

## When to reorder new stock

### Background information

You work as a stock manager for a company that sells electrical items to retail customers. Part of your job role is to monitor and to identify trends in stock levels in the warehouse where you work to ensure there are sufficient levels of stock available to meet customer demand.

Stock levels are the number of each item in a warehouse and monitoring stock levels is called inventory control. An inventory is a list of all the items in stock in a warehouse.

Today, 29th November, you receive the stock levels for six items in the warehouse at the end of October which are referenced using a code called an inventory ID.

You have also received the sales of the items for each week in November.

The starting stock sheet below shows:

- The quantity of each stock item on 31st Oct.
- The reorder level. This is the number of stock items that triggers the reordering of stock at the end of each month. This is set to 40 on all items, so if the stock numbers fall to 40 or less more stock will be ordered.
- Quantity in reorder. This shows the quantity of stock that will be received when each item is re-ordered.

### Stock levels on 31st Oct

Starting stock and reorder levels

Inventory ID	Unit price	Qty in stock	Inventory value	Reorder level	Qty in reorder
IN001	£899.00	45	£40,455.00	40	25
IN002	£1099.00	75	£82,425.00	40	25
IN003	£1499.00	55	£82,445.00	40	25
IN004	£599.00	80	£47,920.00	40	25
IN005	£999.00	75	£74,925.00	40	25
IN006	£349.00	65	£22,685.00	40	25

**Month Sales - November**

You have also received the sales information for these items for the four weeks of November.

	IN001 Stock sold	IN002 Stock sold	IN003 Stock sold	IN004 Stock sold	IN005 Stock sold	IN006 Stock sold
Week 1	5	2	3	10	22	6
Week 2	2	5	2	17	23	2
Week 3	7	22	8	12	15	4
Week 4	9	16	9	21	15	5

For each item a formula needs to be used to calculate the stock level at the end of each week:

$$\text{Stock left} = \text{current stock level} - \text{week sales}$$

Your role is to:

- enter the data provided into the spreadsheet and use it to identify which items need to be reordered at the end of November.
- identify any items that are selling well and need to have stock reordered earlier than the end of the month.

**Your task**

1. For each item, input the starting stock on Oct 31st into the spreadsheet provided.
2. For each item, input the number of sales for weeks 1 to 4 into the spreadsheet.
3. Create a formula to calculate how many of each item is left at the end of each week in November.
4. Create a formula to calculate the total sales for each item over the month of November.
5. Add conditional formatting to identify when items need to be reordered based on the reorder level of 40 or below
6. Create a line graph for each item to show the changes in stock level throughout November.
  - a. Create the graph for each item on a new tab with a label.
  - b. Add data labels to each graph.
  - c. Add a title to each graph.

## Questions

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Use the completed spreadsheet to answer the following questions:

1. Which items' stock numbers drop below the reorder level before the end of the month?
2. Which item has sold the most over the month?
3. Which item has sold the least over the month?
4. Which item runs out of stock before the end of the month? Why is this a problem?
5. What could you do to prevent items running out of stock?

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