

Bell ALC is a 'game changer' for US customer support

After its first year of operation it's safe to say that the American Logistics Centre (ALC) has been a pivotal addition to Bell Equipment's business for both the North American and Canadian distribution companies and customers. This stands as testimony to the group's 'strong reliable support' ethos.

Looking back at the establishment of the ALC, President of Bell Equipment North America, Neville Paynter, recalls that in December 2017 the BENA team delivered a record year in truck and parts sales and achieved a 10% market share in just three and a half years of being back on US soil. "With a fast-growing population of Bell ADTs, we needed to focus on delivering the 'strong reliable support' that keeps new customers coming back to the Bell brand for more.

"BENA was delivering technical training and technical support to dealers and customers through distributors in Canada and the USA. We had warehouses for parts support but our parts support and delivery to the market seemed to be mediocre. Using distributors, we felt at a disadvantage in terms of

support knowledge on current and previous models. At the same time, competitors were advertising aftersales promises to customers, which we realized we would struggle to emulate unless we had a fundamental and intentional change in our approach to the business."

A sound business case

The business case for the establishment of a Bell-owned parts warehouse, the ALC, was approved after a thorough investigation and analysis. Three important factors contributed to the final decision;

- Bell Equipment's control of on-time parts support and delivery from inventory on USA soil would provide the opportunity to exceed competitor promises and exceed customers' service expectations.
- The establishment of the ALC

would send a message to our customers that Bell is committed to the support of our ADTs and the investment our customers have made.

- The ALC would provide the Bell Group with an opportunity to source more components from North American-based manufacturers and vendors to assist with reducing costs and improving logistics.

Since BENA's location offered insufficient storage space to house the parts inventory that was envisaged for the ALC, the team set about finding a new home. Within four months the team had located a suitable warehouse within minutes of the existing BENA offices. Negotiating out of their current lease and into a lease for the new building at very good terms, ensured funds were

available to cover the office refurbishment at the new location. The team got stuck into cleaning the new warehouse and doing some much-needed maintenance themselves to save costs. Racking and shelving were sourced from a used vendor and installed at 60% of new and by end of May 2018 refitment work was completed to a stage where the BENA staff could settle into their new ALC location and open for parts business.

In the meantime, hours of work went into understanding, evaluating and deciding the right parts and quantity of inventory at the ALC, since much of the supply history to this territory was unknown or documented in several different locations. Fortunately, the Global Logistics Centre (GLC), in Johannesburg and the European Logistics Centre (ELC) in Germany, which had been supplying the distributors in the territory, had reasonably forecasted inventory already on hand. Forty-foot shipping containers were packed and shipped as quickly as possible from the GLC and ELC destined for the ALC.

The first year

"The past year at the ALC has been an incredibly exciting time,"

says Neville. "The team at BENA more than doubled in size to enable smooth processing of weekly incoming inventory and daily customer order expediting. Warehouse systems had to be learnt as well as processes tried and tested, then embedded and communicated internally and externally. Parts price lists were negotiated, changed and setup. We had daily visits for a month by logistics vendors trying to entice business. Shelves and racks were planned and marked for inventory locations and were packed as soon as the containers arrived. At last, by January 2019 the ALC looked like a parts warehouse."

Today the ALC is fully functioning in sales and support to the North American dealer and customer base, supplying 92% of all parts which are destined for the customers in this territory, with the GLC and ELC supplying the balance in emergencies.

"Having additional parts available to ship immediately, in the same time zone with little or no cross-border documentation has made a huge impact in getting parts to customers on-time," says Neville. "It has also enabled us to eradicate duplication and streamline processes, producing greater efficiency for vendors, logistics suppliers, distributors, dealers and customers."

By the end of 2019 BENA would have installed a significant number of Bell ADTs into the North American market over the past six and a half years, so parts support growth is a given. BENA staff understand the absolute importance of customer satisfaction and their goal is to reach 95% first pick availability by the end of 2020.

The ALC also boasts a Reman component workshop, which offers engine, differential, transfer case, and transmission rebuilds to the North American customer bases - another support growth area and benefit for the customers.

Neville concludes: "The sourcing project at the ALC has just scratched the surface of opportunity in 2019 and supplies mainly the GLC with parts and components sourced in the USA. This is a great business opportunity which was realized and executed well with customer support as the first driving focus. It could not have seen success without managements' foresight and approval, and many hours of work to support and assist the venture by many of the Bell folk in Germany, Richards Bay, Johannesburg, and the USA. The team has worked tirelessly on pricing, logistics, forecasting, resourcing, picking and packing as well as expediting parts over the past 14 months."

