

How ACR Achieved 98% Fill Rates And Reduced Inventory While Growing Sales



Website: weareACR.com

Industry: Commercial Products Plastic Containers and Packaging

Vertical: Manufacturing

Headquarters: Exton, PA, United States



Challenge:

Mergers and Acquisitions create costly complexity in the Supply Network

ACR (previously AmerCareRoyal) is a purpose-driven organization providing a reliable one-stop shopping experience; delivering sourcing, manufacturing, and supply chain expertise. Through strategic acquisitions beginning in 2016 resulting in one unified brand, ACR has formed a seamless resource for a comprehensively broad line of Foodservice Essentials and Packaging Solutions used in the food service, janitorial, sanitation, industrial, hospitality, and healthcare industries.

ACR found themselves with sub-target fill rates, stockouts, delayed deliveries, and additional costs from transfers between DCs and expedited orders. Each acquired business unit came with its own systems and approaches to purchasing and restocking products, adding complexity, increasing operational expense, and dips in customer satisfaction.

"We were splitting orders, not a great customer experience...as Brett Barnello, COO of ACR explains, really an inefficient use of our inventory and working capital."

Solution

Build on quick wins while breaking down silos, streamlining workflows and optimizing DC locations.

At first, the ACR-GAINS partnership focused on improving everyday tasks like forecasting, ordering, and replenishment. This solved urgent issues, such as low fill rates and extra freight costs. With mounting efficiency and savings from quick wins like reducing transfers, ACR could then focus on consolidating and optimizing its DCs without losing track of daily operations.

"We started with the planning tool, then moved right into network design. That helped us see the bigger picture and actually deliver the results we promised our leadership team." – Brett Barnello, COO of ACR

From network planning to network design

With GAINS integrated planning and design, ACR used "what-if" scenarios to predict the best order flows, incoming shipments, and replenishment schedules for each SKU by Location (SKUL). ACR saw progress immediately. By comparing real-time data against their new network model, ACR could see exactly when and where to place facilities or reassign products to different DCs.

GAINS step-by-step approach gave ACR confidence that they had a practical plan that worked in the short term and set them up for long-term success. As a result of their network design with GAINS, ACR developed a strategic plan to consolidate DCs, improve fill rates, and bring down costs simultaneously. ACR also reduced order splits, DC-to-DC transfers, and were able to deliver the experience their customers had come to expect.

An incremental approach

GAINS helped to map out each phase of implementation, recommending moving inventory from old sites to new ones. GAINS deep analysis gave ACR's leadership the confidence to make decisions that went well beyond just inventory policies. Their incremental approach prevented disruptions to day-to-day operations. Using simulation to show the effects of changes day-by-day, GAINS analyzed ACR's locations, SKUs, and workflows and could see the cost and service impact of closing or repurposing a facility, adding a shift, or shifting SKUs to another DC.

"We realized we had to break things into phases. That let us keep our service levels high while we moved toward the new network design." – Brett Barnello, COO of ACR

Why GAINS

ACR chose GAINS because of both the depth of functionality and the hands-on support needed to unite data and teams across ACR's many divisions. GAINS brought a specialized skill set that combined software and services. GAINS was committed to helping ACR address both day-to-day planning and broader strategic questions in one progressive program that spanned baseline analysis, network planning, network design, and implementation.

Working with GAINS

ACR chose GAINS for their depth of functionality and hands-on partnership, from planning through to network design and implementation.

ACR wanted more than just software. They needed a supply chain partner with practical expertise and a focus on building long-term relationships. Because of the complexity of their supply chain, ACR needed a supply chain solution that could handle advanced forecasting, inventory optimization, strategic planning and network design. ACR made a promise to its customers to be "Agile, Collaborative and Reliable" and a dedicated partner in success, they sought a supply chain solutions partner with a proven record of the same.

"In considering gains, the software and capability had to be there, but a close relationship between our two organizations was just as vital." – Brett Barnello, COO of ACR

Results

ACR boosts fill rates to 98% and cuts inventory by 25% using GAINS' planning and network design

By redesigning its supply chain with GAINS, ACR elevated its service levels while reducing costs.

- **Fill rates soar to 98%:** Fill rates increased from the mid-70% range to 98%. Higher fill rates improved the customer experience as customers received the right products with shorter delivery times.
- **Default location fulfillment over 95%:** Default location case fulfillment consistently exceeded 95%, which meant far fewer split orders across multiple DCs. Stocking the right products in the right places resulted in faster shipping and lower handling and transportation costs.
- **Reduced outbound freight and warehouse expenses by 27%:** Matching inventory to demand and smarter route planning significantly reduced extra shipments. ACR saw immediate savings in fuel, labor, and third-party logistics fees, driven by fewer split orders and more strategic DC placement.
- **25% inventory reduction despite sales growth:** Overall inventory levels went down by 25% while sales continued to climb. Meeting demand with leaner inventory levels improved both service quality and profitability.

