ABC Analyzer Module 2

Welcome to ABC Analyzer!

This manual covers the most popular advanced features in ABC Analyzer, including:

- Create categorisations without using the classic ABC categories
- Cross table (three-pillar)
- Calculated and advanced columns
- Special reports
- Changes in your data setup = how to update your analysis

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Content

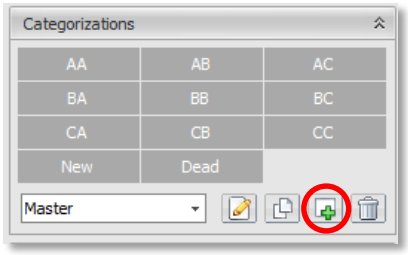
Analyses containing multiple categorisations

Your analysis can contain multiple categorisations. For example, you can build categorisations to help you monitor new products month by month, or analyse the delivery time.

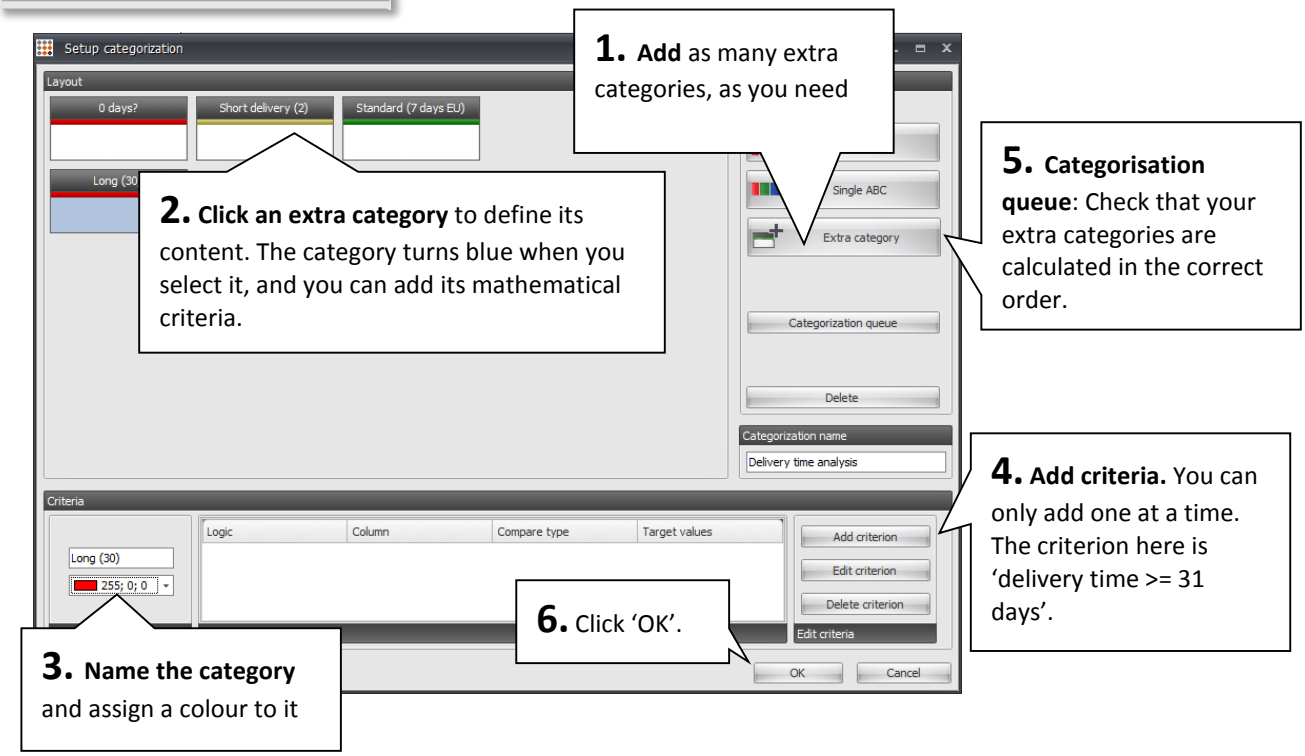
Build categorisations that consist exclusively of extra categories
A categorization does not need to contain a classic ABC categorization. You can group your products based on one parameter, e.g. delivery time or geographical location, by using extra categories.

