

Houseware OEM's Integrated Inventory Management Solution Steels the Show

Leading Hong Kong-based houseware OEM **Winnington Metal and Plastic** is helping its customers to gain a competitive edge by ensuring that their stocks of its products are efficiently replenished in a way that enables them to meet all their customers' requirements immediately, while also cutting their costs by avoiding the accumulation of surplus stocks of slower-moving inventory.

Winnington's high-quality stainless-steel kitchen, pantry, bar, table and bathroom houseware has been sold by many of the best-known retailers in the US and Europe for over 30 years. Its engineering team has developed an unrivalled reputation for working closely with customers to design products that exactly match their specifications.

Now, **Winnington** has turned its attention to boosting its customers' profitability by pioneering the development of **Winnington Inventory Turns (WIT)**, an innovative and fully integrated inventory management solution.

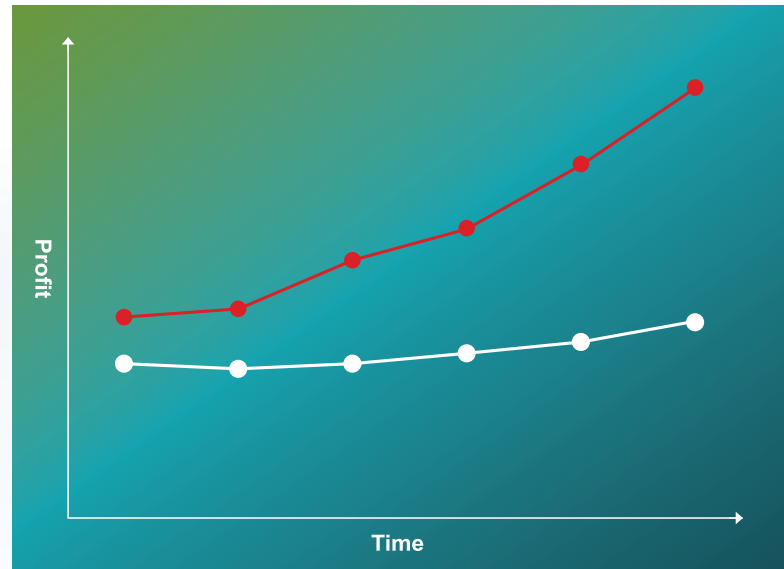
Replenishing stocks as they are needed

Like many other firms, especially those who source products in South China's manufacturing powerhouse, **Winnington's** customers used to rely on the traditional business model of reviewing their past sales and estimating their future requirements before placing large orders at intervals of around six months. However, that isn't always the smartest way to do business. Because of fluctuating market trends, some items proved more popular than expected, and these sold out long before stocks could be replenished from the factory in China – a process that formerly took up to 30-45 days. The result was lost sales and profits for everyone. Meanwhile, other products sold less rapidly than anticipated, and they ended up on warehouse shelves, tying up valuable capital and storage space.

The **WIT** solution is simple: it helps **Winnington's** customers to maintain their inventories of products in the warehouse at just the right levels to satisfy demand. **Winnington** achieves this by monitoring the real-time sales data that it receives electronically from customers, and then replenishing stocks automatically, frequently and rapidly.

Streamlining production to meet demand

To support this new business model, **Winnington** has invested in major re-engineering of its manufacturing operations. It has moved the emphasis away from dedicated production lines that turn out large volumes of one particular item towards a more-flexible configuration. As a result, the 1,800 staff who work in **Winnington's** 84,000-square-metre ISO9001:2000-certified factory can now produce smaller batches of a variety of different products in a way that keeps pace with ever-changing demands in the global market place.



*How WIT helps **Winnington's** customers boost their profits: the white line shows a customer's net profit with a conventional ordering system; the red line shows their net profit after implementing WIT.*

Faster turn rates, lower costs for customers

Case studies show that such a fast-reaction high-tech approach to inventory management and manufacturing allows companies to increase their turnover and profits substantially, while dramatically reducing their costs.

For instance, **WIT** enabled **Winnington's** customers to speed up their average inventory turn rates (the number of times their inventories cycle or turn over every year) from 4.43 to 5.22 between March and October 2007, an increase of 17.8%. As a result, they were able to reduce the amount of cash tied up in stocks by 32% and the amount of warehouse space by 40%, creating enormous savings.

All-round customer care

This combination of quality, attentiveness to customer needs, and dedication to maximizing the profitability of its business partners sets **Winnington Metal and Plastic** apart from its competitors. It has also put the company on course for a new era in its long history as an OEM.

If you are in the houseware business, **Winnington** invites you to become a partner in its success story. To learn more about how its products and services can save your company money and boost its profitability, please take a look at www.winningtonmetal.com or contact **Miss Shirley Liu** at email: info@winningtonmetal.com, fax: (852) 2370 8862 or tel: (852) 2370 9938.

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PAGES 72-88
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