

How Continental Battery Systems Reduced Inventory by 40% While Improving Service Levels



Continental
BATTERIES



Website: <https://www.continentalbattery.com>

Industry: Wholesale Distributor

Vertical: Distribution/Manufacturing

Headquarters: Dallas, Texas



The Challenge

Navigating Complexity in a Rapidly Growing Network

As Continental Battery Systems grew through a series of acquisitions, so did the complexity of its operations. The company had quickly become a multi-location distributor with a wide reach—more than 150 different locations across North America—but that expansion came with a cost: fragmented purchasing, outdated planning processes, and inefficient inventory management. Their planning and forecasting methods varied by location, contributing to inconsistent service levels and excess inventory that tied up valuable working capital. Without a clear view of what was needed and where, it became difficult to make confident decisions—or to respond quickly when demand shifted.

What Continental Battery needed was a way to bring all of its planning under one roof—a system that could provide visibility across the network, standardize processes, and support more accurate, data-driven decisions. That's where GAINS came in!

The Solution

A Unified Approach to Smarter Supply Chain Planning

To address these challenges, Continental Battery selected GAINS to lead the transformation of its supply chain processes. GAINS' Decision Engineering & Orchestration (DEO) platform provided the foundation for a centralized system that enabled more accurate forecasting, automated replenishment planning, and greater alignment across branches and distribution centers.

Key components of the solution included:

- **Centralized Forecasting and Inventory Management** – GAINS unified the company's planning practices across all locations, enabling standardized workflows and improved visibility.
- **Adoption and Change Management** – GAINS provided implementation support and training to the CBS team to ensure successful onboarding and organization-wide buy-in.
- **Network Design Services** – Using GAINS' Network Design to help rethink the physical structure of CBS' supply chain—evaluating facility roles, sourcing strategies, and inventory placement to cut costs, boost service, and plan for future growth.

This comprehensive approach provided Continental Battery with the tools to manage day-to-day planning, and the strategic insights needed to shape long-term supply chain design.



The Results

Real Results: Lower Costs, Higher Service Levels

Continental Battery was able to achieve significant performance gains in a short timeframe:



40% Inventory Reduction

Inventory levels were reduced substantially without compromising fill rates, freeing up working capital and lowering carrying costs.



Improved Fill Rates

In-stock performance for A and B items rose into the high 80s and low 90s—up from a baseline of 65–70%—resulting in more consistent service and improved customer satisfaction.



Greater Operational Efficiency

Centralized planning eliminated redundancies, streamlined workflows, and enhanced overall precision in forecasting and replenishment.

In parallel, GAINS' network design initiative uncovered opportunities to further optimize the company's physical footprint and inventory strategy. Using advanced modeling and simulation tools, Continental Battery was able to explore and address several key strategic questions, including:

- How to best use existing DCs?
- Where should new DCs be opened and what should their size be?
- Where should branches be sourced from: Vendor Direct or DCs?
- How much inventory is required in the network?
- Where should batteries be labeled (Vendor or DC)?
- Where should an additional Form & Fill be located in the US?
- How many branches are required, and where should they be located to maintain service delivery lead-times to customers?

These insights translated into additional projected benefits:

- ✓ **10% Operational Cost Reduction** by optimizing existing assets through strategic closures and expansions—without adding new facilities
 - When potential new locations were factored into the analysis, projected costs decreased even further—by up to **14%**
- ✓ **10 – 13% Working Capital Reduction** while maintaining or improving fill rates across existing assets and new locations
- ✓ **5 – 6% Increase in Vendor-Direct Shipments**, streamlining logistics and reducing handling costs across DCs and branches
- ✓ **Shift of Labeling Activities to Vendors**, easing internal workloads and increasing overall throughput

Together, these outcomes reflect a transformation not only in day-to-day execution but in long-term supply chain strategy—positioning Continental Battery for greater agility, efficiency, and growth.



Why GAINS?

Empowering Better Decisions—Today and Tomorrow

GAINS delivered a unified platform that integrated supply chain planning and network design, allowing Continental Battery to evolve from reactive inventory management to strategic decision-making. This partnership provided both the tactical improvements needed to enhance performance today and the strategic modeling capabilities required to prepare for tomorrow.

GAINS' Decision Engineering & Orchestration (DEO) framework empowered Continental Battery to:

- Simulate complex supply chain scenarios and evaluate trade-offs with greater confidence
- Align day-to-day planning decisions with long-term business objectives
- Optimize its network and inventory to balance cost efficiency with high service performance



The collaboration between Continental Battery and GAINS continues to evolve, with future initiatives focused on deeper automation between design and planning, and continued refinement of facility roles and inventory flow paths.

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