

CAPITAL V8

Capital Business Software Tutorial Series

Introduction to

Aged Stock Analysis

CAPITAL Office Business Software

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Table of Contents

Table of Contents

- Table of Contents.....2
- What Is Aged Stock Analysis?.....3
 - Key Features.....3
- Why Aged Stock Analysis Matters.....4
 - Business Benefits.....4
 - Improve Cash Flow.....4
 - Reduce Storage Costs.....4
 - Prevent Obsolescence.....4
 - Optimize Purchasing Decisions.....4
- Creating Your First Aged Stock Report.....5
 - Step 1: Access Aged Stock Analysis.....5
 - Step 2: Configure Report Parameters.....5
 - Filters.....5
 - Aging Periods.....5
 - Step 3: Generate the Report.....5
- Understanding the Report Grid.....6
 - Summary Totals.....6
- Aging Periods and Categories.....7
 - Standard Aging Periods.....7
 - Customising for Your Business.....7
- Working with Aged Stock Data.....8
 - Sorting and Filtering.....8
 - Taking Action.....8
 - Price Adjustments.....8
 - Stock Tags.....8
 - Reorder Level Adjustments.....8
 - Supplier Communication.....8
- Export and Reporting Options.....9
 - Available Export Formats.....9
- Best Practices and Tips.....10
- Quick Review.....11
 - Key Points to Remember.....11

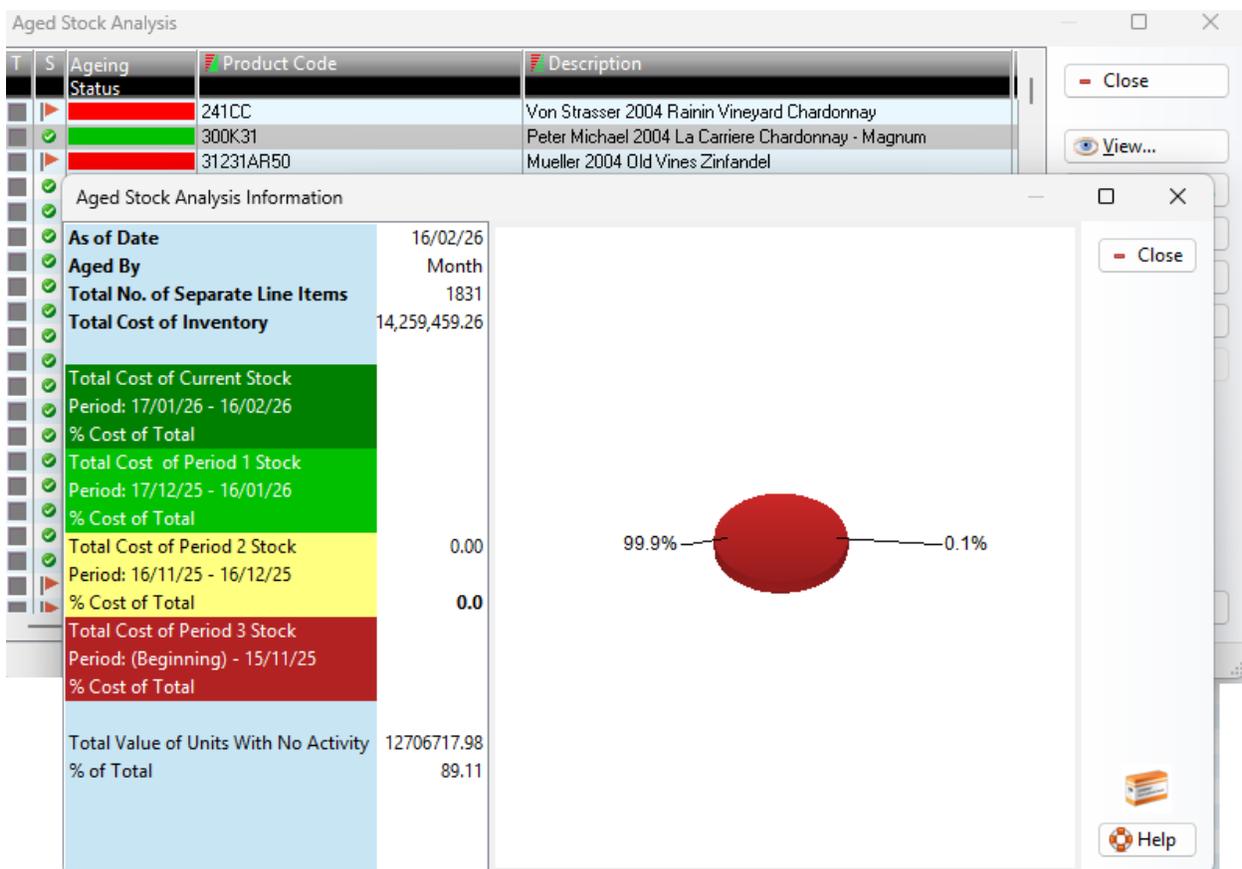
What Is Aged Stock Analysis?

