

# 3 TIPS FOR TRACKING INVENTORY WITH GPS



Your business manages a lot of inventory, which often represents a high proportion of your cost of goods sold. In order to stay organized and efficient you need to know where that inventory is and where it's going. Manually tracking your inventory – personnel individually recording dates and times of arrival and departure of inventory – is approaching obsolescence. Those manufacturing organizations operating with 20, 30 or more facilities can't possibly consider such an approach.

There is another reason why manufacturers today should consider investing in greater accuracy of their inventory tracking – product traceability requirements are necessary to maintain regulatory compliance initiatives as well as to contain possible quality issues to avoid massive product recalls.

Investing in better inventory tracking systems can payoff great rewards in the future, if out-of-specification products can be quickly contained and remedied without impacting all Work-In-Process.

GPS tracking isn't just for shipping. It can be used in a variety of ways to track and manage inventory and Work-In-Process at a production site. Using GPS tracking, you can maintain real-time knowledge of where your inventory is both inside and outside the warehouse. You can easily locate it within the warehouse – even if it's been moved since arrival – and can be instantly notified when it leaves and where it goes.

Follow these three tips to maximize your GPS system's ability to track your inventory successfully:

### **1. Use Indoor GPS Tracking**

Many conventional inventory tracking systems note the location of your inventory within the warehouse upon arrival. However, if the pallet or box is later moved to a different location, it can easily become lost or misplaced. GPS tracking ensures this doesn't become a problem.

- Leverage GPS tracking to more accurately locate and monitor your inventory tracking process within your warehouse so as to reduce lost inventory and shrinkage rates

- Indoor GPS tracking can be accomplished in a variety of ways, from consistently using handheld bar scanners to record locations, to creating a ceiling grid system of QR codes automatically scanned by your pallet moving equipment
- Assisted GPS enabled devices planted on crates, pallets, or packages are another way to effectively track the location of inventory; this data can then be integrated into your warehouse management system for further automation and process efficiency

## **2. Create a Geofence**

Part of tracking inventory requires you to not only know the location of your inventory at all times, but to also know when it has left the warehouse. A Geofence is a virtual perimeter for a real-world geographic area, which can then provide notification as inventory enters the defined perimeter as well as when it exits.

Running reports on this data can extract intelligence to suggest patterns where process improvement might be a good idea to help reduce theft or obsolescence.

Outside of standard use, GPS tracking devices can do more than simply provide the location of a specific item at any given time.

- A “geofence” – can be programmed to know when certain items are scheduled to arrive or leave the warehouse, enabling more accurate delivery times when

inventory is shipped while locating trouble spots where inventory is at risk of loss or shrinkage

- Security alerts can be programmed to provide notification if inventory is removed at the wrong time, either intentionally or on accident, cutting down on loss from theft and mishandled shipments

### **3. Integrate RFID Technology**

RFID technology acts similarly to a GPS geofence, but can be an alternative approach where a lower cost option makes more sense. Readers can be installed in your facility to track when assets enter or leave your warehouse. RFID tags are used both in conjunction and independent of GPS tracking technologies.

Unlike bar code scanners – which require personnel to scan the code manually – RFID tracking utilizes a passive electronic tag that can be tracked from up to 300 feet away using radio waves

- RFID tags do not require line-of-sight to properly work, so offer greater capabilities than a bar code system
- RFID tags provide a middle ground solution for inventory tracking – they are more advanced than visual bar code scanners yet not as powerful or expensive as assisted GPS devices.

If your company produces, stores, or transports high-value or high-volume inventory, it probably makes financial sense to track the location of your assets both indoors and in transit. GPS fleet tracking technology is limited in its capacity to track your inventory once it's inside the door of your warehouse or manufacturing facility. As production costs continue to decline, it now makes more sense to consider using these types of tracking technologies. Indoor GPS tracking, geofencing, and RFID technology can be used in conjunction with your existing tracking processes, to give a more complete picture of how your inventory flows through your warehouse.

Source: <http://www.aprison.com/blog/2012/11/3-tips-for-tracking-inventory-with-gps/>