Eminent Engineering Company Optimized Inventory Management with a Low-Code Solution

Discover how a web-based portal helped bring down inventory carrying costs

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Client Profile

Established in 1992, the client has garnered a reputation as a leading distributor of high-quality cutting tools and solutions, catering to a diverse clientele of over 5,000 businesses across 6 states in the USA. Headquartered in Detroit, Michigan, the client manages its operations through a formidable network of 70+ suppliers and 3000+ well-trained employees.

The Challenge

As demand for its products grew, the client witnessed a dramatic rise in their bottom line. But this growth also brought significant challenges. Managing nearly 15,000 SKUs was no easy feat. On a daily basis, the client had to manage around 500-600 orders and 40-50 deliveries from suppliers-all using multiple spreadsheets; this was time- intensive as well as prone to errors.

Soon, the company began to face issues with procurement. Since their demand forecasts were based only on historical data and overlooked seasonality and existing market trends, they were not very reliable. Lead times for different products also varied greatly-from a week to up to 2 months. As a result, incidences of overordering or frequent ordering became commonplace, resulting in high inventory carrying costs.

Following an internal review, the company decided to end its reliance on outdated spreadsheets and automate inventory management. Automating the process would help them address the shortcomings in forecasting, provide real-time visibility into stock levels, and bring more structure to the ordering process.

Managing 500+ orders on a daily basis had become overwhelmingly difficult

Reliance on spreadsheets led to inaccurate, unreliable demand forecasts

Overordering of products resulted in high inventory carrying costs

Need for an inventory management solution to provide enhanced visibility into stock levels and streamline ordering

The Solution

After a thorough understanding of the client's requirements and pain points, Damco's low-code development team decided to build a custom inventory management solution from the ground up. A Microsoft Gold partner, Damco chose the Power Platform suite to develop the low-code solution. Power Automate was leveraged to create automated workflows.

Key features of the custom inventory management solution:

Accurate Demand Forecasting

Thanks to the cutting-edge forecasting capabilities of the inventory optimization solution, the client no longer relies solely on historical data for forecasting demand. They now maintain just the right amount of stock levels with accurate, reliable forecasts and order proposals generated by the portal. This has not only boosted on-shelf availability but also dramatically brought down their inventory handling and freight costs.

Real-Time Inventory Visibility

Improved visibility into stock levels has enabled the company to bring down ordering frequency as well as dispatches to customers, leading to reduced packaging and freight costs and better warehouse management.

Insights for Improved Collaboration

Equipped with accurate insights on lead times and delivery information, the client can now handle orders and communicate with suppliers as well as customers much more efficiently.

Value Delivered

Optimized order frequency, reduced inventory costs, and improved customer relations

- The enterprise inventory management solution enabled less frequent ordering, leading to a whopping 40% reduction in freight costs.

- Improved ordering patterns resulted in better utilization of warehouse space and reduced inventory carrying costs.

- Better insights on lead times led to around 100 fewer dispatches per day on average, helping the company save on labor, packaging, and transportation-related expenses.

- Access to real-time information on inventory enabled the client to deliver better customer service and strengthen customer relationships.

Need a high-performing low-code solution like this one?

Talk to Our Low-Code Experts

About Damco

Damco Solutions is a trusted technology and digital transformation partner for businesses around the globe. We engineer software products, create new digital experiences, modernize applications and automate business processes for greater agility and business growth. With 27+ years of leadership in software engineering and digital solutions, our mission has remain constant - complete client success.

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