

**FACTORS AFFECTING INVENTORY CONTROL IN
ORGANIZATIONS: A CASE STUDY OF GEOTHERMAL
DEVELOPMENT COMPANY IN NAKURU TOWN**

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**A RESEARCH PROJECT SUBMITTED IN PARTIAL
FULFILLMENT FOR THE AWARD OF BACHELOR OF BUSINESS
MANAGEMENT (PURCHASING AND SUPPLIES OPTION) OF
MOUNT KENYA UNIVERSITY**

MARCH 2016

ABSTRACT

The purpose of the study was to assess factors affecting inventory control in organizations. The study was carried out at Geothermal Development Company (GDC) in Nakuru town and was guided by the following specific objectives: to establish how product cost affects inventory control at GDC Nakuru; to find out the extent to which demand forecasting affects inventory control at GDC Nakuru; to determine how lead time affects inventory control at GDC Nakuru; and to find out the extent to which automation affects inventory control at GDC Nakuru. A survey research design was adopted for the study where the target population comprised of 34 employees drawn from supply chain department of GDC Nakuru. A census technique was used to include all 34 respondents in the study. A structured questionnaire was used as the data collection instrument and contained closed ended questions. Data analysis was done using descriptive statistics such as frequencies and percentages while presentation of the results was in the form of tables, charts and graphs which facilitated clear interpretation of results and drawing of conclusion. The findings revealed that product cost, demand forecasting and automation affected inventory control at GDC Nakuru to a large extent, whereas lead time affected to a very large extent. Based on these findings, the researcher recommended that there was need for the management and supply chain personnel at GDC Nakuru to regularly review their product costs in order for the firm to enjoy maximum value. The researcher suggested that further research should be done to determine other factors affecting inventory control levels in organizations.