Where Does Your Inventory Go Missing?

Every business understands that the costs associated with the inventory are not transparent. You have to account for an acceptable level of mishaps and unknown. Indeed, think of it as a large box of eggs. Every grocery shopper instinctively opens and checks their box of eggs in the shop. More often than not, the eggs are OK. But from time to time, you spot a broken egg, and you switch the box.

The figurative broken eggs in your inventory stock could appear for a variety of reasons. It is accepted for businesses that a small percentage of the stocks is likely to be lost, damaged, or missing. Accidents happen, and they often are unavoidable. However, you can reduce unnecessary risks that would drive your inventory costs higher.

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Get a management system

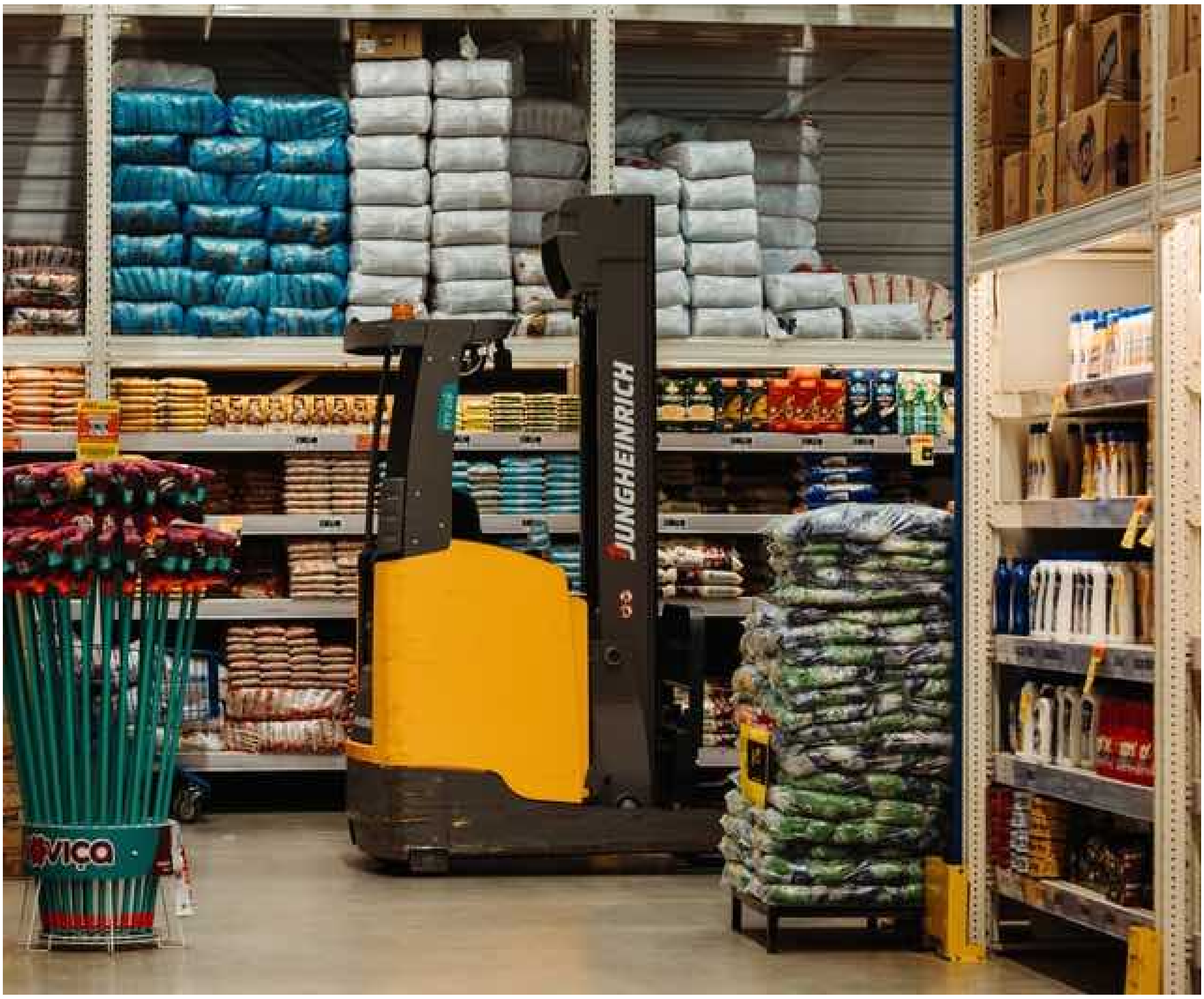
You'd be surprised to know that inappropriate **inventory management** is the most common cause of increased costs in small businesses. Your inventory system can track stocks in real-time, updating numbers as you sell or remove damaged items. Failure to renew your stock on time means that you will need to handle backlog orders each time new stock arrives, which will affect the inventory faster than expected.

Additionally, your inventory management solution can highlight recurring issues or suspicious losses and damages. In the long term, it can help you to identify costly issues and fix them before they affect your inventory budget.

Work with trustworthy people

What's a missing item when you have entire pallets of it in the warehouse?

However, when stock inconsistencies become too frequent, introducing a monitoring system is a good idea. You can use trackable labels on each product, which can reveal the location of missing items, or the moment they've been removed from your stock. Combined with **business security cameras**, you're equipped to avoid thefts in your warehouse. Admittedly, this technique requires thorough reviewing, as there could be many reasons why someone would remove an item from the stock. The order could have been made offline and is therefore not yet recorded on your system. The item could be damaged and is annually removed from the stock. In short, check your facts before accusing someone of stealing from you!



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Goods were damaged in transit

Picture the scene. A customer has passed an order. But they get in touch with your business to request replacement because the item has been damaged. From a financial perspective, it means that you're giving one item for free. Every year, goods are **damaged in transit** through inappropriate handling by the courier or shipping company. You can use smart labels that monitor shipping conditions in terms of impacts, humidity, temperature, and tilt. Using their data enables you to claim compensation from your transit partner.

Parcels were stolen on the way to customers

What happens if a customer hasn't received their parcel? Packages can go missing between your warehouse and your shoppers. Approximately 11 million homeowners in the US have **had a parcel stolen**. This could happen when couriers leave parcels unattended on the porch or in front of the door in an area of heavy passage. Some unscrupulous delivery individuals have also been known for stealing parcels – it isn't a frequent occurrence.

What can you do as a business when you're wasting money on your inventory? Introducing an effective tracking system in your warehouse, transit, and courier companies can avoid many issues and help provide evidence for complaints.