Efficiencies That Take The Guesswork Out of What's 'Available to Sell.'

Inventory Management For Online Retailers eBook

Tips to Make Inventory Management Simple

Freestyle commerce®

Why Automate Inventory?

Managing inventory in one place helps you avoid stock-outs [or double-selling] and lends to better analysis of your products in terms of performance, peak selling periods, etc. More importantly, centralizing the management of your sales channels allows for more accurate inventory calculations.

Very often, online retailers who are evaluating an inventory management solution for the first time, realize the need to automate their order and inventory processes to not only alleviate the headaches and inaccuracies associated with the manual efforts, but to position themselves to continually grow their business.

Visibility into your product availability is critical to a healthy operation. The last thing you want to do is disappoint a prospective customer with an 'out of stock' label on your website. By managing inventory across all channels in one solution, you can rest assured that the 'available to sell' levels that are synced to each channel are accurate.

According to Software Advice, 95% of the prospective buyers they spoke with were also first-time buyers. Of that, 36% were using accounting software to manage their inventory, while 35% were using Excel or another spreadsheet method. Another 11% were using what they called "manual methods", which often referred to the good old pen and paper method. Those buyers using any of the above methods are the kinds of people we speak to daily who love the fact that their business is growing, but hate the headaches this growth brings if they don't have the proper systems in place. They are looking to ease these pains so they can enjoy their success!

Do you fit into this category? If so, it may be time to start reviewing your options. Neither spreadsheets nor accounting software were designed to manage inventory and will only support your business growth to a certain extent. You don't want to stand in the way of your own success, right? As a savvy business owner, you know there's a better solution out there.   You just may not have the time to explore your options – because you're too busy reconciling and correcting spreadsheet errors – sound familiar!

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Buyers' Current Inventory Management Methods
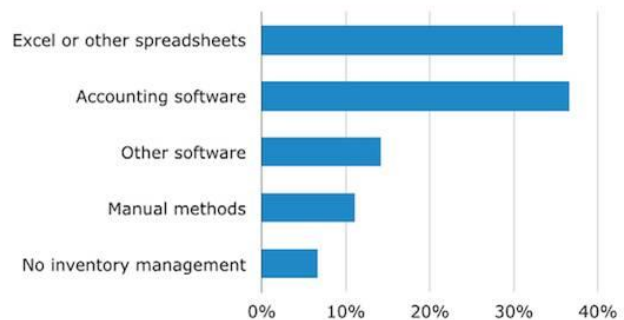
Software Advice: Inventory Management Software BuyerView | 2014

Top Requested Inventory Management Features

So what features are buyers looking for? For most, it starts with basic inventory control; i.e. having a systematic way to truly 'manage' and control your inventory across all your sales channels.   Being able to rely on a solution to do the work for you, and rest assured the calculations are correct, rather than working in spreadsheets where your formulas can break and cause an inventory nightmare.

Those running a slightly more complex organization from an inventory standpoint are in search of a solution with more advanced features like: bar coding and scanning, demand forecasting, drop shipping, lot tracking and kitting. And because there is still a need for an accounting solution to complement your inventory management solution, ideally retailers would like to find two of the best solutions that can seamlessly integrate with each other.

Again, it's not that you don't need an accounting solution. Rather, an accounting solution is meant to do just that, manage your finances, and not manage and track inventory. It's not unlike using an electrician to fix a plumbing problem. Yes they are both professionals, but plumbing is not the electrician's specialty. In this case, you're using a piece of software that wasn't designed to manage your inventory, and managing inventory is an integral part of a retailer's business.

Since many small to mid-size online retailers use QuickBooks for accounting, a direct integration to QuickBooks is an attractive feature to offer. This enables retailers to easily post to their General Ledger account and keep track of all their other business expenses outside of inventory.

