

THE ROLE OF TOP MANAGEMENT IN THE CONTROL OF INVENTORY

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Chapter 2 An Inventory Overview (cont.)

true liabilities, contrasted to the conventional assumption that they are low-grade assets. Inventory functions are identified and the benefits of modern techniques questioned.

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Establishing acceptable tolerances on important variables, recognizing that they have been exceeded, and implementing effective corrective actions are considered the number one handle to aid control of inventory. *Manufacturing control* is defined as the planning and control of priorities and capacities.

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The use of this handle as a means of control of manufacturing has only recently come into its own. Formerly considered a static, inflexible, operating characteristic, modern manufacturing systems now view it as a dynamic, pliable tool for priority control and a vital element in the validity of the master plan.

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