

WE NEED TO REDUCE INVENTORY 10%

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BLUEPRINT 2019
PLANNING FOR A FLEXIBLE FUTURE

10%



THE ALERT GOES OUT

The key to
lowering
inventory is to
buy **later**

The key to
Increasing service
is to buy **earlier**

PERSPECTIVE

YOUR CHECKLIST

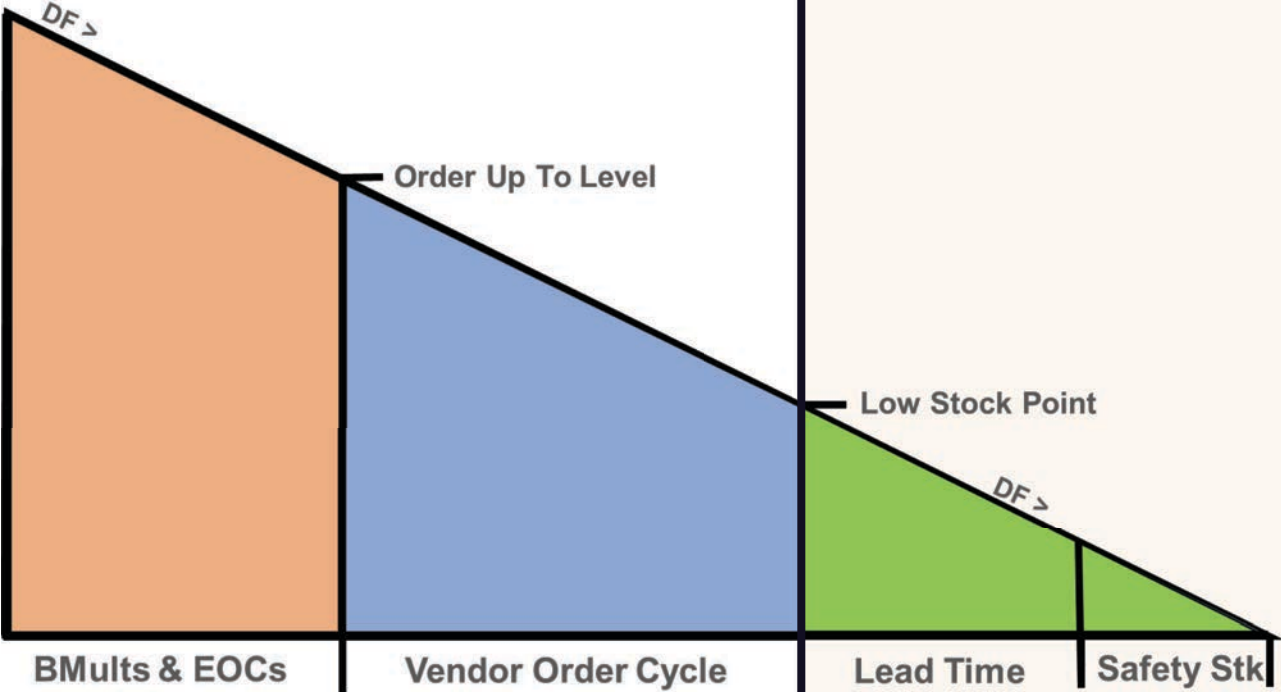
- 
1. Demand Forecasting
 2. Lead Time Forecasting
 3. Order Cycle Analysis
 4. Service Level Management
 5. Replenishment
 6. Special Order Opportunities
 7. Order Validity Analysis

HOW MUCH TO BUY?

Inventory Levels

WHEN TO BUY?

Service Attained



HOW MUCH TO BUY?

Inventory Levels

§ONE DAY INVEN

250k

§BUY MULT DAYS

12

§EFF ORDER CYCLE

21

WHEN TO BUY?

