Create your first ABC Analysis

Welcome!

Now, your data have been imported to ABC Analyzer 5, and you are ready to create your first ABC analysis.

This guide will show you how to:

- **Create your first double ABC categorization**
- **Navigate ABC Analyzer**

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Download your free 30 day trial: http://abcsoftwork.com/free_trial
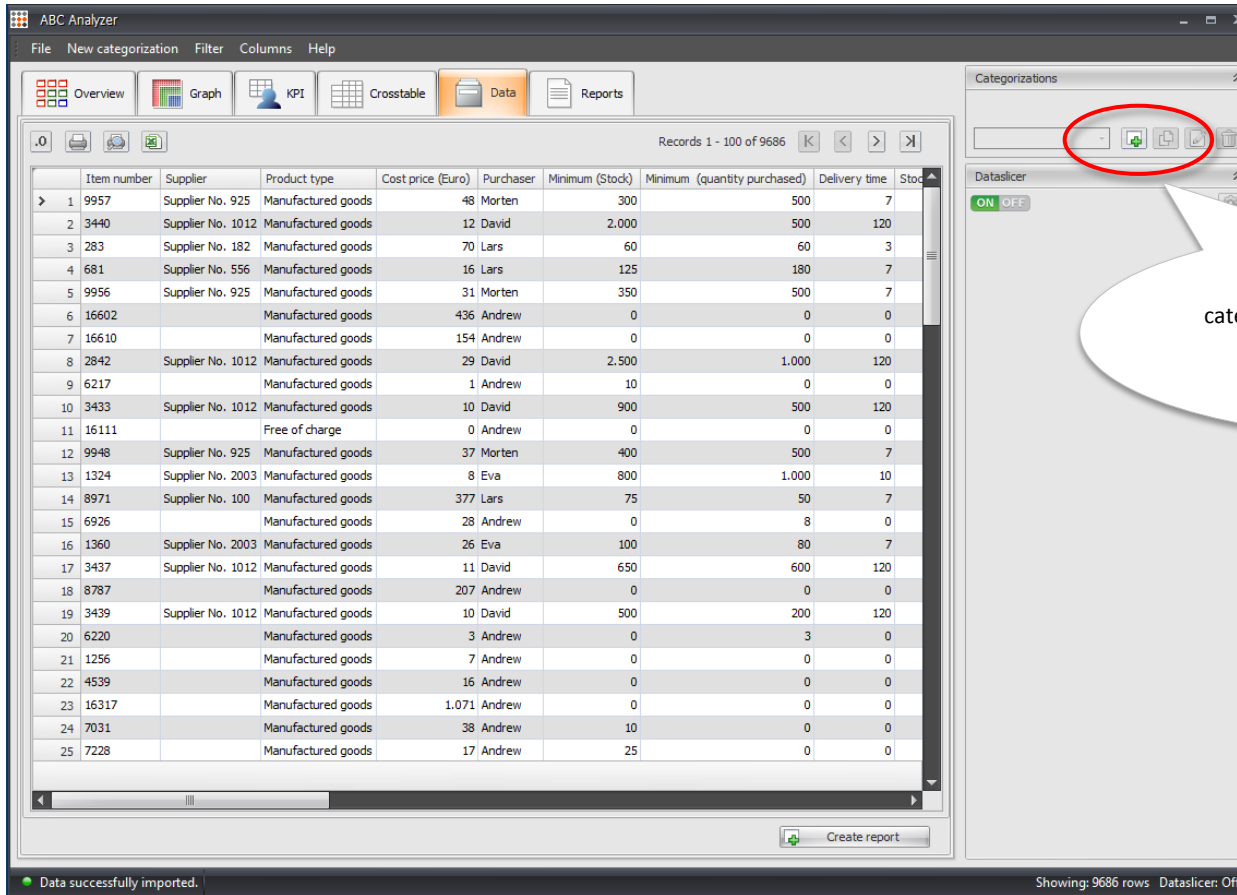
Your data + ABC Analyzer
→ Your first categorization

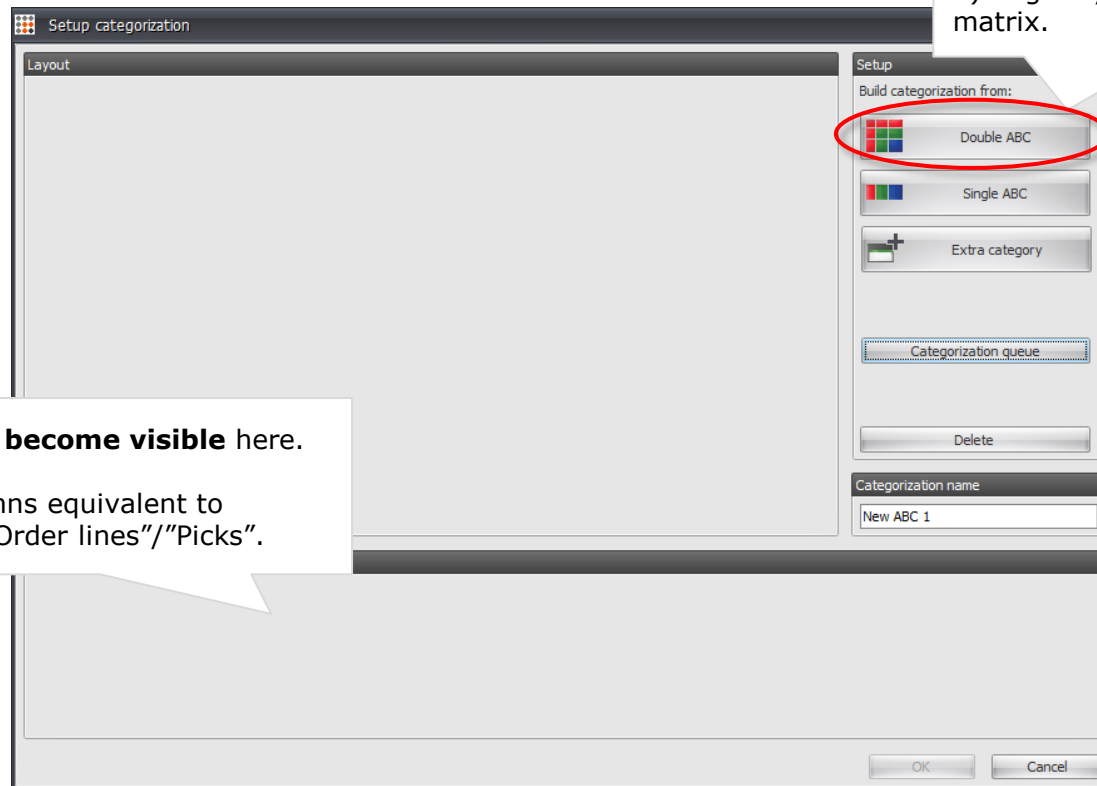# Remember "Overview" is empty until you have made a categorization.

