



Inventory Management

White Paper

At Enabling we are the service provider and we ourselves are the provider of products and our experts provide backend services. Our experience in different industries makes us capable of covering all aspects that can be easily mapped to your business processes and manage processes.

Contact Information:



Corporate General Solutions (Pvt.) Limited

Email at: info@cgs.com.pk

Website: www.cgs.com.pk

INVENTORY

The Inventory Management System is a complete and comprehensive solution that may be used independently or in integration with Sales and Purchases modules. Online integration with General Ledger increase efficiency and effectiveness of system. To solve the challenge of proper inventory management, companies often turn to software that can help them keep track of all of their inventory, orders, vendors and more

CGS will provide you with the Inventory Management System which will be affordable and robust enough for businesses. . It has features that are simple enough for a young business to master, but that can also be expanded to fit that same business's increasingly complex needs year after year.



Purpose

Companies often use inventory management software to reduce their carrying costs. The software is used to track products and parts as they are transported from a vendor to a warehouse, between warehouses, and finally to a retail location or directly to a customer.

Inventory management software is used for a variety of purposes, including:

- Maintaining a balance between too much and too little inventory.
- Tracking inventory as it is transported between locations.
- Receiving items into a warehouse or other location.
- Picking, packing and shipping items from a warehouse.
- Keeping track of product sales and inventory levels.
- Cutting down on product obsolescence and spoilage.
- Avoiding missing out on sales due to out-of-stock situations.

Features

Inventory management software is made up of several key components, all working together to create a cohesive inventory for many organizations' systems.

These features include:



Order Management

Should inventory reach a specific threshold, a company's inventory management system can be programmed to tell managers to reorder that product. This helps companies avoid running out of products or tying up too much capital in inventory.

Asset Tracking

When a product is in a warehouse or store, it can be tracked via its barcode and/or other tracking criteria, such as serial number, lot number or revision number. Systems for Business, Encyclopedia of Business, 2nd ed. nowadays, inventory management software often utilizes barcode, radio-frequency identification (RFID), and/or wireless tracking technology.

Service Management

Companies that are primarily service-oriented rather than product-oriented can use inventory management software to track the cost of the materials they use to provide services, such as cleaning supplies. This way, they can attach prices to their services that reflect the total cost of performing them.

Product Identification

Barcodes are often the means whereby data on products and orders is inputted into inventory management software. A barcode reader is used to read barcodes and look up information on the products they represent. Radio-frequency identification (RFID) tags and wireless methods of product identification are also growing in popularity.

Modern inventory software programs may use QR codes or NFC tags to identify inventory items and smart phones as scanners. This method provides an option for small businesses to track inventory using barcode scanning without a need to purchase expensive scanning hardware.

Inventory Optimization

A fully automated demand forecasting and inventory optimization system to attain key inventory optimization metrics such as:

- Reorder point: the number of units that should trigger a replenishment order

- Order quantity: the number of units that should be reordered, based on the reorder point, stock on hand and stock on order
- Lead demand: the number of units that will be sold during the lead time
- Stock cover: the number of days left before a stock out if no reorder is made
- Accuracy: the expected accuracy of the forecasts

Advantages of Inventory Management Software

There are several advantages to using inventory management software in a business setting.

Cost Savings

A company's inventory represents one of its largest investments, along with its workforce and locations. Inventory management software helps companies cut expenses by minimizing the amount of unnecessary parts and products in storage. It also helps companies keep lost sales to a minimum by having enough stock on hand to meet demand.

Increased Efficiency

Inventory management software often allows for automation of many inventory-related tasks. For example, software can automatically collect data, conduct calculations, and create records. This not only results in time savings, cost savings, but also increases business efficiency.

Warehouse Organization

Inventory management software can help distributors, wholesalers, manufacturers and retailers optimize their warehouses. If certain products are often sold together or are more popular than others, those products can be grouped together or placed near the delivery area to speed up the process of picking. By 2018, 66% of warehouses "are poised to undergo a seismic shift, moving from still prevalent pen and paper processes to automated and mechanized inventory solutions. With these new automated processes, cycle counts will be performed more often and with less effort, increasing inventory visibility, and leading to more accurate fulfillment, fewer out of stock situations and fewer lost sales. More confidence in inventory accuracy will lead to a new focus on optimizing mix, expanding a selection and accelerating inventory turns."

Updated Data

Up-to-date, real-time data on inventory conditions and levels is advantage inventory management software gives companies. Company executives can usually access the software through a mobile device, laptop or PC to check current inventory numbers. This automatic updating of inventory records allows businesses to make informed decisions.

Data Security

With the aid of restricted user rights, company managers can allow many employees to assist in inventory management. They can grant employees enough information access to receive products, make orders, transfer



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products and do other tasks without compromising company security. This can speed up the inventory management process and save managers' time.

Insight into trends

Tracking where products are stocked, which suppliers they come from, and the length of time they are stored is made possible with inventory management software. By analyzing such data, companies can control inventory levels and maximize the use of warehouse space. Furthermore, firms are more prepared for the demands and supplies of the market, especially during special circumstances such as a peak season on a particular month. Through the reports generated by the inventory management software, firms are also able to gather important data that may be put in a model for it to be analyzed.

Multiple Inventory Valuation Methods

Provision is available to follow periodic or perpetual inventory management system. Different inventory valuation methods choice increase flexibility and ease of adaptation of system.

Definition of minimum level, Lead time and Economic Order Quantity (EOQ) leads towards decreasing inventory holding cost.

Across The-Board Reporting

Comprehensive reports provide better control over inventory management.

The report includes:

- ABC Analysis
- Stock Status
- Stock Book
- Cost of Goods Sold
- Stock Movement
- Inventory Valuation