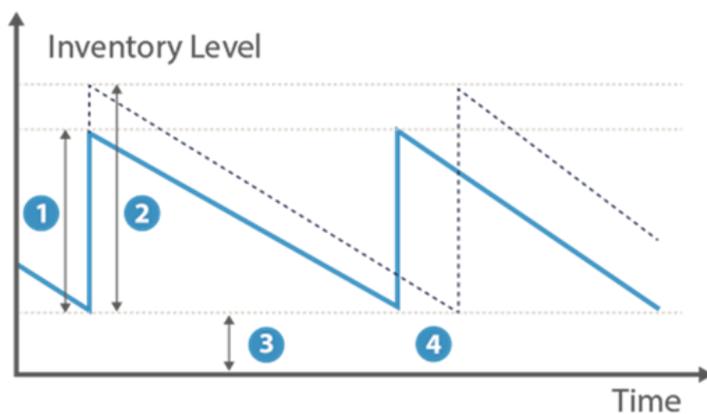


Rapid Value Services

Set Initial Reorder Levels for New Materials – INTERNAL USE



Overview

In the process of adding new items to inventory, inventory controllers look to maintenance advisors to recommend initial stocking levels. The lack of inventory understanding by maintenance personnel, coupled with the desire to leverage off capital rather than operational funding, too often leads to recommendations being grossly overestimated.

The value in optimized stock holding levels when managing a large inventory is having the right materials available at the right time to the right people, at the right cost - all on a continual basis. There is no reason this should be any different when an item is first introduced to inventory. One way your business can reduce costs and save resource efforts is to automate the process of determining initial stock holding levels.

The Oniqua Set Initial Reorder Level for New Materials *Rapid Value Service*™ considers key material characteristics and predicted usage; and provides stocking level and reordering recommendations that are aligned with your materials management strategy.

Replacing the manual effort and associated inconsistent “gut feel” for stocking levels with industry best practice automation driven by Oniqua allows objective rather than subjective inventory decisions that return higher value back to your business.

Objectives

1. Determine reorder levels based on business (required) service levels
2. Define reorder quantities based on economic order quantities

Benefits

1. Align stock level recommendations with organizational inventory strategy and industry best practices
2. Set Min/Max values or ROP/ROQ for each material on a per item basis

Value

1. Provide Stock Level reports, benchmarking maintenance estimated stock levels versus optimised stock levels
2. Highlight inventory holding and purchasing costs before and after stock reset
3. Highlight the reduction in warehousing effort due to optimized holding
4. Standardized and tailored decisions are made across inventory
5. Achieve greater visibility of stocking impact based on automated optimization recommendations

Deliverables

Report detailing the recommended MIN/MAX (or ROP/ROQ depending on the host ERP system), the expected inventory performance (average inventory value, service level, turnover, orders per year, etc.), and if provided, the expected inventory performance for existing recommended levels provided by the OEM vendor.