

Strategizing Inventory Write-Off Process in Sri Lankan Apparel Sector: A Systematic Literature Review

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Abstract

The write-off process in the apparel industry is the disposal of excess inventory raw materials to optimize the inventory. The apparel industry in Sri Lanka faces significant challenges in optimizing inventory write-off costs, which occur when surplus items are disposed of due to inaccurate forecasting, changes in the product order and product quantity, and misjudgment of order categories. The main reason for these concerns is the difficulty in identifying real-time customers' behaviour, which is crucial in demand forecasting. Our study includes an analysis of the effects of write-offs across diverse industries, alongside an exploration of the determinants influencing these write-off processes. A vital challenge encompassed within the apparel field is the rapid variations of demand for future orders. This paper provides a detailed analysis of studies addressing the identification of demand variations, the impact of inventory optimization on write-offs, and methodologies aimed at enhancing this optimization process. The primary objective of this investigation is to identify the existing research gap through a comprehensive examination of prior literature on the write-off procedures. Our study evaluates the write-off optimization through demand forecasting and inventory optimization. We outline the factors affecting write-off processes in different industries to interpret how demand forecasting contributes to inventory optimization. Through a scholarly approach, we provide recommendations for the apparel industry on strategizing the inventory write-off process. By strategically implementing write-offs, the company can minimize financial losses, reduce inventory costs, and streamline operational workflows, positioning itself as a market leader while demonstrating a commitment to sustainability.

Citation

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