

SUCCESS STORIES - SUMMARY

Project Name		Client	Brief Description	Key Analyses
1	Inventory Management	Asset rental	Built a shared inventory management model to optimize the inventory placement at each warehouse in a hub-and-spoke configuration to meet target service levels with minimal transportation costs	Data integration; Executive dashboard

INVENTORY AND WAREHOUSE MANAGEMENT MODEL FOR A B2B A/V EQUIPMENT RENTAL COMPANY

ABOUT THE CLIENT

Client is a PE-owned A/V equipment rental company with ~40 warehouses across U.S., Canada and Europe.

SITUATION



- Company uses a **shared inventory model** with products transferred between warehouses, but **inefficiency in inventory management and transport logistics** led to higher operational costs
- There was an opportunity to **evaluate the warehouse configuration and optimal inventory placement** by analyzing trends in product utilization and customer preferences
- Merilytics partnered with the client to **develop a regional inventory strategy** managed with a **hub-and-spoke warehouse** model

VALUE ADDITION



- Developed a projected regional **demand plan by product**, based on historical patterns and current order book
- **Estimated the theoretical** stock levels to be maintained for each product **based on service level by product**
- Developed **three-tiered inventory stocking model** (national hub, regional hub and local warehouses), to **minimize transfer costs and capex** in new product purchases
- Determined **optimal warehouse network** to support inventory strategy, based on location and capacity
- **Launched and analyzed a successful pilot** for rolling out the new inventory and warehouse model

IMPACT



- The new logistics model is currently being **implemented across the client network**, through five regional hubs across the U.S.
- **Automated and efficient tracking model enabled a quarterly review** and realignment of inventory based on latest demand trends.
- This enabled the company to achieve a **YoY savings of ~20%** on the equipment transfer costs