



Get Ahead Of The Holiday Crunch

# Why Inventory Planning For Q4 Starts Now





## Your Q4 inventory setup can position your brand to sell more and scale even faster next year.

By now, you've probably heard the ecommerce pundits screaming from the rooftops: **"Get started on your Q4 prep, now!"**

And it's easy to see why.

With overstocks and stockout losses reaching **\$1.8 trillion** in 2020, and over **2 billion** out-of-stock messages registered in November 2021, planning for Q4 inventory ain't what it used to be.

But done right, your Q4 inventory setup can position your brand to sell more and scale even faster next year. In this guide to Q4 inventory planning, we'll share tried-and-tested tactics to help you get ahead of the game with inventory for an ultra-profitable Q4.

## What we'll cover

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**Don't wait for Q4 costs to creep up on you.**

**Secure your sales with flexible ecommerce funding.**

Believe the hype

## The best time to start prepping for Q4 is now.

Like most ecommerce entrepreneurs, you've probably got an incredibly long to-do list staring you down. Avoid the temptation to put Q4 planning on the backburner. To get inspired for the road ahead, check out these reasons why early Q4 prep is 100% worth your time.

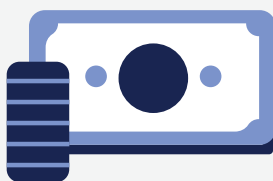
### Early prep perk #1



#### Early planning puts you a step ahead of supply chain issues

Gone are the days of competitive freight and affordable inventory with small minimums. And let's not forget the rising production costs and delivery delays which have fast **become the norm**. To overcome ongoing supply chain issues, you must have time on your side.

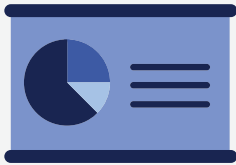
### Early prep perk #2



#### Save your energy (and cash) for Q4 sales and promos

No matter how experienced you are, Q4 can be a stressful time. The last thing you want to do is pile all your Q4 tasks into Q3 — or worse, attempt to tackle them in Q4 itself. Why not take the opportunity to plan your inventory now, make room for any hiccups along the way, and save that energy for increased promotion and sales during the holiday season?

### Early prep perk #3



#### Buy more time for deep research

Thorough competitor analysis and market evaluation are critical for success in Q4. By starting your prep in Q2, you'll have more time to assess your store's past performance, conduct competitor analyses, make accurate inventory predictions, and create a solid plan to overcome potential challenges.

### Early prep perk #4



#### Gain a competitive advantage with new product releases

Being an early starter will give you time to track product trends and find both [complementary and new product items](#) to test in Q4. As you make better inventory choices, you'll build a stronger, more profitable portfolio that can increase your sales and revenue in the year ahead.

### Early prep perk #5



#### Optimize existing products for bigger returns

Your current products have played a big role in your current success. They deserve some love for Q4 too. When you get a head start on your Q4 preparations, you can refine your existing offers for more conversions and higher customer happiness rates. For example, you'll have time to examine customer reviews and communicate with your manufacturers to tweak your next product batch and update your listings to reflect the changes.



## What can happen if I don't plan ahead for Q4?

Like many sellers, the team at online wedding gift store Deluxy was preparing for an epic Q4. But there was just one problem.

"We had to place a lot of orders for Q4 last year, and that's when I started looking for funding to be able to purchase all of the inventory."

Thanks to [Amazon's slow payouts](#), the Deluxy team realized cash flow was going to be too tight for them to get the inventory needed in order to capture as many Q4 sales as possible.

With Christmas right around the corner, [Deluxy took charge](#) and secured a Daily Advance to help them:

- Stay sufficiently stocked
- Negotiate with new 3PLs
- Open its own warehouse

Since then, their inventory operation has become much more efficient.

"Since we get paid every 14 days, our cash was tied up, especially considering the amount we hold in reserve. So, it put stress on our cash flow. We've also been getting used to the inventory limits and restrictions that Amazon has imposed on sellers. We started working with a 3PL and opened up our own warehouse."

