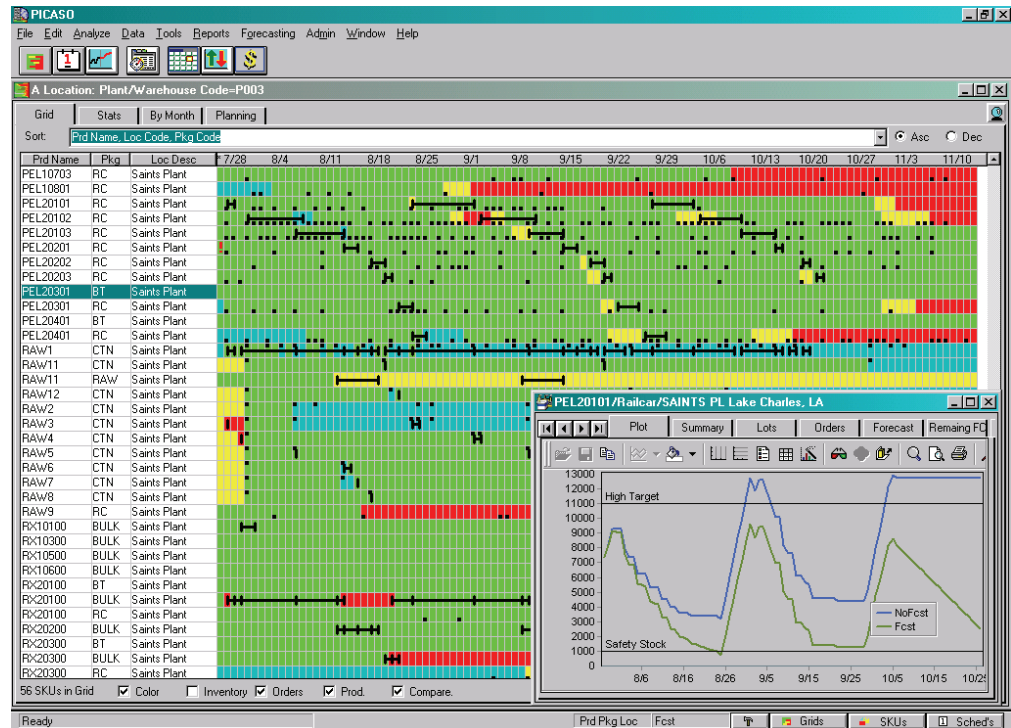


Optimizing Inventories

Proper inventory levels keep your entire operation running smoothly. When you optimize your inventories – so the right products in the right amounts are in the right place at the right time – you're able to provide reliable deliveries to your customers while controlling inventory costs...a goal that's vital to every company's success.

Your company needs four key capabilities to unlock the benefits of optimized inventories:

- **In-depth analysis** to evaluate your past practices and target future inventory strategies
- **Flexible optimization tools** that weigh production and inventory tradeoffs
- **Efficient network design** for a distribution system that moves materials at the lower cost
- **Powerful reporting systems** that monitor, measure and communicate your performance



However, the complicated demands of the global marketplace make this balancing act more problematic than ever. Distribution networks are increasing in size and complexity...multiplying the difficulty of inventory decisions. Your customers demand shorter lead times and faster deliveries...creating pressure to increase rather than decrease your inventory levels. Efficiency targets for your production lines dictate longer runs for each product...resulting in larger stockpiles. Most important, unbalanced inventories are a significant drain on working capital...at a time when you're under tremendous pressure to keep costs down.

How do you meet the challenge of trimming inventory costs without sacrificing customer service? By taking charge of the complex inventory optimization process with the WAM Supply Chain Planning Solution. WAM's analysis and optimizing tools help you control inventory levels and position your products for maximum profitability...which means a better bottom line for your company!



In-Depth Analysis

End-product production encompasses many types of inventory: raw material; work-in-process; in-test material; rework/scrap material; products in transit; safety stock; and cycle stock. And changes in one component can significantly impact others. Smaller batch sizes reduce work-in-process levels...but also reduce productivity. Cycle times can be shortened to reduce cycle stock...but you have to spend more time making product-to-product transitions.

Optimization of the distribution network – and rationalization of inventories at each point in that network – is the key to an efficient supply chain. WAM's Inventory Targeting capability calculates all the components of inventory at every point in the supply chain to help you maximize inventory efficiency. It compares historical forecasts and actual sales data and models all the processes that contribute to inventory...allowing you to compare results by product, location, and other criteria to quickly identify problem areas and make adjustments that decrease inventory without reducing customer service. At each point in the supply chain, you get the information you need to determine optimum inventory levels and redeploy the excess to improve service

at high-priority locations.

Flexible Optimization Tools

WAM's flexible optimization tools help you minimize the combined production cycle costs of manufacturing and inventory...without sacrificing service. These tools allow you to examine the impact and tradeoffs of all the factors that contribute to inventory cost, such as cycle times and cycle stock levels; production line transition costs; inventory holding costs; safety stock requirements; delivery times; transportation costs; and demand forecasts. By balancing various inventory tradeoffs and minimizing costs, WAM enables you to set realistic inventory policies that support both good service and good profit margins.

Efficient Network Design

With an increasing number of products and delivery points, an efficient distribution network is vital to controlling inventory costs. WAM optimizes the supply chain network by finding the most economical way to supply each customer...such as changing distribution locations to support more frequent service...changing transportation modes to reduce costs...packaging changes...or improving forecasts to reduce overall

inventory levels. The result is a cost-effective distribution system that minimizes inventory costs while maintaining acceptable customer service levels.

Powerful Reporting Systems

The WAM Grid Supply Chain Monitor maintains an up-to-the-minute simulation of your future supply and demand throughout your supply chain, so you can rapidly identify problems and take corrective action to maintain a balanced inventory. Deviations from the plan are instantly highlighted in on-screen consoles and through WAM's Reporting Engine...assuring that the performance of every inventory decision point in the supply chain is measured and communicated continuously.

Take Control of Inventory Management

Now is the time to optimize your inventories and take control of inventory management with the WAM Supply Chain Planning Solution...for lower inventory costs...reduced working capital requirements...and increased profitability.



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