ROLE OF MANAGING INDUSTRIAL STOCKS  
IN INCREASING OF TEXTILE ENTERPRISES CAPACITY  

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Introduction  
The great value gets improvement of quality indicators of utilization of industrial stocks and it directly influences utilization by capacities. It can be achieved by economy of materials and their more effective utilization (Samofatova and Konovalova, 2012). Decisions to the problems set above can be reached through applying more progressive structural materials, by introducing new technologies, replacing expensive materials with cheaper without reduction in quality of production, reducing a waste and losses in production, and also by widely involving secondary resources and passing products into economic circulation.  

In capacity increasing textile enterprises the most important problem is the rationalized storekeeping. Account of optimum specifications of acquisition and use of industrial stocks allows accelerating the turnover of stocks, to raise capacity, to decrease expenses for their storage and, finally, provides increase in production efficiency as a whole.  

The storekeeping problem arises, when it is necessary to create a stock of material resources or consumer goods for the purpose of satisfaction of postponed demand.  

At enterprise level, organization and management of stocks demand big capital investments and consequently are one of the factors defining the economic policy of enterprise and influencing level of its liquidity.  

Main Results  
Questions of industrial stocks and increasing of capacities’ use were always actual, and many researches of national and foreign economists are devoted these problems.  

The review of study of many economists specifies that meaning of management of increasing capacities of textile enterprises under the conditions of modernization and economy diversification are studied deeply enough.  

Industrial stocks are the means of production which have arrived on a storehouse of the enterprise-consumer of these means of production, but not yet involved into production process (Raitsky, 2003).  

The most general formulation of concept "stocks" is given in the book "Logistics" by Gadzhinsky (2007): «Material stocks are productions being at different stages and treatments of industrial and technological production, articles of national consumption and other goods expecting the introduction into the process of industrial or personal consumption».  

Industrial stocks can be formed at the enterprise as a result of discrepancy of standard items from volumes of single-trip consumption. Materials arrive at the enterprise, as a rule, in the quantity defined by transit rate or capacity of one car, the container etc., but during several days the smaller quantity of a material can be consumed.
As a whole, the basic place in framework of industrial stocks is occupied by raw materials and the materials necessary for production.

Industrial stocks are the stocks which are placed at the enterprises of all branches of goods production, intended for industrial consumption. The purpose of creation of industrial stocks is to provide uninterrupted operation of production.

Merchantable stocks are the stocks of finished goods at manufacturers, and also the stocks along the line from the supplier to the consumer, that is at the enterprises wholesale and a retail trade, in the procuring organizations and stocks in passage (Anikin, 2011).

Merchantable stocks are subdivided, in turn, into the stocks of means of production and consumer goods.

At the enterprise, from the point of view of the factors defining the size of a stock, it is possible to differentiate all industrial stock of means of production into current, preliminary, insurance and seasonal parts (Mikityants et al., 1971):

a) The current part is necessary for the enterprise for trouble-free work in intervals between the alternate deliveries;

b) The preliminary part is created for work of the enterprise in preparation of materials for utilization and for delivery to workplaces;

c) Insurance stocks are intended for continuous maintenance with materials or the goods of industrial or trading process in case of various unforeseen circumstances, for example, such, as deflections in periodicity and rate of parties of deliveries from provided by the contract, possible delays of materials or the goods in a passage on delivery from the suppliers, unforeseen increase of demand;

d) Seasonal stocks are formed at seasonal nature of production, consumption or transportation. As an example of seasonal nature of production of agricultural production can serve. Seasonal nature of consumption has consumption of gasoline during a harvest season. Seasonal nature of transportation is caused, as a rule, absence of constantly functioning roads.

Breakage in time between the moment of receipt of a material and an initiation of its industrial consumption also leads to the formation of stocks.

The enterprise can function without stocks and in case of production of raw materials or materials daily, but transport-procuring expenses at the expense of conditional-constant component expenses, thus, will increase.

Thus, presence of large supplies at the enterprise creates confidence of trouble-free work, cuts transportation and procuring expenses, and also the losses connected with idle time of the enterprise, but during time distract money resources from a turnover, increases expenses for storage and the content of stocks. This contradiction leads to the necessity of an establishment of their optimum size.

The formation at the enterprises’ funds for the provision of economic incentives in production promotes the optimization of stocks and better organization of their management, forces to approach in a new fashion to a technique of their rationing (Mikityants et al., 1971).

