# Cloud Inventory Intelligence

## Free up working capital, prevent stock-outs and over-stocks, minimize inventory costs and improve service levels

**Octai AI Cloud Inventory Intelligence can effectively minimize inventory levels, increase stock turnover and improve efficiency, while ensuring companies meet customer service level agreements with sufficient inventory.**

**15-50%**
Reduction in inventory levels and holding costs

**20-95%**
Reduction in stockouts

**5-15%**
Increase in sales from improved service levels

**1000s**
of hours redeemed from firefighting and planning

Octai AI Inventory Intelligence harnesses sophisticated machine learning and optimization strategies to empower inventory planners and managers with the ability to optimize product levels, raw materials, sub-assemblies, and finished items. This is achieved while ensuring there's dynamic safety stock to adhere to service level commitments across all stocks.

Numerous businesses utilize enterprise resource planning (ERP) systems. However, traditional ERPs determine purchase order volumes using a narrow scope of deterministic factors, such as past demand forecasts, current stock levels, historical lead times, and manually preset safety stock targets. These platforms are not capable of advanced optimization nor are they agile enough to adapt your specific needs and customized business practices . Likewise, ERP's cannot model the uncertainties within the supply chain (for example, unexpected delays from suppliers, receiving less stock than anticipated, or unpredictability in demand forecasts) or test variations in reorder settings.

Consequently, to safeguard against these uncertainties that ERP systems fail to address, companies resort to adopting more conservative inventory strategies, often spending considerable time and effort using multiple spreadsheets to work about better strategies.

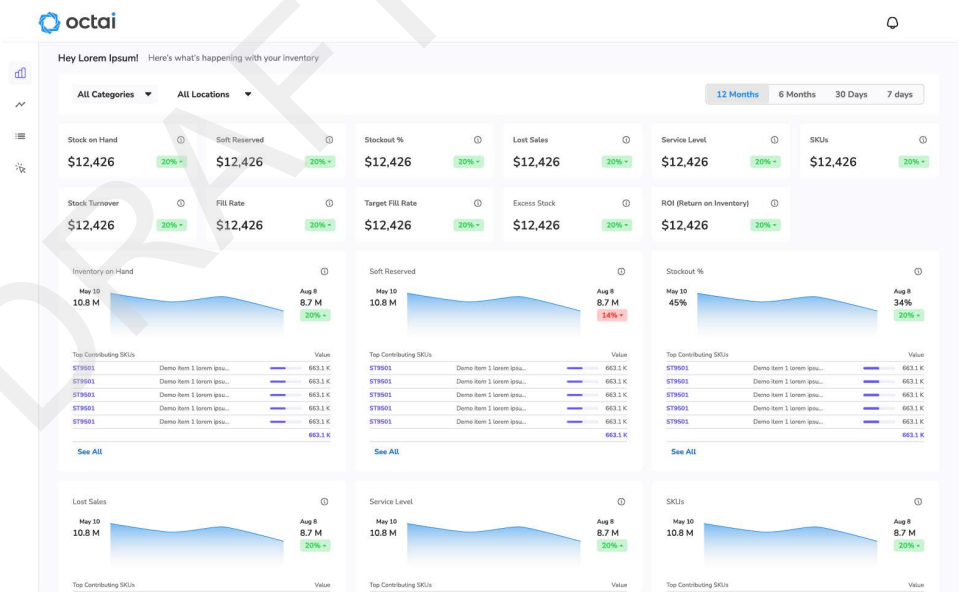


*Figure 1. Octai AI Inventory Intelligence enables users to view the current state of their inventory, broken down into different categories or stores, regions and warehouses.*

**Feature Summary**

- **SLA domains -** Assign products or categories to SLA domains to meet customer service levels automatically. Understand, approve or make exceptions for products due to underlying sources of uncertainty such as supplier lead time, supplier quantity, blocked material movements and demand.
- **AI inventory optimization** — Utilize sophisticated AI to determine ideal inventory settings for each part and location, incorporating adjustable parameters like how often recommendations are made and the desired SLA (e.g., target service level, recommendation frequency).
- **Assortment optimization** – Allocate and distribute finished goods or products across sites and facilities to increase revenue and meet service levels.
- **Multi-level inventory management optimization** – Calculate the ideal inventory amounts to hold throughout a product's bill of materials to reduce inventory costs and boost service level outcomes.
- **Inventory Obsolescence recommendations** - Maximize your ROI by focussing on your best performing products, while using data-driven insights to streamline your portfolio. Evaluate new products based on projected ROI so you can make the right decision, every time

Octai AI Inventory Intelligence tackles these hurdles by synthesizing data from various source systems, including bills of materials, inventory transactions, sales figures, supplier efficacy, minimum order quantities, item-specific and part-level costs. Combining this with AI-generated demand forecasts from Octai results in a unified multi-stream machine learning model. Octai then anticipates real-world supply chain variabilities, such as fluctuations in demand, supplier lead times, upcoming promotions and events and quality concerns, to dynamically and continuously refine reorder parameters and recommend reorder quantities / replenishment dates, to streamline your order management process.

This lowers inventory holdings across all SKUs to fulfill the SLAs you have established, ensuring you maintain full oversight and understanding of the impacts on costs and savings.

