

## Case study



### Company profile

BoConcept was established in 1952 and is currently a global retail chain with more than 150 BoConcept stores and 100 studios in more than 50 countries around the world. Their distribution centres are located in Denmark, USA and Asia.

### Challenges

- Too high inventory levels
- Could not adjust forecasts for specific product numbers
- Reduced overview due to the complexity of many countries and many stores
- Ad hoc analyses demanded many resources

### Benefits

- Reduced inventory levels
- Adjusted forecasts for specific product numbers
- Powerful analysis tool gives overview and detailed knowledge on item level
- Focused time consumption for forecasts in the logistics department



AGR Dynamics is a supply chain planning specialist offering solutions that optimise the flow of goods throughout the supply chain for distribution, retail and manufacturing companies. The AGR solution increases profits by eliminating unnecessary costs from the supply chain. It uses raw data from any ERP system and automatically selects the best-fitting forecasting method to estimate future demand.

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# Improved Customer Service Levels, Overview and Key Details

"AGR works on item number level, so now we can get automatic forecasts for each individual product. At the same time, the quality of the forecast is good and the system has significantly helped reduce inventory levels while increasing our service levels."

Dennis Bilgrav, Logistics Manager, **BoConcept**

Passion and perseverance are core values for the team behind the BoConcept brand. Their mission is to make modern designer furniture and accessories accessible to their customers. These customers are fascinated by the urban lifestyle, love design, energy, and smart features in all aspects of their lives - including furniture and fittings.



BoConcept sells individually tailored designs; modern, functional furniture that can be adapted to meet consumers' needs, tastes, and lifestyles. This is reflected in the variety of choice in modules, legs, colors and surfaces,

which allows the customer to create their very own, perfectly adapted piece of furniture. The BoConcept collection is continuously renewed, to meet customers' desires for a complete product range of trend-setting lifestyle furniture with high design values at affordable prices.

### Background and needs

Optimization through effective Supply Chain Management is an important parameter in achieving BoConcept's goal of profitable, controlled growth. For several years, BoConcept has worked with forecasting to manage purchasing and inventory levels at the central distribution centres, but there were unresolved challenges:

Dennis Bilgrav, Logistics Manager, says: "One of the challenges was to be able to adjust the basis and forecast down to individual product numbers. At BoConcept we adjusted forecasts at product group level and based them on turnover figures, not on item figures. We then applied division keys to split forecasts down to individual products. Unfortunately, the level of detail in the forecasts was not sufficiently accurate and each time we wanted to analyze why we had too much in stock, or a product was out of stock, we had to use a lot of manual effort and retrievals from our ERP system, Movex.

AGR works at the item number level, so now we can get automatic forecasts for each individual product. At the same time, the quality of the forecast is good and the system has significantly helped reduce inventory levels while increasing our service levels. We have also derived great benefit from the solution's reporting module - Manage by Exceptions - which provides us with all the analysis capabilities that previously required heavy manual ad hoc calculations. Our overview has vastly increased, while at the same time providing great detail about sales, forecasts, purchasing and inventory, so that we can react proactively and quickly.