

**Business Data Management**  
**Professor G. Venkatesh**  
**Professor Doctor Milind Gandhe**  
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**Indian Institute of Technology Madras**  
**Bachelor of Science Degree**  
**Days of inventory**

G. Venkatesh - So far what we have done basically is we have done sales trend, we have done the sales, we found out which items are selling more in terms of volume or revenue that we will use Pareto, we did a scatterplot but both in one diagram. There are some insights, we gave us some insights actually it did not give us insight it showed us something we have to get the insights by talking to Omkar

G. Venkatesh - Then we said okay, let us look at trends and so we plot a day wise, we plotted actually first date wise then we plot it day wise and the except for this week on Thursday we do not see any trend no noticeable trend were seen.

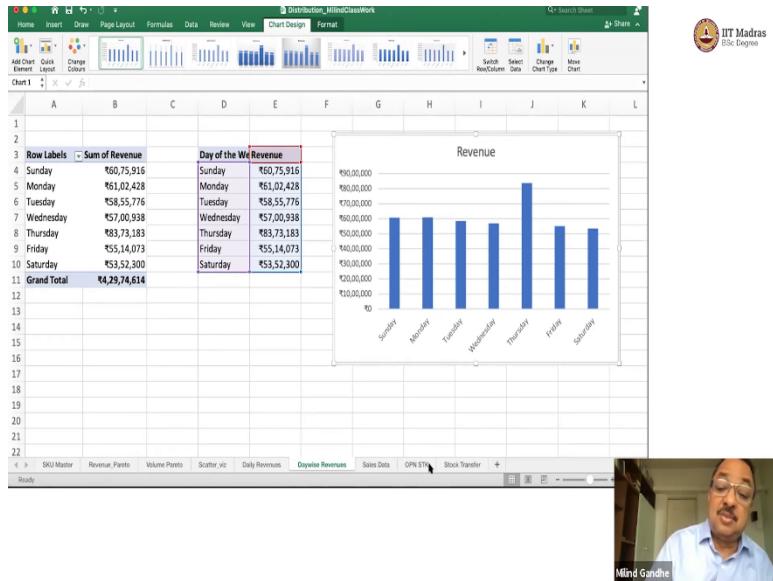
G. Venkatesh - That is what we are but still we have not answered all the key questions regarding CH, for example one of the questions the CEO was very keen on, I am not sure whether he is planning head or CEO, was very keen to answer was, are you holding enough inventory? I will basically do we, are we going to be able to fulfil the sales? Are we going to have a situation where they are unable to sell because we do not have a metric?

Milind Gandhe - That is true, so I think one of them I think a lot of their questions were about stockout no?

G. Venkatesh - Stockout yeah, the word stockout was used quite often.

Milind Gandhe - So let us figure out how do we answer that question. So let me start sharing my screen once again.

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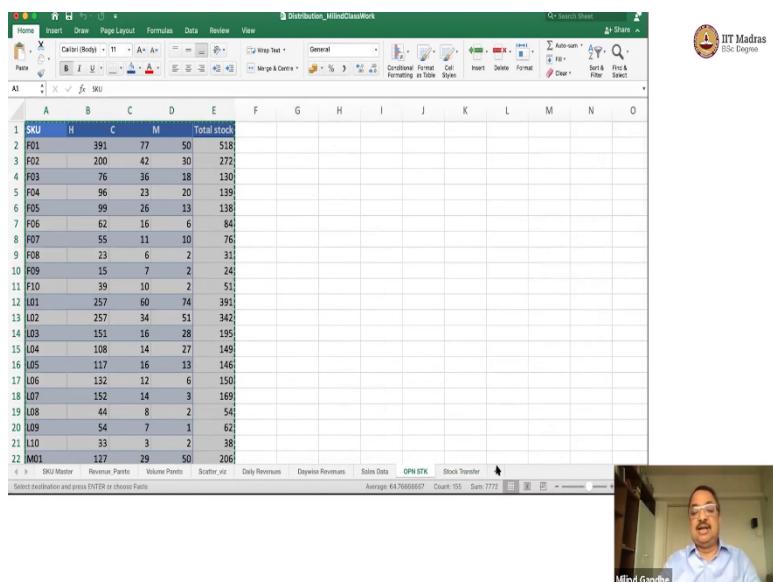


G. Venkatesh - Do you have same I mean, so we are selling some amount every day.

G. Venkatesh - We have some, we have some inventory but we have to have inventory locally. I mean in Chennai So okay, let us strike this, I have sales going on from Chennai Madras, right?

G. Venkatesh - But I can also service this sale by using inventory in Hyderabad.

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Milind Gandhe - So the first thing we should look is we should find out how much material do we have in stock? I think that is the first thing to find out No, GV? Across all the cities in the entire network

G. Venkatesh - On a given day.

Milind Gandhe - On a given day, no, on the first day, first let us ask on the first day

G. Venkatesh - Let us ask first day, first day is given to us already, it is given already, no? You add up to 3 you will get. Oh, you cannot add up, you will not add up.

Milind Gandhe - No we can, just total it.

G. Venkatesh - Oh you want to add up all thing, add up. But you know I mean you cannot service the Madras thing from Kochi, no point of adding

Milind Gandhe - Basically you cannot but if you want to look at it how much cash is locked in, I think that is still interesting for us.

