

# **Literature Survey and detailed information about the project**

## **CONTENTS**

1. Introduction
  - 1.1 Existing System
2. Features
3. Benefits
4. Procurement process

## **1. Introduction**

Inventory software, also known as an inventory management system, is a solution that allows businesses to track, organize, and oversee all of their inventory, as well as their inventory-related processes.

### **1.1 Existing system:**

[Handheld Inventory Management - iVend Retail](#)

<https://www.zoho.com/in/inventory/>

## **2. Features**

### **What features do inventory management software typically offer?**

Here are a few major features that you can find in inventory management software:

#### **Stock management**

Stock management is a feature that monitors your items' location and quantity. A typical system updates your stock levels every time a shipment of inventory arrives or leaves your warehouse. With this feature, you can see real-time information about how much stock you're storing in your warehouse as well as where it currently is.

## **Procurement management**

A procurement management feature allows the user to enter a reorder point for each item, as well as create purchase orders when you're running low on those products. A reorder point refers to the amount of stock you want to have left for a certain product in your warehouse when you place an order to refill it. Using this feature, you can automatically send out orders every time you run low on a product, thereby avoiding a stock-out situation.

## **Supplier management**

This feature stores your suppliers' information, including the rates that they offer. Using this data, you can compare different suppliers and their estimates, and choose the supplier that offers the best deal for the product you want to order.

## **Shipment tracking**

Shipment tracking is used to check the location of shipments that you have sent to your customers. This feature is very popular amongst ecommerce businesses that ship most of their sales. Being able to see exactly where each package is and sharing this information with your customers helps establish good communication, improves accountability, and reduces lost or missing orders.

## **Inventory reports**

This feature gives you detailed reports on your inventory, sales, and operations to help you make important decisions. Typical inventory reports include sales and purchase trends, inventory details, activity, and more.

## **Barcode scanning**

Warehouses typically label each item they store for easy identification. A popular option amongst larger warehouses is using barcodes for item labeling and barcode scanners for inventory tracking. By scanning the product's barcode every time it's moved, you can keep track of that product's location from the moment it enters your warehouse until it's dispatched to the customer. Barcodes aren't only used for location purposes—they're also used to store other information about the product, such as physical dimensions, other products with the same SKU or similar qualities, and supplier information.

Inventory management software are systems that are used by businesses to stay on top of their inventory and inventory-related operations. If you're trying to maintain a good inventory turnover rate, organize your warehouse, bring down unnecessary expenses, and manage your stock, then an inventory management system is an important tool for your business.

### **3.Benefits**

#### **How can inventory management software benefit you?**

Taking care of your inventory can be simple if you only have a small quantity of products; you can do it manually or use spreadsheets. But things become more complex as your business grows and starts to work with a larger quantity of inventory. This is when inventory software can step in to help.

Inventory management software has several benefits to offer. The most obvious one is in the name itself: it helps you manage your inventory. This includes monitoring sales and purchases of inventory, efficiently storing it away, tracking stock, confirming sufficient levels of inventory, and notifying the user if the levels get too low. In addition, it can also help automate tasks that were previously done manually, improve your inventory accuracy rate, organize your storage space, and reduce your expenses. It can be a game changer. Let's take a detailed look at how.

#### **Improved inventory turnover rate**

One of the biggest advantages of using inventory software is that you can control your inventory turnover rate. The inventory turnover rate is a popular KPI that measures the frequency at which your inventory is being sold. It shouldn't be too high or too low, because a low ratio means that you aren't able to meet customer demands, and a high ratio means that you have been overstocking and have leftover products in your warehouse.

Inventory software can improve your inventory turnover rate using inventory forecasting and planning. An inventory management system collects past data on your sales during different periods in a fiscal year, as well as data on current customer shopping trends and demands, to put together accurate inventory reports and give you better control over your stock. With these reports, you can

identify which of your products are most and least popular, which are seasonal products that are only purchased during a specific time, and how much of each product you need to stock to comfortably meet your demand. If you add in some information about your suppliers, you can even decide which supplier to use for the best price on a product.

### **Organized warehouse**

Inventory software can also simplify your processes by organizing your warehouse or stockroom. With a small warehouse or a small number of SKUs, it's pretty easy to quickly find what you're looking for. But things get trickier with a larger warehouse or more SKUs—items are not as easy to locate, and it becomes harder to figure out how much of each product you have available.

