

MANAGE YOUR IPI SCORE AND INVENTORY DASHBOARD



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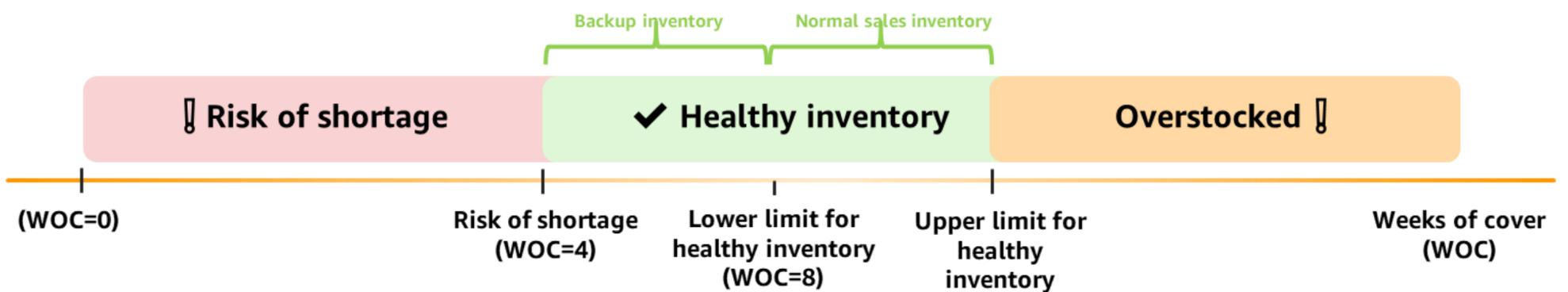


FBA Inventory Management: Inventory Health

What is Weeks of Cover (WOC)?

Weeks of Cover (WOC) is an important indicator of inventory health. Generally, your inventory weeks of coverage should be around 8 weeks, which covers 2 months of sales velocity.

Ensure that you are able to sustain your sales momentum post Q4 Holiday Seasons by preventing Out of Stock (OOS) situations. Specifically for Prime Fall Deal Events & Black Friday Cyber Monday, we would highly encourage you to ensure that you have sufficient stocks to fulfil sales demand **at least 1 month post Q4 Holiday Season sale periods.**



Getting Ready to Send FBA Inventory

Prime Fall Deal event FBA cut-off date is 14 Sept 2023 and BFCM is 19 Oct. Budget 1-2 extra weeks or more for transit time to prevent a negative impact from unforeseen factors such as sudden events and the possible shortage of transportation resources in peak seasons.

Planning ahead for shipping



You need to ask your logistics provider or freight forwarder about scheduling and shipping rates ahead of time as cost may fluctuate based on seasonality. Plan your shipment in advance to optimize shipping costs and avoid missing Prime Day FBA cut-off date, 15 June 2023.

Choosing a reliable logistic provider



We recommend you choose a logistics company that is familiar with the FBA inbound process and understands how to deliver import to the US (e.g. Custom Brokerage, Importer of Records). Do note that Less-than-truckload and container trucks need to wait longer when queuing up for shipment check-in at our fulfillment centers.

Using air or sea shipment



Typically, Sellers will opt for sea shipment to deliver their goods to the fulfillment center as it is less costly. However, the wait time for sea shipment is long (>1.5 month). Hence, If you are doing last minute replenishments, leverage on express delivery services from UPS, DHL Express, or FedEx such that no appointment is necessary. This can help to ensure that the seller's goods are quickly warehoused on time, and avoids long waits where you might miss peak season sales.

Uploading shipment tracking number



Ask your contracted logistics provider to provide the tracking number of the last-mile express delivery and upload it to Seller Central. This will help to ease and expedite the shipment check-in process at our fulfillment centers

Understanding your Inventory Performance Index (IPI) Score

Inventory management play an extremely important role in controlling cost and increasing profit. It impacts a business's operating cost, but more importantly, any shortage in supply or overstocking may adversely impact your sales and affects the recovery of capital.

What is Inventory Performance Index (IPI)?

IPI stands for Inventory Performance Index, and is an indicator of the health of your inventory.

