



AmArA provides €107 million in MRO services to Group Iberdrola, a supplier of electrical and mechanical materials for the energy, gas, industry, construction and telecommunications industries.

Project & Objectives

In 2001, AmArA implemented ToolsGroup's SO99+ solution for optimising its MRO inventory. The company's objectives were to:

- Improve the level of customer service
- Reduce MRO inventory levels throughout the network
- Optimise and improve the purchasing and replenishment process
- Optimise 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 SO99+ planning system was originally interfaced with their legacy TOP system, but now with SAP.

... Day to Day

SO99+ handles AmArA's two-tier distribution network, which includes a central warehouse and 15 secondary storage sites. SO99+ 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.

SO99+ maintains a very high customer service level, despite complex restocking requirements over three distribution networks. SO99+ also restocks between warehouses in order to avoid obsolescence of low turnover items.

(Cont'd)



Results & Benefits

With the implementation of SO99+, AmArA achieved:

- An improvement in the customer service level
- A 38% working capital improvement; consisting of a 12% MRO inventory reduction in 6 months, combined with 22% sales increase
- Optimisation of the replenishment process, thereby increasing the productivity of the Purchasing Department (10 people) and the planner
- “Cushion” for the change of ERP from TOP to SAP
- Optimisation of the three distribution networks

SO99+ is now the system used to support and manage the diverse levels of company planning.