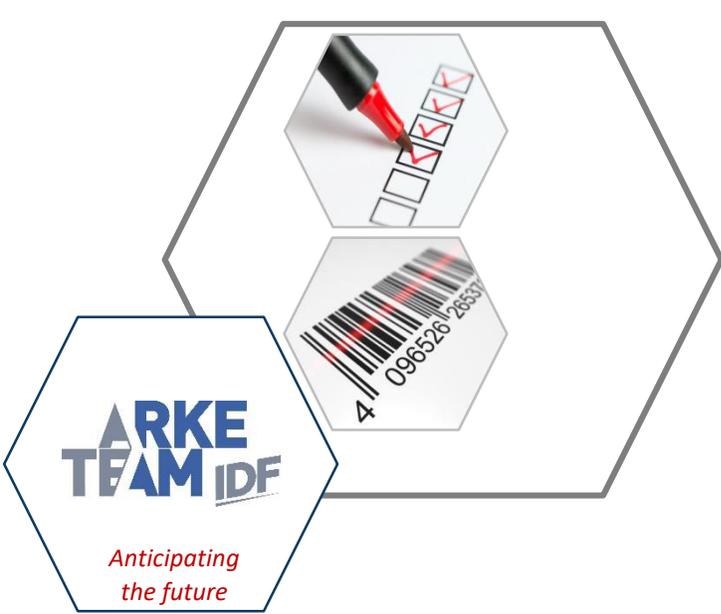




## WHITE PAPER

# 6 tips for a successful inventory

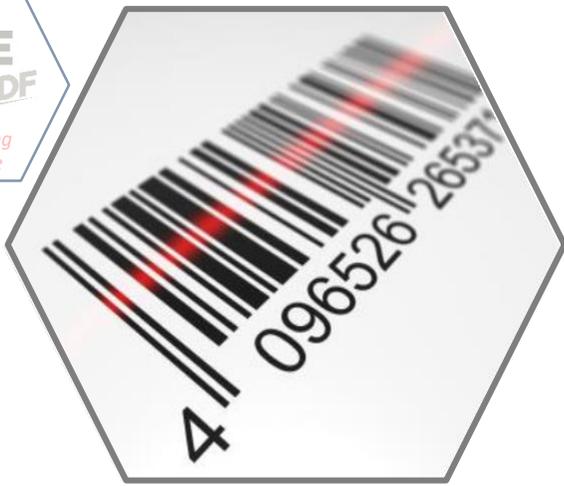


# Introduction



## *Two concepts that shouldn't be confused: inventory and stock check*

- ❖ **Doing an inventory consists of identifying** assets via barcodes or RFID chips to assign them a name, location, and any other essential characteristics such as user name, department, the company that owns it, etc.  
The more information that has to be provided, the longer this task takes.
- ❖ **A stock check consists of verifying** the presence or absence of the equipment once it has been identified. Much simpler than the previous one, this task is also much faster. It can be done by a non-specialist.  
Business can benefit from stock checks to verify the condition of assets and any reassignment or change of user or department.



Regarded as a tedious and unpleasant task, inventorying is often perceived as an insurmountable mission.

The reason for such aversion is often connected with:

- ❖ a lack of resources
- ❖ a lack of dedicated and "facilitating" tools
- ❖ an imprecise or non-existent methodology

The direct consequence for the staff tasked with doing the inventory is:

- ❖ little or no personal motivation
- ❖ little or no value seen in inventorying
- ❖ the feeling of "doing it for nothing" due to lack of follow-up and continuity

*However, inventorying is an essential action in the life of a business. And once completed, if integrated into more global thinking, **generates structure and savings.***



## Chapter 1

# Challenges





## *Why do an inventory?*

Triple objective:

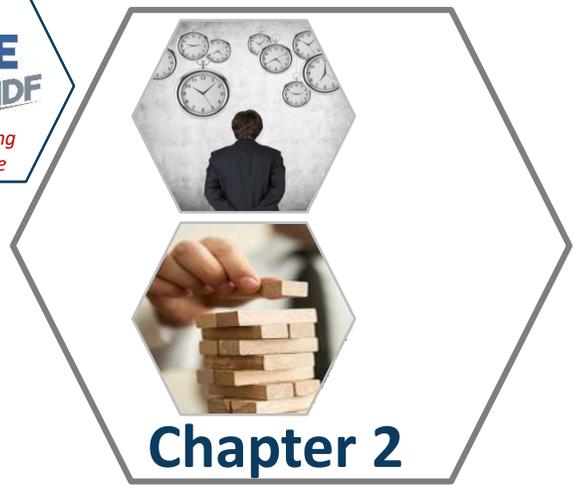
❖ **Meet legal requirements**

mandatory verification of the existence of assets and liabilities and their value, at least once per financial year (Article L123-12 of the Commercial Code)

