Are You Guessing at Inventory Targets?

That’s what it can feel like with traditional approaches to inventory management. The true complexity of your supply chain gets lost in traditional systems, leaving you with ineffective planning targets. With every stage of your supply chain affecting every other, you need constant visibility and control over the dynamics of your supply chain. Yet with basic inventory management systems, all you get are blurry quarterly or monthly guesses. So you either pay the cost of too much inventory or bear the consequences of missed demand and unhappy customers.

SmartOps Multistage Inventory Planning and Optimization

- Provides a total supply chain view for all items, at all stages, for all planning periods
- Accurately captures variability and risk so you can hedge against them in your complex network
- Synchronizes operations through your existing enterprise systems
- Offers continuous insight into drivers of supply chain performance and facilitates process improvement initiatives

Single-Stage Planning Puts Your Supply Chain at Risk

Basic inventory management systems calculate inventory targets at infrequent intervals, one stage at a time. This single-stage approach treats each inventory stage in isolation. Therefore it can’t account for how every node of your extended supply chain impacts every other. Worse still, instead of quantifying and managing uncertainty, these systems often simply ignore it. As a result, no one is happy. Too little inventory frustrates your customers. Too much inventory frustrates Finance and puts your margins at risk. Inventory at the wrong place at the wrong time frustrates everyone: costing your company time and money.

The Multistage Inventory Planning and Optimization Solution

SmartOps Multistage Inventory Planning and Optimization (MIPO™) is the proven solution for determining optimal inventory targets for every item, at every location throughout your supply chain. This core module of the SmartOps Supply Chain Planning Suite allows you to optimize inventory planning for all finished products, intermediates, and raw materials over time, dynamically linking inventory investment with customer service goals.

The SmartOps Multistage Inventory Planning and Optimization Difference

<table>
<thead>
<tr>
<th>Traditional Planning Systems</th>
<th>SmartOps MIPO</th>
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</thead>
<tbody>
<tr>
<td><strong>Limited Scope</strong></td>
<td><strong>Total Supply Chain View</strong></td>
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<tr>
<td>Targets calculated in isolation for one item/location</td>
<td>All stages, all items, all locations and all time periods considered simultaneously</td>
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<td><strong>Manual Rules of Thumb</strong></td>
<td><strong>Advanced Stochastic Process Engine</strong></td>
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<td>Fixed safety stocks and re-order points, guesses based on past experience</td>
<td>Advanced mathematics that account for uncertainty and variance over time</td>
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<td><strong>Operational Rigidity</strong></td>
<td><strong>Operational Synchronization</strong></td>
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<td>Same targets for all periods, infrequent reviews, updates entered manually</td>
<td>Integrated with existing enterprise systems, to adapt to supply chain changes automatically</td>
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<td><strong>Limited Strategic Analysis</strong></td>
<td><strong>Continuous Insight</strong></td>
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<td>Lack of simulation capabilities for sensitivity analysis and identifying improvement opportunities</td>
<td>What-If analysis to identify the drivers of supply chain performance and quantify costs, benefits, and risks</td>
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Total Supply Chain View for All Items, All Stages and Time Periods
Traditional inventory planning isolates each echelon in the supply chain and employs simplistic models that lead to over-buffering of inventory. SmartOps Multistage Inventory Planning and Optimization brings a holistic view – the entire extended supply chain is planned for at the same time. Interactions between each echelon are captured, and inventory deployment is synchronized across extended supply chains. Inventory targets are planned for at the item-location-period granularity, aligning material availability with demand and supply trends.

Accurately Capture Complexity and Hedge Against Variability
One thing that is certain about supply chains is that everything is highly uncertain. The ability to understand and hedge against the variability factors is a crucial factor in mastering the supply chain. SmartOps Multistage Inventory Planning and Optimization accurately accounts for multistage dependencies, capacity constraints, and supply and demand variability; rather than ignoring them. The robust data model is able to capture the true complexity of your supply chain. The result is trustworthy, executable inventory targets that are optimized to meet your service level objectives by appropriately hedging against risk at lowest cost.

Synchronize Operations through Existing Enterprise Systems
Using current operational data from your ERP or Advanced Planning systems, SmartOps Multistage Inventory Planning and Optimization right sizes global supply chain inventory targets to meet desired customer service targets. Inventory planning dynamically adapts to structural changes and trends in the supply chain, without the need for manual intervention. Planning outputs also integrate into your existing Business Intelligence systems for ad-hoc analysis.

Continuous Insight into Drivers of Supply Chain Performance
With SmartOps, you will maintain visibility into the drivers and purposes of end-to-end supply chain inventory. Our robust exceptions management workflow gives planners a structured view of what is changing in the supply chain along what is driving the change. SmartOps Multistage Inventory Planning and Optimization brings a robust framework to identify improvement opportunities through flexible strategic scenario analysis.

With SmartOps Multistage Inventory Planning and Optimization you will:
• Increase customer service levels and capture more sales
• Reduce inventory and working capital
• Improve planner productivity
• Reduce production and distribution costs

Act Now To Optimize Inventory at All Stages
Stop guessing at inventory targets, and start knowing. To find out how SmartOps Multistage Inventory Planning and Optimization can help your business, contact SmartOps today!