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**IMPORTANCE
OF INVENTORY
CONTROL SYSTEMS
IN THE FURNITURE
MICROENTERPRISE IN
THE FACE OF COVID-19**

María Susana Colín Herrera

Universidad de Guadalajara Centro
Universitario de la Ciénega

Ma. De Los Ángeles Ochoa Cedeño

Universidad de Guadalajara Centro
Universitario de la Ciénega

María Luisa Villasano Jain

Universidad de Guadalajara Centro
Universitario de la Ciénega

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Abstract: The COVID-19 disease began in China. In Mexico, the Mexican government together with its governors imposed health measures, which were reflected in the activities of companies and universities.

The objective of this study is to carry out an analysis of the environment that the furniture companies of Ocotlán, Jalisco and their workers have experienced in the management of their inventories in the face of the stage of this new disease.

In this research, the arguments of the topic were addressed, such as justifying the reason for this study and its importance, which was developed by applying questions that resulted in knowing what type of systems are available in the market and which ones companies could apply. within your organization. A survey was applied, with a population of 20 companies with a sample size of 79. The results reflect areas of opportunity for accountants and administrators.

Keywords: 1.-Inventories 2.-Furniture stores 3.-Systems

INTRODUCTION

Nowadays, companies have had to experience drastic changes due to the disease called COVID-19. In our environment, organizations were not prepared to face accidents such as this disease that has evolved the world of industry.

This proposal is justified in that companies must have a system with technology that allows obtaining practical, concise and effective information where all the important aspects of the entity are displayed, knowing the maximum and minimum inventories to satisfy the needs of customers and at the same time maintain the products that the company needs to sell.

The study is based on transformation companies, their main line of business being the manufacturing of furniture within the city

of Ocotlán, Jalisco. The study is carried out on micro-enterprises that throughout their opening have never managed internal control accurately where they use electronic media in their inventories, which is why they have an oversupply of some products and lack of some.

Companies do not have the necessary information on how much inventory they have in stock, they buy for what the sales manager asks them to do, at their discretion using what is on paper or what was counted, for which they will study how many types of software offers the market for the implementation of accounting software that helps to effectively manage and control inventories.

To carry out adequate inventory management, one must consider how materials are moved, how records of the purchase and sale of merchandise are kept, the physical inventory must agree with what is recorded either manually or electronically.

Successful stock control is what allows companies not to generate expenses on products that are still useful in the warehouses, but due to poor control in them, the same purchase orders are generated again, obtaining This way considerable consumption.

By using an appropriate system for their management, the raw material purchasing management of companies dedicated to this activity can be improved, providing quick responses to their customers, controlling expenses and achieving better organization in the different warehouses and maintain the optimal level in them.

A comprehensive systematization is of utmost importance for companies to make appropriate decisions when purchasing and providing their customers with what they need.

For Zapata, (2014), From the point of view of the industrial company, inventories are the assets of a company destined for the

production of items for subsequent sale.

According to Domínguez, (2012), a system is a set of components that interact with each other to achieve a common objective.

For Rojo, (2000), an information system is a set of interrelated elements that collects data, processes it and converts it into information, which is stored and subsequently made known to its users.

Gómez, (2003) states that an accounting system is an organized structure through which a company's information is collected as a result of its operations, using resources such as forms, reports, books and which, when presented to management, will allow the same make financial decisions.

In conclusion, according to what the aforementioned authors refer to, inventory systems are those that collect necessary information through the application of specialized software offered by different suppliers and that serve to control the entry and exit of merchandise and that in the end of the day they will give us information in the database about how much is in stock, and this allows the company to place the appropriate orders to be able to offer the products on time to customers.

Given the situation that is being experienced, companies have to change their way of working, because they have to take the protection measures that the government requires.

In the present investigation, 20 companies dedicated to this same field will be addressed, giving a special focus on one company that agreed to participate in this study completely and provide all the necessary data to justify the reason for this study and its importance, which is developed by applying questions that resulted in the system to be implemented that is most appropriate for the company to correct errors in the management of its inventories and obtain better results, the following will

be carried out by applying an evaluation instrument.

