



INDUSTRY

Automotive

DIVISION

- LKQ Europe
- Serving 20 European countries

HEADQUARTERS

Zug, Switzerland

COMPANY INFO

- 26,000 employees
- 1,400 branches
- 100,000 independent shops
- USD \$5.49B revenue in 2020

CHALLENGES

- 40M+ unique parts to manage
- Multiple brands serving various geographic markets
- No centralized view of inventory
- Inability to harmonize inventory data
- Lacking synergies, negatively impacting productivity

SOLUTION

Syncron Inventory™

RESULTS

- Unified product management
- Broad global planning capabilities
- Resource optimization
- Improved forecasting accuracy
- Better customer experience



LKQ Europe

Unifies its Spare Parts Inventory Across 20 Countries

At three times the size of its closest competitors, LKQ Europe GmbH (LKQ) is the most influential spare parts provider in Europe. The company is made up of a number of strategically acquired regional brands that serve specific geographical markets. Established in 2011, LKQ Europe GmbH is a subsidiary of LKQ Corporation, the leading global provider of specialty and alternative parts for cars, commercial, vans and industrial vehicles.

To achieve the perfect balance between customer service, optimal inventory, and cost-efficient operations across its complex international supply networks, LKQ implemented Syncron Inventory. Designed to replace manual effort through digitalization, Syncron Inventory empowers LKQ to implement exception management, strategic simulations, and automatic optimization.

THE CHALLENGE OF CONTINENTAL DISPARITY

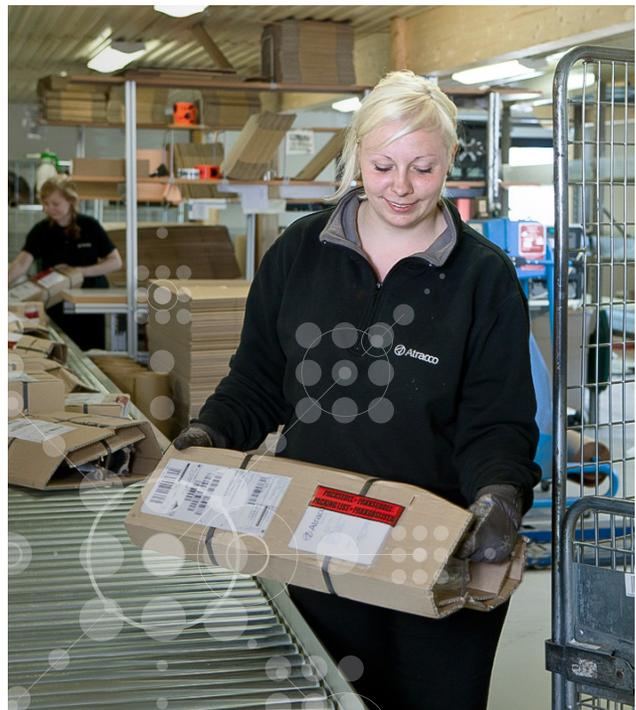
Managing the inventory of 40 million items per location across 1,400 warehouses in 20 countries makes LKQ's planning needs incredibly complex, especially with disparate processes and tools throughout the business, due to growth through mergers and acquisitions. The company needed a common inventory system to unify global planning. Its large team of supply chain professionals is spread across various geographic regions, using different systems with different approaches to planning and KPIs. Without an integrated view of inventory across regions and brands, LKQ faced challenges in optimizing productivity, sharing best practices, and creating a consistent customer experience.

LKQ's overarching goal was to harmonize processes so they could operate from a consistent framework and optimize inventory across the entire organization. The company needed to create synergies across suppliers so they could allocate stock where it's truly needed. Plus, by sharing demand information across Europe, LKQ wanted to use its treasure trove of data to expand its market leadership position. However, the company needed to consolidate into one system first. Additionally, LKQ needed a common set of KPIs they could manage and track at the group level to align priorities and measure success.

