

Buy Auto Parts

CCH® Tagetik case study



Company

Buy Auto Parts

Industry

Spare Parts & MRO

Uses of CCH Tagetik software

- Demand Planning
- Multi-Echelon Inventory Optimization (MEIO)

Key facts

About the company (employees, countries, revenue, etc.)

- Experts in auto body parts since 1989
- Headquartered in San Diego, CA
- Buy Auto Parts sells automotive repair and performance parts through their ecommerce website and over the phone
- All Buy Auto Parts employees are based in the United States

“We knew we needed to drive cash out of our inventory and redeploy it to grow our business. CCH Tagetik Supply Chain Planning helped us accomplish just that.”

Renee Thomas Jacobs, CEO, Buy Auto Parts

The challenge

One of the leading online auto parts distributors worldwide faced challenges managing a very complex supply chain with three distinct sourcing channels. With a mission to make it “Easy to Buy Auto Parts,” they focused their planning efforts on high order fulfillment. This meant they planned to keep stock available, come rain or shine, whether through a domestic supplier, an international shipment, or the drop-ship option.

When it came to selling over 100,000 parts, planners at Buy Auto Parts would make their best guess as to which channel to choose to source each item. If they anticipated large, long-term demand, they would source the materials from an international supplier, whose lead times were longer and costs low. If there was medium demand on the horizon, planners would choose to source domestically at higher cost. For the short term, small bursts in demand, planners would opt to drop-ship the item from a domestic supplier, incurring even higher shipping costs while shortening the lead time and reducing carrying costs. Whatever it took to keep the needed items in stock and make buying easy.

Doing all this work in spreadsheets became disjointed and error-prone and Buy Auto Parts was carrying significant cash in inventory as their planners were having trouble matching the demand curves to their inventory plan, and would lean toward fulfillment when unsure.

Requirements

Boost forecast accuracy and optimize inventory levels to maintain and improve service levels

Benefits & results

- Gained 528% ROI with CCH Tagetik
- Supply Chain Planning within a year of implementation
- 10% reduction in inventory holding costs
- 13% growth in sales

“I wish all our software investments were as easy to implement and drove as much value as [CCH Tagetik Supply Chain Planning].”

Renee Thomas Jacobs
CEO, Buy Auto Parts

“From the first time we loaded our data into [CCH Tagetik Supply Chain Planning], we’ve been happy with the results. Between heightening our understanding of sales cycle curves, the immense flexibility, and responsiveness of the platform, and providing a single view of all items and categories, we’ve had a very positive experience.”

Renee Thomas Jacobs
CEO, Buy Auto Parts

The solution

Buy Auto Parts approached CCH Tagetik Supply Chain Planning with its challenges and was quickly impressed with the scalability of the unified planning platform. Having just completed an ERP conversion, they were wary of yet another implementation cycle. However, CCH Tagetik Supply Chain Planning surprised them with a straight-forward, three-month timeline, and delivered on time and on budget.

Results were evident from the beginning. The ability to handle an immense library of SKUs, provide end-to-end visibility to the supply chain, and most importantly, auto-assign materials to one of the three supply source categories (international, domestic, and dropship) was a game-changer. Planners and business analysts are now quickly able to understand the sales cycle curves and trust the tool to handle the lead and cost variations between categories.

Through a combination of advanced analytics forecasting and human expertise, Buy Auto Parts no longer needs to rely on the best guesses of their planner to maintain customer fulfillment rates.

Buy Auto Parts particularly values the ability to manage intermittent and seasonal demand and provide an easy way to supersede products or move demand to a new channel. With improved forecast accuracy, they are able to take a leaner approach to stocking inventory, ditching the old habits of overstocking to avoid stockouts.

Benefits and results

Within the first year of implementation, Buy Auto Parts reduced their inventory holding costs by 10%. CFO turned CEO, Renee Thomas Jacobs, was elated with this result, stating that “We knew we needed to drive cash out of our inventory and redeploy it to grow our business. CCH Tagetik Supply Chain Planning helped us accomplish just that.”

Their reduction in inventory is now balanced by continued high fulfillment rates, avoided lost sales, and happy customers. They were able to re-invest the cash into the business and grew 13% in sales within the first year following implementation. After just one year of utilizing CCH Tagetik Supply Chain Planning, Buy Auto Parts reported a 528% return on their investment into the solution.

Following implementation of CCH Tagetik Supply Chain Planning, the solution was pressure tested even further when Buy Auto Parts was affected by unexpected tariffs. Buy Auto Parts was able to utilize CCH Tagetik Supply Chain Planning to make their supply chain nimble and strategic in their approach to how they carry inventory and with what inventory they chose to import, given the new tariffs.

Buy Auto Parts was also not immune to the disruptions brought by the COVID-19 pandemic. One major disruption affecting their supply chain in 2020 and 2021 was container shortages. CCH Tagetik Supply Chain Planning was able to help their planners swiftly find ways to manage lost demand, pinpoint where they lost demand due to supply chain issues, and make sure that they could still cover future forecasts. This would have taken planners months to achieve working in disjointed spreadsheets.

“One of our main goals was software with which an inventory planner could easily and accurately manage forecasts and large sets of data. [CCH Tagetik Supply Chain Planning] was built with the end user in mind, including those who do not have a statistical background.”

Cameron Yee
Senior Business Analyst, Buy Auto Parts

Throughout these disruptions, Buy Auto Parts continued to deliver record turns, and increased 300 basis points. The Buy Auto Parts team says CCH Tagetik Supply Chain Planning is a contributing factor, as the tool that has allowed them to be nimble and surgical with their inventory and the management of their importing process.

Buy Auto Parts' planners are pleased with CCH Tagetik Supply Chain Planning and its ability to store and recall data for future forecasts. Having utilized CCH Tagetik Supply Chain Planning for years, they have been able to experience AI and machine learning in full force. The more data they put in, the smarter the solution has become about their business, and the more accurate their forecasts.

About customer

Buy Auto Parts has been in business since 1987, and online since 2001. They sell automotive parts for most vehicles with the goal from day one of creating the easiest and most positive buying experience for customers. This is exactly why their slogan is “easy to buy auto parts”. Their continued growth is proof that they not only sell quality automotive parts, but sell them at unbeatable prices while providing the best US-based customer service that keeps customers coming back.

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