

COST OF SERVICE



MIKE MILLS,
Director, Business Consulting | Blue Ridge



BLUE RIDGE
FOR A MORE FORESEEABLE FUTURE



WHY COST OF SERVICE

- A strategic tool that helps you analyze multiple service level strategies for your business
- A tool that helps you to understand the cost associated with those desired service levels/fill-rates
- Provides a quick method to apply the most economical service level simulation to the items

COST OF SERVICE

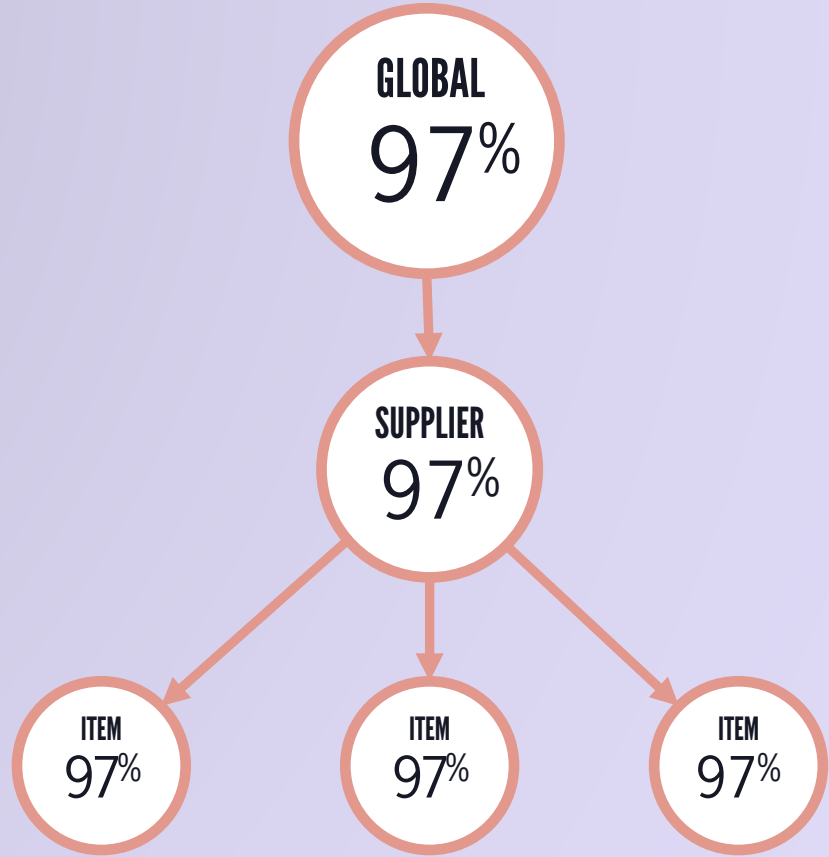
FEATURES

- Run multiple service level strategy simulations at a time and provide the users with the costs associated with each service level goal simulations.
- Performed in simulation mode:
 - Allows the user to change the parameters to gain the most desirable service level goal and the most profit from their inventory investment.
- Run the analysis calculation and apply the selected simulation on a scheduled date

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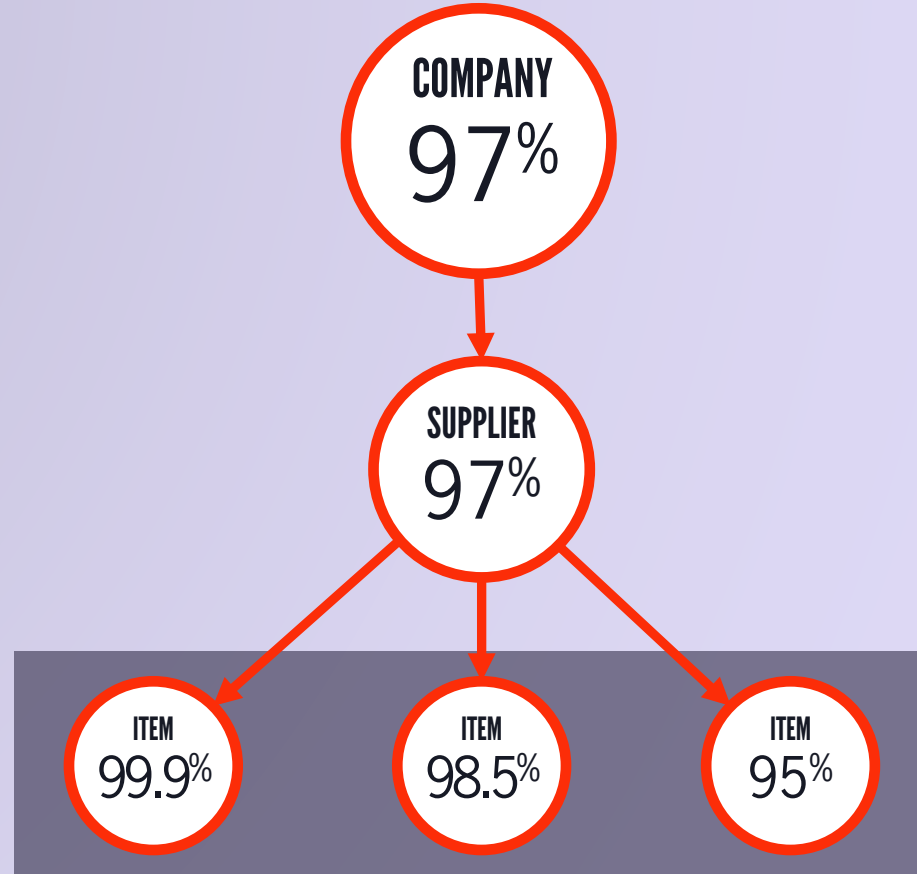
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Service level hierarchy



