

Managing Your C-Store Inventory

Mobil World '98

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Inventory Management: A Process With A Payout

- ✦ **Customer needs:**
 - products
 - convenience
 - value
 - reliability
- ✦ **Your needs**
 - customers
 - products
 - reliability
 - return on investment
- ✦ **Common needs**
 - products
 - reliability



Products And Reliability Are Key

✎ Lack of product availability leads to:

- customer dissatisfaction
- product substitution
- lost sales
- lost profitability

✎ Reliability can be improved with:

- focus
- training
- technology
- communication
- analysis



But Keep The Big Picture In Sight

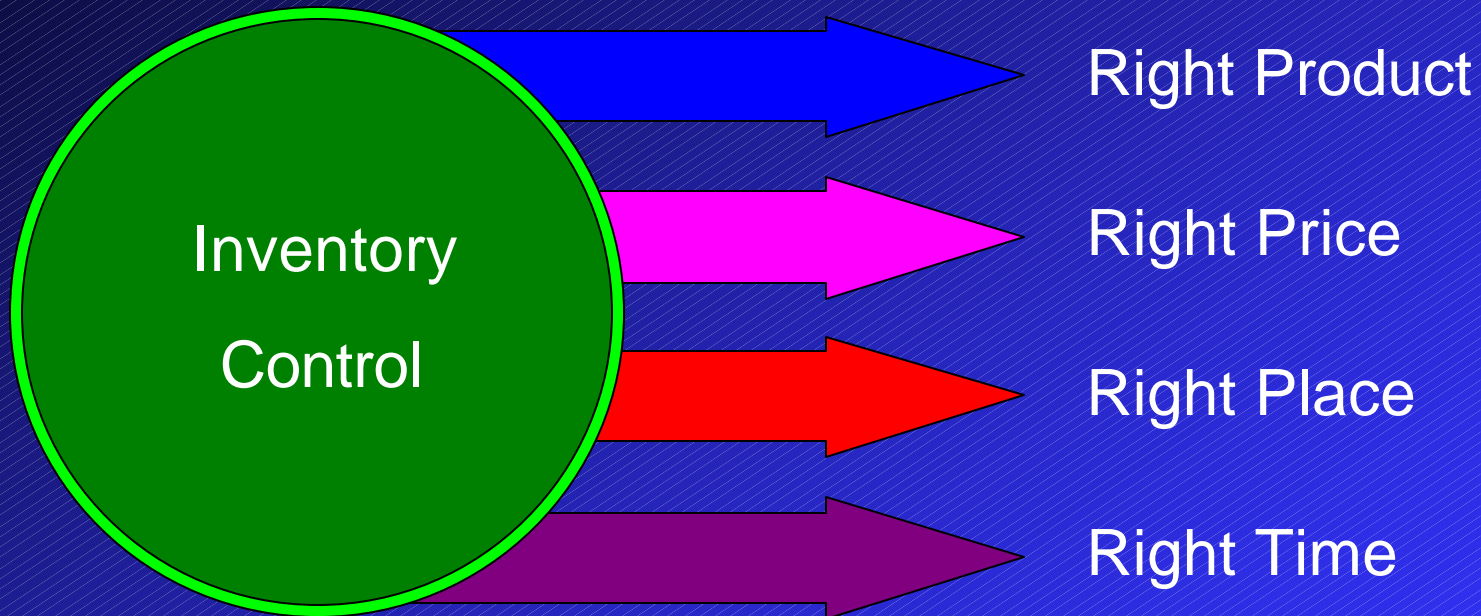
“The bottom line is operators risk losing loyal shoppers to retailers with better-in-stock conditions and superior business practices.”

