

Industrial Commodities Achieves High ROI from VALOGIX[®] Inventory Planner



When ACUMEN Corporation's customer, Industrial Commodities (ICI), a leader in the highly competitive food additives marketplace, started looking for the right ERP system, they looked for the best partner and the best software to implement to manage their 21 individual warehouses. Ultimately they selected VALOGIX[®] Inventory Planner based upon software functionality, its ease of use, along with the expertise and track record of ACUMEN.

Rick Crowder, VP and General Manager says he and his partners have built their successful and growing business on delivering the very best service to an increasing number of customers around the country. And that service is based on having the right inventory available when their customers need it and to have it delivered economically from the closest warehouse.

"Using the advanced inventory manager from Valogix we were able to reduce inventory by 10% yielding roughly \$300,000 in cash that had been tied up. We were delighted with the results."

Rick Crowder
VP/GM
ICI

Maintaining proper inventory levels at each of the warehouses is a critical element to maintaining customer loyalty. In addition to attaining proper inventory levels, ICI had several key issues:

- Stocking fast moving products to allow for rapid order fulfillment
- Overstocked with slow moving items
- Seasonal trending caused erratic demand, making it difficult to accurately forecast

Valogix identified many areas in which ICI could achieve a fast ROI: duplicate items in individual warehouses (also allowing for transfers rather than new buys), identification of slow moving products and a 10% reduction in inventory in less than 6 months.

"While we were expecting some savings, what we accomplished in 6 months surprised everyone." Says Rick, "Using the advanced inventory planner from Valogix we were able to reduce inventory by 10% yielding roughly \$300,000 in cash that had been tied up. We were delighted with the results."

And the savings don't stop there—in addition to inventory reductions, ICI has been able to realize significant productivity gains. Because of Valogix, ICI has been able to eliminate hundreds of spreadsheets previously used to track sales and purchases in each of their warehouses. Eliminating these spreadsheets saved more than three hours per day of tedious manual effort, saving money and allowing their staff to concentrate on other areas of the business. And finally, customer satisfaction has increased due to having the correct mix of items in the right locations when needed.

Ongoing ROI

- Optimized stocking levels
- Increased inventory turns
- Management of slow-moving items
- Enhanced customer satisfaction due to minimal stock-outs.