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Are You Maximizing the Benefits of Your Retail Inventory Management Solution?





In the motor vehicle industry, Retail Inventory Management (RIM) has been a longstanding essential tool, with many Original Equipment Manufacturers (OEMs) developing their own software solutions to provide SKU stocking recommendations to dealers.

While OEM homegrown solutions have seen some advancements, the introduction of commercial RIM solutions has ushered in significant improvements in RIM performance. These improvements include enhanced end-customer-facing fill, reduced dealer inventory, decreased SKU return risks, and improved warehouse and transportation efficiencies in the OEM's distribution network.



Let's delve into what best-in-class, high-performing RIM solutions offer:

01

Measurement of Success:

A key performance indicator of success lies in end-customer fill rates. The ability to measure work order fill accurately, ensuring that all required SKUs are available when needed, is crucial. To achieve this, seamless data integration with channel partners is essential to extract detailed work order data.

02

Breadth Optimization:

RIM focuses on stocking the optimal assortment of SKUs, prioritizing breadth over inventory depth. Advanced RIM systems allow OEMs to seamlessly enhance stocking recommendations with data science and insights into network demand patterns. By grouping channel partners based on key attributes, these systems can recommend items with higher demand hits across the cluster.

03

Leveraging Channel Partner Inventories:

Modern RIM systems offer visibility into available inventory at connected partners, enabling seamless buying and selling between partners. This also allows OEMs to strategically pull inventory from partners to fulfill demand efficiently.

04

AI and Predictive Analytics:

Predictive analytics play a crucial role in forecasting low-demand parts. Machine learning tools analyze data to predict future parts requirements, enabling proactive stocking and reducing lead times.

05

Driving Supply Chain Efficiencies:

Advanced RIM solutions not only enhance inventory management at channel partners but also drive efficiencies across the OEM supply chain. The RIM system can efficiently optimize replenishment orders from channel partners to reduce reliance on overtime labor inside the OEM warehouse, reduce need for unplanned or expedited transportation and improved environmental sustainability.



In Conclusion

As RIM systems advance, the ability to balance inventory levels, reduce returns risk, and optimize the supply chain will only get better. As OEMs face cost pressures and the need to enhance supply chain efficiencies, a modernized RIM solution can help maintain or improve inventory health at your channel partners without compromising end-customer fill rates.

For more insights on how these advancements can elevate your retail inventory management strategy, contact Kamlesh Bhatia today.



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KB is a Managing Director in the Strategic Solutions portfolio at Ducker Carlisle where he leads Retail Inventory Management (RIM) strategy and design of dealer/channel partner performance-based incentive programs. KB holds a bachelor's degree in chemical engineering from the University of Mumbai, India and a master's in industrial engineering from Georgia Tech. KB has over 20 years of experience covering nearly every aspect of the aftermarket business. Clients value KB's expertise in the execution of complex projects that require significant change management effort and his in-depth knowledge on supply chain optimization.

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