LKQ needed a powerful solution that would centralize global planning processes and data to optimize supply chain performance and achieve acceptable levels of excess inventory and obsolete materials (E&O). They needed to measure supplier service levels and improve availability and customer fill rates. And they needed to align sales and operations to drive optimal stock allocation across the network.

“We want to streamline processes and expand the use of technology and digitization. Our goal is to create cross-functional processes that optimize the inventory and ensure best availability. We focus on delivering outstanding service levels to our customers, which makes Synchron an even better fit.”

LEONARDO TANDA
SUPPLY CHAIN PLANNING DIRECTOR, LKQ EUROPE



THE SYNCRON SOLUTION

LKQ selected Synchron Inventory as its spare part system of record across all brands and geographies. Synchron Inventory empowers LKQ to create new synergies covering a wide range of supply chain processes across all aspects of the business, including point of sale demand aggregation, sales forecasting, and virtual inventory planning and replenishment.

By centralizing inventory data and processes, Synchron enables LKQ to optimize resources—effectively, and in a new way. A consolidated view helps LKQ make the best possible decisions when organizing parts, people, processes, and suppliers, and to achieve the best outcomes for its customers and the business.

LKQ's partnership with Synchron dates back to 2009, when they began rolling out Synchron Inventory across nine companies and within Central and Eastern Europe. In 2019, LKQ decided to expand the rollout into one pan-European planning tool. After considering other vendors, LKQ chose Synchron for its advanced functionality around sales history cleansing, parts sales forecasting based on product portfolio classification, and inventory optimization to support replenishment, distribution, and supplier integration.

“Most vendors were strong in some areas, but not in all. Synchron has demonstrated a good fit across all supply chain requested functionalities and its technology is easily scalable.”

LEONARDO TANDA
SUPPLY CHAIN PLANNING DIRECTOR,
LKQ EUROPE

LKQ realized that they needed more than just an excellent technology solution. They also needed a partner with specialized aftermarket supply chain expertise. One who would be highly engaged and flexible, caring as much about their business outcomes as they did. With 20 years of experience managing aftermarket inventory for some of the world's largest manufacturers, the Synchron team delivers expertise—and much more.





BUSINESS IMPACT

As the world's leading aftermarket service inventory management solution, Synchron Inventory provides the scale and sophistication LKQ needed to achieve its business objectives.

“Synchron is not only software. The company operates also as a business consultant in supply chain and helps to leverage solutions and use cases.”

LEONARDO TANDA
SUPPLY CHAIN PLANNING DIRECTOR, LKQ EUROPE

Traditionally, implementing software across so many countries and companies can be a roadblock to success. However, LKQ found Synchron's comprehensive eLearning platform, **Synchron Learning**, to be extremely helpful in accelerating adoption and smoothing typical bumps in the road.

As LKQ onboards more and more of its brands onto Synchron Inventory, the company is realizing the significant benefits of a unified view of supply chain performance. As the fundamental enabler of a consistent European organization, Synchron Inventory

has empowered LKQ to achieve its goals of smarter global planning, increased forecasting accuracy, and enhanced customer experience. Plus, LKQ has tapped into Synchron's deep knowledge of supply chain best practices, ensuring effective change management as they implement the new technology.

The future of the partnership looks even brighter, according to LKQ: “In 2021, we are rolling out Synchron Inventory in the Netherlands, France, and Belgium as well as in Germany and Austria. By the end of next year, Ireland and the UK will be added, and then we will have 90% of our locations using the same Synchron system.” And as LKQ continues its transformation of supply chain, inventory management, and customer experience, the team is also evaluating another Synchron offering, Synchron Price.

With Synchron Inventory, LKQ found the scalability it needed to raise its own high bar on best-in-class fill rates, availability, and cost. Synchron provided LKQ the solution and expertise needed to improve productivity, gain insight and visibility into its supply chain, and ultimately provide customers with the best possible experience.

► **For more information, visit [Synchron.com](https://www.synchron.com)**