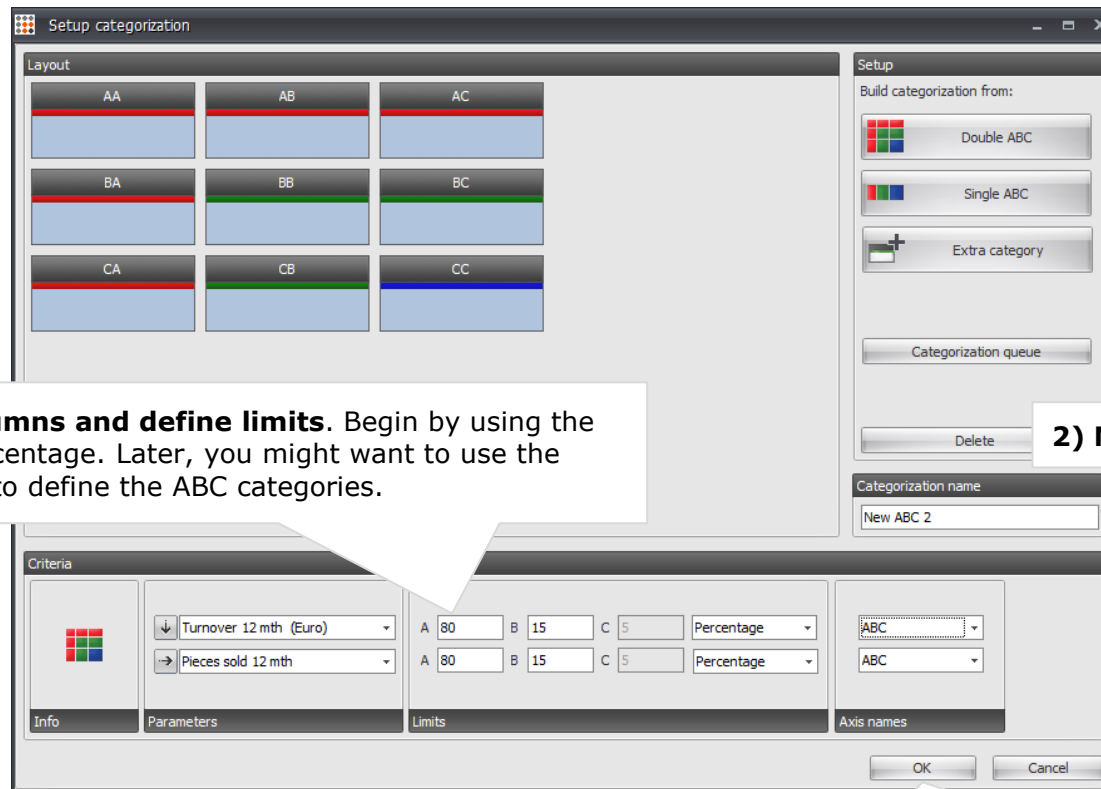(So, the imported data are only visible at the "Data" tab.)

Create your first categorization

1) Begin by **adding a double ABC** matrix.

Setup categorization

Layout

Setup

Build categorization from:

Double ABC

Single ABC

Extra category

Categorization queue

Delete

Categorization name

New ABC 1

2) Controls will become visible here.

Choose the columns equivalent to "Turnover" and "Order lines"/"Picks".

OK   Cancel

Creating a 9 box matrix

1) **Choose columns and define limits**. Begin by using the 80 – 15 – 5 percentage. Later, you might want to use the "actual values" to define the ABC categories.

2) **Name** your categorization.

3) **Press OK.**

Done!

Now, you have successfully created your first ABC analysis in a matter of minutes.

Well done!

