

# Convenience Availability Functional Guidelines



This document looks at 5 aspects of effective availability management.

1. Understanding On Shelf Availability

2. Replenishment and Ordering Processes

3. Inventory Management Processes

4. Merchandising Standards and Processes

5. Back of Store Processes

- The first section looks at how to understand current levels of on shelf availability as a basis for driving improvement.
- The remaining four sections look at various in store processes where focus can be applied to help improve levels of availability in store.
- For each section, the guidelines suggest the key points for consideration, and also provide further explanation against each point.

# Understanding Availability



**What to do**



**How to do it**

It has been proven that increased on shelf availability drives improved sales. In order to improve, you need to understand your current level of availability

<p><b>Check for out of stocks on shelf</b></p> <ul style="list-style-type: none"> <li>•Walk around the store on a regular basis noting gaps on shelf.</li> <li>•Create list of those lines which are not available in readiness to order</li> <li>•Replenish shelf from stock where available</li> </ul>	<p>Walks should be completed regularly. The first walk should be conducted prior to the store opening, the second prior to a management checking exercise and further checks should be carried out at appropriate times during the day depending on the product rate of sale.</p> <p>Accuracy of missing product details is essential to enable the checker to follow through investigations on out of stocks.</p>
<p><b>Out of stock investigation</b></p> <ul style="list-style-type: none"> <li>•Understand why the product is not on shelf</li> <li>•Put action plan in place to avoid future out of stocks based on findings</li> </ul>	<p>Complete a detailed root cause analysis on the gap encompassing Stock position, Plan adherence, Warehouse stocks, Average sales profiles and put a robust action plan in place to eradicate future out of stock situations learning from past mistakes.</p>
<p><b>Replenishment prioritisation</b></p> <p>Agree priority for replenishment</p> <ol style="list-style-type: none"> <li>1) Out of stock lines</li> <li>2) Promotional / seasonal lines</li> <li>3) Sales value</li> <li>4) All other replenishment</li> </ol>	<p>All gaps should be replenished in a timely manner throughout the day a prioritisation list must be in place to maximise store sales and to minimise additional time spent on replenishing the fixture. High value and high volume lines should usually take precedent.</p>
<p><b>Staff awareness</b></p> <ul style="list-style-type: none"> <li>•Ensure staff are aware of the importance of high levels of availability</li> <li>•Ensure staff are clear about their replenishment responsibilities</li> </ul>	<p>Get complete buy in and support from the staff with regular reviews in their performance built into their training program. A continual assessment and development program should be in place to ensure standards are maintained with a view to constant improvement.</p>

# Replenishment / Ordering



**What to do**



**How to do it**

To maximise the sales opportunity, it is important to have robust planning processes in place. This will ensure the right product is in the right place, at the right time.

<p><b>Out of stock logging.</b></p> <ul style="list-style-type: none"> <li>•Create list of those lines which are not available in readiness to order</li> </ul>	<p>Check items with negative stocks cross reference these with warehouse stocks, confirm the correct stock position and correct inventory levels where possible and with expediency.</p>
<p><b>Low stocks</b></p> <ul style="list-style-type: none"> <li>•Identify what the optimum levels of stock are for the products you sell</li> <li>•Create list of those lines which have low levels of stock on shelf in readiness to order</li> </ul>	<p>Use the product rate of sale, shelf life, case size and shelf fit to determine what the appropriate levels of stockholding are for each product.</p> <p>Check items with positive stocks cross reference these with warehouse stocks, confirm the correct stock position and correct inventory levels where possible and with expediency. Replenish if required.</p>
<p><b>Weather and event planning</b></p> <ul style="list-style-type: none"> <li>•Check the local weather forecast on a daily basis for impacts on sales</li> <li>•Plan ahead for national and local events which may impact on sales</li> </ul>	<p>Build up a database on what lines are affected by seasonal fluctuations and yearly events. Use this information to plan for increases in sales volumes and plan inventory levels to compensate for the upturn. This document should be comprehensive and easy to follow to enable all new starters to be able to use upon commencement of their employment.</p>
<p><b>Sales history</b></p> <ul style="list-style-type: none"> <li>•Use system data or create a diary to keep a record of previous events and the impact on sales to use in planning future events</li> </ul>	<p>See above</p>
<p><b>Staff awareness</b></p> <ul style="list-style-type: none"> <li>•Ensure that staff are aware of who to flag out of stock / low stocks to</li> </ul>	<p>Good communications of issues is key to ensure the whole team are aware and are able to put positive remedial actions in place to maintain expected standards.</p>

# Inventory Management



**What to do**



**How to do it**

To support the replenishment and ordering function, you need to know exactly how much stock you have compared to what you need and that it is fit-for-sale.

