

Nailing the Supply Chain



Canadian Hardware Retailer TruServ Reduces Inventory by 41% and Improves Service Levels to Above 97% with JDA Software

TruServ Canada Cooperative Inc. Fast Facts

Industry
Retailer

Headquarters
Winnipeg, Manitoba, Canada

Description
TruServ Canada, a 100-percent, retailer-owned Canadian company with stores located from coast to coast and in the Northwest Territories, Nunavut and the Yukon, provides a complete retail store program of products and service to the following banners: True Value, V&S and Country Depot.

Revenues
\$2 billion

Number of Employees
Over 40,000

“Since implementing AWR, we have reduced overstock inventory by more than 80 percent and reduced safety stock by more than 40 percent.”

- Michael Meier,
director of inventory and operations,
TruServ Canada Cooperative



Business Challenge

To optimize inventory and improve service levels, TruServ Canada Cooperative sought advanced supply chain solutions to deliver computer-assisted ordering at its 12 distribution centers.

Business Solutions

- JDA® Advanced Warehouse Replenishment
- JDA® Marketplace Replenish
- JDA's Collaboration solutions

Business Benefits

- Enhanced promotional planning and visibility
- Quicker reaction to marketplace trends
- Shortened lead times

Quantifiable Benefits

- Improved incremental year-over-year inventory position on product lines by 35 percent
- Reduced inventory by 41 percent
- Improved service levels to above 97 percent
- Reduced lost sales by 22 percent
- Reduced overstock inventory by more than 80 percent
- Reduced safety stock by more than 40 percent
- Improved sales by 10 to 20 percent

TruServ Canada Cooperative, one of the world's largest member-owned wholesale hardware cooperatives, recognizes the importance of providing its 6,200 independent True Value retailers with the right tools to drive customer service. In fact, a recent study by *The Consumers' Checkbook*, a Consumer-Reports style publication, showed that approximately seven out of 10 consumers rated their experience with True Value stores superior to its competitors. Out of eight categories, True Value beat its competition in five categories: advice, prompt service, staff attitudes, ease of looking for products and overall quality. Helping the \$2-billion company achieve this level of customer satisfaction is JDA® Advanced Warehouse Replenishment (AWR) and Collaboration solutions.

Nailing Down the Benefits

To optimize its inventory and improve service levels, TruServ turned to AWR to deliver computer-assisted ordering at its 12 distribution centers. As a result, the 100-percent, member-owned cooperative has reduced inventory from \$600 million to \$250 million while boosting service levels from below 92 percent to a current run rate of above 96 percent. Additionally, the company is enhancing promotional planning and visibility, shortening lead times and reacting quicker to marketplace trends.

“Since implementing AWR, we have reduced overstock inventory by more than 80 percent and reduced safety stock by more than 40 percent,” stated Michael Meier, TruServ’s director of inventory and operations.



TruServ recognized that Collaborative Planning, Forecasting and Replenishment (CPFR®) could deliver even further ROI by ensuring its shelves are efficiently stocked with the products that customers demand. Building upon its momentum with AWR and leveraging the competencies of its more than 50 trading partners, TruServ launched its CPFR program using JDA® Marketplace Replenish. This solution has enabled TruServ and its trading partners to establish collaborative arrangements, create demand forecasts, identify and manage exceptions, as well as generate orders securely over the Internet.

CPFR Help is Just Around the Corner

TruServ’s CPFR accomplishments have upheld the company’s tag line, “Help is Just Around the Corner.” Mueller B&K, the largest U.S. distributor of residential plumbing products, has also achieved CPFR success as one of TruServ’s trading partners. According to Eric McMillian, retail supply chain manager, Mueller B&K,

the distributor saw the collaboration as an opportunity to improve service and strengthen its relationship with TruServ.

“Since launching our CPFR program with TruServ, service levels have improved from below 95 percent to above 97 percent,” commented McMillian.

“Additionally, we’ve seen a significant increase in supply chain visibility with more accurate forecasting as well as operation improvements such as picking and receiving efficiencies,” stated McMillian. “With TruServ’s great team, we’re making strategic decisions on how to improve our collective value chain.”

About JDA Software Group, Inc.

JDA® Software Group, Inc. (NASDAQ: JDAS), The Supply Chain Company®, is the leading provider of innovative supply chain management, merchandising and pricing excellence solutions worldwide. JDA empowers more than 6,000 companies of all sizes to make optimal decisions that improve profitability and achieve real results in the discrete and process manufacturing, wholesale distribution, transportation, retail and services industries. With an integrated solutions offering that spans the entire supply chain from materials to the consumer, JDA leverages the powerful heritage and knowledge capital of acquired market leaders including i2 Technologies®, Manugistics®, E3®, Intactix® and Arthur®. JDA’s multiple service options provide customers with flexible configurations, rapid time-to-value, lower total cost of ownership and 24/7 functional and technical support and expertise. To learn more, visit www.jda.com or e-mail info@jda.com.

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