

COURSE LEARNING OUTCOMES (CLOs)

1. Explain the major aspects of successful inventory management.
2. Discuss the necessity of a purchasing plan using proper inventory management terminologies.
3. Gather qualitative and quantitative information to correctly complete the required documentation associated with inventory management including purchase contracts and orders, bills of lading, trucking claim forms, retail/wholesale pricing and budgets.
4. Describe legal issues involving terms and conditions of purchase, purchase orders, and other contract laws to develop proper documentation for inventory management.
5. Discuss the differences between ordering, receiving and documenting.
6. Demonstrate "just-in-time" inventory procedures and communicate its benefits to various levels of management within the organization.
7. Describe point of purchase inventory systems and IT technologies.

Inventory Management-MMGT 253

Course Outline

I. Inventory as Both a Tangible and Intangible Object

- A. Inventory costs
- B. The purpose of inventory
- C. Types of stock
- D. Tracking the paper life
- E. Electronic data interchange

II. Inventory as Money

- A. Accounting for inventories
- B. How inventory is valued
- C. Inventory on the balance sheet
- D. Inventory on the income statement
- E. Ration analyses
- F. Obsolete stock
- G. Carrying cost and purchasing

III. Introduction to Purchasing

- A. Purchasing cycle
- B. Contracts
- C. Documentation process

IV. Physical Location and Control of Inventory

- A. Common locator systems
 1. Memory systems
 2. Fixed location systems
 3. Zoning systems
 4. Random location systems
 5. Combination systems
- B. Common item placement theories
 1. Inventory stratification
 2. A-B-C categorization
 3. Family grouping
- C. Location addresses and Stock Keeping Unit (SKU) identifiers

V. The Basics of Bar Coding

- A. Elements of a bar code symbol
- B. Symbologies-bar coding structural rules

- C. Scanning basics
- D. Basic automatic identification systems (bar coding vs. Radio Frequency Identification Systems (RFID))
- E. Bar code applications

VI. Planning and Replenishment Concepts

- A. Replenishment costs
- B. Inventory types
 - 1. Independent demand inventory
 - a) Order-point formulae
 - b) Simple min-max inventory system
 - 2. Dependent demand inventory
 - a) Materials requirements planning
 - b) Just-in-time inventory systems
- C. Inventory objectives

VII. Why Inventory Systems Fail and How to Fix Them

- A. Metrics
- B. Inventory reduction with LEAN inventories
- C. Tools with which to uncover system dysfunctions
- D. Cycle counting vs. Annual inventories
- E. Cycle count methodologies
 - 1. Control group
 - 2. Location audit
 - 3. Random selection
 - 4. Diminishing population
 - 5. Product categories
 - 6. A-B-C categorization

VIII. Protecting Inventory

- A. Legal duties
- B. The plan
- C. The assessment
- D. Theft