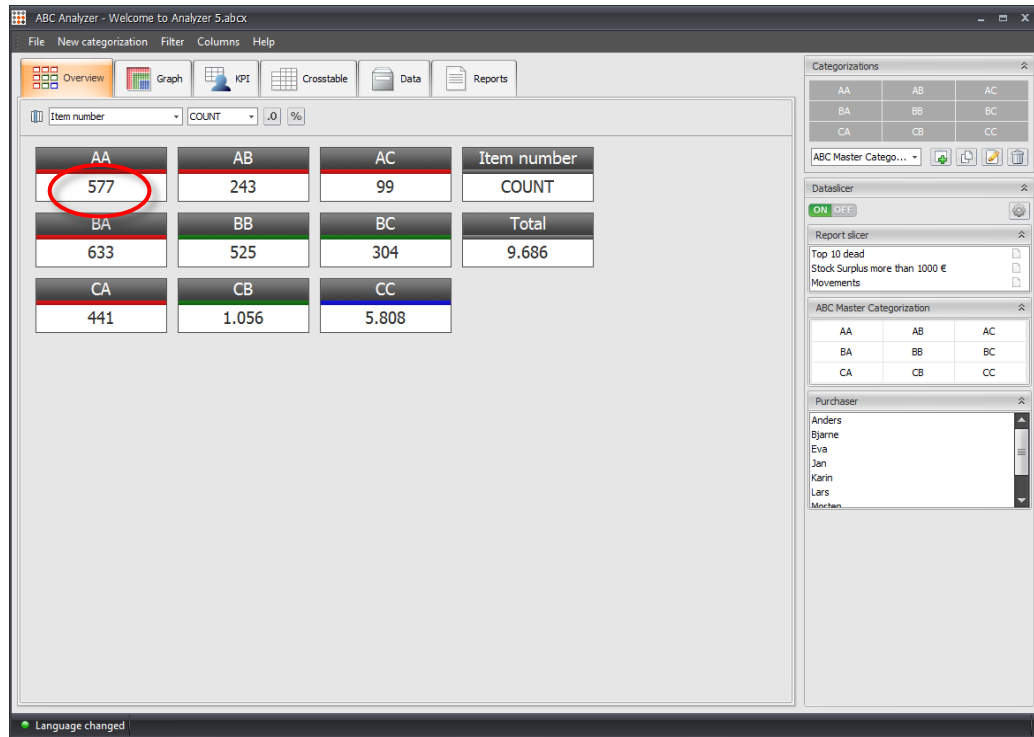Now, let us have a look at it.

Choose the tab "Overview" to see how your products are distributed across the 9 categories.
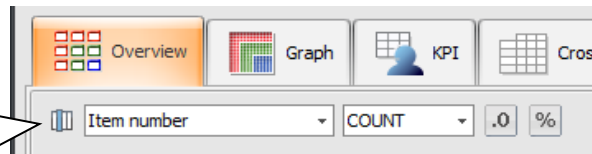
How many AA products define your core business?

Click the number to find out which products it hides..

Or..

Investigate your key numbers using the top bar navigation.

How much do you earn per category? The answer is hidden in your data – go dig it out!

How does my analysis look in the other tabs?

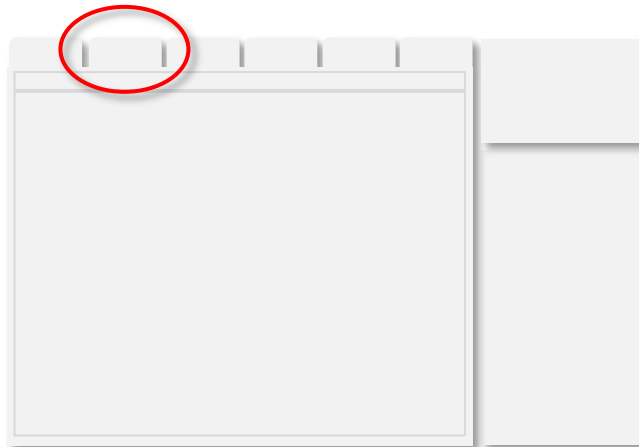**Eager to investigate your data?**

Use the different tabs in ABC Analyzer to gain an overview. Play with dataslicers and create reports.

Which way is up?

6 tabs: Overview, Graph, KPI, Crosstable, Data and Reports.

Click the second tab: "Graph".

Right-side controls:
On your right, you will find all important controls.

The active categorizations is shown at the top.

Workspace: Your analysis is displayed here.

Reports & dataslicers:
Choose which **report** to see from the list in **Report slicer** and continue to slice and dice the data using **dataslicers.**
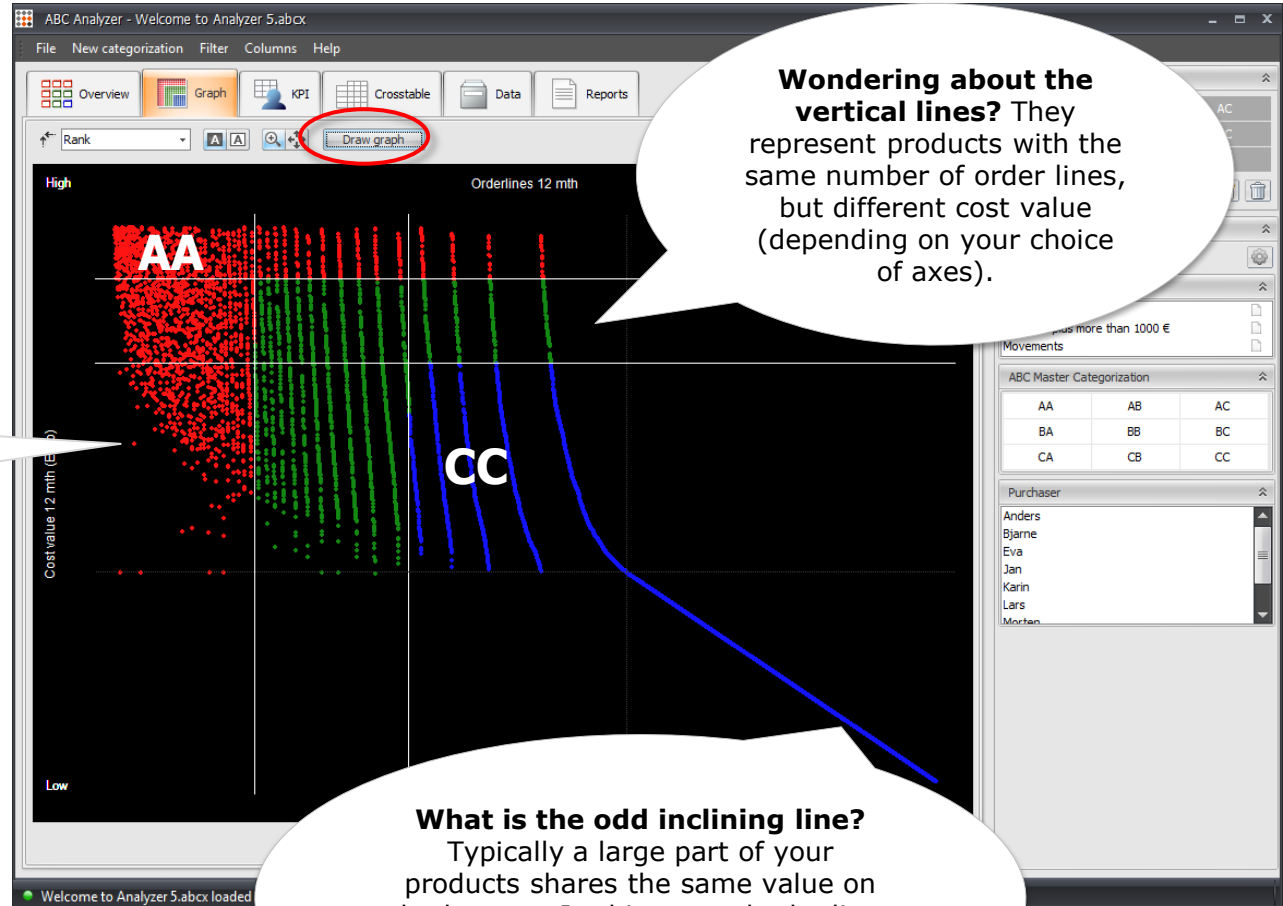
Graph

