

How to use: Go through each section and check every box that applies to your current catalog management process. Tally your score at the end. Any unchecked box is a documented operational gap and a likely source of dead stock or capital lock.

Dead Stock Identification & Velocity Tracking

- 1 Do you pull SKU-level velocity weekly across trailing 30, 60, 90, and 365 day windows?
- 2 Have you identified which SKUs have not sold a single unit in the last 90 days?
- 3 Is your top 20 percent of SKUs by gross profit clearly identified and documented?
- 4 Are aged inventory triggers set at 90, 180, and 270 days with mandatory actions?
- 5 Do you distinguish launch-period velocity from stabilized velocity in your reorder math?

Carrying Cost & Capital Lock Analysis

- 6 Have you calculated total carrying cost (capital, storage, insurance, obsolescence) per SKU?
- 7 Do you know what percentage of your working capital is tied up in slow-moving SKUs?
- 8 Is monthly carrying cost compared against trailing 90-day gross profit per SKU?
- 9 Do you track Amazon FBA aged-inventory surcharges as a separate cost line?
- 10 Have you modeled the opportunity cost of capital locked in dead stock vs new launches?

SKU Rationalization & Catalog Health

- 11 Have you run a Pareto analysis showing which SKUs produce 80 percent of revenue?
- 12 Is your bottom 50 percent of SKUs reviewed quarterly for cut, hold, or restructure?
- 13 Have you calculated the SKU complexity tax (hours per SKU x loaded hourly rate)?
- 14 Do you merge variant SKUs into parent listings where the velocity supports it?
- 15 Is your team's weekly catalog maintenance load tracked and trending down or stable?

Liquidation Strategy & Discount Discipline

- 16 Do you have a documented liquidation channel hierarchy ranked by net recovery?
- 17 Is dead-stock liquidation routed through outlet channels separate from the main store?
- 18 Are jobber and B-Stock relationships established before you need them?
- 19 Do you avoid sitewide discount banners that train customers to wait for sales?
- 20 Is the liquidation plan documented before any cut announcement is made?

Cut Decision Triggers & Documentation

- 21 Do you have a documented numerical cut threshold (not a discretionary judgment)?
- 22 Is the quarterly catalog cut review on a fixed calendar date with mandatory attendees?
- 23 Do forecast errors trigger a postmortem that updates the next forecasting SOP?
- 24 Is freed capital from cuts pre-allocated to a documented next deployment (launch or replenishment)?
- 25 Do you run a contribution margin and runway diagnostic if cash runway drops below 90 days?

SCORING GUIDE

Score	Level	What it means
0-11	CRITICAL	Cuts are discretionary or absent; dead stock is silently destroying margin and blocking launches
12-19	MODERATE	Some cut discipline exists but velocity tracking, carrying cost, or liquidation has gaps
20-25	STRONG	Documented cut system in place; focus on tightening forecasting and capital redeployment

Book a free catalog audit at modonix.com/services — we identify your top 3 SKUs to cut and the cash they will free in one session. Written by Ahmed Abuswa, Modonix.com