CASE STUDY

Optimizing Inventory Levels for a Paper Product Manufacturer

The Client

A large manufacturer of paper and pulp products provides customers worldwide with a broad range of products, including newsprint, packaging, lumber, wood panels and tissue. It maintains manufacturing and warehouse facilities in North America, South America and Europe.

The Challenge

The company wanted to more effectively support the optimization of inventory levels across its locations, and reduce the cost of carrying unnecessary inventory.

The process of managing product inventory involves multiple functions across the company. Planners forecast customer orders and target inventory levels. Mills schedule production based on planned orders and ship orders to independent warehouses. Warehouses maintain inventory and ship orders to customers.

The Solution

Trigent developed a central inventory planning system for the company, designed for use among company planners and senior managers, as well as independent warehouse personnel and end customers. This Web-based system manages information related to product order forecasts, shipments to warehouses, and actual deliveries to customers. It facilitates functions including:

- ❑ Setting inventory target levels for each customer
- ❑ Planning shipments and deliveries
- ❑ Capturing actual shipments, deliveries, receipts and damages
- ❑ Monitoring inventory levels against targets
- ❑ Reporting on inventory, shipment, delivery and consumption

The application gives planners scenario-style analysis tools that let them see the impact of decisions on forecast inventory levels at any warehouse. A dashboard allows managers, who previously received inventory reports monthly, to quickly spot trends, track specific customer orders, and receive alerts to potential problems.

The new system accommodates different levels of technology adoption across warehouses, from import of EDI data to direct entry of individual shipment information. Implemented using Microsoft .NET technologies the application is designed to easily integrate with other enterprise systems in the future.

More efficient management of warehouse inventory levels will save the company millions of dollars annually

The Results

By facilitating more efficient management of warehouse inventory levels, the company estimates the new system will result in a savings of millions of dollars annually by reducing inventory carrying costs.