

# Sage Inventory Advisor



## Inventory Optimization

**Tom Wilson – SIA Product Sales Specialist**

October 17, 2018



# What is Sage Inventory Advisor?

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Sage Inventory Advisor is an affordable Cloud-based solution that integrates with Sage ERP systems to help you optimize your inventory:

- ✓ decrease working capital
- ✓ improve customer service
- ✓ save time

Industries – Manufacturing, Distribution, Retail & Mining

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# Basic or Full



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## Basics

100cloud 300cloud ONLY

Included in Gold or Platinum Business Care

Some features removed

- Central Warehouse

- BOM

- Top Off

- Top Down Forecasting

- Projections & Multiple Companies

- Classification Overrides

## Full

100, 100cloud, 300, 300cloud, 500, X3

Activation fee and subscription based on value

Requires active business care plan

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# Inventory Management



## Inventory Control

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### Responsibility

Manage the physical product



Receiving inventory



Pick/Pack/ship



Counting (Stock Take)



Labeling

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# Inventory Management



## Inventory Control

### Responsibility

Manage the physical product

What should be in stock?

When should orders  
be placed?

Given:  
Demand  
Lead Time



Receiving inventory



Pick/Pack/ship



Counting (Stock Take)



Labeling

# Inventory Management



## Inventory Control

### Responsibility

Manage the physical product



Receiving inventory



Pick/Pack/ship



Counting (Stock Take)



Labeling

**42%** stock-outs

**37%** too many \$ in stock

**21%** time spent

# Inventory Management



## Inventory Control

### Responsibility

Manage the physical product



Receiving inventory



Pick/Pack/ship



Counting (Stock Take)