Service Attained

§DELAY DAYS

28

§LEAD TIME FCST

14

3.0 CUSHION DAYS

§SAFETY STOCK

10

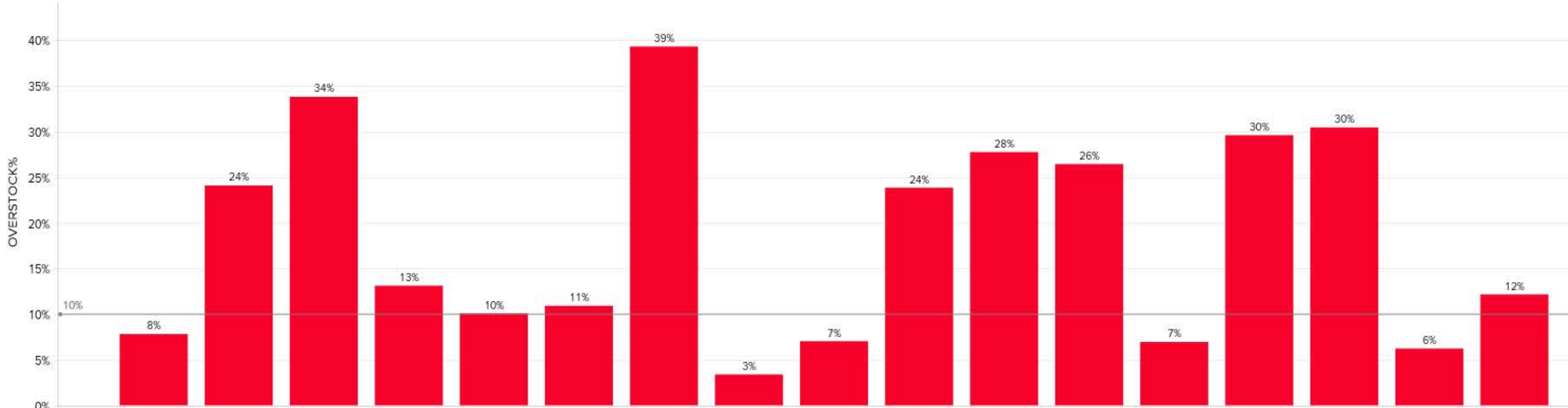
98.5% SERVICE GOAL

1 Do everything
better!

2 Component
opportunities

OPPORTUNITIES

OVERSTOCK % BY ANALYST



1DO EVERYTHING BETTER

\$ONE DAY INVEN
40.5M

\$DISC & MANUAL
7.5M

\$FORWARD BUY
5.0M

\$RESERVE & HELD
1.5M

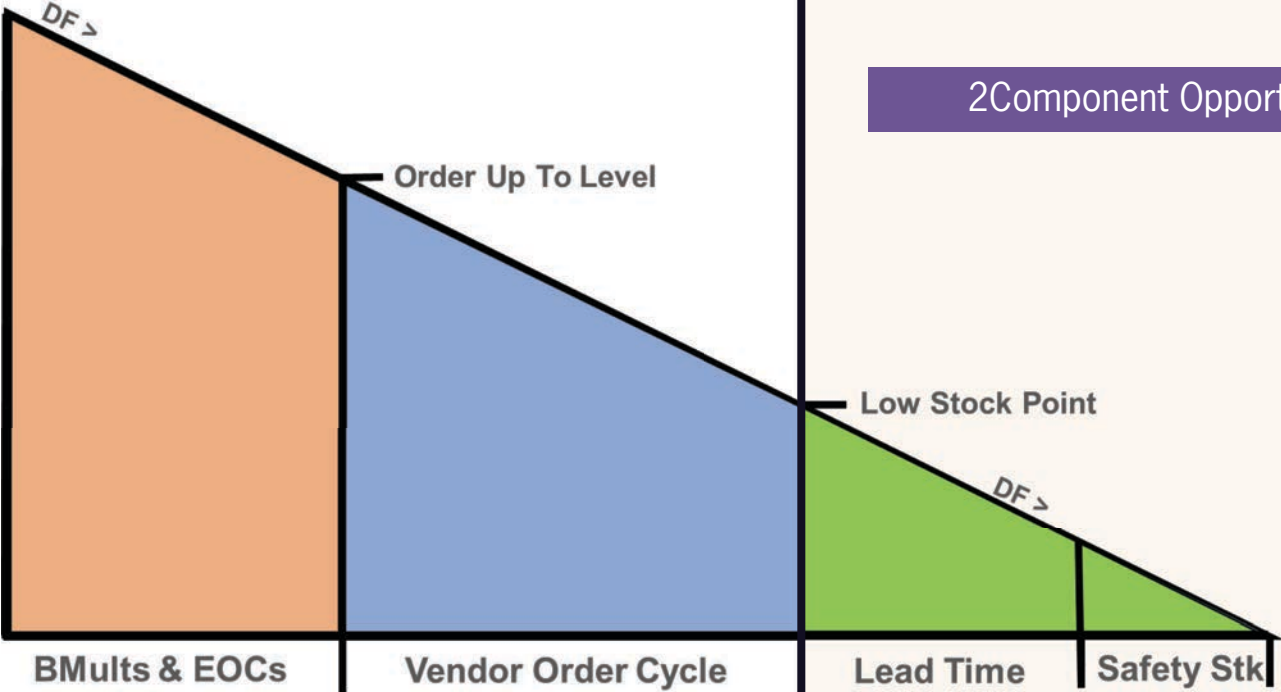
\$PROMO
1.3M

\$MANUAL MINS
2.0M

YOUR INVESTMENTS

HOW MUCH TO BUY?

Inventory Levels



WHEN TO BUY?

