Virtual Inventory Cloud (VIC) solution increases transaction speed by 60 times

Moog Louisville Warehouse, one of the top regional automotive aftermarket distributors in Louisville, Kentucky, has observed an increasing amount of special orders from different customers both in and out of state. The second quarter of 2013 recorded a 20% increase in special orders from the same quarter in 2012. Expecting the same pattern to sustain in the next few years, Jim Mulligan, the President of Operations at Moog Louisville, stresses: "Special orders always remain fundamental to Moog Louisville's business. Successful special order fulfillment will not only strengthen our relationship with critical customers but also open business opportunities with new customers."

Realizing the strategic potential of special orders, Moog Louisville has constantly sought ways to improve their special order service. Back in 2010, phone and web portals remained common industry practices for warehouses such as Moog Louisville to check distributors' inventory and place special orders. This manual process cost Moog's staff hundreds of minutes per day. The slow transaction time not only led to lost sales, high maintenance and labor cost, but also significantly threatened Moog's core mission of high efficiency and excellent customer services.

Understanding the cumbersome process of special orders in the automotive aftermarket industry, GCommerce launched the Virtual Inventory Cloud (VIC) solution in 2011. Working as an online repository, VIC provides real time visibility into suppliers' inventory and automates the special order process. Realizing VIC's potential as an industrial "game changer," Moog Louisville adopted VIC immediately and has realized tremendous profits thanks to this product.

VIC has speeded up Moog Louisville's transaction by 60 times, while easing the process of placing special orders for Moog's staff. "Previously, placing special orders was very stressful. Depending on each vendor, our employees have to either call or order through the vendors' web portals. For each transaction, in order to gather enough inventory information, we normally made about 7 calls, totaling 30-40 minutes. Now, our sales employees only need to log into the VIC portal to check our suppliers' real time inventory. They can then place orders right on site. The whole process takes about 30 seconds or less," says Jim.

Simple mathematical calculations show that less transaction time means lower labor cost and more freedom to mobilize employees to focus on developing business strategies. For example, Moog Louisville receives approximately 30 special orders per day from one single location. Before using VIC, Moog Louisville needed at least 2 employees working full time to fulfill these special order requests. Meanwhile, with VIC, it takes only 3% of a single employee's daily working time to complete the same amount of special order transactions (See Table 1).

Furthermore, this ability to save time provides yet another strategic advantage for Moog to capture lost sales. By eliminating idle time, Moog can reach out to more customers, fulfilling more requests, and thus expanding their business even further. Jim enthusiastically shares: "The best thing about VIC is that it enables us convert more requests into special orders. Before implementing VIC, our employees constantly waste time on call backs to our vendors. During this process, some customers left to our competitors, leading to lost sales. With VIC, this no longer happens. We can fulfill our orders faster and take on new customers. Our statistics show that since we started using VIC in February 2011, we managed to close 30% more special orders than before."

GCommerce's innovative VIC solution offered Moog Louisville a package full of advantages, including faster special order transaction, lower labor cost, and lower lost sales. These benefits will not only increase Moog Louisville's revenues at a lower cost, but also amplifies Moog's productivity, strengthens its competitiveness in the automotive aftermarket industry and, above all, guarantees a sustainable long term growth.

Table 1: Comparing total hours of labor per day between non-VIC and VIC transactions

	Non-VIC transactions	VIC transactions
# special orders per day from 1 location (estimated)	30	30
Time per order	30 minutes	30 seconds
Total hours of labor per day	15 hours	0.25 hours
# full-time employees	2	0.03125