



FUN SPORTS

One Net, One Warehouse, One Cloud

——optimize the inventory management and information system for FS

TEAM: NO MORE WAITING



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Summary

PART 01

Case Overview



1.1 Case Overview

Profile

A small B2C
online store

R&D for sense
training equipment

Outsource the production
of customized products

Enjoying rapid
development

Development History

2015

Founded in 2015, Fun Sports mainly **produces children's sensory training equipment** that is safe and fun and can enhance attention.

2015-2020

Fun sports experienced **sales growth** because it invested more in R&D and creating differentiated products.

2020

Although FS' sales have been rising steadily, it received large fines during the Double Eleven shopping festival in 2020.

Current Problems

➤ Inventory management

There are problems in the system and process of inventory management, resulting in overselling and large fines on Double Eleven.

➤ Information systems

The “Good Account” software now in use does little to the inventory management shortfalls.

PART 02

Inventory Management



2.1 Thinking Summary

Information asymmetric

Desynchronized data

Not checking in person

Lack of stocktaking

Sort out problems
according to processes

Information Isolated
Island

Inconsistent basis

Lack of inventory management



Set up **information
technology department**

Improve organizational
structure



Set up **quality inspection
department**

- **Set standards** to select OEMs.
- **Form a team to check** the OEMs warehouse status.
- **Ensure** the invoices consistency.

- **Ship** the goods uniformly in batches.
- **Unify** the standard of goods out and in.
- **Check** the quantity and quality when leaving the warehouse.

Propose
improvement measures

Product inbound

Product storage

Product outbound

Return products

- **Sort** the goods in different types **in time**.
- **Clean** warehouse regularly.
- **Periodic** stocktaking.

- **Warehouse and sort out** reasons for return.
- **Inform** the responsible department.
- **Repair and record** maintenance information.

2.2 The Main Problems of Fun Sports Inventory Management

From inbound, storage, outbound, return, operation of these five processes to sort out the problems.

Inbound Process

- **Not personally** check the warehouse.
- **Didn't** do the accounting **by accountants themselves**.



Main
Issues



2.2 The Main Problems of Fun Sports Inventory Management

From inbound, storage, outbound, return, operation of these five processes to sort out the problems.

Storage Process

- Some products **long kept**.
- **No physical inventory count.**
- **Do not reflect** the actual quantity and quality.

Main
Issues



2.2 The Main Problems of Fun Sports Inventory Management

From inbound, storage, outbound, return, operation of these five processes to sort out the problems.

Outbound Process

- Sources of information are **not uniform**.



Main
Issues



2.2 The Main Problems of Fun Sports Inventory Management

From inbound, storage, outbound, return, operation of these five processes to sort out the problems.

Return Process

- Lacks **smooth information** communication.
- **Inconsistencies** in the accounts.
- **Hard to track** information.



Main
Issues



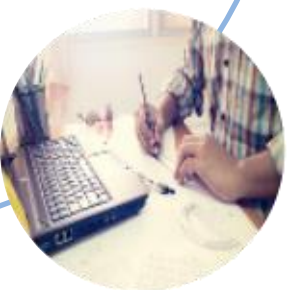
2.2 The Main Problems of Fun Sports Inventory Management

From inbound, storage, outbound, return, operation of these five processes to sort out the problems.

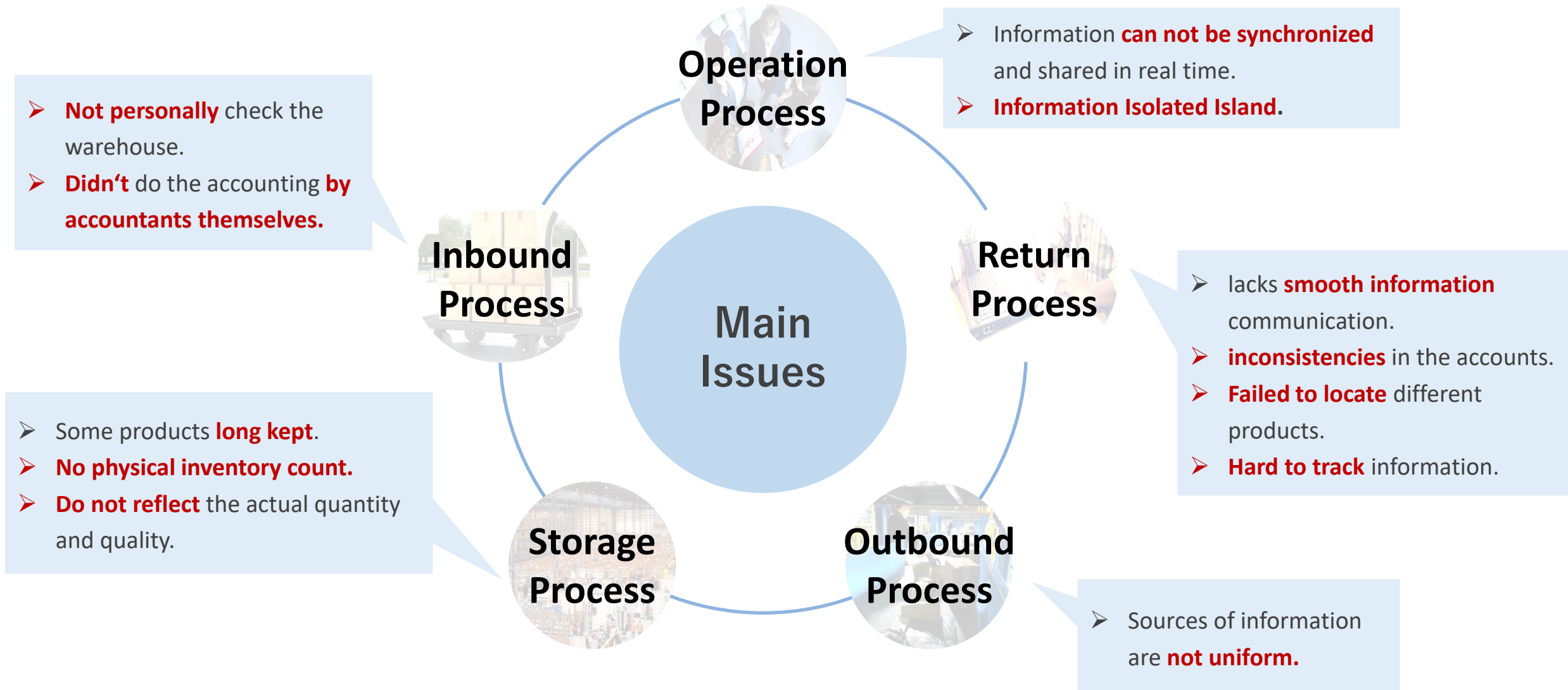
Operation Process

- Information **can not be synchronized** and shared in real time.
- **Information Isolated Island.**

