



zinventory

Another Look At SKU Management

An in-depth look at how to create and manage a new SKU management approach.

If you want to have a successful inventory management system, there are certain factors that you need to take into consideration.

Identification

is the cornerstone of proper inventory management. You must be able to identify each SKU as well as where that SKU lives; whether it be a slot, bin, rack, shelf, or section. As you start selling products through your retail channels, you will need to create an alphanumeric stock keeping unit (SKU) system.



WHAT IS A SKU?

A stock keeping unit, or SKU, as it is more commonly known, is vital to managing inventory levels accurately and efficiently. A SKU is a unique identifier of an item in a particular inventory management system, but not a completely unique identifier like a UPC.

A SKU can include details about the product and its variations, and, unlike a barcode, it can be read by humans. You can track your inventory down to individual variants of your products like color, size, and more. SKUs can be the same, even if the location is different. This is important to remember if you are storing the same item in more than one warehouse.

All of these items can be managed in Zinventory.

There are **3** important things to keep in mind when you are creating a new SKU system that will help to ensure you are improving effectiveness and responsiveness when fulfilling orders or managing cycle counts.



Keep in mind...



Make them easy to understand.



Avoid homographs; letters that can be confused with numbers.



Keep it short.



Keep reading to learn more...



MAKE THEM EASY TO UNDERSTAND.

When creating a SKU, you shouldn't be just slapping numbers and letters together without a plan as to how they can be identified without the help of a barcode scanner.

Pay attention to color, size, brand, and other variants as they will need to be incorporated in the SKU to help with identification.

If you're thinking about using a number code to denote something like colors, think again. This can quickly become a confusing string of numbers and no one wants to take the time to look at a key to figure out what it all means.

The more straightforward, the better.

EXAMPLE: Women's Sweater, Blue, Medium = **SW-Blu-WMed**



AVOID HOMOGLYPHS

A homoglyph denotes letters that can be confused with numbers.

This is pretty simple, but always good to remember. Always stay away from letters like "O", which can easily be mistaken for a "0" (zero), "l", and "L".

Another rule of thumb is to avoid using "/", "<", ">", "*", and accents (āăűÛ). These can accidentally create formulas in Excel and make the data unreadable.

Always opt for a "-" (dash) and "_" (underscore) as a space.

HINT Never start a SKU with the number 0. Trust us on this.



KEEP IT SHORT.

Shorten words to only a few letters. Letters will help you further distinguish your items from other numbers while also increasing the amount of possible items you can have.

