

# Inventory system of fruitas ice candy company essay sample

[Technology](#), [Computer](#)



Through man's knowledge and creativity, the world has been changed, from the prehistoric tools of the primitive man up to the modern machineries, the advancement in technology and the state-of-the-art hardware and software that man uses nowadays, makes our community march onward in an expeditious civilization and industrialization. The world we live in has been transformed immensely with the advent used of the information. At this time, almost every aspect of the human life is influenced by the rapid advancement of technology providing us with the novel opportunities and fresh challenges at the same time. This is manifested in all sectors of the economy: communication, education, health services, entertainment, finance, publishing, retailing, and other areas. Indeed, information technology has made the indelible mark in our lives, making everyday living possible without it. Computerization is basically concerned with the automation of task using computer-based information system. This process with the people involved in doing a certain task, which being replaced by particular machineries.

Computerization would also mean less effort exerted, sine manual can be done in shorter span of time. In today's growing market many businesses are turning toward automated systems to perform their everyday tasks.

Automated systems can replace the cost and time consuming processes that were once completed by hand while providing companies with more accurate data. One automated system that is becoming more popular is the automated inventory system. This system is used to track the merchandise and goods of retail stores, grocery stores, hardware stores, etc. In this paper the proponents will discuss the background of automated inventory systems,

including what they are, how they work and what type of data and information that they provide for businesses. They will also give some examples of companies that have automated inventory systems and how they have changed their business. They will provide the advantages and disadvantages of automated inventory systems and the affect they can have on a businesses' growth and competitive edge. .

## CHAPTER 1

### INTRODUCTION

#### A. Background of the Study

Fruitas Group aims to mark its 10th anniversary in the local food cart industry by opening its 500th store in the country. Fruitas Group, the leading company in the local food cart industry, could very well be making history in a matter of months. As the company behind such successful brands as Fruitas, Black Pearl, Tea-rrific!, Buko Loco, The Mango Farm, among many others, marks its decade-long reign in the market, Fruitas is gearing up to reach a bigger milestone: that is, opening its 500th store in the country. Fruitas is proof that a proudly Filipino-owned company can be regarded as world-class and a leader in the food cart industry. The business eventually did grow. In fact it grew over tenfold. Fruitas now has 477 “ profitable” stores nationwide, and the figures, according to Lester, won't stop anytime soon.

#### B. Statement of the Problem

There are a number of problems that can cause havoc with inventory management. Some happen more frequently than others. Here are some of

the more common problems with inventory systems. \* Unqualified employees in charge of inventory.

\* Not identifying shortages ahead of time.

\* Excessive inventory in stock and unable to move it quickly enough. \*

Computer assessment of inventory items for sale is inaccurate. \* Items in-stock gets misplaced.

\* Not keeping up with the rising price of raw materials. The company is currently facing this problem and decided along the way to upgrade the manual system that they are currently using.

### C. Objective of the Study

Inventory is essentially no less than money stored by your business.

Companies must manage and monitor this asset to avoid a wide variety of costly and potentially devastating problems. An inventory system that includes cycle counting, annual or semi-annual inventory checks, and implementing security checks will greatly reduce or eliminate inventory shrinkage.

### D. Significance of the Study

The Inventory System will help the frutas for keeping track of its sales and stocks. The system made easy for the cashier to use and save time. The cashier/owner will not having a hard time calculating large quantity of items when a customer buys and he doesn't need to check the item's list for the item's price. The cashier can search the items availability. The system will provide reports of the sales in a day or monthly. For the customers, they will

get the exact change when buying large quantity of items. They don't have to wait for the Cashier/Owner in computing their purchased because the system will automatically compute the input items. They don't have to wait for the cashier/owner in looking for the items needed because the system will provide the information of the items availability.

#### E. Scope and Limitations of the Study

This study focuses on Inventory System. It is intended to be used by the sales company to help make their work easier in determining milestones in terms of sales and make good decisions to make company's processes more organized, efficient and profitable. Scope

The scope of an inventory system considers which needs the inventory system addresses. These include valuing the inventory, measuring the change in inventory and planning for future inventory levels. The value of the inventory at the end of each period provides a basis for financial reporting on the balance sheet. Measuring the change in inventory allows the company to determine the cost of inventory sold during the period. The inventory level and changes allow the company to plan for future inventory needs.

