



Paladin Pointers: Best Practices for Reviewing Inventory

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November 15, 2022

WHAT YOU'LL LEARN

- What does it mean to manage your inventory investment?
- Primary advantages of reviewing your inventory.
- Inventory management challenges if not reviewed.
- Getting started – where do we start?
- Best practices:
 - The inventory reviewing process.
 - Creating and adding location codes.
 - Using the Investment Review tool.
- Monitor and adjust inventory using Paladin's reporting tools.

What does it mean to manage your inventory investment?



Your largest business investment is typically your store's **inventory**.



The return on inventory investment (**GMROI**) is highly correlated with the quality of your customer experience.



You will develop **customer loyalty** and increase your turns when items are correctly labeled, easy to find, attractively priced, well presented, and in stock.



When you **regularly review your inventory** and apply high customer standards, you are properly managing your inventory investment.

Primary advantages of reviewing your inventory



It's your business!

Afterall, if you don't review your investment, who will?

- Keeps track of your investments.
- Necessary for determining inventory valuation.
- Required for IRS reporting.
- Enables the use of Paladin's suggested ordering system, which accommodates simplified ordering and optimal stocking levels.
- Reduces product outs and overstock.
- Enhances the consumer experience.
- Keeps your customers coming back.

Inventory management challenges, if not reviewed.



- Excessive out-of-stock items
 - Risk of losing customers to the competition.
 - At best, customers get frustrated, become less tolerant.
- Abundance of overstocked product
 - Ties up money in inventory with non-performing assets.
 - Limits funds to reinvest in your business/marketing/sales.
- Workflow inefficiencies
 - Manual ordering significantly reduces productivity.
 - Flawed processes like counting once a year.
- Unorderly and messy shelves
 - Customers struggle to find products.
 - Risk of prices on shelf not matching checkout price.
 - Products on the wrong pegs.

Getting started



- Begin cycle counting one 4-foot section (or less) daily.
- Define location codes in Paladin.
 - Use Paladin recommended Location ID and Names.
- Assign location codes while reviewing with the RF Gun.
 - Be sure to enter the location code for each section being reviewed.
- Label each 4-foot section while reviewing inventory the first time.
- Track reviewed items using PaladinN Sight Investment Review tool.
- Regularly review your inventory reports to identify and repair pricing, unit-of-measure, and margin anomalies.

The inventory reviewing process



10101



- First time review:
 - Confirm that the location ID and name are in Paladin.
 - Apply location label to the 4-foot section you're reviewing.
- Login to hand-held RF Terminal, enter the location you're in.
- Review the first item and confirm the following:
 - The right product is on the peg.
 - The product is properly priced (same price as checkout).
 - The product is clean and well presented.
 - Finally, count the product using the RF Terminal.
- Scan the item and override the amount you show in SOH and press ENTER on the RF Terminal.
- Important note: Do the above step even if the store's SOH quantity matches the quantity displayed on the RF Terminal.

Reviewing is more than simply counting...

Defining location codes in Paladin

Sample Location Codes

<u>ID Code</u>	<u>Name</u>	<u>Row</u>	<u>Side</u>	<u>4ft Section</u>
10101	10101	Row 1,	01=Left,	1 st 4ft Section
10102	10102	Row 1,	01=Left,	2 nd 4ft Section
10201	10201	Row 1,	02=Right,	1 st 4ft Section
10202	10202	Row 1,	02=Right,	2 nd 4ft Section
20101	20101	Row 2,	01=Left,	1 st 4ft Section
20102	20102	Row 2,	01=Left,	2 nd 4ft Section
100220	100220	Row 10,	02=Right,	20 th 4ft Section

- Create location codes in a logical sequence for ordering and reporting.
- Follow a logical path using a store planogram to designate locations.
- Recommended location code formation: Use 5 and 6 numeric characters for both ID and Name.

1=Row 1, **01=Left** / **02=Right**, 01=1st 4ft Section

Location ID: 1**01**01 (**left** side)

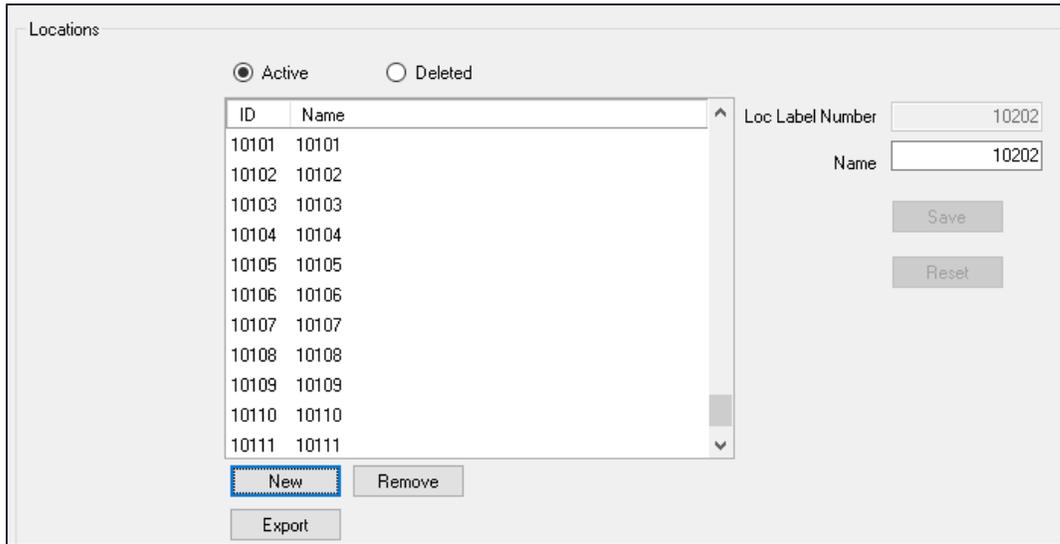
Location ID: 1**02**01 (**right** side)

