

# HOW REDUCING YOUR INVENTORY CAN IMPROVE CUSTOMER SERVICE

Many organisations struggle to strike the right balance between inventory investment and delivering great customer service.

Whether you are a retailer, wholesaler, manufacturer or in a service industry the specific challenges may vary but the solutions typically boil down to effective alignment and investment in people, policy, processes and technology.



## 4 COMMON CHALLENGES FOR ORGANISATIONS



### Too much stock

Pressure from the business to reduce working capital



### Ineffective forecasting

Sales and supply chain disconnect driving forecast error



### Unreliable supply

Suppliers delivering late and or short



### Poor service levels

Lack of availability of stock to meet orders is impacting sales

## KEY FOCUS AREAS FOR SUCCESS



### Capability

Understand where you are today and plan what you need to do to improve



### Policy & Processes

Develop a company wide Sales & Operations Planning (S&OP) process



### Technology

Invest in forecasting, replenishment and optimisation technology (low cost SaaS may be an option)



### People

Implement effective recruitment, training, career path and reward systems



### Implementation

Ensure executive sponsorship and well planned change management

## BENEFITS

Inventory reduction

15 to 30%

5 to 15%

Service level improvement



Increased sales



Greater planning productivity



ROI typically