Inventory management software allows you to store product information, like SKUs, stock availability, storage locations, and more. This makes it easier to find your inventory and keep an eye on how much you have, which in turn saves time, storage space, and hassle.

### **Reduced costs**

Inventory software can save you from unnecessary costs. There are a number of common inventory expenses that can easily be avoided, like overstocking which requires additional storage space, human error, and late or incorrect order fulfilment which leads to returns. Using inventory software can answer each of these problems and more.

Inventory forecasting can solve the problem of overstocking by telling you just how much stock you are going to need to meet your demand.

Having an accurate real-time record of your stock can help you figure out which orders you can fulfil on time and correctly, reducing the chances of returns.

## **4. procurement process**

Procurement involves every activity involved in obtaining the goods and services a company needs to support its daily operations, including sourcing, negotiating terms, purchasing items, receiving and inspecting goods as necessary and keeping records of all the steps in the process

## 9 Steps in the Procurement Process

Procurement processes vary greatly depending on each company's structure and needs, but generally include the following nine core steps:



Procurement processes vary greatly depending on each company's structure and needs, but generally include the following nine core steps:

1. Identify which goods and services the company needs. First, a business must identify its requirements for a specific item or a service. This may be a new item that the company hasn't previously purchased, a restock of existing goods or a subscription renewal. This step typically involves delving into the nitty-gritty details of what the business needs, such as the precise technical specifications, materials, part numbers or service characteristics. At this stage, it's a good idea to consult all business departments affected by the purchasing decision to ensure the procured items accurately reflect the needs of each department.

2. Submit purchase request. When an employee or business group needs to procure a significant quantity of new supplies or services, they make a formal purchase request (also known as a purchase requisition). A purchase request notifies the company that a need exists, usually via department managers, purchasing staff or the financial team, as well as specifications such as price, time frame needed, quantity and other important things for the purchasing team to keep in mind. The department overseeing the purchase can then approve or deny the purchase request. If approved, the procurement team can proceed with selecting a vendor and making the purchase.

3. Assess and select vendors. With a clear list of requirements and an approved purchase request, now is the time to find the best vendor and submit a request for quote (RFQ) – this is what the purchasing team sends to potential suppliers in order to receive a quote – it is important to be as detailed as possible so you can compare apples to apples. Vendor assessment should focus not only on cost but also on reputation, speed, quality and reliability. Many companies consider ethics and social responsibility as well, since procurement is often intertwined with corporate identity. A retailer that prides itself on sustainability would stand to benefit from partnering with environmentally responsible suppliers, for instance.

4. Negotiate price and terms. A common best practice is to get at least three quotes from suppliers before making a decision. Examine each quote carefully and negotiate where possible. If you need to walk away from a deal, be sure that you have concrete alternative options. Once you've agreed on final terms, be sure to get them in writing.

5. Create a purchase order. Fill out a purchase order (PO) and send it to the supplier. The PO should be sufficiently detailed to identify the exact services or goods needed and to enable the supplier to fill the order.

6. Receive and inspect the delivered goods. Carefully examine deliveries for any errors or damage. Make sure everything is delivered as specified in the PO and that the quality meets or exceeds expectations.

7. Conduct three-way matching. Accounts payable should conduct three-way matching by comparing the purchase order, order receipt or packing list and invoice. The goal is to ensure the goods or services received match the purchase order and to prevent payment for unauthorized or inaccurate invoices. Highlight any discrepancies between the three documents and resolve issues before arranging payment.

8. Approve the invoice and arrange payment. If the three-way match is accurate, approve and pay the invoice. Businesses should strive to have a consistent invoice payment process through accounts payable that checks that

payments match the invoice amount and due date. A standardized process can help make sure invoices are always paid on time, which can prevent late fees and build good relationships with suppliers.

9. Recordkeeping. It's important to maintain records for the entire procurement process, from purchase requests to price negotiations, invoices, receipts and everything in between. These records may be useful for multiple reasons. They help the company reorder goods at the right price in the future, as well as assist with auditing processes and calculating taxes. Clear, accurate records can also help resolve any potential disputes.

## **5. Conclusion**

Inventory management is a very complex but essential part of the supply chain. An effective inventory management system helps to reduce stock-related costs such as warehousing, carrying, and ordering costs.