Begin by pressing "Draw graph".

The graph shows you exactly the same as "Overview": Your products distributed in the 9 different categories.

… But now the characteristics for each product stand out.

Each **dot represent a product** – click it to see the data.

Wondering about the vertical lines? They represent products with the same number of order lines, but different cost value (depending on your choice of axes).

What is the odd inclining line? Typically a large part of your products shares the same value on both axes. In this example the line represents all products with cost value = 0 and order lines = 0.

KPI – use it as your dashboard

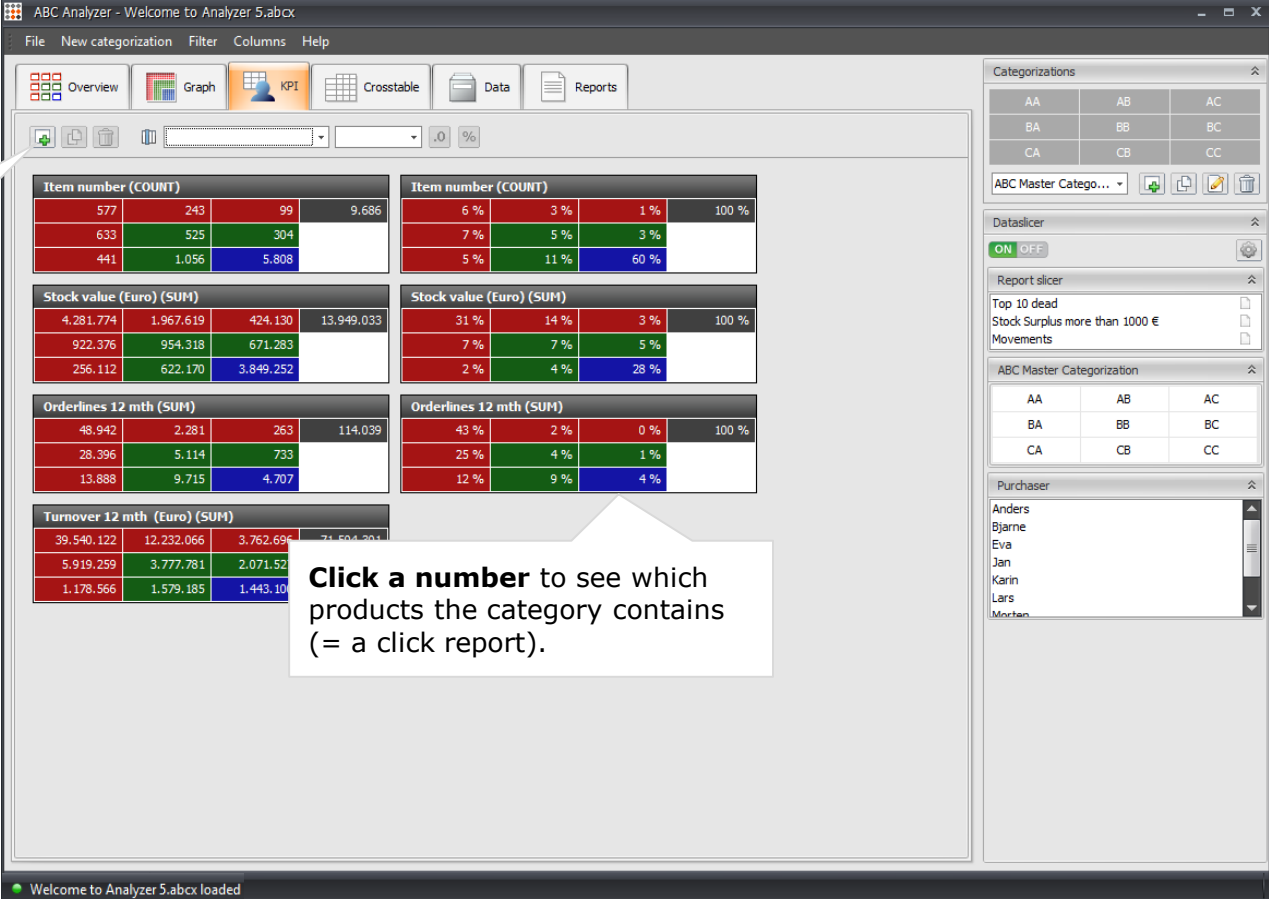Once you start working with ABC Analyzer and your data, you'll spend more time on KPI.

This tab is empty first time you visit it.

Let's do something about it!

Add one or more KPI boards.