Service Attained

2Component Opportunities

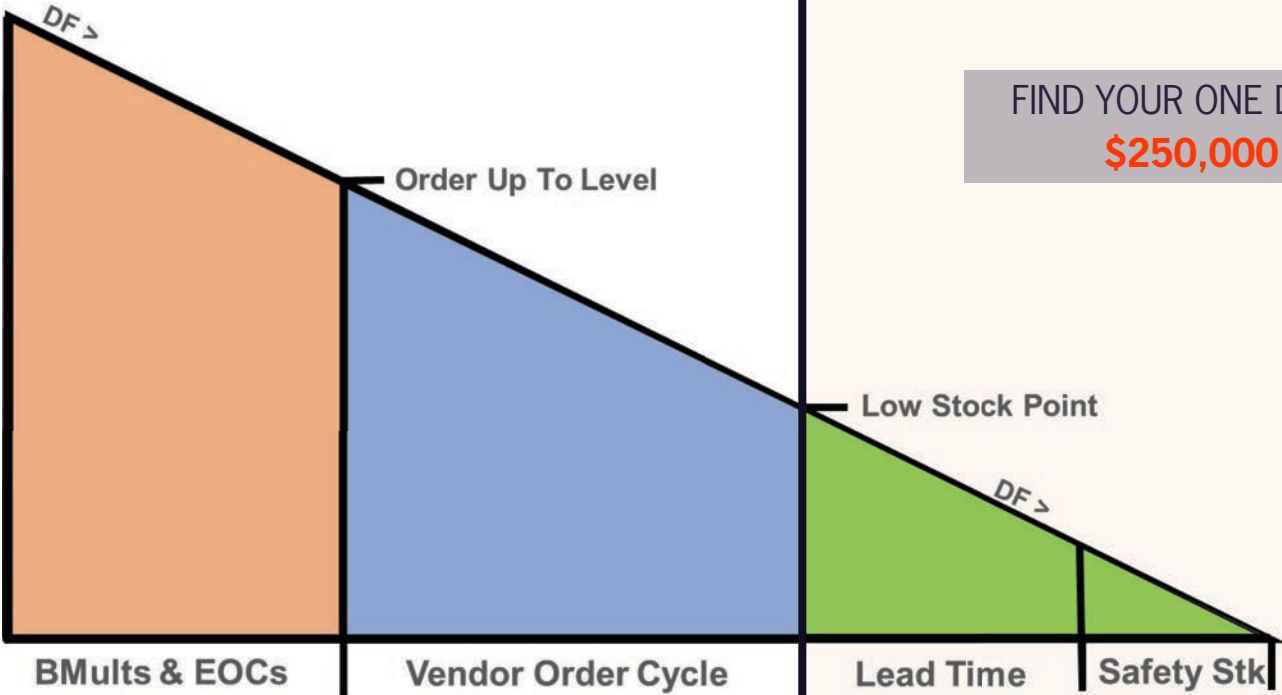
HOT OPPORTUNITIES

1. Demand Forecasting
2. Lead Time Forecasting
3. Order Cycle Analysis
4. Service Level Management
5. Replenishment
6. Special Order Opportunities
7. Order Validity Analysis

Seasonal Excellence
Trim the Cushion of Fear
Buying Multiple Mgmt
Find Mismatches
Stop Buying Early
Forward Buy Effect Mgmt
Stop Extreme Topp-Offs

HOW MUCH TO BUY?

Inventory Levels



WHEN TO BUY?

Service Attained

FIND YOUR ONE DAY \$
\$250,000

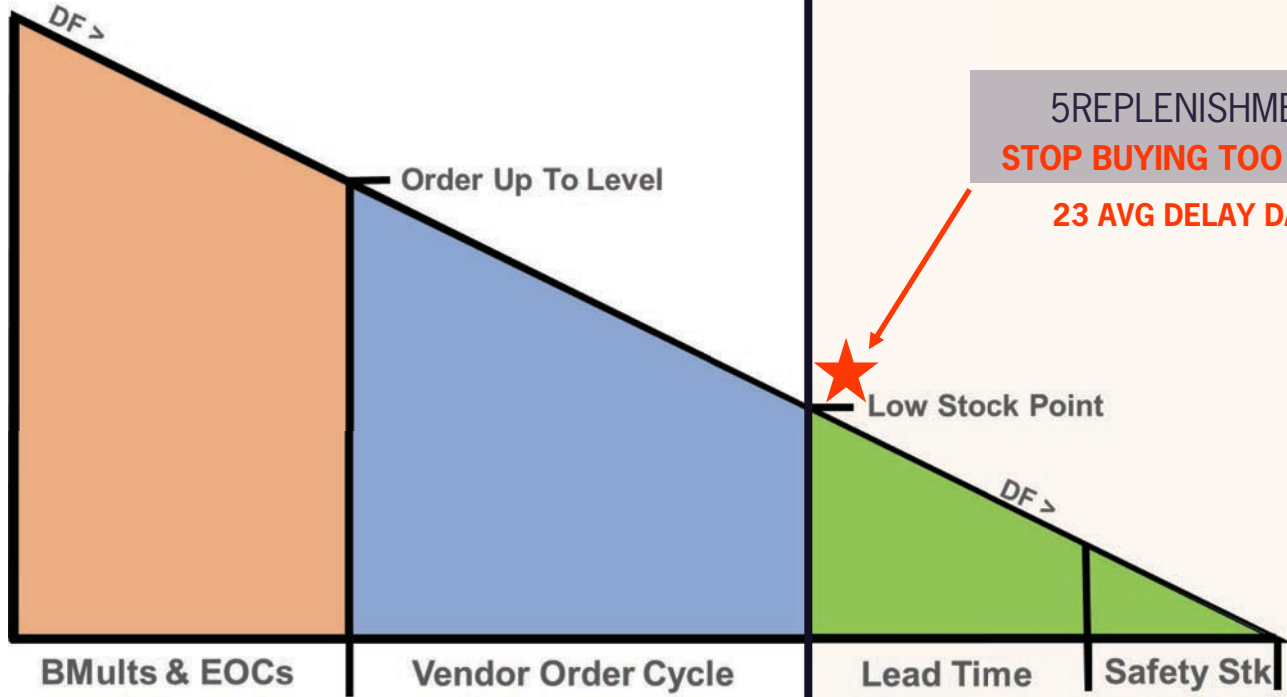
\$250,000

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Inventory Levels

WHEN TO BUY?

