

The Ripple Effect of Out-of-Stock Water

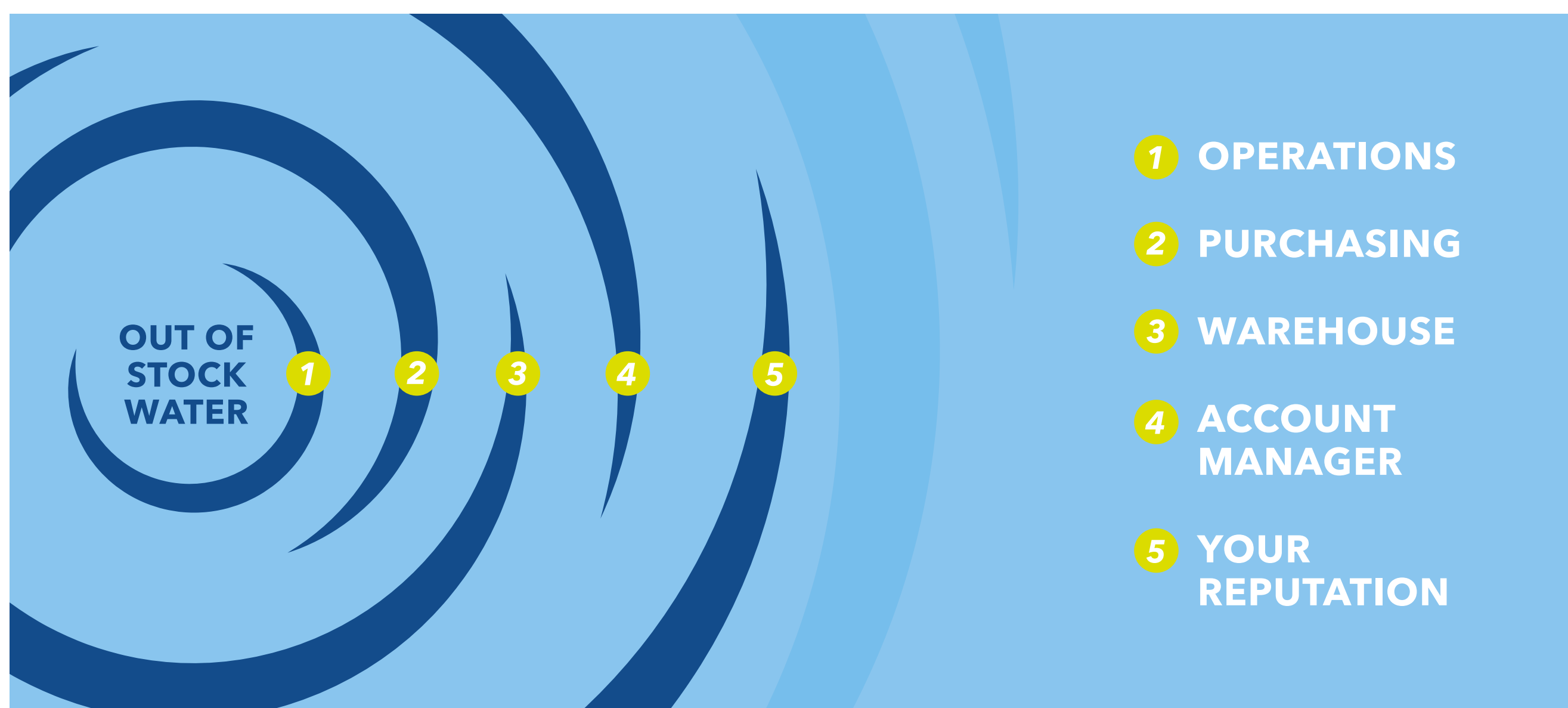
Recent data suggests Distributors need bottled water expedited 8 to 20 % of the time

Typical reasons distributors are Out-of-Stock

- *Supplier delivery NOT On-time*
- *Spike in customer demand*
- *Limited warehouse space and little safety stock*
- *Sudden increase in lead times from the plants*
- *Regional or national water emergencies*
- *Bottled water manufacturer prioritizes their Big Box retail customers*
- *Shipping held back because of rate increases*



HOW OUT-OF-STOCK WATER IMPACTS AN ORGANIZATION



What's the Ripple Effect?

- 1** First, **Operations** has to deal with another major headache. The bottled water is gone. All eyes are here to fulfill an out-of-Stock Safety item which is Mandatory for Customers to operate. Without this item some customers will literally have to shut down operations.
- 2** Next, **Purchasing** couldn't predict the water sales and the system didn't flag the inventory outage. Purchasing reaches out to the supplier. Response is non-existing or slow. Little concrete information is shared. Ultimately the attempt to speed up the water delivery is unsuccessful despite having orders in the system.
- 3** After that, the **Warehouse** receives a load on an off hour and the crew is in a rush to get water off the truck. Delivery crew Hot-Shots water to several places at various locations around town. This rushing pulls the delivery staff off of regular deliveries where the profit margins are better. All this rushing is to ultimately save face with the customer and the higher up branch managers (which naturally adds organizational pressure).
- 4** Beyond that, the **Account Manager** has the stress to inform customer the warehouse is out-of-stock. The job is to smooth over the situation, but there is no information for a concrete arrival date for the truckload of water. This adds to the stress because a solid delivery day for the water cannot be confirmed/solidified. In the event the Customer orders from a competitive supplier the Account Rep is on complete defense for the water supply sales and possibly this affects other products.
- 5** In the end, **Your Reputation** suffers because it has inconsistency in delivering a key Safety Item to the customer. The competition invades the space and sales are lost. Confidence is eroded in the supplier/customer relationship.

Why Trust Water Expeditors?

You can rely on our people to give you answers, create proactive plans within an already systematic, proven process. Your operations, purchasing, branch managers, warehouse managers, etc., can all relax because we have their back and will communicate at each step of the process.