

HIGH-VOLUME

WORKSHEET 2 OF 9

Monthly Slow-Mover Review

Run on the first working day of each month. Source: stock record sorted by date of last sales transaction.



Complementary worksheet for
Inventory Optimization Techniques
by Ibrahim Anwar

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What This Is For

Stagnant stock does not announce itself. It accumulates quietly while the owner's attention stays on what is moving. This worksheet makes the silent visible: once a month, every SKU that has not generated a single sales transaction in 60 or more days is listed, its idle cost is calculated, and a release action is assigned before the month closes.

The trigger for reaching for this worksheet is simple: the first working day of the month arrives. The source data is already in the stock record — a column sorted by date of last transaction reveals the oldest-moving items in under five minutes. What operators typically find on the first run is not a surprise from a gut-feel standpoint. The surprise is the rupiah figure: the carrying cost accumulating every month on stock that sits generating nothing. Once that number is visible, the decision to delay release becomes harder to sustain without a written reason.

Benefits

What you get when you actually run this worksheet on a real situation:

- Detects slow-moving and stagnant stock within the same month it crosses the 60-day threshold, not during an annual warehouse clean-up when the damage has already run for months.
- Converts the release decision from an ad-hoc judgment call into the execution of a pre-written policy — the threshold is already in the procedure, not invented on the spot.
- Generates the monthly holding cost figure for stagnant stock in dollars, giving the operator a concrete number to compare against the discount loss of releasing now.
- Creates a monthly record of slow-mover status that documents whether the release policy was executed, which supports any subsequent audit or investor review of inventory management.
- Forces the question of whether a vendor return clause was in the purchase contract for high-obsolence items — uncovering omissions from past procurement that can be corrected on future purchases.

Framework To Use

— Age-Threshold Release Matrix

Each SKU's idle age determines which release mechanism is triggered automatically, without a new decision each month.

Age Threshold	Release Mechanism	Responsible Person	Target Completion
60 days idle	Offer to regular customers at 15% discount via weekly communication	Sales / warehouse staff	Within 2 weeks of review
90 days idle	Official 30% discount; add to special-offer list sent to all active customers	Sales manager	Within 5 business days
180 days idle	Escalate to owner: bundle with fast mover or write-off decision at 50%+ discount	Owner / manager	Decision within this review session

How To Use

Follow these steps in order. Each one builds on the previous.

- 1** Step 1: Open the stock record and sort by 'date of last sales transaction,' oldest to newest. Every SKU with a transaction date more than 60 days before today enters this worksheet.
- 2** Step 2: For each qualifying SKU, fill in the SKU name and code, date of last transaction, and calculate Days Idle as today's date minus last transaction date.
- 3** Step 3: Fill in Current Stock Value in dollars (units on hand multiplied by purchase price per unit).
- 4** Step 4: Assign the Release Action Due column from the written policy: 60 days = 15% discount offer, 90 days = 30% discount plus special-offer list, 180 days = escalate to owner.
- 5** Step 5: Total the dollar values in column 4 for all rows with 90 or more days idle. Multiply by your carrying cost rate divided by 12. That is your monthly holding cost on stagnant inventory — write it at the bottom of the sheet.
- 6** Step 6: Assign a named responsible person and a target date for each row's release action before leaving the worksheet. A release action without a name attached to it is not an action.
- 7** Step 7: File the completed sheet. At next month's review, check which items from last month's list were cleared and which have now moved into the next threshold bracket.
- 8** Step 8: For any item in the 180-day bracket, pull the original purchase record and check whether a vendor return clause was negotiated. If not, note it as a lesson for future procurement on similar product types.

Example Use

A consumer goods distributor opens the monthly slow-mover review on the first Monday of March and finds seven SKUs with over 60 days idle, including two that have crossed the 90-day mark.

The stock record is sorted by transaction date. The oldest item is a boxed kitchen appliance set, last sold 112 days ago. Current stock: 14 units at \$28 each. Total value: \$392. Monthly carrying cost at 25%: $\$392 \times 25\% \div 12 = \8.17 . The 90-day threshold has been crossed, and the release action is a 30% discount plus special-offer list. The sales manager is assigned as responsible. Target: listed in this week's customer offer email.

The second item at 96 days is a cleaning supply bulk pack, 8 units at \$45 each. Value: \$360. Monthly holding cost: \$7.50. Same threshold, same mechanism. Added to the offer list.

The remaining five items are between 61 and 78 days old — still in the 15% discount tier. The sales staff are assigned to mention these to regular customers in this week's communications.

The operator totals the value of all items at 90+ days idle: \$752. Monthly carrying cost: \$15.67. Over the next six months, that is \$94 in carrying cost on stock generating nothing. The 30% discount on the kitchen appliance set would yield \$274.40 versus the \$392 book value — a \$117.60 accounting loss, but the \$274.40 returns to cash and the \$94 future carrying cost stops.

The operator writes the comparison at the bottom of the sheet: "Release now at 30% loss = \$117.60 accounting loss + cash returned immediately. Hold 6 months = \$94 carrying cost + risk of deeper discount if condition declines." The release decision is no longer a feeling. It is a comparison of two calculated numbers.

Reflection Prompts

After filling in the worksheet on the previous page, work through these.