G. Venkatesh - Your first perspective it is important, add it.

Milind Gandhe - Correct, okay, so this is what we have right.

G. Venkatesh - That is the total sum.

Milind Gandhe - This is the total sum, right?

G. Venkatesh - Yeah.

Milind Gandhe - Now the second thing that we can do from this thing.

G. Venkatesh - I wrote that F02, you want to sort this and see which one is the highest stock? Is there a Pareto in this stock? I mean; I do not know, whether it is even useful to do that.

Milind Gandhe - I can do that. So, GV let us look at what is the, let us try sorting on total stock it will be interesting exercise, so what I do is I do not want to touch this table, we just copy it.

(Refer Slide Time: 04:05)

The screenshot shows a Microsoft Excel spreadsheet with the following data:

	A	B	C	D	E	F	G	H	I	J	K	L
1	SKU	H	C	M	Total stock							
2	F01	391	77	50	518							
3	L01	257	60	74	391							
4	L02	257	34	51	342							
5	F02	200	42	30	272							
6	M01	127	29	50	206							
7	L03	151	16	28	195							
8	L07	152	14	3	169							
9	L06	132	12	6	150							
10	L04	108	14	27	149							
11	L05	117	16	13	146							
12	F04	96	23	20	139							
13	F05	99	26	13	138							
14	M02	78	20	33	131							
15	F03	76	36	18	130							
16	M03	76	13	18	107							
17	F06	62	16	6	84							
18	M04	55	10	14	79							
19	F07	55	11	10	76							
20	M05	52	7	9	68							
21	L09	54	7	1	62							
22	L08	44	8	2	54							

And, on a spreadsheet, I will paste it and Paste Special values okay. Or you will need me to have the set a larger spacing, 175. And let us sort this. So, when you have multiple columns see GV what you need to do is to sort using not, you can do a simple sort because you have to tell the worksheet what is your key? So, we want to sort it by total stock, right?

G. Venkatesh - Yep.

Milind Gandhe - Okay, and we want the largest to smallest.

Milind Gandhe - Okay, now as it comes, correct now it is.

G. Venkatesh - So 5, okay. So, F01 then life lifestyle one, FMCG then lifestyle2, so you notice basically that M01 is there again.

G. Venkatesh - But there are other items also which it was stocking, so stocking a lot of F01 L01, L02, F02, interesting, F03.

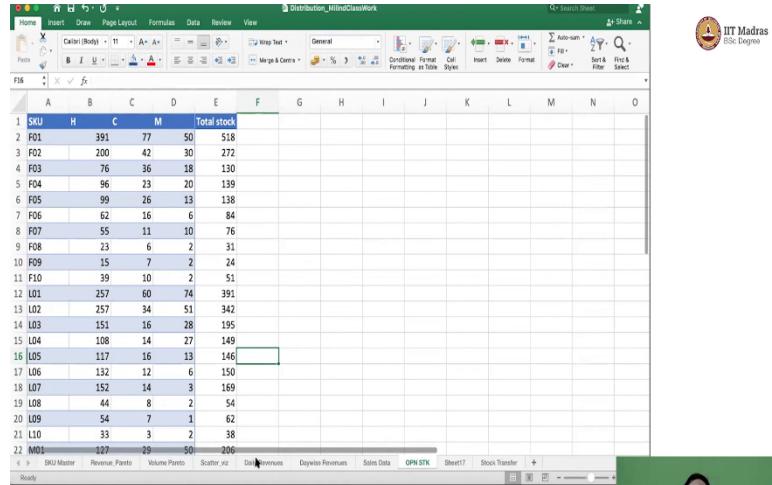
Milind Gandhe - So, here what you can see is that there does not seem to be a trend by BU, in some of the other places you saw trend by BU, you saw an example mobile were always on the top but, in this case, I do not think mobile is always in the top, it is more mixed.

G. Venkatesh - Yeah, but this is not telling me much. I mean of course, it is interesting, total stock is interesting from CFO perspective because you want to know not just total stock you want to know total stock multiplied by price I guess,

Milind Gandhe - An Ideally, yes.

G. Venkatesh - Ideally, you want to do a total stock multiplied by the price and tell you how much is locked up, how much of capital is locked up or something.

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SKU	H	I	J	K	L	M	N	O
F01	391	77	50	518				
F02	200	42	30	272				
F03	76	36	18	130				
F04	96	23	20	139				
F05	99	26	13	138				
F06	62	16	6	84				
F07	55	11	10	76				
F08	23	6	2	31				
F09	15	7	2	24				
F10	39	10	2	51				
L01	257	60	74	391				
L02	257	34	51	342				
L03	151	16	28	195				
L04	108	14	27	149				
L05	117	16	13	146				
L06	132	12	6	150				
L07	152	14	3	169				
L08	44	8	2	54				
L09	54	7	1	62				
L10	33	3	2	38				
M08	127	29	50	206				



Milind Gandhe - Correct, but remember GV, the question we were asking was really how much.

G. Venkatesh - We want to answer that there is not enough stock to make sales. So, it does relate the stock to sales. But relate stock to sales.

G. Venkatesh - So saying sales is available somewhere else, sales day, but we have to calculate, no? Or we have, we have computed, we note the sales.

