



Inventory Management

The Kinaxis® RapidResponse® Inventory Management application helps inventory managers balance the conflicting priorities of meeting on-time delivery targets with inventory investment.

Our Inventory Management application ensures you have the right inventories, at the right place, at the right time to drive improved margins, minimize inventory levels and avoid excess and shortage conditions. You'll gain insight into your current inventory position and policies, and the impact they have on key industry metrics such as customer service levels, inventory quality ratio and period of supply.

Business outcomes

- ▶ Visibility into cross-site inventory and the ability to proactively identify inventory risks and opportunities
- ▶ Analysis of which products/parts aren't performing to target and subsequent re-examination of inventory policy settings for better performance
- ▶ Ability to make informed tradeoffs between on-time delivery targets and inventory levels, maximizing corporate performance
- ▶ Maintenance or reduction of inventory levels across categories
- ▶ Insight into lead-time variability and historical lead-time trends
- ▶ Visibility of period ending inventory by quality (active vs. excess), ABC code and part class

“ With RapidResponse, we've improved inventory turns by 20%, due to our ability to avoid stock outs by having much faster prediction capabilities.

Business Project Manager

Large Enterprise Electronics Company

Application process components

The out-of-the box Inventory Management application supports these process steps:

1 Plan and optimize inventory*

- Performance cadence-driven inventory planning and optimization

2 Review and resolve inventory exceptions

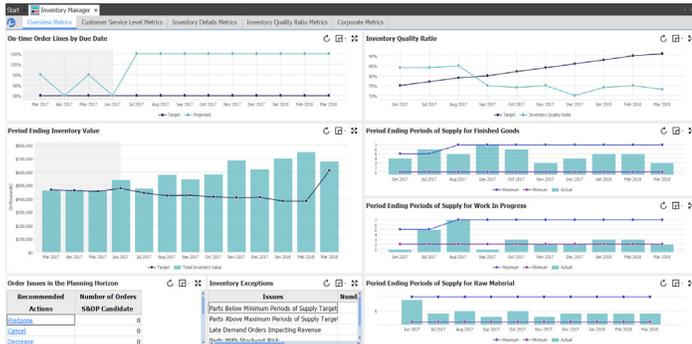
- Access inventory details (e.g. trend data, periods of supply, demonstrated service level, part details and safety stock parameters)
- Adjust safety stock quantity and collaboratively review impact to determine feasibility of adjustment

3 Review and resolve excess and obsolete inventory

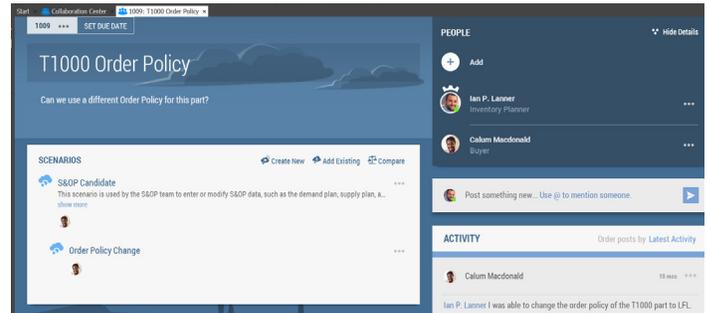
- Review value and part details for excess and obsolete inventory
- Test impact of transferring inventory, inventory disposition and/or changing end safety stock
- Collaboratively review the impact of proposed resolutions

4 Commit resolution(s) ✓

*Optional RapidResponse application or recommended data input.



Inventory management dashboard



Inventory management adaptive collaboration

Metric	Weight	Annual Plan	Result	Score	Order Policy Change	Score	Dynamic Safety	Score	Days of Supply	Score
Ending Inventory	14.3%	\$437,646,178	+\$179,063,782	59.1%	+\$173,044,543	60.3%	+\$140,782,676	67.8%	+\$121,202,528	72.3%
On Time to Request	14.3%	95.0%	-0.4%	99.6%	-0.4%	99.6%	0.0%	100.0%	0.0%	100.0%
Margin %	14.3%	5.75%	+10.46%	282.0%	+10.47%	282.0%	+10.57%	283.8%	+10.60%	284.3%
Excess	14.3%	80%	-6%	92.4%	-5%	94.5%	-7%	108.2%	-11%	113.3%
Inventory Quality Ratio	14.3%	\$22,000,000	+\$28,145,931	0.0%	+\$23,238,184	0.0%	\$2,780,410	112.6%	\$10,321,643	146.9%
Obsolete	14.3%	\$8,500,000	+\$17,384,288	0.0%	+\$12,476,826	0.0%	\$6,222,569	173.2%	\$4,222,569	173.2%
Inventory Turns	14.3%	11.1	-1.6	85.6%	-1.5	86.2%	-1.0	91.1%	-0.6	94.2%
Overall Score				88.4%		88.9%		133.8%		140.5%

