The Effectiveness Of Inventory Management And Control At San Roque Supermarket Montalban Rizal

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ABSTRACT

The researchers study the effectiveness of inventory Management and Control at San Roque Supermarket Montalban Rizal. Inventory is one of the resources that are managed by business organizations and it was first recorded in 1601. The main objective of inventory management is to maintain inventory at appropriate level to avoid excessive or shortage of inventory because both the cases are undesirable for business.

This study employed the descriptive method of research using the questionnaire is gathering the respondents assessment on the effects of Inventory management and control in San Roque Supermarket, Montalban Rizal. The researchers have at least 50 respondents.

Findings the respondents encountered problems on the lack of automation, failure to accurately forecast demand, lack of training program, poor communication, poor decision making.

Key words: Inventory Management, business, automation, communication, decision making

INTRODUCTION

Inventory is one of the resources that are managed by business organizations and it was first recorded in 1601.

The need for inventory control cannot be overemphasized as it is a means for improving the performance of San Roque Supermarket Montalban Rizal. Inventory can be defined as a record of a business current assets including property owned, retailing on hand and the value of work in progress and work complete but not sold and it is classified as a current asset because it can be turned into liquid cash within a short period of time. Inventory has created a great impact on the profitability of the retailing firm which resulted to the deep research of this topic.

Effectiveness of inventory management in a San Roque Supermarket Montalban Rizal. Inventory plays a major role in the operation of their businesses and retailing companies. In retailing companies, inventories of raw materials allow companies to operate independently of their sources of supplies. Day to day operation are not dependent on deliveries from supplies since stock of the necessary materials are maintained and used needed. Without inventory control, millions of money could be lost year because of non-accountability of stocks and inaccurate checks and balances. The process of control and management of inventory is a very important factor in the success or failure of any business for example, little stock will result in stock out which will disrupt the production distribution cycle that is crucial to the survival of retailing companies while too much stock will tie down the resources of a company. Poor or inadequate inventory management can present a serious challenge to the productive capacity of a manufacturing organization. In addition to raw materials and finished goods, many companies also maintain items of assets, property, inventories of work in progress, office supplies, business firms and general operation supplies.

Inventory management should not be an afterthought. It is a critical element of a company's business and should be considered early in the growth cycle and will need to adapt and change over time as the business matures. The term inventory management really describes the effective method of controlling objects and activities and ensuring that they get to the right place at the right time all within a cost parameter. Ultimately bad inventory management represents money that is being lost to a business as a result of excess inventory, or lack of inventory – which can result in lost customers.

Effective Inventory management covers amongst other things, stock control. It is important to order enough stock of a product that sells well – but it is also very easy to over order good selling items. You are then faced with the problem of additional overheads in the form of insurance, stock control and storage. It is also just as easy to over order products that just don't sell, or just sell very slowly. Good data for tracking cost and item information in a financially sound way is a key to successful inventory management.

Companies can significantly improve data quality and inventory forecasting capabilities by developing and maintaining solid working relationships with their customers and suppliers. Developing relationships that enable the company to accurately plan for customer needs leads to a better handle on the company sales forecasts.

Conversely developing and maintaining solid relationships with your suppliers enables the company to know supplier capabilities and limitations.

Sourcing a supplier who can not only produce a quality product but can turn around a large order for you at very short notice is the goal of every inventory manager. Improving these relationships can result in better inventory controls

There is a fine balance to be learned and put into place between not ordering to much stock and also not reducing service. Ultimately customers don't like to be kept waiting while an item has to be reordered. Inventory should also be spread over a large range of stock, but the most popular items should have plenty of stock against them. Buying enough stock in advance can also reduce costs as volume sales can often be negotiated downwards in price. Turnover rates ultimately vary though depending on the type of business and how the inventory to sales ratio is worked out. Develop a good understanding of product inventory to sales ratio and you have created the basic ingredients to successful inventory management.