Create a new categorization based on delivery time:

- ☐ Same day delivery (check your system to confirm this is true!)
- ☐ Express delivery time (up to 2 days)
- ☐ Standard delivery time (up to 7 days)
- ☐ Long delivery time (up to 30 days)
- ☐ Super long (more than 30 days)



In the right-hand bar, click the button with the green plus symbol (+) to add a new categorisation.



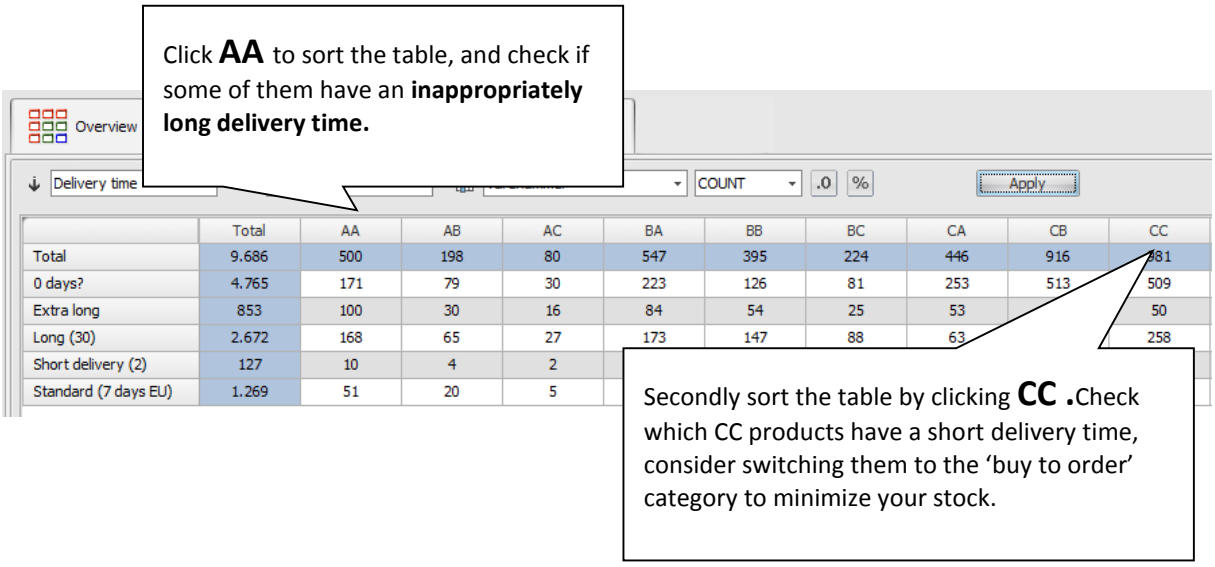
Three-pillar cross table

Use the cross table to compare your new delivery time analysis with your 'Master ABC'.

Set up a three-pillar cross table

Set up the cross table by inserting your delivery time analysis vertically ( ) and your 'ABC Master Categorisation' horizontally ( ). Then click 'Apply'.

This produces the following cross-reference table:



	Total	AA	AB	AC	BA	BB	BC	CA	CB	CC
Total	9.686	500	198	80	547	395	224	446	916	381
0 days?	4.765	171	79	30	223	126	81	253	513	509
Extra long	853	100	30	16	84	54	25	53		50
Long (30)	2.672	168	65	27	173	147	88	63		258
Short delivery (2)	127	10	4	2						
Standard (7 days EU)	1.269	51	20	5						

Be aware of ERP flaws

Very often, a delivery time of '0 days' actually represents an error in the ERP system. Therefore, spend a moment checking up on your high-turnover products with a delivery time of 0 days (Same day delivery.)