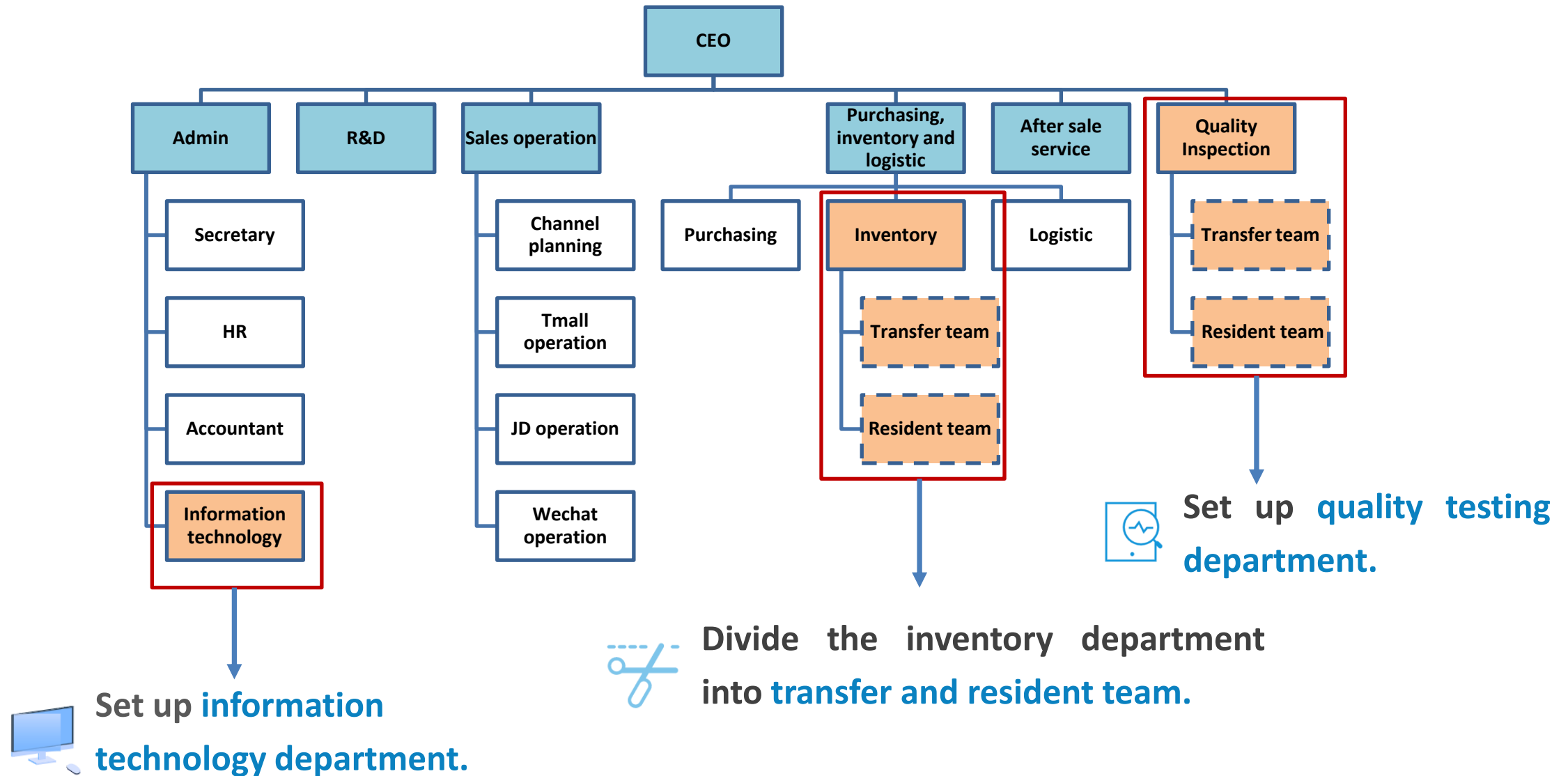
Main
Issues



2.2 The Main Problems of Fun Sports Inventory Management

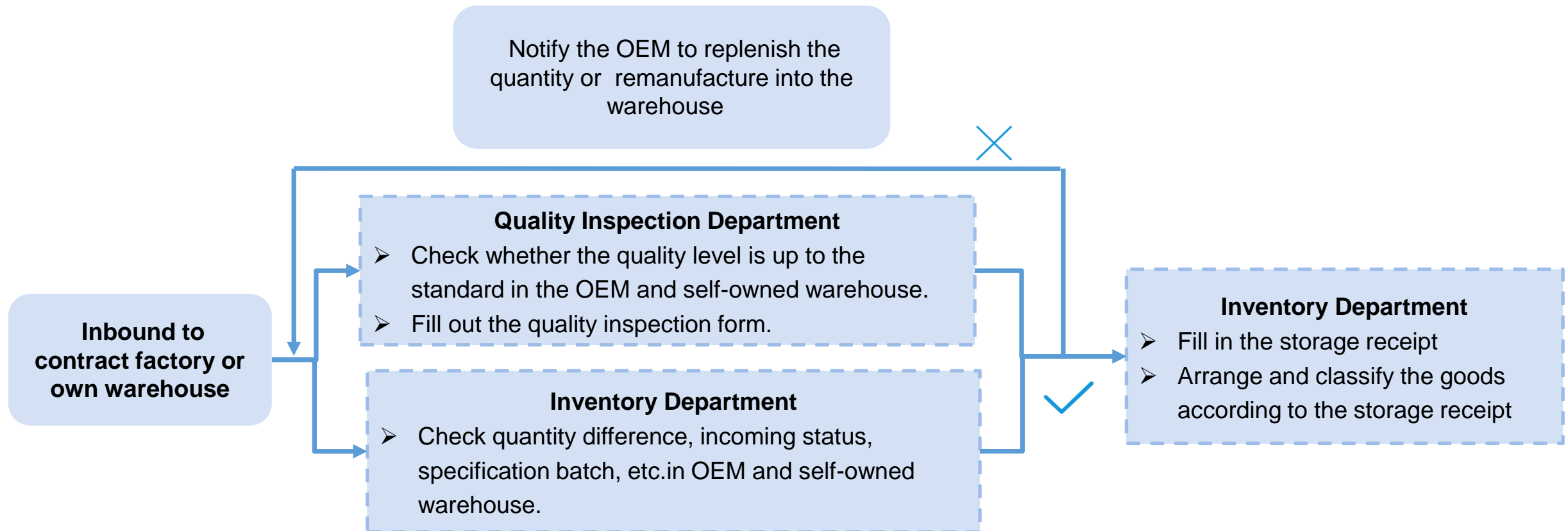


2.3 Organizational Structure Improvement



2.4 Process of Inbound

- Select the OEM according to certain standards.
- From the OEM storage transfer team to check the storage status in each OEM warehouse.
- The vouchers shall be reviewed and sent together to the accounting department. The accounting department shall ensure the consistency of different invoices.



2.5 Process of Storage: Routine Activities

- Sort the goods in different types in time.
- Keep clean and tidy, goods stored for a long time due to unsalable and other reasons shall be cleaned regularly.
- Inventory department responsible for review and audit profit and loss.



