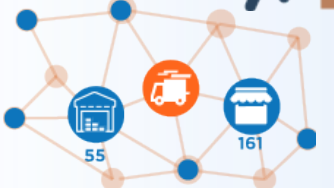# HOW LENNOX MASTERED THE SUPPLY CHAIN IN A CHANGING NETWORK

CHALLENGES

Moving from a national stocking model to a hub-and-spoke model with 55 shipping and 161 selling locations

55 161

A 250% increase in physical locations

250%

450,000 SKU-Locations consisting of both parts and finished goods

High product availability targets- Some customers need 'Same Day' pickup

Highly variable independent demand

Highly seasonal demand *(AC and heating)*

Many new product introductions

TOOLSGROUP'S SOLUTION

SO99+ SAP

Enhance input into Lennox's SAP Planning system

Balance service levels with inventory cost

Simulate network changes

Model both seasonality and variable demand patterns reliably using machine learning

RESULT ACHIEVED THE GOAL

ServiceOptimizer 99+

↑ +25% Inventory turnover increased by 25%

↑ +16% Service levels increased by 16%

↑ +50% Sales increased by 50%

Positive market share growth