# 1. RELATED LITERATURE

* 1. **Foreign Related Literature**

**Sales & Inventory Monitoring Systems**

**by Audra Bianca, Demand Media**

*Data Collection for Decision-Making*

Using this type of system, a company makes strategic business decisions regarding raw material purchases, production scheduling, pricing, logistics and other decisions in the supply chain. Sales and inventory data enables the company to increase or decrease production in the factory so the company won't have too many finished goods stored in its warehouses.

*Function*

A sales and inventory monitoring system collects data to aid in production scheduling. For example, some systems use recent sales data to forecast how many of a type of product will be needed to meet consumer demand in the near future. This includes monitoring the levels of a product at all locations. A good example is a global company with customers all over the world. The customer may live in Japan, but the system must see if the warehouse in Canada has a product available to ship to Japan.

*How it Works*

The system compares current inventory levels of a product and the number scheduled for production with the number needed, and determines if the level of production must be changed. If necessary, the system sends a message to the master production schedule to increase production. Also, the inventory monitoring system slows down production when a product's retail sales levels don't meet the sales forecast and the company overproduces the product.

*Competitive Advantage*

Automated sales and inventory monitoring gives a company a competitive advantage by linking different automated processes within the supply chain. For example, automating the ordering process for customers and the production scheduling, then adjusting manufacturing based on up-to-date inventory levels, makes a company more flexible, capable of deciding how to best satisfy customer orders. When automated activities are linked -- ensuring information flows rapidly from one part of the supply chain to another -- a company can exploit these linkages. Management can make rapid decisions to increase revenues, such as ramping up production immediately in one location because of a sudden surge in demand in another part of the world.

**SALES MONITORING SYSTEM**

**By Celkon Mobiles**

Celkon is one of leading manufacturing companies in India. We have pioneered mobile phone solutions and wireless technologies in India.

Celkon caters to the increasing smart needs of mobile users across the world.

Our forte lies in providing innovative mobile technology to every customer. At Celkon, we believe every user needs an experience more personalized than ever. We are dedicated towards manufacturing customized user friendly phones. Our value added features ensure the personality of the phone matches the taste of the user.

The wide range of products available at Celkon ensures that there is a phone for every pocket. Every Celkon product undergoes stringent quality tests at every stage of production.

Our main focus is to excel and provide the user with best designs paired with unmatched technology.

**Monitoring Sales for Accountability**

**By Sales Creator**

*Measuring Sales Performance*

Most companies have the problem of measuring the performance of their sales staff because each salesperson is different and they work in varied methods. Because a sale involves customers, there are other factors impacting sales, as well. Customers and their needs are different, business conditions vary, individual customer bases differ and the product mix offered to each customer can vary. What are the important components to track to determine sales success? The factors can be tangible and intangible. When examining the tangible side of the sales ledger you need to consider methods for targeting, frequency of contact, message and presentation, and communications. Some intangible factors that can be difficult to quantify are the salesperson's ability to build relationships and "connect" with customers, and whether or not there is a clear purpose of the call or meeting. The reason for contact can be to help the customer, or sometimes it is to help the salesperson's quota.

Effective results from measuring the performance of each salesperson should have a purpose: to help them be more profitable to your company. When this occurs they have more worth through additional pay and incentives, and they receive a value, and that is a good feeling about doing a great job. There are three steps in bringing about the improvement of an employee when a problem is identified: measuring, correcting with training, and planning to make the change permanent.

*Measuring the Performance*

The ability to measure performance depends on the use of success-based criteria as a model to compare daily, weekly and monthly numbers. Here are some of the criteria that Sales Creators uses when designing a monitoring system for their customers:

1. Time spent selling, time spent in administration, time prospecting

2. Number of calls made on existing accounts

3. Number of calls made to new customers, and number of new customers

4. Promptness in submitting reports and sales orders and accuracy of reports

5. Volume of sales, number, size, product mix and repeat account

6. Accuracy in quoting prices and delivery information with approved margins to customer

7. Method of call backs set up with the customer

8. Cost of customer to company

9. Marketing and promotional time, specific areas

10. Improvement areas where time is being invested on the part of the salesperson and management; this includes topics such as behavior modification, appearance, schooling and other personal issues

Measuring must start with standards that are compiled from the averages of all employees who are doing the same task. Then review the progress for the last 12 months and determine how it compares to the budget compliance standards. If the performance levels do not meet the basic standards set by the company, or if their performance falls more than 10 percent from last year's numbers then it is time to move into a corrective step of action.

