

# SOP: Inventory Management and Stock Rotation

This SOP details the **inventory management and stock rotation** processes, including accurate recording of stock levels, regular monitoring and auditing of inventory, proper storage practices, implementation of the First-In, First-Out (FIFO) method to minimize waste, timely replenishment of stock, and the handling of expired or damaged goods. The goal is to optimize inventory control, reduce losses, and ensure the availability of fresh and quality products.

## 1. Purpose

To ensure effective inventory management and stock rotation for optimal product quality, reduced losses, and availability of goods.

## 2. Scope

This SOP applies to all staff involved in inventory handling, stock storage, and replenishment processes.

## 3. Responsibilities

- Warehouse/Store staff: Daily stock handling, recording, FIFO implementation
- Supervisors/Managers: Monitoring, auditing, and oversight of procedures
- Procurement: Timely ordering to replenish stock

## 4. Procedure

- Recording Inventory:**
  - Document all stock received, including item name, quantity, batch/lot number, and date of arrival.
  - Update inventory records in the designated system immediately upon receipt or removal of stock.
- Storage Practices:**
  - Store items in clean, organized, designated areas according to type and storage requirements (e.g., temperature, humidity).
  - Label shelves clearly with item name, SKU, and expiry date (if applicable).
- Stock Rotation (FIFO):**
  - Arrange stock so that the oldest items (first received) are at the front and used/sold first.
  - Regularly check shelf arrangement to maintain FIFO order, especially during restocking.
- Inventory Monitoring & Auditing:**
  - Perform daily/weekly physical counts and reconcile with inventory records.
  - Investigate and address discrepancies promptly.
- Replenishment:**
  - Monitor stock levels and generate replenishment orders when minimum thresholds are reached.
  - Communicate with procurement to avoid overstocking or stockouts.
- Handling Expired/Damaged Goods:**
  - Identify and separate expired or damaged stock immediately.
  - Record items for disposal or return and dispose of according to company policy and regulations.

## 5. Documentation

- Inventory receipts and dispatch logs
- Stock count/audit sheets
- Replenishment and disposal records

## 6. Review

This SOP should be reviewed annually or when process changes occur.

## 7. Appendix: Sample Inventory Record Table

Item Name	SKU/Batch No.	Qty Received	Date Received	Expiry Date	Status
Product X	BX1234	100	2024-06-01	2025-06-01	In Stock

Product Y	BY5678	50	2024-06-05	2024-12-05	In Stock
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