



New Online Tool Helps Streamline Inventory

Written by: Mary Aichlmayr

CUPERTINO, Calif.—Ultriva Inc., a provider of software for lean manufacturing, has launched a free online tool that identifies potential savings that could be gained through inventory reduction.

The Lean Assessment Tool, located at www.ultriva.com, helps material managers and supply chain replenishment and purchasing professionals to streamline operations, according to the company.

Users upload parts histories (ideally six to 12 months of historical data), and then the software performs an inventory sizing analysis to identify specific parts that could be optimized through inventory reduction. Users can view graphs of their current replenishment patterns compared to potential opportunities and perform 'what-if' simulations by varying lot sizes, lead times and safety stocks.

“Even though the ‘lean philosophy’ can permeate the corporation in terms of process changes and improvements, one area where it has immediate impact is inventory management,” says Narayan Laksham, CEO of Ultriva. “Having the right amount and correct mix of inventory is the key to achieving near-perfect, on-time delivery. The Lean Assessment Tool provides a fast assessment of where a company can optimize its parts inventory and puts a company on the road to just-in-time replenishment. Companies that used the tool during the recent three-month beta period have, in aggregate, identified potential cost savings of more than \$10 million.

“Several of our current customers have been able to quickly identify parts that should go into a pilot study, additional suppliers they should bring online, or additional plants that should go live,” adds Laksham. “On average, companies that use the Lean Assessment Tool identify cost savings of 30% to 50%, which implies a very good ROI for implementing a consumption-driven replenishment methodology.”