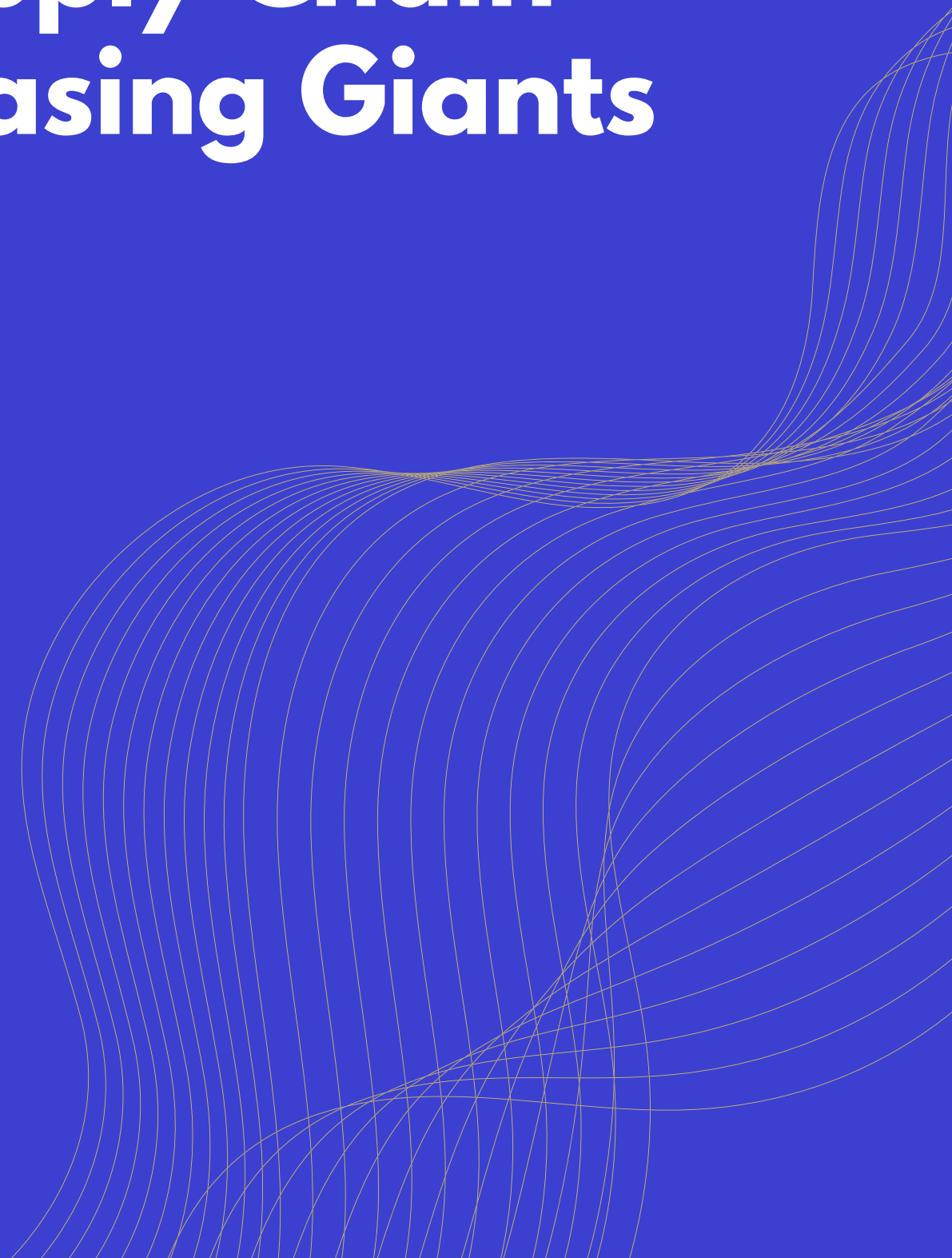




WHITEPAPER

Supply Chain Chasing Giants



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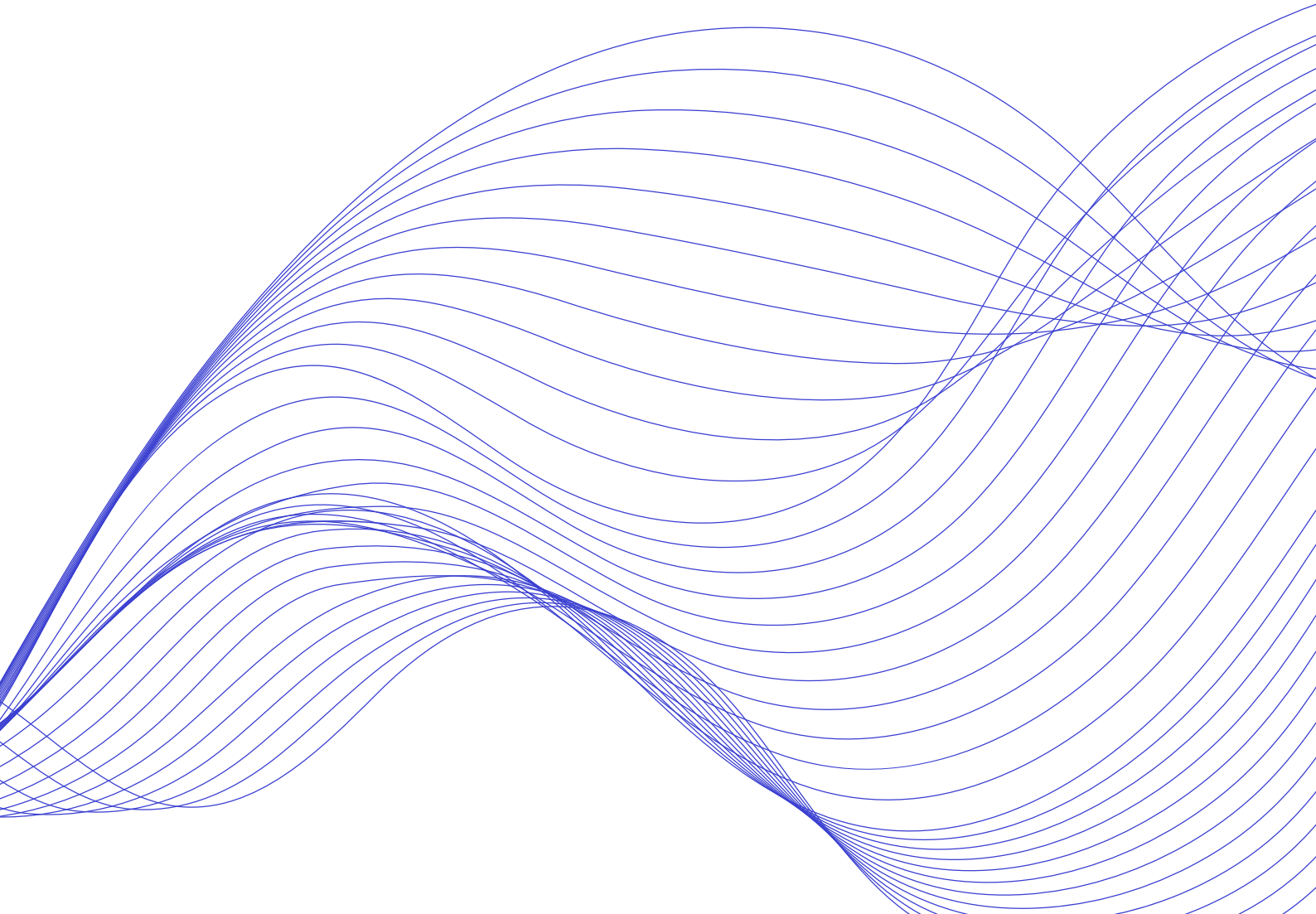
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Save time, save life



The power of 35 million

SMEs are the backbone of the business world. They make up 99.7% of all enterprises and 60% of total employment, and they generate between 50-60% of value added on average [1]. The total number of SMEs is close to 200 million around the world, and many if not most of them are one man shows.

