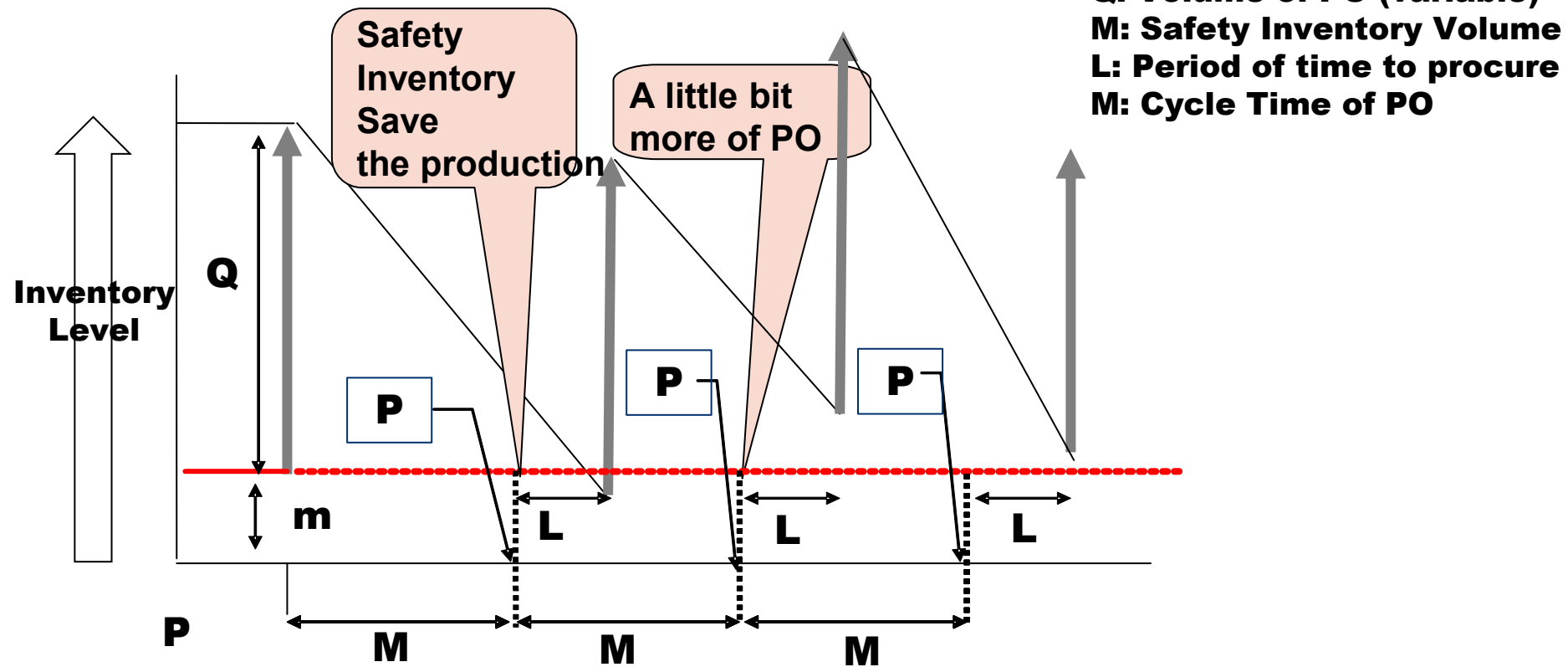