Labeling

## Inventory Replenishment

### Responsibility

To have the right stock at the right place at the right time



Forecasting



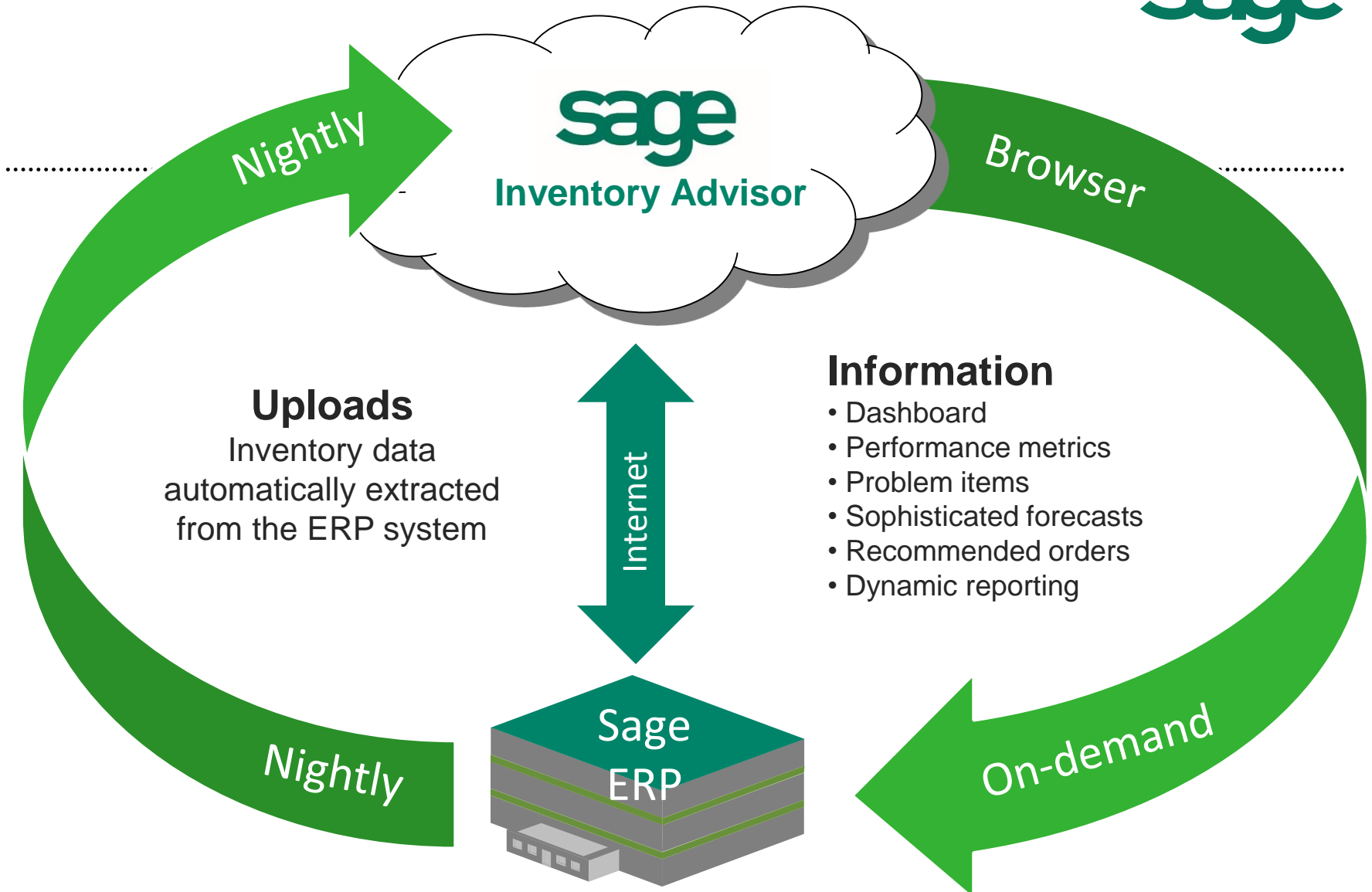
Ordering



Expediting



# How it Works





# Designed To Address Two Questions



What needs  
attention today?

What to order?



Product  
Importance



Investment &  
Service



Forecasts

# Volume Sold

## Value Sold

A



B



C



Item Classification breakdown

# Sage Inventory Advisor Customer Benefits



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**2% to 10%** improvement in fill rate

**Stock-Outs** ↘

**10% to 15%** reduction in excess inventory

**Surplus Stock** ↘

**Up to 50%** reduction in time spent on manual calculations

**Time Spent** ↘

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Weeks  Total 

# Dashboard (1-Los Angeles (Warehouse)) ?



Forecast exceeds sales		Value
BQ5549CR	AH	39.1k
ST9511	AH	31.9k
BQ1875C	AH	31.6k
ST9508	AH	29.3k
ST9517	AH	26.6k
<b>Top 5 total</b>		<b>158.4k</b>



Excess stock		Value
BQ4461	CL	89.7k
BQ1509G	BL	49.6k
BQ1542	AL	48.6k
IOC4771	BL	39.3k
UDHE520H9	AL	38.1k
<b>Top 5 total</b>		<b>265.4k</b>



Surplus orders		Value
ST8128AM	AH	131.1k
BN1416048004PST	AH	112.9k
BQ1246FGN07	AM	89.7k
ST9508	AH	76.5k
ST9511	AH	65.0k
<b>Top 5 total</b>		<b>475.2k</b>



Sales exceeds forecast		Value
BQ1242FGN07	AL	-20.1k
ST8129AM	AM	-19.4k
ST8128API	AM	-15.5k
ST813001	AM	-12.4k
ST9505	AH	-12.1k
<b>Top 5 total</b>		<b>-79.5k</b>



Lost sales		Value
ST8128	AH	62.4k
BQ5549CR	AH	61.1k
TQ6020375	AL	27.7k
BQ5596	AH	26.0k
IOT292282	AL	24.3k
<b>Top 5 total</b>		<b>201.6k</b>



Potential lost sales		Value
BQ1242MG730	AL	33.2k
BQ1230MG730	AM	24.9k
ST9503	AM	22.7k
BQ1246FG715N07	AL	20.4k
UDUI00101	BL	6.7k
<b>Top 5 total</b>		<b>107.8k</b>



Total ▾

Inventory classification (1-Los Angeles (Warehouse)) ?