#### Limitation

The main limitations or disadvantages of an inventory system are the costs required in setting an inventory system up, and the complexity of using and maintaining an inventory system in an effective way. \* Cost

The technology and software required by an inventory system can be expensive to purchase, install and use. For example, the software used to

track what products have been bought, sold and delivered in very technical, and therefore very expensive. In addition, the technology used in conjunction with an inventory system, such as tracking devices in delivery vehicles or barcode scanners, are also expensive. This means that a good quality inventory system is usually out of reach of small, new or independent businesses. \* Complexity

Due to the technical nature of the software and technology used in an inventory system, it can be difficult to thoroughly educate all members of staff on how to use the inventory system in an effective way. In addition, the education process can take days or even weeks, meaning that business can come to a standstill during this time. As a result, although inventory systems can be incredibly useful, they can also be difficult to implement.

## CHAPTER 2

### REVIEW OF RELATED LITERATURE

In exploration, we find new techniques, new knowledge, even develop new substances, gadgets, equipment, processes or procedures, imagination and skill is employed by the researcher. The commodities, new devices, services, in technology are needs of man for a better fuller life which is the concern of the research. These useful arts are the products of the technological environment and the end-user is society in general. The fast growing trend and innovation in technologies today prompts researchers to conduct studies about the efficiency of system program. This Chapter presents a brief review of literature and studies.

## ASTRO VISION INVENTORY SYSTEM

AstroVision is the country's leading seller of games, video tapes, vcds and dvds. It has branches in all major malls in the country. The customized system Astro System will integrate its purchasing, inventory, sales and accounting all of AstroVision's 25 branches spread across the country to its Main Office and Accounting Office in Metro Manila. The JIS (Jeonsoft Inventory System) is the one who creates the inventory system for the Astro Vision. The aim of JIS is to provide easier and faster way to monitor the movement of your business' stock of goods. It is interactively designed to possibly do the common tasks done in customary way. From item entry, releasing of items, inventory adjustment, transferring of goods from one warehouse to another and production, sure you can keep track of your inventory. JIS uses JibesXP Tools that has been especially configured with properties that would help you organize well the flow of your inventory.

## WORLD WOOD TRADING CORPORATION

World Wood Wonder System is a customized software solution made for World Wood Trading Corporation. World Wood is a major importer and wholesaler of lumber products in the Philippines. The system manages the whole business flow of world wood from importation, inventory to sales, accounting and bank consolidation.

## CHAPTER 3

### RESEARCH DESIGN AND METHODOLOGY

## A. Sources of Data

The inventory process in the said company is used to calculate manually, without any help from a computer. A manual inventory system is updated, maintained and controlled without using a technical system. This means the business updates the inventory by physically counting the inventory items on a frequent basis. Manual inventory systems are time consuming, as the business owner must keep track of inventory sales on a daily basis, while updating the system manually at the end of the day. \* Poor Communication

A manual inventory requires employees and managers to write down each time an item is removed from the inventory. If one employee forgets to mention that the last product has been removed from the inventory, a manager expects the item to still be available for a customer during a sale. Compared with a technical inventory system, a manual inventory system does not help the communication in the workplace. A technological inventory system updates automatically once an item has been scanned out of the inventory, so all employees in the business know what is available at all times. \* Physical Counts

A technological inventory system provides updated numbers for the inventory on a daily basis. However, a manual inventory system does not provide any number, as all numbers from the inventory are gained through physical inventory counts. One of the difficulties of running a manual inventory system is that physical inventory counts must be performed frequently to control the items in the inventory. This is time consuming and



can cost the business money, if employees must come in to help out outside of business hours.

#### \* Daily Purchases

Keeping track of daily purchases is another difficult controlling measure with manual inventory systems. While technological inventory systems scan the item and subtracts the item from the inventory, a manual inventory system requires the employees to write down the items sold during a single work day. This can be a difficult task, as one employee may lose the list of items sold or another may forget to write down a sale. \* Ordering Supplies

A manual inventory system does not update at the end of the day with updated inventory counts. This means you must go through the inventory items each time you need to place an order for new raw materials, products or supplies for the inventory. This can be a time consuming process, as you will physically have to go through each product box and browse through the items. A technological inventory system can provide you with updates, so you know exactly how many items you have left in your inventory. This means you can check your inventory and order your supplies from your office desk with a technical inventory.

#### B. Description of Research Method

The researcher comes up with the computerization aiming for an enormous innovation and improvement in the existing manual system. The use of computers is the best solution the researcher think that would answer the existing problem in terms of operations and functions of inventory, record

keeping and monitoring system for the Frutas Ice Candy Company.

Computerized Inventory System is a computer program that track inventory and creates automated replenishment order. Computerizing the inventory system brings the organization the potential improvement in accuracy and speed through better analysis of inventory trends, including the pattern of processing and recording. Furthermore, immediate result will be more timely and accurate information about, item presently on hand. Additional equipment and property personnel could encounter fewer burdens, less effort on processing transactions, and may avoid misplacing or lost of records.

