

Inventory Management – The Nuts and Bolts

No business can survive very long without an effective program of controls over the parts and materials that are used in producing or distributing goods and services of the firm. Like many other things that depend on human interpretation, “control” means different things to different individuals.

This is a workshop for the warehouse or stockroom manager, the person in charge of what comes in and goes out of the company. You want a smooth and cost-effective operation, with enough products on hand to satisfy needs without stockpiling too much.

By the end of this workshop, participants will be able to:

- Understand terms that are frequently used in warehouse management
- Identify the goals and objectives of inventory management, and measure their process against these goals
- Calculate safety stock, reorder points, and order quantities
- Evaluate inventory management systems
- Identify the parts of the inventory cycle
- Better maintain inventory accuracy

Introduction and Course Overview

You will spend the first part of the day getting to know participants and discussing what will take place during the workshop. Students will also have an opportunity to identify their personal learning objectives.

What is Inventory?

To begin, participants will explore what inventory is and what key concepts (including LIFO, FIFO, backorders, and lead time) mean. Participants will also look at the goals and objectives of inventory management and analyze where their system can improve.

Types of Inventory

This session will explore anticipation, fluctuation, lot size, and transportation inventories.

Key Players

Next, participants will discuss what roles customers, top management, and employees play in the inventory management system.

Setting up the Warehouse

This session will discuss the objectives of a warehouse and ways to maintain location accuracy.

What Makes a Good Inventory Management System?

Next, participants will discuss types of inventory management systems and criteria for a good system.

The Warehouse Inventory Cycle

This session will introduce the warehouse inventory cycle of demand, receiving, validation, and put-away.

Identifying Demand

Participants will learn how to determine order quantities, re-order points, and safety stock through discussion and a case study.

The Receiving Process

Next, participants will learn what should happen when materials are received into inventory.

Validating Inventory

This session will explore ways to validate the quality of merchandise.

The Put-Away Process

Participants will discuss the five goals of the put-away process.

Maintaining Inventory Accuracy

Next, participants will learn ways to keep their inventory organized and controlled.

The Outbound Process

This session will look at the phases of the outbound process: picking, packing, loading, and shipping.

Industry Trends

To conclude the workshop, we will explore some of the latest inventory management trends, including Six Sigma and the Just-In-Time (JIT) system.

Workshop Wrap-Up

At the end of the day, students will have an opportunity to ask questions and fill out an action plan.