

# *Fundamentals of* **INVENTORY MANAGEMENT**

This workshop-in-a-box will provide delegates with a complete understanding of current best practices in inventory management and importantly, how to apply them effectively in their current environment. Specifically, the workshop will cover:

- The role & functions of inventory within the supply chain
- Best practices for the management of inventory
- Performance measurement & improvement
- Supply chain principles & management issues

The content is practical and delegates will learn proven methodologies that can immediately be implemented in their supply chain.

**This workshop has been designed for introductory to intermediate level.**

Supply chain is a dynamic industry that is constantly evolving. It is therefore imperative for executives operating in this environment to keep in touch with industry trends, best practices and technological advancements.



Vicenda is an innovative business information company servicing the logistics and supply chain industry.

We focus on creating platforms for seasoned supply chain practitioners and industry experts to share their experience and insight and offer practical solutions to the business challenges that supply chain executives encounter daily.

Workshop-in-a-Box is a self-contained multimedia product that offers all the elements of a traditional workshop with the convenience of training where and when you want.



Content is presented by experienced supply chain practitioners and trainers. Information is delivered in a clear and concise manner. This format is not only cost effective & time efficient but also allows you to train unlimited numbers of staff at a fraction of the cost of a traditional workshop. An interactive element has been introduced to encourage users to ask questions on the course material and also learn from other users' Q&A's.

## Who will benefit from this workshop?

This workshop will benefit executives operating in the manufacturing, retail, distribution and services industries, specifically with the following job responsibilities:

- Inventory
- Logistics
- Supply Chain Management
- Operations
- Dispatch or receiving
- Order Fulfillment
- Distribution
- Warehousing
- Stock Control
- Demand Management
- Master Scheduling
- Materials Management
- Forecasting
- Information Technology



## The Supply Chain & the Role of Inventory (1h 25min)

- The Supply Chain Structure & Objectives
- The Significance & Location of Inventory
- Customer Service & Customer Relations
  - Internal Customers
  - External Customers
- The Dimensions of Customer Service
- Customer/Product Profitability Analysis
- The Role & Functions of Inventory/Stock
  - Utility
  - Types of Inventory/Stock
  - “Drivers” for Each Type of Inventory/Stock
- The *Business Cycle*

## Inventory & Inventory Strategy (1h 02min)

- Business Objectives
- Inventory Strategy
- Cost of Holding Inventory & “Cost to Serve”
- Inventory Analysis
- Inventory Models
- Goal of Effective Inventory Management
- Availability, Location, Order Fill Rate, & Postponement

## Demand Forecasting (1h 45min)

- Understanding What Drives Demand
- Demand Trends, Patterns, Cycles & Random Events
- The Difference Between Sales, Shipments & Usage
- Demand Forecasting – Methods & Forecast Accuracy
- Demand Management

## Inventory Planning (2h 14min)

- Inventory: A Liability or an Asset?
- Distribution of Cost of Inventory
- MRP & DRP
- Pareto's Law/ABC Analysis

- Stock Cover
- Safety Stock
- Setting the Right Stock Levels
- Re-ordering & Replenishment
- Inventory Turnover
- Just-In-Time
- Ideal or Model Stock
- Promotional Stock & “Jabs”
- Practical Methods for Reducing Inventory

## The Changing Role of Purchasing & Suppliers in Inventory Management (2h 01min)

- The Importance of Supplier Relationships
- Gross versus Nett Margin?
- Flexibility & Quick Response – An Alternative to Forecasting?
- Demand Forecast Accuracy & Order Lead Times
- Economic Order Quantities
- The Use of Merchandisers
- Vendor Managed Inventory (VMI)
- Service Level Agreements
- Managing Lead Times & Delivery Costs
- The “Last Mile”

## Inventory Movement & Control (2h 10min)

- Warehouse Design, Layout & Flow
- Warehouse or Distribution Centre?
- Receipt, Put-away, Storage, Picking & Dispatching Processes
- Inventory Location & Storage
- Product Coding & Identification
- Cycle Counts & Perpetual Stocktaking
- Full Inventory Counts
- The Use of Technology
- Shrinkage, Damages & Missing Inventory
- Inventory Adjustments
- Inventory Performance Metrics

## Inventory Management “Issues” (1h 05min)

- Nature of Demand
- Management Philosophy
- Degree of Product Aggregation
- Multi-Echelon Inventories
- Virtual Inventories
- Process Failures
- Hidden Costs
- Skills, Motivation & Discipline
- Shrinkage

## Inventory Management & Reverse Logistics (55min)

- Why Be Concerned About Reverse Logistics?
- Warranties, Repairs & Packaging Material
- Critical Reverse Logistics Success Factors
- Opportunities for Cost Reduction
- Best Practices in Reverse Logistics

**TOTAL PRESENTATION TIME: 12hours 36min**

## WHAT'S THE COST?

The cost for a single copy of Fundamentals of Inventory Management is **R1 950 + vat**. Additional copies of the same title can be purchased at 50% of the original cost at **R975 + vat**.