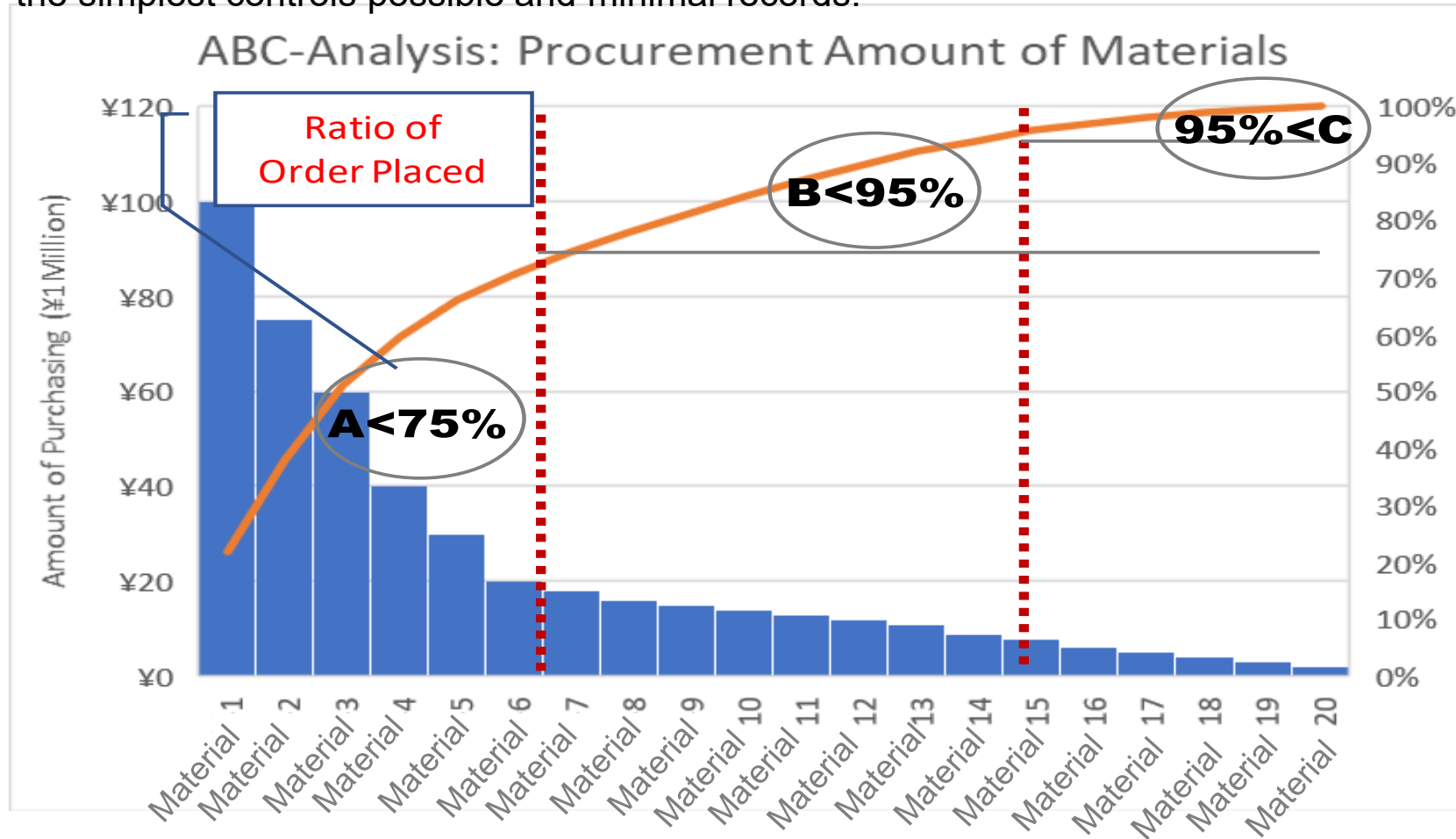