ABC

HML

Matrix

Low

Medium

High

Off

Count

Value

COS

A



Count **87**  
Value **881.9k**  
Avg C.O.S. **225.1k**  
Fill (92.07%) **77.18%**



Count **137**  
Value **1.4m**  
Avg C.O.S. **509.9k**  
Fill (94.73%) **89.75%**



Count **167**  
Value **3.4m**  
Avg C.O.S. **1.1m**  
Fill (99.63%) **87.84%**

B



Count **312**  
Value **796.2k**  
Avg C.O.S. **147.9k**  
Fill (92.01%) **81.63%**



Count **286**  
Value **720.9k**  
Avg C.O.S. **151.8k**  
Fill (95.98%) **88.37%**



Count **122**  
Value **259.6k**  
Avg C.O.S. **68.7k**  
Fill (97.81%) **93.30%**

C



Count **1,696**  
Value **1.2m**  
Avg C.O.S. **68.7k**  
Fill (91.48%) **88.17%**



Count **352**  
Value **171.5k**  
Avg C.O.S. **25.6k**  
Fill (97.76%) **94.20%**



Count **109**  
Value **54.6k**  
Avg C.O.S. **10.7k**  
Fill (98.73%) **94.92%**



Classification parameters



Policy parameters



Policy overrides



Recalculate balance

Inventory balance (1-Los Angeles (Warehouse)) ?



Search ▼

ST8128 Wheel Steel 8.25/22.5 10 Stud 285 ?

1-los Angeles (warehouse) ►

Average cost	76.3973
Selling price	1,581.3980
Volume	0 ft³
Weight	46.8 lbs
Stock on hand	0 units
On hand value	0
Model level	537 units

Auto classified

Change



2699: Sorl Auto Parts  
Group (australia)  
Minimum = \$300000

Product Line  
PARTS: Standard  
Parts

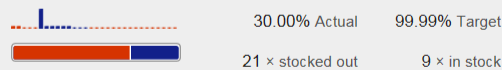
Product Type K: Kitting

Buyer PAT: Pat

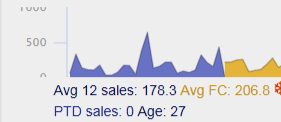
Details

	Days	Units
Lead time	90	684
+ Safety stock	122	516
= Reorder point	212	1,200
+ Replenishment cycle	7	42
= Order up to	219	1,242
Stock on hand	0	0
- Back orders		133
- Allocated stock		0
= Available stock	0	-133
+ On order	153	1,080
= Net stock	153	947
Recommended order	68	295
	Value	Units
Stocked out	62.4k	817

Policy



Fill Performance



Computer F/C No trend, with  
method seasonality

Demand

Target fill 99.99%

Replenishment  
cycle 7 days

Lead time 90 days

22.14%

Supply risk -1 days offset

24.82%

Forecast risk -15 days offset

= Safety stock 122 days

Safety Stock

Forecast

Forecast shots

Purchase Orders 1.1k

Supplier perf

Measured LT

Customer Orders 133

BOM

CW

Projection

Comments 13

Year	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Total
08 - 09											61	331	392

**Model level** 537 units

Auto classified AH ?

