

INVENTORY MANAGEMENT

For stronger cash flow and fewer stock problems

Non-Credit Bearing

Learn how everyday stock decisions shape profit, cash flow and value

Many businesses are profitable on paper but constantly struggle with cash flow. A common reason is stock: too much of the wrong items, not enough of the right ones, and little visibility of how inventory decisions affect the bottom line.

This course demystifies inventory by linking it directly to financial performance, risk, and customer service. You will learn how stock is viewed in the accounts, why it matters for business value, and how to make practical, data-led decisions that balance cost and service.

Whether you work in operations, finance, purchasing, warehousing, or management, this programme gives you a clear, structured way to think about stock. You will walk away with tools you can immediately apply to improve stock turnover, free up cash, and support more reliable service to customers.

WHO SHOULD ATTEND

This course is ideal for professionals who want to understand and improve how inventory is managed in their organisation, including:

- Operations, logistics and supply chain staff
- Warehouse and store managers or supervisors
- Buyers, procurement and sourcing professionals
- Finance, costing and management accounting staff
- Anyone responsible for stock decisions, stockholding or stock performance

HOW YOU WILL BENEFIT

- Distinguish clearly between fixed assets and stock in a business and accounting context
- Interpret how inventory is reflected in key financial statements and performance measures
- Link stockholding decisions to cash flow, return on investment and business value
- Recognise the full range of costs created by poor stock control and weak discipline
- Classify different types of inventory and adapt stock strategies to business type
- Identify and manage the risks of both overstocking and understocking
- Apply the core principles of quality, quantity, time, price and source to stock decisions
- Calculate and interpret stock turnover and days of inventory on hand in plain language
- Use stock turnover to target slow, non-moving and obsolete items for action
- Build a more balanced, intentional approach to inventory that supports profitability and service

Two-day course 08:30 -16:00

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WHAT WILL BE COVERED

Understanding inventory

- Defining fixed assets vs stock in a business context
- Understanding the accounting equation and its relevance to Inventory asset management
- How fixed assets and stock are reported in financial statements

The impact of stock management on business profitability

- How stock ties up working capital and affects cash flow, return on investment, and overall business value
- The hidden costs of poor stock control: write-offs, obsolescence, rush orders, and emergency transport
- Linking stock decisions to gross profit, margins, and customer satisfaction

Types of inventories held by businesses

- Raw materials, work-in-progress, finished goods, consumables, and MRO (maintenance, repair and operations) items
- Differences between fast-moving, slow-moving, obsolete and seasonal stock
- How business type (manufacturing, retail, service) influences inventory mix and stock strategies

The need for stock control and potential risks of over or understocking

- Why "just in case" stockholding damages cash flow and warehouse efficiency
- Risks of overstocking: capital lock-up, increased insurance, storage, damage, shrinkage and obsolescence
- Risks of understocking: stockouts, lost sales, production stoppages and damage to customer relationships
- Balancing service levels with cost: finding the "right" stock level, not the maximum

Key principles of stock management: quality, quantity, time, price, and source

- Quality: ensuring stock received meets specification to avoid returns, rework and disruption
- Quantity: setting minimum, maximum and re-order levels aligned with demand and lead times
- Time: understanding supplier lead times, order cycles and demand variability
- Price: total cost of ownership (not just unit price) including transport, handling, storage and risk
- Source: selecting and evaluating reliable suppliers to reduce uncertainty and stock safety "buffer"

Stock turnover rate and its implications

- How to calculate stock turns and days of inventory on hand in simple, practical terms
- What "high" or "low" stock turns mean in different industries and product categories
- Using stock turnover to identify slow-moving and non-moving items for action
- How improving stock turnover can free up cash, reduce risk and improve profitability