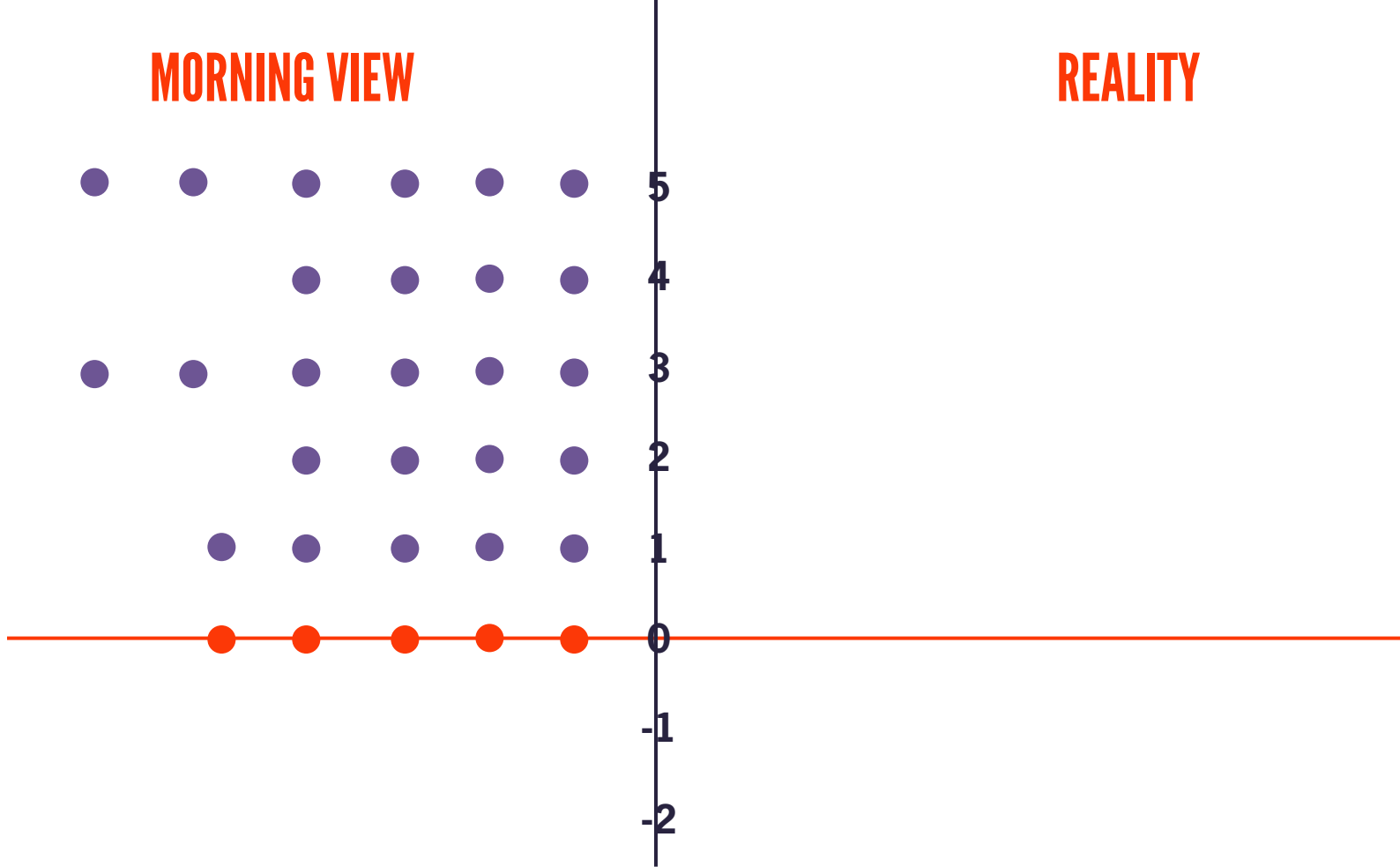
Service Attained



\$250,000

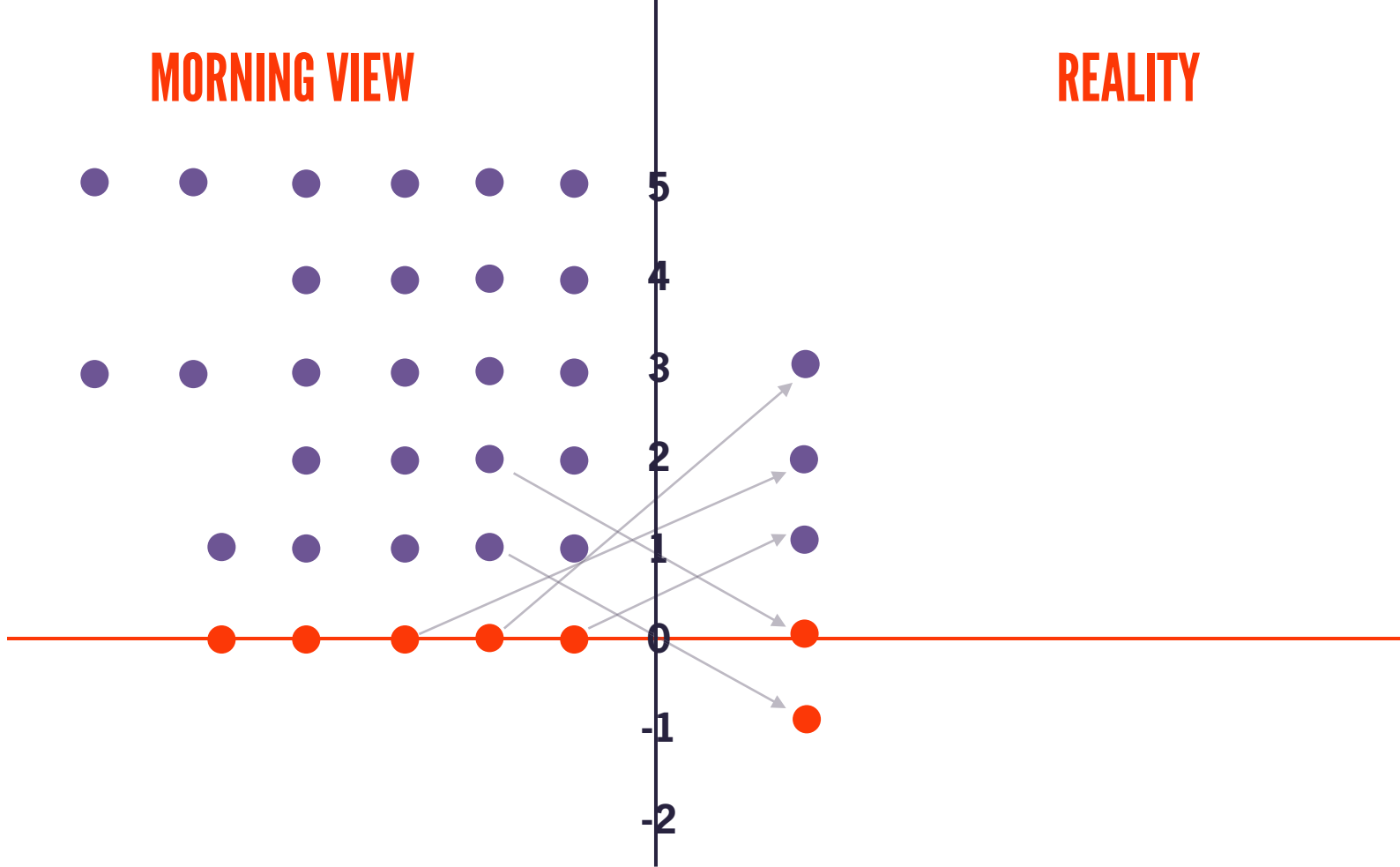
