

# 10 rules for ordering and stock control

## 1. Order from your suppliers on a **regular monthly cycle**

- Make a list of the regular suppliers you will order direct from every month (keep this list as small as possible)
- Schedule regular supplier orders into week 1,2,3, or 4 each month – display this timetable on the wall in your office or inward goods area
- Don't place orders when reps call – stick to your monthly schedule

## 2. Order **60 days stock** (order everything – to 60 days cover)

- Use your computer to suggest orders – it will provide a more accurate starting order than a human using a PPG
- If 60 days order is too big - then order 45 days cover every 2 weeks
- Don't order more than 60 days stock to get a discount – unless the discount is large (e.g. at least 25%)
- Delay a very small order unless it reaches a satisfactory minimum e.g. \$100

## 3. Check **Out-of-Stocks weekly**

- Never be out-of-stock of best-selling products!
- Place an additional order with a supplier when any product in the Top 100 best sellers is Out-of-Stock

## 4. Have a foolproof system for **Special Orders for customers**

- Advise the customer how long until the next order for that supplier (from the 4 week ordering timetable)
- If the customer wants their special order urgently or a special order from a non-regular supplier charge a Special Order Fee (say \$7-50? – or \$12-50 if they want it posted?)
- Record customer contact details and give them a copy of the Special Order for confirmation
- Ensure Special Orders are placed within 24 hours or added to the next regular order and customers are notified when goods arrive. Ensure all staff know where to locate Special Orders and how to do them!
- Police the Special Order system strictly!

## 5. Check and correct the stock levels in your POS every time you create an order

- Print out the Computer - suggested order and check stock levels (correct any differences immediately)
- Also – Check and correct any products on the Negative Stock On Hand report every week

## 6. Receive the order and **match the cost prices** in your POS system to the invoice costs

- Adjust any quantities not delivered – enter back ordered products as new orders in your POS system if applicable
- When notified of price increases – recalculate your retail prices and adjust the price stickers on shelves or on existing stickered stock

## 7. Decide on any **Promotional Pricing** or **Specials**

- Discounts received from suppliers **should not always** be passed on to customers as lower prices
- Only lower the retail price if the product is on promotion to generate increased sales volume
- If you lower the price – the only way to increase sales is to advertise the price reduction with **signage** instore

## 8. Display **all of the incoming stock in the shop** (NOT the store room)

- Increase shelf facings for best sellers (A good guide is that facings should equal 1 month's sales)

## 9. Use the agreed system before **adding new products** or ranges

- Add new products into the appropriate Sub-Category and Category (Toniq = Departments and Groups)
- Clear ranges that fail as early as possible – don't keep the unsold products on your shelf
- Don't carry a product unless you sell 6 per year (you may make some exceptions)

## 10. Mark **discontinued and Dead products as "Don't Re-Order"**

- Discontinue and clear anything that hasn't sold in 6 months
- Zero the SOH and in your POS system
- Remove discontinued stock from the shelf and re-merchandise the good sellers to fill the space
- Clear stock on a "Sale" code (e.g. 30% off initially, then 50% off if unsold)

## Pharmacy Retail Ordering Schedule

We recommend dividing your retail ordering plan into these four different types of orders:

1.	<b>Buying Group orders from your wholesaler</b>	<b>Every 2 weeks</b>	<b>60 Days Cover*</b>
2.	<b>Direct to Supplier orders</b>	<b>Monthly</b>	<b>60 Days Cover</b>
3.	New Products and Promotional orders	As Required	
4.	Urgent / special orders	Daily / as required	

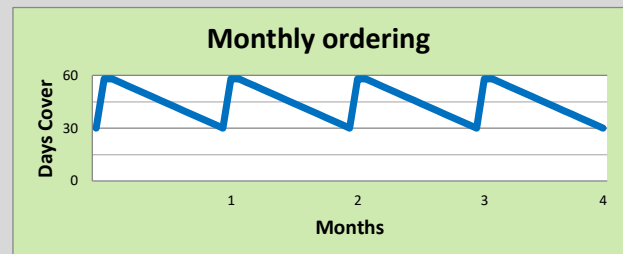
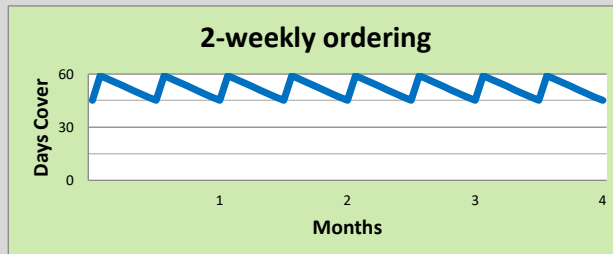
*\*or 45 Days for larger stores*

Your POS system can forecast the optimal stock level to order to top your shelves up to 60 Days Cover.

To see **everything** that needs to be ordered ask for a 60 Day order (from 60 to 60 Days in Toniq) - then edit this order to remove small or unnecessary products.

### Optimise your ordering by topping up to 60 Days Cover

The **most efficient and accurate ordering** relies on you sticking to a **regular ordering timetable each month** for your Buying Group wholesaler and Direct orders.



Once you accept the suggested frequency above the **60 Days Cover** will ensure that you are **never out of-stock** of these products because you are holding plenty of buffer stock.

- Because of the accuracy of computer- Suggested Orders – sticking to this ordering schedule will **free up staff time** to focus on the Type 3. new and promo ordering.
- The urgent / special orders (Type 4.) can be manually added to your Wholesaler daily dispensary order or sent to suppliers manually - but only if the customer is unable to wait until the next scheduled order for this supplier.

**Example of Retail Ordering Schedule for Pharmacy:**

Week 1	Week 2	Week 3	Week 4
<b>Direct Suppliers:</b> <ul style="list-style-type: none"> <li>• Go Healthy</li> <li>•</li> </ul>	<b>Direct Suppliers:</b> <ul style="list-style-type: none"> <li>• QVS</li> <li>•</li> </ul>	<b>Direct Suppliers:</b> <ul style="list-style-type: none"> <li>• Inner Health</li> <li>•</li> </ul>	<b>Direct Suppliers:</b> <ul style="list-style-type: none"> <li>• Revlon</li> <li>•</li> </ul>
<b>Buying Group</b>		<b>Buying Group</b>	

We recommend that you allocate your Direct Supplier orders to the same week each month to spread this workload evenly through the month.