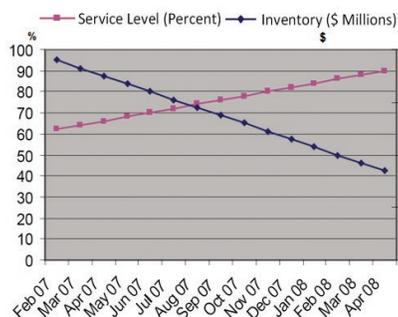




## GAINS™ Enables Invacare's Increased Customer Service and Profit Contribution in Down Economy

Invacare Corporation is the world's leading manufacturer and distributor in the \$8.0 billion worldwide market for medical equipment used in the home. The company designs, manufactures, and distributes an extensive line of health care products for the non-acute care environment, including the home health care, retail, and extended care markets. The company sells its products to over 25,000 home health care and medical equipment providers, distributors, and government locations in the United States, Australia, Canada, Europe, New Zealand, and Asia. The company has 5,700 associates and markets its products in 80 countries around the world.



GAINS' dynamic ability to monitor and analyze every item (SKU) for every Location (SKUL) across the enterprise, in real-time, ensures that a company's targeted customer service levels are achieved with the greatest contribution to profit. "This enabled Invacare to take its customer service levels from 60% to 97% in a matter of months," stated Invacare's Director Inventory Management, "At the same time, GAINS was able to reduce

Invacare's inventory investment 55% and thereby maintain their strong market share, even during a deep recession."

"What is incredible is that prior to installing GAINS, using what we thought was a leading edge tool associated with our ERP system, we were under the perception that the only way to have higher customer service levels, measured as complete order to customer request date, was to increase inventory and get a better forecast. What a surprise to learn that with a planning and optimization solution, like GAINS, you don't need the extra inventory and profit optimized inventory policies are more powerful than a better forecast."



*"Our biggest challenge in the market was getting the right product to the right customer when the customer needed it. Historically in this business the quality of our product and the depth of our product line kept us as the industry leader. As competition advanced in its product quality and their breadth of product line, we needed to focus on improving our operational effectiveness and customer service levels to ensure we kept are leadership position. The tools provided by our ERP solution and our traditional demand planning and forecasting approach was not up to the task of building world class customer service levels. GAINS stepped in to fill that bill."*

– Director Inventory Management,  
Invacare

Several of the unique optimization and inventory planning capabilities found in GAINS, that enabled Invacare to achieve their results, are:

1. **Dynamic Forecast Model Selection** that automatically tests for pattern plausibility and accuracy to provide an objective demand plan baseline and eliminate as much human bias as possible.
2. **Dynamic Analysis of Supply and Demand for every SKUL** (SKU by Location) across the enterprise that consider all error sources including the variability in supply and user variance from plan. The goal is to achieve precisely the cost-minimizing or profit-maximizing Service Level (not more or less).
3. **Profit-Optimized Inventory Policies** (e.g., Replenishment Order Sizing & Safety/Service Stock) calculated at the SKUL level, considering total annual cost (e.g., change-over versus carrying), comprehensive error, targeted service levels, BOM demand, and production constraints.
4. **Leading Indicator, Extrinsic Variable, and Viability Analysis** to ensure forecasts and plans are not just 'rearward-looking' but incorporate trade partner data (e.g., customer forecasts, POS data) as well as macro data (e.g., housing starts, interest rates).
5. **Multi-Echelon Inventory Optimization (MEIO)** algorithms that determine whether to stock items and at what service level. These solve for interdependencies within the bill-of-material (BOM) & among locations to devise inventory & postponement strategies while meeting customer delivery expectations at minimum total cost.
6. **Dynamic Production Optimization** that automatically creates capacity and material-feasible Master Production Schedules that sequence SKU work order requirements optimally given change-over costs, inventory carrying costs, and on-time delivery goals; also provides strategic determination of target capacity, trade-offs of pre-build versus overtime, etc.



To learn more how GAINS can Profit Optimize your supply chain -

Visit our website: [www.GAINSystems.com](http://www.GAINSystems.com), or

Email us: [ProfitOptimize@GAINSystems.com](mailto:ProfitOptimize@GAINSystems.com)



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