



CUSTOMER STORY

Global Eyewear Co

Challenges

As the company's brands, models, and distribution channels were expanding, the company had the challenge of intelligently managing inventory to maintain high service levels but avoid excess stock.

In addition to managing phenomena like high seasonality and launch profiles they needed to position SKUs differently according to their market behavior.

Industry

- Manufacturing & Fashion

Solution

- Demand Planning
- Multi-Echelon Inventory Optimization (MEIO)
- Replenishment

Results

- Reduced stock levels by 10% while maintaining the same high service level
- Reduced manual intervention in the planning process by 50%, while progressively increasing service levels

Company Overview

With annual revenues in excess of US \$7 Billion, this global eyewear company is the world leader in the design, manufacturing, marketing and distribution of eyeglass frames. The company distributes its own products in 120 countries around the world, directly or indirectly employing more than 24,500 workers.

Project & Objectives

The company's supply chain had the following features:

- A very large number of models (more than 2,500), items (more than 30,000) and SKU-locations (more than 600,000)
- Very heterogeneous behavior i.e. some articles with low seasonality and relatively long lifecycles, and others (such as sunglasses) that behave like fashion items, with high seasonality and a very short lifecycle (in some cases even less than one year)
- Same treatment for all products with no attempt to optimize product mix
- Lack of a client service policy
- Excess user intervention in the planning process

After a software selection process, the company decided to implement a tool to strategically analyze and optimize stock levels. The company chose Service Optimizer 99+, ToolsGroup's service-driven inventory optimization solution, to:



We have always guaranteed a high service level to our clients. The goals set for SO99+ were to reduce stock, to improve stock mix and to further increase our service level - were therefore very ambitious. With Service Optimizer 99+ and the support of ToolsGroup we were able to carry out this project and achieve the set goals".

- Position inventory to promptly satisfy customer needs
- Allow production to quickly adjust to market changes
- Reduce inventories and global logistics costs
- Improve forecast accuracy

Day to day

ToolsGroup's Service Optimizer 99+ (SO99+) manages all finished products in a distribution network comprising five sites, one central warehouse and 26 distribution centers. With SO99+, the eyewear company is able to maintain excellent customer service levels, while keeping minimum stock and short time-to-market for all its products.

Results & Benefits

The entire SO99+ solution was implemented in six months and achieved the following benefits:

- In the first six months, the stock levels were reduced by 10% while maintaining the same high service level
- In the following months, the company was able to reduce manual intervention in the planning process by 50%, while then progressively increasing service levels

Following the success of SO99+ in the finished products implementation, the company extended the use of the ToolsGroup solution to its spare parts operation (frame components and lenses). In less than three months from the project kick-off, the service level reached 98.5%, with an 80% reduction in back orders, and no simultaneous increase in inventory levels.

+ About ToolsGroup

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