

# How to Cure the Five Biggest Supply Chain Headaches for Small and Mid-Sized Businesses



We've examined the five biggest supply chain headaches for small and midsize manufacturing, retail, and distribution companies. Spreadsheets aren't the cure; here are better prescriptions.

1

## Headache #1: The Need to Improve Forecast Accuracy

Many systems consider very intermittent demand unforecastable. They fail to consider all the details of the demand for each item, resulting in poor stocking levels.



**The Prescription:** Digital supply chain planning applies artificial intelligence (AI) to multiple real-time information sources to forecast demand accurately down to the SKU-Location level.

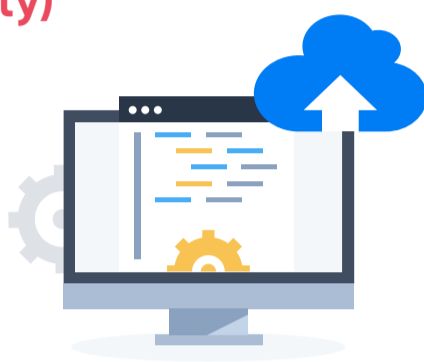
Businesses most likely to use Excel are also most likely to say they view their "outdated" systems as a key barrier to innovation.

Supply Chain Dive

2

## Headache #2: The Need to Improve Service Levels (Product Availability)

One result of inaccurate forecasting is stockouts—the inability to meet customer demand. This can mean unhappy customers, lost sales revenue, missed opportunities, and even reduced brand trust.

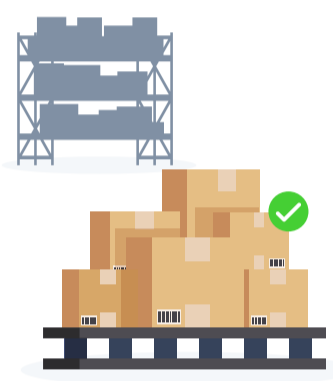


**The Prescription:** Cloud-based supply chain software that is specifically built around the concept of "service-level planning" uses machine learning and probabilistic forecasting to help increase service levels, even for slow-movers.

3

## Headache #3: The Need to Reduce Costs of Excess and Obsolete Inventory

When low forecast accuracy meets high service targets, too often the response is simply ordering more safety stock. "Too Much is Not Enough" is for country music, not supply chains.



**The Prescription:** Next-gen supply chain systems use machine learning to account for demand and constraints as well as shelf life to meet high service level targets with lower overall inventory levels.

88% of corporate spreadsheets contain errors.

Corporate Finance Institute

4

## Headache #4: The Need to Automate Demand and Inventory Planning

Using spreadsheets for forecasting forces planners to spend excessive time on manual data entry and dealing with the inevitable errors. Sales or product line growth makes these problems even worse.

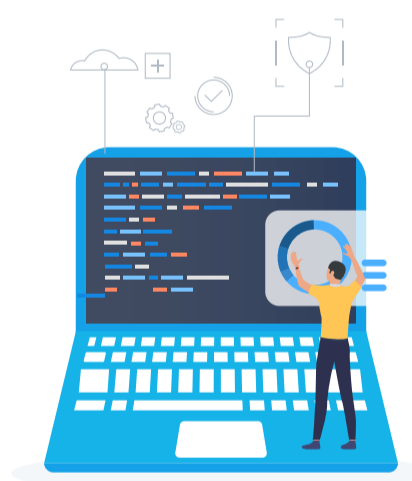


**The Prescription:** Dedicated supply chain software automates real-time data collection and planning processes—improving timeliness and accuracy, supporting growth, and enabling planners to more productively focus on strategy.

5

## Headache #5: The Need for Integration with ERP and Other Systems

People can't efficiently work together when their software systems don't work together. When information exists in functional silos, collaboration requires manual efforts, resulting in errors and lost productivity.



**The Prescription:** Purpose-built supply chain planning software uses a single, unified model and integrates with ERP, MES, WMS, and other systems so that everyone is working with the same data.

"Rather than waiting hours for a spreadsheet model to update when evaluating multiple scenarios, planning applications can return the result in minutes."

Nucleus Research

## + Digital Planning Can Significantly Improve Your Company's Health

10-30%

Inventory reduction of 10-30%

3-5

Service level improvement of 3-5 percentage points

50-90%

Reduction in planner workload of 50-90%

## Supply Chain Forecast | Inventory

### Heal Your Biggest Supply Chain Headaches

Supply Chain Forecast | Inventory from ToolsGroup is an easy-to-use supply chain planning solution that allows you to:

- Quickly generate accurate demand forecasts and optimized inventory plans
- Increase product availability and reduce stock investment
- Stop poring over spreadsheets and fire-fighting and focus on your business

Visit [ToolsGroup.com/easy-planning](https://www.toolsgroup.com/easy-planning) to find out how it can help your company reduce costs, scale growth, and be ready for anything.

Download our ebook: The Five Biggest Supply Chain Headaches for Small and Mid-sized Businesses—And Why Spreadsheets Won't Relieve Them (Plus What Will)

