

# Operations Solutions

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**Currently, a considerable part of the inventory is held as "trunk stock" by the salespeople. Should this practice continue? As part of the answer, be sure to provide pros and cons for this decision.**

currently, most of the inventory is held as trunk stock by the salespeople. It is not a very good idea, though this idea has some pros and cons, in this case, cons dominate over pros.

### **PROS**

- Pros for holding trunk stock by the salesperson:
- Reduce inventory stock.
- Reduce inventory holding cost.
- Reduce the stock out risk at the delivery point
- Reduce the inventory handling process.
- Less material movement for inventory.
- The increase in service level of customers.
- On-time delivery of the product.

### **CONS**

- Less inventory trace.
- Not on-time information about the inventory
- High Risk of security
- High risk of inventory damage

MTC to take responsibility for the activities that the distributor was once performing. Another requirement would be to convince the powerful hospital group purchasing organizations (GPOs) to add their products directly to their catalogue without going through a distributor. This would not be an easy task either and it is questionable what impact it would have on their competitive position.