A critically important part of this big number are the companies which have a real chance to give the Giants a 'run for their money', at least on the local scale. These are the companies that are ready to compete with Amazon and other multinational leaders.

It could be around 35 million companies worldwide, and these are our heros. We are here to help them with sales forecasting and automatic replenishment to be more effective, to be ready to compete with the leading companies in the world. It won't be easy: those leaders that more or less control the markets have teams of brilliant mathematicians and data scientists working 24/7 with the best technologies to become more and more efficient.

Below is a representation of this specific world of small and medium-sized enterprises. Every dot represents one company, with color representing annual revenue, red for lowest revenue and blue for highest revenue, with some shades in between.



Representation of 35 million SMEs



This sector represents approximately 5 million SMEs



This sector represents approximately 500K SMEs

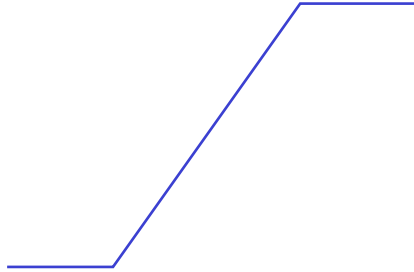


Local heros are always ready to fight with the Giants

The real power of SMEs is in decentralization. When you take away several dots from the picture above, nothing much will happen, and they'll stay as strong as before. On the other hand, if you eliminate a big corporate giant, everything changes. Remember Lehman Brothers? Worldcom? Sears?

Our mission is to help the SMEs from the first picture above, to bring them state-of-the-art technology for sales forecasting and automatic replenishment, just like the Giants have. But this help should be simple and ready for real time connection to their core systems.

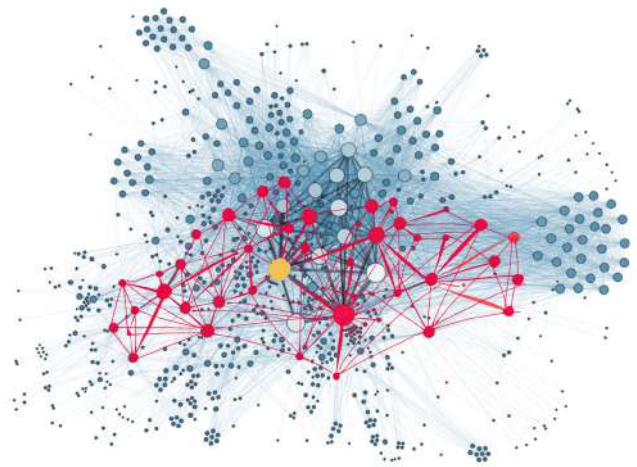
Meaning of Supply Chain



“Supply chain is one of the last areas in a company where you can make a huge change with reasonable cost.”

But Supply Chain is the most ignored area in SMEs, and this is why we believe that we can change the world. We believe we can help these SMEs see the real meaning of Supply Chain, and that includes every small and medium-sized company in the world.

Supply Chain is a network made up of your customers, your company and employees, and your suppliers. You can see your supply chain as a fragile ecosystem that needs your constant attention, energy, and focus.



Every Supply chain is a dynamic system

Supply Chain should be seen as a dynamic system. Every connection with your supplier evolves over time. For example, lead time is the time your supplier needs to fill your purchase order. It starts with receiving that purchase order, but it continues until the moment when you receive the order to your warehouse and make it on-hand inventory, ready to sell to your customer.

Remember, only if the last customer in the supply chain can pay to purchase the product will the supply chain make a profit. Not before.



The best area for business automation

The next crucial thing that you should consider is automation. Supply chain and especially logistics and transportation are among the best areas for business automation if you want robotic automation. It's quite trendy now. Robotic process automation (RPA) is the use of software with artificial intelligence (AI) and machine learning capabilities to handle high-volume, repeatable tasks that previously required humans to perform [3].