<p><b>Manual Shelf stock and back of store counts</b></p> <ul style="list-style-type: none"> <li>• Keep a record and maintain it on a daily basis</li> </ul>	<p>Complete a full stock count of each section counting both the warehouse and the shop floor. Ensure records are legible and easy to follow for all members of staff.</p>
<p><b>System driven stock management</b></p> <ul style="list-style-type: none"> <li>• Ensure the system is up to date and accurate reflecting current stock positions on all lines</li> </ul>	<p>Complete a full stock count of each section counting both the warehouse and the shop floor. Ensure information is then transferred accurately onto store systems with a checking exercise in place to confirm system stock values reflect the manual counts.</p>
<p><b>Investigating stock count differences</b></p> <ul style="list-style-type: none"> <li>• If there are discrepancies between actual and reported book stock ensure there is a thorough investigation to ascertain root cause.</li> </ul>	<p>Check for evidence of pilferage, poor counts or poor system stock level maintenance. Find the root cause and retrain / put additional security measures in place.</p>
<p><b>Recording details of product unfit for sale</b></p> <ul style="list-style-type: none"> <li>• Keep a record and maintain it on a daily basis</li> <li>• Ensure there is a thorough investigation to ascertain root cause.</li> </ul>	<p>Identify key members of staff who are accountable for making sure that waste is actioned daily as quickly as possible so that all further gap checks, stock counting and inventory levels are not corrupted by waste.</p>
<p><b>Staff Awareness</b></p> <ul style="list-style-type: none"> <li>• Ensure that staff are aware of the importance of maintaining inventory accuracy and integrity.</li> </ul>	<p>Get complete buy in and support from the staff with regular reviews in their performance built into their training program. Following a clear induction, a continual assessment and development program should be in place to ensure standards are maintained with a view to constant improvement.</p>

# Merchandising



**What to do**



**How to do it**

Once you have optimum inventory levels you need to ensure saleable stock is on shelf, in front of your customer and easy for them to find.

<p><b>Staff awareness of in store product placement</b></p> <ul style="list-style-type: none"> <li>• Ensure plans are available and easily accessible to the entire team. Full training of staff is essential to ensure plan implementation is adhered to in a timely manner.</li> </ul>	<p>Always keep plans in a designated place returning them after use so ease of reference is maintained. Training of staff is essential and constant reviews of performance based on the fixture to plan adherence should be measured on a regular basis to maintain standards always striving for improvements.</p>
<p><b>Reduced to clear area.</b></p> <ul style="list-style-type: none"> <li>• Make sure there is an area for items to be displayed that is easily visible &amp; accessible for the customer and all staff are aware of it's location.</li> </ul>	<p>Ascertain which is the best in store position for this feature and clearly mark it for both staff and customers. This should be kept in an orderly fashion to enhance the sales opportunities. Date life adherence must be strictly monitored to ensure out of date product does not remain on sale.</p>
<p><b>Store merchandising by category</b></p> <ul style="list-style-type: none"> <li>• Ensure there is the right mix of product to customer demand</li> <li>• Allow for cross fertilisation of categories and there is a flow of categories in store to maximise sales.</li> </ul>	<p>Monitor sales patterns constantly reviewing them and flex space where appropriate particularly when weather and events are driving sales.</p>
<p><b>Shelf edge labelling</b></p> <ul style="list-style-type: none"> <li>• These should be easily visible and constantly up to date to reflect and advertise the product on shelf. These should be maintained during the daily walks of the store.</li> </ul>	<p>Make sure there is a readily available supply of labels for the store shelf space for staff to use and back up stock is available. Accuracy of placement is key to maintain credibility with the shopper. Daily walks should be used to ensure the right product is in it's correct place on shelf and it is in date. Price checking in store allows a further opportunity to highlight discrepancies between products and barcodes.</p>
<p><b>Old and out of range stock issues.</b></p> <ul style="list-style-type: none"> <li>• By maintaining plans and date life issues on a daily basis products should be removed where appropriate from shelves and either placed in the reduced to clear section of the store or disposed of in the correct manner through the stores wastage procedures.</li> </ul>	<p>A methodical review of all date coded products on shelf needs to be put in place and checked on a daily basis – removing product not fit for sale immediately.</p>

# Back of Store



**What to do**



**How to do it**

Merchandising needs to extend to back of store ensuring ease of replenishment, ordering and inventory management. All of which will drive on-shelf availability.

<p><b>Storage Capability</b></p> <ul style="list-style-type: none"><li>• Ensure the back room is clutter free and stock is easily accessible for ease of on shelf replenishment.</li></ul>	<p>All staff must ensure stock is put away upon receipt at the back door in an orderly and merchandised fashion. Access to back of store stock must be free from clutter</p>
<p><b>Back of store access</b></p> <ul style="list-style-type: none"><li>• Keep categories of product together. Keep fast moving and promotion lines in a space which is nearer to the shop floor and has sufficient capacity without overspill occurring into different locations in the back room.</li></ul>	<p>Organise and label your warehouse where possible. Divide the warehouse into departments then by section then by line. If possible try and adopt a shop floor flow to ensure greater efficiency in stock counting and store replenishment</p>
<p><b>Inventory tracking</b></p> <ul style="list-style-type: none"><li>• Ensure stock levels are known and maintained as stock is put on shelf and sold through.</li></ul>	<p>Product should always be put back after working back stock and store ordering systems are updated accordingly. Stock delivered must be checked and verified and stock levels checked once inventory levels have been adjusted.</p>