

Questionnaire for Calculating the Cost of Replenishing Inventory

Complete the following for your company:

1. How many purchase order line items for stocked products were issued in the past 12 months (approximate by taking one month's total and multiplying by 12)? _____
2. What percentage of all items purchased are stocked products as opposed to special order or catalog items? _____
3. What percentage of all items purchased are consumed internally by the company and not resold or are used as components in products that are resold? _____
4. What is your total purchasing and expediting department's labor expense (wages, taxes, and benefits) during the past 12 months? _____
5. What is your total accounts payable labor expense (wages, taxes, and benefits) during the past 12 months? _____
6. What is the total annual expense for supplies used by your purchasing department? _____
7. What is the total annual expense for accounts payable supplies? _____
8. What is your total annual data processing expense? _____
9. How many line items are received in each warehouse each month? _____
10. What is your total labor expense (wages, taxes, and benefits) per month for the person or people who verify the accuracy of stock receipts? _____
11. What percentage of this person/people's time is spent verifying stock receipts? _____

Please use this information to calculate a cost of ordering stock inventory for our company. We agree to allow Effective Inventory Management, Inc. (EIM) to use this data for comparative purposes, but acknowledge that EIM will not reveal our company name or location to any other party without our expressed written permission.

Signed by Company Representative

Print Name

Title

Date
