

Benefits of Automated Inventory Management

Arguably the most important element of the eCommerce supply chain is proper inventory management. Finding the perfect balance of supply and demand can increase your sales and improve customer loyalty.

However, failing to modulate inventory correctly could lead to significant problems. [More than \\$1.1 trillion](#) is tied up in inventory at any given moment, which is 20% of the [DACH GDP](#). Today, improper inventory management is one of the main [reasons why businesses fail](#).

Thousands of companies around the world are looking for a better way to manage their inventory. [Three in four](#) businesses are looking to modernize their process with some form of technology, including automation. Automated inventory management software (AIM) is the most widely accepted solution, offering a cost-effective method of tracking, forecasting, and optimizing the flow of goods and services. Software solutions like ERPs streamline the process even further by creating a one-stop-shop for inventory visibility.

This article will explore the many benefits of automated inventory management, including how to get started and what to look for in a platform.

What is Automated Inventory Management?

[Automated inventory management](#) (AIM) is the process of using technology to manage inventory without human intervention. AIM platforms may also be used to optimize inventory flow by offering comprehensive insights into all levels of the supply chain. By incorporating data from multiple sources, users can create a birds' eye view of products and their movements.

Today's AIM systems are used to improve stock levels, minimize waste, and reduce overhead costs.

Automation platforms can be used to:

- Synchronize all data into a single dashboard
- Alert fulfillment partners to incoming requests
- Submit orders to picking and packing companies
- Automatically purchase and restock certain items
- Control the movements of inventory in the supply chain
- Monitor the status of inventory across multiple warehouses

By reducing the need for manual inputs and improving the flow of information, businesses spend less time manually checking stock and more time focusing on the growth of their brand.

Benefits of Automated Inventory Management?

The advantages provided by automated inventory management have been well-documented over the years. Participating brands have noted surprising cost savings associated with real time updates and the accurate forecast of stock estimations. More importantly, automation allows businesses to scale their operations by delegating time-consuming manual labor to the work of codes and computers.

Let's explore these benefits in greater detail.

Save Time

[One in four businesses](#) tracks inventory levels using just a pen and paper. This can take hours, days, or even weeks depending on the size of the business, cutting into other tasks that deserve greater attention.

Automated inventory management can take these processes and complete them in seconds. By connecting all platforms and tools in a tech stack, businesses can enable the links in their inventory management pipeline to communicate directly, saving countless hours.

Get Real-Time Updates

In the world of eCommerce, withholding or limiting data could cause a number of potential snags. Almost [25% of customers](#) want real-time data about their order shipments, while 87.4% of shoppers say real-time data increases their positive experience with a brand. Although more employees want to use real-time analytics, [just 40% of companies](#) provide it.

Automation software assists both clients and employees with updates on where the ordered items are now, where they're going next, and expected timeframes for each movement and delivery. Be flexible and adaptive in your planning processes, and provide customers with the greatest possible security, confidence, and peace of mind.

Accurately Estimate Stock-Levels

The average warehouse controls more than [14,000 SKUs](#) at any given point - a number that is expected to [increase by 54%](#) in five years. Accurately measuring inventory levels can be almost impossible with such high levels of stock, leading to an average inventory [accuracy rating of 63%](#).

Fortunately, AIM can offer a comprehensive estimate regarding inventory levels using real-time data. This data will be synchronized to make predictions about future needs and demands, ensuring that the correct amount of inventory is always kept in stock.

Increase Accuracy of Inventory and Supply Chain Management

More than [46% of warehouses](#) say that human error is the biggest problem facing their inventory management process. Accidental data entry or misplaced information could lead to costly mistakes in the future, including miscalculations in inventory levels and disruptions to the supply chain.

Automated inventory management removes the probability of errors using AI-powered software. Manual data entry is replaced by self-populating fields that encourage 24/7 access to all links of the supply chain.

Improve Scalability

High speed business growth can be a double-edged sword. While higher demand leads to higher profits, it can also put enormous strain on inventory management practices. Paper and pencil records rarely have the capacity to scale alongside business growth, while manual methodology can be limiting or even repressive to long-term success.

