



**EFFECTIVE INVENTORY MANAGEMENT, INC.
ONE DAY EFFECTIVE INVENTORY
MANAGEMENT COURSE FOR MSCI**

- **Session #1 – What Should You Stock?**
 - Goal of effective inventory management
 - Responsibilities of different departments in achieving effective inventory management
 - Determining what products to stock in each service center
 - Ranking products by activity and cost of goods sold
 - Ensuring that all inventory is profitable or leads to other profitable sales

- **Session #2 – Looking to the Future to Forecast**
 - Forecasting new stock items
 - Determining how to stock products with sporadic usage activity
 - Defining the six elements of an accurate forecast
 - Understanding the difference between sales, shipments and usage
 - Verifying that usage is correctly recorded
 - Identifying and correcting for unusual usage activity

- **Session #3 – Best Practice Forecasting**
 - Common forecasting methods and where each should be utilized
 - Measuring the accuracy of your forecast
 - Collaborative information from customers and sales people
 - Different types of seasonality and trends

- **Session #4 – Determining When to Replenish Stock (Achieving Your Customer Service Goals)**
 - Calculating accurate replenishment parameters
 - Minimum/Maximum quantities
 - Order points, reorder points and line points
 - The difference between average lead times and anticipated lead times
 - Different method for calculating safety stock quantities
 - Using safety stock to balance customer service with your investment in stock inventory

- **Session #5 – Determining How Much To Order (Maximizing Profitability or Minimizing Costs)**
 - Economic order quantities
 - Purchasing when presented with special opportunities
 - Determining your ideal inventory investment and potential turnover
 - Determining if it is better to buy from a vendor or transfer from another location

- **Session #6 - Benchmark metrics – Analyzing your progress**
 - Fill rate, customer service level and stockouts
 - What inventory turnover really tells you
 - Turn/earn index and gross margin return on investment
 - Excess stock and dead inventory

- **Session #7 – Implementing a program to achieve effective inventory management**