At SellersFunding, we're continually inspired by our ecommerce clients who go out into the world and make their dreams happen. We're on a mission to support ecommerce brands worldwide with solutions that move the needle in your plans. Get in touch to [learn how we can help your store win](#).

## Inventory planning Q4 edition

# 6 simple steps to crush your Q4 prep

No matter where you are in your Q4 inventory prep, you've got what it takes to make this holiday season one to remember. Let's get into some steps you can take right now to get a jump on your Q4 inventory planning and come out on top.

## Step 1. Start your stock prep right now, seriously.

Did you know that in 2021 US consumer packaged goods brands lost an eye-watering **\$82 billion in sales** to stockouts? 🤯

The truth is, stockouts can happen in any niche and to any business when you aren't prepared. So, at the risk of sounding like a broken record, we can't stress enough how crucial it is to get a head start with inventory.

Kickstart your Q4 inventory prep with these key tasks:

- Forecast Q4 quantities plus buffer stock for your best-sellers
- Find and test new and complementary products for Q4
- Trial new suppliers, freight forwarders, and shipping carriers
- Optimize your supply chain procedures and inventory tech stack
- Audit existing supplier, shipping, and carrier relationships
- Solidify processes with your best and most reliable suppliers

### Key resources:

- [Forecast Q4 quantities plus buffer stock for your best-sellers](#)
- [Find and test new and complementary products for Q4](#)
- [Trial new suppliers, freight forwarders, and shipping carriers](#)



## Step 2. Get a clear reading on your store's finances

Investing in the right products and strategies is critical for a stellar holiday season. Before you go on a buying spree for Q4, step back and analyze your store's finances.

Ask yourself:

- How was our liquidity in Q1, Q2, and Q3?
- How does our cash availability in Q1, Q2, and Q3 impact purchasing power for Q4?
- How does our purchasing power impact our Q4 results?

Once you have the answers to these questions, use them to guide your funding strategy for your Q4 inventory purchases. Take a look at the following pointers:

- What additional promotions and sales do you need to run from Q1-Q3 to fund your Q4 initiatives?
- How much capital can you put aside each month to build a solid cash reserve for Q4?
- Can you push presales before Q4 to fund some of your final quarter product launches?

Key resources:

- [Prep for seasonal sales peaks](#)
- [Guide to pre-order sales strategies](#)
- [How to scale your store in 2022](#)



## Step 3. Set up fast and affordable borderless payments

For your Q4 prep to run smoothly, you'll need suppliers on your side. A great way to win over suppliers and speed up lead times is to pay up and do it fast. That's where technology like a Digital Wallet comes in. The right **borderless payment solution** can help you send money to your overseas suppliers quickly, without cutting into your margins.

The Digital Wallet you choose should also allow you to:

- Store and transact in multiple currencies using the **Mid-Market Rate (MMR)**
- Exchange money at affordable rates (no sneaky hidden fees!)
- Pay **local expenses** in local currencies

Need to pay your suppliers in other countries faster?

Another way to reinforce your Q4 cash flow is to secure an advance on revenue in the months leading up to Q4.

The additional cash flow will help you secure favorable terms with suppliers during the busy holiday season, pay for larger stock orders upfront, and cover any unexpected costs. For example, at SellersFunding our **Daily Advance** solution gives you early access to sales you've already generated and doesn't tie your cash flow down with monthly repayments.

### Key resources:

- **Financing your global business**
- **Amazon seller guide to ROI**
- **How to avoid Amazon's currency conversion fees**




## Step 4. Create a multi-pronged inventory strategy

Start by taking a good look at your current inventory and sales performance, then lay out a plan for what you'll do if products overperform or underperform, while taking into account your lead times.

