# How a Global Consumer Electronics Brand Transformed Their Supply Chain Through Digital Transformation
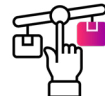
**$500K** identified sales opportunities

**Demand Planning**

**Inventory Planning**

**Allocation & Replenishment**

**Advanced Analytics**

## The Algo Journey

With the advent of technology and ever-changing customer demands, the need to have a nimble supply chain is essential for companies to quickly react to changing consumer needs. Deep insights into how closely your operations align with consumer demand can help provide customers with the right products in the right place at the right time.

One leading global brand of computing and gaming electronics realized they needed a dramatic change to improve their supply chain visibility and analytical capabilities. The company's supply chain had disparate data which yielded incongruent, conflicting viewpoints that made coming to the best decision difficult. Relying on spreadsheets and manual processes for inventory and demand planning was creating bottlenecks in the decision-making process. Additionally, siloed data across the organization was severely limiting their operational visibility, affecting sales and inventory decisions.

Knowing the benefits that could be gained from improving their supply chain visibility, the company turned to Algo for help. They set out with one goal in mind: to take their supply chain to the next level with clearer insights, better omnichannel visibility, dynamic cross-functional collaboration and rapid predictive insights.

# Creating an Ideal Co-Managed Solution

## Algo was chosen for its unique ability to combine technology with deep supply chain expertise.
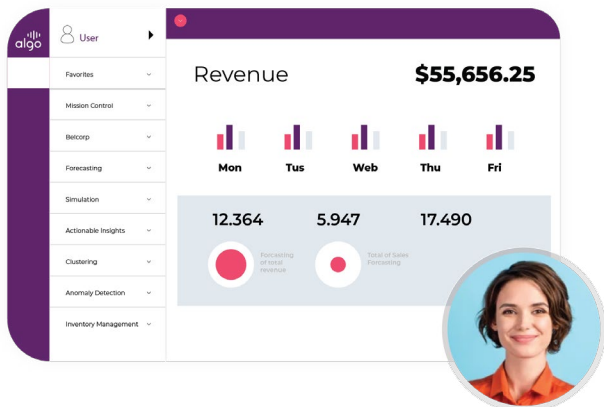


Algo's supply chain professionals evaluated the company's current business situation and provided recommendations that support the company's inventory decisions.

Combining the power of Algo's Demand Planning and Inventory Planning solutions, Algo's supply chain experts collaborated with the company on a weekly basis to review inventory plans and make recommendations on how to allocate and optimize inventory from warehouses down to stores.

Algo's supply chain experts also partnered to utilize every last unit of inventory in the company's high-velocity gaming and computing business. With Algo's Allocation & Replenishment Planning tool, the brand was able to produce accurate and timely KPI reports that are updated with real-time information. This opened doors to strategic conversation with retail partners so they could

better adjust their pricing, see out of stock and overstocked locations in lieu of the current sales performance.

Algo became a resource for the internal team, giving them access to the resources they desired and using sophisticated monitoring to head off problems before they even happen. Because of this unique collaborative approach, Algo has assumed the role of a trusted advisor for the company.

The firm was able to identify over $500k of sales opportunities in a single week by re-allocating available store inventory. Algo's team also uncovered and tracked over $20M of lost sales opportunity and ensured that upstream supply planning accounted for the demand so that the customer could recover from extreme inventory constraints troubling them.
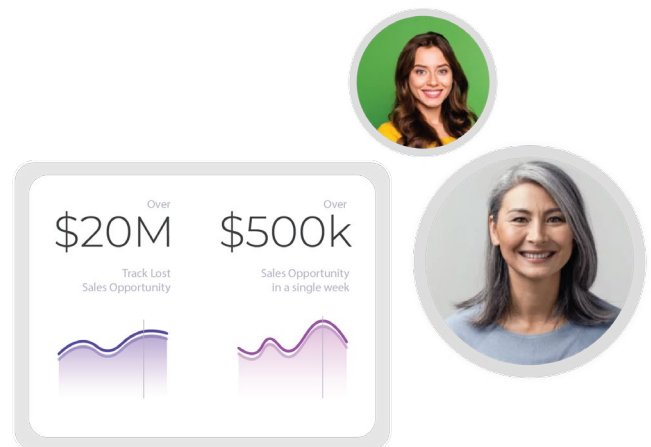
# Unifying Siloed Information

The Algo team worked with the company's leadership, managers, and experts to assess the firm's supply chain—processes, systems, data, policies, and performance. Algo determined that the biggest challenge to tackle was to unify the siloed data used in the inventory planning processes, which was being manually updated and stored in spreadsheets. Normalizing the firm's data allowed Algo to provide store and warehouse clustering capabilities that are foundational to Algo's Advanced Analytics offering. Clustering capabilities allowed users to uncover analytical viewpoints to which they previously never had access.