Detect AA products with few customers

You can set up all kinds of interesting three-pillar cross tables. For example, you can see how many different customers buy your products. Build up a categorisation of extra categories and divide your products up according to how many different customers buy them.

Cross-reference this with your 'ABC Master categorisation' to answer questions such as:

- **Which AA products are bought by less than 5 customers – or only by 1?**

Upgrade your dataset with calculated and advanced columns

There are four columns you should always calculate whenever you have import a new dataset.

The columns you need in order to calculate the four new columns are marked in blue. This means your data must include these columns before you can apply the formula. (If you want to avoid having to enter long formula, take a look at the next page!)

- **Days since creation**
  This formula calculates the age of the product in days, i.e. it tells you how long you have had the product in stock. Use it to create a dynamic category for new products.

  Product age: FileDate() - days([Creation date])

- **Turnover speed per category**
  The correct turnover speed will be displayed for both product numbers and ABC categories **by checking the box at the bottom of the formula window (show result per group)** – otherwise it will be displayed 'wrong at category level'!

  Turn. Speed: [Cost value, 12 months] / [Average stock value, 12 months]

- **Consumption per day**
  Calculate how much you have consumed per day, based on your history. Use this to calculate your buffer stock or to check whether you have enough products in stock until the next delivery arrives.

  Consumption per day: If ([Sold units, 12 months] < = 0,0, [Sold units, 12 months] / (if ([Product age] <365, [Product age] , 365))

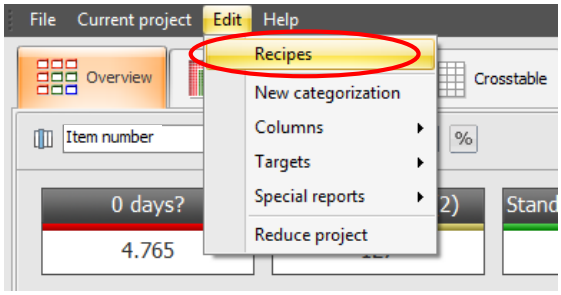
- **Coverage**
  How many days will your stocks last if sales continue unchanged? Do you have enough to cover more than a year's consumption, or will your AA products soon be out of stock?

  Coverage: if([Quantity in stock] =0, 0, (if (and ([Consumption per day] 0), 99999, [Quantity in stock] / [Consumption per day])))

Recipes: Your short-cuts to calculated columns

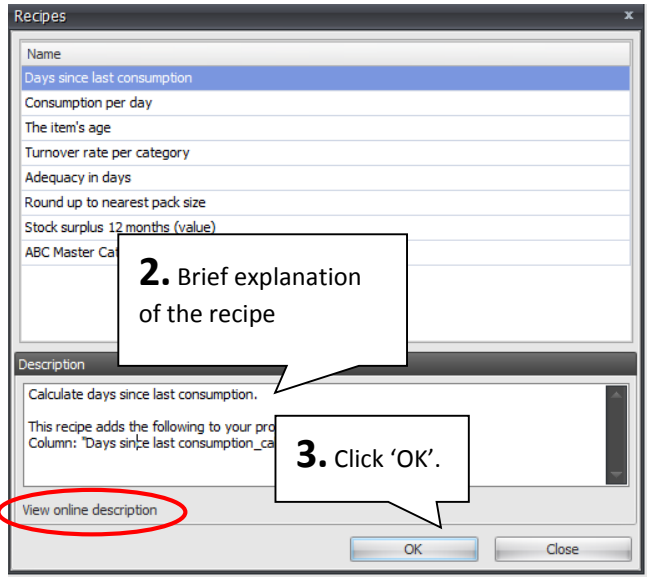
Were the four formula presented in the previous page new to you?

If you're not familiar with Excel formula, use the 'Recipes' short-cut to add columns to your data set. ABC Analyzer can automatically calculate different columns and categorisations for you.



