

# Keeping a Clear Head

*A complete guide to cure your inventory management headaches.*

Discover how >

# Inventory Health Check

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In a healthy business, much like in a healthy body, everything that goes in and goes out has to be kept in careful balance in order for things to continue running smoothly.

In your business, it's known as inventory management. It's measured by how good you are at reducing inventory investment while continuing to meet your customer service goals. Perfectly balanced inventory management plays a vital role in the continued success of your business. However, when there is an imbalance, the symptoms are obvious:

- Inefficiencies across your business are undermining profits and growth potential.
- Your business has lost agility and responsiveness and has become more complex, forcing you to spend more time on non-productive tasks.
- Getting real-time insight into operations is causing major headaches because organizational growth has resulted in your business relying on loosely integrated management tools.

Sound familiar? It's not surprising that so many small and medium companies find it difficult to strike a healthy balance with all of the conflicting objectives across different parts of their business.

Your sales personnel prioritize the delivery of products in the best time-frame to satisfy customer demand, so it encourages your business to keep stocks high. However, purchasing staff gets volume discounts on large batch and off-season purchases, which increases inventory.



Meanwhile, your production team wants all parts and raw materials to be constantly available so they can keep line efficiency high and run large batch sizes. Conversely, your product developers and your finance people want to keep inventory low to advance the rollout of new products.

If reading about these business challenges gives you a headache, don't worry. In this report, we'll explain why your existing accounting software or disparate business management solutions aren't helping and how more modern technologies built for small and medium businesses can provide the flexibility, detail, and business insight you need to cure your inventory management headache once and for all.





# Diagnosing the problem and avoiding false cures

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Just as we rely on the central nervous system to control the functions of body and mind, your business no doubt has its own network of smart technology designed to keep it running smoothly. In theory at least, it's supposed to put the right information in front of the right people and help you to manage inventory across your business. Traditionally, business management solutions known as enterprise resource planning (ERP) systems have been used to manage those functions. However, the reality is that using ERP rarely feels like body and mind working together in perfect harmony.

ERP has a reputation for being

cumbersome, confusing, and disappointing. For many it stands for expense, regret, and pain. According to Gartner, 75% of ERP projects are not implemented on time. Worse than that, customers only use around 10% of the solution's functionality once it is implemented.

In a digital world where success is defined by agility and speed, legacy business management solutions are costly and often vastly overcomplicate businesses, preventing action rather than enabling it. Managing inventory is difficult for traditional ERP, leading to overstocking, stock outs, production inefficiencies, high transportation costs, and poor customer experience.

In fact, internal supply chain management is a major strength of modern business management solutions, as is supporting complex industry-specific regulatory requirements.

But ERP can be confusing and intimidating. Small and medium businesses in particular generally can't afford or need an ERP system; instead, they want a solution to help them solve problems relatively simply. You need a solution that works the way you do. It needs to support your company's unique rules and processes and be able to quickly adjust to your changing needs.

Does your current solution allow you to:

- Increase real-time visibility across your entire supply chain?
- Reduce cycle times from order to shipment?
- Improve inventory accuracy and customer satisfaction?
- Empower a mobile sales force?

If the answer to any of the questions above is no, then your company may be on an unhealthy technology diet.

*“We need software that helps us effectively manage all our stock. Keeping the right mix of products on hand without costly overstocking is key. Sage helps us do that. Its quick and responsive software provides us with a great deal of insight and control over our inventory.”*

*— John Giczewski, Purchasing Manager, St. Joseph Paper and Packaging, Indiana*



# Curing your inventory management headache

The latest integrated business management solutions are vastly different from the slow, siloed ERP technology of old. They can manage the entire lifeblood of your business—including finance, operations, sales, and service—without the costs or complexity of traditional ERP software.

