



The 2025 State of Inventory Intelligence

What 530 product sellers told us about how they're making inventory smarter



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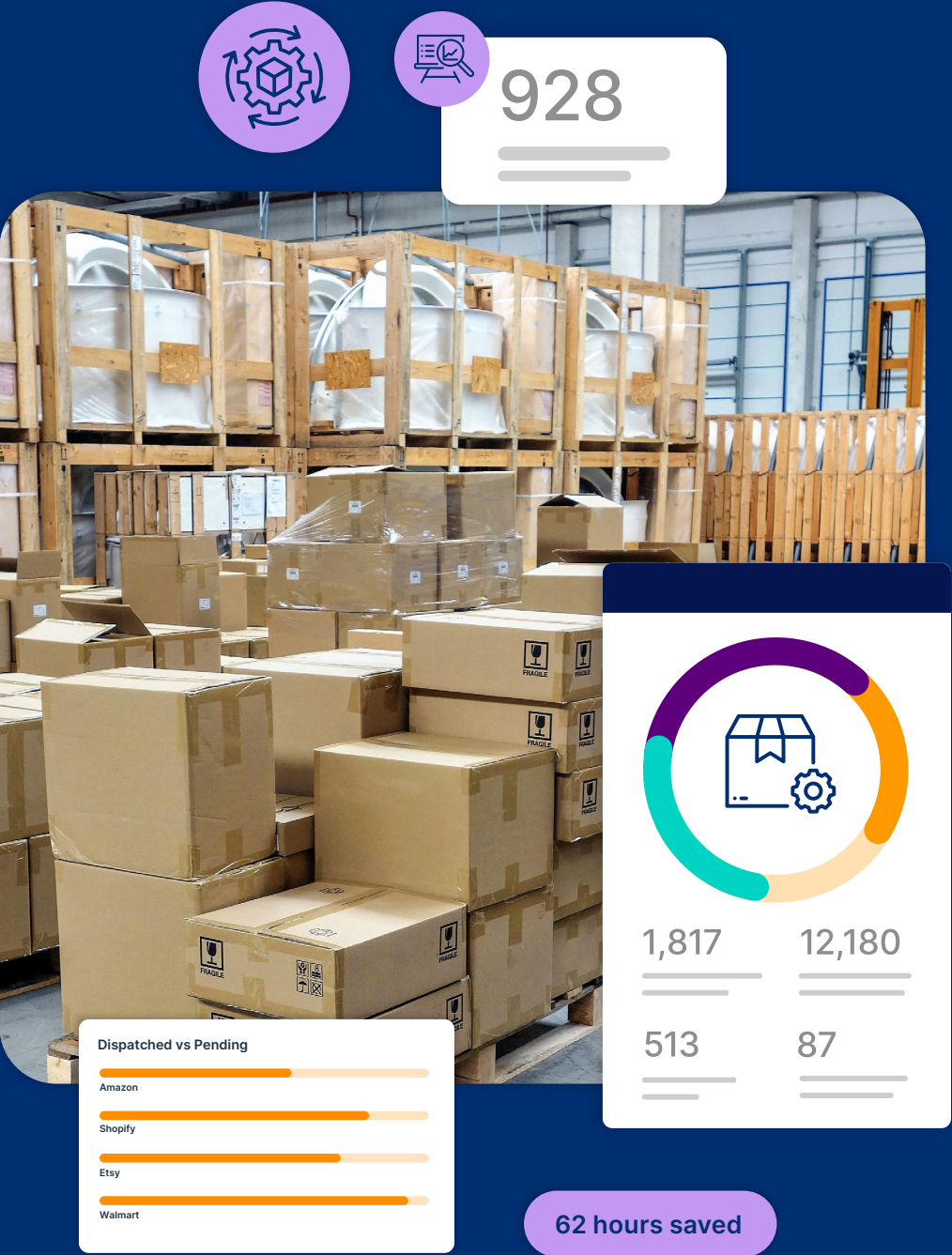
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The Curiosity That Drove Us

