

Matas strengthened by Intelligent Purchasing

Matas has gained detailed insight in the product flow from the central warehouse to the stores. A new management model has helped the logistics function to manage inventory levels both at its central warehouse and in stores, and is now part of reporting back to management.

Intelligent purchasing. Matas has taken an innovative step in terms of how they handle product ordering. Previously, this task was managed by the individual store managers, but is now handled by the central logistics department. Today the central unit dispatches products to its stores on the basis of data from ABC Analyzer. The changes have been positively welcomed.

Central management benefits all

The goal is for Matas to 'stock the right product volumes at the right time and place at all times.'

Excellent customer service is a cornerstone of Matas' strategy and is now assured through precise inventory levels of the various product groups.



Out of stock

"In the past when we discovered that a product was out of stock in one of our stores, it was difficult for us to assess how urgent we needed to replenish the item. How important is the

individual item in the individual store?

Naturally, we always strive to maintain supply, but when all is said and done, there's a big difference in how important a given product is for Matas' business," says logistics manager Jesper Amsinck.

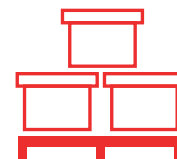
"To gain the necessary insight, we teamed up with ABC Softwork and implemented their tools in the management group. It's proven to be a good investment."

ABC model ensures top and bottom line

By using the ABC model, Matas has analyzed its entire product range, dividing it into nine categories that show how profitable a given product is and how quickly it moves through the product flow. The theory behind the ABC model and 'the double ABC' is that products have different values and buying patterns, and that a business's success depends on its ability to focus on the key products (AA) that account for its core business.

ABC Softwork has given Matas a practical management tool that provides a detailed picture of where the store chain has tied-up its capital investment.

What did Matas do?



Reduced stock

via analysis of product range and flow

Goal:

Ensuring excellent customer service while reducing capital tied up in stock locally and centrally.

Results:

The logistics function has radically reduced the business's overall capital tied up in stock. Hereby maintaining excellent customer service levels, and freeing time to service customers in store.



High service level

resulting in satisfied customers

Solution:

The centralized logistics department ensures the right volumes of the right products reach the chain's stores. The ABC model provides the basis for differentiated inventory and purchasing management.

About Matas

The Matas chain is Denmark's largest retail chain selling beauty, personal care and health products. Matas has a highly dynamic product range numbering between 15,000 and 20,000 active product items.

- Founded in 1949
- 291 stores
- 2500 employees
- Up to 20 percent new items in product range every year

