



# 4 Best Practices in Managing Inventory and Cash Flow



Effective inventory management is critical if you want to increase cash flow and grow your field service company. The more efficient your parts inventory management processes are, the more cash you'll have on hand, and the faster you can capitalize on investment opportunities. However, if there are inefficiencies in your parts inventory management processes, they could be drying up revenue streams and holding your company back.

## Inventory Management Impacts Cash Flow

You will need to optimize your inventory parts process if you want to maximize cash flow. For example, having an overstock will keep cash tied up in your warehouse, while being short on parts can delay jobs, frustrate customers, and slow down your field techs. The better your company is at hitting those perfect parts levels, the more cash you'll have to grow the business.

The stakes are even higher in the current market. Interest rates are rising, and parts costs are high, so every parts inventory mistake you make will impact your bottom line even more. It also means taking on debt is increasingly expensive.

Instead of borrowing money and racking up expensive debt, consider the following as possible solutions that carve out cash and fight inflation through revamped inventory management processes that trim your inventory to optimal levels.

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**Want to learn more about Davisware's inventory replenishment solution?**



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## 4 Inventory Management Best Practices

### 1 Stay ahead of demand.



It's easy to be caught off guard by demand spikes and lulls if you manage inventory manually. Auto-replenishment technology can calculate your average parts levels, predict lead times, and reorder for you, all to help maintain stock at the correct levels and ensures field techs have the necessary resources to complete jobs quickly.

### 2 Make mobile replenishment a priority.



Mobile warehouses can be especially difficult to track and account for manually, so it's important to use technology that includes automatic replenishment processes for your mobile warehouses.

### 3 Track your parts levels.



If you don't know where your parts are and what trucks are carrying them, it's difficult to deliver the right one to the right field tech at the right time. That's why it's critical to track parts levels as well as their whereabouts.

### 4 Understand lead times.



If supply chain disruptions occur and demand shifts unexpectedly, it can delay jobs and slow cash flow. You can keep cash moving through your company by relying on technology to record past purchasing information, predict lead times, and stay ahead of disruptions.



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