Inventory Department

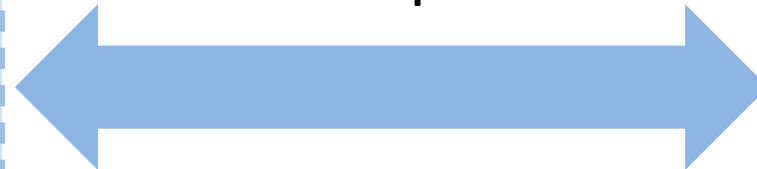
- Arrange items according to product characteristics in daily storage to keep organized.
- Check in and out of storage, improve the accuracy of data recording.
- Design quality index and check product quality regularly.



Accountant Department

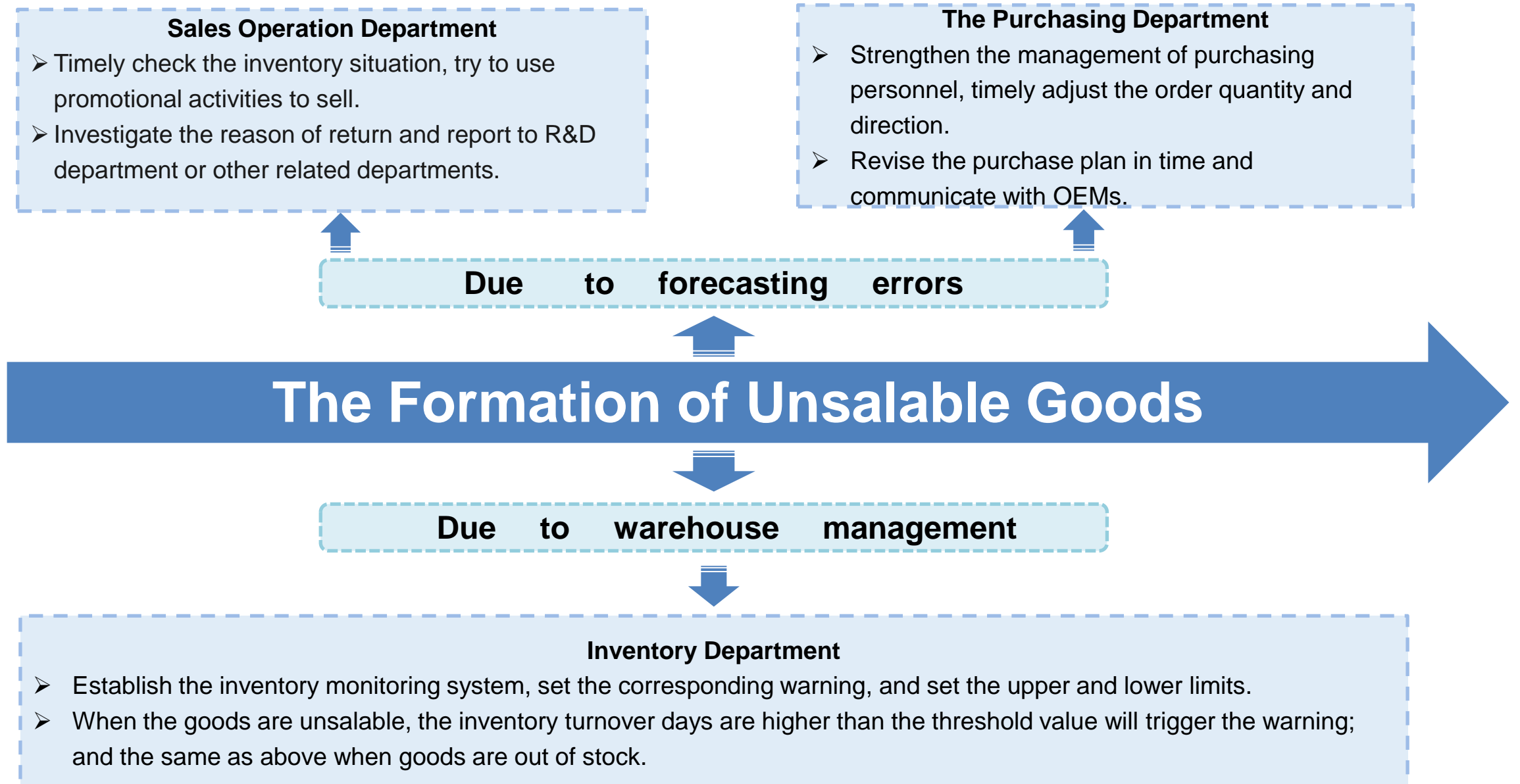
- Carry out spot checks or taking stock of inventory in OEMs and self-owned warehouse.
- Analyze the stocktaking work and results, including the confirmation of accounting discrepancies and abnormal performance reasons.