Cloud-based automation is the obvious solution for growing small businesses. Broad-spectrum platforms provide the flexibility and scalability necessary to reorder inventory, meet demand, and otherwise delight your customers. And the more automations are in place, the [faster your business can grow](#).

How to Automate Your Inventory Management Efforts

The fastest and most efficient way to automate inventory management is with the help of enterprise resource planning software (ERP).

This full-service automation solution includes a suite of software modules covering everything from accounting to order management - creating a seamless process that eliminates thousands of hours of manual effort. Award-winning platforms such as Xentral offer complete control over your inventory while reducing operational costs [by up to 23%](#).

No matter what features or functions your business may need, automating your inventory management process with ERP is always worth the effort.

How Does an Automated Inventory System Work?

An automated inventory system tracks goods and services throughout the supply chain with the help of integrative software. This includes all four major types of inventory: raw materials, WIP, finished goods, and MRO. AIM systems track item movement throughout the supply chain using high quality software. Important data will be analyzed and condensed into simple dashboards, which are used to keep track of stock levels, locations, and other critical data points.

The most notable aspect of AIM is its integrative potential, including its ability to plug into customer relationship managers (CRMs), accounting software, and other similar retailers. This allows businesses to streamline their inventory management process and maintain a complete overview of their commercial performance over time.

What to Look For in an Automated Inventory Management System?

The best ERP platforms offer 360-degree coverage with features that directly impact eCommerce businesses. This includes a focus on specific features such as push notifications, integrations, and automatic reordering functions that reclaim precious time, money, and internal resources.

Ecommerce Focus

Automated Inventory Management systems like Xentral were built with eCommerce in mind. By providing features that business owners truly care about, our integrative solutions offer full-service automations for any amount of inventory. We equip startups, small businesses, and growing enterprises with the data they need to:

- Deepen customer satisfaction
- Automate shipping and returns
- Customize single view dashboards
- Connect suppliers and distributors

[Chat with Xentral](#) today to learn more about the features and benefits for automated inventory management.

Alerts

The best automated inventory management systems allow users to set up alerts for shipping dates, reduced stock levels, demand spikes, and more. You can use [Xentral's adaptive tools](#) to receive an alert when inventory drops to a certain

threshold or when an order is placed. These alerts can be sent via email, text, or push notification - perfectly adapted for the ways you work every day.

Automatic Reordering

When you're running a business, the last thing you want to worry about is manually reordering inventory. Out of stock and missing inventory can cost businesses [\\$1 trillion every year](#) in lost sales, which can be crippling to brand growth. An ERP like Xentral can keep track of inventory levels on the fly and automatically place orders according to data. This ensures you never run out of stock while simultaneously defending against overstock or dead inventory.

Transparent Dashboards

The best inventory management systems provide you with clear and concise dashboards that can be adapted to meet your needs. These dashboards should give you an overview of your entire inventory process, including stock levels, order history, and more. With [Xentral](#), you can easily track your inventory data using an intuitive dashboard interface.

Integrations Capabilities

The AIM system you purchase should have the ability to integrate with other software platforms. The most efficient systems offer seamless integrations with accounting software, CRMs, online marketplaces, and more. Xentral offers [out-of-the-box integration](#) with some of today's most popular eCommerce platforms, including Shopify and BigCommerce.

How To Automate Inventory With Xentral's ERP Solutions

Automating your inventory management system can generate more revenue with real-time visibility, reduced overstocks, and immediate support for business growth. This is especially true of ERP solutions such as Xentral, allowing businesses to take advantage of automation in a cloud-hosted, integrative setting.

Designed to help business owners overcome the challenges of manual reporting, Xentral provides a full suite of tools that automate inventory management using real time data. Streamline all your sales funnels into a single view and accurately stock shelves with the perfect balance of supply and demand.

Xentral's powerful ERP is the best solution for automated inventory control. [Inquire about a demo](#) to see how our tools could support your business.