This is the reason we built Inventoro. Our technology analyzes vast amounts of data every day, allowing Inventoro to predict future sales on a daily basis using self-learning algorithms. Then we fully automate calculation of optimum orders for replenishment. Inventoro does it overnight while you sleep, every night.

Our ultimate goal is to save you cash and something even more important, time.

Winners and Losers



WINNERS

145 Products

To do a great job with your data we have to understand the Winners already present in your portfolio, as well as the Losers.

When Inventoro knows which are which, it is ready to calculate optimum orders and inventory levels.

Of course it's important for you as an owner or manager to fully understand the strengths and weaknesses within your portfolio. You can differentiate your marketing strategy for top products, for those which are strongly seasonal, and for those which are declining in sales, or increasing.

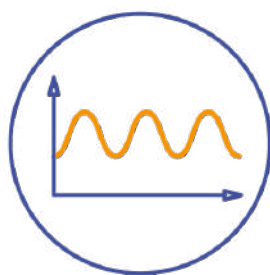
With one click you can segment your portfolio by profitability, revenue share, or sales frequency.

Again, with one click you can see what products you should get rid of immediately. We know, it's not as easy as it looks, but there are ways to do it. You can run promotions on these products, or provide discounts, or you can try to negotiate a buyback with your supplier. You can even include these products as a gift to every customer order.

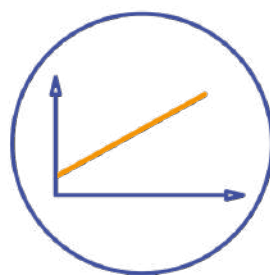
Inventoro focuses on the Winners and makes sure they are always in stock, while making sure that you don't hold too much inventory in your Losers.

Automatic forecasting

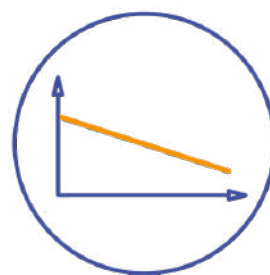
Our architecture is built on internal competition and a day-to-day mentality of improvement. Professional sportsmen don't become champions overnight. Instead, they work on the little things every day so that they can reach world class results. The way we constantly improve is that we use our algorithms one by one to analyze data sets and produce forecasts. Then we let them compete against each other to see which performs best. And the next day we do it again, and the day after that again, and again, and again. This helps us to get a little better every day, to constantly improve our results.