Change

2699: Sorl Auto Parts

**External Supplier** Group (australia)  
Minimum = \$300000

**Product Line** PARTS: Standard Parts

**Product Type** K: Kitting

**Buyer** PAT: Pat

**Details**

Stock on hand	0	<span>?</span> 0
- Back orders		133
- Allocated stock		0
= Available stock	0	-133
+ On order	153	1,080
= Net stock	153	947
<b>Recommended order</b>	68	295
	Value	<span>?</span> Units
<b>Stocked out</b>	62.4k	817

**Policy**

**Demand**

Target fill 99.99%

**Replenishment cycle** 7 days

**Lead time** 90 days

22.14%

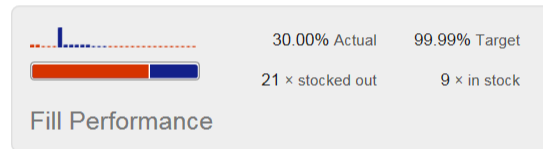
**Supply risk** -1 days offset

24.82%

**Forecast risk** -15 days offset

= **Safety stock** 122 days

**Safety Stock**



- Forecast
- Forecast shots
- Purchase Orders 1.1k
- Supplier perf
- Measured LT
- Customer Orders 133
- BOM
- CW
- Projection
- Comments 13

Supplier	External	Manuf	Order #	Line #	Order date	Qty	Unit cost	Outstanding qty	EAD
SORL Auto Parts Group (Australia)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	301185010	1	July 12, 2011	224	76.40	224	August 05, 2011
SORL Auto Parts Group (Australia)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	301182493	1	June 16, 2011	224	76.40	224	September 14, 2011
SORL Auto Parts Group (Australia)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	301185399	15	July 16, 2011	408	76.40	408	October 20, 2011
SORL Auto Parts Group (Australia)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	301187071	18	August 02, 2011	224	76.40	224	November 04, 2011







Search ▼

ST8128 Wheel Steel 8.25/22.5 10 Stud 285 ?

1-los Angeles (warehouse) ►

ST8128

WHEEL STEEL 8.25/22.5 10 STUD 285

Location ▲	Available stock	On order	Status	Qty	Value	FC
1-los Angeles (warehouse) <span>AH</span>	-133	1.1k	Stocked out	817	USD 62.4k	Avg 12 sales: 178.3 Avg FC: 206.8 <span>✖</span> PTD sales: 0 Age: 27
2-chicago - Central Warehouse <span>AH</span>	2.8k	1.1k	Surplus orders	1.1k	USD 82.5k	 Avg 12 sales: 117.7 Avg FC: 133.6 Other FC: 239 PTD sales: 0 Age: 27
3-detroit (branch) <span>CL</span>	-133	224	Stocked out	133	USD 10.2k	Avg 12 sales: 0 Avg FC: 0 PTD sales: 0 Age: 27
4-new York (branch) <span>AH</span>	561	0	Potential s/o	84	USD 6.4k	 Avg 12 sales: 196.3 Avg FC: 217.3 PTD sales: 0 Age: 27



Supplier	External	Material	Order #	Line #	Order date	Qty	Unit cost	Outstanding qty	LRD
SORL Auto Parts Group (Australia)	✓		301185010	1	July 12, 2011	224	76.40	224	August 05, 2011



Search ▼

ST8128 Wheel Steel 8.25/22.5 10 Stud 285 ?

1-los Angeles (warehouse) ►

Average cost	76.3973
Selling price	1,581.3980
Volume	0 ft³
Weight	46.8 lbs
Stock on hand	0 units
On hand value	0
Model level	537 units

Auto classified

Change



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Group (australia)  
Minimum = \$300000

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PARTS: Standard  
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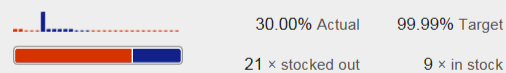
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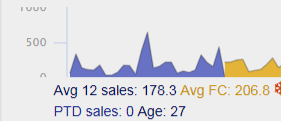
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Recommended order	68	295
	Value	Units
Stocked out	62.4k	817

Policy



Fill Performance



Computer F/C No trend, with  
method seasonality

Demand

Target fill	99.99%
Replenishment cycle	7 days
Lead time	90 days
Supply risk	22.14% <span style="color: red;">■</span>
Forecast risk	-1 days offset
	24.82% <span style="color: red;">■</span>
Forecast risk	-15 days offset
= Safety stock	122 days

