



Fairview Fittings

Industrial Fittings Distributor and Manufacturer
Uses VALOGIX to Identify Savings Opportunities
and Increase Efficiencies

“Right away, we were able to identify areas that we could get to work on. When we implemented VALOGIX, we immediately noted that we had \$1,800,000 in dead stock that we previously did not know was on the shelves.

Over the last two years, we’ve been able to whittle that down to just \$400,000. We would have never known that we had such a substantial problem if we hadn’t started using VALOGIX.”

Raymond Singh
IT Manager
Fairview Fittings

Quick Facts

Company

- Name: Fairview Fittings & Manufacturing, LTD.
- Locations: Three US locations and nine Canadian locations
- Industry: Industrial
- Products and services: Industrial fittings
- Items in inventory: 27,000 SKUs
- Web: www.fairviewfittings.com

Challenges

- Lack of inventory control
- Stress on cash flow due to over-stocks
- Inefficient use of planning staff time

Objectives

- Increase visibility and access to stock in all locations
- Free up cash
- Increase staff efficiency

Why VALOGIX

Recommended by their software reseller GFI SMB Solutions with SAP Business One

Benefits

- Decreased inventory by \$1,800,000
- Ability to identify stock in all Canadian locations
- Decreased new buys by transferring stock between locations
- Increased sales due to having the correct stock information
- Increased staff productivity and save \$60,000 a year with one less buyer
- Reduced SKU’s by 5,000
- Return on Investment in less than six months

Legacy System

FourGen®

Software Solutions

- SAP Business One
- VALOGIX® MultiLink
- VALOGIX® Inventory Transfer





“By transferring stock, we save about \$1,000,000 a year. While we were expecting great results, we could not have imagined the incredible return on investment we’ve attained.”

Chris Kilpin
Purchasing Manager
Fairview Fittings

Expansive Operations Cause Inventory Control Issues

Running a business across two countries with 12 locations is a challenge; Fairview Fittings & Manufacturing LTD knows this first hand.

“We have nine locations in the Canadian provinces and three in the US. Each one was ordering stock, fulfilling and shipping orders, and manufacturing its own parts. It was a procurement nightmare,” explains Raymond Singh, IT Manager of Fairview Fittings. *“With more than 32,000 items, we had no idea what stock we had, which led to over-ordering, understocking and almost \$2,000,000 in dead stock.”*

Their ERP system, Fourth Generation was not capable of providing them with the inventory control measures they required. So they turned to Blake Barkhouse of GFI SMB Solutions Inc. *“When I first met with the management team at Fairview Fittings, I knew they needed a robust solution that could handle the amount of data they generated, and also offer them flexibility to use it the way it best suited their business,”* remarks Barkhouse.

The solution was SAP Business One, with VALOGIX® Inventory Planner MultiLink and the Inventory Transfer Module add-on.

Implementation Creates Opportunity to Improve

As soon as VALOGIX was installed at Fairview Fittings, they were able to see substantial opportunities for improvement.

“Right away, we were able to identify areas that we could get to work on,” explains Singh. *“When we implemented VALOGIX, we immediately noted that we had \$1,800,000 in dead stock, that we previously did not know was on the shelves. Over the last two years, we’ve been able to whittle that down to just \$400,000. Because of the lack of visibility of our stock in our old system, we would have never known that we had such a substantial problem if we had not started using VALOGIX.”*

The impact on inventory values has been just as significant. At implementation, Fairview Fittings carried \$12.2M in inventory in the Canadian locations. Six months after implementation, they had reduced that to \$11.7M and in two short years, that figure has gone down to \$10.4M—a total \$1.8M reduction.

“VALOGIX allowed us to get a better handle on our inventory situation and make smarter purchasing decisions based on the information it provides us,” adds Singh.

Efficiency Adds to the Return on Investment

“We are using the Inventory Transfer module in the nine Canadian locations,” comments Chris Kilpin, purchasing manager. *“By transferring stock, we save about \$1,000,000 a year. While we were expecting great results, we could not have imagined the incredible return on investment we’ve attained.”*

Not only has Fairview Fittings been able to get control of their stock, they’ve been able to streamline their purchasing department. Singh states, *“We now operate with one less buyer (who has been moved to another area) saving the purchasing department at least \$60,000 a year. Because the system does so much of the work for us, our staff is better able to focus its efforts on areas of the business that we previously neglected due to lack of time.”*



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