

## Stock Investigation Process

Sometimes stock goes missing in our operations, it doesn't happen often, and when it does it's frustrating as it means that somewhere in our robust processes things haven't gone to plan.

As a customer you need assurances that we have systems in place to investigate the missing stock and put corrective actions in place to ensure that the same mistake doesn't get repeated.

So, what are those procedures once we are alerted to missing stock?

There are 4 parts to our stock investigation process:

1. Immediate Investigation
2. End of Month Clean up
3. Root Cause Analysis
4. Corrective Actions



### Immediate Investigation

We start at step 1 and work our way through one by one until we have a resolution. When we have a resolution we clean up the stock records and ensure the stock is physically accurate in location.

1. The location that stock was meant to be picked from or cycle counted from is checked again by a different person than the one who raised the discrepancy.
2. The 8 locations around that location are to be checked.
3. Check that there are no over picks in the dispatch (these should be corrected if any, after each wave is processed), or if there is stock that hasn't been put away in the inwards area.
4. Create a stocktake by product and check all locations that the stock is meant to be located in.
5. Complete the stock take -this is a blind count by location
6. Check the stock movements report
  - a. Are the initial receipted quantities matching to the expected quantities
  - b. Have there been any short ships within the sales orders

7. Are there any tickets with an overpick or incorrect shipment that need to be returned to stock and corrected? (check tickets in hubspot)
  8. Are there any quantities that have been shipped that are less than a carton, but a full carton has been shipped (check against weight and size of the shipment)
    - a. i.e. if a carton is 8 units and we were asked to ship 7 has someone selected a full carton?
    - b. Have we had revenue protection fees from Freight providers on any of the identified shipments that would suggest extra weight or cube has been despatched? Or is there a like order that has a different weight or cube
  9. Review the remaining inwards from the SKU are there miss located SKUs
  10. Review the products and ensure the UOMs are correct to the physical products
  11. Full stocktake for the customer
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## End of Month Processes

1. All customers will have cycle counts completed, review any extra stock and the resolutions.
  2. Review and apply ullage and stock accuracy measures
    - a. Credit if over ullage
  3. After an investigation we perform Root Cause Analysis (RCA) and apply Corrective Actions (CA)
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## Root Cause Analysis

1. Define the 'Problem Statement' - what happened and what are we fixing?
  2. Perform a '5 Whys' analysis - ask what 5 times to get to the root of the issue
  3. Build out an 'Ishikawa Diagram'. detail the issues that lead to the cause.
    - o People, Process, Equipment, Systems, Environment, Management
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## Corrective Actions

1. What are the corrective actions? Ensure they are corrective and not preventative
2. Who will implement the corrective actions and when?
3. When will we review to ensure they are effective?

