Improvements in inventory management of a company of mass consumption products, using aggregated assessment

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The purpose of the inventory management has two aspects. On one hand, minimizing the inventory investment is necessary to allocate resources to investment; on the other hand, guaranteeing that the company has adequate stock to face up the internal and external demand, with the purpose of that production and sales operations perform properly.

This research work proposes improvements in inventory management aimed to balance the two aspects abovementioned. With this goal, this research was worked together with a company devoted to the food production for mass consumption, analyzing its historical performance and determining policies for a better management of inventories on the basis of a proper optimization of the stocks.

The implementation of the proposal was clearly beneficial for the company. The value in use of the inventory was reduced by 25% compared with the previous situation and declined the amount of orders by 50%, which meant a decrease in purchase prices.