



CASE STUDY

## TRAFFIC MANAGEMENT COMPANY GAINS WORKING CAPITAL AND FINANCIAL SAVINGS WITH ANIXTER SUPPLY CHAIN SOLUTIONS

### Identifying Inefficient Processes

As the number of people on the planet continues to rise, so does the number of cars on the road. To tackle the growing traffic problem, one company developed a traffic management system that utilizes video cameras to help municipalities solve a multitude of traffic challenges.

The traffic management company's journey with Anixter began by employing Anixter for traditional fulfillment of the video cameras that support their software. Anixter would ship an order of cameras to the customer, where they would sit in their warehouse until they were sold. The customer was sourcing different products from different suppliers, consolidating them and completing configuration of the hardware to support their traffic systems in their facility. As a new small business with limited resources, upper-level management was sometimes needed to configure cameras and assemble kits rather than focusing on growing the business.

As demand for their system increased, they knew they needed a more efficient process. The customer began exploring options to outsource configuration to another supplier, but soon realized Anixter could not only help them with configuration, but could also help them consolidate suppliers, streamline sourcing and manage hardware inventory.

### Simplifying the Supply Chain

Anixter worked closely with the customer to understand their exact processes with steps, labor time and costs. The team was then able to identify areas where Anixter's supply chain solutions could cut costs and speed processes.

With Anixter configuring the cameras, the customer's configuration space was no longer needed, so it was converted it into a research and development lab where they could develop ideas to grow the business.

Anixter also began purchasing the customer's inventory according to their forecast and building to stock, which drastically reduced their cash-to-cash cycle and working capital. However, with the increased requirement in forecast, the customer would need to acquire more warehouse space to build and store the kits.

Rather than paying for a lease, insurance, utilities and staff for additional warehouse space, the customer's inventory was moved from their facility to an Anixter warehouse and invoicing was delayed until the product was shipped directly to a customer. This cut down the time between placing and receiving an order. For the traffic management company, it eliminated costs and freed up labor so they could focus on their core competency.

## SUMMARY

### Customer

Traffic management company

### Challenge

Cut costs, free up labor, alleviate resources and improve efficiency as demand increased

### Solutions

- Moved inventory to Anixter warehouse, where Anixter assembles, configures and kits cameras for the customer
- Anixter doesn't invoice the customer until product is shipped directly to their customer

### Results

Significant savings in inventory control, cost of money and warehouse and physical handling expenses

## Achieving Companywide Cost Savings

With Anixter's supply chain services, the customer is seeing significant savings in inventory control, cost of money and warehouse and physical handling expenses. They have streamlined their business processes and eliminated several expenses, including:

- Working capital
- Time of invoice
- Inbound freight
- Unpacking
- Performing SW load
- Repack
- Warehouse
- Ship to customer

This longstanding and very productive relationship continues to grow thanks to a sales professional from Anixter being embedded in the customer's office to support business operations and supply chain leadership.



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