Algo served as a liaison between business partners and technology teams to support data management and technology implementation. Algo created a standardized view of their supply chain that addressed their unique KPIs and business strategies, going beyond standard supply chain metrics.



# From Spreadsheets to Harnessing the Power of Digital Transformation

Manual and cumbersome inventory planning processes were hindering the company's ability to scale. With data in Algo instead of spreadsheets, the company was able to reduce the time spent generating forecasts by 80% within 6 weeks by utilizing Algo's AI-driven forecasting engine.

Algo's forecast methodology also improved their forecast error (MAPE) by 10%. Improved forecast error has enabled the customer to better identify anomalies and uncover additional areas of opportunity to reduce inventory to free up capital for investments in high-velocity items.



Over
**80%**
Forecasts with in 6 weeks

Over
**10%**
Improved (MAPE) by
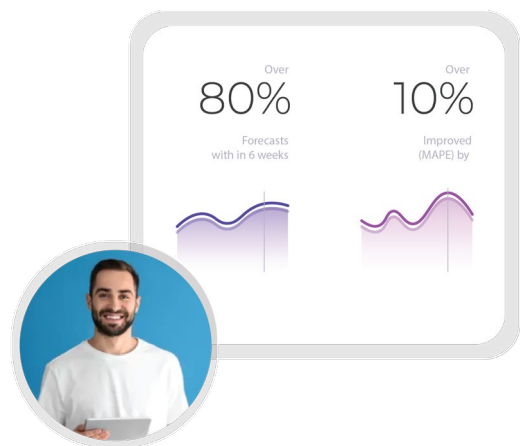
Algo equipped the company with a one-stop dashboard to view hundreds of siloed data points through advanced analytics and simulations. This dashboard helps planners and analysts track inventory from the retailer level down to the store and optimize inventory allocation to maximize sales.

Algo also deployed a virtual supply chain assistant to improve the users' ability to access detailed, granular business data. Algo applied its proprietary natural-language architecture to the client's business data to create a 'virtual assistant' solution that is programmed to the needs of supply chain professionals.

As users submit freeform questions, Algo's virtual assistant provides precise, near-real-time responses about their KPIs as they apply to specific geographies, customers, stores, product groups, timeframes, and more. This gives business users a powerful new way to find answers to very specific questions in seconds.

The virtual assistant's text responses are paired with question-specific reports that provide further context. To provide a seamless experience and maximize user adoption, Algo implemented the virtual assistant as an app in the firm's collaboration platform of choice.

# Looking Into the Future

Working hand-in-hand the company and Algo were able to significantly improve supply chain visibility by centralizing data, automating manual processes, and utilizing Algo's virtual and human supply chain experts as partners in the business.

With Algo's partnership, the company was able to regain control over their supply chain using their improved visibility to make smarter business decisions that will set them up for years of continued growth. Algo's partnership will continue into the future, opening the door for more value-add discoveries.

# Business Outcomes
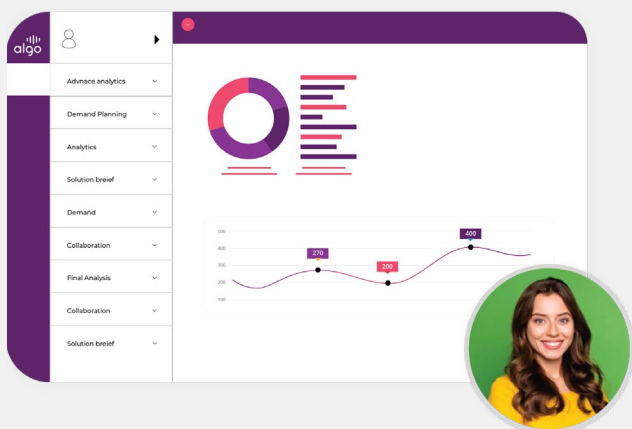
Increased incremental revenue for every **1% in-stock increase**

**Improved accuracy** and length of supply planning and inventory forecasting

Inventory optimization that delivers optimized in-stock and **reduced out of stock**

Identified over **$500k of sales opportunities** in a single week

algo