15=Row 15, **01=Left** / **02=Right**, 08=8th 4ft Section

Location ID: 15**01**08 (**left** side)

Location ID: 15**02**08 (**right** side)

Add location codes in Paladin



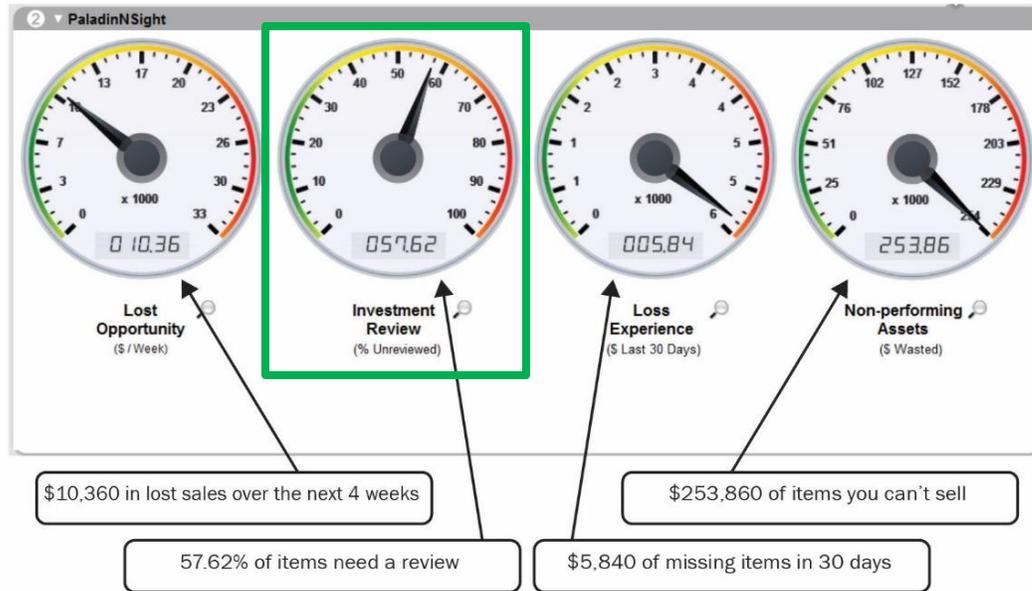
ID	Name
10101	10101
10102	10102
10103	10103
10104	10104
10105	10105
10106	10106
10107	10107
10108	10108
10109	10109
10110	10110
10111	10111

- In Paladin, go to **File > Setup**
- Select the **Loc** tab.
- For simplification purposes, make the Location ID and Location Name identical.
- Alternatively, add your location codes into an Excel spreadsheet and your Paladin customer service technician can help you import them into Paladin (data fees may apply).

10101

Apply labels to each 4-foot section when counting for the first time.

PaladinN Sight™ and the Inventory Review Tool



PaladinN Sight™ is powered by Paladin's sophisticated Market-Driven Inventory Management™ system and helps you make informed decisions to maximize profits and minimize losses.

PaladinN Sight™ is available to managers and other high-level employees.

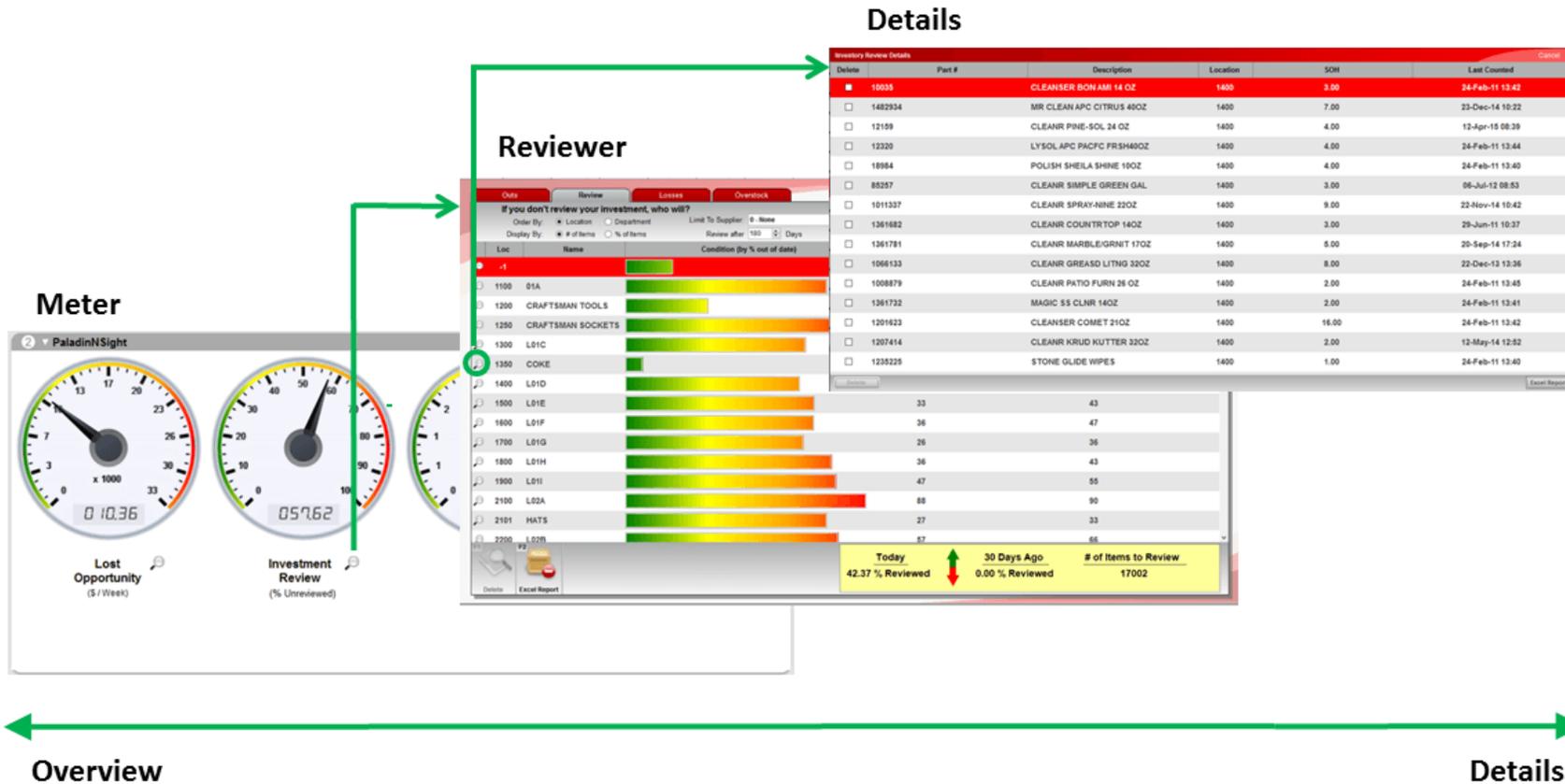
The **Inventory Review Tool** is part of the **PaladinN Sight™** dashboard and tools that are available in the **Inventory** module.

