

Dayton Parts and Betts Truck Parts TrueCommerce Datalliance Platform

Dayton Parts and Betts Truck Parts
Drive Performance With VMI

SUMMARY

More Connected. More Supported.
More Prepared for What's Next.

- In their effort to maintain close relationships with their customers, Dayton Parts looked to VMI to take their service to the next level
- Betts Truck Parts & Service was one of the first distributors to partner with Dayton Parts to implement VMI
- The TrueCommerce Datalliance VMI program was integral in helping Dayton Parts achieve their desired results



TRUECOMMERCE DATALLIANCE VMI DELIVERS

(Results for
Betts Truck Parts & Service)

- Increased inventory turns 34%
- Reduced inventory 28%
- Improved customer service 9%
- Reduced branch transfers 80%

"Our experience with the Dayton Parts VMI program has really opened our eyes to how we can do things differently and better with VMI."

Mike Betts

President,
Betts Truck Parts & Service

BACKGROUND

Dayton Parts is a management-owned supplier of brake, leaf spring, steering and suspension products for class 4 through class 8 commercial and off-road vehicles. The company manufactures multi and taper leaf springs in their Harrisburg plant and distributes all products to independent aftermarket warehouse distributors from their distribution centers in Harrisburg, Pennsylvania and Edmonton Alberta, Canada.

Dayton Parts credits its success to providing value added services and excellent customer service, and to working closely with their customers to grow their mutual business. Terry Davis, VP of Marketing, Dayton Parts, described, "Prior to implementing our VMI program, we received and processed orders from our customers in the traditional manner. The process worked, but wasn't very efficient and certainly did not put us in a position to add value. We needed a vehicle to take our relationships to the next level."

Sam Stantial, VP of Sales, Dayton Parts, stated, "We are always looking for opportunities to improve our relationship with core distributors, expand our product breadth at their locations, and grow sales. So when a key distributor approached us about VMI, we were interested. After evaluating the potential benefits for us and our distributors, we realized VMI was critical to accomplishing our objectives. We saw VMI as a tool to allow us to better collaborate with our distributors and give us a competitive advantage in challenging economic times, as well as during industry growth cycles."

COLLABORATION KEY TO SUCCESS

VMI has been instrumental in helping Dayton Parts build a higher degree of trust and improve its relationship with core distributors. Davis stated, "It is critical for the Supplier's Planner and the Distributor's Buyer to think as one and trust the VMI process. It takes

varying time periods for individual distributors to develop the level of trust required for VMI, but once that is achieved, the concept works, and the business benefits quickly follow."

Diane Caruso, Dayton Parts VMI Planner, explained that distributors like the fact that she has detailed visibility into their history, trends, current orders, and future demand. "This level of visibility allows me to work closely with the distributor and fine-tune the VMI model parameters to fit their situation and objectives. It is this integration that allows us to be more comfortable with each other and focus on the strategy of growing our mutual business. VMI helps me get to know how my distributors think. We no longer waste time talking about individual order issues as we are both confident in the VMI process. Rather, we're now able to spend our time on more strategic topics such as seasonal promotions and product line expansion. We didn't have these higher level conversations prior to VMI."

DRIVING BUSINESS RESULTS

"Ingenious distributors see the value of VMI," said Davis. "They typically reduce costs, improve customer service and increase sales. In return, they increase the volume of business they do with the supplier – either by carrying a broader range of our products or by taking share from competitive suppliers. For instance, one of our major distributors, just moved additional business to Dayton Parts because they trust that the decisions we make are best for their business."



VMI provided Dayton Parts with a competitive advantage in the recent economic climate. "When most suppliers were struggling to manage the downturn in business, we were able to expand our product line and maintain sales volumes with many of our VMI distributors such as Betts," explained Caruso. "VMI gives us the visibility to respond quickly to both increases and decreases in demand influenced by the economy. This allows us to work with our distributors to refine our replenishment to accurately mirror the actual market demand."

"Before VMI we didn't have the ability to continuously review distributor demand," summarized Davis. "We can now help them maximize their inventory investment, turn their inventory quicker, and ultimately be more profitable. VMI is a valuable tool that allows us to build a stronger relationship with our distributors."

In the end, VMI makes it easier to do business with Dayton Parts, an advantage our partners appreciate."



