



## Legend Valve

Valve Distributor Contributes Efficiencies and Cost Savings to VALOGIX® MultiLINK Inventory Planner

*“We carried high levels of inventory to protect our customers from the instability in our industry. Even with the difficult economy, or perhaps because of it, we committed to Valogix on the spot because of the identifiable financial results through inventory reductions. From what we’ve seen in just three months, we expect Valogix to pay dividends long before the end of the current economic downturn.”*

Walter Jann, Legend Valve, Executive VP

### Quick Facts

#### Company

- Name: Legend Valve
- Location: Shelby Township, MI
- Industry: Wholesale distribution
- Products and services: Residential and commercial valves
- Items in inventory: 5,000
- Web: [www.legendvalve.com](http://www.legendvalve.com)

#### Challenges

- Increase inventory turns
- Maintain industry leading fill rates
- Improve forecasting and replenishment processes

#### Objectives

- Reduce inventory investment while improving sales opportunities
- Maintain competitive advantage of high service levels
- Increase staff productivity by streamlining forecasting and replenishment processes

#### Why VALOGIX

Custom demonstration of VALOGIX showed immediate and measurable ROI

#### Benefits

- Automated forecasting and replenishment saves 20 man hours per week (approximately \$35,000 per year)
- Reduction of excess of inventory of \$300,000 while maintaining 98 percent or better fill rate
- Decrease in inventory value of more than 12 percent in 2½ months
- Improvement of inventory turns by 30 percent expected within the first 12 months
- Return on Investment in less than three months

#### Previous Environment

JD Edwards Enterprise One for business management and planning



Software Solutions  
VALOGIX® MultiLINK Inventory Planner





*"In just three months, we reduced our inventory levels by \$300,000 and we expect to improve our inventory turns by 30% within the first year of using VALOGIX MultiLINK Inventory Planner."*

Walter Jann, EVP  
Legend Valve

### High Service Levels Equal High Inventory Levels

In 18 years, Legend Valve has established itself as a leading distributor of valves for residential and commercial use worldwide, guaranteeing shipment within 24 hours with a 98 percent or better line fill rate.

Headquartered in Shelby Township, Michigan with distribution centers in Michigan and Nevada, Legend Valve attributes success to its commitment to the customer. In the unlikely event that an order does not ship on time, the customer gets a five percent discount as well as free shipping. In addition to offering superior service, Legend Valve is committed to using innovative ideas to enhance the quality of its products and services.

Walter Jann, Legend Valve's Executive VP explains, *"We were carrying high inventory levels to protect our customers from the instability in our industry. As the breadth of our lines increased, as well as the depth of our individual product coverage, we realized that our inventory was turning too slowly. And even though we considered high inventory levels a competitive advantage to ensure a 98 percent fill rate, we wanted to explore the possibility of decreasing our inventory while maintaining our fill rates and the level of service our customers expect. We knew that we needed additional inventory management help—and fast!"*

### CD Group Puts Money in the Bank

Legend Valve began working with CD Group's Inventory Performance Enhancement (IPE) consultants and realized significant improvements in inventory turns, forecasting and stabilizing service levels.

In the fall of 2008, CD Group recommended VALOGIX MultiLINK Inventory Planner to improve forecasting, reduce inventory and simplify replenishment processes. Because the majority of their products are imported from overseas, they were hesitant to implement an inventory management program given lead times of 90 days or more and the variability in supplier performance.

*"We were not willing to sacrifice fill rate for increased inventory turns," says Walter. "After seeing a live demo with our data, we were convinced that the Valogix product could improve even more on our performance. Even with the difficult economy, perhaps because of it, we committed on the spot. We were confident we would receive positive financial results through inventory reductions that would pay dividends long before the end of the current downturn."*

Bob Jackson, CD Group's IPE Executive Director notes, *"Legend's executives are committed to continual improvement in inventory management and wanted to be prepared for the future economic climate. VALOGIX MultiLINK was the logical next step."*

### Dramatic Results Add Even More Value

After implementing Valogix in late January 2009, Legend Valve saw immediate results in reduction of inventory by 12 percent and in excess inventory by more than \$300,000—all while maintaining a 98 percent or better fill rate. Additionally, departmental processes have been standardized, with the times to create purchase orders and stock transfers dramatically decreased, resulting in a reduction of planning time of approximately 20 man hours per week or more than \$35,000 per year.

*"Even though we were satisfied with our starting position, we have been astounded with the results we've seen in just three months. We have improved our forecasting reliability, restructured our buying paradigms, and are taking proactive measures to establish and maintain targeted inventory levels," reported Walter. "We're not finished yet, but with CD Group's continued guidance, along with Valogix as a tool, we expect at least a 30 percent improvement in our inventory turns over the next 12 months."*



[www.valogix.com](http://www.valogix.com)

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