Aged Stock Analysis is a powerful inventory management tool in Capital Office that helps you identify slow-moving and obsolete inventory. It analyses how long stock items have been sitting in your warehouse based on their last movement date, allowing you to make informed decisions about pricing, promotions, and stock clearance.

Key Features

- Track inventory age based on last movement or receipt date
- Identify slow-moving and obsolete stock
- Analyse stock value tied up in aged inventory
- Categorise items by customisable aging periods
- Generate reports by stock group, supplier, or location
- Support markdown and clearance strategies

Note: Aged Stock Analysis is available in the Corporate Edition only.



Why Aged Stock Analysis Matters

Effective inventory management requires understanding not just what you have, but how long you've had it. Aged stock represents capital that's not generating returns and can indicate deeper business issues.

Business Benefits

Improve Cash Flow

Identifying aged stock allows you to convert dormant inventory into cash through targeted promotions, markdowns, or clearance sales. This frees up capital for more profitable inventory investments.

Reduce Storage Costs

Aged inventory consumes valuable warehouse space and incurs ongoing storage costs. By identifying and clearing slow-moving items, you can optimize your storage capacity and reduce overhead expenses.

Prevent Obsolescence

Regular aged stock analysis helps you identify items at risk of becoming obsolete due to technological changes, seasonal shifts, or changing customer preferences. Early detection allows you to take corrective action before items lose all value.

Optimize Purchasing Decisions

Understanding which items become aged stock helps you refine purchasing patterns, adjust reorder levels, and avoid over-ordering items with historically slow turnover.

Creating Your First Aged Stock Report

Follow these steps to generate your first Aged Stock Analysis report:

Step 1: Access Aged Stock Analysis

1. Open the Stock Control area in Capital Office
2. Select from the menu: Toolbox → Aged Stock Analysis
3. The report configuration screen will appear

Step 2: Configure Report Parameters

When setting up your Aged Stock Analysis, you'll configure several key parameters:

Filters

Narrow your report focus using these optional filters:

- **Stock Group:** Limit analysis to specific product categories
- **Supplier:** Focus on products from particular suppliers
- **Location:** If multi-location is enabled, analyze specific warehouses
- **Classes:** Limit the analysis to a single class or range of classes.

Aging Periods

Define the time brackets for categorising aged stock.

You can customise these periods to match your business needs and industry standards.

Step 3: Generate the Report

After configuring your parameters, press the Create button. Capital Office will analyse your inventory and produce a detailed aged stock report showing items categorised by their age grouping.

Understanding the Report Grid

The Aged Stock Analysis report displays detailed information about each item in your inventory. Here are the key columns:

Column	Description
Product Code	The unique identifier for the stock item
Description	Product name and description
Supplier	The supplier from whom this item is purchased
Stock On Hand	Current quantity in stock
Last Activity	Date of last sale, transfer, or movement
Cost	Total cost value of aged stock (Quantity × Cost Price)
Age Categories	This will display turn over for each period.