Automated inventory systems play a large role in today's businesses, especially the retail industry. This is because businesses want the ability to access and organize data in a quick and efficient manner. With an automated inventory system, businesses can rely on computers to do tasks that were once performed manually, such as inventory checks and product sales. These tasks can be very overwhelming for businesses to do manually because of their size, number of stores, and their product diversity. This can all be changed, though. With automated inventory systems these processes can be handled in a timelier manner and also be more accurate and reliable than ever before. This is a great advantage over tracking inventory manually because usually a business only takes a complete manual inventory count a couple of times a year, which leads to a great deal of over and under stocking.

With a manual inventory count businesses try to predict which products will sell better than others and the location they will sell better at. Although this does work ok, predictions are not always correct, which can cause problems if a product doesn't sell as well as intended or a product sells better than expected. With inventory software, businesses can now analyze the information provided to determine which products are selling and which are not. The software packages allow businesses to take the guesswork out of managing their inventory because it makes instant updates to the inventory and also makes more accurate sales predictions for the future. When using an automated inventory system a business can determine what products they should purchase more of, what products they should not, and how much should be ordered of each product. Some inventory system software will even send the order directly to the supplier once the inventory level of a product drops to a certain number of a particular product. This helps businesses become more efficient by increasing their sales while decreasing their inventory supply

The new inventory system connects the inventory directly to their sales so everything is instantly updated, which saves the university time and money. Because the university no longer has the manual labor of checking inventory they have a more accurate account of what items are in stock. Their system is also directly connected to the Internet, which provides students with the opportunity to purchase their textbooks online. While Southern Utah University needed to update their schools' small but growing bookstore, other companies, such as Recreational Equipment Inc. or REI, were looking to

automate their entire Incorporation. In the early 1990's REI had come to the conclusion that their manual inventory management was too much for the product managers to handle. REI is a chain of over a dozen outdoor equipment stores that sell thousands of different products, which include camping, hiking, rafting gear, and other outdoor sports (Santosus, Working). Analysts, at REI would physically count the inventory at every store and determine a sales plan for the following year. This process was time consuming for the company and often inefficient. The results of performing the inventory count manually were hindering the analysts from making accurate sales predictions.

This left inventory problems to be spotted only after they were already in place so they were unable to take preventative measures (Santosus, Working). In 1994 REI decided that installing an automated inventory system was the way to go. That year they started with the first phase of their long-term project, which was to install a software application called E3Trim. The software, installed by E3 Associates Ltd., allowed REI to have a more accurate account of what items were selling the best at each individual store. It also gave them the ability to see what products were being ordered, the day-to-day status of those orders, and what products they had in stock at the distribution center. E3Trim provided REI with automatic comparisons of the company's sales goals and their actual product sales and performed an analysis every night to determine what products they should purchase more of and give a recommendation. If the recommendation is accepted, the order list will be sent directly to the vendor via fax. With just this first phase of the

new system in place, REI was able to cut their ordering cycle down from one month to just 14 days (Santosus, Working).

In 1996 REI began work on phase two of their automated inventory system. This phase was to install a complimentary software application to the E3Trim called E3Slim. The E3Trim is a software application to handle the inventory supply of the entire company; E3Slim is an application to handle the inventory supply at each individual store. This system is installed at each store and keeps an up to date inventory record through a point of sale software. When a product is low the system will send an order back to the distribution center (Santosus, Working). Now with both systems in place REI can more accurately track their inventory supply, which allows them to spot problems before they occur and set up better sales goals for the upcoming years. According to Dan McBroom, REI's project manager, the installation of the E3Trim and E3Slim has increased REI's sales figures by 3% while decreasing the inventory supply by 14%. This software helped them to manage their inventory in a more efficient manner and lower their costs. In both of the cases above installing an automated inventory system helped these businesses increase their sales while lowering their costs just by giving them a more accurate way to manage their inventory. Automated inventory systems have many other advantages too.

Automated systems are allowing companies to, not only reduce their cost, but also to increase delivery times and their ability to restock their shelves in a timely manner. This means that customers will not have to wait for out of stock products. Companies can now be one step ahead of the consumers.

These systems increase the productivity of a business while decreasing the downtime, which makes them more efficient for a smaller cost. It also allows them to have a competitive edge in the market. Employees are able to easily troubleshoot problems that occur because the software will perform data analysis to show the differences between a company's anticipated sales and their actual sales. It also helps make predictions for future sales goals.

Having an automated inventory system can help to link departments that were once thought to be isolated from one another. Even though businesses tend to think of the inventory management, personnel, sales productivity, and client recordkeeping as separate from one another they all share critical pieces of data and with the right software it can help companies see the big picture rather than just the individual pieces. In turn, this will allow each department to be more efficient in their jobs because it increases the communication.

