



**NUCLEUS**  
RESEARCH

# ANATOMY OF A DECISION: GAINSYSTEMS

ANALYST

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## THE BOTTOM LINE

Nucleus interviewed GAINSystems customers and found inventory optimization functionality, enhanced operational visibility, and forecasting flexibility as the primary drivers in selecting the supply chain solution. Interviewed organizations attributed operational benefits to GAINS, including decreased reporting times by 75 percent, reduced inventory costs by 15 percent, and increased forecasting accuracy. With GAINSystems' depth of domain knowledge and connected supply chain ecosystem, customers are well-positioned to drive forecast accuracy, sales and operational planning, and inventory and production optimization.

## OVERVIEW

Global supply chain disruptions and material shortages have created new challenges for organizations trying to develop accurate and consistent supply and demand forecasts. Despite this, many organizations still rely on legacy technologies such as manual data entry and spreadsheets to complete business processes, resulting in inaccurate forecasts and operational obstacles. This limits scalability and creates suboptimal service levels, overstocked or understocked warehouses, and high operating costs. Organizations are turning to Supply Chain Planning (SCP) solution vendors like GAINSystems (GAINS) to mitigate these risks by implementing end-to-end supply chain planning tools that span across demand, supply, inventory, and production and logistics.

**GAINSystems reduced inventory costs by 15 percent for one organization.**

In today's rapidly changing supply chain landscape, companies can effectively manage their operations and synchronize their plans with execution by adopting a data-driven strategy. GAINS ingests internal and external data streams to help businesses make informed supply chain decisions that align with corporate objectives. Through previous studies, Nucleus has found that GAINS consistently demonstrated tangible ROI drivers by increasing planner productivity, improving service levels, and reducing inventory costs. (Nucleus Research W23 – *GAINS users increase service levels with less inventory* – February 2022) Nucleus interviewed a broader audience of users to investigate the motivation behind the decision to deploy GAINSystems.

## GAINSYSTEMS

The SCP solution is designed to fit the needs of all businesses from Tier 1 to midmarket, offering the same technology, service, and support to each of GAINS' customers. GAINSystems offers a cloud platform that centralizes demand planning and forecasting, inventory optimization, replenishment, procurement automation, supply and production optimization, and sales and operations planning (S&OP) capabilities under a single platform. GAINSystems consolidates operational, financial, and sales data into a single version of the truth for executives and stakeholders to drive data-informed decision-making and cross-departmental collaboration. The platform offers AI-based Multi-Echelon Inventory Optimization (MEIO) to improve service levels while reducing inventory and distribution costs. GAINS optimize inventories by considering network-wide bill-of-materials (BOM)



requirements and setting optimal service levels for each SKU by location. Additionally, management can evaluate business plans based on financial and volumetric measures and track team activity on a single dashboard, providing a comprehensive overview of the company's supply chain performance.

## WHY GAINSYSTEMS

Nucleus interviewed GAINSystems customers across multiple sectors to identify the primary selection factors over competitors. Customers reported inventory optimization functionality, enhanced operational visibility, and forecasting flexibility.

### INVENTORY OPTIMIZATION FUNCTIONALITY

Nucleus observed that B2B and B2C organizations generating \$500M-1B in revenue with multiple distribution centers could reduce inventory costs by 15 to 25 percent with GAINSystems' MEIO feature. GAINSystems leverages its proprietary algorithms and automation functionality to monitor demand plans, service levels, and lead times for every SKU across an organization. This helps stakeholders identify patterns and trends in demand and adjust their supply chain operations accordingly to avoid stock-outs, overstocking, and sub-optimal service levels. It can also give organizations real-time insights into their inventory levels, enabling them to update their inventory policies and reduce costs associated with excess or dead stock.

With GAINSystems AI-based MEIO, organizations can view inventory turns at the SKU level by rolling up multiple distribution centers onto a centralized dashboard to streamline inventory reporting. Additionally, Organizations utilize the GAINSystems Stocking Policy Inventory Optimization feature to determine performance metrics at the item level to achieve desired service commitments, improve sales forecasts and marketing strategies around specific products and increase profitability by focusing on high-performing SKUs.

### ENHANCED OPERATIONAL VISIBILITY

Organizations noted that GAINSystem's ability to consolidate disparate data silos onto a single platform created a single version of truth for all users to operate on. With a single source of truth established, organizations have greater visibility and access to accurate data to streamline and improve decision-making for inventory allocation, sourcing materials and parts, and supply, demand, and sales reporting. Through end-user interviews, Nucleus noticed that when organizations leveraged GAINS for forecasting, planning, and reporting, they decreased reporting times by an average of 65-80 percent.

## FORECASTING CAPABILITIES

Organizations often select GAINS for its demand pattern recognition, demand sensing, and machine learning functionality to generate predictions for future demand. GAINSystems can automatically detect inventory discrepancies at the SKU level, allowing organizations to create more accurate forecasts, adhere to service commitments, and increase revenue streams. Furthermore, organizations leverage GAINSystems multi-echelon modeling to generate granular demand plans that base forecasts on demand history, point of sales data, fleet usage, and S&OP data. These insights improve supply chain management, customer satisfaction, reduce carrying costs, and automate inventory allocation.

