

MOQ Reduction

Challenge:

Even for high-demand products, manufacturers are continuously increasing Minimum Order Quantities (MOQs) to justify production costs. However, these large MOQs inhibit channel sales, as distributors are reluctant to stock such high volumes due to the financial risks. As a result, many distributors avoid stocking the products, leading to inconsistent availability and missed sales opportunities.

Example:

A well-established **global US-based connector manufacturer** was facing a challenge: large Minimum Order Quantities (MOQs) were necessary to justify production costs, but these large MOQs discouraged distributors from stocking the products due to financial risks. This resulted in inconsistent availability and missed sales opportunities. By partnering with Waldom, the manufacturer was able to offer low MOQs, making these parts accessible and immediately available for their distributors, ultimately ensuring a steady supply and driving sales growth.

Waldom's Solution

Waldom collaborated with the manufacturer to solve the distribution challenges by analyzing the demand across the channel. We identified that distributors were willing to stock the products, but not at the high MOQ levels required by the manufacturer. To address this, Waldom proposed a solution that allowed the manufacturer to maintain production efficiency while reducing the burden on distributors.

Results

- The channel was able to increase available inventory, ensuring that products were always in stock and accessible to customers.
- The program eliminated the risk of excess inventory for both the manufacturer and distributors, enabling better inventory management.
- The end-customer experience was improved, as distributors were able to consistently provide the products without delays or stockouts.
- Over the course of two years, the program experienced a 30% compound annual growth rate (CAGR).

30%
2 YEARS CAGR

INCREASED CUSTOMER RETENTION