



Translectric Continues to Reap Benefits from SAP[®] Business One and VALOGIX[®] Inventory Planner



In June 2006, Valogix published the first customer success story about Translectric. After implementing SAP[®] Business One and VALOGIX[®] Inventory Planner, Translectric stated that in less than three months, they had reduced inventory, decreased back orders, and increased revenue and inventory turns, achieving more than 100% Return on Investment. Translectric recently provided Valogix with an update indicating that the solution suite continues to provide a positive ROI.

Results at Three Months

- Inventory Reduction: 12%
- Planning Time Reduction: 85%
- Back Orders: Decreased by 12%
- Inventory Turns: 300% Increase
- Time to Value: 10 - 11 weeks

Results at 14 Months

- Inventory Reduction: 20%
- Revenue Increase: 10%
- Back Orders Reduction: 70%
- Inactive/Dead Stock Reduction: 60%
- Average Discount with Suppliers: 3%

The Challenge

Translectric chose Valogix with SAP Business One to eliminate planning for 8,000 inventory items using Excel spreadsheets and “best-guessing.” Immediately after installation, the planner was able to compare the current on-hand inventory value to the Valogix-optimized inventory. In the first three months, they reduced their inventory by nearly \$200,000 and achieved a significant improvements overall.

The Ongoing ROI

In January, Scott Toll, Sales Manager took over completing the purchase orders process. Scott’s goal was to reduce back orders by \$30,000. Valogix enabled him to exceed that goal and back orders have decreased by more than \$35,000.

“When we first started using Valogix, we double checked all the data because we weren’t sure the numbers the system was giving us would cover our needs,” says Scott. *“After a few months, we realized that the numbers were right on, and now we rely*

solely on the information from SAP Business One and Valogix.”

The most substantial benefit to Translectric is the ongoing reduction in their inventory investment—more than 20% in 14 months. And because they now have more accurate inventory levels on hand, inventory turns have continued to increase.

Translectric shares information with vendors to secure the best pricing and shipping discounts, thereby increasing profits, and by using the Valogix generated 12-month forecast, vendors better fulfill their orders because they know what will be ordered in advance.

“The time Valogix saves me alone has more than paid for the solution and makes my job so much easier—the cost savings in the reduction of inventory and back orders is really just the gravy. Valogix, in combination with SAP Business One, has far exceeded our expectations. I can’t imagine planning without it.”