VMI DELIVERS RESULTS FOR BETTS TRUCK PARTS & SERVICE

With eight strategically located warehouse distribution and service centers across California, Arizona, and Oregon, Betts Truck Parts & Service (Betts) is uniquely positioned to service national and regional fleets on the West Coast. With over 20,000 SKU's, they have become the first stop for a broad range of lower body and accessory applications. Their commitment to using technology as a tool to assure that they stock the right products in the right locations has separated them from the competition and earned high customer loyalty.

TRADITIONAL ORDERING PROCESS WAS TIME INTENSIVE

Prior to moving to VMI with Dayton Parts, Betts used a traditional ordering process. Mike Betts, President, explained, "Dayton Parts is one of our larger preferred supply chain partners. The sheer volume of part numbers we stock, let alone those we support on a special order basis, combined with our multiple branch locations, resulted in a weekly order placement process that was both time sensitive and time intensive. For Dayton Parts alone, this process took four to six hours of time each week and required a good deal of coordination with our local branches to assure all demand was aggregated timely and accurately. When the time would come each week to finalize our order, we would always purchase conservatively to ensure that we maintained extremely high customer service, a reputation which is paramount to us."

Dayton Parts approached Betts about implementing VMI. Betts was interested in the concept of VMI based on the success Dayton Parts and other suppliers and distributors had already experienced. "From a strategic perspective, we found VMI to be an exceptional concept," recalled Betts. "From their experience, Dayton Parts then demonstrated the strategic value of a VMI relationship. Once we developed a level of confidence with the overall process, our team developed a strategic vision of how we could be more effective with VMI."

"TrueCommerce Datalliance was very instrumental in our successful implementation. They are a top-notch organization, responsive, and a key partner for both Betts and Dayton Parts. In the Truck Parts industry, they are the VMI leader and we rely on their expertise, support and direction as we move forward with VMI."

Mike Betts

President,
Betts Truck Parts & Service

"Before VMI we didn't have the ability to continuously review distributor demand. We can now help them maximize their inventory investment, turn their inventory quicker, and ultimately be more profitable."

Terry Davis

Vice President of Marketing,
Dayton Parts

FOCUSED ON THE BUSINESS VALUE OF VMI

Dayton Parts had the capability and commitment to lead Betts through the initial implementation. The collaborative team effort was instrumental in getting Betts started off on the right foot. "Together, we set goals, defined a clear vision of success, and got buy-in from all appropriate parties," said Betts. "To make VMI work, you need confidence in your supplier partner. We had confidence in Dayton Parts, and this trust enabled our VMI effort to sail very smoothly. As long as both the supplier and distributor are strategically focused on the business value of VMI, then VMI makes a lot of sense and you'll receive the expected results."

Betts further explained, "The economy has impacted our entire industry, and we are looking for ways to do more with less. VMI provides a systematic approach that is consistent week-to-week, and requires little human intervention to manage the regular ordering process. We've eliminated the 4-6 hours a week we spent on order preparation, which also eliminates the potential for manual errors. It frees up our people to work more strategically with the Dayton Parts planners on additional product lines, programs to increase sales, and other opportunities. The VMI process works and delivers results. Our results are very impressive, as we have increased turns 34%, reduced inventory 28% and improved customer service 9%. We have also reduced our branch transfers by about 80%. This is a major cost savings for us and verifies that VMI is getting the right products, to the right locations, to satisfy end customer demand."

VMI INTEGRAL TO FUTURE STRATEGY

Betts summarized, "Our experience with the Dayton Parts VMI program has really opened our eyes to how we can do things differently and better with VMI. We now see the strategic opportunities provided by VMI and will carefully look for additional supplier partners that are committed to VMI and have the capability to support a VMI program."

"TrueCommerce Datalliance was very instrumental in our successful implementation," explained Betts. "They are a top-notch organization, responsive, and a key partner for both Betts and Dayton Parts. In the Truck Parts industry, they are the VMI leader and we rely on their expertise, support and direction as we move forward with VMI."



ABOUT TRUECOMMERCE

TrueCommerce is the most complete way to integrate your business across the supply chain, integrating everything from EDI to inventory management, to fulfillment, to digital storefronts and marketplaces, to your business system and to whatever comes next. That's why thousands of companies across various industries rely on us.

TrueCommerce.
Do business in every direction.

THE TRUECOMMERCE DATALLIANCE TEAM IS HERE TO HELP!

If you have any questions regarding TrueCommerce Datalliance and VMI, or how it applies to your business, our passionate, focused team is here for you.

Call us today at 513.791.7272

www.datalliance.com



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