

How to use: go through each section and check every box that applies. Tally your score at the end. Any unchecked box is a documented operational gap.

Inventory Cut Math

- 1 ☐ Can you state the exact carrying cost saved by a 20% stock cut?
- 2 ☐ Do you know the stockout risk cost tied to that same cut?
- 3 ☐ Is carrying cost calculated per SKU, not as one blended average?
- 4 ☐ Can you name the cash freed by a cut before leadership asks?
- 5 ☐ Do you track carrying cost as a percent of inventory value monthly?

Bullwhip Amplification

- 6 ☐ Do you compare upstream order variance against actual POS variance?
- 7 ☐ Does a small retail demand swing trigger a larger reorder upstream?
- 8 ☐ Do you order in fixed batch sizes regardless of real-time demand?
- 9 ☐ Can you trace this quarter's overstock to a forecast-driven order spike?
- 10 ☐ Do you share raw POS data with suppliers instead of your forecast?

Underforecast Exposure

- 11 ☐ Do you know the rushed-procurement cost when a forecast runs short?
- 12 ☐ Can you name the overtime labor cost an underforecast triggers?
- 13 ☐ Do you trace late-shipment complaints back to a specific forecast miss?
- 14 ☐ Is there a buffer stock rule for demand above the forecast line?
- 15 ☐ Do you review actual versus forecast demand gaps every ordering cycle?

Cash Flow Drift

- 16 ☐ Do you check pricing against actual cash position weekly, not monthly?
- 17 ☐ Can you name the KPI that first signals a forecast going stale?
- 18 ☐ Does your cash model update when a single price input changes?
- 19 ☐ Do you know today's cash runway without opening a spreadsheet?
- 20 ☐ Have you checked if aging inventory is inflating your cash flow gap?

Model Assumptions Audit

- 21 ☐ Does your forecast assume last year's pattern repeats unchanged?
- 22 ☐ Have you tested the model against a sudden demand shock scenario?
- 23 ☐ Can you list every variable your spreadsheet forecast excludes?
- 24 ☐ Do you know if overleveraged debt is masking a forecasting error?
- 25 ☐ Has this same forecasting pain point recurred across multiple quarters?

SCORING GUIDE

Score	Level	What it means
0 to 11	CRITICAL	Structural failures are actively destroying margin
12 to 19	MODERATE	Gaps in two or three areas that need immediate attention
20 to 25	STRONG	Systems are solid, focus on optimization

Book a free data audit at modonix.com/service. We identify your top 3 margin leaks in one session. Written by Ahmed Abuswa, Modonix.com