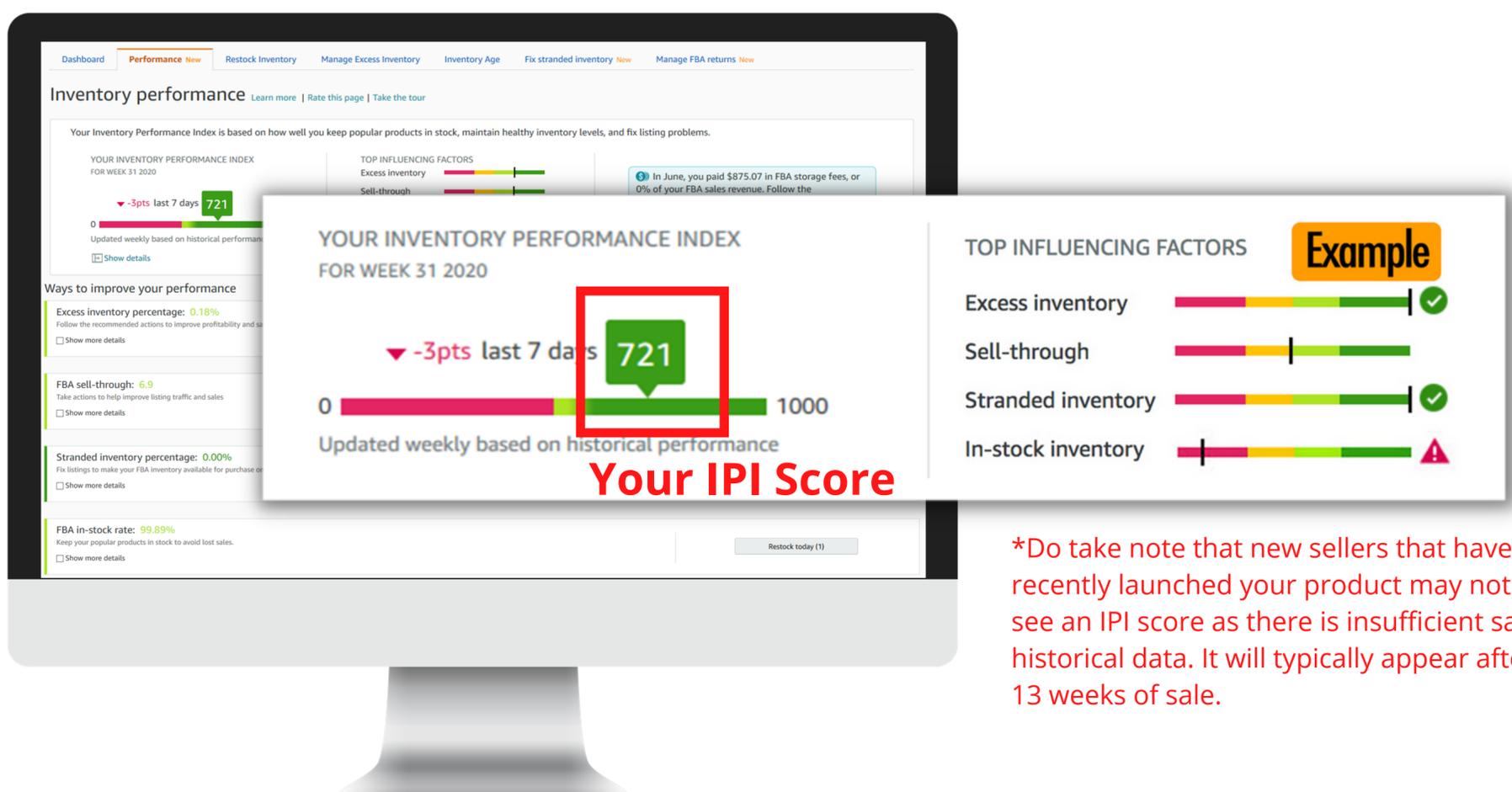
- The more efficient your inventory management, the more profit you will achieve.
- Sellers who manage their inventory well typically pay less storage fees against their total sales.



Factors Influencing IPI Score

Generally, there are 4 categories where Sellers can improve their IPI score,

1. **Reduce Redundant Inventory** to improve revenue
2. **Increase Sell-through Rate** to balance weeks of cover
3. **Fix Stranded Inventory** items to ensure inventory is available for purchase
4. **Ensure that best-selling items are in stock (FBA In-stock Rate)** to increase sales.



