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CASE STUDY

Enhanced Inventory Management of a Footwear Company

Valueonshore Advisors offered various ways and means to control the Inventory leakage and better control over an inventory management.



ABOUT THE CLIENT

One of the leading and fastest growing footwear companies in India.



BUSINESS NEED

By effectively managing inventory, companies can enhance operational efficiency, profitability, and competitiveness in a dynamic and competitive market



BUSINESS IMPACT

- By optimizing inventory levels, companies can minimize storage costs, insurance expenses, and the risk of inventory obsolescence. It also helps prevent overstocking, which ties up capital and increases carrying costs.
- Effective inventory management ensures that companies can quickly respond to market shifts and avoid holding excessive amounts of outdated or unsold inventory.



BUSINESS CHALLENGE

The footwear industry faces significant challenges when it comes to inventory management below are some key challenges highlighted.

1	Delayed production due to shortage of raw material stock
2	Increasing shrinkages and unexplained inventory differences
3	Significant differences between book and physical inventory
Ą	Increased cost of raw material purchases due to rate fluctuation at the time of subsequent purchases
5	No fixed process of stock management at warehouse and at job workers
ලි	Coordinating inventory across different stages of the supply chain can be challenging due to lead time variations, quality control issues, and logistical challenges
7	Unauthorized replicas or imitations can harm brand reputation and consumer trust.



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OUR SOLUTION

Our solution specifically covered the following:

Solutions Detailed plan for long engagement Collate evidence based focused on identification of process on the controls / test improvement and controls strategies and performed optimization opportunities. 04 02 Understanding of current Collate and report process/information-0503 01 deficiencies/ failures flows, systems, people of controls and challenges Resource planning and allocation based

on project complexity and urgency.

Recommendation

Well documented and reviewed work papers in accordance with the onsite auditor's requirements resulting in reduction of time spent by Onsite auditors.



Additional value addition by way of recommendations and remediation plans for enhancing effectiveness of controls.

Preparation of timely reports based on **Operating Effectiveness test results**

BUSINESS IMPACT DELIVERED

Effective inventory management in the footwear industry delivers cost reduction, improved cash flow, enhanced customer service, efficient production planning, accurate demand forecasting, reduced risk of obsolescence, competitive advantage and data-driven decision making. By optimizing inventory, companies can achieve improved financial performance, customer satisfaction and market position.



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THE ROAD AHEAD

The footwear industry can pave the way for more efficient, data-driven, and sustainable inventory management practices. This will enable companies to stay competitive, meet customer expectations, and achieve operational excellence in the evolving marketplace.

ABOUT US

Headquartered in Gurgaon, Valueonshore Advisors is a specialized professional services firm managed by the Big 4 alumni and industry executives. Our portfolio includes multi-billion dollar companies, mid-cap public, and pre-IPO companies that range from late stage to early stage. We are a trusted, preferred partner for various multinational and Indian clients who engage us for our functional expertise, industry knowledge, and for our objective solutions for complex problems.

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