

CUSTOMER SUCCESS STORY

Australian Defence Force

Using GAINS to Manage Australia's Largest Inventory Environment.

COMPANY OVERVIEW

The Australian Defence Force is the military organization responsible for the defense of Australia and its national interests, consisting mainly of the Royal Australian Navy, Australian Army, and Royal Australian Air Force. The Australian Defence Force prioritizes preparedness to meet government-directed requirements as well as contribute to the security of Southeast Asia, and the South Pacific.

CHALLENGES

Hit by budget cuts and driven by the need to modernize, the Royal Australian Air Force (RAAF) initiated a project to improve service levels, reduce inventory costs and balance assets across their global distribution network. The Australian Defence Force (ADF) was directed to reduce inventory without impacting equipment availability. However, ADF had already been forced to ground planes due to a lack of available parts. It was clear that the RAAF and ADF needed to take action to increase availability and service while simultaneously reducing overall costs.

INDUSTRY

Public sector, Military, Maintenance Repair and Operations, Service Parts

SOLUTION

GAINS supply chain performance optimization platform

RESULTS

- ◇ **\$186** million reduction in inventory
- ◇ **42%** reduction of warehouse items held
- ◇ **15%** improvement in service levels

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TRANSFORMATION OBJECTIVES

After an exhaustive worldwide selection process, GAINS was named the solution provider for the ADF. GAINS was chosen to aid in the Defence Force’s mission “to defend Australia and its national interests and to advance Australia’s security and prosperity.”

After the overwhelming success the RAAF experienced, the ADF expanded use of the GAINS solution platform across the broader Defence Force. The ADF was confident GAINS proven success with RAAF would reap similar benefits and synchronize service and inventory with key capabilities including:

- ◇ Dynamic forecast model selection and modeling hybridization
- ◇ Dynamic analysis of supply and demand plan variance for every SKUL (SKU/Part by location)
- ◇ Cost-optimized inventory policies
- ◇ Automate and optimize replenishment planning

- ◇ Improve service levels allowing for the mobilization of grounded planes
- ◇ Comply with government mandate to reduce inventory costs
- ◇ Balance assets across the global distribution network



AUSTRALIAN
DEFENCE FORCE

- ◇ The largest military force in Oceania
- ◇ Includes 53,000 full-time active-duty service people and 20,000 reserve forces
- ◇ Provides service parts for Australia’s Navy, Army and Air Force

RESULTS & BENEFITS

- ◇ **70%** reduction in inventory management workload
- ◇ **67%** reduction in under stocked items
- ◇ **47%** increase in balanced items

“It was clear that the GAINSystems solution was light years ahead of the competition. We saved \$14 million in six months. GAINS, beyond a doubt, delivered.”
—Wing Commander,
Royal Australian
Air Force