

# Best Practice in Inventory Management

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Second edition

Tony Wild



**B**UTTERWORTH  
**H**EINEMANN

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# Preface

In the distant past when I ascended from being a scientist to the heights of inventory analyst, I was surprised at the lack of helpful written work on the subject. Although there are now many books, manuals and papers, there does not seem to be much written on the very important subject of 'how to do inventory control faced with the real inventory, customers, and an assortment of inventory records and styles of suppliers'.

Yet better control of stock (inventory) can give major benefits to the profitability of all companies. This book is aimed at showing how good inventory control can be used in practice. It is a result of working continuously on inventory control with a large number of companies over many years. It contains the distilled techniques which have been tried out and proven to work.

This book contains two main ingredients, namely:

- the basics of inventory management as covered in the Institute of Operations Management (IOM) Diploma syllabus
- the application of these techniques to real inventory management.

The applications are what really count, since the knowledge is not at all interesting without application. The experience of the author has been to use the basics to provide powerful changes in inventory and profitability. In several cases millions of pounds of inventory value have been saved and in others customer service has been greatly improved. The topics here have been tried, tested and approved. They are all a matter of common sense, but which piece of common sense to use in a particular situation is a matter that needs deeper understanding.

The book is a driver's manual for Inventory Controllers. It covers the working of the engine (how inventory control techniques work) how to use the controls (what the techniques do and how to manage them), and how to get the best out of the vehicle (how to optimize inventory). Understand the text and it will show the way to guaranteed improved inventory control, reduced stock levels and higher availability.

In preparation for this book there have been contributions from the many thousands of people to whom I have presented courses on these ideas, and who have helped to hone the concepts. My thanks also to those companies who have let me loose on their inventory, carrying out consultancy projects which have extended my knowledge and proved the effectiveness and scope for different techniques.

Central to the development of inventory techniques has been the Institute of Operations Management (formerly BPICS) which has been a channel for professional debate, friendship, and technical information. This book has been created with the support of Richard Turner as Secretary of the Institute.

The evolution of this book has been a two-handed operation. The concepts have been blended into a logical text through the work of myself and Elaine Duckworth, who has shared the task of developing a useful and readable handbook.

Dr Tony Wild