ABC–XYZ Inventory Classification Report

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Following an exhaustive analysis of the dispatch receipt PDFs, we classified each SKU using a combined ABC–XYZ methodology:

XYZ methodology

- ABC (value contribution): based on cumulative revenue share (A ≈ top 80%, B ≈ next 15%, C ≈ last 5%).
- XYZ (demand variability): based on monthly demand coefficient of variation (CV = σ/μ).
- X: CV ≤ 0.5 (stable)
- Y: 0.5 < CV ≤ 1.0 (moderate variability)
- Z: CV > 1.0 (erratic)

Summary

Total SKUs: 500
Total Revenue: 19,771,293.03$

Unicorn SKUs (AX)

sku	line_total	share	cv	ABC_XYZ
SKU-575TZ	65,489.52	0.33%	0.491	AX

Unicorn SKUs (AX): high-value and stable-demand items that merit the highest service levels and tight replenishment control.

Bone SKUs (CZ)

sku	line_total	share	cv	ABC_XYZ
SKU-071PX	11,275.10	0.06%	1.015	CZ
SKU-078RW	10,881.22	0.06%	1.092	CZ
SKU-590FU	10,403.71	0.05%	1.052	CZ
SKU-843RO	9,880.62	0.05%	1.064	CZ
SKU-290BM	9,077.15	0.05%	1.008	CZ
SKU-247IM	7,150.94	0.04%	1.076	CZ
SKU-889XJ	7,091.39	0.04%	1.030	CZ
SKU-699JD	6,039.92	0.03%	1.191	CZ
SKU-366WY	5,510.03	0.03%	1.009	CZ
SKU-773BK	5,225.42	0.03%	1.026	CZ

SKU-594GI	4,708.76	0.02%	1.095	CZ
SKU-294JL	4,536.72	0.02%	1.003	CZ
SKU-503YT	4,413.43	0.02%	1.096	CZ
SKU-921AK	3,879.21	0.02%	1.089	CZ

Bone SKUs (CZ): low-value and erratic-demand items that may be candidates for rationalization, make-to-order treatment, or reduced stocking.

Portfolio Distribution

The chart below summarizes the distribution of all SKUs across the nine ABC–XYZ classes.

Distribution of SKUs by class

Share of SKUs (%)

Class	Pct (%)
AX	0.2
AY	42.6
AZ	3.8
BX	0.2
BY	25.6
BZ	3.0
CX	0.0
CY	21.8
CZ	2.8