

## Case Study



### Project & Objectives

In 2001, AmArA implemented ToolsGroup's DMP solution for optimizing its MRO inventory. The company's objectives were to:

- Reduce MRO inventory levels throughout the network
- Optimize and improve the purchasing and replenishment process
- Improve the level of customer service
- Optimize the logistical network
- Increase flexibility in inventory management to adapt to a changing market
- Reduce stock obsolescence

One of the important requirements was to have an easy-to-use tool that was compatible with any ERP platform. The DPM planning system was originally interfaced with their legacy TOP system, but now with SAP.

### ... Day to Day

DPM handles AmArA's two-tier distribution network, which includes a central warehouse and 15 secondary storage sites. DPM manages AmArA's 118,000 MRO inventory items with extremely varied and dynamic sales characteristics, a wide variety of markets, and restocking on a daily basis.

DPM maintains a very high customer service level, despite complex restocking requirements over three distribution networks. DPM also restocks between warehouses in order to avoid obsolescence of low turnover items.

(Cont'd)



## **Results & Benefits**

With the implementation of DPM, AmArA achieved:

- A 28% working capital improvement; consisting of a 12% MRO inventory reduction in 6 months, combined with 22% sales increase
- Optimization of the replenishment process, thereby increasing the productivity of the Purchasing Department (10 people) and the planner
- An improvement in the customer service level
- “Cushion” for the change of ERP from TOP to SAP
- Optimization of the three distribution networks

DPM is now the system used to support and manage the diverse levels of company planning.