PRACTITIONER CHECKLIST

Retail Inventory Management Checklist

Forty-two checks across the seven areas where retail inventory plans actually break. Built to be worked through with your own system open beside it — not read once and filed.

HOW TO USE IT

Tick only what is genuinely true today. An unticked box is a decision to make, not a failure.

WHO IT IS FOR

Retail and ecommerce operators running multi-SKU, multi-location or multi-channel inventory.

TIME NEEDED

About 30 minutes alone, or one working session with buying, ops and finance together.

01 Counting and accuracy

Nothing downstream works if the number is wrong.

- [ ] Cycle counting runs on a fixed schedule, not when someone notices a discrepancy
- [ ] A-class SKUs are counted most often; C-class least (see ABC analysis)
- [ ] Count variances are investigated for root cause, not just corrected
- [ ] Inventory accuracy is measured as a percentage and tracked over time
- [ ] Receiving is counted at the dock, before stock is put away
- [ ] There is one agreed definition of 'available to sell' across every team

02 System and visibility

One number, visible to everyone who needs it.

- [ ] Stock levels update in real time, not on an overnight batch
- [ ] Every selling channel reads from the same inventory record
- [ ] Stock is visible by location, not just in total across the business
- [ ] Allocation rules are explicit and configured, not decided ad hoc
- [ ] Users can see on-hand, on-order, committed and available separately
- [ ] No team maintains a private spreadsheet alongside the system

03 Reorder points and safety stock

The arithmetic that prevents both stockouts and dead stock.

- [ ] Reorder points are calculated, not inherited or guessed
- [ ] Lead times reflect what suppliers actually deliver, not contracted terms
- [ ] Safety stock is set from demand variability and a target service level
- [ ] Reorder points are reviewed when lead times or demand shift
- [ ] Slow and obsolete stock is identified on a schedule and acted on
- [ ] Minimum order quantities are factored into the reorder calculation

04 Demand forecasting

Plan from signal, not from last year's spreadsheet.

- [ ] Forecasts use actual sales history at SKU and location level
- [ ] Seasonality and known events are modelled, not applied as a gut multiplier
- [ ] Forecast accuracy is measured after the fact and fed back in
- [ ] New products have an explicit launch assumption rather than no forecast
- [ ] Promotional uplift is forecast separately from baseline demand
- [ ] Someone owns the forecast and can be asked to defend it

05 Suppliers

Your lead times are only as reliable as the people behind them.

- ☐ Supplier on-time and in-full performance is measured automatically
- ☐ Lead time variability is tracked per supplier, not averaged across all
- ☐ Critical SKUs have a qualified second source or a documented risk accepted
- ☐ Purchase order status is visible without emailing the supplier
- ☐ Price and MOQ changes trigger a reorder-point review
- ☐ Supplier scorecards are used in actual negotiations

06 Promotions and peak season

Where most retail inventory plans come apart.

- ☐ Promotional demand is forecast per SKU, not as a blanket percentage uplift
- ☐ Buy quantities account for the post-promotion demand dip, not just the peak
- ☐ Stock is positioned by location based on where the promotion will actually sell
- ☐ A markdown or exit plan exists before the promotion starts
- ☐ Cut-off dates for inbound stock are set backwards from the promotion start
- ☐ Post-promotion residual stock is reviewed against the plan within two weeks

07 Channels and locations

Multi-channel is where single-location logic breaks.

- ☐ A single pool of stock serves all channels, or split rules are deliberate
- ☐ Overselling is prevented by reservation logic, not by holding buffer stock
- ☐ Transfers between locations are triggered by data, not by phone calls
- ☐ Returns re-enter available stock promptly and in the right condition state
- ☐ Each channel's true fulfilment cost is known, not assumed equal
- ☐ Store and online stock can be seen in one view

08 The KPIs worth tracking

If you cannot fill the right-hand column, that is the first finding.

METRIC	HOW IT IS CALCULATED	WHAT GOOD LOOKS LIKE	YOUR NUMBER
Inventory accuracy	Counted units / system units	> 98%	
Inventory turnover	COGS / average inventory	Category dependent	
Days sales of inventory	Avg inventory / COGS × 365	Lower, within target	
Stockout rate	OOS SKU-days / total SKU-days	< 2% on A items	
Sell-through rate	Units sold / units received	Season dependent	
Carrying cost of inventory	Holding cost / avg inventory value	Know it; most don't	
Gross margin return on inventory	Gross margin / avg inventory cost	> 1.0	
Supplier on-time in-full	Complete on-time POs / total POs	> 95%	

Scoring — count your ticks across sections 01–07, out of 42

0–18
Coordination is running on people rather than systems. Start with counting accuracy and a single stock record — everything else depends on those.

19–31
The foundations hold. The gains now sit in reorder logic, forecasting and promotional planning.

32–42
Strong. Remaining upside is in channel economics and supplier variability rather than in basic control.

TAILOR

Tailor is a customizable, headless ERP platform for retail, ecommerce and manufacturing operators who need inventory, orders and financials in one system without surrendering their own processes to a vendor's defaults.

tailor.tech
Full guide: tailor.tech/resources/posts/inventory-management-best-practices