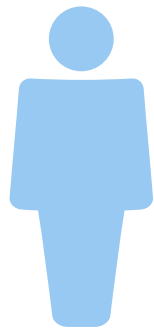
We Had Questions; We Found Answers

At Cin7, we work with product sellers every day. We hear about the challenges they face and the technologies they turn to. But we wanted to go deeper. Specifically, we set out to understand how small and mid-sized businesses (SMBs) are adopting technology to manage inventory — and how that tech is shaping their day-to-day operations, growth plans, and resilience. What tools are they using? Where are the gaps? And how can smarter systems help close them?

To answer those questions we conducted a global survey of professionals directly involved in inventory and supply chain management. The result is this report: a snapshot of what's happening on the ground right now, what smart teams are doing to overcome their biggest challenges, and how technology, especially AI and automation, is reshaping what's possible.

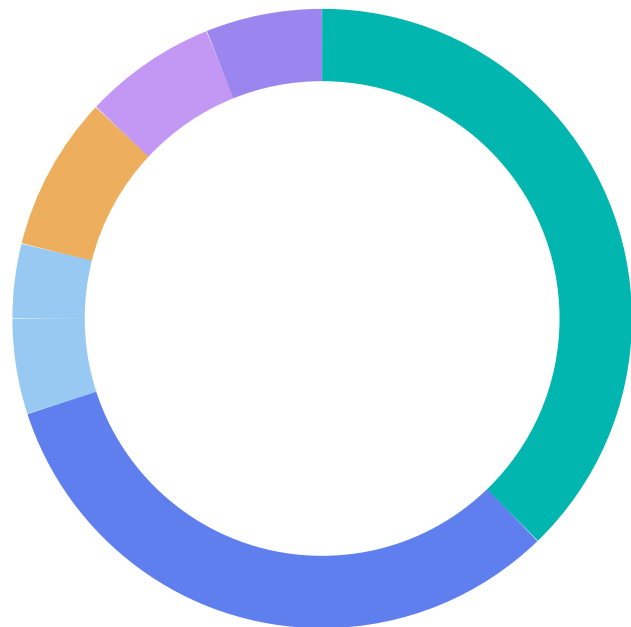


Who We Talked To



530 Full-Time Employees

across supply chain, inventory, and operations roles who are directly involved in inventory &/or supply chain management