Inventory Control

- **Fix the timing of reordering** the inventory such as 20th day per every month,
 - ◆ Determine and place the order of the necessary volume of Inventory by forecasting the demanded volume to satisfy the production during the following fixed period and considering the current volume being held at hands and Safety Inventory Level and so on
 - ◆ This method is applied to **A-Rank** based on **ABC-Analysis**

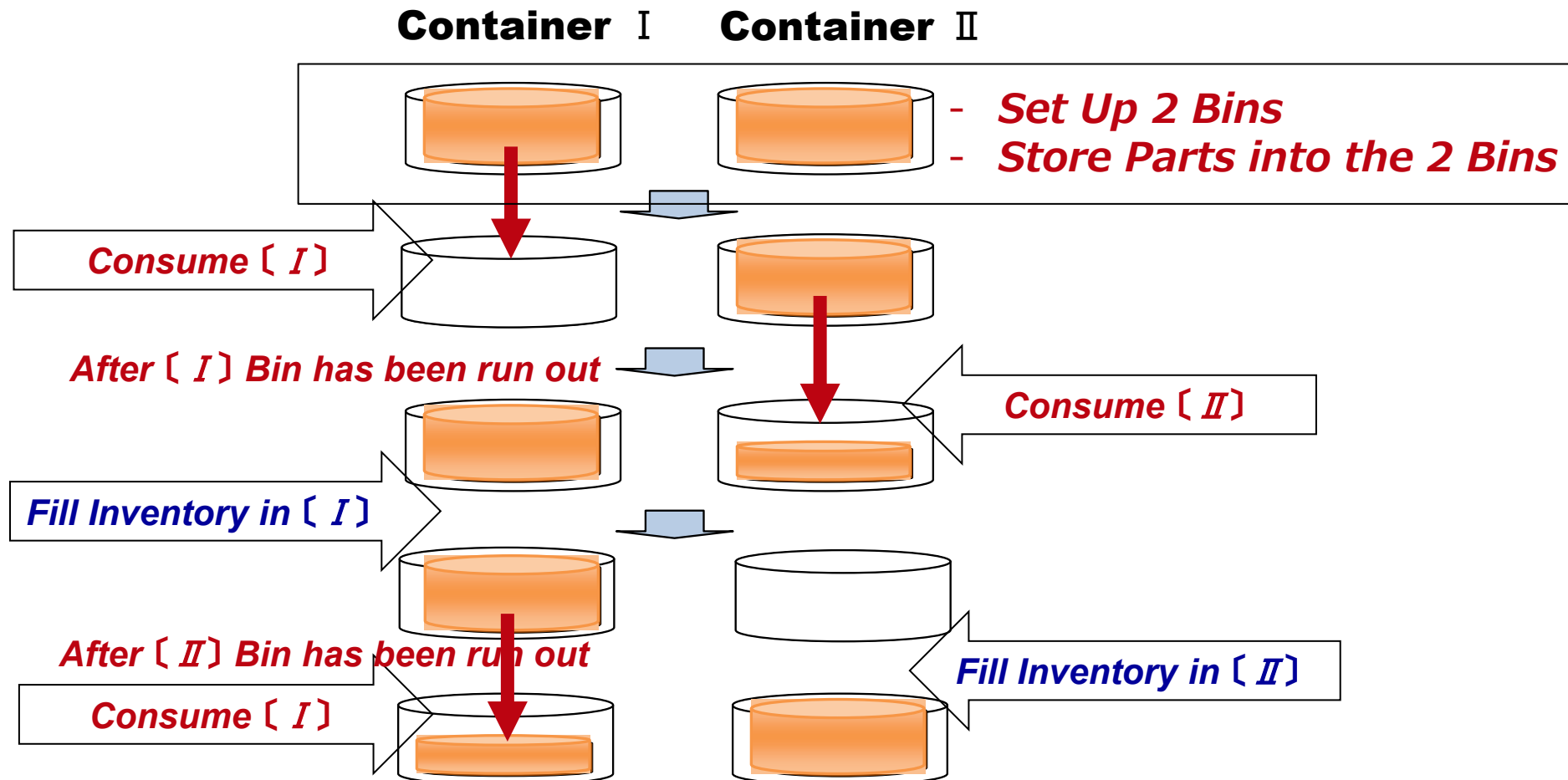


- The ABC analysis provides a mechanism for identifying items that will have a significant impact on the goods such as Materials, Parts, Finished Product or Inventory etc.
- Divides the goods or things into three categories—"A items" with very tight control and accurate records, "B items" with less tightly controlled and good records, and "C items" with the simplest controls possible and minimal records.



Double Bin System of Reordering

- Prepare 2 same size of Bins to hold inventory (I and II)
 - ◆ Start to consume the inventory of [I] Bin until the Bin has been run out
 - ◆ Start to use the inventory out of [II] Bin and Refill the inventory into [I] Bin
 - ◆ This method is applied to **C-Rank** of goods



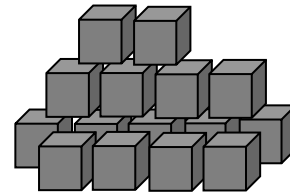
- Calculate “Rate of Number of Days” per Average Shipment Volume

$$\begin{array}{|c|} \hline \text{Number of Days per} \\ \text{Average Shipment Quantity} \\ \text{(per Day or Month)} \\ \hline \end{array} = \begin{array}{|c|} \hline \text{Then existing Inventory Quantity} \\ \hline \text{Average Shipment Q'ty per Day or Month} \\ \hline \end{array}$$

◆ This rate is showing **How Many Days** your company **can keep satisfying** the possible request of product shipment ordered by Customers, provided that the past Average of shipment request seem to come to your company.

In case the sales volume changes, then Number of Days covered by the current Inventory is changing!!!

Current Inventory = 500 units



If Av. Shipment
20 units

25 days left

If Av. Shipment
50 units(Past History)

10 days left

If Av. Shipment
100 units

5 days left