



SUCCESS STORY

# Inventory management for a world- renowned manufacturer

Manufacturer achieved 97%+ availability of  
both new and common parts.



**NEOVIA**

# The Challenge

When a world-renowned manufacturer of premium 4X4 vehicles planned its largest new-model launch to date, it required that 3,600 new parts be introduced to the worldwide aftermarket in a matter of months. The high-profile launch included celebrity endorsements, global media coverage, and heavy customer pre-orders.

The client realized that to meet the high expectations for the new vehicle, excellent aftermarket support was critical. They set a target of 96 percent first-pick availability (FPA) for the launch's first day onward, involving:

- 3,600 new part introductions (NPIs)
- 1,100 common parts
- 500,000+ configurable vehicle variations
- 18,000 customer pre-orders
- 3.5 million pieces ordered
- 300 vendors
- 15 regional distribution centers
- 177 global markets

If the parts were not in the right place at the right time, the client risked damaging customer relationships. Neovia had advanced technology in place to manage the company's mature parts inventory, but it was just one element for achieving overall optimization.


## NEOVIA AT A GLANCE:

### Industries

- Automotive
- Aerospace
- Consumer
- Industrial
- Technology

### Fast Facts

- 20 countries with operations
- 7,500+ global employees
- 45+ customers
- 21M+ SKUs serviced annually
- 14 years average relationships
- 20M+ sq. ft. of warehouse space



**The best-ever new  
vehicle launch we've  
had as a company.**

*Parts Director,  
A world-renowned manufacturer  
of 4x4 vehicles*

## The Solution

As long-term partners with this manufacturer, Neovia's inventory management team and optimization specialists applied best-practice processes that they had refined during many years of aftermarket inventory planning. They compiled detailed information on forecasted vehicle part, bill of materials, markets, market applicability, feature take rate, and historical demand from previous vehicle launches.



**INVENTORY  
MANAGEMENT**



**CLOSE  
COLLABORATION**



**SUCCESSFUL  
LAUNCH**

Eight months before the launch, the team intensively analyzed each of the 3,600 new parts. They developed a 12-month forecast of independent demand at a regional level using stock keeping units (SKUs). Adding to the complexity was the high number of items that were unique to the new model, such as panoramic roofs and numerous accessory options.

Yet, from the extensive forecasts, Neovia established stock policies and initial stock orders in line with the company's targets. Neovia also managed the forecast and supply of existing parts that were common to other vehicles within the portfolio to ensure that established customers would not be caught short with the expected increase in demand for those parts.

The manufacturer and Neovia then collaborated to move parts into its master facility in the United Kingdom. Working closely with the client's staff, the Neovia team addressed:

- 3,600 new part introductions (NPIs)
- 1,100 common parts
- 500,000+ configurable vehicle variations
- 18,000 customer pre-orders
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## The Results

In a global, multi-echelon distribution network, inventory management does not stop with replenishment schedules. No matter how tightly inbound parts supply is planned, delays are likely. Neovia worked with the client to ensure careful material deployment to manage global availability.

Together they reviewed receipts and regional stock levels daily and communicated those numbers to operations and transport, which enabled the combined team to manage manpower and costs more effectively.

The manufacturer sold 108,598 of the new model vehicles globally in its first full year of sales—more than any other previous model during the same period.

### **Neovia had helped the client surpass its launch goal of 96% overall FPA for aftermarket support, reaching:**

- 97% overall FPA for new and common parts
- 93.1% new parts FPA
- 97.5% accessory parts FPA
- 1.5 days average back-order clearance time
- 3.14 inventory turn of new model parts 24 months after launch