that allows businesses to tailor their inventory experience based on how and where they sell. Gone are the days of managing the management software. Connected Inventory Performance allows you to get your product into more hands and spend less time on nuances.

Connected Inventory Performance vs. traditional IMS

Connected Inventory Performance

- ✓ FLEXIBLE
- ✓ 700+ INTEGRATIONS
- ✓ CLEAR VISIBILITY
- ✓ 360° COHERENCE
- ✓ FAST TIME-TO-VALUE
- ✓ PROVIDES ONE SOURCE OF TRUTH
- ✓ INCREASED SALES EFFICIENCY

Inventory Management Software

- MANUAL OVERLOAD
- CASH FLOW WASTE
- LOW VISIBILITY
- OVERWHELMING AMOUNTS OF AMBIGUOUS DATA
- POOR CUSTOMER EXPERIENCE

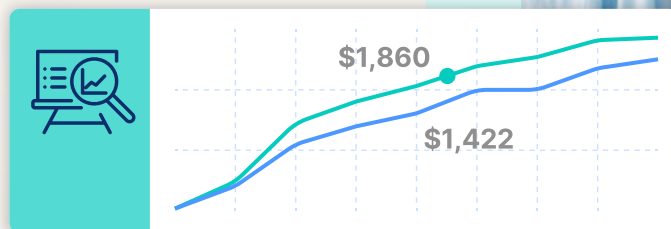
Section 2:

Inventory management software: What is it and why do small businesses need it?

What is inventory management software?

Inventory management software is a tool that provides visibility into your stock levels, gives you a way to order more items when needed, can connect you to additional sales channels, and lets you automate different parts of the inventory management process.

The software works by tracking your inventory levels so you can see your stock's status at any point in time. Most providers also include features that help streamline inventory management activities, such as **procurement** and production, reporting, forecasting, selling, and order fulfillment.



Section 2: Inventory management software: What is it and why do small businesses need it?

Benefits of inventory management software

If you want to set up your business to scale, you need to think beyond the basics of inventory management and toward Connected Inventory Performance.

Connected Inventory performance includes everything within management, but goes further to leverage automation, visibility, and data-based insights to give you a strategic advantage.

Let's explore the [benefits of inventory management software](#).

1. ENABLES ACCESS TO REAL-TIME DATA

With the right software, you can take the guesswork out of inventory tracking. Real-time visibility means you always know what items are available and where they are, ensuring your product availability information is always accurate and up-to-date to reduce issues like unfulfilled customer orders.



 **CIN7**
TIP

Cin7 [Core](#) and [Omni](#) provide real-time inventory levels across all sales channels, including stock levels for commerce platforms like Shopify and Marketplaces like Amazon. Additionally, you can get in-depth sales reports that track stock movements, so you know where your products are at all times.

2. REDUCES MANUAL ERRORS

Manual inventory tracking can be subject to mistakes, but you'll get the correct numbers every time with reliable software. That will save you time and money since you won't have to allocate resources to undo these mistakes.

3. IMPROVES EFFICIENCY

By implementing inventory management software, your business will become exponentially more efficient. You'll have near-immediate access to your numbers, simplifying the process of ordering new inventory.

You'll spend less time preparing for vendor meetings, as your figures will all be in one convenient place. You'll also be able to fulfill orders more quickly and easily, improving customer relationships.

Section 2: Inventory management software: What is it and why do small businesses need it?

4. PROVIDES BETTER SALES TRACKING AND FORECASTING

You need to be able to evaluate what's happening to your products quickly. What's selling and what's not? What's in demand during certain times of the year?

Inventory management software makes it easy to track these trends and order products accordingly. Over time, you can use this information to improve [demand and sales forecasts](#) and better predict how much stock you'll need to support each channel at certain times during the year.

5. SUPPORTS RELATIONSHIPS

Two of the most important business relationships are those with your customers and vendors. Using inventory management software can solidify both of these vital partnerships.

It means shoppers have access to accurate product availability information. Consistently delivering a positive customer experience enhances your brand's value and creates more customer loyalty.

When it comes to suppliers, inventory management software gives you full access to your numbers when dealing with existing or potential vendors so you can approach deals confidently.

6. ENABLES SCALING

Automating your inventory system makes growing your business and increasing revenues possible without piling on more manual work for your team. Since the software handles tasks like asset tracking and inventory data management, you can scale with fewer complications.

