NETSUITE

Valogix / NetSuite at Saddleback Leather

Saddleback Leather Optimizes Inventory Planning with Valogix and NetSuite

Challenge

Saddleback Leather struggled with manual Excel-based inventory planning processes that were slow, occasionally imprecise and heavy with administrative overhead to plan production of leather goods.

Solution

Valogix Inventory Planning integrated with a NetSuite ERP foundation gives Saddleback Leather a fully automated joint solution with forecasting, accurate daily planning and automated replenishment.

Results

Saddleback Leather has repurposed one full-time personnel previously dedicated to inventory planning, freed up cash, reduced its on-hand inventory by 25% and is better able to plan for peak holiday season demands.

Manufacturer and e-tailer of quality leather goods reduces costs, avoids stockouts and saves two FTEs

Inventory optimization is critical to success for companies like Saddleback Leather, a manufacturer and e-tailer of rugged and distinctive leather bags, luggage, wallets and accessories. Saddleback needs to ensure it carries adequate stock to meet customer demand, especially during the busy November-December holiday shopping season. On the other hand, excess inventory languishing in a warehouse can pinch profits.

"Inventory on the shelf is lost money," said Blake LeBrun, Operations Manager at the San Antonio, Texas-based Saddleback Leather. "The ability to maintain the appropriate inventory—not too much, not too little—is critical for a company like Saddleback."

The fast-growing Saddleback is approaching that inventory ideal with an implementation of Valogix Inventory Planning, an end-to-end cloud solution for inventory planning, forecasting and optimization. Completely integrated with Saddleback's core NetSuite ERP, manufacturing and ecommerce platform, Valogix is helping Saddleback increase productivity, avoid stockouts, reduce carrying costs and free up cash.

New Speed, Precision and Visibility

Going live at Saddleback in early 2013, the Valogix solution replaced manual inventory planning in Excel that was time-consuming, and at times prone to error. Valogix has introduced new speed, precision and visibility into Saddleback's inventory planning and ordering products from its manufacturing partner in Mexico.

Instead of manually creating a forecast weekly in Excel, Saddleback personnel now have automated daily updates through the joint Valogix-NetSuite solution. That's amounted to a savings of one full-time equivalent (FTE) personnel who can be repurposed towards more value-added activities. At the same time, Saddleback has reduced its inventory volumes by about 25%.

Company Name:
Saddleback Leather

Industry:
Saddleback Leather is a leading manufacturer and e-tailer of high quality leather goods, including luggage, bags, wallets, mobile devices cases and more.

URL:
www.saddlebackleather.com

Headquarters:
San Antonio, Texas

Valogix®

> **"** With Valogix and NetSuite, we have a much more accurate picture of what our inventory needs are going to be at any given time than we had in the past. Valogix knows what inventory we have on hand, what's on order and accurately recommends the next replenishment. **"**
>
> *—Blake LeBrun*
> *Operations Manager*
> *Saddleback Leather*

To find out more, contact NetSuite Inc. at 1-877 NETSUITE or visit www.netsuite.com.

NETSUITE

"With Valogix and NetSuite, we have a much more accurate picture of what our inventory needs are going to be at any given time than we had in the past," LeBrun said. "Valogix knows what inventory we have on hand, what's on order and accurately recommends the next replenishment. It's an impressive solution."

A Fully Automated Joint Solution

At Saddleback, the Valogix solution once a day extracts demand data from NetSuite and runs it through an analytic engine that selects a forecast method that best fits each item based on historical demand over three years, seasonal requirements, user-defined inputs and other parameters. The result is a daily demand plan with recommended stocking quantities and replenishment for both operational use and longer-term strategic analysis.

Once accepted from Valogix, NetSuite triggers purchase orders for bags, luggage, mobile device cases and other leather goods to the Mexican subsidiary, helping the manufacturer better manage its production, capacity and workforce. Meanwhile, the NetSuite OneWorld global business management solution enables multi-currency transactions between the parent company and subsidiary.

The Valogix implementation at Saddleback is a good example of how an add-on solution from SuiteCloud Developer Network partners, available at www.suiteapp.com, can extend the NetSuite platform to meet unique business and industry needs. Valogix builds on the success Saddleback has realized since going live on NetSuite in November 2011, including 50% year-over-year revenue growth.

In the future, Saddleback may extend the Valogix system to its manufacturing partner to help it better plan procurement of the raw materials that go into Saddleback's popular products. That would build on the strong relationship that Saddleback has so far enjoyed with the Valogix team, headquartered in Saratoga Springs, N.Y.

"Just like NetSuite, Valogix has been absolutely fantastic to work with. The technical and consulting group was outstanding and the training was excellent," LeBrun said. "We had initial data to look at within days of going live."

Complementing the NetSuite Platform

A longtime SuiteCloud Developer Network partner, Valogix technology is used by more than 500 wholesale distributors, manufacturers, retailers, ecommerce providers and others in 42 countries, including dozens of NetSuite customers. Customers often reduce inventory carrying costs by 25% within the first year.

"NetSuite is a very robust solution that gives users greater control of inventory and understanding in real time how much inventory they have and where it's located," said Tom Glacken, Valogix VP of Sales and Marketing. "Valogix complements that by using information in NetSuite to automatically generate forecasts and suggest optimal stock quantities and replenishment."

"Building our inventory forecasts manually in Excel was a lot of administrative overhead and needed constant updating as new products came on board. We needed a solution that could integrate with NetSuite to give us a more accurate look at what our inventory needs would be.

—*Blake LeBrun*
Operations Manager
Saddleback Leather

To find out more, contact NetSuite Inc. at 1-877 NETSUITE or visit www.netsuite.com.