

# SOP Template: Merchandise Display and Inventory Preparation

This SOP details the process of **merchandise display and inventory preparation**, covering the arrangement of products for optimal customer engagement, organization and labeling of merchandise, stock replenishment protocols, inventory counting and verification methods, and preparation of inventory reports. The objective is to ensure an attractive and efficient display that maximizes sales potential while maintaining accurate inventory records and stock availability.

## 1. Purpose

To outline standardized procedures for merchandise display and inventory preparation to ensure effective sales, accurate tracking, and optimum presentation of products.

## 2. Scope

This SOP applies to all retail staff responsible for merchandising, inventory management, stock replenishment, and inventory reporting.

## 3. Responsibilities

- **Store Manager:** Oversees merchandise display and inventory procedures, approves reports.
- **Sales Associates:** Execute product arrangement, maintain shelf stock, and assist in inventory counts.
- **Inventory Clerk:** Conducts physical inventory, reconciles records, prepares inventory reports.

## 4. Procedure

- Merchandise Display**
  - Clean and prepare display areas before setting up merchandise.
  - Arrange products by category, brand, and promotional plans for visual appeal and accessibility.
  - Rotate stock using First-In-First-Out (FIFO) principle to minimize expired or outdated items.
  - Adjust displays weekly or as instructed for promotions, seasonality, or new arrivals.
- Organization and Labeling**
  - Attach accurate price tags and shelf labels to each product.
  - Ensure all labels are visible and up to date with current pricing and product information.
- Stock Replenishment**
  - Check shelves daily and identify low-stock items for replenishment from back stock.
  - Document all stock movements (in/out) using inventory management system or stock cards.
- Inventory Counting and Verification**
  - Schedule and conduct regular (weekly/monthly/quarterly) inventory counts.
  - Verify physical counts against inventory records, noting discrepancies for investigation.
  - Report any damaged, expired, or missing items to the Store Manager immediately.
- Inventory Reporting**
  - Prepare an inventory summary report after each count (template below).
  - Submit reports to the Store Manager for review and archival.

## 5. Inventory Report Template

Date	[Insert Date]
Prepared by	[Name]
Location	[Store/Section]

Product Name	SKU/Code	Quantity (Counted)	Quantity (System)	Variance (+/-)	Notes (Damaged/Expired/Missing)
[Sample Product]	[12345]	[50]	[52]	[-2]	[2 items short]

## 6. References

- Inventory Management System Manual
- Visual Merchandising Guidelines

## 7. Revision History

Version	Date	Description	Approved by
1.0	[Insert Date]	Initial SOP creation	[Manager Name]