

# Smart VMI



Manufacturing companies across industries struggle with a remarkable balancing act: they must try to maintain minimal-to-no excess stocks but still keep the right products available to fulfill unpredictable customer orders, and at the same time manufacture in large batches to achieve efficiencies of scale. Besides demand forecasting, the implementation of Vendor Managed Inventories (VMIs) has been a rare pain reliever in this struggle.

## The challenge: Excess stock is pure waste – but cutting it is difficult

Excess stock is a wasteful symptom of undeveloped supply chain processes. Excess stock leads to write-offs, raises the risk of obsolescence, requires physical space for storage, and above all costs money - needlessly.

Today's business environment pushes us to minimise stock levels throughout the supply chain, from raw materials to products in distribution centres to those products customers are willing to maintain in their premises

awaiting consumption. All this puts your production planning capabilities to the test – especially since customers seek not only minimal stock levels and short lead times but competitive product cost.

## Our intelligent solutions help you improve your production planning, reduce customers' stock levels and increase sales

### REVENUE INCREASE

- » Stronger partnership with customers
- » Higher barrier against supplier changes
- » Higher likelihood to gain share of wallet due to excellent service concept

### REAL-TIME VISIBILITY THROUGHOUT SUPPLY CHAIN

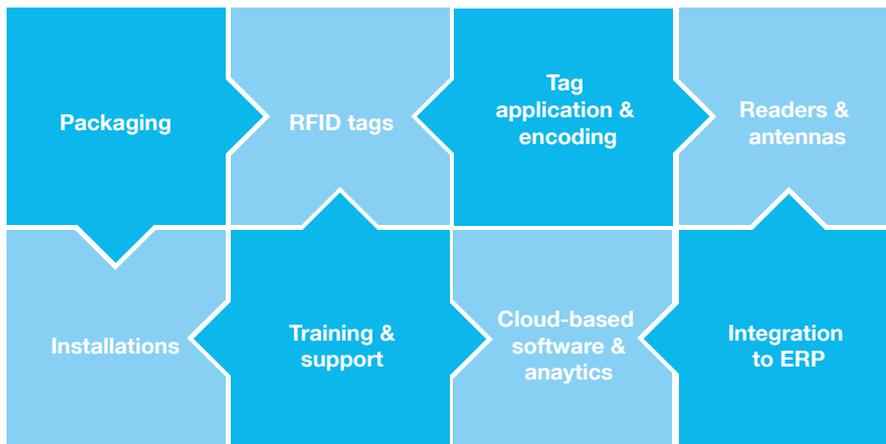
- » Less customer production disturbances due to out-of-stocks
- » Ability to better plan the deliveries
- » Significantly improved management of limited shelf-life items

### LOWER OPERATING CAPITAL

- » Ability to significantly improve production planning
- » Reduced capital tied up in stocks
- » Freed warehouse space



# The Smart VMI solution from Stora Enso



Stora Enso Smart VMI is an RFID-enabled Vendor-Managed Inventory solution that identifies and reports the inbound-outbound movements of items at stock and automates the re-ordering, invoicing and stock-taking processes.

Smart VMI gives you excellent visibility into your customers' operations and the consumption patterns of your products by your customers. Your customers benefit by eliminating manual purchase orders or call-offs, manual stock-takings and manual verification of contents of shipments from you.

When you reach a critical mass of customers using the Smart VMI solution, you can significantly improve your production planning and reduce stock levels across the whole supply chain.

Smart VMI solution knows exactly which products are in stock, which products are being taken into or out of the stock area, which single packages are nearing expiry dates or which item levels are running low and need automatic restocking.

Smart VMI can be implemented for any type of product – even consumables and spare parts or products needing temperature-controlled environments. Smart VMI can be built as a shelf, a cabinet, or an entire storage room.

We help you set up the optimal infrastructure, tools and processes. Hardware is planned in a bespoke process together with your supply chain personnel. Readers and antennas are designed to identify several hundred items per second and with significantly higher accuracy than barcodes. Our network of carefully selected partners will handle installation even in the most sensitive, high-security deployment situations.

Finally, there is no need for integration with your ERP system in order to run a pilot. When moving to full deployment, integration is managed by our IT specialists and leading partners together with your system providers.



## Getting started is easy and risk-free

Schedule a meeting together with one of our experts. Together we will develop a proof of concept and an initial business case. Prior to deployment, the solution is carefully tested using your materials and approved at our Pack Performance Centre.

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