

Inventory Optimization

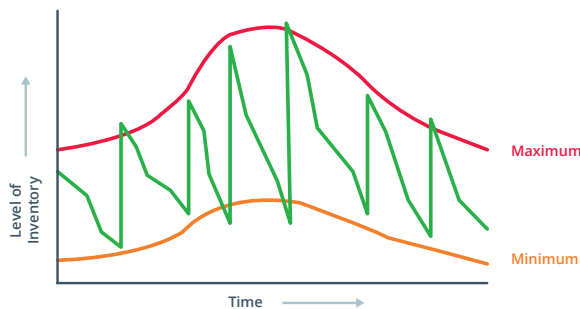
SOLUTION FACTSHEET

Inventory Optimization is about having the right inventory to meet your target service levels while tying up a minimum amount of capital in inventory. To achieve this, you need to account for both supply and demand volatility.

SYSPRO has forecast import routines and also advanced Inventory Optimization capabilities to quickly allow the business to create varying demand sources to help with needs recognition in the procurement process. What this also helps to do, is ensure that the demand that is on the system is up to date, accurate and supported scientifically, the benefit this delivers is increased demand accuracy.

Together with Inventory Forecasting, Families and Groupings, and Requirements Planning, Inventory Optimization provides the tools and processes to optimize stock levels, ensuring stock is in the right place at the right time, and reduces obsolescence.

SYSPRO Inventory Optimization takes an holistic approach to balancing the supply chain by providing visibility and understanding of the different parameters that create and shape inventory. It allows users to create policies that determine how a change to these parameters impacts on target inventory levels. inventory policy, which means determine which products to stock and how much to keep of each unit. This enables the best mix of services to the customer at the optimum cost of inventory to achieve that service. Seasonal and trend factors can also be incorporated.



The Benefits of Inventory Optimization

- Modeling of different what-if policy scenarios for the best mix of service and inventory investment
- Improved stock turns and service levels
- Reduction of waste in the supply chain
- Risk policies use Poisson or normal distribution for target service levels
- Consolidation of warehouses at regional or territory level for logistical and supply chain purposes
- Highlighting of problems, such as over- or under-stocking, and stock-outs
- Improved ability to manage demand
- Clear and objective measures of the balance between supply and demand
- Optimization at the stock-keeping-unit (SKU) level with aggregation up to higher levels
- Selection sets in common with inventory forecasting allowing for consistency in processing.

Product Version:

SYSPRO 8

Related Modules:

- Inventory
- Inventory Forecasting
- Inventory Families and Groupings
- Sales Orders
- Requirements Planning

Sectors:

Manufacturing and Distribution

Industries:

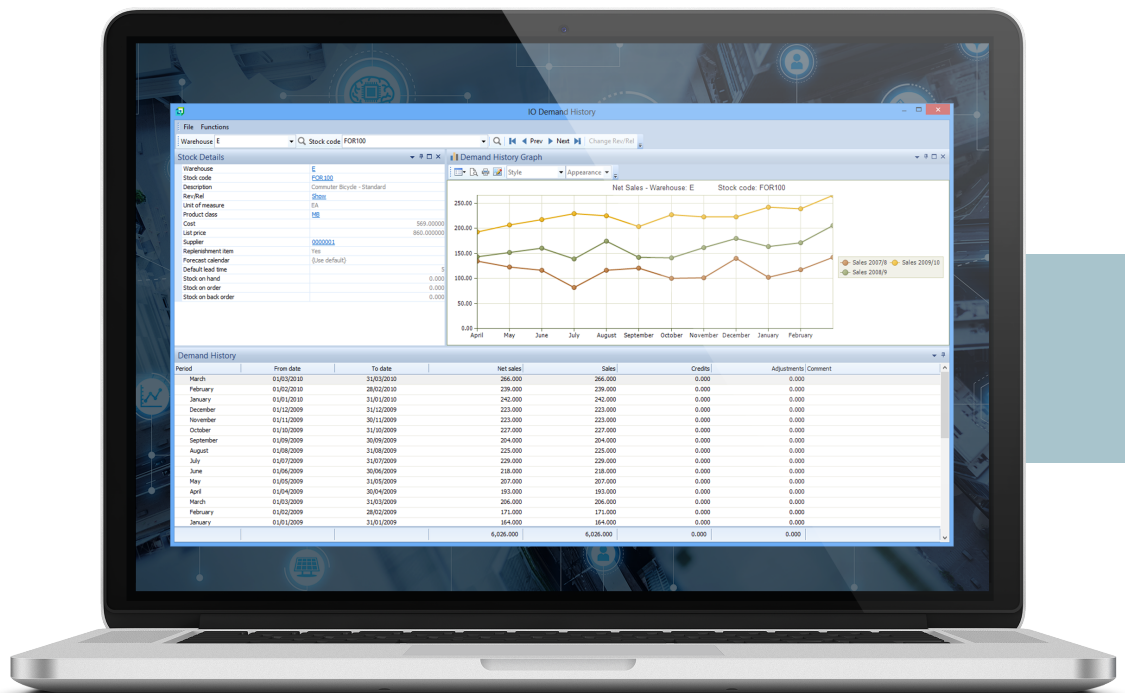
- Automotive Parts and Accessories
- Electronics
- Fabricated Metals
- Food and Beverage
- Industrial Machinery and Equipment
- Packaging
- Plastics and Rubber

Inventory Optimization Capabilities

- Utilize monthly or weekly time buckets
- Define either fixed or risk based policies per SKU
- Copy policies across multiple SKU's
- Calculate and create min/max stock levels per time bucket based on defined policies and market intelligence
- Control and validate the min/max levels before making them active
- Approve draft min/max stock levels for use in Requirements Planning
- Review excess stock as defined by company policy, and create supply chain transfers to re-distribute the surplus
- View and edit all inputs to target stock (set-up, policies, forecast, historic demand, forecast accuracy) in one interface
- Review the Actual Service Level vs expected service level for each SKU.

Audit Trails and Reporting

- Comprehensive audit trail of changes (add, change and delete audit)
- Comparative reports, reviews and on-line queries.



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