

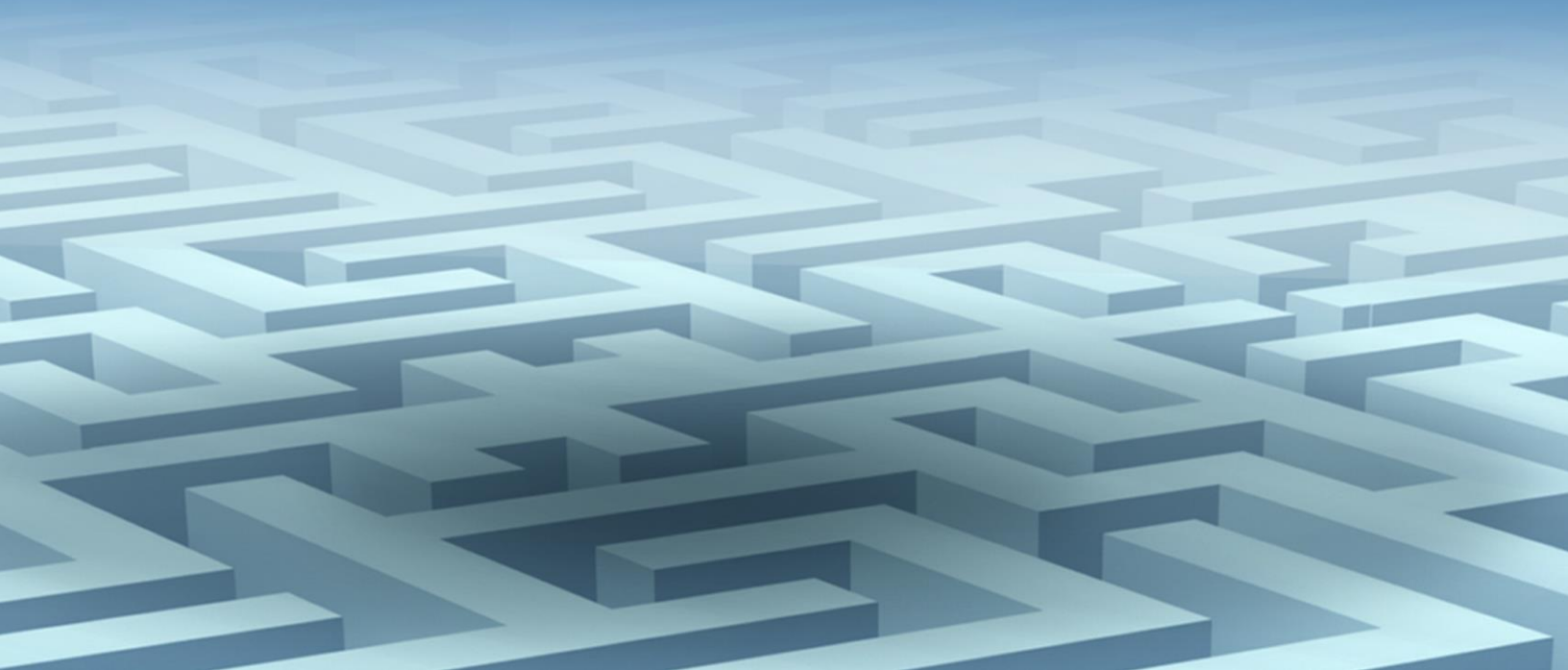


SOLVOYO



Network Optimization to Integrate Acquisitions and Reduce Costs

Solvoyo Industry Case Study





Network Optimization to Integrate Acquisitions and Reduce Costs

The company is a global leader in energy management components and systems, power distribution and building automation. With fiscal 2012 sales over \$22.5B, the company has grown significantly in the last few years with multiple acquisitions.

As the company made a significant number of acquisitions in the Asia-Pacific region, it encountered process and practice disconnects due to the unique supply chain infrastructure and business practices each acquisition brought. The company grew to where it had six independent business units in the region. These suffered from an unnecessarily-high number of stock locations, overlapping logistics services, and unhappy customer segments. The region's cost structure significantly exceeded known benchmarks and metrics.

The company's business objective was to enhance its Asia-Pacific market position by: reducing the operating cost of its supply chain network; optimizing the overall level of standing inventory; and delivering promised levels-of-service to its customers.

SOLUTION

Solvoyo performed a network optimization for the Asia-Pacific supply chain in support of a project led by Gattorna Alignment. This network consisted of over 350 manufacturing and vendor source locations and eight distribution centers, serving over 30,000 different products to 1,200 unique customer locations. This network processed over 6 million order transactions annually.

The Solvoyo Elevation Platform created several tailored supply chain options to serve differentiated customer buying behavior and help the client choose a strategy that minimized its total cost-to-serve. The network optimization model concurrently considered: the fixed- and variable operating-costs associated with the distribution centers; the inventory investments in all forms; and inbound, interfacility, and outbound transportation costs.

VALUE PROPOSITION

The company adopted a radically different supply chain strategy, and, within a year of its adoption, realized in excess of \$16M of annual Supply Chain savings while providing differentiated service levels to its customer base.

ABOUT SOLVOYO

Solvoyo is an international enterprise software company based in Boston, MA, and Istanbul, Turkey. We bring your business significant value through the use of innovative supply chain optimization techniques that help you minimize costs while you maximize customer service and profit.

We make it easy for you to get immediate benefits -- our Software-as-a-Service based Elevation platform is implemented very quickly. When combined with our pay-as-you-go business model, you get an extremely short time-to-benefit and at a minimum up-front cost.

We have documented cases where our technology has solved complex, high-volume problems that competitors could not solve at all!

You can obtain more information from our website: www.solvoyo.com