SupplyPoint

Case Study

Accurate Guage and Manufacturing

Executive Summary

The SupplyPoint Management system provided Accurate Gauge & Mfg. the ability to monitor inventory, manage distribution of items to the shop floor and reduce inventory (by over 50%), all without being person-dependent.

Challenges

- Unsecure inventory
- Hoarding
- Traceability
- System was person-dependent

How it helped

The SupplyPoint system provided solutions in several areas.

We were able to use our naming process and not change our terminology or methods. The SupplyPoint software had the flexibility to adapt to our internal processes and enhance the overall process of withdrawing items from inventory and ordering for inventory.

Results

Immediate and significant cost savings were realized wheninventory was reduced by 50%. For example, for an insert that cost $9.50 per piece, a blanket order was placed weekly for 200 pieces whether it was needed or not.

The Full Study

Executive Summary

The SupplyPoint Management system provided Accurate Gauge & Mfg. the ability to monitor inventory, manage distribution of items to the shop floor and reduce inventory (by over 50%), all without being person-dependent. The system also provided cost savings and peace of mind by effectively controlling items issued out of five locations across three plants running 3-to-24-hour shifts. The system provided an additional layer of quality control by limiting what items were issued to each machine; the item(s) pertained only to the product running on each machine. It also provided an excellent opportunity to use the system controls within a PFMEA and control plan. The system resulted in the following:

- Over $12K in cost savings of glove usage within the first year
- Over 50% reduction in inventory
- Automated ordering process
- Not person-dependent
- Automated reporting providing information on value-added information

Challenges

Prior to implementing the SupplyPoint solution, the method used to store perishable tooling consisted of plastic bin multi-drawer containers on a lazy Susan located in the center of the shop floor. Anyone could walk up and take what they wanted.

– Hoarding was a problem — staff would take packages of inserts and stash them, for fear of running low or running out.

– Traceability in the old system depended on one person writing down on a sheet of paper what had been taken from inventory.

– The system was person-dependent, requiring one person to review the inventory withdrawal sheet daily and then visually inventory each drawer and bin.

How it Helped

We were able to use our naming process and not change our terminology or methods. The SupplyPoint software had the flexibility to adapt to our internal processes and enhance the overall process of withdrawing items from inventory and ordering for inventory. The SupplyPoint system organized and stored items in a central location. The overall footprint was greatly reduced due to the storage area being condensed into one central location, thus opening up space on the shop floor. Automated reports provided traceability by helping all shifts understand what items had been withdrawn, indicating who, when, and to what machine the item had been issued. The ability to chart this data using reports also enhanced the quoting process to better understand cost drivers in manufacturing.

Results & Return on Investment

Immediate and significant cost savings were realized when inventory was reduced by 50%. For example, for an insert that cost $9.50 per piece, a blanket order was placed weekly for 200 pieces whether it was needed or not. After set up of the SupplyPoint system, inventory was reduced by 100 pieces and then placed on auto-order with a 50-piece minimum. The cost savings up front was $950.00, justin inventory. Plus, blanket orders were eliminated, and all orders were placed using the automated ordering on an as-needed basis. In total, the cost savings easily exceeded $1,200.00 per month on just that one perishable tooling item. Use of the SupplyPoint system is now spread across 100+ items with very similar setup and cost.

As a result, inventory outages have been nonexistent, hoarding of products has been eliminated, and inventory management is no longer a person-dependent system. New ideas continue to develop at Accurate Gauge; the current test model in place is using the SupplyPoint software to track “machine downtime.” We have set up “downtime” as a machine on the system, and the downtime is withdrawn under the machine indicating the reason for the downtime. For example, if a fixture needs repair, then downtime/fixture-repair/ duration (15 mins., 30mins., 45mins., 1 hr.) is tracked. The data is put out in a report showing machine downtime by machine” and “reason,” as well as “total downtime.”