Certified in Logistics, Transportation and Distribution

Determining When and How Much to Order

CLTD On-Demand Training for Self-Study Professionals

Are you preparing for the CLTD certification through self-study? As an experienced supply chain professional, you already have strong practical knowledge—but some topics may still need expert clarification. Fhyzics Business Consultants bridges that gap with on-demand, topic-oriented CLTD training sessions designed specifically for self-learners.

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Determining When and How Much to Order

1. Order Quantity Basics

Order quantity refers to the amount of inventory to purchase or produce at one time. Determining the right order quantity balances holding costs with ordering costs and ensures enough stock to meet demand. Mastery involves analyzing demand patterns, lead times, and inventory policies to optimize operations and costs.

2. Reorder Point (ROP)

ROP is the inventory level at which a new order should be placed to replenish stock before it runs out. It is calculated based on average demand, lead time, and safety stock. Understanding ROP ensures timely replenishment and prevents stockouts.

3. Safety Stock

Safety stock is extra inventory held to buffer against variability in demand or supply. Proper safety stock calculations prevent stockouts while minimizing carrying costs. Mastery involves analyzing demand fluctuations, lead times, and service level requirements.

4. Economic Order Quantity (EOQ)

EOQ is the optimal order size that minimizes total inventory costs, including ordering and carrying costs. It provides a balance between large orders that reduce ordering frequency and small orders that reduce carrying costs. Mastery allows cost-effective inventory management.

5. Lead Time Impact
Lead time is the period between placing an order and receiving it. Longer lead times require higher safety and cycle stock. Understanding lead time effects ensures orders are placed in time to meet demand without overstocking.

6. Order Frequency
Order frequency is how often inventory is replenished. Frequent orders reduce holding costs but may increase ordering costs, while infrequent orders have the opposite effect. Mastery involves finding the optimal balance for cost efficiency.

7. Demand Forecasting
Accurate demand forecasts determine how much to order. Forecasts use historical data, trends, seasonality, and market conditions. Mastery ensures that inventory levels match anticipated demand, reducing stockouts and excess inventory.

8. Lot Sizing Techniques
Lot sizing determines order quantities for different replenishment strategies, such as fixed order quantity, fixed order interval, or dynamic lot sizes. Mastery ensures efficient use of inventory while minimizing total costs.

9. Order Point Formulas
Order point formulas combine demand, lead time, and safety stock to calculate when to reorder. Understanding and applying these formulas is critical for maintaining inventory balance and avoiding stockouts or overstocking.

10. Inventory Review Systems

Inventory review systems include continuous (perpetual) review and periodic review. Continuous review triggers orders when inventory reaches ROP, while periodic review orders are placed at fixed intervals. Mastery helps select the best system for operational needs.

11. ABC Classification

ABC classification prioritizes inventory items based on value and usage. Class A items may require frequent monitoring and precise order quantities, while C items may have simpler policies. Mastery ensures resource-efficient inventory management.

12. Service Level Considerations

Service level defines the probability of fulfilling customer demand without stockouts. Higher service levels require more safety stock, affecting order quantity decisions. Understanding this ensures customer satisfaction while controlling costs.

13. Batch Ordering

Batch ordering consolidates demand into larger orders to reduce ordering and transportation costs. Mastery involves balancing cost savings against increased carrying costs and potential obsolescence.

14. Lot-for-Lot Ordering

Lot-for-lot ordering matches order quantity directly to demand for a period, minimizing inventory levels. This technique suits variable demand and limited storage

situations. Mastery ensures lean inventory while meeting requirements.

15. Economic Production Quantity (EPQ)
EPQ applies to production environments and determines the optimal production lot size to minimize total setup and holding costs. Mastery ensures cost-effective production scheduling and inventory management.

16. Safety Stock Calculation Methods
Safety stock can be calculated using statistical methods, such as standard deviation of demand during lead time and desired service levels. Mastery ensures accurate buffers to prevent stockouts without excessive inventory.

17. Order Timing Decisions
Order timing involves deciding not only how much to order but when, considering lead times, demand patterns, and review systems. Proper timing prevents interruptions and reduces unnecessary carrying costs.

18. Inventory Turnover Impact
High turnover reduces average inventory, impacting how much and how often to order. Understanding turnover helps balance inventory levels with demand, carrying costs, and order frequency.

19. Constraints and Capacity Considerations
Physical space, supplier limitations, budget, and production capacity affect order quantity decisions. Mastery ensures orders are feasible, cost-effective, and aligned with operational constraints.

20. Continuous Improvement

Regularly reviewing ordering policies, demand accuracy, and inventory performance identifies improvement opportunities. Applying Lean and Six Sigma principles optimizes inventory levels, minimizes costs, and enhances supply chain responsiveness.

