Project Proposal

Student’s Name

Date

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Wal-Mart has been a target of a series of customer complaints and employees following challenges with its inventory management. Out of stock merchandise creates a problem for the organization as it leads to a loss in gross revenue, decreased customer satisfaction, and the denture to the customer experience at the facility. This is a significant problem that also affects customer loyalty as more customers will increasingly shift to other competing brands who can provide the same offering. This phenomenon is also called stockout when the inventory of a particular product has finished. Therefore, there is no product available for the customer to acquire at retail than elsewhere in the supply chain.

This was specifically problematic for the organization due to the poor inventory managed system; there is decreased forecasting and ordering accuracy. It was also inefficient for the company. It led to increased operational expenses, which resulted from unplanned restocking, looking for stock in the storerooms, and providing "rain checks." The suppliers also felt the pinch of the inadequate system with distorted plans on distribution and supply, the lowered impact of promotions, direct sales loss, increased chances of the competitor to try the competitor and decreased brand reputation.

The issues mentioned above led to enough distress to Wal-Mart's management and stakeholders and decided to revamp the inventory management. The impetus of this nature, they engaged professionals who developed the supply chain link, an electronic system that put the company and supply in sync for inventory management. Considering the organization's big size, the supply chain was essential for facilitating effective and efficient inventory management. This technological application will encompass the vendor-managed inventory model for suppliers to access information, just-in-time cross-docking to meet fluctuating market demands, and managing inventory using ABC analysis upon which goods will categorized and monitored respect to the importance and impact on organization’s operations.