

SSM 53 - MANAGING INVENTORY EFFECTIVELY

This is an intensive course for those who want to understand and implement the essential tools for managing inventory in the supply chain.

Participants are shown how to evaluate procedures and make needed changes to methods to improve customer service whilst achieving reductions in inventory; eliminate wasteful costs; avoid internal problems that limit performance; obtain added value for money.

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 Supervisors/Managers
- Owners, operators and Directors of companies who hold stock and inventory

COURSE OUTLINE

Session 1 - The Supply Chain

The Supply chain definitions, history and key aspects

- Definitions
- History and development
- Key aspects
- Benefits of supply chain approach

Relationships and material flows in the chain

- Integrating the supply chain
- Lead-times
- Customer service
- Adding value
- Tradeoffs
- Power of information
- Sharing and collaboration in the supply chain

Session 2 - Products & Stock

Product Classification

- Supply /demand variables
- Dependant and independent demand
- Patterns of demand
- ABC Analysis or the 80/20 rule
- Product coding

Inventory costs and service

- Why hold stock?
- Inventory costs
- Service levels from inventory
- Cost/service trade offs
- Understanding Lead time
- Lead time variability and uncertainty
- Inventory and statistics

Session 3 - Replenishment Methods

How much stock should be held?

- Stock time curve
- Determining the Reorder level
- Determining the Reorder point
- Carrying safety stock
- Fixed and variable time periods
- Fixed and variable order quantities

Replenishment methods for independent demand

- When to order
- How much to order
- Economic order quantities
- Two bin methods
- Minimum - maximum methods
- Comparing continuous review and periodic review methods

Other Replenishment methods

- When to order for dependant demand
- How much to order for dependant demand
- Materials planning (MRP and MRPII)
- For spare parts

Session 4 - Forecasting & Stock Control

Demand Forecasting

- Sales forecasts
- Statistical forecasts
- When forecasting is easier
- When forecasting is harder

Stock coding

The method by which stock is coded is important in the overall management process, this session will examine:

- Different methods
- Understanding of all involved
- Checklists to help on deciding the best option

Stock Recording

This session looks at stock recording, a critical aspect of stock control and if done incorrectly is the source of many subsequent errors

- Separation of powers
- Legal issues
- How do we get inaccuracies?

Stock Checking

Much time can be spent on this activity, but there are methods to both minimise the time and at the same time increase checking accuracy. This session examines such aspects

- Roles and Responsibility
- Requirements
- Job Descriptions
- Authority levels
- Tolerances and approvals
- The programme
- Options
- Reconciliation's / discrepancies

Session 5 - Improvements

Model for planning inventory

- Managing inventory by value and by volume
- Questions to ask about inventory
- Model for inventory planning
- What To Implement Now