Summary Totals

At the bottom of the report, you'll find summary totals showing:

- Total number of items in each aging category
- Total cost value tied up

Aging Periods and Categories

Understanding and customising aging periods is crucial for effective aged stock analysis. Different industries and business models require different aging thresholds.

Standard Aging Periods

The default aging periods work well for most retail and wholesale businesses:

- **Current:** Fresh stock with normal turnover
- **Period 1:** Beginning to age, monitor closely
- **Period 2:** Slow-moving, consider promotional pricing
- **Period 3+** Aged stock, implement clearance strategies

Customising for Your Business

Consider adjusting aging periods based on your industry:

- **Fashion/Seasonal Goods:** Shorter periods (e.g., 0-14, 15-30, 31-60 days) due to rapid style changes
- **Perishable Goods:** Much shorter periods (e.g., 0-7, 8-14, 15-21 days) based on shelf life
- **Durable Goods/Equipment:** Longer periods (e.g., 0-90, 91-180, 181-365 days) due to slower turnover expectations
- **Electronics:** Moderate periods (e.g., 0-60, 61-120, 121-180 days) balancing technology refresh cycles

Working with Aged Stock Data

Once you've generated an aged stock report, you can take several actions to manage your inventory effectively.

Sorting and Filtering

The report grid allows you to:

- Sort by any column (click the column header where the red/green block appears)
- Filter to show only specific age categories
- Search for specific stock codes or descriptions

Taking Action

From the aged stock report, you can perform several key actions:

Price Adjustments

Select items and use the bulk price adjustment feature to:

- Apply percentage markdowns based on age
- Set promotional prices for clearance
- Create special pricing tiers for different age brackets

Stock Tags

Apply tags to aged stock items for:

- Creating targeted promotional campaigns
- Identifying items for clearance sales
- Tracking items through your clearance process

Reorder Level Adjustments

For consistently slow-moving items:

- Reduce reorder levels to prevent future overstocking
- Adjust minimum order quantities
- Mark items as non-stock or special order only

Supplier Communication

Use the report to:

- Negotiate return agreements for excess stock
- Request promotional support for aged items
- Discuss product discontinuation or replacement options

Export and Reporting Options

Aged Stock Analysis data can be exported and shared in multiple formats for further analysis or reporting.

Available Export Formats

- **Excel (XLSX):** Full data export with formatting, suitable for detailed analysis and pivot tables
- **CSV:** Raw data export for import into other systems or databases
- **PDF:** Formatted report for printing or sharing with stakeholders

Best Practices and Tips

- **Run Analysis Regularly:** Schedule aged stock analysis weekly or monthly to catch issues early and maintain inventory health.
- **Segment Your Analysis:** Run separate reports for different product categories, as aging concerns vary significantly by product type.
- **Track Trends Over Time:** Compare reports month-over-month to identify if aged stock is increasing or decreasing.
- **Set Clear Action Thresholds:** Establish company policies for when to markdown (e.g., 10% off at 90 days, 25% off at 180 days).
- **Prioritise by Value:** Focus clearance efforts on high-value aged items first to maximise cash recovery.
- **Consider Seasonality:** Some items naturally age during off-seasons; factor this into your analysis and don't overreact.
- **Document Your Decisions:** Keep notes on why certain items aged and what actions you took, to improve future purchasing decisions.
- **Coordinate with Marketing:** Share aged stock reports with your marketing team to develop targeted promotional campaigns.
- **Review Supplier Performance:** Identify suppliers whose products consistently become aged stock and discuss with them.
- **Use Multiple Aging Methods:** Experiment with different aging methods to find which gives you the most actionable insights for your business.

Quick Review

Key Points to Remember

- Aged Stock Analysis is available in the Corporate Edition only
- Access via: Stock Control → Toolbox → Aged Stock Analysis
- Customise aging periods to match your industry and business model
- Filter by stock group, supplier, location, or minimum value
- Take action through price adjustments, stock tags, and reorder level changes
- Export to Excel, CSV, or PDF for further analysis
- View Cost Prices permission needed to see cost values

For more information, consult the Capital Office help system
or contact Capital Office Support at (02) 8197 1582