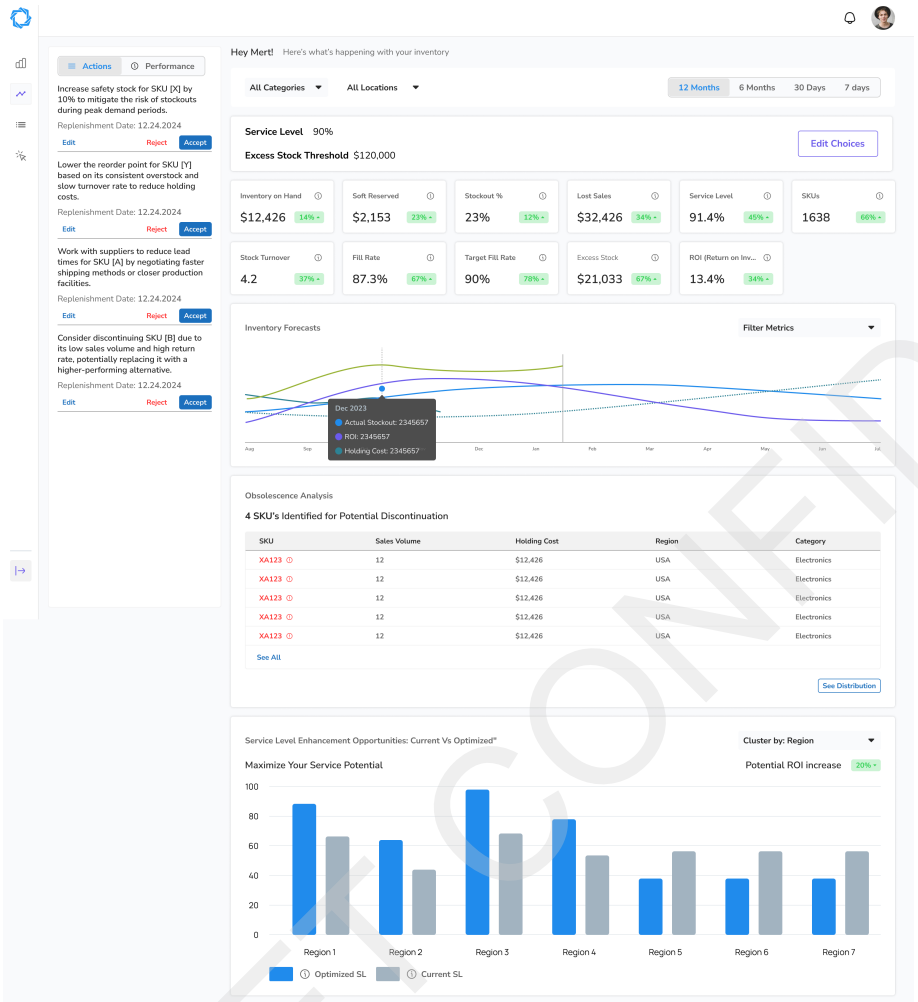


***Figure 2.*** *Using Octai inventory Intelligence, Inventory Planners can investigate underlying factors the driving nventory optimization recommendations, enabling them to confidently take action.*

**Feature Summary**

- **Optimization by SLA Domain**—Specify the level of maximum acceptable risk of stock-out for any part to optimize recommendations to meet service level domain.
- **Detailed view of individual parts** —View details of individual items and compare KPI performance across parts over time – including actual and optimal inventory, actual and recommended re-order parameters, inventory savings opportunity, service level performance and MRP adherence.
- **Leverage Octai AI Inventory Simulator** to rapidly integrate all relevant data and improve inventory visibility.
- **Ability to simulate 'what-if' scenarios** — Define scenarios and understand potential business implications of changing re-order parameters before committing the changes to the system.
- **Live optimization with near real-time data integration** — Dynamically optimize re-order parameters as new data is received; bi-directionally connect to source systems to update reorder parameters.
- **Scale to millions of parts, raw materials, and finished goods** — Scale to individually optimize inventory levels for millions of parts and SKUs at different production locations across a company's global footprint.
- **Compare performance -** of categories, regions, stores, right down to individual products and SKUs.

# Reduce inventory, get visibility of next actions, decrease planning time, increase productivity & profitability

- **Reduce time spent planning with declarative planning -** by defining the key aspects of your SLA domain such as service levels.. Forecast the optimal order points and volumes for your business, allowing you to optimize and automate reorders with a single click..
- **Decrease inventory costs and improve cash flow without compromising customer service levels** by optimizing re-order parameters such as safety stock. Benefit from a lower cost of capital, storage and material handling, insurance, and transportation fees.
- **Improved visibility of critical uncertainties** such as seasonality in demand, uncertainty in arrivals, quality issues from suppliers, and production-line disruptions.
- **Reduction in total landed costs** and benefit from increased and predictable profitability as a result of reduced inventory.
- **Improved organizational efficiency**"by automating repetitive workflows and allowing your planners to focus on higher-thinking, cross-functional tasks.
- **Increased productivity of inventory planning**"by providing a single tool that reports on and forecasts your business needs. Octai replaces the need to have multiple different reports and spreadsheets, and provides you with all the information you need to make informed decisions.
- **Increase stock turnover and return on inventory** by optimizing SKU replenishment, assortment and spread of products within categories and regions, automatically adjusting for profit margins and seasonal demand.
- **Identify and eliminate** obsolete inventory by using obsolescence indicator. Octai uses several metrics such as return on inventory, holding costs, turnover, stock aging and more, to evaluate all stocks and recommends stocks for obsolescence.