Industries

Retail & E-commerce

38%

Wholesale

8%

Manufacturing

32%

Distribution

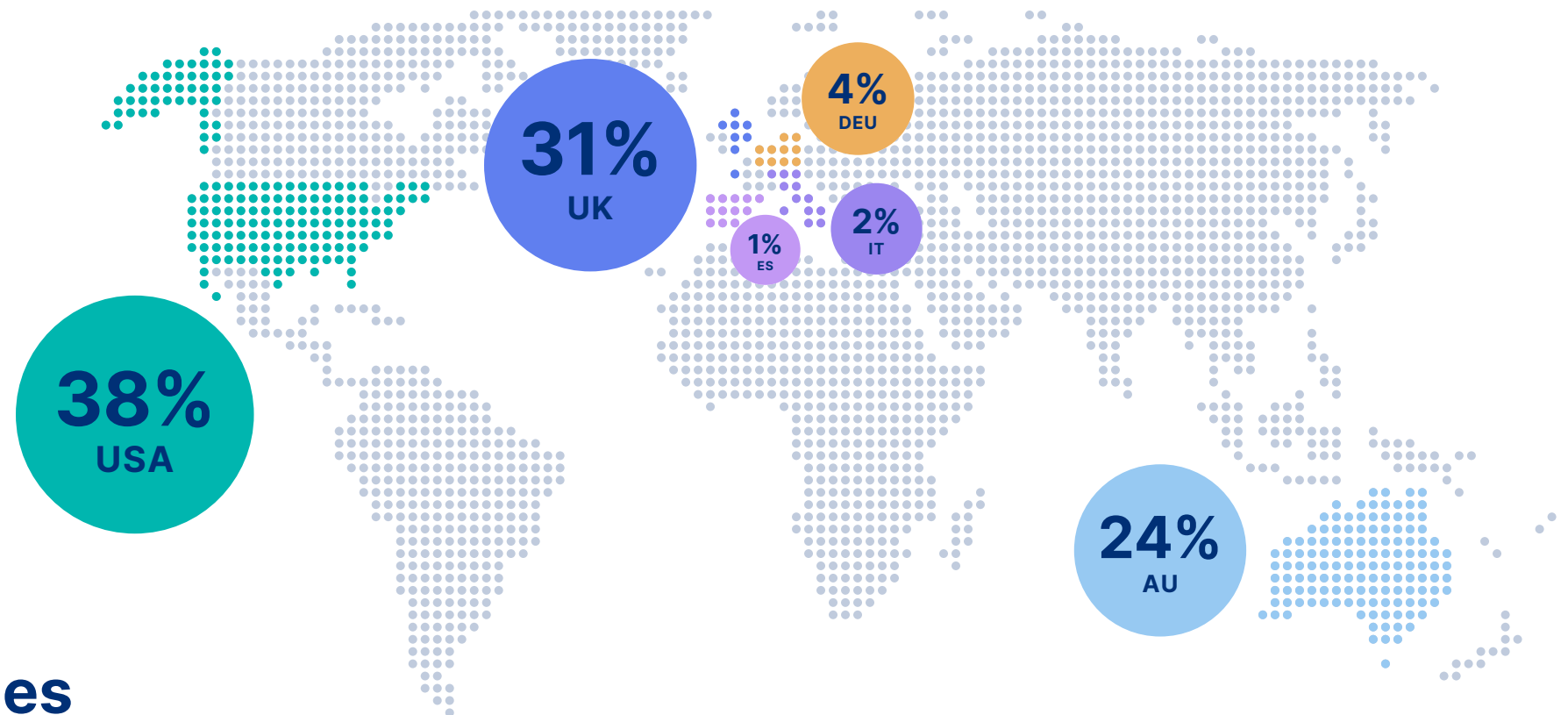
7%

Supply Chain & Logistics

9%

Third-Party Logistics (3PL) & Warehousing

6%



The Inventory Struggle Is Real

The Biggest Roadblocks to Growth

Let's face it, keeping track of your inventory isn't getting any easier — not when you're already juggling sales across your store, website, marketplaces, and social platforms all at once.

We wanted to understand why inventory has become such a challenge and find solutions for businesses like yours.

Let's dive into what we found.

Companies everywhere are feeling the squeeze! A staggering 55% of supply chain and inventory pros said operational costs were their biggest headache this year. But the pain doesn't stop there. What should be exciting milestones, growing customer demand and major shopping events, instead become sources of stress. 40% said they struggled to keep up with customer demand. And 52% told us that shopping holidays like Black Friday and Prime Day cause the biggest challenges of all.

55%

said that operational costs were their biggest headaches



40%

struggled to keep up with customer demand



52%

were extremely challenged by shopping holidays



The Inventory Struggle Is Real

Addressing Uncertainty

Those new U.S. tariffs from early 2025? They've got almost half of companies (49%) thinking about bringing manufacturing back home. Australian businesses are even more eager to make this move, 37% above the average.

On top of tariff uncertainty, teams are spending 16 hours every week (that's 104 workdays a year) syncing inventory across disconnected systems and channels. That's costing about \$21,632 annually for each entry-level employee!* Plus 73% say this manual work takes them away from more valuable tasks.

Many inventory teams are flying blind; 2 in 5 say they aren't sure which channels are best for their business, and 53% don't know how to explore new ones. Something needs to change.

