

IKEA Components Achieves 98% Customer Service Level with Optilon and ToolsGroup

BOSTON and STOCKHOLM, Sweden, April 3, 2012 – [ToolsGroup](#) announced today that IKEA Components has achieved higher than expected customer service levels of 98 percent after implementing ToolsGroup's Powerfully Simple supply chain planning software. [Optilon](#), a supply chain planning and optimization specialist, implemented the project.

IKEA Components develops, sources and supplies components for IKEA products such as furniture, lighting and shelving. In 2009, the organization globally distributed 150 million bags of fittings from their facilities in Slovakia and China.

ToolsGroup's software generates forecasts for IKEA Components and also optimizes inventory stocking levels for certain products. The goal was to achieve higher order fulfillment service levels, while keeping inventory costs in check. The system is virtually automatic, requiring very little manual intervention, a concept ToolsGroup refers to as "[Powerfully Simple](#)." This was particularly important for IKEA.

Speaking at a recent Optilon User Forum, Marie Johnsson, Supply Manager for IKEA Components, said, "Besides high service levels for our customers, the new solution has allowed us to generate more accurate forecasts - complementing our other forecast sources. It also helps us see our availability better and how stocking costs are affected."

Ms. Johnsson described the new approach, "In traditional inventory management, the demand history is only expressed in total quantity, ignoring individual customer order-lines. The main focus is on forecast accuracy, with very little attention to the statistical or 'stochastic' nature of the demand. With our approach, called [Service Optimization](#), we analyze demand history both in terms of quantity and customer order-lines. This not only improves forecast accuracy, but improves service levels as well."

About IKEA

IKEA strives to be 'The Life Improvement Store,' and since its 1943 founding in Sweden, has offered home furnishings of good design and function, at low prices so the majority of people can afford them. There are currently more than 320 IKEA stores in 38 countries, including 38 in the U.S. IKEA, the world's leading home furnishings company, incorporates sustainable efforts into day-to-day business and supports initiatives that benefit children and the environment. For more information, go to [IKEA-USA.com](#). IKEA Components sources and supplies component solutions for products that carry the IKEA name.

About Optilon

Opton creates business advantage through solutions based on leading supply chain applications. Opton takes a holistic approach to planning and optimization for companies within both manufacturing and trade, implementing market leading solutions and processes. Opton uses its expertise to choose among the leading and most innovative applications on the market. Demand Planning and Inventory Optimization is an important focus area where Opton has chosen to work with ToolsGroup.

About ToolsGroup

ToolsGroup (www.toolsgroup.com) is a global provider of [Powerfully Simple](#) supply chain planning software. Powerful behind-the-screen engines enable highly intelligent data-driven decision making. Reliable and scalable statistical models are continuously and automatically tuned to automate and simplify the planning and control process. Our customers overcome volatile supply chains to generate accurate forecasts and outstanding customer-service levels with less global inventory. ToolsGroup's solutions span key supply chain planning areas such as [Demand Planning](#), [S&OP](#), [Demand Sensing](#), [Promotion Forecasting](#) and [Multi-Echelon Inventory Optimization](#).

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