



Entertainment

Algo Increases Demand Planning Efficiency and Enables Rapid Innovation for Hollywood Studio



Challenges

- Reduce high replenishment costs
- Efficiently introduce new products without diminishing service-level agreements (SLAs) for existing products
- Redirect internal resources to developing entertainment content

Solutions

- Demand Planning
- Reporting Services
- VMI Services

Results

- Reduced business costs
- More efficient ordering
- Established a foundation for continuous development



Boosting Efficiency by Focusing on Core Competencies

Most enterprises succeed by focusing on their core competencies; for many of them, software innovation isn't it. For this Hollywood studio, demand and inventory planning software development for its retail distribution took a backseat to content creation. The spreadsheet-based planning systems it was using were inefficient and lagged technology developments in inventory planning. The company turned to the digital demand planning experts at Algo for help.





VMI-as-a-Service

Algo's initial engagement with the customer was to help them optimize inventory availability for all their catalog items, and reduce costs through automation. To achieve these business goals, Algo implemented vendor-managed inventory (VMI), a module in Algo's Demand Planning solution. Algo VMI helps the customer manage inventory and suggests replenishment orders to meet the exact needs of the customer's market segment—including holidays and promotional items—over a broad range of products.

Algo VMI enables the customer to generate orders for retailers within mutually agreed upon parameters based on shared information on consumer demand and inventory. Algo reporting services track KPIs and allow the customer to see the impact of Algo's suggestions for replenishment and make adjustments in real time.



Robust Demand Planning and Forecasting

In addition to its success in reducing costs and improving SLAs for existing products, Algo's New Product Introduction module maximizes sales and minimizes overstocks and returns at each retail location by only sending appropriate quantities of inventory where true sales potential exists. The module uses complex algorithms and data science to ensure that product replenishment matches the new product's projected demand, resulting in optimized inventory levels at each store throughout the product's lifecycle.



Rapid Development of New Enhancements

Algo's Demand Planning solution already includes many important tools for managing Open to Buy, cartonization, and order splitting to provide greater efficiency and reduce costs. However, the customer's business needs are changing rapidly. Through their unified platform and their expertise in digital supply chain planning, Algo enables the customer to respond to these changes with agility. By implementing their highly configurable Demand Planning solution, Algo laid the foundation for rapid innovation with time to value in weeks, not months.

