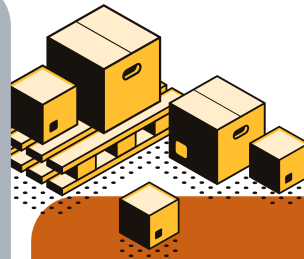


# 5 WAYS TO REDUCE WAREHOUSE INVENTORY

Reducing inventory levels is the first step toward successful inventory optimization...

## 1 3PLs HELP REDUCE LEAD TIMES

Ask your 3PL provider to work with you and analyze your lead times to see which parts of your supply chain processes could be made shorter to better serve your customers.



## 2 IMPROVE FORECASTING

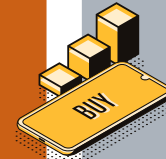
Demand forecasting is another step towards successful inventory optimization. Forecasting correctly means you only receive the inventory you need.



**KPI**

## 3 PRIORITIZE STOCK / ELIMINATE OBSOLETE STOCK

Use data from your 3PL's inventory management system to identify slow-moving product versus the fast movers. From this, you can accurately forecast your stock to meet your demand. This also allows your 3PL to optimize warehouse space to better manage and distribute your most popular lines.



## 4 REVIEW SUPPLIERS REGULARLY

Look closely at your suppliers. Do they have inefficiencies that are impacting the performance of your business? Communicate with them to rectify problems or consider changing suppliers.



## 5 ORDER FULFILLMENT COSTS

Managing overall cost per order is based on three key factors:

1. ordering [picking/ shipping]
2. storage costs
3. transportation

Look for a 3PL partner with a flexible rate structure for the most cost efficient solutions.

