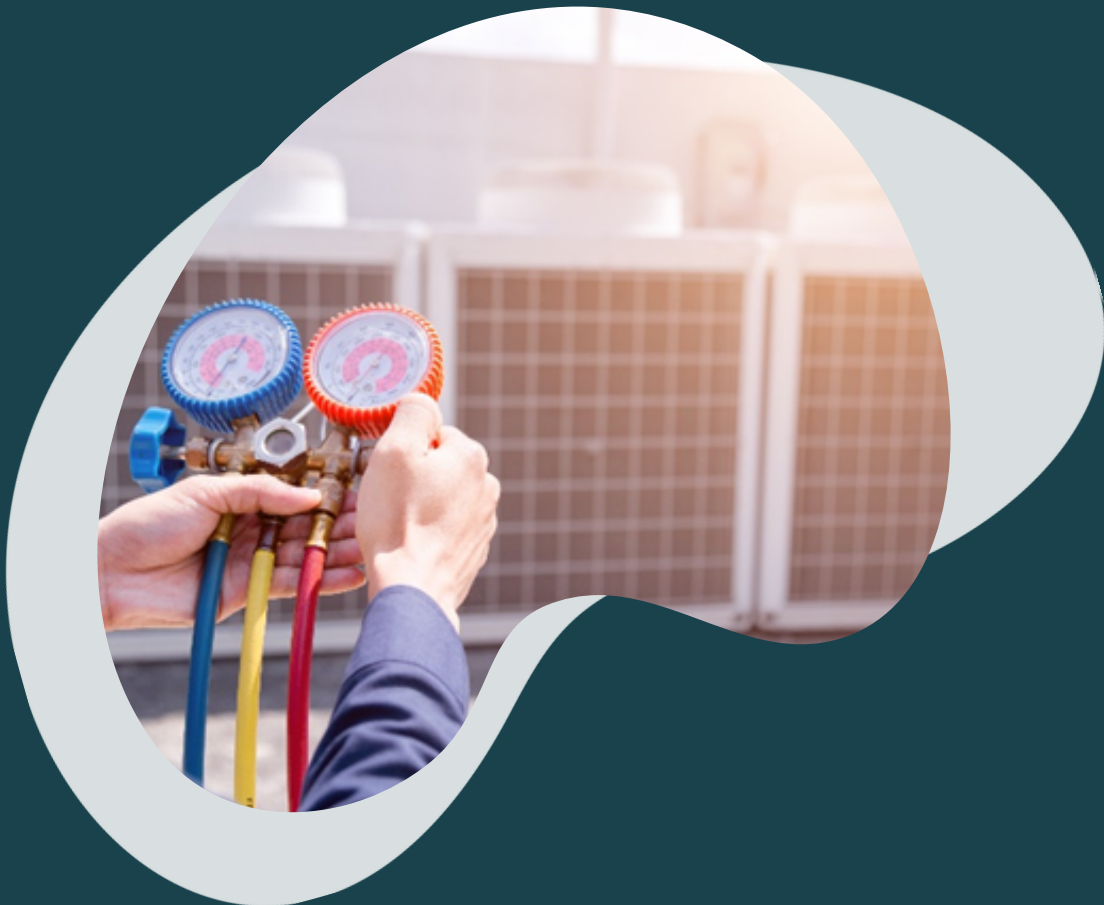# eazystock

Case study:
Oldach

OLDACH
AIR CONDITIONING & REFRIGERATION SUPPLIER

Oldach

Oldach Associates, LLC. is one of the largest HVAC parts and equipment distributors in Puerto Rico.

Headquartered in the Metropolitan Area of San Juan, Puerto Rico, they distribute residential and commercial air conditioning, refrigeration, industrial cooling, ventilation, water treatment, replacement parts, installation materials, and air and water filtration.

Some of the brands Oldach represents include Midea, MDV, Fujitsu, Panasonic, Armstrong, Comfort Breeze, Allied, Ducane, Danfoss Russell, Loren Cook, Evapco, Tuttle & Bailey, Pottorf, Anemostat, Tek-Air, FHP, Reznor, and Multistack.

