



MULTI-ECHELON INVENTORY OPTIMIZATION

Inventory optimization software has the prescriptive-analytic capability to optimize policies and plans at all levels for best-possible net outcomes. This means continually updating multi-echelon stock levels and auto-adjusting recommended inventory levels for demand variability, resulting in maximized service levels, customer satisfaction, and net margin.

The Challenge

Global competition, offshoring, transport costs, commodity prices, and fickle consumer demand inflate inventory levels and costs - not just carrying costs from tied-up working capital, but lost sales from stockouts, or write-offs and price mark-downs due to overstocks and obsolescence. The solution to these challenges starts with forecast accuracy and improves markedly with exceptional optimization modeling, process automation, and cloud-based collaboration.

CCH® Tagetik Supply Chain Planning for Inventory Optimization

ERP systems (MRP, DRP, APS, etc.) are big investments that facilitate transactions, historical reporting, and even financial consolidation. However, they're not geared to fine-tune supply planning. That requires a specialized solution such as CCH® Tagetik Supply Chain Planning (formerly Vanguard Predictive Planning*) for Multi-Echelon Inventory Optimization (MEIO), which can optimally balance service levels and safety stock for maximum benefit.

Detailed simulation and optimization adjust for complicating factors such as seasonal demand, limited historical sales, and more. Supply planners have unlimited simulation and what-if capability, down to the part level. With great precision, CCH® Tagetik for MEIO can shift system-wide inventory up or down depending on service level, strategy, and other key factors.

With CCH® Tagetik, organizations can let the system optimize safety stock levels based on inventory strategy and service level requirements. There are multiple benefits:

- Model trade-offs between service level and cost
- Run discrete event simulations to evaluate results of competing plans
- Improve inventory turns
- Reduce stockouts and holding costs
- Maximize service level, revenue, and margin

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BENEFITS

- Reduce stockouts
- Improve customer service levels
- Optimize safety stock
- Reduce lost sales
- Decrease customer turnover
- Reduce holding costs
- Improve inventory turn



FEATURES

- Integrated Demand Planning and MEIO on a single screen
- Lead time analysis and variance
- Prescriptive analytics-based order optimization
- "What-if" scenario modeling
- Automated multi-warehouse rebalancing
- Visualization of order scheduling
- Dynamic financial impact analysis
- Spare parts replenishment optimization



SUPPLY PLANNING & OPTIMIZATION

- MEIO
- Heuristics
- Cost Optimization
- Materials Planning
- Monte Carlo Simulation
- Stochastic Optimization

*Wolters Kluwer acquired Vanguard Software, a global provider of cloud-based integrated business planning (IBP) solutions, extending the award-winning CCH® Tagetik corporate performance management (CPM) expert solution into sales and operations planning, including supply chain planning.

About Wolters Kluwer

Wolters Kluwer (WKL) is a global leader in professional information, software solutions, and services for the healthcare; tax and accounting; governance, risk and compliance; and legal and regulatory sectors. We help our customers make critical decisions every day by providing expert solutions that combine deep domain knowledge with technology and services. Wolters Kluwer reported 2020 annual revenues of €4.6 billion. The group serves customers in over 180 countries, maintains operations in over 40 countries, and employs approximately 19,200 people worldwide. The company is headquartered in Alphen aan den Rijn, the Netherlands. Wolters Kluwer shares are listed on Euronext Amsterdam (WKL) and are included in the AEX and Euronext 100 indices. Wolters Kluwer has a sponsored Level 1 American Depositary Receipt (ADR) program. The ADRs are traded on the over-the-counter market in the U.S. (WTKWY).

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