

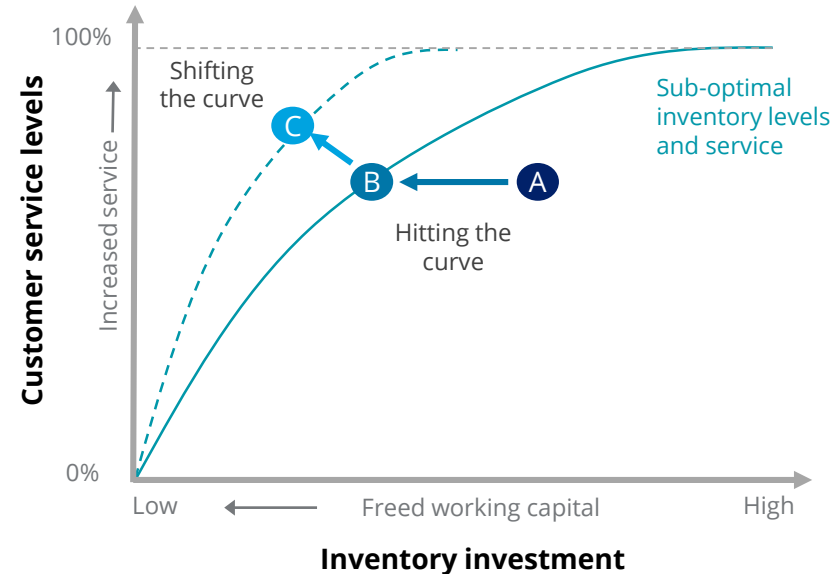
# Intelligent Inventory

Right-size inventory and improve underlying drivers of inventory

Rapid diagnostics and continuous insight into what inventory is needed and why with scenario analysis capability to define how to make improvements

Deloitte's Intelligent Inventory application powered by the Anaplan platform addresses key inventory challenges applicable to organizations including inaccurate target estimations, lack of insights from large scale data, and the need to assess the impact of shifting market conditions. It enables dynamic statistical calculations of inventory parameters, AI / ML insights into drivers of inventory, and scenario planning to make effective decisions




Figure 1. Optimization Journey



Start first by **hitting the curve** - determine what inventory is needed based on your supply chain capabilities to optimize inventory and remediate excess and insufficient inventory. Then focus on **shifting the curve** - improve your capabilities around the drivers of inventory to increase service while reducing working capital requirements.

## Intelligent Inventory capabilities

Deloitte's Intelligent Inventory application addresses systemic inventory challenges through inventory segmentation, optimization algorithms, and digital twin capabilities:

- 
**Inventory segmentation**  
 Classify inventory items based on standard cost, revenue or quantity sold (ABC), and variability of their demand (XYZ) and assign desired service level targets to optimize inventory position.
- 
**Statistical and AI / ML analysis**  
 Calculate stock required to meet desired customer service levels using three inventory management models— min/max, economic order quantity, and days of supply. New AI / ML insights will expose opportunities to reduce working capital by eliminating excess inventory investment.
- 
**Scenario analysis**  
 Conduct real-time what if analysis using multiple inventory drivers including service levels, lead time, forecast error, or supplier uncertainty to assess the impact on inventory.

Start the conversation

Ken Olsen  
 Managing Director, Deloitte Consulting LLP  
 keolsen@deloitte.com

Heath Rupert  
 Sr. Manager, Deloitte Consulting LLP  
 hrupert@deloitte.com