Safety Stock

Forecast

Forecast shots

Purchase Orders 1.1k

Supplier perf

Measured LT

Customer Orders 133

BOM

CW

Projection

Comments 13

Year	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Total
08 - 09											61	331	392

21 × stocked out

9 × in stock

Fill Performance

- Forecast
- Forecast shots
- Purchase Orders 1.1k
- Supplier perf
- Measured LT
- Customer Orders 133
- BOM
- CW
- Projection
- Comments 13

Table ▾

Orders ▶

?

CSV Download

Order date	Quantity	Arrival date
November 14, 2011	295	February 12, 2012
November 21, 2011	43	February 19, 2012
November 28, 2011	53	February 26, 2012
December 05, 2011	62	March 04, 2012
December 12, 2011	62	March 11, 2012
December 19, 2011	62	March 18, 2012
December 26, 2011	57	March 25, 2012
January 02, 2012	31	April 01, 2012
January 09, 2012	31	April 08, 2012
January 16, 2012	30	April 15, 2012
January 23, 2012	31	April 22, 2012
January 30, 2012	41	April 29, 2012
February 06, 2012	46	May 06, 2012
February 13, 2012	46	May 13, 2012
February 20, 2012	46	May 20, 2012

Jun

Jul

Aug

Sep

Oct

● Customer orders

● BOM demand

● CW demand



Order schedule ?

▲ Product code, Description,	Order				Class, Velocity	Policy	Demand
	UOM, LT, EAD	Rec, Amended	Cost, Amended	Value			
<b>ST9501</b> Triangle Tyre 11r22.5 Tr666 Trailer Tyre Parts <b>K</b> <b>Pat</b>	units LT: 90 days 90 EAD: October 04, 2018	Ideal: 2.7k MOQ: 506 Rec: 2.7k 2671	Mult: 1 64.1225 64.1225	171,271 2,671.0ft³ 143,165.6lbs		LT 90d 7.4ku SS 42d 3.1ku RC 7d 634u O/H 101d 8.0ku O/O 2d 566u B/O - 139u Fill 100%t 100%a	<p>Avg 12 sales: 676.8 Avg FC: 619 Other FC: 1.7k PTD sales: 150 Age: 25</p>
<b>ST9503</b> Triangle Tyre 215/75r17.5-16 Trailer Parts <b>K</b> <b>Pat</b>	units LT: 90 days 90 EAD: October 04, 2018	Ideal: 401 MOQ: 300 Rec: 300 300	Mult: 10 64.1225 64.1225	19,237 900.0ft³ 8,181.0lbs		LT 90d 420u SS 5d 9u RC 30d 38u O/H 6d 73u O/O 4d 10u B/O - 17u Fill 95%t 100%a	<p>Avg 12 sales: 46.6 Avg FC: 70.4 ⚠ PTD sales: 87 Age: 27</p>
<b>ST9505</b> Triangle Tyre 235/75r17.5-18 Trailer Parts <b>K</b> <b>Pat</b>	units LT: 90 days 90	Ideal: 52 MOQ: 400 Rec: 400 400	Mult: 10 103.1114 103.1114	41,245 600.0ft³ 13,620.0lbs		LT 90d 233u SS 5d 10u RC 7d 14u O/H 40d 131u O/O 24d 84u	<p>Avg 12 sales: 66 Avg FC: 107.5 ⚠</p>

Download Archive Add

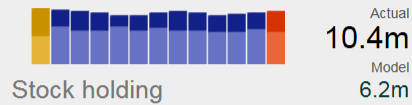
Created by Tom Wilson  
 Created on July 06, 2018  
 Location 1-Los Angeles (Warehouse)  
 Supplier CONSOLIDATED TYRE COMPANY PTY LTD  
 Order type Look forward 1 day

