



HILLINGAR
TOTAL BUSINESS PLANNING

"What we have gained from HILLINGAR is the expertise and the tools to give us the information to achieve our strategy at a price that no SME should discount."

David Ward
Managing Director

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CASE STUDY: **vw**heritage

HILLINGAR provided a full Outsourced Stock Planning Process. Delivering considerable savings in reduced stock levels (15% - 20%) and stock spend, whilst increasing order fill.

The Company

VW Heritage is the UK's largest air-cooled VW specialist, supplying parts for all classic Volkswagens from 1947 until 1992. They are based in Sussex and operate a 20,000 sq ft warehouse with a total of 33,000 sq ft of shelf space. In addition to their restoration division, they also have a dedicated performance and styling arm (Street Style and Power) and a remanufactured engine specialist (Remtec Europe).

Their VW parts store is now able to supply more than 14,000 different lines (the majority off the shelf) for the VW classic air-cooled vehicles. They offer restoration parts, aftermarket parts and even engines (remanufactured to Volkswagen's original specifications) under the one roof, meaning that they can truly claim to be a one-stop VW parts shop for all the other enthusiasts out there.

The Context

With 14,000 parts, 240 suppliers from around the world and lead times of 2 to 40 weeks, the existing systems and processes were not keeping up to the task. Without the resources and experience to implement a new system, VW Heritage needed a different solution to better manage their Stock Planning Process.

The Solution

After a review of different options HILLINGAR'S solution was to implement a fully outsourced Stock Planning Process, to run in parallel with VW Heritage's Sage 200 system. This monthly planning process creates a sales forecast, customer service levels, optimal stock levels and suggested purchase orders.

Resulting in the following data files and reports for integration into VW Heritage's existing systems and management processes on a monthly basis.

- Suggested purchase orders 1 to 12 months into the future
- Potential stock outs – expedite orders list
- Excess stock listings
- Full dependent and independent needs to all Kit and component items
- Long Term projections of stock buy's and supplier requirements
- Detailed and valued future sales prediction

The Results

With no capital cost, resource disruption or system change, the fully implemented process has allowed VW Heritage to reduce stock levels, improve stock availability and customer service levels.

This process has not only improved the accuracy of ordering it has also freed up more time for the small purchasing team to focus on new product launches, working with the suppliers to improve performance and the search for new products.

THE MD's response

Almost immediately we started to see the benefits of using this approach to procurement and stock management.

Our key goals were to;

- Increase order fill
- Reduce stock holding
- Improve Management reporting
- Release shelf space and cash for future expansion

A very simple but not easily implemented strategy.

The purchasing function in our Sage module is simply not designed for our level of stock and volume throughput. The information from HILLINGAR allows us to keep in control of our purchasing needs whilst optimising our stock holding, reducing our costs and improving our performance.