In addition to the physical monitoring of materials being moved into and out of the stockrooms and drawing up reconciliations of the inventory balances, other tasks involved in inventory management may include tracking and reporting of replenishment techniques, analysis on the actual and projected inventory status as well as setting periodic targets and re-engineering the execution framework. Other tasks include good practices such as:

● Making accurate entries for physical stock received into the inventory tracking system,

● Establishing a replenishment strategy on all inventory items,

● Establishing specific guidelines on the control of excess inventory as well as on-going dead stock.

Such effective inventory management habits will give any kind of businesses a superior competitive advantage over their competitors, especially with an easy-to-use stock analysis tool that delivers quick and accurate information.

Lack of knowledge on the part of employees is one major distraction when you are attempting to create effective inventory management systems. There could be several problems to address in this circumstance. Typically the root problem is the lack of any kind of effective inventory management strategy. There may be a strategy, but

there is a lack of efficient systems and communications to enable effective execution. CFOs are in a position in which they can determine the courses of action to create effective inventory management. These actions typically involve training employees in effective inventory management techniques, including proper labelling and stocking of product, inventory tracking systems, and ordering strategies.

In every kind of business, inventory management consists of a series of processes on the multiple functions with reference to the tracking, handling and managing of goods and materials that are held in stock. Efficiency in effective inventory management will always give a competitive edge to the business, regardless of its nature. In addition to cutting down on operating costs, it will also bring satisfied customers back for more business in the near future. Harvest CFOs bring to companies significant skill and experience in implementing and executing on effective inventory management to increase profitability and create a needed competitive edge.

Our group main objectives in this topic is to know how important and how can affect inventory management and control in their business and also if inventory management can help to improve their business.

The main objective of inventory management is to maintain inventory at appropriate level to avoid excessive or shortage of inventory because both the cases are undesirable for business. Thus, management is faced with the following conflicting objectives:

1. To keep inventory at sufficiently high level to perform production and sales activities smoothly.

2. To minimize investment in inventory at minimum level to maximize profitability.

Other objectives of inventory management are explained as under:

1.   To minimize carrying cost of inventory.

2.   To keep investment in inventory at optimum level.

3.   To reduce the losses of theft, obsolescence & wastage etc.

4.   To make arrangement for sale of slow moving items.

5.   To minimize inventory ordering costs.

STATEMENT OF THE PROBLEM

This research attempted to determine the effectiveness of inventory management and control at San Roque Supermarket Montalban Rizal.

Specifically, It seeks answer to the following questions:

1.What is the profile of the respondent in terms of the ff :

   1.1 Age

   1.2 Sex

   1.3 Civil Status

   1.4 Position

   1.5 Length of Service

2. What is the effectiveness of inventory management?

   2.1 Delivery of stocks on time

   2.2 Product Awareness

   2.3 San Roque Supermarket Employee care about overstocks

3. What are the common problems that influence inventory management at San Roque Supermarket Montalban Rizal?

   3.1 Lack of Automation

   3.2 Poor Communication

   3.3 Lack of training program

   3.4 Poor Decision-making

SIGNIFICANCE OF THE STUDY

This study would be beneficial to the following groups or people who may gain facts and information as regards to the motivational factors for the regularization of employees at San Roque Supermarket Montalban Rizal.

Employees. This study will help the employees how they will improve their idea in   inventory management and control in San Roque Supermarket, Montalban Rizal.

Consumers. This study will help the consumers fulfil their consciousness about the shortage of the product.

San Roque Supermarket Management. Is the administration of an organization, whether it be a business, a not-for-profit organization, or government body. Management includes the activities of setting the strategy of an organization and coordinating the efforts of its employees (or of volunteers) to accomplish its objectives through the application of available resources, such as financial, natural, technological and human resources.

Future Researchers. For the future researchers, this study will help to widened their knowledge and belief about executing this employment regularization in such company

Researchers. It will also serve as a future reference for researchers on inventory management and control at San Roque Supermarket Montalban Rizal. This study served in great part of the completion of the researcher course requirement. This has given them a lot of challenge in meeting new faces and acquaintances and being of what's happening in workplace regarding their study. study served in great part of the completion being aware of what's happening in workplace regarding their study.

