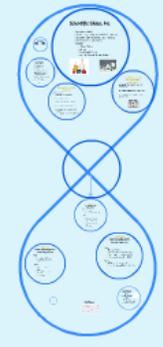


Scientific Glass Inc. : Inventory Management



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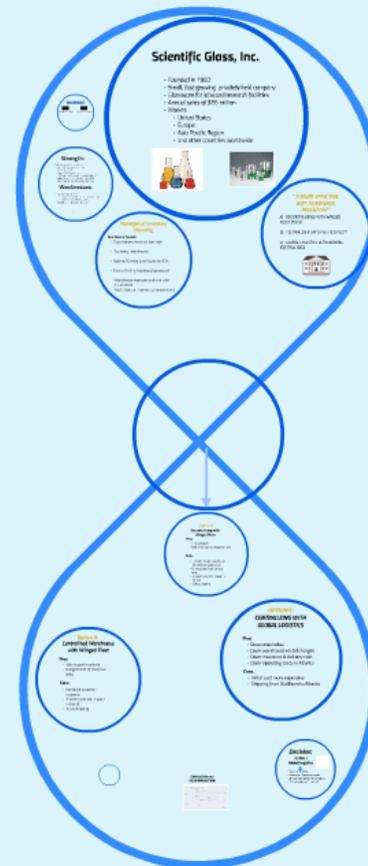


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Scientific Glass, Inc.

- Founded in 1992
- Small, fast growing privately held company
- Glassware for labs and research facilities
- Annual sales of \$86 million
- Market:
 - United States
 - Europe
 - Asia Pacific Region
 - and other countries worldwide



**"A MORE EFFECTIVE
WAY TO MANAGE
INVENTORY"**

A) DECENTRALIZING WITH WINGED
FLEET (AS IS)

Twin Goal Emphasis:

AL Sales Growth **GOAL** High Customer Satisfaction

Strength:

Working with target on:
Creative and creative design
products
customer service
Market entry creative product designs
Product cycle - the rate of the products'
High maturity and demise is low

Weaknesses:

Inventory balances
Capital needed for operations growth
Debt to capital ratio = 40%
Inventory management

Twin Goal Emphasis:



Continued Sales Growth



High Customer Satisfaction

Strength:

- Niche marketing with target on:
 - Innovative and creative design
 - Durable products
 - Superior customer service
 - Early market entry creative product designs
 - Lower life cycle - the rate of the products' cycle through maturity and demise is low

Weaknesses:

- High inventory balances
 - tied up capital needed for operations growth
 - high debt to capital ratio = 40%
- Ineffective inventory management



Opportunity:

- Increase market share
- Provide the highest service level
- Focus on innovative design
- Global expansion

Threat:

- Competition copying their products
- Increased low-end
- removing back order
- Focus on innovative design
- Focus on global expansion

Manager of Inventory Planning

Ava Beane found:

- Expectations were set too high
- Too many warehouses
- Optimal Service Level Could be 95%
- Excess Ending Inventory because of:
 - Warehouse manager ordering extra
 - Trunk stock
 - Lack of proper inventory management



“ A MORE EFFECTIVE WAY TO MANAGE INVENTORY”

- A) DECENTRALIZING WITH WINGED FLEET (AS IS)
- B) CENTRALIZING WITH WINGED FLEET
- C) GLOBAL LOGISTICS OUTSOURCING (CENTRALIZED)