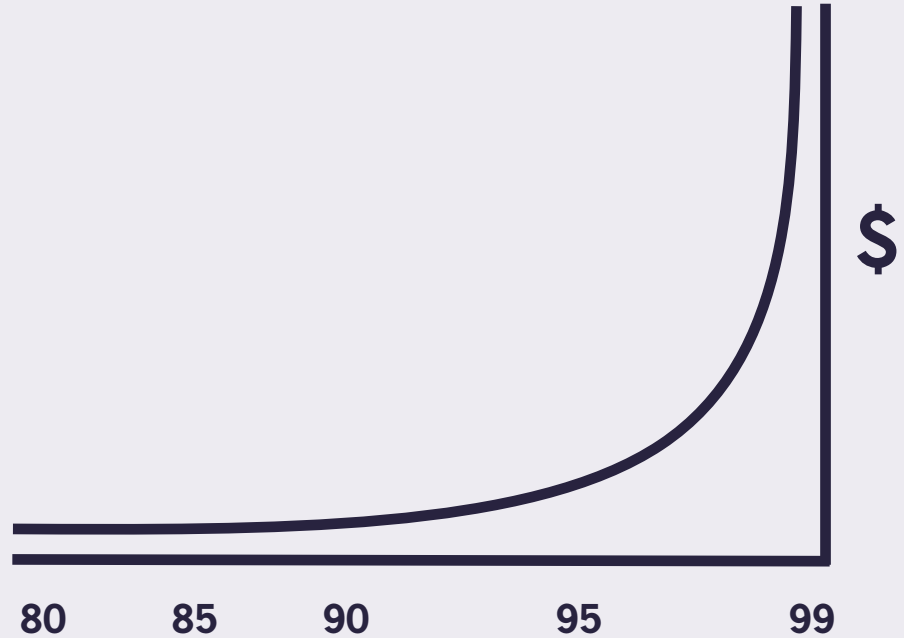
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Service level hierarchy



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Safety Stock Requirements



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Cost of Service List → Cost of Service Results

Run Apply Update

Details

Analysis ID : Description : Last Analysis Date :

Locations : Select Last Applied Date :

Item Group Run : Immediate Scheduled Last Update Date :

Rank By : Auto Apply Next Run Date :

Units
Currency
Profit
Margin
Revenue
Units + Currency + Margin

Velocity Ranking	Level Goal	Velocity Ranking	Sim 1	Sim 2	Sim 3	Sim 4	Sim 5	Sim 6	
A	0.00%	A	0.00%	A	0.00%	A	0.00%	A	0.00%
B	0.00%	B	0.00%	B	0.00%	B	0.00%	B	0.00%
C	0.00%	C	0.00%	C	0.00%	C	0.00%	C	0.00%
D	0.00%	D	0.00%	D	0.00%	D	0.00%	D	0.00%
	0.00%								



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Parameters

Velocity Ranking / Current Service Level Goal		Velocity Ranking	Sim 1 <input type="checkbox"/>	Sim 2 <input type="checkbox"/>	Sim 3 <input type="checkbox"/>	Sim 4 <input type="checkbox"/>	Sim 5 <input type="checkbox"/>	Sim 6 <input type="checkbox"/>
Velocity Ranking	Service Level Goal							
A 0.00%	A 0.00%	A <input type="text" value="10.00 %"/>	A <input type="text" value="99.50 %"/>	A <input type="text" value="98.00 %"/>	A <input type="text" value="96.50 %"/>	A <input type="text" value="95.50 %"/>	A <input type="text" value="95.00 %"/>	A <input type="text" value="98.00 %"/>
B 0.00%	B 0.00%	B <input type="text" value="25.00 %"/>	B <input type="text" value="98.00 %"/>	B <input type="text" value="96.00 %"/>	B <input type="text" value="95.00 %"/>	B <input type="text" value="94.50 %"/>	B <input type="text" value="93.50 %"/>	B <input type="text" value="94.00 %"/>
C 0.00%	C 0.00%	C <input type="text" value="30.00 %"/>	C <input type="text" value="96.00 %"/>	C <input type="text" value="94.00 %"/>	C <input type="text" value="93.00 %"/>	C <input type="text" value="92.50 %"/>	C <input type="text" value="92.00 %"/>	C <input type="text" value="93.00 %"/>
D 0.00%	D 0.00%	D <input type="text" value="35.00 %"/>	D <input type="text" value="94.00 %"/>	D <input type="text" value="90.00 %"/>	D <input type="text" value="90.00 %"/>	D <input type="text" value="85.00 %"/>	D <input type="text" value="80.00 %"/>	D <input type="text" value="90.00 %"/>
		100.00 %						



