

Customer Success Story

The Carlstar Group becomes a data-driven business



Saved \$10 million in obsolete inventory with better visibility



Enhanced customer service through improved fulfillment performance



Enabled better, faster data-driven decision-making



Reduced past-due orders by \$11.5 million



Challenge

A reliance on ERP-generated data, spreadsheets and anecdotal narrative meant an unreliable stream of company information was prevalent across the sales, operations and IT departments.

Logility Digital Supply Chain Platform

Logility provided instant visibility into sales and operational performance, enabling business leaders to spot trends earlier and make coordinated decisions supported by a single version of the truth.



THE CARLSTAR GROUP

Facts

Industry
Manufacturing

Headquarters
Franklin, Tennessee

Profile

The Carlstar Group manufactures specialty tires and wheels for agriculture, construction, high-speed trailer and power sports markets.

"Our inventory value has dropped about \$10 million due to better visibility of obsolete inventory thanks to Logility's pre-built supply chain solutions."

Brent Glendening, Chief Information Officer - The Carlstar Group

The Carlstar Group is the industry leader in specialty tires and wheels for the agriculture, construction, lawn and garden, ATV and UTV, high-speed trailer, aftermarket automotive wheels and flat free/manual markets. Headquartered in Franklin, Tennessee, Carlstar has a global footprint of well-recognized consumer brands. The Carlstar Group employs more than 3,500 associates in 14 facilities located in four countries.

The Challenge of Untrustworthy Data from Disparate Systems

Like many companies, The Carlstar Group relied on a fluid mix of ERP system-generated data, spreadsheets and rumor to operate its business. This unreliable "data stew" affected the entire company, but the pain was most acute in Sales, Operations and IT. According to Carlstar's president, the company knew that adopting data-driven decision-making would help the business. The question was defining and executing a plan to get there.

The search began by documenting the challenges presented by the status quo. In Sales, the executives were paralyzed. Getting customer data meant standing in line to access a legacy system power user. No one trusted the data, which made it impossible to establish accountability internally and between rep and customer.

"We will continue to expand our Logility footprint with new views and new features, tackling each operational constraint we encounter."

Executive - The Carlstar Group

In addition, the lack of timely, actionable data created operational problems related to inventory planning and back-order tracking. In IT, too much time was spent gathering, normalizing and serving up data from disparate systems to fulfill ad-hoc requests from across the enterprise.

Taking Sales Performance to New Levels

With Logility in place, Carlstar achieved a new level of sales performance. As soon as the data was visible, shared and trusted, an important cultural change took place. Healthy competition emerged as sales executives gained confidence and became self-sufficient through the use of graphical dashboards. Furthermore, a deeper understanding of customer buying habits led to more collaboration between the sales executives and the customers. Suddenly customers were held accountable for plans they agreed to.

Logility Advanced Analytics for Sales

provides The Carlstar Group with a deeper understanding of customer buying habits, leading to greater collaboration between sales executives and customers.

Logility Advanced Analytics for Inventory

has given The Carlstar Group better visibility of obsolete inventory and improved adherence to customer-level forecasts.

Logility Customer Scorecard

has helped The Carlstar Group reduce cost-to-serve based on a granular view of individual customer interactions over time.

Logility enables you to:

- Boost forecast accuracy
- Improve sales and operations planning
- Ensure in-store product availability
- Increase inventory turns
- Successfully plan and manage promotions
- Set time-phased inventory targets
- Easily collaborate with suppliers
- Improve sourcing and production of private-labeled and branded products
- Reduce out-of-stocks

In Operations, improved business visibility allowed leadership to spot trends earlier and make more considered decisions. As one employee put it, "Now we have more time to make better decisions faster." IT was able to train three employees on Logility and stand up a fully functioning platform in just six weeks. This accomplishment involved significant data consolidation across three disparate systems, resulting in a single 12-dimension cube running on an easy-to-support SQL stack.

Greater Visibility Drives Business-Wide Improvements

The company proudly points to these key benefits gained from its investment in Logility:

Inventory Reduction: Inventory value dropped \$10 million thanks to better visibility of obsolete inventory and improved adherence to customer-level forecasts.

Reliable Supply and Demand Curve: Expanded data views have created much better alignment between supply and demand rhythms.

Improved Fulfillment Performance: Better visibility into the root causes of past-due orders has helped the company tackle bottlenecks and drive the value of past-due orders from \$12 million to \$500,000.

Higher Profits: Most exciting of all, according to company executives, is the reduction in cost-to-serve based on a granular view of individual customer interactions over time.

Additional benefits include the power of mobile views to deliver actionable data in the field and the ability to deliver real-time alerts based on deviations from the supply and demand plans.

Expanding the Logility Footprint

Carlstar executives say that Logility now permeates their daily operations and planning functions. As a result, the company has reduced inventory, lowered customer "cost-to-serve", improved visibility of past-due orders and improved adherence to customer-level forecasts.

The gains are impressive, but the company espouses the long view. As one executive put it,

"It's likely that much of the low-hanging fruit has been picked; while that's a cause for celebration, it is not a reason to slow down. We will continue to expand our Logility footprint with new views and new features, tackling each operational constraint we encounter. Our goal is to continue to refine our reporting discipline. We want our employees to move from reactive responses to proactive decisions based on accurate information."



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.