1. Overview of recipes. **Click a recipe** to see what it adds to your analysis.

You can find a more detailed description of each recipe that helps you with your analysis on the following website: http://recipe.abcsoftwork.com/en/



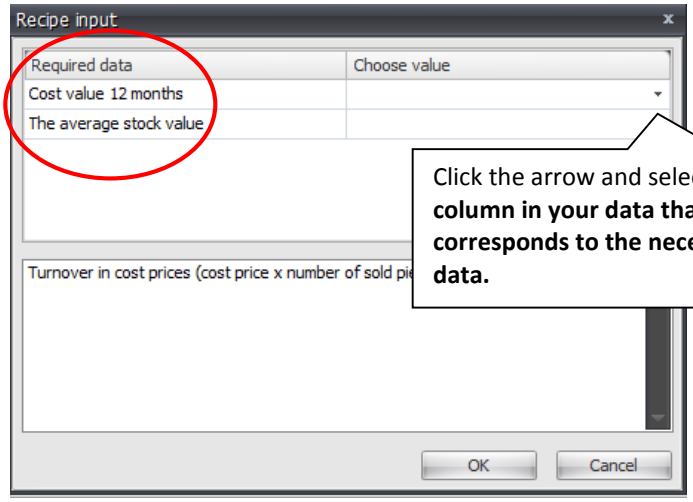
2. Brief explanation of the recipe

3. Click 'OK'.

Select the correct columns

In this window, you need to select the necessary columns. If you are uncertain what to choose, read the help text at the bottom – or go to the website stated above for a more detailed explanation.

Click 'OK' and the recipe will automatically add a column or categorisation to your analysis.



Click the arrow and select **the column in your data that corresponds to the necessary data.**

Advanced columns

Use advanced columns when you need to calculate surplus stocks or define level of service per ABC category. E.g. it naturally makes sense to attempt to work with a higher level of service on AA products than on CC products.

Before opening ABC Analyzer, consider:

- Which default value will you apply to the majority of the ABC categories?
- Which categories should have a different value?

Example: Calculate the differentiated excessive stock value

Illustrative example:

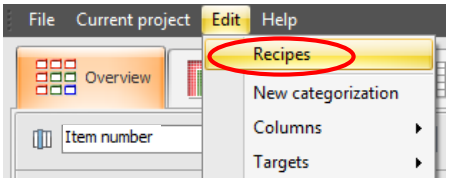
Begin by defining how many days stock coverage you need for each ABC category. Excessive stock will be defined from this value.

Necessary columns

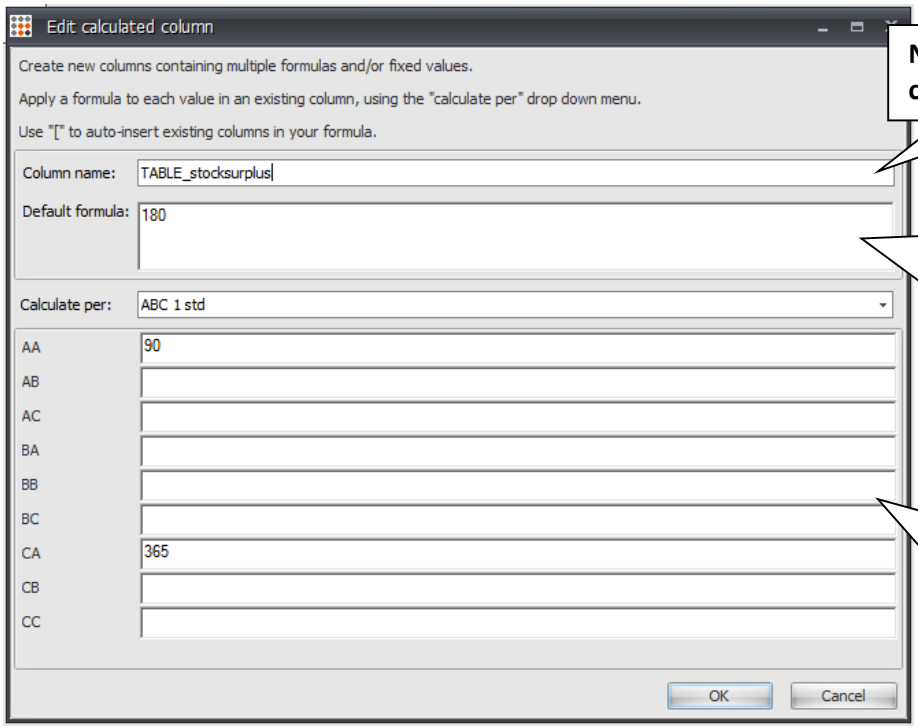
Before you can calculate the differentiated surplus stocks, your data must include:

