

# Reduce Stock On Customer Floor by 50% by deploying Partner Managed Inventory

## The Challenge

A multi-national organization in a just-in-time business needed to have a more flexible inventory level and reduce total inventory costs. With two shipping locations, they also needed help to quickly determine which facility to use for production while keeping shipping costs down.

## Desired Outcomes

- Reduce inventory at customer locations by 50%
- Maintain ability to respond to customer demands within a week from either location.
- Lower freight costs for shipping product between facilities and customers.
- Develop better communication tools to make adjustments to forecast and demand.

## Strategies & Solutions

- Implement advanced forecasting tools taking into consideration raw material consolidation.
- Introduction of costing calculator and Herculite On-Demand order management software for faster costing, order entry and management.
- Improve communication by sharing information and analytics throughout the entire production process.

## Results

Herculite worked with this customer to implement the Partner Managed Inventory Process, which allowed Herculite visibility into customer's stock and demand. Once Herculite was able to assist in the forecasting and management it reduced their inventory and freight costs significantly while allowing for better responsiveness for "spike" business.

**\$30,000 Total Cost Savings Year One**  
**\$200,000/Five Year Projected Savings**