*Training and Process for Correction*

This is a positive step for improvement and it starts with management reevaluating the sales and marketing systems. Is there a need to increase promotional campaigns, change or add prospecting methods, establish tighter controls with price variances, or get input to problems from the sales staff? Management's first duty means time spent working on fixing the systems; then it is time to provide help for the salesperson. They should have daily direction and support, be provided with proper coaching by role-playing on specific areas of weakness found in the 'measuring performance' section. Make mentoring time available with best salesperson and the salesperson that needs help and have them observe and listen to their instructor. Daily progress must be recognized and acknowledged until the problem is resolved by noticeable improvement in a given area.

*Planning for a Positive Change*

Once a problem has been found, management must help get it corrected. Once it has been corrected it is time to outline an agreement to reach the stated goals. Planning in its final form should be in writing with the steps needed to reach the final destination. Then the time must be allotted to put management's system changes into effect by introducing them to the employees at a meeting.

**Sales and Inventory System**

**By gemmanavarro, Aug 2012**

Computer is general purpose device which can be programmed to carry out a finite set arithmetic or local operation. Computer has a big rule in our nation today because of our technology. Wherever you go computer still exist, especially in business it makes the procedure easy and secure by programming the manual system into a computerizing system. The rule of technology in our life today has a big impact.

Technology is the marking, modification, usage, and knowledge of tools, machine techniques, crafts system method of organization in order to solve a problem, achieve a goal or perform a specific function. It can also refer to the collection of such tools, machinery, modifications arrangements and procedures. Technologies significantly affect human as well as other animal species ability to control and adapt to their natural environment.

Everything now is becoming high technology, from manual to computerization. In computerizing system, it is easy to document and secure data. Especially in terms of Sales and Inventory system, every day you are counting your products then reconcile it with your sale while when you use the computerized system you can save more time because it is automatically count and total the remaining item and the items that was already both and sold. An additional benefit using a computerized inventory system is the accuracy it ensures. When an inventory list is maintained by hand, the margin of error widens with each update. If one mathematical calculation is wrong or one typo is made, disaster may occur. A small business operates most efficiently when its processes are executed in a consistent manner. By using a computerized inventory system, a business owner can ensures that all orders, reports and other documents relating to inventory are uniform in their presentation regardless of who has created them.

**1.2 Local Related Literature**

**Inventory Ordering System**

**By Globe Business Philippines**

With just a few keystrokes, track your supplies using Globe’s Inventory Ordering System. The cost-effective and highly innovative inventory management system gives you instant access to stock levels, allowing for timely orders and zero wastage.

Get real-time reports

What the inventory system does is allow you to order supplies based on the most current data. This minimizes overstocking and at the same time, frees up resources for more urgent needs.

Cut through red tape

The Inventory Ordering System gives you better control over your supply chain, affording you the convenience of being able to place orders online or via SMS. And because the system automatically generates inventory and sales reports, your employees will have less paperwork to file and more time to focus on operations.

Perfect for businesses with franchise operations, this user-friendly inventory management system can be customized for any multi-site company, commissary, or warehouse backend ordering operation.

Features & Benefits

* Registration Module
* Order Management
* Inventory Management
* Sales Management
* Reports Module
* Text Broadcast

**Online Sales Monitoring and Inventory System**

**Jan 2011**

The problem of the conducted research is about the company’s sales monitoring and inventory system. Keeping records of sales and inventories manually are the current method used by the company. Due to this current method of inventory system, the company has encountered several problems regarding the monitoring and stocks checking.

KONEK.COM management once said, “Manual method is very hassle and time consuming process of inventory. It has many drawbacks as there are many mistakes while recording large data and it disturb some important transaction sometimes”.

Upon hearing this, the researchers developed a system which will help the management keep record of inventories in systematic way and help them produce report about the inventory or stock currently available in their store in automatic way. Through this the hassle and committing mistakes while recording large data could be avoided. Also the work of the management and the time consume during inventory will be minimize.

KONEK.COM is a hardware store located at Mabini St., Molave Zamboanga del sur. It was owned and managed by Mr. & Mrs. Roy Megapatan. They started at a very small scale business selling cell phone accessories. But because of the company’s dedication for hard work and determination to rise among others, the very small hardware store becomes one of those who are trusted when it comes to supplying electronic devices such as computers, computer accessories, cell phones, cell phone accessories, flash drives and etc. in its community.

Today KONEK.COM, having three branches with in the municipality, boasts its tag as one of its community’s leading hardware store.

