



Industrial Commodities

Distributor for the Food Additives Market Achieves High ROI from VALOGIX[®] Inventory Planner

“While we were expecting some savings, what we accomplished in six months surprised everyone. Using the advanced inventory planner from VALOGIX with SAP Business One we were able to reduce inventory by 10% yielding roughly \$300,000 in cash that had been tied up. We were delighted with the results.”

Rick Crowder, VP and General Manager, ICI

Quick Facts

Company

- Name: Industrial Commodities Inc.
- Location: Richmond, VA
- Industry: Distribution
- Products and services: Food additives
- Number of locations: 21
- Web: www.industrialcommodities.com

Challenges and Opportunities

- Rapid order fulfillment of fast moving products
- Overstocked with slow moving items
- Difficulty with forecasting due to seasonal demand

Objectives

- Identify duplicate items in multiple warehouses to avoid over-purchasing
- Eliminate manual spreadsheets and increase staff productivity
- Increase customer service levels by having items in stock
- Detect slow moving items

Software Solutions

VALOGIX[®] Inventory Planner with SAP[®] Business One

Benefits

- Access to inventory data at all warehouses allows for transfers between locations rather than new buys
- Identification of slow moving items mitigates future purchases
- Reduction of inventory increases capital
- Enhanced customer service levels encourage future business
- Elimination of spreadsheets improves staff productivity and saves money
- Return on Investment in less than six months

Previous Environment

Non-integrated Excel spreadsheets and in-house business systems





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Rick Crowder, VP and General Manager, ICI

When ACUMEN Corporation’s customer, Industrial Commodities (ICI), a leader in the highly competitive food additives marketplace, started looking for the right ERP system, they looked for the best partner and the best software to implement to manage their 21

“Eliminating hundreds of spreadsheets has saved us more than 15 hours a week—saving money and allowing our staff to concentrate on other areas of the business.”

Rick Crowder, VP and General Manager, ICI

individual warehouses. Ultimately they selected SAP® Business One with VALOGIX® Inventory Planner based upon software functionality, tight integration of the products and ease of use, along with the expertise and track record of ACUMEN.

Rick Crowder, VP and General Manager says, *“My partners and I have built our successful and growing business on delivering the very best service to an increasing number of customers around the country. And that service is based on having the right inventory available when their customers need it, and to have it delivered economically from the closest warehouse.”*

Because their systems lacked integration and real-time information, they were unable to maintain proper inventory levels at their warehouses, resulting in lost sales, overstocks and stock outs as well as decreased customer satisfaction.

Systems that Meet Business Needs

ICI had several key issues: stocking fast moving products to allow for rapid order fulfillment, overstocked with slow moving items, seasonal trending caused erratic demand, making it difficult to accurately forecast

Valogix identified many areas in which ICI could achieve a fast ROI: duplicate items in individual warehouses (also allowing for transfers rather than new buys), identification of slow moving products and a 10% reduction in inventory in less than 6 months.

And the savings don’t stop there—in addition to inventory reductions, ICI has been able to cut costs and realize significant productivity gains.

Because of SAP and Valogix, ICI has been able to eliminate hundreds of spreadsheets previously used to track sales and purchases in each of their warehouses. Eliminating these spreadsheets saved more than three hours per day of tedious manual effort, saving money and allowing their staff to concentrate on other areas of the business. And finally, customer satisfaction has increased due to having the correct mix of items in the right locations when needed.

www.valogix.com



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