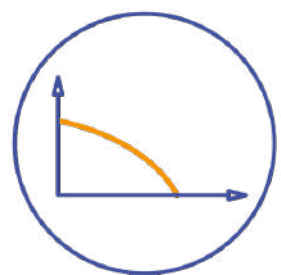
SEASONAL



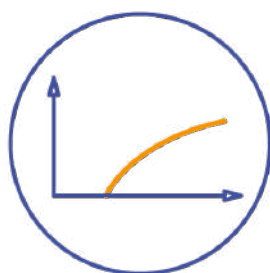
INCREASE



DECREASE



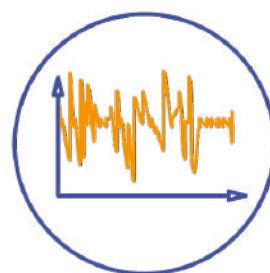
SELL OUT



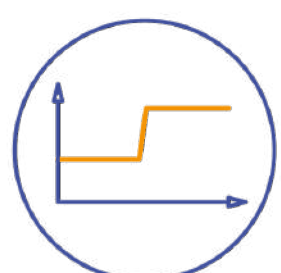
NEW



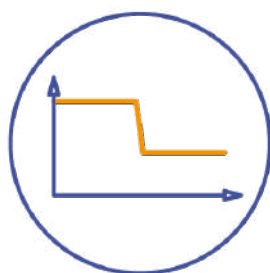
SPORADIC



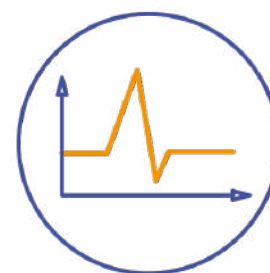
HIGH VARIABILITY



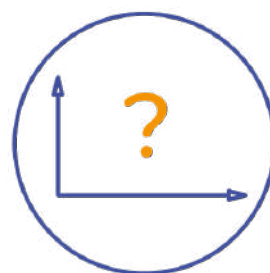
BIG INCREASE



BIG DECREASE



PROMO



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About half of the methods we use are built upon the work of the great mathematicians of our generation. We use forecasting equations from great minds like Holt, Winters, and Croston, among others. We admire their work, and as being us we are constantly searching for ways to improve their equations even more. It has taken us years, but we have found paths to perfection. The other half of our methods use principles of AI and deep learning. We use complex four-layer models which learn data-sets and come up with surprising forecasting results. The issue with these methods is that they become effective with only vast amounts of data, and not every product in the customer's portfolio can produce such quantities of data.

For us it is not about using buzzwords and demanding that only AI is the future. It probably is, but remember, we are data driven. We measure everything, constantly. If AI outperforms math, fine! If it doesn't, that's okay, too. It's the results that matter, not the marketing headlines or trendy blog posts.

Sales forecast

Show data **In quantity** ▾

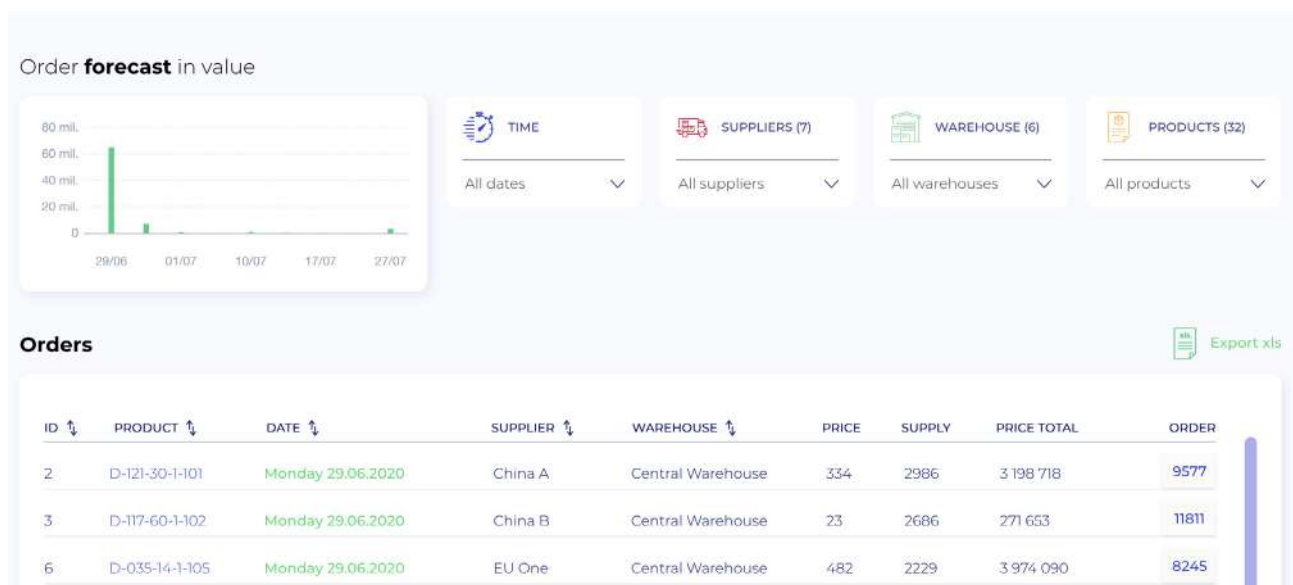


Automatic replenishment

In the ordering process, you probably know the situation when you have to check every product and its historical sales, either from last week or a few weeks back. Or you have to make sure you have enough inventory on hand. The problem is that everything is in a different part of your core system. Still, at the end of the day you have to say what to order and in what quantity. You repeat this process every day or week. It's a process full of manual inputs. And you know you can't delegate this task, because only you know the real sales history, the real truth. Everyone in the company knows that you are the only one who can do this job, the undisputed champion of the ordering process.