❖ **Show that investments have been made in a due and proper way**  
justify/prove spending undertaken and savings achieved

❖ **Update assets on a regular basis from an accounting and physical point of view**  
granular fleet management to:

- › know who has what (management by cost centre),
- › have a precise map of establishments (location, multi-site management)
- › ensure physical monitoring of fleet-related contracts
- › optimise fleet flows (inter-division, inter-establishment, etc.)
- › plan and budget renewals (obsolescence analysis)
- › prepare transfers and movements
- › facilitate collaboration between user services, accounting, maintenance teams



# Fundamentals





## *When to start?*

The Administration and Finance Department is responsible for inventorying as it has the obligation to **produce a statement of corporate assets**.  
It has to keep up-to-date asset accounts and **prove they conform** to physical reality.

***But don't panic, it's never too late!***

There is no right or wrong time to begin an inventory. However, there are occasions that can facilitate or even speed up the process.



## When to start?

This is the case when **statutory auditors** are present at the company and they ask for an inventory statement.

➔ Inability to physically prove the assets recorded in accounting ledgers can lead to the auditors refusing to certify the financial statements!

But the inventory can be done by other departments, particularly in the event of a **move**. Because moving means labelling the assets to be moved and indicating where they have to be moved to.

➔ As the process has been partly started, why not take advantage of it to go all the way.

Another good reason to do an exhaustive inventory is the **desire to reduce costs**.

➔ Exhaustive knowledge of your asset fleet permits more detailed management and More effective cost control (warranties, maintenance, contracts, etc.)



## How to start?

First and foremost, one rule is paramount for a successful inventory process:

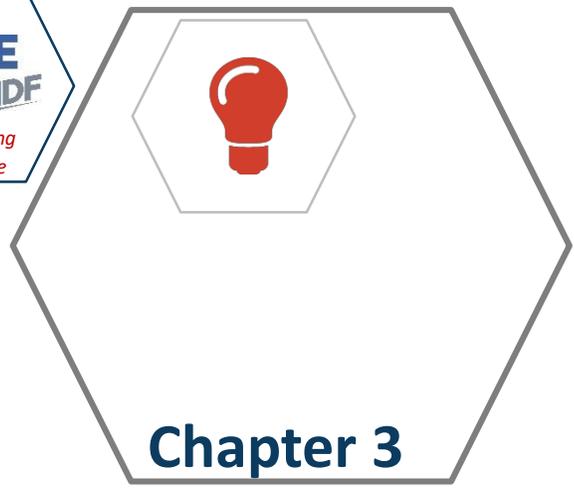
***Have a methodology and means  
to obtain a result  
and above all  
ensure service continuity  
to avoid inventories with no tomorrow***





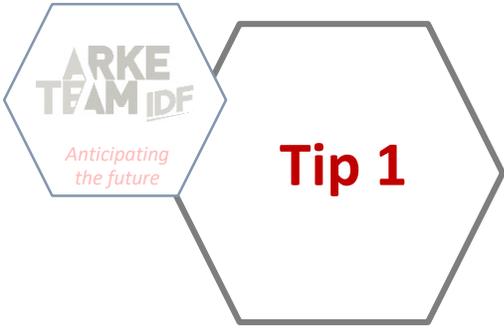
## *How to start?*

- ❖ Define the scope of the assets to inventory and the desired level of information
- ❖ Determine the deployment strategy
- ❖ Estimate the number of assets and the number of inventory days
- ❖ Know to whom to assign the mission
- ❖ Draw up label attachment rules and establish a timeline
- ❖ Choose the right tools



# Tips





Which equipment to inventory?

Before doing anything, you have to **define the scope of the inventory**:

- ❖ Furniture
- ❖ Equipment (audiovisual, biomedical, industrial, etc.)
- ❖ Vehicles
- ❖ Telephones
- ❖ Computers, etc.

And if that proves too complicated, why not define what will be out-of-scope, which can sometimes be easier to delimit?

💡 *Do you have to identify all assets?*

<i>Buildings</i>	<i>No</i>	<i>Furniture</i>	<i>Yes</i>	<i>Vehicles</i>	<i>No</i>
<i>Equipment</i>	<i>Yes</i>	<i>Fixtures &amp; fittings</i>	<i>No</i>	<i>Computers</i>	<i>Yes</i>

Before beginning the inventory, you also have to **choose the degree of precision** you want. It's better to opt initially for simple information:

- ❖ Location (Site – Building – Floor – Room)
- ❖ User (Company – Department – Person)
- ❖ Information about the asset itself (Condition – Colour, etc.)