*Salary estimate from SCMDojo



49%

of companies are thinking about bringing manufacturing back home



16 hours

are lost each week syncing inventory across disconnected systems & channels



\$21,632

is wasted annually, per each entry-level employee, syncing disconnected info

Big Dreams vs Hard Realities

Growth Goals Meet Broken Systems

Want to know something interesting? Despite all these challenges, 73% of companies are still aiming to grow in the next year.

But there's a catch: 40% admit they're struggling to scale up, with senior leaders 33% more likely to admit it. So what is stopping businesses from achieving their growth goals?

The top roadblocks are: supply chain disruptions (58%), outdated inventory systems (50%), unintegrated inventory and e-commerce platforms (42%), and lack of funding (38%).

73%
of companies aim to
grow in the next year

40%
of companies are
struggling to scale



Most Common Growth Barriers

#1



Supply Chain Disruptions (58%)

#2



Outdated Inventory Systems (50%)

#3



Unintegrated Inventory
& E-commerce Platforms (42%)

#4



Lack of Funding (38%)



Big Dreams vs Hard Realities




Where SMBs Are Finding Their Funds

The lack of funding hits smaller businesses especially hard — SMBs were 34% more likely to say that funding challenges are holding them back.

So where are companies getting the cash to grow? The top three sources are: local banks (61%), equity rounds (46%), & grants (25%).

But even with money in hand, growth is tough without the right tools. What are the most successful teams using to hit their goals? Innovative technology.

How Companies Are Funding Growth

- #1  Local Banks (61%)
- #2  Equity Rounds (46%)
- #3  Grants (25%)

Technology

The Not-So-Secret Sauce

How Teams Are Finding Success

The sellers staying ahead of the pack are embracing technology to outshine their competition.

73% of respondents are using a dedicated inventory management system (IMS), while 52% still rely on spreadsheets. 47% said they use an ERP, and a small group (4%) are using other tools altogether. The takeaway? Many teams are blending systems — some more modern than others — to manage increasingly complex operations.

Many sellers are moving beyond basic technology and adding cutting-edge automation and AI tools to their tech stack. 59% of professionals are using automation to manage their products. Another 39% have jumped on the AI bandwagon, and 35% have adopted other forward-thinking technologies like predictive analytics.

