

# **Managing Your C-Store Inventory**

**Mobil World '98**

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b2b Solutions, LLC**

# Inventory Management: A Process With A Payout

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



# Products And Reliability Are Key

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## ✍ 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**

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

**Executive Summary**

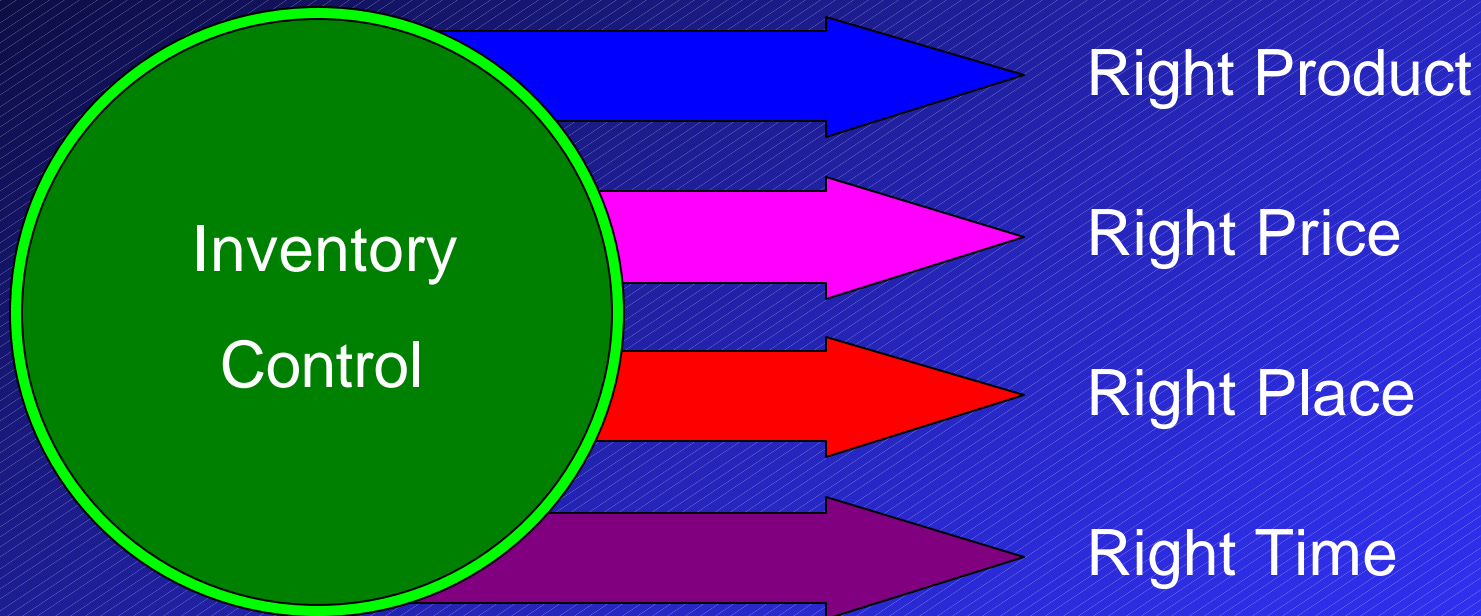
**Convenience Store News Out-Of-Stock Study 2/98**



