

Identifying the Items that Negatively Affect the Cash Flow of a Retailer

Retailers have similar problems as distributors, but also run into additional problems such as:

- Defective finished goods
- Wrong goods received
- Under-buying
- Over-buying
- No or few goods received in time to meet advertising schedule
- Price increases that may be difficult to pass on to the consumer due to competition
- Tightening up of credit terms by suppliers
- Choosing a supplier that has cash flow problems
- Short shipment of goods, especially if they are seasonal
- Over-shipment of goods, especially if they are seasonal
- Damaged goods or packaging
- Internal and external theft
- Slow-moving inventory
- Whims of consumers
- Competition
- Economic downturns
- War, acts of God, terrorism, fire and so on
- Shipping delays of goods in
- Wrong or delayed advertising

- Poor or badly timed marketing campaign
- Shortage of good low cost employees
- Overhead to locations that are not profitable
- Weather not conducive to seasonal products