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## **ANALYSIS AND WAYS TO OPTIMIZE INVENTORY IN COMPANIES – CLOTHING BRAND AGENCIES**

***Annotation:** The article considers the importance of an effective inventory management policy at the enterprise. The main results of the analysis of reserves in the company QD Sport Co., Ltd. are presented. Special attention is paid to the problems in raw material management. Improve the direction of organizational inventory analysis and optimization are considered.*

***Key words:** the company's reserves, current assets, costs, cost, rationing, control, turnover, profitability.*

Inventory management is to make a reasonable plan for the inventory, and execute it according to the plan, then check the result and make an evaluation, and finally apply it to the next plan. That is, the cyclical process of discovering problems and putting forward solutions to the next actual management.

Sufficient inventory can guarantee the possibility of continuous production or sales. Once the excess inventory takes up a large amount of working capital, it may cause a decline in the company's inventory turnover rate and affect capital turnover.

Inventory issues have always been a stubborn disease that plagued the apparel industry. The inefficiency of many business links in apparel companies and the errors in planning and forecasting are the main reasons for the chronic illness of apparel inventory. Therefore, the inventory problem is an urgent problem that clothing companies need to solve to improve their market competitiveness.

QD Sports Co., LTD. is a typical sportswear manufacturer. The company holds two order meetings every year, arranges production according to agent orders and orders from our store, and purchases fabrics for centralized production. The production cycle is long and the inventory backlog is serious. In the process of rapid development, the company paid attention to the growth of sales performance and ignored the increase of corporate inventory costs. With the increase in the personalized needs of customers in the apparel industry and the rapid development of e-commerce, the apparel industry is growing rapidly and competition is fierce. The trend of declining profit margins forces QD Sports Co., LTD. to increase production efficiency and reduce production costs.

The clothing inventory problem has been around for a long time, and the competition situation in the clothing market has become increasingly severe. The competition is getting fiercer. Therefore, how to solve the inventory problem of apparel companies has very important theoretical and practical significance.

At present, most management software and financial software on the market have automated inventory management modules, For example, SAP, Oracle and other large international software companies, China's Kingdee, Yonyou, and New Wave. And so on, companies have these businesses.

In enterprise management, various information data such as administrative management, finance, production, sales, inventory, etc. can be collected through management software or financial software. Software vendors will also customize personalized processing solutions according to the specific needs of the company to solve the contradictions between various departments, data requirements, and workflows in actual production work.

Cloud computing, big data, and middle-office systems have more powerful data sorting capabilities and can realize cross-platform sharing of various data.

There are three main types of inventory of QD Sports Co., LTD., namely

raw materials, inventory goods and turnover materials. Clothing products are originally affected by factors such as seasons and climate, coupled with the in-depth influence of the concept of "fast fashion" in modern society on the clothing industry, failure to catch up with the trend and sell in time will result in inventory backlog. This has resulted in the short inventory life cycle, high risk of obsolescence, severe homogeneity of goods, and rapid depreciation.

Problems in raw material management. The procurement content of QD Sport Co., Ltd includes a series of processes such as formulating and implementing procurement plans, finding suppliers, signing contracts, supervising goods, and applying for financial payments. The links are long and many, and many links are not highly informatized. The process must be approved by multiple authorities. Inevitably there will be disconnections, pauses, repetitions, etc. This adds a lot of non-value-added links and greatly reduces procurement efficiency.

QD Sport Co., Ltd's existing procurement management information system is not yet complete, and can only simply handle the procurement business, which reduces the efficiency of procurement management. In addition, there is no information interconnection and resource sharing between enterprises and suppliers, and information between suppliers and demanders cannot be communicated in time. When consumer demand changes or suppliers cannot deliver on time, communication between the two parties will be very difficult, affecting the entire production schedule. As time goes by, the company can only guarantee the supply of raw materials by increasing the procurement turnaround time, which ultimately leads to a delayed response to consumer demand.

First of all, due to the large number of suppliers of QD Sport Co., Ltd. and they are relatively scattered, the main work of procurement personnel is concentrated on inquiry, negotiation, contract signing and order follow-up. Supplier management still stays on the traditional documentary. Classification management strategy has caused a lot of waste of resources and low work

efficiency. The relationship between the two parties stays in the traditional sales and procurement relationship, making the competition between the two parties greater than cooperation, focusing on short-term benefits and ignoring the benefits of long-term cooperation, leading to unstable supplier supplies and low on-time delivery rates. Secondly, when selecting suppliers, companies mainly choose whether to meet the requirements of several traditional indicators such as price, supplier delivery time, and quality. In actual operation, most suppliers are selected based on the buyer's personal experience, and there is a lack of a scientific evaluation system. For companies, different suppliers have different degrees of importance to corporate procurement. For ordinary suppliers, this method can reduce the workload of procurement, and the selection process is relatively simple, but for the selection of key suppliers and strategic suppliers, such a simple evaluation is obviously not enough. There is a lot of subjectivity and arbitrariness, which is not conducive to making a comprehensive, specific, objective, and fair evaluation of suppliers.

Improve the direction of organizational inventory analysis and optimization:

- 1 appropriate decentralization and strengthen internal collaboration;
- 2 scientific and effective sales forecast;
- 3 strengthen data association.

Build a complete data platform to integrate data from various departments, raw material suppliers, production lines, warehouses, logistics, various sales terminals, and the upstream and downstream of the supply chain to efficiently manage the data. For example, China's middle-tier technology can achieve this function.

When companies use data, sales and inventory to make predictions, accuracy problems will inevitably occur. In daily management work, they must constantly adjust and correct algorithm models, analyze the reliability of data sources, compare error cases, and explore Among the influencing factors, the

results of data analysis are used to provide assistance for management and decision-making.

In summary, the optimization of the inventory of clothing brand agency companies is directly related to the sales and development of clothing brand companies. Inventory optimization is not simply a task of warehouse management. It needs to go from product design to final product sales. After-sales, various tasks are combined to realize the importance of inventory management. The article sorts out the work flow of such enterprises, starting from the actual situation of the enterprise itself, considering the problems of inventory management, and proposing corresponding solutions. In the context of the information age, it is more important for apparel brand agency companies to apply the advanced technologies of the times to inventory management, so as to fully optimize inventory management, promote a new round of industrial upgrading, and promote the company's own sustainability.

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