



Supply Chain

**Optimized inventories bring multi-million-dollar savings to CPG giants**



## Business Challenge

A CPG giant was carrying big costs in non-moving inventory and excess stocks.

- Its large portfolio of 10+ categories and 25000 SKUs was difficult to optimize
- Inaccurate S&OP forecasts led to a huge build-up of inventory
- The need to innovate would bring new products and even more inventory

It needed true visibility across supply chains for cost-cutting forecasts and better decision-making.

## Our Solution

The CPG implemented an end-to-end solution to optimize overall inventories:

- Lowered non-moving inventory with early warnings and automation that finds root causes of inventory build-up and recommends actions to reduce it
- Corrected excess safety stocks with demand sensing algorithms for improved forecasts to set inventories at the right levels
- Optimized product portfolio by identifying opportunities to reduce operations costs, such as segmentation and delisting SKUs based on performance
- Prevented build-up of new product inventory by identifying similar existing products and using in-depth forecasting based on market and product attributes.

## Benefits

The company's inventory transformation enabled:

- Multi-million-dollar savings with visibility to inventories and their drivers
- ~50% reduction of the non-moving inventory across 70 country category combinations
- 26% reduction in inventory holding costs