

## **Case Study: Inventory Management Issues at SpeedUP**

### **Background:**

SpeedUP is a fast-growing e-commerce firm that deals in stylish clothes and accessories. Since its establishment two years ago, the business has grown significantly in terms of clientele because to its affordable prices, extensive product offering, and skillful use of social media marketing. However, fast development has presented substantial issues in inventory management.

### **Scenario:**

SpeedUP has recently had significant inventory management challenges, affecting its operations and client happiness. The firm has faced both overstocking and stockouts, resulting in higher holding costs and missed revenues. During their most recent quarterly inspection, it was discovered that numerous product lines had been overstocked for months, resulting in high holding costs and certain goods becoming outdated. In contrast, other popular goods regularly ran out of stock, resulting in numerous consumer complaints and a large loss of potential revenue.

The underlying causes of these problems appear to be erroneous demand predictions and poor inventory tracking systems. Inventory records are frequently out of current, resulting in differences between real and reported stock levels. Furthermore, SpeedUP's present inventory management is primarily reliant on manual processes, which are susceptible to human mistake and delays.

The management team is afraid that if these challenges continue, they may jeopardize the company's development and reputation. They are now looking for effective solutions to optimize their inventory management operations and prevent such difficulties in the future. They want to develop solutions that can be adopted in the short and long term to maintain a balanced inventory, improve operational efficiency, and increase customer happiness.

SpeedUP's leadership has charged the operations team with determining the root causes of their inventory issues and suggesting a thorough solution. They are also looking at technology solutions to automate and increase inventory management accuracy. The objective is to build a strong system that will enable SpeedUP's continuing expansion and success in the competitive e-commerce business.

### **Questions:**

Identify significant inventory management challenges for SpeedUP. How are these challenges affecting their operations?

- 1 Discuss the possible reasons of overstocking and stockouts in SpeedUP's inventory system.
- 2 Recommend Strategies SpeedUP may use this to better their inventory management. Consider both short- and long-term solutions.
- 3 How can SpeedUP use technology to simplify their inventory management processes? Give instances of specific technology or systems that may be advantageous.