

Case Study

Major Power Generation Manufacturer

❖ **Situation – Spare Parts Situation for a C/D Product Line**

- Inventory Constraints / Inadequate Stocking Levels
- Erosion of Customer Base to Competitors
- Need to Improve Customer Service
- Headcount Reduction Edicts
- Excessive Slow Moving Inventory
- Reduced Sales and Profitability
- Business Neglect – Applying Resources to A/B Product Lines

❖ **ATC Solution - Complete Supply Chain Management Program Including:**

- Inventory Forecasting and Planning
- Purchasing/Expediting
- Buy Out of Existing Inventory
- Warehousing
- Proactive Program to Sell Excess Inventory

❖ **Customer Results**

- Parts in Stock Increased from 1500 to 6400
- Increased Deliveries from Stock from 18% to 45%
- Ship to Customer Want Increased from 82% to 94%
- Refocused Headcount on Strategic Initiatives
- Sales Turnaround – 10% per year Growth
- Customer Inventory Reduced by \$4 Million
- Sold Off \$5 Million Excess Inventory (at nearly full price)
- Customer Realized More Than \$20 Million Increase in GP over 3 years