COST OF SERVICE

Analysis Results

Locations : All Locations

Current Cost of Service	Results Description	Sim 1	Sim 2	Sim 3	Sim 4	Sim 5	Sim 6
0.00	Forecast In Currency	92,780,132.69	92,780,132.69	92,780,132.69	92,780,132.69	92,780,132.69	92,780,132.69
0.00	Forecast In Units	5,089,861.14	5,089,861.14	5,089,861.14	5,089,861.14	5,089,861.14	5,089,861.14
0.00	Filled In Currency	89,682,953.63	87,413,609.19	86,659,039.09	85,045,561.55	83,343,340.36	86,548,831.13
0.00	Filled In Units	4,983,728.60	4,881,760.90	4,825,433.81	4,763,761.78	4,705,250.23	4,842,782.21
0.00	Shortage In Currency	3,097,179.06	5,366,523.50	6,121,093.61	7,734,571.14	9,436,792.33	6,231,301.57
0.00	Shortage In Units	106,132.54	208,100.24	264,427.33	326,099.36	384,610.91	247,078.94
0.00	Service Level In Currency	97.56	95.42	94.41	93.07	91.72	94.55
0.00	Service Level In Units	97.66	95.60	94.54	93.29	92.06	94.79
0.00	Safety Stock Investment	2,059,151.98	2,001,649.28	1,987,069.74	1,940,207.27	1,891,450.68	1,984,256.35



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Safety Stock Preferences

Service Level

97

% Service Level Goal (SLG)

Supplier

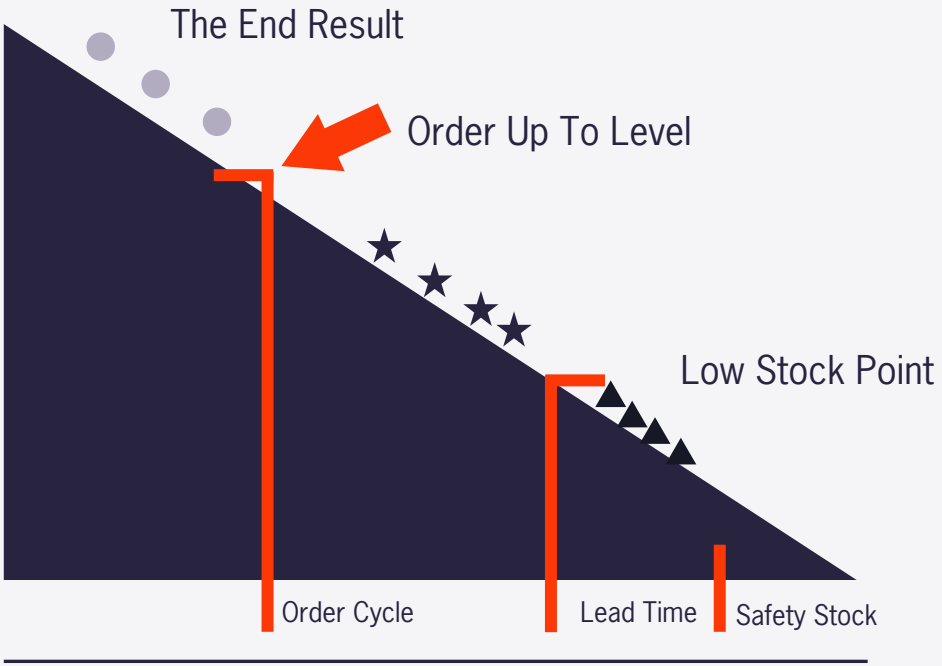
Value From



Exclude from Cost of Service Analysis



COST OF SERVICE



COST OF SERVICE- TAKE-AWAYS

COLLABORATE WITHIN THE ORGANIZATION TO ENSURE GOALS ARE PROPERLY ALIGNED

- Finance
- Sales
- Planners/Buyers

CONSIDER FUTURE COMPANY INITIATIVES

- Do you anticipate winning new business
- Do you anticipate losing a customer

**IF YOU THINK YOU'RE READY
TO TAKE ADVANTAGE OF
THIS, WE WOULD LOVE TO
CONSULT WITH YOU**