METHODOLOGY

This study employed the descriptive method of research using the questionnaire is gathering the respondents assessment on the effects of Inventory management and control in San Roque Supermarket, Montalban Rizal.

Research Design

The study uses the descriptive method of research with this, best as cited by Best and Kahn (2007), "The term descriptive research employs the process of disciplined inquiry through the develop gathering and analysis of empirical data, and each attempts to develop knowledge. To be done competently, each requires the expertise of the careful and systematic investigation. A brief explanation may serve to put each one in proper perspective."

The method of research which concern itself with the present phenomena in terms of conditions, practices beliefs, processes, relationships or trends invariably. Population.
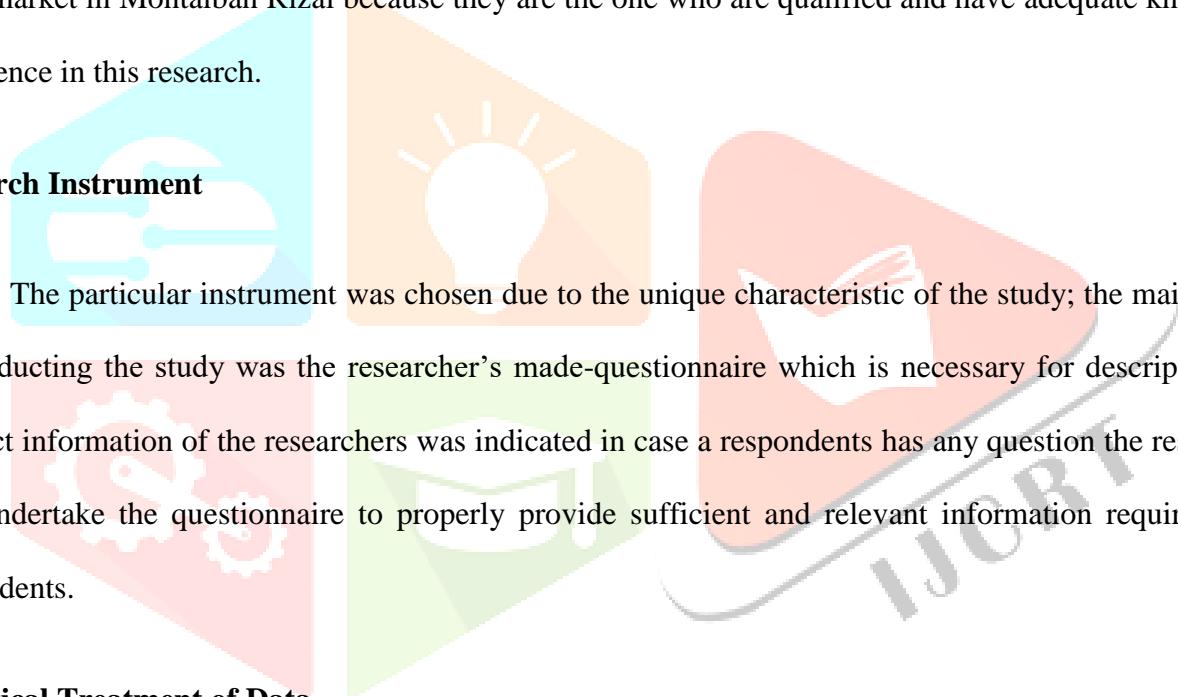
Population, Sample size and Sampling Technique

The researchers will make contact with potential respondents with the use of questionnaire for the participation of this survey research. The process will continue will the researchers have at least 50 respondents. Specifically 5 managers, 5 supervisors, 20 staff, and 20 cashiers willing to participate in this research it consist of San Roque Supermarket employee.

Description of Respondents

To sustain the quality and effectiveness of this study, the researchers select the employee at San Roque Supermarket in Montalban Rizal because they are the one who are qualified and have adequate knowledge and experience in this research.

Research Instrument

The particular instrument was chosen due to the unique characteristic of the study; the main instrument in conducting the study was the researcher's made-questionnaire which is necessary for descriptive method. Contact information of the researchers was indicated in case a respondents has any question the researcher will also undertake the questionnaire to properly provide sufficient and relevant information required from the respondents.

