

# Cut-n-Weld improves inventory KPIs with Netstock Professional Services

Location **South Africa**

ERP **Cin7 Core**

Netstock User Since **October 2020**

Cut-N-Weld is a distinguished South African-based import and distribution company, specializing in a comprehensive array of consumables and equipment tailored for cutting and welding applications. Renowned for their commitment to excellence, they offer cutting-edge technology within their extensive range of welding and cutting products, ensuring customers benefit from optimal fabrication solutions.



## Challenge

Operational challenges with forecasting and fill rates.



## Solution

Netstock Professional Services engagement.



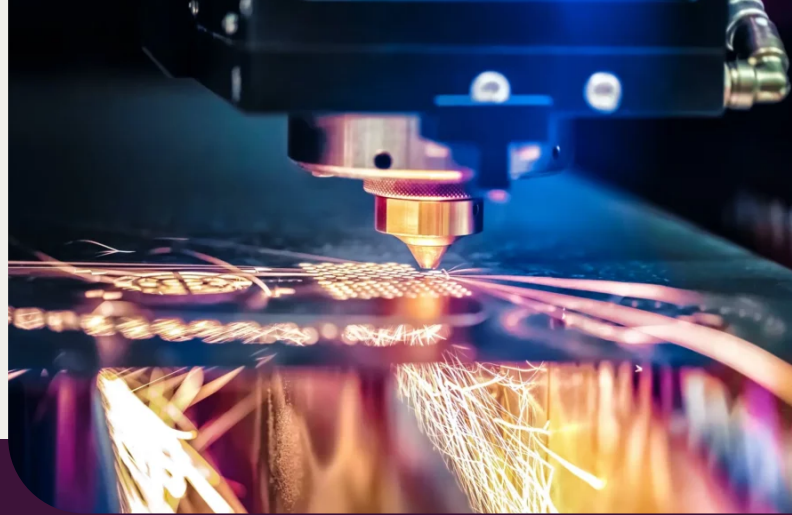
## Result

Cut bad inventory by over R1 million, reduced stock-outs by 89%, boosted fill rate by 9%, and shortened forecast time.

With Netstock Professional Services, Cut-n-Weld streamlined processes, enhanced supplier relationships, and improved fill rates. They now generate forecasts in hours instead of days, resulting in significant time and cost savings for their business.

## In October 2020

Cut-n-Weld signed up as a Netstock customer to optimize their inventory and streamline their processes.



“With all the disruptions supply chain companies are facing, we needed to get to grips with the functionality and use Netstock to its full capabilities.

Our fill rate was not good, and we wanted to improve that.

- Warwick Hogan, Majority shareholder at Cut-n-Weld



## In February 2023

Cut-n-Weld decided to engage Netstock's Professional Services. This program is designed for customers to boost user adoption, maximize the value of Netstock's capabilities, align business objectives, and synchronize strategy, supply chain processes, and personnel.



In our meeting, Warwick and I had an in-depth discussion concerning his objectives, providing me with a comprehensive understanding of their organizational goals. We dived into the challenges they were facing and formulated a 5-month project plan to address and overcome these challenges.

- Chantelle Ferreiro, Professional Services Consultant at Netstock



## Netstock identified the challenges:



### Forecasting

**Fragmented Forecasting:** Utilizing fragmented forecast and ordering information.

**Forecasting Complexity:** Using an externally maintained template and amalgamating diverse reports into one.

**Time-Consuming Review:** Faced with the time-consuming task of reviewing 400-450 items individually. Consuming approximately +/- 2 days of work.



### Stock Holding

**Stock-outs:** Encountering frequent stock-outs.

**Inactive Items in Netstock:** Managing an abundance of inactive items in the Netstock system.

**Managing strategic holding of excess inventory:** A strategic decision was made to increase stock holdings, yet the difficulty was ensuring the surplus aligned with the right inventory.

Once the 5-month project was completed, Warwick noted the following benefits from his engagement with Professional Services:



### Supplier Relationship Enhancement

Cut-n-Weld's business was growing. They had increased the number of suppliers and were finding it increasingly difficult to stay on top of things.

“ Professional services showed us how Netstock evaluates suppliers per SKU, calculates lead times, and determines safety stock. This streamlined the process, saving time and fostering stronger supplier relationships.



### Forecast accuracy

Despite initially relying on spreadsheets for forecasting, Cut-n-Weld found that Netstock's fine-tuned settings significantly reduced the time spent on monthly forecasts from days to hours. The adjustment saved time and improved the accuracy of forecasts, which were now based on data and analysis.



“ Previously, our forecasts were more of a guesstimate than based on data and analysis.



### Operational and strategic optimization

Professional services identified areas for improvement, helping Cut-n-Weld optimize inventory management. The deeper understanding of Netstock contributed to enhanced operational decisions, specifically in forecasting and ordering. Additionally, Cut-n-Weld gained insights to better manage the impact of supply chain disruptions through improved forecasting and ordering processes.



## Reduction of excess and less stock-outs

During the 5 month engagement, Cut-n-Weld reduced their excess on bad inventory by over R1 million, and stock-outs decreased by 39%.



## Fill rate improvement

Before Cut-n-Weld started with Professional Services, their fill rate was 77.7%. This improved to 86.6%.



There is still more work to be done, but with the Stock Projection module's 12-month projection, we can see that with our improved forecast accuracy and more relevant settings, we will continue to see even more improvement.



## Unlocking capital

By leveraging Netstock's capabilities, Cut-n-Weld successfully reduced excess inventory, unlocking significant capital.

Netstock Professional Services proved instrumental in transforming Cut-N-Weld's inventory management processes, leading to enhanced supplier relationships, efficient forecasting, operational optimization, improved fill rates, and substantial capital release for strategic business expansion.