

CASE STUDY

Al-Noor Lasani avoids costly ERP upgrades by selecting Netstock for their inventory planning

NETSTOCK



Company Al-Noor Lasani
Industry Manufacturing and Distribution - Laminate sheets

Location Pakistan
ERP SAP B1

Founded in 1989, Al-Noor Lasani manufactures and distributes laminated sheets used in kitchen paneling and furniture, to a nationwide network of suppliers.

Challenge.

Loss of revenue and decline in production due to unreliable inventory data

Solution.

Netstock integrated with SAP B1

Result.

20% reduction in inventory value and 30% improvement in fill rate

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Moeen Zakaria, Director, Al-Noor Lasani

Al-Noor Lasani has a broad range of laminate boards available in an assortment of colors and

various thicknesses. These add up to be over 1000 SKU's which Al-Noor was managing in a spreadsheet with a little bit of help from their ERP sales history. They frequently had too much in raw materials on their low-velocity items and not enough on their high-velocity items, resulting in the loss of sales and capital tied up in excess inventory. They would place orders based on historical consumption and not on the sales order demand - effectively looking back instead of forecasting for the future.

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Moeen Zakaria, Director, Al-Noor Lasani



Not only were they experiencing a loss in revenue but also a decline in production efficiency. Moeen Zakaria, Director at Al-Noor Lasani, realized that if they wanted to optimize and grow the business, they would need to look for an industry-specific tool to help them with their forecasts and replenishments.

“Our information was unreliable, and as a result, we tended to place orders ‘just to be safe’. We often used our production to build lots of low-velocity items that would sit in our warehouse for up to seven months instead of using our capacity to produce high-velocity items, such as the white laminate boards, which are always in high demand”, explained Moeen. “The other issue with spreadsheets was that the data was never current, so it was incapable of alerting us to any possible stock-outs. We would be building away on a certain color unbeknownst to us that we were busy selling out on another color,” continues Moeen.

Pakistan, being an Islamic republic, has a fairly large number of religious holidays throughout the year, where companies shut down one week before and one week after a specific holiday, and many laborers go back to their villages in the north. This adds more complexity to their planning. They need to ensure accurate forecasts are made, and orders are placed with suppliers considering these lead times.

Al-Noor Lasani also exports to Afghanistan, where, in the winter months from December to February, they have a lot of snow, and the roads are closed. This means that there is a small window to export to this region, adding more complexity to Al-Noors’ planning process.

“Being a SAP BI customer, we considered upgrading to their larger ERP, which is more comprehensive regarding forecasting, supply chain, and discrete manufacturing. From a financial perspective, we decided to keep our SAP BI and instead look at tools that we could use alongside our ERP. We looked at a few solutions which we found data-intensive and not very user friendly. When I saw Netstock, I was immediately drawn to the graphical user interface and the easy to use dashboard. Having a good looking interface makes it more appealing for users to work with. Since implementing Netstock, we have full visibility into our supply chain. We are alerted to any potential stock-outs which we can action timeously.”

“Using Netstock has been very rewarding for the team and I. We have only been using the tool since January 2020 and can already report a 20% reduction in inventory value and a 30% improvement on our fill rates. The Netstock price point is extremely competitive and it was exciting to see such a quick return on our investment. Everything has value and price, and Netstock hits the nail on the head with both,” concludes Moeen.