



CASE STUDY

nVent Optimizes Shipments, Increases Profits by Utilizing TrueCommerce Datalliance Vendor Managed Inventory Solution



Background

nVent is a high-performance electrical manufacturing company that produces brands such as CADDY, ERICO, HOFFMAN, RAYCHEM, SCHROFF, and TRACER. The nVent family of brands shields sensitive equipment exposed to the natural elements in a variety of environments. From railways, wind farms, and oil fields to factories, nVent products safeguard cables, robotic controls, junction boxes and more to achieve their mission to connect and protect.

Due to the critical nature of their products, nVent understands the importance of providing defect-free equipment and, over the years, has instituted a variety of best practices to ensure smooth product delivery.

“We wasted a lot of money on freight as we used to ship orders to distributors as they came in,” says Kirsten Gilmer, Senior VMI Analyst & Program Specialist. “This meant a lot of our product was being hauled in half-empty trucks, and that increased the odds of a load shifting, resulting in damaged product.”

Altering the landscape of highway driving was impractical, so, nVent leadership realized that the solution had to come from somewhere else.

“We’re able to fill fuller trucks. They (distributors) are seeing less damage... We are seeing a significant reduction in returns because the distributors are able to sell their inventory.”

Kirsten Gilmer
Senior VMI Analyst & Program Specialist,
nVent

Benefits

01

Increasing order size reduces the number of shipments, saving time and money for the supplier and the distributor

02

Fuller trucks reduce the likelihood of cargo shifting during transit, resulting in fewer damaged products

03

Truckloads are built and optimized in mere seconds, not hours when done manually

“Putting more product in trucks and reducing the number of shipments was the simplest solution,” continues Gilmer. “But our distributors had become accustomed to creating orders several times a week. We knew what we had to do, but we didn’t know the best way to go about it.”

More Connected: Working with Distributors to Create Better Orders

Shedding a reactive order fulfillment strategy meant nVent needed to find a solution that gave them visibility of a distributor’s inventory levels, was able to create the right order, and be easy to use. What they found was vendor managed inventory (VMI) software.

A VMI platform connects inventory and product data from a supplier and its distributors. Then, using pre-determined performance metrics (e.g., service levels, day-of-supply, etc.), the platform uses powerful algorithms to recommend how much, when, and where the product should be sent.

“Before VMI, we didn’t know how much inventory a distributor had,” says Gilmer. “Now, we can see every SKU being managed by our VMI program from

TrueCommerce Datalliance. It’s like being inside a distributor’s warehouse and helping them order the inventory they need. Not only that, but the data also enables us to build fuller trucks as we know how much time we have before a distributor runs out. Fuller trucks help solve the problem of products being damaged during transit.”

More Supported: Easy, Always Available

Beyond finding the right solution, nVent wanted a VMI platform provider that would be truly responsive to their needs.

“We love TrueCommerce Datalliance,” says Gilmer. “They make it very easy to do business with whenever we have questions regarding projects we have going on. They are always quick at responding to us whether it be phone, email, meetings, presentations – just about anything to help us better serve our distributors.”

Objective

Optimize order processing, improve inventory control, reduce product damage and increase distributor satisfaction

Solution

Deploy the TrueCommerce Datalliance Vendor Managed Inventory (VMI) platform to help distributors create orders more effectively

More Prepared for What's Next: Growing a VMI Program

Implementing TrueCommerce Datalliance VMI with just one distributor can reduce the product damage occurrences, lower costs, and increase sales. And, once a supplier sees the return on their investment, it can quickly lead to extending VMI to other distributors.

nVent discovered its partnership with TrueCommerce Datalliance is a powerful marketing tool.

Gilmer says, "TrueCommerce Datalliance is one of the biggest names out there right now. They are very well-known. A lot of distributors are coming to us saying, 'We already work with another supplier through Datalliance. Are you utilizing them as well? If so, we would like to be included on your program.'"

The results experienced by nVent distributors illustrate the power of a successful VMI program. Operations analysis at 61 nVent distributor locations revealed*:

- Out-of-stocks went down 18%
- Item availability increased 16%
- Sales increased 28%

"We started using TrueCommerce Datalliance in 2010," adds Gilmer, "so it's been about eight years. We continue to use them and continue to recommend them to everyone we come across."

*Analysis of 61 locations that compared out-of-stocks, item availability, and sales before VMI implementation and one (1) year post-VMI implementation