MORNING VIEW

REALITY



MORNING VIEW

REALITY

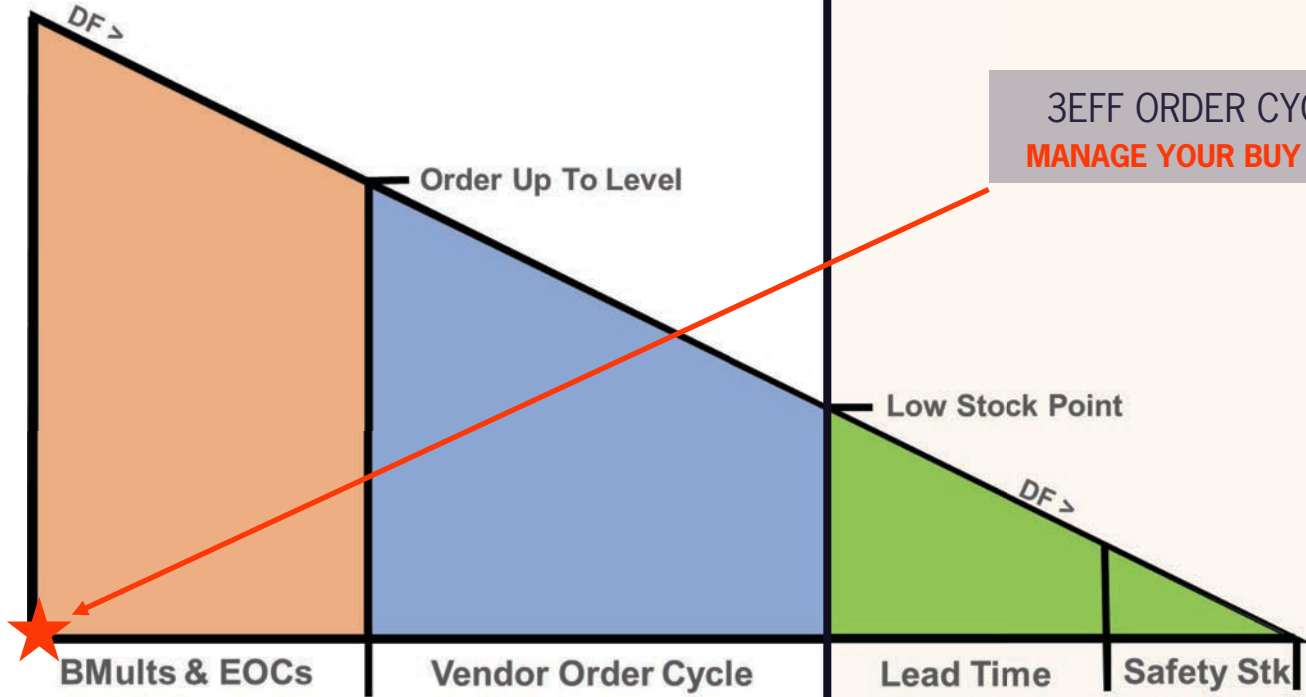


HOW MUCH TO BUY?

