



LPM 298

FORECASTING STOCK CONTROL and Material Inventory Techniques

Course Introduction:

The emphasis in this program is on how to plan, implement, and use proven practices that work. There is a strong focus on approaches and principles that will have the most dramatic effect on improving your organization's service levels, reducing costs and investments associated with inventory, and increasing turnover rate with fewer stock outs.

This training recognizes that forecasts are quite distinct from operational plans, such as production plans, procurement plans, and logistics plans, which are sets of specified managerial actions designed to meet or exceed the sales forecast. The emphasis in this program is on how forecasting involves the proper use of both qualitative and quantitative techniques, within the context of corporate information systems, to meet the myriad needs of different users of sales forecasts and to manage this entire process as it applies to inventory.

Course Objectives:

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

- Establish an inventory management policy
- Reduce your inventory while improving your customer service
- Balance service and safety stock implications
- Understand inventory flow of costs and carrying inventory
- Better forecast your true inventory needs
- Utilize the ordering and planning philosophies that suit your goals
- Plan and reduce lead-time cycle components
- Attain a higher level of inventory record accuracy
- Select the appropriate way to conduct inventory

Who Should Attend?

- Those new to managing inventory
- Those 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 Supervisors/Managers
- Owners, operators and Directors of companies who hold stock and inventory

Course Outline:

Day 1:

The Supply Chain

The Supply chain definitions, history and key aspects

- Definitions
- History and development
- Key aspects
- Benefits of supply chain approach

Relationships and material flows in the chain

- Integrating the supply chain
- Lead-times
- Customer service
- Adding value
- Tradeoffs
- Power of information
- Sharing and collaboration in the supply chain

Day 2:

Products & Stock

Product Classification

- Supply /demand variables
- Dependant and independent demand
- Patterns of demand
- ABC Analysis or the 80/20 rule
- Product coding

Inventory costs and service

- Why hold stock?
- Inventory costs
- Service levels from inventory
- Cost/service trade offs
- Understanding Lead time
- Lead time variability and uncertainty
- Inventory and statistics

Day 3:

Replenishment Methods

How much stock should be held?

- Stock time curve
- Determining the Reorder level
- Determining the Reorder point
- Carrying safety stock
- Fixed and variable time periods
- Fixed and variable order quantities

Replenishment methods for independent demand

- When to order
- How much to order
- Economic order quantities
- Two bin methods
- Minimum - maximum methods
- Comparing continuous review and periodic review methods

Other Replenishment methods

- When to order for dependant demand
- How much to order for dependant demand
- Materials planning (MRP and MRPII)
- For spare parts

Day 4:

Forecasting & Stock Control

Demand Forecasting

- Sales forecasts
- Statistical forecasts
- When forecasting is easier
- When forecasting is harder

Stock Coding - The method by which stock is coded is important in the overall management process, this session will examine:

- Different methods
- Understanding of all involved

- Checklists to help on deciding the best option

Stock Recording - This session looks at stock recording, a critical aspect of stock control and if done incorrectly is the source of many subsequent errors

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

Stock Checking - Much time can be spent on this activity, but there are methods to both minimize the time and at the same time increase checking accuracy. This session examines such aspects

- Roles and Responsibility
- Requirements
- Job Descriptions
- Authority levels
- Tolerances and approvals
- The programmed
- Options
- Reconciliation's / discrepancies

Day 5:

Improvements - Model for planning inventory

- Managing inventory by value and by volume
- Questions to ask about inventory
- Model for inventory planning
- Course evaluation and summary

Course Certificate:

International Center for Training & Development (ICTD) will award an internationally recognized certificate(s) for each delegate on completion of training.

Course Methodology:

A variety of methodologies will be used during the course that includes:

- (30%) Based on Case Studies
- (30%) Techniques
- (30%) Role Play
- (10%) Concepts

- Pre-test and Post-test
- Variety of Learning Methods
- Lectures
- Case Studies and Self Questionnaires
- Group Work
- Discussion
- Presentation

Course Fees:

To be advised as per the course location. This rate includes participant's manual, and-Outs, buffet lunch, coffee/tea on arrival, morning & afternoon of each day.

Course Timings:

Daily Course Timings:

08:00 - 08:20	Morning Coffee / Tea
08:20 - 10:00	First Session
10:00 - 10:20	Coffee / Tea / Snacks
10:20 - 12:20	Second Session
12:20 - 13:30	Lunch Break & Prayer Break
13:30 - 15:00	Last Session

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