

## **Make Inventory Management Part Of Your Purchasing Strategy**

Good, sound management of your inventory is an integral part of a strong purchasing business plan because of its direct impact on profit margins, cash management, asset turnover and ROI. Efficient inventory management and purchasing can help lower your costs without affecting quality or portion sizes.

### **A Few Tips:**

- Be sure to include par stocks on your order guide for easy reference.
- Rotate all products. First in-first out (FIFO) is key! When I ran the purchasing department at a resort hotel back in the day, we dated each item and case in stock. However, it's not necessary to go to those lengths if you are rotating on a consistent basis.
- Use food storage labels. It's important to date perishable products and on containers of products you make at the restaurant.
- Always reconcile supplier invoices. Assign someone in your organization the task of reconciling invoices against the order guide. Typically, it's someone different than the person who receives the order, to help ensure that checks and balances are in place at your restaurant.

Reviewing your purchasing and inventory business models with an open mind can help lead to significant savings, and can position your operation for success as the economy improves.

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