



Advanced Inventory Optimization & S&OP Strategy Course

16 – 27 November 2026
Madrid (Spain)





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Advanced Inventory Optimization & S&OP Strategy Course is a 10-day course for experienced practitioners who already run purchasing, warehousing or demand work and now need to connect stockholding decisions with end-to-end network strategy. You work through segmentation, service targets, multi-echelon buffers and S&OP trade-offs, and you take back an Integrated Network Stock Strategy for your own operation. The course is offered by Mercury Training Center.

About This Course

Many organizations tune reorder points item by item while working capital, service and freight costs pull in different directions across the network. You should already set order quantities or run a warehouse or demand process. You practice on case data, building policies, testing trade-offs and presenting decisions as you would to an operations board.

Who It Is For

- Senior buyers and category leads who set sourcing terms and decide order quantities for high-value SKUs.
- Warehouse and distribution leaders responsible for site stockholding, service performance and storage capacity.
- Demand and supply planners who prepare forecasts and consensus volumes for monthly business reviews.
- Logistics leaders who balance transport cost, lead time and customer service across several sites.
- Finance business partners who track working capital tied up in materials and finished goods.

This course is not for newcomers who are learning basic store-keeping and record-keeping for the first time; an introductory course on stores operations suits them better. It is also not for those who need only a short overview of good practice; a shorter conference-style event suits them better.

Competencies You Will Build

- Portfolio Segmentation: classifies SKUs by value, volatility and criticality and sets a distinct policy for each class.
- Service Target Setting: agrees fill-rate and cycle-service targets with sales and finance and defends them with data.
- Buffer Sizing: calculates safety buffers from demand and lead-time variability and reviews them on a set cycle.
- Network Positioning: decides where buffers sit across central, regional and forward locations.
- Integrated Business Review: brings stockholding options into monthly S&OP meetings with cost and service effects.
- Performance Governance: tracks turns, days of cover, accuracy and obsolescence and acts on exceptions.

What You Will Be Able to Do

By the end of the course you will be able to:

- From a twelve-month SKU history, build an ABC-XYZ matrix and assign an ordering policy to each segment.
- Given forecast error and supplier lead-time data, size safety buffers that meet an agreed cycle-service target.
- Using an efficient-frontier chart, show leadership the working-capital cost of each service option.
- From a multi-site network map, choose buffer positions and estimate the effect on cover and freight.
- Given a slow-moving and obsolete item list, prepare disposal and prevention actions with owners.
- Using a KPI dashboard, set review triggers and escalation rules for the monthly business review.

Course Content

Day 1: Network Strategy and the Role of Stock

- Strategic Fit Between Customer Promise and Network Design
- Push, Pull and Decoupling Points in Make-to-Stock and Make-to-Order Settings
- Bullwhip Effect Diagnosis in a Distributor Network
- Cycle, Safety, Pipeline and Anticipation Stock in the Balance Sheet
- Type I and Type II Network Behavior in Fast and Slow Moving Lines

Day 2: Demand Analysis and Forecasting

- Demand Pattern Classification for Smooth, Erratic and Intermittent Items
- Exponential Smoothing and Croston's Method for Spare Parts
- Forecast Accuracy Measures: MAPE, WMAPE and Bias
- Demand Sensing With Point-of-Sale and Order Book Signals
- Consensus Forecast Preparation for the Monthly Review

Day 3: Segmentation and Policy Design

- ABC-XYZ Matrix for a Multi-Category SKU Portfolio
- VED Criticality Ranking for Maintenance and Medical Items
- Policy Choice per Segment: Continuous Review, Periodic Review and Make-to-Order
- Min/Max and Reorder Point Settings for Low-Value Lines
- Economic Order Quantity and Quantity Discount Decisions

Day 4: Service Targets and Safety Buffers

- Cycle Service Level Versus Fill Rate in Customer Agreements
- Safety Buffer Formulas With Demand and Lead-Time Variability
- Efficient Frontier of Service Against Working Capital
- Free Stock and Available-to-Promise Calculations
- Buffer Review Cycles After Supplier or Demand Changes