(Refer Slide Time: 06:26)

The screenshot shows a Microsoft Excel spreadsheet titled "Sales Data". The table has columns labeled Date, SKU, City, Volumes, Price, Revenue, and Day. The data spans from row 2 to 22, showing various sales entries for different SKUs (M01 through F07) across different cities (H) over a 15-day period. The "Revenue" column contains values like ₹3,12,000, ₹3,30,000, etc., and the "Day" column indicates Thursday for all rows. Below the table, there are tabs for "SKU Master", "Revenue\_Parts", "Volume\_Parts", "Scatter\_viz", "Daily Revenues", and "Daywise Revenues". The status bar at the bottom shows "Average: 1203359 Count: 4457".

Date	SKU	City	Volumes	Price	Revenue	Day
01/04/21 M01	H		26	12000	₹3,12,000	Thursday
01/04/21 M02	H		13	10000	₹1,30,000	Thursday
01/04/21 M03	H		9	16000	₹1,44,000	Thursday
01/04/21 M04	H		6	20000	₹1,20,000	Thursday
01/04/21 M05	H		8	8000	₹64,000	Thursday
01/04/21 M06	H		3	8000	₹24,000	Thursday
01/04/21 M07	H		3	49000	₹1,47,000	Thursday
01/04/21 M08	H		2	54000	₹1,08,000	Thursday
01/04/21 M09	H		0	55000	₹0	Thursday
01/04/21 M10	H		0	60000	₹0	Thursday
01/04/21 F01	H		31	300	₹9,300	Thursday
01/04/21 F02	H		10	200	₹2,000	Thursday
01/04/21 F03	H		10	290	₹2,900	Thursday
01/04/21 F04	H		7	365	₹2,555	Thursday
01/04/21 F05	H		5	190	₹950	Thursday
01/04/21 F06	H		5	350	₹1,750	Thursday
01/04/21 F07	H		3	400	₹1,200	Thursday
01/04/21 F08	H		2	300	₹600	Thursday
01/04/21 F09	H		0	460	₹0	Thursday
01/04/21 F10	H		2	999	₹1,998	Thursday
01/04/21 F01	H		26	350	₹9,100	Thursday



Milind Gandhe - So we want sales by SKU for the 15 - day period. Correct?

G. Venkatesh - So, we know the sale is computed, I will tell you what, Milind, we know the sales for the first.

Milind Gandhe - Correct.

G. Venkatesh - We know stock for the first.

Milind Gandhe - Correct.

G. Venkatesh - Let us just compare, how do you compare, divide, let us compare.

Milind Gandhe - We can divide, the only problem GV is that, this way, there is a risk, and the risk is you will tend to get, there could be daily fluctuations.

G. Venkatesh - It is okay, we will do it every day. We want you to average actually Finally.

Milind Gandhe - Or we can do average, no?

G. Venkatesh - Better to do average.

Milind Gandhe - Better to do average

G. Venkatesh - Better to do average volume, do average volume.

Milind Gandhe - Average volume.

G. Venkatesh - Yeah average volume and then take the first day stock.

Milind Gandhe - Correct.

G. Venkatesh - That can be done. But yeah, we can do that, take average volume, take first day stock. You write the opening stock by average volume will know how much whether the opening stock is how many days of sales, it will take something that will tell us, no?

Milind Gandhe - Correct.

G. Venkatesh - How many days of sales the opening stock will support is very basically what we are computing. That is a useful number. Is not it?

Milind Gandhe - Yes. Yeah.

G. Venkatesh - How many days of sales you because as you said the sales are fluctuating so it can take average let us take average.

Milind Gandhe - Okay, so now what do we do, we have to create 1 pivot table. I think this entire case GV is largely about pivot tables looks like.

G. Venkatesh - It is about pivot tables, Looks like that. Yeah. Let us insert a pivot table.

Milind Gandhe - Let us do a pivot table.

G. Venkatesh - Okay.

(Refer Slide Time: 08:21)

	A	B	C	D	E	F	G	H	I	J	K	L
1	SKU	M01										
2	Row Labels	Sum of Volumes										
4	01/04/21	57										
5	02/04/21	59										
6	03/04/21	61										
7	04/04/21	64										
8	05/04/21	62										
9	06/04/21	63										
10	07/04/21	62										
11	08/04/21	59										
12	09/04/21	61										
13	10/04/21	56										
14	11/04/21	59										
15	12/04/21	61										
16	13/04/21	64										
17	14/04/21	63										
18	15/04/21	58										
19	Grand Total	909										
20												
21	Average	60.6										
22												



Milind Gandhe - And okay, just let me increase the size 175. Okay. And what do we want? We want so we want daily sales by SKU. Okay, so here is what we will do Okay GV. And this is a new thing. We want to look at.

G. Venkatesh - We want to find out the opening stock divided by average volume.

Milind Gandhe - For a given SKU.

G. Venkatesh - Or SKU every SKU you want.

Milind Gandhe - Okay, so let us first put the, there is another feature.

G. Venkatesh - Oh filter, why filter put it in the row no.

Milind Gandhe - because we do not want to look at all SKUs no, we will want to look at an individual SKU.

G. Venkatesh - Okay.

Milind Gandhe - And we will add four, four, so rows can be date, okay. And volumes can be, okay? So, now if you want to look at our favorite M01, it will tell you in 15 days, we sold 909 units.

