

Inventory Reorder & Stock Control SOP

Prepared for Summit Ridge Auto & Equipment LLC (fictional automotive service business)

DOCUMENT PURPOSE

Create a simple, auditable system that prevents routine shop supplies from stocking out while reducing duplicate purchases, hidden technician stashes, and excess inventory.

1. Purpose and Scope

This SOP establishes the standard process for controlling high-use consumables, shop supplies, and low-cost repair materials. It applies to all employees who issue, consume, receive, count, or reorder stocked items in the main service shop and parts storage area.

2. Roles and Responsibilities

Role	Primary Responsibility	Required Action
Shop Manager	Accountability and approval	Reviews exceptions, approves new stocked items, and resolves recurring stockouts.
Inventory Lead	Daily control	Maintains min/max levels, performs counts, generates reorder list, and receives replenishment.
Technicians	Accurate consumption	Pull from designated locations, return unused material, and flag low/empty bins immediately.
Purchasing	Vendor execution	Places approved orders, records order date/vendor, and communicates backorders or substitutions.

3. Stock Classification

- A-items: high-use or job-stopping consumables. Count weekly and maintain at least one replenishment cycle of safety stock.
- B-items: moderate-use consumables. Count every two weeks and replenish to established maximum levels.
- C-items: low-use or inexpensive items. Count monthly or when visually low; avoid unnecessary duplicate storage locations.
- Non-stock items: specialty parts ordered against a specific work order. Do not add to recurring inventory without manager approval.

4. Min/Max Reorder Method

Each stocked item receives a minimum quantity (reorder trigger) and maximum quantity (target level after replenishment). Initial levels are based on recent usage, supplier lead time, package size, and operational impact.

SIMPLE CALCULATION

Minimum = average weekly usage x supplier lead time (weeks) + safety stock. Reorder quantity = maximum - usable quantity on hand.

Item	Avg. Weekly Use	Lead Time	Safety Stock	Min	Max
Nitrile gloves, L	3 boxes	1 wk	2	5	10
18-22 ga heat-shrink terminals	45 ea	1 wk	40	85	200
Brake cleaner	8 cans	1 wk	6	14	24

Item	Avg. Weekly Use	Lead Time	Safety Stock	Min	Max
Shop towels	4 rolls	1 wk	4	8	16

Example values above are illustrative. Production levels would be calculated from the client's actual usage and supplier data.

5. Standard Replenishment Cycle

Step	Standard
Count	Inventory Lead counts A-items each Monday before opening and B-items every other Monday. Damaged/open packages are counted as usable only when quantity is known.
Compare	On-hand quantity is compared to the item minimum. Any item at or below minimum enters the reorder list.
Reorder	Inventory Lead calculates order quantity to return the item to its maximum. Purchasing places the order the same business day unless approval is required.
Receive	Receiving employee verifies quantity and condition against the order, records discrepancies, dates the receipt, and places material in the assigned bin.
Close	Inventory Lead updates the tracker, removes completed items from the open-order list, and records substitutions/backorders.

6. Stockroom Standards

- One primary home location per stocked item unless a secondary point-of-use location is formally assigned.
- Every bin label includes item name, internal SKU, minimum, maximum, and preferred vendor/package size.
- Opened packages remain in the active bin; unopened reserve stock is stored immediately behind or above the active bin.
- Personal or technician-owned stashes of company inventory are not permitted unless designated as a controlled point-of-use location.
- Substitutions that materially change package quantity, fit, rating, or compatibility require inventory-lead review before becoming the new standard.

7. Exceptions and Emergency Replenishment

A job-stopping stockout is reported immediately to the Shop Manager and Inventory Lead. The Inventory Lead documents the cause as usage spike, inaccurate count, supplier delay, incorrect min/max level, unrecorded consumption, or other. Repeated stockouts trigger a min/max review rather than repeated emergency purchasing.

8. Performance Measures

Metric	Target	Purpose
A-item stockouts	< 2 per month	Measures service interruption risk.
Emergency supply runs	Downward trend	Captures labor/time lost to unplanned purchasing.
Inventory accuracy	>= 95%	Compares tracker quantity to physical count.
Dead stock	Quarterly reduction	Identifies cash tied up in unused material.

9. Implementation Notes

For a live client, A4Y Logistics would populate the initial stock list, calculate recommended min/max quantities from available usage and purchasing data, build the reorder tracker, label the storage locations, and conduct a short handoff with the designated inventory owner.