



# Manage Inventory:

# **STOCK CONTROL**

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Enabling Enterprise

# WHAT is STOCK CONTROL?

**Stock Control refers to the process of managing the ordering, storage and use of stocks efficiently.**



“Good stock control is built on 4 pillars.”



#### **What I have in stock**

Know the types, sizes, colours and quantities of each stock



#### **Where the stock is located**

Know the exact location of each stock. E.g. stored on shelf-R2 in the storeroom



#### **How much stock I need**

Know the stock demand by estimating the sales forecast on a weekly or fortnightly basis



#### **When to replenish**

Know the lead time required to top-up the stock and when to order them to meet sales demand

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# WHY should I use STOCK CONTROL?



## Benefits



Reduce  
storage costs



Improve  
workplace  
layout



Improve  
efficiency



Increase  
profits

# HOW do I use STOCK CONTROL?

A stock control sheet is important for good inventory management. It can take the form of a Microsoft Excel spreadsheet that tracks key information for each stock. This stock control sheet can also be completed manually.

The stock control sheet has **3 parts**:

## 1. Product information

Product Information						
Category	Inventory ID	Description	Opening Balance	Stock In	Stock Out	Closing Balance

## 2. Storage information

Storage Location	
Area	Shelf

## 3. Order information


Order Information							
Supplier	Product ID	Order Price	Lead Time (days)	Sales Demand	Order Quantity	Order (Y/N)	Status

## 1 Product Information



“I own a retail store selling jeans, shirts and shoes.”

- 1a) Fill in the **product category, inventory ID and description** for each stock.  
1b) Determine and tally the opening balance at the start of every period.

Product Category	Inventory ID	Description	Opening Balance
 Jeans	JN-SC-GN-30	Straight-cut jeans, size: 30"	8

- 1c) Update the stock movement (stock in and stock out) on the Excel spreadsheet.

Company: **ABC Company**




Date: Week XX (DD MM YY)

Inventory ID	E.g. JN-SC-GN-30
Stock In	10
Stock Out	12

- 1d) Determine the closing balance.



$$\text{Closing balance} = \text{Opening balance} + \text{Stock in} - \text{Stock out}$$

Product Information						
Category	Inventory ID	Description	Opening Balance	Stock In	Stock Out	Closing Balance
 Jeans	JN-SC-GN-30	Straight-cut jeans, size: 30"	8	10	12	6
 Shirt	SH-06-BK-38	Striped shirt, size: Medium	10	10	15	5
 Shoes	LP-01-BN-46	Leather pumps, size: 10	6	-	1	5






“The product information section of the stock control sheet shows me the actual quantity of stocks in my store.”

## 2 Storage Location






“The table below helps me to identify the exact location of each stock. My employees can now locate and fetch stocks easily.”

Record the **EXACT LOCATION** of each stock to make it easier to count.

Product Information		Storage Location	
Inventory ID	Description	Area	Shelf
 JN-SC-GN-30	Straight-cut jeans, size: 30"	Area 3	Shelf 2
 SH-06-BK-38	Striped shirt, size: Medium	Area 2	Shelf 3
 LP-01-BN-46	Leather pumps, size: 10	Area 1	Shelf 1

## 3 Order Information

3a) List the **supplier name, product ID and order price** so that the information is ready before placing orders.

Supplier	Product ID	Order Price
AAA Company	 A34-11-222	\$13
BBB Company	 A34-22-333	\$10
CCC Company	 A34-33-444	\$20

3b) List and consider the **LEAD TIME** for the stock to be delivered to the company.

3c) Find out the **SALES DEMAND** based on past sales records (i.e. number of stocks sold (stock out)).

Lead Time (days)	Sales Demand
5	12
5	15
15	1



“How can I find out if I need to place orders for my stocks?”

3d) Determine the **STOCK TO ORDER**.




Compare the sales demand and closing balance for each stock to find out the quantity of stocks to order.

- **If sales demand is more than closing balance:** place orders with supplier.
- **If sales demand is less than closing balance:** do not place orders with supplier.



$$\text{Stock to order} = \text{Sales demand} - \text{Closing balance}$$

3e) Update the status of the order placed with the supplier.

Product Information				Order Information							
Category	Inventory ID	Description	Closing Balance	Supplier	Product ID	Order Price	Lead time (days)	Sales demand	Order Quantity	Order (Y/N)	Status
 Jeans	JN-SC-GN-30	Straight-cut jeans, size: 30"	6	Company AAA	A34-11-222	\$13	5	12	6	Yes	2 days to arrival
 Shirt	SH-06-BK-38	Striped shirt, size: Medium	5	Company BBB	A34-22-333	\$10	5	15	10	Yes	Supplier is out of stock
 Shoes	LP-01-BN-46	Leather pumps, size: 10	5	Company CCC	A34-33-444	\$20	15	1	(-4)	No	No need to order

## WHERE can I get HELP?

You can access the Stock Control tool online at [www.waytogo.sg](http://www.waytogo.sg) or approach advisors for assistance at any of the SME Centres.

### SME Centre@ASME

Association of Small and Medium Enterprises

T: 6513 0388

E: [enquiries@smecentre-asme.sg](mailto:enquiries@smecentre-asme.sg)

W: [www.smecentre-asme.sg](http://www.smecentre-asme.sg)

### SME Centre@SCCCI

Singapore Chinese Chamber of Commerce and Industry

T: 6337 8381

E: [enquiry@smecentre-sccci.sg](mailto:enquiry@smecentre-sccci.sg)

W: [www.smecentre-sccci.sg](http://www.smecentre-sccci.sg)

### SME Centre@SICCI

Singapore Indian Chamber of Commerce and Industry

T: 6508 0147

E: [sme@smecentre-sicci.sg](mailto:sme@smecentre-sicci.sg)

W: [www.smecentre-sicci.sg](http://www.smecentre-sicci.sg)

### SME Centre@SMCCI

Singapore Malay Chamber of Commerce and Industry

T: 6293 3822

E: [gadvisory@smecentre-smcci.sg](mailto:gadvisory@smecentre-smcci.sg)

W: [www.smecentre-smcci.sg](http://www.smecentre-smcci.sg)

### SME Centre@SMF

Singapore Manufacturing Federation

T: 6826 3020

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