

## ***Career Episode 1***

### **Stock policy & Inventory management**

#### **A) Introduction**

##### **[CE 1.1]**

Title: Stock policy & Inventory management

Duration: 01/01/2021 – 01/06/2021

Location: Sydney, Australia

Organization: SARAH & SEBASTIAN

Position: SUPPLY AND DEMAND PLANNING MANAGER

#### **B) Background**

##### **[CE 1.2]**

The company name is Sarah & Sebastian, a Jewelry company In the pursuit of conceptual design merged with innovative craftsmanship, they established their eponymous label in 2012. The Organization's headquarters are in Sydney, Australia and they currently hold 4 stores across Sydney and Melbourne with the aims of opening an additional one in Brisbane by 2022. It is a fast-growing organization with an annual revenue of 30 million AUD.



**MY ODR HELP**  
**100% Guaranteed Skill Assessment**

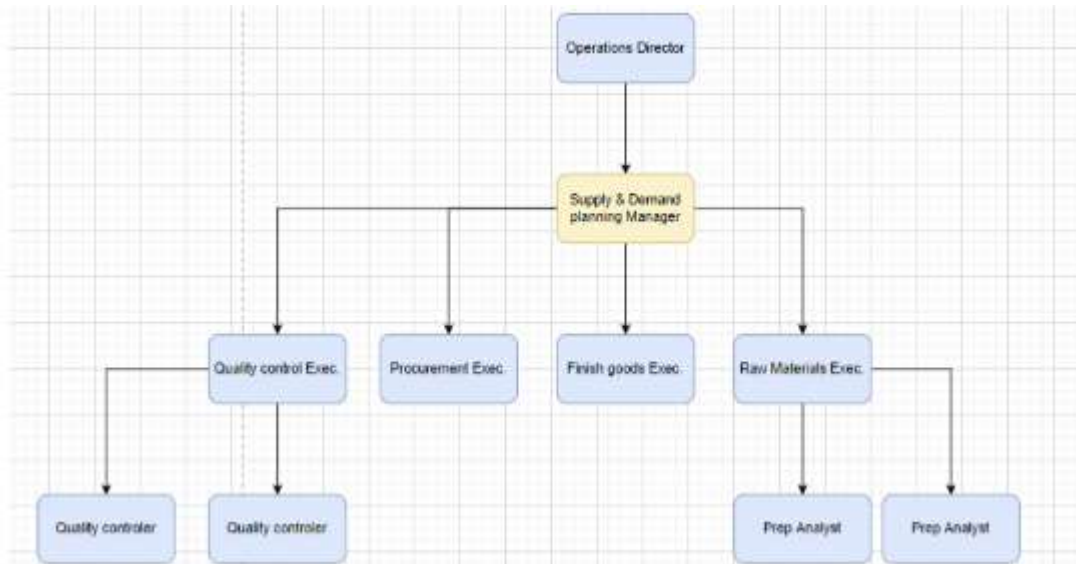
##### **[CE 1.3]**

The objective was to optimize inventory holdings for both finish goods and components. Reduce the fat of non-necessary stock, and generate an optimal stock holdings policy. Once that was sorted, since the company did not count with an ERP / MRP system, the final target was to replicate some of the functionalities of an EPR system in an excel spreadsheet to monitor stock durations and trigger purchase order/production requests based on actuals against targets.

##### **[CE 1.4]**

While in this role, I was part of a team of 9 people who reported directly to me, whilst I reported to the operation director. My main responsibilities were to ensure the company supply and demand planning processes were up to the highest standards, driving continuous improvement across the entire supply chain. One of the key objectives was to elevate the demand planning performance and optimize inventory holdings.

### [CE 1.5]



### [CE 1.6] Duties:

- I was responsible for mapping the whole inventory, starting from the bill of materials and making sure the components by finish goods were accurate.
- I had the task of researching to select the most suitable stock policy based on the type of demand the company has. Low volume and highly volatile.
- I reviewed the core processes on the supply chain and find the inefficiencies.
- I fixed the production stock outs of components to prevent bottlenecks and delay.
- I minimized the missed sales opportunities due to the lack of finished goods available at the store.
- I worked on building in from scratch tracking templates in excel that would replicate an inventory replenishment system, taking into consideration the stock policy and ROP.
- I worked on training the raw material and finish goods executives on the supply chain basic processes and how to use the tools.