*Do take note that new sellers that have recently launched your product may not see an IPI score as there is insufficient sales historical data. It will typically appear after 13 weeks of sale.

Reduce Redundant Inventory

Poor selection of products and inventory management can result in **overstocking of products**. This will not only affect the health of your IPI score, but also cause inability to normally stock up for the next sales season, leading to losses in more ways than one.

The [Manage Inventory Health report](#) provides data to help you manage your inventory. It gives you a consolidated view of your inventory metrics across **sales, shipment statuses, fees, and aged and excess units** to help you identify and take action on your overstocked inventory.

Access Manage Inventory Health Report

FBA inventory age
Inventory compiled based on FBA inventory age

(days)	Units	Percentage
0-90	63	15.63%
91-180	334	82.88%
181-365	0	0.00%
365 +	6	1.49%

FBA inventory age
Inventory compiled based on FBA inventory age

(days)	Units	Percentage
0-90	36,146	95.65%
91-180	535	1.42%
181-365	1,105	2.92%
365 +	2	0.01%

[For more details](#)

Tips & Suggestions

1. **Run aggressive promotions or discounts during Q4 Holiday Season period** with Coupons or Prime Exclusive Discounts - *submission date to be announced soon,*
2. **Adjust your selling price** to ensure that it remains competitive with similar products on Amazon.com

Sign up for our live webinars on Q4 Holiday Season 2023 to learn more on how you can leverage the end of year events effectively.

[Q4 Holiday Season Webinar Schedule](#)

Improve Sell-Through Rate

What is FBA Sell-Through Rate?

FBA sell-through rate is calculated as your units sold and shipped over the past 90 days divided by the average number of units on hand at an FBA warehouse during that time period. To improve your sell-through rate, Amazon will automatically populate suggestion and steps you can take via your inventory performance dashboard.

Inventory Performance Dashboard

Amazon uses your inventory level on the current day, during the past 30, 60 and 90 days to calculate the average sellable quantity before taking its average value. For example,

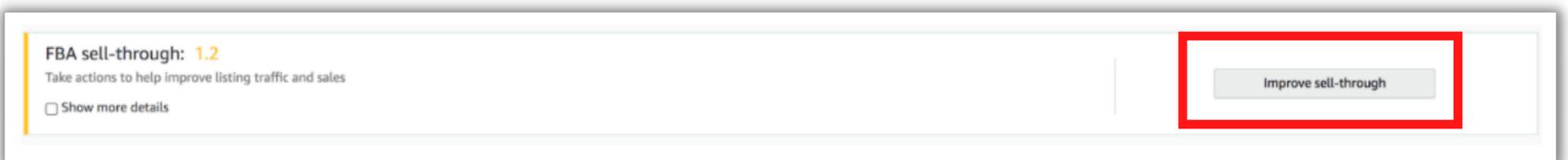
Date	Today	30 days ago	60 days ago	90 days ago
Total items sold (cumulative)	120 items	50 items	10 items	0 items
Sellable inventory	80 items	150 items <i>(New parcels for which 150 items have been received)</i>	40 items	50 items

Average sellable inventory: $(50 + 40 + 150 + 80) / 4 = 80$

Sales rate: $120 / 80 = 1.5$

Tips & Suggestions

Step 1: Head over to [Inventory Performance Dashboard](#) and select "Improve sell-through"



Step 2: Navigate to the drop-down beside each product. Proceed with preferred suggestions



Fix Stranded Inventory

A listing may become stranded due to various reasons, and product(s) will not be made available for purchase by customers in the meantime. Hence, stranded inventory may lead to **zero or low sales**, while incurring storage fees.

It is important to find out the root cause of your stranded inventory and resolve it as soon as possible. Inventory stored in fulfillment centers without sales will have **long-term impact on your IPI score**.

Check for Stranded Inventory



Tips & Suggestions

Step 1: Head over to [Stranded Inventory Dashboard](#). Check if you have any triggered listings

Step 2: Find out the stranded reasons and proceed to rectify any errors.

