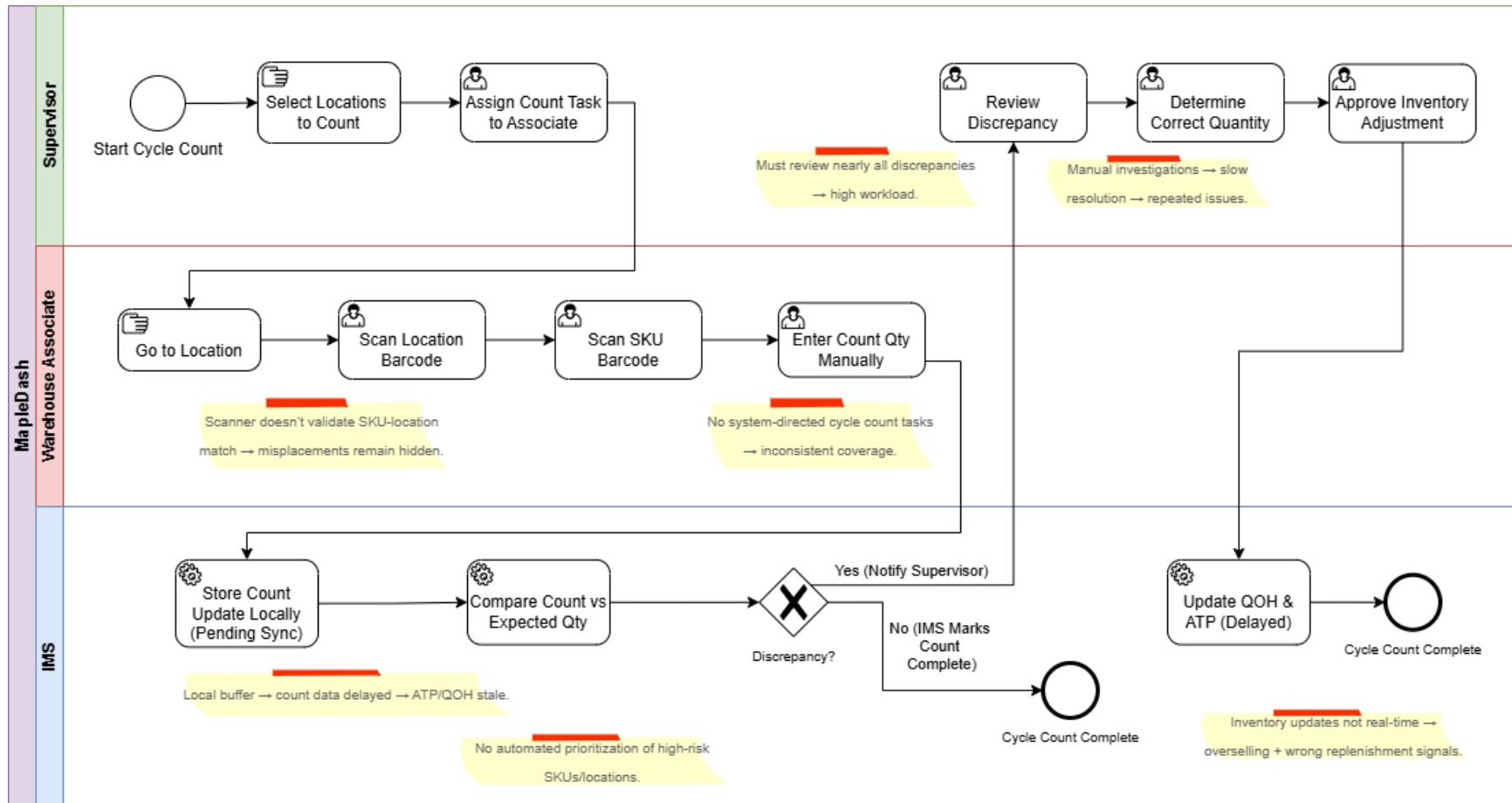


CYCLE COUNTING PROCESS – AS-IS



What this Process Does

Cycle counting corrects inventory drift but is reactive, inconsistent, and labor heavy in AS-IS.

