3 Time Periods Critical to Inventory Management

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Time is a critical resource in warehouse management. Whether it's pay clocks to compensate employees or shipping schedules to satisfy customers, finding the most efficient way to get things done in the least amount of time should always profit the overall organization.

When it comes to inventory management, putting a clock on items that move through a space helps managers recognizes the actual value of each piece of merchandise. Here are three timetables to accurately determine the return on investment for products sold by a business:

1. How long it takes to order supplies
Whether a company manufactures its own products or orders merchandise from other organizations, it will need to work with suppliers in some way. Businesses need partners to deliver parts for assembly or finished merchandise in a consistent manner to know when items will be available for sale.

Demand Media described lead time as how long it takes vendors to replenish inventory. If a company has an ongoing relationship with a supplier, it needs a dependable lead time. Inventory should arrive on a regular schedule and delays that take days to resolve shouldn't be a recurring issue. Effective communication between partners should create real-time data on any occurrence that may delay shipments or otherwise alter expectations.

Once companies recognize a standard lead time, they should work the schedule into demand calculations. It's important that when businesses recognize consumers want a product, it's available. This may mean linking point-of-sale devices to inventory data collection solutions so warehouse managers recognize the speed at which merchandise leaves a store and can place new orders accordingly.

2. The time inventory sits on shelf

Sometimes storing inventory for too long creates obvious problems. Perishable items may become unsellable or once-popular merchandise may fall out of demand. The costs aren't always readily apparent, however. Just taking up space in a warehouse may generate storage expenses that may add up over time, such as serving as an obstacle to efficient picking paths or creating inaccurate inventory counts.

Storage timelines is one place where a data collection inventory management solution can prove especially helpful. When businesses use barcode software or other information assets that can track each item moving through a warehouse, they create complete visibility on the costs associated with normal routines. Barcode tags facilitate simple point-and-click functionality which turns each product into an easily visible data point in a central software system. If the inventory doesn't leave or moves too fast compared to projections in system records, it's time to reexamine plans.

For example, when data records show storage is a major cost for an organization, it may want to find a more rapid turnaround solution. Market Realist suggested one of the reasons Wal-Mart outpaced competitors during the third quarter of 2015 was its commitment to efficient supply chain logistics management solutions for over 11,000 stores in 27 countries. Many Wal-Mart distribution centers use cross-docking to send out products as soon as they're received. This drastically reduces warehouse management costs but requires mobile devices to maintain visibility of rapidly moving inventory.

3. Distribution timelines

Once a business understands how long it takes to acquire products and find a customer for an item, they need to recognize the time needed to deliver the merchandise to consumers. Understanding schedules involved with picking items, preparing orders and shipping merchandise is critical to communicating what customers should expect from service.

Mobile data collection devices are convenient for workers who have to walk around a warehouse or quickly load items onto a truck - especially voice picking solutions - and they create real-time reports of activities. Managers can see where employees go and exactly how efficiently current picking paths and shipping routes perform. Complete information visibility should display outliers, redundancies or missed opportunities companies can use to cut time and improve consumer satisfaction.

Having a complete picture of operations also create dependable shipping schedule expectations. This can get difficult as businesses use multiple locations and deliver to consumers around the world. An RFgen case study detailed how a feed manufacturer, Provimi, used an integrated ERP system to create standardized barcoding and inventory data collection solutions for its worldwide enterprise. The process was consistent enough to expect the same standard of time efficiency from each of its 80 locations, while being flexible enough to provide unique functionality for warehouses with specific demands.