

SUBJECT: Educational Management & Administration-Elementary. (SC4)
Human Resource Management
Dept of Education
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I. TOPIC: MATERIAL MANAGEMENT

Material management ,

Any organisation uses materials in the raw form and processes it to the required form that has to be supplied to various firms which require it. Hence these materials need to go through various steps during the process. These steps require proper management. Materials management is concerned with this.

Planning, Directing and Controlling the Kind, Amount, Location, Movement and Timing of Various Flows of Materials used in, and is Produced by this Process.

Materials management is a part of a definite organization

- to plan and control materials,
- its supply, and its flow
- from raw stage to finished stage
- so as to deliver the product to customers as per their requirements
- in time.

This entails

- materials planning,
- purchasing,

- receiving,
- storing,
- inventory control,
- scheduling,
- production,
- physical distribution and
- marketing.
- It also controls the materials handling and its interchange.

The materials manager has to deal with these functions with suitable authority and accountability in the material management.

So it means that *Materials management is concerned with management functions supporting the complete cycle of material flow, from the purchase and internal control of production materials to planning and control of work in process, to warehousing, shipping and distribution of the finished product.*

An effective materials management process ensures that the right kinds of materials are at the right place whenever needed.

Organisational firms are supplied with the goods and services . It enters the process of buying, storage and movement of materials.

As said earlier Materials Management has different functions which include
 planning→procuring→ storing and →providing the suitable material of

- precise quality,
- right quantity
- at right place
- in right time
- in order to organize and
- plan the production activity
- in an integrative manner
- for business undertaking.

The main objectives of materials management are

- to reduce material cost,
- to purchase,
- receive,
- transport and
- store materials efficiently and
- to reduce the related cost, t
- cut down costs through
- simplification, standardisation, value analysis, import substitution,
- to trace new sources of supply and
- to develop cordial relations with them

in order to ensure continuous supply at reasonable rates, to reduce investment tied in the inventories for use in other productive purposes and to develop high inventory turnover ratios.

Basically, objectives of material management are classified into primary and secondary objectives.

Primary objectives include efficient materials planning, buying or Purchasing, procuring and receiving, storing and inventory control, supply and distribution of materials, quality assurance, good supplier and customer relationship and improved departmental efficiency.

Secondary objectives of material management are efficient production scheduling, to take or buy decisions, prepare specifications and standardisation of materials, to assist in product design and development, forecasting demand and quantity of materials requirements, quality control of materials purchased, material handling, use of value analysis and value engineering, developing skills of workers in materials management and smooth flow of materials in and out of the organization.

. The basic function of material management is to accomplish primary objectives is materials requirements planning which is essential operation in multinational companies. On the spot requirement has no inventory.

Another function of material management is purchasing and dealing with its suppliers. This depends on dealing with the competence of purchasing and procuring the requisite materials at appropriate time and availability is assured. Negotiation on purchase of requisite material the price of the material from the supplier at the cheapest price. The quality of material should not be compromised with the cost of the material. The material should be purchased of right quantity and right quality at proper time at the cheapest

cost. It is recommended to set the proper purchase policy and procedure. Other function of material management is inventory planning and control which explains that the materials should be purchased and brought in the stores just before it enters the production or sold out so that inventory cost is negligible.

There are three types of inventories such as 1. raw materials,

2. purchased goods and

3. finished parts and components

The company should have a record or an Inventory at different levels to show how much material is present, used, processed and needs to be refilled.

The storing of various end products, control of materials needed and used helps in planning and control of materials to be brought in once again for manufacture or utilization.

Zero inventories means problems at the time of need. As u don't know the account for what is present and not present in a company.

The make and buy decisions are based on cost economics and cost benefit analysis made by the organization

Another function of materials management is Coding and Classification of Materials which assist the production/use and purchasing department of every organization. The materials are stored as an inventory by its codes and nomenclatures. Materials management department helps check budgeting,

requirement, procurement, and record of utilization to give the best results to the company.

Advantages of Material Management

- Reduction In The Overall Costs Of Materials,
- Better Handling Of Materials,
- Reduction In Duplicated Orders,
- Materials Will Be On Site When Needed And
- In The Quantities Required,
- Improvements In Labour Productivity,
- Improvements In Project Schedule,
- Quality Control,
- Better Field Material Control,
- Better Relations With Suppliers,
- Reduce Of Materials Surplus,
- Reduce Storage Of Materials On Site,
- Labour Savings,
- Stock Reduction, Purchase Savings And
- Better Cash Flow Management.

To sum up, materials management has to be thought to deal with resources in an integrative way for national fiscal development. It is a conceptual frame for thoroughly addressing the movement of materials through the economy

and the environment from extraction to end point. This thus is a focus to give best results to the company.

Take a look at the tables given below:

Table 1.3. Planning and Control Activities of Materials Management

• Planning	- Right type, quantity of purchasing of materials.
• Sourcing	- Selecting a right source of material supply and procurement from these sources.
• Controlling	- Follow up and monitoring, inventory control.
• Storing	- Receiving, inspection, storing and issue of materials.
• Handling	- Flow or movement, packaging, transportation.
• Distribution	- Distribution of finished goods, warehousing and shipping.

1. Materials Planning

- Forecasting materials and parts requirements.
- Preparation of material budgets.
- Forecasting material, inventory levels.
- Scheduling orders and monitoring of performance.

2. Inventory Control

- Selective control of materials.
- Determining economic order quantity (EOQ).
- Fixing level of safety stock or reorder level.
- Lead time analysis.

3. Purchasing

- Selection of source and supplier evaluation.
- Finalization of terms and conditions of supply (negotiation).
- Planning orders and follows up.

4. Stores Management

- Receipts, issue and storage of materials.
- Preservation of stores.
- Efficient handling and disposal.
- Maintenance of stores records.

What we have understood is:

. Materials management involves planning, programming, organizing, directing, controlling, and co-ordinating the various activities concerning the materials.

. Raw material purchase • Receiving, store keeping, and warehousing • Issuing of material • Inventory control • Value engineering • Transportation of materials • Vendor development • Vendor rating • Disposal of scrap and surpluses

. When purchasing is to be done:

. 1. Right Quality 2. Right Quantity 3. Right Time 4. Right Source 5. Right Price and 6. Right Place need to be verified

- Purchasing function provides materials to the factory

- Purchasing can contribute to import substitution and save foreign exchange.
 - Efficient administration
 - Delivery on time
 - Quality of final product
 - Optimum utilization of capital
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- (Please refer to websites for concept, functions, and importance)
WRITE NOTES ON Importance And How Material management concept and process can be applied in context to an Educational Institute
 - NEXT CLASS WILL BE ON
 - .Work simplification
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