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| Logo  Description automatically generated |  | MERCHANDISING  Merchandising Activity #5 |

# A picture containing toy Description automatically generated INVENTORY DECISIONS

Careful strategic planning is essential to the success of any organization, and your Sports Business Program is no different. Perhaps no aspect of building your program is more important than the inventory process, which is the responsibility of the merchandising team. It is nearly impossible to determine exactly how much product to order or know how many of each size t-shirt will be sold at your first events. However, with some careful planning, you should be able to zero in on a strategy that will put your group in position to find success with your merchandising efforts.  
  
Using the worksheets below with your merchandise team, develop your Sports Business Program inventory plan.

**Step 1: Identify the best place for storage**

The first thing you will need to consider is where to store your merchandise. Be sure to consult your teacher and/or Athletic Director to help decide the best place for storage as this may influence the quantities ordered.   
  
You also should consider how secure the storage area will be to minimize the risk of theft. Choose a secure place with limited to no student access that can be locked when your staff is not there to monitor the merchandise.   
  
You will also want to consider the location of the storage area. Is it in an area that is close to the areas or spaces where you plan to sell the merchandise? How easily can your merchandise be transported from the storage area to the sales area?  
  
In the space below, list your ideas for potential inventory storage space.

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**Step 2: Decide on a distributor**

Another difficult decision your team will need to make is where to order your merchandise. Will you order from one of the many online sellers? Or will your group work with someone locally?  
  
In the space below, determine the advantages and disadvantages to ordering your merchandise from an online wholesaler.  
  
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In the space below, determine the advantages and disadvantages to ordering your merchandise from a local wholesaler.  
  
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In the space below, offer your recommendation for a wholesaler from which your group should order its merchandise (including the company website):

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**Step 3: Determine sizes**

This step becomes even more challenging when you begin to offer a wider variety of product options. As you begin this process, you may want to limit the number of products being offered. Keep it simple, like t-shirts, hoodies and hats and limit the number of design options.  
  
In the space below, list all the products you plan to offer where you will need to decide on sizes. Then, list the different sizes you plan to offer. Keep in mind, the average size worn by U.S. consumers is a large, followed by XL and medium.

## Product Sizes offered

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**Step 4: Determine quantities**

The most important thing to consider when determining the quantity in your order is to eliminate as much guess work as possible. The last thing you want to do is arbitrarily decide to order 25 of every size for every product. If you order too many, you will undercut your program’s ability to maximize profits and risk having boxes of product in storage all summer. If you don’t order enough, you miss out on revenue opportunities and risk the potentially of dissatisfied customers.  
  
It is important that you make an informed decision by evaluating the information from your research to create a realistic sales forecast. When evaluating   
  
As a rough estimate, you might consider the following percentages on your order, based on U.S. averages:

Chart

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Using the worksheet below, determine the sizes needed for your initial order.  
 **Product Size Sales Projection Total Order**

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