Tools In The Inventory Tool Kit

IMS

INVENTORY MANAGEMENT SYSTEM

70%

Spreadsheets

52%

ERP

ENTERPRISE RESOURCE PLANNING

47%

Other Tools

4%

39%

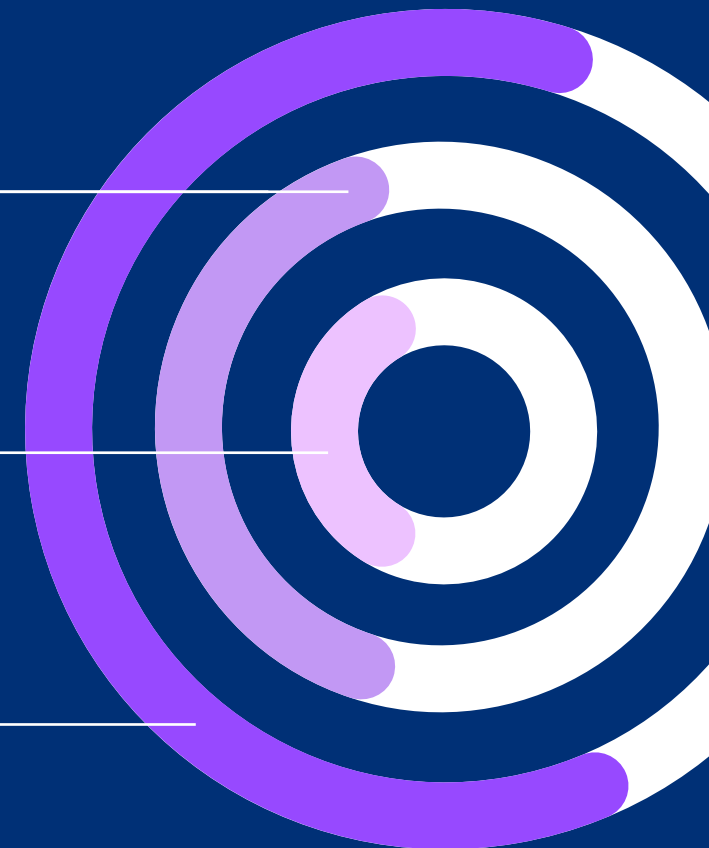
are on the AI bandwagon

35%

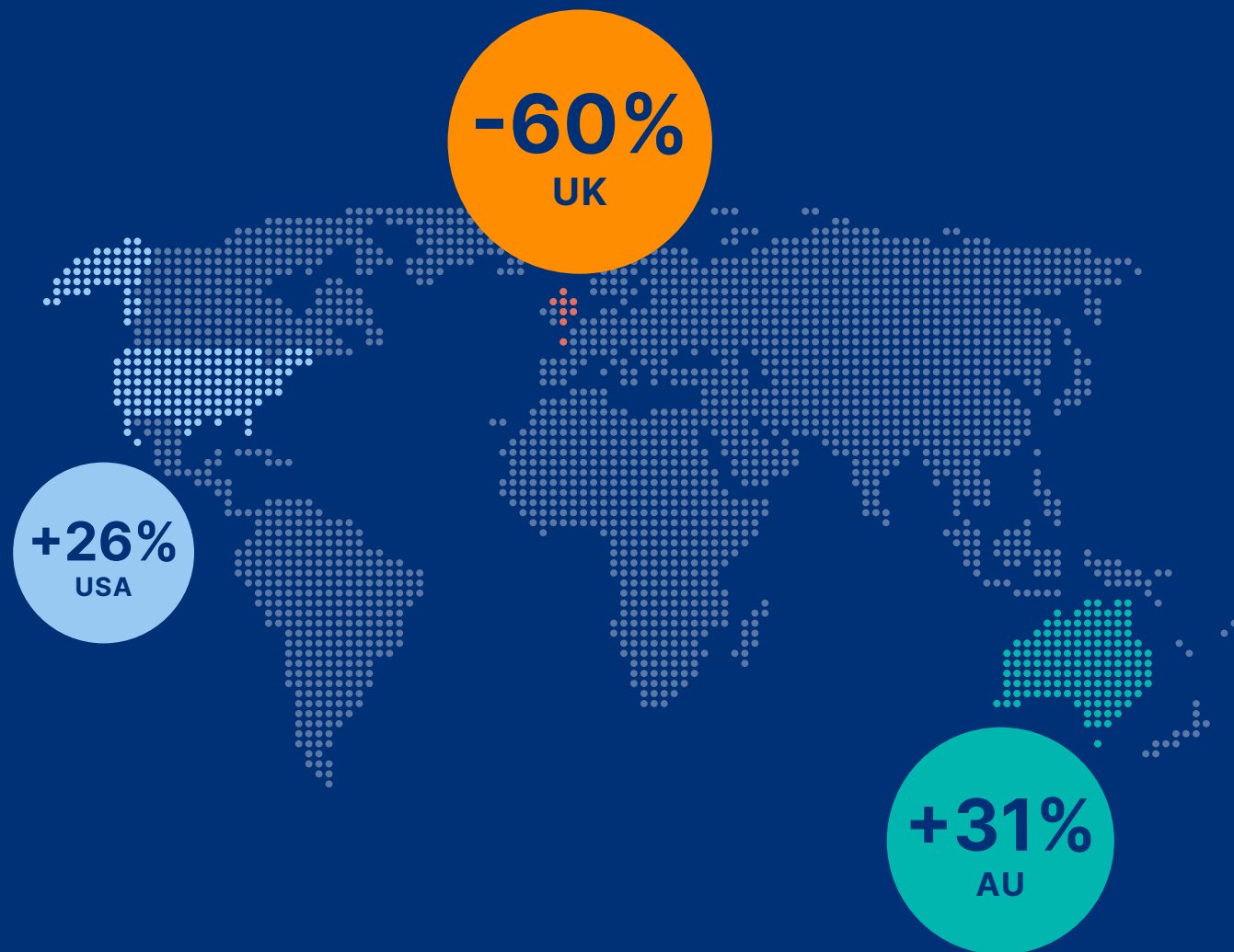
use predictive analytics

59%

use automation



Who Leans Into, And Who Shies Away From, Technology Adoption in Inventory Management



Technology The Not-So-Secret Sauce

Tech Usage Around the Globe

Your location might influence what tech you're using. In the U.S., sellers were 26% more likely than average to be using AI. But Australia is leading the charge - they're 31% more likely to be using cutting-edge technology.

Not everyone's ready for the technology revolution though. About 20% told us they don't use any of these tools at all. The biggest tech holdouts? The UK - professionals there were 60% more likely to stick with manual methods.

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For us, it's not about whether we use AI, it's where and how fast we can safely put it to work. AI helps us spot slow inventory or fading customer cycles early, things we'd miss without a bigger team. These days, that's where margin gains live, and why we invest.

- Eric Alan Hill, COO at Glo

What Smart Ops Look Like

Your Efficiency Playbook

It's one thing to say you're using automation or AI. It's another to use it well.

When we looked at the teams already leaning into inventory technology, a few patterns stood out. These aren't just quick wins — they're strategic plays that are transforming how businesses operate.

