Rooms Division Course

Qlion

Stock Control

English only

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Definition

Stock control (inventory control) is a method to calculate the number of items needed during a precise time.

Supplying the stock

When considering the quantity of products to be ordered, we should take into account:

- **Lead-time**
- **Safety stock**
- **Minimum stock**
- **Maximum stock**

It also helps us know when exactly is the last delay for ordering the items, so that we do not fall short and make the hotel's guest experience suffer.

Reference

Lead time

- ✓ **Lead time is the period of time, in number of days, needed to receive the items of a purchase order (called P.O. in the industry)**
- ✓ **Lead time can also be explained as “The days between ordering and receiving.”**

Safety stock

- ✓ **Safety stock is the number of purchase units that must always be on hand, in order to operate in event of emergencies.**
- ✓ **What kind of emergencies there may happen ?**
- ✓ **The Executive Housekeeper will decide the percentage amount of the safety stock.**
- ✓ **It is a percentage calculated based on the formula:**
  “Average daily use x Lead time”

Reference

Minimum stock

- ✓ **The minimum number of purchase units that should be in stock at any given time.**
- ✓ **Established by considering the usage factor, associated with each item.**

Reference

Maximum stock

- ✓ **Greatest number of purchase units that should be in stock at any given time.**

- ✓ **Factors to take into account :**
- ✓ Availability of storage space
- ✓ The period for which the items will be stored.

Why ?

- ✓ **Too long – they may lose their quality.**
- ✓ **They may expire.**

Reference

Minimum Stock Formula

(Average Daily Consumption x Days between ordering and receiving) + Security Stock

What are the days between ordering and receiving the PO called ?

✓ Lead time

Filling the formula

- ✓ **Average daily consumption :**
- ✓ Forecasted average occupancy
- ✓ Average consumption of the item :
  - ✓ Which varies if the room is on stay over or check-out
  - ✓ It also varies depending on the room occupancy (single or double use)

- ✓ **Days between ordering and receiving:**
- ✓ Given by the suppliers (as per contract)

