



ORIGINAL RESEARCH PAPER

Commerce

A STUDY OF INVENTORY MANAGEMENT AND CONTROL PERFORMED BY CAFÉ COFFEE DAY PRIVATE LIMITED, PUNE

KEY WORDS: Inventory, planning, control, management, analyzing, executing, overstock, under stock, warehousing etc.

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ABSTRACT

This essay examines how Inventory management is responsible for ordering and tracking stock as it arrives at the warehouse. Order management is the process of receiving and tracking customer orders. Software often combines both tasks. Inventory management plays an important role in order management. The functionality of logistics management is more agile to adapt and maintain the stability of the inventory in an organization. Understanding the key factor of inventory management and control and raise the chance of profit generation for the company/organization and ultimately the national economy. One measurement of good inventory management is inventory turnover. An accounting measurement, inventory turnover reflects how often stock is sold in a period. A business does not want more stock than sales. An organization does not desire more inventory than sales. A company's health depends on effective inventory management since it lowers the danger of stock outs and erroneous records by ensuring that there is rarely too much or too little stock on hand.

INTRODUCTION:-

Inventory management aids businesses in determining which merchandise to order when and in what quantities. Inventory is tracked from product acquisition to sale. To guarantee there is always adequate inventory to fulfil client orders and proper warning of a shortfall, the technique recognizes trends and reacts to them. Inventory turns into revenue after it is sold. Inventory ties up cash before it is sold, despite being listed as an asset on the balance sheet. Inventory management involves the planning of the optimal level, of inventories and control of inventory cost, supported by an appropriate organization structure which is staffed by trained persons and directed by top management. It involves both financial dimensions as well as physical dimensions and these dimensions are interrelated and can not be looked in isolation. Industrialization is an important factor to achieve basic objective of a country's economy and social progress. Much business organization became failure due to not properly managing inventory. To produce any goods or service, it requires many types of material, direct or indirect. Inventory control also deserves special attention as over-investment in inventories results shortage of cash for other purpose like payment of maturing liabilities carrying of account receivable and expansion of fixed assets similarly the consequences of investment in inventories are loss of regular customs. As a result, having too much stock is expensive and lowers cash flow. Inventory logistics management helps companies in the logistics sector carry out their operations in harmony with the environment.

OBJECTIVES

- 1ST AND FOREMOST OBJECTIVE:- The major objective of this research is to determine how an inventory control system at Café Coffee Day maintains the stock such that neither an overstock nor an understock situation occurs.
- 2ND. Understanding how inventory management is both operationally and financially is one of the study's goals.
- 3RD Materials and stock should be readily available for operational purposes, whilst functional purposes should lock in the bare minimum of working capital.
- 4TH To examine the techniques being employed to manage the inventory by these enterprises.

Research Method Used:-

Primary data:-

The key information was gathered through a questionnaire be a café visit with the café manager. Data on inventory control, management, warehousing, material handling, storage area

upkeep, etc. at Café Coffee Day was gathered using a questionnaire that contained several sorts of questions about inventory control and management.

Secondary data :-

The secondary data was gathered via consulting books, papers, websites, and interviews. The metrics chosen include customer happiness, convenience of service, information on the website, employee productivity generally, employee counts at each workplace, a lucrative area of business, catering location, service offering, product availability, inventory, and location. A questionnaire was used to gather the information. With the responses provided by the respondents to the questions posed, data has been examined. About my research, I am confident that I have chosen the best combination of methods for a thorough strategy that can operate effectively in the workplace.

Data Analysis And Interpretation –

Table - 4.1.1. Interpretation Of Inventory In Ccd

Sr. no.	INVENTORY PRODUCTS	Percentage
01	Actually used	89
02	Disposed	2
03	Returns	2.8
04	Reverse logistics	0.2
05	Warehousing	6

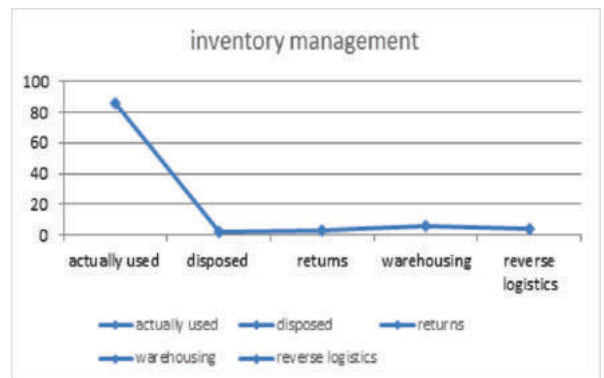


Chart-4.1.2. Inventory Management

Here clearly CCD is using all the available resources and raw materials with very low rate of producing waste. 85.2 % of resources are actually been used by CCD as compare to

any other brand as per the article in The Times of India and it says that their has been a lots of wastage in coffee industries but the least was from CCD at only 2% of disposal and the returns were reused, recycled or repaired, only 2.8% were the returns this shows the proper management of inventory at the workplace.

