



Inventory is Your Ultimate Competitive Advantage



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GRAND RAPIDS INNOVATIVE PRODUCTS

Special Report

By: Elias Amash, President - GRIP

In my recent book, *Retail Survival: Who Wins, Who Dies and Why*, I outlined how inventory can be transformed by retailers to establish a real competitive advantage. For this, I have received a good deal of feedback and questions about how to make this happen. Read on to learn why this is critical and how it can be accomplished.



Omnichannel marketing has become the norm throughout retail and this is being driven by the multichannel customer that may discover a new product on mobile, research it on the web, check reviews on social media and see-feel-try the product in your retail store. If you have inventory on the shelves, the new customer will stay and with a positive in-store experience, will become a loyal customer. If you're out of stock or don't carry the inventory, that customer will leave and head to your competitor.

Period, end of subject.

Amazon's continued growth and dominance in the retail market is requiring massive change in how to meet consumer expectations for speed and convenience. It is also forcing many larger retailers to become more nimble and flexible in their relationships with their vendors. The longer line review and planning sessions are being changed to include an accelerated product review and launch schedule. Without this speed, unique opportunities are missed and without the right product mix and inventory on the shelves, today's fickle customer will race across town to your competition.



As far as consumers are concerned, retailers are in the business of Now! They want what they want right now and will quickly go elsewhere if they can't get it. Inventory is usually a retailer's largest asset and its lifeblood. Too little inventory can destroy you and create the most devastating customer experience. If you have what customers want, when they want it, inventory can be leveraged as the **ultimate competitive advantage**.

Too often cost-obsessed retailers believe they can get a better deal on inventory by bypassing distributors and ordering directly from China. But the hazards of this

approach include having to order by the container load when much smaller quantities may suffice. In addition, the long delivery times may result in not enough merchandise before delivery and too much after.



Having a distributor who handles these inventory concerns allows retailers the flexibility to plan and execute promotions, plan for new product launches, and provide excellent customer service -- which will ensure that customers remain loyal. A good inventory management strategy that leverages distributors improves the overall health of the business. More

importantly, it keeps customers coming back for more.

Manage Relationships with Good Communication

Whether you need to return a slow selling item to make room for a new product, restock a fast seller very quickly, troubleshoot manufacturing issues, or temporarily expand your storage space, it's important to have a good relationship with your suppliers. That way they'll be more willing to work with you to solve problems. These types of relationships allow you to stay ahead of the competition.

Accurate Forecasting

A huge part of effective inventory management comes down to accurately predicting demand. Retail demand forecasting can be complicated. There are so many variables involved and you'll never know for sure exactly what's coming—but you can get close. Here are a few things to look at when projecting your future sales: (a) Market trends and the overall economy, (b) Last year's sales during the same week, (c) This year's growth rate, (d) Guaranteed sales from contracts and subscriptions, (e) Seasonality, and (f) Sales of products sold by your competitors. No doubt, you have access to reams of data that can address all of these concerns. Use analytics and data visualization to have the most complete picture of your inventory forecast. In the end, be sure to stock up so that you can meet



the customer demand and offer promotions to balance out the demand curve. It's always better to have too much than have bare shelves with customers leaving and heading to your rivals!

Conclusion

If your organization is constantly putting out fires to meet customer demand, then you are losing the 'war' to keep customers and gaining new sales," The pervasiveness of e-commerce has given consumers the sense that a store will always have an item available in stock. In fact, consumers now demand it. It is called the "**Amazon Effect**". Effective inventory management that leverages distributors and inventory management techniques builds relationships with your customers so they trust you to be there for them. Remember this: You are not in the retail business or the inventory business. **You are in the NOW business.** If you don't have it now, your customers will go elsewhere! Period.

About the Author

Elias Amash, President of GRIP, is an industry veteran with more than 20 years of experience in global sourcing, manufacturing, distribution, retail merchandising, fulfillment, marketing, technology, and operations. He is a trusted partner to hundreds of retailers and has "leveled up" the industry with GRIP's undying commitment to offering only the highest levels of service to its customers. Amash has recently published his fourth business book, [Retail Survival, Who Lives, Who Dies and Why](#), which is available on Amazon. He is also the author of *The Future of Retail, Importing from China: The Good, The Bad, and The Ugly*, and *101 Bright Ideas: Winning Tactics to Increase Retail Sales*. You can download these other books at www.whygrip.com.

About GRIP GRIP was incorporated by Charles Amash in 1980 and has grown into one of the nation's top suppliers of innovative products to the retail industry. Located just south of Grand Rapids, Michigan, GRIP features a 200,000 sq ft state of the art warehouse facility including a 2,000 sq ft product showroom. GRIP carries a product line of over 1,000 specialty hand tools, automotive, cargo control, Goodyear Air hose, LED lighting, Magnetics, outdoors,



household items, and general merchandise. GRIP has a proven track record of excellence in supplying retail clients with innovative products, timely fulfillment, and world-class customer support. At GRIP, everything is about earning your business...one customer at a time. It's about building relationships and fostering business partnerships that will last long into the future. Our goal is to have Customers for Life. The future at GRIP is exciting and we're hoping that you can be a part of it as one of our many Customers for Life. Learn more at www.whygrip.com and www.gripontools.net.