



Case History—Demand Forecasting

Inventory the way it should be

Midas keeps mufflers moving to shops across Canada using BCSL

The highly competitive car service industry thrives on the availability of parts, survives on expeditious service and dies without either.

“A customer is not going to sit and wait if you're out of stock on a part for his or her car,” says Jim Denney, Vice President, Distribution and Product Services, Midas Canada Inc.

Midas, a mainstay in the auto service sector, deals daily with thousands of parts, five different warehouse sites and 242 Canadian shop locations. The organization must also consider seasonal products, manufacturing minimums, supplier lead times, and shipping and warehousing capacity issues. In addition, there's the challenge of keeping up to speed on new vehicle makes, models and specifications.

Due to the service-while-you-wait nature of the business and what it takes to satisfy customers and franchisees, it is imperative that Midas have an inventory management system that

guarantees control and forecasting.

Mr. Denney and Inventory Manager, Cam Rogers, had utilized their existing computer systems' functional purchasing module, but, as Mr. Rogers notes: “What we needed was an automated replenishment and forecasting tool capable of handling all our issues. And, it had to be compatible with our existing computer system.”

Late in 1995, Business Computer Systems introduced Midas to its advanced MARS95 Demand Forecasting software, a Windows PC-based package that integrated seamlessly with Midas' existing AS400 host software.

“The software allowed the flexibility we required to move forward with our distribution decentralization plans and to significantly reduce our transportation costs,” says Mr. Denney.

“MARS95 has been instrumental in achieving inventory reductions of more than ten percent in 1996 while still maintaining our high customer service levels. In 1997 we plan a further inventory reduction of eight to ten percent.”

A wide range of benefits is offered by MARS95, including the meaningful micro and macro context of products' seasonality, vendor lead times, put-away costs compared to carrying costs, automated stock balancing between



Customers in a hurry can be sure that each of Midas' 242 locations has all the parts they need thanks to Mars 95.

locations and the capability to forecast days to years in advance.

“From our customers' point of view, the savings we achieved by using MARS95 allows us to be competitively priced while maintaining customer service levels,” Mr. Denney adds.

“From Midas' perspective, it enables us to make the best use of our inventory dollars, to be more accurate in notifying our suppliers of pending requirements, and to make appropriate arrangements for warehouse, shipping and personnel requirements.”

Mr. Rogers concludes, “Since the software implementation, I spend my time analyzing our sales and inventory, not on manual calculations and data entry.” ■

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