

The three steps to successful chemical inventory control

Inventory management has always been important, but in today's complex operating environment, it's critical. Reducing your turn rate can significantly decrease working capital and increase profit margins, but without the right change management you're at a greater risk of stock-outs and unhappy customers.

Here are the three steps you need to take for a better approach to inventory.

1 Start planning for true demand

Optimising your inventory is a great start, but accurate demand forecasting, or Materials Resource Planning (MRP), is an imperative next step. And in a growing marketplace, it's no longer enough to simply look at historical orders to predict future demand.

Today's chemical companies need a smarter approach that considers inputs from across the business, including sales and marketing, finance, and production. Real-time information from all your locations is critical for reducing stock-outs and customer lead times.

2 Optimise your inventory

At first glance, holding enough inventory to cover peak demand makes business sense, enabling you to fulfill every customer order quickly and efficiently. But in practice, your cash is nearly always better off deployed in other parts of the business. And for chemical companies, surplus stock increases risks related to shelf life and lot control.

It's why many enterprises are choosing to optimise their inventory: rationalising the number of ranges they carry and finding ways to reduce surplus inventory. They're also calculating significantly more accurate buffer levels, and buying smaller runs of stock more frequently.

3 Confirm your success

Effective reporting is key to determining the success of any optimisation plan, improving the accuracy of your demand planning based on facts, not guesswork. From lead-time variability to forecast accuracy, you need real-time access to a single source of data truth.

But with many chemical companies still running disparate business systems across functions and global locations, it can be difficult to extract the data that's required without extra staff or affecting day-to-day operations.

These steps all add up to a more efficient production line. But the right implementation is key to preventing an increase in stock-outs and unfulfilled customer orders.

The modern solution? Your inventory, managed in an instant.

In the fast-moving chemicals industry, you need a best-fit inventory solution specifically designed for today's global operating environment. With an increasing focus on compliance, consistency between runs, and the safety and efficacy of your products—as well as the demand for greater personalisation in local markets—inventory management is becoming increasingly complex.

Sage Business Cloud is the simple answer. It's the business management solution that's designed to deliver maximum growth to chemical companies, with a minimum of complexity. Accurate inventory and robust supply chain visibility across the business. With comprehensive inventory tools, your teams will spend less time on order management and demand forecasting, and ensure the optimal stock situation for you, at every moment.



Fast to implement, easy to use

Sage X3 includes Sage Inventory Advisor, which optimises your inventory system by automating your processes. The cloud-based solution can be implemented cost-effectively in just hours—and updated automatically in the background. It's designed for today's mobile world, with functionality available in a standard web browser or on mobile devices. And, because it's built on highly scalable infrastructure, it will grow right along with your business.

"The real-time nature of Sage X3 means we always have accurate data available to our customer service, accounting, and manufacturing departments."

—Anne Robinson, IT director, Alloy Polymers



Quality forecasts, quickly produced

It's important to be instantly up to date with the latest activity. That's why Sage X3 uses dynamic forecasting and planning capabilities to manage your inventory levels. A simplified approach to planning future replenishments, graphic representation is utilised to help you optimise inventory across multiple warehouses and locations to ensure virtually unlimited capacity. Inventory monitoring shows stock movements and provides early warning of the stock-outs or surplus orders that would affect your customer service.

"We never seriously evaluated any other solutions. Sage X3 delivers what we need."

—Myra Hager, chief information officer, ABC Compounding, Inc.



Smart reporting, available anywhere

The user-defined dashboards and configurable inquiries in Sage X3 provide you with the critical insights you need, wherever you are in the world. Identify your best- and least-capable suppliers so you can make the most effective purchasing plans and reduce your exposure to risk. Choose from a huge library of predefined reports or create your own, or output data into a variety of Microsoft, HTML, or PDF files.

"Sage X3 offered the best combination of functionality, technology, value, and implementation methodology of the systems we evaluated."

—Terry Steinberg, vice president and CIO, Aceto Corporation

Start managing your inventory for the way chemical business works now.

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