

-: Summary Report :-

A. Inventory modeling:-

- **Cost avoidance :- Inventory reduction opportunity of 120K\$** through changing stocking policy of 405 materials from stock (MTS – make to stock) to non stock (MTO – make to order)

- Scenario 1 with 90% of service level:-

		Values								
Current stocking policy	Proposed stocking policy	Sum of Usage value last 12 months	Count of Item Number	Average of Annual order lines	Average of No. of customer	Average of CV (Standard deviation)	Sum of Current SS \$	Sum of Proposed SS \$	Sum of Varien	
MTO	MTO	\$ 12,916,548.51	8522	2.3	0	1.8	\$ -	\$ -	\$ -	
	MTS	\$ 1,699,540.84	117	31.0	7	1.0	\$ -	\$ 284,030.93	\$ 284,030.	
MTS	MTO	\$ 3,456,497.43	405	19.3	2	1.1	\$ 120,663.44	\$ -	\$ (120,663.	
	MTS	\$ 4,823,596.96	187	62.4	13	0.8	\$ 71,474.67	\$ 424,115.95	\$ 352,641.	
Grand Total		\$ 22,896,183.74	9231	4.6	1	1.7	\$ 192,138.11	\$ 708,146.88	\$ 516,008.	

- Scenario 2 with 95% of service level:-

		Values								
Current stocking policy	Proposed stocking policy	Sum of Usage value last 12 months	Count of Item Number	Average of Annual order lines	Average of No. of customer	Average of CV (Standard deviation)	Sum of Current SS \$	Sum of Proposed SS \$	Sum of Varien	
MTO	MTO	\$ 12,916,548.51	8522	2.3	0	1.8	\$ -	\$ -	\$ -	
	MTS	\$ 1,699,540.84	117	31.0	7	1.0	\$ -	\$ 365,032.44	\$ 365,032.	
MTS	MTO	\$ 3,456,497.43	405	19.3	2	1.1	\$ 120,663.44	\$ -	\$ (120,663.	
	MTS	\$ 4,823,596.96	187	62.4	13	0.8	\$ 71,474.67	\$ 546,170.72	\$ 474,696.	
Grand Total		\$ 22,896,183.74	9231	4.6	1	1.7	\$ 192,138.11	\$ 911,203.16	\$ 719,065.	

- Scenario 3 with 98% of service level:-

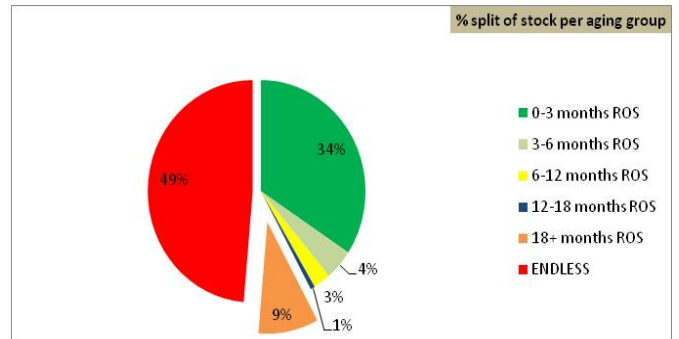
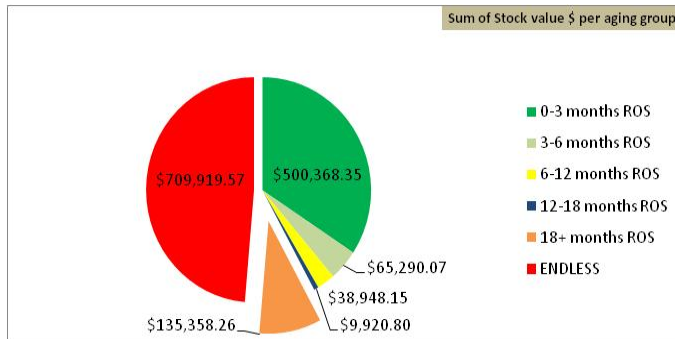
		Values								
Current stocking policy	Proposed stocking policy	Sum of Usage value last 12 months	Count of Item Number	Average of Annual order lines	Average of No. of customer	Average of CV (Standard deviation)	Sum of Current SS \$	Sum of Proposed SS \$	Sum of Varien	
MTO	MTO	\$ 12,916,548.51	8522	2.3	0	1.8	\$ -	\$ -	\$ -	
	MTS	\$ 1,699,540.84	117	31.0	7	1.0	\$ -	\$ 452,575.26	\$ 452,575.	
MTS	MTO	\$ 3,456,497.43	405	19.3	2	1.1	\$ 120,663.44	\$ -	\$ (120,663.	
	MTS	\$ 4,823,596.96	187	62.4	13	0.8	\$ 71,474.67	\$ 678,190.33	\$ 606,715.	
Grand Total		\$ 22,896,183.74	9231	4.6	1	1.7	\$ 192,138.11	\$ 1,130,765.60	\$ 938,627.	

