

INDUSTRY &gt; Consumer Products Goods Company



# REVOLUTIONIZING INVENTORY MANAGEMENT: LETSI

## THE HIGHLIGHTS

The consumer products company faced challenges with global inventories and SKU turnover, leading to **non-performing inventory and unsustainable reduction efforts**. Clear leadership declarations initiated a solution process, dismantling business silos and introducing the **Learning to See Inventory (LETSI)** tool.

LETSI facilitated a 10% reduction in finished goods inventory without compromising service levels. Similar cost reductions were achieved in raw and packaging materials. **LETSI's widespread adoption across the organization complemented by its integration into SAP Business Warehouse** ensured its permanent embedding, addressing systemic issues effectively.

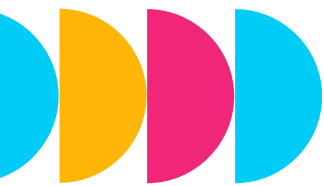
## THE HEADLINES



# 10%

Reduction In Finished Goods Inventory Without Compromising Service Levels





## THE DETAILS



### SITUATION

A consumer products company faced consistent global inventories with significant variation across businesses and supply chains. **High SKU turnover and differing success rates of new SKUs contributed to non-performing inventory.** Previous reduction efforts faltered due to "just in case" inventory decisions.

### PROBLEM

- Significant SKU turnover
- Efforts to reduce inventory were not sustained
- No visible business metric for all
- Business operating in silos

### SOLUTION

To address systemic issues, clear leadership declarations established corporate and business unit goals. Business silos were dismantled while exploring effective tools. The **Learning to See Inventory (LETSI)** tool emerged, known for its simplicity and visibility. LETSI, a graphical display of inventory by SKU, **enabled planners to identify dead stock and make adjustments without creating service risks.** Up to 10% of inventory was found to be dead stock, largely eliminated through LETSI interventions. Its integration into SAP Business Warehouse facilitated global accessibility, embedding LETSI capability permanently into the organization.

### BENEFIT

- 10% reduction in finished goods inventory
- Service levels uncompromised
- Similar cost reductions in raw and pack materials
- Widespread adoption of LETSI across the total business



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