



## Executive Summary

Reduce On-Hand Inventory - We had multiple departments ordering and storing the same MRO products in various locations throughout the plant.

## Case Study

### The Struggles of Securing Inventory



## Challenges

- Various unidentified locations for MRO
- Supplier-controlled consignment inventory



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## How it helped

- The vending machine allowed all plant employees to access the machine via their badges.
- Supervisors had fewer interruptions
- Item traceability was available (reporting)
- Unhidden inventory



## Results

The ability to consolidate and eliminate three suppliers into one with the vending program saved both time and money throughout the organization

# The Full Study



## Executive Summary

Reduce On-Hand Inventory - We had multiple departments ordering and storing the same MRO products in various locations throughout the plant. These MRO supplies were used in the production process, but they did not become part of the end product. We were looking for a solution to consolidate the amount of inventory and purchase orders. Additionally, we needed to reduce interruptions to managers who had to stop work midstream to unlock a cabinet or closet for an end user who needed product.

In short, we needed to:

- Obtain a vending unit to store various items from gloves to glasses to cleaning products.
- Maintain and control inventory with this new process.
- Use consignment to reduce expenditures and pay in the future.



## Challenges

Vendor-managed inventory (VMI) often involves the supplier's personnel being on site to manage the inventory. This allows staff to focus on their core functions, with the assurance that a trusted partner is managing the MRO inventory properly. It also means that the supplier, given greater visibility of downstream demand, may be able to offer volume discounts to which a maintenance representative at the customer would not have access. Supply chain education for MRO staff and a central location of the vending machine were our priorities. Storing MRO supplies in one central location rather than keeping them in various unidentified locations was much more efficient for us. Supplier-controlled consignment inventory was what we were specifically seeking. This way, inventory would be billed on an "as-withdrawn basis," allowing us to keep inventory and pay for it after consumption.



## How it Helped

The vending machine allowed all plant employees to access the machine via their badges. Having staff swipe their badges served as a much-needed inventory control to identify and track what they were withdrawing. Supervisors had fewer interruptions, thus more time to be productive. Item traceability was available through reporting, giving us the what, who, when and how many. We no longer had inventory hidden throughout the plant in various closets, cabinets, etc., allowing us a central inventory location to monitor what our total inventory was.



## Results & Return on Investment

The ability to consolidate and eliminate three suppliers into one with the vending program saved both time and money throughout the organization. Supervisors had more time, since they did not have to stop what they were doing to open a locked cabinet, etc. Similarly, employees no longer needed to spend time searching for a supervisor or going to a cabinet far from where they were stationed. Centrally located cabinets allowed them to remove items themselves. Accounting received one invoice instead of three from various vendors, reducing time spent on billing. Expansion into other locations is planned with one currently underway. Installation is complete, and the machine is in good working order.