



This automotive company, with one of the best known and most highly respected brands in the world, has manufactured high-end sports and GT cars for more than 50 years.

Project & Objectives

ToolsGroup's DPM was selected when this automotive manufacturer identified the need for an advanced planning system for its Spare Parts Division, whose central warehouse serves worldwide demand.

The requirement called for a system with the following characteristics:

- integrated demand modeling, inventory and service levels management;
- ability to correct the warehouse inventory mix to address service needs;
- requirements planning capabilities;
- compliance with legacy transaction systems & portability to other systems

Furthermore, management set a challenging target: raise the spare parts service level from 70% to 90% within two years, without increasing inventory levels.

The DPM project involved one resource from the customer (a planner) and two from ToolsGroup (project manager and consultant).

... Day to Day

DPM was installed and interfaced with the AS400-based legacy system. Following system tuning, During the first six months, with only a single planner, the tuned system generated monthly replenishment plans for over 20,00 slow moving items, most of them slow movers.

Implementation of a new ERP system started shortly afterward. The interface to DPM was moved to the new ERP without any system downtime.

Results & Benefits

Within about two years, despite a 20% increase in the product range, the Spare Parts Division inventory and service levels were improved as follows:

	<u>Before</u>	<u>After</u>
Service Level	70%	92%
Inventory Level [months]	12	12
Managed Items	22,500	26,000

The Spare Parts Division has since targeted a 94% service level and DPM has since been extended to cover spare parts for a second brand.