Purchase of a Workshop-in-a-Box entitles you to:

- Unlimited viewing of the workshop
- Unlimited access to view and learn from online Q&A's on each session
- The opportunity to post questions online to presenters on any part of the course material for the first three months from receipt of workshop.



## WORKSHOP PRESENTERS

### Co-Presenter: Mike Johnston

Mike graduated with a Bachelor of Science from the UCT and a MBA from the Graduate School of Business at Wits University. He spent 13 years with Tanker Services moving from Management Trainee to Operations Manger for Tanker Services (Natal) to Group Operations Manager.

In 1985, he embarked out on his own as a specialist Transport & Logistics consultant. He has been engaged by numerous companies in South Africa over the past twenty two years to investigate and improve corporate supply chains and operations. This includes issues ranging from logistics & distribution strategy, procurement, order processing, inventory management, warehousing and transportation.

Mike lectures at Damelin College on procurement, logistics & warehousing. He has been involved in numerous related conferences and workshops. He has been a committee member of the Southern African Roundtable of the Council of Supply Chain Management Professionals (CSCMP) and a judge on the Logistics News *Annual Logistics Achiever Awards* since 1996.

### Co-Presenter: Doug Hunter

Doug Hunter has worked with SAP South Africa and its customers since the “dot-com bubble” till today focusing on improving supply chains with and without SAP enabling technology. He currently manages the Cross Industry Solution Team which is responsible for CRM, SRM, PLM and SCM.

Before this his career started as an Industrial Engineer in Scotland, then Production and General Management in South Africa. He also consulted for Hewlett–Packard and Outsource Services in South Africa implementing ERP, Quality and APS systems in a range of industries. Doug remains passionate about unleashing the business opportunities and value often hidden in organisations today.

To order a copy, or to view other titles available or in production, visit [www.vicenda.co.za](http://www.vicenda.co.za)

For More information, you can contact Karl Murray at:

**011 704 5931** or email: [karl@vicenda.co.za](mailto:karl@vicenda.co.za)

# FREQUENTLY ASKED QUESTIONS

**WORKSHOP-IN-A-BOX** is an innovation in supply chain training and content delivery. It offers a cost effective and time efficient way to train your supply chain staff by including all the elements of a traditional workshop with the convenience of training your staff when and where you want. Train one person or your entire team – there's no limit on number of users.

## HOW DOES IT WORK?

All workshop material is provided on a DVD ROM. Simply insert the DVD ROM into your computer / laptop (no additional software is needed). A content page will appear and you can select which session you wish to view. Each session includes video of the presenter while each slide is timed with the presenter.

## FUNCTIONALITY

To enhance the learning experience, we have built additional functionalities into this product:

- Pause, forward and rewind any presentation
- Print the presentation slides
- Post questions to presenters online
- View other “delegates” Q&A's on each session

Click [here](#) to view a list of topics that are currently available or in production.

## SESSION Q&A's

Most of our presenters are practitioners and consultants. Although presenters have committed to answering all questions posted in a reasonable amount of time, the response will not be immediate. Each answer to a posted question is e-mailed directly to the user and posted on the site for the benefit of all users.

## SYSTEM REQUIREMENTS

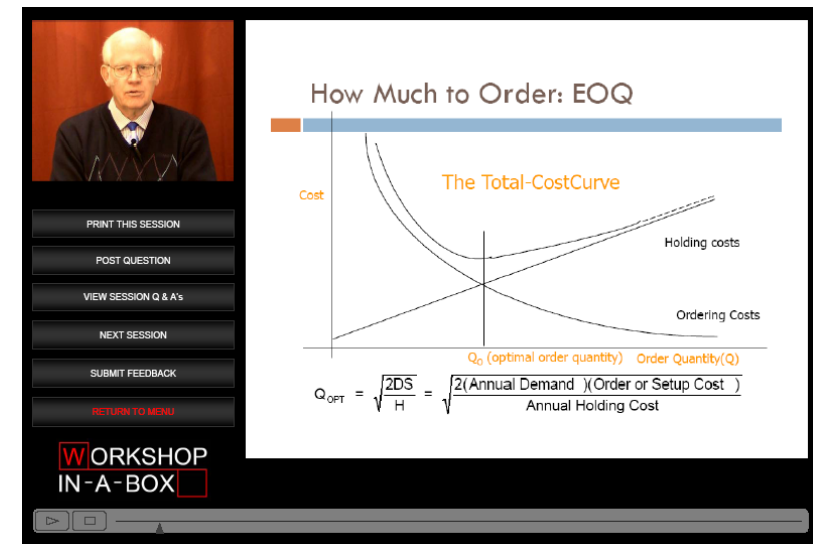
The DVD Rom requires no additional software to run. Screen size and resolution has been optimised for 1024 X 768. This is a common screen size for laptops and desktop screens and also the most common resolution for data projectors.

## ACCESS CODES

Each unit comes with a unique code that is printed on the back of your DVD box. This code will allow the user access to the interactive Q&A's.



SCREENSHOT OF MAIN MENU



SCREENSHOT OF SESSION FRONTEND