Statistical Treatment of Data

The following statistical procedures were used to attain a profound analysis of data:

1. **Percentage –** this was used to calculate the percentage of respondents per group

$$p = \frac{f}{n} \; x \; 100$$

Where :

F = the frequency

n = the sample size

2. **Weighted mean –** this was used to determine the level of effectiveness, problems encountered and the proposed measures in the impact of employee's regularization at Effectiveness of Inventory Management Control at San Roque Supermarket Montalban Rizal

3. $\quad \underline{x} = \frac{\Sigma f x}{n}$

Where :

$\underline{x}$ = the weighted mean

n = weight

f =frequency

n= the number of respondents

RESULTS AND DISCUSSION

1. Profile of the respondents

1.1 Age

Table 1.1

Frequency and Percent of distribution of the respondent's in terms of Age.

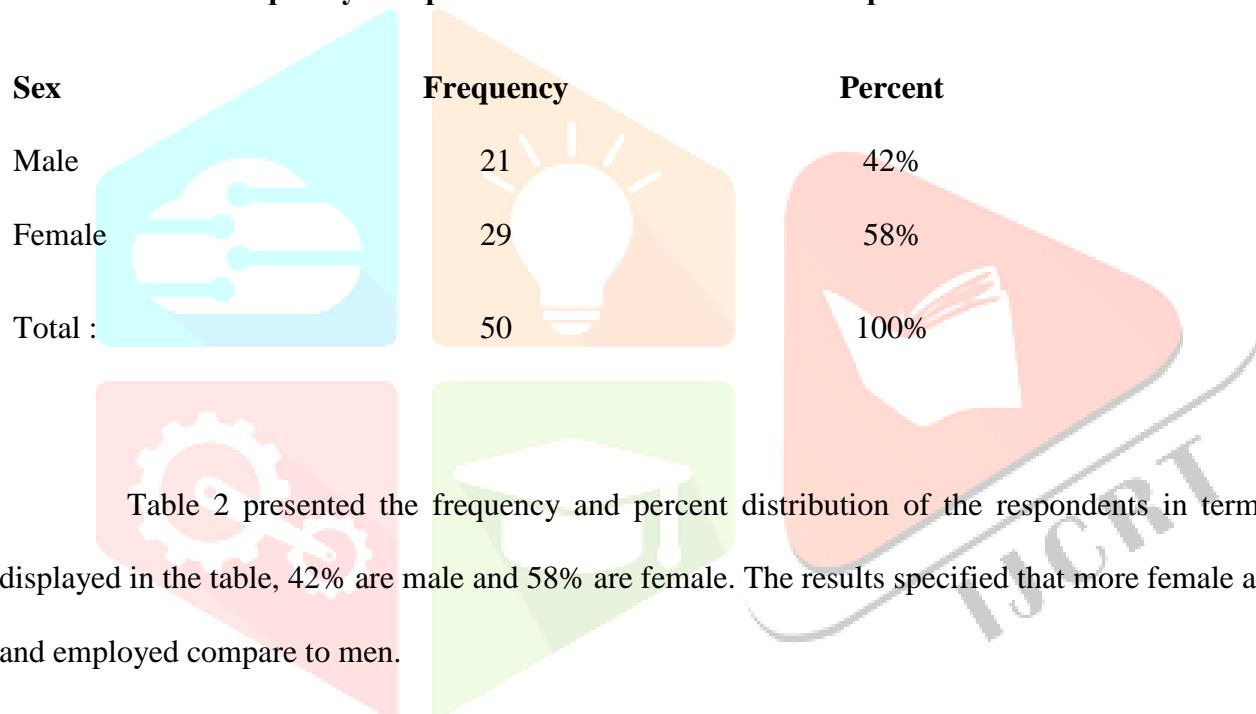| Age	Frequency	Percent
20-30 years old	32	64%
30-40 years old	14	28%
40-50 years old	4	8%
50 years old above	0	0
Total :	50	100%

Table 1 showed the distribution of the respondents in terms of age. As presented, 64% of the respondents belong to age bracket of 20-30 years old; 28% belong to age bracket of 30-40 years old; 8% belong to age bracket of 40-50 years old and merely 0% belong to age 50 years old and above.

