

# Identifying non-performing SKUs in the inventory to enhance profitability



## Business Challenges and Objectives

- The client's Supply Planning Team manually created the Status 99 report using Excel Sheets monthly.
- The client faced a growing demand for the report, leading to increased development time as more business units relied on it to handle the end-of-life phase for discount SKUs.
- The client's request to the TekLink Team was to automate the report and present it through PowerBI to enhance scalability and efficiency.
- The client aimed to use the solution for reevaluating the product line, optimizing inventory profitability, and identifying SKUs for discontinuation based on declining sales and their impact on profitability.

### Client

- Our client is an American manufacturer, marketer, and distributor of consumer and commercial products with an extensive portfolio of brands. They employ over 30,000 people globally with a distribution network that caters to the world.

### Industry

- Manufacturing

### Function

- Supply Chain

### Technology

- Microsoft Azure



### The Solution

- **Material and Material Location-Level Report:** The Status 99 report offers visibility into Finished Goods earmarked for discontinuation or SKU rationalization across both Material and Material Location tiers, aligning with the criteria for full obsolescence (referred to as Status 99 within SAP).
- **Criteria for Status 99 Report Transition:** The Status 99 Report empowers planning teams to identify, assess, and act on critical metrics to determine whether an SKU qualifies for a shift into complete obsolescence.
- **Master Data Upload Templates:** The Status 99 Report supplies Master Data Upload Templates, facilitating an efficient method for modifying the necessary SAP material master fields when an item is ready for transition into Status 99.
- The TekLink Team achieved the entire Status 99 solution for the client in 2 months using various Azure technology expertise to optimize the solution further.



### Outcomes and Benefits

- **Enhanced Financial Performance:** The solution increased profits and cost optimization, positively impacting overall financial performance.
- **Efficient Inventory Management:** Streamlined inventory processes through SKU rationalization, leading to cost savings and improved inventory efficiency.
- **Cost-Effective Storage:** Reduced storage expenses provided businesses with cost savings and improved their financial outlook.
- **Decreased Inventory Shrinkage:** The improved system effectively minimized instances of inventory shrinkage, thereby bolstering profitability.
- **Reduced Dead Stock:** The solution effectively minimized the presence of dead stock, freeing up resources for more profitable investments.
- **Enhanced Inventory Records:** Substantial improvements in inventory records ensured more accurate and reliable data for informed decision-making.
- **Improved Capital Efficiency:** By reducing the capital tied up in inventory, the solution improved cash flow and overall financial health.