We recommend:

- Item number + %
- Stock value + %
- No. of order lines
- Turnover

Click a number to see which products the category contains (= a click report).

Crosstable – create a detailed overview

Now let's go a step deeper and find out:

Who is responsible for the majority of your AA products.

Who is responsible?

Choose the column containing information about your purchasers or product owners.
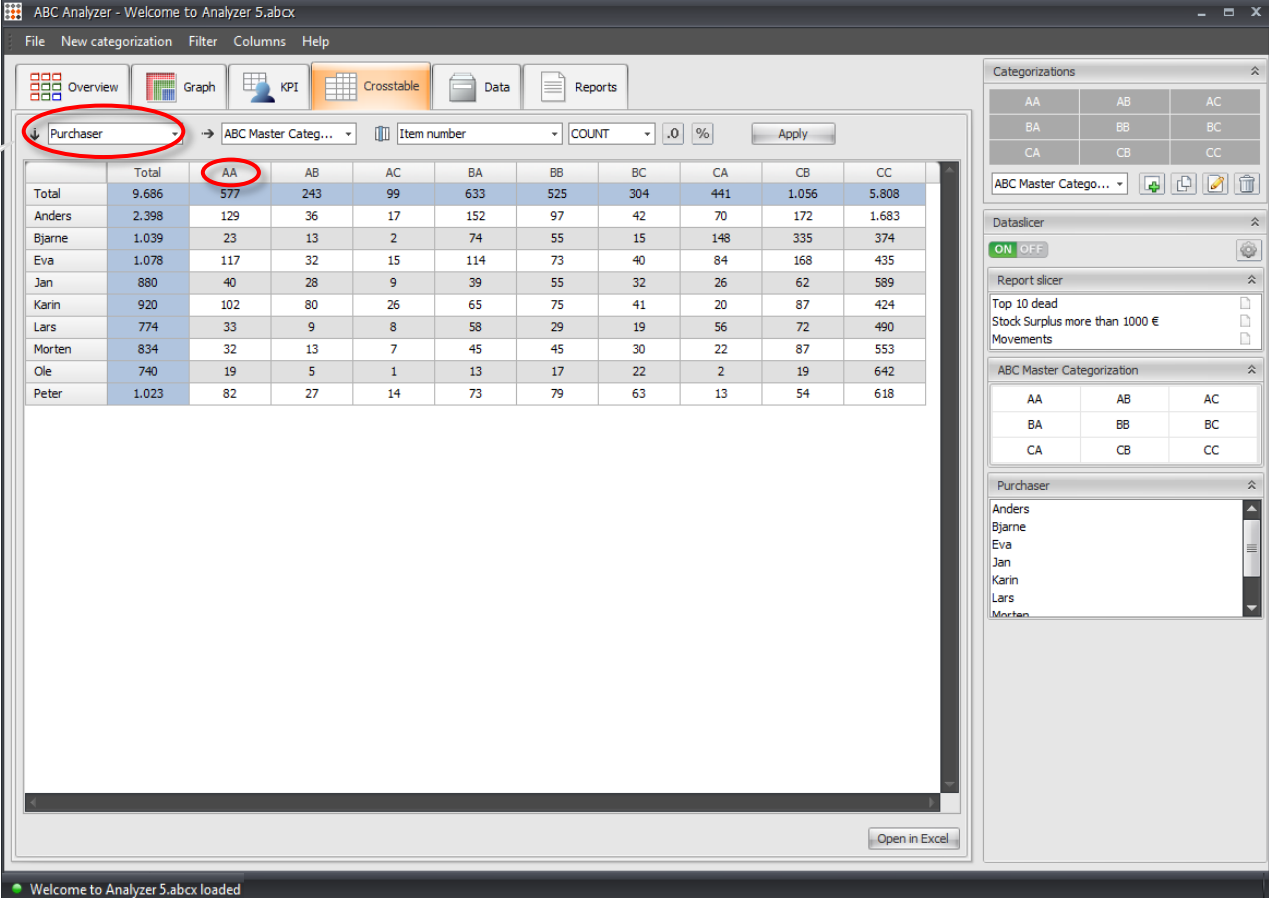
Choose your ABC categorization in the second dropdown. Press Apply.

Now all your products are sorted on these two dimensions.

Sort ascending/descending

Press "AA" to sort.