Investment review meter



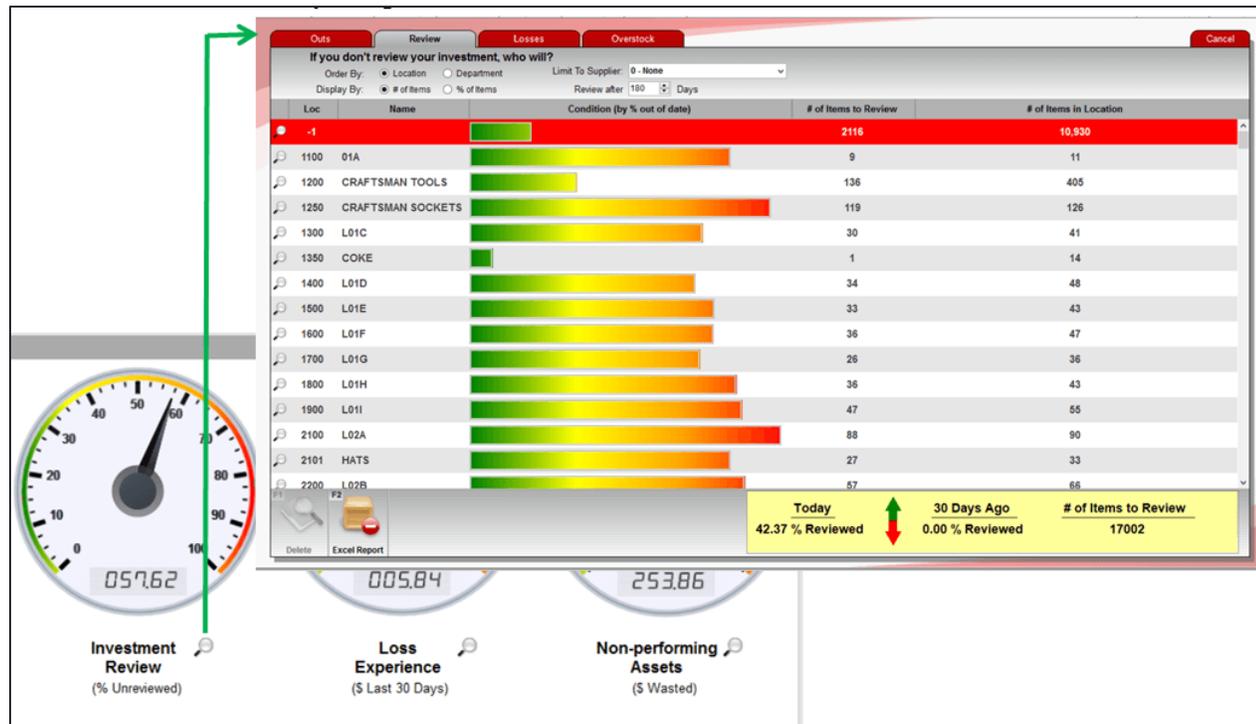
- The **Investment Review Meter** displays the percentage of inventory that was not reviewed in the last X-number of days. The default is 180 days or 6 months.
 - **Tip:** Typically, the % of the **Unreviewed** meter value will be less than 10% when you perform year-round inventory reviews. To keep your investment on track, monitor this meter frequently for trends.
 - **Tip:** If the % **Unreviewed** percentage is increasing over time, verify that reviews are being performed daily so you can reverse the trend.

From a ballpark view to inventory details



- The **Inventory Review Tool** provides multiple levels of detail to help you manage your inventory investment.