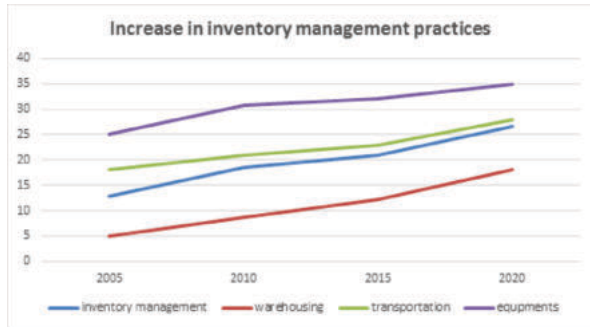
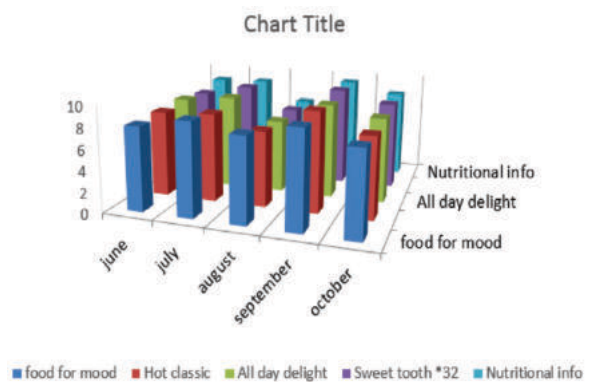


Chart 4.1.3. Increase In Inventory Management Practices

List of products/other services earning Maximum rate of profit in last 5 months for the company on a scale of 1-10 and overall profit for each workplace.

Profit Scale	Food for mood	Hot classic	All day delight	Sweet tooth*32	Nutritional info
June	8	8.2	8.5	8.2	8.9
July	8.9	8.4	9	9.2	9
August	8.1	7.2	7	7.1	7
September	9.2	9.5	9	9.5	9.5
October	8	7.7	8.1	8.4	8.5

Table- Maximum Rate of Profit



Graph- Maximum Rate of Profit

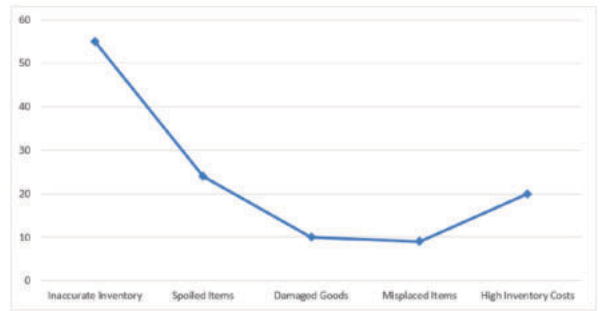
In reference to the changing climatic conditions, likes/dislikes, trends etc there is the change in product profit rate and demand in the market.

This graph summarizes the product profit rate of CCD products for the duration of 5 month starting from June(products were newly launched) to October (product got fair demand in the market), and with these analysis we can conclude that October was the month with highest product profit followed by August.

Common inventory problems:

Sr. No.	Inventory problems	Percentage
01	Inaccurate Inventory	30
02	Spoiled Items	24
03	Damaged Goods	10
04	Misplaced Items	9
05	High Inventory Costs	2

Table - Inventory Problems



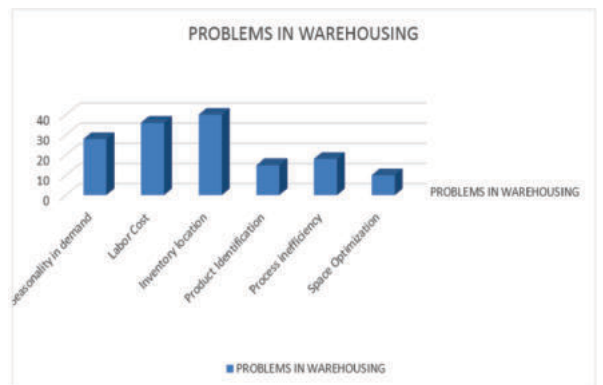
Graph- Inventory problems.

