

Gap Management – Full procedure

Date:

To: Site Leaders, Inventory Team & Group Operations Manager

From: Inventory Team

RE: Gap Management procedure

Gap Management is a huge focus going forward for the business. They are an issue that costs sales daily across all sites.

What is Gap Management?

Gap Management is the process used to eliminate Gaps at a site
How do we achieve our goal of minimal Gaps?

- Team investment and commitment is required to achieve minimal gaps
- This Procedure is in place to assist teams to eliminate Gaps

****A Gap is a lost sale – and an opportunity for a competitor**

Gap Report

Inventory will send a report to site Managers every Monday afternoon (Site dependent) this report will show:

- Every line that has a Min and max against it.
- It will show 0 stock on hand against these products
- It will be sorted in Department and location order to assist team members to check each location
- It will show if the product is obsolete or deleted.
- It will list the Supplier
- It will show if the products are on order

When the site Manager has the report there are 2 ways this can be actioned.

- Divide the Site into sections and complete over 2 or 3 days
- One team member actions all Gaps

This will depend on the size of the site.

Off location checks

Before starting your location checks:

- Check products in any overstock areas
- Check Logistics: What stock is waiting for replenishment? What is sitting in customer hold and Faulty goods.
- Be aware of products in multiple locations: Displays and dumpbins. Multiple shelf locations.



Identify and Investigate

Location checks

Time to walk the aisles. The team members will start in a department using the Gap report as a guide by location.

The Team member will have a Honeywell, whiteboard marker, a copy of the Gap report, and a copy of the How to – Gap check to help with the investigation.

Gap Report example:

Action	Product Code(K0)	Qty On H	Dept(0)	Description(006)	Bin Loc 1(00)	Supplier Alpha(00)	2nd Supplier(01)	Min Stk	Max Stk	Qty On	Usage	Flag St	s 2(042)
	3278546		100	WATERPROOF SLEEVE BLIND SMALL	SF0512	M10	BONDALLMARKE	1	2	2			
	4970695	-2	100	HINGE BUTT 70X50X1.6MM FP ZP	SF0601	M10	TRIO GROUP A	1	2	5			
	2050482		100	HOOK CABIN PB 75MM WCA1075	SF0604	ITWPROLINEPL	ITWPROLINEPL	2	3				
	2177673		100	WHEEL CCAVE PK S/DOOR	SF0609	M10	HMCOWDROYPL4	2	4	3			
	3241569		100	DRAUGHT STOPPER BAG DOOR BLACK/GREY	SF0651	MEDALISTANVI	MEDALISTANVI	3	6	10			
	7508054		100	RUBBER SPONGE EPDM ROUND BLACK 6MMX5M	SF0658	HMCOWDROYPL3	HMCOWDROYPL3	2	3	3			

Identify the products that are on the Gap report

- Obsolete and deleted lines – Remove the ticket and hook. - Add it into a Product list for further investigation. – Is there a replacement product available in GUS?
- Is there a product that is the replacement already in place?
- If the product is on order – make a note to check next time to ensure the stock arrived. (use a whiteboard marker – place a dot on the label)

Identify Gaps that are NOT in the report ** These products will need further investigation

- Use the Honeywell to scan the remaining gaps (Refer to the Gap check how to)
- Does the Honeywell say that there is stock on hand – if so, where is it? Add this product into a product list for further investigation (Refer to the Gap check how to)
- Should the product have a min and max? If so, use the sales data from Honeywell to determine what that should be and add the min max on.

***The product listing can also be dropped in to a dummy order and checked line by line.

Action

When the investigation is complete follow up with any further action that is required – Refer to the Gap check How to

- Is a Stock adjustment required?
- Does the Site Manager need to upload any min max changes?
- Is there any theft to report to your site Manager
- Is the product set up correctly for ordering? If not email the Inventory team to fix the issue.



Resources

Documentation and an instructional video are available on the Fagg’s Group Intranet, via the ELEARNING tab.

- What is Gap Management
- Gap Management full procedure
- How to – Gap Management – Honeywell checks

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