

INVENTORY MANAGEMENT SYSTEM FOR RETAILERS

INTRODUCTION

The Inventory Management System refers to the system and processes to manage an organization's stock with the involvement of Technology. This system can be used to store the Inventory details, stock maintenance, update the inventory based on the sales details, and generate sales and inventory reports daily or weekly. Inventory management is a challenging problem area in supply chain management. Companies need to have inventories in warehouses to fulfill customer demand, meanwhile, these inventories have holding costs and this is the frozen fund that can be lost. This system is categorized as individual sales and inventory management aspects. There are different problems faced by retailers in maintaining their stocks. An inventory Management System is important to ensure quality control in businesses that handle transactions revolving around the goods. Without, Inventory Management even larger scale businesses cannot find the products which they have in very small quantity or not having that particular product or stock. The inventory System plays a very important role in tracking large-scale business. An automated inventory system helps retailers to minimize errors in recording the goods.

LITERATURE REVIEW

Author Name: Gaur, Fisher, and Raman

Year of Publishing: 2005

Description :

Their study examined firm-level inventory behavior among retailing companies. They took a sample of 311 public-listed retail firms for the years 1987–2000 for investigating the relationship between stock turnover gross margin, capital intensity, and sales surprise. All observed that stock aggregate turnover for retailing companies was positively related to the capital intensity with sales surprise while inversely related to gross margins.

Author Name: Pradeep Singh

Year of Publishing: 2008

Description :

In his study attempted to investigate stock with working capital managing Indian Farmers Fertilizer Cooperative Limited (IFFCO) / National Fertilizer Limited (NFL). He concluded that the overall position of the working fund of IFFCO / NFL is satisfactory. But there arises the need for improvement in stocking as the situation of IFFCO. Although the stock was not properly utilized as well as maintained by IFFCO during the investigation period. Also managing the organization of the NFL surgeries tries to properly utilize stock with try to care for the stock according to requirements. So that liquidity will not interrupt.

Author Name: Capkun, Hameri and Weiss

Year of Publishing: 2009

Description :

Statistically analyzed the association among stock levels with fund situation in manufacturing companies using capital information on the large sample of US-based production units over a 26-year period, from, 1980 to 2005. According to them, a significant relationship existed between inventory performance along with the performance of its components and profitability.

Author Name: Sahari, Tinggi and Kadri

Year of Publishing: 2012

Description :

They focused on the association between the inventory management system and company performance corresponding to fund capability. Therefore according to that reason, they looked at 82 sample construction companies in Malaysia during the period of 2006– 2010. Using the regression and

correlation analysis methods, they deduced that inventory management is positively correlated with firm performance. In addition, the results indicate that there is a positive link between inventory management and capital intensity.

Author Name: Panigrahi

Year of Publishing: 2013

Description:

According to his analysis inventory management practices used by Indian cement firms and their effects must be on working fund efficiency. The study also investigated the relationship between profitability and inventory conversion days. The study, using a sample of the top five cement companies of India over a period of 10 years from 2001 to 2010, concluded there must exist an inverse relationship between the conversion period of inventory and profit margin.

Author Name: Edwin Sitienei and Florence Memba

Year of Publishing: 2015

Description:

Conducted a study on the Effect of Inventory Management on the profitability of Cement Manufacturing Companies in Kenya. The study concluded that Gross profit margin is negatively correlated with the inventory conversion period, an ieee in sales, which denotes the firm size enriches the firm's inventory levels, which pushes profits upwards due to optimal inventory levels. It is also noted that firms' inventory systems must maintain appropriate inventory levels to enhance profitability and reduce the inventory costs associated with holding excessive stock in warehouses.