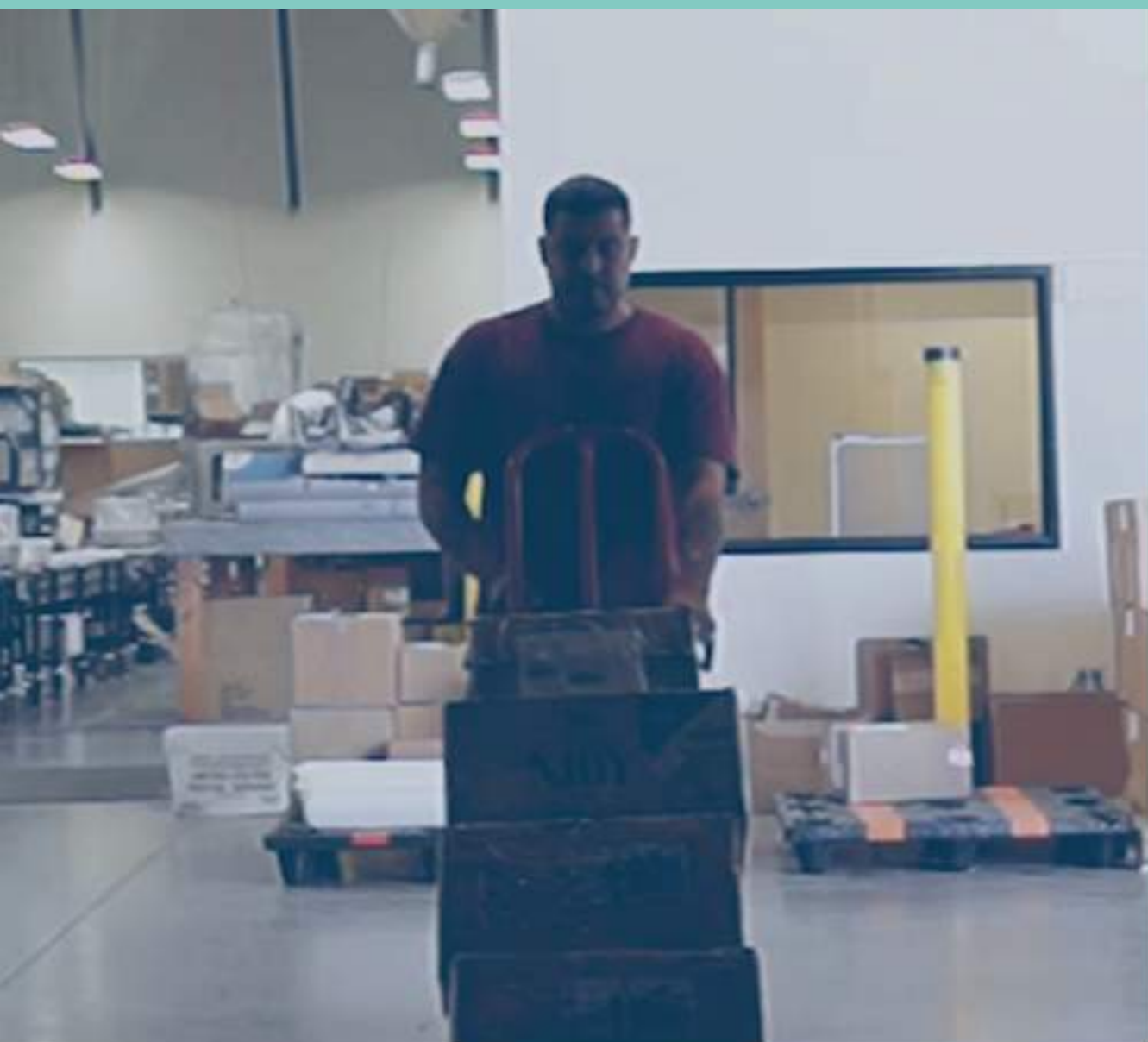
Using a few letters from the beginning of an item description can make finding items in a pick list much easier.

Chocolate = "CHOC"
Sweater = "SW"
Eyeshadow = "ES"



MASTER SKU & ALIAS SKU

A Zenventory expert can step in to help your business remedy any SKU inconsistencies across all warehouses. One thing we do is create a "Master SKU" category. We also organize any duplicates in other marketplaces as an "Alias SKU".



A Master SKU is one SKU per actual product that is used for tracking quantities internally.

In an ideal world, this SKU would be used universally but that's not usually the case in multichannel e-commerce businesses.

Our solution? Organize any duplicates as aliases. By creating an Alias SKU category, these can represent any alternate reference to an item that exists in the system as a Master SKU.

EXAMPLE:

If you have a SKU on eBay listed as ITEM-123 and the same product listed on Amazon as ITEM-789, you can use an Alias SKU to link them and properly manage your inventory levels on Zenventory.

Note: ITEM-123 and ITEM-789 cannot be used as SKUs for any other product in your marketplaces.

This can be done outside of Zenventory using a spreadsheet and conducting an import, especially if there are a lot, or use the one-by-one system within the Zenventory interface if there are only a few.



By taking these helpful tips into consideration, your inventory management system can help you improve the following:



Reduce labor associated with searching for products and locations.



Save money by avoiding unnecessary purchases due to lost or misplaced items in your warehouse.



Improve the accuracy of stock taking.



Create a more efficient work environment by implementing a finely tuned inventory management system.

By managing your SKUs properly, you are able to keep the most accurate inventory levels, increase your revenue, and increase efficiency. Don't fall victim to inventory holding costs from inconsistent stock levels. A simple solution of matching your items to their proper SKUs is an essential practice and a must for any sized business.

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Zenventory Inventory Management Software

1-800-268-6296

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