

Material Control

Material control can be defined as a systematic control over the purchase, storage and consumption of materials. Material control helps maintain regular and timely supply of materials by avoiding excessive storage and stock shortages. Material control ensures that the company has the right quality and quantity at the right time. Material control helps reduce losses and waste of materials by keeping them purchased, stored, used and consumed efficiently in the factory. The importance of material control lies in its role in reducing production costs and increasing company profitability.

Importance of Materials Control

In a productive undertaking the need of materials control arises on account of the following reasons:

1. For keeping the stock of raw materials within limits in the stores i.e., to avoid overstocking and under stocking of raw materials, materials control is significant.
2. It ensures proper storage of materials. For the proper preservation and safety of materials, adequate storage facilities are to be provided. With the help of proper storing of materials, quantity of materials as and when required can be issued to various jobs.
3. For knowing proper cost of production, control over materials is indispensable.
4. Certain techniques and methods are developed under the system of materials control thereby ensuring optimum utilization of materials.
5. In order to undertake continuous checking of materials, the necessity of a proper system of materials control cannot be ignored.
6. A well managed system of materials control ensures the availability of different kinds of materials without delay.

As already pointed out while explaining the scope of material management that it includes purchases of materials, storekeeping and inventory control etc.

Objectives of Materials Control

(a) To enable uninterrupted production:

The main object of material control is to ensure smooth and unrestricted production. Production stoppages and production delays cause substantial loss to a concern.

(b) To ensure requisite quality of materials:

The quality of finished products depends mainly on the quality of raw materials used. If quality of the raw materials is not up to desired standards, the end product will not be of desired quality which affects the sale of the product in the market resulting in loss of profits as well as goodwill of the concern. It is of vital importance to exercise strict control and supervision over the purchases, storage and handling of materials.

(c) To minimize wastage:

The loss of material may occur on account of rust, dust, dirt or moisture, bad and careless handling of materials, poor packing and many other reasons. The causes responsible for such losses must be brought to light and utmost efforts should be made to minimize the wastage of raw materials. This is possible only by introducing an efficient materials control system.

(d) To fix responsibility:

A proper system of materials control also aims at fixing responsibility of operating units and individuals connected with the purchase, storage and handling of materials.

(e) To provide information:

Another objective of materials control is to provide accurate information regarding material cost and inventory whenever needed by management.

Advantages of Material Control

The following benefits are available to the company if the company exercises proper control on the materials.

1. Materials control eliminates wastage in use of raw materials and supplies in course of purchase, storage, handling and use.
2. It ensures uninterrupted flow of right quality and quantity of materials to the production department.
3. It reduces the risk of fraud and theft.
4. It facilitates the preparation of various monthly financial statements.
5. The valuation of materials is very easy.
6. It requires minimum amount of capital to buy materials.
7. It fixes the responsibility on the part of the employers who are handling the materials at the maximum.