**CASE STUDY**

# Household Products

## FMCG Supply Chain Intelligence

---

*Distributor inventory was invisible. Route-to-market gaps were found at month-end. AI made the entire distribution network visible in real time.*

Household FMCG company  ·  Cleaning and home care  ·  80+ SKUs  ·  200+ distributor network

**Innovacio Technologies  ·  +91 90072 71601  ·  hello@innovaciotech.com**

# 1. Overview

A household products company distributing cleaning, home care, and storage products through a network of 200+ distributors across 12 states had a fundamental visibility gap: they could see what they had shipped to distributors, but not what had sold through to retailers and end consumers. The planning team was making procurement and allocation decisions based on sell-in data that was 4–6 weeks behind actual market demand. Route-to-market gaps - distributors and outlets running low on stock - were only discovered at the monthly sales review, by which time revenue had already been lost.

Working capital tied up in excess inventory across the distribution chain exceeded ₹1.8 crore at any given time - products sitting in distributor warehouses that were either the wrong SKUs for that market or correctly chosen but not moving due to pricing, promotion, or coverage gaps that went unmonitored.
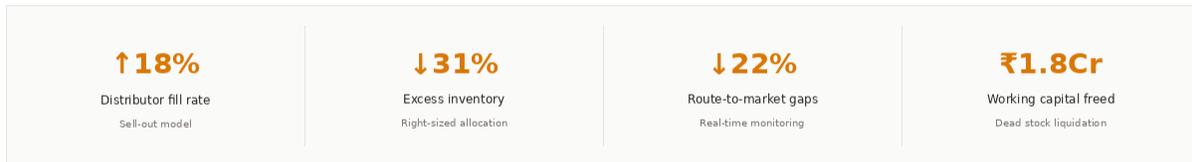
# 2. Key Results

| ↑18% | ↓31% | ↓22% | ₹1.8Cr |
|---|---|---|---|
| Distributor fill rate | Excess inventory | Route-to-market gaps | Working capital freed |
| Sell-out model | Right-sized allocation | Real-time monitoring | Dead stock liquidation |

*Figure 1: Key outcomes - 6 months post-deployment*

# 3. Challenges



**Distributor inventory invisible — phantom stockouts everywhere**
You see sell-in. Not sell-out. When a route is understocked, you find out at month-end — 4 weeks after it started costing you.

**Route gaps compound over weeks before action**
Patchy outlet coverage is a revenue leak. Without real-time monitoring, gaps become habits before anyone addresses them.

**National averages fail every region simultaneously**
Household demand is hyper-local. Cleaning habits, pack preferences, and seasonal patterns differ dramatically by state and city tier.

**38% excess inventory is the hidden cost everywhere**
Household categories over-order to avoid stockouts. Working capital locked at every level of the distribution chain.
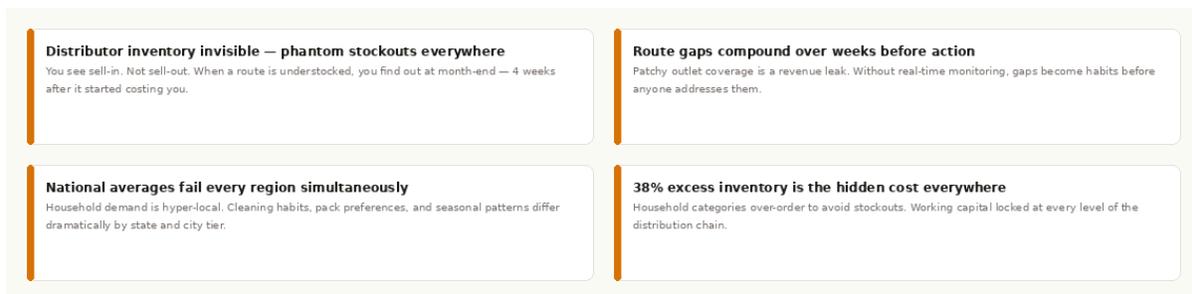
*Figure 2: Four distribution visibility challenges*

### Distributor Inventory Invisible - Phantom Stockouts Everywhere

The planning team saw sell-in numbers - what had been shipped to each distributor. They did not see sell-out numbers - what had actually sold through to retailers. A distributor could be depleted for 3 weeks while the company's system showed adequate stock. By the time the gap showed in the data, the lost sales were already gone.

