GRAINGER Case Study

📦 1,200,000 products   📍 50,000 locations   🏭 3,500 suppliers

THIS ISN'T INVENTORY MANAGEMENT.

THIS IS EFFORTLESS.

clear spider

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Grainger at a Glance

"Sales for the year were $9.4 billion, an increase of 5 percent versus 2012. Reported earnings per share were $11.13, up 17 percent; on an adjusted basis, earnings per share were $11.52, up 10 percent."

James T. Ryan
President and C.E.O
W.W. Grainger

GRAINGER®

Employees: 22,400

Annual Revenue: $9 billion +

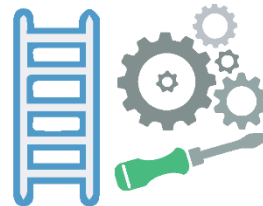Publicly Traded: NYSE: GWW

FORTUNE 500

Fortune 500 Company

Headquarters: Lake Forest, Illinois

Established in 1927

2 million customers in 157 countries

Leading supplier of maintenance, repair, and operating products:

Electrical, Fasteners, Fleet & Vehicle Maintenance, HVACR, Hardware, Janitorial & Painting, Lighting, Motors, Office Furniture & Supplies, Plubming, Pneumatics & Hydraulics, Power Tools & Metalworking, Pumps, Raw Materials, Safety, and Test Instruments

Before Clear Spider

Customer Service

Grainger experienced significant challenges to uphold their commitment to customer service.

Their sales representatives have always maintained close relationships with customers and ensured their needs were adequately met.

They were looking for a cost-effective solution that would alleviate the workload being handled by their sales representatives while building stronger customer relationships.

Operating Costs

Grainger's bottom line was being negatively impacted by the costs associated with growth.

The organization required improvements to its operations aimed at reducing operating costs while improving performance.

Grainger looked for ways to cut costs across the board, and excess inventory costs in particular.

Reducing inventory would mean huge savings for the distributor and wholesaler business.

Sales & Revenue

Grainger is already an established industry leader.

However, they wanted a solution to further growth in their organization.

With an already over-extended sales force, Grainger was looking for strategic solutions and technological innovations geared at increasing productivity and generating greater sales.

What Grainger Needed

Grainger needed a collaborative inventory management system with a solid back-end, and a flexible front-end. They needed a system that can handle millions of items combined with thousands of transactions on a daily basis and a system that can be adapted for use on desktops, mobile devices, and scanning devices.

They needed Clear Spider.

Why Clear Spider?

Buy vs Build

Grainger initially considered developing an internal inventory management application.

However, while they explored solutions to address their challenges, it became evident there would be significant costs and issues associated with the in-house approach.

The time it would take to architect and develop an internal solution was a significant drawback.

Grainger could not afford to let their customers go unmanaged for long.

It would also have been inefficient for Grainger to allocate internal IT resources and capital to develop a complete solution.

Technology Leader

Under competitive market conditions and a constantly evolving marketplace, Grainger needed a solution that was quick-to-market.

Their search led them to Clear Spider, the industry leader in Vendor Managed Inventory (VMI), Customer Managed Inventory (CMI), and advanced inventory management solutions.

Clear Spider Magic

Clear Spider's web-based inventory management application provides thousands of organizations with an out-of-box solution that takes little time to excel.

Built on the principal of providing organizations with the resources necessary to inject efficiency into their inventory management practices, Clear Spider was ready to work the same magic on Grainger.

"All businesses must maintain productive, safe and efficient operations. Time is money for these professionals. Our commitment is to help them get their jobs done every time."

James T. Ryan
President and C.E.O
W.W. Grainger

System Implementation

Quick to Deploy

Easy to Use

Cost-Effective to Maintain

Clear Spider's team of industry experts and software developers helped Grainger implement its KeepStock VMI system and InventoryScan CMI system for both internal and customer use.

InventoryScan CMI

- Streamlined customer self-order process
- automated replenishment notifies customer when they need to re-order

KeepStock VMI

- streamlined order generation by vendor (Grainger)
- automated replenishment notifies vendor (Grainger) of customer's need to re-order

- optimized for desktops, mobile devices and scanner devices
- supports barcoding technology
- inventory and products arrive at customer locations on per need basis
- multi-language support for global operations, including Chinese, English, French, German, Spanish, etc.

"Our partnership with Clear Spider helped us with planning, testing, and deployment. They surpassed our expectations and delivered a solution unique to Grainger and our customers."

George C Rimnac Jr.
Vice President and Chief Technology Officer
W.W. Grainger

Mobile Solutions

Easy Re-orders

1. Scan the item that needs reordering

2. Mobile device or scanner device uploads the items into the Grainger's Clear Spider inventory system

3. Review and submit the items and quantities on the order

4. Pass information into Grainger's back-end systems

Notifications

- Customer is notified when inventory needs to be replenished

- Vendor (Grainger) is notified when inventory needs to be replenished

- Customer can review and acknowledge auto-replenishment orders

Real-Time Data

- Inventory data is available to both the customer and the vendor (Grainger)

- Customers know how much they have on hand, on order, and can allocate stock for future use

- Vendor (Grainger) knows how much they have on hand, on order from suppliers, and allocated to customers

Compatible with:

- mobile devices such as phones and tablets

- scanner devices

Results

**Closer Vendor &
Customer Relationship**

**Decreased
Inventory Costs**

**Increased
Sales and Revenue**

Grainger's KeepStock and InventoryScan programs are now a core feature in Grainger sales process.

The quality of service Grainger provides sets them apart from other industrial distributors who have not yet focused their attention beyond the sale of products over to replenishing the customer's inventory as a value-added service.

Through the KeepStock and InventoryScan programs, Grainger strengthened customer relations and improved customer service to their clients; lowered their operating costs; and increased sales and revenue for the organization.

"Sales to customers with a KeepStock installation grow at twice the rate of non-KeepStock customers."

James T. Ryan
President and C.E.O
W.W. Grainger

Looking Forward

A partnership with Clear Spider was a remarkable "Win-Win" for Grainger and customers alike.

Among the many benefits derived by Grainger through the use of Clear Spider's tailored inventory management solution are:

- Increased sales
- Improved delivery performance
- Decreased stock-outs (10-25%)
- Higher service-levels
- Closer vendor/ customer relationships
- Increased information transparency
- Decreased inventory write-offs/ write-downs
- Shorter lead-times (up to 50% reduction)
- Less effort for our customers
- Increased visibility into potential supply-demand mismatches
- Decreased inventory carrying costs

Within the next 5 years, it is expected that over 250,000 companies will be using Grainger's KeepStock and InventoryScan programs.

> *"Our investments have resulted in our largest market share gains and biggest increases in shareholder value in the past five years. We are committed and disciplined to find ways to invest in this business and continue this trend.*
>
> *Together with our team members, suppliers and other businesses partners, Grainger will continue to advance its leadership position in the MRO market by serving the professional customer better than anyone else."*

James T. Ryan
President and C.E.O
W.W. Grainger

Connect with Clear Spider

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At Clear Spider, we look forward to helping your organization experience similar growth in your operations. We invite you to explore our website and also set up a meeting with us. In the discussion, we will:

• give you feedback on your organization's current state of inventory management

• show you the Clear Spider system and how it can help improve your operations

• Answer your questions answered and provide you with pricing information

At Clear Spider, we are keen on working together with our clients to ensure increased sales growth at an affordable cost. As well, we would be happy to share with you some invaluable tips that can cut your organization's operating costs and make it more competitive than ever.

clear spider

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