NETSUITE

Valogix/NetSuite at Global Link

Global Link Fuels Growth with Valogix Inventory Planning and NetSuite

Company Name:
Global Link Distribution

Industry:
Global Link Distribution is a leading distributor of kitchen, bathroom, door and other equipment to RV manufacturers, as well as the cargo trailer, manufactured housing, fencing and related industries.

URL:
www.gld1.com

Headquarters:
Elkhart, IN

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—David Pairitz
Owner, Global Link Distribution

Challenge:
As its business grew, Global Link needed advanced inventory forecasting capabilities to meet fluctuating customer demand while cost-effectively managing off-peak periods.

Solution:
Global Link selected Valogix Inventory Planning to extend its core NetSuite cloud ERP platform with robust and sophisticated inventory forecasting and optimization.

Results:
Utilizing four years of data, Global Link has dramatically improved its inventory precision and ability to manage manufacturing disruptions of the Chinese New Year, winning new business and helping ensure customer satisfaction.

B2B distributor of parts and equipment to RV manufacturers dramatically improves inventory management precision in a volatile industry

Global Link Distribution, a B2B merchant of fasteners, hardware, and locking products to manufacturers in the recreational vehicle (RV), cargo trailer, manufactured housing, and fence, deck and rail industry, competes in a highly cyclical and seasonal market that puts a premium on parts availability when and where needed.

Changes in macro-economic conditions and consumer sentiment can drive a spike in orders—or trigger a business drought. Heightening the pressure, the Elkhart, Ind.-based company needs to manage production from dozens of contract manufacturers in China and navigate around the Chinese New Year holiday, when plants shut down for several weeks usually spanning from late January into February.

"We're feeding products into a fairly volatile industry that can turn down on a dime or crank up very quickly," said David Pairitz, owner of Global Link. "If you buy too much inventory, you can run your company out of cash. Buy too little inventory and you can run yourself out of customers."

With Growth, a Need for Better Inventory Planning

Founded in 2007 with NetSuite as its business management foundation, Global Link has grown its sales more than 12-fold since its first year while expanding its supplier base to more than 100. Growth has meant more products and more customers—and the need for a robust and sophisticated forecasting and planning solution to better manage demand volatility and lead times that can range from 90 to 150 days.

Global Link found the ideal solution with Valogix Inventory Planning, tightly integrating with its core NetSuite ERP system to deliver advanced inventory planning, forecasting and optimization. Since going live on the Valogix cloud solution in early 2012, Global Link has eliminated the time-consuming, manual and error-prone processes of attempting to plan inventory in Excel while dramatically improving its forecasting precision.

"With Valogix, you don't have to guess—the demand populates and the algorithms get to work. We can make the unknown, known, so we can plan to bring on new customers without jeopardizing flow to existing customers," Pairitz said. "We have much more control and sophisticated forecasting capabilities with the Valogix/NetSuite solution, and that strengthens our ability to meet customer needs and grow market share."

To find out more, contact NetSuite Inc. at 1-877 NETSUITE or visit www.netsuite.com.

New Ability to Make Data-Driven Decisions

With Valogix in place, Global Link sailed through the disruption of the Chinese New Year, which narrowly precedes the peak demand season of February through June in the RV industry. The company recorded double-digit growth while winning a large new RV manufacturing customer frustrated with back-order problems involving its previous supplier.

"If you miss the Chinese New Year, you're behind the 8-ball because manufacturers are backed up with other orders," said Pairitz. "It could take until July before you catch up. If you do have back-orders, you're not just letting a competitor in the door—the competitor will take advantage with lower pricing, leading to customer churn and lost accounts."

Another consequence of back-ordering: A wholesale distributor like Global Link is forced into a decision of resorting to faster but more expensive air freight to speed delivery. With four years of data in Valogix, and the field sales force trained to interact with the system, Global Link has new ability to make data-driven decisions. As Pairitiz pointed out, that can sometimes mean better communicating a start date based on inventory availability and projections, which Global Link's customers appreciate.

Global Link is among many dozens of NetSuite customers to enrich their inventory forecasting and planning capabilities with Valogix Inventory Planning, available at the www.suiteapp.com online as a verified "Built for NetSuite" solution. Pat Ludwig, Valogix COO, said it's gratifying to see companies like Global Link extend their NetSuite environment with greater inventory precision.

"Because of its rapid growth and market complexity, Global Link had a real need to scale up its inventory forecasting capabilities," Ludwig said. "The success they've realized reinforces that reliance on manual Excel processes and guesswork is no way to attempt to manage demand and in markets of any significant volume or complexity."

A Platform for Strong Growth

The joint NetSuite/Valogix solution has given Global Link headroom for growth in its product lineup, now at 5,000 SKUs, and its customer base, which includes large RV makers such as Thor and Forest River. Global Link supplies products to about 300 manufacturing plants in the U.S. and Canada, with many manufacturers running multiple plants, from its main warehouse in Indiana and a second facility in Oregon.

Pairitz selected NetSuite upon Global Link's launch after experiencing difficulties with a competing on-premise ERP system at a previous company. NetSuite's single, integrated solution for end-to-end business processes in wholesale distribution, and the availability of solutions from NetSuite partners like Valogix, has made it a good choice.

"I wanted all our people to be able to access information anywhere, anytime, so SaaS was huge for us," Pairitz said. "NetSuite has allowed us to do so much more and scale our growth very quickly. The system has allowed us to grow into it, and it's grown with us."

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