

Midwest and iQ4bis: Controlling Inventory for Better Profits in a Competitive Market Place



A LARGE, COMPLEX ORGANIZATION

Midwest is a designer and wholesaler of holiday items and giftware with approximately 6,500 SKUs in its product line at any given time. The company's 100+ sales reps coordinate promotions and handle sales for 20,000 customers, ranging from mom-and-pop gift shops to large department stores. Each year, the company turns over approximately half its product line and introduces about 50 percent new products. Design of new products to capture the attention of the stores and their customers has to be completed early enough to allow time for manufacture in Asia, and delivery and stocking on the shelves in advance of the appropriate season or holiday. A certain amount of the current products will not sell to meet forecasts, and will have to be liquidated into other sales channels.

Lack of visibility into sales trends had left Midwest with increasing levels of unsold inventory.

SUCCESSFUL INVENTORY INITIATIVE

"We undertook an initiative to decrease our E&O inventory," says Fred Berndt, Midwest's Manager of Sales Analysis and Financial Planning. "In the last year, E&O has been down dramatically. Now we're selecting the right products for stocking our customers' shelves, and managing our inventory in a much better way than in the past. iQ4bis was very instrumental in that success, combined with some new processes and policies that we have implemented as well."

iQ4bis Enables Midwest to Reduce E&O Inventory, Boost Their Bottom Line

BUSINESS CHALLENGES

- Improve seasonal product selection and new product introductions by analyzing market trends and sales patterns
- Increase sales forecast accuracy through better sales analysis
- Reduce E&O inventory through better product selection and better inventory management techniques
- Monitor performance of sales reps and showrooms, and customers' buying patterns and satisfaction

BUSINESS RESULTS

- Improved visibility into product sales trends enables better product selection and sales
- Successful inventory management and improved inventory control contributed to significant reduction in E&O inventory
- Improved access to sales information allows better management of 100+ sales reps and 20,000 customers
- Timely access to operational information enables actionable decisions and minimizes lost business opportunities

WHO USES iQ4bis AT MIDWEST

- Sales Analysis
- Financial Planning
- Inventory Control

BENEFITS FOR MIDWEST

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ASSOCIATED PLATFORM

- JD Edwards OneWorld ERP
- Lotus Notes

iQ4bis VIEWS

- iQ4bis Analysis

KEY REASONS MIDWEST SELECTED iQ4bis

- Needed to extract information from JD Edwards more easily
- Rapid time to benefit, favorable costs
- Needed drill-down capability for analysis
- Wanted to enable better, faster decision making

THE VALUE OF VISIBILITY

"I don't believe we would have been as successful with our initiative to decrease E&O inventory if it weren't for visibility provided by iQ4bis," says Berndt. "It's hard to formulate a real policy that you can work

"Looking at key performance indicators on a regular basis lets us deal with situations as they happen, instead of finding out months too late that we're not focused on the right products, or on the right sales trends."

*Scott Guzek,
Director of IT, Midwest*

toward if you don't have visibility into specifics of the problem. Without that visibility, you're running blind, hoping to make the right calls. iQ4bis delivers the visibility up front to help assess the situation and make policies, as well as afterward to measure and make sure you're meet-

ing your goals."

TIMELY ACCESS TO INFORMATION

"iQ4bis lets us constantly monitor sales reps, showrooms, and customers on a regular basis," says Scott Guzek, Midwest's Director of IT. "Looking at key performance indicators on a regular basis lets us deal with situations as they happen, instead of finding out months too late that we're not focused on the right products, or on the right sales trends. We may have been doing some of that in the past, but it was cumbersome to get

the information. There were delays. By the time we got to the information, it was probably too late to affect the outcome."

Guzek continues, "With iQ4bis we get the information we need to assess selling patterns and seasonality of 6,500 different SKUs. iQ4bis makes it possible to track and manage 100+ reps and 20,000 customers for maximum sales productivity."

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