



Improving Inventory Through Analysis

THE CLIENT

As a global leader in the design and manufacturing of oil and gas equipment, the client engages in the energy industry by providing technology-based solutions. The client is an industry leader in the development and commercialization of drilling technology with more than 2,000 employees in 23 different countries around the world.

BUSINESS CHALLENGE

The client uses a central warehouse to store aftermarket spares for their oil drilling equipment.

This warehouse is situated in their manufacturing facility, but managed by a separate team. At the time of engagement, the warehouse inventory was appraised at over \$5M with over 3,400 SKUs. The client wanted to reduce inventory and its associated costs. Some of the issues included: low accuracy of stock levels, delays in supplying spare parts, high inventory carrying costs, and non-moving inventory occupying their limited storage space.

THE RESULTS



Inventory accuracy improved to 98%



36% of the inventory was transferred into other businesses



The client gained approximately 20% of additional space once non-moving warehouse inventory was transferred



Verified all 3,400 SKUs by conducting a complete physical stock analysis

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HOW CORBUS HELPED

- » **Provided** recommendations to resolve the discrepancies of their stock system
- » **Utilized** the client's demand manager tool to identify the global demand across various regional service centers and warehouses
- » **Determined** current and future demand for each of the SKUs (including life time stock)
- » **Identified** non-moving stock and recommended disposal plans to the client