AS-IS flow

- Warehouse Associate selects locations manually
- Counts assigned ad hoc
- Variances reviewed manually
- Inventory updated after delay

Bottlenecks

- No risk-based prioritization: Low-risk SKUs over-counted
- Manual discrepancy investigation: High supervisor workload
- Delayed updates: ATP and replenishment signals stale

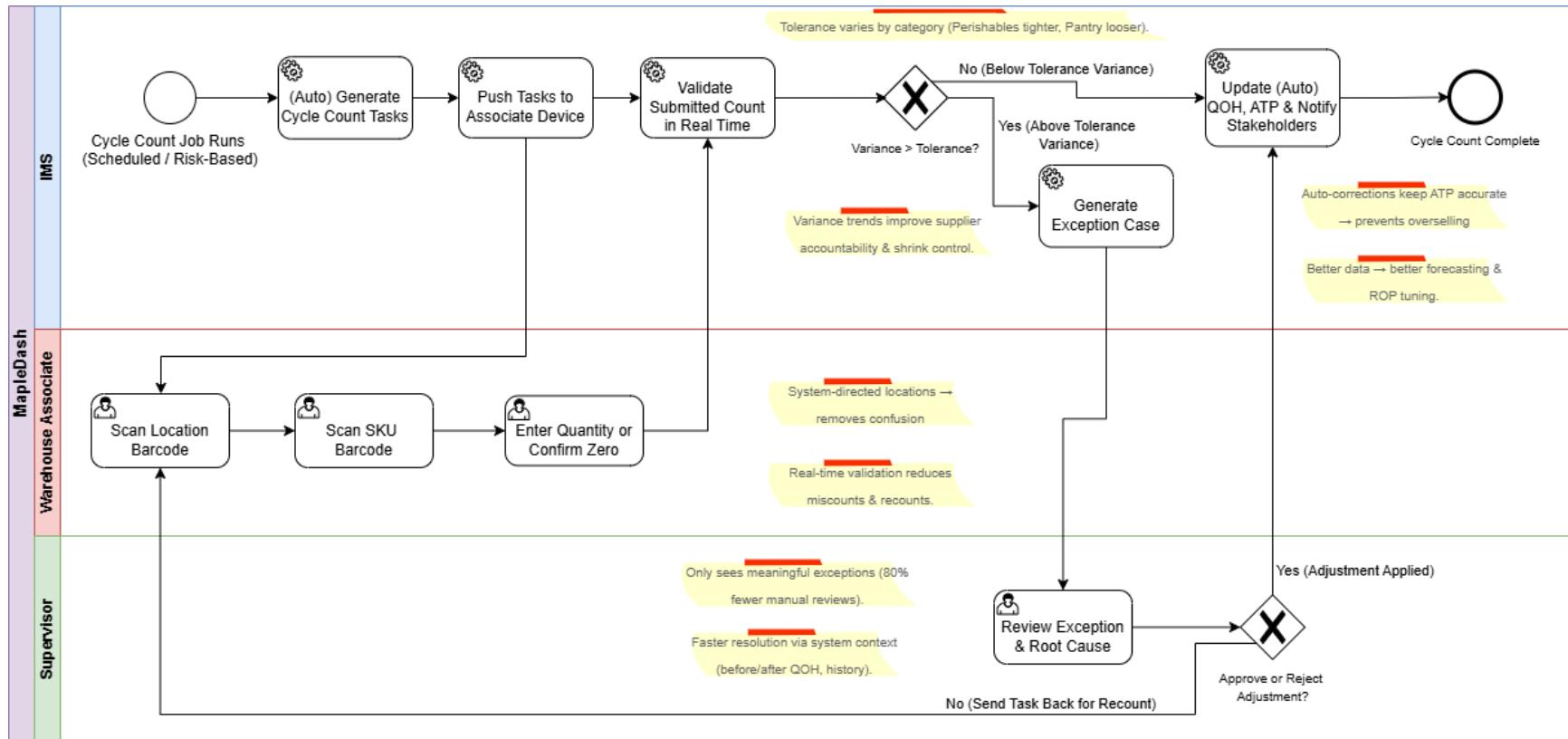
Business impact

- High recount rates
- Overselling persists
- Replenishment overreacts

KPIs affected

- Inventory Turnover (Annual): Inaccurate inventory inflates holding.
- Days of Inventory: Excess buffers mask true consumption.
- Value Expiring < 30 Days: Inaccurate counts delay corrective action on perishables.
- Total Inventory Value: Overstated inventory persists.

CYCLE COUNTING PROCESS – TO-BE



What this Process Becomes

Cycle counting becomes system-driven and exception-based.

Improvements

- Risk-based task generation: Focus on high-value, volatile SKUs
- Real-time validation: Immediate variance detection
- Threshold-based auto-adjustments: Supervisor sees only material issues

Benefits

- Clean inventory without constant manual review
- Better forecasting inputs
- Stable replenishment signals

KPIs improved

- Improved Inventory Turnover (Annual)
- Reduction in Days of Inventory
- Lower Value Expiring < 30 Days
- More accurate Total Inventory Value