

## **SSM 54 – INVENTORY AND STOCK CONTROL MANAGEMENT**

This course offers a comprehensive coverage of the storage and supply of materials from elementary principles and methods to the most sophisticated automated operations. It aims at providing real solutions to all the problems encountered by most stores staff and will assist those who wish to build a successful career in an integrated materials management function.

The course is 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***

#### **Part 1: The Supply-Chain and Inventory management**

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##### **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

### **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

### **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

## **Part 2: Replenishment Methods**

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### **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

### **Demand Forecasting**

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

## **Part 3: Inventory Planning Methods**

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### **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 as:

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

### **Model for planning inventory**

- Managing inventory by value and by volume
- Questions to ask about inventory
- Model for inventory planning