



## Little Hardware

### Company Facts

- Location: Charlotte, North Carolina
- Industry: Hardware
- Founded: 1922
- Solution: Eagle Inventory Planner

### Little Hardware Reduces Stockouts and Streamlines Order Cycles with Epicor Eagle Inventory Planner

Little Hardware Company has been providing the Charlotte, North Carolina area with industrial and hardware supplies for over 90 years. The family-owned business strives to maintain their reputation for excellent customer service, especially in helping customers locate those hard-to-find specialty items.

To continue to provide the right products on the shelves, Little Hardware recently began implementing Eagle Inventory Planner. Inventory Planner is a Compass-based module, designed to help buyers create and manage sophisticated order point and safety stock calculation plans, along with forecasting models that yield more accurate projections.

“We started using Inventory Planner because it was vital to have a more sophisticated tool to craft a strategy for our order points,” states Kyle Little, eCommerce and IT Manager. “Ordering products more intelligently and more strategically has become increasingly important in the past few years because it’s the biggest area of our business where we can have an impact on our short-term cash flow. If we’re ordering the wrong items in the wrong quantity, that’s money out of our pocket. Inventory Planner helps us make better business decisions related to ordering.”

### Reducing Cost with Inventory Planner

Little Hardware orders from vendors at various frequencies: every week, two weeks, even some every six months. The vendors also vary in their minimum requirements to qualify for prepaid freight. Little Hardware needed a better approach, and began optimizing order cycles on a vendor-by-vendor basis. “We determined the order cycle for each vendor by considering prepaid freight minimums, the actual rate of our sales, and other factors that contribute to an optimal order cycle,” notes Kyle.

Inventory Planner also enabled Little Hardware to more accurately calculate lead time supply. “If a certain hammer has been historically back-ordered and takes longer to get in stock than other items from the same vendor, Inventory Planner accounts for that variance,” explains Kyle.

“Since we implemented Inventory Planner, we have had fewer stockouts, shortened our replenishment times, and moved some of our money from slow-moving, low-margin items into more profitable inventory.”

Kyle Little, eCommerce and IT Manager |  
Little Hardware

“With Inventory Planner, we’re ordering the right quantity, at the right time, to fill the shelves. We don’t have as many stockouts because we’re replenishing more quickly and ordering the correct quantities. It’s like clockwork now.”

### Using the Best-Fit Forecasting Model

Little Hardware leverages the Best-Fit Forecasting setting frequently. After a plan has been generated, Little Hardware runs the forecasting tool to view the potential outcome of the plan. If the Best-Fit box is checked, Inventory Planner will evaluate all the forecasting models available and decide which model offers the most consistent data. “There are around 18 forecast models to choose from, and I can create my own too, using either monthly or weekly periods,” adds Kyle. “The model with the lowest standard deviation is used to forecast sales and seems to be more accurate than the possibilities afforded by ROP.”

### Safety Stock Calculated Using Service Levels

Inventory Planner calculates safety stock on top of a sales forecast by utilizing user-specified service levels. “Before Inventory Planner, we guessed at what we thought was an appropriate safety stock amount to order,” says Kyle. “Now we can set service levels based on solid criteria. I set the service as high as 99% for our most popular items on rapid order cycles. As an item’s popularity decreases, and the vendor’s order cycle gets longer, I set the service level to decrease on a linear scale. With Inventory Planner, we have solid data and an algorithm to handle our safety stock calculations. It is much more accurate than our previous guesswork.”

### Smarter Order Point Strategies

Already Little Hardware has seen results with Inventory Planner. “It’s easier to manage order point strategies with this tool than any other. We’re spending less time editing purchase orders. We have had fewer stockouts, shortened our replenishment times, and moved some of our money from slow-moving, low-margin items into more profitable inventory,” states Kyle. “Inventory Planner has allowed us to be more strategic with our ordering, and my feeling is that we’re getting more accurate sales forecasts from it. It has been worth the investment for us.”

### About Epicor

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