

Basics of Inventory Management

Duration: 1 Day

Method: Instructor-Led Training (ILT) | Live Online Training

Course Description

This course will teach participants a logistics approach to inventory management – from the warehouse through the distribution system, from the supplier to the customer. The course outlines objectives and performance measures about customer service, inventory investment, and operational efficiency. Factors affecting inventory are fully discussed while warehouse environments are fully explored, including types and objectives, packaging, material handling, and costs involved.

Target Audience

This course is intended for:

- Inventory Clerks
- Warehouse Supervisors.

Course Objectives

Upon successful completion of this course, attendees will be able to:

- Better manage an inventory system.

Course Topics

Module 1: Inventory Objectives and Policies

- What Is Inventory Management?
- Handling Conflicting Objectives
- Inventing Categories
- Types of Inventory

Module 2: Independent Demand Inventory Systems

- Inventory Information Systems
- Independent Demand Models
- Environments and Their Effects on Inventory Management
- Order Cycles and Lead Times



Course Topics *Continued*

Module 3: Inventory Management Tools and Techniques

- Forecasting and Determining Inventory Levels
- Essential Calculations (EOQ)
- The 80/20 Rule (ABC Analysis)
- Determining Other Costs
- Lot Size and Safety Stock

Module 4: Inventory Management and Financial Analysis

- Financial Control of Inventory
- Balance Sheet Basics
- Income Statement Basics
- The Basic Manufacturing Equation
- Key Financial Ratios
- Identifying Suppliers with Potential Cash-Flow Problems
- Costed Bill of Materials
- Allocation of Factory Overhead and Activity-Based Costing

Module 5: Physical Controls: The Warehouse Environment

- Objectives of Warehousing
- Picking, Packing, and Shipping
- Costs of Warehousing
- Setting Up a Warehouse System

Module 6: Distribution Inventory Planning and Control (Logistics)

- Delivering Products
- Types of Distribution Systems
- Forecasting Stock Keeping Units (SKU) Requirements
- Integrating Distribution and Manufacturing Systems
- Just-in-Time (JIT) in a Distribution Environment

EXERCISES INCLUDED

