**Warehouse Coach**

*Improving warehouse performance*

# Receiving – Out-Of-Stock Reports improve fill rates

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An important business objective for most companies is to improve inventory turns, to minimize inventory while not missing sales. Missed sales may reduce revenue and damage the relationship with your customers. And excess inventory reduces cash available for other uses. This is a challenging objective.

While Buying/Purchasing, Production Planning and Inventory Control personnel bear most of the responsibility for inventory levels, Receiving can also play a role in reducing the impact of out-of-stock situations.

If Receiving knows what merchandise or materials are out-of-stock, they can reduce the impact of the situation by expediting these items through the receiving, inspection, stocking/put-away, and posting of receipts to the on-hand inventory. This expedited handling can be accomplished without investing in new technology, but rather through several methods changes. Some powerful options include scheduling the receiving shift to start earlier in the day, scheduling deliveries based on the current inventory level by SKU, shifting personnel and other resources to unload, receive, inspect, put-away and post the receipts from one vehicle before starting another, posting the receipt of one order or part of one order before completing the entire order, or just posting the receipt when it is put-away rather than in a batch at the end of the day.

Of course most of these changes require that Receiving knows which SKUs to expedite. The key to these changes is to get someone in the Inventory Control or Purchasing Departments to create and distribute daily, an Out-of-Stock Report. With this information you can make a significant improvement in overall company sales or production performance, and can contribute to building a stronger relationship across these departments.

If you would like some help with implementing this process, please send a note to me at coach@warehousecoach.com.