



INDUSTRY

Automotive

COMPANY

- 18 market segments
- 40 years of operation
- 200+ alliances within the Gulf Region and beyond

HEADQUARTERS

Abu Dhabi

CHALLENGES

- Manual processes
- Manual intervention required
- Needed to replace legacy ERP

SOLUTION

Synchron Inventory™:

- Demand Forecasting
- Replenishment Planning
- Reporting Processes

RESULTS

- Parts turnover increased from 1.89 to 2.50 turns
- Order frequency decreased from weekly to bi-weekly
- Stock order generated lead time decreased from 61 to 46 days

Al Masood Automobiles increases inventory efficiency with Synchron's service parts management solution

For more than forty years, Al Masood Automobiles (AMA) has made its name in the automotive aftermarket as one of the largest integrated industrial, commercial, and service organizations in the Middle East. A leading distributor for major automotive manufacturers in Abu Dhabi and the entire continental United Arab Emirates (UAE), AMA chose Synchron to better equip their growing network of service centers and extensive spare parts dealers with an advanced inventory management solution.

THE AL MASAOOD AUTOMOBILES CHALLENGE:

In their search for an efficiency-driven inventory management solution, AMA's main service parts planning goals were to lower stock costs, reduce cycle times, and increase parts sales, ultimately maximizing profits, improving supplier relationships, and delivering exceptional customer service experiences.

But, with too much manual processing, including manual intervention in the stock order review process of every line item, AMA needed a more



intelligent, more automated system. Their needs ranged from features like a management by exception feature – otherwise known as the production of exception reports for excess stock and simulation scenarios – to the ability to apply specific key performance indicators (KPIs) in system parameters. Overall, the organization’s current inventory management system was lacking:

- Strong functionality in demand forecasting and replenishment planning.
- Supplier expertise in supply chain planning.
- Analysis of the results of scenario simulation using real data.
- Reference sites in the automotive industry sector.
- Multi-site planning capabilities.

For an organization that values best practice methodologies in the automotive sector, and customer satisfaction as the number one ingredient for growth, their antiquated ERP system was in need of a major upgrade. In order to reach their inventory planning and forecasting potential, AMA chose Synchron Inventory™.





THE SYNCRON SOLUTION

Before implementing Synchron Inventory™, AMA was using a traditional ERP system, but it lacked advanced forecasting and proactive planning capabilities to the ever-changing demand of the automotive industry. What they needed was a solution where their entire global operation could be evaluated, planned and managed from a single workstation.

In order to guarantee success through Synchron, the AMA team knew they needed:

- Management buy-in.
- A sophisticated system with easy implementation.
- Analytics and data to substantiate success.
- A dedicated staff accepting of change.

With all of the aforementioned requirements met, AMA was able to implement Synchron's service parts inventory management solution into their demand forecasting, replenishment planning, and reporting processes and begin achieving their ultimate inventory management goals.

“Synchron helped us lower inventory costs, reduce cycle times, increase parts sales, and maximize profits, while also improving supplier relationships and delivering exceptional customer service.”

MOHAMMED SADEQ ABDALLAH
NATIONAL PARTS MANAGER, GCPD,
AL MASAOOD AUTOMOBILES



manpower load also led to reduced storage space requirements by close to 35 percent (in both CPD and branch locations), as well as annual physical inventory efforts by 15 percent. Finally, AMA reported an increase in first pick availability rate from an initial 93 percent to a steady 96 percent.

With all of these improvements, the assumption would be a workload increase for the AMA team, but by partnering with an efficient inventory management solution like Synchron, they managed to achieve all of their initial inventory goals with their original staff headcount.

THE PARTNERSHIP RESULTS

Before implementing the inventory management solution, the amount of manual intervention in the stock order review process was overwhelming.

Now, by partnering with Synchron, AMA has their order review process down to an efficient 20-30% level of manual intervention, that percentage reserved for special orders like new model orders, warranty parts orders, and accessories orders. In addition to their process improvement, AMA also reported:

- Parts Turnover increase from 1.89 to 2.50 turns.
- MOS decrease from 7.13 to 4.84 months.
- Suggested order review time from four days down to two.
- Order frequency increase from once weekly to twice-weekly.
- Stock order cycle decrease from 61 days to 46.

Along with these key results, AMA was able to reduce national inventory by 15 percent, branch inventory by 20 percent, and emergency ordering by 6.5 percent. The subsequent reduction in

“Thanks to the close partnership with Synchron, AMA has been able to significantly reduce inventory and increase parts revenue. The solution is costeffective for supply chain integration, collaboration and planning.”

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As they continue down the road with Synchron Inventory, AMA plans to implement a full system upgrade as an advanced solution with new model parts analysis and forecasting, further stock rationalization, stock liquidation programs, and continued AMA logistics development. With a modern solution like Synchron Inventory, it looks like Al Masaood Automobiles will continue to shine as the reigning automotive experts in the Middle East.

► For more information, visit [Synchron.com](https://www.synchron.com)