CUSTOMER STORY

AmArA

MRO provider reduces network inventory and product obsolescence while improving customer service.

Challenges

Everyday AmArA faces the challenges of MRO environments from products with intermittent demand and low inventory turnover to a complex network. It was seeking to reduce MRO inventory throughout the network and stock obsolescence while improving its customer service levels.

Industry

- MRO

Solution

- Demand Forecasting & Planning
- Inventory Optimization
- Replenishment

Results

- Improved customer service levels
- Improved working capital 38%; 12% MRO inventory reduction in 6 months, combined with 22% sales increase
- Optimized the replenishment process
- Reduced of product obsolescence
- Improved 40% Improvement in Inventory Turns

Company Overview

AmArA is a wholly owned subsidiary of Grupo Iberdrola, one of Europe's major electrical companies with assets in excess of US$ 20 billion, and a supplier of electrical and mechanical materials for the energy, gas, industry, construction and telecommunications industries. AmArA provides $230 million in MRO services to Group Iberdrola.

Project & Objectives

AmArA faces the challenges of MRO environments from the efficient management of a large number of products with intermittent demand and low inventory turnover to a complex distribution network. The company's objectives were to:

- Improve the level of customer service
- Reduce MRO inventory levels throughout the network
- Optimize and improve the purchasing and replenishment process
- Optimize the logistical network
- Increase flexibility in inventory management to adapt to a changing market
- Reduce stock obsolescence

AmArA was looking for a tool that supported the company's decision making, both for creating scenarios and for the creation of sales, stock and purchase reports.

Day to Day

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

SO99+ manages AmArA's MRO inventory items with extremely varied and dynamic sales characteristics, a wide variety of markets, and restocking on a daily basis. SO99+ also restocks between warehouses in order to avoid obsolescence of low turnover items.

Results & Benefits

With SO99+, Amara achieved the following benefits:
- An improvement in customer service levels
- A 38% working capital improvement; consisting of a 12% MRO inventory reduction in 6 months, combined with 22% sales increase
- Optimization of the replenishment process
- Reduction of obsolescence products
- Support for the decision making of the company

+ About ToolsGroup