Day 5: Multi-Echelon Network Positioning

- Multi-Echelon Inventory Optimization Concepts for Central and Regional Sites
- Risk Pooling and Postponement in Distribution Networks
- Vendor-Managed Inventory and Consignment Agreements
- Lead-Time Build-Up Mapping From Order to Delivery
- Freight and Holding Cost Trade-Offs in Site Allocation

Day 6: MRP, DRP and Lean Flow

- MRP and MRP II Logic for Dependent Demand Components
- Distribution Requirements Planning for Finished Goods
- Kanban and Pull Signals in Assembly and Retail Restocking
- Quick Response and Efficient Consumer Response in Fast-Moving Goods
- CPFR Collaboration With Key Suppliers and Customers

Day 7: Sales and Operations Planning

- S&OP Cycle Steps From Demand Review to Executive Meeting
- Supply Constraint Review and Capacity Scenarios
- Financial Reconciliation of Volume Plans and Stock Targets
- Scenario Comparison of Service, Cost and Cash Options
- Decision Logs and Accountability in the Executive Review

Day 8: Accuracy, Governance and Obsolescence

- Item Coding and Master Data Standards for SKU Records
- Cycle Counting Schemes and Tolerance Rules for Discrepancies
- Segregation of Duties in Receipt, Issue and Adjustment
- Slow-Moving and Obsolete Item Identification and Disposal Options
- Write-Off Approvals and Authority Levels

Day 9: Performance Measurement and Risk

- Turns, Days of Cover and GMROI Dashboards for Leadership
- SCOR Model Metrics for Reliability, Responsiveness and Asset Use
- Supplier Disruption Scenarios and Strategic Buffer Decisions
- Total Cost of Ownership in Sourcing and Holding Decisions
- Exception Alerts and Escalation Rules for the Weekly Review

Day 10: Practice and Network Stock Strategy

- Exercise: Re-Segmenting a Distributor Portfolio With ABC-XYZ
- Exercise: Resizing Safety Buffers After a Lead-Time Shift
- Exercise: Presenting a Buffer Positioning Choice to an S&OP Panel
- Peer Review of Draft KPI Dashboards and Escalation Rules
- Completing the Integrated Network Stock Strategy

Case Studies and Exercises

The following are suggested activities.

- Case study: A pharmaceutical wholesaler holds high cover on slow lines and misses service on fast ones; you redesign its segmentation and service targets.
- Case study: An oil and gas maintenance store carries large critical spares; you decide which to hold centrally, which on site and which under consignment.
- Exercise: A fast-moving consumer goods distributor faces a longer supplier lead time; you recalculate buffers and show the working-capital effect.
- Exercise: A manufacturer's monthly review must choose between two capacity scenarios; you prepare the S&OP decision summary.

What You Take Back

You leave with an Integrated Network Stock Strategy for your own operation. In your first month back, you use it to re-segment your SKU base, propose service targets and buffer positions to leadership, and set the dashboard you will bring to the next monthly business review.

- An ABC-XYZ segmentation with a policy per segment.
- Service targets and safety buffer calculations for priority SKUs.
- A buffer positioning map across your network sites.

- A KPI dashboard with review triggers and escalation rules.

Quick Answers FAQ

What do I need to know before the Advanced Inventory Optimization & S&OP Strategy Course?

You should already set order quantities, run a warehouse or prepare forecasts, and be comfortable with spreadsheets. The course does not teach basic stores procedures; it builds on them toward network and policy decisions.

How does advanced inventory optimization and S&OP training differ from an introductory stock control course?

Introductory courses teach recording, counting and simple reorder rules for a single store. Advanced training connects those rules with segmentation, service targets, multi-echelon positioning and S&OP decisions across the whole network.

What is multi-echelon inventory optimization in supply chain management?

It sets safety buffers for all sites of a network together rather than one site at a time. Holding buffers where variability is pooled usually reaches the same service with less total stock.

What do I take back from the Advanced Inventory Optimization & S&OP Strategy Course?

You take back an Integrated Network Stock Strategy: a segmentation with policies, service targets and buffer calculations, a positioning map and a KPI dashboard for the monthly business review.

For Your Manager

After the course, your team member will be able to segment the SKU portfolio, set service targets backed by data, size and position safety buffers across sites and bring stock options into S&OP meetings. They return with an Integrated Network Stock Strategy, first used in the next monthly business review to propose targets and freed working capital.