All aspects that form the theoretical framework that will support the inventories, system and methods that can be used within a company to correctly and effectively manage and control them were addressed.

A diagnosis was carried out in "Mueblera X" followed by a study of the systems offered by the market to control inventories.

Finally, it contains the conclusions derived from this study about the companies subject to the study.

PROBLEM STATEMENT

Inventory systems are necessary to be able to keep track of the merchandise that is in stock, as well as the products that are low in stock in order to achieve better inventory control.

Inventory systems serve to satisfy the needs or demands of customers, since these frequently represent a considerable investment of financial resources, likewise inventory systems constitute a basis for decision making (Guerrero, 2011).

These organizations do not know that there are methods for inventory control.

They tend to have too high a stock of material and production.

To maintain an efficient logistics system, as a tool that meets demand, it is necessary for companies to put it into practice. This will help you keep the risk of losing money to a minimum.

GENERAL OBJECTIVE OF THE RESEARCH

Propose a system that allows the company's inventories to be adequately processed during these times.

METHODOLOGY

To fulfill the stated objective and carry out the research, it will be necessary to use research methods such as:

Descriptive research is used to analyze what a phenomenon and its components are like and how they manifest. They allow the studied phenomenon to be detailed basically through the measurement of one or more of its attributes.

It will be a quantitative study because it uses data collection to test hypotheses, based on numerical measurement and statistical analysis, to establish behavioral patterns and test theories. (Hernández Sampieri and others: 2018).

For Pacheco and Cruz, (2006), quantitative research uses a series of instruments and procedures based on statistical tools for the collection and processing of data and is dedicated to testing a series of predefined hypotheses, and also seeks to measure and quantify and, from this, infer or generalize.

On the other hand, the qualitative approach uses data collection without numerical measurement.

Bejar, (2008) states that field research is based on information that comes from, among others, interviews, questionnaires, surveys and observations.

To carry out this investigation, a system will be used that allows inventories to be carried out correctly.

Data collection will be carried out through the application of interviews and questionnaires, with the owner and the people in charge of purchasing, stockists, and sales.

With the collection of data with the departments involved, the analysis will be carried out to select the most appropriate inventory system for the companies.

DEVELOPMENT

WHAT IS A COMPANY

It is defined as an economic entity with social responsibility, created by one or more owners to carry out marketing or production activities of goods or to provide services, and requires the help of human, financial and technological resources (refers to Pedro, 2017).

WHAT IS A MICRO-BUSINESS

They are for-profit organizations, that is, entrepreneurial, that operate independently and have a high predominance in the market, but without being part of the large capitals that direct it.

For Marco, (2016), organizations are classified according to their activity as follows:

- Industrial organizations: they are dedicated to the production of material goods. In them, we can distinguish the extractive ones and the transformation ones. In turn, they can be classified by branch of activity: metallurgical, automotive, etc.
- Service organizations: are dedicated to the provision of services. They can also be classified by branch of activity: transportation, tourism, recreation, etc.
- Commercial organizations: they are dedicated to the purchase and sale of goods without carrying out any transformation process.

INTERNAL CONTROL

Luceila, (2017), defines internal control as the organization's plan and all the methods and measures adopted in a business: to safeguard its assets, verify the accuracy and security of accounting data; develop operational

efficiency and encourage adherence to administrative policy.

Internal control is established within the institution as a part of the institutional machinery to help the Owner, the administration and the rest of the public servants to achieve institutional objectives on a permanent basis.

DEFINITION OF INVENTORIES

For Javier, (2018), Inventories constitute the assets of a company intended for sale or production for subsequent sale.

In relation to Gerardo, (2018), Inventories are part of the assets (classified within current assets) and we find them as follows:

Finished products: that is, those that are ready to be sold in normal operation.

- Inventories in the production process.
- In the form of raw materials or supplies ready to start the transformation process.
- Goods acquired by intermediaries for marketing.

SYSTEM

According to Domínguez (2012), a system is a set of components that interact with each other to achieve a common objective.

