

## Supply chain dictionary

What is

**“dead stock”**  
or  
**“dormant stock”**



## Supply chain dictionary

The term "dead stock" or "dormant stock" is used in the field of supply chain to describe stocks of items or products that do not sell or sell very slowly. These items often remain stationary in storage, occupying space and tying up financial resources.

Dead stock can be caused by errors in stock planning, inaccurate demand forecasting, market trend changes, changes in customer preferences, or product quality issues.



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Maintaining a high level of dead stock can have a negative impact on the financial performance of the company due to the need to finance storage costs, the risks of obsolescence, and the decrease in storage space available for fast-moving products.

It is therefore important for supply chain professionals to regularly monitor their stock and take measures to minimize dead stock, such as implementing return policies, improving demand forecasting, and implementing effective inventory management programs.



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