### Route-to-Market Gaps Found at Month-End Review

Coverage gaps - distributors with inadequate stock for their assigned route - were discovered at the monthly sales review meeting, 4 weeks after they began affecting sales. Real-time route monitoring changes the discovery timeline from 4 weeks to 4 hours.

### National Averages Fail Every Region

Household product demand is hyper-local. Cleaning habits, preferred pack sizes, seasonal patterns, and promotional sensitivity differ significantly between metros and tier-2 cities, between North India and South India, between urban and semi-urban markets. National average demand used for all regions simultaneously fits none of them.

### 38% Excess Inventory Is the Hidden Cost

Industry benchmark: 38% excess inventory relative to optimised stock levels. For a 200+ distributor network, this means ₹1.8 crore in working capital sitting in distributor warehouses - earning zero return, consuming storage space, and at risk of obsolescence if product formulations or packaging changes.

# 4. Our Solution

We integrated with distributor portals and secondary sales data systems to give the planning team, for the first time, a real sell-out view from the distribution network. Regional demand models were built per state per SKU. Route monitoring alerts fired automatically when a distributor's stock coverage dropped below the configured threshold - giving the sales team time to act before the gap became a lost sale.

## Modules Deployed

| Distributor Sell-Out Integration | Route-to-Market Coverage Monitoring | Regional Demand Forecasting |
|---|---|---|
| Excess Inventory Detection | Dead Stock Identification | AI Assistant |

## Implementation Timeline

| Day 0-2 | Week 1 | Week 2 | Week 2 | Week 3 |
|---|---|---|---|---|
| **ERP Connect** | **Sell-Out Data** | **Route Monitor** | **Regional Model** | **Dead Stock** |
| SAP+distributor portals | Real sell-out from distributors | Coverage alerts per route live | Region-specific forecast per SKU | Capital locked quantified |

*Figure 3: Sell-out data live week 1. Route monitoring and regional models by week 3.*

## Key Capabilities

- **Distribution visibility:** Sell-out data integration - real demand from 200+ distributors, not just shipment confirmation
- **Route monitoring:** Route coverage alerts - fires automatically when a distributor's stock drops below threshold, days before the gap hurts sales

- **Regional intelligence:** Regional demand models - state-level and city-tier forecasts, not national averages
- **Capital recovery:** Excess inventory detection - ₹1.8Cr in working capital quantified and action plan generated in week 1
- **AI chatbot:** AI Assistant: 'Which distributors in Maharashtra are at risk of running out before the weekend?' - instant answer

# 5. Results - Before & After

| Area | Before | With Innovacio |
|---|---|---|
| Distributor visibility | Sell-in only — no sell-out | Real sell-out per distributor |
| Route-to-market gaps | Month-end review — too late | Real-time coverage alerts |
| Excess inventory | 38% average portfolio | ↓31% demand-matched |
| Dead stock | Quarterly — months carry cost | Daily flag with capital value |
| Regional planning | National averages — wrong | Region-specific demand models |
| Distributor fill rate | Variable — planning mismatch | ↑18% improvement |

*Figure 4: Six distribution and financial metrics - before and after*

"

> We used to find out about route coverage gaps at the monthly review - 4 weeks after the sales were already lost. Now the system sends an alert when a distributor drops below 7 days of stock. Our sales team gets there before the outlet shelves are empty.

*- Anshul Sharma, VP Sales & Distribution · CleanHome Products*

# 6. See It in Your Operation

We connect to your distributor data and show you your current sell-out visibility, route coverage gaps, and regional inventory imbalances - in 30 minutes.

| **Innovacio Technologies** AI in Supply Chain | **Book a Free Discovery Call** 30 minutes · No commitment · Your data | Phone Email Web | **+91 90072 71601** hello@innovaciotech.com innovaciotech.com |
|---|---|---|---|