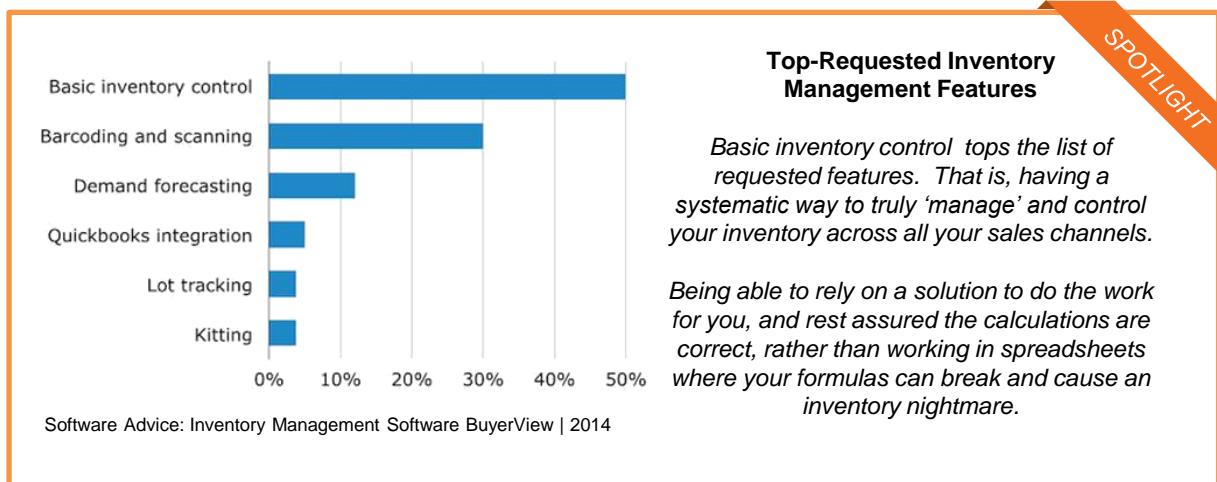## Gain Visibility Into Your Inventory Across Sales Channels

The last thing an online retailer needs is to have is too much inventory on hand and too few orders coming in, leading to reduced margins. Excessive inventory ties up cash that could have been invested in new equipment, enhancing your eCommerce store, or boosting your marketing efforts to drive additional revenue. At the same time, not having enough inventory on hand results in stock-outs, backorders, cancellations, and lost customers. It's a balancing act and it is a major issue for all companies.

Accurate inventory data is critical to delighting customers and driving growth. Multichannel selling significantly complicates inventory management and other business processes. Visibility into your inventory and forecasting is critical to a healthy operation. You need to be able to track inventory across all sales channels – your eCommerce store(s), catalog fulfillment business, offsite fulfillment centers or shopping channels like Amazon, eBay or any of the many marketplaces available - in one solution. This information will help you determine what products are selling, what periods may require more inventory, and ultimately give you 'the big picture' on how your business is performing across all channels at quick glance without having to log in to multiple systems and/or weeding through various spreadsheets!

What's Available to Sell?
You need to know what inventory is actually available for sale, not just what's on hand. That's because many of the eCommerce channels you might use require that you allocate inventory to that channel, even if it's not physically segregated. Your accounting system can't help you with that, but your OMS should!

Basic inventory control
Barcoding and scanning
Demand forecasting
Quickbooks integration
Lot tracking
Kitting

0%   10%   20%   30%   40%   50%

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SPOTLIGHT

Top-Requested Inventory Management Features

Basic inventory control tops the list of requested features. That is, having a systematic way to truly 'manage' and control your inventory across all your sales channels.

Being able to rely on a solution to do the work for you, and rest assured the calculations are correct, rather than working in spreadsheets where your formulas can break and cause an inventory nightmare.

Retailers' Reasons For Evaluating Inventory Management Solutions

In order to effectively manage inventory, you may also need to:

- Track those inventory products that you don't actually stock yourself but are shipped directly to your customer by your supplier.
- Manage inventory products made up of other items and sold as a set or group with a special price.
- Manage continuity programs like a "fruit-of-the-month" club where you determine what is shipped and when.

