

"IMPACT OF INACCURATE INVENTORY ON RETAIL OUTLETS  
(A study of D.WATSON)"



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## Organizational Letter



### Certificate

This is to certify that this project report, entitled "Impact of inventory inaccuracy in Retail stores" by Talha Nawaz (01-120102-079), Waqas Hassan (01-120102-085), Muhammad Junaid (01-120102-041) submitted in partial fulfillment of the requirements for the degree of Masters of Business Administration from Bahria University, Islamabad Pakistan, during the academic year of 2013 is a bonafide record of work carried out under my permission and guidance.

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## **Abstract**

**Purpose:** This project intends to study the impact of inaccurate inventory records in retail stores. The purpose of this project is to study how critical is the problem of inaccurate accuracy and how it leads to hidden costs that the organizations do not realize. This project will help to identify the costs associated with inventory inaccuracy and the inconvenience it causes to the retailers, distributors and suppliers. The project explores how inventory records and its inaccuracy can lead to stock loss, stock surplus or stock outs.

**Design and methodology:** The research method used for data collection is qualitative where detailed and extensive interviews were conducted with retail store managers. The study will be better explained by taking a practical example of D-Watson, a well-established medical store in Islamabad with 2 branches in the city.

**Findings:** Organizations can take preventive and corrective actions to avoid further inventory problems and inaccuracy; however, an easier method to achieve this is to use an efficient and effective inventory management tool that account for record errors.

**Practical Implications:** The proposed model here is the use of RFID that uses radio frequency identification for the stock that is coming into the store and is available for use. With the help of this automated system, the occurrence of human errors will reduce as well as the managers have a more precise idea of the available inventory and can accordingly take decisions.

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