**Sales and Inventory System**

**By eahm05, Jan 2013**

*Computerize sales and inventory system*

Computers began from a wild imaginative idea to the world’s highly prioritized tool. Computers today are now used as a substitute to manual processes and other past inventions like the radio, television, etc. It is now used by people for much simpler, easier and faster way to do things. Some used it as a hobby, and some use it as a job.

Technology has never stopped from advancing through the years. Its new innovations helps answer the people’s further complex questions. Why not use these advantages to benefit ourselves?

Many people use computers in their daily lives. Some use it for transactions, some use it for educational purposes and others use it for data storage. Though it might sound unnecessary but in some cases when storing a file for such a big company, can you manage it properly? Organizing, finding a file, etc. With computers, it can help you simplify the process of storing and managing the files you need for future use and make finding files easier than the manual process.

*A Proposed Sales and Inventory System*

In business like merchandising, Sales and Inventory system plays an important role. It is used to track all the transactions made by the business and responsible for monitoring the items supplies. All the business transactions must be properly recorded and must be fully secured by password. A Computerized system is the best solution and most innovative answer for their needs.

The researchers had been motivated to do a study on this topic according to the above observation. The result may help others to understand more about computer-generated data processing, especially on how to deal with computers in terms of speed, accuracy and data security. Monitoring the transactions and other significant information regarding the customer is the main concern of this study.

# 2. RELATED STUDIES

* 1. **Foreign Related Studies**

**Sales and Inventory System**

**By jamjam123456, Mar 2011**

According to the U.S. Small Business Administration, “Inventory refers to stocks of anything necessary to do business” (U.S. Small Business Administration, 2010). The U.S. Small Business Administration publication describes what constitutes successful inventory management (balancing cost versus benefits of inventory), including;

1) Maintaining a wide assortment without spreading the rapidly moving items too thin,

2) Increasing inventory turnover without sacrificing service,

3) Keeping stock low without sacrificing performance,

4) Obtaining lower prices by making volume purchases,

5) Maintaining an adequate inventory without an excess of obsolete items.

Anyone in business must understand the business of inventory. Below is a look at six different inventory systems as well as a comparison of the advantages and disadvantages.

*Wal-Mart Inventory System*

Wal-Mart runs its stores on a perpetual inventory system. This system records the quantity of items sold as items are purchased. The computer system at Wal-Mart constantly keeps up with additions or deductions from inventory and tells management what items are on hand. The organization also conducts counts of employee manual counts of inventory periodically. When an item arrives at the Wal-Mart distribution center it is scanned into the inventory system. When the items are purchased by the consumer, the point-of-sale system reduces the inventory from that purchase. According to Wal-Mart’s Gail Lavielle, a leaner inventory will help clear out store clutter and help Wal-Mart focus on specific brands and products that consumers want (The Associated Press, 2006).

Advantages and Disadvantages of the Wal-Mart Inventory System

The advantages of a perpetual inventory system are that inventory is quickly updated in real-time, which gives a constant picture of the inventory status.

**US PubMed.gov**

**Automating the purchasing and inventory control functions.**

Factors involved in computerizing the purchasing and inventory control functions in hospital pharmacies are described. When initiating an automated purchasing and inventory control system, a feasibility study should first be conducted to determine the extent of automation needed to develop a cost-effective system. The design of the system will depend on the extent to which the department of materials management is involved with other hospital departments. The advantages and disadvantages of decentralized versus centralized systems are discussed, and criteria for selecting hardware and software vendors are presented. A return-on-investment analysis should be performed to validate the benefits or savings expected from implementing the new automated system. Factors to consider during implementation of the new system and future developments affecting purchasing and inventory control systems, such as bar coding, are discussed. With the current concern about rapidly rising health-care costs and the need to enhance productivity, the development and implementation of automated purchasing and inventory control systems are important strategies for institutions to pursue now.

**CISS (Computer Inventory System Specialists Ltd.)**

**Purchase Order Management**

Inventory Pro's Purchasing System allows you to order, track, and receive both inventory items and assets. It also provides the ability to browse purchase orders, list currently outstanding purchase orders, and generate reports based on purchase orders. Like most parts of Inventory Pro, the Purchasing System can be customized with logos, messages, fields, and terms to adapt it to your specific business.