# Inventory Control

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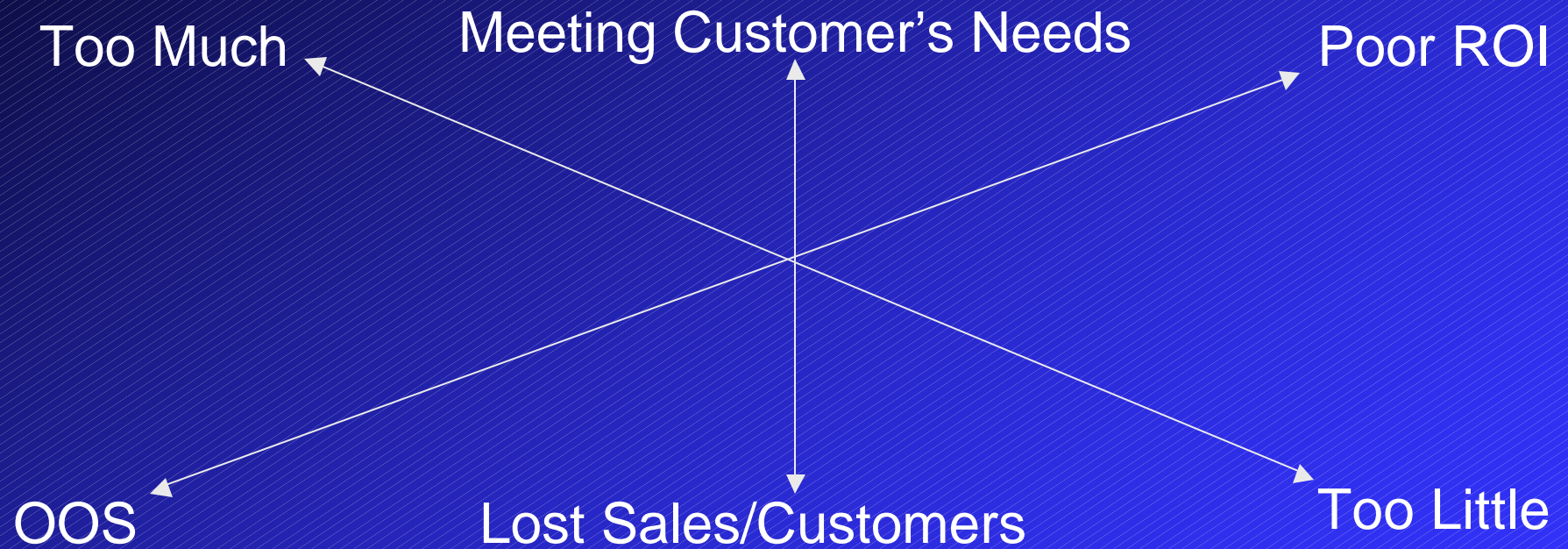
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# Inventory Control Also Requires Balance

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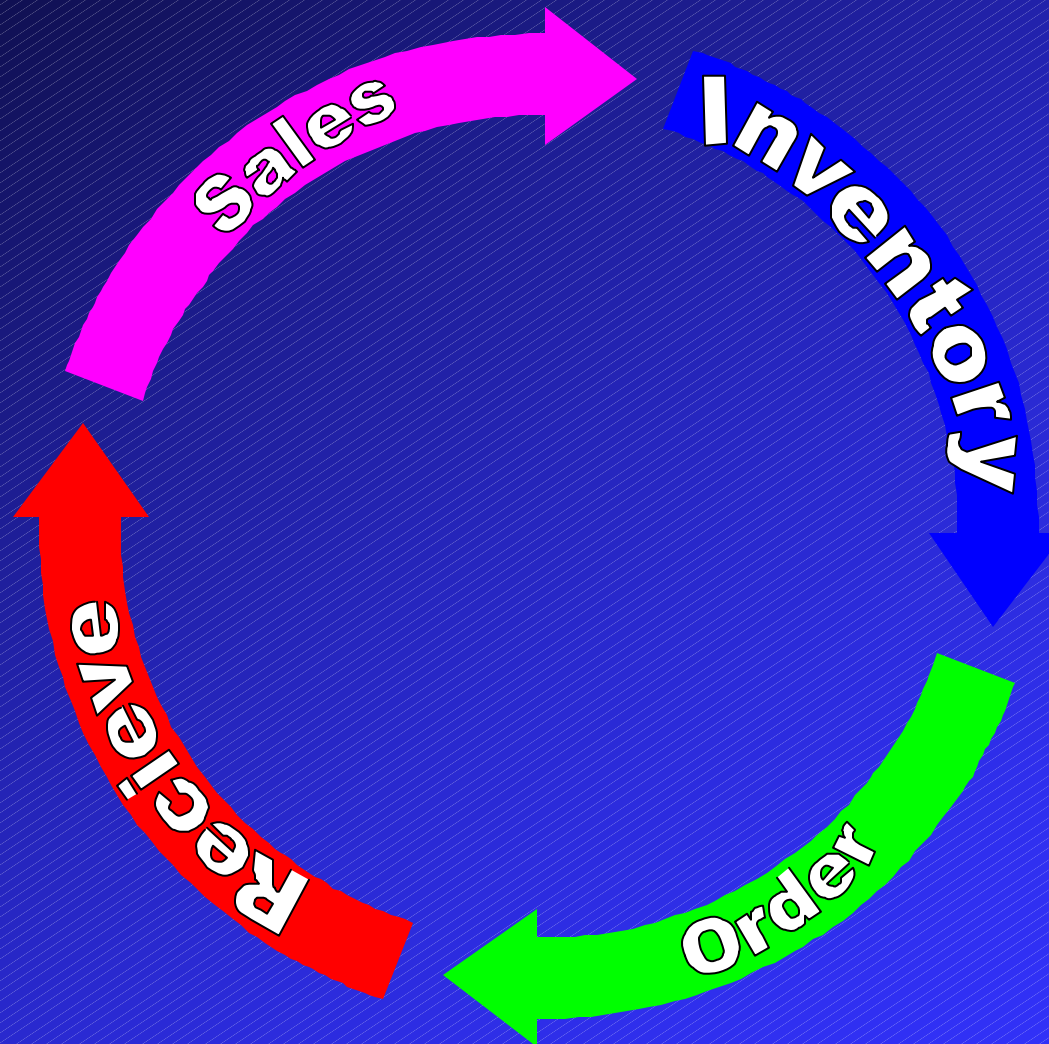
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# Inventory Control Cycle