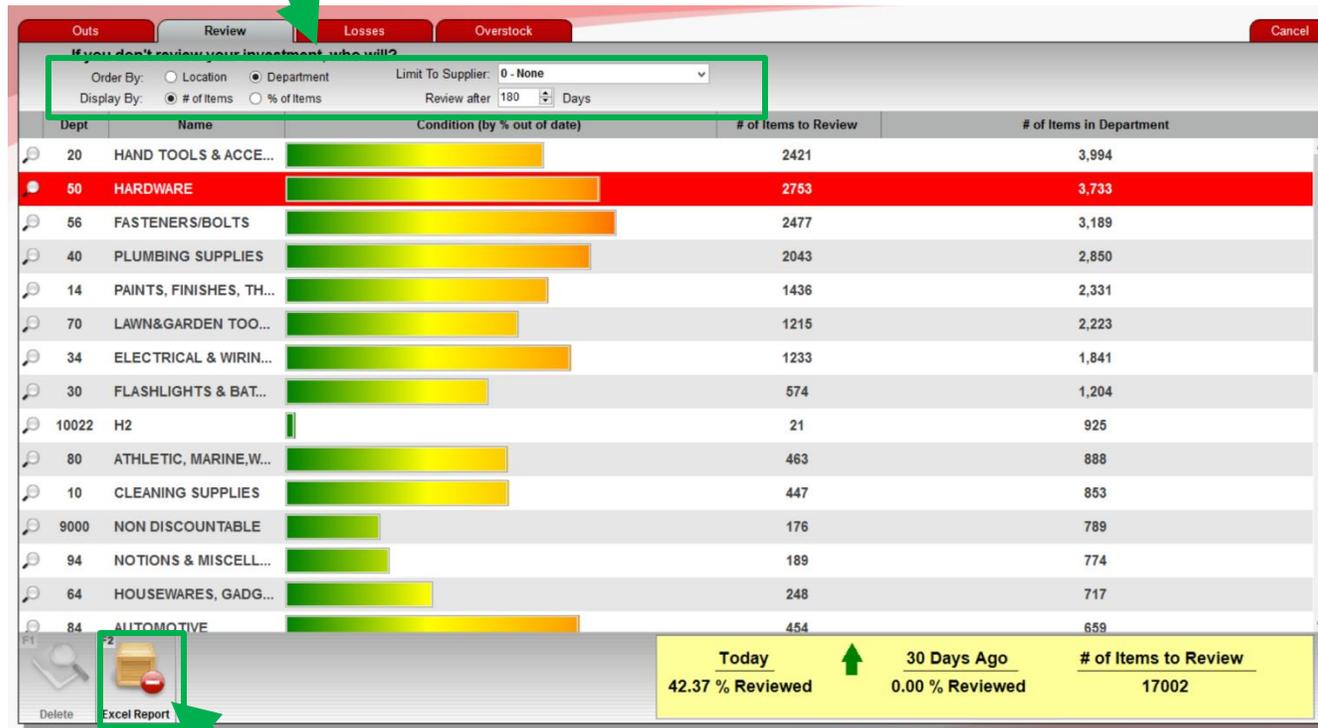
Investment Reviewer



- Click the **Investment Review Meter** magnifying glass to open the **Investment Reviewer**.
- This view gives you a detailed look of departments or locations with items that have not been reviewed in 180 days (or whatever number of days you desire).

Investment Reviewer

View options



The screenshot shows the 'Review' tab of the Investment Reviewer interface. At the top, there are tabs for 'Outs', 'Review', 'Losses', and 'Overstock'. Below the tabs, there are filters for 'Order By' (Location, Department), 'Display By' (# of Items, % of Items), 'Limit To Supplier' (0 - None), and 'Review after' (180 Days). The main table lists departments with columns for 'Dept', 'Name', 'Condition (by % out of date)', '# of Items to Review', and '# of Items in Department'. The 'HARDWARE' department (Dept 50) is highlighted in red. At the bottom, there is a summary bar showing 'Today 42.37 % Reviewed', '30 Days Ago 0.00 % Reviewed', and '# of Items to Review 17002'. An 'Excel Report' button is located at the bottom left, and a 'Delete' button is next to it.

Dept	Name	Condition (by % out of date)	# of Items to Review	# of Items in Department
20	HAND TOOLS & ACCE...		2421	3,994
50	HARDWARE		2753	3,733
56	FASTENERS/BOLTS		2477	3,189
40	PLUMBING SUPPLIES		2043	2,850
14	PAINTS, FINISHES, TH...		1436	2,331
70	LAWN&GARDEN TOO...		1215	2,223
34	ELECTRICAL & WIRIN...		1233	1,841
30	FLASHLIGHTS & BAT...		574	1,204
10022	H2		21	925
80	ATHLETIC, MARINE,W...		463	888
10	CLEANING SUPPLIES		447	853
9000	NON DISCOUNTABLE		176	789
94	NOTIONS & MISCELL...		189	774
64	HOUSEWARES, GADG...		248	717
84	AUTOMOTIVE		454	659

Export to Excel

- You can customize your view by:
 - Department or location
 - # items or % of items
 - # of days since the last review
 - Supplier
 - Sorting by any column's data (click the column title).
- Tip:** Sort the list by the **# of Items to Review** column so that the largest number of unreviewed items is on top.

Investment Reviewer details

View the inventory item in the **Inventory** module

Inventory item information

Location

Current stock-on-hand (SOH)

