

CHAPTER 1

Introduction

1.1 Background of the Study

A multi – national company like Nestle employs about 4000 employees all over the country. In order to get synchronized to all of its branches, the company uses computers, LAN, WAN, servers, hubs and other necessary I.T. equipment in order to connect the administrative office in Makati to all of its factories and distribution centers. Synchronizing all of the factories and the administrative office means a lot of number of I.T. assets which are very expensive and must be monitored from time to time. Acquiring a huge number of I.T. assets produces problems when it comes to having a physical inventory of assets. There are lots of assets in this building particularly I.T. Assets. Because of being such a huge company with lots of I.T. assets within, Nestle developed its own IT Asset Management System or ITAMS. The ITAMS is responsible for all the I.T. assets that have been bought by the company. ITAMS is like a website of the assets which indicates the status of the asset, fixed asset number, serial number, its assignee and its location where it is deployed. There are about 4,000 I.T. assets in this company, which means conducting an accurate physical inventory in this company is a serious matter and means a lot of work. A physical inventory on I.T. assets is only conducted annually. During the inventory taking, there are lots of assets missing or unfound in the existing list of assets.

This study will analyze the process of inventory taking in the said company to avoid having an inaccurate inventory count as well as having other problems in relation with inventory taking. This study will serve as an evaluation on the inventory taking that has been conducted recently at the company. An evaluation of the process of inventory taking is needed in order to find out what causes the inventory to be inaccurate. Having a deep understanding, knowledge as well as experience is needed in analyzing and evaluating the inventory process. By having experience and deep understanding, the researcher would be able to formulate alternatives in order to minimize, or totally eliminate the problem when it comes to conducting an asset re - count or inventory taking of I.T. assets.