Mutual Supervision



Mutual Feedback

2.5 Process of Storage: Unsalable Goods Processing



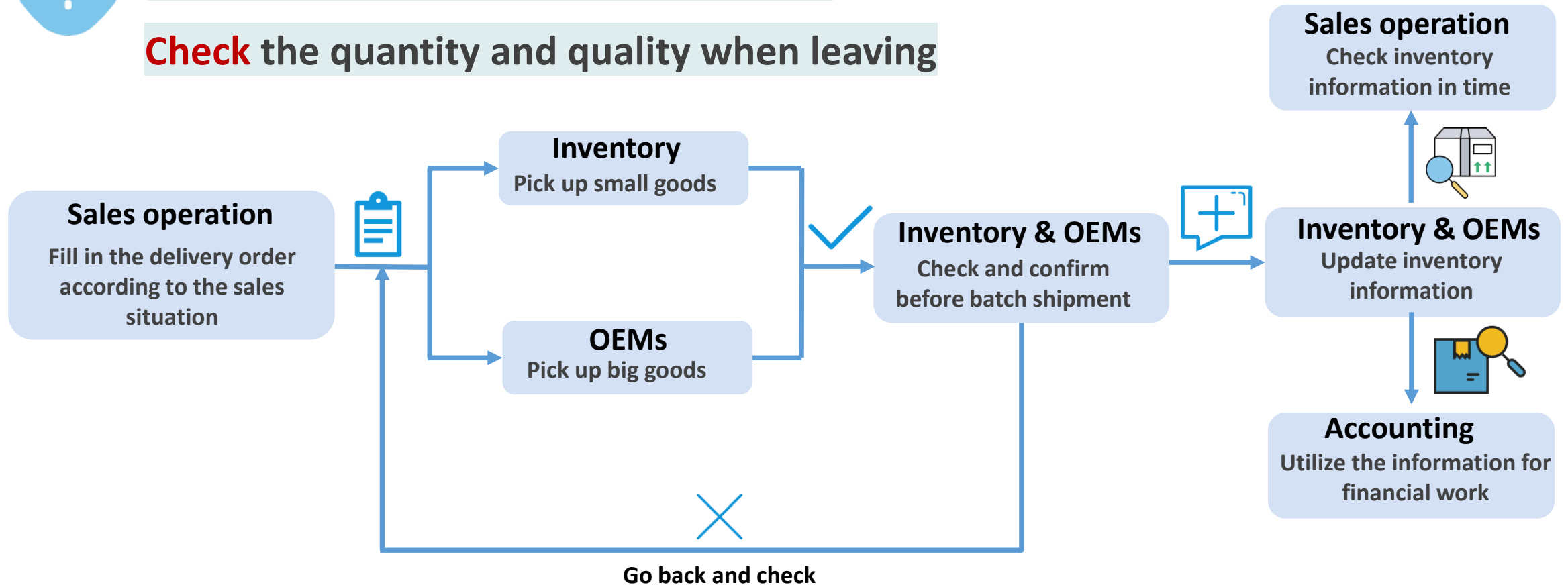
2.6 The Delivery of Goods



Ship the goods uniformly in batches

Unify the standard of goods out and in

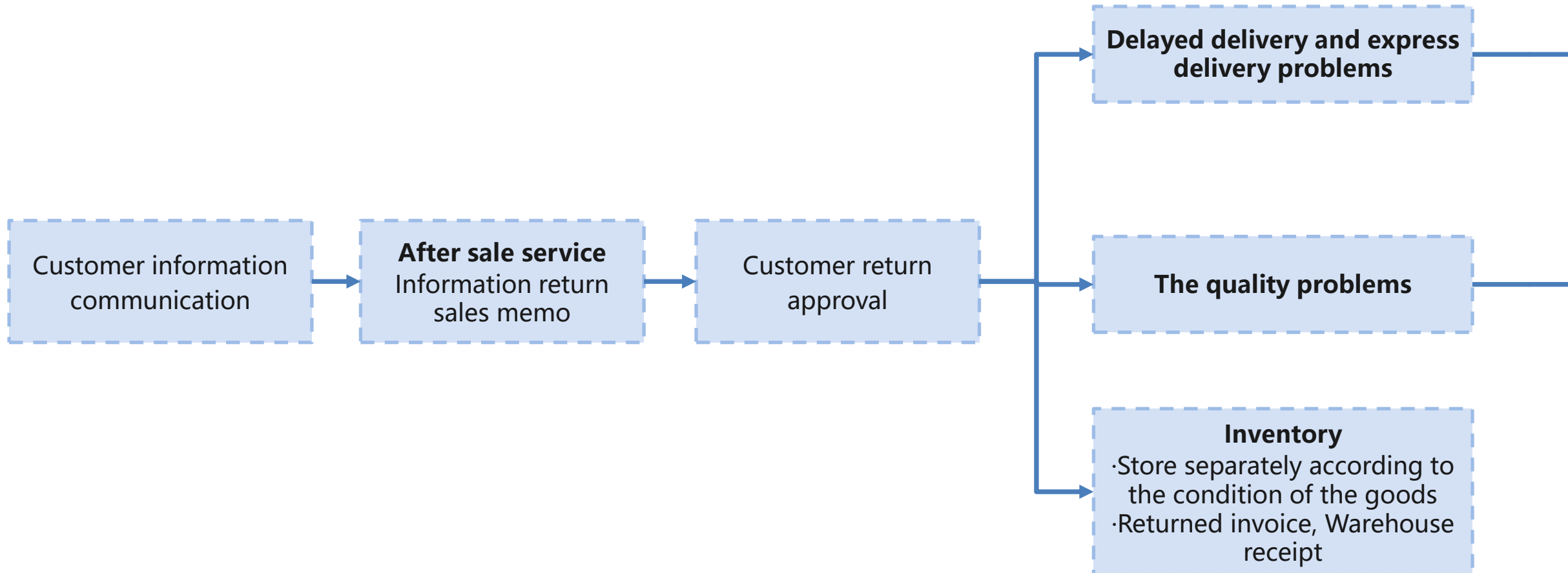
Check the quantity and quality when leaving



2.7 Process of Return of Goods

Step 1

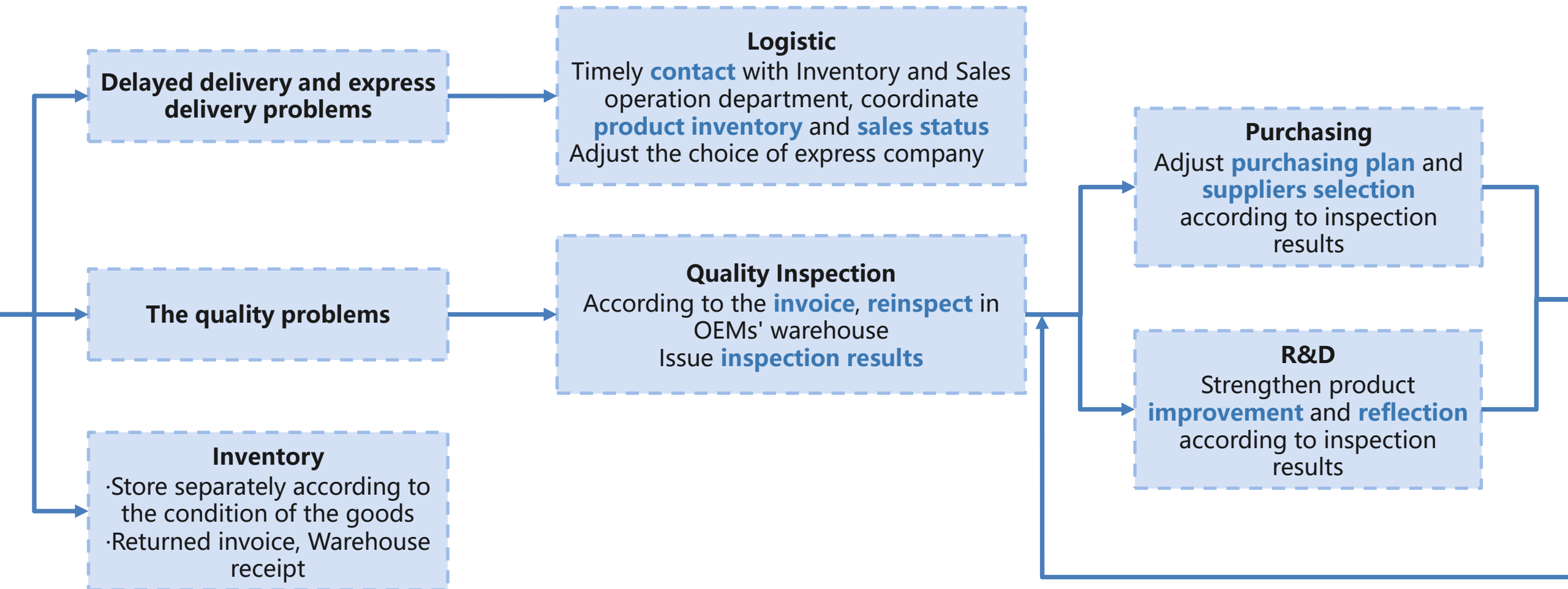
- Confirm return, warehousing return products.
- Sort out reasons for return.
- Store products in categories.



