ProcureAbility
a Jabil company



Building a Smarter and More Resilient Inventory Strategy

How a leading, U.S.-based utility company identified $15M in inventory-reduction opportunities while maintaining 100% critical-material availability

CLIENT

Large, U.S.-based Utility Company

SECTOR

Energy & Utilities

SOLUTION

Inventory Strategy and Optimization

Executive Summary

A leading, U.S.-based utility company had increased inventory levels in response to supply-chain disruptions and uncertainty around supplier lead times, helping protect field operations from critical-material shortages. While this "just-in-case" strategy improved supply security, it also created significant overstock across locations, increasing carrying costs, tying up working capital, and adding warehouse capacity requirements.

ProcureAbility partnered with the organization to establish a more disciplined, risk-based inventory management approach. By combining inventory analytics, material segmentation, planning-parameter optimization, and cross-functional governance, the team identified opportunities to reduce excess inventory while balancing cost, service, and operational needs.

The engagement identified a $15M inventory-reduction opportunity, achieved 95% on-time material delivery, reduced crew time spent collecting materials by 70%+, and maintained 100% critical-material availability.



Client Overview

The client is a large, U.S.-based utility company with an extensive service network, multiple warehouse locations, and a complex supplier base relied on timely access to transformers, cable, meters, fittings, and other critical materials to support field operations and service restoration.

Following significant supply-chain disruption and uncertainty in supplier lead times, the organization had increased inventory levels to protect against shortages. As market and supplier conditions improved, however, many of the assumptions behind those higher inventory levels remained in place.

The company needed a more disciplined, risk-based inventory management approach to reduce excess stock and associated costs while protecting critical-material availability and operational continuity.

Business Challenges

The challenge was not simply reducing inventory. Field operations needed confidence that critical materials would be available when required, while procurement and warehouse teams needed to control inventory costs and improve productivity.

Several factors contributed to excess inventory:

- **Elevated Safety Stock Levels:** Safety stocks had been increased in response to supply disruption but were not consistently recalibrated as supplier performance and market conditions improved.
- **Conflicting Cross-Functional Priorities:** Different functions had different priorities. Field operations prioritized material availability and rapid outage response, procurement focused on unit-cost efficiency and volume purchasing, while warehouse teams sought to reduce inventory and storage costs.
- **Undifferentiated Inventory Policies:** Strategic and non-strategic materials were often managed using similar replenishment approaches, resulting in unnecessary inventory for readily available, lower-risk materials.
- **Outdated Lead-Time Assumptions:** Lead times maintained in planning systems did not reflect faster supplier turnaround times, causing inventory requirements and reorder quantities to remain higher than necessary.

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ProcureAbility Solution

ProcureAbility combined inventory analytics, risk-based segmentation, planning-parameter optimization, and cross-functional governance to help the utility organization reduce excess stock while protecting critical-material availability.

The approach focused on creating a fact-based inventory baseline, distinguishing materials by criticality and risk, and aligning inventory policies with actual demand, supplier performance, and operational requirements.

Key elements of the solution included:

- **Establish the Inventory Baseline:** ProcureAbility consolidated and cleansed inventory data to identify excess, obsolete, reserve, and slow-moving stock and establish a clear view of the client's inventory position.
- **Segment Materials by Criticality and Risk:** Materials were classified based on their operational importance and risk profile, enabling differentiated inventory strategies rather than applying the same replenishment logic across all materials.
- **Recalibrate Planning Parameters:** ProcureAbility reviewed and updated key planning parameters, including lead times, safety stocks, reorder points, minimum order quantities, and delivery methods, to better reflect current supply and demand conditions.
- **Optimize Inventory and Ordering Policies:** Scenario analysis was used to evaluate the trade-offs between inventory cost, material availability, and operational risk, helping identify opportunities to reduce stock without compromising service levels.
- **Align Governance and KPIs:** ProcureAbility established a cross-functional "objectives hierarchy" to align procurement, supply chain, operations, and finance around shared inventory and service objectives.
- **Enable Continuous Monitoring:** Dashboards, alerts, and recurring inventory-health reviews provided ongoing visibility into excess inventory, service levels, and forecast performance, helping prevent excess stock from recurring.

Results Achieved

The engagement delivered measurable improvements in inventory productivity and material service while protecting operational continuity.

$15M	95%	70%+	100%	$6.3M
Inventory-reduction opportunity identified	On-time material delivery achieved	Reduction in crew time spent collecting materials	Critical-material availability	Potential benefits from reducing material-related crew tasks

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Value Delivered

The engagement enabled the organization to make more informed inventory decisions by strengthening analytics, planning discipline, and cross-functional alignment while balancing cost, material availability, and operational needs.

- **Established greater inventory visibility** through improved data, analytics, and inventory health assessments.
- **Enabled more responsive inventory planning** by aligning lead times, safety stocks, reorder points, and ordering policies with current supply conditions.
- **Created differentiated inventory strategies** based on material criticality, risk, and operational requirements.
- **Aligned cross-functional priorities** across procurement, supply chain, operations, and finance through shared objectives and performance measures.
- **Built a foundation for continuous improvement** through dashboards, alerts, recurring inventory reviews, and ongoing performance monitoring.

Learn More

Discover how ProcureAbility helps organizations optimize **procurement and supply chain performance** through data-driven strategies, advanced analytics, and scalable solutions.

About ProcureAbility

ProcureAbility, a Jabil company, is the leading provider of procurement and supply chain services, offering advisory, managed services, digital, and staffing and recruiting solutions. For 30 years, we have focused exclusively on helping clients elevate their procurement and supply chain functions.

We combine leading methodologies, analytics, market intelligence, and industry benchmarks with our uniquely flexible and customizable service delivery model. Global organizations of all sizes trust ProcureAbility to transform their procurement operations, drive growth, and reimagine what's possible.

Let ProcureAbility help you reimagine your procurement and supply chain capabilities.

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