

Empowering Millions Of SME's Globally Through StockWise

StockWise



Aligning Inventory with Real-time Demand

Supply Chain Inventory

Inventory is the biggest driver in the supply chain. Every FMCG company sells through their supply chain which mainly constitutes of Distributors and Retailers. The Retailers do the actual selling to end consumers. The efficiency and profitability of the principal company depends on the efficiency of the supply chain.

We have taken the example of Nestle's Maggie inventory as an illustration of inventory distribution/availability at different levels in the supply chain.

In 2015, Nestle had a total of 27,420 tonnes of Maggie stocks at various points of its supply chain. Out of the total stock

- 5.2% (1422 tonnes) of the stock was at Nestle India's 5 factories
- 32.7% (8975 tonnes) was held in its 38 distribution centers
- 25.5% (7000 tonnes) was with distributors
- 36.6% (10020 tonnes) was with the last mile i.e. 3.5 million retailers

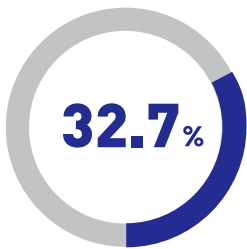
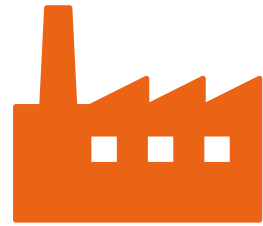
Collectively 62% of the total inventory across the supply chain was held by the distributors and retailers who are SME.

Source: Mint Nestle's available stock across the supply chain

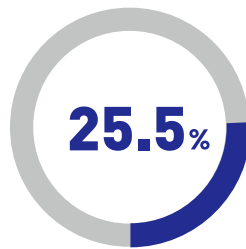
To put this in perspective



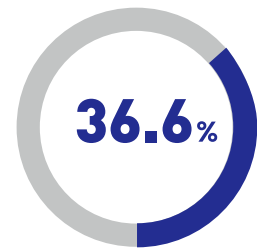
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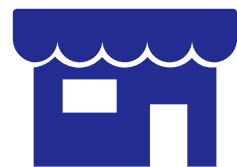
was with
distribution centers



was with
distributors



was with
retailers



The two core operational issues across the globe are Overstocking and Understocking.

Overstocking negatively impacts the average inventory turnaround time, resulting in unprofitable practices such as discounting or other forms of promotional activities;

Understocking, means an empty aisle. Besides high prices, one of the primary reasons for customers to move towards the exit door with an empty cart is an "Empty aisle".

Out-of-Stock: **57%**

An out-of-stock problem is a lot more than just an empty shelf. In the mind of the consumer, an Out-of-Stock occurs every time they come to the store ready to buy, but leave without purchasing an item for a reason other than it being priced less elsewhere.

Over-Stock: **43%**

Any situation wherein a retailer has on hand more stock of a particular item than is supported by current demand for that item. The two main or popular resolutions for these Overstocks are discounting and spoilage, one of which must take place to reduce the Overstock.

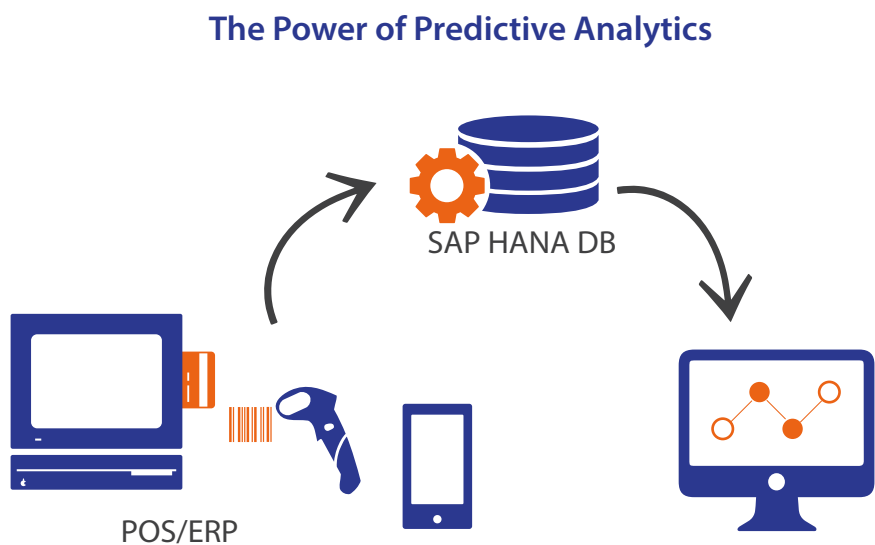
Both Out-of-Stock and Overstock are problems of execution. While the result of out-of-stock is a sale lost to the retailer's competition, the result of overstock is a hit to the bottom line.

Lack of visibility of real-time inventory information to the decision maker is a technical problem. Relational databases are not able to compute demand at the granular level on real time basis for retailers having hundreds of stores and thousands of SKU's, due to scalability issues.

Our Approach

Inventory management efficiency is the key to SME's profitability & cash flow. Ensuring the availability of the right product at the right time, will help retailers maximize profits. Enabling Retailers & Distributors with visibility of possible demand and suggested ordering can improve their profitability.

Accelerated computing and responsiveness to solve inventory problems in real time is the need of the hour. They can benefit tremendously by taking every day stocking/purchasing decision using the power of SAP HANA.



1. Real-time Visibility:

Empowering the SME retailer by giving him access to 'Real-time' data related to

Inventory	Sales	Purchase
Stock movement	Stock aging	Sales loss due to Stock outs
Excessive Stock	Purchase Efficiency	Sales Trends

Real-time data leads to an actionable intelligence, which in turn allows SME's to access continuous and current information about their business to make better decisions and react promptly to demand and supply changes.

2. Predictive Analytics +

An average SME retailer deals with 1000-15000 SKU's. The consumer preference and demand is dynamic in nature. Current unscientific, gut or intuition based ordering and a manual purchasing practice will result in a stock out or over stocks of inventory. StockWise computes demand every day based on the latest data at a granular level using the compute power of SAP HANA. These insights are provided as a mobile dash board assisting them in deciding how much inventory to procure or reduce.

3. Clustering / Pooling:

SME retailers miss out on a wide variety of schemes and benefits from Manufacturers. The SMEs purchasing capability does not command bargaining power. The only viable solution involves forming clusters with other SMEs which enables them to buy as a group at a better price. Retigence will enable these SMEs in deciding the optimum quantity to purchase with or without promotions in real time.

Case Studies:

50%



Reduction in Inventory

A leading mobile store chain reduced their inventory by 50% in less than 6 months

15%



Increase in Sales

A grocery chain in south India increased their availability by 10% and sales by 15%

33%



Dead Stock Identification

Identified 33% worth of the whole inventory to be returned to the vendor in less than 30 days

10%



Reduction in Purchase Levels

A pharma retail chain reduced purchase by 10% while maintaining sales levels

About Us

Retigence, a Bengaluru-based start-up, was founded in 2015 as a real-time, predictive analytics company focusing on supply chain optimization. Retigence aims to help their clients improve their inventory turn, free up working capital, and reduce excess inventory. StockWise, the inventory optimisation software, empowers the users by predicting the customer demand at a store SKU level, on a daily basis while also providing actionable insights on excess and non-moving stock. Retigence is a member of the SAP start-up focus.