



# CASE STUDY 2022

## OVERVIEW

Addison, Illinois-based Parts Town LLC is one of the fastest-growing distributors of genuine OEM repair and maintenance equipment parts for the restaurant and food service industries. Founded in 1987 with a small team of five, Parts Town now has 1,000+ team members supporting national and international customers and \$719M+ in annual revenue. The company was formed around a central goal – to reinvent the restaurant equipment parts industry. Parts Town began achieving this goal by forming key partnerships with manufacturers to build an expansive inventory of OEM parts that could be shipped faster and more efficiently. The company also developed the industry's first mobile app, allowing customers to research and purchase parts more easily. Parts Town rapidly gained momentum landing on the Inc. 5000 list 13 years in a row, and Crain's Fast 50 list nine times. With that fast pace has come the struggle to keep up with growth and find inventory optimization solutions to ensure its core mission stays on track, and the company can scale efficiently and confidently.



**ketteQ Reverses Inefficient Parts Planning, Optimizes Inventory Value for Fast-Growing National Foodservice Equipment Distributor**

## CHALLENGE

With a year-over-year growth rate topping 25% over the last decade, Parts Town has experienced rapid scale, opened new locations, and expanded its reach to global customers. But internal processes were slowing sales potential. Manual data extraction and maintenance for planning was time-consuming and limiting, and the company's spreadsheet models were proving unable to support rapid growth.

Parts Town also struggled to produce reliable EOQ calculations and min/max inventory methods that would give consistently accurate results, and there was a lack of trigger point planning to create optimal order recommendations.

Parts Town was seeking new capabilities to harness its growth, capture the additional value and roll out effective inventory strategies across multiple locations with hundreds of thousands of actively stored parts. Parts Town also wanted a partner who would understand the company's need to blend traditional forecasting applications with nontraditional innovation and respond with the right solutions.

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It was important to me when searching for a partner to have a team with seasoned inventory practitioner experience and we found that in spades with the ketteQ team,” said **Doug Buis**, Vice President, Inventory Management and Data Analytics at **Parts**

**Town**. “We did not want just a software engineering team deploying a solution based on math and algorithms, but a partner who would lean in and understand our business and those nontraditional things that were important to us and why they were important. That marriage needed to happen and the ketteQ team was able to deliver that.”

## RESULT

Parts Town needed to find a solution that would marry current inventory algorithms and some of the company’s proprietary, nontraditional applications with more traditional forecasting, said Doug Buis, Vice President, Inventory Management and Data Analytics at Parts Town. By partnering with ketteQ, the company found the desired **blend of solutions and a strategy that could move with the speed of the business and address core needs**, Buis said.

**10%**  
INVENTORY  
REDUCTION

The solution enabled Parts Town to achieve a **10+% inventory reduction** while maintaining high service levels. Before the COVID-19 pandemic, data indicated that Parts Town could achieve an inventory working capital reduction of around 10%, and, having achieved that, the company can now decide how to redeploy that capital, either investing in more breadth or booking it as savings. ketteQ’s solution gives Parts Town more plays in the playbook on how to manage inventory while maintaining customer service levels, Buis said.

Throughout rollout and integration, the ketteQ team was responsive and supportive, moving quickly and on schedule. Even faced with an ERP transition while enhancing core functionality with the current ERP, the deployment stayed on track with a partner that was always a phone call away, Buis added.

## SOLUTION

ketteQ brought its team of supply chain experts to the task of revitalizing inventory strategy and creating additional revenue drivers for Parts Town, performing in-depth analysis to quantify potential improvements to forecasting and planning for the fast-growing company. ketteQ also worked to understand the unique mission and needs of Parts Town, deepening the understanding of what was working well for the company and contributing to its impressive growth, while determining what advanced technology solutions and innovations they might be missing out on that could drive value and improve the ability to swiftly scale.

Parts Town implemented ketteQ’s Demand and Replenishment Service Parts Planning solution and took the extra step of integration with a legacy ERP system. ketteQ implemented scenario management and analysis for manual tuning and configured alerts to support exception-based management. ketteQ’s Service Parts Planning software predicts part demand and plans inventory at all locations across the network, from DCs to field/remote locations such as trucks, dealers, and 3PLs. Inventory ordering, return/repair, replenishment, and balancing plans are trigger-point decisions or time-phased plans.

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ketteQ also led workshops-defined strategies for Parts Town and analyzed results for continued learning and improvements, delivering a holistic solution for lasting impact.

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