

Case study



Company profile

BoConcept was established in 1952 and is currently a global retail chain with more than 150 BoConcept stores and 100 studios in more than 50 countries around the world. Their distribution centres are located in Denmark, USA and Asia.

Challenges

- Too high inventory levels
- Could not adjust forecasts for specific product numbers
- Reduced overview due to the complexity of many countries and many stores
- Ad hoc analyses demanded many resources

Benefits

- Reduced inventory levels
- Adjusted forecasts for specific product numbers
- Powerful analysis tool gives overview and detailed knowledge on item level
- Focused time consumption for forecasts in the logistics department



AGR Dynamics is a supply chain planning specialist offering solutions that optimise the flow of goods throughout the supply chain for distribution, retail and manufacturing companies. The AGR solution increases profits by eliminating unnecessary costs from the supply chain. It uses raw data from any ERP system and automatically selects the best-fitting forecasting method to estimate future demand.

www.agrdynamics.com

Microsoft Partner

Gold Application Development

Improved customer service levels

“AGR works on item number level, so now we can get automatic forecasts for specific products. At the same time, the quality of the forecast is good, and the system has contributed well to reducing inventory levels, while increasing service levels.” Dennis Bilgrav, Logistics Manager, BoConcept

Passion and perseverance are core values for those behind the BoConcept brand. Their mission is to make modern designer furniture and accessories accessible to customers who are fascinated by the urban lifestyle. Customers who love design, energy and smartness in all aspects of life - including furniture and fittings.



BoConcept sells individually adapted design. By this we mean modern, functional furniture that can be adapted to meet consumers' needs, tastes and lifestyle. This is expressed in the many options offered by choice

of modules, legs, colours and surfaces, so that customers can create their own, perfectly adapted furniture. The BoConcept collection undergoes continual renewal, so that it meets customers' desires for a complete product programme of trend-setting lifestyle furniture with high, but affordable, design values.

Background and needs

The optimisation offered by Supply Chain Management is an important parameter in achievement of BoConcept's goal of profitable, controlled growth. For several years, BoConcept has worked on forecasts to control purchasing and inventory levels at the central distribution centres, but there were unresolved challenges.

Dennis Bilgrav, Logistics Manager, says: "One of the challenges was to be able to adjust the basis and forecast down to individual product numbers. At BoConcept we adjusted forecasts at product group level and based them on cumulative sales figures and not on item figures, we then applied division keys to split forecasts down to individual products. Unfortunately, the level of detail in the forecasts was not good enough and each time we wanted to analyse why we had too much in stock, or a product was out of stock, we had to use a lot of manual effort and retrievals from our ERP system, Movex.

AGR works at the product number level, so now we can get automatic forecasts for specific products. At the same time, the quality of the forecast is good, and the system has contributed well to reducing inventory levels, while at the same increasing levels of service. We have also derived great benefit from the system's reporting module - Manage by Exceptions. This tool gives us vast analysis options that previously required demanding manual ad hoc calculations. Our overview has increased hugely, while at the same time providing great detail about sales, forecasts, purchasing and inventory, so that we can react proactively and quickly.