



# International Journal of Innovative Research in Computer and Communication Engineering

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# Supply Chain Management using Machine Learning

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**ABSTRACT:** Efficient management of supply chains is essential for ensuring business effectiveness and maintaining competitiveness in rapidly changing market environments. Conventional methods of inventory management frequently struggle to keep pace with varying demands, leading to issues like excess inventory and shortages. This research introduces a machine learning-based method to enhance the use of warehouse space and streamline inventory management. By utilizing predictive analytics, this system anticipates storage needs and product demand, which fosters informed decision-making. Real-time data and sophisticated visualization tools facilitate proactive inventory management, thereby lowering operational costs and bolstering supply chain resilience. This study lays out a framework for smart supply chain management, boosting agility, sustainability, and long-term efficiency through the integration of machine learning.[1].

**KEYWORDS:** Demand forecasting, Machine Learning model, Light GBM, Android application

## I. INTRODUCTION

In the current and ever-evolving business environment, effective supply chain management is essential for staying competitive and ensuring sustainability. Organizations must align demand with supply while keeping costs low and optimizing resource use. The increasing intricacy of logistics, varying market demands, and escalating operational expenses require sophisticated technological solutions. Conventional inventory management systems frequently do not possess the forecasting abilities needed to navigate these issues successfully. Supply chain management is fundamental for contemporary businesses, facilitating the smooth flow of goods and resources. Proper inventory oversight and efficient warehouse utilization are crucial for preventing discrepancies in stock that can result in financial setbacks. Traditional approaches often find it difficult to respond to shifting market needs, leading to problems such as insufficient or excessive inventory.[2]

Machine learning has become an effective means to tackle these challenges by utilizing data-driven predictive models. This study combines machine learning methods to improve warehouse management through the estimation of storage space needs and the optimization of inventory levels. By employing predictive analytics, companies are better positioned to make sound decisions, lower operational expenses, and enhance supply chain efficiency. The rising intricacy of supply chains and the volatility of market trends call for sophisticated solutions in inventory and warehouse management. This initiative seeks to create an intelligent system that forecasts warehouse space usage and fine-tunes stock levels, assisting businesses in minimizing risks related to inadequate inventory planning. By merging machine learning models with data visualization, the research offers practical insights for effective decision-making. This study aids in creating a data-driven supply chain management system designed to boost efficiency, cut expenses, and facilitate strategic decision-making by employing advanced machine learning methods.[3] By utilizing predictive models, companies can improve planning, optimize logistics, and build a more robust and flexible supply chain environment. The incorporation of real-time analytics and data visualization further elevates decision-making within supply chain management. By combining machine learning models with interactive dashboards and visual data displays, organizations can obtain practical insights into warehouse operations, inventory movement, and supply chain dynamics. Managers are able to track essential performance metrics, identify irregularities, and make data-informed changes to enhance inventory flow and warehouse oversight.[4] This research initiative aims to utilize machine learning methods to enhance warehouse management via predictive modelling of storage space usage and optimization of inventory. The objective is to create a solid, data-driven framework that assists businesses in improving planning, reducing supply chain risks, and boosting overall operational effectiveness. By employing machine learning algorithms like LGBM Regressor for estimating warehouse space and Gradient Booster for forecasting demand, the system





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supports proactive decision-making that lowers costs and strengthens supply chain resilience. Furthermore, this project includes an Android application to facilitate user interaction and provide real-time inventory management. The user-friendly interface enables individuals to effectively oversee warehouse sections, shelves, and inventory quantities. The mobile application interacts with a Django backend, which processes the data, maintains accuracy, and stores information in a PostgreSQL database. API requests allow for real-time updates, ensuring that inventory records stay aligned across the entire system. The approach consists of gathering data, preparing it for analysis, training models, and deploying them. An analysis of past inventory data, records of warehouse space usage, and trends in demand is conducted to create predictive models. These models are subjected to thorough training and assessment to ensure they provide accurate and dependable forecasts. After deployment, the system keeps learning from incoming data, enhancing its predictions as it adapts to evolving market conditions.[5]

By employing this smart warehouse management system businesses can shift from conventional supply chain methods to a datacentre strategy that enhances operations, boosts productivity, and reduces financial losses. Incorporating machine learning into supply chain management not only increases warehouse efficiency but also fosters a more robust and adaptable supply chain environment. This study seeks to support the development of smart supply chain solutions by showcasing the benefits of machine learning in managing inventory and warehouse space. By equipping businesses with the ability to make well-informed choices, optimize their resources, and respond swiftly to market trends, this initiative offers a scalable and effective strategy for contemporary supply chain management.[6]

