

NETSTOCK

**Eustralis achieves
a 35% reduction in
inventory in 7 months**



Company Eustralis Food & Wine
Industry Food & Beverage

Location Australia
ERP DEAR Systems



Founded in Perth in 1998, Eustralis Food and Wine is a food wholesaler with a broad range of high-quality and innovative products. They supply ready-to-bake bakery products, essential ingredients for pastry chefs and cooks, catering food, and supplies for food service businesses. Their operations extend to New South Wales, Melbourne, Adelaide and Brisbane.

\ Challenge.

Poor visibility of inventory.

\ Solution.

Netstock integrated with DEAR Systems.

\ Result.

35% reduction in inventory.

Before implementing Netstock

Eustralis used separate spreadsheets in each of its five branches and data from its DEAR Systems ERP to determine forecasts and place container orders. **“Working in this siloed manner made it impossible for anyone else besides the “owner” of the spreadsheet to work on it.** If that person was unavailable, we had a problem,” explains Etienne Decuyper, Supply Chain Manager at Eustralis.

Each branch would prepare a weekly stock report showing the stock on hand, excess stock, stock-outs, and discontinued products. To get these figures, they had to export data from DEAR Systems, and then by using the VLOOKUP method, pivot tables, and macros, they could get their results.

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Now that we have the data, we can be more proactive than reactive. For example, the data shows us where there is a potential stock-out, and we can alert our customers, allowing them to change their menus timeously if needed.

Etienne Decuyper, Supply Chain Manager

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Inventory challenges

1. Lack of visibility

Eustralis needed more visibility into its inventory data. They knew they might be short on certain items but didn't have exact data to qualify or quantify. "Now that we have the data, we can be more proactive than reactive. For example, the data shows us where there is a potential stock-out, and we can alert our customers, allowing them to change their menus timeously if needed. **Keeping our customers informed has increased customer satisfaction tenfold,**" continues Etienne.

2. Supply chain disruptions

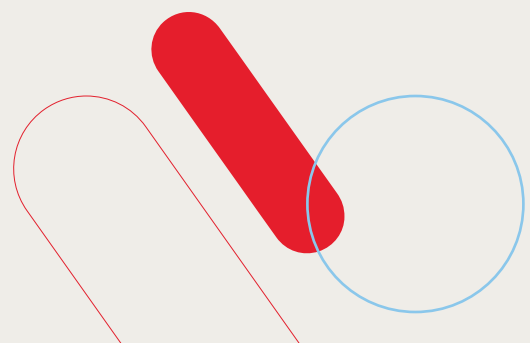
COVID-19 took its toll on Eustralis. There were a lot of frustrations across the different departments, particularly the purchasing and sales departments. Lead times doubled, and manufacturers stopped producing some lines and replaced others. Eustralis either had insufficient stock on specific items or too much on others. "Back then, when certain product lines were discontinued, we didn't have the ability, as we do now, to create a supersession and link the 'like for like' replacement product to the sales and forecast data of the discontinued product."

3. Operating in silos

Each branch worked with its own ERP and had different processes. There was no collaboration between the branches, and they worked in isolation. "When there is no standard across the business, improving performance is tough. I knew that if we all had the same system in place, we could create processes, routines and set a standard across the business. This would allow us to work towards the same common goals and strive for continual improvement.

The team now has access to the same data, and we can collaborate and help each other.

We've also developed the same skillsets during the onboarding process, so we are all more effective and proficient in our roles and responsibilities. We've got more time to spend on tasks such as quality issues and product sourcing, which we often didn't get to before, leading to improved customer service," explains Elerig Liguët, General Manager for Eustralis.



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4. Holding excess stock

Eustralis was also experiencing excess stock. "Although they were fast-moving items, there were still way too many. This problem had a ripple effect on many departments, and the warehouse staff battled as it was taking up unnecessary space in the warehouse and making it difficult to work. The dispatch teams couldn't navigate the warehouse, as boxes and pallets were everywhere! The sales teams had to create special offers to try and sell this excess stock as the "best before" dates were fast approaching. At that time, Eustralis focused more on the past few months of sales for their replenishment rather than looking at future forecasts of future sales.

The problem was that it took so long to work with the Excel tables and determine the container orders that Eustralis would place multiple container orders simultaneously. **Now, they adhere to the order recommendations that Netstock provides and only order what they need.**

Why Netstock

Eustralis conducted a comprehensive evaluation of both plug-and-play and customized solutions. Elerig concluded that plug-and-play functionality represented a more cost-effective and faster implementation choice and selected Netstock as their preferred solution.

"Netstock listens to their customers and to market trends and continually adds functionality that allows us smaller distributors to compete with our larger competitors. What sealed my decision was when I discovered how many large retailers and distributors were using Netstock. Those larger companies all have the same problems that we have, except on a larger scale, so if Netstock works for them, it will most certainly work for us," continues Elerig.



Netstock's Executive Dashboard

Netstock has always been known for its powerful, yet easy-to-read dashboards that provide key metrics to help planners proactively manage their inventory. On top of these standard dashboards, Netstock recently launched the Executive Dashboard. "This dashboard has been beneficial to our top management and C-level executives. They don't need to see the finer details, only overall metrics. They can quickly see all our locations in one, the total number of orders coming in and going out, and top-level sales data," comments Etienne.

ROI

Eustralis were quickly running low on their industrial freezer space and were getting quotes from builders to add more freezers. From January to July 2023, they reduced their inventory by 35%. They no longer had to lay out massive capital on extra freezer space and, in fact, have turned off one of their freezers and removed some extra external storage they were using.

In addition, they have increased their sales by 50% and maintained their 97% fill rate.

Besides the financial ROI from investing in Netstock, **there's been an immense amount of time savings.** What used to take each branch a day or two now takes an hour. "For me personally, I used to work full time on the purchasing for our Queensland branch. Now, I'm purchasing for Queensland and South Australia, and I've been managing the Netstock project over the last year. **Saving this time results from having accurate information that I can use to communicate with my sales team,**" says Etienne.

Unexpected benefits

Etienne and Elerig found that implementing Netstock improved their staff's analytical skills. For example, staff in their purchasing departments went from spending most of their time formatting Excel spreadsheets to analyzing data and making informed and data-driven decisions based on their analysis.

Change management

"What was evident when we looked at Netstock was that supply chain specialists developed it. And even though it made perfect sense for us to choose Netstock, we still needed to convince our team that this new system would enable them to become more proficient and elevate them in their roles as inventory planners.

Our team wasn't sure why we were trading in our spreadsheets when they seemed to work. So, it was all about getting the team and stakeholders to trust us, the system, and the process. Companies should never underestimate the importance of managing this or any other change," says Elerig.

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Onboarding and training

Eustralis implemented a data governance management plan, and Etienne was appointed the national data governance manager. In each branch, they selected a data steward that attended to the data cleanup before the start of the integration. One person taking ownership in each location was a real game changer for Etienne. "Each branch has its ERP that is not connected, so we needed to integrate five different databases into Netstock. It was imperative that all our location's data was clean. If one item doesn't have the same code and information in each location, it would be a big problem."

"We found the Netstock onboarding team exceptional. They were dedicated to our success from the start of the project, and the follow-up support has also been incredible. We went live two weeks before our deadline, which is usually unheard of with software projects," says Etienne.



What's next for Eustralis?

Managing inventory is a journey, not a destination. There are always improvements that can be made. Elerig looks forward to working more with the inventory classification matrix to streamline its product range. "We have the data to see which items are our top sellers in value and sales volume, and we can see which items aren't needed anymore. I'm excited to start honing in and fine-tuning our inventory," concludes Elerig.

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