CUSTOMER STORY

Allopneus.com

Allopneus.com Optimizes Inventory and Improves Competitiveness with ToolsGroup

Introduction

Created in 2004, Allopneus.com is a 100% French company, whose head office is based in Aix-en-Provence. Allopneus.com offers the widest choice on the market: touring, utility, 4x4, motorcycle, quad, agricultural and truck tires, as well as aluminium and sheet metal rims. The direct agreements established by Allopneus.com with all the world's leading manufacturers enable the company to offer very competitive prices. Allopneus.com provides its customers with mounting solutions for a turnkey experience: in one of its partner centers (6,000 approved centres for passenger car tires) or with its home mounting service.

Industry

- Automotive

Solution

Service Optimizer 99+

- Calculating sales forecasts
- Calculating and optimizing model stock
- Calculating buying requirements

Results

- 20% reduction in storage space
- Improving forecast reliability
- Improved performance and responsiveness
- Improved of the quality of service

Challenges

In order to respond ever more efficiently and quickly to customer demand, Allopneus.com wanted to optimize its stocks and strengthen its competitiveness. The French leader in tire sales had to respond to a double challenge: improve the quality of its stocks while reducing the storage area in its national distribution center.

Project & Objectives

Around 40 million new replacement tires are sold each year in the French tire market (for passenger vehicles, SUVs, vans and motorcycles). Considering all channels, Allopneus is currently the market leader, with sales of 3.7 million tires in 2018 – equating to around 10% of the market.

Unlike its competitors in the online market, Allopneus.com manages its logistics in house. Products are stored at an 84,000 sqm space in France which manages the distribution of tires across the whole of France and some neighboring countries. Allopneus.com also provides tire fitting services to its customers through a network of 6,000 garages and a fleet of 80 mobile workshops, which can be moved according to customer request (home, office, etc).

> **"Very quickly after the ToolsGroup solution went live, we saw very positive results in terms of sales forecasting and inventory optimization. We are improving our efficiency and customer satisfaction, while ultimately reducing our warehouse space by 20%."**

"A defining characteristic of the tire market has been an exponential increase in the number of SKUs, driven by innovation from manufacturers – for example four-season tires, new dimensions or new technologies – and by the need to develop specific tires for almost all premium brand vehicles. We also need to stock extremely complex ranges for motorcycles. As a result, we need to have more than 20,000 SKUs in stock," explains Pierre-Jean Coltat, procurement and planning manager at Allopneus. "Storing tires is becoming more and more complex. With the massive arrival of SUVs on the European market, products are larger. Moreover, the supply cycles of manufacturers who are very far away can be quite long. Therefore, to respond effectively to customers, whose expectations of service and speed are becoming greater than ever, it's essential to have products in stock, ready to be shipped. This issue is at the heart of our strategy and of our success."

In the tire market, having the ideal inventory depends on two central criteria: the ability to meet demand with a very high level of reactivity, and the ability to keep products in stock for as little time as possible (less than two months) in order to reduce the burden of storage costs.

"Having products in stock at all times is essential to ensure customer satisfaction and loyalty. Inventory management is the key to quality of service and competitiveness," emphasizes Coltat. "To meet this strategic objective, we have to be able to estimate the needs of consumers accurately and to work in close collaboration with providers. We were therefore looking for the latest generation of technology which would allow us to make our supply chain more dynamic, while reducing our levels of safety stock and limiting disruption."

Day to Day

Allopneus.com selected ToolsGroup's Service Optimizer 99+ (SO99+) solution for several reasons, starting with ToolsGroup's functional coverage and business expertise across three main areas:

- Sales forecasting calculation
- Calculation and optimization of master inventories
- The calculation of purchase requirements

"We were also convinced by ToolsGroup's experience and its numerous successes with similar product typologies - characterised by a high depth of range -, by the ease of customizing and modifying calculations via simulation tabs and by the fact that ToolsGroup is both an editor and an integrator," adds Coltat.

Results & Benefits

Very quickly after the ToolsGroup solution went live, Allopneus.com was able to set up more reliable operational alerts and forecasts, allowing it to gain significantly in responsiveness. Allopneus.com is able to respond even more quickly and efficiently to customer demand.

Thanks to this increased performance, the company is improving the quality of service while optimizing its stocks. In particular, this will result in a significant reduction in its warehousing areas, which will be reduced from 84,000 sqm to 66,000 sqm

+ About ToolsGroup

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