Literature survey

Date	27 October 2022
Team ID	PNT2022TMID48741
Project Name	Inventory Management System for Retailers

Inventory management for vendor

Dave Piasecki .[1] (2001) He focused on various model of inventory to calculating optimum purchase quantity which used the EOQ method. He points out that many companies are not using EOQ model because of poor results resulted from inaccurate data input. He says that EOQ is an accounting formula which determines point at which combination of ordering costs and stock inventory costs are the least. He highlights that EOQ method would not conflict with the JIT approach. He further elaborates the EOQ model formula that includes parameters like yearly usage on unit, order cost and carrying cost. Finally, he proposes several steps to follow in implementing the EOQ model. Now this litrature limitation is as it does not elaborate further association among EOQ and JIT. It does not associate stock turns with EOQ so fails for mention profit gain with associated stock is calculated.

Sambasiva Rao. K [2] (2002) According his investigation on Materials Managing in Public Sector Ship Building Industry evaluates. Output of materials managing and identifies some problems faced by materials managing in the heavy engineering industry. This investigation method involves the 68 documentary evidence and survey of expert opinion. He evaluates the existing purchase systems and lead time involved on procurement of stock item and adviced the long lead time shall be reduced. His research points at additional stock in terms on months poduction cost in all the engineering units. He also highlights some of the problems in the area on materials managing such as delay in customer part on supplying own stock item, existence and disposal of surplus and non-moving items, excessive lead times and excessive dependence on imports. He claims that administrative and procurement lead times for organization are on the higher side according to peculiar nature of industry. He suggests liberalized purchase procedures, increased capital powers to the personnel, Opening up of liaison offices in various countries to reduce the lead time.

Gaur, Fisher and Raman [3] (2005) In their study examined firm-level inventory behavior among retailing companies. They took a sample on 311 public-listed retail firms for years 1987–2000 for investigate relationship on stock turnover about gross margin, capital intensity , sales surprise. All observed that stock aggregate turnover for retailing company was positively related to capital intensity with sales surprise while inversely related gross margins.

S. Singh [4] (2006) Analysed stock control exercises on single fertilizer company named IFFCO. He statistically examined stock level according consumption, sales as well as other variables along growth on these variables with inventory patterns. He concluded increments in components of stocks lead to increment in the proportion on stock in current assets. The special attention was made in stores with spares for calculate excess purchases resulting Pradeep singh (2008) In his study made an attempt to investigate stock with working capital managing Indian Farmers Fertilizer Cooperative Limited (IFFCO) / National Fertilizer Limited (NFL). He concluded that overall position of the working fund of IFFCO / NFL is satisfactory. But there arises need for imrovement in stocking as situation of IFFCO. Although stock were not properly utilized as well as maintained bay IFFCO during investigation period. Also managing organization of NFL surely try to properly utilize stock with try to care stock according to requirements. So that liquidity will not interrupt.

Capkun, Hameri and Weiss [5] (2009) Statistically analysed the association among stock levels with fund situation in manufacturing companies using capital information on large sample on USbased production units over a 26-year period, during, 1980 to 2005. According to them a significant relationship existed between inventory performance along with the performance of its components and profitability.

Gaur and Bhattacharya [6] (2011) Attempted to study the linkage between the performance of the components of inventory such as raw material, work in progress and finished goods and financial performance of Indian manufacturing firms. The study revealed that finished goods inventory as inversely associated with business performance while raw material inventory and work in progress did not have much effect on same. They emphasised that instead of focusing on total inventory, an attempt should be made to concentrate on individual components of inventory so as to adequately manage the same. They concluded that managers not paying heed to inventory performance may become weak in combating competitors.

Eneje et al [7] (2012) He researched the changes of raw stock inventory management system with margin of beer company in Nigeria during data from 1989 to 2008 which had gathered for analysis from the annual reports of the sampled brewery firms. Measures of profitability were examined and related to proxies for raw materials inventory management by brewers. The Ordinary Least Squares (OLS) stated in the form of a multiple regression model was applied in the analysis. Research analysed that local variable raw stock inventory managing system design such a way to capturing changes of efficient management of raw stock inventory on behalf of company in terms of their margin is significantly strong and positive and influences the profitability of the brewery firms in Nigeria. They concluded that efficient management of raw material inventory is a major factor to be contained with by Nigerian brewers in enhancing or boosting their profitability.

Nyabwanga and Ojera[8] (2012) Their research concentrate relationship among inventory management with business performance of smallscale enterprises (SSEs), in Kisii Municipality, Kisii County,Kenya. They used a cross-sectional survey study based on a small sample size of 79 SSEs. The study inferred that inventory comprised the maximum portion of working capital, and improper management of working capital was one of the major reasons of SSE failures. The empirical results disclosed that a positive significant relationship existed between business performance and inventory management practices with inventory budgeting having the maximum influence on business performance ensued by shelf-space management. The study suggested that by following effective inventory management practices business performance can be enhanced.n loss of profit.

Sahari, Tinggi and Kadri [9](2012) They focused on association among the inventory management system and company performance corresponding to fund capability. Therefore according to that reason they looked 82 sample construction company in Malaysia during 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.