Here's what today's most effective inventory teams are doing with their tech: 64% are doing intelligent product segmentation, 57% are planning across multiple locations, and 56% are automating replenishment.



How Smart Inventory Teams Are Using AI

#1



Intelligent Product Segmentation (64%)

#2



Planning Across Multiple Locations (57%)

#3



Automating Replenishment (56%)

AI's Role in Inventory Management

#1  Optimizing Inventory Management (61%)

#2  Analytics (55%)

#3  Reducing Operational Costs (50%)

#4  Stock Replenishment (47%)

#5  Writing-Related Tasks (27%)



15 hours

are saved each week by teams
using these AI-driven tools

What Smart Ops Look Like

How Top Teams Use Their Tech

But it's not just about features— it's about what they're doing with their technology. Teams use these tools for: optimizing inventory management (61%), analytics (55%), reducing operational costs (50%), demand forecasting (50%), stock replenishment (47%), and writing-related tasks (27%). Retail/e-commerce teams were 37% more likely to use tech for writing-related tasks.

And well, the results speak for themselves: 85% say it improves real-time visibility, 79% say it reduces operational costs, 78% report fewer stockouts, 75% say they experience less overstock, and 66% say it helps reduce team burnout.

The best part? Teams using these tools are saving an average of 15 hours per week — almost enough to cancel out the 16 hours lost to manually syncing across channels.