SKU Condition	Product Name ASIN	FNSKU	Your Price	Available	Auto removal date	Date of stranded event	Stranded reason	Fulfilled by
			\$ -	2	05/29/2021 Disposal	05/14/2021	Deleted listing	
			\$ -	2	06/01/2021 Disposal	05/17/2021	Deleted listing	
			\$ 22.99	3	08/16/2021 Disposal	05/17/2021	Merchant fulfilled Automatic change to FBA in 21 days	Merchant
			\$ -	1	06/03/2021 Disposal	05/19/2021	Deleted listing	
			\$ -	2	06/04/2021 Disposal	05/20/2021	Deleted listing	
			\$ -	1	06/07/2021 Disposal	05/24/2021	Deleted listing	

Step 3: Reach out to Seller Partner Support if you have any questions.

[Seller Partner Support](#) (SPS) is available 24/7 to assist you with any question. Feel free to contact [SPS](#) > select the type of problem that you are facing and choose your preferred mode of communication.

Monitor FBA In-stock Rate

Proper maintenance of stock for best-selling products can maximize your sales volume during peak seasons and positively impact your inventory performance. Ensure that you are sufficiently stock to take advantage of Q4 Holiday Season traffic.

What is FBA In-stock Rate?

FBA In-stock Rate indicates in general how well you replenish your inventory to meet the demand of our customers. The in-stock rate itself is not a direct input into IPI score and a low in-stock rate does not negatively impact IPI, *unless* your most popular products consistently go out of stock, and the products that remain in-stock have low sales, are aged or overstocked.

FBA in-stock rate is the percentage of time your replenishable FBA Listing have been in stock during the last 30 days, based on the number of items sold in the last 60 days. For example,

$$\frac{(\text{Percentage of time for in-stock last 30 days}) \times (\text{sales rate last 60 days})}{\text{Sales rate last 60 days}}$$

SKU	Current inventory	Sales volume last 60 days	Inventory last 60 days	Sales rate last 60 days (sales/in-stock time)	Percentage of in-stock time last 30 days
SKU #1	1	90	45	90/45 = 2	50%
SKU #2	10	180	60	180/60 = 3	100%

FBA in-stock rate: $(50\% \times 2) + (100\% \times 3) / (2 + 3) = \underline{80\%}$



Tips & Suggestions

Keep the bestselling products in stock, while reducing ASINs with low sales volume and margin. Head over to seller central to check for ASIN level restock recommendations based on past sales data.

[Review Restock Recommendations](#)



Q4 Holiday Season FBA Timeline

By end-July

Pick your products

Gather best sellers, explore new product trends, and prepare your supplies.

By early-August

Stock and Ship

Stay on top of what's in demand and team up with your suppliers

By early September/October

Prime Fall Deal Event Promotions & BFCM Promotions

Run Prime Exclusive Discounts or Coupons to take advantage of peak season traffic

By 14 September 2023

Prime Fall Deal Event FBA Inventory Cut-off Date

By 19 October 2023

BFCM FBA Inventory Cut-off Date

Inventory must be checked-in for your product to be Prime eligible

Q4 Holiday Season Recommendations

Restock Inventory

Your ASINs are almost out of stock or are running low in inventory. [Stock up for Q4 Holiday Seasons by 14 Sept 2023 - 19 Oct 2023 latest](#) to take advantage of peak season traffic towards the end of the year.

[Restock now](#)

Excess Inventory

You may be holding on to old-age inventory and we highly recommend you to work on [depleting excess stocks during Q4 Holiday Seasons -Prime Fall Deal Event / BFCM 2023](#). Having excess stocks may influence your Inventory Performance, which may negatively impact your inventory storage limits and sales in the long run.

Here are some tips for you,

1. **Run aggressive promotions or discounts during Q4 Holiday Season** with Coupons or Prime Exclusive Discounts - *submission date to be announced soon*,
2. **Adjust your selling price** to ensure that it remains competitive with similar products on Amazon.com

Sign up for our live webinar on [Q4 Holiday Season 2023](#) to learn more on how you can leverage the Q4 Holiday Season effectively.

[Q4 Holiday Season Webinar Schedule](#)

Not Crucial

Go to [Manage Inventory Health](#) to see recommendations on your inventory. You may filter by *inventory age ranges* or sort the *FBA sell-through column* to see products with the lowest sell-through. Understand your Inventory Performance Index (IPI) Score below.