So why are retailers evaluating inventory management solutions? What's pushing these 'first-time automators' to invest in their back office operations? Most of the reasons go hand-in-hand and relate back to the fact that using spreadsheets or accounting solutions to perform tasks they weren't designed to do just isn't efficient or effective.

In the poll taken by Software Advice, 35% of the prospective retail software buyers they surveyed said they were looking for a more modern solution for their inventory management needs. Essentially, they are looking for a software solution expressly designed to handle inventory needs rather than using spreadsheets. The other reasons involved having limited functionality, inability to support company growth and lacking the ability to automate business processes.

Streamlining essential back-office processes supports current and future growth. With manual processes in place, there tend to be bottlenecks that occur as business starts to take off, hindering growth potential.

Buyers' Reasons for Evaluating Inventory Management Software
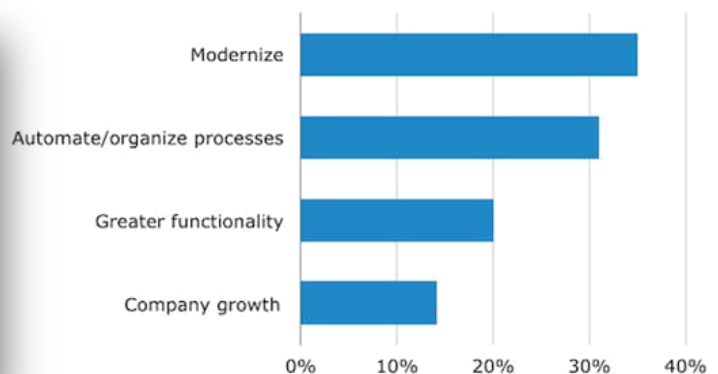
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Finding The Best Solution For Your Business Issues

Automation is one of the top reasons retailers reach out to Dydacomp. Our solutions provide retailers with the ability to automate both inventory and order processes to streamline their operations, and free up time to focus on strategic efforts – like growing the business!

When it comes down to it, there is one common goal in implementing a solution for the first time, or a replacement solution – finding a way to run your business better to not only manage current growth, but to support continued growth in the future!

If you're in that category of retailers who are still using spreadsheets or non-order and inventory specific solutions to run your business, there's no time like the present to start exploring your options.

Ready to Freestyle?

Our solutions put everything you need in one place.

Freestyle Commerce® enables online retailers to grow faster by expanding their eCommerce presence & automating back office operations to manage critical aspects of their business: multichannel order management; inventory visibility & control across multiple channels; drop ship management; rapid, reliable order fulfillment; customer management; integration with Magento, Amazon & more.

"We wanted a cloud-based solution to help us keep track of our inventory, to process orders quickly and to integrate with QuickBooks. We found the solution we needed in Freestyle Commerce. We're saving time and gaining the efficiencies we'd hoped for with Freestyle."

- John Ebb, CEO, Suitcase.com

Dydacomp provides essential order, inventory and customer management solutions to growing multichannel retailers that integrate easily with eCommerce platforms to drive efficiency, productivity, insight and growth. Dydacomp's proven on premise & cloud-based solutions enable small to medium sized retail & fulfillment businesses to grow faster by expanding their eCommerce presence & automating back office operations to manage critical aspects of their business: multichannel order management; inventory visibility & control across multiple channels; drop ship management; rapid, reliable order fulfillment; customer management; integration with Magento, eBay & more.

Freestyle Commerce® is Dydacomp's latest cloud-based innovation. Freestyle is tightly integrated with third-party eCommerce software Magento, providing users with the smartest order management dashboards for the always up-to-date business insight they need to grow sales.

Over 2,000 multichannel merchants already rely on Dydacomp's Freestyle Commerce, Multichannel Order Manager® (M.O.M.) and SiteLINK solutions to automate their back office operations and drive business growth. Dydacomp's clients engage over a million shoppers daily, generating nearly 10 million in gross merchandise sales every day. For more information, visit www.FreestyleCommerce.com and follow us on Twitter @dydacomp.