



## CHAPTER V

### CONCLUSIONS AND RECOMMENDATIONS

In this dissertation, the feasibility of using computer in inventory management system for an electrical home appliances firm has been conducted. This study started with the analysis of the existing system of inventory management for the firm, found out the problems of the system, defined the system requirements, and designed a computer-based system. As the result of this project, the conclusions and recommendations are drawn as follows:

#### **5.1 Conclusions**

Based on the results of this study the following conclusions are reached:

1. This study had dealt with the application of computers for an inventory management problem. The system designed in this project is the first step towards a computerized support of inventory management for the electrical home appliances firm. Major activities include not only inventory control but also the product ordering.
2. The system is an on-line, database/data communications oriented system. The system designed for the firm was built with practical and easy-to-use advantage on real operations. The system uses personal computer, printer, keyboard, and bar-code reader.
3. Some databases are designed to store the data of the products, ordering data, and the records of daily transaction. These databases are the main source of information for producing the required reports. From the inventory management viewpoint, the database is suggested to include all the major activities' data and information so that paper work can be reduced to as little as possible.
4. The programmes are facilitated by menu selection, input forms and command language to communicate with the system. These menu selections in the inventory management system provide users who have a little knowledge of computers with easy learning and operating.

5. The results of cost-benefit analysis (chap. 4) appears to be quite promising since the saving from the total inventory cost expected is very much greater than the costs involved in developing and utilizing the system. From the cost-benefit analysis, the system is economically justified due to an efficient ordering policy for the product, which was designed in this study.
6. The system considers not only the design of computer system itself but also the operational design and the building of end-user concept. Before using the system, the people concerned in the system should be educated regularly to know what kind of information that the system can be offered.

## **5.2 Recommendations**

Based on the above conclusions and on the results of the system, the following recommendations are made to the firm under study:

1. The current manual inventory management of the firm does not seem to be desirable.
2. Based on the economic justification, the firm should decide to design a detailed system for implementation. And after the design has been completed, the cost estimation of the system will be revised, and the plan for implementation will be produced.
3. To be compatible with the new efficient computer-based inventory management system, the management should improve statistics on the inventory operations to make more meaningful decisions on ordering policy and the implementation of the system.
4. This new system, on-line inventory management, must be implemented continually to get the real-time information.

Finally, because of time constraint, there will be very much space can be developed for the future, such as:

1. The re-order point should be applied in the system in order to be auto-replenishment.

2. The model of each product can be developed into scan by using barcode system.