



## Optimiza for Inventory Optimisation

### Why Optimiza?

Optimiza is an advanced inventory optimisation application. Unlike traditional inventory re-ordering systems, Optimiza builds an inventory model of a business that takes into account the unique supply and demand characteristics of its supply chain.

### This model allows companies to:

- Scientifically determine what inventory is needed to achieve required service levels, given the existing and anticipated supply and demand uncertainties.
- Calculate and maintain the optimal safety stock and replenishment orders.
- Project future investment and warehousing requirements for their business.

This is essential for companies to be able to push the performance envelope of their business in a safe and controlled manner.

Optimiza has enabled over 400 companies to reduce their inventories by 15-50% and increase service levels by as

much as 20% - and crucially, these results are sustained.

### Optimiza's methodology and functionality

The functionality of the tool is very comprehensive and is structured to focus the user's attention onto the areas that will yield the greatest improvements, in the shortest possible time.

Based on demand forecasts, customer orders, supplier lead times, user-defined replenishment rules, current stock levels and the existing order pipeline, Optimiza calculates ideal levels of safety stock and optimal replenishment orders for every line item, at every level in the supply chain.

Optimiza provides the level of intelligence and flexibility that is not available in ERP systems. The software also offers simple, easy to understand and flexible interfaces, while ensuring that a robust methodology is integrated into the process and scientific principles are applied.

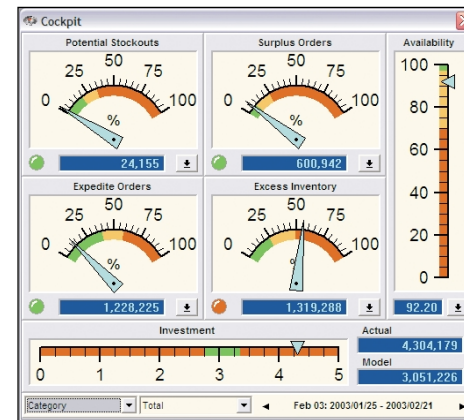
The key elements of inventory management include:

- Supply and Lead Time Management



- Stock Profiling and Classification
- Forecasting and Demand Planning
- Replenishment and Distribution
- Excess Stock Management
- Inventory Modelling and Strategic Planning
- Key Performance and Process Monitoring

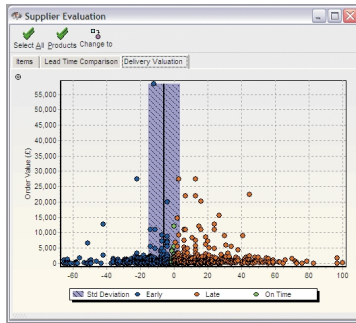
Optimiza interfaces with in-house Host or ERP systems in a number of different ways i.e. via a simple flat file transfer, an ETL direct database interface tool or our SAP Certified Interface Tool.



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## Supplier and Lead Time Management

- Set up the routes of supply
- Establish and forecast lead times
- Monitor delivery performance
- Develop supplier collaboration



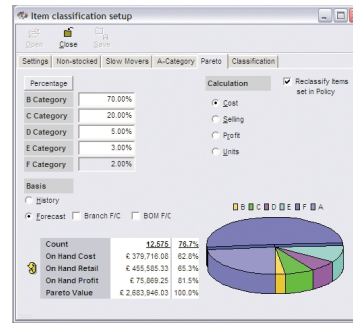
## Inventory Modelling and Strategic Planning

- Establish realistic inventory objectives and link them to replenishment of individual line items
- Set safety stock using line item risk-profiles
- Develop inventory models driven by service
- Facilitate "what if" scenarios modelling

Cat	Count	Value	Cover	Availability	Value	Cover	Availability
B	235	€ 844,228.89	1.48	98.72%	€ 509,628.14	1.10	99.00%
C	368	€ 458,448.81	1.70	97.91%	€ 357,055.21	1.28	98.00%
D	800	€ 495,089.18	1.95	95.13%	€ 417,680.52	1.70	97.00%
E	1,148	€ 332,742.38	2.65	94.08%	€ 216,522.78	1.72	95.08%
F	8,251	€ 1,287,353.23	1.23	90.83%	€ 1,060,865.08	1.21	97.51%
M	0	€ 0.00	0.00	0.00%	€ 0.00	0.00	0.00%
N	3,653	€ 830,278.83	2.99	0.00%	€ 0.00	0.58	99.81%
X	3,625	€ 0.00	0.00	0.21%	€ 4.02	0.95	98.90%
<b>Total</b>	<b>16,400</b>	<b>€ 4,304,178.94</b>	<b>1.51</b>	<b>92.20%</b>	<b>€ 3,051,226.37</b>	<b>1.08</b>	<b>97.18%</b>

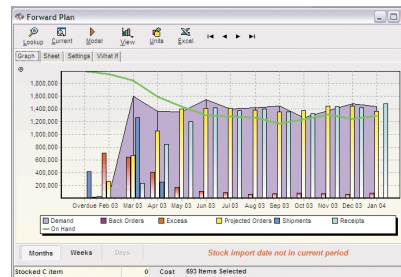
## Stock Profiling and Classification

- Define what stock should be held at which locations
- Profile product ranges, including slow movers and critical items
- Slice-and-Dice data into more meaningful groups



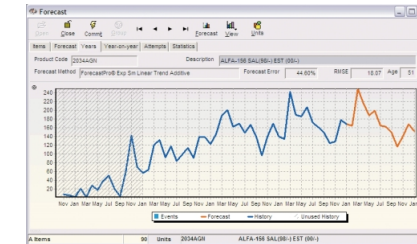
## Replenishment and Distribution

- Generate and manage new orders
- Review daily order pipelines using Cockpit technology
- Set up distribution requirements using fair-share algorithm
- Collaborate with suppliers using future-order projections



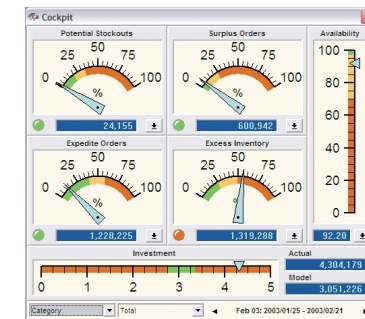
## Forecasting and Demand Planning

- "Tournament" forecast using historical data
- Manage future events (e.g. promotions)
- Forecast slow moving items
- Monitor forecasting performance



## Key Performance and Process Monitoring

- Measure inventory performance against predetermined targets
- Measure process improvements
- Provide daily/weekly/monthly key performance indicators
- Monitor the health of inventory
- Evaluate performance by user-defined groupings



To understand how Optimiza can optimise your inventories across your supply chain please contact your local office:

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