Now, it is easy to see how many AA products the different purchasers are responsible for.
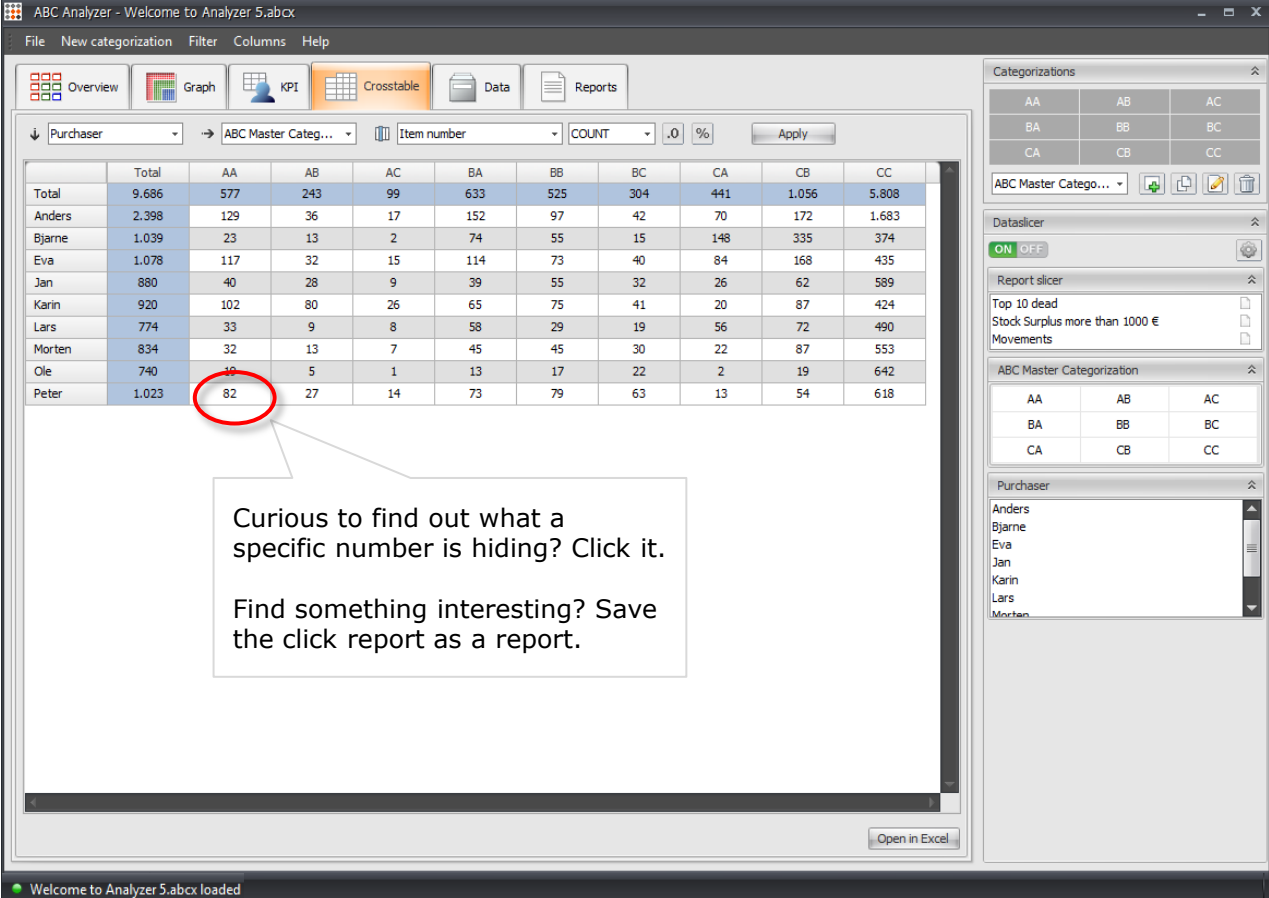
Exercise you analytical skills

Bonus Exercise:

Find out – are you depending on one single supplier!?

Check if your important AA products are provided by only one, or few suppliers – and treat them well (or negotiate better prices with them).

Try on your own .. *or* read on.

How to: Change the value in the first dropdown from "Purchaser" to "Supplier". Apply and sort!

Reports

Now, if you have saved a report, it will be showed here.

If not, this tab is empty.

Fine-tune the layout of your report.

Right click to edit the settings of hidden and locked columns

Right-click a report to **edit its criteria** or to **delete it.**
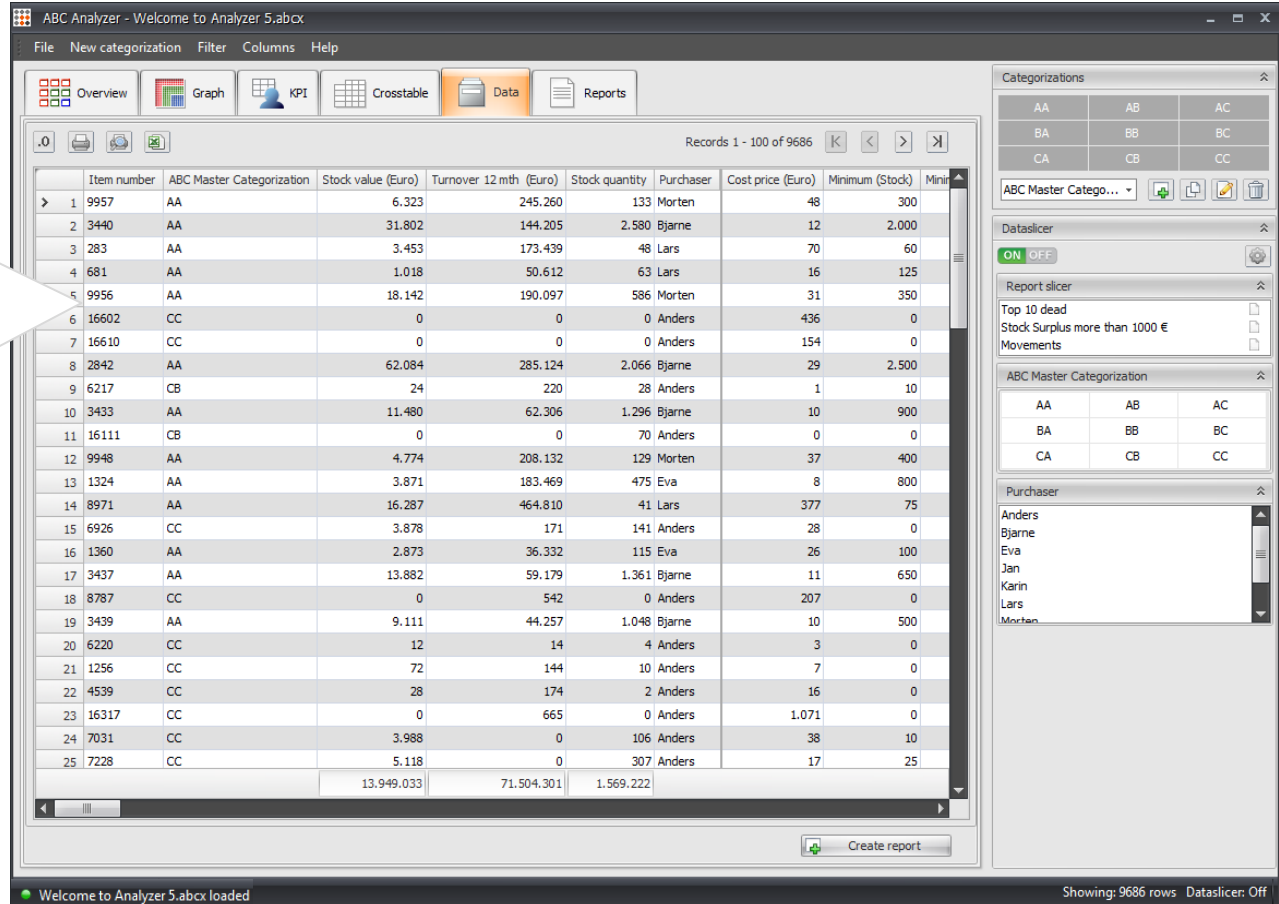
Data

Welcome back to the data tab!

