

Bellota

Hardware and DIY



- Global manufacturing, sales and distribution network for 10,000 items
- Inventory optimization drove segmented customer-service levels
- Improved service levels with less inventory

Project and Objectives

Despite having undertaken service improvement and logistics planning projects in previous years, Bellota decided to review its products with the goal of determining a new indicator: the Availability Rate (i.e., Customer Service Level). In addition, they were dealing with a changing business environment and wanted to achieve several other objectives, including:

- Increase the total of items (both manufactured and distributed) to 10,000
- Improve inventory management of products purchased outside the company, which had longer lead times and larger batch sizes
- Improve handling of items with low or extremely low turnover
- Differentiate service levels for different types of customers

Bellota implemented ToolsGroup's SO99+ solution first to measure the Availability Rate worldwide for its products, then to adapt their supply chain planning process to optimize the relationship between inventory and service level across their entire inventory mix. SO99+ was also deployed to disaggregate sales forecasts, which were too high level for their daily inventory planning needs.

Bellota manufactures hand tools for the farming, garden and construction markets. The company has sales of \$210 Million and is part of the CPE Group. It has eight plants in the US, Spain, Mexico, and South America, and sells its products present in 120 countries around the world.



Results and Benefits

After implementing SO99+ and after just four months of continuous operation, Bellota achieved its objectives:

- The Availability Rate (Customer Service Level) for all its products worldwide was increased from 93% to 96%
- Total inventory was reduced by 14% despite increased availability

SO99++ also enabled Bellota to enhance the reliability of its forecasts, including medium and long-term forecasts agreed upon with the Marketing Department. Finally, SO99+ is used as a strategic support tool for evaluating the cost of inventory versus service level when making operating decisions. Based on their results, SO99+ is now being implemented in other CPE companies.

About ToolsGroup

ToolsGroup is an innovation partner for companies who want to achieve highly accurate forecasts, outstanding customer-service levels and less global inventory. An expert in “Powerfully Simple” supply chain planning, we offer software that analyzes demand history across multiple dimensions so you can achieve the most reliable forecast and inventory targets for mastering demand volatility and delivering service level excellence.

Our innovative and advanced technologies enable you to improve and automate your planning processes. Our solutions span key supply chain planning areas such as Demand Planning, Demand Sensing, Promotion Forecasting and Inventory Optimization.

We have more than 250 customers worldwide and one of the highest customer retention rates in our industry. Our experience includes manufacturers, wholesale distributors and retailers in a wide range of demand and inventorydriven industries.

Please visit our website at www.toolsgroup.com and click on “About Us” for a list of our offices throughout the world.

