

Ryobi powers up their inventory planning with NETSTOCK

Customer: Ryobi South Africa

Industry: Manufacturers – Power tools & equipment

Location: South Africa

ERP: Microsoft Great Plains

Ryobi South Africa distributes the full range of over 150 different models of industrial and domestic power tools and equipment in South Africa. They have gained the trust of users by creating safe, easy to use products that are highly functional and durable.



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Richard Stevens, Financial Director



Challenge

Meeting seasonal demand with limited to no data insights



Solution

NETSTOCK provided full inventory visibility and seasonal forecasting engine



Result

Doubled stock turn and increased sales



SEASONAL DEMAND FORECASTING ENABLES SMARTER ORDERING

Using the standard sales reports in their ERP to determine forecast proved to be problematic for Ryobi SA. The data they had was only giving them a small glimpse into their inventory. Using sales data to drive demand also meant that seasonality was not being identified or catered for in planning levels. They had no visibility of their supplier's performance and no item classifications to highlight priority items. As a result, they often found themselves in situations where they would be stocked out of their popular sellers or overstocked on the slower movers.

Like diamonds are to a woman, so too are power tools for men and a popular choice as a gift for Father's Day, Valentine or Christmas. "Trying to navigate the ebbs and flows that seasonal supply and demand brings proved difficult. Without relevant data to assist with forecasts, we were basing our orders on sales history and gut instinct," said Richard Stevens, Financial director - Ryobi, SA.

Ryobi would find themselves in an overstock situation so as not to disappoint their customers. This meant that they often had large sums of capital tied up that could have been used elsewhere to grow the business.

Implementing NETSTOCK gave Ryobi full visibility of their inventory. "The system calculates recommended orders based on a series of algorithms. This has not only enabled us to order smarter, but it has freed up a lot of our employees' time so they can focus on other activities in the business. We are now able to manage and track our suppliers and their performance and see potential stockouts before they become a problem," continued Richard.

"The ROI with NETSTOCK has been incredible. We have seen at least R500 000 pa saving on employee productivity, doubled our stock turns while increasing our sales year on year. NETSTOCK is the most cost-effective forecasting and stock management tool around," concluded Richard.