The tour is almost over.

Tip: The look of the data tab is reflected on all click reports.

So...

Arrange, hide or lock your columns.

If you always want to see the product number: Right-click and lock this column.

Dataslicers

Never forget the power of dataslicers.

Dataslicers: Create your own controls
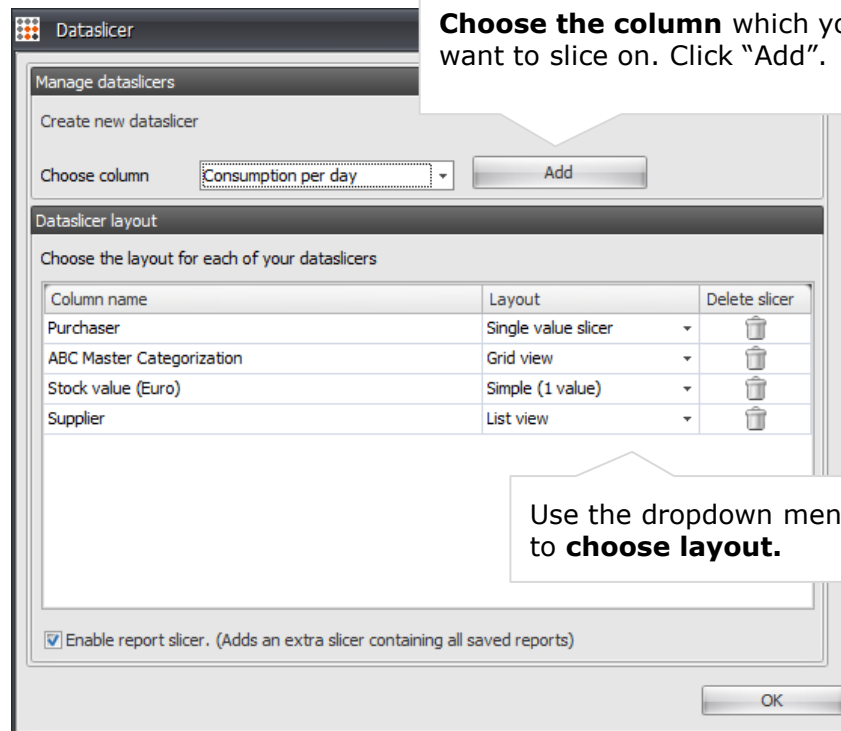
Add dataslicers to increase speed and slice data on the fly.

Choose the column which you want to slice on. Click "Add".

Your slicers will pop up here

Use the dropdown menu to **choose layout.**

Identify dead products

We are still only scratching the surface. What more? Refine your ABC analysis with extra categories.

Add extra categories

Right now your CC products contain a lot of "noise".

