



Advanced Business Systems:

VALOGIX Parts Planner Helps Copier Dealer Increase Service Levels While Decreasing Costs

Results:

- *Emergency Freight Orders: Decreased by 38%*
- *Hold for Parts: Decreased 32%*
- *Parts Ordering Time: Decreased by 62%*
- *Inventory Investment: Decreased by 35%*
- *Time to Value: Less than 6 months*

Introduction

Advanced Business Systems (ABS) of Tallahassee, Florida knew that tight inventory control was a key element to a profitable business. They found the basic inventory management functions in their transaction system complex and inadequate. Despite hiring costly consultants to train staff on the software and to develop inventory management processes, they were still unable to effectively manage their parts inventory stock and knew it was costing them money. After learning about Valogix at an industry event, they decided to take the leap and use the automated advanced planning and optimization solution to help them meet their goals.

Challenge

ABS, a 22-year old company with 27 employees knew they needed to do a better job managing their parts inventory. Although they were using a transaction system with basic inventory management functions, they found it complicated and insufficient for what they were trying to accomplish. *“I don’t have a PhD in inventory management and didn’t find the software functions easy to use and understand,”* noted Brian Snow, Vice President. Additionally, the system lacked inventory optimization, integral to advanced planning and inventory management.

In addition to better general inventory management, the company had specific benchmarks they wanted to meet. If a service technician does not have the right

part to complete a service call, the part must be ordered (often with an additional emergency freight charge) and the service technician has to return to the customer site to complete the call at a later date. This is known as *Hold for Parts* and is very closely monitored in the Office Technology industry. While ABS’ Hold for Parts percentage was acceptable, they felt that with the right inventory planning software, they could reduce their Hold for Parts percentage, reduce expedited freight costs, and increase their customer service and revenue. More importantly, customer satisfaction would also increase.





“Maintaining proper inventory levels is easier and more automated with Valogix. Using our business transaction software, we needed a PhD to figure it out and it still could not do all of what Valogix can do.”

*-Brian Snow
Vice President*

Solution

The owner of ABS became familiar with Valogix after seeing a presentation made at a Copier Dealer Association (CDA) meeting in 2004. Impressed with the ease of use and powerful functionality, it was apparent that Valogix could be the solution they needed to help them meet their business goals.

After Valogix developed the interface and the product was installed, ABS immediately started working to identify dead and obsolete stock. Being able to identify items in inventory that were no longer being used was instrumental in getting their inventory mix back on track.

Along with the identification of dead stock, the entire parts ordering process was overhauled. After seeing the replenishment process in Valogix, it became apparent that the previous process was inefficient and costly.

Marty Howard, Service Manager stated, *“Since using Valogix, we have been able to eliminate the parts position. What used to be a 40-hour week plus overtime position is now a less than 3-hour day process.”* Eliminating this position has saved the company over \$35,000 a year.

Impressive gains were also realized in a 32% reduction of Hold for Parts. Not only does this directly impact the customer service levels, but it significantly impacts direct costs and customer satisfaction. By reducing the number of call backs, the company is saving an astounding \$45,900 a year in extra labor expenses.

In less than one year, ABS has been able to reduce their total inventory by 35%, trunk stock by 48% and emergency orders by 38% percent. All of these reductions had considerable impact on the fiscal health of the company.

Brian added, *“The goal of our company has been to provide fast, efficient service after the sale. Valogix helps us do that better.”*



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