Inventory Levels

WHEN TO BUY?

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3EFF ORDER CYCLES
MANAGE YOUR BUY MULTS

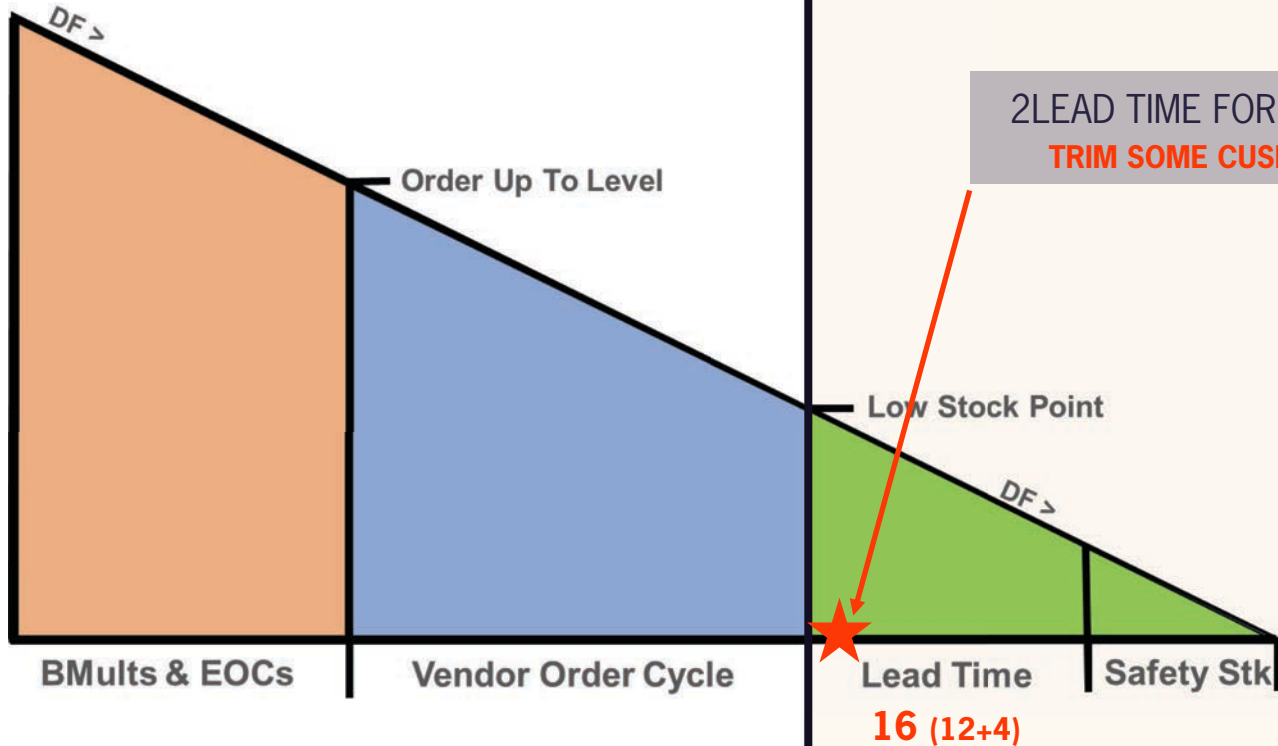
\$250,000

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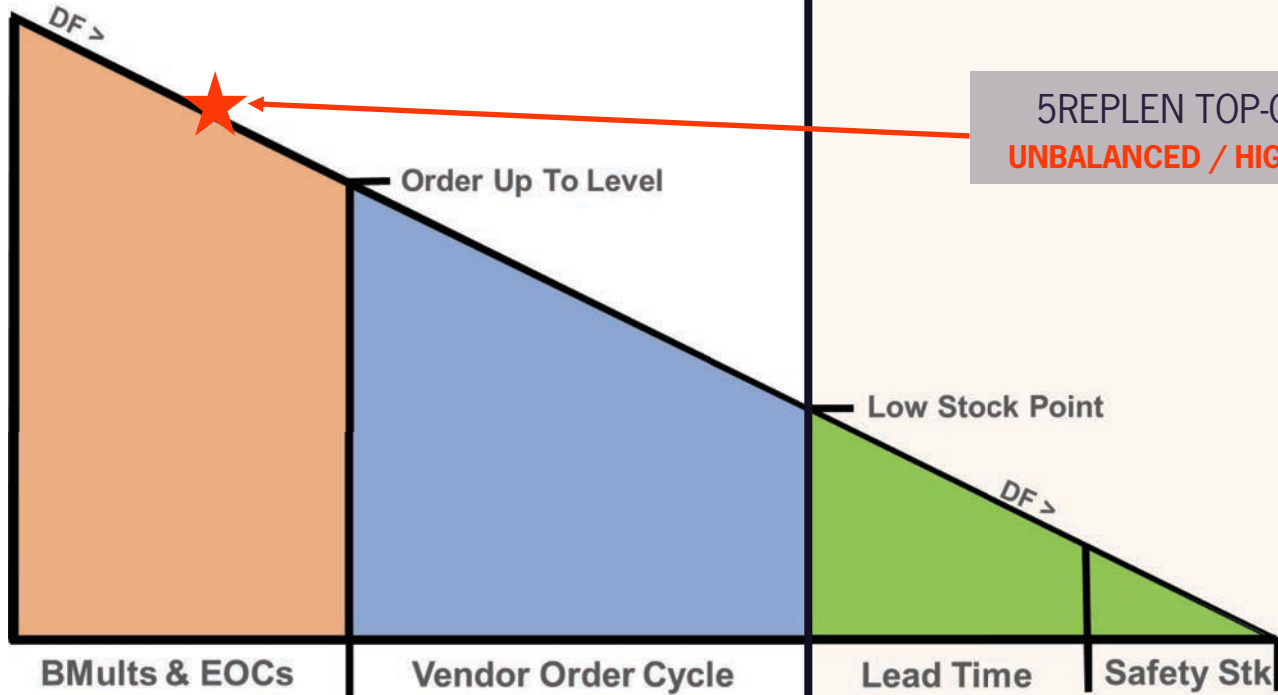


