

For Immediate Release

Media Contact:
Jen Buchhalter
For ToolsGroup
(617) 451-7788 x16
jbuchhalter@articulatepr.com

Analyst Survey Reveals Widespread Inventory Management Pain Points

Study by Industry Directions Underscores Need for Inventory Optimization Solutions such as ToolsGroup's DPM

BOSTON — May 30, 2007 — A recent survey by Industry Directions, a noted analyst firm specializing in enterprise technologies, sheds new light on three widespread business pain points: forecast accuracy, overstocks and expediting. All are key business issues addressed by inventory optimization solutions such as ToolsGroup's DPM.

The Industry Directions survey found:

- An overwhelming majority, 83 percent of respondents, said overstocks were common in their organizations. Global sourcing was cited as one cause.
- Another large majority, 73 percent of respondents, said expediting was common. Additionally, 40 percent felt that this problem was getting worse.
- Finally, the study found that forecasting accuracy was a big issue. More than half (60 percent) of all respondents said their forecast accuracy was below 80 percent, even for time horizons as short as three-months.

“Overstocks, expediting and poor forecast accuracy are addressable issues,” said Joseph Shamir, CEO of ToolsGroup. “We have been helping companies for more than a decade address inventory management issues to achieve faster inventory turns with less supply chain noise.”

Industry Directions surveyed 190 manufacturers, retailers, and distributors, where they also found a clear link between these issues and the need for improved inventory management practices. Top performing companies from the study were more likely to combine best practices for inventory management along with software tools, such as ToolsGroup's DPM.

“As companies strive to become more demand driven and their environment becomes less predictable, inventory management's importance grows,” summarized Julie Fraser, principal at Industry Directions.

To learn more about best practices for demand-driven inventory management



success, a copy of the full report *Demand-Driven Inventory Management Strategies: Challenges and Opportunities for Distribution-Intensive Companies* is available on Industry Directions' Web site at <http://www.industrydirections.com>.

About Industry Directions

Industry Directions is an industry analyst firm that conducts research on the business processes and enabling technologies used in manufacturing value networks in specific vertical industries. Areas of focus include supply chain, business-to-business, production, lean & other improvement initiatives, enterprise management, product lifecycle management and performance management. To learn more, visit: www.industrydirections.com.

About ToolsGroup

ToolsGroup optimizes inventory in the finished goods supply chain. Its powerful solutions optimize multi-echelon distribution chain inventory, from assembly of finished goods to the end consumer, and from strategic network design to daily operations. Recognized by ARC Advisory group as the #1 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.

###