

# NETSTOCK

## Race Winning Brands Races to the Finish Line with Netstock



**Company** Race Winning Brands  
**Industry** Wholesale  
Distribution

**Location** Holland  
**ERP** Exact Globe Next



Race Winning Brands Europe B.V. is a Distributor business in Europe and is a subsidiary of Race Winning Brands Inc. in Ohio, USA, which is owned by private equity firm MiddleGround Capital. Race Winning Brands (RWB) is the leading manufacturer of high-performance parts for the Automotive and Powersports markets.

### \ Challenge.

Manual processes, lack of inventory visibility.

### \ Solution.

Netstock integrated with Exact Globe.

### \ Result.

Reduced excess by 30%, redistributed stock to create new sales.

## Navigating the pitfalls: manual processes with no visibility

Race Winning Brands (RWB) was not in the driver's seat when it came to managing its inventory. They used manual and rigid systems, relying on basic calculations to forecast future needs. This approach lacked the flexibility to account for seasonality and was predominantly manual, involving extensive use of Excel spreadsheets. The key issues RWB experienced included:

- **Lack of flexibility:** The system did not accommodate seasonal variations or adapt to changes in demand dynamically.
- **Inefficient manual processes:** Relying on basic calculations and data entry required a lot of time and effort from the team. Monthly updates and recalculations in Excel consumed approximately two to three days of work, making it difficult to respond quickly to changes.
- **Management reporting:** The manual system made it challenging to provide accurate and timely reports on excess inventory, complicating efforts to manage inventory effectively.

66

The manual Excel-based process was incredibly labor-intensive and time-consuming, with monthly updates and recalculations making it difficult to react quickly and manage inventory effectively.

99



### RWB's planning was stuck in neutral

It typically took RWB three days each month to prepare inventory data and another week to upload forecasts, safety stock levels, and minimum order quantities, delaying their response to inventory needs. By integrating Netstock, the sales data and inventory levels are updated daily, providing real-time visibility, proactive stock-out alerts, and improved inventory management. This has reduced planning time, increased visibility, and freed up working capital - quickly boosting operational efficiency.

### The bullwhip effect and stockpiling inventory

During the COVID-19 pandemic, RWB struggled with excess inventory caused by the bullwhip effect, where panic buying led to overstocking.

66

**At this time, we had €11.5 million in inventory, but with Netstock's help, we managed to reduce this to €8 million, cutting €3.5 million in excess stock.**

### Revving up kitting efficiency

RWB recently moved its kitting operations from the US to Europe. In Europe, they assemble kits from globally sourced components (Japan, Taiwan, US) for Prox and other powersports brands, primarily for dirt bikes. These kits are then sent back to the US. Initially, the demand from the US exceeded expectations, causing the fill rate to drop from close to 90% to around 80%. However, with Netstock's advanced functionality and inventory management features, RWB can monitor and anticipate changes, ensuring they can manage inventory levels effectively and take action as needed.

66

Since moving our kitting operations to Europe and using Netstock, we've gained crucial visibility into our inventory – we always know what actions to take. Even when we had initial challenges with increased demand, Netstock helped us stay on top of our inventory management. It was just that easy.

99

## Turbo-charging inventory success with Netstock

*"You're getting a sophisticated product at a reasonable cost."*

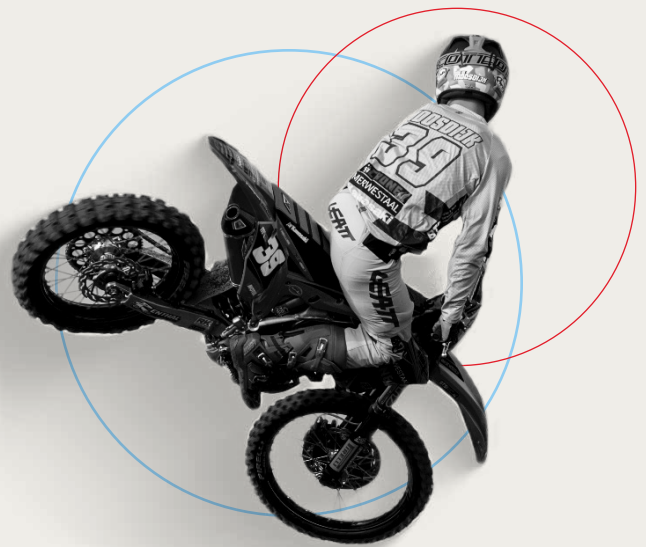
RWB selected Netstock for its advanced inventory and forecasting features, valuing the visibility, ease of use, and time-saving benefits. With ongoing ROI, RWB embraces Netstock's new functionalities, which has quickly resulted in optimized inventories and new sales.

**Key features that have accelerated their planning:**

**Excess redistribution:** RWB has been highly impressed with **Netstock's Excess Redistribution** functionality. This feature allowed them to reallocate nearly 400,000 euros in excess inventory across their network, including the US, Canada, and Europe. It led to immediate sales and optimized inventory management by redistributing large quantities of stock. While RWB was cautious about moving smaller quantities due to potential inefficiencies, a notable transfer of 50,000 euros from Canada to the US boosted sales significantly. Overall, Netstock's Excess Redistribution has provided RWB with valuable insights and a smarter approach to managing its extensive SKU portfolio of around 75,000 SKUs.

**Supplier performance functionality:** Due to COVID-19, RWB had an excess inventory problem, making their suppliers nervous about future purchases. Larger companies managed, but smaller companies risked bankruptcy and needed reassurance. Thanks to **Netstock's visibility into future purchases**, RWB was able to inform suppliers about their intended buying plans. This visibility helped both RWB and their suppliers plan better, fostering a more transparent supply chain.

*"Sharing our Netstock forecasts at our annual fair in Milan reassured suppliers, strengthened our relationships, and enhanced overall transparency."*





**Custom reports:** Another key feature that stood out for RWB is the **Executive Reports**, which allow for monitoring the development of the model stock. With the recent increase in sales over the last six months, these reports have provided visibility into the corresponding rise in model stock. This insight has been crucial in managing investor expectations.

**Onboarding:** Netstock's **onboarding process** was highly effective, providing intensive support during the initial months. This ensured a smooth transition, quick problem-solving and boosted the team's confidence and capabilities.

*"The Netstock team is very smart. They helped us intensively in the first few months, resolving issues quickly and effectively. Their support during onboarding was excellent."*

### **Netstock Inventory Management Concepts**

**Certification:** The **certification** exam assesses the user's knowledge of the Netstock features and the inventory management principles, policies and best practices that they learned in their onboarding.

*"The certification exam was great as it tested my team's knowledge and revealed the gaps in their understanding, which allowed me to help them in those areas."*



Race Winning Brands reduced excess by 30%, and redistributed their stock to create new sales.

## Netstock helped instill shareholder confidence

When MiddleGround Capital acquired RWB, shareholders required daily check-ins. However, after seeing the team's proficiency with Netstock, their oversight shifted. Within two months, they reduced their involvement, reflecting their confidence in the team and Netstock. The shareholders now trust the tool and the team, resulting in a more relaxed oversight approach.

*"The flexibility of Netstock allowed us to integrate our labeling and main warehouse into a single region, enabling us to report accurate inventory levels to MiddleGround Capital and predict future developments. This visibility has been crucial for our strategic planning and has helped us gain MiddleGround Capital's trust."*



## Driving into the horizon with Netstock

The implementation of Netstock at RWB has led to significant operational improvements, reducing excess inventory, improving fill rates, enhancing supplier relationships, and heightening investor confidence.

The future is looking secure and bright for RWB.

**NETSTOCK**