2.7 Process of Return of Goods

Step 2

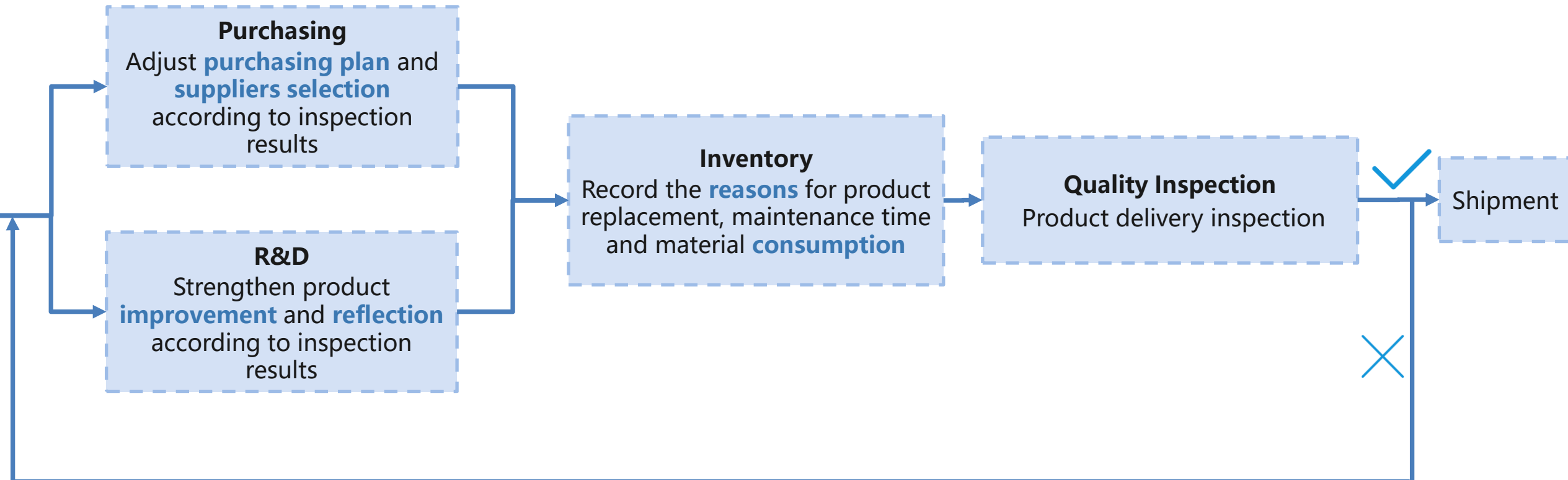
- Reinspect the returned products.
- Inform the responsible department of the problems.



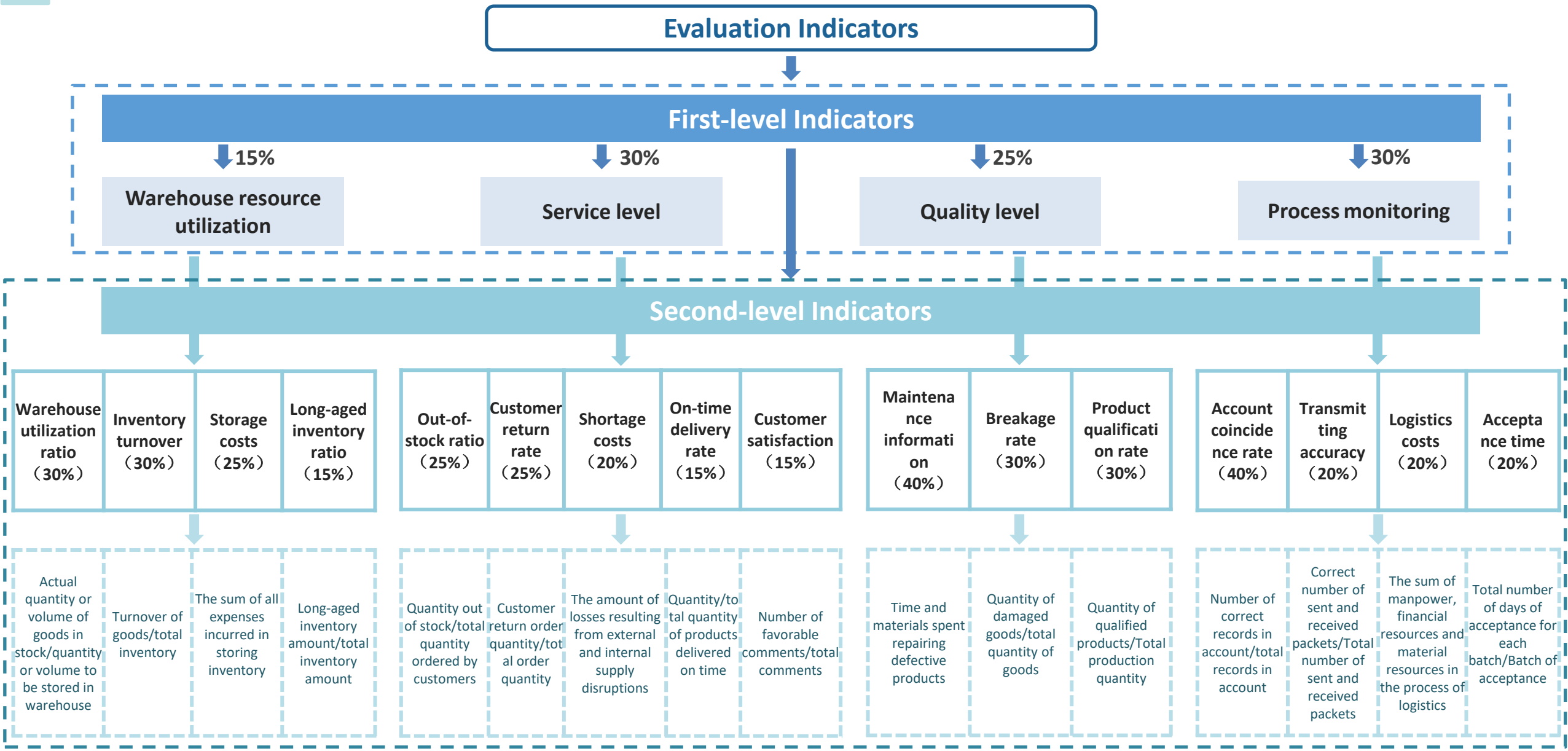
2.7 Process of Return of Goods

Step 3

- Repair returned defective products.
- Record maintenance information.
- Inspect again before leaving the factory.



2.8 Evaluation Indicators



PART 03

Information System



3.1 Functional Needs for the Information System

**Information
Isolated
Island**



Update inventory quantity in real time.

- Multi-platform sales inventory automatically update.
- The actual inventory is consistent with the records.