G. Venkatesh - Okay.

Milind Gandhe - Okay? So, what is average? Let us look at the average no. Average would be this number divided by 15, right?

G. Venkatesh - Yeah.

Milind Gandhe - So on an average we sold 60 units a day.

G. Venkatesh - Of M01 this is for M01. Okay?

Milind Gandhe - Of M01, yes.

G. Venkatesh - So filter basically means that we selecting some item and doing the pivot table for that one item.

Milind Gandhe - Only for that item.

G. Venkatesh - And we can put any other filtering conditions, you can put any number of filtering conditions.

(Refer Slide Time: 10:25)

SKU	(All)	Sum of Volumes
01/04/21		478
02/04/21		487
03/04/21		502
04/04/21		518
05/04/21		500
06/04/21		505
07/04/21		504
08/04/21		483
09/04/21		497
10/04/21		493
11/04/21		493
12/04/21		475
13/04/21		508
14/04/21		498
15/04/21		497
Grand Total		7438
Average		495.8666667

Prof G Venkatesh

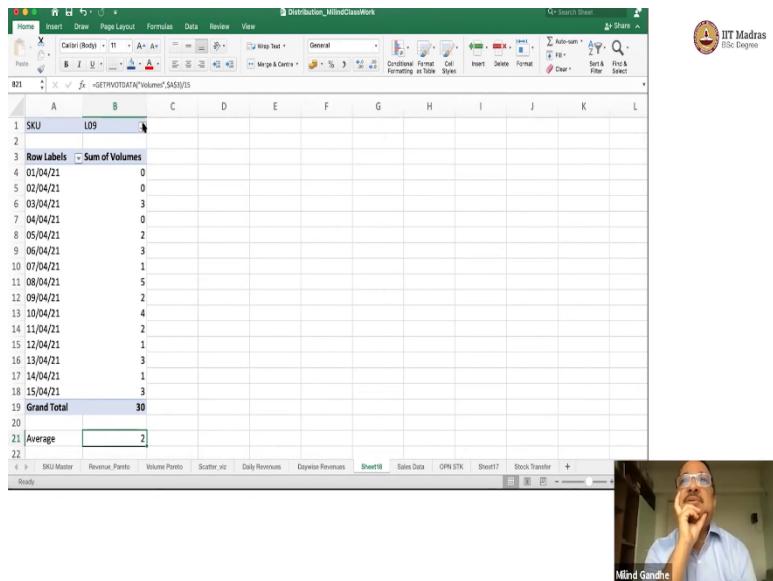
Milind Gandhe - We can in theory, we can also say select all.

G. Venkatesh - Okay.

Milind Gandhe - So this will tell you that, on average, you are selling maybe 496 units, but this is meaningless no GV because you cannot compare one unit of M01 with one unit of F01.

G. Venkatesh - No, we want to do the SKUs? I think it makes sense. Yeah.

(Refer Slide Time: 10:40)



	SKU	Sum of Volumes
1	L09	
2		
3	Row Labels	Sum of Volumes
4	01/04/21	0
5	02/04/21	0
6	03/04/21	3
7	04/04/21	0
8	05/04/21	2
9	06/04/21	3
10	07/04/21	1
11	08/04/21	5
12	09/04/21	2
13	10/04/21	4
14	11/04/21	2
15	12/04/21	1
16	13/04/21	3
17	14/04/21	1
18	15/04/21	3
19	Grand Total	30
20		
21	Average	2
22		

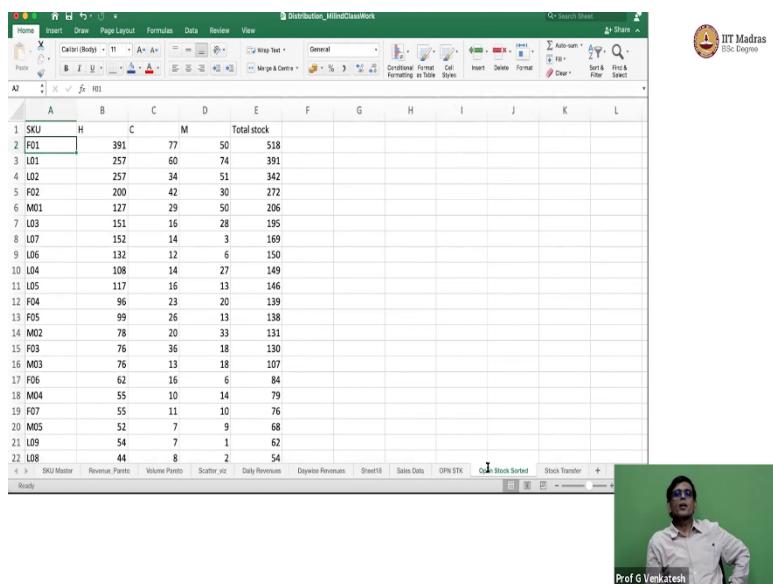


SSo let us look Milind at the one which had we had a sheet where we looked at, high stock no, we sorted it by stocks.

Milind Gandhe - Correct.

