

EFFECTIVE INVENTORY MANAGEMENT

~Increase profitability through modern inventory management~

Minimize inventory level and optimize inventory operation & management to increase profitability

- ✦ Insufficient stock of materials for production or insufficient stock of goods for delivery slows your business down.
- ✦ Goods/Materials that are broken, worn out, or expired during long period in stock must be destroyed due to their unqualified condition.
- ✦ Overstocking has a negative impact on working capital management.

With those aspects, good inventory management is one of key factors contributing to any company's success.

CONTENT

Part 1: Overview of inventory management

- 1.1. Role of Inventory Management in a business
- 1.2. The relationship between inventory management and business performance
- 1.3. Inventory's characteristics and its significance
- 1.4. Challenges in inventory management

Part 2: Concept of inventory optimization and purchasing optimization

2.1 Types of inventory and concepts of reasonable inventory

- ✦ a. Clarify Cycle stock - Safety Stock - Strategic stock
- ✦ b. Determine maximum stock level - Reduce average stock level
- ✦ c. Reduce Cycle stock - Safety Stock - Strategic stock

2.2. Purchasing methods to optimize inventory:

- ✦ a. 4 methods of purchasing
- ✦ b. Days Sales of Inventory
- ✦ c. How to calculate safety stock
- ✦ d. Management of unscheduled orders

Part 3. Inventory and Financial Impacts

- 3.1. Methods of inventory valuation
- 3.2. Impacts of inventory on profit and loss

Part 4. Warehouse management and inventory methods

4.1. Specific identification inventory method

- ✦ a. What is Specific identification inventory method?
- ✦ b. Requirements for specific identification inventory method
- ✦ c. ABC Analysis (Pareto) - Rationalize inventory procedure and reduce inventory level
- ✦ d. Inventory evaluation and solutions

4.2. Warehouse Management

- ✦ a. Principles of warehouse management
- ✦ b. Warehouse Layout
- ✦ c. 5S Activity - Visualize Inventory
- ✦ d. Preservation in warehouse
- ✦ e. Rules - Regulations - Guidelines for warehouse management.

Part 5: Summary and Action Plan

※The above content is subject to change without prior notices



OBJECTIVES



- ➔ Understand the importance of inventory & the role it plays in the profitability of the company.
- ➔ Understand concepts of reasonable inventory and various purchasing methods
- ➔ Know how to manage inventory analyze inventory and optimize inventory operation & management.

TARGET



- ☐ Staff ☒ Middle-Management
- ☒ First-line Management ☐ Top-Management

METHOD



30% theory, 70% practice through group discussions, presentations, case studies, role-playing, games, etc.



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