IMPROVING INVENTORY ACCURACY ACROSS WAREHOUSES AND CHANNELS

AKITA
Intelligent Solutions

For businesses operating across multiple warehouses, sales channels, and fulfilment models, inventory accuracy has become a strategic priority — not just a warehouse concern.

When stock records are wrong, the impact ripples across customer service, purchasing, finance, and profitability. This document explores the root causes of inventory inaccuracy and how Dynamics 365 Business Central provides the connected foundation needed to address them sustainably.

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Why Accuracy Is Harder Than Ever

Multi-channel, multi-warehouse complexity creates new failure points

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The Hidden Causes

Fragmented systems, manual processes, and inconsistent discipline

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A Single Source of Truth

How Business Central connects inventory across the organisation

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Sustained Accuracy at Scale

Structured processes, cycle counting, planning, and analytics

How Inventory Impacts A Business

Warehouse & Operations Teams

When inventory data cannot be trusted, warehouse and operations teams spend valuable time recounting stock, investigating discrepancies, and correcting exceptions. Instead of focusing on throughput, picking accuracy, and fulfilment speed, they're forced into firefighting and workarounds. This reduces operational efficiency and makes it harder to maintain consistent service levels.

Sales & Customer Service

Sales and customer service teams depend on reliable stock information to make confident commitments to customers. When the data is inaccurate, they are more likely to promise unavailable items, create delays, or offer substitutions after the fact. That uncertainty undermines trust and can damage customer relationships that have taken years to build.

Purchasing & Supply Chain

Inaccurate inventory figures distort replenishment decisions, pushing purchasing teams to order more than is truly needed to protect against uncertainty. This inflates safety buffers, ties up working capital, and can create excess stock in some areas while shortages persist in others. As a result, supply chain planning becomes reactive rather than data-driven.

Finance & Leadership

Unreliable inventory data reduces confidence in stock valuations and adds unnecessary reconciliation work at period end. It becomes harder to understand true inventory value, spot margin issues, or assess the operational impact of stock movement. Without a clear and accurate picture, strategic decisions are made with less certainty than the business requires.

Why Inventory Accuracy Is Getting Harder To Maintain

Modern inventory environments are more complex than they used to be. Many businesses now serve customers through a blend of direct sales, distributors, online channels, retail locations, field teams, and third-party fulfilment partners — all drawing from shared stock across multiple warehouses. In these environments, inventory records must remain accurate across every transaction, movement, adjustment, transfer, and sales commitment.

The Speed of Change

Goods are received, moved, picked, packed, shipped, returned, and adjusted throughout the day.

If those activities are not recorded consistently and reflected immediately, gaps emerge between what the system shows and what is physically available.

The Knock-On Effects

- Sales staff hesitate to promise stock
- Purchasing over-orders to compensate for uncertainty
- Warehouse teams spend time recounting rather than fulfilling
- Customers experience delays and substitutions
- Finance loses confidence in stock valuation

The Complexity Drivers in Detail

1 **eCommerce & Online Channels**

Online sales need real-time stock visibility to avoid overselling and cancellations.

2 **Third-Party Logistics (3PL) Partners**

Off-site stock depends on timely partner updates, which can create visibility and reconciliation gaps.

3 **Field Sales & Van Stock**

Stock held by field teams can become a blind spot if it is tracked manually or updated late.

4 **Distributors & Wholesale Channels**

Bulk allocations and consignment stock can drift from reality without clear status visibility.

5 **Multi-Warehouse Networks**

Transfers and inconsistent site practices make network-wide availability harder to track accurately.

The Hidden Causes Of Inventory Inaccuracy

Inventory inaccuracy is rarely caused by a single issue. It is the cumulative result of fragmented systems, manual workarounds, and inconsistent warehouse practices — each contributing to a growing gap between system records and physical reality.

Fragmented Systems

Separate platforms for finance, inventory, eCommerce, and order management create multiple versions of the truth. Inventory may appear available in one system whilst already allocated in another. Transfers recorded inconsistently leave teams uncertain about where stock actually is.

Manual Processes

Where receiving, put-away, picking, cycle counting, or stock adjustments rely on paper-based steps or manual entry, errors are difficult to avoid. A missed scan, incorrect bin update, or late adjustment can distort the inventory picture. Across high transaction volumes, these errors accumulate significantly.

