AS ARVATO SYSTEMS

Managing Inventory in the Warehouse by Integrating Suppliers

Vendor Managed Inventory with platbricks

Initial Situation and Suitability

Companies depend on cooperation with many suppliers to purchase their bought-in items when manufacturing or processing their products. That often means that considerable capital is tied up. Therefore, it is advantageous to dispose of the articles efficiently. However, the company must consider many factors such as range, delivery time, production capacity at the suppliers, call-off quantity-dependent unit costs, or production planning for optimal material planning. For this reason, material requirements planning is often very complex and time-consuming.
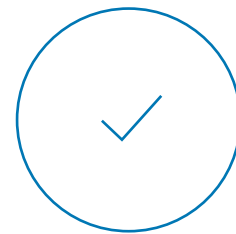
In addition, a high range of diverse parts creates tremendous efforts for human resources and leads to multi-level administration processes in purchasing. If processes are still primarily carried out manually or if IT systems do not have integrated interfaces, the susceptibility to errors increases, which subsequently leads to delivery bottlenecks.

With the help of a consistently integrated and automated vendor-managed inventory solution geared towards standardized products, fast-moving items, and CX products, companies can significantly optimize the processes between the manufacturing or processing company and the relevant suppliers.

What Does Vendor Managed Inventory Mean?

In practice, "Vendor Managed Inventory" means that the supplier takes care of its customer's inventory and replenishment. Replenishment planning is therefore no longer in the hands of the company that purchases the items but the supplier's responsibility.
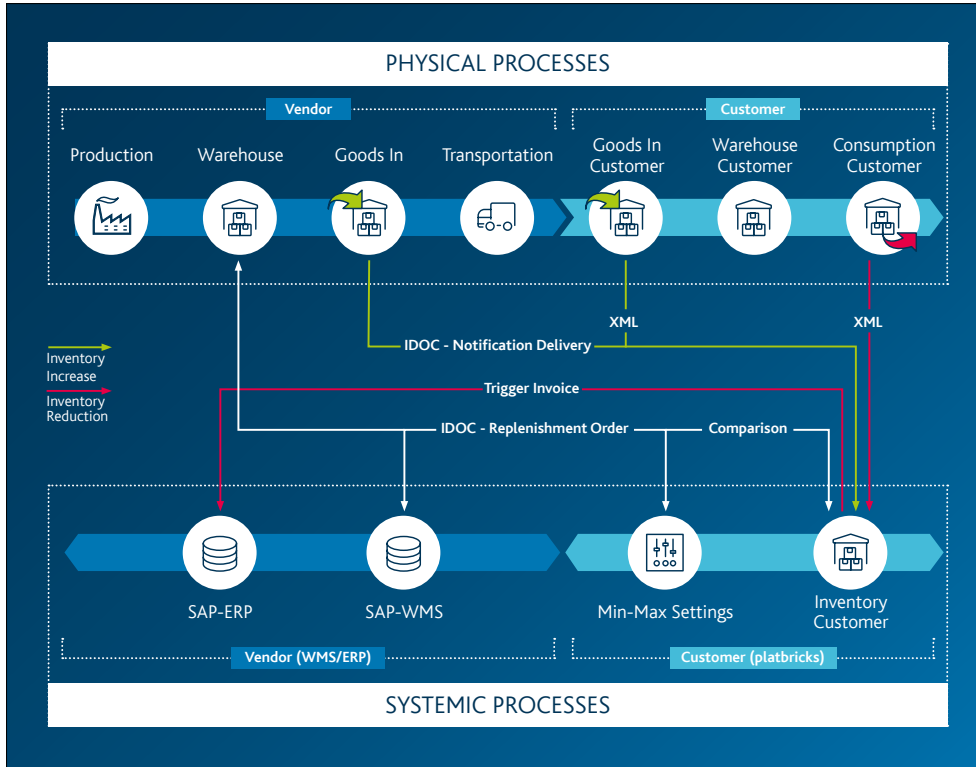
Your Advantages

- **Increased inventory transparency** through integration and digitization of all inventory-relevant processes

- **Increase of inventory security and reduction of bullwhip effects** through process automation and intelligent planning mechanisms

- **Reduction of personnel expenses** for planning and ordering activities through automation of replenishment processes and avoidance of manual double entries

- **Reduction of throughput times** from ordering to replenishment using a consistently integrated IT system, thereby improving delivery capability

- **Responding to demand fluctuations at short notice** through flexible scaling and adjustment of supply points

- **Reduction of distribution costs** through process automation

- **Stronger customer loyalty**

A high degree of digitization and automation are essential to make the process as efficient as possible for both sides. All operations are systemically integrated and digitalized end-to-end. This process starts from the customer's warehouse's withdrawal to picking and issuing goods at the supplier's goods receipt and storage at the final customer.

Handling VMI Processes Simply and Efficiently With platbricks

PHYSICAL PROCESSES

Vendor — Production | Warehouse | Goods In | Transportation
Customer — Goods In Customer | Warehouse Customer | Consumption Customer

XML — IDOC - Notification Delivery — XML

Inventory Increase
Inventory Reduction

Trigger Invoice

IDOC - Replenishment Order — Comparison

SAP-ERP | SAP-WMS | Min-Max Settings | Inventory Customer

Vendor (WMS/ERP) — Customer (platbricks)

SYSTEMIC PROCESSES

Why VMI with platbricks

– Easy and flexible expansion of further VMI locations in self-service possible (even international)

– Independent parameterization of replenishment rules per customer, increasing the degree of automation and significantly reducing process costs

– The any-device approach enables the use of different mobile devices and wearables

– Standardized interfaces allow seamless integration with SAP and Navision

– Extensive role and rights settings allow individual access control

– Fulfillment of high data protection requirements

– Short training times for users due to intuitive operating concepts

With the help of our Microsoft Azure-based cloud logistics platform platbricks, the following activity steps and service contents are possible in the VMI process:

1. The administrator maintains the VMI customers (client, location, plant, etc.).
2. The planner creates VMI materials and maintains the minimum quantities
3. The VMI customer determines the maximum quantities
4. The VMI customer records the stocks
5. The VMI customer reports consumption (e.g., via XML, CSV, etc.)
6. The VMI customer reports sales orders in the future (XML)
7. The planner schedules based on the minimum and maximum quantities
8. The supplier delivers the customer orders
9. The VMI customer records the delivered quantities (goods receipt) based on the notified deliveries

▶ Watch the demo video now!

You have questions, need information or a contact? Get in touch with us.

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