1. PROFESSIONAL

Do a physical count of all professional product on-hand
Recommended on-hand value = 10% of 2 month’s service sales

EXAMPLE: Monthly Service Sales = $30,000
10% of $30,000 = $3,000
Value of On-Hand Inventory = $3,000 x 2 = $6,000

Current Value On-Hand = $4,000
Minimum Order = $2,000
Total On-Hand After Order is Received = $6,000

How to spend the $2,000?
Expand top 20 color SKUs +10% of normal on-hand quantities
Procure additional developer, foils, etc. as needed

Allow 7–10 days from order to receipt (additional time is needed to receive order)

2. RETAIL

Do a physical count of all retail (resale) product on-hand
Recommended on-hand value = 2 month’s retail sales (wholesale cost)

EXAMPLE: Monthly Retail Sales = $4,000
Wholesale Value of On-Hand Inventory = $2,000 x 2 = $4,000

Current Wholesale Value On-Hand = $3,100
Minimum Order = $900

How to spend the $900?
Expand top 10 SKUs +25% of normal on-hand quantities

Allow 7–10 days from order to receipt (additional time is needed to receive order)