

ABSTRACT

In global competitive business today, one of the success factors that companies concentrate on is inventory. In order to achieve a customer service level at minimum cost of ordering and holding inventory, the company searches for appropriate strategies that could reduce excess inventory level. The purpose of this study is to enhance knowledge and awareness of applying purchasing postponement strategy and to study the technique of how to minimize inventory level and improve purchasing efficiency. This paper identified the opportunity to reduce inventory amount by proposing a new working process flow. Excel spreadsheet was applied to find out cost saving. The consequences of purchasing postponement are measured and analyzed in terms of total inventory cost saving, and number of inventory day reduction. Finally, the company can save inventory amount of 0.81 million baht in total or 92.74% per month. In addition, it can reduce inventory days from 13.2 days to only one day.

Applying purchasing postponement to the company as a strategic tool to improve their supply chain network and working process as well was implemented. This strategy improved purchasing efficiency, reduced inventory amount and warehouse space which effect inventory days. I expect that the company will obtain the benefits of adopting this technique.