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# Inventory Control Elements - Order

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- **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

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## ✍ Right product

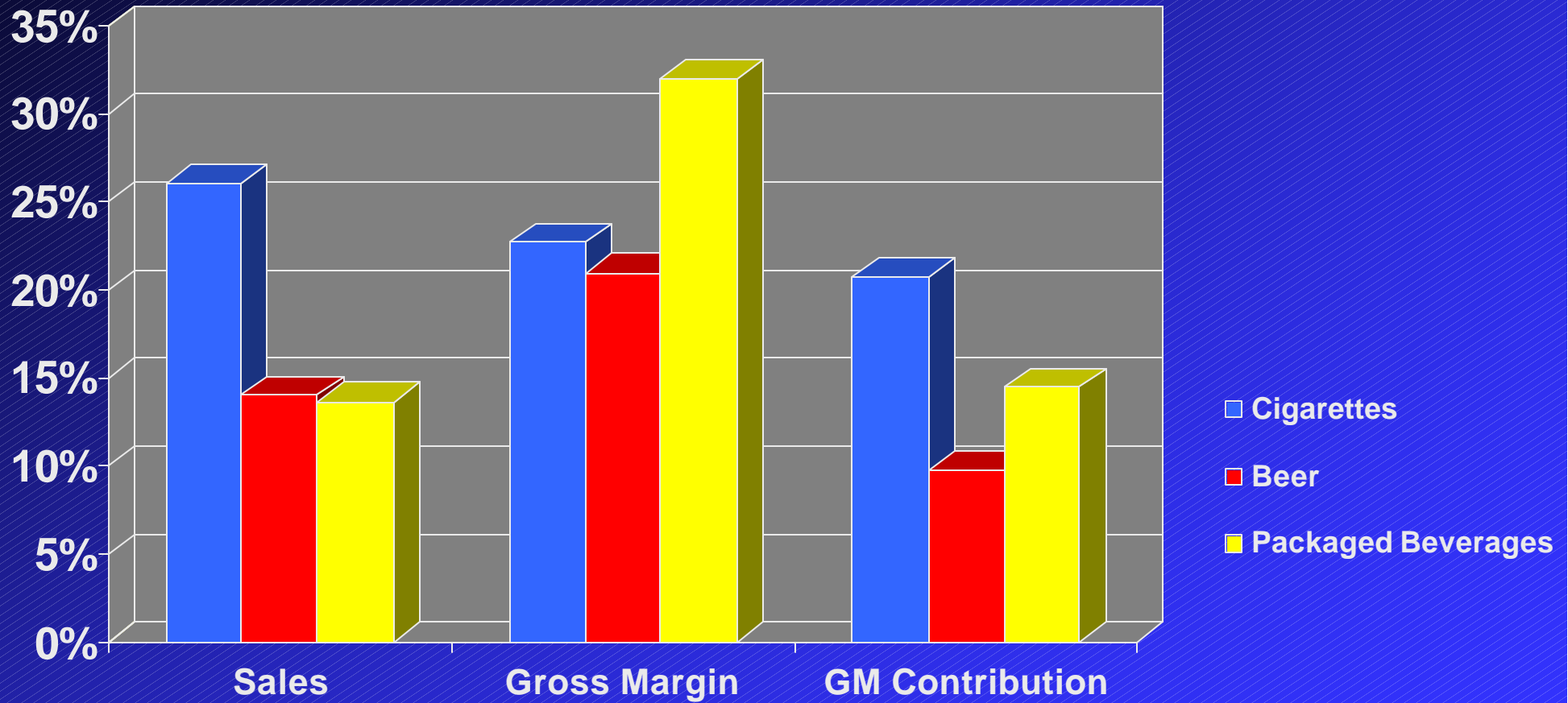
- did you get what you paid for
- did you get what you ordered or substitutions

