



CUSTOMER STORY

Nashua

Nashua Increases Product Availability by 95% Using ToolsGroup

Introduction

Nashua manages a central warehouse that distributes office automation systems to more than 55 dealer franchises. Its purchase orders were manually generated, which resulted in suboptimal stock levels and a slow replenishment process. Nashua needed to overcome these challenges with new technology.

Industry

- Retail - Hardlines

Solution

- Demand Planning and Forecasting
- Inventory Optimization

Results

- Increased product availability from 70 percent to 90 percent within weeks of implementing ToolsGroup
- Increased product availability to 95 percent within five months of using the new solutions, leading to a 50 percent growth in sales
- Reduced stock-outs by half
- Ability to create and run a monthly forecast replenishment report daily

Nashua is a leading supplier of office automation systems (printers, faxes and copiers) for brands such as Ricoh. Nashua manages a central warehouse supporting more than 55 dealer franchises.

While each franchise is an autonomous, owner-managed business, Nashua plays a fundamental supporting role for each franchise.

The company carries more than 11,000 line items, 10,000 of which make up the parts inventory (about \$1 million), and the remaining inventory is the company's equipment line that is valued at approximately \$12 million.

Challenges

Prior to ToolsGroup, purchase orders were manually generated with the analysis of data being virtually impossible. Stock was managed on a monthly basis, and Nashua's replenishment report took more than three days to manually create.

Inventory management was a web of Microsoft Excel spreadsheets associated with a lack of communication leading to human error, especially with regards to backorders.

As a result, Nashua was writing off more than \$1 million in redundant stock annually.

With poor visibility into supply chain bottlenecks at the franchise level, a seemingly dramatic increase in sales was often attributed to the franchisee's poor planning capabilities and holding of excess stock.

By implementing ToolsGroup Demand Forecasting and Inventory Optimization solutions, Nashua sought to reduce inventory, increase sales from improved availability, and automate the demand forecasting and **replenishment** process.

Increasing Availability and Service Levels



ToolsGroup automated our manual replenishment process by providing accurate and easy-to-use replenishment mechanisms for the buying department."

-Kathy Allan, Logistics Manager, Nashua

Within weeks of implementation, Nashua increased its stock availability from 70 percent to 90 percent. Within five months of using the new solutions, that figure was at 95 percent.

Despite long manufacturing lead times, Nashua has managed to reduce stock-outs by half.

"ToolsGroup automated our manual replenishment processes by providing accurate and easy-to-use replenishment mechanisms for the buying department," said Kathy Allan, logistics manager for Nashua.

Improving Forecast Accuracy and Productivity With Automation

Previously, each line item had to be manually evaluated for replenishment on a monthly basis. ToolsGroup automatically reports exceptions, which enables proactive replenishment and increases productivity by removing previously labor intensive activities. Redundant items are flagged, dramatically reducing room for human error.

ToolsGroup automation helped Nashua dramatically cut down the time and effort required for basic inventory management.



ToolsGroup has enabled a team approach to ordering, which is critical for inventory optimization."

– Kathy Allan, Logistics Manager, Nashua

A monthly forecast replenishment report that previously took Nashua's team three days to complete is now run daily. Stock levels are analyzed daily as opposed to monthly, improving reaction times from a month to a day.

Nashua can now generate exception reports instantaneously, which include anomalies as exception alerts.

Getting the Organization's Buy-In

By comparing the ToolsGroup forecast for previous months with actual sales for the same months, Nashua's inventory team was able to get buy-in from the rest of the organization.

Lead times have been shortened on certain items as confidence in being able to manage each item's performance has improved.

Enhancing Business Performance

Nashua's forecast and replenishment accuracy improves on a daily basis thanks to ToolsGroup.

Through weekly inventory modeling, redundant items can be flagged and excess stock trimmed in a timely manner.

Nashua can now react quickly to ever-changing market conditions. With ToolsGroup, new products can be introduced with a relatively small amount of inventory.

Additionally, new items can be forecasted by mimicking patterns of existing items that are similar or redundant.

Accurate demand and inventory planning has helped Nashua increase product availability, leading to a 50 percent increase in sales.

"ToolsGroup has enabled a team approach to ordering, which is critical for inventory optimization. This last holiday period was our best ever," Allan concluded.

+ About ToolsGroup

Please visit our website at toolsgroup.com to learn more about how we are helping leading brands worldwide to improve their supply chain planning. © 2022 ToolsGroup. All rights reserved.