G. Venkatesh - Let us look at that sheet, I think.

(Refer Slide Time: 10:51)



	H	C	M	Total stock
2	F01	391	77	518
3	L01	257	60	391
4	L02	257	34	342
5	P02	200	42	30
6	M01	127	29	50
7	L03	151	16	28
8	L07	152	14	3
9	L06	132	12	6
10	L04	108	14	27
11	L05	117	16	13
12	F04	96	23	20
13	F05	99	26	13
14	M02	78	20	33
15	F03	76	36	18
16	M03	76	13	18
17	F06	62	16	6
18	M04	55	10	14
19	F07	55	11	10
20	M05	52	7	9
21	L09	54	7	1
22	L08	44	8	2



Milind Gandhe - So let me name the sheet GV, we will call this opening stock sorted.

G. Venkatesh - Yeah, Okay.

Milind Gandhe - So what is that, F01? F01 L01 M01.

G. Venkatesh - L01 or F01, yeah, let us take one of those. Let us take F01 or L01.

Milind Gandhe - We look at both of those.

(Refer Slide Time: 11:09)

SKU	Sum of Volumes
01/04/21	0
02/04/21	0
03/04/21	3
04/04/21	0
05/04/21	2
06/04/21	3
07/04/21	1
08/04/21	5
09/04/21	2
10/04/21	4
11/04/21	2
12/04/21	1
13/04/21	3
14/04/21	1
15/04/21	3
<b>Grand Total</b>	<b>30</b>
Average	2

Milind Gandhe

Screenshot of Microsoft Excel showing a PivotTable report titled "Distribution\_MilindClassWork". The PivotTable displays daily sales volume for SKU F01 from April 1st to April 15th, 2021. The "Sum of Volumes" column shows values ranging from 56 to 65, with a Grand Total of 914. An Average value of 60.9333333 is also displayed.

	A	B	C	D	E	F	G	H	I	J	K	L
Row Labels		F01										
1	SKU	F01										
2												
3	Row Labels	Sum of Volumes										
4	01/04/21	57										
5	02/04/21	65										
6	03/04/21	63										
7	04/04/21	64										
8	05/04/21	65										
9	06/04/21	56										
10	07/04/21	56										
11	08/04/21	59										
12	09/04/21	65										
13	10/04/21	64										
14	11/04/21	57										
15	12/04/21	62										
16	13/04/21	64										
17	14/04/21	60										
18	15/04/21	57										
19	Grand Total	914										
20												
21	Average	60.93333333										
22												

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Milind Gandhe

Screenshot of Microsoft Excel showing a PivotTable report titled "Distribution\_MilindClassWork". The PivotTable displays total stock levels for various SKUs (F01, L01, L02, F02, M01, L03, L07, L06, L04, L05, F04, F05, M02, F03, M03, F06, M04, F07, M05, L09) across different categories (H, C, M). The "Total stock" column shows values ranging from 138 to 518.

	A	B	C	D	E	F	G	H	I	J	K	L
A2		H	C	M	Total stock							
1	SKU	H	C	M	Total stock							
2	F01		391	77	50	518						
3	L01		257	60	74	391						
4	L02		257	34	51	342						
5	F02		200	42	30	272						
6	M01		127	29	50	206						
7	L03		151	16	28	195						
8	L07		152	14	3	169						
9	L06		132	12	6	150						
10	L04		108	14	27	149						
11	L05		117	16	13	146						
12	F04		96	23	20	139						
13	F05		99	26	13	138						
14	M02		78	20	33	131						
15	F03		76	36	18	130						
16	M03		76	13	18	107						
17	F06		62	16	6	84						
18	M04		55	10	14	79						
19	F07		55	11	10	76						
20	M05		52	7	9	68						
21	L09		54	7	1	62						
22	L08		44	8	2	54						

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Prof G Venkatesh

G. Venkatesh - Let us look both of those, Okay.

Milind Gandhe - So let us just select F01. On an average we are selling maybe 61 pieces, roughly, 60 point 9, rounded off to 61. And how much was the opening stock?

G. Venkatesh - 518.

Milind Gandhe - It was 518. So, it will take as many days as almost eight and a half days to exhaust this stock.

G. Venkatesh - 518 by 61 gives you about eight and half or something yeah, correct. Eight and a half or something? Yes.

Milind Gandhe - Right?

G. Venkatesh - So we have at least eight and a half days worth of stock at the sort.

Milind Gandhe - Roughly.

G. Venkatesh - What about L01?

(Refer Slide Time: 12:01)

SKU	L01
Row Labels	Sum of Volumes
01/04/21	55
02/04/21	62
03/04/21	56
04/04/21	56
05/04/21	55
06/04/21	64
07/04/21	64
08/04/21	58
09/04/21	65
10/04/21	64
11/04/21	63
12/04/21	55
13/04/21	61
14/04/21	61
15/04/21	57
Grand Total	896
Average	59.73333333

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
1	SKU	H	C	M	Total stock										
2	F01	391	77	50	=vlookup(B1,'OPEN STK'!A1:D1,4,0)										
3	F02	200	42	30	272										
4	F03	76	36	18	130										
5	F04	96	23	20	139										
6	F05	99	26	13	138										
7	F06	62	16	6	84										
8	F07	55	11	10	76										
9	F08	23	6	2	31										
10	F09	15	7	2	24										
11	F10	39	10	2	51										
12	L01	257	60	74	391										
13	L02	257	34	51	342										
14	L03	151	16	28	195										
15	L04	108	14	27	149										
16	L05	117	16	13	146										
17	L06	132	12	6	150										
18	L07	152	14	3	169										
19	L08	44	8	2	54										
20	L09	54	7	1	62										
21	L10	33	3	2	38										
22	M01	127	29	50	206										