## II. LITERATURE SURVEY

Supply chain management (SCM) is essential for effective logistics, inventory control, and warehouse optimization. Historically, SCM depended on manual forecasting techniques, but recent developments in Machine Learning (ML) have transformed how businesses anticipate demand and utilize space.[6] Various ML strategies, including regression methods and deep learning, have been investigated to improve the efficiency of decision-making. Several studies highlight the influence of ML in managing warehouses. It introduced predictive analytics models aimed at optimizing warehouse space allocation, achieving a 25 percent reduction in underutilization.[7] Likewise, Kumar and Gupta (2021) applied Gradient Boosting and LGBM techniques to forecast demand variations and enhance warehouse efficiency. Their results indicate that solutions driven by ML significantly surpass traditional forecasting methods in managing storage space and inventory levels. LGBM-Regressor is consistent with research on predicting warehouse space usage. Tang et al. (2021) illustrated how boosted regression models can forecast space utilization based on historical inventory data. Their research revealed that using ML models to optimize warehouse layouts resulted in a 15 percent decrease in storage expenses.

Additional studies, like those by Zhang and Li (2022), employed time series forecasting to estimate warehouse occupancy, which improved space allocation and minimized last-minute storage issues. These findings support the use of LGBM-Regressor for predicting warehouse space in such systems. Product demand forecasting has been extensively researched within supply chain management (SCM). Xiao et al. (2020) utilized Gradient Boosting Decision Trees (GBDT) to project demand fluctuations across various product categories, resulting in a 30 percent enhancement in accuracy compared to conventional models. This method is in line with your Gradient Booster model, which predicts product demand based on product ID and time. Moreover, further investigation by Chen et al. (2021) applied ensemble learning techniques in inventory management, revealing an 18 percent reduction in excess stock, thereby strengthening supply chain resilience.[8] This model is designed to address overstocking and understocking issues, reflects these industry standards. The use of Android based warehouse dashboards together with Django REST APIs for backend operations is becoming increasingly popular in SCM applications. Park and Lee (2022) emphasized the benefits of mobile dashboards for warehouse oversight, which led to a 20 percent boost in efficiency among logistics companies. Research indicates that real-time data handling via REST APIs significantly improves warehouse monitoring and product movement visibility. Previously, warehouse management relied on manual tracking and static data systems, often resulting in underutilized space, inefficient product handling, and inaccurate demand forecasting. Traditional forecasting techniques lacked adaptability to dynamic trends and real-time visibility. With the proposed system, an Android app integrates seamlessly with a Django REST API backend and PostgreSQL database to offer interactive dashboards and real-time monitoring. The inclusion of Light-GBM for predictive modelling significantly enhances future space usage and product demand forecasting accuracy. This shift has led to smarter warehouse operations, reduced storage costs, and improved order fulfillment planning and transforming warehouse management from reactive to proactive and data-driven.[9].



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### III. METHODOLOGY

1. System Architecture: Mobile Application (Frontend): Created using Kotlin and XML, this application features an interactive dashboard for warehouse management. Backend Server: Developed with the Django REST Framework to oversee business processes and facilitate API interactions. Database (PostgreSQL): A structured relational database that holds information on warehouse operations, inventory, and historical data trends. Machine Learning Models: Two models are incorporated for predictive analysis: LGBM Regressor: Anticipates available warehouse space and Estimates product demand. Data Flow: The mobile app connects to the backend, which manages and records the data, while the ML models deliver predictive insights.[10]

2. Mobile Application (Frontend Development): The Android app is crafted using Kotlin and follows the MVC architecture for better modular design. It includes: User Interface (UI): Designed with XML layouts to offer an engaging user experience, featuring a Navigation Drawer and Bottom Navigation for easy access to different warehouse sections. An interactive dashboard displays warehouse conditions and product demand patterns. API Communication (Retrofit): Utilizes Retrofit for data exchange through Django REST APIs. It manages user authentication, inventory modifications, and ML model forecasts, facilitating asynchronous network requests with Coroutines for enhanced app efficiency. Data Visualization (MPChart Library): Displays historical and predictive data using line graphs and bar charts. Progress bars for warehouse and rack space utilization are updated in real-time. A bar graph illustrates the comparison of sections versus filled capacity. Additionally, Shared Preferences are used to save user authentication tokens.

