

The Right Inventory at the Right Time

Motivation

Weekly promotions led by a high-low pricing strategy require strategic safety stock investments to ensure inventory levels are adequately controlled.



Hypothesis

Dynamic, multi-criteria, item segmentation will allow high-low retailers to set cycle service levels that meet changing business needs.



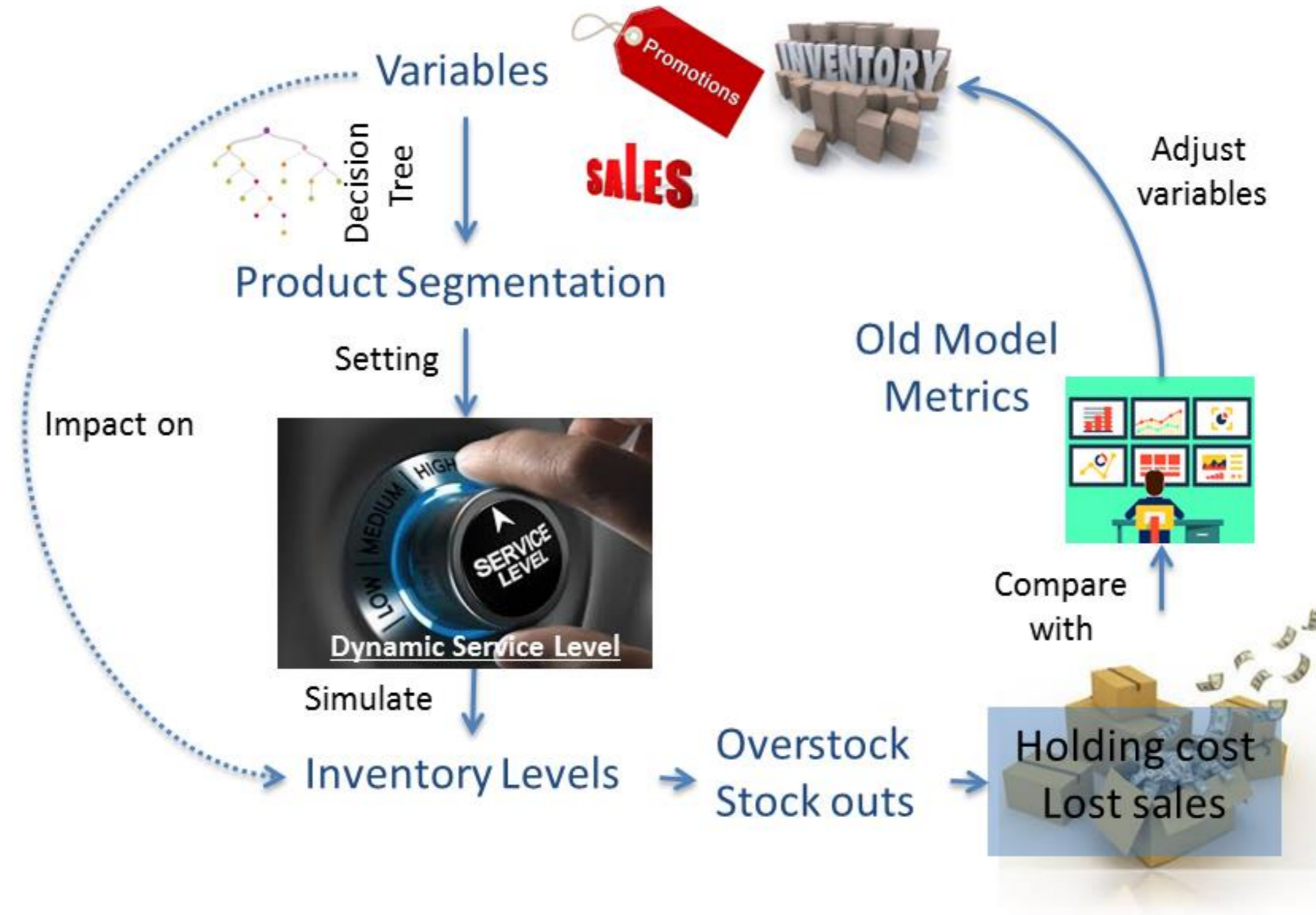
Relevant Literature

Teunter, Ruud H., M. Zied Babai, and Aris A. Syntetos. "ABC classification: service levels and inventory costs." *Production and Operations Management* 19.3 (2010): 343-352.

