



CUSTOMER STORY

Bellota

Bellota increased its availability rate and reduced stock while growing its product portfolio.

Challenges

Bellota's supply chain was challenged with an increase in new SKUs due to the extension of its portfolio. To help assess its business performance, the company decided to introduce a new KPI: availability rate. Now it needed a tool help it deliver on this objective.

Industry

- Consumer Durable Goods

Solution

- Demand Forecasting & Planning
- Inventory Optimization
- Replenishment

Results

- Increased availability rate from 93% to 96%
- Reduced total inventory by 14%
- Improved forecast reliability

Company Overview

Bellota manufactures hand tools for the farming, garden and construction markets. The company has sales of \$210 Million and is part of the CPE Group. It has eight plants in the US, Spain, Mexico, and South America, and sells its products present in 120 countries around the world.

Project & Objectives

Bellota decided to review its products with the goal of determining a new indicator: the Availability Rate. Initially, the objective was to focus on the A items (750 products that represent the 10% of Bellota's portfolio that generate most of the company's revenue).

Bellota's objectives were to optimize the stock-to-service curve through SO99+ and to also:

- Increase the total of products (both manufactured and distributed)
- Improve inventory management of products purchased outside the company, which had longer lead times and larger batch sizes
- Improve handling of products with low or extremely low turnover
- Differentiate service levels for different types of customers

Bellota implemented Toolsgroup's SO99+ solution first to measure the Availability Rate worldwide for its products, then to adapt their supply chain planning process to optimize the relationship between inventory and service level across their entire inventory mix. SO99+ was also deployed to disaggregate sales forecasts, which were too high level for their daily inventory planning needs.

Results & Benefits

After implementing SO99+ Bellota achieved its objectives:

- The Availability Rate (Customer Service Level) for all its products worldwide was increased from 93% to 96% in only 4 months
- Total inventory was reduced by 14%
- Improved the reliability of its forecasts

SO99+ is used as a strategic support tool for evaluating the cost of inventory versus service level when making operating decisions. Based on their results, SO99+ is now being implemented in other related companies of the group.

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