

## Client Success Story

### Fortune 500 Pulp and Paper Company Significantly Reduces Inventory Investment Across Multiple Mills

#### The Challenge:

This Fortune 500 Company competes in the dynamic Pulp and Paper industry. Like most asset-intensive manufacturers, a premium is placed on **lowest total cost of ownership** and **high asset availability**.

With demand fluctuating by segment and region, having too much cash tied up in inventory that is not supporting operations, can adversely impact the bottom line and limit investment toward other value-added projects.

#### Objectives:

- ❖ Improve working capital effectiveness.
- ❖ Provide insight into the MRO inventory lifecycle to create a sustainable, efficiently managed storeroom to increase mill capacity.
- ❖ Develop KPIs and reporting for decision support across key functional areas.

#### 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:

- ✓ **\$2.8M** in actual inventory value reduction over last 12 months
- ✓ An additional **\$2.9M** in potential Inventory Reduction *Opportunity* and Free Cash Flow Improvements over next 12 months
- ✓ **Improved Site and Corporate Visibility** into performance improvements against inventory initiatives

“*Aside from the savings, I like some of the other intangibles -- things like identifying parts that are in danger of having a stock out condition are identified.*”

- Supply Chain Analyst