

MAKERERE



UNIVERSITY

**COLLEGE OF BUSINESS AND MANAGEMENT SCIENCES
(CoBAMS)**

SCHOOL OF BUSINESS

THE EFFECTIVENESS OF INVENTORY CONTROL MANAGEMENT AT HARRIS

INTERNATIONAL LTD, RIHAM

BY

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**A RESEARCH REPORT SUBMITTED TO THE SCHOOL OF BUSINESS AND
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ABSTRACT

The primary purpose of this study was to evaluate the effectiveness of inventory control at Harris International Limited, Riham. The drive for this study was enhanced by the desire for most organizations to minimize costs and proper accounting as much as possible for Control of Inventory takes a proportionate percentage (about 45% to 90%) of all costs associated with inventory at Harris International Ltd

The other factor for this study was the fact that profitability of any business organization depends largely on the ability of management to exercise effective and efficient material control. The study was directed by three research objectives specifically: 1.To evaluate the effectiveness of inventory control in reducing stock out syndrome, 2.To find out the effectiveness of inventory control in reducing obsolescence of inventory and 3.To find out the effectiveness of inventory control in the determining buffer stock at Harris International Ltd, Riham.

The study design used was cross-sectional, evaluative and quantitative in nature .The sample size for the study was forty-five (45) respondents from Harris International Limited, Riham main offices and self -administered questionnaires with Likert scaled range of questions were used as the main instrument of data collection. Data was collected and analyzed using Statistical Package for Social Sciences and descriptively presented using tables, frequencies and percentages.

The study revealed that stocktaking was not done at stipulated time intervals (end of each day) but rather as and when needed and the company does not have reliable suppliers for all materials other than the packaging materials. For the second objective, the First in First out (FIFO) method of stock valuation as per the company inventory policy, however the study revealed that the store keepers at times issued out what was near to them. The company had modern storage facilities to enhance quick sales for perishable products though no specific person to carry out monitoring for materials to ensure that they are not expired. Finally the study revealed that the company kept some materials for reserve in its different warehouses, despite the long procurement procedures which makes it hard to meet demand at all times.

Recommendations for this study: includes improvement of relationships with suppliers, Dedicating one individual to full-time inventory management as to provide continual attention to that function and to promote accountability and Improvement of demand forecasting.