

STREAMLINED
SOURCING FOR
280+ SUPPLIERS

MAINTAIN **95%**
MATERIAL AVAILABILITY

CASE STUDY

ANIXTER IMPROVES EFFICIENCY WITH PERFORMANCE METRICS AND RESOURCE ALLOCATION

Realizing Opportunity to Cut Cost

One of the largest energy producers and providers in the U.S. was predominantly a buy-direct utility and, after recognizing that deregulation could impact their business, they began looking internally at how they could reduce their resources and allocate them effectively.

The customer bought material in large quantities directly from suppliers, which they then stored for long periods of time. They were challenged with inventory management, logistical and staffing inefficiencies. They also lacked e-commerce capabilities and instead were servicing end users through a central brick and mortar store.

Implementing Management and Streamlining Processes

To give the customer more control and oversight into their operations, Anixter provided comprehensive reporting. Anixter tracks and reports several metrics, including supplier spend data and cost information, material commodity pricing, availability trends, moving average cost changes and annual cost savings.

Through management of their warehouse, Anixter maintains 95 percent material availability so the customer always has the material they need, when and where they need it. Anixter also streamlined their e-commerce by enabling automated fulfillment through system-to-system integration, which increased material availability on a defined delivery schedule. To further improve efficiency, Anixter also implemented their system with evaluated receipt settlement (ERS) to automatically post invoices, as well as electronic funds transfer (EFT), which allows payment to be wired rather than sending a check.

The customer has an on-site Anixter sourcing team, which negotiates contract pricing with more than 280 suppliers to keep material costs down. Anixter also manages a dedicated warehouse and electric transmission project material storage yards, maintains multi-level dedicated storm stock, and provides a dedicated fleet of flatbed trucks, which moves an average of \$300,000 of product daily. With Anixter now an integral part of the customer's supply chain, the customer continues to see benefits as Anixter executes operations on a daily basis.

To learn more about Anixter's Supply Chain Solutions, please visit anixter.com/services.

For more information on Anixter's solutions for utility providers, please visit anixter.com/utilities.

SUMMARY

Customer

One of the largest energy producers and provider in the U.S.

Challenge

- Inefficient processes in getting material to destination
- Lacked e-commerce capabilities and serviced end users through a central store
- Inefficient inventory utilization in purchasing large quantities and storing for long periods of time
- Challenges with inventory management, logistical and staffing inefficiencies

Solutions

- On-site sourcing team to achieve first-cost savings and leverage spend
- Inventory management including VMI at a dedicated warehouse for the customer, storm stocking program and barcode utilization
- Efficient and customized product packaging
- Enhanced logistics utilizing dedicated Anixter fleet
- Enabled automated fulfillment through streamlined e-commerce
- Streamlined sourcing for more than 280 suppliers

Results

- Improved efficiency
- Reduced costs
- Maintain 95 percent material availability
- Anixter is now recognized as an integral part of the customer's supply chain