B. Inventory Matrix:-

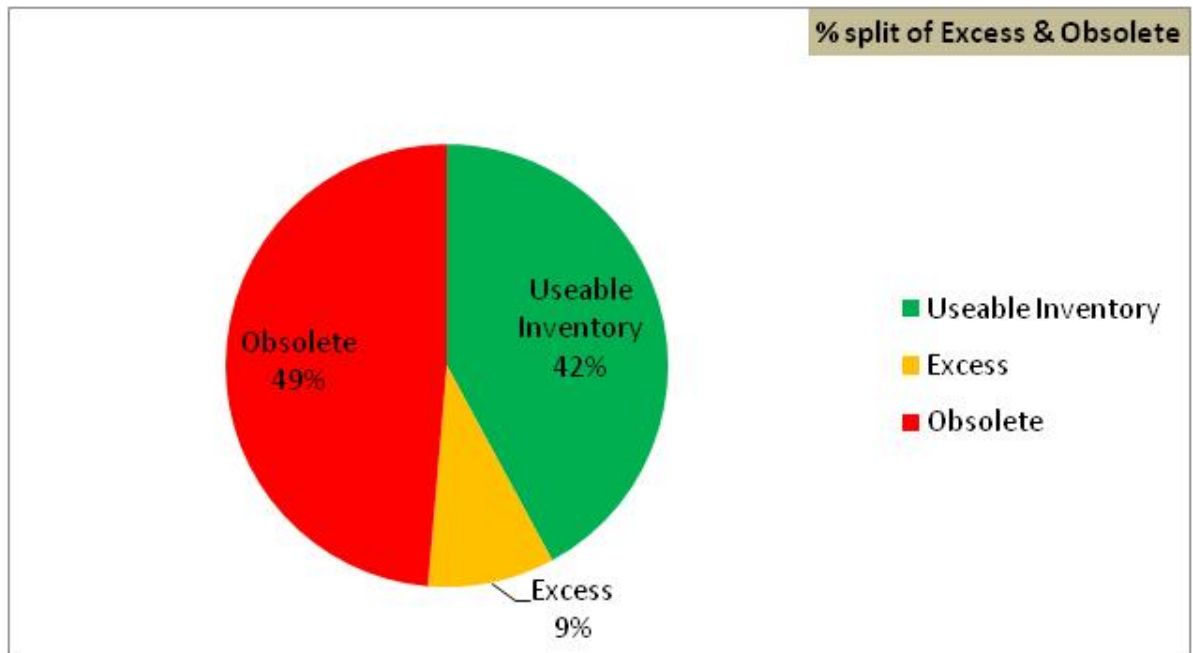
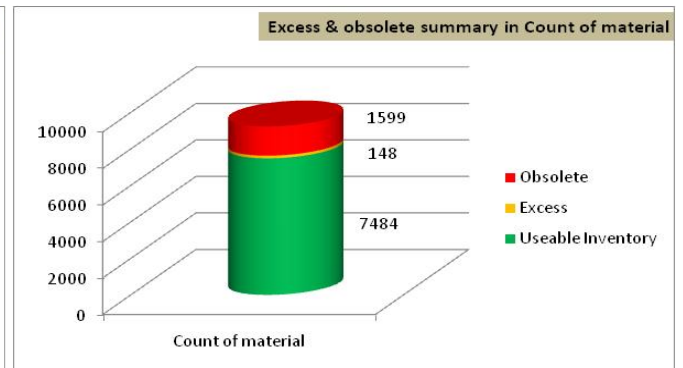
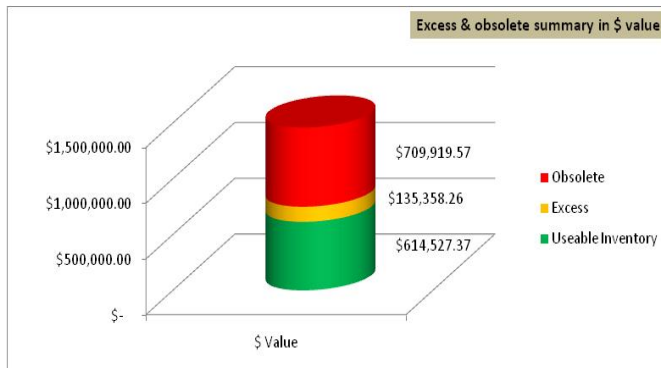
Snapshot	
Total Cost of goods sold	\$ 22,896,183.74
Current Inventory on hand	\$ 1,459,805.20
Planned safety stock value	\$ 911,203.16
Inventory turns	15.7
DOH	23

