

Inventory Management at WH

Giuseppe Marzo

Introduction

WH is a company founded in 1990 by Zilli brothers. It manufactures and sells components for the automotive industry.

During the last years, the two brothers have implemented many ideas, so contributing to a great growth in sales and customers.

Unfortunately, the bank they work with pointed out that inventory is reaching too high values. Marco Zilli, the more used to work with numbers and manufacturing processes, has therefore collected some information from the WP ERP.

Your goal

Your goal is to help Marco to set an inventory policy that WH can use to reduce the value and the level of the inventory of raw materials. To this end, you can use all the information Marco has exported from the ERP:

- The list of all items of raw materials, with information about unit costs and quantities in inventory;
- The list of goods sold by WH the last year (that you can assume as being as representative of the sales dynamics in WH), with information about unit sale quantities and prices;
- The Bill of Materials of all goods, where you can find information about the unit consumption of raw materials for each product (for each product are employed three different raw materials).

You do not have probably all the information you would like to have for achieving this goal, but as it is usual in the real cases, you have to work using what you have. Using them, for example, you can calculate many important values, such as the variable cost of each product and its contribution margin. However, you can report about further information needed to improve your analysis.

How to enrol

Application. The representatives of the groups willing to enrol on the case discussion must send an email to mrzgpp@unife.it (Object: **CS2 – Application**), specifying the name of the group. Deadline: 18 November 2019, 1:00 PM

Report. The representative must send the (draft of the) presentation in PowerPoint format to mrzgpp@unife.it. Deadline: 26 November 2019, 1:00 PM

Presentation. Presentations will be delivered on 28, 29 November (and 6 December 2019, depending on the number of applications), depending on the number of applications. Each student of each group is expected to present. Time allowed for each group: 15 minutes for presentation and 5 minutes for Q&A.

For each presenting group, a group discussing the presentation will be indicated. The list of the groups presenting and discussing the case study will be sent to the representatives of the groups and each representative is also requested to send the draft of the presentation to the representative of the group acting as a discussant.

The order of presentations will be communicated by email.

Special Points: Students can earn up to 3 special points.