Why Some Teams Are Still On the Sidelines

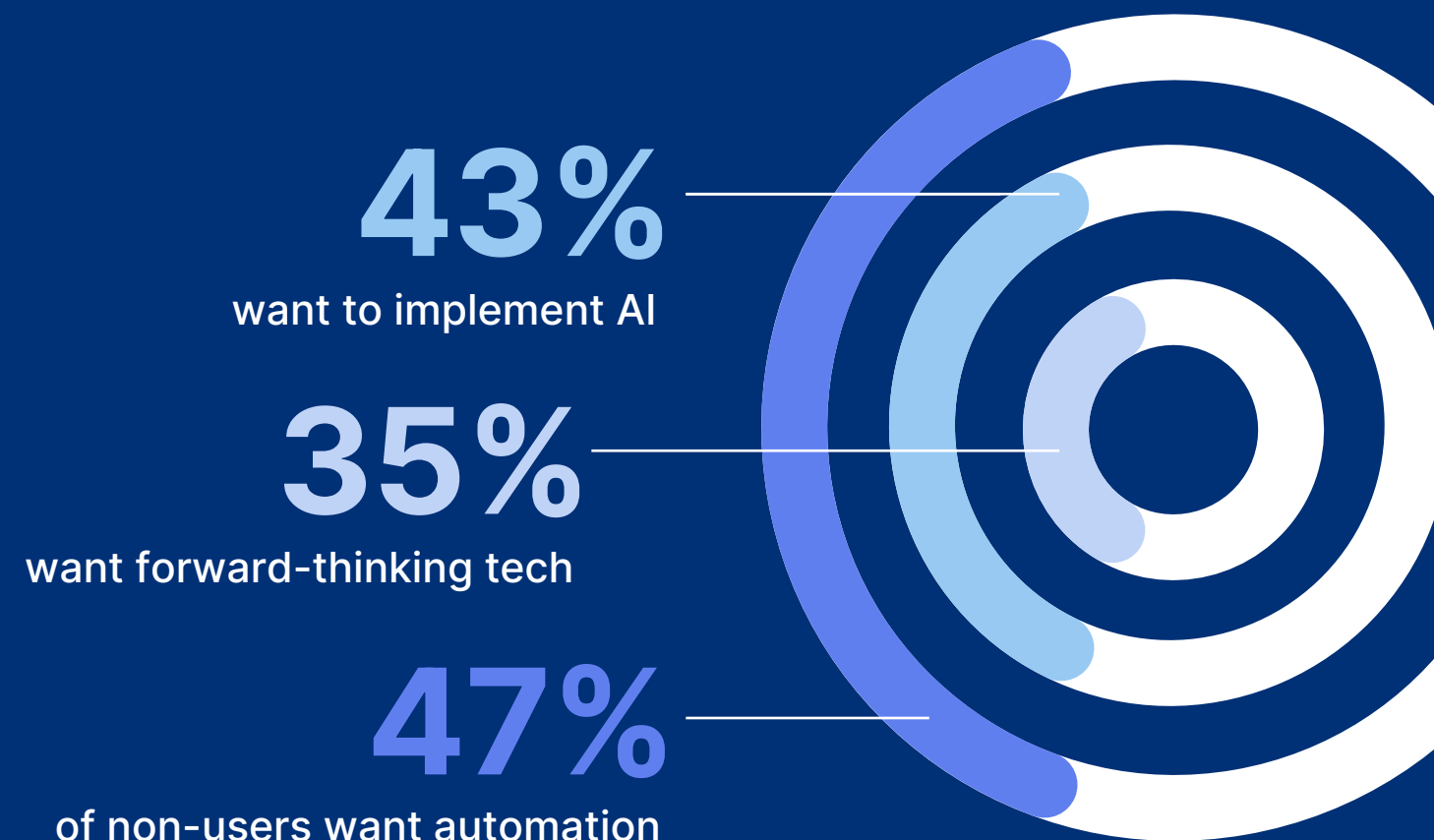
Interest Vs Adoption

Not everyone is ready to fully incorporate AI and other innovative technologies they're definitely interested in. You could call them AI-curious. 47% of non-users want automation, 43% want to implement AI, and 35% want forward-thinking tech.