Inventory management is equally important as inventory to be controlled so here is the analysis of how inventory is managed and what is the percentage of waste produced by CCD. 30% of inventory is being inaccurately managed and 24% of inventory is being spoiled, and rest 20% is being damaged, misplaced and faced by the problem of high inventory cost.

Common warehouse problems:

Sr. No.	Warehousing problems	Percentage
01	Seasonality in demand	28
02	Labor Cost	36
03	Inventory location	40
04	Product Identification	15
05	Process inefficiency	18
06	Space Optimization	10

Table-Warehouse Problems



Graph-Warehouse Problem.

Here is the graph representing some common warehousing problems faced by CCD while uploading/unloading the inventory. 40% of the problems is covered by the inventory location followed by the labor cost and seasonality in demand. FMCG industries faces lots of inconvenience in warehousing their goods in reference to time duration, space optimization, location, climatic conditions etc, this also affects the rate of export and ultimately national economy.

Interpretation

Inbound and outbound transportation management, fleet management, warehousing, materials handling, order fulfillment, logistics network design, inventory control, supply/demand forecasting, and management of third-party logistics service providers are a few examples of logistics management activities. CCD uses a far smaller amount of warehousing than barista, which has 16% of storage space, as they only employ the FIFO (First In First Out) approach.

With careful strategic planning, the overall cost of this inventory management and control has decreased by 28% over the past two years.

Although the HMLPL has issues with inventory management, inventory provides 34% of their revenue. Even though they

have issues with managing their storage, the warehouse contributes 89% to the HMLPL.

Swot Analysis Of Cafe Coffee Day

Strengths-

- * Products of extremely good quality and taste
- * Highest no. Of stores
- * High brand equity among the youth*Vertical integration

Weaknesses

- * High pricing
- * Wrong-site selection
- * Lacks strength to maintain the brand

Opportunities

- * Coffee cafe industry is one of the fastest-growing industry in Asia
- * Enter and attract international markets* Rising income of people

Threats

- * Growing competition from global and local coffee chains
- * Growing attrition rate

Findings.

1. As of December 31, 2021, it had a market share of over 52% in India for chained café outlets, with a footprint that was nearly four times greater than the combined footprint of its following four rivals.
2. CCD has based its retail strategy on the three "As": "Affordability" to appeal to the value-conscious youth segment; "Accessibility" to ensure that cafés are within easy reach for high-footfall; and "Acceptability" to present it as a place where customers can hang out for extended periods of time that is a third option to the home and office.
3. CCD ought to focus on increasing the value of its real estate.
4. Goods should be expensive, fly off the shelves, and take up little space.
5. With more than 2500 locations, CCD is primarily in the real estate sector, which represents the largest expense in the café industry.
6. Every month, 25–30 new cafes are opened by Café Coffee Day, which has added 124 stores in the previous seven months.
7. The business currently bills itself as the biggest youth aggregator in India. Because of this, it is gaining business from companies like Airtel, Google, and Yahoo! who display their eye-catching advertising on the walls of its cafés. "Our marketing strategy is special. We don't conduct our marketing efforts in a conventional manner; instead, we experiment with new strategies every year. For instance, the previous Friendship Day's "Friends of Coffee" event was a big success.

CONCLUSION

Providing a greater selection of food and beverages, including full dinners. Due to the many coffee drinking experiences and international culinary alternatives, we offer a setting that is creative and explorative and is ideal for networking as well as, of course, sipping and unwinding. There are 42 locations of The Lounge, located in seven different cities. Its history spans more than 130 years. Since 1999, Coffee Day Exports has been one of India's major green coffee exporters. We also ship goods to Japan, Europe, and the Middle East. CCD has made investments in R&D and effectively implemented what it learned to boost the promotion of diverse coffee blends and increase its exports. They hold a UTZ Certification for ethical coffee cultivation. Coffee Day Exports is adamant that their obligation starts at the source of the coffee bean, from making sure that ethical

growing procedures are followed through packaging and selling the product to consumers. Coffee Day Exports has the knowledge, technological know-how, and expertise necessary to provide its clients a broad range of competitively advantaged goods. Coffee Day Exports is always improving its goods with help from consumers, consultants, and research. A place where they may sit down, speak and listen to others, have quick meetings, and generally have a lot of fun while sipping steamy cups of unending coffee. Since then, ccd has been on an exciting road to become the largest organized retail cafe chain in the country.

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