BEST PRACTICES IN INVENTORY MANAGEMENT PIN019

COURSE OVERVIEW

Demand planning and inventory control will help Supply Chain Management (SCM) improve the accuracy of forecasts, ensure enough inventory levels at all times and enhance profitability by optimizing expenses.

When demand planning and inventory control are properly executed, shortages of what is needed and extra inventory will be a story of the past. Demand planners are "behind the scenes" professionals who are entrusted with this task. Their job is not straightforward given the dynamic nature of the scope and its many uncertainties. However, when executed right, the companies involved can capitalize on the many untapped opportunities where SCM can make a difference. In this course, several demand planning theories, models and best practices will be discussed.

When properly implemented, they will help participants in dealing with various future scenarios in order to ensure a continuous flow of inventory at the least possible cost.

COURSE OBJECTIVES

By the end of the course, participants will be able to:

- State the objectives of Inventory management and list their impact on cost and customer service
- Prepare proper classification of Inventory and use best practices for item specification and cataloging
- Use scientific forecasting techniques to predict demand and better manage lead times
- Differentiate and categorize Inventory cost elements
- Compute the optimum ordering quantity and determine safety Inventory and reorder points

WHO SHOULD ATTEND

Those involved in inventory (materials) planning and Inventory control at the operational and supervisory levels. Also, all those working in other functions of materials management (purchasing, stores, and distribution) who need to understand the mechanics of inventory planning and Inventory control.

COURSE DURATION

5 Working Days

COURSE OUTLINES

1. Introduction to stock management
    - Supply chain management scope
    - Functions and objectives of supply chain management
    - Objectives of inventory planning and inventory control
    - Reasons to hold inventory
    - Inventory information system considerations
    - Inventory push versus pull systems
    - Identifying inventory costs
    - Customer service in inventory management
2. Description and classification of inventory
    - Types of inventory
    - The inventory ABC classification ranking model
    - Uses of the ABC ranking
3. Forecasting demand and lead time
    - The inventory order cycle
    - Dependent versus independent demand
    - Factors affecting demand
    - Factors impacting demand forecast accuracy
    - Demand patterns
    - Time series forecasting methods
    - Seasonal demand
    - Moving average
    - Exponential smoothing
    - Measuring the accuracy of the forecast
    - Setting lead time and methods to control it
4. Inventory costs
    - Inventory cost elements
    - Cost of item
    - Purchasing cost
    - Carrying or holding cost
    - Stock-out cost

5. Inventory systems

- The Economic Order Quantity (EOQ) model
- Dealing with quantity discounts
- Objectives of safety stocks
- Setting safety stocks
- Determining the Reorder Point (ROP)