Inconsistent Warehouse Discipline

Inventory policies may exist on paper, but in practice processes vary by location, by shift, or by individual. One warehouse follows structured goods-in and put-away rules whilst another uses informal practices. Without standardised workflows and shared controls, consistent accuracy across the network becomes increasingly difficult.

Creating A Single Source Of Truth With Business Central

Dynamics 365 Business Central addresses inventory inaccuracy at its root by bringing inventory, finance, purchasing, sales, warehouse operations, and planning into a single ERP platform. Rather than reconciling disconnected tools, organisations can maintain one central record of inventory positions, transactions, and value — visible across the wider business as changes happen.

Connected Inventory & Finance

Inventory increases and decreases are reflected in both item ledgers and the general ledger simultaneously, giving finance accurate stock valuation without manual reconciliation.

Real-Time Visibility

Teams can see what is available, committed, in transit, or awaiting receipt — without switching systems or waiting for overnight data syncs.

Structured Warehouse Execution

Receipts, put-aways, picks, shipments, movements, and counts are all handled through system-led workflows, reducing the scope for informal practices and manual error.

A modern inventory management system provides a single source of truth for inventory data, giving organisations complete visibility of stock across the business. Rather than relying on disconnected spreadsheets or multiple systems, teams can access accurate, real-time information from one central platform.

Key benefits include:

- Accurate tracking of committed inventory, ensuring teams know what stock has already been allocated to customer orders.
- Improved monitoring of goods in transit, helping businesses better manage lead times and delivery expectations.
- Clear oversight of incoming stock and outstanding purchase orders, enabling more effective replenishment planning.
- Reduced manual administration and fewer data-entry errors through automated inventory updates.
- Better collaboration between procurement, warehouse, operations, sales, and finance teams through shared access to consistent data.
- Improved stock control, helping to reduce shortages, excess inventory, and unnecessary carrying costs.
- Enhanced customer service through more accurate stock availability and delivery commitments.
- Stronger forecasting and demand planning capabilities to support long-term business growth.

By consolidating inventory information into a single platform, organisations can improve operational efficiency, strengthen supply chain performance, and make more confident business decisions.

Reducing Errors & Managing Multi-Location Inventory

Inventory accuracy improves when warehouse activity is carried out through consistent, system-led workflows rather than informal manual practices. Business Central supports different levels of warehouse complexity — from simple inventory handling through to advanced configurations with warehouse receipts, shipments, directed picks, put-aways, bins, and movement worksheets.

Scalable Warehouse Controls

Businesses can adopt controls that match their scale and complexity without over-engineering from day one.

