

SOLUTION BRIEF

Vendor-managed inventory (VMI)

Optimize inventory for operational continuity and cost efficiency

KEY BENEFITS

- More accurate demand forecasts
- Real-time visibility down to the part number
- Less risk of disruption due to stockouts
- Lower logistics and inventory carrying costs
- **99.9%** inventory accuracy

In today's world of constant disruption, success belongs to the most agile supply chains. Product lifecycles are shrinking, forecasts are never perfect, and suppliers are increasingly dispersed, yet customers expect precision, speed, and transparency.

Flex Vendor-Managed Inventory (VMI) programs turn this challenge into advantage by connecting suppliers and production lines through shared data, real-time visibility, and seamless replenishment. By synchronizing planning and execution, VMI helps supply chains act as one—reducing risk, cost, and complexity.

Greater parts availability, less stranded inventory

Optimize inventory with programs that improve planning accuracy, reduce line-down risks, and lower shipping and carrying charges. Flex VMI services help companies simplify and stabilize component supply chains, improving responsiveness while decreasing costs associated with scarcity or overstocking.

Key operational differentiators:



Quality control inside the VMI hub

Inspection and screening before call-off, with optional rework and labeling in a Value-Added Mall



Production alignment

100% on-time delivery SLAs, line-side delivery in labeled totes to eliminate factory detrash, and rapid changeovers between batches



Traceability

Carton and unit-level tracking for shelf life, MSL, and attribute control



Customs and compliance efficiency

Vendor-owned stock in bonded zones to minimize VAT and duties



Continuous improvement

Ongoing re-engineering of logistics tasks to eliminate non-value-add activity and accelerate return-to-stock flows

THE CHALLENGE

- Rapid technology shifts shorten product lifecycles
- Forecasts remain uncertain—collaboration is key
- Global supply chains need local responsiveness
- Transparency and data sharing define competitiveness

Strategy in action

COMPANY	Global consumer devices and server storage
IMPACT	20% reduction in total inventory-related costs while maintaining near-perfect service levels
HOW THEY DID IT	Flex deployed a bonded VMI hub integrated directly with supplier and factory systems, providing real-time visibility. Inventory was staged closer to production and replenished based on actual consumption, not static forecasts. With Flex managing quality checks, paperless receiving, and flexible pick-to-kit operations, the customer reduced excess inventory, avoided stockouts, and consistently achieved inventory accuracy above 99.9% , while processing inbound materials in under 3 hours (versus a 6-hour SLA), protecting production continuity and lowering total cost.



COMPANY	Global technology OEM with high SKU complexity
IMPACT	30% improvement in forecast alignment and sustained 99%+ on-time delivery performance
HOW THEY DID IT	Flex connected suppliers, VMI operations, and production teams through shared data and automated signals, creating a single source of truth for inventory and demand. Bonded inventory reduced duty exposure while enabling materials to be positioned in advance of need. With carton and unit-level traceability, continuous SLA monitoring, and control-tower oversight, the customer cut dock-to-stock times to nearly 50% faster than contracted SLAs, improved forecast accuracy, and stabilized production flow across multiple sites.



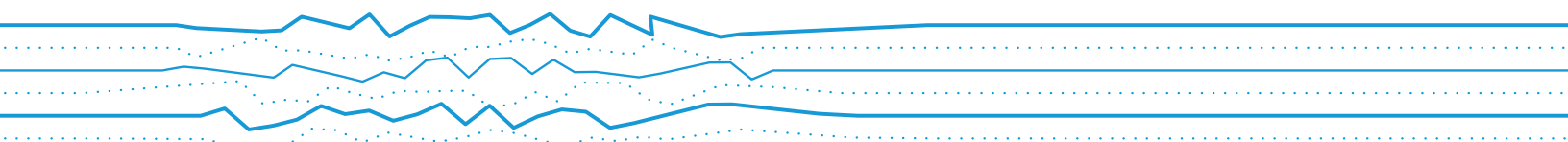
Better visibility and forecasting

In a market where the fastest, most transparent supply chains win, visibility is everything. Flex integrates suppliers, warehouses, and production environments, ensuring every stakeholder operates from a single source of truth. Real-time dashboards, carton-level data accuracy, and predictive analytics drive proactive planning and agile response.



Flex Pulse®

Transform part number level visibility and real-time data into actionable intelligence for optimal forecasting and proactive risk mitigation.



ABOUT FLEX

Customized services from Flex augment core capabilities and add tangible value throughout the product lifecycle. No matter the complexity, Flex is uniquely positioned to deliver comprehensive, tailored solutions from design and sourcing through manufacturing, fulfillment and disposition. Partner with Flex for trusted, end-to-end integrated services at scale.

The Flex advantage

Flex VMI is more than inventory management—it's a collaboration model that aligns vendors, logistics, and production in one connected ecosystem. By combining real-time visibility, bonded-zone compliance, and part-level traceability, Flex helps customers balance agility and assurance.

The result: lower cost of ownership, zero line-down risk, and supply chains that move with the speed of the factory next door.



Optimize parts inventory and production flow with Flex VMI

Discover how connected VMI hubs, predictive analytics, and end-to-end visibility can make your supply chain faster, leaner, and more resilient.

[Vendor-Managed Inventory](#) | [Flex Pulse®](#)

For more information, visit flex.com/connect

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