

Aftermarket Parts Case Study



Piaggio

Founded in 1884, Piaggio is the leading manufacturer of motorized two-wheeled vehicles in Europe and is a leader worldwide in the market. The company uses a global approach that draws on an industrial and commercial network capable of supplying almost every geography in the world. Piaggio's brands include Gilera and Vespa.

“The results obtained have been extremely satisfying and in keeping with predictions during the initial analysis phase.”

**- Sergio Funari,
Manager of the Spare
Parts and Accessories
Business Unit**

Project & Objectives

Piaggio selected ToolsGroup because of its experience in the automotive market, the robustness and power of the DPM (Distribution Planning Model) solution, and the added attraction of the company's structured support procedure. The system was installed at Piaggio in 2003 with the following objectives:

- Reduce inventory levels
- Increase service levels
- Bring supply chain planning under control, with more consistent methodologies and procedures

... Day to Day

Piaggio now has two planners using DPM to manage approximately 180,000 SKU-Ls and optimize the inventory for more than 50,000 products with a variety of characteristics in terms of volume, price, cost, etc. Piaggio's spare parts and accessories distribution network consists of a central warehouse in Lugnano, Italy and 3 peripheral warehouses, located in France, Spain and Greece. Piaggio also recently implemented an additional license in the United States.

Initial Results & Benefits

Within twelve months, Piaggio achieved:

- 9.6% service level increase
- 7.3% inventory reduction, freeing up € 2 million in working capital

The methodology associated with DPM has become an integral part of the company's processes, resulting in a positive impact to its business.

Above and Beyond

In 2004, Piaggio acquired motorcycle manufacturers Aprilia and Moto Guzzi. During the acquisition, Aprilia was migrated from their existing Baan ERP system to a new ERP SAP system. During the transition process, Aprilia experienced a decline in service levels. ToolsGroup's DPM inventory optimization software was added to Aprilia's SAP system to re-balance inventory and meet customer demand. Within six months, Aprilia exceeded their previous service levels, while reducing overall operational costs.