This indicated that most of the respondents were on the prime age level.

1.2 Sex

Table 2

Frequency and percent of distribution of the respondent's in terms of Sex

Sex	Frequency	Percent
Male	21	42%
Female	29	58%
Total :	50	100%

Table 2 presented the frequency and percent distribution of the respondents in terms of sex. As displayed in the table, 42% are male and 58% are female. The results specified that more female are productive and employed compare to men.

1.3 Civil Status

Table 3

Frequency and percent of distribution of the respondents in terms of Civil Status.

Status	Frequency	Percent
Single	25	50%
Married	24	48%
Legally Separated	0	0%
Widow/Widower	1	2%
Total :	50	100%

Table 3 revealed the distributions of the respondents in terms of civil status. It can be seen from the table that 50% of the respondents are single; 48% are married 0% are legally separated and only 2% is the widow/er.

It illustrated that most single people are currently working at.

1.4 Position

Table4

Frequency and percent of distribution of the respondent's in terms of Position

Position	Frequency	Percent
Manager	5	10%
Supervisor	5	10%
Staff	20	40%
Cashier	20	40%
Total :	50	100%

Table 4 stated the distribution of the respondents in terms of position. As identified in the data presented in table 4, it can be presumed that 40% of the respondents are Staff; 40% are Cashier; 10% are manager and 10% are the supervisor.

The results implied that most of the respondents are Staff and Cashier.

1.5 Length of Service

Table 5

Frequency and percent of distribution of the respondent's in terms of length of service

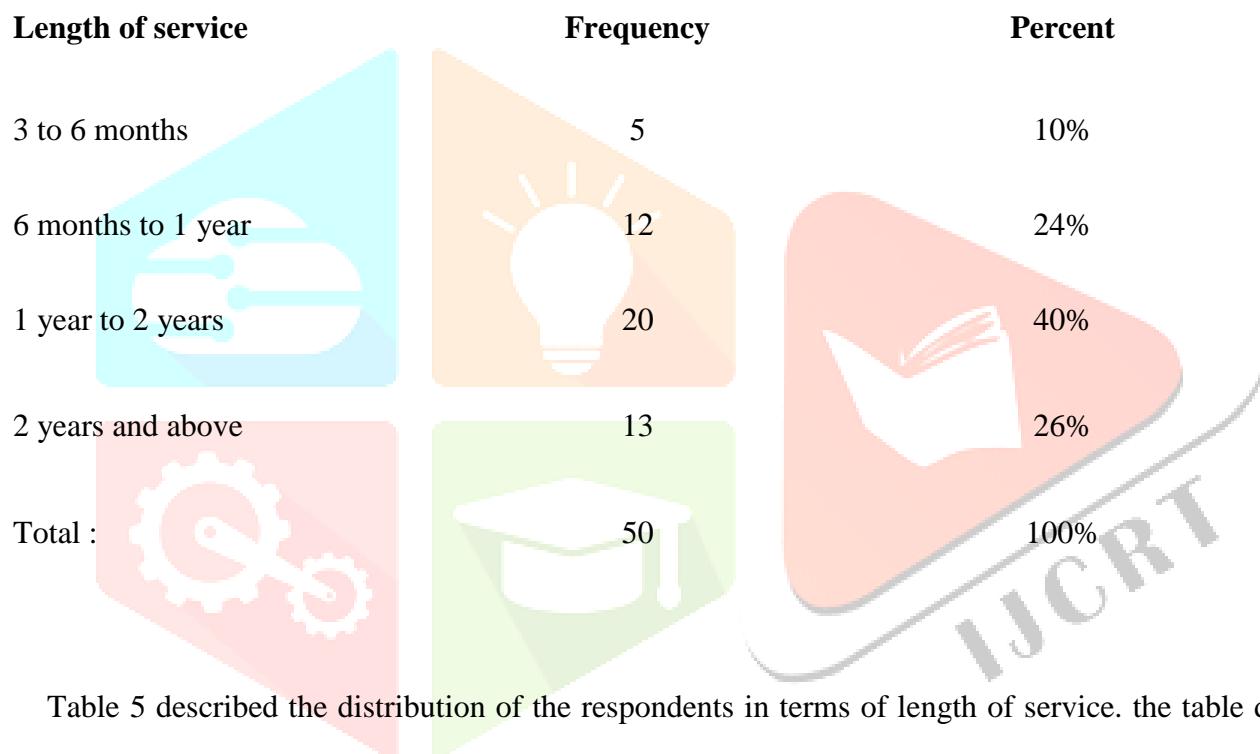| Length of service	Frequency	Percent
3 to 6 months	5	10%
6 months to 1 year	12	24%
1 year to 2 years	20	40%
2 years and above	13	26%
Total :	50	100%

