



Daitum's Inventory Management Tool Reduced Holdings, Improved Stock Fulfilment KPI's, and Cut Inventory Review Effort

Organisation

Electrical infrastructure provider

Industry

Energy

Solution

Inventory Management

Results

- Inventory review process is 10X faster
- Inventory held is reduced by \$3m while maintaining the availability KPI
- Decision making is consistent and key person risk reduced as the business logic is captured

“The rapid implementation and high-quality optimisation results meant that our client realised benefits in weeks, not months, and payback in months, not years.”

The Challenge

Each day hundreds of parts and components are picked from the organisation's warehouse and despatched in trucks to various locations. The warehouse holds around 10,000 different parts and components in various quantities. These are used to build, maintain and upgrade the electricity network.

There are regulated requirements for high levels of service, reliability, safety, and efficiency. To achieve this, a 90% stock availability is required. The challenge is to achieve this KPI with the least amount of inventory.

Re-order points and quantities are reviewed manually each month. This is time consuming so only a small proportion can be reviewed. The inventory management module in the existing tier one ERP system does not provide the functionality to automate this.

The Solution

The Daitum SaaS optimisation platform captures the business rules and enables optimisation KPI's and re-order frequency to easily be set. The historic demand and supplier performance are imported and automatically analysed to generate predicted stock movements. The current stock holdings are imported from the ERP and an optimal set of re-order points and quantities is automatically generated. This is exported to the ERP for processing.

The Results

The inventory review process is ten times faster and covers the whole inventory holding, not just a small selection. Also, “what if” scenarios can be explored and compared. This enables better outcomes and frees up valuable resources for other tasks.

The inventory held is \$3m lower which frees up capital for other value creation activities. This is achieved while maintaining the availability KPI's.

All the business logic is now captured and applied systematically. This delivers consistent decision making and reduces key person risk.