



Symphony A Platform for the Distributor

CASE STUDY



TEGRA - Construction Industry Distributor

TEGRA

Industry

Construction

Headquarters

Vilnius, Lithuania

Fast Facts

- Increase in sales of 30%
- Overall inventory remained at the same level, whilst "tail" stock items were significantly reduced (30%)
- Inventory turns were increased by 150%

Tegra, founded in 1995, is a distributor of materials used within the construction industry; distributing goods such as sealant foams, silicones, acryl, various tapes, nets, and sealing tapes. The company has a portfolio of 180 products which are manufactured across Europe.

Tegra's main market is composed of former USSR countries, including Baltic, Russia, Ukraine, Kazakhstan, and Belarus.

*"We are managing more than 50 warehouses throughout our supply chain; they are based in Slovenia, the Czech Republic, Germany, Kazakhstan, Ukraine, and Russia. All of them are managed entirely from our central office in Vilnius through one system: **Symphony**. By integrating production facilities in Europe into our supply chain, the time between order and delivery has reduced from three weeks to one week. Using **Symphony**, we are able to control the inventory across the whole supply chain. This is the future for every organisation that wishes to remain ahead in today's competitive environment. We cannot imagine our company working via the old methods in which orders are planned from previous sales".*

Rinardas Goda
Tegra President

Key Challenges

Like many other companies, Tegra were using forecasting and planning methods in order to cope with the ever changing market. This led Tegra to have more than 15% stock outs during the high season, most of them from high runners products. This created difficulties with Tegra's distributors who couldn't supply the needed products to the retailers.

Tegra based its forecast model on the demand coming from its distributors. In many cases, this demand did not reflect the real consumption pattern coming from the retailers, but their own belief (bullwhip effect). Tegra were looking for a solution that would enable them to "feel" the demand pattern of the market and then translate that into stock management.

The Solution

Tegra started using Symphony's Stock Management solution in its own warehouse. At the same time, they started negotiating with their clients and distributors in order to create a model that would manage their stock as VMI. Through using Inherent Simplicity's Symphony throughout the new supply chain, Tegra could increase the frequency of replenishment, and control, shrink and stabilise the inventories and replenishment times.

Results

After 18 months of using Symphony, Tegra had achieved outstanding results. The table below shows the comparison between Tegra and the rest of the market:

	Tegra Performance	Market Performance
ROI (Throughput / money in inventory)	300%	100%
Product Availability	95%	80%

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