The challenge

The challenge

Oldach needed a better way to manage inventory across their store locations. EazyStock helped them get to grips with demand forecasting and identify excess and obsolete stock. This has allowed them to invest less capital in inventory while improving customer fulfillment.
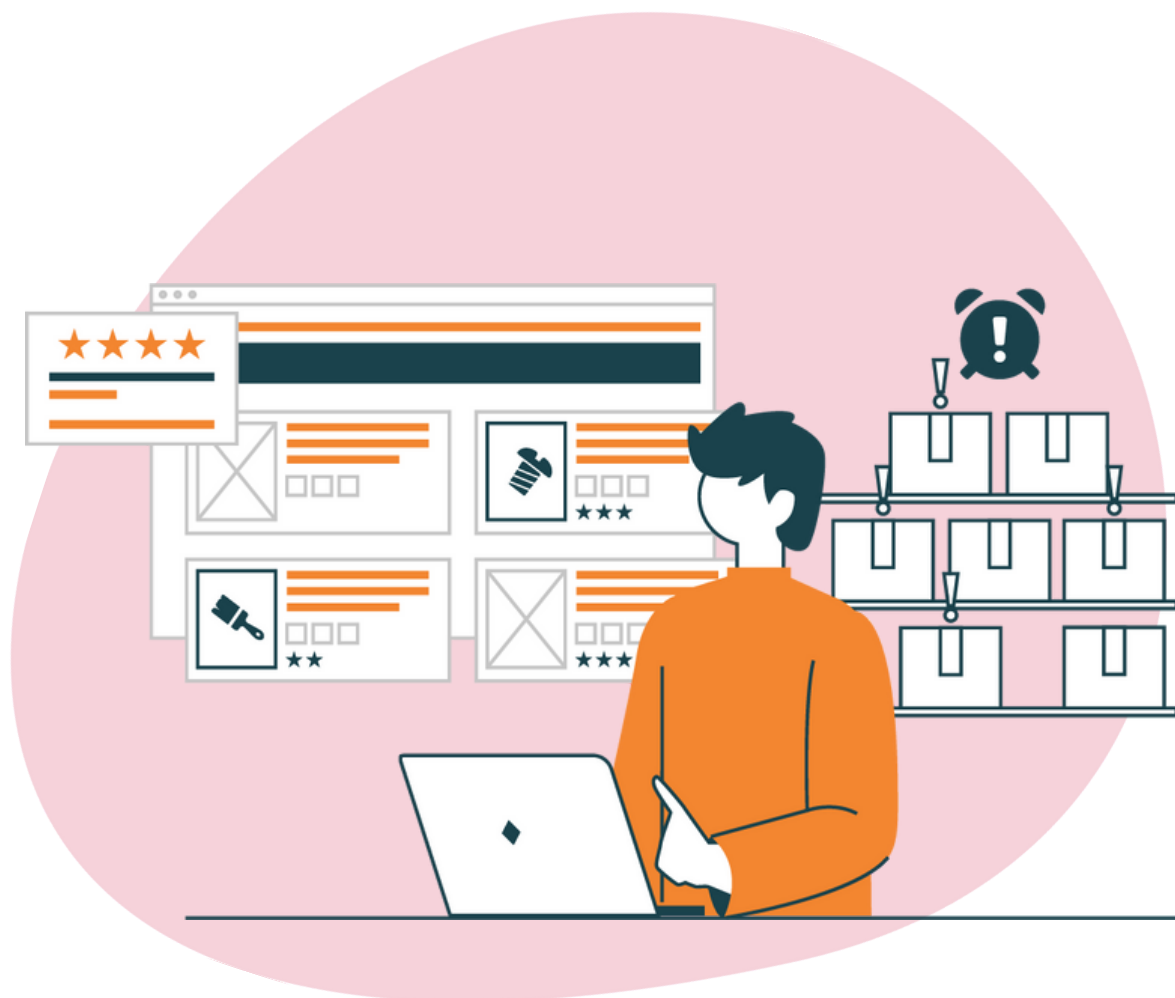
With 10 different store locations and nearly 4,000 inventory items, Oldach needed a better way to control their inventory. Simply using their ERP, Microsoft Dynamics GP, was causing stockouts on some items and overstocking on others.

For starters, demand for the same products was different in each store. So what could be classed as a fast-moving item in one location could be obsolete in another.

At the same time, Oldach had no insight into demand changes. So, when demand surged, this often led to stockouts.

Oldach also needed help to identify excess or obsolete stock. Excess stock would pile up in the warehouse, tying up capital and costing thousands of dollars a year in taxes (with the warehouse located in Puerto Rico, inventory value is taxed).

Without inventory automation, Oldach's stock management team were manually reviewing demand for each item and calculating reorder quantities and reorder points. Replenishing in this way was time-consuming and prone to errors.

The solution

Pedro Brito, Materials Manager at Oldach, reached out to EazyStock to learn more about the software before connecting EazyStock to their ERP in 2019.

As a cloud solution, implementing EazyStock was swift, and Oldach could quickly start to include inventory optimization in their day-to-day inventory management processes.

EazyStock continually analyses demand to detect and report any changes, such as spikes or dips. The software also automatically generates order recommendations based on demand, supplier lead times, order quantities, and other data.

In 2020, Oldach faced sustained heightened sales due to the COVID-19 pandemic. EazyStock's automatic demand analysis and recommended orders meant they could eradicate stockouts due to poor replenishment.

The results

Oldach now have a good understanding of the inventory they have in stock. EazyStock identified that 10-15% of their inventory was obsolete, and 40% was non-moving in certain locations.

Armed with this information, Oldach have a plan to get rid of obsolete stock and redistribute non-moving items to where they are needed, thus freeing up capital and reducing holding costs. By redistributing stock, Oldach also save on future inventory investment.

"We plan to eliminate our obsolete stock and redistribute items to where they're needed. We intend to reduce our inventory value by 10-20%. Not only can EazyStock help us achieve this goal, but it will also help us sustain lower inventory investment in the future without sacrificing customer fulfillment."
Pedro Brito, Materials Manager at Oldach

With EazyStock, Oldach is seeing fewer stockouts, less capital wasted on excess and obsolete stock, and reduced manual analysis. Additionally, the overview of their inventory health is guiding them on their future inventory management strategy.

"The min/max order levels for each stock item are automatically adjusted for each location with EazyStock. We get insight into which items are needed and where. Since we've been following EazyStock's recommended orders, we're not getting any complaints from our (very vocal) stores. Now, our replenishment is accurate for each location."

Pedro Brito
Materials Manager

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Find out more

To find out how EazyStock can help your business, get in touch.

Book a demo