

Inventory Optimization

Identify acceptable reducible inventory at least by 10% of the current inventory value (Approx. 50 MINR)

Industry **Industrial**

Challenges Faced by **Client**

- Inventory driven by **S&OP** process and **MRP calculations/ suggestions** through **SAP**
- Client observed some cases with **Excess & Obsolete** inventory in both **FG** as well as **RM**
- Client was not able to
 - Find **Root causes** for **wrong inventory** decision
 - Take **Corrective actions** when needed to **optimize** the **inventory**
 - **Improve supplier performance**

Products **Lubricants**

Our **Approach**

- Understand **as-is inventory planning process**
 - Analyse the **gaps** in the process
 - Confirm the **process gaps through data using analytics on python**
 - Create a system to **generate alerts** for
 - when **wrong decisions** are taken
 - when **abnormality in demand** is observed which is going to impact inventory
 - Suggest **actions to optimize inventory levels**
- An intelligent decision making layer was built both for FG as well as RM inventory**

Turnover **Euro 20B**

Inventory Policy

Forecasted Demand

Actual Inventory

Supplier information (location, lead time, etc)

Customer Orders (FG)

Supplier Orders (RM)

BOM details

Logistics transactions



Inventory Projections

Inventory status (excess, shortage) with root causes

Actions to be taken

Alerts

Value **Creation**

- **Reduced overall inventory by 12%**
- **An intelligent layer** was created on top of data layer to **generate alerts and actions for better decision making**
- **Customized algorithms** capable of capturing **external data**