

Delivering Inventory Management Solutions

Realizing business benefits & enhancing process parameters

Problem Statement

Client is one of the automotive component firms in the USA and is dealing with numerous products in OEM and Aftermarket. The client had numerous concerns in the areas of inventory control and management: such as high inventory, excess stock and stockout scenarios, lack of visibility of inventory, high lead time from order to delivery and lack of standards for safety stock and re-order point.

Solution Approach

Research2Systems engaged with the client to optimize the inventory control and management for the client and led the following work activities during this engagement:

1. Conducted study of demand & supply relationship and the material flow in line with items and products relationship
 2. Conducted detailed As-Is process mapping and determining the pain points
- Analysis of inventory aspects for all the items as per ABC classification standards
 - Analysis of inventory aspects for respective items leveraging variables such as lead time, price, significance of item, criticality to the core product, service levels expected, etc.

- Study of global benchmarks in similar industry
- Leveraged statistical modelling tool to derive the optimum inventory model
- Provided recommendations and implementation plan

Outcomes Delivered

- Developed Inventory Control and Management tool for 13000 items leading to reduction in inventory by 40% and improvement in bottom-line by 11 million
- Provided optimum levels for inventory, safety stock, re-order points and modified the lead time and SLAs
- This led to a realization of business benefits and enhancement in process parameters