

# Inventory Management is Business Management

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ITEM BY ITEM BASIS

MONITOR CHANGES

INVENTORY

CALCULATE WHAT YOU NEED TO REORDER

IN UNIT COSTS

The American Production and Inventory Control Society (APICS) define inventory management as the branch of business management concerned with planning and controlling inventories. Inventory management is a critical management issue for most companies - large companies, medium-sized companies, and small companies. For the manufacturing companies, carrying an inventory of wide

spread variants is a huge task because it has direct link with the cost factor, additionally inventory turnover has the great impact on company's revenues, which finally positioned the company's overall financial health and working capital management.

## Carrying an Inventory of Wide Spread Variants is a Huge Task

With the advent of IoT and AI companies have become more customers oriented because of the drastic change in needs and demands of each and every customer. Companies are focusing on two major parts i.e. to reduce cost and generate additional value to the final



product for the customer to get the competitive edge over their competitors.

**An effective inventory management should:**

- \* Ensure a continuous supply of raw materials to facilitate uninterrupted production.
- \* Maintain sufficient finished goods inventory for smooth sales operation and efficient customer services.







- \* **Minimize the carrying cost and time.**
- \* **Control investment in inventories and keep it at an optimum level.**
- \* **It permits a better utilization of available stocks by facilitating interdepartmental transfers with in a company.**
- \* **Maintain sufficient stocks of raw materials in periods of short supply & anticipated price changes.**



To control and manage the items coming into, through, and out of your facility, it is important to understand not only where an item is physically located at any given time, but also how that existence is being acknowledged within the system.

Often inventory management failure is due to individuals in

**Today The Strategic Importance of This Area is Fully Recognized by Top Management**

different departments simply not understanding the unintended consequences of their own actions.

Seemingly simple issues like the timing of when an item is entered into the computer system or who is allowed to actually see various items of information can cause severe misunderstandings and inventory inaccuracies.

The control of the material flow from suppliers of raw material to final customers is a crucial problem. Today the strategic importance of this area is fully recognized by top management.



The total investment in inventories is enormous, and the control of capital tied up in raw material, work-in-progress, and finished goods offers a very important potential for improvement. Scientific methods for inventory control can give a significant competitive advantage and boost business.