

NETSTOCK

Wholesale distributor eliminates stock-outs and optimizes inventory holdings with Netstock



Company Warwick Hanger
Industry Machinery & Equipment

Location USA
ERP Sage 100

Warwick Hanger Company is a leader in the distribution and fabrication of residential and light commercial pipe hangers within the machinery and equipment industry. The company provides wholesalers and major retailers throughout the eastern United States with a superior product line, competitive pricing, and rapid shipping, allowing those companies to keep their inventories lean. To keep its own inventory optimized with the right product mix in the optimal quantities, Warwick Hanger relies on Netstock.

\ Challenge.

Stock-outs and poor management of growing inventory.

\ Solution.

Netstock integrated with Sage 100.

\ Result.

Improved fill rate and reduced stock-outs.

Overstocked to avoid stock-outs

Warwick Hanger has successfully managed its distribution operation for decades using Sage 100, but as it grew, it found it needed a purpose-built tool capable of handling the complex algorithms that are necessary to optimize a large inventory. "We struggled to better manage our inventory holdings," recalls Mike Ellery, President of Warwick Hanger. "We grew from stocking 60 SKUs to 1,000 SKUs, and to ensure we always had adequate stock on hand, we often overordered, leaving surplus stock on the shelves for months. If we erred in the other direction, and ran out of stock, we would sometimes have to buy from our competitors to complete our customers' orders. That was frustrating."

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Mike Ellery, President

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Instantly indispensable

Warwick Hanger was introduced to Netstock, a tool that connects to inventory data in Sage 100 and helps reduce stock-outs, minimize excess inventory, and free up working capital. The company moved quickly to implement the solution. The Netstock team completed implementation remotely in a rapid fashion.

Ellery says that the solution instantly proved its worth. “The first morning, I logged on and literally couldn’t pry my eyes away. Suddenly, I had the information that I’d always wanted, but had never been able to get. I was so impressed that the software could pull this together in such a short time. We could see calculated vendor lead times, stock holdings, stock-outs, and fill rates, all in a graphical, easy-to-digest dashboard. I could instantly see where our trouble spots were, and we set out to fix them.”

Eliminate stock-outs

“I’m not sure which is costlier, overstocking or understocking,” notes Ellery. “But I don’t worry about either any longer. Netstock gives us the information we need to ensure we have exactly what we need in precisely the right quantities. It would be difficult to run this business without it.”



Using Netstock, the company now forecasts its manufacturing demands using a bill of materials dashboard that identifies and recommends the raw materials needed to produce the finished goods, drastically reducing any possibility of stock-outs. “Our manufacturing team will review what Netstock presents as the highest risk areas for stock-outs, and the team will proactively take action—whether it’s to build those parts or order more materials.”

Before Netstock, the company’s order fill rate was around 50 percent. Staff might not even be made aware of a stock-out situation until warehouse staff began to pick and pack the order. “Of course, then, the order couldn’t ship, and we’d have to scramble,” says Ellery. “Now our fill rate is closer to 90 percent. We just don’t have stock-outs any longer. In helping us accomplish this, Netstock has paid for itself.”



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Container purchases optimized

Warwick Hanger utilizes components that are imported from China, and must be shipped as a full container load. Ellery says that the company is using Netstock to optimize each shipment.

"The software might look at our orders and stock and recommend we order a certain amount of this item and a certain amount of that item, for example, but those amounts may not constitute a full container load," he explains. "With Netstock, we're able to adjust the 'number of days supply' figure, and it will automatically increase the recommended order quantities in relation to how likely we are to need them, arriving at a full container load."

"Previously this process took us two full days. Now it takes two minutes."

A worthy investment

As Ellery and his staff have learned more about the capabilities of the software and have had questions arise, they've been thoroughly impressed with the technical support they have received from the Netstock customer support team. "I'd call it stellar," he says. "There's even a message function within the software where I can type up a quick note to support, and I usually get an answer back within a minute. Sometimes they'll send me a link to a video explaining how a component of the software works. The support is just fabulous."

Ellery is quick to say that he knows the product is saving the company a significant amount of money. "Since adding Netstock, we've expanded into four new territories, and our inventory holdings have not increased. That right there speaks to the value of this product."

He says that he frequently recommends Netstock to other companies. "I tell them that the product is so good, and the investment is so small—why wouldn't you try it?"

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