

# NETSTOCK

## Netstock ignites inventory processes at AAI



**Company** AAI

**Industry** Manufacturing - Fire Sensors

**Location** USA

**ERP** Sage 100cloud



AAI designs and manufactures innovative life-safety solutions to alert building occupants in an emergency and assist first responders. They distribute their products mainly throughout North America with a small number of exports to the UK and Europe.

### \ Challenge.

Stock-outs and extended lead times.

### \ Solution.

Netstock integrated with Sage 100cloud.

### \ Result.

Improved purchasing process and stock availability.

Before the implementation of Netstock, AAI was managing their inventory on a spreadsheet. "We have around 3000 raw materials, which make up approximately 550 products. Managing this large number of SKUs on a spreadsheet was complicated, would often break and was extremely time-intensive," says Bethany Claps, Materials Manager at AAI.

### Two areas Bethany wanted to focus on:

1. Optimizing AAI's overall inventory holding.
2. Improving the stock availability by having the right parts at the right time.

“Now that we classify our items by sales values and velocity, we know which are our bread and butter items and can focus on those first. We get daily order recommendations from the App, which has also contributed to making better purchasing decisions.”



Bethany Claps, Materials Manager



### Reduced the occurrence of stock-outs

Due to limited resources, they frequently ran out of stock. Implementing a demand planning tool was vital to help mitigate these shortages without employing more resources. When starting their search for an inventory management solution, they discovered one of their sister companies used Netstock. After discussions with the team and hearing about the success they achieved, AAI decided to select Netstock to manage their inventory.

“Our main goal was to reduce our inventory holding, and an interesting finding for me was that according to Netstock, we needed to be holding even more stock. The recommendation to inflate our inventory holding was due to the volatility of the global supply chain and took into account that our lead times had extended to over 52 weeks on some items.”



Bethany Claps, Materials Manager

### Improved inventory purchasing practices

Implementing Netstock also highlighted our inefficient purchasing practices. We would buy whatever quantity we needed to get the best price. As a result, we would end up with thousands of parts, where we would only need a few hundred. Now that we classify our items by sales values and velocity, we know which are our bread and butter items and can focus on those first. We get daily order recommendations from the App, which has also contributed to making better purchasing decisions.”

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We plan to adopt the new Netstock module, the Extended Planning Horizon, which will help us forecast up to 24 months ahead.

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Bethany Claps, Materials Manager

### Improved fill rate

AAI has achieved a 99% fill rate in their Residential division, but unfortunately, the Commercial division has been affected by many stock-outs and has not managed to get back on an even keel. "This is not a reflection of Netstock," says Bethany. "If we had implemented Netstock earlier, we could have done things better. The main reason for this is due to the global electronic chip shortage. We are still waiting for orders we placed in March 2020! These extended lead times will continue well into 2023. We plan to adopt the new Netstock module, the Extended Planning Horizon, which will help us forecast up to 24 months ahead, taking these anomalies into account," continues Bethany.

### An effective and diverse onboarding program

Netstock's customer onboarding and training program is diverse and caters to users' different styles and preferences.

"I prefer learning a new tool by diving in and using it, whereas other members of our team preferred watching the videos and attending the webinars first. Having these different avenues of learning available contributes to the overall success of the onboarding process," Bethany concludes.



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