Executive Summary

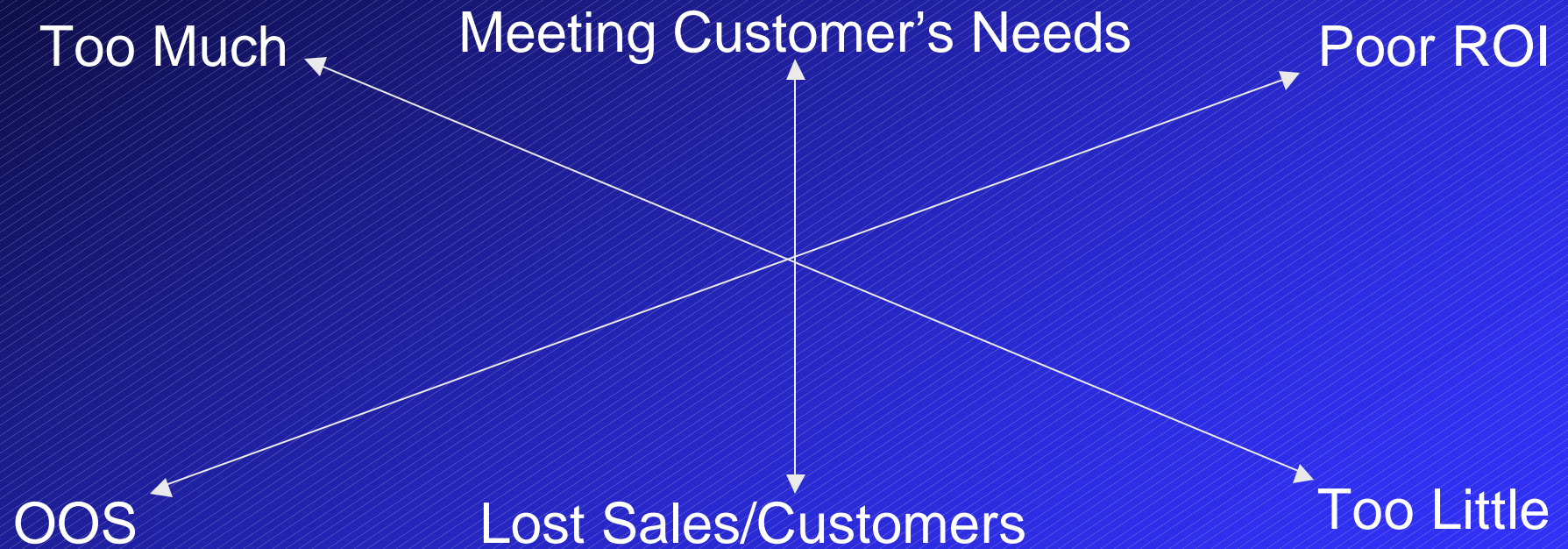
Convenience Store News Out-Of-Stock Study 2/98



