

## **CHAPTER ONE**

### **1.0 Introduction**

It is quite obvious that every organization keeps materials which form one of the pivotal elements in the organization. Any establishment that is set up to produce one thing or another; any organization could either be goods producer or services delivery or both, and they must make use of materials in all their operations, and these materials must be properly managed to achieve the desired objectives.

Materials management is one of the most technological choices in any organization. Thus, it must be decided as to when, how and by who materials should be handled. It covers the processes of moving, packing and storing materials. Note that in the past, there was no any distinct method in use.

However, today the methods employed are numerous such as: The Automated Guided Vehicle (AGV), the Automated Storage and Retrieval System (ASRS).

### **1.1 Background of the Study**

What dominates organizational operations and there seeks to transform management practices is no other than material management.

It is obvious that in all kinds of organizations, management effort is often times committed to the effective and efficient management of materials. Furthermore, the management practices have gained the understanding that the success of any can only be guaranteed in today's circumstances by a practical and holistic commitment to materials management.

Materials management is not a mere technique, but a philosophy anchored on a belief that long run success depends on the uniform commitment to materials management in 7Up Plc, Kaduna Plant which can be achieved via the interplay of both the analytical and holistic facilities of the personalities concerned.

### **1.2 Statement of the General Problem**

Materials management as we all know is considered "life blood" of every organization. Unfortunately enough, most companies have entrusted the materials management functions into the hands of mediocre. Therefore, the basic problem with which the study is concerned about is the unethical practices in the 7Up Plc Kaduna plant which includes: the placement of unqualified personnel on the functional, they do not have professional knowledge about, over invoicing and local inaccessibility of raw materials. Also, therefore is the problem of wastage and pilferage of materials in 7Up Plc, Kaduna plant.

### **1.3 Objectives of the Study**

The main objective of the study is to determine the impact of materials management in the productivity of Seven-Up Bottling Company. Other specific objectives include to:

Identify ways in which materials can be controlled to increase productivity in 7Up Plc. Kaduna plant.

Identify and evaluate how buying, stock taking, stock checking and stock recording in the organization ensure continuity of operation in 7Up Plc Kaduna plant

To outline the accompanying benefits that will accrue to the management of the organization if materials are properly managed.

Identify how shortage of quality personnel deters the effective management of materials in the organization.

To recommend procedures, processes and techniques for effective and efficient management of

materials in the organization.

#### 1.4 **Significance of the Study**

This study would add to the knowledge of the subject matter, “materials management” and equally help managers in 7Up Plc Kaduna plant in tackling the effects of stock taking, stock checking and stock recording in the organization, as one of the salient components of materials management.

It would enable managers to boost productivity and minimize or eradicate problems related to materials for students and businesses that will be embarking upon materials management operations.

It will generally help management in reducing wastage and pilferage of materials and equally enhance proper utilization of materials.

#### 1.5 **Research Questions**

Can materials management increase productivity in organization?

Can proper buying, stock taking, stock checking and stock recording ensure continuity of operations in 7Up Plc Kaduna plant?

What are the benefit that will accrue to the management of the organization if materials are properly managed?

Does shortage of qualified personnel deter the effective management of materials in 7Up Plc Kaduna plant?

Can formidable procedures, processes and techniques bring about effective and efficient management of materials in an organization?

#### 1.6 **Scope of the Study**

The study is concerned with materials management as an effective tool for productivity in Seven Up (7-Up) Nigeria Plc Kaduna plant. The study would cover the practical activities performed by Seven Up (7Up) Nigeria Plc Kaduna plant from the identification of new order up to the issue of ordered materials to the user department from 2008 – 2012).

#### 1.7 **Limitations of the Study**

In every research work, the researcher is bound to face hitches. One of the problems anticipated during this research study include lack of cooperation from subjects or objects leading to use of smaller than anticipated numbers, low return of questionnaire and inability to use correct data gathering instruments due to ignorance about their availability. Another limitation was the attitude of the staff during visits to the organization. At the end, despite all the constraints, I was able to conduct the research successfully.

#### 1.8 **Definition of Terms**

**Stocks:** These are raw materials of varying qualities held in store house.

**Stores:** This is a house or a structure prepared for safe keeping of materials.

**Logistics:** This is the process of averaging the movement and storage of goods and materials from their source to the point of ultimate consumption.

**Bulk Issues:** These are materials that are made in set agreed quantities in designated departments.

**Obsolescence:** These are items held in stock which becomes out of date and no further use to the organization.

**Distribution Requirement Planning (DRP):** This is a requirement placed by customers at the points of use or demand.

**Stock Yard:** This is an open air place in which materials may be kept for reasonable time without serious

deterioration.

**Work in Progress (WIP):** These are inventories of materials in a part finished or partially assembled state.

**Scrap:** These are wastes, used or surplus materials or part arising out of manufacturing processes or other activities.

**Stock Checking:** This involves the inspection of materials for quality and quantity.

**Stock Taking:** This is the physical counting of materials in the store.

**Materials Requisition Planning (MRP):** This is a set of logically related procedures decision, rules and records designed to translate or master production schedule into net requirement and planned coverage of such requirements for each component inventory item needed to implement a schedule.

**Inventory Status File:** This is a document used in keeping records of what is in stock and allows the gross requirements to be adjusted to net requirement by taking into account the current position.

**Automated Guided Vehicles:** These are trucks used in the store house with no driver but guided automatically.

**Materials:** These are items used for production of goods and services.

**Replenishment:** This is the process of supplying back materials in order to replace what has been used up.

## **IMPACT OF MATERIALS MANAGEMENT IN THE PRODUCTIVITY OF AN ORGANIZATION**

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