



AUTO PARTS RETAILER INVENTORY COUNT TO REDUCE SHRINK

Case Study: Retail Store Inventory – Auto Parts

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The leading retailer and a distributor of automotive replacement parts and accessories required the support of RGIS. The retailer has more than 6,000 stores and more than 85,000 customers supporting operations on four continents.



REQUIREMENT

The auto parts retailer needed a solution to **reduce the shrink number that was increasing year-on-year**. The retailer's inventory accuracy had eroded, creating a ripple effect throughout the supply chain, and stock outs were impacting profitability and customer satisfaction.

The auto parts retailer required RGIS to provide the following:

- **Identify why shrink rate had risen** by 34.6% on the previous year
- **Reduce shrink**, as profit margins were adversely impacted
- Improve inventory accuracy through **accurate inventory counts at all stores**



SOLUTION

The auto parts retailer partnered with RGIS to complete the **inventory accuracy and shrink project**, and RGIS provided the following:

- Scheduled an **experienced team of RGIS auditors**
- **Accurately counted** inventory at all stores
- **Identified variances**
- **Reporting** was sent directly to the customer after each count by location



RESULTS

The auto parts retailer found by outsourcing the **inventory accuracy and shrink project** to RGIS, the following results were achieved:

- Inventory **accuracy was improved**
- **Shrink decreased by 33%** in the first year
- Shrink rates have **decreased every year since**
- **Shrink further dropped to 64%** of sales
- **Stock outs reduced** dramatically



By partnering with RGIS, the auto parts retailer found that the **inventory accuracy improved** and the **shrink decreased by 33% in the first year**



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Stock Count



Accurate Data



Identified Variances



Reduced Shrink



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