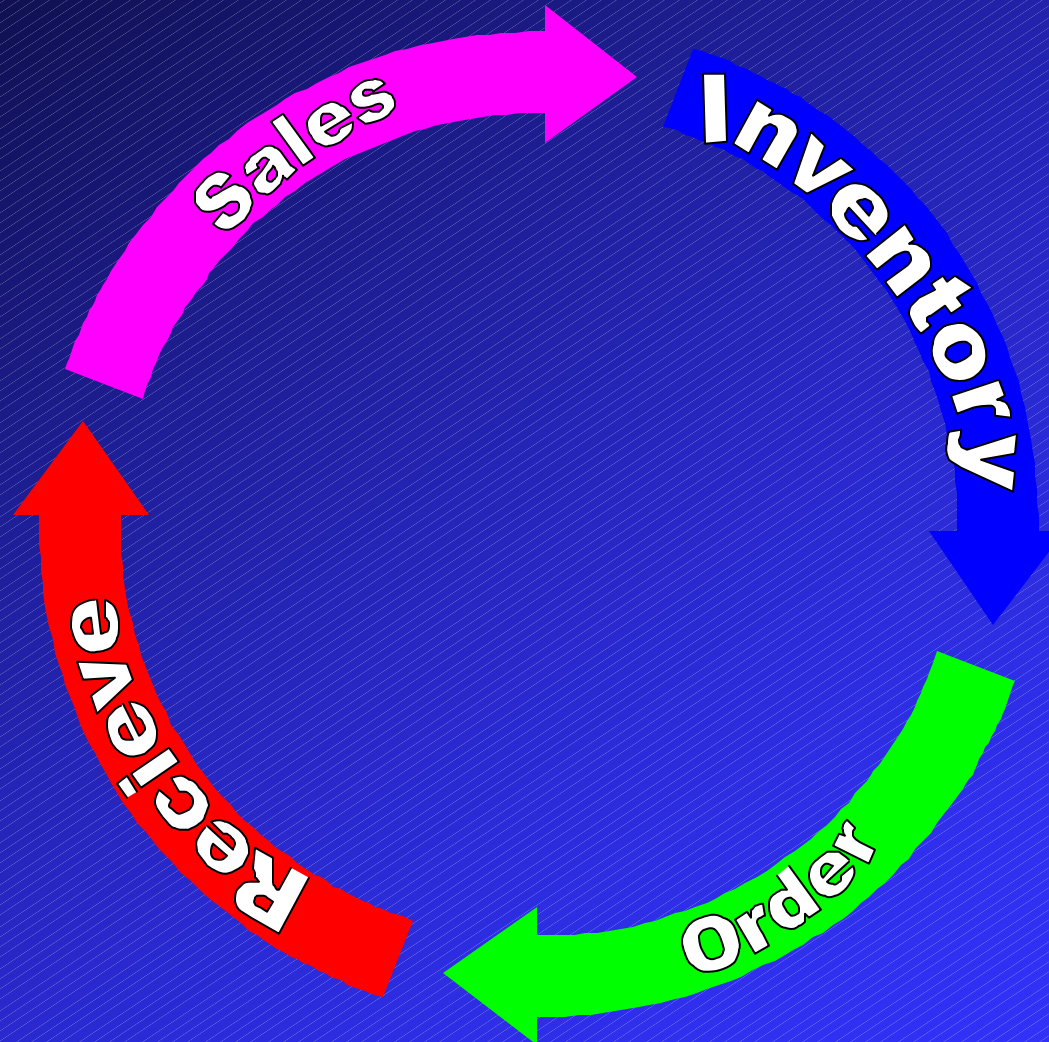
Inventory Control



Inventory Control Also Requires Balance



Inventory Control Cycle



Inventory Control Elements - Order

- **Whose store/inventory is it**
- **Be in control**
- **You are the customer**
- **Process**
 - **physical inventory**
 - **quantity needed**
 - » **order frequency**
 - » **safety stock**
 - » **forecasted sales**
 - **holiday's / day of week**
 - **promotions / TPR's (when do they make sense)**



Inventory Control Elements - Receipt

✍ Right product

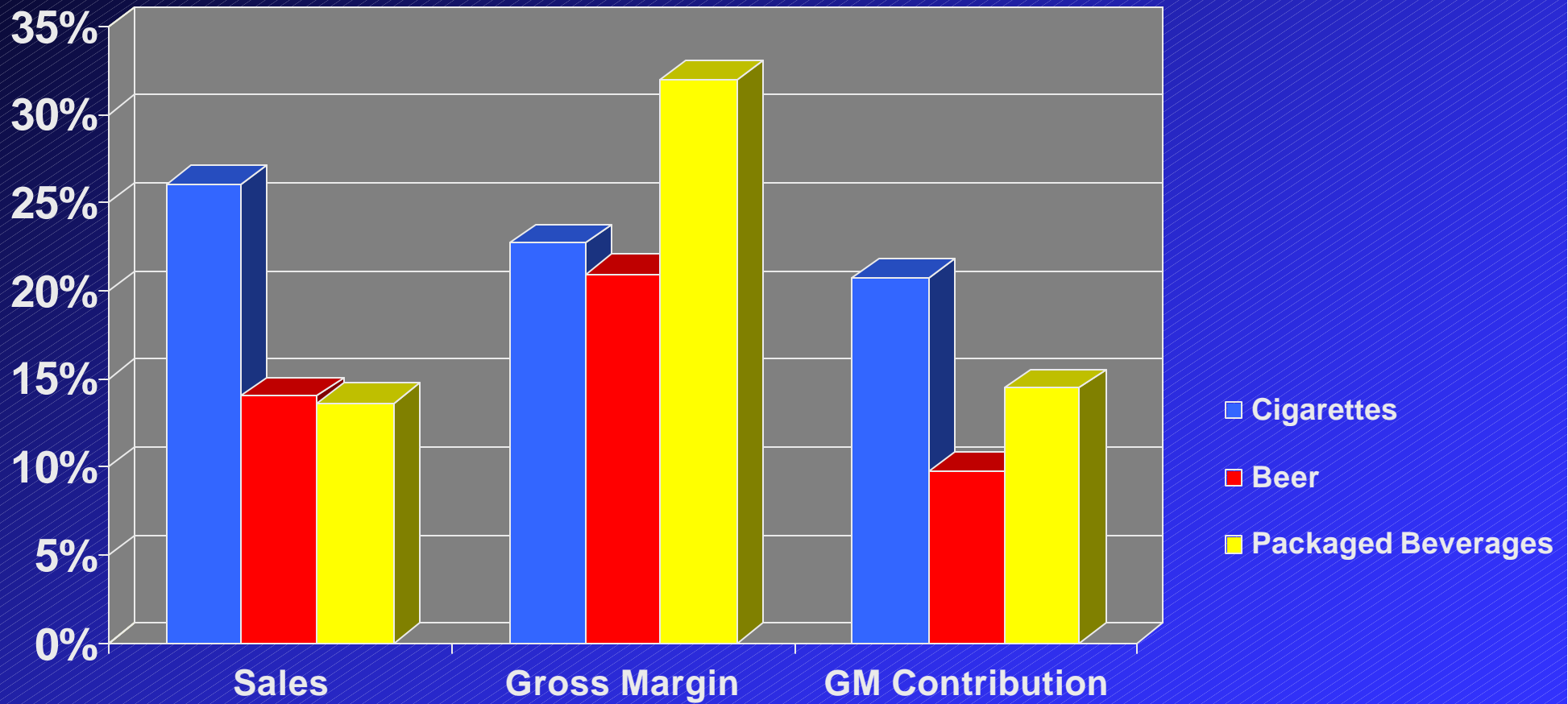
- did you get what you paid for
- did you get what you ordered or substitutions