Table 5 described the distribution of the respondents in terms of length of service. the table demonstrated that 40% of the respondents are 1 to 2 years length of service; 26% are 2 years above length of service; 24% are 6 months to 1 year length of service; 10% are 3 to 6 months length of service.

The result showed that most of the respondents in length of service 1 to 2 years.

Table 6

The Effectiveness of inventory and control encountered by the employee's of San Roque Supermarket

Montalban Rizal

The Effectiveness of Variables Inventory Management	Weighted mean	Verbal Interpretation
1.PureGold employee care about overstock	4.7%	Strongly Agree
2.The employee thinks that knowledge in overstocking can help prevent risks	4.88%	Strongly Agree
3. Receiving area separate from the shipping area	4.82%	Strongly Agree
4.Product Awareness	4.82%	Strongly Agree
5.Training program of the employees design to increase trait patience	4.84%	Strongly Agree
6.Delayed delivery of products	4.14%	Strongly Agree
7.Security is maintained for the stores	4.64%	Strongly Agree
8.Actual physical flow of goods in inventory	4.58%	Strongly Agree
9.First good purchased are the first to be used or sold	4.7%	Strongly Agree

10.PureGold employees are very accommodating to assist the costumer	4.94%	Strongly Agree

Table 6 yielded the assessment of the respondents in The Effectiveness of Inventory Management and Control at San Roque Supermarket Montalban Rizal in terms of inventory management. As presented in the table they assessed Item 5 which is Strongly Agree.

Table 7

Common Problems Encountered by Employee's of San Roque Supermarket Montalban Rizal

Common problems	Weighted mean	Verbal Interpretation
1. Lack of Automation	2.3%	Less Effective
2. Failure to Accurately Forecast Demand	2.74%	Somewhat Effective
3. Lack of training program	1.74%	Not Effective
4. Poor communication	2.38%	Less Effective
5. Poor decision-making	2.1%	Less Effective

Table 7 yielded the assessment of the respondents in common problem at San Roque Supermarket Montalban Rizal. In terms of inventory management. As presented in the table they assessed Item 2 which is Less Effective.