* Purchase Assets or Inventory Items
* Purchase Order Approvals
* Delivery Schedule (Blanket PO's)
* Inbound Appointment Scheduling
* Supplier's Catalog
* Supplier History
* Term Agreement (Supplier Contracts)
* Automatic Generation of Purchase Orders
* Accounting Software Integration
* Cost History of Purchased Items
* Receiving (Partials and Complete Orders)
* Reporting

* 1. **Local Related Studies**

**LC Pc Net Sales and Inventory System**

**AMA COMPUTER COLLEGE, LUCENA CAMPUS**

**October 2010**

Technology has taken a big leap forward in 21st century, with computer programs, electronics upgrading by the month & even by the day. Technology has influenced & greatly simplified almost in every aspect of a student’s life today. It is amazing what technology has done to our society and how dependent we have become on it. Having computers in the workplace has enable the business to our more efficiently and has contributed in having on all around better businesses, using computers cut down our work time, we don’t have to write everything out by hands or type out on typewriters. This increase in usage of computer proves that computers have affected every aspect of our lives and have become one of the necessities. Many developers have contributed to such an advancement and widespread of computer technology.

Nowadays there are so many companies using technical system to improve the quality of service of their company, but there are some companies still using manual computing for their product inventory like LC Pc Net Sales & Services.

LC Pc Net Sales & Services is owned by Mr. Leo Boongaling. It is established on April 2010. It is the first company that he built in order to apply his knowledge and skills in his past schooling, together with his friends as employee. And it is located at 2nd floor L. Boongaling Commercial Complex # 2 Rizal Street Poblacion Candelaria, Quezon. Their products are such peripherals. And in the ground floor they have Louis and Nathalie Computer Shop.

**Computerized Sales and Inventory System for Anthony's General Merchandise and Construction Supply**

**By kentwatak, Jan 2013**

Many people use computers in their daily lives. Some use it for transactions, some use it for educational purposes and others use it for data storage. Though it might sound unnecessary but in some cases when storing a file for such a big company, can you manage it properly? Organizing, finding a file, etc. With computers, it can help you simplify the process of storing and managing the files you need for future use and make finding files easier than the manual process. Computerized Sales and Inventory System is a product of human knowledge with a use of technology so why not use technology as an advantage and benefit ourselves. This proposed system aims to lighten works and solve the problems involving strict and complex recording and calculations.

Anthony’s General Merchandise & Construction Supply is still under the manual method since the business started back in April 2000. The business is located first at Riverside then they transferred to Road BHS near Quezon City Polytechnic University. It is a family owned business by Mrs. Herminia Baguino.

They have 1 cashier, 3 sales persons, 2 drivers, 4 delivery men, 1 staff that is in charge of the warehouse. The cashier is the person who keeps the money in their money box, the sales person are those who talks to the customers and responsible in providing the customers’ needs. The driver and delivery men are those workers who are responsible for the delivery of the items to the customers**.**

**Sales and Inventory System for BC Home Furnishing and Appliance Center**

**By FLORDAYUHA, Mar 2013**

Sales and inventory system is very important in business transactions and to that businessperson who don’t want to be bankrupt and loss profits. That’s why several studies were conducted to develop more reliable system and to help businessperson in doing their b business transaction and process easier and faster providing the business more convenience and satisfaction.

According to Balbiran, Geronimo, Porters, and Ruiz (2001) who develop an automated sales and inventory system for San Miguel Corporation Tubigon office that designing a system for involve careful planning and the system analyst must consider some factors in order to have an application program that is compact, efficient and could handle day-to-day transaction .The study was conducted in San Miguel Corporation Tubigun Sales Office located at Pooc Oriental, Tubigon Bohol. The researchers choose the warehouse, cashier and the sales territory sales super visor as their respondents. An interview to the owner and other personnel and observation of the flow of the present sales and inventory system were conducted to gather information and system requirements. Based on the data gathered, the researchers find out that San Miguel Corporation Tubigun Sales Office will be benefited if their sales and inventory system will be automated. According to them the system enables to lessen workloads in retreivency the records and also there will be no need to have another process to undergo. They concluded that using the manual method in sales and inventory caused the delay of distribution of reports and error in calculating customer’s credit.

An Automated Sales and inventory system for factory Depot incorporation was developed by Sumsylo, Dolotina and Saligumba (2001).according to them the emphasis of the system design is to develop a new system that overcomes the short coming and limitations of the existing system. The study was conducted at Rednavela Trading Factory Depot. Incorporation Tagbilaran Branch.

# 3. SYNTHESIS OF THE REVIEWED LITERATURE AND STUDIES

With the help of this literature and studies, we gather information and knowledge about the system that we are going to develop and implement in this project. The following are the listed information and data adopted from the literature and studies:

* This helps us identify the problem and flow about Sales Monitoring Inventory System.
* This also offers us idea about the constraints, features and objectives about the system.
* The following also tell us what reports should be generated in this system including the purpose of each report.
* The problems and issues that we were going to encounter during the development of this project.
* This helps us identify the losing features of their system that we can include in our system.