- Product age
- Consumption per day:

If you have not already calculated these, you can use recipes to do so. Click 'Recipes' in the 'Edit' menu, or for additional information turn to page 5 or go to:
http://recipe.abcsoftwork.com/da/



In order to calculate the differentiated surplus stocks, you need to add an advanced column in which you enter the excessive stock values.



Name your advanced column

State **the default value or formula** to be applied in **all the empty columns** below.

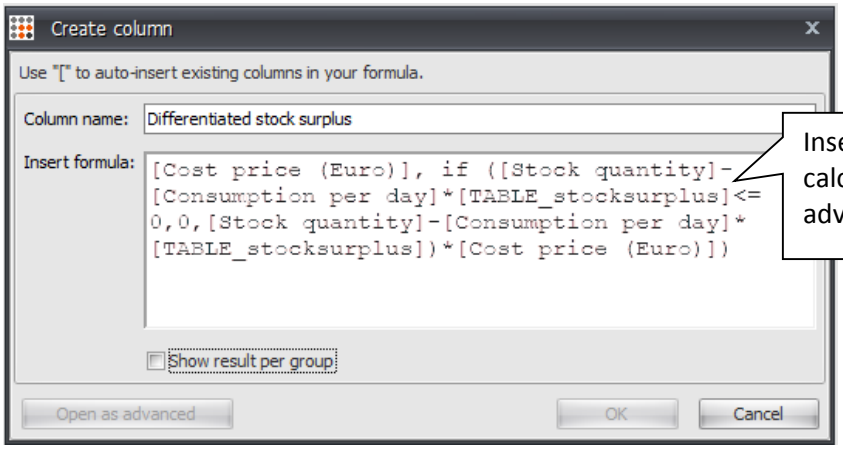
In this example, we use '180 days'.

Enter the desired value for **AA and CA products.**

Empty fields = standard formula.

Use the excessive stock value

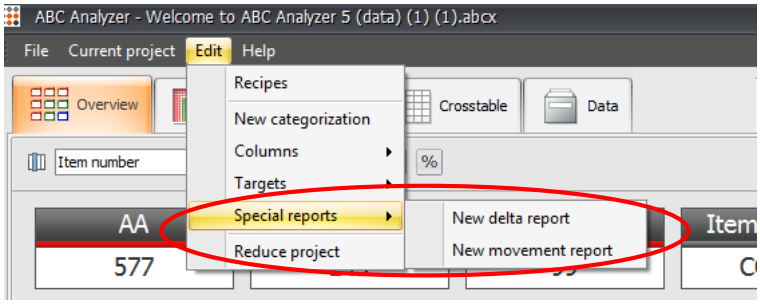
Calculate the differentiated surplus stocks by adding a 'New column' under 'Edit'/'Column' as described below:



Insert the column you calculated using the advanced formula here.

Delta and critical leap reports

Add **special reports** to your analysis.

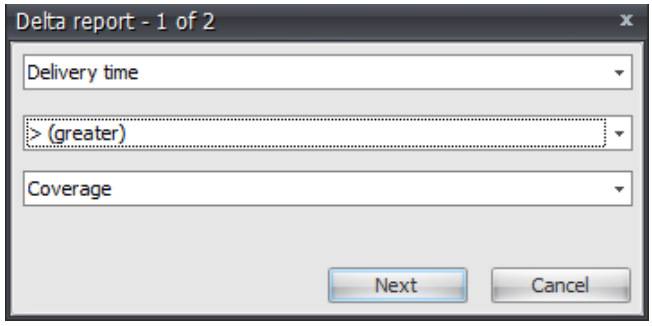


Delta reports (compare two columns)