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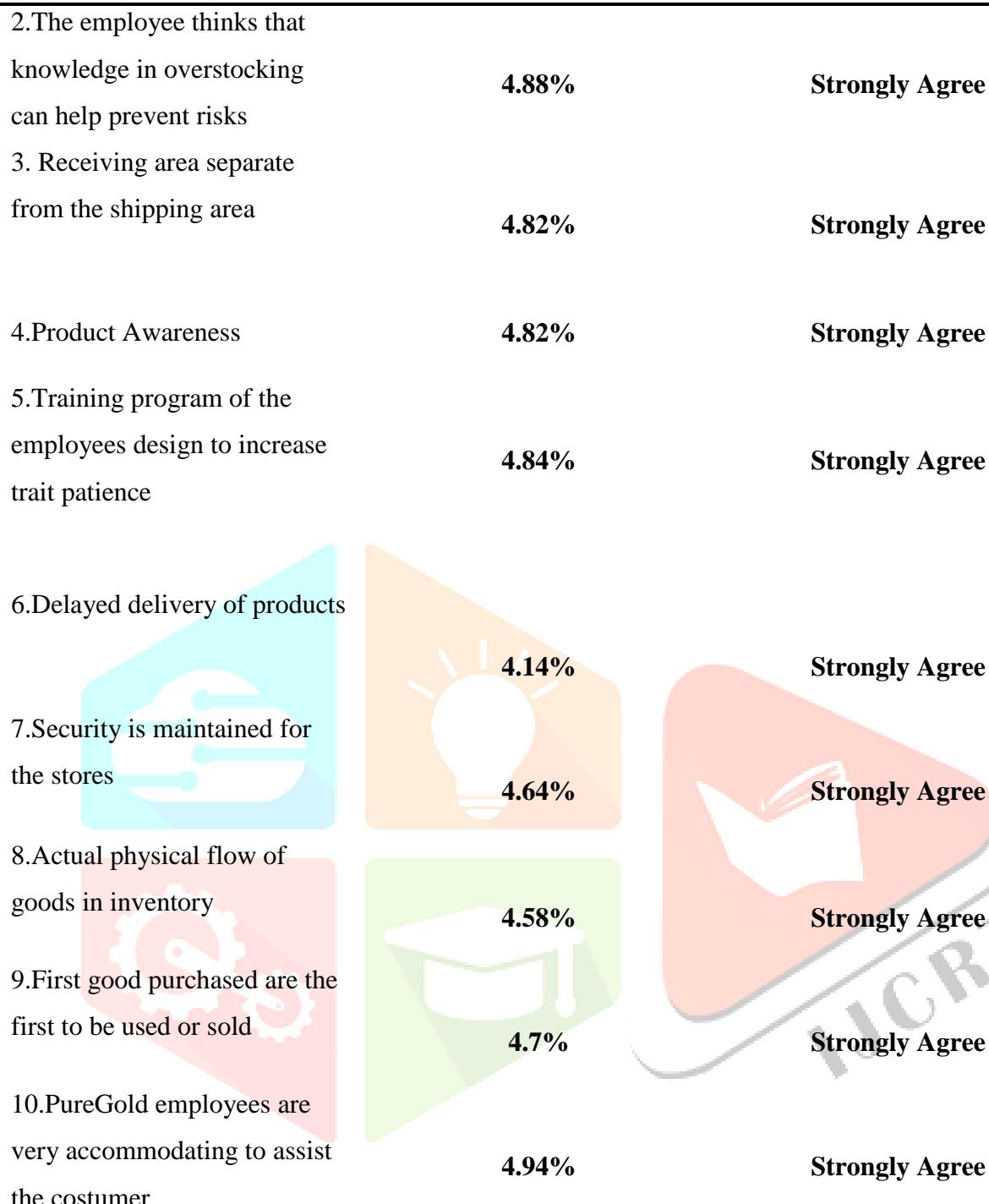|		
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Rizal. In terms of inventory management. As presented in the table they assessed Item 2 which is Less Effective.

CONCLUSIONS AND RECOMMENDATIONS

Based on the findings of the study, the following conclusions were drawn :

1. The respondents encountered problems on the lack of automation by the obtained weighted mean value of

2.3%.

2. The respondents encountered problems on the Failure to accurately forecast demand by the obtained weighted

mean value of 2.74%

3. The respondents encountered problems on the Lack of training program by the obtained weighted mean value

of 1.7%

4. The respondents encountered problems in poor communication by the obtained weighted mean value of 2.38%.

5. The respondents encountered problems in poor decision making by the obtained weighted mean value of 2.1%.

Recommendations

In the light of the above conclusions of the study, the following recommendations were hereby endorsed:

1. Employee must have checked the nearly expiry product.

2. Checking and counting the supplies on hand to avoid wastage.

3. Make sure the label of the product is always correct.

4. Prepare a systematic schedules of the inventory.

5. San Roque Supermarket should provide training on the systematic inventory of merchandise base from the goals set by the organization.

6. San Roque Supermarket must aware the products that are saleable to prevent overstocking or shortage.

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