

# Inventory & Stock Control Management

## INTRODUCTION

- Inventory and Stock Control Management is critical in operations as inventory is a current asset to a firm. Carrying inventory comes with a certain degree of risk. This risk is a component of the cost of carrying inventory. When a company stocks items in the warehouse, there is always the risk that the items may fall in real value during the period they are stored. If a company stored parts for their work centers or equipment, the parts in the warehouse could be worth far less than the price that was originally paid and any losses, excess, obsolete and miss-managed inventory means a reduction in the company equity.
- This Purchasing & Logistics training seminar on Inventory and Stock Control Management focuses on the techniques when companies are looking to reduce costs as at times they ignore the inventory sitting in their warehouses and the cost of carrying that inventory. It is important for businesses to carefully examine all the costs of carrying inventory and determine where they can make changes to reduce that cost and help with the company's bottom line.

The purpose of this training seminar is to:

- Enable delegates to evaluate Inventory visibility levels and segmentation approaches
- Examine stocking level criteria through assignment practices
- Types of tools used for inventory optimization
- Current integration practices between materials management systems and asset management systems
- Understanding that minimizing inventory holdings reduces overhead costs and, hence, improves the profitability performance of the enterprise
- Understand and implement the "world class" tools for managing inventory in the supply chain

## OBJECTIVES

This training seminar will help you learn how to:

- Improve management of inventories reaching from receiving products to storage and delivering
- See that movement to the end-user adds value
- Professionally manage the inventory and supply chain and help you to reduce cost, improve customer satisfaction and increase safety and productivity.
- Look “outside of the box”
- Understand the appropriate Inventory methods to be applied
- Establish more accurate forecast demands and maximize the degree of service by reducing your inventory with a time-conscious and integrated inventory management process

## TRAINING METHODOLOGY

- This Purchasing & Logistics training seminar on Inventory & Stock Control Management will be presented by a competent Professional who has designed successful inventory control measures.
- Participants will learn by active participation during the seminar through the use of exercises, questionnaires, syndicate and group discussion, training videos and practical on-hand application of inventory and stock control tools.

## ORGANISATIONAL IMPACT

- Examine the link of inventory in the company supply chain operations and activities
- Analyse the key areas of operation
- Identify and understand key performance indicators
- Succeed in improving operations
- Apply the right cost and service balance
- Gain a competitive advantage

## PERSONAL IMPACT

- How to analyse stock and inventory?
- How to make productivity improvements?
- Understand the Role of Inventory in the Supply Chain
- Balancing Cost and Service Requirements
- A Framework for Continual Improvement
- Best in Class Practices

## WHO SHOULD ATTEND?

- Those New to Managing Inventory
- Those Non inventory people who need to gain an awareness of the issues and key drivers of stock control operations
- Inventory, Stock, Supply Chain, Logistics, Warehouse and Distribution Professionals

## Course Outline

### Inventory and the Supply Chain

- Inventory Definitions and Importance
- Inventory Flow in the Supply Chain
- The Basic Rules of Successful Supply Chain
- Supply Chain and Inventory Dynamics
- Financial Management and Inventory
- Statistics Application in Inventory Control
- Truths on Inventory Visibility

### Key Components to Understanding Effective Inventory Control

- End-User Demand Analysis
- Forecasting for Operations and Maintenance
- Understanding Supply Lead Time
- Cost & Benefits Analysis
- Developing Inventory Policies
- The Need for Inventory in Organizations

### Inventory Mechanics, Methods and Systems

- Basic Mechanics of Inventory Systems
- Establishing Order Quantity
- Implications of Free Stock in Inventory
- Simple Replenishment Methods, for example, Min / Max
- Replenishment Methods, Reorder Point and Reorder Level (ROP / ROL)
- Requirements Planning Systems, Bills of Material and Inventory Planning
- Class Assignment Inventory Control Methods

### Establishing Stock Control

- Establishing Stock Checking
- Developing Stock Accuracy
- Stock Tolerances and Approvals
- Stock Reconciliations / Discrepancies
- Identifying Surplus and Obsolescent Stock
- Identifying Different Storage Conditions
- Understanding Stock Coding
- Stock Variety Reductions

## Understanding Inventory Strategies

- Creating Inventory Policy
- Incoterms and the Supply Chain Rules
- Understanding Vendor Managed Inventory (VMI) and Co Managed Inventory (CMI)

## Inventory Improvements

- Using the Supply Chain
- Using the Theory of Constraints
- Practical Inventory Improvements
- Keys to Reducing Stock Levels
- Model for Planning Inventory