

Austin Hardware & Supply, Inc.

K2B helped Austin Hardware get a handle on their supply chain.

Austin Hardware, a leading distributor of industrial and vehicular hardware, needed a way to gain cost-efficiencies through consolidated purchasing, raise in-stock position and reduce working capital — all the while maintaining the company's 40-plus year reputation for customer-focused service.

Supply Chain Challenges

Overcoming Austin Hardware's supply chain challenges was no easy feat. The company maintains a product mix of over 15,000 items, like hinges, drawer slides, locks and latches, gas springs, and weatherseals.

Products are offered through catalogs and online. Inventory is managed through a network of six distribution centers while the company continues to grow and expand across all regions of the country.

Given this, Austin Hardware sought a solution that would deliver:

- Demand and supply management functionality
- Integrate with existing systems
- Ease of use
- Accessible from across the enterprise



The K2B Solution

Austin Hardware selected K2B's integrated demand, supply and distribution solutions.

The process allows K2B's statistical sales forecasts to be reviewed and adjusted by Austin Hardware's field sales and the centralized purchasing office. The supply and distribution planning solution rationalizes inventory across distribution centers, consolidates and times purchases in order to optimize working capital and gross margin. In addition, the solution provides optimal transportation loads across Austin Hardware's distribution network.

K2B's solution utilizes its patent-pending Cash Maximization®, which maximizes free cash flow within the supply chain. As a result, K2B's recommendations go well beyond traditional constraint-based cost minimization/profit maximization solutions. With K2B, Austin Hardware can make smarter buying decisions while ensuring products are in stock and inventory is minimized.

K2B. Bringing knowledge to business. Yours.

BUSINESS REQUIREMENTS:

- Integrate forecast and supply planning processes
- Improve inventory turns
- Ensure in-stock positions
- Lower transportation and distribution costs
- Advanced reporting capabilities

THE K2B SOLUTION:

- Advanced forecast modeling techniques
- Integrating supply and distribution optimization
- Ongoing expert statistical and analytical support focused on delivering value
- Web-based application linking sales representatives, planners, and financial management

EXPECTED RESULTS:

- 24% inventory reduction
- 10% distribution cost reduction
- Raised in-stock to over 95%
- 50% improvement in supplier-funded inventory
- Real-time insight into ongoing demand drivers of supply chain operations

“K2B provides planning capabilities that allow our company to operate with a high level of visibility and process discipline as it relates to managing the many decisions across our integrated business operations.”

— President, Austin Hardware & Supply, Inc.

At K2B, we help companies operate at peak efficiency and profitability by arming them with the knowledge to make smarter decisions about all aspects of the business, from sales and financial forecasts to supply chain and inventory management. To learn more, visit www.K2B.net or call K2B at 816-268-5100.

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