## ✍ 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

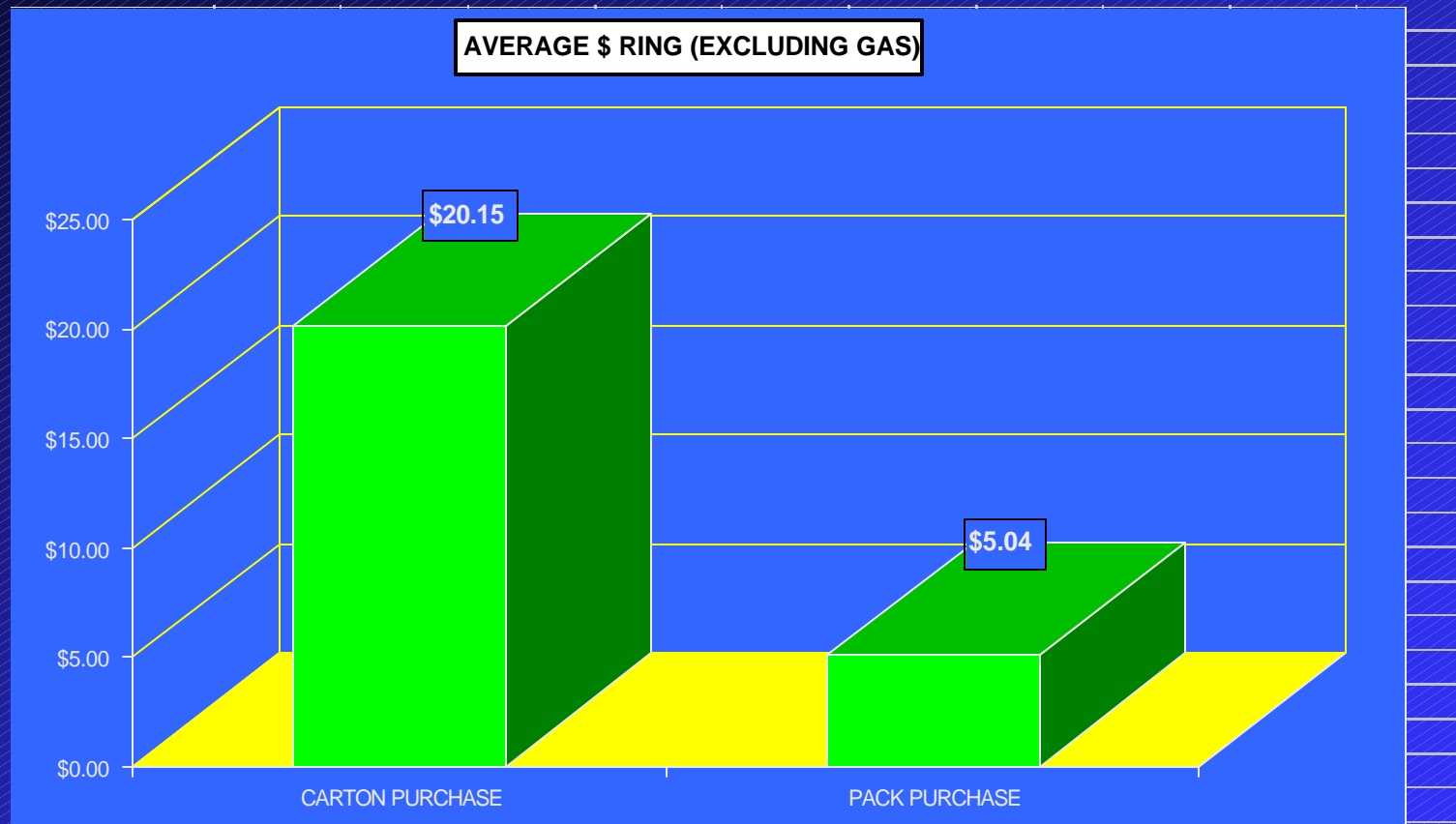
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- ✦ **SKU optimization**
- ✦ **Store layout**
  - right place in store
  - depends on how customers use store
  - depends on product mix
  - category adjacencies
- ✦ **Plan-o-grams**
  - right place on shelf
  - space to sales ratio
  - shelf tags (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

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- **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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