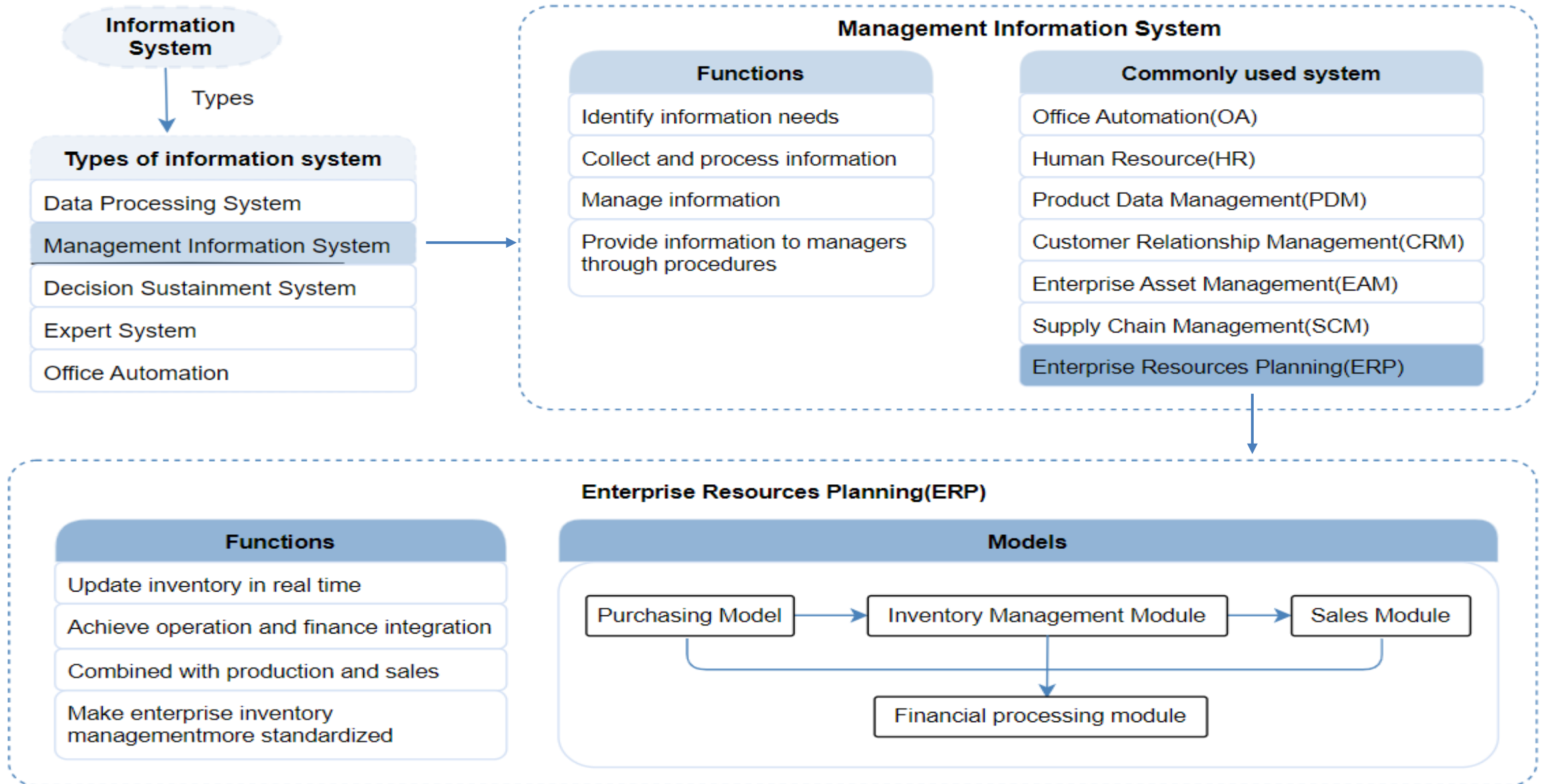
Share inventory information with OEMs.

- FS masters the production, completion and inventory of the OEMs.
- OEMs grasp the sales and inventory changes of the FS.

Satisfy the finance function's basic accounting needs.

- Integrates invoice, finance and taxation.

3.2 Types of Information System

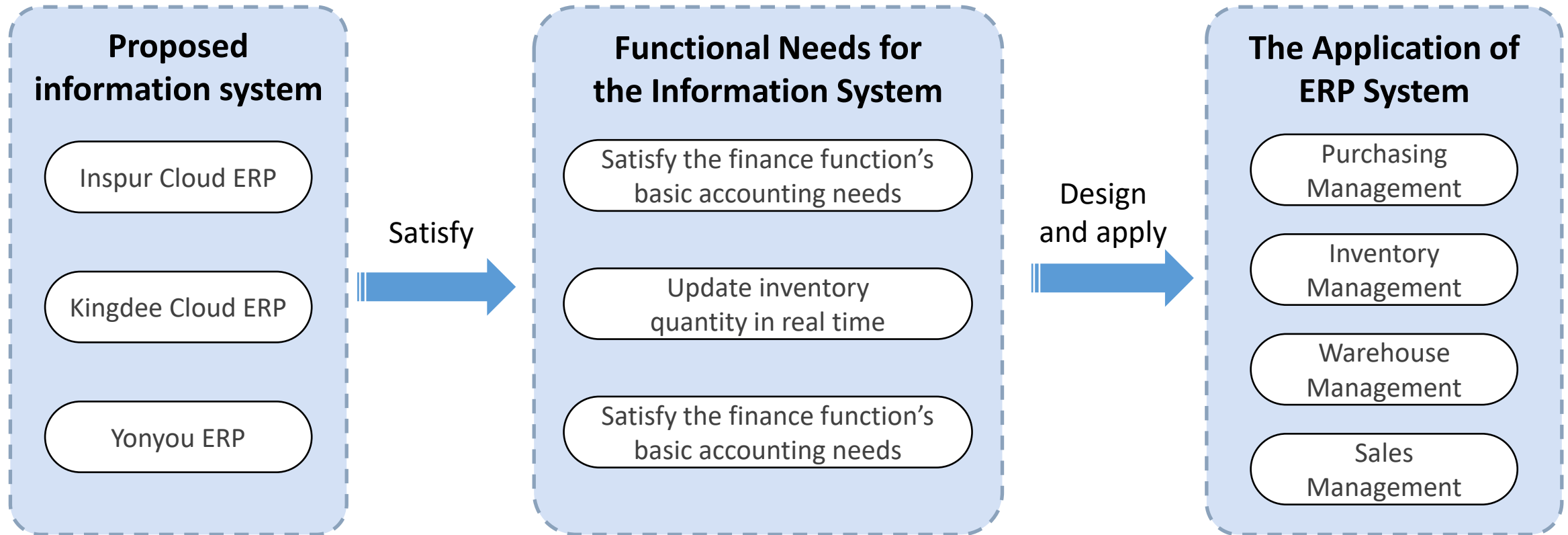


3.3 Market Research on ERP System

	Large-scale enterprise	Medium-sized enterprise	Micro-enterprise
Common-used ERP software	<ul style="list-style-type: none">✓ SAP✓ Oracle ERP	<ul style="list-style-type: none">✓ Inspur Cloud ERP✓ Kingdee Cloud ERP✓ Yonyou ERP	<ul style="list-style-type: none">✓ LingXing ERP✓ Jackyun ERP
Features	<ul style="list-style-type: none">✓ The most functional and flexible✓ Most of the fortune 500 use it	<ul style="list-style-type: none">✓ Basically satisfy the management needs✓ Most medium-sized enterprises use it	<ul style="list-style-type: none">✓ Meet a specific range of management requirements✓ Not fully functional
Price(¥)	1,000,000 – 10,000,000	300,000 – 1,000,000	<100,000

