

Thomas & Betts CRP Program increases service levels and inventory turns while reducing transaction costs.

In 2009, Thomas & Betts began a Continuous Replenishment Program (CRP) with Dubo Électrique Ltée.

Today, all Dubo Électrique orders for Thomas & Betts products are generated by the CRP program.

For Dubo Électrique, CRP has resulted in increased service levels and reduced management costs.

A collaborative process

In January of 2009, Thomas & Betts and Dubo Électrique started the groundwork to prepare for the implementation of CRP. A working group, made up of key Dubo Électrique purchasing, distribution and IT staff as well as Thomas & Betts' CRP analyst and Business Process Improvement Director, met regularly throughout the 12-15 month process to ensure the success of the project.

Shared business objectives

The following key performance drivers were established as criteria to gauge the success of the Dubo/T&B CRP program:

- **Service levels (client intimacy)**
 - Item availability at Dubo Électrique locations
 - Item availability at Thomas & Betts locations
- **Response times (agility and flexibility)**
 - Delivery times
 - Incoming order processing
- **Inventory turns (operational excellence)**
- **Management complexity**
- **Operating costs**

Both Thomas & Betts and Dubo Électrique are in the business of ensuring the satisfaction of end-user clients. As such, the two companies share a common business objective: ensuring that the right product is at the right place, at the right price and at the right time to meet client needs.

The first step in the process was to synchronize both companies' IT systems. EDI (Electronic Data Interchange) links were then established for all transactions sets - sales, vendor returns, purchase order generation, purchase order acknowledgement and related transactions.

Powered by the Datalliance® inventory management service, the Dubo/T&B Continuous Replenishment Program went online with a selection of items in April 2009. A year later, in April 2010, the process was complete for all items.

Dubo Électrique Ltée is a leading distributor of high-end electrical and automation products. The company serves industrial, commercial, institutional, OEM, public service and energy producer markets with a wide range of products and services. Recognized for its outstanding service, the company offers clients specialized consulting support in the areas of ergonomics and energy efficiency as well as lighting concept, HVAC, industrial controls, automation and renewable energies.

With five locations and close to 200 employees in Quebec, **Dubo Électrique** invests in the local economy and makes client satisfaction a top priority. Instant product availability, rapid response and delivery times are key service drivers.



Thomas & Betts is a global leader in the design, manufacture and marketing of essential components used to manage power in industrial, construction and utility applications. With a portfolio of over 200,000 products marketed under more than 45 premium brand names, **Thomas & Betts** products are found wherever electricity is used.

With nine manufacturing facilities located across Canada, 80% of the **Thomas & Betts** products sold in Canada are made in Canada.



About CRP

In a Continuous Replenishment Program (CRP), the supplier is responsible for maintaining ideal inventory levels for its products at client locations.

Once Key Performance Indicators (KPIs) have been agreed upon, the process is as follows:

- The supplier monitors sales and inventory levels for products
- The supplier manages reordering calculations based on actual demand and lead time
- The CRP system recommends replenishment orders which are reviewed by the supplier's planner before order generation
- The supplier and client planner communicate regarding exceptional demand
- Review meetings are held on a regular basis

CRP in action

Today, all Dubo Électrique sales transactions are sent to Datalliance® on a daily basis. The Thomas & Betts and Dubo Électrique planners treat and manage the transactions, agreeing on demand levels and streamlining the flow of operations. Together they proactively plan to treat rush orders, anticipate shortages and balance the inventories in the Dubo Électrique network.

Regular meetings are held to gauge the CRP program's performance in terms of the key performance indicators established at the outset of the process.

CRP delivers on KPIs

Since the introduction of the Continuous Replenishment Program, Dubo Électrique has observed the following measurable benefits:

- **High service levels (client intimacy)**
 - Gains of 3 to 6 points
- **Improved response times (agility and flexibility)**
 - Gains of one day
 - Increased ability to respond to rush orders
- **Increased inventory turns (operational excellence)**
 - Decrease in inventory levels
- **Reduced management complexity**
 - Automatic vendor returns
 - ASN implementation
 - Automatic P.O. generation
 - Automatic P.O. tracking
 - Increased awareness of promotion planning process
- **Reduced operating costs**

The Thomas & Betts/Dubo Électrique Ltée Continuous Replenishment Program has been well worth the investment in time and resources made by both companies.

The automation of all processes related to the acquisition of Thomas & Betts products, has enabled Dubo Électrique to increase service levels and response times while simplifying the execution of routine transactions and reducing inventory levels.

The end result is increased client satisfaction. More than ever, Dubo Électrique is able to meet client needs with the right product, at the right place, at the right price and at the right time.

If you would like to learn more about how implementing a CRP program with Thomas & Betts could benefit your company, call Richard Gingras at 450.357.3553.

**“Since implementing CRP with T&B,
we’ve experienced an increase
in our service levels and inventory turns.”**

“Since implementing CRP with T&B, we have experienced an increase in our service levels and inventory turns.

What’s more, the automation of routine tasks and transactions means we spend considerably less time managing and trouble-shooting the purchasing process. In addition to reducing costs, this enables us to better serve our clients and their respective markets.”



Sylvie A. Boileau, President and CEO
Dubo Électrique Ltée



“The implementation of the CRP program has increased our efficiency and reduced our management costs. Implemented through our EDI systems, CRP has reduced the costs of managing price changes, contracts and purchase order creation, allowing us to concentrate on value-added tasks. Inbound logistics expenses have dropped along with dead inventory costs. CRP allows us to serve our clients and market better.”



Stéphane Garceau, IT Director
Dubo Électrique Ltée



“During the last three years, we have met monthly, reviewing performances, identifying objectives, and removing barriers wherever possible. Our overall objective was to make T&B as easy to do business with as possible. In large part due to the cooperation, confidence and team spirit developed with our partner, Dubo Électrique Ltée, this objective has been met and we will continually strive to achieve the same level of commitment in the future.”



**Richard Gingras, Director,
Business Process Improvement**
Thomas & Betts Ltd