

## *How an Innovative HVAC Distributor Increases Revenues by Getting Inventory in the Right Locations*

Williams Distributing (<http://www.wmsdist.com>) is a locally owned, Michigan based company that has been serving the mid-west since 1968. With a growing HVAC business, Williams Distributing carries lines such as Daikin, Amana, Distinctions, Everrest, Energi Air, and Goodman heating and cooling products. They are one of the largest independent Amana heating and cooling distributors in the country with hundreds of dealers across Michigan, Indiana, and Ohio.

A diversified company, Williams also distributes kitchen and bath products including cabinetry, appliances, plumbing, and countertops. These products are sold through kitchen dealers in Michigan, northern Ohio and Indiana. They also sell hearth and home technologies fireplace products.

### **Distribution Network:**

- 2 DC's, 22 HVAC Locations over 3 States
- 761 Vendors Carried

### **The Challenge:**

Williams is committed to customer service, and recognized that inventory was imbalanced across their locations, evidenced by a lot of daily reactive reshuffling when possible to preserve sales. "We knew we could improve on our inventory deployment and mix ...we were carrying extra inventory and then constantly moving it around" stated Jeff Beaton, Executive Vice- President.

### **The Solution:**

Williams chose Thrive's inventory optimization system to make it easier to serve their customers, and to improve their inventory performance. Thrive interfaced with the existing ERP system to do the following:

- Create a more accurate prediction of upcoming sales for each SKU / location recalculated weekly
- Set up the distribution network and procurement paths (which hubs and branches order direct from vendors, and which lines are brought into one location than automatically distributed)
- Set inventory policies in the Thrive system to achieve Williams' goals: reduce lost sales, improve inventory mix, and reduce excess time supply from the inventory
- On a daily basis, the Thrive system analyzes over 40 variables for each SKU / location to recommend optimal stocking levels and suggested PO's designed to achieve Williams' goals

### **The Impact:**

- ✓ **Cut Lost Sales by 25%, driving additional revenues**
- ✓ **Reduced number of ad hoc daily transfers by over 50%**
- ✓ **Reduced Inventory by a week's supply**

### **About Thrive:**

Thrive Technologies increases inventory profitability for wholesale & master distributors with its cloud based demand forecasting, inventory replenishment, and inventory optimization software and services.