Class Activities

# Chapter 15: Inventory Management

**Activity 1: Activity for Small Groups**

Learning objective: Identify the various types of inventory

Have students find two other classmates to form a group. Assign each group one of the four types of inventory: raw materials, maintenance, repair, and operations, work-in-process, and finished goods. Agree upon a local business as an example to illustrate the type of inventory assigned. Discuss the challenges in managing the assigned inventory. Present the work of the group to the rest of the class.

**Activity 2: Activity for Small Groups**

Learning objective: Use inventory management measures to determine the efficiency of an inventory system

Have students form seven groups. Assign each group one of the seven measures of inventory management: backorders and lost sales, inventory turnover, days of inventory in stock, order fulfillment lead time, item fill rate, inventory accuracy, and industry benchmarking. Use an example to explain the inventory management measure assigned. Present the work of the group to the rest of the class.

**Activity 3: Online Activity**

Learning objective: Identify the causes of the bullwhip effect and other causes of uncertainty in supply chain inventories

Play the Beer Game at http://www.masystem.com/o.o.i.s/1365 either individually or find three other classmates as players. Read and follow the rules of the game. Record the results when the game is over. Discuss the purpose of the game and lessons learned. Post the results and discussion on the discussion board either individually or as a group according to how the game is played. Each student will comment on three other postings.