As stated by Carmichael, Whittington and Graham, (2007), an entity can use the periodic inventory system for certain types of inventory, and the continuous inventory system for others. The entity's choice of which systems to use depends on characteristics such as the cost-benefit analysis of the application, or the impossibility of using one or another system. Generally, these systems are considered from an operational point of view, but the impact they have on financial information is not evaluated.

An inventory system (Salas, 2011) is a structure that serves to control the level of

stock and to determine how much to order of each element and when to order it. There are two basic types of inventory systems:

1) The continuous inventory system, or fixed order quantity (the same quantity is always ordered when stocks reach a certain level).

2) The periodic inventory system, or constant period between orders, in which a variable amount of material or product is ordered from time to time.

Possible alternatives to evaluate the two previous systems

- Variable demand and constant lead time.
- Constant demand and variable lead time.
- Variable demand and variable lead time.

SOME SYSTEMS OFFERED BY THE MARKET FOR INVENTORY MANAGEMENT

The ERP inventory software system: This system consists of using software to manage different modules of the company, such as purchasing, sales, production, where its main function is to manage and control the resources, processes and operations of the business. (<https://www.bind.com.mx/SistemaDeAdministracion/Modulos>).

Inventoria, inventory software: Through this system you make purchase orders and send them electronically to your suppliers, Maintains a database of customers and suppliers, establishes warnings of low stock levels and we know when to place your orders again, Updates the quantity of items when you receive the orders. (<https://www.nchsoftware.com/inventory/es/index.html>)

ABC Inventory: is absolutely free inventory software for small and medium-sized businesses, it has been designed to handle

all aspects of inventory management. (http://almyta.com/abc_inventory_software.asp).

Laurux: It is a business management software package that allows you to perform the essential tasks to manage your accounting, billing, inventory and all the components necessary to make consistent decisions. (<http://www.laurux.fr/>).

Stockpile: It is a free online inventory system for small businesses and home use. Allows you to add inventory, take returns, record sales and damaged merchandise.

OpenBoxes: Allows you to manage inventory within multiple facilities, track stock movements in and out of your facilities. (<https://openboxes.com/>).

InFlow: Allows you to manage inventory within multiple facilities, track stock movements in and out of your facilities. (<https://ww2.inflowinventory.com/>).

Skyware Inventory: Perfect for small and medium-sized businesses looking for a free, easy-to-use, web-based alternative to inventory tracking and management applications. (<https://www.skywareinventory.com/>).

TECHNIQUES TO MANAGE INVENTORY THROUGH MODELS

Its purpose is to minimize total costs, thus optimizing profits.

According to Salas (2011), these techniques are: the ABC method, the Economic Order Quantity (CEP) model and the Reorder Point (PR). However, Ross and others (2006) point out that for derived demand inventory management, either Materials Requirements Planning (PRM) or Just-in-Time inventory management (JIT) must be used. Each of them is detailed below:

The ABC method consists of dividing the inventory into three groups to determine the level and types of control procedures. The control of products “A” must be the most

careful given the magnitude of the investment involved, while products “B” and “C” would be subject to less strict control procedures.

The economic order quantity (CEP) model consists of determining the order amount that minimizes the total inventory cost (maintenance and ordering cost) of the company.

The reorder point (PR) or order formulation model consists of determining the appropriate time to place an order in the quantity indicated by the C.E.P. model.

The use of these techniques must be used in a complementary and not exclusive way for the analysis of inventory management, since each one provides a different benefit in making financial decisions.

The function of the PRM method, through computerized systems, is that once the inventory levels of finished products are known, the inventory levels of products in process that are needed to satisfy the needs of finished products can be determined and subsequently allows the quantity of raw materials to be calculated. that must be kept in stock.

On the other hand, the Just in Time (JIT) method is a modern method that consists of minimizing these inventories to maximize rotation in inventory management by determining the amount of inventory to maintain, the precise moment to place orders, divide products by economic value, manage computerized systems for their administration, among other benefits.

RESULTS

COMPANY DIAGNOSIS

Furniture microenterprises present several problems within their organization derived from poor control of their inventories, which are detailed below:

- The total amount of merchandise is not

known with certainty.

