



# Smart Inventory Optimization



Automatically identify the targeted service levels and inventory policy that minimizes holding, ordering, and stock out costs with

**Smart Inventory Optimization**

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## PROBLEM

Approaches for determining inventory planning parameters such as lead times, safety stocks, reorder points, and order quantities are often based on rule of thumb approaches that don't account for inherent demand and supply variability. Formal updates of these planning parameters tend to be manual and take weeks to complete. This results in infrequent updates that don't account for continual changes in demand, lead times, and item importance. The impact of changes to planning parameters on inventory metrics such as service levels, fill rates, turns, ordering, holding, and stock-out costs are not easily understood. This leaves companies unable to proactively shape their inventory policies to meet the changing needs of the business and results in misallocated inventory, frequent emergency shipments, lost or backordered sales, and excess & obsolete inventory.

## SOLUTION

Smart Inventory Optimization (SIO) delivers inventory policy decision support and the means to share, collaborate, and track the impact of your inventory planning policy. The optimization engine benchmarks the predicted performance and costs associated with current inventory policy and identifies where you are over and understocked. You can modify planning parameters based on your business rules, service targets, and inventory budget or let SIO prescribe optimal planning parameters and service levels for you. All proposed policies can be shared via the collaborative workbench and compared to your benchmark. The final consensus plan will be uploaded to your ERP system driving operational replenishment. When new demand and supply data are available, SIO automatically generates revised planning parameters while highlighting exceptions for your review.

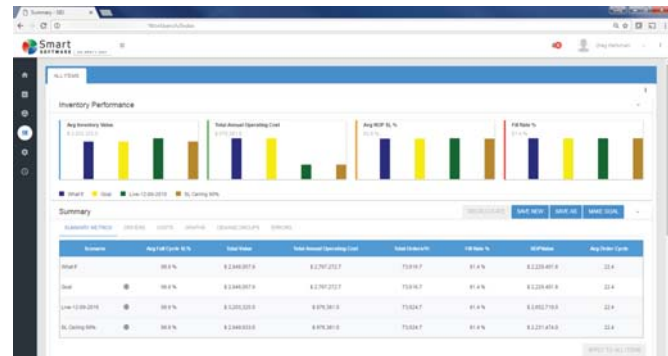
## WITH SMART INVENTORY OPTIMIZATION YOU CAN REALIZE...

- MAJOR INVENTORY COST REDUCTIONS
- HIGHER CUSTOMER SERVICE LEVELS
- MORE ACCURATE LEAD TIMES
- GREATER PROFITABILITY AND CONTROL

# CAPABILITIES AND BENEFITS

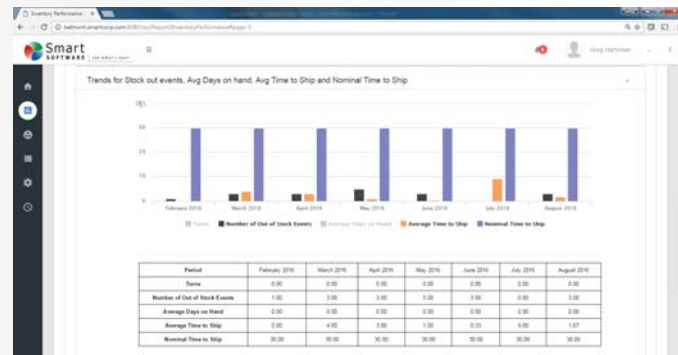
## INVENTORY OPTIMIZATION

- TOTAL COST OPTIMIZATION WITH CONSTRAINTS
- SERVICE LEVEL TARGETING
- MODEL IMPACT OF POLICY CHANGES ON KEY METRICS
- PATENTED INTERMITTENT DEMAND MODELING
- AUTOMATED DEMAND CLASSIFICATION
- EXCEPTION REPORTING
- CALCULATE SAFETY STOCK, REORDER POINTS, ORDER QUANTITY
- CALCULATE SUPPLIER LEAD TIMES



## COLLABORATION

- DEVELOP, SHARE, AND IMPORT "WHAT IF" PLANNING SCENARIOS
- ALERTS NOTIFY USERS OF NEW SCENARIOS
- COLLABORATIVE WORKBENCH COMPARES ALL PLANNING SCENARIOS
- SUPPORTS DEVELOPMENT OF INDIVIDUAL AND GLOBAL SCENARIOS
- USER MANAGEMENT TO FOR LIMITING VIEWS AND FUNCTIONALITY



## SOLUTION BENEFITS

- REPEATABLE DOCUMENTED PROCESS FOR DEVELOPING OPTIMAL INVENTORY POLICY
- LOWER INVENTORY
- REDUCED CARRYING AND ORDERING COSTS
- INCREASES IN ON TIME DELIVERY, SERVICE LEVELS FILL RATES, AND SALES

## ABOUT US

Founded in 1981, Smart Software is a leading provider of enterprise demand forecasting, demand planning, and inventory optimization solutions. Today hundreds of organizations including global leaders and cutting edge small to medium businesses around the globe use our solutions to plan for demand, optimize inventory, and drive a more efficient supply chain. Our mission is simple: provide analytical planning solutions that enable our customers to generate a significant economic return for their business.



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