

INVENTORY LEVELS

How do you know what quantities of supplies to order each month?

We know that having consistent inventory ordering patterns can be difficult. Changing drug trends, community agency's inventory skills, and out-of-the-blue situations can all impact your current inventory levels. But there is some basic inventory knowledge that may help you to move toward consistency.

What IS an Inventory Level?

Inventory Level means the number of supplies you have available to fill orders. For core Programs, your inventory level is simply what is in your storage space. There is an inventory level for **each supply you distribute**.

Knowing and understanding your inventory levels is key to effective inventory management of harm reduction supplies. It's essential to your inventory management system.

Key Terms

Ideal Inventory – The maximum quantity of each supply you want to carry, based on available storage. OHRDP recommends enough to last **6 weeks**.

Re-Order Point – The amount where you should order more of the supply, either now or soon. You should order enough to bring you back up to your ideal inventory. A good starting point is enough to last **3 weeks**.

Safety Inventory – This is the quantity of supplies you store to prevent an out-of-inventory situation. It is your insurance against changes in demand. You can dip into your safety inventory sometimes when waiting for an order to arrive. **OHRDP recommends having enough safety inventory to last 2 weeks**.

**Every program's ability to hold 6 weeks worth of Ideal Inventory will be dependent on their storage space. Smaller storage space and community demand will determine the actual amount your program is able to hold as Ideal Inventory.*

Setting Inventory Levels

The core NSP wants to know the **one-week average number of cases of bowl pipes** they need to have in storage to support three of their programs.

The core NSP looks at the ordering pattern of these three programs: **Agency A**, **Agency B**, and **Agency C** over a **3 month = 12-week timeframe**.

Bowl Pipe Cases Ordered

Month	Weeks	Agency 'A'	Agency 'B'	Agency 'C'
March	1	2 cases every week	12 cases once a month	
	2	2		
	3	2		
	4	2		
April	1	2	12	
	2	2		6 cases every 6 weeks
	3	2		
	4	2		
May	1	2	12	
	2	2		
	3	2		
	4	2		6
Total	12 weeks (3 months)	24 cases for 3 months	36 cases for 3 months	12 cases for 3 months

When the total number of cases of bowl pipes ordered by each program over this period is divided by the total number of weeks (12), you find the average number of cases each program needs to meet their weekly need.



24 cases divided by 12 weeks = 2 cases per week



36 cases divided by 12 weeks = 3 cases per week



12 cases divided by 12 weeks = 1 case per week

So – this core NSP will need to have **6** cases of bowl pipes to support these programs every week.

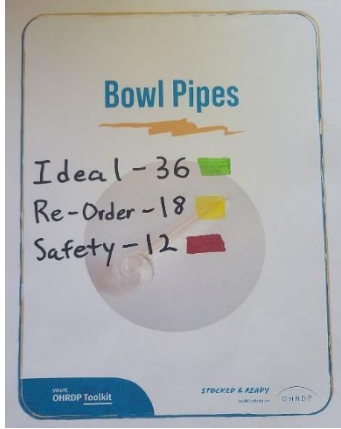

Let's take this one step further. **Let's calculate** the Ideal Inventory Level, Re-Order Point, and Safety Inventory levels for this core NSP. Here's how we do it based on their weekly average of 6 cases of bowl pipes.

Ideal Inventory: 6 cases of bowl pipes per week x 6 weeks of inventory = 36 cases of bowl pipes. If you have the storage space, this would be the number of cases this core would need to meet their Ideal Inventory.

Re-Order Point: 6 cases of bowl pipes per week x 3 weeks of inventory = 18 cases of bowl pipes. This core NSP would re-order when their bowl pipe inventory is down to 18 cases.

Safety Inventory: 6 cases of bowl pipes per week x 2 weeks of inventory = 12 cases of bowl pipes. This is the amount of inventory the core NSP should keep in stock for unforeseen situations, sudden demand, or emergencies. This stock gets circulated when new stock arrives.

Using Visual Cues for Monitoring Inventory Levels

<p>Download a supply poster from the OHRDP Toolkit.</p> <p>Once you have determined your Ideal, Re-Order, and Safety Inventory Levels, write those numbers on the poster.</p> <p>Stick this poster up behind or near where you keep your bowl pipes in storage.</p> <p>Any staff can then monitor inventory levels when in the storage space.</p>	
<p>You'll need green tape, yellow tape, and red tape.</p> <p>Physically mark on the walls with tape the box levels for Ideal, Re-Order, and Safety.</p> <p>This way, any staff can easily monitor when levels are getting low.</p>	

Demand is Always Changing

You and your community agencies are doing your best to manage ever-growing amounts of inventory. We hope this Inventory Levels information provides a starting point to help you keep your supplies stocked and ready for your communities.

If you have questions about Inventory Levels, or other Inventory Management Practices, please contact OHRDP at info@ohrdp.ca.

For more inventory information, go to:

Your OHRDP Toolkit

Stocked & Ready to Support Your Community at <https://toolkit.ohrdp.ca/>

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