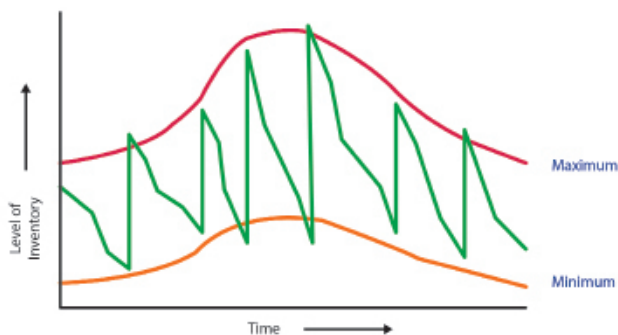# SYSPRO Inventory Optimization

SYSPRO's Inventory Optimization (IO), together with Inventory Forecasting, Families and Groupings, and Requirements Planning provides the tools and processes to optimize stock levels, ensuring stock is in the right place at the right time, and reduces obsolescence.

Inventory is one of the biggest assets within most companies yet it does not always receive an appropriate amount of management attention. There are good and bad reasons to hold inventory, so organizations need to understand what is contributing to their inventory and why. The role of inventory in the performance of a supply chain should also be understood for effective management.

SYSPRO Inventory Optimization takes an holistic approach to balancing the supply chain by providing visibility and understanding of the different parameters that create and shape inventory. The IO module allows users to create policies that determine how a change to these parameters impacts on target inventory levels. This enables the best mix of services to the customer at the optimum cost of inventory to achieve that service. Seasonal and trend factors can also be incorporated.

The objective of IO is to drive inventory between minimum and maximum levels:

The benefits of Inventory Optimization

- Modeling of different what-if policy scenarios for the best mix of service and inventory investment
- Improved stock turns and service levels
- Reduction of waste in the supply chain
- Risk policies use Poisson or normal distribution for target service levels
- Consolidation of warehouses at regional or territory level for logistical and supply chain purposes

WWW.SYSPRO.COM

SYSPRO Inventory Optimization

The benefits of Inventory Optimization ctd.

- Highlighting of problems, such as over- or under-stocking, and stock-outs
- Improved ability to manage demand
- Clear and objective measures of the balance between supply and demand
- Optimization at the stock-keeping-unit (SKU) level with aggregation up to higher levels
- Selection sets in common with inventory forecasting allowing for consistency in processing

Inventory Optimization features

- Utilize monthly or weekly time buckets
- Define either fixed or risk based policies per SKU
- Copy policies across multiple SKU's
- Calculate and create min/max stock levels per time bucket based on defined policies and market intelligence
- Control and validate the min/max levels before making them active
- Approve draft min/max stock levels for use in Requirements Planning
- Review excess stock as defined by company policy, and create supply chain transfers to re-distribute the surplus

- View and edit all inputs to target stock (set-up, policies, forecast, historic demand, forecast accuracy) in one interface
- Review the Actual Service Level vs expected service level for each SKU

Integration with SYSPRO

Integrates with the following modules:
- Inventory
- Inventory Forecasting
- Inventory Families and Groupings
- Sales Orders
- Requirements Planning

Audit trails and reporting

- Comprehensive audit trail of changes (add, change and delete audit)
- Comparative reports, reviews and on-line queries