You can use features like stock alerts and [reorder points](#) to notify your team when it's time to procure more inventory. This way, you're not checking inventory levels every day, and you can still avoid issues like stockouts.

Additionally, integrations with eCommerce marketplaces and built-in EDI allow small businesses to easily add new sales channels. Inventory management software helps multichannel sellers quickly reach new customers.

7. REDUCES COSTS

When your stock levels aren't optimized, you pay the price, whether it's costs associated with storing [deadstock](#) or loss of customers from incorrect availability information.

You can avoid that type of spending with software that gives you real-time visibility into your stock levels so you can replenish items at the right times.

Benefits for small businesses

Effective inventory handling touches all other elements of your business, from the customer experience to your finances.

As a small business, inventory management starts as an intuitive process – counting and tracking – but can devolve into a challenge as operations become more complex. Savvy SMBs should work to stay one or two steps ahead of any budding issues to fully capitalize on high-growth phases.

Small businesses that have successfully scaled up their operations may be managing raw materials,

semi-finished parts, and ready-to-ship products or managing inventory across multiple locations. As these challenges grow, it is time to dig deeper into [inventory management solutions for small businesses](#). While it may take months to overcome these challenges with spreadsheets, you can do it instantly with software.

In the next section, we'll cover some key inventory management features that can help small businesses achieve inventory flow and grow with ease.

Section 3:

Inventory management software features

The perks mentioned above won't do you any good if your inventory management software features aren't up to par. Some consequences of choosing the wrong software and experiencing inventory inefficiency include:

- › Manual overload
- › High error rates
- › Cash flow waste
- › Painful growth
- › Low visibility
- › Poor customer experience

Inventory management software streamlines processes with these important features:

1. INVENTORY TRACKING

Your inventory management software should help you purchase, store, and track all the items you keep in stock.

Look for features like **barcode scanning**, which eliminates the need for manual inventory tracking and gives you real-time insights into your inventory levels. Not to mention, you'll be able to locate your items wherever they are and keep track of shipping, receiving, and transfers.



Section 3: Inventory management software features

2. SUPPLIER MANAGEMENT

Managing multiple vendors can be challenging, especially if your business is growing. Choosing an inventory management software that helps you organize your suppliers' information can reduce manual errors and make purchasing more efficient.

At the very least, you want to be able to store each supplier's contact and billing information in one place. Additional supplier management features include auto-fill for purchase orders and purchase histories for each supplier.

3. POS AND ECOMMERCE INTEGRATION

If you have multiple sales channels, your inventory management software must integrate with them. Specifically, look for software that integrates with your e-commerce provider and POS systems.

By connecting these systems, all your inventory data is centralized, ensuring a faster customer checkout experience. Cin7 comes equipped with **POS technology** that integrates seamlessly with your inventory management system and lets you sell from anywhere.

4. BUILT-IN EDI

For multichannel sellers, an **EDI platform** is critical for reaching new customers. For instance, if you're selling to a large retailer, you'll need to connect with their inventory management system. That's where an EDI comes in.

Cin7 offers integrations to big-box retailers like Walmart as well as other retail chains like Sephora, Williams Sonoma, and Bass Pro Shops.

5. AUTOMATIONS

Features that automate low-stock alerts and reorder points can help you streamline purchasing and ensure you always have enough items to meet customer demand.

Look for software that generates reorder reports so you can place all your orders simultaneously with enough lead time. That way, you can ensure the new items arrive before you've sold out of your remaining stock.

Section 3: Inventory management software features

6. INVENTORY REPORTING

Cut down on manual data analysis by choosing software that automatically generates inventory reports – ideally, a combination of basic reports and customizable options.

For basic reports, key performance indicators (KPIs) should include:

- › Inventory turnover rate
- › Inventory forecasting
- › **Cost of goods sold**
- › Inventory value
- › Sales reports
- › Stock age
- › Usability

7. INTEGRATIONS

Being able to reach customers everywhere is a must for product sellers. The **best inventory management software** integrates with numerous sales channels so you can reach customers wherever they are.

You should also look to **integrate your accounting** and inventory management, as the two go hand in hand. Look for a solution with built-in accounting software integrations like Quickbooks and Xero to get one step closer to fully connecting your processes.

