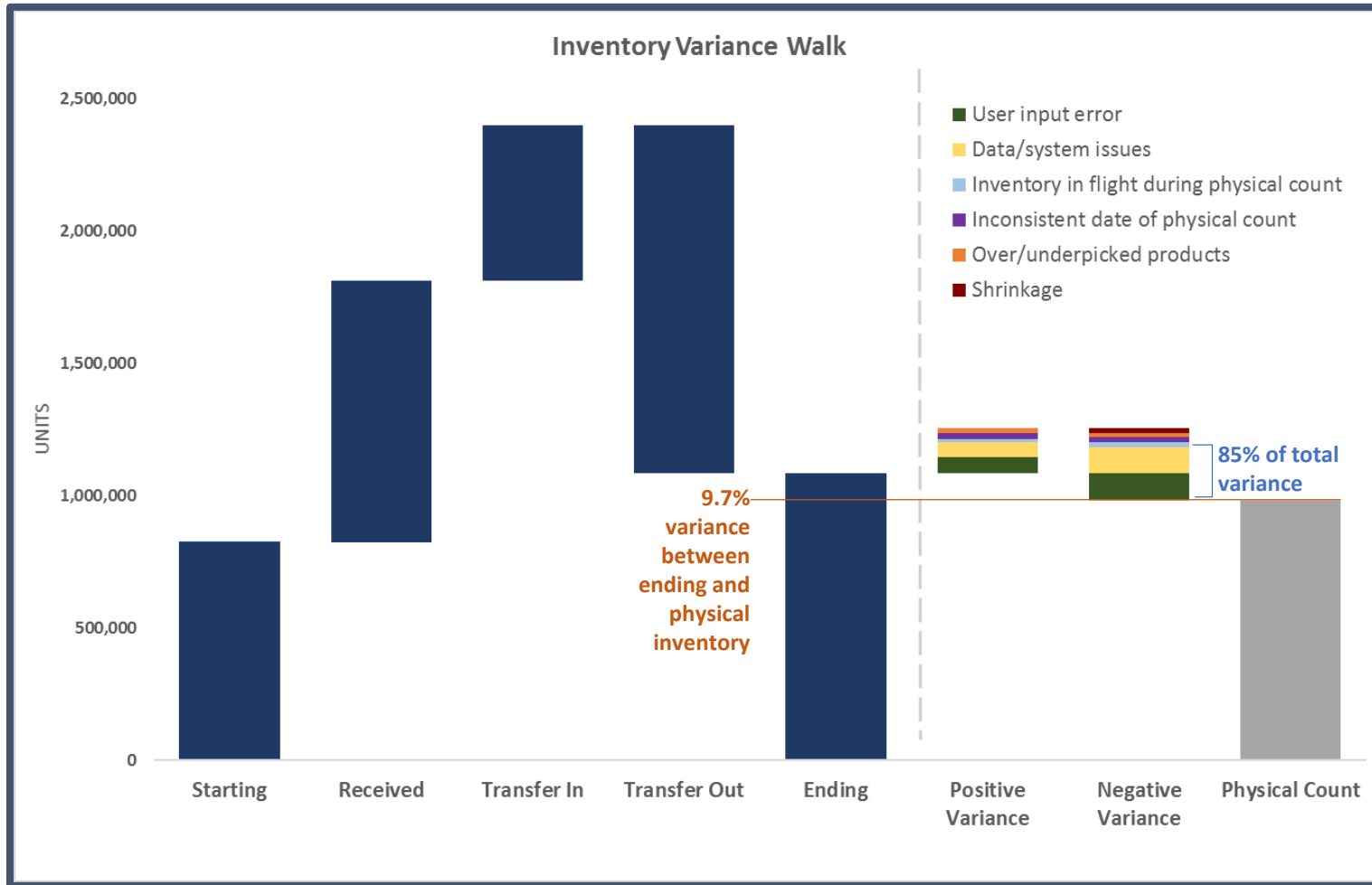


# INVENTORY ANALYSIS

What happens when your physical count is not what you expect?



Data has been modified for confidentiality purposes

Despite conducting monthly physical inventories, this distributor found a significant discrepancy between the recorded ending inventory and the physical count, leading to an inability to grapple with inventory shrink and significant balance sheet adjustments each month.

A more in-depth investigation and analysis pinpointed the cause as primarily due to user deviation from prescribed operational processes and data-entry issues. This prompted the company to increase training, implement end-of-day warehouse controls, and tackle system issues, greatly improving inventory tracking accuracy.

Copyright ©2019 by Berkeley Research Group, LLC. Except as may be expressly provided elsewhere in this publication, permission is hereby granted to produce and distribute copies of individual works from this publication for nonprofit educational purposes, provided that the author, source, and copyright notice are included on each copy. This permission is in addition to rights of reproduction granted under Sections 107, 108, and other provisions of the US Copyright Act and its amendments. Berkeley Research Group, LLC, including its subsidiaries, is not a CPA firm and does not provide audit, attest, or public accounting services. BRG is not a law firm and does not provide legal advice. BRG is an equal opportunity employer.