

Solution Fact Sheet

Balancing Inventory with Demand

Inventory is one of your company's most valuable assets. How well you manage it will determine the overall success of your business. Aligning your inventory with customer demand is the most difficult task you face on a day-to-day basis.

What makes the challenge of balancing inventory levels with demand so difficult is what we call the "vicious cycle" of inventory management. Your Buyers are caught in a cycle of having too many exceptions and problems to manage and not enough information or time to handle all of them. This leads to a process of continuously putting out "fires", which in turn means that your Buyers can never get ahead of the problems they're dealing with.

OverDrive Solutions Inventory Management & Replenishment solution will help your break out of the vicious cycle.....

Forecasting & Demand Management

Forecast accuracy is a key component of demand management.

Our solution automatically assigns each item an appropriate forecast model based upon its historical demand pattern. User controlled variables, such as lead time and customer service level, help to align forecasts to your business objectives.

Forecast models take seasonality, sporadic demand and your business cycles into account when generating forecasts.

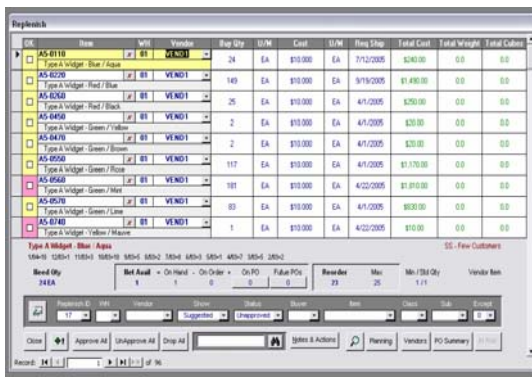
Numerical forecasts are combined with customer submitted forecasts and sales forecasts to generate a blended picture of demand that more accurately models customer behavior.



Our demand planning dashboard makes it easy to view demand and control forecast variables.

Managing Replenishment & "At Risk" Items

Suggested replenishment orders are automatically generated by the solution. Generation of suggested replenishment orders can be done by item, warehouse and buyer. Creation of suggested replenishment orders can be placed on a schedule so that Buyers can control the processing of their PO's.



Item	Qty	Unit	Cost	Unit	Req Date	Total Cost	Total Weight	Total Cubes
AS-8118	24	EA	\$10.000	EA	7/12/2005	\$240.00	0.0	0.0
AS-8220	149	EA	\$10.000	EA	5/19/2005	\$1,490.00	0.0	0.0
AS-8260	20	EA	\$10.000	EA	4/1/2005	\$200.00	0.0	0.0
AS-8460	2	EA	\$10.000	EA	4/1/2005	\$20.00	0.0	0.0
AS-8470	2	EA	\$10.000	EA	4/1/2005	\$20.00	0.0	0.0
AS-8550	117	EA	\$10.000	EA	4/1/2005	\$1,170.00	0.0	0.0
AS-8560	101	EA	\$10.000	EA	4/22/2005	\$1,010.00	0.0	0.0
AS-8570	80	EA	\$10.000	EA	4/1/2005	\$800.00	0.0	0.0
AS-8740	1	EA	\$10.000	EA	4/22/2005	\$10.00	0.0	0.0

Replenishment is simplified by on-screen processing and control

Automatic alerts help Buyers quickly identify items with exceptions that need their immediate attention. Integrated workflow allows Buyers to research and resolve item exceptions without ever having to exit suggested replenishment orders, providing vastly improved productivity for Buyers.

Suggested replenishment orders allow for vendor rules to be applied for things such as minimum order quantities, minimum dollar amounts, truck load orders, etc. The solution helps to identify items that can help "round out" a suggested replenishment order without creating an increase in unnecessary inventory.

Buyers are alerted to items that are "at risk" of stocking out due to late delivery of a PO, or due to a rapid increase in demand.

Exception Management & Analysis

In order to effectively manage your inventory you must be able to analyze it. Exception management capabilities ensure that Buyers identify and focus on their most important items, leaving the system to handle routine tasks.

Our solution provides 30 key performance indicators (KPI's) that help you measure and track inventory performance. Our KPI's include turns, return on inventory investment, return on safety stock, months supply on-hand and projected inventory value. KPI's are used to create customized exceptions and scorecards for reporting.

User-defined exceptions provide real-time monitoring of inventory positions. Buyers are immediately alerted to exceptions and provided with information to help them analyze and take corrective action. Integrated workflow allows Buyers to focus on items with exceptions, research and analyze root causes, collaborate with others via actions items and notes and take corrective actions.

Produce Immediate Results

OverDrive's Inventory Management & Replenishment solution is designed to help those responsible for managing inventory work smarter. It works the way you do, making it easy to implement and use.

Make Smarter Buying Decisions – your inventory managers will have access to the information they need to make better, more informed buying decisions.

Do More in Less Time – by focusing on your critical items and managing the replenishment process by exception, you'll be able to increase the productivity of your Buyers; freeing them to do more important tasks like negotiating better deals with your vendors.

Grow Your Bottom Line – our solution will result in you having to carry less inventory to meet your customer service level objectives. Less money tied-up in slow moving inventory means you're getting a better return on your investment and have more capital available for other business needs.

Here's What a Few Customer are Saying.....

Tweezerman "needed to get its hands around its inventory management process" in order to become more efficient. Within four months of implementing OverDrive's BPM system, Tweezerman has experienced a dramatic improvement in managing its inventory levels, reducing inventory by over \$250,000.

Jerry Agostisi, CIO
Tweezerman International

"There's no way you're taking this solution away from me now. I didn't realize how dramatically it complements our existing inventory management process. It's a fantastic solution."

David Gurvis, COO
Marco Ophthalmic, Inc.

Solution Benefits.....

- ✓ **Reduction in overall inventory investment by at least 10%**
- ✓ **Reductions in excess inventory (overstocks & dead stock)**
- ✓ **Improved use of capital**
- ✓ **Increased Buyer productivity**
- ✓ **Improved service levels & order fill rates**
- ✓ **Improved forecast accuracy**

The OverDrive Solutions Advantage.....

We fundamentally understand which tools and processes are required by end users to get their jobs done better and faster.



Our solutions are created using our "applied knowledge framework", which blends practical experience, best processes and software tools into closed-loop systems that help you work smarter.

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Work Smarter