When introducing any new technology to your business, you want to choose intuitive and user-friendly software. It shouldn't be so complicated to learn or difficult to use that it creates more problems instead of solving them.

An additional integration to look for is **third-party logistics (3PL)**, which reduces shipping times and builds consumer loyalty over time.



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Be sure to compare providers based on their ease of use, customer support, and learning resources so you end up with a tool that's best for your team.

Section 4:

How to choose an inventory management solution

The best inventory management software can work wonders for your business – offering extensive features ranging from **built-in EDI capabilities** to barcode scanners, POS systems, and more.

When researching inventory software, it's important to consider the features that are most applicable to your industry, what makes the most sense for your business needs, and your company size (not just now but what your company will look like in 3 to 5 years as well).



Section 4: How to choose an inventory management solution

Retailers

The key to retail inventory management is maximizing sales while avoiding being out of stock or overstocking. So, the best inventory management software for retailers should have these core components:

- › **Inventory tracking:** As a retailer, you need to know when your inventory is moving through the supply chain. Ensure your software solution has real-time inventory tracking.
- › **Reorder points:** It's crucial to keep your shelves stocked. Make sure you select a solution that allows you to set reorder points so you're never left without inventory.
- › **Reporting:** The best retail inventory management software allows you to create customized reports on forecasting, profitability, and specific product sales.
- › **Sales channel integrations:** Look for a solution that integrates with many eCommerce channels, like Amazon, Shopify, eBay, and more.
- › **Point of sale (POS) systems and integrations:** Retailers should prioritize software with POS and integrations to reach customers wherever they are.



Section 4: How to choose an inventory management solution

Wholesalers

Fulfilling orders on time is paramount in wholesale inventory management, and the best inventory management software makes it simple for wholesalers to track orders and ensure processes go smoothly. Key features include:

- › **Forecasting:** Making data-driven decisions is crucial in wholesale inventory management. The best solutions record sales data and inventory levels so you can accurately forecast.
- › **Purchase order management:** For wholesalers, purchase order management is key to ensuring purchase data is always accurate and current.
- › **Serial number tracking:** You need to be able to track individual units from production to sale. Serial number tracking is the best way to accomplish this.
- › **3PL integrations:** Automated 3PL allows you to see all of your inventory across different stock locations in one centralized platform.
- › **Warehouse management:** Wholesalers can fully visualize their warehouse and stock locations through a built-in warehouse management system.

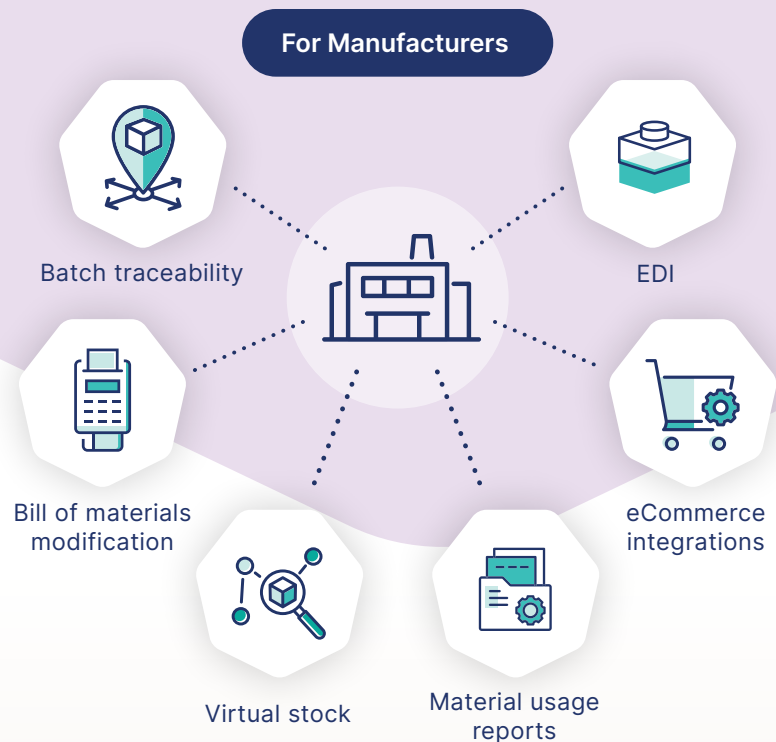


Section 4: How to choose an inventory management solution

Manufacturers

Manufacturers need an inventory management tool that will track assets from purchase to sale and allow visibility into the production process. The best software includes:

