



Inventory Management Secrets  
for Warehousing & Fulfillment



# Inventory Management Secrets for Warehousing & Fulfillment

At the heart of successful order fulfillment is **effective inventory management**; the process of receiving, storing, moving and shipping products or goods within the supply chain. According to The Supply Chain Council, fulfillment is defined as 'perfect' when orders are delivered at peak performance -- they arrive on time, with complete and accurate documentation, and no damage or missing parts.

In order to achieve this optimal standard for fulfillment, the management of inventory through the supply chain must be perfect as well. This white paper explores some of the key secrets to perfecting inventory management, using technology and optimized processes and/or systems to ensure accuracy and on-time delivery.

## Secret #1:

Improve demand management with sensing and shaping technology.

*In most industries, demand is volatile and constantly fluctuates. It can be a challenge for retailers to maintain the appropriate inventory while keeping overhead costs manageable. Supply chain management companies can facilitate optimized inventory management by using **Demand Sensing and Demand Shaping technologies** that improve planning and result in more accurate forecasting.*



- **Demand Sensing:**

Using any given product's demand history, fulfillment companies can apply new applications that will better analyze that history to identify patterns. Knowledge of these patterns will enhance the accuracy of forecasts, so that warehoused inventory can be better managed throughout the sales cycle to reduce overhead costs while maintaining inventory levels to meet current demand.

One such application is a **Demand Signal Repository (DSR)**, which is a database that stores and harmonizes various data attributes in order to organize large volumes of demand data. DSRs capture real-time demand signals across multiple channels, then processes the data to reveal patterns. DSRs continue to evolve and improve as new sources of demand data become available, such as social media mining.

- **Demand Shaping:**

Companies can stimulate demand and maximize their profitability with product promotions that are implemented with technologies such as **Trade Promotions Optimization**. TPO compliments Demand Sensing by incentivizing demand through activities such as dynamic pricing or product substitutions, and managing optimization automatically via technology.

## Secret #2:

Meet consumer expectations with Global Order Promising.

*Customer and end-consumer expectations are constantly on the rise, prodding fulfillment companies to actively improve the speed of delivery, better fulfill commitments to their key customers, and accurately and reliably meet their order promises in general.*

**Global Order Promising (GOP)** is a method of increasing on-time delivery, improving the reliability and accuracy of order promises, better managing commitments to key customers and more. It also maintains a company's visibility of their manufacturing, supplier, and transportation capacity while promising orders to optimize their inventory management.





**Secret #2:**

Meet consumer expectations with  
Global Order Promising.

- ***On-Time Delivery:***



Most fulfillment companies have multiple locations for manufacturing and distribution, so they must be able to quickly and accurately identify the appropriate and optimal location from which to ship in order to ensure the swiftest delivery. GOP systems offer solutions such as comprehensive sourcing rules, multi-level component/resource checks, and analysis to allow companies to effectively promise against their key component suppliers' capacity.

- ***Key Consumer Commitments:***



Whether a company is attempting to grow into new markets or needing to meet commitments to key customers, inventory management often includes special rationing or allocation of specific products and resources. GOP has systems that can allocate materials from multiple sales channels to align with *your business strategy*. This can be based on forecasts, constrained demands, changes in business objectives, and more.

- ***Accurate & Reliable Order Promises:***



Today's customer expects accuracy and reliability with order promises, and failure to fulfill can result in catastrophic loss of business. GOP systems offer *guaranteed availability of accurate information, real-time updates, and timely execution*. These systems often support complex configure-to-order products as well, including multi-level configurations that are produced across multiple levels of your supply chain.



### Secret #3:

Effectively modify fulfillment processes with globally-distributed order management.

*An emerging method of improving fulfillment is to put business managers in direct control of the order management processes that fall under their responsibility. Instead of one-size-fits-all fulfillment processes that sometimes try to fit a square peg into a round hole, this diversified distribution of control allows each manager to curate their processes for the optimal performance of their distribution center, **which improves the company's performance worldwide.***

Globally-distributed order management/orchestration further allows companies to identify and resolve problems before customers are affected. Instead of following overlapping and redundant processes that result in enterprise-wide inefficiencies, business managers on the location or regional level can more accurately and effectively modify their fulfillment processes in tandem with business evolutions.

By managing fulfillment channels more acutely to address local needs, the important factors of order management metrics (inventory management, customer experience, and delivery times) are maintained and likely improved.



## Advantages of Hollingsworth's Inventory Management

*Hollingsworth is a leading order fulfillment and supply chain management company, with over 26 years of expertise in inventory management. Our customers experience the top level of service with dedicated account managers, in addition to key features of service including real-time visibility and management of their inventory and open orders. Service fees are transparent without any hidden surcharges, and our nationwide network of manufacturing and distribution centers supports the ability to easily scale service to meet the growing needs of our customers' businesses.*

*Our warehousing services are designed to meet the needs of a constantly changing supply chain. For example, handling units can coordinate individual batches that are HU/SU traceable, with RF and RFID-enabled transfers and complete transfer histories. Items are stored in a variety of ways including open storage, bulk row storage, and sectional storage.*

