FEEDBACK TUTORIAL LETTER

2nd SEMESTER 2019

ASSIGNMENT 1

FUNDAMENTALS OF LOGISTICS MANAGEMENT

FLM521S
Dear Students

The importance and impact of the mode of study which each and every one of you opted for is distance education or long-distance learning which is the education of students who may not always be physically present at NUST, offering students access to a quality education without needing to come to a classroom every week. Traditionally, this usually involved correspondence courses wherein the student corresponded with the school via post / online. This form of learning can expand access to education for all who are willingly studying, since this form of education and or learning is based on flexible scheduling structure which lessen the effects of many time constraints imposed by personal responsibilities and commitments. Permitting students to meet their educational goals on a schedule that is convenient and flexible. Distance learning offers individuals a unique opportunity to benefit from the expertise and resources of the best universities currently available. Students have the ability to collaborate, share, question, infer, and suggest new methods and techniques for continuous improvement of the content. The ability to complete a course at a pace that is appropriate for each individual is the most effective manner to learn given the personal demands on time and schedule. Self-paced distance learning on a mobile device, such as a smartphone, provides maximum flexibility and capability.

Having said the above, I have realized that 80% of the student enrolled for this module do not have an understanding of the benefits and or aim of the mode they opted for. I have also noted with concern that 95% of the assignment submitted were copied from the internet. That nearly all students failed to understand what was requested from them, but had rather opted to google for answers and paste them for me.

NUST as institution is very clear on plagiarism (please acquaint yourself with this rules). In this assignment I have panellist you for copying, in the future I will nullify all copied assignments and will inform the necessary departments to take the necessary action against the culprits.
An assignment problem should compel you to study and master the information under each unit. It also improves your analytical and problem solving skills, as this attributes are important and or critical for NUST Transport and Logistics graduates. The assignment problems should increase patience and endurance to tolerate pressure and short deadlines teaches you how to manage time, which I have noticed that to be the biggest problem amongst some distance learning students. Students will only attempt the assignment the day before the due date, and such are forced to copy and paste work which they have never reviewed or reflected on. All students has an opportunity to score through assignments by writing good solution papers because they can indulge in extensive research on internet, text books, journals and or company visits and excursions.

Please be guided by the marks allocated for each question when you attempt to answer any question. A 10 mark question = 1 A 4 typed.

Please start with your second assignment now. For the once that didn’t do well, please learn from your mistakes and pull up your socks. You have invested so much time, money and effort to be where you are today, do not just threw it away. I am just a phone call or an email away, please use that to your benefit.

Introduction to the assignment

Inventory management supervises the flow of goods from manufacturers to warehouses and from these facilities to point of sale. WITH REFERENCE TO AN ORGANIZATION OR INDUSTRY OF YOUR CHOICE. Explain your understanding of the concept of inventory management in terms of its different inventory costs, inventory types, classification, risks, visibility, storage and valuation

Stage 1
The first, an important part of this assignment was to identify a company of your choice e.g fruit and veggies Namibia / Meatco /Namibia Breweries for example. With that out of
the way, you had to unpack the question relate every single answer to company that you have opted for.

**Your introduction** could have looked like this e.g Lysons (2006) says that, inventory management involves a process of efficient management and constant flow of units into and out of an existing inventory. This process usually involves controlling the transfer in of units in order to prevent the inventory from becoming too high, or dwindling to levels that could put operation of the company into threat/danger/risk.

He further (this the same writer that I am highlighting or referring too in this paragraph – Lysons) highlighted the fact that competent inventory management also seeks to control the costs associated with the inventory, both from the view of the total value of the goods included and the tax burden generated by the cumulative value of the inventory.

According to Anant (2012), the scope of inventory management also concerns the fine lines between replenishment lead time, carrying costs of inventory, asset management, inventory forecasting, inventory valuation, inventory visibility, future inventory price forecasting, physical inventory, available physical space for inventory, quality management, replenishment, returns and defective goods and demand forecasting. Balancing these competing requirements leads to optimal inventory levels, which is an on-going process as the business needs shift and react to the wider environment.

**Stage 2**
At this stage you now have to break down the question in the different segments, that you will need to address or answer.

You will notice that if you choose a company e.g. that the company might only handle Raw Materials and not WIP and or just Finished Goods. Ideally you will also have to take into
consideration the type of product that the keep, is it e.g perishable or none perishable items for instance.

Or you will also realise that as above, Inventories may also be classified according to Fast-moving, Slow-moving and Non-moving items in order to see the rapidity of their use and towed out the unnecessary ones. This is aimed at keeping the total inventory size down and reduces investment.

If you look at the classification of inventory, you will also realise that some companies will maintain safety / buffer stock because the distance / lead time to receive products from your suppliers might take longer or it varies / fluctuate every single time they place an order. One of the reason to maintain inventory could be one or some but not all of them, hence you were tasked to decide or choose a company and select only the reasons relevant to your organisation.

Some students used cross docking facilities as a company of choice or DHL, and highlighted the reasons below:

Improve customer service - Provides immediacy in product availability

• Encourage production, purchase, and transportation economies - Allows for long production runs
  - Takes advantage of price-quantity discounts - Allows for transport economies from larger shipment sizes

• Encourage production, purchase, and transportation economies - Allows for long production runs

• Act as a hedge against price changes - Allows purchasing to take place under most favorable price terms

• Protect against uncertainties in demand and lead times - Provides a measure of safety to keep operations running when demand levels and lead times cannot be known for sure

• Act as a hedge against contingencies - Buffers against such events as strikes, fires, and disruptions in supply
What I would like to understand how could “Encourage production, purchase, and transportation economies - Allows for long production runs” have an impact on an organisation that’s not in production/manufacturing at all.... HOW? This was a clear indication that most students are not reading their assignments, they just attempt to answer the question without really understanding what is required from them (copy from the internet and paste).

We have also learned that at times it’s better to have inventory JIT when it’s needed, or only ones you have received an order. The reason behind such a decision is to avoid the issue of having your capital tied up in inventory and thus some companies do not keep inventory. They consume capital resources that might be put to better use elsewhere in the firm. They too often mask quality problems that would more immediately be solved without their presence. They divert management’s attention away from careful planning and control of the supply and distribution channels by promoting an insular attitude about channel management.

Ideally let’s look at the objective of holding inventory: good inventory management is a careful balancing act between stock availability and the cost of holding inventory.

Customer Service ,
i.e., Stock Availability

Inventory Holding costs

- **Service objectives**
  - Setting stocking levels so that there is only a specified probability of running out of stock

- **Cost objectives**
  - Balancing conflicting costs to find the most economical replenishment quantities and timing
If you look into one of your recommended reading you will notice that the author of that
text book highlighted the following: Ballou (2010) agrees that, Storage methods are vital
aspects to be considered when an organization is setting up a warehouse, in line with that
it will enable an organization to store its materials safely and securely for operational
efficiency.

**Stock Control** involves acquisition of Storage systems, storage systems refer to the
techniques used to keep inventory safely and free from deterioration through
conservation in the organization, eliminate cases of damages of materials, theft,
pilferage, overstocking and obsolescence. Cases of stock outs of materials are as a
result of poor documentation, poor monitoring of inventory levels and lack of
control of stock movement within the stores.

I hope we are clear on the above, and that our next assignment much effort will be required to score
a good mark for that assignment. I will provide more feedback on this assignment in my face-to-face
classes.

**PLEASE GO ON ELEARNING AND GET THE FULL TIME AND PART TIME NOTES.**

**I WILL ATTEND ON SUCH REQUESTS ONLY ON MONDAY’S EVERY WEEK**