

SUPPLY CHAIN CONSULTING



INVENTORY OPTIMIZATION

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When it comes to optimizing inventory management, the questions are many: What is the right level of inventory? How do I know what is optimal? Are we prepared for seasonal shifts?

Companies that follow a conventional single-stage, single-item inventory optimization model that looks at each SKU and stock location will be out of step in today's global, interconnected business operations. The result: frequent stock outs, overstock, unhappy customers and blocked working capital.

We help companies improve their inventory management capabilities, and create more responsive, more efficient supply chains. We will quickly assess your current inventory situation and devise a plan to simultaneously increase product availability and service levels while reducing investment in working capital.



Deliverables

- SKU rationalization
- Strategic use of vendor managed inventory (VMI) for seasonal shifts?
- Development of Just-in-Time strategies (JIT)
- Cost-effective postponement strategies
- Improved forecasting and planning
- Optimization of all types of inventory (raw materials, work-in-process, finished goods, etc.)

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SIGNS YOU HAVE A PROBLEM WITH YOUR INVENTORY

INCONSISTENT TRACKING. Using manual inventory tracking procedures across different software and spreadsheets is time-consuming, redundant and vulnerable to errors. Even small businesses can benefit from a centralized inventory tracking system that includes accounting features.

INACCURATE DATA. You need to know, at any given moment, exactly what inventory you have. Gone are the days when inventory could be counted once a year with an all-hands-on-deck approach.

LACK OF VISIBILITY. When your inventory is hard to identify or locate in the warehouse, it leads to incomplete, inaccurate or delayed shipments. Receiving and finding the right stock is vital to efficient warehouse operations and positive customer experiences.

SIGNS YOU HAVE A PROBLEM WITH YOUR INVENTORY

MANUAL DOCUMENTATION. Managing inventory with paperwork and manual processes is tedious and not secure. And it doesn't easily scale across multiple warehouses with lots of stock.

SUPPLY CHAIN COMPLEXITY. Global supply chains shift daily, placing a burden on your inventory planning and management operations. The manufacturers and wholesale distributors that dictate when, where and how your inventory ships require flexibility and offer unpredictable lead times.

INVENTORY LOSS. The loss of inventory due to spoilage, damage or theft can be a supply chain problem. It requires identifying, tracking and measuring problem areas.



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INEFFICIENT PROCESSES. Low-tech, manual inventory management procedures don't seem like a daunting challenge when inventory is small and there's only one warehouse location to manage. But as sales volume increases and inventory expands, inefficient, labor-intensive and low-tech standard operating procedures are difficult to scale

LACK OF EXPERTISE. It can be tough to find skilled inventory managers who are adept at the latest technology and can improve inventory strategy. Simply upgrading your inventory management platform with a host of features isn't enough. You need capable management

POOR COMMUNICATION. Communication and collaboration are key. When departments are apathetic about sharing information, it makes identifying inventory trends and finding ways to improve much more difficult.

SIGNS YOU HAVE A PROBLEM WITH YOUR INVENTORY

OVERSTOCKING. Keeping too much stock on hand can be as problematic as having too little. Overstock impacts business cash flow and leads to inventory-related problems, such as storage and loss.

INCREASING COMPETITION. Globalized supply chains are subject to unpredictable economic shifts and market forces that impact the competition for raw materials. Small businesses are sometimes faced with choosing between competing for high-demand materials or holding enough inventory to control costs.

INSUFFICIENT ORDER MANAGEMENT. One of the most common challenges to sound inventory management is preventing the overselling of products and running out of inventory. Using historical and seasonal data trends can help you accurately predict customer orders



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POOR SPACE MANAGEMENT. Efficiently managing space is an intimidating task. Planning and designing warehouse spaces with inventory management platforms helps you better control the timing of new stock deliveries. It can account for important factors, such as available space.

INEFFICIENT WAREHOUSE MANAGEMENT. Inventory management controls at the warehouse is labor-intensive and involves several steps, including receiving and put away, picking, packing and shipping. The challenge is to perform all these tasks in the most efficient way possible.

LOW SERVICE LEVEL. Shipment errors, damaged or defective products, short shipments, missed delivery schedules, all influence negatively in your customers perception and your service levels.

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OTHERS:

- ✓ Lack of a robust demand planning program.
- ✓ Lack of adequate KPIs to measure performance and progress.
- ✓ Thinking **ALL** inventory must be treated the same way (dedicate same control effort to all SKUs)
- ✓ Not knowing your inventory.
- ✓ Low inventory rotation (turnover)
- ✓ High inventory level in DCs but lots of stock outs in points of sale.
- ✓ etc.





For more
information

Contact us for more information or to discuss your needs and requirements in order to work out the solution that best suits your needs.

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+35 years of experience in SCM, operations, procurement, and international logistics operations



+35

years of international, multi-industry, experience designing, implementing, managing, transforming, and optimizing supply chain and inventory management operations worldwide.

Thank you!