

Client Success Story

Leading Tier 1 Automotive Company Improves Working Capital Efficiency

The Challenge:

This Fortune 500 company is a Tier 1 automotive supplier with over 15,000 associates operating at over 50 facilities in over 10 countries to support their customers on global and regional platforms with a focus on quality, operational excellence and technology leadership.

The company's focus is on reducing operating costs and improving working capital efficiency. In view of this, inventory optimization has been identified as a core business strategy.

MRO Inventories had been growing in recent years leading to:

- ❖ Increased investment
- ❖ Increased warehousing costs
- ❖ Increased administration expense
- ❖ Little or no improvement in maintenance & reliability

The Solution:

Pulse

The client turned to Xtivity to provide multi-user access to Xtivity's **Pulse**; a SaaS, hosted inventory optimization software that examines transactional data and calculates the appropriate Order Point/Order Quantity (or Min/Max) and Lead times (internal and external) for every line item of an MRO inventory.



Domain Expertise. From data mining and analysis to MRO Supply Chain Principles, trends and insights, Xtivity's ongoing decision support brings diverse industry experience; backed by seasoned inventory analysts and SCM practitioners.

Helping clients improve performance, ensure reliable operations and improve cash flow.

THE IMPACT:

Stock levels have decreased, while perhaps more importantly, service levels have increased.

- ✓ 11% Net Reduction in Inventory Holdings
- ✓ 15% Net Reduction in Maximum Stocking Levels
- ✓ 11% Net Reduction in Minimum Stocking Levels

“With Xtivity's inventory optimization service, we have reduced our inventory investment and improved equipment parts availability. The MRO decision support technology eliminates the guess work on MRO stocking decisions. My plant teams are saving a tremendous amount of time; increasing productivity. The professionals at Xtivity provide us with powerful insights to help drive better decisions. The service has become an integral part of our MRO strategy.”

- Global Indirect Materials Manager