

# AN INVENTORY MANAGEMENT PLAN FOR THE **NEW YEAR**



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## INTRODUCTION

Every New Year, we're encouraged to create goals that will somehow improve our day-to-day lives. Usually goals are fitness-related, but often they have to do with becoming more productive or more organized in our business. We all may start the year with good intentions, but studies show that most of us fail to keep our resolutions; 1 in 3 people [give up on their resolutions](#) within one month. That statistic is shockingly large and highlights a major issue with resolutions: they don't always stick. The problem? We often set goals that are too large, take too long to accomplish, or we get overwhelmed in ways we can achieve the goal vs. the action required to produce the goal.

Instead of waiting until January 1st of each year to make a change, decide to make a change today. The truth is, there's no magic date on the calendar when you'll suddenly feel more motivated to change your ways. So, ditch the calendar! You're capable at any point in your life to look around and say, "I can do better, and I'm starting right now." Now that you know the truth, you'll be able to tackle your toughest management issues. Your power comes from knowing that you can affect change to increase the number of quality employees on your staff, retain your valuable customers, and balance your budget to ensure that you're making money. One positive and financially beneficial goal to tackle this year is keeping better track of your inventory.



## THE ISSUE

Inventory is notoriously difficult to track! According to a report produced by [Wasp Barcode](#), less than half (43%) of all small to medium-sized businesses in the U.S. are either failing to track their inventory, or they use an unreliable manual method (paper and pen or spreadsheet) to keep an eye on what's going in and out. We have a client who deals with this very problem. They generally have their supplier deliver to the job site, but they also have their own warehouse for emergency supply situations and they deliver to their smaller customers. The problem is that this company is so large, and has so many storage locations, they don't know where their supplies are ending up. Often employees just grab what they need from the warehouse without any documentation. An inventory issue that goes unchecked results in rampant employee theft, unhappy customers, and less revenue.

## WHY SHOULD YOU CARE?

### PEOPLE ARE PROBABLY STEALING FROM YOU.

Most janitorial companies are unaware of how much of inventory is being lost from theft. A shocking [75% of employees](#) have admitted to stealing from their employer at least once. A business culture where behaviors like theft are not quickly caught and curbed cultivates a variety of other questionable behaviors that will later create major conflicts between employees, employers, and clients. Employees aren't the only people you have to worry about! Sometimes your clients may use your supplies. For example, another cleaning company that cleaned residence buildings on a university campus noticed that its cleaners had to frequently restock toilet paper in the residence bathrooms, especially during the end of the semester. They discovered that students moving out from the residence buildings had been stealing toilet paper to take back to their new apartments.



## **YOU'LL PROBABLY LOSE YOUR CUSTOMERS.**

Without a way to properly track inventory, you might not be sure when your inventory is getting low. This means that you run the risk of being ill-prepared to handle a job. Poor quality service will certainly motivate your customers to find another provider! Your customers come with highly-developed expectations of timeliness and quality of the service they are paying you to provide. No customer wants to hear there is no toilet paper in the restroom. When you're unable to meet expectations, your customers will switch to a different cleaning provider.

## **YOU'RE PROBABLY (DEFINITELY) LOSING MONEY.**

Supply costs can eat up 10% of your bottom line. If you don't track your inventory, you won't know when you should buy more supplies. You know that buying too little supplies leads to unhappy customers. But you also know that buying too many supplies hits your bottom line. By not tracking your inventory you risk losing your money from under-buying, overbuying, or repeating purchases you've already made.

## HOW TO SOLVE THE ISSUE

The solution to your inventory issue is simple: you need to accurately track your inventory. Easier said than done, right? Here are some helpful tips to help you track your inventory.

### 1. PERFORM A COUNT OF YOUR SUPPLIES EACH WEEK

Assign a manager to count larger supplies each week like cleaning solutions, paper products, hand soap, and trash bags each week. Then have a second person double check. The fewer people responsible for inventory count, the better. That's because you don't want data entry errors from multiple people entering in data. With fewer people in charge of counting, you'll also keep theft to a minimum (and know who's responsible if something does go missing). We also suggest requiring your employees to empty out their work vehicles each day. This may be a pain, but it also decreases the likelihood of theft and makes inventory easier to track.

### 2. PERFORM A COUNT OF YOUR SMALLER TOOLS AND UNIFORMS ONCE A MONTH OR ONCE A QUARTER

Smaller tools include spray bottles, rags and mop heads. Once again, assign a manager to be responsible for performing the count.



### **3. PERFORM A FULL COUNT OF INVENTORY ONCE A QUARTER OR ONCE A YEAR**

You may have a lot of inventory, and then you may not. If you have a lot of inventory, pick one day a year and get your entire team together to perform a count. We suggest putting all of your inventory in one place during the count. This includes in your main storage facility and at all of your customer locations.



### **USING INVENTORY MANAGEMENT SOFTWARE**

If performing inventory each week on a checklist gives you a headache, you should look into using an inventory management software. Cloud-based software like Janitorial Manager can help you track supplies and usage on your phone. The benefit to cloud-based software is that anybody with access to the software can immediately see inventory. Software keeps you aware of what you already have and what you need to order to replenish supplies. Without software you risk having to physically visit the location, which unnecessarily takes up your time, or risk overbuying supplies.

## JANITORIAL MANAGER

Software also allows you to be responsive. If you give your employees access, they can send in supply requests from their phones. For example, if an employee sees that the supply of toilet paper is low, he or she can put in a supply request and then whoever is in charge of purchasing will receive the request and purchase the product. Your clients will also appreciate your responsiveness if they ask you to perform tag work and you have the supplies on hand to help them out.

When you start tracking your inventory in a software like Janitorial Manager, you'll get a scorecard that lets you know how much you've spent on supplies in different locations. If you see that supply usage is over budget at a location, you can quickly and easily investigate. You may notice that one location has been using a lot of a particular chemical. If you see this, you can take the opportunity to check whether your employees are using the proper quantities or if there are other issues. Using too much of a cleaning chemical could potentially be hazardous to employees and your clients. On the other hand, your scorecard might reveal that your employees aren't using enough of a cleaning chemical, which suggests that the quality might be sub-par. Inventory management software will help you identify issues and resolve them before they blow up into costly catastrophes.



## CONCLUSION

It's time to solve your inventory issue! Properly tracking inventory will help you with your employees. When you quickly identify theft and get rid of the bad apples on your team, you do your part in fostering a better environment for your employees. Speaking of better environments, tracking inventory can help you discover whether or not your employees have been using the correct quantities of chemicals. Too many chemicals can cause health hazards for employees and clients, while too few chemicals mean that things aren't being cleaned as they should. Customers will also be happier when you're able to provide them with the service you promised. They get what they pay for and more, especially if you're able to perform tag work on the fly. Finally, better inventory management leads to more revenue because you'll know when to buy supplies and how much to buy. There'll be less money tied up in inventory and sitting unused on supply closet shelves. 2019 is your year! However, no matter the date, any day can be the day that you make the change and improve your inventory tracking to cultivate better employees, happier customers, and more revenue.