It's exhausting, these situations when you are irreplaceable. And it's not healthy for any company, relying on one person too much. Even more important, it is not healthy. The pressure is high, the hours long. Don't do that anymore.

Orders



Inventoro 'knows' things, just like you. And while you are just a person, Inventoro is able to consider things like:

- seasonality
- trends
- patterns
- promotional effects
- extreme sales
- historical stockouts
- changes in your data
- different behavior of your suppliers
- unusual situations like COVID-19
- and so much more

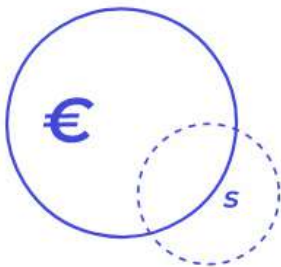
When you begin to consider all the factors listed above, you start to generate optimum orders for every product in every store or branch you have. Yes, Inventoro can predict your future sales store by store and even by supplier.

Being the only one who knows, the irreplaceable one, is a lonely life doomed to long hours and often wrong or incomplete orders. Don't be a useless hero who believes they have to sacrifice for the company. Be smart. And that means being open to using the same technology the Big Players use.

Save time, save life

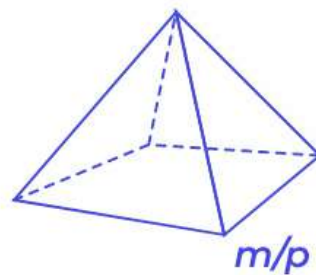
As a company owner or manager, you know that the ultimate goal of business is to make a profit. Inventoro is ready to help you do exactly that. It may go against common sense and conventional wisdom, but Inventoro helps you make more sales with less inventory. Yes, it is that simple. The system increases your sales thanks to higher product availability among your Winners. And Inventoro helps you to see that not holding excess stock in your Losers saves you money. Inventoro optimizes your replenishment.

In the first chapter we called you a local hero, and you are one. You are a local hero. You fight with big companies. You try to be different. We are the same.



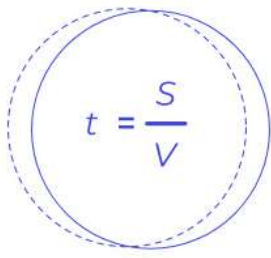
Save cash

Follow our recommendations, and significantly decrease your inventory and free your cash for growth.



Make cash

Clean your product portfolio, and concentrate on the products which create most of your profits.



Save time

Automate your orders and reduce time in ordering and replenishing stock.

up to 20 hours
a week



Besides making more money, another equally important benefit for you is the time savings you will enjoy using Inventoro. When you use **automated replenishment** and a **sales forecasting** process, you simply take a look at the results generated by the system and make sure you agree, instead of the time-consuming and old-fashioned manual way of ordering goods. Time is the most valuable thing in the world, and you have to decide how you want to spend it. Do you want to have more time to think deeply and strategically about your business, or to spend more quality time

with your family? It is totally up to you. We are here to bring you two valuable gifts - time, and a higher level of certainty that you are getting your order 'right', while spending less time doing it!

You are our hero!

Your Inventoro.

Resources

[1] https://www.oecd-ilibrary.org/docserver/entrepreneur_aag-2017-5-en.pdf?expires=1589972138&id=id&accname=guest&-checksum=4ADD367BFE522CB944803EFF09B4B3CF

[2] https://read.oecd-ilibrary.org/industry-and-services/small-medium-strong-trends-in-sme-performance-and-business-conditions_9789264275683-en#page1

[3] <https://searchcio.techtarget.com/definition/RPA>



Tomáš Formánek

CEO

formanek@inventoro.com