



STOCK CONTROL & COST CONTROL

OVERVIEW:

Good customer service involves ensuring you have enough stock to meet demand at all times. Good business management involves ensuring stock holding costs are kept to a minimum. Sometimes it can be hard to find the correct balance between both. Keeping accurate stock figures and ordering correct quantities of stock at the right price is easy if you know how. This course is designed to help participants manage their stock and cost more effectively and make it work better for their business.

Duration: 1 day

OBJECTIVES

Develop an Understanding of the Importance of Each Element of Stock Control & Cost Control Management.

Develop and Maintain Good Stock Control & Cost Control Practices.

SUMMARY CONTENT

STOCK CONTROL

Financial Considerations

The Effect of Stock Control on Working Capital and Cash Flow
The Effect on Company Profitability

How Much To Order:

Cost of Holding Stock
Cost of not holding enough stock
Cost of Ordering
Economic Order Quantities
Effect of Discounts

Systems of Stock Control:

Basic Stock Cards
Computer Systems

Forecasting Future Demands:

Demand Patterns
Seasonal Effects
Moving Averages
Trends



Stocktaking :

Reasons for Stocktaking
Periodic vs. Continuous
Treatment of Discrepancies

When to Order:

Safety Stocks
Re-Order Level
Service Factor

Other Stock Issues

Obsolete, Redundant and Surplus Stocks:

Identification/Disposal
Seeking Credit

- Stock Control Exercise

COST CONTROL

Understanding Costs:

What Are Costs?
Measuring Overheads
Review Periods
What You Measure, You Manage

Benchmarking:

How Do Your Costs Compare with Others in Your Sector?
How Do Your Costs Compare with Other Sectors?

Taking Action:

Knowing what to Buy
Knowing when to Buy
Tendering
Quotes
Buying Terms
Payment Terms
Negotiating
Taking Tough Decisions

- New Thinking - Case Study
'Alliances to Create Volume'