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Micro-Learning Programs in Supply Chain Management & Procurement

Enhance your professional edge with Fhyzics Business Consultants' Micro-Learning Programs in Supply Chain Management and Procurement. Designed as focused, two-hour Executive Development Programs, these sessions deliver practical insights and tools to solve real-world business challenges. Conducted in small batches for personalized learning, participants gain a deeper understanding of key supply chain and procurement strategies that drive efficiency and profitability. Each participant receives a certificate of completion, adding value to their professional profile and career growth. Whether you aim to advance in your current role or explore new opportunities, this program equips you with the knowledge and confidence to excel.

Micro-Learning Programs in Supply Chain Management

1. Fundamentals of Supply Chain Management
2. Supply Chain Planning and Optimization
3. Demand Forecasting Techniques
4. Inventory Control and Management
5. Distribution and Logistics Strategy
6. Warehouse Layout and Operations Efficiency
7. Supply Chain Risk Management
8. Supply Chain Performance Metrics (KPIs)
9. Lean Supply Chain Practices
10. Agile and Responsive Supply Chains
11. Sales and Operations Planning (S&OP)
12. Supply Chain Network Design
13. Supply Chain Digital Transformation
14. AI and Data Analytics in Supply Chain
15. Supply Chain Sustainability and Green Logistics
16. Reverse Logistics and Returns Management
17. Supply Chain Collaboration and Integration
18. Supplier Relationship Management in SCM
19. Global Supply Chain Strategy
20. Transportation Management Systems (TMS)
21. Inventory Optimization Models
22. Demand-Driven MRP (DDMRP) Concepts
23. Blockchain Applications in Supply Chain
24. Supply Chain Cost Reduction Techniques
25. SCOR Model and Process Improvement

Micro-Learning Programs in Supply Chain Management …

26. Capacity Planning and Resource Allocation
27. Managing Supply Chain Disruptions
28. End-to-End Supply Chain Visibility
29. Cold Chain Logistics Management
30. Supply Chain Compliance and Ethics
31. Import–Export Procedures and Documentation
32. Managing Third-Party Logistics (3PL) Providers
33. Supply Chain Collaboration Technologies
34. Production Planning and Scheduling
35. Strategic Supply Chain Design Using Case Studies
36. Circular Economy in Supply Chain
37. Vendor-Managed Inventory (VMI)
38. Transportation Optimization Techniques
39. E-Commerce Supply Chain Models
40. Omni-Channel Fulfillment Strategies
41. Warehouse Automation and Robotics
42. SCOR DS Roadmap for Supply Chain Excellence
43. Customer-Centric Supply Chain Strategies
44. Supply Chain Finance and Working Capital Management
45. Supply Chain Data Visualization Using Power BI
46. Strategic Sourcing in Supply Chain Context
47. Supply Chain Benchmarking and Best Practices
48. Integrated Business Planning (IBP)
49. Supply Chain in Crisis Management and Recovery
50. Future Trends and Technologies in Supply Chain

Micro-Learning Programs in Procurement

1. Fundamentals of Procurement Management
2. Strategic Sourcing and Category Management
3. Supplier Selection and Evaluation
4. Contract Management Essentials
5. Cost and Price Analysis in Procurement
6. Negotiation Strategies for Procurement Professionals
7. E-Procurement and Digital Tools
8. Procurement Planning and Budgeting
9. Risk Management in Procurement
10. Supplier Relationship and Performance Management
11. Sustainable and Ethical Procurement
12. Total Cost of Ownership (TCO) Analysis
13. Make-or-Buy Decision Frameworks
14. Procurement Policies and Governance
15. Procurement in Public vs. Private Sectors
16. Procurement Audit and Compliance
17. Procurement Data Analytics and Reporting
18. Procurement Scorecards and KPIs
19. Strategic Supplier Partnerships
20. Category Strategy Development
21. Managing Global and Offshore Procurement
22. Negotiation Simulation Workshop
23. Contract Law for Procurement Managers
24. Cost Reduction Strategies in Procurement
25. Supplier Risk Assessment Models

Micro-Learning Programs in Procurement …

26. Procurement Process Mapping and Improvement
27. Procurement Automation and AI Applications
28. Managing Procurement Teams Effectively
29. Procurement Ethics and Transparency
30. Procurement in the Digital Supply Chain
31. Vendor Consolidation Strategies
32. Spend Analysis and Optimization
33. Demand Forecasting for Procurement
34. E-Auction and Reverse Bidding Techniques
35. Inventory and Procurement Alignment
36. Procurement in Project-Based Organizations
37. Supplier Onboarding and Development
38. Procurement Market Intelligence
39. Measuring Supplier Innovation
40. Procurement in Times of Supply Disruption
41. Cross-Functional Collaboration in Procurement
42. Writing Effective RFPs, RFQs, and RFIs
43. Contract Negotiation Best Practices
44. Green Procurement and Circular Economy
45. Legal Aspects of Procurement Contracts
46. Performance-Based Contracting
47. Procurement Leadership and Strategic Influence
48. Cost Avoidance and Value Creation in Procurement
49. Managing Procurement with Power BI Dashboards
50. Future Skills and Trends in Procurement

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