



CASE STUDY

Inventory management

Multi-branch Chain «Argon» (Grosh, Korona, K-Market)



Business retail; store sizes: hypermarkets, supermarkets, minimarkets.

Implementation effects:

- **3 people** manage 80 000 SKU. Staff optimization;
- Lost sales level decreased **by 6 times** ;
- Goods turnover accelerated;
- Optimized assortment.



«Argon» comprises a number of chains: 2 hypermarkets «Grosh», 7 self-service stores «Korona», 6 convenience stores - «K-Market» and 2 stores «Grosh-Express». The company was founded in 1995 and at the moment is the biggest retail chain in Vinnytska region.

BACKGROUND

Before the implementation of the project at Argon, there was a decentralized system of orders (altogether 15 people were involved in each shop), there was a manual order of every position, low quality of the order. A physical place of order placing – in client's accounting system on company's servers.

It was impossible to manage stocks proficiently, to analyze the reasons of shortages and overstocks. As a result, there was observed deficit on one kind of items and overstocks on other items in a chain. The company received less sales and profit.

AIMS OF THE PROJECT

- To provide an optimum level of stocks for ensuring sales and continuous goods availability in store;
- Overstock level reduction, assortment optimization aligned with demand in the store;
- Inventory turnover acceleration ;
- Efficiency in obtaining information.

RESULTS

- 3 people operate 80 000 SKU. Staff optimization.
- Lost sales level reduced to 2,4% (from 10-12%)
- Accelerated goods turnover.
- Delivery schedules on many suppliers are reconsidered and optimized.
- Assortment matrixes are reconsidered – the assortment is optimized, aren't concerned with the goods that lie on the shelf and aren't sold.

THE PROJECT IN PROGRESS

By applying **Stock-M**, there was created a centralized system of order and stock management.

Data exchange between the client's accounting system "ASTOR" and stock management system **Stock-M** was realized.

92 thousand SKU and 100 suppliers were connected to the stock management system. At the initial stage buffers for each position were calculated, after that, the system adapted automatically to the actual demand. Goods management on cross-docking.

Methodological and technical support

Consultations are held, during which stock management indicators in a chain are discussed (turnover, level of lost sales etc.), recommendations about improvement of indicators and advices on work with problem items are given .