Each of the listed four parts of a stock can be counted in three interconnected measurements (Mikityants et al., 1971):

- in natural measurement;
- in days of security;
Objective necessity of formation of stocks is connected with the character of production and reproduction processes. A principal cause of stocks’ formation is mismatching in space and in time of production and consumption of material resources (Poznyakov, 2002).

Necessity of formation of stocks is especially important in connection with a continuous recess of division of labour. Labour productivity increase occurs owing to the expansion and the recess of processes of specialization and cooperation. Necessity of movement between them of means of production leads to the formation of the increasing quantity of stocks and their nomenclature.

Formation of stocks is also connected with necessity of maintenance of a continuity of process of production at all its stages.

The average level of utilisation of capacity should not approach too close 100 %. When there is such situation, it is a signal of necessity to add-on the capacity or to reduce volumes of accepted orders. The capacity stock is a quantity of additional capacity, which the firm keeps to cope with sudden add-ons in demand or time losses in productivity; it measures how much utilization average level (in terms of real capacity) is less than 100 %. The capacity stock (CPst) will be defined under the formula:

\[ CPst = 100 \% - CUlev, \]  

where \( CUlev \) – level of utilisation of capacity, in percentage (%).

In business, the capacity use large supplies when demand is subject to considerable changes. It is also necessary, when the future demand precisely is not defined, especially, if flexibility of resources is low. Other type of uncertainty in demand occurs because of changes in a combination of kinds of articles. Though total demand can remain resistant, the centre of gravity can move from one combination to another. Uncertainty in timeliness of deliveries also leads to necessity of utilization of large supplies of capacity. Capacity can be increased only the big fragments and necessity of its expansion on a minimum level can create a capacity large supply.

The argument in favor of small stocks of capacity is simple enough: the frozen money which is not participating in production. Small stocks of capacity have also other advantages – they show an inefficiency which can be disguised surpluses of capacity, for example – problems with day-offs or unreliable suppliers. As soon as managers and workers can identify such problems, they can find methods to correct them.

However, the policy of accumulation of material stocks (Figure 1) leads to considerable outflow of money from the enterprise. Dependence of production efficiency on the level and the type of stocks consists in the fact that the enterprise bears certain expenses for maintenance of remaining stocks.

In modern works on economy of enterprise and logistics the following principal views on the connection between the expenses and the content of stocks are represented:

- commercial expenses – % for the credit; insurance; taxes to the capital enclosed in stocks;
• expenses for storage-maintenance of storehouses (amortization, heating, illumination, a salary to the personnel etc.);
• operations on movement of stocks;
• the expenses connected with a risk of losses owing to obsolescence, damage, sale at lower prices, inhibitions of rates of consumption of the given kind of material resources;
• the losses connected with missed benefit from utilization of means enclosed in industrial stocks in other alternative directions: capacity add-ons; reduction of net cost of production; capital investments in other enterprises.

Figure 1. Principal Views on Material Stocks

Thus, the long-term content of stocks, at times even their excessive rate leads to formation of so-called «unliquid» stocks which cannot be used at the enterprise, are realised to foreigners (Raitsky, 2003).

Thus, the creation of stocks at the enterprise incurs considerable expenses on their formation and management.

An important passage regarding the increasing efficiency of utilisation of capacities are the reduction of quantity of the excessive equipment and the fast involvement into production of the unused equipment.

Formation of stocks is an objective condition of process of the reproduction, providing its continuity, and during time means a time necrosis of the circulating assets enclosed in them. So, from the materials which are in stocks, in their storage new value is not created. Therefore, the requirement shown to a cumulative stock, its greatest possible reduction at simultaneous increasing of degree of mobility is.

Process of formation of stocks has mainly likelihood character. It is a dynamic category, and it should be noted at the decision of a problem of storekeeping. Specially developed techniques of rationing of industrial and merchantable stocks can be applied.
Being guided by them, the enterprises define rates of stocks which are used in balance accounts.

In order to effectively to operate, it is necessary to follow the certain policy. What is the policy of storekeeping? A policy of storekeeping is a set of measures and the strategy oriented on the statement and the achievement of the enterprise purposes.

The policy of storekeeping is a data which in a complex synthesizes of various aspects of activity of the enterprise, namely:

- timeliness of deliveries of materials and allied articles,
- optimality of their sizes and speed of movement,
- efficiency of industrial activity,
- optimisation of volumes of production ready to realization,
- time dimension of a production cycle.

