

Inventory Valuation Process

Revolutionizing Manufacturing Finance: AGT's AI-Powered Solution Transforms Inventory Valuation

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About Customer

Precision Health Innovations, a global force in surgical advancements, proudly holds CE certification under EU-MDR norms. Operating in 80+ countries, they stand as the world's largest non-captive surgical needles manufacturer and the 4th largest sutures manufacturer globally. With 85+ patents, their pioneering products influence 1 in 5 surgeries worldwide.

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Process Overview

When it comes to Finance in manufacturing, Inventory valuation is a crucial process conducted on a monthly/quarterly basis by accounting teams. Traditional methods tend to pose as a formidable challenge, leading to inaccuracies, inefficiencies, and financial discrepancies.

The purpose of this activity is to ensure accurate over, under and ageing valuation, calculated based on diverse materials, Plant, Sku, valuation type, and Batch received from the MB52 dump file and 13 other relevant files from ERP. This is done by keeping a check on audit and compliance requirements. If this activity is not conducted on a monthly basis, data mismatches will compound over time, potentially raising questions from audits. These questions may or may not be solvable, given that the systems have cumulative data since inception.

This case study sheds light on how AGT's (AI) powered solution has emerged as a game-changer, addressing these challenges and ushering in a new era of precision and efficiency in inventory valuation.

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Business Problem:

Identifying over, under, and aging valuation has historically been time-consuming due to ERP issues. The lack of rate and price control at the ERP level and the absence of systematic moving average calculation within the ERP prompted the need for an external solution. The case study outlines the challenges related to data volume, manual processes, human errors, and the dependency on skilled resources during month-end peaks.

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Solution - Python for Automation of Inventory valuation process

AGT's AI-powered solution transforms manufacturing finance's inventory valuation through Python automation:

- **Data Extraction and Preparation:** Python libraries streamline extracting and standardizing financial data from various sources, reducing time and errors.
- **Data Matching:** Python executes Excel operations for accurate material valuation, ensuring precision in financial statements.
- **Exception Handling and Error Reporting:** Python flags anomalies and reports errors, aiding in tracking and investigating discrepancies.
- **Scalability and Customization:** Python efficiently handles large datasets, crucial for growing transaction volumes and cumulative data.

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Benefits:

The adoption of AGT's solution through Python automation brings numerous benefits:

- **Cost-Effectiveness:** No additional license costs are incurred.
- **Efficiency Improvements:** Month-end peak loads are significantly reduced.
- **Integration with IT Systems:** No changes are required in the underlying IT system.
- **Audit Trail and Compliance:** The solution provides A robust audit trail, ensuring compliance with regulatory requirements.



+98%
Effort Saved



+3x
ROI Increased over
3 years



10x
Processing speed inc.



100%
Error reduces

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Conclusion

This case study stands as a testament to the transformative power of AGT's AI-powered solution in optimizing inventory valuation within manufacturing finance. By overcoming the challenges posed by traditional methods, organizations can achieve new levels of efficiency, accuracy, and financial success. Embracing advanced technologies like AGT's solution becomes imperative for staying competitive in the ever-evolving landscape of manufacturing finance.