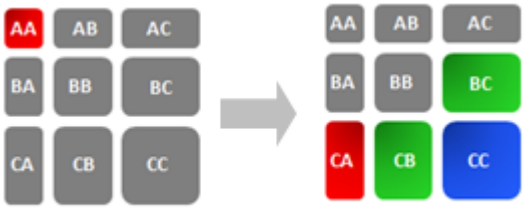
Use Delta reports to compare two columns, and save the result in a report. Eg. Track potential future stock outs

Select 'New Delta report' (Top). Then select 'Lead time' > (greater than) 'Coverage'.

Click 'Next', set up the desired columns, and save the report.



Movement report: Watch out for critical leaps



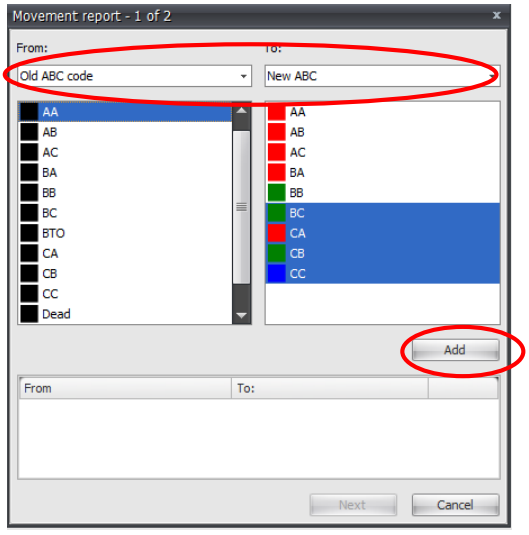
Use the movement reports to monitor critical leaps between ABC categories = products that change ABC category.

Example: Set up a report with 'AA products showing a sharp decline'. See the illustration to the left.

Select 'New movement report' (top) and compare 'AA' products from the old ABC with 'CA, CB, CC and BC' products in the new ABC. (To the right)

Click 'Add' to add the highlighted leaps to the report.

When you have finished, click 'Next'. Set up the desired columns and save the report.



Match your analysis/template to an alternated data file

You can add new columns to your ERP extract at any time, and update your ABC file to fit the new format.

IMPORTANT NOTICE: New data columns must ALWAYS be positioned at the back of your data file, otherwise you will need to build your entire analysis/template again from the very beginning!

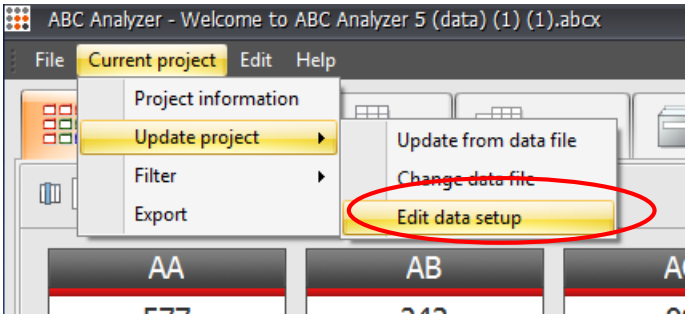
NB When your data file changes, you will receive an error message from both ABC Analyzer and Viewer, and you will not be able to open the analysis before it has been updated to include the new data.

Update a project file/template to match the new data

1. Open the project file/template with an "old" dataset – e.g. last week's data.

2. Select 'Edit dataset' from the 'Current project'/'Update project' menu.

3. Select the new data file to which you wish to update the analysis. Click 'Open' when you have selected the appropriate file.



The import guide will open. On the last stage of the import guide, you need to define the "type" for each new column. Scroll all the way to the far right, to see the new columns. The default setting will be 'text'.

Once you have selected the appropriate column type (ID, numbers, text, etc.), click 'Apply.' Your analysis will automatically be recalculated and include the new columns.

Save your updated project file/template.