It can be enhanced later as needed.

**Tip 2**What strategy to put in place?

You have to choose how to do the inventory.

You have a number of options: inventory everything, inventory only assets exceeding a certain value, inventory only new assets, etc.

**The objective is to begin** and then, later, adjust the inventory to the challenges. Remember, there will always be time to supplement your inventory, at an annual audit, for example, or by using fleet management software.

In the case of a **multi-site inventory**, several deployment modes are possible:

- ❖ inventory a pilot site to use as reference for inventorying the other sites at a later date
- ❖ inventory major sites, small sites, or sites that are too far away to be able to provide a text or Excel file that will be imported into the inventory software
- ❖ inventory by type of site: start by inventorying administrative premises then inventory industrial sites, then
- ❖ etc.

**Tip 3**

### How to assess the number of inventory days?

You have to consider that **there will be on average 10 to 15 assets** per employee. This average includes shared equipment such as photocopiers, meeting room furniture, audiovisual equipment, etc.

Estimate that an inventory technician will record **between 250 and 400 assets per day** depending on the number of information entries required. The more entries required, the slower the pace.

💡 *For a company with a staff of 200, estimate 3,000 assets and 12 inventory days.*

These numbers have to be adjusted if there are large open-plan areas where all furniture is identical (bench desks) or there are single enclosed offices.

For stock checks, you can double the pace to **500 to 800 assets per day**.

💡 *You would need 6 days to stock-check 3,000 assets.*

***With RFID, stock-checks go 4 to 5 times faster. An inventory technician can stock-check up to 2,500 assets per day. As a minimum, 1 asset stock-checked every 12 seconds!***

To learn more about RFID, download the white paper ["RFID Inventory, unleash your operational efficiency!"](#)

**Tip 4****Who should be given the task of inventorying?**

In general, companies use:

- ❖ either their own General Services who are in charge of managing all the equipment they are responsible for
- ❖ or external inventory specialists

➔ But why not think about using both?

The inventory could be assigned to an external provider who will do part of the work while at the same time transferring skills to the company's staff. In this way, in-house staff are not 100% involved but will nevertheless learn the procedure.

The "Mixed" solution offers several advantages in terms of:

- ❖ Cost
- ❖ Permanent skills transfer
- ❖ Time savings
- ❖ Turnkey tool: "ready to use"



## Tip 5

### What methodology to use?

**Label attachment rules (or charter)** facilitate work in the field. Think beforehand about the best placement of labels, taking into consideration the types of equipment and accessibility to the label. And during the stock check, to quickly find the barcodes any checker can simply read the rules/charter.

*💡 Avoid sticking labels too visibly on desks where they can be scraped off. Do not stick a label behind a cabinet that will not be able to be moved in the future, as the label will not be able to be read unless RFID chips are used.*

You also have to think about **identifying rooms** as simply calling it "Office 104" isn't sufficient. There may be more than one of them.

In addition to the attachment charter, you have to **provide a timeline** for each site to be inventoried, taking into account opening hours, room access conditions, etc.

And think about warning employees that stock checkers are coming, to avoid surprises and slowing the pace.

Save time for the stock checkers by introducing them once for all. That way, they won't have to say, "Hello, I'm xxx. I'm here to do a stock check" in each office.

# Tip 6

## How to choose the right tools?

- ❖ Barcodes vs. RFID chips
- ❖ Meaningful labels or not, sequential numbering or not
- ❖ Touchscreen tablet, input handset, ruggedised device, Bluetooth reader
- ❖ Mobile app, inventory software and tracking, fleet management

+ info in the White Paper "How to future-proof your inventory?"





# Conclusion





Doing an inventory is not just about counting assets.

**Asset management is strategic.** It allows you to:

- ❖ Measure the performance of the internal control of assets (location, inventory, movements, etc.)
- ❖ Manage strategic assets: replace or maintain assets
- ❖ Maximise the use of assets: return on investment
- ❖ Strengthen risk management (identification, location, transfers)

Inventorying, and more generally asset tracking, if done in accordance with best practice, is a real challenge. It forms part of the company's overall strategy as it participates in:

- ❖ **Rationalisation of procedures**
- ❖ Management optimisation
- ❖ Compliance with regulatory requirements (eco-responsible approach, CSR, ISO, HQE, etc.)
- ❖ **Cost reduction**

*"To have a realistic and concrete vision for making the right management decisions."*

To learn more about inventories and ROI, [click here](#).



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