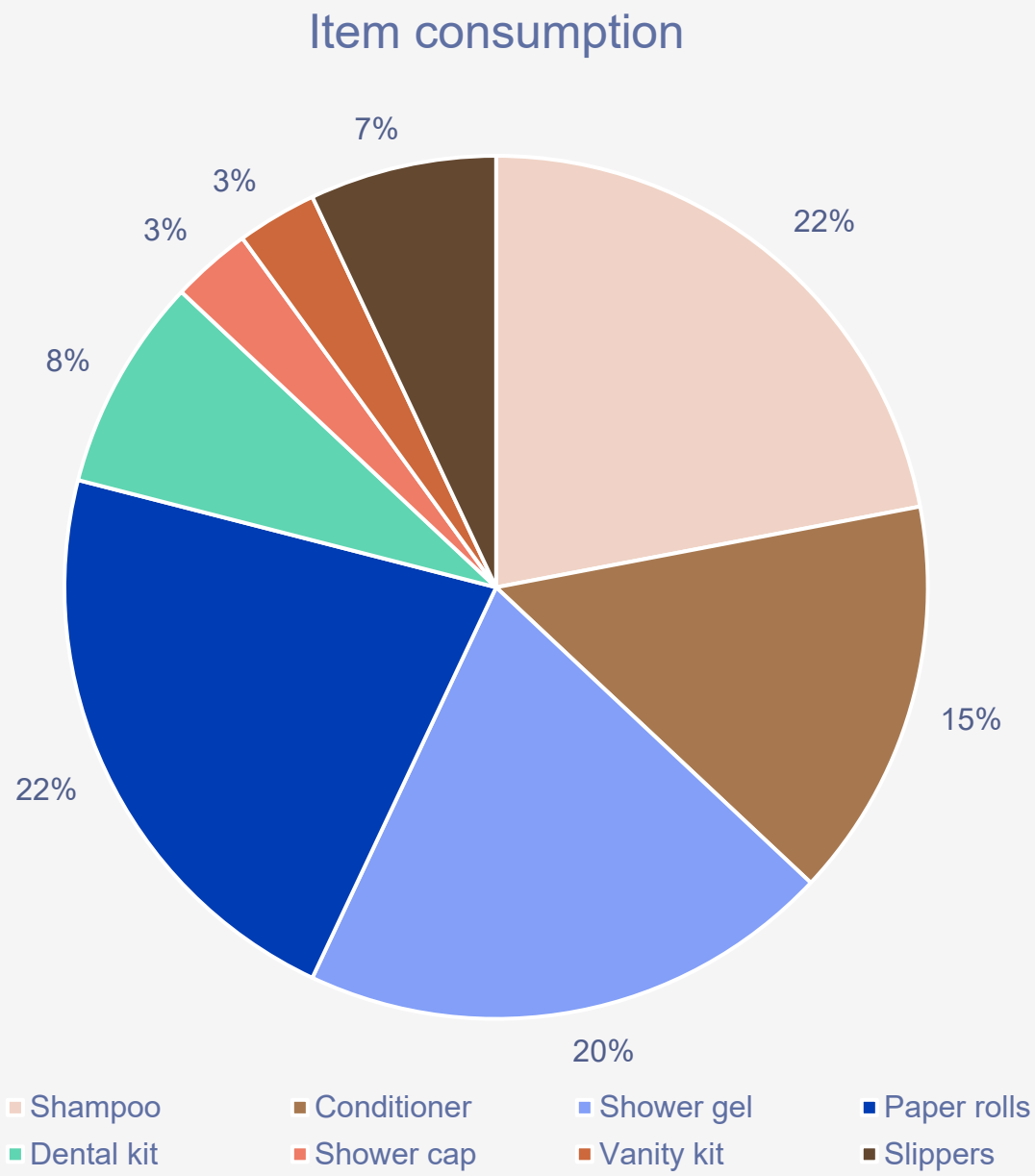
Filling the formula

- ✓ **Security stock :**
- ✓ Percentage defined by the Executive Housekeeper
  - ✓ Usually between 10 and 20%

- ✓ **The exact % will depend on the item usage**

For example :

- ✓ Shower gel has a high consumption → % will be higher
- ✓ Conditioner has a low consumption → % will be lower



Formula reminder

Minimum Stock Level =

(Average Daily Consumption x Days between ordering and receiving) + Security Stock

Any questions ?

Exercise #1

According to the information below, calculate the minimum stock of toilet paper in your hotel per month.

150-room hotel

Average occupancy 80%

Average stayover 38.34%

Average checkout 61.66%

Average changing rolls per stayover 1 roll

Average changing rolls per check-out 2 rolls

It can be purchased on 1 pallet of 4 packs of 24 rolls each

Lead time 15 days

Security stock 15%

Price per roll CHF 0.45

1) Average Daily consumption :

1 Pallet : 4 packs x 24 rolls = 96 rolls

(150# x 80%) / 100 = 120 rooms occupied

(120# x 38.34%) / 100 = 46 average Stayovers

(120 x 61.66%) / 100 = 74 average Check-outs

Stayovers : 46# x 1 roll = 46 rolls

Check-outs : 74# x 2 rolls = 148 rolls

Average rolls per day : 46 + 148 = 194

2) Stock minimum :

(Average daily consumption x Days between order and receiving) + Security Stock :

(194 x 15) + 15% = 3347 rolls

3347 / 96 rolls = 35 pallets for 15 days → 70 per month

3) Cost per month :

70 pallets x 96 rolls x 0.35 CHF = 3'024.00 CHF

Exercise #2

According to the information below, calculate the minimum stock of shower gel per month.