HOW MUCH TO BUY?

Inventory Levels

WHEN TO BUY?

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5REPLEN TOP-OFFS!
UNBALANCED / HIGH EOCs

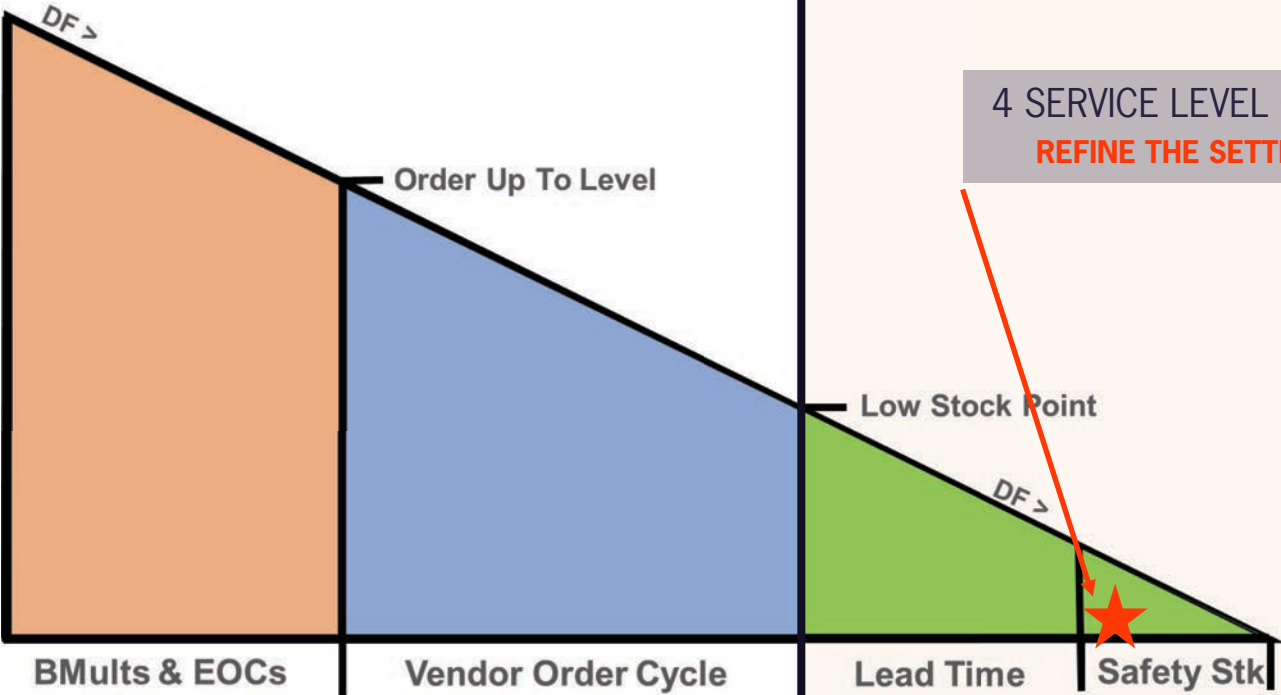
\$250,000

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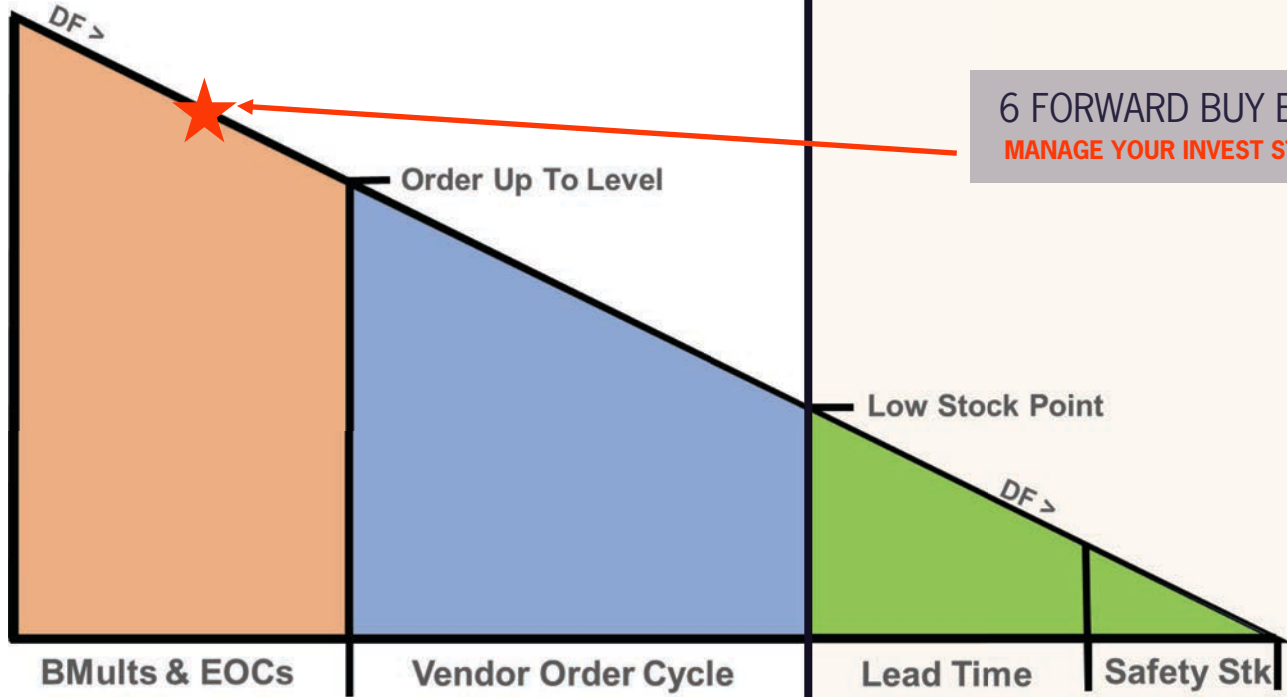
\$250,000

