



Inventory Optimization Assessment with Smart IP&O

Keeping inventory investments in check while maintaining high customer service levels is a constant balancing act. Most companies struggle to keep up, caught in a cycle of inaccurate forecasts, cumbersome spreadsheets, siloed processes, and rule of thumb methods. The result: excess inventory, lost productivity, and lower revenues due to stockouts.

Explore ways to improve - at your company, with your data

Our consultants will help you target immediate savings and service improvement opportunities on a subset of items. We will quantify the overall financial impact that will be realized under varying scenarios, and provide data-driven reports with detailed findings.

Get answers to tough questions – such as:

- ▶ Can stock be reduced without affecting service?
- ▶ Can Service Level be increased without affecting costs?
- ▶ Can Service Level be increased while reducing costs?
- ▶ How soon can benefits be realized?

Complete your assessment in just 3 steps:

1. Import Data from your ERP or EAM system.

Provide historical actuals, current stocking parameters, unit cost, and more that are uploaded to Smart IP&O.

2. Benchmark Performance associated with your current policies.

Smart IP&O will generate a series of Key Performance Predictions (KPP) such as inventory value, service levels, fill rates, and costs projected with current policies.

3. Compare opportunities

across multiple “what if” scenarios. Apply targeted and system prescribed service levels to optimize the stocking policies. Compare each scenario’s KPPs and projected benefits. Select the scenario that best aligns with your business strategy.

From identifying data specifications to analyzing the outcomes, our team will use an effective modeling technology and collaborate with you every step of the way. Smart IP&O will provide you with a quantitative report that displays your predicted business outcomes. You'll also have the chance to evaluate diverse model assumptions, set limits, and goals.

Inventory Optimization Assessment Benefits

By deploying newly optimized policies determined during the assessment, inventory will “right-size” over time to the new equilibrium, decreasing holding costs and the value of inventory on hand. Savings realized can be reallocated in order to carry a broader portfolio of “in stock” items allowing revenues to be captured that would otherwise be lost sales.

Smart Report Sample

	SKU-x Location Count	Total Inventory Value	Target Inventory Value	Inventory Difference (Savings)	Current Service Level	Target Service Level	Service Level Difference
Scenario 1. Same \$ Investment							
Increase Service without affecting Inventory Value	13,762	\$ 12,592,799	\$ 12,592,799	\$ 0	85.4%	94.1%	8.7%
Scenario 2. Same Service Level							
Decrease Inventory Value without affecting Service	13,762	\$ 12,592,799	\$ 11,114,743	\$ 1,478,056	85.4%	85.4%	0%
Scenario 3. Optimized Service Levels							
Optimize Service Level to yield the best Return to Business	13,762	\$ 12,592,799	\$ 11,559,474	\$ 1,033,325	85.4%	92.4%	7.0%

A Single Platform for Inventory Planning & Optimization

Smart IP&O is an integrated set of native web applications that provides a single, easy-to-use, scalable environment with field-proven inventory and forecast modeling that optimizes inventory stocking policy and improves forecast accuracy.



Probabilistic Forecasting

Predict a range of outcomes and the probability for each possibility to accurately prescribe risk adjusted stocking policies that optimally balance service levels and cost.



Intermittent Demand Planning

Engineered for intermittent demand, Smart’s field-proven methods succeed on even the hardest to forecast, anything but normal, unplannable items.



Automate Supply Chain Decisions

You’ll build automated, exception based plans that adapt and respond to frequently changing business conditions while doing away with time intensive manual planning.