Organizations that leverage a business management solution with integrated reporting and business analytics are **123%** more likely to be able to plan for and forecast demand.<sup>2</sup>

What's more, wholesale distributors that have turned to business management technology to connect, accelerate, and standardize all of their business processes end to end have seen a **51%** improvement in inventory turns, a **20%** decrease in operational costs, and a **17%** increase in complete and on-time shipments.<sup>3</sup>

Without a complete business management solution, distributors have to rely on documentation created by hand and use disparate information systems for managing several parts

of the distribution process. They also miss out on the improved logistics made possible by direct connections to external systems through APIs.



**“Sage 100 has been a part of the business for so long that we rarely think about it consciously—it just works. And it continues to improve and evolve to meet our needs”**

**— Rob Perkin,  
IT Manager  
Packaging Specialties**

<sup>2</sup>Analyst report, ERP's Impact on Demand Planning: Crucial Capabilities for Accurate Forecasts

<sup>3</sup>Analyst report ERP in Wholesale and Distribution: Extending the Enterprise to Extend Profits



**“We can see precisely what is on hand and what is on order. Our customers appreciate the speed and accuracy of our order processing cycle.”**

**— Luz Carvajal, Controller  
Marathon Brake Systems**

# *What pain-free inventory management looks like*

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Today’s flexible business management solutions deliver an intelligent, integrated solution so you have complete flexibility in managing accounting and financials, purchasing, manufacturing, inventory, sales, and customer service. They provide the type of business visibility that helps you get accurate answers to big questions so that you can make better business decisions.

Business management solutions for small and medium businesses

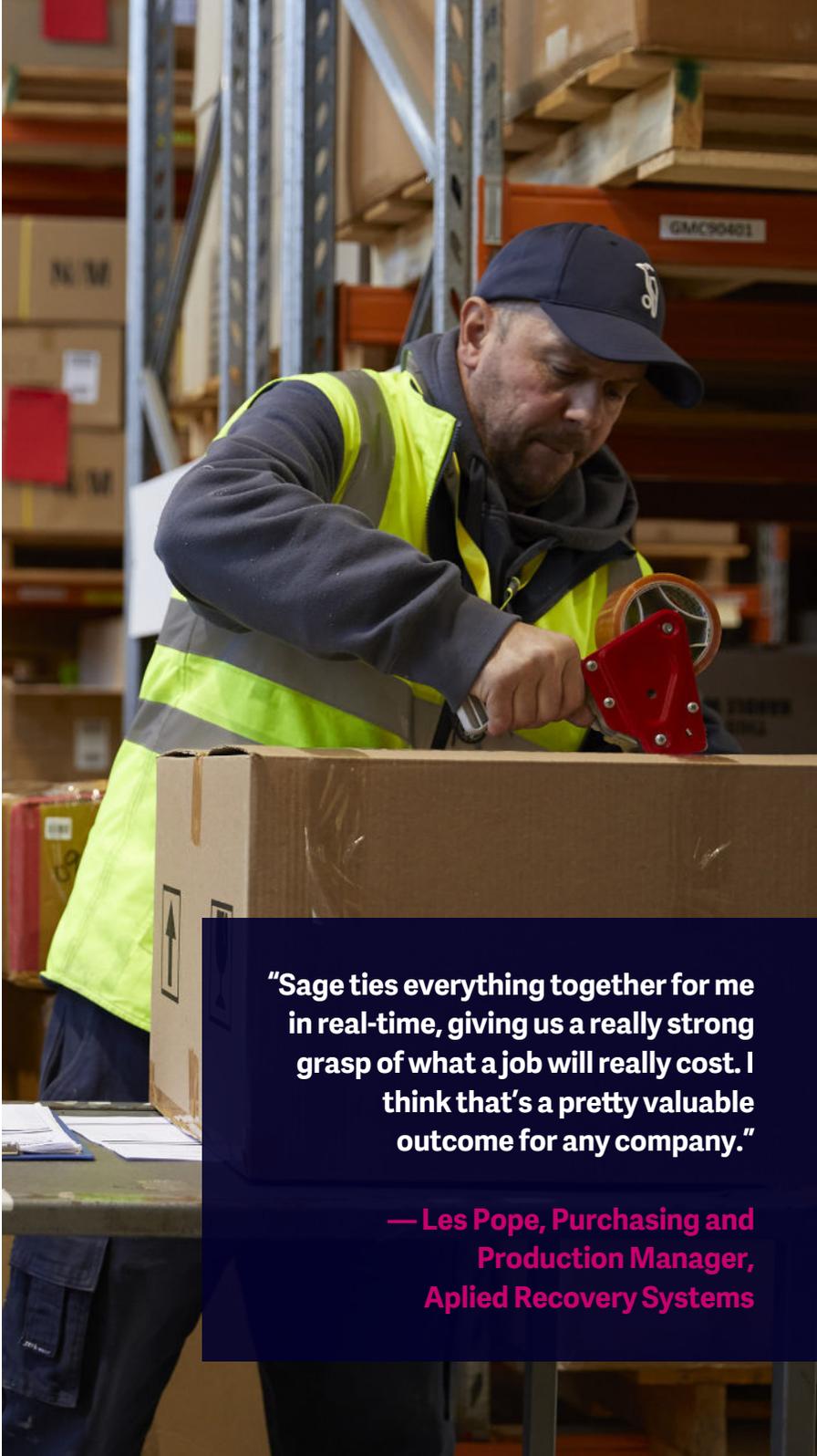
reduce manual processes and the likelihood of mistakes, freeing up your time to perform more valuable work. They can also generate sales orders, invoices, and financial forecasts automatically—not only reducing data entry time but also the need to rely on spreadsheets.

