

Kruuse reduces stock with

1,6 million euro

In just a single year, Jøren Kruuse A/S reduced its stock by 1,6 million euro – while maintaining its high service level. The work was part of the change project known as ‘from family-run to fact-based’.

The plan was to boost profitability at Jørgen Kruuse, the largest manufacturer of veterinary products in the Nordic region. The family-owned wholesaler and manufacturer was seeking in particular to boost turnover rate, and clear out old products that were not selling sufficiently well.

Pilot project showed the way

In December 2012, Kruuse launched a minor ABC pilot project, with the aim of making stock management and purchasing much more data-driven. Louise Nielsen, purchaser, was chosen as test pilot along with her 3,400 product numbers.

The two-month trial period generated good results, so Kruuse decided to roll out the ABC concept for all purchasers and all 15,000 products in February 2013.



‘The long tail’ severely docked

“We have achieved a good balance in our number of

products: When new products are brought in, old products are cleared out of the range,” explains Louise Nielsen.

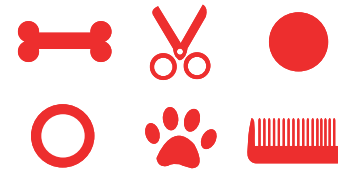
The products Kruuse has in its warehouses today are the ones that customers want – and not only the products that customers were asking for last year. The number of ‘dead products’ has been almost halved. 1882 products have been removed from the product portfolio, and today monthly updates of the abc-codes ensure that the least popular products are cleared from the range continually.

One week’s work cut down to 3 hours

Kruuse has gained more than economic advantages from the project. Previously, it took an employee a whole week to align five Excel spreadsheets so as to update the ABC categories and calculate the safety stock. Today the manual update of data from ABC Analyzer to the ERP system takes just a few hours.

Read more about ABC Analyzer on www.abcsoftwork.com and sign up for your 30 days free trial

What did Kruuse do?



Stock optimized
-1,6 million euro



+ high service level

Goal:

Boost turnover rate, and optimize stock to fit customers’ demands.

Result:

Stock reduced by 1,6 million euro (12 million DDK), turn overrate improved while the high service level is maintained.

Solution:

Today employees at Kruuse work systematically with data. New work routines based on facts have been deployed in purchasing and logistics.

Om Jørgen Kruuse A/S

Kruuse is the largest wholesaler and manufacturer of veterinary products in the Nordic region. They sell primarily to veterinarians, veterinary clinics and pet shops.

- 15.000 SKU
- 4000 customers
- 233 employees
- 1882 product numbers phased out in a year