Milind Gandhe

	A	B	C	D	E	F	G	H	I	J	K	L
1	SKU	L01		Total Open Stc Days of Inventory								
2					391	6.55						
3	Row Labels	Sum of Volumes										
4	01/04/21				55							
5	02/04/21				62							
6	03/04/21				56							
7	04/04/21				56							
8	05/04/21				55							
9	06/04/21				64							
10	07/04/21				64							
11	08/04/21				58							
12	09/04/21				65							
13	10/04/21				64							
14	11/04/21				63							
15	12/04/21				55							
16	13/04/21				61							
17	14/04/21				61							
18	15/04/21				57							
19	Grand Total				896							
20												
21	Average				59.73333333							
22												



Prof G Venkatesh

Milind Gandhe - Let us look at L01, so again, we are have 60 units. And what did we have?

We had 391 units, so 391 divided by?

G. Venkatesh - Six, about six and a half?

Milind Gandhe - Instead of doing this constant look up, no, it is nice if I can just do a vlookup here No?

G. Venkatesh - Yeah.

Milind Gandhe - So here instead being stocked, I will check total opening stock.

G. Venkatesh - Okay.

Milind Gandhe - So that we know that distance across the network is, what do we want to vlookup? You want to look up this whatever value is that here, right?

G. Venkatesh - Yeah.

Milind Gandhe - Whatever filter we shifted here, right?

G. Venkatesh - Yeah.

Milind Gandhe - That is B1. And then we want from, we can take it from opening stock only from this whole table. Right? From the whole table, then we want column number 5. Correct? So, SKU column number 5. And we want an exact match. Okay.

G. Venkatesh - Go dollar and all go dollar.

Milind Gandhe - Yeah, dollar always, we must never forget dollar.

G. Venkatesh - Dollar, Okay, so that is the opening stock okay.

Milind Gandhe - Opening stock, and then we can say days of inventory, something we can call it that. That will be opening stock, divided by averages. You have F01 you have roughly,

this is too many decimals so we can just reduce the decimals of two decimals is enough.  
There are roughly six and a half days of sales in stock.

G. Venkatesh - Okay.

Milind Gandhe - Let us look at something else. Let us look at the favorite M01.

(Refer Slide Time: 14:32)

SKU	M01	Total Open Stc Days of Inventory
		206 3.40
Row Labels		
4	01/04/21	57
5	02/04/21	59
6	03/04/21	61
7	04/04/21	64
8	05/04/21	62
9	06/04/21	63
10	07/04/21	62
11	08/04/21	59
12	09/04/21	61
13	10/04/21	56
14	11/04/21	59
15	12/04/21	61
16	13/04/21	64
17	14/04/21	63
18	15/04/21	58
19	Grand Total	909
20		
21	Average	60.6
22		

G. Venkatesh - Okay.

Milind Gandhe - Let us look at something else. Let us look at the favourite M01.

G. Venkatesh - Okay.

Milind Gandhe - You have only three and a half days of sales and stock GV.

G. Venkatesh - It is an expensive thing. So, it is a good idea to keep smaller inventory I think this is one because the larger inventory you keep Of course, we should not lose sales. But the larger the more of money are locking up here actually,

Milind Gandhe - That is true, but I think the problem G. Venkatesh in this particular case is maybe they will lose sales and because there is also high selling item.

G. Venkatesh - So your task Omkar, what is optimum?

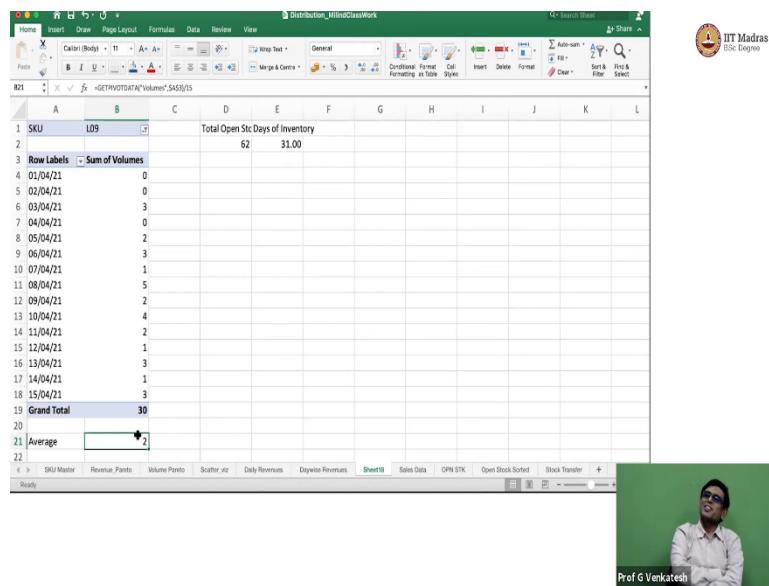
Milind Gandhe - Yes.

G. Venkatesh - Now optimum number is there.

Milind Gandhe - Correct.

G. Venkatesh - Can be too small to lose sales or large to lose your locking up money.

(Refer Slide Time: 15:17)



Milind Gandhe - Yes, let us look at something else let us look at L09, oh man, look at this.

