***INTRODUCTION:***

An inventory management system is the combination of technology (hardware and software) and processes and procedures that oversee the monitoring and maintenance of stocked products, whether those products are company assets, raw materials and supplies, or finished products ready to be sent to vendors or end consumers.

This system can widely be used by normal shops, departmental stores or MNCs for keeping a proper track of the stock. It also consists of information like manager details, customer details etc.

With the help of this system we can fix a minimum quantity of any inventory below which we need to place an order for that inventory. This will help us in good sales results and never the out of stock stage for any inventory.

***SCOPE:***

* This will help us in maintain the exact count of any product.
* Can help us to set minimum quantity of any product below which we can order the product from manufacturer.
* Can reduce duplicate entries .

***Purpose:***

INVENTORY MANAGEMENT must tie together the following objectives to ensure that there is continuity between functions:

* Company's Strategic Goals
* Sales Forecasting
* Sales & Operations Planning
* Production & Materials Requirement Planning.

***ADVANTAGES:***

**1.** Inventory Balance. Good inventory management helps you figure out exactly how much inventory you need. This makes it easier to prevent product shortages and keep just enough inventory on hand without having too much.

**2**. Inventory Turnover. Need to keep a high inventory turnover ratio to ensure your products aren't spoiling, becoming obsolete or sucking up your working capital. Calculate how many times your inventory sells in a year and see where you can make better use of your resources.

**3**. Repeat Customers. Good inventory management leads to what every business owner wants - repeat customers. You want your hard-earned customers to keep coming back to your business to meet their needs. One way to do this is to make sure you have what they're looking for every time they come.

**4**. Accurate Planning. Using smart inventory management, you can stay ahead of the demand curve, keep the right amount of products on hand and plan ahead for seasonal changes. This goes back to keeping your customers happy all year long.

**5.** Warehouse Organization. If we know which products are your top sellers and what combinations of products your customers often order together, you can optimize your warehouse setup by putting those products close together and in easily accessible places. This speeds up the picking, packing and shipping processes.

**6**. Employee Efficiency. We can empower your employees to help you manage inventory. Training employees to use barcode scanners, inventory management software and other tools helps them make better use of their time, and it helps your business make better use of its resources, both human and technological.

**7.** Inventory Orders. If you've done a good job keeping track of how much inventory you have on hand, you can make smarter decisions about when and what to order. Inventory management software lets you speed up the ordering process. You can simply scan a product barcode and type in some information to place an order and generate an invoice.

**8**. Inventory Tracking. If you have multiple locations, then inventory management becomes even more important because you need to coordinate your supplies at each location depending on differences in demand and other factors.

**9.** Time Saving. Inventory management is a great time-saving tool. By keeping track of all the products you have on hand and on order, you can save yourself the hassle of doing inventory recounts to make sure your records are accurate. This once again requires inventory management software.

**10.** Cost Cutting. When your inventory is humming along efficiently through your facilities, you can bet you'll save a lot of money. Inventory management helps you avoid wasting money on slow-moving products so you can put it to better use in other areas of your business.