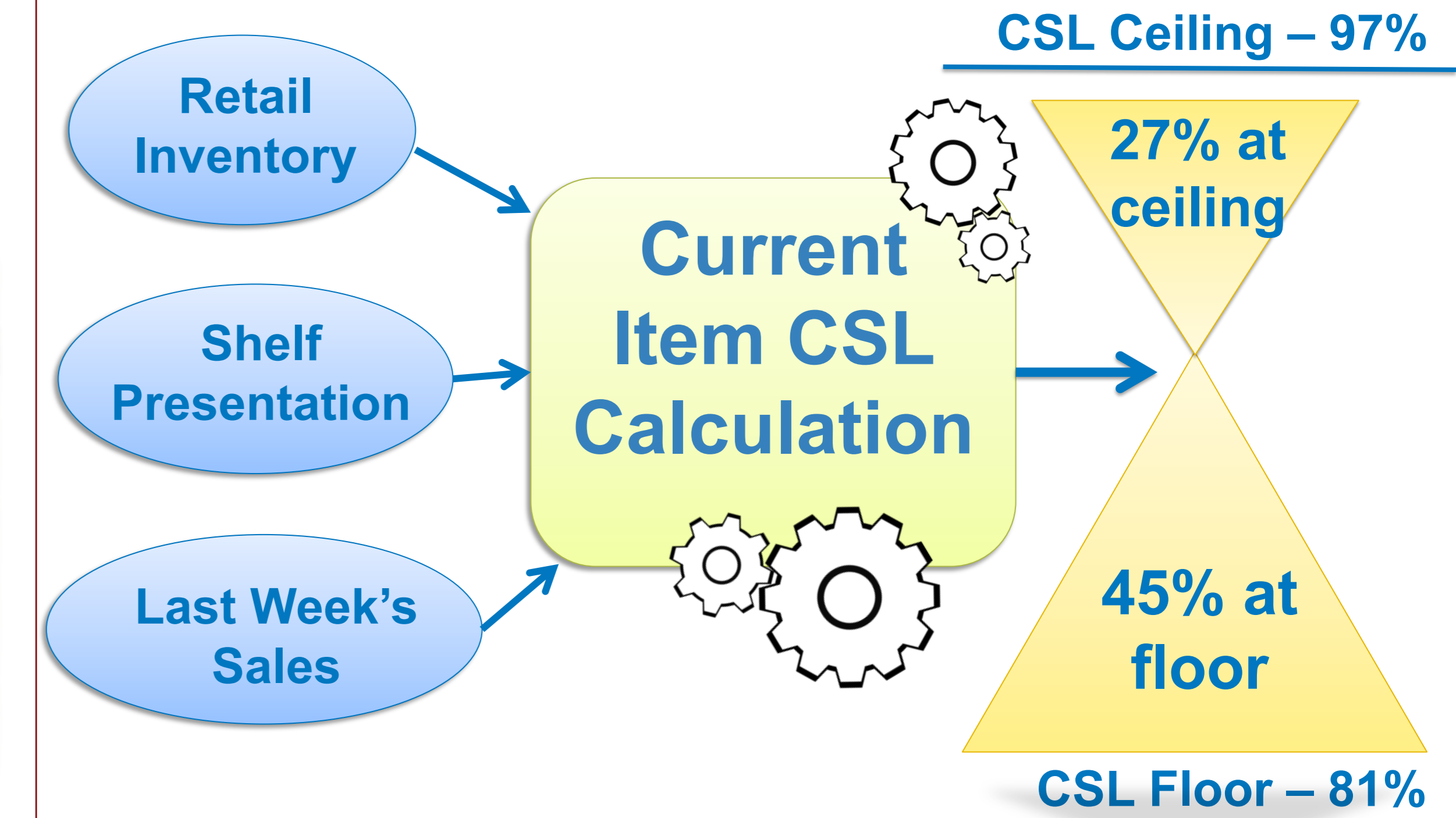
Zhang, Rachel Q., Wallace J. Hopp, and Chonawee Supatgiat. "Spreadsheet implementable inventory control for a distribution center." *Journal of Heuristics* 7.2 (2001): 185-203.



Methodology



Initial Results



Expected Contribution

1. Create a dynamic cycle service level calculation that can adapt to changing business needs.
2. Decrease inventory holding costs by procuring the correct promotional inventory at the right time. Decrease labor costs through a reduction of manual orders on promotions and holiday items.

Dan Covert



Joaquin Ortiz

