ABSTRACT

The purpose of the study was to improve inventory management at Rwenzori Bottling Company Limited with a focus on the effectiveness of inventory management, challenges of inventory management and the strategies of improving inventory management. The motivation for the study followed the concern of excessive inventory experienced by the company which negatively impacted into its profit margin. A cross-sectional design was adapted with a sample size of 78 respondents obtained from specific departments within the company. The reliability and validity of the instrument were determined using Cronbach Alpha coefficient and the content validity index respectively. Data were analyzed using SPSS with a focus on frequency distributions for background attributes of respondents and the means and standard deviations for study objectives. The mean and standard deviation results revealed a number of issues related to the effectiveness of inventory management and challenges facing inventory management. The findings further revealed that a number of strategies ought to be employed so as to improve inventory management. A conclusion was drawn and several recommendations proposed including dealing with the unethical transactions of company’s suppliers, timely reporting for inventory
management in the company, need to employ electronic systems to track inventory levels, need
to improve on inventory record keeping, conducting a rigorous and professional supplier
analysis, need to carry out routine stock taking and finally ensuring that redundant and obsolete
stock are at low levels.