

Customer Success Story

Farnell synchronizes supply chain to boost customer service



Increased customer service levels while reducing inventory by 5%



Supported Farnell's efforts to drive collaborative partnerships with key suppliers



Helped facilitate corporate efforts to cross-sell products across Farnell companies and give customers access to over 400,000 products



Challenge

As part of the effort to rebrand four businesses in its marketing and distribution division, Farnell wanted to cross-sell products across its subsidiary businesses and give customers access to a greater array of products from the Farnell company of their choice. With the Farnell initiative, the company needed to be able to deliver a single order from multiple warehouses, support the implementation of new warehouse locations, increase order visibility, improve service and reduce inventory levels.

Logility Digital Supply Chain Platform

Logility helped Farnell achieve the best balance between customer service levels and inventory requirements.



Farnell
AN AVNET COMPANY

Facts

Industry
Electronic Components and Industrial
Products Distribution

Headquarters
London, UK

Sales
£960.1 million

Profile

Farnell markets and distributes more than 600,000 electronic components and industrial maintenance, repair and operations [MRO] products to 430,000 customers in 36 countries.

"Logility allows us to place inventory more strategically and choose any warehouse to be the point of delivery, minimizing the number of stocking points."

Jon Bates, Head of Supply Chain - Farnell

For Farnell, bringing multiple business groups and brands together under one global brand meant more than a simple name change and a new look. It signaled a new way of doing business for the global distributor of more than 600,000 electronic and industrial maintenance, repair and operations [MRO] products.

"Historically these different companies were run almost independently," explains Jon Bates, head of supply chain for Farnell. "We needed to bring together the core functions of the companies, but keep the markets, skills and differentiators separate. We recognized that each of the brand names have a lot of loyalty behind them, but we wanted to introduce a common theme across our businesses."

"Demand forecasts are critical to this process and Logility will enable us to generate accurate forecasts and share valuable global demand information with our key suppliers."

Jon Bates
Head of Supply Chain
Farnell

The Logility digital supply chain platform enabled Farnell to boost service levels without a corresponding rise in inventory levels and made it possible for the company to reduce overall inventories significantly at its Leeds, U.K., warehouse. Logility enabled Farnell to integrate supply chain and logistics functions across subsidiary operations.

Serving a Growing Market

"A new warehouse in Liège, Belgium provided additional space to better serve the growing European market, along with the existing Leeds warehouse," Bates says. Logility helped Farnell realign its supply chain to leverage new distribution assets and manage the rising growth of SKUs. By adding new warehouses like the one in Liège, the company can now consolidate inventory at strategic points to reduce shipping costs and inventories, while improving customer service.

Logility Demand Planning™

reconciles demand history, orders, trends and other information, producing a comprehensive overview of demand by SKU, customer and distribution channel.

Logility Inventory Planning™

calculates the optimal balance between inventory quantities and desired levels of service, based on industry best practices.

Logility Replenishment Planning™

determines the best balance between customer service levels and inventory requirements, factoring in current orders, commitments and desired inventory investment, based on customer demand and sales trends.

Logility enables you to:

- Optimize your entire value chain performance
- Increase revenue by seizing new opportunities and eliminating stock-outs
- Synchronize operations to anticipate product demand and market needs
- Reduce inventory, distribution and transportation costs
- Maximize promotions using dynamic business models
- Boost customer service through collaboration and shared intelligence

Capitalizing on Cross-Selling Opportunities

The Logility implementation was one element of a company-wide initiative to enhance the cross-selling opportunities presented by Farnell's global distribution network, and Logility's software played a significant role in enabling the company to deliver a single product catalog to its customers.

For example, to deliver on the promise of a unified global brand, Farnell had to change its product catalogs and give customers access to a broader array of products from a single Farnell company. Formerly, customers had to place separate orders to each individual Farnell company from separate product catalogs. Now, with Logility, a single catalog contains all products, and customers have access to more than 600,000 products that they can order from a single company.

By the same token, the company can split a single customer order across multiple warehouses, then seamlessly package and deliver it from multiple locations. Each Farnell brand is now transparent in terms of physical location of inventory.

"We needed to have a primary stock location for each product and be able to ship to any of the brand's customers anywhere in the world," Bates says. "Logility helps us determine where to place inventory more strategically and choose any warehouse to be the point of delivery, minimizing the number of stocking points. Demand forecasts are critical to this process and Logility will enable us to generate accurate forecasts and share valuable global demand information with our key suppliers," Bates adds.

Farnell also wanted to be able to provide customers with next-day delivery, which is often a big challenge given the more than 140,000 SKUs on the CD version of its catalog, a heavy mixture of both slow and fast-moving products, and a catalog that continues to grow at the rate of 5,000 to 10,000 SKUs a year. With help from Logility, the company is able to better manage its investment while turning around orders faster than ever before.



About Logility

Accelerating the sustainable digital supply chain, Logility helps companies seize new opportunities, sense and respond to changing market dynamics and more profitably manage their complex global businesses. The Logility® Digital Supply Chain Platform leverages an innovative blend of artificial intelligence [AI] and advanced analytics to automate planning, accelerate cycle times, increase precision, improve operating performance, break down business silos and deliver greater visibility. Logility is a wholly owned subsidiary of American Software, Inc. [NASDAQ: AMSWA].

To learn how Logility can help you make smarter decisions faster, visit www.logility.com.