



# FIDELITONE™

## SUPPLY CHAIN SUCCESS STORY

### DATA AND EXPERIENCE - BOLSTERING THE IMAGE OF SERVICE

forecasting tool helps copier manufacturer achieve over 99% inventory accuracy on parts

#### AT A GLANCE

**Company:** An international manufacturer of multifunctional copier equipment

**Industry:** Document Management

**Key Challenge:** Manage costs through accurate inventory and forecasting

**Solution:** Reorganized part centers, enhanced forecasting tool, and established process for capturing data

**Outcomes:**

- 18% reduction in inventory level stocking
- 23% reduction in overnight shipments
- >99% inventory accuracy

#### Background

Office personnel rely on copier equipment to provide a professional presentation of important information. An unreliable parts supply means copiers are down, and inoperative assets jeopardize service agreement renewals and future equipment purchases. When equipment needs maintenance or repair, a copier equipment manufacturer wants to provide service that meets and exceeds the needs of their customers quickly and efficiently.

#### KEY CHALLENGE

This copier manufacturer provides a premium copier line with annual service agreements. They ship parts from distribution centers in California and New York to 40 forward stocking part center locations nationwide. FIDELITONE manages nine of these locations, which processes over 123,000 orders annually.

A recent consolidation reduced the copier manufacturer's forward stocking part center locations by approximately 25%. During the consolidation, they realized the magnitude of overstocking, understocking, and lack of demand on various inventory parts. It was also uncovered that the service technicians' trucks contained unnecessary inventory. The copier manufacturer was searching for ways to right size the inventory while minimizing operating expenses associated with emergency orders.

#### SOLUTION

FIDELITONE developed an internal scorecard which supplied an overview of the forward stocking part centers they managed. This card provided the copier manufacturer detailed order information, inventory levels, returns, inventory values, and year over year comparisons.

The information assisted the client in developing a better forecasting tool which monitored inventory levels and movement of parts at the distribution center and forward stocking part center locations.

Once the inventory forecasting tool was in place, the copier manufacturer requested FIDELITONE's help with purging obsolete inventory and restocking an

appropriate quantity of parts at the forward stocking part center locations managed by FIDELITONE. The timeline for completion of this project was four months.

The goal, to provide uninterrupted quality service to the customers. To meet this goal, FIDELITONE added staff where necessary, working overtime and weekends to complete this project. This allowed the copier manufacturer to optimize inventory in the supply chain without impacting customer service.

## OUTCOMES

As a result of the data visibility, inventory forecasting technology, and quality execution by an experienced supply chain partner, the copier manufacturer implemented a process that returned parts from the service technician's inventory back to the forward stocking part center locations. Through FIDELITONE's "Inventory Best Practices," parts were received, processed, and returned back to the distribution center within 48 hours.

The new process at the forward stocking part center locations minimized overtime hours, reduced delays from the service technician to the customer, and provided an 18% reduction in inventory for the copier manufacturer.

The forecasting tool has helped this copier manufacturer achieve over 99% inventory accuracy of parts, and continues to provide savings by reducing the number of emergency shipments sourced from other, non-optimal, forward stocking locations.

In the first year, the copier manufacturer reduced their stocked inventory by \$400,000, decreased the number

of overnight shipments by 23%, and decreased the cycle time from order to receipt by 15%. The benefit to the customer is decreased downtime which was supported in a recent customer survey—over 400 customers surveyed by the copier manufacturer responded with greater than 99% customer satisfaction.

By partnering with FIDELITONE, the copier manufacturer was able to improve customer service and realized savings to their bottom line.

Applying service parts expertise and analytics is one of the many services FIDELITONE offers this copier manufacturer.



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FIDELITONE, a supply chain management firm, helps you earn your customers' loyalty through specialized services in inbound logistics, order fulfillment, last mile delivery, and service parts management.

We manage resources, create right-fit solutions, and optimize supply chain processes to advance your business performance and profitability. At every step and in every service, FIDELITONE employees focus on the touchpoints that safeguard your brand and keep your customers coming back.

We're paying attention to what matters to you in your business. We're paying attention to what matters to your customers when you entrust your brand promise to us. We're building high-performing answers to your toughest supply chain challenges.

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