



S U M M A R Y

Customer

Security integrator

Challenge

Centralizing procurement and inventory across six branches

Solution

e4U solution

A customized Anixter eBusiness solution

Results

- Realized cost savings of nearly \$150,000
- Consolidated 90 manufacturers to less than a dozen
- Improved visibility throughout the supply chain



As the security integrator started to implement its strategy, the purchases coming through Anixter increased 300 percent to \$5 million annually. With all of the inventory moved to Anixter's distribution centers, the integrator greatly reduced its working capital costs, saving nearly \$150,000 and putting it on track to meet its long-term goals.

Customer Challenge

A national provider of integrated access control and security solutions was experiencing an increase in operating costs due to an inefficient inventory management system. Procurement was decentralized. Regional warehouses handled their own inventory management. Each of the company's six locations could independently place purchase orders, manage suppliers, set pricing and inventory levels. Materials were ordered from the regional office, delivered to headquarters where they were unpacked, warehoused, consolidated and then shipped to the local warehouse.

The model was costly and inefficient. The problem was exacerbated by the company having no companywide asset-tracking tool, which resulted in a lack of inventory visibility among warehouses, overstock of materials and inaccurate inventory trend information. With increasing operating costs, the security integrator's corporate management team formed a strategic initiative aimed to gain greater visibility into its distribution network while reducing its overall inventory levels, increasing its inventory turns and improving its return on capital.

The company approached Anixter for help with mapping out an inventory management solution that would meet its goals and requirements. The project called for centralization of the ordering process as well as a reduction in the number of manufacturers the company dealt with directly to contribute to a zero inventory model. The integrator also required a solution that provided direct visibility into the distribution network to know when and where products were ordered and inventoried. The system had to allow local managers to place, track and confirm orders and deliveries without duplicating purchases. In addition to being uniform across all six locations, the system had to seamlessly integrate Anixter's inventory with the integrator's purchasing function to generate orders in real time without disruption to the supply chain.

Anixter Solution

Anixter conducted a multifaceted assessment of the integrator's current process including supplier and inventory portfolio, supply chain strategy and procurement model analysis. Anixter started by leveraging the relationships with the integrator's preferred suppliers as well as its own manufacturer partners. This allowed Anixter to shift the responsibility of material management and distribution to Anixter. Anixter committed to holding inventory at regional stocking locations to improve local service, mitigate freight charges and improve lead times. This helped to drastically reduce the integrator's inventory level as well as speed of deployment for projects by minimizing procurement time.

CASE STUDY

eBUSINESS SOLUTION HELPS SECURITY INTEGRATOR MEET LONG-TERM GOALS



Next, to give the security integrator greater visibility into its inventory, Anixter suggested implementing its e4U eBusiness solution, which is a customer-branded Web site that provides visibility into Anixter's distribution network. Instead of each location creating its own part number for products such as a video camera or door lock, all part numbers were standardized across the system, allowing each of the six regional locations to know exactly what was currently available, where it was located, and what needed to be ordered.

Because Anixter warehoused material in all of the cities in which the security integrator operates, Anixter's e4U e-Business solution served as an extension of the integrator's procurement arm, helping to reduce local inventory by moving it into Anixter's warehouses. The Web-based capabilities and flexibility of e4U allowed the security integrator to maintain purchasing and procurement control at its headquarters, allowing purchasing and operations to run multiple inventory reports, to consolidate billing, and to track products and inventory levels in the region.

Project Results

As the security integrator started to implement its strategy, the purchases coming through Anixter increased 300 percent to \$5 million annually. Anixter also helped to consolidate 90 different manufacturers to less than a dozen, which resulted in a selected best-in-class suppliers streamlined through Anixter's distribution network. With the e4U solution, the integrator's business managers now have the capability of updating pricing contracts, allowing them to add products as they are needed and update price contracts to reflect true market prices.

Another advantage the company gained was in the use and flexibility of reporting. Before the reporting capabilities, the company had to tour the country and conduct physical inventory audits. With Anixter's e4U solution, the company had the ability to accurately count and track materials anywhere in its network. Buyers could now gain visibility throughout the distribution network to search for what they needed with all of the part numbers controlled through the central location. With all of the inventory moved to Anixter's distribution centers, the company greatly reduced its working capital costs, saving nearly \$150,000.

e4U Solution

Every process needs visibility. Anixter provides our customers with a view of key events in the supply chain model. Think of e4U as your view into our warehouse network, inventory and shipping information. Additionally, anything on our system can be "mined" from the database to provide customers with key measurements and reports.

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With our eBusiness solutions, customers receive real-time supply chain information to improve efficiency, streamline purchasing and deliver cost savings.



OVER
8,300
employees

OVER
100,000
customers

MORE THAN
450,000
products

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