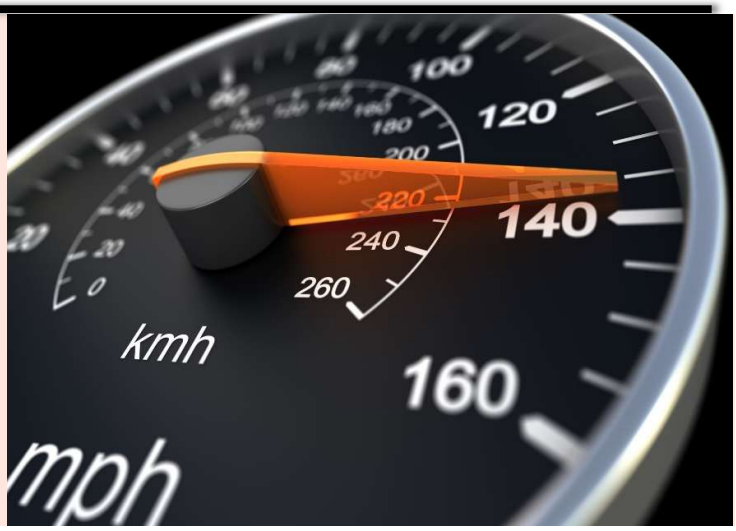
Case Study – Automotive Aftermarket

INVENTORY OPTIMISATION



CHALLENGE

The independent aftermarket faced challenges with parts availability due to poor forecasting and extended lead times, leading to customer dissatisfaction. On the Other hand, Inventory piled up hitting the bottom line.

75% Ontime Delivery

Ontime delivery went down resulting in customer dissatisfaction

120 Inventory Days

DATA ANALYSIS

- Analysed three years of data
- Found seasonal patterns
- Evaluated 1,500 imported parts

- 100–120 fast moving parts generated 80% of sales.
- 800–900 parts had sporadic demand.

Most of the Parts were imported with high lead times of 100`120days.

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RESULTS

95% Ontime Delivery

Parts Availability 90%

75 Inventory Days

Stock Outs 0%

SUMMARY

The project addressed challenges in parts availability within the independent aftermarket due to poor forecasting and long lead times. By implementing tailored replenishment and stocking strategies, the project achieved significant improvements in delivery performance and inventory management, enhancing customer satisfaction.

Key Results

- **Fast-Moving Parts:** Used a replenishment model with safety stock and monthly orders; simulated inventory to match demand.
- **Sporadic-Demand Parts**: Adopted make-to-order or air imports.
- **Warehouse Stocking Plan**: Set stocking patterns for 60–90-day lead times.