



CINO for Combined Inventory & Network Optimisation

Competitive advantage

As businesses become more global it is increasingly important for them to use their supply chains as a means of creating competitive advantage.

Those supply chains that are able to manage the complexity and control the risk inherent in the new global economy will be the ones most capable of maximising the benefits on offer.

New supply chain drivers

Supply chain managers need to be able to deal with greater levels of complexity, not only in terms of extended networks, but also in inventory.

Dealing with factors such as:

- Longer lead times and uncertain supply
- Bigger production runs and supply constraints
- Different modes of transport

- Ever changing global cost drivers (fuel prices, inflation, exchange rates and taxation)

can make the understanding of and working with supply chains difficult. Having these drivers change over time adds additional layers of difficulty to the problem.

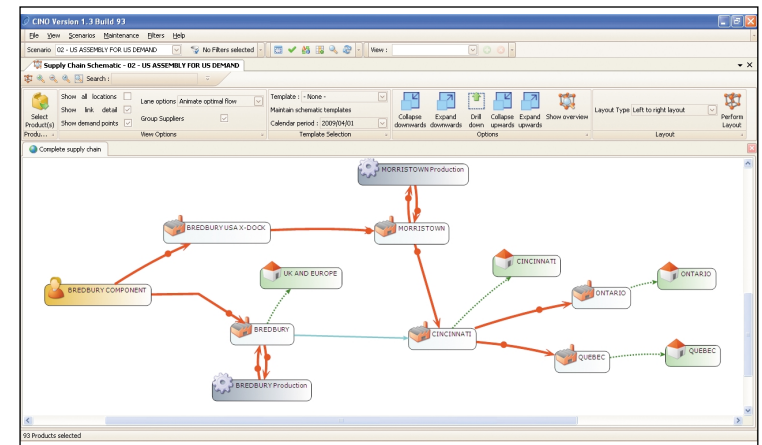
Supply Chain managers who rely on traditional simplistic methods to manage their supply chains and do not embrace this complexity will give up the opportunity for benefit, and risk losing ground to their competitors.

Why CINO?

CINO has been designed as a holistic supply chain optimisation tool aimed at unlocking cost savings and improving efficiency that arise from optimising inventory movement across the entire supply chain. In addition to understanding transportation costs, procurement costs and storage costs, CINO allows for the correct levels of inventory to be layered on top of the network to cover the risk in the supply chain.

CINO allows for inventory strategy optimisation by:

- Optimising on total supply chain costs including procurement, transportation, warehousing and inventory
- Optimising replenishment policies and safety stock levels
- Quantifying the impacts on service and inventory levels of new network designs or supply chain initiatives



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Functionality

CINO derives a cost-optimised forward projection of inventory flow over a defined time horizon. It synchronises order logic across all locations in the supply chain, leading to a coordinated flow of product, at lowest cost, whilst respecting real world constraints. This approach eliminates the “bull whip effect” often caused by sequential distribution requirements planning (DRP) techniques.

CINO calculates the optimal inventory policy levels for each node in the supply chain. Target service levels defined by the user and forecast error at sales points are translated through the supply chain so that upstream target service levels are supportive. Policy levels that can be calculated by CINO for each product in every location include:

- Optimal replenishment cycles
- Optimal safety stock

CINO includes a fully integrated demand management module that allows sales history, forecast history and forecasts to be easily imported and assigned to stocking locations of choice.

This module also provides functionality to:

- Produce a “Best Fit” forecast using the ForecastPro® engine
- Manage future events (e.g. promotions)
- Manage outliers in sales history
- Forecast slow moving items
- Modify forecasts and forecast history as required
- Manually forecast, making use of the seasonality and growth factors
- Monitor forecasting performance

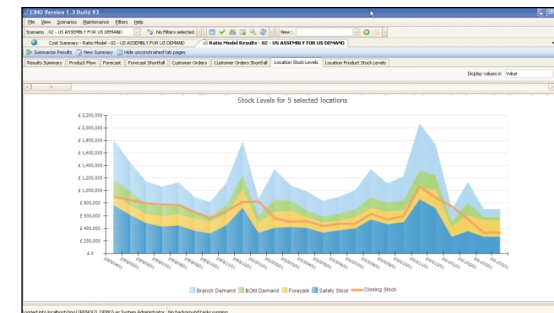


CINO determines the optimal sourcing rules and mode of transport for product, based on multi-sourcing and multi-routing options, whilst taking into account user-defined sourcing policies, constraints and costs. Decisions are made on both the cost of risk and the cost of source.

CINO has the capability for Scenario modelling. The user is able to set up, model, compare and save different “as-is” and “what-if” scenarios.

CINO provides an excellent graphical user interface as well as a wide range of customisable reports. It allows for easy manipulation and maintenance of data, and compact management reporting.

CINO has the ability to import network design results for incorporation into its scenario modelling from CAST and other network modelling tools. Each network model scenario can be tested for the amount of inventory required to support it and the cost of mitigating the inventory related risk elements inherent in any network design.



 **Barloworld**
Supply Chain Software

To understand how we can help you evaluate different design configurations and transport options please contact your local office:

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