

Is Your Supply Chain 'READY FOR ANYTHING'?

Whether you're facing a pandemic, fluctuations in the global economy, or smaller scale challenges like slow-moving inventory and special promotions, the one constant in supply chain planning is the need to prepare for the unknown. **Here are the three keys** to achieving target service levels while optimizing inventory—no matter how complex your supply chain is or how much demand changes.

1 PREDICT MORE BEHAVIORS

The nuances of demand across items, locations and time makes traditional demand forecasting little better than a guessing game. By considering a range of predicted outcomes with varying levels of probability, you have the flexibility to follow the model, or make calculated trade-offs based on your business priorities.

Premium outdoor gear manufacturer Thule worked with ToolsGroup to increase service levels from below 80% to 92% in two years' time. And they did it with lower inventories—and are moving toward a goal of 15% inventory reduction. These gains were achieved during a period of considerable sales and SKU growth using their existing team.



2 PROTECT AGAINST SURPRISES

The companion to optimized prediction capabilities is the foresight to protect against inevitable surprises. By defining your specific service goals and balancing them against business objectives, you can determine optimal levels of safety stock to keep on hand in the event of unanticipated changes.

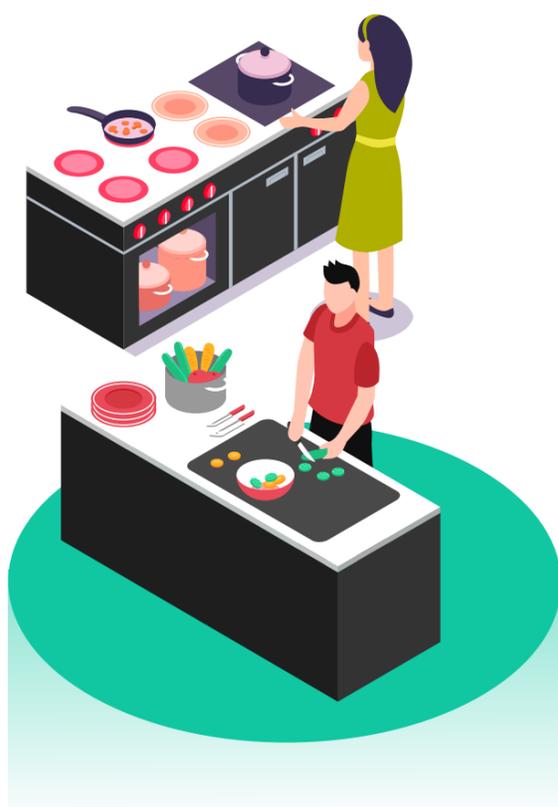
Luxury sports car maker Aston Martin was challenged by its board to raise targets for first time availability (FTA) for its parts across all car categories by two percent without increasing inventory, raising their 95% service level to 97%. They worked with ToolsGroup to improve service levels to 97.1% and reduce inventory by 18%, freeing up more working capital.



3 PERFORM MORE EFFICIENTLY

Optimizing your predictions and safety stock levels to protect against the unexpected gives your operations a solid foundation. By fine-tuning replenishment cycles and honing the logistics of moving inventory across your network, you can reduce excess inventory and minimize losses stemming from product obsolescence.

Global kitchen equipment manufacturer Franke had 12 production facilities, four echelons, and more than 125,000 SKUs, all managed across 17 different ERP systems. Working with ToolsGroup's planning automation software, integrated with SAP, Franke unified the planning process to cut forecasting and demand planning time in half and reduce MAPE by eight points.



eBook: Three Essential Capabilities of Supply Chains That Are "Ready for Anything"