



## PANDUIT CORPORATION

GLOBAL MANUFACTURER & DISTRIBUTOR  
OF ELECTRICAL PRODUCTS

### Key benefits

- world class service levels (98%+)
- significant (unparalleled) competitive advantage
- optimised inventories
- removal of operating costs across the supply chain
- eliminated unnecessary labour costs
- supply chain integration
- process automation
- improved profitability

### Operating environment

- manufactures and distributes electrical and network connectivity products
- global distribution network
- industry leader in EDI, VMI and successful supply chain integration
- fully automated global planning process

“Customers demand world class service. Every advantage needs to be extracted from the investment in inventory...”



“...what we are sure of is that we can remove time, errors and inventory from the supply chain, improving profits and reducing end-user cost while providing world class service. And combining re-engineering and service improvements via automation dramatically slashes costs while boosting sales and customer loyalty.”

Tom Kozak, former Director – Panduit Corporation

Panduit is a global manufacturer and distributor of electrical and network connectivity products ([www.panduit.com](http://www.panduit.com)). In the early 1990s, Panduit revolutionised the \$67 billion electrical distribution industry (comprised of 15,000 suppliers) with its EDI (electronic data interchange) initiatives. Panduit pioneered the EDI format standardisation movement, and its success was such that EDIPro was adopted by NAED (National Association of Electrical Distributors – see [www.naed.org](http://www.naed.org)) as the standard data format for transactions industry wide. In addition, Panduit lead the industry in supply chain integration initiatives by implementing an optimised Vendor Managed Inventory (VMI) program. Panduit recognised and capitalised on the opportunities inherent in supply chain integration, process automation and inventory optimisation.



Tom Kozak, former Director – Panduit Corporation, says:

***“If asked, business people would say that return on investment was one of their most important objectives. Yet, in practice, each item’s inventory investment was determined not on potential for return but on arbitrary, static ‘rules of thumb’. Unfortunately, investments in inventory were not performing optimally.***

***“But times have changed. Today, technology limitations can be treated as non-existent. However, one constraint remains. Being profitable requires that there be some limit on investment in inventory. And there is another constraint. ‘Good enough’ just isn’t good enough today when customers demand world class service. Every advantage needs to be extracted from the investment in inventory.”***

Panduit centrally manages the inventories of its global distribution network with an automated planning and optimisation process. This process is enabled by the GAINS Optimisation Planning System, and it has proven to be a key competitive advantage given its ability to deliver sustainable results.

Mr Kozak says on the topic of planning systems:

***“Examining a given set of VMI alliances will show that the systems, though using the same communications, are producing different results.”***

The success of Panduit’s VMI program has been written up in publications such as the *Wall Street Journal*, *IDSystems* and *TED*. It continues to provide Panduit with an unmatched and sustainable competitive advantage.

Importantly, Panduit’s VMI program is not one of those “Brave New World” supply chain concepts that is often talked about but rarely seen. In fact, Panduit has been doing this consistently and successfully for over 15 years.

#### **Features of Panduit’s EDIPro VMI Program**

- automated demand and supply planning
- optimisation of costs, constraints and service levels
- automated ordering
- automated shipping
- automated billing
- automated receiving
- automated receipt acknowledgement
- direct branch/store replenishment

REAL PEOPLE • REAL WORLD • REAL RESULTS