

For Immediate Release

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**ToolsGroup Highlights Link between Forecast Accuracy and Safety Stocks
at SAP Logistics and Supply Chain Management Conference**

*Message Echoed in Customer's Case Study Presentation and in
Consumer Goods Technology Magazine*

BOSTON and ORLANDO — Feb. 12, 2007 – ToolsGroup, a company best known as a global provider of inventory optimization solutions, is taking aim at addressing another problem many companies face—dealing with the impact of poor demand forecasts. ToolsGroup and company CEO, Joseph Shamir, will be at the SAP Logistics and Supply Chain Management (SCM) conference on Feb. 12-14 in Orlando, FL explaining an innovative new approach to this problem.

“Of course your forecasts are wrong. Everybody’s are,” says Shamir. “Despite the best of intentions, millions of dollars invested in technology, and several world changing collaboration initiatives, generating good forecasts is still difficult for even the best managed companies.”

Shamir and ToolsGroup are proposing that companies with forecasting problems start focusing on safety stock inventories. He argues that forecast accuracy and safety stock inventory are just two sides of the same coin. Forecasts attempt to predict future demand. Safety stock inventories buffer the supply chain from demand variations and forecast inaccuracies. By fixing safety stocks, companies can mitigate the impact of forecasting problems, address demand variability and improve customer service levels.

Shamir’s message is also featured this week in *Consumer Goods Technology*, the leading publication covering the consumer goods market. The article can be found at <http://www.consumergoods.com/cgt/pages/news.shtml>.

ToolsGroup’s customer, Cadbury Schweppes, will be at the SAP Conference providing an overview of its success using this approach along with ToolsGroup’s DPM software. Cadbury Schweppes North America needed a way to optimize

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finished goods inventory to achieve near-perfect service levels for their large retail customers. The company deployed an add-on module from ToolsGroup to analyze forecast and demand variability and identify optimal inventory trade-offs at each SKU location to create an optimal inventory mix.

At the SAP conference, ToolsGroup will be exhibiting at booth 802 and attendees can learn about ToolsGroup's DPM inventory optimization software and their approach to addressing forecast accuracy problems. ToolsGroup's solutions compliment SAP's products and are certified for SAP Netweaver.

About ToolsGroup

ToolsGroup optimizes inventory in the finished goods supply chain. Its powerful solutions optimize multi-echelon distribution chain inventory, from finished goods assembly to the end consumer, and from strategic network design to daily operations. Recognized by ARC Advisory group as the top inventory optimization firm, ToolsGroup allows supply chain managers to meet demanding service levels, while reducing inventory and operating costs. With more than 100 customers in 29 countries, it is the most experienced inventory optimization software provider worldwide. For more information on ToolsGroup and its solutions, please visit www.toolsgroup.com.

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