



## Application Case History

### INDUSTRY

HVAC

### OBJECTIVE

The path United CoolAir faced was clear. It needed to find an alternative to its distribution problems in order to meet their commitment to customers of prompt and responsive service. In addition, they wanted to:

- Eliminate expedited shipping costs, productivity loss and manufacturing back ups due to inventory
- Streamline the purchasing process to minimize time spent on the phone entering, tracking or following up on orders
- Standardize components on as few vendors as possible to simplify new orders from a single bill of material
- Minimize or eliminate the need for compliance testing whenever possible
- To select a vendor they could trust

### BENEFITS

The final solution is a testament to the dedication of Hagemeyer and Schneider Electric to meeting the needs of their mutual customer. As a result, United CoolAir has been able to meet their commitment to customers for prompt and responsive service. In addition, they have been able to:

- Minimize expedited shipping costs, productivity loss and manufacturing back ups due to inventory
- Ensure inventory is available when and where it is needed
- Eliminate the need for purchasing to spend hours tracking product or monitoring inventory levels of product
- Consolidate on a single supplier for all major components to minimize cost and service confusion
- Eliminate the need to maintain inventories of control and automation products
- Document actual customer savings achieved due to improved efficiencies

## HVAC Distributor Enables Customer to Reduce Delivery Times, Decrease Costs and Increase Business

### Introduction

United CoolAir Corporation is an OEM that designs and fabricates highly flexible and portable commercial air conditioning systems. The company first began production of commercial units in 1988 and developed a process in which all systems are made-to-order. Part of their success has been the ability to manufacture air conditioning systems in only a matter of weeks, even for custom units. To accomplish this, the company relies heavily on its distribution partner to provide components when and where they are needed consistently.

### The Problem

In 2005, the United CoolAir began experiencing repeated inventory problems with its existing supplier, despite an arrangement to have material on consignment at their facility. This situation caused delays in production and prevented the company from confidently forecasting future growth for fear of additional delays.

### Solution

Conscious of the pitfalls of failure, United CoolAir turned to an existing partner, Hagemeyer North America, for answers. Already supplying other low volume products, Hagemeyer jumped at the chance to prove its ability to match United CoolAir's customer first philosophy by expanding its own service to a valued customer.

To do this, Hagemeyer worked with their local Schneider Electric representative to cross reference each competitive product to find a replacement offering. They then provided United CoolAir with a sample for evaluation and special incentive based pricing that included upfront access to conversion funds to update drawings, bills of material and other related tools.

In addition, Hagemeyer sales and customer service management teams developed and demonstrated a strategy for ensuring the availability of inventory. The first step was to utilize Hagemeyer's Vendor Managed Inventory process which allows customers to view, plan and forecast inventory availability for high volume products accurately.

The benefits of this inventory system are further supported by weekly visits by Hagemeyer sales representatives who take an inventory of low volume products, recording usage and automatically replenish quantities to meet agreed upon levels. All of this is then communicated directly to United CoolAir's own purchasing team without requiring their direct involvement.