• Dead products

• Phantom products

• Products which are supposed to sell badly since your not marketing them anymore etc.
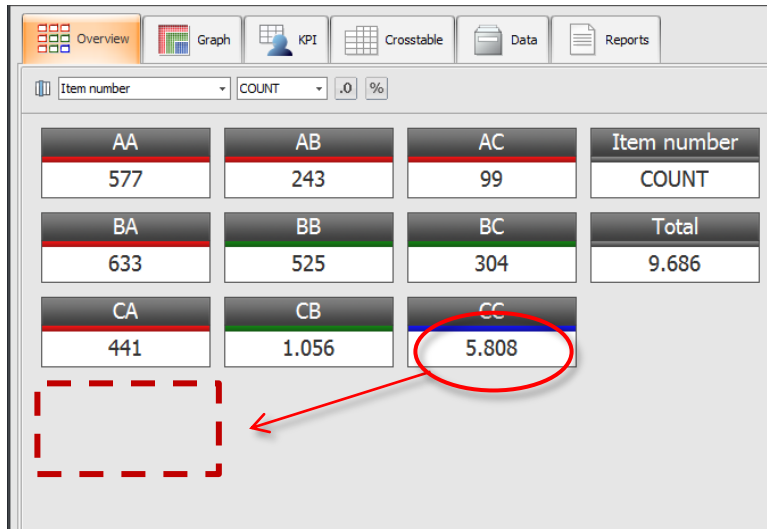
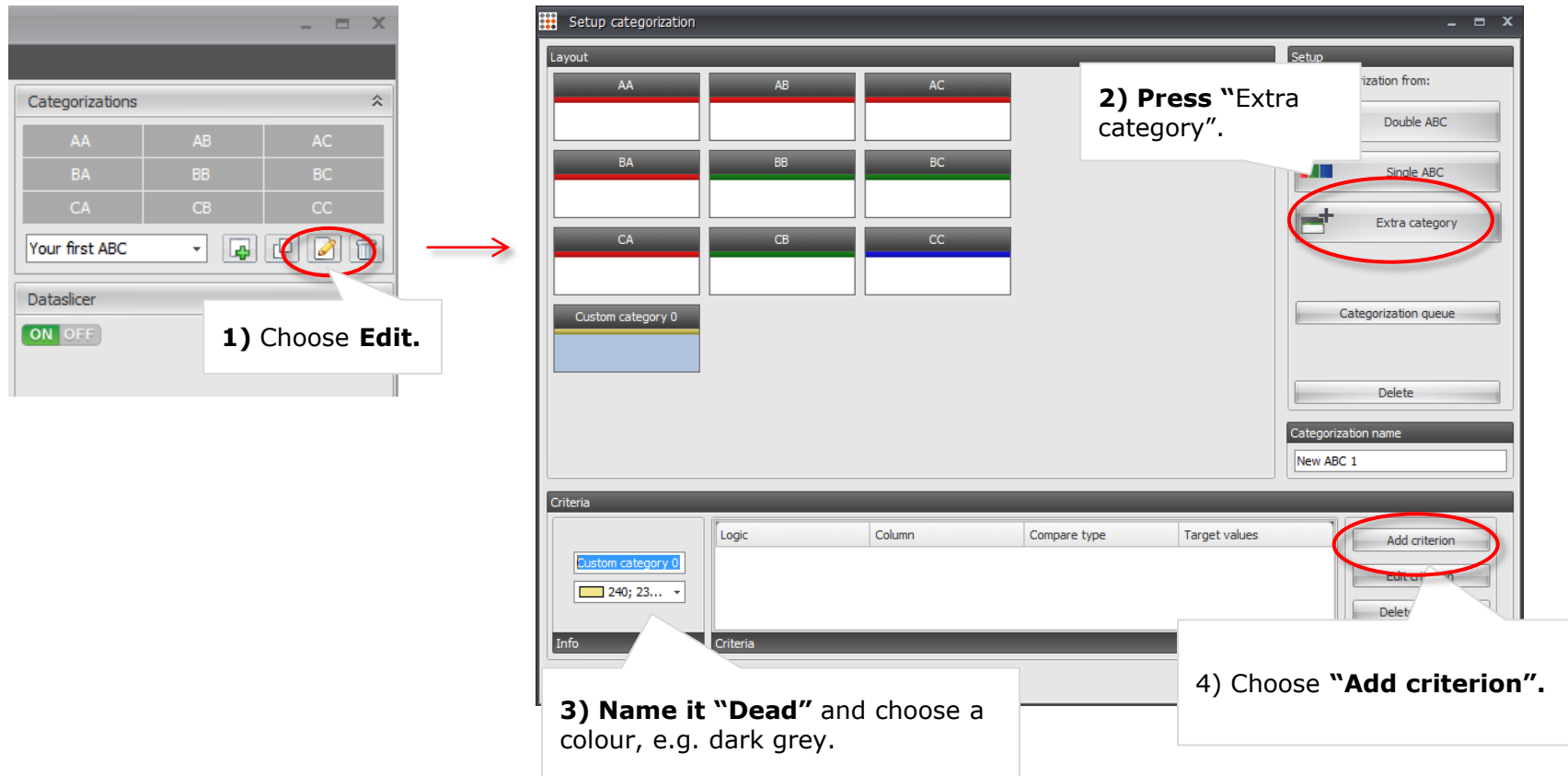In order to create streamlined guidelines for your categories, that make sense in a busy work environment, you need to "clean up" the content of the 9 basic ABC categories.

Do this by creating extra categories for products with special attributes.

We will add a new category for "Dead products" to the current categorization.

(Depending on your data you can set up all sorts of extra categories).

Create an extra category

1) Choose **Edit.**

2) Press "Extra category".

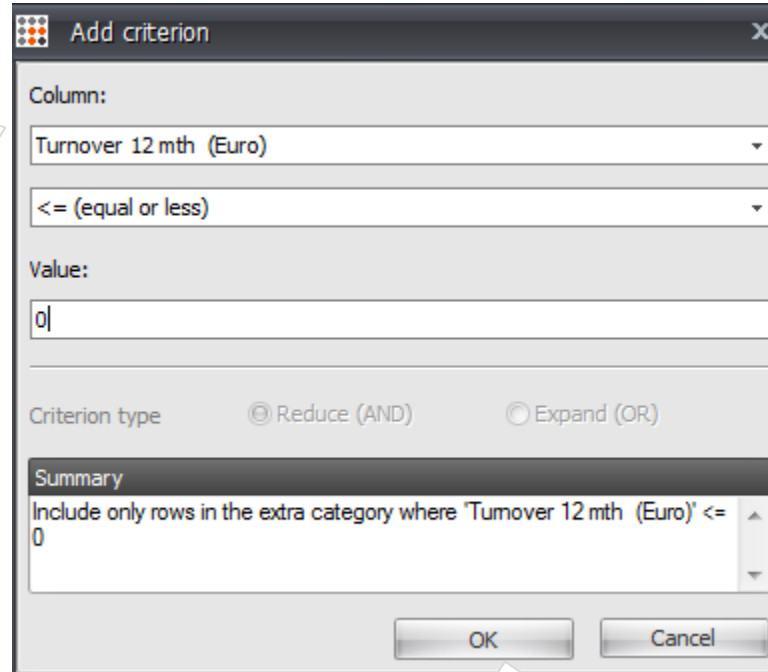**3) Name it "Dead"** and choose a colour, e.g. dark grey.

4) Choose **"Add criterion".**

Define criteria using basic math

Define criteria for your new category "Dead items".

We have used this criteria.

Add criterion ✕

Column:

Turnover 12 mth (Euro) ▾

<= (equal or less) ▾

Value:

0

Criterion type ◉ Reduce (AND) ○ Expand (OR)

Summary

Include only rows in the extra category where 'Turnover 12 mth (Euro)' <= 0

OK | Cancel

Other great extra categories you might want to consider

- New products
- Political items
- Christmas sale products
- Products from overseas suppliers

The limitations are only in your own data!

Press OK. You may add as many criteria as you like to a category. Once you are done, save your categorization and return to "Overview".

That's it! Well done

Want to know more? We post new features, tips & tricks on how to create cool analyses on our blog:

blog.abcsoftwork.com