G. Venkatesh - Oh this is what, L is what

Milind Gandhe - I am selling only 2 percent.

G. Venkatesh - This is some lifestyle product, you have got 31 days or 29 days.

Milind Gandhe - Yeah, it is a lifestyle product, you think it is not selling too much lots of days zero sales sometimes one two one two one an average there are two which is sold every day.

G. Venkatesh - I think we should present this to Omkar, it is unnecessarily inventory keeping inventory here.

Milind Gandhe - Correct.

G. Venkatesh - We should reduce.

Milind Gandhe - Correct.

G. Venkatesh - Instead of storing all this early elementary they should store that inventory as M01, in 3.4 they can increase the M01 to say 5 and reduce all the Ls.

Milind Gandhe - Maybe revenue will go up.

G. Venkatesh - And maybe yeah, so then they will use their working capital much better because they are locking up working capital, in storing some fashion items whereas they should be doing you know something like we will see.

I think we should talk and see whether that makes sense. Maybe he has some insights, right? We will see. There must be a reason why they are doing it, we will find out

Milind Gandhe - Yes.

G. Venkatesh - I do not think I mean I am sure they are looking at this data I am sure that that they know that there are a lot of inventory of fashion goods they do not see it. We will all find out why, is not it right there is no analysis

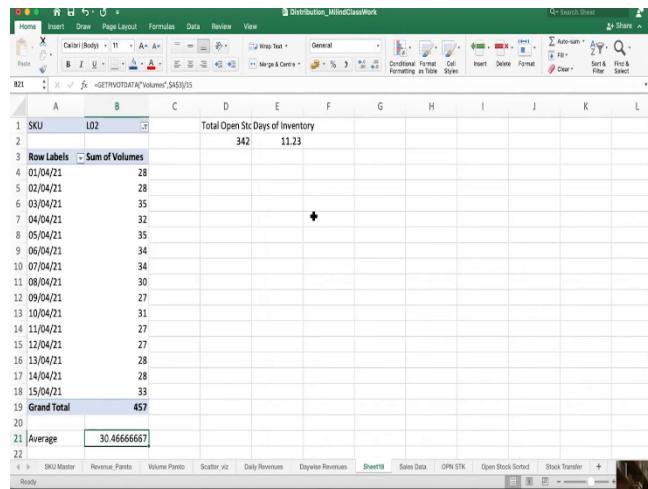
Milind Gandhe - Maybe it is true for all lifestyle, let us see how much is let us say L0 let us look upon L05 we will take..

(Refer Slide Time: 16:58)

The screenshot shows an Excel spreadsheet titled "Distribution\_MilindClassWork". The data is presented in a table:

SKU	LOS	Total Open Stc Days of Inventory	Sum of Volumes
		146	11.23
3 Row Labels			
4 01/04/21	11		
5 02/04/21	13		
6 03/04/21	11		
7 04/04/21	13		
8 05/04/21	10		
9 06/04/21	13		
10 07/04/21	12		
11 08/04/21	13		
12 09/04/21	14		
13 10/04/21	15		
14 11/04/21	14		
15 12/04/21	13		
16 13/04/21	14		
17 14/04/21	14		
18 15/04/21	15		
19 Grand Total	195		
20			
21 Average	13		

A video call interface is visible in the bottom right corner, showing Milind Gandhe. The video feed has a timestamp of "16:58".



A screenshot of a Microsoft Excel spreadsheet titled "Distribution\_MilindClassWork". The spreadsheet contains a PivotTable with the following data:

SKU	Date	Sum of Volumes
L02		342
	Total Open Stc Days of Inventory	11.23
Row Labels	Sum of Volumes	
01/04/21	28	
02/04/21	28	
03/04/21	35	
04/04/21	32	
05/04/21	35	
06/04/21	34	
07/04/21	34	
08/04/21	30	
09/04/21	27	
10/04/21	31	
11/04/21	27	
12/04/21	27	
13/04/21	28	
14/04/21	28	
15/04/21	33	
Grand Total	457	
Average	30.4666667	



G. Venkatesh - Oh L0C.

Milind Gandhe - There will be 10 or elementary.

G. Venkatesh - 11 days yeah.

Milind Gandhe - Little better, maybe L02

G. Venkatesh - What it will go one, multiple items

Milind Gandhe - Multiple items, also 11 days.

G. Venkatesh - So you are right, all fashion seems to be high so something is there I do not know. Man, it looks curious.

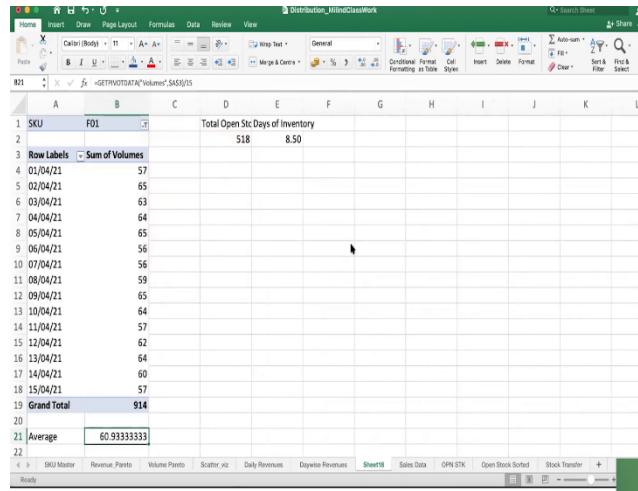
Milind Gandhe - We should discuss with Omkar I think.