Inventory management scorecard

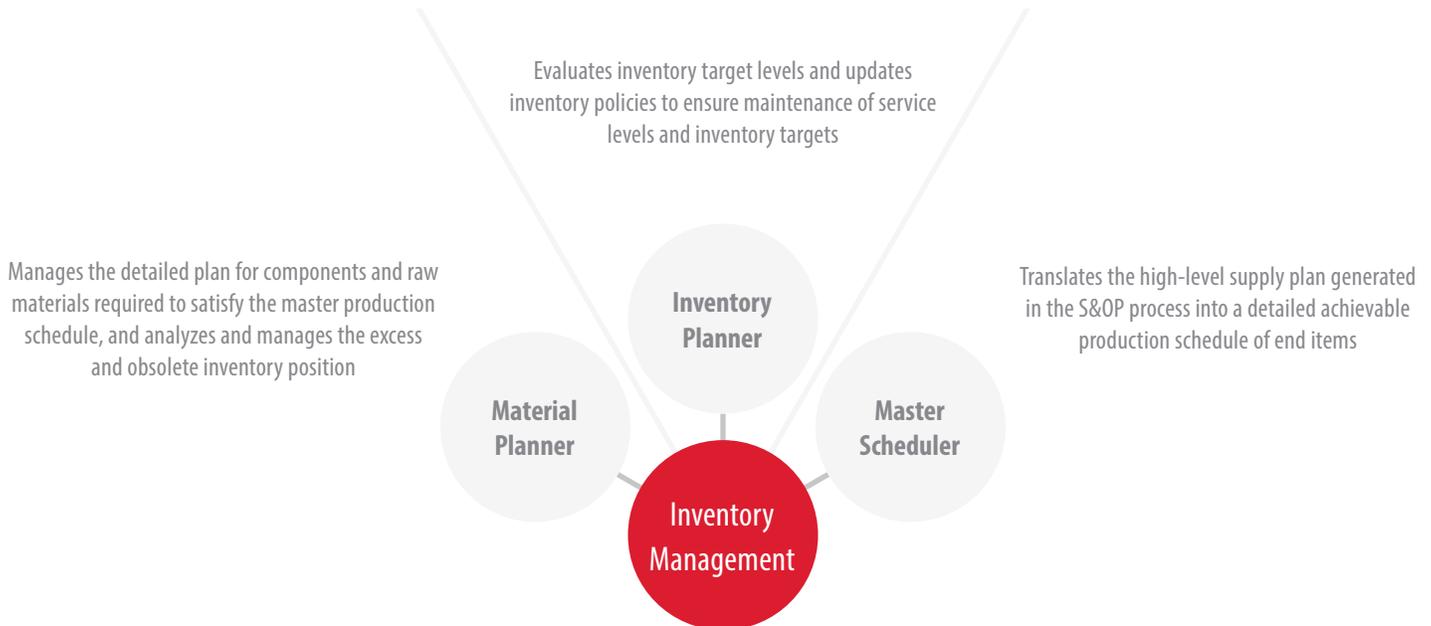
Managing performance

Standard measures include revenue, margin, inventory value, on-time delivery and constraint utilization as well as metrics associated specifically with inventory management. This allows for focused analysis of the performance measures most applicable to the function at hand. Measures presented in the Inventory Management dashboard include:

- ▶ **On Hand vs. Target:** A dollarized measurement of actual inventory by part class (e.g. finished goods (FG), semi-finished goods (WIP) and raw material (RM)) compared against the annual plan).
- ▶ **On Hand by ABC Classification:** A dollarized measurement of actual inventory by ABC classification of parts compared against the annual plan.
- ▶ **Demonstrated Service Level:** A demonstrated customer service level percentage, per period, compared against the annual plan.
- ▶ **Periods of Supply by Part Category:** A measurement of the number of periods of supply that the ending inventory balance (per period and category) is expected to cover.
- ▶ **Excess and Obsolete Value:** A time-phased measurement of the excess or obsolete value over a horizon.

Cross-functional collaboration

In the Inventory Management application, collaboration occurs across these functional roles:



Kinaxis RapidResponse allows companies to concurrently plan, monitor and respond on one platform, across business functions.

With a single data model and analytics engine, RapidResponse offers an array of supply chain applications all easily accessible through a common user interface. Using our single product, instead of individual disparate software solutions, our customers gain end-to-end supply visibility and the agility to respond quickly to changing conditions. The result is significant operating and cost efficiencies.

Deploy RapidResponse applications individually or together. Designed to be highly configurable, you can easily adapt our applications to meet your company's unique business needs without the heavy burden of ongoing custom coding.

What's next on your supply chain journey?

