

# Manage Inventory Shortages

essential information for sales & supply chain executives

## Inventory shortages are common and costly



74% of companies had shortages of critical parts and materials.<sup>1</sup>



67% of companies lost sales due to stock outs.<sup>1</sup>

The #1 reason that consumers tried a new product in 2020 was due to stock availability. 65% of consumers switched for this reason, as compared to only 18% due to price and 11% because the item was on promotion.<sup>2</sup>

## Disruptions are increasing in frequency

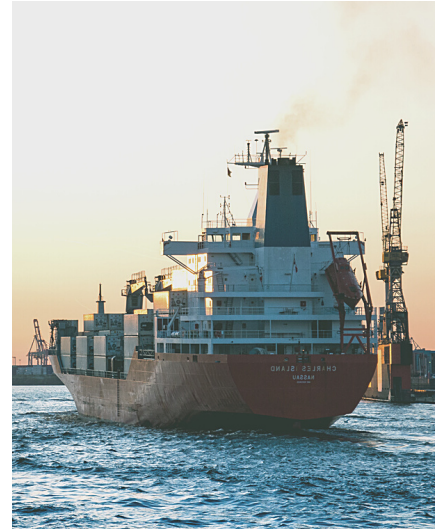
3.7

Companies will experience a significant disruption to production every 3.7 years.<sup>3</sup>

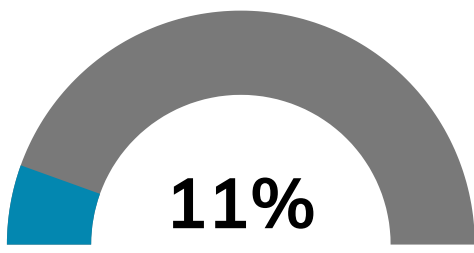
45%

Those disruptions will cost companies up to 45% of one year's earnings each decade.<sup>3</sup>

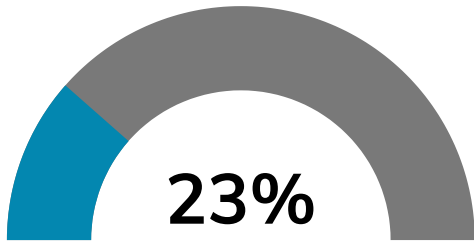
It's not just the pandemic. In 2018, five disruptions affected 2000 sites and took between 22 & 29 weeks to recover.<sup>4</sup> More recently, it will take plastic prices 6 months to normalize due to the winter storm in Texas.<sup>5</sup>



## Companies admit their supply chains aren't ready



Just 11% of consumer product companies do not see the need for a change in their supply chain strategy for post-COVID.<sup>1</sup>



Only 23% of consumer products organizations believe their supply chain is agile enough to support evolving business needs.<sup>6</sup>

The pandemic lingers in the minds of CEO's. 52% of CEO's state they are 'extremely concerned' with pandemics and other health crises. This is the #1 concern.<sup>7</sup>

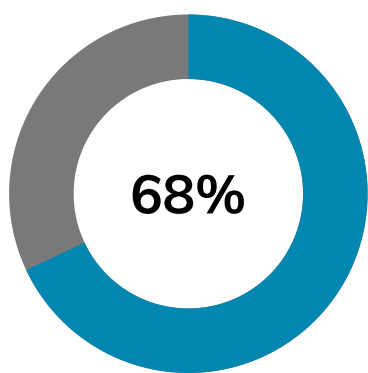
## Retail partners are raising their requirements

98%

Walmart increased its OTIF compliance requirements to 98% as of September 15, 2020. Prior compliance rates varied between 70% and 95%.<sup>8</sup> Other retailers are expected to follow.



## Companies can improve ATP and inventory allocation for key accounts & strategic priorities

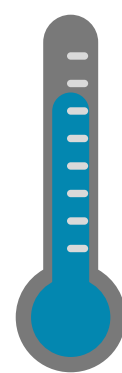


68% of supply chain executives see dynamic allocation [like intelligent order promising] as an important technology.<sup>9</sup>

4-5% Increase



Companies can increase the fill rate of key customers by 4-5% by intelligently automating ATP and allocation decisions.<sup>10</sup>



\$6M annually

A consumer product company is projected to save \$6M annually from the reduction of OTIF penalties.<sup>10</sup>

1-Capgemini Research Institute, Supply Chain Survey, August-September 2020; 2-McKinsey & Company, COVID-19's impact on demand and costs in the CPG industry, March 2021; 3-McKinsey Global Institute, Risk, resilience, and rebalancing in global value chains, Aug 2020; 4-Shahzaib Khan and Andrew Perez, Eventwatch 2018 annual report, Resilinc, 2019; 5-Wsj.com, Everywhere you look the global supply chain is a mess, March 18, 2021; 6-CapGemini Research: Consumer product companies and retailers plan to overhaul their supply chain strategies to better adapt to future disruptions, March 11, 2021; 7-PwC 24th Annual Global CEO Survey, March 2021; 8-C.H. Robinson, Upcoming Changes to Walmart On Time in Full (OTIF) Program: What You Need to Know, Sept 4, 2020; 9-NelsonHall, Moving to an Autonomous Supply Chain, Jan. 2021; 10-antuit.ai research based upon client results.