

## **Discussion Questions**

1. Consider a supermarket deciding on the size of its replenishment order from Proctor & Gamble. What costs should it take into account when making this decision?
2. Discuss how various costs for the supermarket change as it decreases the lot size ordered from Proctor & Gamble.
3. As demand at the supermarket chain grows, how would you expect the cycle inventory measured in days of inventory to change? Explain.
4. The manager at the supermarket wants to decrease the lot size without increasing the costs he incurs. What actions can he take to achieve this objective?