CUSTOMER STORY

Gaviota

The Automated Sun & Shutter Specialists Tackle Complexity and Break Down Silos for Improved Operations, Higher Service Levels, and Substantial Business Benefits

Introduction

Founded in Alicante, Spain in 1968, Gaviota is a world leader in the manufacture of components, accessories, and systems for rolling shutters, awnings, and enclosures. It has a presence in 75 countries all around the world; its headquarters serves Europe, the US, the Middle East, Africa, and Latin America. With eight production plants, a network of subsidiaries in 35 countries, and more than 800 distributors, Gaviota is the market leader in sun protection.

Industry

- Manufacturing
- Spare Parts and Accessories

Solution

- Demand Planning and Forecasting
- Inventory Optimization
- Replenishment

Results

- Raised service levels for top items from **70% to 95%**
- Raised service levels across all products by **18 percentage points**
- Reduced stock levels by approximately **43%**
- Improved production performance by **37%**
- Significantly improved planner productivity
- Improved forecast reliability
- Synchronized operations cross departments

Challenges

Driven by growth rates and global expansion, Gaviota encountered several common supply chain obstacles.

The first of these was the company's network and product portfolio. Gaviota has more than 40,000 products in its portfolio, 9,000 active SKUs, and 25 manufacturing divisions, all in 50 different warehouses. In a supply chain environment characterized by uncertainty, Gaviota wanted to ensure industry service levels were met, not only for new projects, but also for maintenance and repairs requiring items with long tail demand. "This caused great complexity in forecasting," says Pep Gisbert, Planning Manager.

Another challenge to overcome was the high seasonality of its products, which made it difficult to forecast demand, considering year-to-year changes in weather patterns. Moreover, when distributing its broad product range throughout its sprawling network, Gaviota had to account for the climatic differences in each distribution zone.

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"Such a diverse and extensive range of products can lead to excessive inventory levels, making the sourcing adjustments very complex and extending this complexity to the production centers," says Francisco Javier Fernández, Supply Chain Director. The company's efforts to ensure good service levels and inventory availability were resulting in higher stock levels, tying up working capital in warehouses and leading to increased obsolescence.

In addition, the company's data was fragmented, and the supply chain department had no visibility into operations in the other divisions of the company, which hampered visibility and decision-making. The teams needed consistent product management criteria as they were faced with constant new business lines, changes in demand, cost, and capacity, new market openings, and new production initiatives.

Gaviota also operates in a B2B market with heavy industrial processes such as casting, injection moulding, lacquering, profiling, and stamping. These operations require a precise bill of materials in order not to interrupt the process flow and to ensure product availability.

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In light of this complexity, Gaviota needed a tool to help transform its supply chain planning processes, as Excel could no longer support its network and business goals. "We realized that the company needed a new way to manage this complexity. We were looking for a dynamic and reliable tool that would allow us to make adjustments quickly and accurately," says Francisco Javier Fernández, Supply Chain Director.

Solution

Embracing an innovative mindset, Gaviota began researching the market for a supply chain planning solution and partner to facilitate its digital transformation. After evaluating an array of planning vendors, it chose ToolsGroup's Service Optimizer 99+ (SO99+). "We chose ToolsGroup because of its ease of use and the scalability of its applications, which made it easy to invest in and evolve with as our company transforms." Fernández also highlighted the speed of the project's implementation – completed in under four months with minimal time and energy required of the team – and the ease of synchronizing data exchanges.

SO99+ integrates easily with Dynamics, the company's existing ERP, achieving two-way communication while generating very accurate forecasts, establishing optimal safety stock levels, and ensuring the company shares the same data across departments. The solution enables significantly better planning decisions faster than before. It also integrates with Microsoft Dynamics and Power BI, providing the company with more information on KPIs and ensuring greater reliability. In the future, Gaviota plans on integrating its customized systems with SO99+ and further automating its supply management.