Last review date

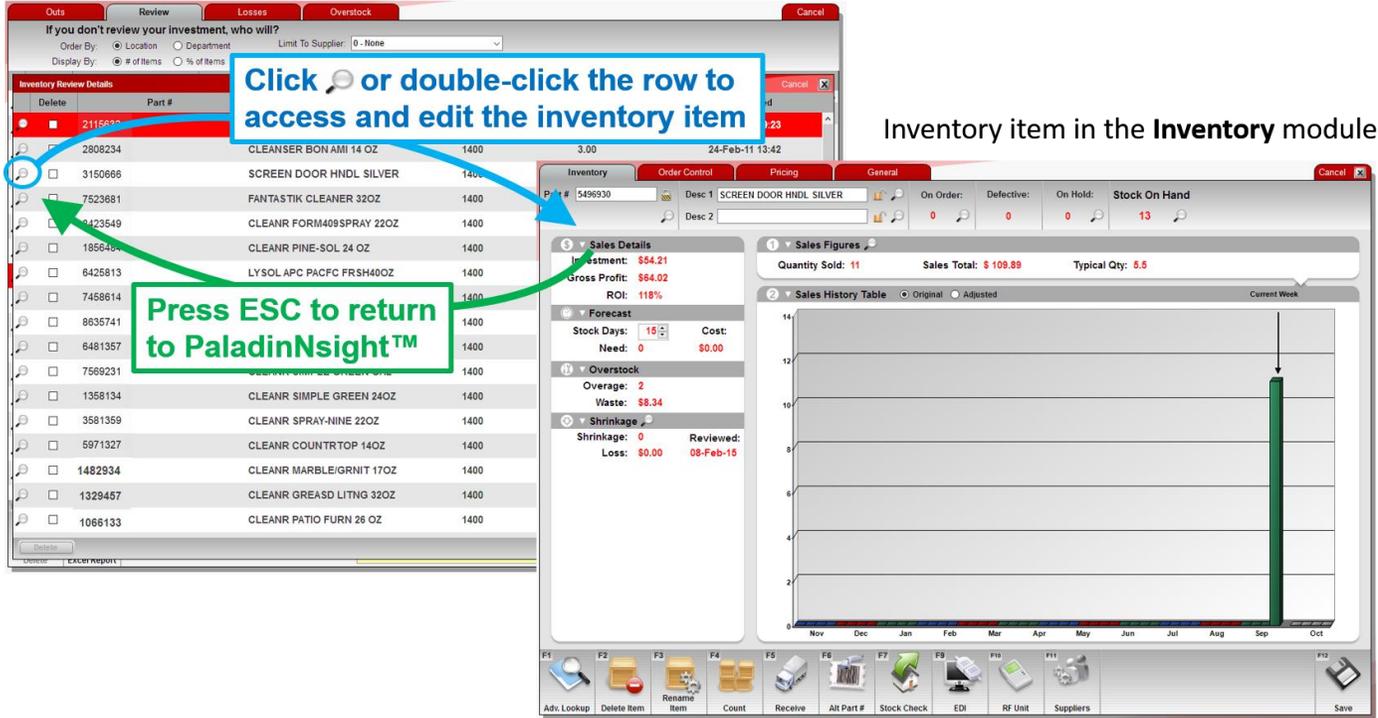
Delete	Part #	Description	Location	SOH	Last Counted
<input checked="" type="checkbox"/>	10035	CLEANSER BON AMI 14 OZ	1400	3.00	24-Feb-11 13:42
<input type="checkbox"/>	1482934	MR CLEAN APC CITRUS 40OZ	1400	7.00	23-Dec-14 10:22
<input type="checkbox"/>	12159	CLEANR PINE-SOL 24 OZ	1400	4.00	12-Apr-15 08:39
<input type="checkbox"/>	12320	LYSOL APC PACFC FRSH40OZ	1400	4.00	24-Feb-11 13:44
<input type="checkbox"/>	18984	POLISH SHEILA SHINE 10OZ	1400	4.00	24-Feb-11 13:40
<input type="checkbox"/>	85257	CLEANR SIMPLE GREEN GAL	1400	3.00	06-Jul-12 08:53
<input type="checkbox"/>	1011337	CLEANR SPRAY-NINE 22OZ	1400	9.00	22-Nov-14 10:42
<input type="checkbox"/>	1361682	CLEANR COUNTRTOP 14OZ	1400	3.00	29-Jun-11 10:37
<input type="checkbox"/>	1361781	CLEANR MARBLE/GRNIT 17OZ	1400	5.00	20-Sep-14 17:24
<input type="checkbox"/>	1066133	CLEANR GREASD LITNG 32OZ	1400	8.00	22-Dec-13 13:36
<input type="checkbox"/>	1008879	CLEANR PATIO FURN 26 OZ	1400	2.00	24-Feb-11 13:45
<input type="checkbox"/>	1361732	MAGIC SS CLNR 14OZ	1400	2.00	24-Feb-11 13:41
<input type="checkbox"/>	1201623	CLEANSER COMET 21OZ	1400	16.00	24-Feb-11 13:42
<input type="checkbox"/>	1207414	CLEANR KRUD KUTTER 32OZ	1400	2.00	12-May-14 12:52
<input type="checkbox"/>	1235225	STONE GLIDE WIPES	1400	1.00	24-Feb-11 13:40

Export list to Excel

- The **Investment Reviewer Details** view shows inventory information for each unreviewed item in the department or location.
- You can export the items in this view to Excel.

Investment Reviewer Details – Quick access to complete item details

Inventory item list in a PaladinN Sight™ tool



The screenshot displays two windows from the PaladinN Sight™ tool. The left window, titled 'Inventory Review Details', shows a list of inventory items with columns for Part #, Description, and Stock. A blue callout box points to a row with the text: 'Click or double-click the row to access and edit the inventory item'. A green callout box points to the bottom of the list with the text: 'Press ESC to return to PaladinN Sight™'. The right window, titled 'Inventory', shows detailed information for a selected item (Part # 5496930, Description: SCREEN DOOR HNDL SILVER). It includes sections for Sales Details (Investment: \$54.21, Gross Profit: \$64.02, ROI: 118%), Forecast, Overstock (Overage: 2, Waste: \$8.34), and Shrinkage (Loss: \$0.00, Reviewed: 08-Feb-15). A 'Sales History Table' is also visible, showing a bar chart for the current week.

- In the **Investment Reviewer Details** view, click any item’s magnifying glass to access its inventory information in the **Inventory** module.
- When you are done, press **ESC** to return to the **Inventory Reviewer Details** view.

Investment Reviewer Details – delete unnecessary items

To remove items from active inventory, select the **Delete** check box, and then click the **Delete** button below.



Delete	Part #	Desc
<input checked="" type="checkbox"/>	2115632	SCREEN HIGH STRIP
<input type="checkbox"/>	2808234	KELLER SASH LCK1
<input checked="" type="checkbox"/>	3150666	SCREEN DOOR HND
<input type="checkbox"/>	7523681	SCREEN DR JAMB B
<input checked="" type="checkbox"/>	8423549	SCREEN DOOR HINK

Click **Delete** to remove all items selected in the **Delete** column from active inventory.