### C) Personal Engineering Activity

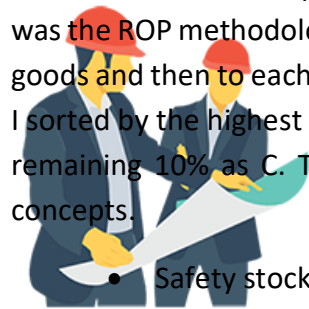
### [CE 1.7]

I worked on preparing the purchase order for raw materials and finish goods from an offshore source were made blindly without a formal structure or proven professional methodology. I did work on the inventory holdings and noted that it did not balance due to a lack of understanding of inventory management. There were production delays and bottlenecks due to components stockouts. I was also required to evaluate the overstock and stock-outs. The work was also done on retail and eCommerce channels missing sales consistently. Further, I was responsible for the overall demand and supply plan executed by the Supply & Demand. I did planning and ensured

that the forecast was maintained and accurate at all times. I forecast accuracy tracking including DFA & BIAS. I updated on stock policy holdings by seasonal period. I participated in business leadership teams and strategic and business planning by contributing an overall supply chain planning perspective. Moreover, I was responsible for the management of all supply chain relationships including major customers including Harrods.

#### [CE 1.8]

I took a lead role in the day-to-day management of the vendor base, ensuring all supplier agreements are upheld. I was responsible for achieving agreed inventory target levels. I achieved monthly accuracy of supply plans against inbound receivables. I supported the success of customer DIFOT. I achieved inventory targets by month and at year-end. I provided the long-term strategic approach to supply and demand planning to support business growth. I was responsible for the supply and demand section of the S&OP for the company. I managed the quality control team. I managed the prep team, finished goods, procurement, and finish goods executive, uncharged of the retail distribution. I made a lot of research regarding inventory management and tested different approaches. The most efficient one due to its simplicity and quick results was the ROP methodology. I had to calculate the ABC classification of the portfolio for each Finish goods and then to each component. I used a weighted approach based on Quantity / Value. Then I sorted by the highest to the lowest and identified the first 80% as A, from 80 to 90 % B and the remaining 10% as C. Then I applied the ROP formula, by defining the days for the following concepts.



**MY CDR HELP**  
**100% Guaranteed Skill Assessment**

- Safety stock
- Lead time by the supplier (Assuming it's constant )
- Standard deviation
- Order frequency.

#### [CE 1.9]

I did an estimation of the resources used in performing the job, which includes manpower, material, and machinery. I carried out load calculations to ascertain the design strength for the pavements. So that the thickness of the pavement can be determined for construction. I used the CIN7 inventory system that provided the sales and the supplier LT information. All done in excel spreadsheets. I also did stock policy calculation



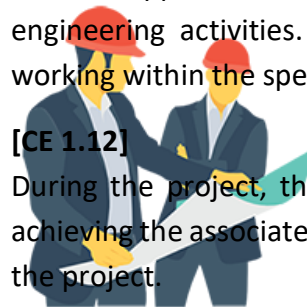
customer orders without considering the lead times for production or delivery from suppliers. The business grew so fast, that the internal production was unable to satisfy the increasing demand, therefore they had to switch from a made to order business to a business that held inventory, and to do so they needed to incorporate a stock policy that would ensure the financial impact of having capital not moving, was not detrimental to their operation. Associated engineering practices were applied with following the fundamental skills in the domain of engineering and it led to gaining efficient work outcomes within the specified project timeline.

**[CE 1.11]**

I worked on analyzing an existing methodology and made sure to recommend how to improve the existing technologies. Further, the working was done through carrying out testing processes and obtained findings with further executing the methodology for obtaining the effective results. I conducted research and development activities within the engineering discipline from the engineering defined principles and practices were carried out for the development of new concepts. Competent engineering tools were being used related to gaining the defined work results. I applied extensive research and knowledge with coordinating the team activities for the engineering activities. There was coordination being carried out and supporting specialists working within the specified job profile.

**[CE 1.12]**

During the project, there was research being carried out with obtaining the set results and achieving the associated work results with timely implementation of processes during the project.



**MY CDR HELP**  
**100% Guaranteed Skill Assessment**

**D) Summary**

**[CE 1.13]**

The process was a massive success, holding inventory boosted sales across retail, online and wholesale channels, doubling our sales budgets. The production bottlenecks and delays were reduced by 90%. There was the retained missed Retail missed opportunities were reduced drastically.

**[CE 1.14]**

As the project manager, I learn a lot about the financial impact, and the damage that not having the correct stock policy could have in a company, how it can limit growth, simply by not applying basic concepts of the supply chain and inventory management systems.

**[CE 1.15]**

Also, I learned that the theory needs to be shaped according to the individual need of each company since the resources, capabilities, and processes can be significantly different for each one. I significantly made a boost my engineering knowledge by obtaining the set work results within the specified tenure.



# **MY CDR HELP**

**100% Guaranteed Skill Assessment**