

Homework 8 - Two Bin System

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The two-bin system is an inventory stock management system. This system allows you to roughly automate and manage how much to buy and when to buy a product to refill current stock levels. In one bin, you keep the safety stock and enough to cover the reorder point together. In the other bin, you keep all your other product. Once the product bin runs out of product, you immediately order more product. While waiting for the new product to arrive, you fill out of the reserve bin. When the new stock arrives, restock the reserve bin first, then put the rest of the product in the product bin.