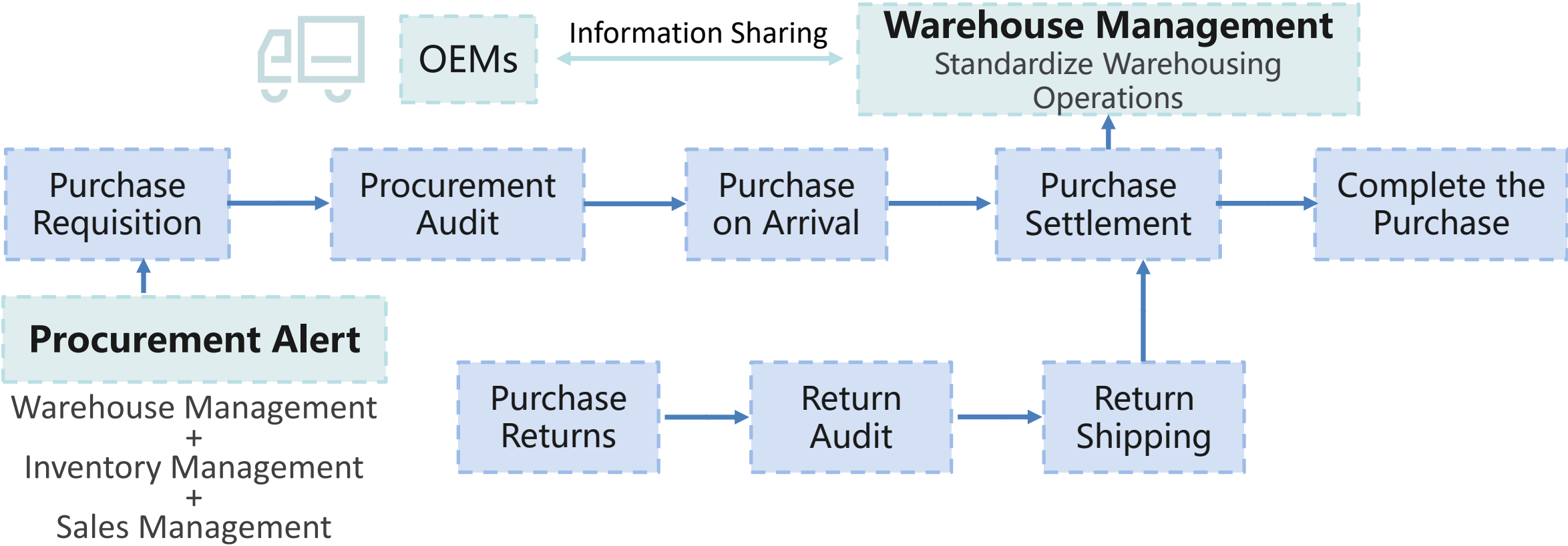
As a medium-sized enterprise, FS should adopt ERP software with similar functions and price as Inspur Cloud ERP , Kingdee Cloud ERP and Yonyou ERP.

3.3 Market Research on ERP System



Purchasing Management

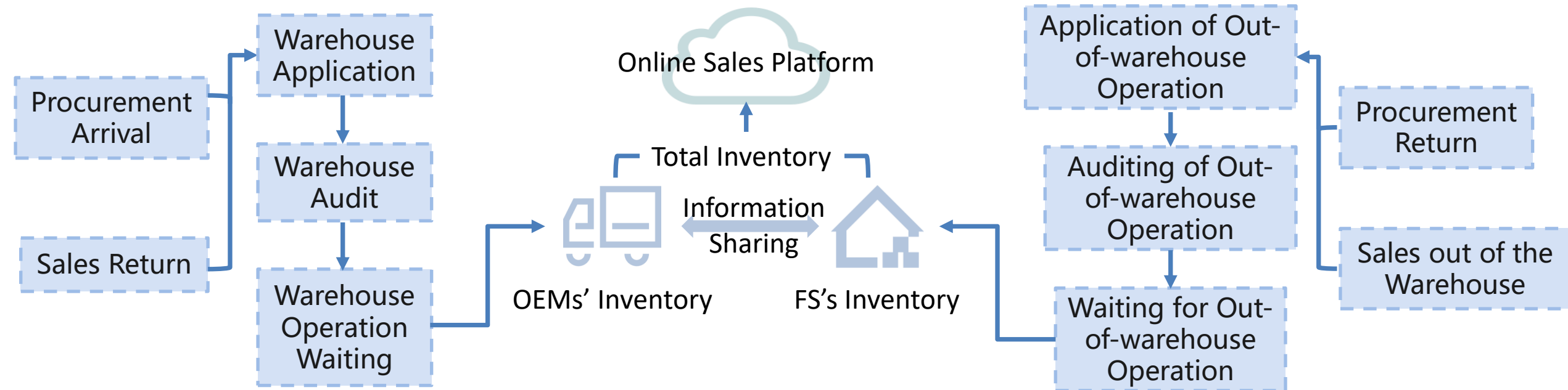
- Efficiently **coordinate** operation, procurement, and warehouse departments.
- scientifically **track procurement needs**.
- **Share** the company's sales and inventory changes with the OEMs, and **stock up for the company in time**.



3.4 The Application of ERP System

Inventory Management

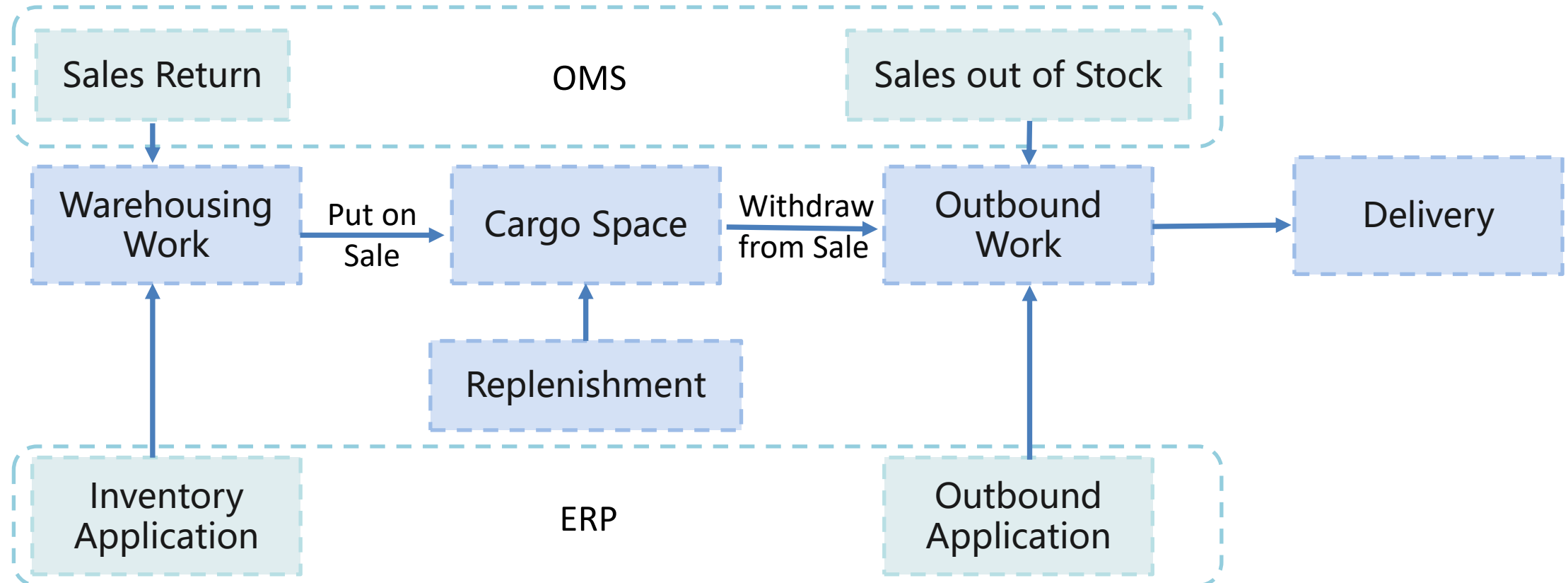
- Realize **multi warehouse management**.
- **Synchronize** the book and actual inventory in real time to avoid oversold products.
- **Reflect the status of defective and repaired products** in stock in real time.
- Regular **reminder function** of unsalable and overstocked products.