1. Sort the stock record by date of last transaction, oldest first. Every SKU with 60 or more days idle enters this sheet. Fill Release Action Due from the written policy: 60 days = 15% discount offer, 90 days = 30% discount plus special-offer list, 180 days = escalate to owner.
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2. Total the dollar values in column 4 for all rows with 90 or more days idle. Multiply by your carrying cost rate divided by 12. That monthly holding cost, on stock generating no sales, is the number you are deciding against every time you delay the release decision.
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Tips and Traps

TIPS

- Run the review on the same day every month — the first working day is a reliable anchor. Consistency matters more than a perfect procedure.
- When a SKU crosses into the 180-day bracket, pull the original purchase record before the review meeting. Having the purchase context in front of you makes the write-off or bundle decision faster and better informed.
- For seasonal products, set a documented exception threshold in the written policy — for example, stagnant threshold is extended to 150 days for products purchased specifically for a known annual season. The exception must be written, not assumed.
- If the same SKU appears on the slow-mover list two months running without a release action being completed, the process has a follow-through problem. Assign a new responsible person or escalate the accountability.
- Track the total value of items cleared from the slow-mover list each month versus the value added to it. When the cleared value consistently exceeds the added value, the release policy is working. When it does not, the purchase policy needs reviewing.

TRAPS

- Listing stagnant SKUs without assigning a specific person and deadline. A list without accountability produces a meeting, not a release.
- Using the word 'potential' as an unofficial exception to the policy — 'this one still has potential' is not a documented exception. If there is a real reason to hold, write it down with an explicit review date.
- Calculating the discount loss of releasing now without calculating the carrying cost of holding for another three to six months. Both sides of the equation must be on the sheet before the decision is made.
- Clearing the stagnant list by moving items to a back corner of the warehouse rather than executing the release mechanism. Physical relocation is not a financial action.
- Applying the slow-mover review only to Category C items. Category A items can also stagnate — though less often — and the financial impact is proportionally larger when they do.

Appendixes

Appendix A – Monthly Carrying Cost on Stagnant Stock Formula

Monthly carrying cost (\$) =
 Total stagnant stock value (\$)
 × carrying cost rate (%)
 ÷ 12

Example:

Stagnant stock value : \$4,800
 Carrying cost rate : 25%
 Monthly holding cost : $\$4,800 \times 0.25 \div 12 = \$100/\text{month}$

Annualized holding cost on same stock: $\$100 \times 12 = \$1,200/\text{year}$

Discount loss of releasing at 30% today:

$\$4,800 \times 30\% = \$1,440$

Break-even holding months before 30% discount = smaller loss:

$\$1,440 \div \$100/\text{month} = 14.4 \text{ months}$

If you believe the stock will sell at full price within 14 months:
 hold. If not: release at 30% now.

Appendix B – Release Action Log (Monthly Summary)

Month: _____

Items cleared from prior month's review:

SKU	Units released	Realization (\$)	Mechanism used
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Items added to this month's review (60+ days idle):

Count: ___ Total value (\$): ___

Items escalated to owner (180+ days): ___

Monthly carrying cost on 90+ day items: \$_____

Review completed by: _____ Date: _____

Appendix C – Documented Exception Template

SKU: _____

Normal stagnant threshold : 90 days

Exception threshold applied : _____ days

Reason for exception :

Next mandatory review date : _____

Approved by : _____

NOTE: "Still has potential" is not a valid exception reason.

Valid reasons: documented seasonal cycle, confirmed pending

customer order with a specific date, formal vendor return

pending confirmation from vendor in writing.



WHERE THIS WORKSHEET COMES FROM

Inventory Optimization Techniques

Stock That Sleeps Is Capital That Is Locked

by Ibrahim Anwar

This worksheet is one of nine in the *Inventory Optimization Techniques* companion worksheet pack. The full pack is grouped into three categories: high-volume worksheets you can run weekly, niche-search worksheets for rare but high-value situations, and specific-case worksheets that walk you through a single concrete scenario.

Every framework, decision filter, and figure used in these worksheets is drawn from the chapters of the source book. The book sets the diagnosis, the worksheets give you the form to act on it.

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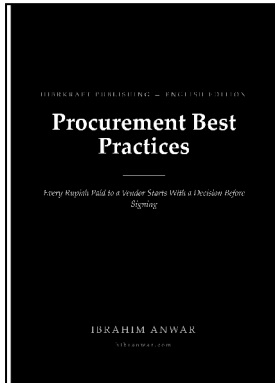
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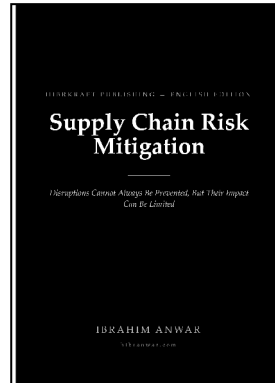
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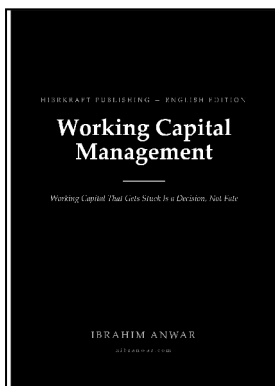
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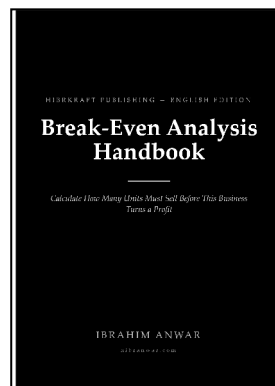
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