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SERVICE OFFERING

Stock Optimizer for SAP®

SAP® Certified
Powered by SAP NetWeaver™

SAP® Certified
Integration with Applications on SAP HANA®

Managing working capital is one of the most frustrating issues in the Supply Chain. Underestimate your requirements and suddenly you have the Sales Director breathing down your neck and account managers wanting to know why you are unable to satisfy their customer's demand. Over-estimate them and then you have the finance director sending you emails about the excessive amount of inventory on the books.

Let's look at the latter scenario, because it has a direct impact on the bottom line.

There are many ways inventory levels can be unnecessarily high; from too much safety stock, to product held in quality, returned stock, buffer stock etc. Effectively what we have is two types of excess inventory – inventory we don't need, and inventory that is unusable.

In order to help eliminate both types of excess stock, Every Angle has developed a 'Stock Optimizer' service offering that provides detailed insight into:

- ✓ The volume of excess (unnecessary) inventory
- ✓ The root causes of this excess stock level
- ✓ Corrective actions to eliminate future instances.

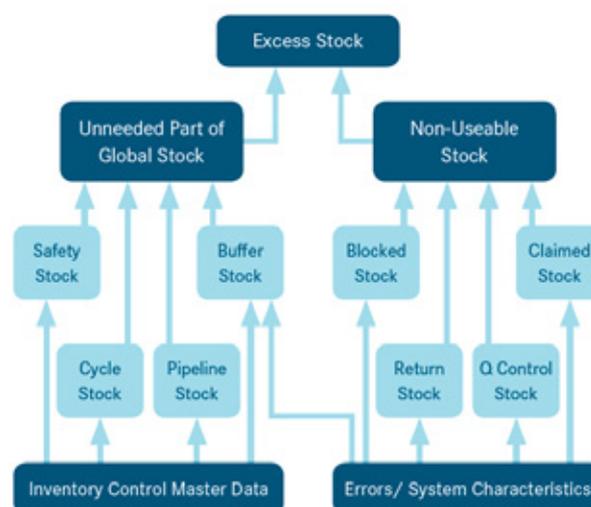
The Stock Optimizer offering is possible through the use of Every Angle's unique ability to understand the integration between Sales, Production and Purchasing, Statistical Inventory Control (SIC) and Material Requirements Planning (MRP). This enables Every Angle to consider the impact of reorder points, standard order quantities, safety stock, minimum and maximum order quantities, standard lead times, standard and non-standard vendors etc.

Due to the sheer volume of different materials and their control parameters, managing these rapidly becomes a very complicated task for MRP controllers and buyers to check the consistency of the relevant SIC/ MRP parameters. However, with Every Angle, our consultants are able to quickly get the necessary information in order to ensure the inventory control parameters are set.

Approach

The Stock Optimizer offering distinguishes between two categories of excess stock - stock that is not needed (yet), and non-useable stock. Within these categories, the stock optimizer team focuses on reducing inventory by examining the specific inventory control settings for the materials;

1. Safety Stock - the level of stock needed to cope with lead times and demand variances during the supply lead times
2. Cycle Stock - the average amount of stock maintained between reorders
3. Pipeline Stock - the total amount of stock maintained of the materials, when calculated over the complete supplier lead time

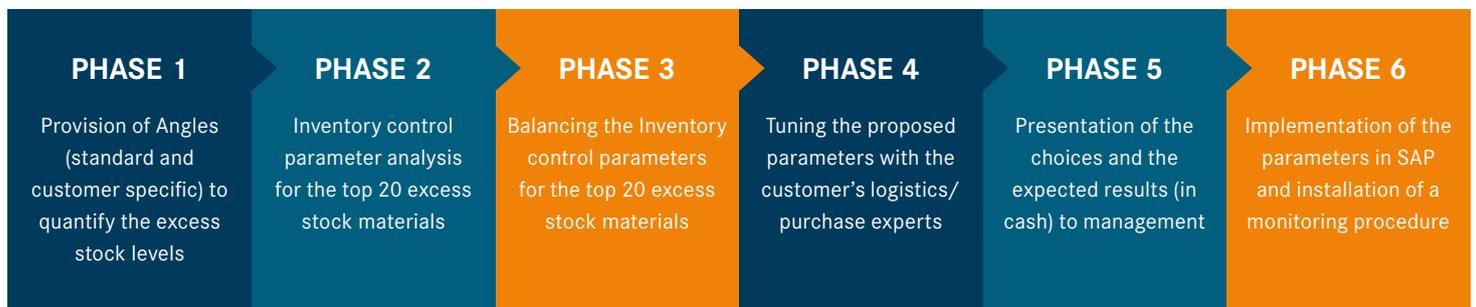




The stock optimizer also distinguishes between three major causes that generate this excess inventory;

- ✓ Unbalanced inventory control master data
- ✓ Errors in execution
- ✓ System and process characteristics

Project Phases



Deliverables

- ✓ A set of Angles providing detailed insights into the excess stocks.
- ✓ The identification of the top 20 of excess stock materials.
- ✓ The analysis of the inventory control master data for these top 20 materials.
- ✓ A proposal for a balanced setting of the inventory control master data for these top 20 materials.

The Every Angle Stock Optimizer service is therefore designed to produce the reports and analytics you need to effectively manage your inventory, saving huge sums of money.



Every Angle Cross-process Self-service Analytics for SAP®

Every Angle's self-service, cross-process analytical capability empowers organizations with new levels of actionable insight - enabling them to **'know more and act faster'**. Every Angle provides real **understanding** of what is actually going on across the business (and why), enabling people to act early enough to **control** performance and drive significant financial **improvements**.