

“ We saved \$14M in six months. We’re used to being promised these kinds of numbers – we’re just not used to having them delivered. ”

— Wing Commander, Royal Australian Air Force (RAAF)

## GRA wins battle for Defence Force business

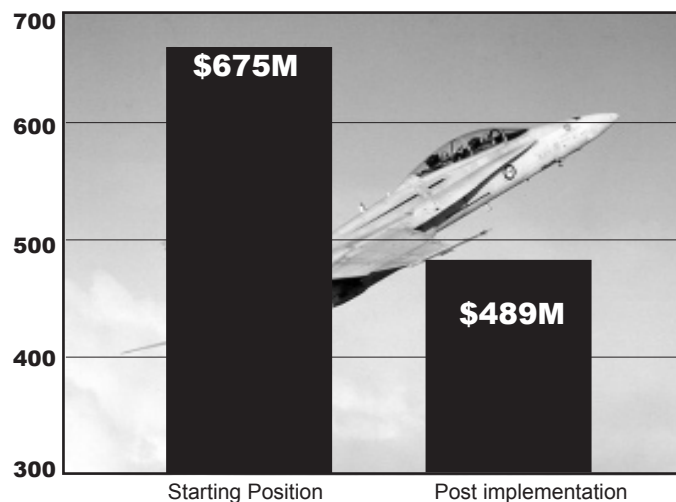
GRA has won the Australian Defence Force inventory optimisation contract on the strength of delivering a documented \$186,000,000 inventory reduction with a sustainable service level increase of 15+ percentage points within the RAAF.

GRA, a specialist demand, inventory and supply chain optimisation consulting firm, won a multi-year contract to provide inventory management services and implement GAINS, a best-of-breed inventory optimisation system, across the whole of the Defence Force.

The actual results achieved by the RAAF, a GRA and GAINS client since 1995, triggered the Defence Force-wide implementation. In fact the RAAF was so impressed with our service that a **Certificate of Appreciation** was awarded in recognition of “GRA’s outstanding contribution to the optimisation of the ADF’s aviation inventory”.

Some of the key results delivered to the RAAF include:

- \$186M reduction in inventory (down from \$675M to \$489M)
- 42% reduction of the number of items held in RAAF warehouses
- 15+ percentage point increase in service levels
- 67% reduction in understocked items, 47% increase in balanced items and 37% reduction in overstocked items
- 70% reduction in the starting inventory management workload
- importantly – successful culture change



**\$186M Inventory Reduction**  
RAAF Inventory Investment (\$M)

“ GAINS will now be managing the single largest inventory environment in Australia. ”

After a successful trial within the Royal Australian Navy, the Defence Force sponsored the tri-service implementation in order to realise the immense defence-wide benefits offered by GAINS.

“  
The RAAF is now providing better service with far less inventory, cost and effort – that’s optimisation.”

— Carter McNabb, Partner GRA

Under the defence-wide implementation, GAINS will be managing the single largest inventory environment in Australia, which includes:

- \$3 billion worth of inventory comprised of 1,500,000+ items (consumables and rotables) sourced from thousands of suppliers
- \$500,000,000+ inventory spend per year
- a nationwide distribution network of 75 stocking locations
- consumables, spare parts and repairables
- a broad range of inventory types including aeronautical (jets, propeller planes & helicopters), automotive (trucks, tanks, off road and attack vehicles), marine (ships and submarines), electronics, safety equipment, communications, office, clothing and medical supplies

“  
Your professional analysis and training programs have significantly contributed to improving inventory management competencies and work practices.”

— AVM Ray Conroy, Head Aerospace Systems Division – quote from the Certificate of Appreciation issued to GRA

GAINS will be managing inventory types ranging from commercially available automotive spares for the Army truck fleet to highly specialised parts for fighter aircraft engines and the ANZAC frigate’s radar system.

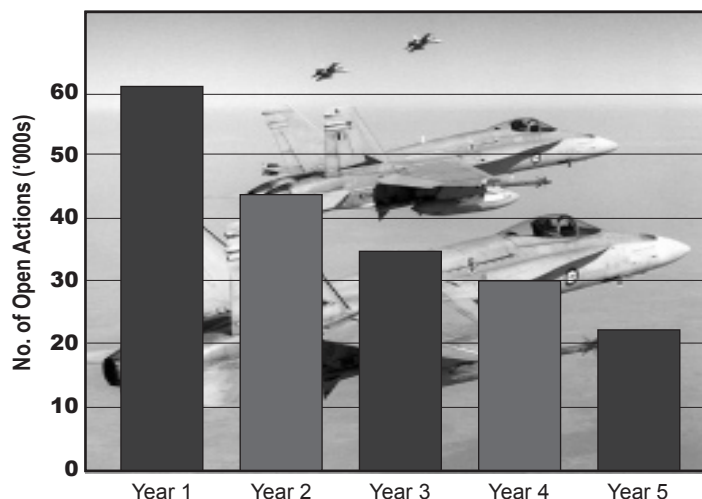
Defence pharmaceuticals inventory is also being managed by GAINS, as another GRA client – Mayne Health – is providing this service to the Defence Force.

The Defence Force-wide implementation, which is under way, is projected to deliver substantial cost savings and performance improvements. Based on the actual RAAF results achieved to date, a **\$300,000,000 inventory reduction** is anticipated within Defence’s \$1.3 billion consumables inventory segment.

GRA’s success and on-going partnership with the Defence Force has been underpinned by its:

- customer service ethic
- ability to consistently and quickly deliver proven results
- unique and successful approach to culture change, which ensures that the results are sustainable – a key point of difference, particularly in Defence
- extensive knowledge and expertise in Supply Chain Management, both at the theoretical and practical levels, encompassing the simplest to the most complex issues

The Defence Force’s decision to implement across the tri-services was based on proven results.



**RAAF Workload – 70% Reduction**