

Case study

Forecasting, Replenishment



Positec's Toolkit for Success

Results

- ~ 60% global inventory reduction
- 40% increase in forecast accuracy
- 75% decrease in safety stock
- 66% improvement in order fulfillment lead time
- 20% increase in on-time deliveries

Improved productivity

“Speed of delivery is very important to Positec. The quicker you can get the product into the customer’s hands, the better. We’ve improved our on-time delivery to customers by an average of 20 percent.” – **Senior Demand Planning Manager, Positec**

Challenges

- Headquartered in Suzhou, China, Positec manufactures and markets home improvement tools to professional contractors and homeowners. Positec has achieved industry-leading growth and today employs almost 4,000 people in 12 countries.
- While the company was making headlines for its innovative products, Positec executives recognized that their internal tools for managing the global supply chain did not represent the most advanced, innovative technology.
- Positec lacked an aggregate forecasting tool and intelligent fulfillment capabilities to optimize inventory levels and profitably deploy products. The company had a long replenishment planning cycle that delayed its response times significantly, no real basis for planning at the regional distribution center level and low visibility across its entire global supply chain.

Improved forecasting

“We were facing a number of challenges. Our forecast accuracy number before the implementation was very low. Also, on-time delivery to customers was very low, and our safety stock was very high,” said Senior Demand Planning Manager, Positec. “We felt that the solution could help us better navigate our multiple distribution centers and could help us increase forecast accuracy by giving us the tools to analyze data, especially customer data.”





As a result of the Blue Yonder implementation, Positec has replaced its manual planning and reporting processes with automation and a new level of efficiency. “Technology and innovation have reshaped our business. We were an Excel and Post-it Note company prior. We have moved from the data-gathering stage to being able to actually analyze the data. Through a combination of internal improvements and deploying the solution, Positec’s supply chain is operating at a higher level,” commented Senior Demand Planning Manager, Positec.

Agile capabilities

Today, Positec is able to develop an aggregate forecast across all customers, regions and product lines. The company can also assign dollar values to the forecast, including complex events such as new product launches and retail promotions. More importantly, the company has a much higher level of confidence in its demand forecast, as it is now based on company-wide collaboration, as well as data and analytics.

“These capabilities are a great solution for our sales and delivery modes. It allows the forecasting and planning teams to work on one system for different modes,” said a Senior Demand Planning Manager at Positec.

Solution benefits

- Based on the significant improvements in forecast accuracy enabled by BlueYonder, Positec has been able to reduce its overall global inventory levels by 60 percent, contributing to greater cash flow.

- Additionally, fulfillment lead time has decreased by 66 percent, giving Positec a significant customer service advantage in a highly competitive industry.
- Order fulfillment lead time has also been slashed from 90 days to 30 days. Plus, the company’s delivery time is much faster and more reliable, which helps make it a preferred supplier to its retail partners.
- Positec has also improved product availability by reducing its out-of-stock costs by more than 80 percent.

Why Blue Yonder

“The expense of the Blue Yonder software is justifiable for Positec as a company. We’ve reduced inventories by approximately 60 percent, generating greater cash flow, and forecast accuracy has gone up across the board. So those benefits alone justify the expense. Blue Yonder really understands our business. The service and support we get from Blue Yonder globally has been well worth it.” – **Senior Demand Planning Manager, Positec**

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