<input type="checkbox"/>	86357
<input type="checkbox"/>	64813
<input type="checkbox"/>	75692
<input type="checkbox"/>	13581
<input type="checkbox"/>	35813
<input type="checkbox"/>	59713
<input type="checkbox"/>	43581

Delete

- Some items in the unreviewed item list may be discontinued items that you no longer have in stock or one-time orders that you no longer use or need.
- These unneeded part numbers can clutter your reports and inventory.
- To remove an item from active inventory, select the **Delete** checkbox. Then, when you have one or more items selected, click **Delete** on the bottom ribbon.

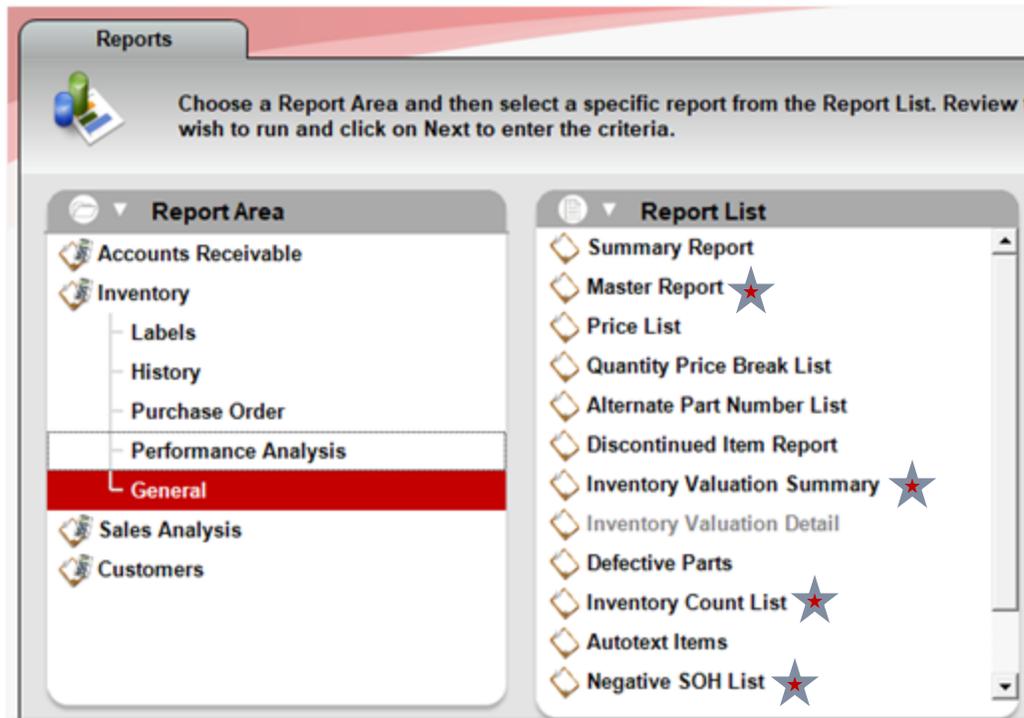
Use the Inventory Review tool to manage your unreviewed inventory



Scheduler

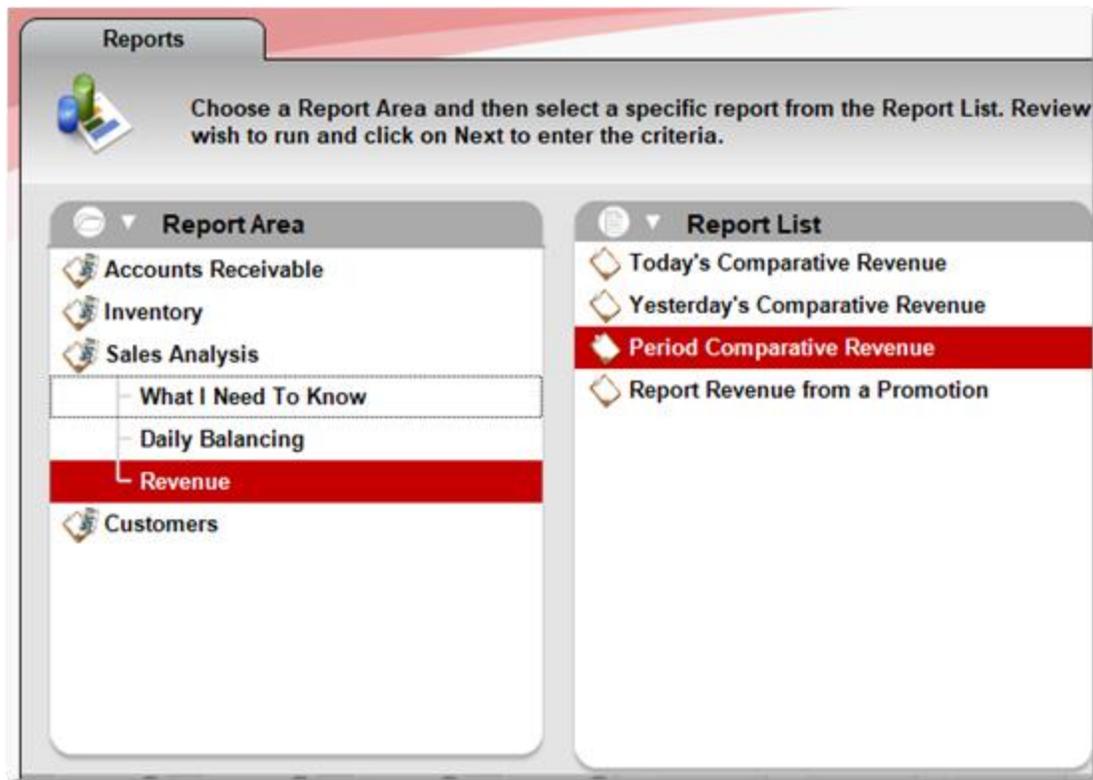
- Pick a time interval for inventory review.
 - Create a scheduled inventory review task weekly or even bi-monthly.
 - Add the review schedule to your calendar.
 - Coordinate your inventory review following cycle counts by 4-foot section, aisle, or department.
 - Review the items that were skipped during the review process by location or department for 100% coverage.