- More of some items are purchased than others, generating oversupply in some and shortages in others.
- There is no adequate stock to accommodate the merchandise.
- The personnel in charge of inventory control do not have training.

PURCHASING PROCESS

The procedure for carrying out purchases in a company is of vital importance for it. In most organizations, it is the purchasing department that is in charge of supply for the proper functioning of the business (Inbouncycle, 2017).

To buy, several variables must be taken into account, which are:

- See the needs for materials.
- Plan your material needs in advance.
- Acquire the materials.
- Check that the requested materials are in quantity, that they are supplied in the agreed time and that they arrive in good condition.

SALES PROCESS

The sales process is the succession of steps that a company carries out from the moment it tries to capture the attention of a potential customer until the final transaction is carried out, that is, until an effective sale of the product or service is achieved. of the company

Stages under the umbrella of the acronym AIDA,

- 1) Attention (awareness): At this stage, we try to make the potential buyer pay attention to the company's products or services.
- 2) Interest: the company tries to make potential users perceive its products as

something useful and valuable to them.

- 3) Decision (decision): The company directs its efforts to make the potential buyer decide to purchase its product or service.
- 4) Action: In this final phase, the interested party is encouraged to carry out the transaction.

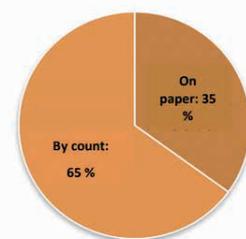
CURRENT INVENTORY CONTROL

Currently the inventories are not kept in a system, it is handled personally, the workers tell the owner or manager what they need, although sometimes they do not do it in an efficient way and this causes them to have extra product or already It cannot be used on other furniture, or they do not agree on occasionally the owner orders merchandise and the manager apart from this is due to lack of communication.

INSTRUMENT THAT SERVED AS SUPPORT TO CARRY OUT THE SURVEY

The following results were obtained by applying the survey supported by a direct questionnaire made up of different types of questions to the people involved in the control of the merchandise and which served to make the decision of which system to implement, which resulted in the following graphics:

Does the person know that there are methods for inventory management?



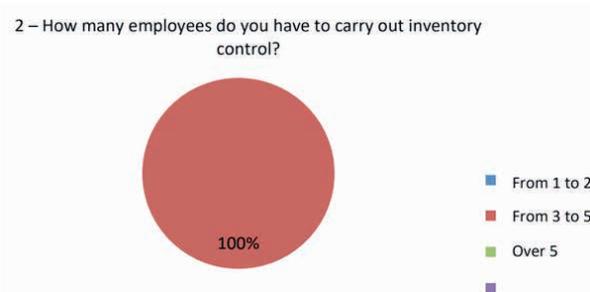
Graph 1 Inventory Control

Source: own author

1. How do you keep track of your inventories?
a) On paper
b) By count
2. How many employees do you have to control your inventories?
a) From 1 to 2
b) From 3 to 5
c) Over 5
3. Who is in charge of inventory control?
a) Storekeeper
b) Purchasing agent
c) Owner
4. What procedure do you use to carry out the sale of your items?
a) By telephone
b) By Internet
c) Other means
5. Who is in charge of placing orders with the supplier?
a) Purchasing agent
b) Storekeeper
c) Owner
6. How do you know what orders to place with the supplier?
a) What the warehouseman requests
b) From what the paper count indicates
c) As the owner considers
7. Is there any study done on which products customers consume most frequently?
a) Yes
b) No
8. Have you considered implementing a system to control your inventories?
a) Yes
b) No

Own elaboration

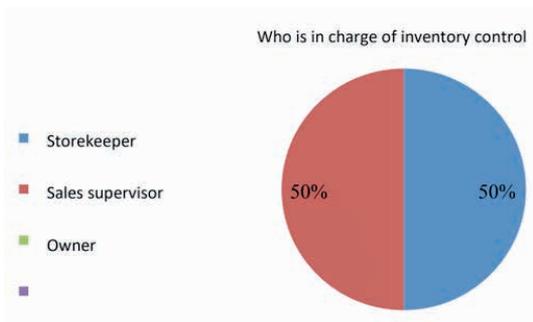
Of the 100% that represents the sample, 65% of the time inventory control is carried out by counting and the other 35% reflects that sometimes it is done by leaving it on paper.



