

"Our Vendor Managed Inventory program was dying because of our 3rd party Logistics provider not working with us, but seemingly against us. With Invendia, it took us days to get the program back on track and providing the excellent customer service that we are known for."

- Len Doerr, Logistics of Director

**Manufacturing/
Distribution**
Sheet metal products

Invendia Success Story #37

Improving Logistics coordination at a sheet metals company

For manufacturers to maximize production, inventories and customer service across a dealer network, they often need to focus on their core manufacturing business while integrating a 3rd party carrier to help execute a distributed inventory program.

A manufacturer of specialty metal products managed their dealer's inventory through a 3rd party carrier network. But the company was finding that their carrier was not providing the company with enough demand visibility and lead time to manufacture effectively. No only that, but their carrier was complaining about the higher than expected cost of rushing product to customers as well as the increased number of customer complaints.

"We wanted to focus on our core competency of manufacturing and let our logistics partner worry about the shipments and inventories," stated Len Doerr, Director of Logistics. "What was happening was that with the lack of visibility we were spending a lot of time with our logistics partner on last minute issues and dealing with customer complaints. Worst of all our 'can-do' relationship with our logistics partner was turning into 'doo-doo'," quipped Len.

With the company's sterling customer service reputation being damaged with late shipments and increasing logistics costs, the company's executives decided to act quickly. Since they valued their partnership with their logistics partner, they decided to solve the problem together.

Why Invendia?

With a mandate to fix the problem, the company's logistics partner looked around and found Invendia through a best practices logistics site. After careful investigation, they decided to try Invendia as well as another better-known solution in parallel.

"At first we weren't sure which of the two finalists we were going to pick," relayed Len. "But our customer feedback was very clearly on Invendia's side. They found the system easy to use and reliable. That our cost of getting Invendia for our dealers was 50% less than the other choice and we never really worked out the bugs of the other system, made the decision very easy. Also, our logistics partner was really amazed with how much more efficient they could be, and they passed these savings onto us."

Challenges

- Lack of coordination with 3rd party logistics provider
- High distribution costs
- Poor customer service

Solution

- Vendor managed inventory providing shipping coordination
- Replenishment orders planned and dispatched

Results

- Reduced logistics costs
- Better relationships with logistics carriers
- Decreased administration
- Better manufacturing efficiencies



"The company turned their act around in a matter of weeks. We were considering dropping them when suddenly shipments became more regular and we could depend on them as we did years ago. All we had to do was enter some data on a simple web site once a week."

- N. Zarbo, Purchasing Agent, **Customer**

Invendia's Contribution

Invendia tracks dealer sales and inventories and suggests shipments which the Logistics carrier then uses to plan their routes. These shipment orders are related automatically to the company. Using the system for both shipment visibility as well as specific inventory dealer levels, the company is able to smooth out their production orders, coordinating these with the carrier.

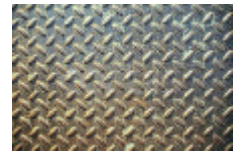
the company's Results

For the company and their logistics partner, the results have been measurable and significant. The logistics partner has found that they reduced rush orders by over 30%, increased load levels by an average of 4% and reduced costs by an average of 5%. For the company, they have increased their production efficiencies by 4% (attributed to Invendia), increased surveyed dealer satisfaction levels for on-time service from 75% satisfaction to 92%, and reduced transportation costs by 4%.

"As a private company I cannot divulge how much the Invendia solution has meant to our bottom line, but it is the one expense that is our best investment," said the company Controller Joanne McLeod. "Our belief in our Logistics partner took a beating for a while but this solution cemented our relationship. Len Jokes about it now, but we really did consider moving away from our logistics partner. Now we all benefit, from our customers to our employees."

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For more information, visit us at www.invendia.com or email info@invendia.com