



Case Study

European Inventory Optimisation

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Would you like to reduce your stock levels, increase your OTIF delivery rates and save money?

The Consultancy Company has specialised in inventory optimisation over many years in over 200 locations. We can help you to see and challenge how your own inventory is currently being deployed, and enable you to improve service with reduced stock.

The Client

The client was a £500m division of a £2bn FTSE 250 group. They are a major designer and manufacturer of pneumatic products and operate fourteen separate sales companies in Europe.

The Board realised, as a result of a pilot project we undertook, that big improvements could be made in their inventory management and that optimising the complete supply chain across all product divisions and sales companies could greatly improve their profits.

The Challenge

Initially, The Consultancy Company was asked to help undertake a pilot study together with an internally appointed Supply Chain Project Team and then to roll out the successful pilot to all product divisions and sales companies over the course of 18 months, starting with the UK, France, Germany, Spain, Switzerland, and the Benelux countries.

Challenges centred around inconsistent product availability despite excess inventory, and poor inter-warehouse stock visibility. At the same time the company faced fierce global competition and an increase in customer expectations.

Regular consultation and training was a big part of the project. It was important to ensure a positive culture around the new inventory processes across all sales and manufacturing sites.



'The Consultancy Company worked with us throughout the three year life of our optimisation project. The improvements they initiated have resulted in multi-million pound savings.'

Group Logistics Manager

The Approach

We modelled the inventory profile across the pilot range and sorted each product into groups that reflected variability of demand and thus the practicality of managing them to achieve a defined level of customer service.

In addition, supplier lead-times and performance were accessed and adjusted to reflect reality. The result was a common process that dynamically optimised the stock of each location and achieved the minimum level of stock required to meet the market driven availability levels.

After a successful trial the project was rolled out firstly across all the core items in the pilot countries and then by full implementation in a further eight European countries.

As part of the local optimisation of inventory, we developed a process to identify where in the overall supply chain stock would best be located and to where the existing slow and non-moving stock could be re-deployed. This resulted in a significant consolidation project and reduced the stock still further.

Benefits

- Customer service improved by 20%.
- Stock holding reduced by 25%.
- Overall savings of £4 million.
- The successful relocation of £1.5million of slow-moving stock.
- Overall reduction in obsolescence.
- Increased business in Spain by 40%, with lower stock & improved service.
- Positive culture around new working systems.
- Excellent in-house training.
- Sustainable and flexible improvements.



“There is nothing as effective as seeing clearly and being able to challenge how effectively your own inventory is currently being deployed.”

Richard Wale
Principal Consultant

For an initial meeting on *your* supply chain issues call:

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