

→ Channel Inventory Optimizer™



Leveraging InfoNow's Channel *Insight*™ solution, Channel Inventory Optimizer draws upon validated inventory data, combined with your business rules and recent sales trends, to plan, manage, and optimize channel inventory.

Channel inventory is the foundation of your business. Having the right products in the right places at the right time and price can mean sales growth, improved margins, and satisfied customers. Conversely, a channel burdened by obsolete and excess inventory, or product that is incorrectly staged to meet sales needs and promotions, prevents you from effectively capitalizing on market opportunities, while driving up costs across the channel. Without real-time channel inventory visibility, you risk gray market leakage and lost revenue. As a result, it's not enough to simply manage where products are currently located. To turn your channel inventory into a competitive weapon, you must optimize the balance of inventory value, location, and anticipated demand.

Channel Inventory Optimizer™

InfoNow's Channel Inventory Optimizer takes channel inventory management to the next level by combining: visibility into product at every channel partner, system-calculated expected inventory quantities, and recent sales trends to give you a 360 degree view of your most valuable assets. It helps you minimize inventory cost and exposure to price changes, achieve optimal channel inventory deployment, and implement proper controls.

In addition, you can't talk about inventory without talking about customers...what they buy, when they buy it, and what they are paying. Linking real-time end-customer demand all the way back across the channel from sales to staged inventory to production planning that is based upon actual demand signals yields the highest channel inventory velocity and customer responsiveness. Channel Inventory Optimizer provides the

required channel visibility as well as the means with which to effectively manage inventory deployment strategies.

The Right Product Information

The fundamental requirement for optimizing channel inventory is timely, accurate, and complete product information. It begins with your product catalog, and includes inventory transactions to and from channel partners and end customers, inventory receipts information, as well as product sales data.

Channel Inventory Optimizer removes the complexity and discrepancies from your inventory data and management processes. It automates the collection of channel partner inventory data, accurately identifies your products through an automated matching process, and delivers a clear audit trail to ensure compliance. Whether you need to manage thousands or millions of channel inventory transactions, with Channel Inventory Optimizer, you always have the most accurate, timely, and complete channel inventory information with which to make your critical product planning and pricing decisions.

The Right Inventory at the Right Place at the Right Time

Reported inventory transactions from the channel tell you what inventory you have at what location at a point-in-time. But in order to optimize your inventory strategy, you need to understand if reported balances are accurate, and where inventory should be in the future.

Channel Inventory Optimizer addresses these optimization challenges in two key ways. First, using the history of inventory transactions across the channel, it calculates the expected inventory balance at each location and compares that with the reported actual balance. Discrepancies may indicate gray market activity, inventory shrinkage, or poor reporting practices from the affected partners. Next Channel Inventory Optimizer evaluates product sales over a defined period to calculate an average daily sales volume. It applies this factor to your on-hand balance to compute "days sales on-hand." This information, combined with planned promotional activity, is a key driver of inventory placement and production planning.



At the Right Price

The only thing constant about product pricing is change. Whether it's reacting to constrained supply, responding to a competitive threat, or the need to push aging inventory out of the channel, price changes must be implemented, some of which can affect price protection commitments.

Channel Inventory Optimizer solves the problem of channel inventory pricing management by providing the ability to test a price change and see its effect on inventory valuation and price protections. Based on collected inventory pricing history, Channel Inventory Optimizer can calculate the current price for all of the inventory in the channel, and compare that to the proposed price as well as the protected price. As a result, you will be able to always make the optimal pricing decisions based upon an accurate view of impact to the bottom line.

Lastly, the CFO demands accurate inventory, pricing and shipment information in order to comply with revenue recognition rules. In today's regulatory environment, it's not just about getting the numbers right, it's also about staying out of court. Channel Inventory Optimizer provides the finance department with the accurate information they need to meet revenue recognition requirements.

Driving Results to the Bottom Line

Companies that have solved the channel inventory optimization riddle point to growing market share, reduced gray market losses, lower inventory costs and improved product velocity through the channel. With the ability to react decisively by planning and staging inventory based on market imperatives, these companies have learned to leverage best practices to achieve a competitive advantage. Benefits include:

- » **Minimized inventory** costs and exposure to price protection commitments through accurate price visibility and impact assessment

- » **Improved customer service** and revenue through optimized channel inventory placement, pricing, and demand alignment
- » **Accurate channel revenue recognition** due to timely and complete matched inventory transaction information
- » **Reduced gray market losses** due to calculated inventory information
- » **Lowered inventory losses** due to excess and obsolete inventory in the channel

Most importantly, linking channel inventory management with the rest of your channel processes provides the foundation and tools to optimize your channel performance across finance, sales, and marketing activities.

About Channel*Insight*

Channel*Insight* is InfoNow's on-demand Channel Performance Optimization solution. It augments existing ERP, CRM, PRM and compensation systems to provide channel best practices and results to finance, operations, sales, and marketing departments. Leveraging automation and proprietary technologies to gather and process accurate and timely manufacturer channel sales and inventory data, it optimizes this information to provide actionable insights for use across your entire enterprise.

About InfoNow

InfoNow's on-demand Channel Performance Optimization solutions provide global technology manufacturers with visibility into every channel relationship and interaction in real-time, allowing them to gain the insight necessary to find the best mix of channel actions that grow revenue and reduce cost in order to achieve sustainable competitive advantage. Combining industry best practices with patented technologies, InfoNow's services are SAS Type II compliant to ensure timely, accurate, and complete channel insights to optimize business processes. Our global Fortune 1000 high-technology clients trust us to process over 120 million POS and inventory transactions per year delivering channel visibility, agility, and control.

For more information about our solutions, contact us at **866.868.INOW** or visit www.infonow.com.

Channel*Insight* CPO Portfolio