- › **Batch traceability:** Batch traceability allows you to monitor batches of goods you manufacture and distribute, allowing you to stay on top of quality control.
- › **Bill of materials (BOM) modification:** You'll likely need to modify your bill of materials (a list of components needed to manufacture a product) during the manufacturing process, so it's important to use a solution that can update BOM on the fly.
- › **Virtual stock:** Virtual warehouses can provide insight into inventory levels, demand changes, and more, allowing you to make more informed decisions.
- › **Material usage reports:** Material usage reports detail the goods used during an accounting period so you can control production costs.
- › **eCommerce integrations:** Prioritize eCommerce integrations to reach more customers.
- › **EDI:** Access to a built-in EDI is key for connecting to other inventory management systems.



**CIN7
TIP**

Cin7's robust software solutions work specifically for these industries and can be instrumental in achieving more efficiency in your processes.

Section 5:

How to level up your business with inventory management software

If you want to get the absolute most out of your inventory management software, it's helpful to have knowledge of inventory management best practices and proven inventory management techniques. Here's how you can leverage this knowledge to optimize your inventory processes.

1. UNDERSTAND INVENTORY CONTROL

Inventory control ensures a company has enough stock to meet inventory demand. While inventory management looks at inventory more holistically, inventory control focuses specifically on studying market demand and using insights to make informed decisions about the stock.

The primary objective of inventory control is to keep only the necessary units on hand without overspending or compromising customer satisfaction. But whether you're an online retailer or wholesaler or manage inventory throughout the supply chain, you're bound to run into some unique circumstances that require a tailored inventory control system.

You can avoid seasonal shortages or overstock through sound inventory control. Businesses are too often left unable to meet customer demand because they are unprepared to meet changing demand. With demand forecasting, however, you're prepared for expected and unexpected demand shifts.



Section 5: How to level up your business with inventory management software

2. LEVERAGE INVENTORY MANAGEMENT TECHNIQUES

Businesses employ different [inventory management techniques](#) depending on their structure and needs. Once you know what technique works best for you, you can manipulate your software to work for your system. Some tried-and-true techniques are listed in the table below:

7 Inventory management techniques

| Technique | Description | Best for |
|--|--|---|
| ECONOMIC ORDER QUANTITY (EOQ) | Use the lowest amount of inventory necessary to meet peak customer demand without going out of stock or producing obsolete inventory | Quickly growing businesses with regular inventory needs |
| JUST-IN-TIME INVENTORY MANAGEMENT | Producing only the necessary products, at the necessary, in only the necessary quantities | Growing companies looking to reduce costs as much as possible |
| PERPETUAL INVENTORY MANAGEMENT | Method that prioritizes real-time inventory tracking so no transaction goes unaccounted for | Multi-location retailers who experience seasonal demand |
| MATERIALS REQUIREMENT PLANNING | Process where manufacturers use both demand forecasting and the bill of materials of a product to accelerate the production process | Product-based manufacturers struggling to meet inventory requirements |
| FIFO | Accounting method that states the first items in your inventory should be the first to leave | Food and beverage companies |
| ABC ANALYSIS | Technique that sorts inventory into three categories according to how well they sell and how much they cost to hold | Small businesses struggling to manage inventory levels |

Section 5: How to level up your business with inventory management software

3. TRACK THE RIGHT KPIS

Tracking progress and continuously improving is key in inventory management – and it starts with knowing what to track. Some notable KPIs to be aware of in inventory management include:

- › **Inventory turnover ratio:** The rate at which a company buys and sells its products
- › **Average inventory:** Inventory averaged over a specific period of time
- › **Inventory shrinkage:** When products in stock are less than what's included on your inventory list
- › **Manufacturing lead time:** The time it takes for a product to be produced
- › **Days on hand:** The amount of time it takes to sell a product



Section 6:

How to effectively manage your warehouse

Warehouse management systems are abundant in 2023, and many are designed to fit the specific needs of different industries. With a comprehensive and efficient warehouse management system, you can achieve optimum operating performance for your warehouse.

