



INVENTORY HEALTH CHECKLIST

10-Point Diagnostic, Know Your Inventory's True Condition in 30 Minutes

HOW TO USE THIS CHECKLIST

Work through each of the 10 points below. Tick the box if the statement is TRUE for your organisation. Tally your score at the end to understand your inventory health rating and where to act first.

SECTION A, STOCK ACCURACY & VISIBILITY

1

Stock Count Accuracy $\geq 95\%$

Your physical stock count matches your system records at least 95% of the time. If your accuracy is below 90%, you are likely experiencing hidden stockouts, ghost stock, and mis-picks daily.

Target: $\geq 95\%$ | **Common reality:** 65,80% | **Impact:** Lost sales, wrong orders, customer complaints

2

ABC Classification in Place

Your inventory is formally classified into A (high value or fast moving), B (medium), and C (slow or low value) categories. Without this, you are treating a top-selling SKU the same as one that moves once a year.

Target: 100% of SKUs classified | **Benefit:** Focus effort where it matters most

3

Dead & Slow Stock Identified

You have a live report showing stock that has had zero movement for 90+ days. Dead stock silently consumes cash, warehouse space, and management attention. Most businesses have 10,25% of their inventory value tied up in it.

Target: Dead stock $< 5\%$ of total inventory value | **Review:** Monthly, clear, return, or write off

4

Reorder Points & Safety Stock Defined

Every SKU has a documented reorder point (when to order) and safety stock level (buffer against demand spikes). Without these, reordering is reactive, meaning you will always be either overstocked or facing a stockout.

Target: 100% of A & B SKUs have ROP set | **Benefit:** Eliminates fire-fighting



SECTION B, WAREHOUSE & HSEQ STANDARDS

5 Warehouse Layout Supports Efficient Flow

Your warehouse is designed so that receiving, storage, picking, and dispatch follow a logical, unobstructed flow. Fast-moving SKUs are located closest to the dispatch area. There are no dead-end aisles or bottleneck zones.

Target: Pick path $\leq 40\%$ of total walk time | **Benefit:** 20,35% throughput gain

6 5S Housekeeping Standards Actively Maintained

Your warehouse has a documented and scored 5S programme (Sort, Set in Order, Shine, Standardise, Sustain). Weekly audits are conducted, scores are posted, and any score below 75% triggers a corrective action.

Target: 5S audit score $\geq 85\%$ | **Frequency:** Weekly, impact on safety, accuracy, and morale

7 Health & Safety Compliance Verified

All aisles are clear and marked, racking is inspected quarterly, PPE is available and used in all required zones, and an up-to-date emergency evacuation plan is posted. There are zero blocked fire exits.

Target: Zero H&S non-conformances | **Audit:** Monthly, mandatory for all warehouses

8 All Locations Clearly Labelled & Mapped in System

Every bin, shelf, rack bay, and bulk zone has a physical label that exactly matches the location code in your ERP or WMS. A new warehouse operative can locate any SKU within 3 minutes using only the system.

Target: 100% location accuracy | **System match:** $\geq 99\%$, eliminates mis-picks and search time

SECTION C, PROCUREMENT & SUPPLIER CONTROL

9 Supplier Scorecards & Performance Tracked

Your top 20 suppliers are formally scored on delivery performance, quality, pricing, and responsiveness, at least quarterly. You have documented SLAs and a process for managing underperforming vendors.

Target: Top 20 suppliers scored quarterly | **Min SLA:** On-time delivery $\geq 95\%$, 5,15% cost reduction

10 Procurement SOPs & Approval Workflows Documented

Your procurement process, from requisition to purchase order to goods receipt, is documented in a Standard Operating Procedure. All purchases above a defined threshold require a second approval. Maverick buying is tracked and actioned.

Target: 100% POs raised against approved SOPs | **Maverick buying:** $< 3\%$, controls spend and risk



Inventory | Warehousing | Procurement | Logistics | HSEQ

YOUR SCORE & NEXT STEPS

Count the number of boxes you ticked TRUE above. Match your score to the rating below.

9,10

TICKS

EXCELLENT

Your operations are well-controlled. Focus on sustaining standards and investing in the next level of automation and optimisation.

7,8

TICKS

GOOD

Solid foundations with clear improvement opportunities. Prioritise the 2,3 unchecked areas, quick wins are close at hand.

5,6

TICKS

AT RISK

Significant gaps exist. Inventory inaccuracy and warehouse inefficiency are likely costing you 5,12% of revenue. Action needed within 30 days.

0,4

TICKS

CRITICAL

Urgent intervention required. Revenue leakage, compliance risk, and staff frustration are compounding daily. Get in touch this week.

WHAT HAPPENS NEXT?

01

Book Your Free Discovery Call

A complimentary session where we review your checklist results, identify your top 3 quick wins, and outline a clear path to measurable improvement. No obligation.

02

Receive a Free Findings Summary

After your discovery call, we send a concise written summary of the key risks and opportunities identified, yours to keep, regardless of whether you engage us.

03

Choose Your Starting Point

Based on your score, we recommend the right service, from a focused inventory audit to a full transformation programme. Clear deliverables, no surprises.

Book Your Free Discovery Call Today

safechainsol.com/assessment | info@safechainsol.com