Graph 2 Employees who manage inventories

Source: own author

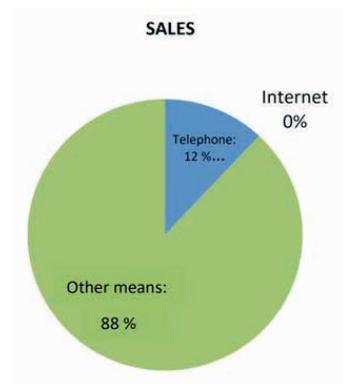
There are only two employees to manage inventories.



Graph 3 Inventory Manager

Source: own author

The graph shows that 50% of the time the warehouseman is in charge of controlling inventories, 50% the purchasing manager intervenes. Within this type of company, in the production area, there is a manager who must ask the warehouse manager for the requirements, but here all the employees are all experts and that causes disorder in inventory control.



Graph 4: How you promote your sales

The graph shows us that the company promotes its sales by 12% through the use of the telephone, but the 88% percent is represented by the fact that the owner has gone company by company offering his products and this way it has been done. of the client portfolio.



Graph 5: Responsible for requesting orders

Source: own author

Most of the time, the purchasing manager is the one who places orders with the supplier, on other occasions it is the warehouseman and on very few occasions it is placed by the owner.

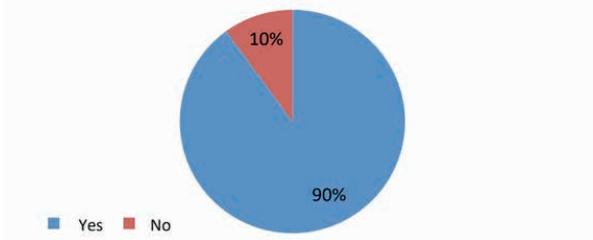


Chart 6: What orders to request from the supplier

Source: own author

The owner replied that most of the time the orders are placed based on what the storekeeper requests, otherwise he verifies what the paper says and at other times the owner considers it.

Is there any study done on what products customers consume most frequently?

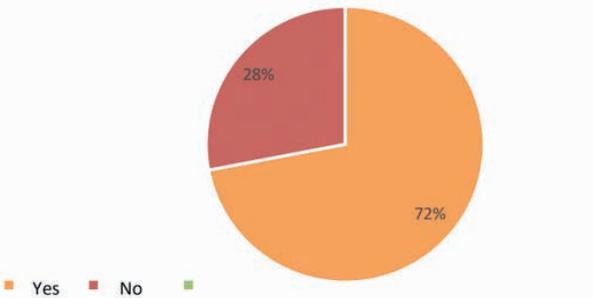


Graph 7: Previous study of what to produce

Source: own author

Those in charge of purchasing, warehouse, sales, as well as the owner expressed that they do an empirical study, that is, from experience, in what they say and what is captured on paper is what sells the most.

Have you considered implementing a system to control your inventories?



Graph 8 Consideration of implementing an inventory system

Source: own author

When asking the business owner if he thinks it is convenient to install a system to control his inventories, he expressed that sometimes he considers it necessary, represented at 72%, and sometimes he believes that it is not necessary and leaves it reflected at 28%.

CONCLUSIONS

This research has made it possible to verify that furniture micro-companies do have a problem which is not having an adequate system to correctly control their inventories.

It does not maintain a true physical inventory, its database does not provide correct information, because they do not collect inventories because they do not close the business.

The level of inventories is not considered correct because a correct valuation method is not used.

No training is given to the personnel in charge of controlling the merchandise.

They do not use any accounting software that helps them control the products.

Inventory accounting software is very important for entities, because thanks to them, many errors can be avoided inside and outside the organization.

In this time when the way of working within companies has had to be adapted, it is necessary for all businesses to have a computer and trained people to meet the needs that each entity needs. This is where a field of work opens up for students to help companies get ahead by providing them with training and support.

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