



Inventory Management

Duration 5 Days

Course Objectives

- ☞ List the objectives of inventory management and its impact on costs and customer service.
- ☞ Perform proper classification of inventory and use best practices for item specification/cataloging.
- ☞ Use forecasting techniques to predict demand and better manage lead times.
- ☞ Identify the optimum ordering quantity and determine safety stocks and reorder points.
- ☞ Conduct cycle counts, improve inventory record accuracy, and find ways to reduce inventories.
- ☞ Apply Key Performance Indicators (KPIs) to measure and improve inventory performance

Course Outline

- 1. Introduction to Inventory Management**
 - 1.1. Objectives of Inventory Management
 - 1.2. Reasons to Hold Inventory
 - 1.3. Inventory Information System Considerations
 - 1.4. Identifying Inventory Costs
 - 1.5. Customer Service in Inventory Management
- 2. Description and Classification of Inventory**
 - 2.1. Types of Inventory
 - 2.2. The ABC Inventory Classification
 - 2.3. Uses of the ABC Ranking
 - 2.4. Materials Specifications/Cataloguing
- 3. Forecasting Demand and Lead Time**
 - 3.1. Dependent versus Independent Demand
 - 3.2. Factors Affecting Demand
 - 3.3. Factors Impacting Forecast Accuracy
 - 3.4. Time-Series Forecasting Methods:
 - 3.5. Moving Average
 - 3.6. Exponential Smoothing
 - 3.7. Seasonal Demand
 - 3.8. Lead Time Management
- 4. Inventory Systems**
 - 4.1. Inventory Holding and Ordering Costs
 - 4.2. The Economic Order Quantity Model
 - 4.3. Dealing with Quantity Discounts
 - 4.4. Objectives of Safety Stocks
 - 4.5. Setting Safety Stocks
 - 4.6. Determining the Reorder Point
- 5. Counting and Controlling Inventory**
 - 5.1. Causes of Inaccurate Inventory
 - 5.2. Requirements for Accurate Inventory Records
 - 5.3. Reporting Record Accuracy
 - 5.4. Periodic and Cycle Counting
- 6. Reducing Inventory Investment**
 - 6.1. Identification and Disposal of Surplus
 - 6.2. Just-In-Time (J.I.T.) Method
- 7. Measuring Inventory Management Performance**
 - 7.1. Reasons for Poor Inventory Management
 - 7.2. Key Performance Indicators and Targets
 - 7.3. Qualities of the Inventory Specialist