



Supply Chain Management and
Inventory Management



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Introduction:

Knowledge of Inventory Management is critical for the effective management of procurement and the supply chain, however Inventory it is commonly not understood. Therefore too high levels of inventory are held with attendant increases to costs, product obsolescence, etc.

Targeted Groups:

- Inventory Managers
- 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 Professionals

Course Objectives:

At the end of this course the participants will be able to:

- Appreciate that time is cash
- See that movement to the customer is all that adds value
- Work with all of the supply chain players pays
- Look "outside of the box"
- Use the appropriate methods
- Apply the 8 Rules for Effective Supply Chain Management
- Evaluate current procedures
- Examine how lead time builds up
- Change methods of managing inventory.
- Provide practical skills to eliminate wasteful costs.
- Avoid those internal problems that limit performance.
- Understand and implement the "world-class" tools for managing inventory in the supply chain.

Targeted Competencies:

- Stock and inventory analyzing
- Productivity improvements
- The role of inventory in the supply chain
- Balancing cost and service requirements
- Continual improvement
- Best in class practices

Course Content:

Unit 1: Inventory and The Supply Chain:

- Inventory management definition
- Types of stock
- Demand amplifications
- Demand replenishment in networks
- Managing the flows
- Type I and II supply chains
- The Supply Chain Rules
- Inventory and statistics
- Concept of service level

Unit 2: Inventory Key Concepts:

- Key Component: Demand Analysis
- Key Component: Demand Forecasting
- Key Component: Supply Lead Time
- Key Component: Cost & Benefits
- Inventory benefits
- Inventory policies
- Inventory in organizations

Unit 3: Inventory Replenishment Methods and Systems:

- Basic mechanics of inventory systems
- The stock time curve
- Stock components
- Stock investment
- Free stock calculation
- Simple replenishment methods, for example, Min/Max
- Accurate replenishment methods, for example, Reorder Point and Reorder Level ROP/ROL
- Requirements planning systems, for example, Materials/Manufacturing Resource/Requirements Planning MRP / MRP II

Unit 4: Stock Control-Coding:

- Different coding methods
- Importance of inventory receipts
- Identifying surplus and obsolescent stock
- Checklists to help on deciding the best option

Unit 5: Stock Control-Recording:

- Separation of powers
- Legal issues
- How do we get inaccuracies?

Unit 6: Stock Control-Checking:

- Roles and responsibility
- Requirements
- Job Descriptions
- Authority levels
- Tolerances and approvals
- The stock check program
- Options for stock checking methods
- Reconciliations / discrepancies

Unit 7: Inventory Performance:

- Inventory Performance
- Assessing the stock level
- Models for implementing inventory control
- Determining stock targets
- Inventory questions
- Inventory KPI's in warehouses/stores

Unit 8: Inventory Strategies:

- Push/Pull
- Quick response QR
- Efficient consumer response ECR
- Collaborative planning forecasting and replenishment CPFR
- Lean and agile approaches
- Quality Management
- Postponement
- Cross Docking
- Consolidation
- Vendor Managed Inventory VMI
- Consignment stocking
- Co-Managed Inventory CMI
- Direct product profitability DPP
- Economic value added EVA
- Collaborative supply chains

Unit 9: Inventory Improvements:

- Using the Supply Chain
- Using the Theory of Constraints
- Practical inventory improvements
- Call offs and Telemetry
- EDI and ICT
- Keys to reducing stock levels
- The 7 Rules for planning inventory
- Model for planning inventory