

DO YOU HAVE A LONG TAIL?

SYMPTOMS OF A LONG TAIL



Growing SKUs



Product variations (such as colors and sizes)



Items considered not forecastable



Seasonality/regionalty



Increasing number of distribution centers



Replacement parts



Global business expansion

Many businesses don't realize how many slow movers they actually have and how fast their tails are growing. Learn how to evaluate yours.



YOUR LONG TAIL MAY BE MORE COMPLEX THAN YOU REALIZE

The long tail is analyzed by examining **the combinations of items and locations**. For many, the complexity of the long tail issue can involve distributors, distribution centers, and can be global with millions of SKUs.

		ITEM						→
		A	B	C	D	E	F	
SHIPPING LOCATION	1	✓	✓	✓	✓	✓	✓	→
	2	✓	✓	✓	✓	✗	✗	→
	3	✓	✓	✓	✓	✗	✗	→
	4	✓	✓	✗	✗	✗	✗	→
	5	✓	✓	✗	✗	✗	✗	→
	6	✓	✓	✗	✗	✗	✗	→
	7	✓	✓	✗	✗	✗	✗	→
	8	✓	✗	✗	✗	✗	✗	→
	9	✓	✗	✗	✗	✗	✗	→
	10	✗	✗	✗	✗	✗	✗	→
↓	↓	↓	↓	↓	↓	↓	↓	

TO ASSESS THE EXTENT OF YOUR LONG TAIL:

- ▶ Create a matrix of items and shipping locations
- ▶ Identify SKUs where number of weeks without demand exceeds the number of weeks with demand – this defines your long tail.

Pay attention to SKUs that are not considered forecastable. They also comprise the long tail and may become forecastable with the proper analysis.

THE LONG TAIL CAN BE MASTERED



STEP 1- ANALYZE:

Determine where the long tail is the most extensive and make a business case for implementing changes.



STEP 2- AUTOMATE:

Evaluate technology that can model demand and inventory – and minimize manual intervention. This will reduce errors in forecasts and improve inventory turns.



STEP 3- MONITOR:

The long tail is ever changing. Continue to refine your forecasts as your analysis dictates.

If you have **any** of these symptoms, then you have a long tail.

For more information on how to manage your long tail, visit <http://bit.ly/1HhVJOY>

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