

## Inventory Tuning

Stock Monitoring turns inventory into a daily routine

“Closed for inventory” – once a year this sign keeps away customers from many jeweller’s shops and wholesalers. A lost day for turnover and sales figures. A strenuous day for employees and shop owners. Counting, calculating, estimating is the job, and all this manually. There has been no escape so far, not even for users of modern stock management systems. But there is change in the air. In a future not far away, Stock Monitoring shall speed up inventory.

Stock Monitoring stands as a synonym for permanent inventory, based on an innovative labelling solution for a new form of product registration. It works even faster than bar code – without single scanning procedure for each product – and it even makes daily inventory possible.

“Stock Monitoring is the logical further development of stock management of current stock management systems”, says Hans Aland, General Manager of AEB IT-Systeme GmbH, Bensheim. In addition to “Crystal Works”, one of the leading German stock management systems for the jewellery and watches sector, AEB develops the software which is the basis of Stock Monitoring. Initiator of the co-operation project is Ferdinand Eisele, Birkenfeld, specialist for labels and identification technology. “We feel the pulse of the technical development”, General Manager Alex Schickel comments on his engagement, “and this not only within the jewellery and watches sector.” If one has been observing for years – like Eisele - which ways are being used in other industries concerning identification technology, it is obvious that the time has come for implementing these trends in favour of the requirements of the jewellery and watches segment. “Such a step cannot be accomplished single-handedly, this was clear from the start. We need the know-how of true experts and adepts of this industry”, the identification specialist admits.

For this reason the project is additionally supported by Kling GmbH, Birkenfeld, being the leading supplier for product presentation in jewellery and watches throughout Europe. There they provide the integration of the necessary electronic into their trays and displays.

Stock Monitoring turns the current place of a product at the point of sale, e.g. the sales tray, into a systematically controllable storage location within the stock management. The product is being registered with each move at the point of sales, not only when being sold. Thanks to this, one can observe which product is of special interest to the customer, i.e. being presented quite often by the sales personnel and being touched by the customer.

Conclusions from the merchandise moving can be drawn at short term via Stock Monitoring and be turned into relevant entrepreneurial reactions. “Fast sellers” and “slow sellers” are being discovered within a week’s or a month’s time, not only after a year, the current usual inventory cycle. So inventory enormously gains in importance for stock control as well as for General Management. It becomes an entrepreneurial tool providing short-term effects.

Stock Monitoring opens up completely new dimensions in terms of security: A future expansion stage planned as SHOP Monitoring will be able to localise each product at the point of sales at any time. The system reacts with alert if a product is missing in its assigned storage location. This can be effected gradually both in view of the reaction time and in view of the reaction type. This means that the activated alert is changing depending on the duration of the miss-out.

That is why Shop Monitoring opens up new perspectives, especially in the sensible sales atmosphere of luxury jewellery and watches: In order not to affront and therefore lose customers, the alert can be “silent”, i.e. a change in the room which is only recognisable by insiders, such as illumination or background music.

Suspect persons are not warned and can therefore be addressed with legal justification in the sales room by the personnel which is not the case to the same extent outside the point of sale.

The imaginable future development even reaches to intelligent sales equipment such as a showcase which knows its correct contents, which registers stock changes and their originators and which effects relevant reactions when exceeding the presettings.

“What we want is a gradual process. Our customers shall be in a position to enter the new technology step by step according to their demands”, Alex Schickel explains the future development of this ambitious project. Realisation stage 1 is aimed at as a newcomer package which particularly supervises a limited selection of products in the sales room. The co-operation mainly targets at suppliers of jewellery and watches serving the high-end respectively luxury segment in retail and wholesale.

At the Inhorgenta end of February 2007, the newcomer package shall be presented to a selected public. In April then, at the Basle Fair 2007, AEB and Eisele will present their development on a joint booth to the general public.