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Gaviota uses SO99's demand planning and inventory optimization capabilities to better balance its inventory investment with its service level targets. The solution makes it easy for planners to understand, review, and alter the forecast when needed, and allows the procurement team to perform corrective action and review plans and parameters (like lead times and batches) for better forecasting.

"With such a changing environment in terms of costs, sales, customers, markets, and the global environment, we have managed to validate sales forecasts based on cost and seasonality, allowing the tool to correct itself and the company to be consistent with this validation," Fernández reports. "We set targets for management based on the results obtained with SO99+, achieving a reliability of plus-or-minus five percent."

ToolsGroup's solution streamlines the day-to-day operations of teams across the organization, and improves the decision-making process by making it easy for teams to incorporate forecasts into all aspects of the supply chain and quickly adapt data to suit different needs. For example, the team can now provide management with inventory coverage levels in days by systems or business lines and can provide stock projections for a future date. The tool also generates a commercial forecast, combining budget and sales information to assess sales history and create commercial overrides. On a broader scale, the company can now also perform monthly reviews of historical demand, KPIs, monthly sales and the seasonality of their references to better understand their customers, inventory performance, and progress towards strategic business goals.

Results

With SO99's probabilistic forecasting and stock mix optimization, Gaviota has responded quickly and overcome recent challenges such as Covid, raw material restrictions, and rising energy costs and transport issues, despite a changing environment. The company has seen significant improvement in critical performance indicators, reducing inventory and improving service levels.

"In recent years we have experienced great volatility and uncertainty in the market. SO99+ allows us to carry out periodic reviews with different areas of the company (the commercial department, pricing teams, and suppliers), powering a more dynamic planning process that helps us rapidly re-adjust supplies, sizing production centers, and controlling stock levels, while maintaining the level of service and achieving greater flexibility of action," says Fernández.

The partnership between Gaviota and ToolsGroup has resulted in impressive, real-world results. The company raised service levels for top items from 70% to 90% and boosted service levels across all products by 18 percentage points. The planning team also reduced stock levels by 43%, carrying only 35 days in inventory as opposed to its original 61 days.

Moreover, from an internal operational standpoint, the company improved on-time production performance to plan by 37%. Before implementing SO99+, Gaviota's factory-to-sales service levels stood at 60%. Thanks to improved internal delivery fulfilment, this number has since skyrocketed to an astounding 82%.

Thanks to increased supply chain visibility and efficiency, Gaviota proves itself as a reliable and valuable supply chain collaborator with external suppliers and partners. Moreover, by improving internal operations and raising service levels while simultaneously slashing inventory, Gaviota has increased the flexibility of its business and freed up working capital that can be deployed elsewhere. This positions the company to readily and easily seize growth opportunities, further improving business performance and establishing itself as a market leader.

A CLOSER LOOK: How did Gaviota say good-bye to silos?

Here's how SO99+ eases collaboration between Gaviota's commercial team, operations, and general management.

The purchasing department uses the tool's projections to help them negotiate with suppliers. Any changes are integrated into SO99+ to see what effects they will have.

At the production level, HR is involved in any changes in the workforce, such as shifts, staff levelling, and temporary hires.

Inventory control and obsolescence are piloted with finance.

The commercial department can better position its products and services in the market.

With increased visibility, the company has strengthened relationships with its suppliers, sharing demand data on consumption, volume, and trends, and readjusting the levels of outsourcing.

Wondering what ToolsGroup can do for your teams?

Hear more from our customers and find out how your business can break down silos for higher service levels and stronger business performance:

Thule's Story

"The results we've achieved prove the merits of an automated, centralized planning approach rather than a manual, decentralized process. We are managing successfully during a period of high growth and still have control over our inventories."

Read more

Shamir Optical's Story

"Shamir now has clarity of vision thanks to a robust system that's ready for whatever challenges and opportunities arise in its future."

Read more

Pyrenees' Story

"ToolsGroup gave us global visibility that we didn't have before. Thanks to that, new opportunities were surfacing which we didn't see before because everyone was working in silos."

Read more

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