For instance, you could:

- Establish relationships with liquidators to sell any existing deadstock and reinvest that capital into purchasing more of your best-sellers for Q4.
- Keep local buffer stock in case of any shipping delays.
- Store raw materials or partially made goods with manufacturers in case you need extra inventory made fast.
- Use your store's past and current sales data to set maximum and minimum days in stock.

 **Pro Tip:** Your store's minimum and maximum inventory days are the typical stock units it sells daily and will act as a reliable guide for how much inventory you need at any given time. Pad your minimum and maximum stock days with some emergency units to weather the Q4 rush.

### Key resources:

- [Inventory management mistakes to avoid](#)
- [Guide to ecommerce inventory management](#)
- [Post-pandemic shopping trends](#)

## Step 5. Refine your fulfillment strategy

Now is the best time to trial fulfillment service providers to see how they perform over time. Use your store's data to estimate how many orders you'll ship during Q4 and establish relationships with potential third-party logistics providers (3PLs). The 3PL you choose should be able to ramp up services during Q4 without impacting service quality. Also, be sure to optimize your returns process with your 3PL.

Some other areas to evaluate in your 3PLs include:

- Speed
- On-time shipment rate
- Error rate
- Warehouse site security

Another area where you'll want to get on the same page with your 3PL is your lead times — especially if they're long. Integrate your inventory optimization systems and work with your 3PL to create a strategy that will ensure there are never any gaps in inventory availability.

### Key resources:

- [How to pick the right 3PL](#)
- [Tips to avoid supply chain drama](#)
- [Prep for Q4 success in 9 steps](#)

## Step 6. Optimize your product listings

Not only is it important to stay in stock, but a key component in inventory planning for Q4 is to increase your conversions on those goods. Product listings act as your brand's round-the-clock sales agent so it's crucial to invest time into making them shine. With product listings, there are three areas to focus on.



## Conversions

- Use your listings to speak to your customers' pain points and explain how your products will solve them.
- Bullet-point your product copy to increase readability.
- Add videos to your listings to help consumers get a “real-life” glimpse into your product.
- Show off your products with lifestyle images.
- Consider using 3D renders and close product shots.
- Blend in images of customers using your products.

## Rankings

- Invest in search engine optimization to increase your organic traffic, leads, and sales.
- Gather social proof to use in your marketing and on your website.
- Execute influencer marketing and email marketing campaigns to drive traffic to your listings.
- Look at marketing campaigns in other regions and niches to gain new ideas.
- Create campaigns for each stage of the customer journey.



## Reviews

- Incentivize reviews from customers with discounts (on your website only).
- Encourage honest reviews on your marketplace stores with wording that follows the platform's terms of service.
- Incorporate reviews into your loyalty program.
- Create a Google business profile and get verified.
- Share a Google review link on your website and social channels

## Key resources:

- [Guide to holiday email marketing](#)
- [Hiring an ecommerce marketing agency](#)
- [Ecommerce marketing strategy guide](#)

## What type of Q4 funding is right for you?



### WORKING CAPITAL

- High credit limits (up to \$5 million)
- Fast application
- Approvals in 48 hours or less borderless
- Flexible repayments



### DAILY ADVANCE

- Access up to 90% of the previous day's sales
- No set monthly repayments
- 48-hour approval
- Integrates with Digital Wallet



## Your first steps on the road to a smash-hit final quarter

Whether you want to get ahead of supply chain headaches or simply keep the inventory and sales rolling, early Q4 prep is key. Armed with time, an effective strategy, and flexible ecommerce funding, you'll have everything you need for an epic Q4.

Be willing to take a hard look at your sales and inventory and reinvent any core areas now for greater success in Q4. And whatever you do, don't delay. Take action now to improve your store and watch the revenue come rolling in this holiday season!



### About SellersFunding

Ecommerce is booming, and traditional banks and funding partners are still catching up. At SellersFunding, we're changing the way eCommerce sellers scale their business by providing them with fast, flexible funding options they can't find anywhere else. [Reach out today to learn more about how we can help you scale.](#)



Learn more about SellersFunding [here](#).