

# FUNDAMENTALS OF INVENTORY MANAGEMENT WORKSHOP

*Reduce  
Costs*

*Improve  
Cash Flow*

*Increase  
Productivity*

*Satisfy  
Customers*



## AGENDA (2 DAYS ON-SITE OR VIRTUAL OPTIONS AVAILABLE)

2-DAY AGENDA	DESCRIPTION
DAY 1	<p>Interdependencies between material &amp; other operational success factors</p> <ul style="list-style-type: none"> <li>Operational priorities = SQDIP</li> <li>Delivery &amp; material cause-&amp;-effect diagrams</li> </ul> <p>Measuring inventory management: Delivery &amp; inventory performance</p> <p>Ways to classify inventory</p> <ul style="list-style-type: none"> <li>Purchased versus manufactured</li> <li>ABC classification</li> <li>Excess &amp; Obsolete (E&amp;O)</li> <li>By replenishment method</li> </ul>
DAY 2	<p>Inventory behavior: The sawtooth curve</p> <ul style="list-style-type: none"> <li>What exactly is a sawtooth curve?</li> <li>How supply &amp; demand variation impact inventory</li> <li>Target lead time &amp; Minimum order quantity</li> </ul> <p>Replenishment methods: Plan for Every Part</p> <ul style="list-style-type: none"> <li>How MRP Works</li> <li>How kanban works</li> </ul> <p>Where inventory lives: The value stream map</p>



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## WHAT IS INVENTORY MANAGEMENT?

The goal of an inventory management system is to provide physical goods in support of an operation's internal and external delivery requirements, with total costs that achieve operational profit and positive cash flow.

Inventory management is the process of ordering, storing, using, and selling a company's inventory. Inventory includes the raw materials, components, and finished products that are used or sold by the company. The goal of inventory management is to have the right products in the right place at the right time, while minimizing the costs and risks associated with inventory.

## COMMON PITFALLS OF POOR INVENTORY MANAGEMENT?

Poor inventory management results in the inability to effectively manage the flow of goods and materials into, within, and out of a business.

- Delivery misses: Lack the right material in the right quantity at the right time, which results in long lead times or delayed shipments
- Excess inventory: too much on-hand inventory (usually the wrong stuff) consumes cash and space
- Poor planning: haphazard or nonexistent operational planning processes, operational chaos and stress

## WHAT ARE THE BENEFITS OF GOOD INVENTORY MANAGEMENT?

- It reduces costs by avoiding overstocking, storage fees, and obsolescence.
- It improves cash flow by spending money on inventory that sells and is generating revenue.
- It satisfies customers by ensuring timely delivery and avoiding stockouts.
- It provides insights by tracking sales trends, inventory turnover, and supplier performance.
- It increases productivity by saving time, optimizing warehouse space, and streamlining order fulfillment.

REQUEST A CONSULT:  
INFO@LEANFOCUS.COM

## How do I get started?

**Schedule a Fundamentals of Inventory Management Workshop**

Take the first step toward workspace transformation. Contact us today to schedule a consultation and discover how Inventory Management can elevate your organization's operations.



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