One of the biggest, and probably one of the most important, advantages to installing an automated inventory system is that helps businesses focus on their biggest goal, to improve the customers experience at their store. With this software, companies can have a better understanding of customer demand through the analysis of their sales. With knowing this companies can provide a quick delivery of these demands. If customer demands are met instantly then this will increase their satisfaction and they will be more likely to come back to that store in the future. If they have to wait, because products that they desire are never in, then they will seek other means of getting the products they want. Even though the advantages of installing an

automated inventory system outweigh the disadvantages, there are still a few to be mentioned. One of the most common disadvantages is that once a company installs the software their employees do not have the proper training or knowledge of the system to retrieve the important information that they want and need to perform their jobs. This disadvantage does not have to occur though, by providing the employees with the proper training to run the system they will be able to access the information they need. Another disadvantage is that the software applications are becoming more complex in their design. This makes it harder for users to understand and work with the systems.

The complexity and interdependence between departments can also cause problems in identifying where a problem occurred, which can often lead to finger pointing between the different departments. Another disadvantage that can turn up is software glitches. Software glitches can also cause many problems because they often go unnoticed until it is very large. So fixing the problem can be a very time consuming. Although a few disadvantages do exist with automated inventory systems, they are usually things that can be avoided for the most part through proper training and monitoring of the system. The advantages for an automated inventory system will exceed the disadvantages and can provide a company with a competitive edge and increase their growth as a whole. Some of the main ways companies can expand and gain ground over their competitors is by using software that helps them to better understand their customers demands so they can in turn increase their sales of those products while decreasing their inventory

by getting rid of products that don't sell as well or decreasing the quantity that they keep in stock.

All of this together helps the company increase their incoming revenue while at the same time decreasing their costs. An automated inventory system is software that allows companies to better manage their inventory systems. They increase companies' productivity and sales while decreasing their cost and time spent to conduct an inventory count manually. In the two company examples I provided the addition of an automated inventory system greatly helped their businesses become more efficient. As technology grows and businesses expand it is becoming more and more obvious that having manual processes to perform tasks are no longer to the company's advantage. If they want a competitive edge over companies automating is the way to go.

In any organization, computer is a necessity. Computerization to an organizational establishment is important in order to do task easily and efficiently. The College of Computer Studies (CCS) is aware that computer is an essential element to be more competitive nowadays. They do believe that computerization will hasten the processing capabilities, gives correct and accurate information and reports in quick manner. However, the College of Computer Studies' Inventory, Record Keeping, and Monitoring System are still done manually. They could not comply with the latest trend in verifying, searching and checking each supplies and equipment documents efficiently. Record keeping become increasingly difficult to handle to an organization and business, especially whom many equipment and property entering to



and hereby of adequate time to evaluate and storage to organization that's its proper register. However, through computers and vast databases available nowadays, keeping the recorder large volume seems to be a natural phenomenon, to an organization requiring a proper place to store all essential information.

Through this spoilage or misplacing records can be avoided, and information can acquire in just a click away. Due to this, the researcher comes up with the computerization aiming for an enormous innovation and improvement in the existing manual system. The used of computers is the best solution the researcher think that would answer the existing problem in terms of operations and functions of inventory, record keeping and monitoring system for the property and equipment of the Tarlac State University College of Computer Studies. The researchers' would used the following tools in gathering data to pursue their study: the method of research such as Library System, Descriptive Method and the Systems Development Life Cycle (SDLC), the Source of Data which includes-Personal Interview, surfing the internet, Books (published and unpublished materials) which are vital in utilizing and conceptualizing the design and creation of the developed system. In constructing the developed system, researcher will use RAD (Rapid Application Development) software engineering paradigm to be guided in developing and improving the capability of the developed system.

This software paradigm is considered as a high-speed linear sequential model, enables the developers to create a " fully functional system" within a very short time of periods approximately 60 to 90 days. This process is very

significant to the developer in a sense that systems output can be perceived in a shorter time frame. The software may be applied in any situation for which its potential procedures and standards are meeting in particular organization. The developed system is a potential application system that can be considered as a Business Software for which it contains a large array of database where information stored can be accessed and retrieved. It also facilitates business operations that can be used in established programs and projects for further improvements of the business enterprise. The research will be located at Tarlac State University, College of Computer Studies, Romulo Boulevard, San Vicente, Tarlac City. With the help of the "Computer-Based Inventory, Record Keeping and Monitoring System for the Property and Equipment of the Tarlac State University College of Computer Studies", such difficulties are largely minimized, and would benefit the faculties, the property and equipment Personnel and the whole college as a whole.