

Dynamic and Future-Oriented Dimensioning of Stock

Julian Becker*, Michael Grigutsch** and Peter Nyhuis***

Meeting the objective of providing a high service level while at the same time keeping inventory levels to a minimum represents a great challenge to companies, particularly those operating in volatile markets. This article proposes a dynamic approach towards a future-oriented method of inventory control. The dynamic flow of safety stock can be determined on the basis of forecast data and the quality thereof together with supplier reliability. This will enable companies to manage their stock in a manner which is both future-oriented and transparent while being geared to serving their requirements.

JEL Codes: M11, L60 and C44