In a modern science there are some standard (classical) management methods for the stocks, e.g.:

1. «lot for lot» or «the order in the order» ("precisely by request") – the order for production or purchase of the exact, strictly set quantity of production/goods.
2. The fixed quantity – the order (delivery) of the fixed volume of the order is possible.
3. Economic – proceeding from economic requirements, the optimal volume of a party of delivery at which the minimum cost price of the bought goods is reached is counted.
4. Replenishment to the maximum volume – volume of a party of purchase (Vp) is counted simply:

   \[ Vp = (Maximum \ stock) - (Current \ stock). \]  \hspace{1cm} (2)

Usually, for a current stock «the reorder point» (a stock rate at which achievement it is necessary to generate the order) or an insurance stock strikes root.

Further, there are some basic classical systems of storekeeping:

1. SIC (statistical storekeeping). It is based on study of dynamics (change) of stocks by the means of statistical methods. The system essence consists that at reduction of a stock rate to certain level («a reorder point» or that the same, «renewal level») occurs forming of the order for purchase, according to a content method of the order.
2. MPS (Master Production Schedule) is volume-scheduling, based on forming of the plan of sales, with breakdown on the planning periods, on its warp the plan of replenishment of stocks and-or the production plan-schedule is made. It is optimum for management of torrents of the most important positions of the nomenclature (according to classification ABC, the goods of group A and, probably, B), expensive goods.
3. MRP (Material Requirement Planning) is a technique which assists a company in the detail planning for its production (Ali and Habib, 2012); a planning of purchases of raw materials and accessories for the needs of production on a warp is volume-planned schedule productions.
4. FAS (Final Assembly Schedule) is an utilization for purchases of the goods which usually are not stored in a kind of stocks is optimum, and are bought on the basis of the concrete order of the client. Perfectly works at utilization «lot for lot».
6. EOQ (Economic Order Quantity) – this method is based on determination of a point of the reorder - a minimum level of a warehouse stock while reaching it the order for replenishment is formed. Thus, the volume of an ordered party is counted for a warp of the formula of optimum volume of the order, also by the formula of Wilson named sometimes, allowing to minimize total expenses for disposition of the order and material storage in a storehouse.

7. PDS (Pond-Draining System), management of replenishment of stocks. This strategy is used, when the manufacturer has no trustworthy information about demanded times of production and quantity of articles, and also at a short production cycle or for auxiliary materials. An account subject in PDS-models are quantitative parameters of orders for raw materials and completing - minimum (not reduced stock), an order point (quantity of stocks, at reduction below which it it is necessary to make the alternate order), the size of the order.

8. SCM (Supply Chain Management). Here the supply chain (Mohanty, 2012) is a global network which will transform original crude to products and the services necessary for the end user, using the designed torrent of the information, material assets and money resources.

Conclusions
In order to achieve success in long-term prospect, the textile enterprises should plan utilization of capacities. Marketing utilization, for knowledge of features of market segments and demand forecasting, and the financial analysis for any expansion of production demands the big capital investments is obligatory. As the analysis of manpower resources because improvement of utilization of capacities, certainly, will lead to hiring of new workers and their training is necessary.

To improvement of utilisation of capacity conducts, such actions as add-on of quantity of the content equipment, add-on of working in shifts of work of the equipment, improvement of repair-organizational measures, and also any modernization (a computerization, scheduling) the equipment, fast installation of the new equipment etc.

The underestimated stocks of material resources can lead to the losses connected with idle times, with a backlog demand and, hence, to profit loss, and also loss of potential buyers of production. On the other hand, accumulation of overstocks connects enterprise working capital, reducing possibility of its favourable alternative utilisation and retarding its cycle that is reflected in the level of total production costs and financial results of enterprise.

References
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Annotation
Under the conditions of market economy, developments of various patterns of ownership, the great value for the enterprises gets rationalized management of industrial resources. The latter are the reserves for growth of production efficiency, increasing of its quality, reduction of unproductive losses and net cost of production. The study of a problem of management of industrial stocks in the textile enterprises considerably expands possibilities of an analysis of economic activity from the perspective of an effective utilization of industrial stocks. In the paper, the modern management methods are offered. Within the limits of the given research, a number of suggestions related to the perfection of the mechanism of industrial stocks of the textile enterprises management is developed. Results of research can be used in current activity of textile enterprises for the purpose of reduction of stocks’ use by the means of the offered model of storekeeping.

Keywords: industrial stocks, capacity, textile enterprises, types of stocks, stocks’ control