

Abstract Details

Title: Vendor Managed Inventory Elements in Banking Industry

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Abstract: Market is moving toward diversification, which requires more product variety, generating demand uncertainty which leads to many managerial problems such as production, planning, forecasting, inventory management, production system, and timely distribution. To reduce the risk level due to demand uncertainty, from raw materials to final customers, should undergo innovative and revolutionary changes. For continuous growth and to remain competitive, the banks are adopting new approaches; one of them is Vendor Managed Inventory (VMI). This study work identified various elements of VMI and critically examines them to find out which are most important and suitable elements in context to Indian industries. A list 20 elements of VMI system has been identified which are suitable for banks. But all elements of VMI may not be easy to implement. Therefore, there is a necessity to find out those elements of VMI system which are easy and which are difficult to implement in Indian context. Hence a case study of a bank can give useful insights on the basis of listed elements and benefits to achieve the above mentioned objectives. Indian banks can become competitive by successful implementation of VMI. A suitable framework for implementation can be helpful. Before elucidation of such a framework, it is useful to identify problems that may be encountered during implementation.

Keywords: Banking Industry, Vendor Managed Inventory.