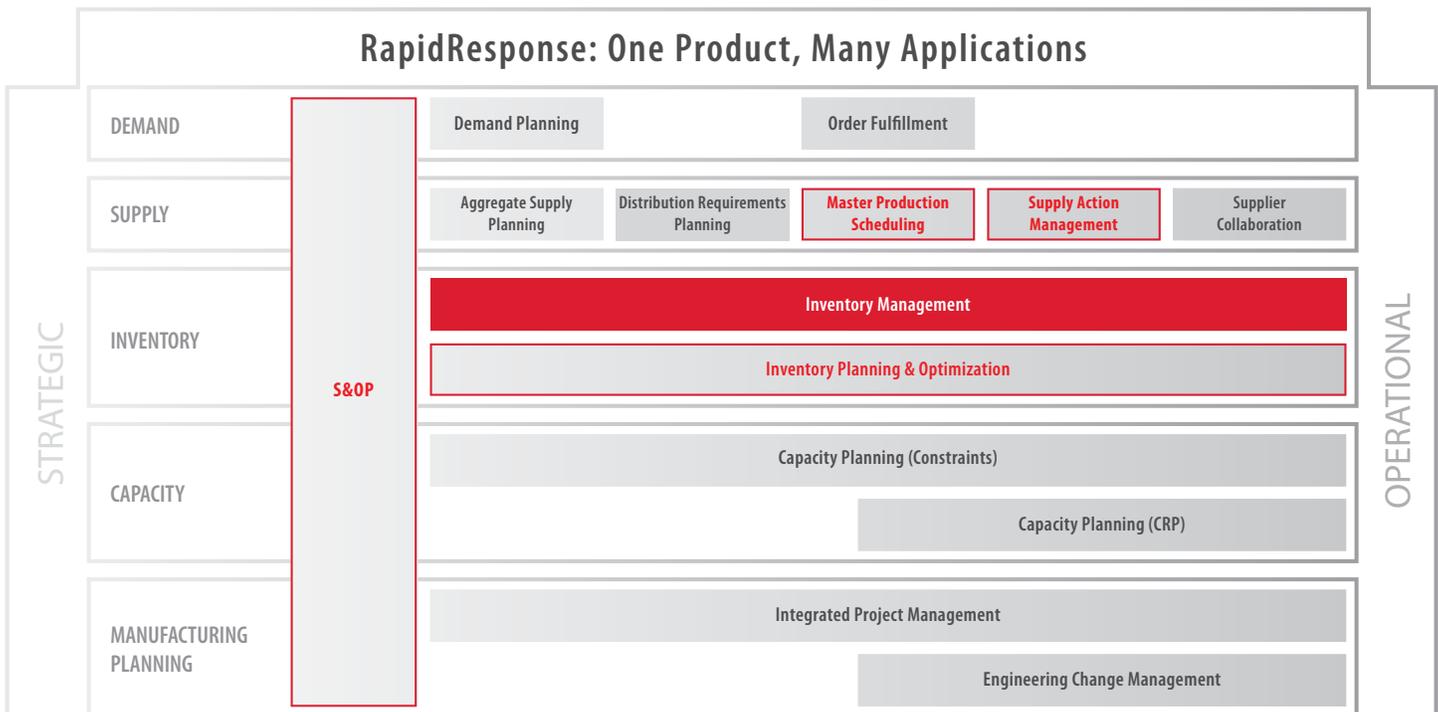
Choose the path that's right for your organization. With all our applications running on the single RapidResponse platform, you have the flexibility to deploy at your own pace. We'll help you mature your planning processes, wherever you happen to be in your supply chain journey. Achieve added benefits by using the Inventory Management application alongside one or more related applications to ensure synchronization across interrelated planning processes.

Organizations that use the Inventory Management application also subscribe to the S&OP application, and achieve even more value by using it with the Inventory Planning and Optimization, Master Scheduling or Supply Action Management applications.

“ With RapidResponse we improved event management for supply with non-conformance and improved adherence to inventory targets above 95%. We are consistently managing abnormal scrap below budget (20% below budget).

Executive

Global 500 Pharmaceuticals Company



Revolutionize your planning with Kinaxis RapidResponse

Offering the industry's only concurrent planning solution, Kinaxis is helping organizations around the world revolutionize their supply chain planning. Kinaxis RapidResponse, our cloud-based supply chain management software, connects your data, processes and people into a single harmonious environment. With a consolidated view of the entire supply chain, you can plan expected performance, monitor progress and respond to disconnects when reality hits. RapidResponse lets you know sooner and act faster, leading to reduced decision latency, and improved operational and financial performance. We can prove it. From implementation to expansion, we're here to help our customers with every step of their supply chain journey.



Kinaxis World Headquarters
700 Silver Seven Road
Ottawa, Ontario K2V 1C3
Canada
www.kinaxis.com

tel: +1 613.592.5780
toll free: +1 866.236.3249
support: +1 866.463.7877
fax: +1 613.592.0584
email: info@kinaxis.com

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