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6 FORWARD BUY EFFECT
MANAGE YOUR INVEST STRATEGY

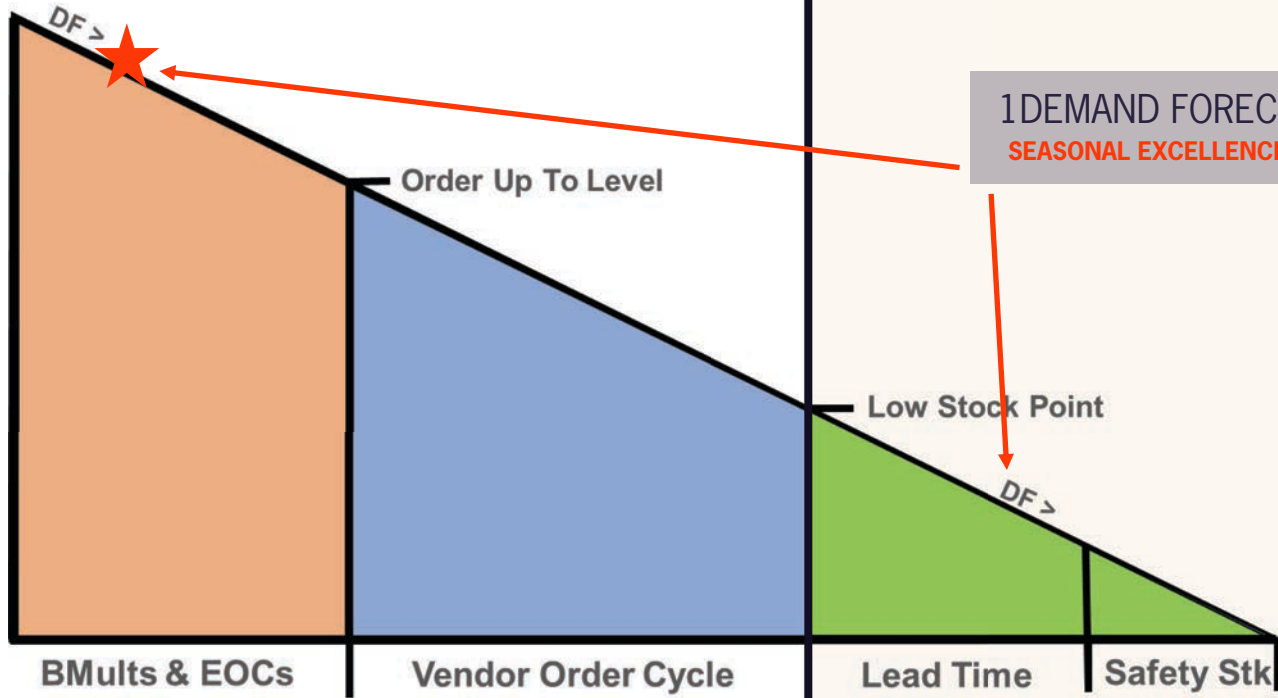
\$250,000

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\$250,000

EXTREME CAUTION



1

Focus first on the LEFT SIDE

2

AA

3

AA

4

AA

5

AA

TO 10% AND BEYOND