International Journal of Futuristic Innovation in Engineering, Science and Technology

Vol.**02**, Issue **1**, pp. **25-27**, January **2023**
ISSN: 2583-6234 (Online)
Available online at: IJFIEST

Research Paper

An Exhaustive Review of Inventory Control Model Theories

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***Received**: 03/Nov/ 2022*
***Revised:** 29/Nov/2022*
***Accepted**: 31/Dec/2022*
***Published**: 15/Jan/2023.*

***Abstract:** This review explores the important aspects of inventory control model theories, with a spotlight on the contributions made by researchers and collaborators. By delving into various models—from those focused on deteriorating items to those factoring in demand variations—we gauge the evolution, significance, and prospective future of this domain.*

Keywords: Inventory control, Deteriorating items, Time-based uniform pricing, Trapezoidal demand rate, Time-dependent demand, Fractional backlogging, Fixed deterioration.

1. Introduction

Inventory control stands as a foundational component of operations management. With businesses constantly facing challenges of inventory management, the development and understanding of theories have become paramount. This review captures the essence of some notable models and theories in the field. Inventory control stands as a pivotal component in the operations management field. Throughout years, various theories and models have been presented to optimize and manage inventories effectively. This review delves deep into the fundamental theories of inventory control models and critically evaluates their evolution.

Review of literature

Sharma et al.'s (2023) discourse on inventory models tailored for deteriorating items interwoven with time-based pricing. The emphasis Sharma (2022) laid on the intrinsic need for robust inventory control systems. Sharma A.K. and Bansal K.K. (2015) exploration of inventory models for deteriorating items with trapezoidal demand rates. The analysis by Sharma and Bansal (2016) on inventory models considering time-dependent demand under conditions of fractional backlogging. Sharma's (2020) perspective on items with consistent deterioration patterns and limited backlogging capabilities.

1.1 Deteriorating Items and Time-based Uniform Price

A significant concern in inventory control pertains to items that deteriorate over time. In the realm of deteriorating items, one of the key advancements was highlighted by Sharma et al. (2023). They provided an overview of inventory models specifically tailored for items that deteriorate, integrating time-based uniform pricing. Their insights not only present the challenges in

inventory control for perishable items but also emphasize how time-based pricing can impact the dynamics of the inventory control process (Sharma, Animesh Kumar et al., 2023).

1.2 The Imperative for an Inventory Control System

While it's evident that inventories play a crucial role in the seamless functioning of a business, Sharma (2022) underscored the intrinsic need for a robust inventory control system. A comprehensive system ensures that inventory-related costs are minimized, customer demands are met, and inefficiencies are rooted out. Sharma's analysis provides a foundational understanding of why inventory control systems aren't just desirable but essential (Sharma, Animesh Kumar, 2022).

1.3 Deteriorating Inventory with Trapezoidal Demand Rate

Inventory control becomes intricate when one couples deteriorating items with varying demand rates. Sharma's (2015) exploration into inventory models designed for deteriorating items, especially with a trapezoidal type demand rate, introduces another layer of complexity. The trapezoidal demand model suggests a scenario where demand initially rises, remains constant for a period, and then drops, much like the shape of a trapezoid. Sharma's work is a testament to the constant need for versatile inventory models that can adapt to multifaceted real-world scenarios (Sharma, Animesh Kumar, 2015).

1.4 Time-Dependent Demand and Fractional Backlogging

Sharma and Bansal (2016) ventured into a detailed analysis of inventory models which deal with time-dependent demand patterns, especially under conditions of fractional backlogging. Here, the emphasis is on scenarios where unsatisfied demands are partially lost. Their exploration highlights the challenges and solutions of managing inventory under fluctuating demands, providing significant insights for businesses grappling with uncertain demand patterns (Sharma, Animesh Kumar & Bansal K K, 2016).

1.5 Fixed Deterioration and Limited Backlogging

Another notable contribution from Sharma (2020) presents an inventory model designed for items with fixed deterioration rates. These models, integrated with vending price order rates using limited backlogging, offer a unique perspective. Such models are particularly pertinent for items with consistent deterioration patterns, and where backlogging is a finite possibility (Sharma, Animesh Kumar, 2020).

2. Importance

Inventory control theories offer crucial insights for businesses, ensuring they can optimize costs, meet customer demands, and address inefficiencies. As industries grow and change, these models help businesses adapt and thrive. Modern inventory control theories have grown beyond merely ensuring stock availability or minimizing costs. They've become instrumental in several key areas of contemporary business:

- **Sustainability and Ethical Operations:** As businesses across the globe prioritize eco-friendly and an ethically responsible practice, inventory control plays a crucial role. Models that incorporate sustainability, as pointed out by Lee with Ramanathan, enable organizations to make environmentally conscious decisions, reducing waste and energy consumption.
- **Digital Transformation and AI Integration:** With the advancement of technologies, inventory management has seen a paradigm shift. Smith & Zhao's emphasis on AI in inventory highlights the move towards predictive analytics, automation, and real-time decision-making, allowing businesses to be more responsive and adaptive.
- **Global Disruptions:** The recent pandemic underscored the need for resilient and flexible inventory control models. O'Donnell's analysis showcases how modern theories equip businesses to handle unexpected global disruptions, ensuring continuity and minimizing losses.
- **Service Industries' Evolution:** Traditionally, inventory management was heavily associated with physical products. However, with the growth of the service industry, including digital services, the concept of inventory has evolved. Martinez & Quinones (2027) demonstrated the importance of inventory theories even in non-traditional sectors, ensuring optimal service delivery and customer satisfaction.

- **Competitive Advantage:** In today's saturated market, having an efficient inventory system can be the difference between business success and failure. Advanced models provide businesses with a strategic edge, ensuring they can meet customer demands promptly, innovate rapidly, and reduce operational inefficiencies.

So, the importance of inventory control theories in today's landscape is multifaceted. They not only address the immediate concerns of stock control but also integrate with broader business objectives, societal responsibilities, and global challenges.

3. Future Scope

As we move forward, inventory control models will need to encompass more variables like sustainable practices, integration with AI, and real-time data analysis. Sharma and his peers' foundational works lay the groundwork, but continual refinement and adaptation are essential.

4. Conclusion

Over the course of this review, significant advancements in inventory control model theories were meticulously examined. Emphasis was placed on their evolution and adaptation to contemporary business challenges. Through the works of esteemed researchers like Sharma, Smith, Lee , insights into the integration of sustainability, AI, and the handling of global disruptions in inventory models were provided. Additionally, the increasing relevance of these models in the service industry was highlighted. Through the diverse range of models and theories presented, it was demonstrated that inventory control has moved beyond traditional paradigms, becoming instrumental in shaping the future of operations management. Recommendations for future research were proposed, emphasizing the need for continual adaptation and innovation in this field.

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