C. Inventory Health check:-

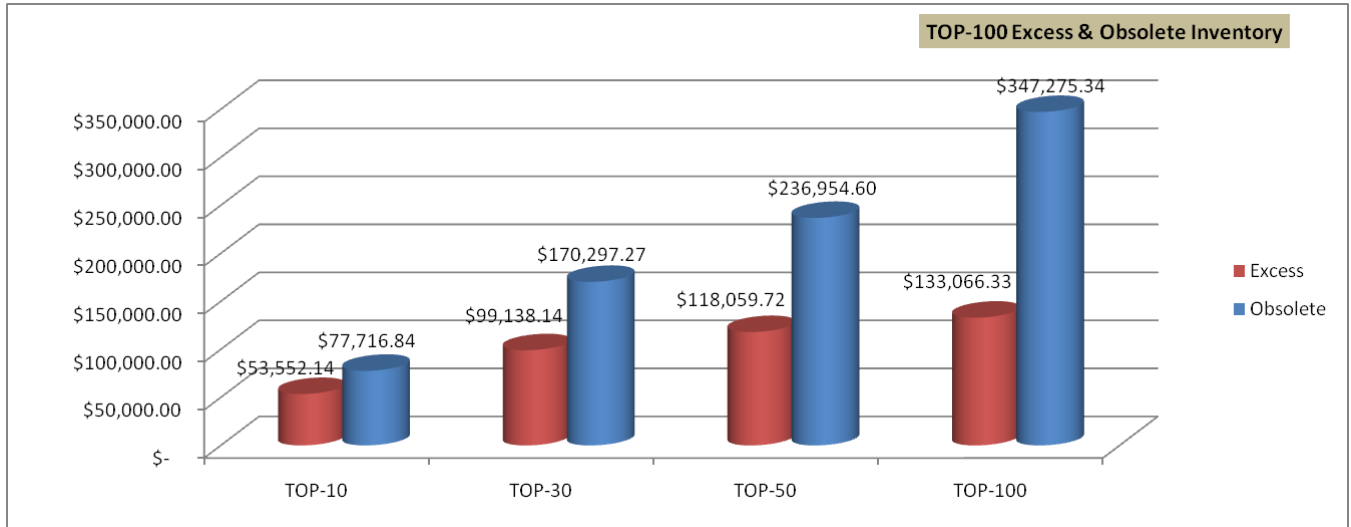
- Aging report as per reach of stock (ROS) :-



D. Excess & Obsolete analysis (E&O):-



- TOP 100 material contributors to both total Excess & Obsolete inventory :-



- TOP 100 excess articles are contributing to 98% of total excess & 9% to overall inventory.
- TOP 100 obsolete articles are contributing to 49% of total obsolete & 24% to overall inventory.

Top 100 – Excess Inventory List: - [Top 100 - Excess Inventory.xlsx](#)

Top 100 – Obsolete Inventory List: - [Top 100 - Obsolete Inventory.xlsx](#)

E.ABCQ Segmentation:-

ABCQ Category	Count of Item Number	Sum of Inventory on hand value	Average of No. of customer	Average of Annual order lines	Average of CV Standard deviation)
A	201	\$ 209,670.47	6.2	59.9	0.8
B	300	\$ 200,138.01	4.4	34.8	1.0
C	7003	\$ 855,450.15	0.6	2.4	1.8
Q	1727	\$ 194,546.57	0.6	2.0	1.9
Grand Total	9231	\$ 1,459,805.20	0.9	4.6	1.7