



## GAINSYSTEMS: OPTIMIZED INVENTORIES ARE YOUR GAIN

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The mantras of Supply Chain Management (SCM) disciples have long been "down with all inventory waste" and "eliminate all inventories at any cost and take no prisoners." Among the many SCM vendors that support these principles by attacking inventory waste primarily through more accurate planning and reductions in cycle times, **GAINSystems** is somewhat different. It is one of the Inventory Management (IM) vendors that accepts that inventory is needed because of the volatility and uncertainty in demand/supply and helps its customers get maximum use of their inventory assets. GAINS, a vendor that started out as an operations research consulting firm, came in to brief us on its continuing repositioning efforts to move toward a more product-based, rather than project-based, business.

GAINS has offices in Naperville, Illinois (its corporate headquarters), Dallas, and Australia, and it sells to customers in the Manufacturing, Wholesale Distribution, and MRO industries. The company markets *GAINS\*OPS* (Optimization Planning System), a product suite designed to support what the company terms *Inventory Chain Optimization*. The product suite comprises four modules on which the company has patent filings in order to protect the intellectual capital obtained from 27 years of experience working with about 400 customers. *GAINS\*CPE* (Cognitive Planning Engine), the brains of the product suite, is an artificial intelligence engine that uses over 100 proprietary, empirically proven statistics and heuristics to develop plausible or reasonable inventory plans. *GAINS\*SLO* (Service Level Optimizer) is a module that helps develop inventory strategies that optimize inventory investments and profits while meeting customer service levels in constrained, uncertain demand/supply environments. *GAINS\*DOP* (Distribution Optimization Planner) is a module that works in conjunction with the other two to incorporate dependent and independent demand factors that can represent multiechelon distribution networks and different types of inventories including raw materials, components, Work In Process (WIP), and finished goods inventories. Finally, *GAINS\*MPO* (Management Planning Optimization) is a high-level module to support management in evaluating inventory strategies.

GAINS is unique in the functionality provided to support IM. In addition to functionality typically supported by IM specialists like **E3 Corporation**, **LPA**, and **Supply Chain Solutions**, GAINS approaches the IM problem in a precise, sophisticated fashion that focuses on profit optimization. The company's products can be used to supplement other vendors' SCM products, since these are typically short on sophisticated IM capability. GAINS applications should appeal to IM aficionados working in distribution-intensive environments. For these users, its IM proposition is appealing since applying science to IM can typically impact the bottom line significantly within six to nine months, when done correctly. As of right now, however, GAINS is a secret waiting to be found, as the company has a long history of stealth marketing. The company is currently trying to correct this and is focusing on increasing its market presence through increased sales and marketing efforts and some to-be-announced partnerships. Until this happens, it will remain a closely guarded secret by users that have happily achieved substantial benefits using its applications.