510-room hotel (400 Standard Rooms & 110 Suites)

Average occupancy 80%

Average stayover 25%

Average checkout 75%

Average changing in Standard Rooms per stayover 0.2 Shower gels

Average changing in Standard Rooms per check-out 0.5 Shower gels

Average changing in Suites per stayover 1 Shower gel

Average changing in Suites per check-out 1.5 Shower gels

It can be purchased in 1 box of 444 units

Lead time 21 days

Security stock 18%

Price per unit CHF 0.85

Answer #2

Standard rooms occupied : 400 x 80% = 320 Standard rooms

Suites occupied : 110 x 80% = 88 Suites

Average stayovers : 320 x 25% = 80 Standard rooms

Average checkouts : 320 x 75% = 240 Standard rooms

Average stayovers : 88 x 25% = 22 Suites

Average checkouts : 88 x 75% = 66 Suites

Average consumption in Standard Rooms per stayover : 0.2 Shower gels x 80 STD = 16 Shower gels

Average consumption in Standard Rooms per check-out : 0.5 Shower gels x 240 STD = 120 Shower gels

Average consumption in Suites per stayover : 1 Shower gel x 22 Suites = 22 Shower gels

Average consumption in Suites per check-out : 1.5 Shower gels x 66 Suites = 99 Shower gels

Answer #2

Total Shower gel consumption per day : 16 + 120 + 22 + 99 = 257 Shower gels

Stock minimum : (Av. Daily consumption x Lead time) + Security Stock → (257 x 21) + 18% = 6’368 units

Cost per month : Price per box : 444 units x 0.55 CHF = 244.20 CHF

Number of boxes needed : 6368 / 444 = 14.34 boxes → 14 (up to the Manager to decide)

Number of boxes per month : (14 boxes x 30 days) / 21 days = 20 boxes

Price per month : 20 boxes x 444 units x 0.85 CHF = 7’548.00 CHF

Exercise #3

According to the information below, calculate the minimum stock of shampoo needs for:

- ✓ **9 days**
- ✓ **30 days**
- ✓ **Cost of minimum stock for 30 days**

230-room hotel (180 Standard Rooms & 50 Suites)

Average occupancy 90%

Average stayover per Standard Rooms 30.22%

Average check-out per Standard Rooms 69.78%

Average stayover per Suite 35.51%

Average check-out per Suite 64.49%

Average changing in Standard Rooms per stayover 1 Shampoo

Average changing in Standard Rooms per check-out 2 Shampoos

Average changing in Suites per stayover 2.5 Shampoos

Average changing in Suites per check-out 3 Shampoos

It can be purchased in 1 box of 150 units

Lead time 9 days

Security stock 16%

Price per roll CHF 0.65

Answer #3

Standard Rooms occupied : 180 x 90% = 162

Suites occupied : 50 x 90% = 45

Stayovers Standard Rooms : 162 x 30.22% = 49 rooms

Check-outs Standard Rooms : 162 x 69.78% = 113 rooms

Stayovers Suites : 45 x 35.51% = 16 Suites

Check-outs Suites : 45 x 64.49% = 29 Suites

Average consumption / stayovers / Standard rooms : 49 x 1 = 49 shampoos

Average consumption / check-outs / Standard rooms : 113 x 2 = 226 shampoos

Average consumption / stayovers / Suites : 16 x 2.5 = 40 shampoos

Average consumption / check-outs / Suites : 29 x 3 = 87 shampoos

Answer #3

Total consumption per day : 49 + 226 + 40 + 87 = 402 shampoos

Minimum stock : (Av. Daily consumption x Lead time) + Security Stock

Units for 9 days → (402 shampoos x 9 days) + 16% = 4’197 shampoos

Boxes for 9 days : (4’197 / 150) = 27.98 boxes → 28 boxes

Units for 30 days : (28 x 30) / 9 = 93.3 → 93 boxes

Cost per month : 93 boxes x 150 units x 0.65 CHF = 9’067.50 CHF

Thank you

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