

Why Your Current Inventory System Is Failing You

If you have ever been tasked with taking inventory for a bar or restaurant, you are likely using either a periodic or perpetual inventory system. These systems each use different methods to track the on-hand inventory in an establishment.

Below are the characteristics of these inventory systems and the reasons your current inventory system is failing you.

PERIODIC

It's exactly what it sounds like. A periodic inventory system means inventory is taken on a periodic basis. Inventory is not tracked daily; this is the main difference between periodic and perpetual inventory systems. This system requires manual inventory counts on a consistent basis.

Periodic inventory systems use few materials, have a very low setup cost and don't require complex software or technology. On the other hand, there are many potential drawbacks of periodic inventory systems including inaccuracies, lack of detail, and how labor-intensive and time-consuming this system tends to be.

Inaccuracies

When inventory count has to be manually taken, there is a lot of room for human error to occur and inaccuracies are inevitable. Errors like forgetting to record a transaction or a miscount in number of goods can easily occur and can result in ordering the wrong amount of product.

Lack Of Detail

With a periodic system, inventory isn't tracked on a daily basis. This makes it hard for an establishment to track the level of theft or waste happening. It also makes knowing your current stock levels difficult. The general lack of detail means you might not be gaining proper insights on your establishment to make improvements.

Labor Intensive and Time Consuming

Taking physical inventory is a time consuming and labor-intensive process. With small businesses, it can be difficult to find the time and manpower for periodic inventory.

It is essential to take manual inventory early in the morning or late at night, taking inventory while products are being sold makes the process extra complicated. Inventory counts also need to be taken frequently and consistently to be helpful to your business. This also means that an employee will likely have to come in before their shift or stay late after a night of working. Neither of these options is ideal for workers.

Training employees on proper inventory taking practices are vital. It is good beneficial to have a pair of employees perform inventory together in order to reduce the risk of human error. Although this is good practice, it also means two employees are on the clock and not able to perform their normal day-to-day duties.

Taking manual inventory can be a labor-intensive and time-consuming process. If you would like to learn more about proper inventory taking practices, click [here](#).

PERPETUAL

This is also exactly what it sounds like. A perpetual inventory system means inventory is taken on a perpetual or constant basis. This system records inventory through point of sale systems after every transaction.

Perpetual inventory systems eliminate the need for your establishment to shut down regularly or have employees come in early or stay late to take manual inventory. This inventory system still has its particular drawbacks including incorrect of insights, increased level of training and decreased monitoring.

Insights

You can gain a lot of valuable information from taking regular inventory counts, but these counts aren't nearly as helpful if you don't know how to turn that information into valuable insights for your company. With some perpetual inventory systems, you either aren't gaining enough or the right insights for your establishment. It may be too hard to get the data you need out of your current inventory system.

Training

Perpetual inventory systems also involve an increased level of training. These systems generally require less labor and time than periodic inventory systems, but employees need to know how to operate these systems in order for the systems to be helpful at all. This will, no doubt, require a heavy upfront time investment in order to thoroughly train employees on this system.

Monitoring

This system tracks transactions through point of sale systems. Due to things such as customer theft, overpours, and stale beer, there can be some discrepancies between what an inventory count shows and the actual, physical inventory of an establishment. If you would like to learn more about ways your establishment could be wasting, click [here](#).

TAKE CONTROL OF YOUR INVENTORY

SteadyServ's iKeg helps you take control of your inventory. This draft beverage management system offers complete oversight of your draft beer lineup. View real-time, accurate keg levels so you always know how much beer is in your kegs and when to order more.

Gain advanced insights such as:

- What beer styles drive revenue for me? What styles are taking up too much room and not selling well?
- How are all beers of one style performing vs. other styles?
- What time of year does a particular product perform best/worst?

This easy-to-use system can let you make data-driven decisions right from your phone. To learn more about how SteadyServ can help you take the hassle out of bar inventory, click [here](#).

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