1. INVEST IN A WAREHOUSE MANAGEMENT SYSTEM

A warehouse management system (WMS) is a software solution that gives businesses visibility and control over warehouse processes. This software helps companies manage and improve processes, such as distribution and fulfillment.

Warehouse management systems improve businesses' efficiency by offering a few key benefits, including:

- › Better visibility
- › Connection between inventory lifecycle
- › Inventory accuracy
- › Better customer relationships
- › Lower costs
- › Ability to scale



Section 6: How to effectively manage your warehouse

2. LEVERAGE AUTOMATION

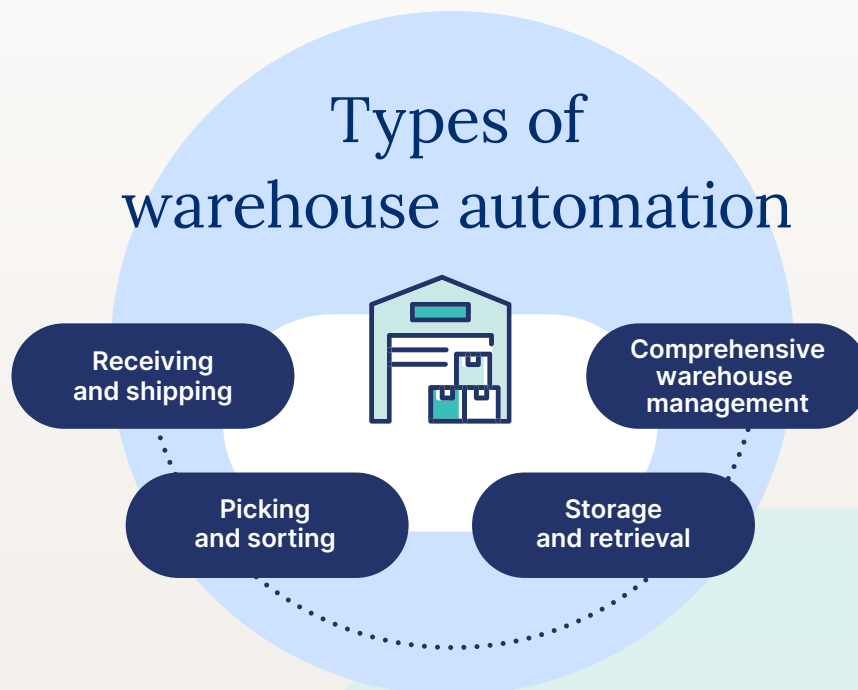
Warehouse automation uses automated technology to optimize processes, improve efficiency, gather data for insights, and minimize repetitive tasks for workers. It's more than robots – warehouse automation is made possible by automation software, Internet of Things (IoT) devices, automated vehicles, and even the blockchain.

As automated warehouse systems become the norm, businesses must stay ahead of market trends and technological developments. Basic knowledge of warehouse automation can help business leaders make informed decisions.

3. REMOVE INEFFICIENCIES

Some companies will employ proven methods for efficiency in their warehouse management system to create foolproof scalable processes.

Combining your WMS and IMS into a single solution is key for growing businesses. By seeing the complete picture of your processes in a singular platform, you can make smarter decisions that can save you money and help you grow.



Section 7: Small business success stories

In theory, leveraging the power of an inventory management software solution may all sound great. Small businesses, however, need to see their investment in IMS translate into strong sales numbers and rapid growth. We've seen our Cin7 heroes reap the benefits of small business-focused inventory management. Here are a few major success stories.



The image shows two women smiling in a clothing store. A blue graphic overlay is positioned in the bottom left, featuring a line chart with two lines (one green, one purple) showing an upward trend. Below the chart are two monetary values: \$5,270.31 and \$4,881.21. A magnifying glass icon is in the top left of the overlay, and a bar chart icon with a magnifying glass is in the top right. The background of the overlay is a photograph of the two women in a clothing store.

| Value |
|------------|
| \$5,270.31 |
| \$4,881.21 |



ModaConcrete™ | TerraFlame

TerraFlame is the global leader in clean-burning gel fuels and fuel-burning appliances. ModaConcrete™ designs and sells architectural precast concrete products designed to create fashionable and beautiful hardscape environments, sold and fulfilled factory direct-to-trade and design/build channels.