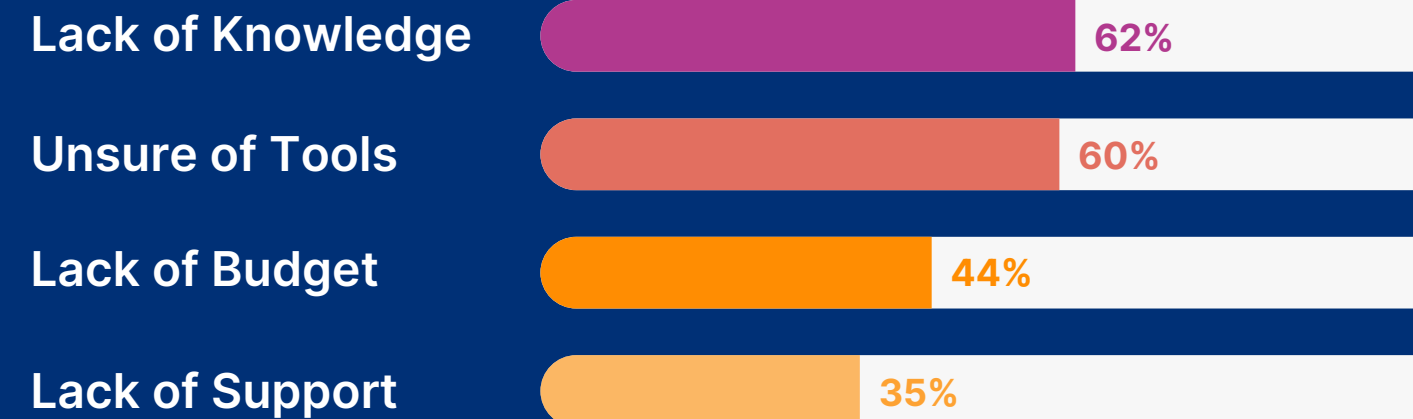
Supply chain and logistics teams are especially eager. 47% more likely than average to want AI. 43% more likely than average to want forward-thinking tech.

So what is holding them back? 62% say they lack knowledge on how to use these tools, 60% don't know what tools to choose, 44% cite lack of budget, and 35% say leadership hasn't supported the shift.*

**Enterprise teams were 29% more likely to say this*



Why Teams Aren't Using Smarter Tech



Clearing Up AI Confusion

The Definition Dilemma

If you're unsure what the difference is between AI and automation, you're not alone. Nearly 1 in 5 said they don't know the difference. Australian businesses are 79% more likely to be in this group.

Full trust is awhile off yet... 47% don't trust AI with finance, 43% don't trust it with customer data, and 30% don't trust it to provide accurate information.

“




Fast-growing CPG brands hit a point where complexity multiplies but headcount can't. With AI and automation, brands are able to scale intentionally. When you avoid repeatedly clicking through softwares, chasing down suppliers, or manually tracking inputs, you get back the clarity, speed, and time to focus on doing your best work.

- Linda Mutricy, Founder of Crafty Crow



1 in 5 Don't know the difference between AI & automation

What's Slowing AI Adoption

- #1**  Don't trust AI with finance (47%)
- #2**  Don't trust AI with customer data (43%)
- #3**  Don't trust AI's accuracy (30%)

The Future Looks Smart

What's Coming Next

People are diving in anyway! 43% of inventory professionals use AI or automation every day with Americans leading the charge (28% more likely to be daily users).

Despite differences over implementation hesitations, there's amazing agreement on where things are headed: 87% believe AI will revolutionize inventory management over the next five years, 83% say it will lead to revenue growth, 61% say their company plans to invest in AI in the next 12 months.

This shift to AI isn't coming - it's already here!
The real question is: will you be
leading the pack or playing catch-up?

87%

believe AI will revolutionize inventory management over the next five years



83%

say AI will lead to revenue growth



61%

say their company plans to invest in AI in the next 12 months





About Cin7

Cin7 provides Connected Inventory Performance – a cloud-based inventory management software with AI-powered forecasting capabilities that gives growing product businesses an automated and real-time view of the entire inventory lifecycle.

Cin7's Core and Omni products natively integrate with over 700+ applications, so business owners can consolidate, streamline, automate, and scale their inventory operation from one place. Powered by a proprietary AI engine, the company's ForesightAI solution also enables sellers to forecast demand with unmatched accuracy months in advance, maintaining optimal stock levels and eliminating overages.

Founded in 2012, Cin7 has grown into a global force, supporting product sellers in 100+ countries, serving 8,500+ customers and processing over 125 million orders annually.

CIN7.COM