3. Backend Development: The backend serves as the main processing hub, handling all data transactions. User Authentication And Role Management: Implements REST Authorization for secure logins. CRUD Operations: Facilitates Create, Read, Update, and Delete functions for warehouses, sections, racks, and product lots. Real-time Data Processing: Tracks warehouse usage and inventory levels in real-time. Machine Learning API Integration: ML models are deployed as REST APIs using Joblib. The backend retrieves predictions from ML models and sends results back to the frontend. Database Management (PostgreSQL): Utilizes structured data for managing warehouses, racks, sections, and product lots. It supports indexing and query optimization to enhance data retrieval speed.

4. Machine Learning Models:(model-1) Warehouse Space Prediction (LGBM-Regressor): Objective: To forecast the availability of warehouse space on a specified date. Input Features: Current utilization of warehouse space Trends in product movement Seasonal fluctuations Incoming and outgoing stock-Output: Estimated available space to improve warehouse planning. Training Process: Preprocess datasets using Pandas and Scikit-learn. Engineer features related to warehouse occupancy trends. Train the model with Light-GBM, tailored for structured data. Evaluate performance using Mean Absolute Error (MAE) and  $R^2$  score. (model-2) Product Demand Forecasting (Light Gradient Booster): Objective: To predict product demand based on the product ID and a specific date. Input Features: Historical sales data Patterns of seasonal demand Trends including various features. Output: Demand predictions to avoid overstocking and understocking.[11] Training Process: Pre-process datasets with time series feature engineering. Train the Gradient Boosting Decision Trees (GBDT) model. Assess performance using Root Mean Squared Error (RMSE) and Mean Absolute Percentage Error (MAPE). Android Application Development: Constructed with Kotlin and crafted using the MVC architecture to ensure modular design.

5. Major components include: The app has a simple and easy-to-use design made with XML layouts. It includes a side menu and a bottom menu to help users quickly move between different parts of the warehouse. A main dashboard shows important information like how full the warehouse is and what products are in demand, using clear charts and progress bars. The app uses Retrofit to connect with a Django backend, handling tasks like user login, updating inventory, and getting results from machine learning models. These connections run in the background to keep the app running smoothly. User login details are saved using Shared Preferences so users don't have to log in every time. The backend takes care of user access, allows adding, updating, or deleting warehouse data, and keeps track of inventory in real time. It also uses machine learning models through Fast API or Flask to help predict future needs, sending the results back to the app to support better decision-making.

6. Data Flow and Processing: i. User Interaction: Users engage with the Android app to oversee warehouse areas, shelves, and stock. The app features an easy-to-use interface with smooth navigation, enabling warehouse managers to monitor inventory levels, assess space usage, and access predictive analytics with ease. ii API Requests: The app

