

THE LEADING TRADE MAGAZINE FOR UK SPORTS RETAILERS, MANUFACTURERS AND DISTRIBUTORS

# Sports

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## STOCK GROUPS AND KEY QUESTIONS

Retail logistics consultant Kevin Zwolinski of Click-On Logistics suggests that retailers group their stock into one of four main areas, depending on profit levels and supply risks, such as long lead times from suppliers, limited supplies or high costs.

**1** Stock with a low profit margin and low risk. These commodity items, such as sports socks, are easy to get hold of and work for the retailer with minimum effort. Retailers shouldn't spend much time or effort on them, but could consider placing them alongside other items that offer greater leverage, he says.

**2** Stock items that are high profit and low supply risk. These items hit the sweet spot for any retailer, so Zwolinski suggests getting maximum leverage from these products.

**3** Items that are high risk and high profit. "Watch the cash flow for these items very carefully," he says. "Perhaps find ways to de-risk."

**4** Items that are low profit and high risk. "Manage these to within an inch of their life and be clear about why they are there in the first place," he says.

ONCE STOCK HAS BEEN MAPPED, ZWOLINKSI SUGGESTS THIS THREE-STEP APPROACH TO SOLVING DAY-TO-DAY INVENTORY HASSLES:

**1** STOP: Ask yourself what you should stop doing. For example, should you stop receiving deliveries in the middle of the day?

**2** START: What should you start doing? If your storeroom is small and overcrowded, perhaps you could share a storeroom with someone else?

**3** Carry on: What is working well? Can you leave things as they are?