3.4 The Application of ERP System

Warehouse Management

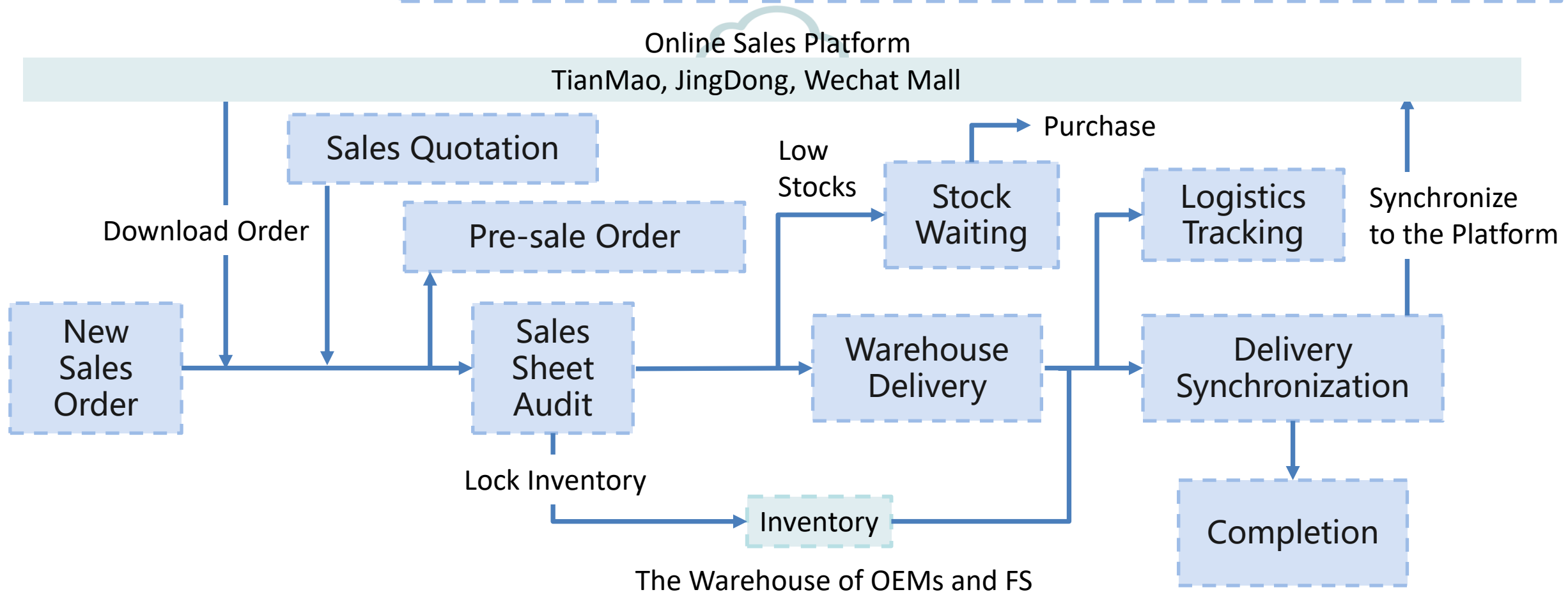
- **Standardize** the warehouse operation process, **optimize** the location, and **manage** the barcode.
- **Standardized management of warehouse operation processes** such as product entry and exit, inventory, allocation, cost price, etc.



3.4 The Application of ERP System

Sales Management

- Unified management of omni channel orders.
- Automatic delivery and return logistics information to the platform.
- Automatic update of multi-channel and multi-store sales inventory.



PART 04

Summary



4. Summary



4. Summary

Functional Collaboration ← Governance Collaboration + Organizational Collaboration + Operational Collaboration + Job Collaboration

Information System
Solves the Problems
of Information
Isolated Island.

One Net
One Warehouse
One Cloud

Value
Creation

Business and
Financial Integration

Business
Intervenor

Decision
Maker

Data
Integrator

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Thanks!



Appendix

- ✓ Measure the **effective utilization** of the warehouse, the speed of inventory turnover.
- ✓ Indicates whether **customer requirements** can be met.

First-level Indicators	Second-level Indicators	Weight	Quantitative formula
Warehouse resource utilization (15%)	Warehouse utilization ratio	30%	Actual quantity or volume of goods in stock/quantity or volume to be stored in warehouse
	Inventory turnover	30%	Turnover of goods/total inventory
	Storage costs	25%	The sum of all expenses incurred in storing inventory
	Long-aged inventory ratio	15%	Long-aged inventory amount/total inventory amount
Service level (30%)	Out-of-stock ratio	25%	Quantity out of stock/total quantity ordered by customers
	Customer return rate	25%	Customer return order quantity/total order quantity
	Shortage costs	20%	The amount of losses resulting from external and internal supply disruptions
	On-time delivery rate	15%	Quantity/total quantity of products delivered on time
	Customer satisfaction	15%	Number of favorable comments/total comments

Appendix

- ✓ Reflect whether the enterprise has timely **reflection and improvement** of the products.
- ✓ Measure **product quality** level.
- ✓ **Supervise** each link of the enterprise.

First-level Indicators	Second-level Indicators	Weight	Quantitative formula
Quality level (25%)	Maintenance information	40%	Time and materials spent repairing defective products
	Breakage rate	30%	Quantity of damaged goods/total quantity of goods
	Product qualification rate	30%	Quantity of qualified products/Total production quantity
Process monitoring (30%)	Account coincidence rate	40%	Number of correct records in account/total records in account
	Transmitting accuracy	20%	Correct number of sent and received packets/Total number of sent and received packets
	Logistics costs	20%	The sum of manpower, financial resources and material resources in the process of logistics
	Acceptance time	20%	Total number of days of acceptance for each batch/Batch of acceptance