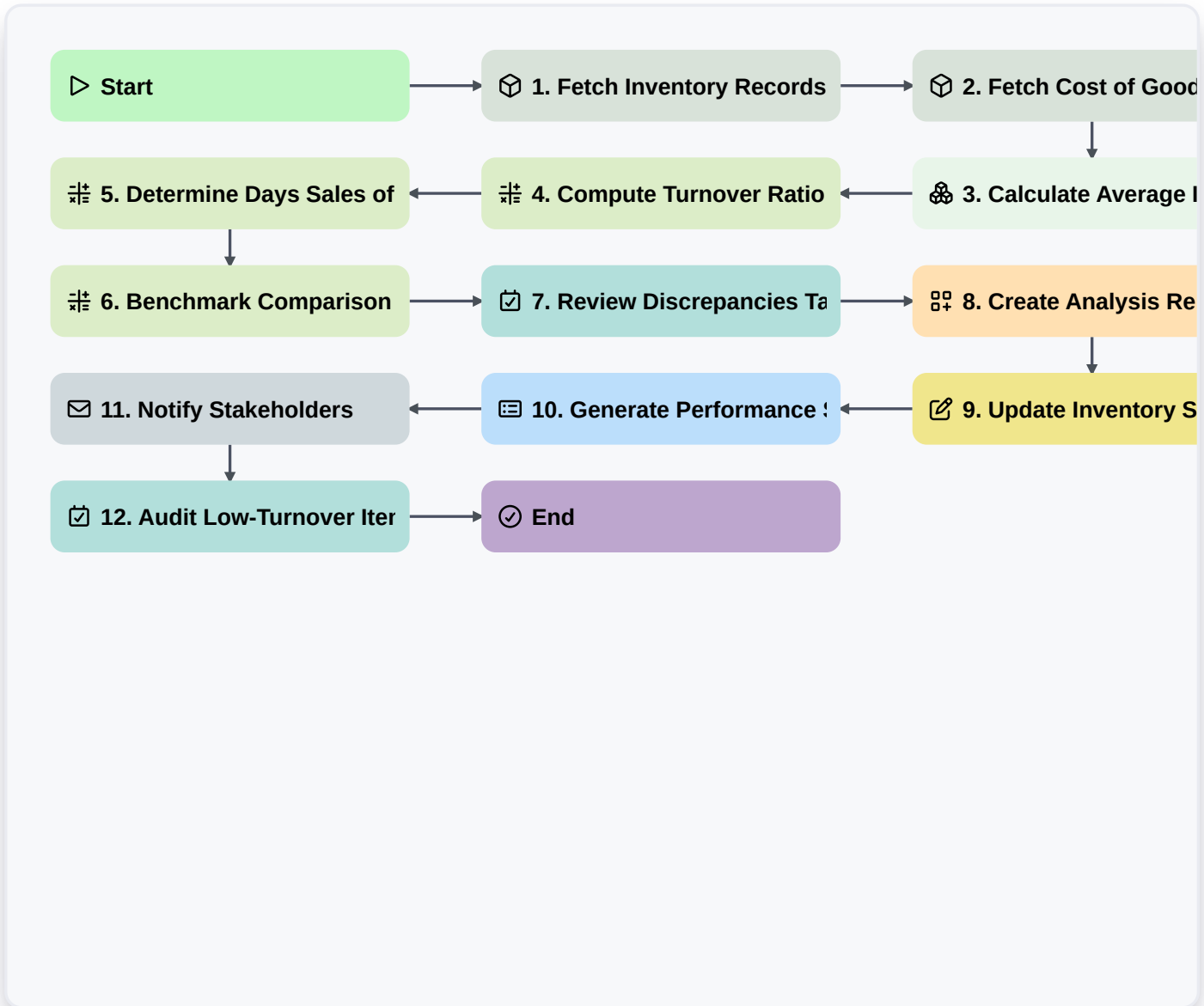


Inventory Turnover Ratio Analysis Process



Start

Start of the Workflow/Process.

1. Fetch Inventory Records

Retrieve all current stock levels and unit costs from the Inventory Data Model.

2. Fetch Cost of Goods Sold (COGS)

Retrieve total COGS values from the Financial Records Data Model for the period.

3. Calculate Average Inventory Value

Sum the value of all retrieved inventory items and divide by the number of entries to find the average stock value.

4. Compute Turnover Ratio

Execute the formula: $COGS / Average\ Inventory\ Value$.

5. Determine Days Sales of Inventory (DSI)

Execute the formula: $365 / Inventory\ Turnover\ Ratio$.

6. Benchmark Comparison

Compare the calculated ratio against the predefined Industry Standard threshold.



7. Review Discrepancies Task

Create a task for the Inventory Manager if the ratio falls below the required threshold.

8. Create Analysis Report Entry

Create a new entry in the 'Inventory Analysis Reports' data model containing the calculated metrics.

9. Update Inventory Status

Update the 'Last Analyzed Date' and 'Current Performance Status' in the Inventory Data Model.

10. Generate Performance Summary Report

Generate a visual report/dashboard summarizing the turnover trends and DSI.

11. Notify Stakeholders

Send an email to the Operations Director with the final turnover ratio and the link to the report.

12. Audit Low-Turnover Items

Create a task for the Procurement Team to investigate specific SKUs identified as 'Slow Moving'.

End

End of the Workflow/Process.