



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 :

Need for Accuracy
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

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