



LPM 306

REASONS FOR HOLDING Stock

Course Introduction:

Most businesses hold inventory for many reasons. Among them are: Meeting unexpected demands: The chain of supply and demand really comes into consideration here. Business people know that consumers expect goods and services when they need them. Thus, businesses usually stock up their inventories to meet these unexpected demands. These demands may result in overcrowding of inventories because we never know when the storm strikes and consumers would flock to buy the items.

Smoothing seasonal demands: With the comings and goings of major events and the changing seasons, most businesses have inventories at hand to smoothen the seasonal demands. For example, Christmas is just round the corner. With the coming season, retail outlets as well as other businesses are busy meeting and stabilizing the upcoming Christmas demands of consumers. If they do not have any inventory, how can they meet these demands.

Taking advantage of price discounts: When a business purchase goods from the manufacturers and suppliers, they usually get price discounts if they buy in bigger bulks. Manufacturers and suppliers give these discounts to attract and maintain regular buyers. Taking advantage of price discounts is helpful at times but one must always remember not to overstock the inventory because inefficient buying may cause failure of the business.

Course Objectives:

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

- Ensure you have stock to meet the demands of your company.
- Know the different formulas for controlling stock.
- Keep stock holding costs to a minimum.
- Keep accurate stock levels and carrying out correct stock takes.

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, warehouse and distribution supervisors/managers
- Owners, operators and directors of companies who hold stock and inventory

Course Outline:

Session 1: How do we decide stock levels?

- Space and budget available
- Demand for products
- Peak sales periods (e.g. alcohol in Christmas or in Summer)
- Does the weather / climate affect product consumption?
- Retail price
- Shelf life – until deterioration or expiry date
- Similar products / competitors available
- Lead-time: how long until a new batch of products arrives

Session 2: Why stock management?

- To give continuous service to clients
- To buy in bulk with cheaper prices
- To avoid being out of stock
- As an investment
- Cash flow management

Session 3: Objectives of Inventory Management Systems

- Provide the required service level
- Minimise operating cost and inventory investment within overall costs objectives of the supply chain
- Adopt simple procedures
- Provide quantitative decision rules at SKU level
- Provide exception reporting
- Provide information which allows systems decisions to be overridden
- Provide procedures for regular review of systems parameters

Session 4: Types of Stock

- Decoupling stock
- Safety stock
- Anticipation stock
- Working stock
- Pipeline stock

Session 5: Possible Routes to Reduction

- ATO and MTO
- Improved forecasting

- More frequent ordering or manufacture
- Reduce lead times
- Specify lower service levels
- Reduce number of stockholding locations
- Look for additional capabilities
- Local sourcing

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

