"The warehouse was full. Sales were strong. The bank account was neither."

From my years running a manufacturing business with its own factory and retail outlets — before I did this for clients, I carried these numbers as the GM

~50% → <6%	~3% → <0.5%	~30 → ~14
overstock on the floor	stock-take variances — often under 0.2%	days-sales-inventory — cash released without hurting sales

The pain

Roughly **half the stock on the floor was overstock** — cash tied up in product that wasn't moving. Stock-take variances ran around 3%, nobody trusted the system, and buying ran on gut feel.

What I did — every aspect of inventory under daily measurement, on the operation's own systems

- **Daily stock health check** — every item compared against its min/max levels on the ERP, flagging overstock, understock, out-of-stock and negative stock against targets. A flagged item could be confirmed with a quick physical count — and an item that stayed "overstocked" on paper usually meant stock leaving the floor unrecorded: sold under the wrong barcode, undocumented, or stolen. Depending on the root cause, we could often trace it to a specific transaction, or at least a specific point in time.
- **Stock-takes that measured themselves** — variances tracked take-on-take and measured against sales (a stricter yardstick than stock value), including adjustments made *between* stock-takes so nothing blurred the picture. The percentage of counted items needing adjustment told us exactly how accurate the floor really was.
- **Top-10 risk items** after every stock-take, so root-cause effort went where the problems actually were.
- **Min/max planning properly maintained** — so buying matched real demand, not habit.

What it was worth

- Overstock cut from **~50% to under 6%**.
- Stock-take variances from **~3% to consistently under 0.5%, often under 0.2%** — numbers everyone finally trusted.
- **Days-sales-inventory down from ~30 to ~14** — half the cash previously locked in stock released — **without hurting sales**. *(The right DSI is different for every business — lead times, product type, shelf life, client mix, promotions and growth plans all play a role. The point isn't 14 days; it's knowing your number, managing it daily, and optimising it as the business changes.)*

Why it matters to you

This is the same discipline I now bring to clients' data from the outside — with the difference that I've lived with the consequences of these numbers myself, on the floor and in the cash flow.

Danie Flemming · danie@biprism.co.za · www.bi-prism.co.za