

Inventory Turns & GMROI

Consumer Electronics & Appliances

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This guide explains what the tool produces, how to use the output, and what to watch for. The actual output (draft/report) is generated on the tool page.

Background

Computes inventory turns and GMROI (gross-margin return on inventory) by category from discrete inputs — margin, sales and average stock — so you know which categories earn their capital and shelf and which trap cash in slow/obsolescing stock. Use it to optimise mix and stock. For margin use the Margin & Attach Management tool.

Purpose of this tool & output

Find which categories earn their capital

How the output is used

Use it to find which categories earn their capital — an inventory-turns and GMROI analysis that shows return on the cash in each category.

Who should vet it

Your accountant, to confirm the category margins and average inventory used in the GMROI.

Important cautions

High-value slow-turning categories (large TVs, premium) tie up cash and risk obsolescence even at okay margin; accessories turn fast at high margin. GMROI (margin x turns) shows which categories truly earn their capital — manage stock accordingly.

Companion documents

- Store P&L Modeller
- Working Capital Planner
- Break-Even Analysis
- Cash Flow Management
- Service Centre Economics
- Deal / Basket Economics

This is AI-assisted guidance. Verify with a qualified professional before any binding decision. Fees, authorities and processes vary by state and change over time — confirm with your state authority.