

Optimal ordering policies for inventory system with fixed lifetime

This paper deals with the problem of computing optimal ordering policies for a single product with fixed lifetime of exactly m periods. We presents a proposed cost function for the inventory system with fixed lifetime. The necessary condition for a minimum was derived. Decisions regarding when to order or not is investigated under some conditions. Guidelines for managing a real fixed lifetime perishable inventory system are given. Key words: Inventory; Fixed Lifetime; Inventory position; Ordering policies.