✍ Right place

- displayed for purchase
- leave “holes”
- order back stock for fast movers
- check to see if in stock at peak times (Miller example)



Big Three Sales / Margins

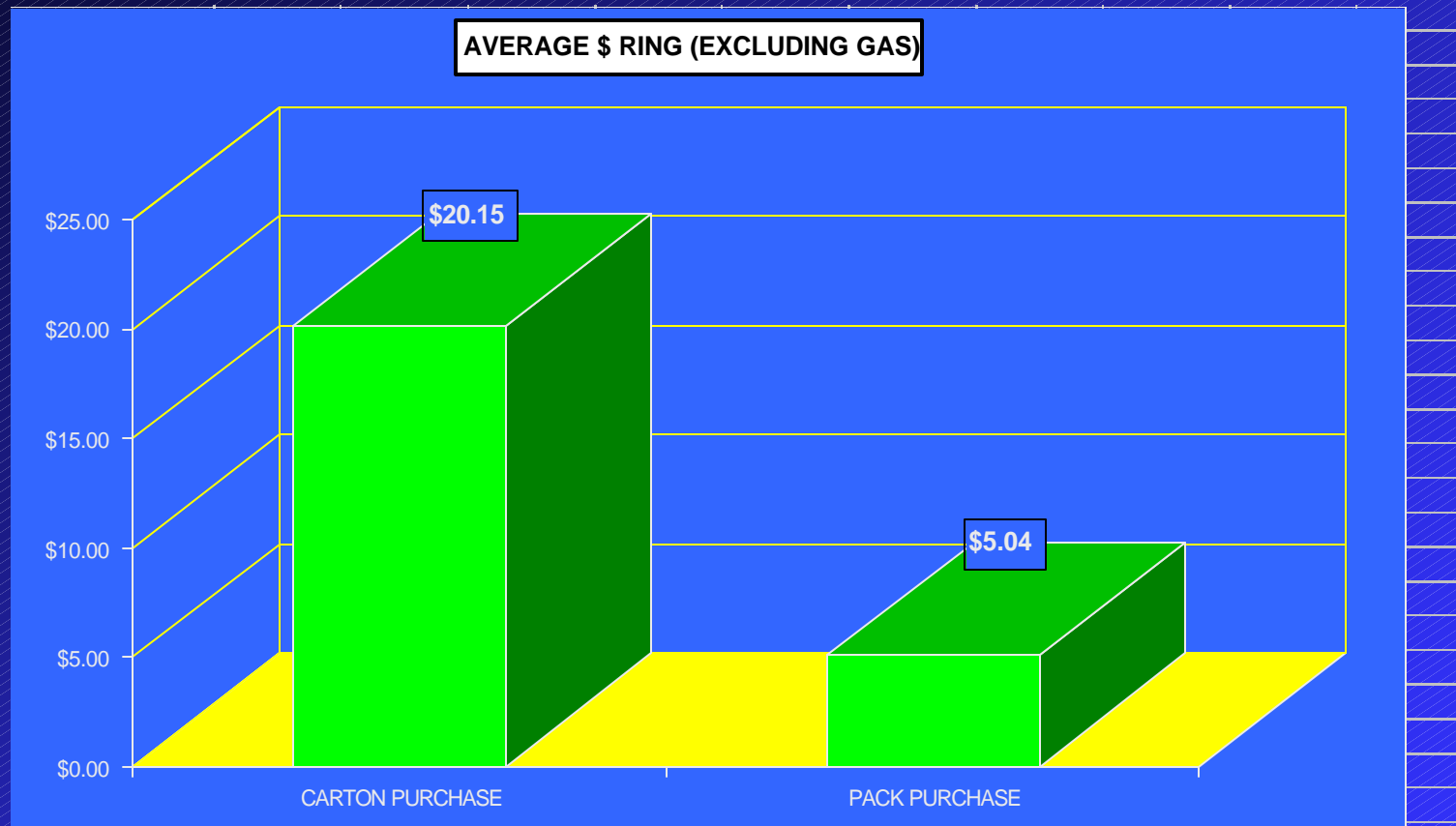


Right Place - Plan-o-grams

- ✦ **SKU optimization**
- ✦ **Store layout**
 - right place in store
 - depends on how customers use store
 - depends on product mix
 - category adjacencies
- ✦ **Plan-o-grams**
 - right place on shelf
 - space to sales ratio
 - shelf tags (front and back of cooler racks)
 - routinely updated
 - available to all store personnel



Typical Cigarette Customer Total Transaction



Source: Sheetz 1997 Market Basket Study

So Why Inventory Management

- **To meet the needs of your customers**
 - right product
 - right place
 - right price
 - right time

- **To meet your current needs**
 - increase your gross profit
 - increase your ROI

- **To meet your future needs**
 - increase the value of your business



**For More Information On
Managing Your C-Store
Inventory**

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