



**Trek Global**

**How to Better Forecast  
Inventory with Cloud ERP**

# Overview

With a comprehensive cloud ERP you can successfully use real-time calculations in order to determine the optimal investment in inventory to keep on hand.

In this episode Joel and Lincoln discuss the time and labor spent as your buyers are trying to think through manually calculating, analyzing, and forecasting in order to meet adequate inventory levels.

They cover these issues, the solutions to them, and provide some industry examples.

# Over purchasing: Challenges

- The result of not having the right products in stock especially for retailers is that you are going to lose that sale
- Inventory that is sitting on your shelf, not moving, is an out of pocket expense
- The expense can strategically prevent you from spending money on other items you should be spending money on in order to help you to grow and become a bigger and better business

# Over Purchasing: Solutions

## Replenishment Rules with Cloud ERP

- An age old warehouse management min-max on the products
- When you put that into a cloud ERP system it can use that data, analyze the min-max levels, and provide algorithms that you can set-up and apply to each product
- Cloud ERP can grab hold of that data and use it to suggest to your buyers what needs to be purchased.

# Under Purchasing: Challenges

- Over purchasing vs. under purchasing
- There's a fine balance between not having too much product, but having the right products

# Under Purchasing: Solution

## Cloud ERP

- Cloud ERP keeps track of historical data
- You can identify the kinds of items that ramp up or ramp down during certain periods of time
- Accumulated data coming out of cloud ERP is something that can help you be efficient as a buyer

# Having The Right Products: Challenges

- There's a fine line between not having too much product, but having the right products
- A big part of planning your inventory levels has to do with being able to look at the lead time between when you can order a product and when that product can arrive
- You can either use it in your manufacturing process or you can move it out to your customers.

# Having The Right Products: Solution

## Cloud ERP

- You can optimize the amount that you're spending by planning what to order on a long lead time at a lesser price and what to backfill to have really good prompt delivery of items to your customers
- This is complicated for someone to manage manually
- An effective cloud ERP system that is feeding this kind of information is the solution
- Based on this info, you can make the best possible decisions, save money, and have happy customers



# Conclusion

## Challenges

- Having too little inventory which leads to unhappy customers and lost sales
- Having too much inventory which leads to expending unnecessary capital; sometimes even complete loss of the money if the inventory is never used, and cost in overhead and processes of people managing that extra inventory

## Solution

- Cloud ERP gives you the data to solve both of those problems and helps you target in that narrow strip in the middle which is having just exactly the right amount of inventory to fulfill, immediately
- Cloud ERP helps you to meet your customers expectations and make them happy, but not be stocking too much and spending too much on inventory overages

For more information on this topic, listen to the full audio podcast: [trekglobal.com/erp-resources/podcasts/how-to-better-forecast-inventory-with-cloud-erp](https://trekglobal.com/erp-resources/podcasts/how-to-better-forecast-inventory-with-cloud-erp)

Additional topics can be found at: [trekglobal.com/erp-resources/podcasts](https://trekglobal.com/erp-resources/podcasts)