Analysis	Recommended	Amended	Difference
Line count	4	4	0
Order units	3,372	3,372	0
Order value	231,753	231,753	0
Order volume (ft³)	4171	4171	0
Order weight (lbs)	163966.6	163966.6	0



Weeks  Total

## Dashboard (1-Los Angeles (Warehouse)) ?



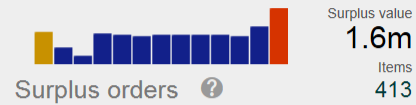
### Stock holding

Forecast exceeds sales		Value
BQ5549CR	AH	39.1k
ST9511	AH	31.9k
BQ1875C	AH	31.6k
ST9508	AH	29.3k
ST9517	AH	26.6k
<b>Top 5 total</b>		<b>158.4k</b>



### Excess stock ?

Excess stock		Value
BQ4461	CL	89.7k
BQ1509G	BL	49.6k
BQ1542	AL	48.6k
IOC4771	BL	39.3k
UDHE520H9	AL	38.1k
<b>Top 5 total</b>		<b>265.4k</b>



### Surplus orders ?

Surplus orders		Value
ST8128AM	AH	131.1k
BN1416048004PST	AH	112.9k
BQ1246FGN07	AM	89.7k
ST9508	AH	76.5k
ST9511	AH	65.0k
<b>Top 5 total</b>		<b>475.2k</b>



### Fill rate

Sales exceeds forecast		Value
BQ1242FGN07	AL	-20.1k
ST8129AM	AM	-19.4k
ST8128API	AM	-15.5k
ST813001	AM	-12.4k
ST9505	AH	-12.1k
<b>Top 5 total</b>		<b>-79.5k</b>



### Stocked out ?

Lost sales		Value
ST8128	AH	62.4k
BQ5549CR	AH	61.1k
TQ6020375	AL	27.7k
BQ5596	AH	26.0k
IOT292282	AL	24.3k
<b>Top 5 total</b>		<b>201.6k</b>



### Potential stock outs ?

Potential lost sales		Value
BQ1242MG730	AL	33.2k
BQ1230MG730	AM	24.9k
ST9503	AM	22.7k
BQ1246FG715N07	AL	20.4k
UDUI00101	BL	6.7k
<b>Top 5 total</b>		<b>107.8k</b>



## ■ Monthly Fees

- The monthly fee provides for an unlimited number of registered users
- Fees are due monthly and can be cancelled with a 5 day notice after initial 1 month
- Fees have a base fee of \$199 plus a monthly usage fee based on Net Business Value of inventory being planned in SIA
- One Time Activation Fee of \$2250

Inventory Value	\$ -
Monthly Subscription	\$199.00
Activation Fee	\$2,250
Total Commitment	\$2,449.00

Monthly Base Subscription	\$199
Usage Fee	Cost per \$250k of Inventory Value (at Month End)
Up to \$.25M	\$0.00
up to \$1M NBV	\$22.50
up to \$2.5M NBV	\$18.50
up to \$5M NBV	\$15.50
up to \$7.5M NBV	\$13.00
up to \$12.5 NBV	\$10.00
up to \$20M NBV	\$9.00
over \$20M NBV	\$7.00

# Sage Inventory Advisor

## 5 Onboarding Steps



Step 1

Launch

- Establish structure
- Identify mods to standard scripts
- Create environment
- Confirm billing

Step 2

Integrate

- Remotely connect & automate
- Prepare scripts (minor customisations)
- Test refresh process
- Validate items to ERP
- Validate totals to ERP

Step 3

Refine

- Add optional fields
- Populate optional fields
- Identify & purify data anomalies
- Refine integration, scripts & configuration

Step 4

Train

- Train: general navigation & system orientation
- Train how best to use the application
- Q&A: address questions that have arisen

Step 5

Use

- Set appropriate policy
- Go live
- Transition to support
- Hands on ordering review

Typical – 2 to 4 Weeks