According to CEO Lenny, ModaConcrete™ | TerraFlame didn't have inventory management prior to the acquisition and, as a result, revenue was nowhere near what it could be.



“There were no systems. It was napkins and spreadsheets and nobody knew what was going on operationally. They were looking at things without understanding the true cost of goods because they really had no way of doing that.”

ModaConcrete™ | TerraFlame needed an ERP system to manage inventory management and manufacturing as well as integrated EDI and forecasting.

Cin7 delivered.

With the help of Cin7's bill of materials functionality and made-to-order functionality, the company can now measure and track every raw material used in the production process and gain stronger insights from order information.

Alton[®]

Alton Goods

In 2020, [Alton Goods](#), an established Australian eCommerce business specializing in high-quality, durable hiking and camping gear, faced a major problem. Because of COVID-19, stock was harder to get than ever before and shipping times soared. At the same time, customers, newly free of early pandemic lockdowns, felt an urgent need to get outdoors. Business was booming at the worst possible time.

Sam Schumann, the company's CEO, found himself selling products that either hadn't yet arrived or had just sold out. It created a huge manual workload, and the need to explain to customers that the item they thought they'd bought wasn't actually in stock or wouldn't arrive for a long time.



“We were encountering problems that were really magnified by Covid. Stock was just selling out really quickly. We’d run out, and we’d have months when there was no stock on the shelves — just huge missed opportunities.”

Alton Goods needed a fast and reliable accountant, and Cin7 Core provided it. With the help of Cin7, Alton Goods was able to ensure more accuracy in its accounting process and stay on top of orders in a seamless and timely manner.



SANDDOLLAR

Sand Dollar

After living in the United Arab Emirates and working for the government for several years, Lucy Gibson founded **Sand Dollar**, a multi-brand store importing top swimwear from all over the world and servicing the Dubai resort market. After some success with two locations and an online marketplace, the company began floundering due to a lack of inventory management.

What Sand Dollar needed was a multichannel system – something that could keep track of inventory across its retail operations and website and be a single source of truth. Between spending mornings selling swimwear and spending afternoons with the kids, Lucy kept searching for the right system.

After finding Cin7, Sand Dollar instantly saw success with inventory visibility. With shops in Dubai and the U.K., merchandise spread across multiple locations, including third-party warehouses, and eCommerce sales, there are many moving parts to the business. But Cin7 Core makes all this complexity simple – and proactively highlights any issues that need to be addressed.



“Cin7 Core gives me a good indication of stock levels — where we’ve got high inventory, where we need to restock, what inventory still needs to be paid for. It’s just good to be able to log in and see a live record of all the inventory figures to date.”

Section 8:

Frequently asked questions

Still have questions about how to grow your business with inventory management? We've got you covered. Here are some of the most common questions we see when it comes to IMS.

What is the difference between inventory management and Connected Inventory Performance?

Inventory management describes ways to manage stock. Connected Inventory Performance connects inventory processes, allows you to visualize inventory data, and tracks every inventory event.

What is the difference between inventory management and order management?

Inventory management and [order management](#) work hand in hand. Inventory management typically handles products before and while it's in the warehouse, and order management takes over once a customer purchases the product. The [best order management software](#) helps companies manage receiving, sending, and tracking orders once shipped.

What is the difference between inventory management and ERP?

[Enterprise resource planning \(ERP\)](#) is a multi-faceted system for managing and unifying all

business functions within a company. It differs from inventory management as it can include operations, finances, supply chain, human resources, customer relationships, and inventory management.

What is the difference between MRP and ERP software?

While [MRPs](#) focus exclusively on manufacturing, ERPs streamline broader organizational processes along with manufacturing processes, like accounting, HR, finance, and sales.

What is the most commonly used inventory management method?

First-in-first-out (FIFO) is the most commonly used inventory management technique in manufacturing. Manufacturers like using the FIFO method because its structure resembles how stock typically moves through the inventory lifecycle.

How do you keep inventory in retail?

You can monitor inventory levels in retail stores with a system called [retail inventory management](#). Inventory gets counted when it arrives at the store and when customers buy it.

Businesses also need to perform inventory audits regularly to ensure their counts are accurate. Audits will account for inventory that is missing, damaged, or recalled.



Ready to win with Connected Inventory Performance?

Start a free trial of Cin7 today.



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