## CUSTOMER EXPERIENCES

Nucleus interviewed multiple GAINSystems customers to investigate the value delivered by the platform.

### ELECTRICAL DISTRIBUTOR

This US utility service provider has 150 store locations and 5000 suppliers to provide 300,000 SKUs to the construction, industrial, and utility industries. The organization currently employs 2,500 individuals and generates \$3B in revenue. The organization previously leveraged SAP for inventory planning and forecasting processes. SAP's platform was clunky and not user-friendly, making it difficult for end users to accurately aggregate data, allocate inventory, and forecast demand. To modernize its SCP system, it decided between GAINSystems and SAP but ultimately chose GAINS for its ability to adjust forecasts, buyer and inventory planning, service level and cost optimization, and incorporate lead times to inform inventory and scheduling.

The implementation began in January 2018 and took six months to deploy fully. GAINSystems eliminated manual intervention for order processing, inventory management, and account management by automatically consolidating data from multiple sources to increase operational productivity, improve forecasting accuracy, and decrease operating costs. Additionally, GAINSystems's developer environment was helpful to the organization as it could perform scenario models, create

**One organization cut  
reporting times by  
75% with  
GAINSystems.**

inventory-sharing dials, and analyze financial impacts to help assess deals on profitability. The distributor has experienced a 36 percent year-over-year growth in recent years.

## CONSUMER GOODS RETAILER

This US organization retails consumer electronics, employs under 100 individuals, and generates \$20M in revenue. The organization's legacy platform only performed sales forecasting and could not perform any demand planning. It aggregated data from multiple systems to perform monthly, quarterly, and yearly reports. With its legacy solution, the organization would not know if they were missing inventory until the warehouse attempted to fulfill the order. It was blind to the inventory impacts a marketing promotion would have. It also lacked the flexibility to roll up and manipulate data from multiple distribution centers for inventory and management reporting. Therefore, it sought an SCP platform that consolidates data across all factory and warehouse locations to create a single source of truth about the company's operational performance.

**GAINSystems helped  
one industrial supplier  
maintain a 97% service  
level.**

The implementation process began in December 2021 and went live in September 2022. The organization decided between Oracle NetSuite, JDA, DemandWorks, and GAINSystems. The organization chose GAINSystems for its user interface, making it simple for users to analyze data and create dashboards. GAINSystems' ability to project demand, direct promotional or order information to customers faster, and detect an SKU volume drop-off far in advance were other key selection factors. GAINSystems allowed the organization to capture sales growth, view inventory trends, and gather insights for inventory turns. GAINSystems eliminated disparate data silos to help the organization pull information for purchase order schedules faster and cut reporting times from four days to a few hours.

## INDUSTRIAL SUPPLIER

This US organization is a supplier of fluid handling systems and components. It also provides the technology and expertise to manage fluids for industrial and commercial applications. The organization currently employs 3500 individuals and generates \$550M in revenue. The organization's legacy system did not provide planning and forecasting functionality across its multiple warehouses and failed to support the organization as it continued to scale. Also, the legacy solution could not monitor a single warehouse's inventory levels without splitting the location into two units for analysis, creating additional IT burdens. The sought solution



had to provide sufficient software service support and inventory optimization capabilities to help reduce operational costs and streamline supply, demand, and forecasting processes. When surveying the SCP market, the organization decided between Oracle, DemandSolutions, GAINSystems, and SAP. GAINSystems was chosen for its customer service, inventory and reporting functionality, and overall cost of ownership.

The implementation process began in Q1 of 2021 and was completed eight months later in Q3. One of the first noted benefits post-deployment was attributed to GAINSystems' MEIO functionality. This helped the company enhance inventory visibility, reduce lead times, develop an optimal inventory replenishment process, and identify excess and dead stock to reduce inventory costs by 15 percent, equating to \$21M. With GAINSystems, the company aggregated all inventory data. It could notify users if they have sufficient or insufficient inventory on-site, allowing stakeholders to adjust inventory levels at a specific warehouse to achieve desired service levels. GAINSystems has helped the company improve inventory management, reduce excess and dead inventory, and maintain 97 percent customer service levels.

## LOOKING AHEAD

In this challenging supply chain landscape, resilience has become increasingly difficult to achieve without a designated solution for SCP. Fortunately, many organizations realize the significant advantages of real-time demand sensing and AI/ML-based forecasting in optimizing their supply chains. To succeed, businesses must take a data-driven approach that involves deploying a platform that integrates financial, operational, and sales data. This will eliminate disparate data silos, fostering greater cross-departmental collaboration and improved decision-making. Nucleus believes that SCP providers such as GAINSystems will continue to play a critical role in supporting organizations in pursuing a more resilient and efficient supply chain. GAINSystems' Proven-Path-to-Performance (P3) feature will enable organizations to achieve optimal service levels, quick inventory turns, and increased sales.