Use these reports for fine-tuning your inventory costs, prices, and margins



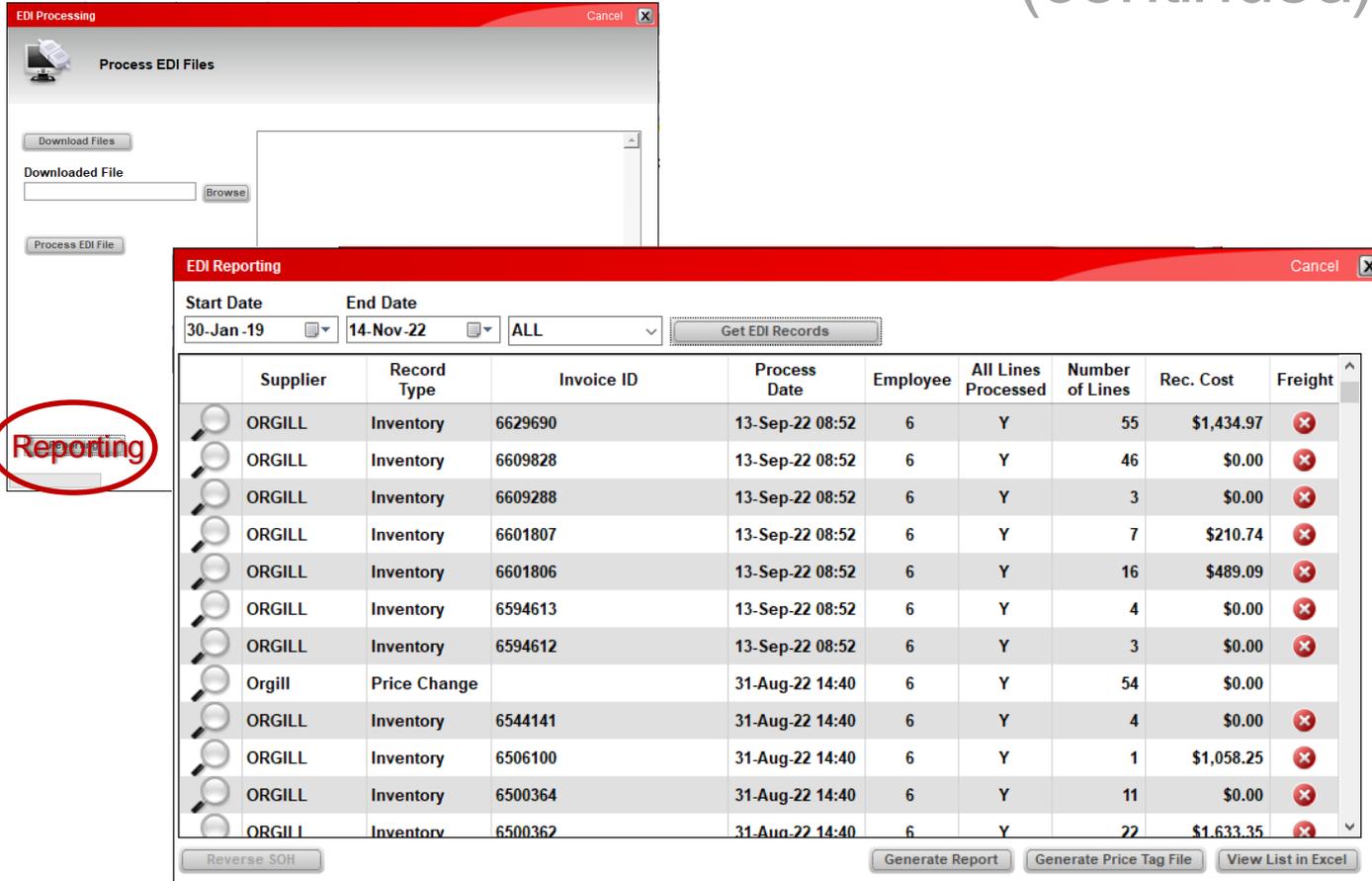
- Master Report (PDF, Excel)
- Inventory Valuation Summary (PDF)
- Inventory Count List (Excel)
- Negative SOH List (PDF)

Use these reports for fine-tuning your inventory costs, prices, and margins
(continued)



- Comparative Revenue report (PDF, Excel)
 - Discover and fix high or low margin anomalies.
 - Validate year-over-year changes.
 - Categorize and sift through the report by:
 - Department
 - Location
 - Supplier
 - Class
 - Customer Type

Use these reports for fine-tuning your inventory costs, prices, and margins
(continued)



The screenshot displays the 'EDI Reporting' window. At the top, there are fields for 'Start Date' (30-Jan-19), 'End Date' (14-Nov-22), and a dropdown menu set to 'ALL'. A 'Get EDI Records' button is visible. Below this is a table with the following columns: Supplier, Record Type, Invoice ID, Process Date, Employee, All Lines Processed, Number of Lines, Rec. Cost, and Freight. The table contains 13 rows of data, mostly for 'Inventory' records from 'ORGILL' with various invoice IDs and process dates. A 'Reporting' label is circled in red on the left side of the interface.