Modern business management solutions can unite all business functions, becoming the one piece of software into which all information is input and processed. That helps

reduce delays for relevant information to reach the people who need it, which also reduces the time to complete tasks.

# Key benefits of having the right solution to manage your inventory

- It provides a complete picture of your business across multiple locations and/or geographies, so you can make more informed decisions and accelerate operational efficiencies and increase company performance.
- It allows you to process financial and business transactions, leverage reporting, and collaborate between departments and functions.
- It provides mobile access for anytime, anywhere access to business data and KPIs.
- It helps you be more collaborative and deliver better customer order management through real-time access to inventory and order data.
- It provides the transparency, real-time data, and visibility needed to make fast, accurate, data-driven decisions.
- Helps meet GAAP and IFRS compliance needs with robust reporting, tax information, ACA support, and auditing capabilities.



**“Sage ties everything together for me in real-time, giving us a really strong grasp of what a job will really cost. I think that’s a pretty valuable outcome for any company.”**

**— Les Pope, Purchasing and Production Manager, Applied Recovery Systems**



## It's time to clear your head and work faster, simpler, and more flexibly

Inventory management can be a complex challenge. However, a proven business management solution such as Sage 100cloud can help you relieve the pressure, project customer demand more accurately, and calculate the optimal inventory levels needed.

*"Before Sage, one person literally had to spend all of his time doing what Sage 100cloud can do in seconds—identifying inventory, pricing it, estimating the total job cost, and then producing the P.O."*

*—Les Pope, Purchasing and Production Manager, Applied Recovery Systems*

New, simpler, more flexible, refined business management solutions provide dynamic inventory optimization that maximizes customer service, decreases inventory investment, lowers costs, and significantly improves your overall competitiveness and profitability.

Now that you've got a clear head and your inventory management is under control, it's time to lead your business and implement a more modern business management solution.

[Discover how](#)

### Sage 100cloud: the right choice for small to medium distribution businesses

Sage 100cloud is built for small and medium businesses. It's a modernized, easy-to-use solution offering strong support for distribution, inventory, and light manufacturing businesses. Highly customizable, it's more cost-effective than a full-scale ERP implementation.