G. Venkatesh - Good idea.

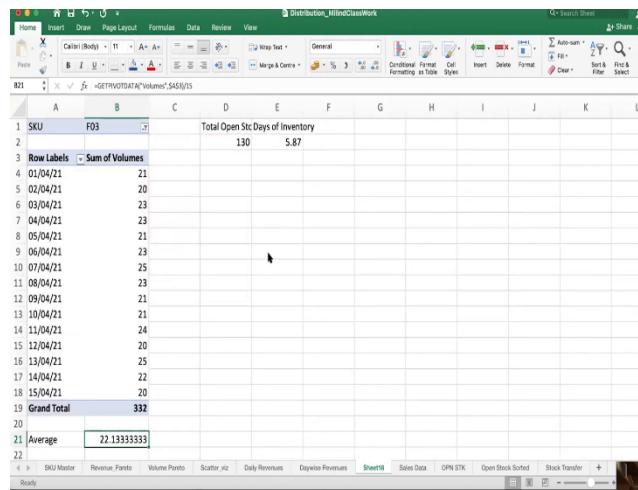
Milind Gandhe - Okay.

G. Venkatesh - Pick one more f1 f1 I mean, what does it look for SMC that is one fast moving no so that must be the one their stock it is not expensive to keep stock also so eight and a half days.

(Refer Slide Time: 17:48)



SKU	F01	Total	Open Stock	Days of Inventory	Sum of Volumes
4	01/04/21	518	8.50		
5	02/04/21				57
6	03/04/21				65
7	04/04/21				63
8	05/04/21				64
9	06/04/21				65
10	07/04/21				56
11	08/04/21				59
12	09/04/21				65
13	10/04/21				64
14	11/04/21				57
15	12/04/21				62
16	13/04/21				64
17	14/04/21				60
18	15/04/21				57
19	Grand Total	914			
20	Average	60.93333333			



SKU	F03	Total	Open Stock	Days of Inventory	Sum of Volumes
2		130	5.87		
3	Row Labels	Sum of Volumes			
4	01/04/21				21
5	02/04/21				20
6	03/04/21				23
7	04/04/21				23
8	05/04/21				21
9	06/04/21				23
10	07/04/21				25
11	08/04/21				23
12	09/04/21				21
13	10/04/21				21
14	11/04/21				24
15	12/04/21				20
16	13/04/21				25
17	14/04/21				22
18	15/04/21				20
19	Grand Total	332			
20	Average	22.13333333			



Milind Gandhe - Eight and a half day, let us look at one more item maybe F3?

G. Venkatesh - Yeah, why not, six days.

Milind Gandhe - Six days.

G. Venkatesh - Alright so I think some picture, so this business days of inventory gives some insight This tells you not have enough stock.

Milind Gandhe - Correct.

G. Venkatesh - Because I like to know these days of inventory not only for the opening day but for all other days also.

Milind Gandhe ñ Yes, so for that GV we will need to actually compute what is the opening stock every day because what they have given us is opening stock on April 1st.

G. Venkatesh - Right.

Milind Gandhe - But actually we need to know the opening stock on April 2nd April 3rd April 4th etcetera right.

G. Venkatesh - It can be found no, oh but it is very complicated because you have okay let us do it. That is a full exercise we have to do the exercise. Look at the movement of goods and all that okay before we get there.

Milind Gandhe - Correct.

G. Venkatesh - This maybe you know, even though we are saying that there is six days of inventory of let us say F03 we have six days of inventory but I am not very happy with this because it is saying overall between the three cities is inventory but it will not be available for being in Chennai or Madras.

So, I think maybe we should give the students an assignment here and ask them to do the same thing but do not add up the stock for all three days. All three places for Madras they should only let us do it only for Madras they have to add Madras and Hyderabad together to get Madras.

For Hyderabad, they should do only Hyderabad, for Kochin, look at Kochin to Hyderabad. Kochin is Kochin from Hyderabad, Madras is Madras from Hyderabad, Hyderabad is only Hyderabad. Is not it?

Milind Gandhe - Yes.

G. Venkatesh - And then you look at the average sales in Hyderabad. Then you divide the total stock available opening stock available in Hyderabad by average sales in Hyderabad. Yes something like that.

Milind Gandhe - Something like that Yes.

G. Venkatesh - Something like that maybe more useful. Of course, the stock in Hyderabad is available not only for Hyderabad people but is also available for Madras is because more complicated.

Milind Gandhe - Yes.

G. Venkatesh - But still they can do it they can solve this out okay. And for Madras, look at the stock in Madras and Hyderabad together, take the sales in Madras, averages in Madras

and see whether they have enough cover between Madras and Hyderabad for the Madras is the number will be higher because you are discounting Hyderabad sales.

And when you are doing Hyderabad, you are discounting Madras sales, during the Madras sales. But still, that is a number which is being more relevant number besides this number, this number is also important. They can look at that number and then compute maybe as an assignment. What is the days of inventory available for me in Madras?

Milind Gandhe - Yes.