Supplier	Record Type	Invoice ID	Process Date	Employee	All Lines Processed	Number of Lines	Rec. Cost	Freight
ORGILL	Inventory	6629690	13-Sep-22 08:52	6	Y	55	\$1,434.97	✘
ORGILL	Inventory	6609828	13-Sep-22 08:52	6	Y	46	\$0.00	✘
ORGILL	Inventory	6609288	13-Sep-22 08:52	6	Y	3	\$0.00	✘
ORGILL	Inventory	6601807	13-Sep-22 08:52	6	Y	7	\$210.74	✘
ORGILL	Inventory	6601806	13-Sep-22 08:52	6	Y	16	\$489.09	✘
ORGILL	Inventory	6594613	13-Sep-22 08:52	6	Y	4	\$0.00	✘
ORGILL	Inventory	6594612	13-Sep-22 08:52	6	Y	3	\$0.00	✘
Orgill	Price Change		31-Aug-22 14:40	6	Y	54	\$0.00	
ORGILL	Inventory	6544141	31-Aug-22 14:40	6	Y	4	\$0.00	✘
ORGILL	Inventory	6506100	31-Aug-22 14:40	6	Y	1	\$1,058.25	✘
ORGILL	Inventory	6500364	31-Aug-22 14:40	6	Y	11	\$0.00	✘
ORGILL	Inventory	6500362	31-Aug-22 14:40	6	Y	22	\$1,633.35	✘

- Post EDI processing report (PDF or Excel).
- Confirming the EDI changes to your inventory is extremely important and should be incorporated into your inventory review regimen.

Learn more

Knowledge Base

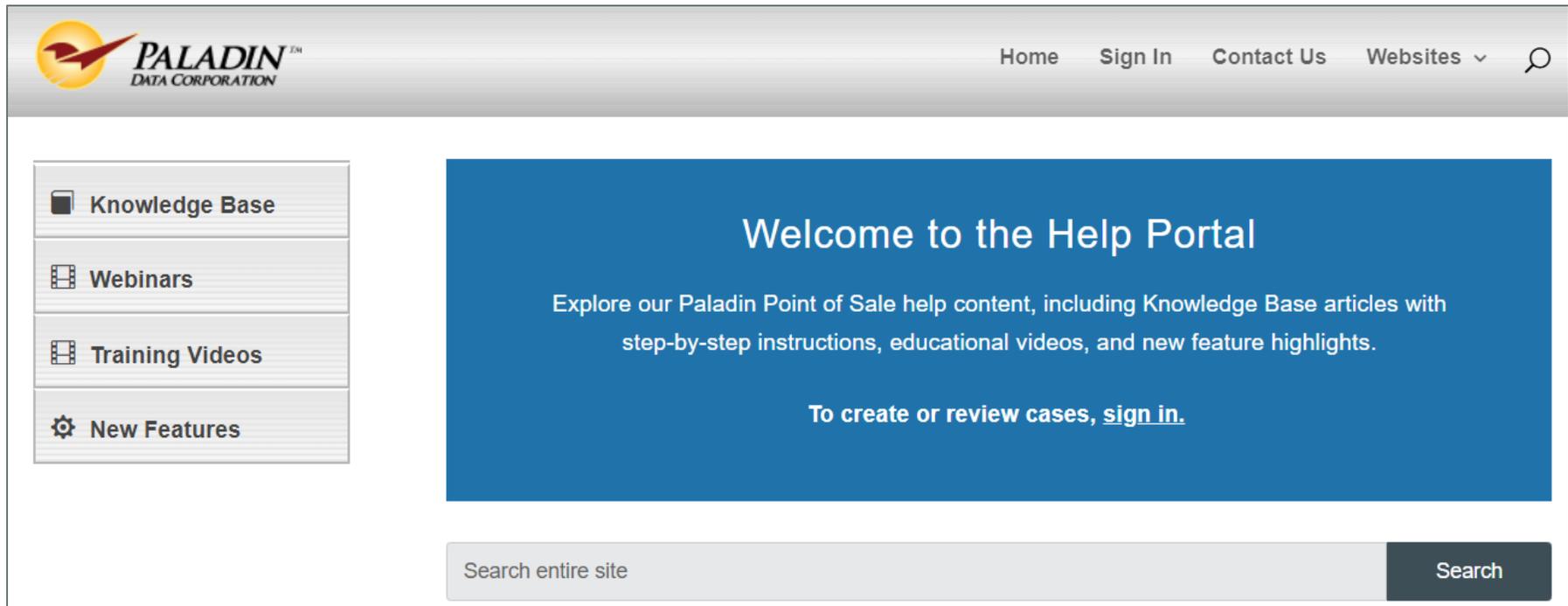
- [About Suggested Order Reports](#)
- [How to create supplier POs for a suggested order or other PO in seconds with Order Analyst](#)
- [How to buy inventory from lowest-cost EDI suppliers with Order Analyst](#)
- [How to set up a location system in your store](#)

Webinars

- [Automate Ordering and Generate Best-Cost POs With Order Analyst™](#)
- [Streamline Your Inventory Processes](#)

Where to find more information

<http://portal.paladinpos.com>



The screenshot shows the Paladin Data Corporation Help Portal. The header includes the company logo and navigation links: Home, Sign In, Contact Us, and Websites. A search icon is also present. The main content area features a blue banner with the text "Welcome to the Help Portal" and a description of the help content. A sidebar on the left lists navigation options: Knowledge Base, Webinars, Training Videos, and New Features. At the bottom, there is a search bar with the text "Search entire site" and a "Search" button.

 PALADIN™
DATA CORPORATION

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Welcome to the Help Portal

Explore our Paladin Point of Sale help content, including Knowledge Base articles with step-by-step instructions, educational videos, and new feature highlights.

To create or review cases, [sign in](#).

Search entire site

Next webinar:

**Year-End Reports:
Why You Need Them,
How to Make Them Automatic**

December 6 at 9am PT

Register: portal.paladinpos.com/webinars



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