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Inventory management: Kirana stores get a digital makeover

Gofrugal onboards over 2,000 kiranas in the last one year for digitalising inventory management; targets more than 5,000 customers by 2022

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This drove an impact on their customers during the second series of lockdown and the company has also seen a 5x increase in demand for its solution since the first wave. (Representative image)

The pandemic might have caused many problems but one positive thing to have emerged has been the acceleration towards digital transformation among kirana stores. And that too on a scale never been seen before. These neighbourhood outlets have upgraded to serve customers omnichannel via phone, [WhatsApp](#) and even with a branded online ordering app. “While some of them partnered with delivery and online aggregators, we saw a good number of them managing delivery logistics on their own,” says Kumar Vembu, CEO and founder, Gofrugal, a fast-growing cloud ERP company for retail businesses currently working with over 40000 kirana stores across India.

“They realised the importance of stock-auditing as their business grew,” says Vembu, who is also the co-founder of Chennai-based business software maker Zoho. “The kiranas have generally been one-man shows. They were experts in what they do repeatedly. An owner is responsible for every function at the store, from inventory management to brand dealership, from managing demand and supply to accounts, from ordering to delivery. With the advent of Covid, it became close to impossible for them to adapt and serve the rapidly changing needs of the market. Though going omni-channel helped them get more orders, the last-mile experience was crucial for them to sustain, compete and grow their markets. One of

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the biggest challenges was the improper nature of their inventory management,” he informs.

With digitalisation, kiranas can now focus on their business growth, compete well by retaining/acquiring new customers, expanding boundaries as most of their operations are automated and have clear control, says Vembu.

Gofrugal’s marketing team undertook a study during Q4 2020 and enhanced over 50 capabilities of their inventory management and monitoring solution GoSure, based on the insights derived by Q1 2021. This drove an impact on their customers during the second series of lockdown and the company has also seen a 5x increase in demand for its solution since the first wave.



Vembu says, “Gofrugal has always worked closely with retailers and based on the feedback/observation, we have made more than 50 significant product enhancements with the GoSure app. Improvements included functionalities like enhancing the barcode scanning efficiency, real-time inventory reconciliation, identification of stock movement during counting period, stock taker efficiency tracking, product recounting methodologies, etc.”

Using a mobile app for stock-counting has proven to reduce 70% of time over manual methods, bring down the employee cost by 30% and increase efficiency by 58%. During the study, 77% retailers had more than 10% inventory discrepancy. GoFrugal’s stock management app, GoSure was able to help retailers bring this discrepancy to less than 5% in just a month’s time. “When retailers used GoSure, their control over inventories went up multiple notches and their problems were addressed,” says Vembu.

In the last one year, more than 2000 businesses have adopted perpetual inventory control and stock-auditing solutions with Gofrugal GoSure app. Vembu says, “We are targeting 5,000+ businesses in the next six months. When the entire kirana ecosystem adopts such a perpetual inventory management solution, this would be the first step towards creating a supply chain equilibrium— that would result in every store knowing they have 100% control over inventory and 100% accuracy in their purchases.”

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Nifty100 Liquid 15	7071.90 AD Ratio: 0.88	31.95 0.45%
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