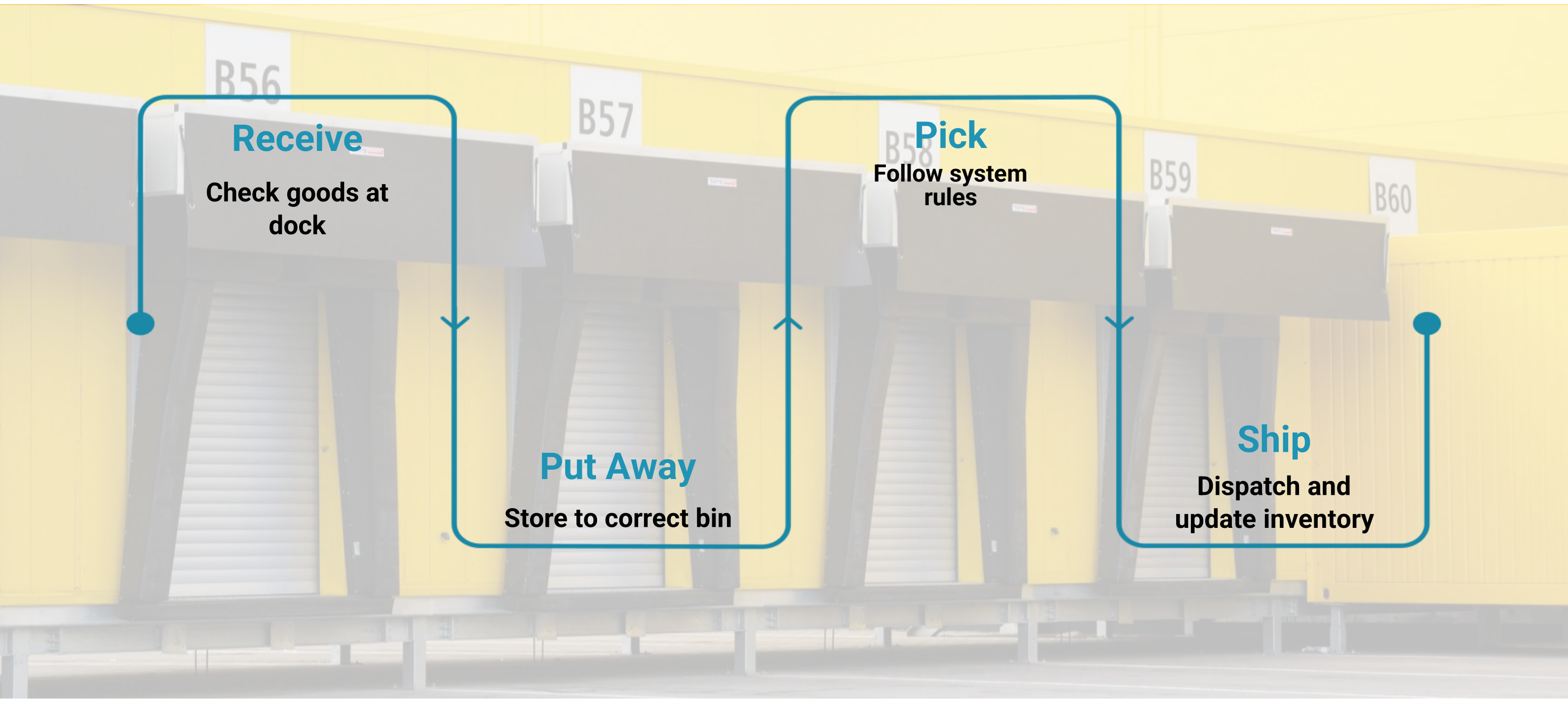
Whether the requirement is basic location control or directed bin management, structured repeatable workflows reduce discrepancies at source.

- Directed put-away and pick processes
- Bin-level stock positioning and movement
- Item tracking, variants, and allocation rules
- Location-specific inventory policies

Multi-Location Stock Control

Business Central tracks transfers that change inventory quantities across warehouses, enabling businesses to maintain an accurate picture of where stock is held and how it is moving. The practical benefits include:

- More informed replenishment decisions
- Fewer emergency stock transfers
- Reduced overstocking at one site whilst another runs short
- Reliable order fulfilment based on true availability



When items are received into the right location, put away correctly, picked using defined rules, and moved through the system rather than around it, discrepancies reduce — and accountability across the warehouse network increases.

Counting, Planning, Analytics & Business Impact

Sustainable inventory accuracy depends on three reinforcing capabilities: disciplined cycle counting embedded into operations, planning that prevents the volatility that causes errors, and analytics that surface patterns before they become problems.

Cycle Counting

Business Central supports counting, adjusting, and reclassifying inventory tied to both item transactions and financial books. Higher-value and higher-turn items can be checked more frequently, catching issues earlier and maintaining year-round data confidence.

Supply Planning

Better planning reduces the operational volatility that undermines accuracy. When replenishment is aligned to real demand, there is less need for emergency movements, manual adjustments, and substitutions that introduce discrepancies.

Inventory Analytics

Business Central can be extended with Power BI to monitor KPIs, analyse warehouse performance, and identify trends. Leaders can see whether one warehouse repeatedly suffers adjustments or certain items are consistently out of sync — and act on root causes.

The Wider Business Impact

Customer Service

Customer-facing teams make commitments with greater confidence, reducing delays and substitutions.

Purchasing

Replenishment decisions are based on actual need rather than inflated safety buffers driven by uncertainty.

Finance

More reliable stock valuation and reduced reconciliation effort improve financial control and margin visibility.

Operations

Teams spend less time firefighting discrepancies and more time improving throughput and fulfilment performance.

> **Dynamics 365 Business Central does not improve inventory accuracy by acting as a standalone stock ledger. Its value lies in connecting inventory with the wider business — warehouse execution, order processing, purchasing, planning, and finance — so organisations can address the root causes of inaccuracy rather than simply reacting to discrepancies after the event.**

For more info on Business Central for warehousing & distribution:
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