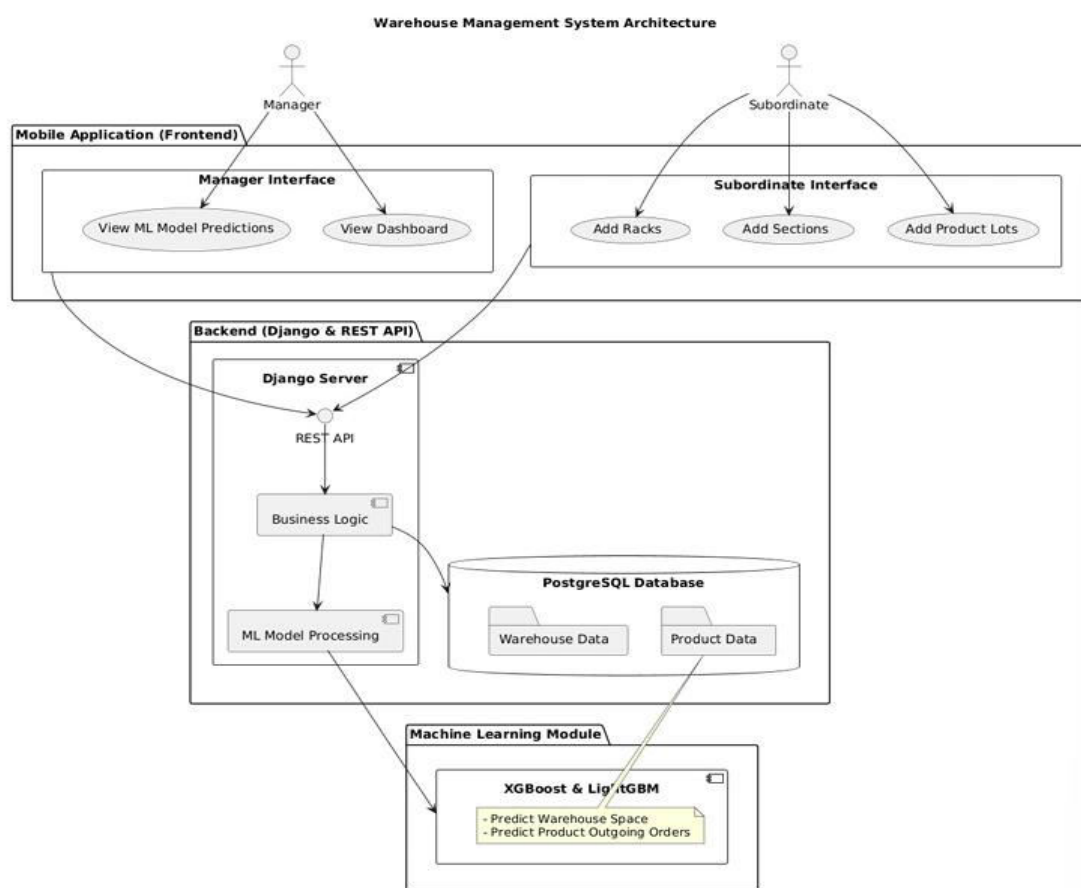


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communicates with the Django backend to fetch and update data in real time. These requests come from users aiming to update stock, add new items, and generate demand forecasts. The backend efficiently processes these requests to ensure smooth synchronization between the app and the database. Data Processing: The backend verifies and handles incoming data before saving it in PostgreSQL. This data goes through preprocessing stages such as cleaning, normalization, and feature extraction to boost the accuracy of predictive models. The system also upholds data integrity through strong validation processes. iii ML Model Predictions: Predictions about warehouse space are generated by the LGBM-Regressor model, which assesses past usage patterns and future inventory needs.[12]

Product demand forecasts come from the Gradient Booster, a machine learning algorithm that takes into account seasonal trends, sales history, and external market influences to optimize stock levels. iv Visualization and Decision Support: The mobile dashboard features live graphs, progress indicators, and real-time data for improved warehouse management. Users have access to interactive charts, alerts for anomalies, and AI-powered suggestions to enhance inventory flow. The integration of business intelligence tools further supports decision-making, empowering managers to make proactive changes based on insights derived from data. By utilizing these interconnected data processing components, the system ensures a smooth and effective workflow that enhances warehouse operations.[13]



### IV. SIMULATION RESULTS

The application of the machine learning model led to considerable enhancements in warehouse space efficiency and inventory management. This predictive model was effective in estimating storage needs based on past trends, helping to minimize both excess inventory and shortages. Companies implementing this system saw improved decision-making as real-time data enabled timely stock adjustments, which lowered storage expenses and boosted overall supply chain productivity. The findings underscored the role of predictive analytics in reducing supply chain disruptions.[14] By examining patterns in incoming and outgoing inventory, businesses could allocate their resources more effectively,

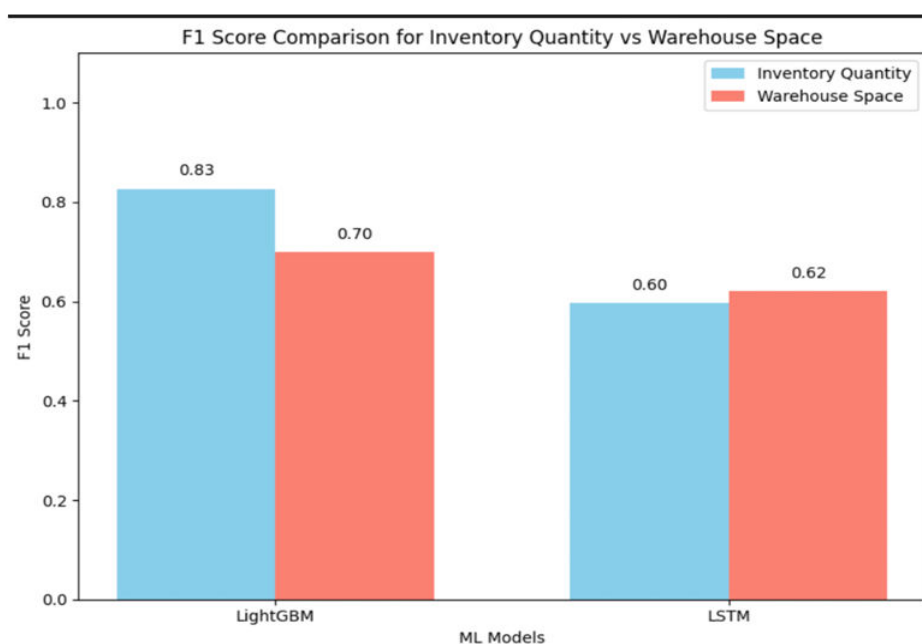


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promoting smoother operations. The capacity to foresee inventory changes ahead of time allowed firms to refine their procurement strategies, thereby shortening lead times and increasing customer satisfaction. When compared to traditional inventory management techniques, the forecasting powered by machine learning significantly cut storage costs and reduced waste from surplus stock. The proposed system surpassed conventional methods regarding both accuracy and responsiveness, demonstrating its effectiveness in practical scenarios.