Soni [10] (2012) Made an in depth study of practices followed in regard to inventory management in the engineering goods industry in Punjab. The analysis used a sample of 11 companies for a period five years, that is, 2004–2009 and was done using panel data set. The adequate and timely flow of inventory determines the success of an industry. She concluded that size of inventory enhanced marginally over the period as compared to a hike in current assets and net working capital. Inventories constituted half of the working capital which was due to overstocking of inventory as a result of low inventory turnover especially for finished goods and raw materials. Rise in sales and favourable market conditions lead to a rise in inventory levels. It was also inferred that sales increased more as compared to inventory.

Lwiki et al[11] (2013) A survey conducted on all the eight (8) sugar manufacturing firms in Kenya established that there is generally positive correlation between each of inventory management practices.Specific performance indicators were proved to depend on the level of inventory management practices. They established that Return on Equity had a strong correlation with lean inventory system and strategic supplier partnerships. As such, they concluded that the performance of sugar firms could therefore be stated as being a function of their inventory management practices.

Panigrahi [12] (2013) 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 be exist inverse relationship among conversion period of inventory and profit margin.

Madishetti and Kibona [13] (2013) Found that a well designed and executed inventory management contributes positively to a small or medium-sized enterprises (SMEs) profitability. They studied the association between inventory conversion period and profitability and the impact of inventory management on SMEs profitability. They took a sample of 26 Tanzanian SMEs, and used the data from financial statements for the period 2006–2011. Regression analysis was adopted to determine the impact of inventory conversion period over gross operating profit. The results cleared out that significant negative linear relationship occurred between inventory conversion period and profitability.

Srinivas Rao Kasisomayajula [14] (2014) His research title based on the" Inventory Management in Commercial Vehicle Industry In India". There were five sample firms had preffered for study. The study concluded that all the units in the commercial vehicle industry have significant relationship between Inventory and Sales. Proper management of inventory is important to maintain and improve the health of an organization. Efficient management of inventories will improve the profitability of the organization.

Edwin Sitienei and Florence Memba [15] (2015) Conducted a study on Effect of Inventory Management on profitability of Cement Manufacturing Companies in Kenya. The study concluded that Gross profit margin is negatively correlated with the inventory conversion period, Increase 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 an appropriate inventory levels to enhance profitability and reduce the inventory costs associated with holding excessive stock in warehouses.

REFERENCES

[1] Sambasiva Rao K., Singh, Sukhdev. (2006). Inventory control practices in IFFCO.The Management Accountant.

[2] Pradeep Singh(2008)," Inventory and Working Capital Management- An Empirical Analysis", The ICFAI Journal of Accounting and Research.

[3] Capkun, Vedran, Hameri, Ari-Pekka & Weiss, Lawrence A. (2009). On the relationship between inventory and financial performance in manufacturing. International Journal of Operations & Production Management.

[4] Gaur, Jighyasu & Bhattacharya, Sourabh. (2011). The relationship of financial and inventory performance of manufacturing firms in Indian context. California Journal of Operations Management.

[5] Krishnankutty, Raveesh. (2011). Panel data analysis on retail inventory productivity.The Economic Research Guardian.

[6] Eneje, B. C., Nweze, A .U. & Udeh, A. (2012). Effect of Efficient Inventory Management on Profitability: Evidence from Selected Brewery Firms in Nigeria. International Journal of Current Research.

[7] Nyabwanga, Robert Nyamao & Ojera, Patrick. (2012). Inventory managementpractices and business performance for small scale enterprises in Kenya. KCA Journal of Business Management.

[8] Madishetti, Srinivas & Kibona, Deogratias. (2013). Impact of inventory management on the profitability of SMEs in Tanzania. Internation Commerce & Management.

[9] Anichebe, N. A. & Agu, O. A. (2013). Effect of Inventory Management on Organizational Effectiveness. Information and Knowledge Management.

[10] Panigrahi, Ashok K. (2013). Relationship between inventory management and profitability: An empirical analysis of Indian cement companies. Asia Pacific Journal of Marketing & Management Review.

[11] Srinivasa Rao Kasisomayajula(2014) "An Analytical Study on Inventory Managementin Commercial Vehicle Industry in India", International Journal of Engineering Research.

[12] Sanjiv Mittal, R.K. Mittal ,Gagandeep Singh, Sunil Gupta (2014)."Inventory Management in Fertiliser Industry of India: An Empirical Analysis" Asia-PacificJournal of Management Research and Innovation.

[13] Viplesh Shardeo(2015), "Impact of Inventory Management on the Financial Performance of the firm" IOSR Journal of Business and Management (IOSRJBM.

[14] Edwin Sitienei, Florence Memba(2015-16) " The Effect of Inventory Management on Profitability of Cement Manufacturing Companies in Kenya: A Case Study of Listed Cement

Manufacturing Companies in Kenya" InternationalJournal of Management and Commerce Innovations.

[15] Soni, Anita. (2012). Inventory management of engineering goods industry in Volume : 5 | Issue : 8 | August 2016 ISSN - 2250-1991 | IF : 5.215 | IC Value : 77.65 216 | PARIPEX - INDIAN JOURNAL OF RESEARCH Punjab: An empirical analysis. International Journal of Multidisciplinary Research.