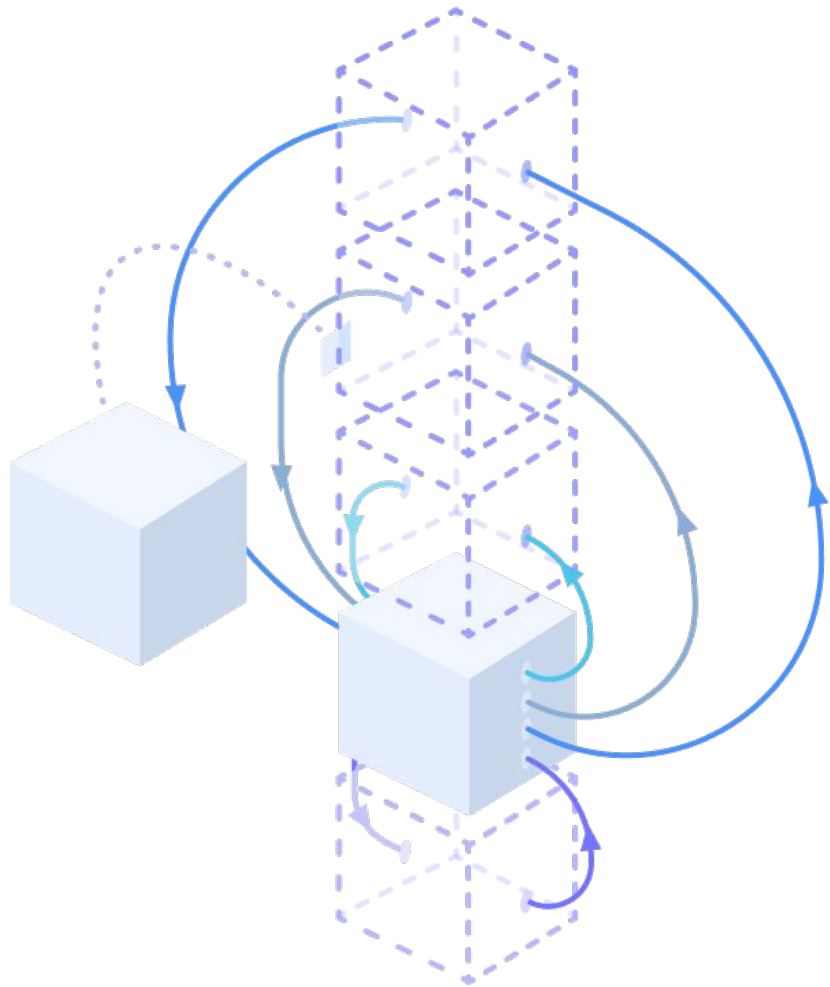


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Inventory Management System (IMS) 101 and How It Will Help Your Supply Chain

By Daniel Magida



There are many thoughts

on what an IMS is and what it does. The most important place to start is to align on what is truly inventory management.

Inventory management

refers to the process of ordering, storing, using, and selling a company's inventory. This includes the management of raw materials, components, and finished products, as well as warehousing and processing of such items.

There are over ten different types of inventory from raw materials, Work In Progress (WIP), Finished Goods to Transit Inventory. This provides a complex network of products not to lose control of. This is where an IMS tool can be helpful.

Simply put, an IMS will help you with the above by tracking inventory levels across locations, orders, sales, and deliveries of your goods across channels. If it goes well, you should never have an out of stock or over stock!

In practice it is far from easy.

First, you need to consolidate all of your parts, suppliers and orders into one central location. From there, you need to connect all of your warehouses, distribution centers, and points of sale. Depending on the complexity of your SC this can take months, or even years.

In order to demystify this process, here are the steps to take to [set up your IMS](#) - whether with technology or manually.

1. Organize all your parts and supplier information into one consistent source
2. Create an easy to follow naming convention for your SKUs that communicates with your POS and suppliers
3. Establish your BOMs (if needed) and how each raw material, component flows into the finished good
4. Understand your inventory levels, lead times, and locations of the following - manufacturers, warehouses, and fulfillment or retail centers
5. Update the data regularly (either through API, barcode scanned or manually)

In order to utilize an IMS to its full capacity, it's important to understand the full lifecycle of your goods and how they communicate with one another. If that understanding isn't baked into everyday workflows then the chances of being out of stock for a period of time becomes a real risk.

Once you setup your IMS, it will help you:

- Centralize your data in one location
- Identify which, and how much, stock to order
- Have clear timelines to order products
- Trace inventory levels from 3PL to point of sales

IMS solutions range in cost from \$100 up to \$1M+.

It is important to know what is right for you and the needs associated with an IMS. These systems typically take months to a year+ to set up so you need to make sure this is a focused effort across your entire organization.

About Anvyl

Anvyl's Production Management Platform streamlines supply chain communication, automates workflows, and delivers real-time production analytics from order to delivery. Companies across the globe use Anvyl to mitigate risk across their supply chains and save millions of dollars in operational costs. Anvyl's digital platform delivers transparency across the supply chain, surfaces key production insights for users, and provides predictive analytics to improve operational efficiency. Visit www.anvyl.com or email sales@anvyl.com to learn more about how Anvyl can help you simplify the production management process.

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