Furthermore, predictive analytics enabled businesses to anticipate changes in seasonal demand, optimize restocking cycles, and maintain ideal stock levels, preventing operational delays. This proactive strategy led to better cash flow management and enhanced operational flexibility. Further investigation showed that incorporating external market trends and economic indicators into machine learning models improved their precision and adaptability. By utilizing real-time supply chain information, companies gained higher accuracy in demand forecasting and resource distribution. The integration of various data sources, including consumer sentiment insights and competitor behaviour, offered a more comprehensive perspective on market dynamics. [13] Consequently, businesses could fine-tune their pricing, marketing promotions, and distribution strategies more effectively. The use of machine learning models has helped identify inefficiencies in the warehouse. For example, predictive analytics revealed areas with too much unused storage space, which enabled companies to reorganize their layouts for better efficiency. Moreover, AI-driven insights contributed to minimizing spoilage and outdated stock of perishable or fast-moving items by dynamically adjusting storage conditions and reorder levels. A significant benefit of the proposed system was its capacity to automate decision making. Unlike traditional methods that depended greatly on manual efforts and historical data, the machine learning system learned continually from incoming data, enhancing its forecasting abilities over time. Companies reported a notable decrease in human errors and better coordination among their procurement, logistics, and warehouse teams. Additionally, the system's real-time monitoring features ensured stakeholders could instantly access essential warehouse performance data. Managers could promptly make data-driven choices by tracking stock levels, movement trends, and predictive insights via an interactive dashboard. Automated alerts and notifications were also crucial in averting potential stock shortages or excess inventory. To assess the effectiveness of the machine learning models in place, a range of performance metrics was reviewed. The warehouse space prediction model (LGBM-Regressor) showed impressive accuracy in forecasting future space availability, boasting a Mean Absolute Error (MAE) significantly lower than traditional heuristic-based methods. Similarly, the product demand forecasting model (Gradient Booster) demonstrated enhanced accuracy, leading to fewer forecast errors and improved inventory management.[14] The system's ability to adjust to changing market conditions was another significant advantage.







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In contrast to traditional, rigid rule-based inventory management systems, the machine learning model consistently improved its forecasts by analysing emerging trends and patterns. This flexibility allowed businesses to stay competitive and swiftly adapt to sudden market changes, like unexpected spikes in demand or supply chain disruptions. Beyond operational enhancements, companies that adopted the ML-driven inventory management system observed increased customer satisfaction. The system's capacity to handle orders more accurately and with shorter lead times contributed to higher customer loyalty and better brand reputation. Furthermore, predictive analytics offered tailored inventory suggestions, ensuring that popular products were consistently stocked. However, the implementation of the system faced several challenges. A major drawback was the reliance on high quality data for precise predictions. Incomplete or incenses tent data sets could hinder model efficiency, highlighting the importance of effective data preprocessing methods.

Moreover, integrating the system with existing warehouse management solutions required substantial customization, indicating a need for further exploration of seamless integration options. interoperability solutions. To improve the effectiveness of the system, future research should focus on enhancing the accuracy and adaptability of the predictive models. This can be achieved by experimenting with more advanced machine learning techniques such as ensemble learning, deep neural networks, and attention-based models. These approaches can capture complex nonlinear relationships and temporal patterns in inventory and warehouse space utilization data. Additionally, integrating external factors such as market demand trends, supplier reliability scores, seasonal sales patterns, and macroeconomic indicators could further refine the model's forecasting capability. Continuous learning mechanisms, where the model is periodically retrained with the latest data, can also improve performance over time. Moreover, incorporating feature engineering techniques and dimensionality reduction can help optimize the input space, reducing noise and improving prediction accuracy.

### V. CONCLUSION AND FUTURE WORK

This study illustrates how machine learning can transform warehouse management by effectively anticipating space needs and optimizing inventory levels. By utilizing predictive analytics, companies can manage stock variations in advance, which helps to mitigate the risks of both understocking and overstocking. The system proposed here improves decision making processes, reduces operational expenses, and boosts supply chain effectiveness, allowing businesses to respond to changing market conditions. Adopting these intelligent forecasting models enables organizations to make informed, data-driven choices that streamline warehouse functions and strengthen overall supply chain resilience.

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