



spearhead services

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## Inventory Physical Verification



## Premise:

- ❑ Client India Pvt Ltd., (Client) IT hardware manufacturer and service provider stocks inventory of spares at various locations across India.
- ❑ Inventory warehouse and the logistics is managed by M/s.Warehouse.
- ❑ Client proposes to outsource the monthly inventory verification activity to M/s.Spearhead Services Pvt Ltd., (SSPL)
- ❑ SSPL has ample experience in this area of activity and has been providing such services to various clients in India on a sustained basis.

# Client Service Warehouse Locations in India



Sl.No	Location	Qty of Stock in Numbers – Approx Spread over 1000 SKUs'	Percentage
1	Bangalore	110000	69
2	Delhi	30000	19
3	Mumbai	10000	6
4	Kolkota	5000	3
5	Lucknow	5000	3

## Scope of Work and Deliverables

- Monthly verification of the service inventory -good parts only; basis the inventory lists provided by Client/ Warehouse.
- Physical verification shall be based on A-B-C categorization of stocks based on the value wherein the verification shall be as under;
  - **Category A –High Value – 100% verification.**
  - **Category B – Medium Value – 25% to 30% - all items to be covered in a quarter.**
  - **Category C – 10- 15% - all items to be covered in a year.**
- Verification to be based on a pre-agreed calendar for 12 months and verification to be con-current in all the locations as far as possible.
- 2 work days required for Bangalore / Delhi and 1 day for verification in other locations.
- Warehouses to stop/minimise the movement of stocks during the verification period.
- Verification exercise to exclude defective spares, packing material, any other inventory held by the warehouse not pertaining to Client Services organisation.



## Deliverables to Include

- Warehouse wise list of the stock count sheets in the format adopted and agreed mutually.
- Copies of the cut off documents where relevant.
- List of the discrepancies, along with the explanations for the same.
- Preparation of overall Inventory summary each month.
- Preparation of variance statements.
- Preparation of a detailed audit report.
- Audit scope to cover general warehouse procedures and recommendations for improvement.



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## OUR MISSION

**EXCELLENCE IN WORK THROUGH  
EMPOWERMENT, EXUBERANCE  
AND TEAMWORK.**

