

VMI PROGRAM REDESIGN

OVERHAUL OF CLIENT'S VMI PROGRAM YIELDS COST SAVINGS OF \$50,000

CHALLENGE

Wanting to improve on-time delivery, and reduce customer involvement and time needed to manage their hardware VMI program, a prospective customer elected to engage in discussions with Field.

Inefficiencies with on-site scanning and replenishment, and overall organization of the program were weak. This led to parts hoarding at work stations, mixed parts, part substitution, non-valued-added parts-chasing, and costly outages of stock. Plus, they were incurring additional freight and administrative expenses. Building an internal parts delivery system would add layers of unplanned costs and material handling.

SOLUTION

Field studied the situation on-site, determining root causes of these issues. Then, Field established Min-Reorder quantities and reorganized storage space with labeled shelves and bins. Customer collaboration to achieve accurate system metrics ensured product availability and ease of access to the shop floor, while keeping the goal of increased inventory turns intact.

With the new system running, personnel's confidence has grown. Parts are readily available, eliminating substitution. Now, Quality Assurance receives and accepts repeated deliveries, certifying parts for direct replenishment into the bins—saving non-value added inspection time.

RESULTS

The customer describes this as the system they always envisioned. All hardware and related items are in place, and the new system requires virtually no administration. Stock shows well for the customer and prospect tours. Associates take pride in keeping inventory in order. Results of the new Field system include:

- Almost 100 SKUs placed into the VMI system under Field Mgt.
- 29 parts drive 85% of total spend and are delivered 25 times/yr
- Top expenditure parts avg. +16 turns/yr and continue to climb
- Part additions average 10% growth year over year
- PPM has been consistently at Zero
- Deliveries are consistently +99% on time
- Field conducts regular business reviews to deliver system performance metrics and explore new areas for contribution
- Continuous improvement happens on an ongoing basis

Total Cost Savings with Field: \$50,000

FIELD RESULTS

- 99% accuracy and on-time delivery
- PPM at Zero
- Transparency of performance and growth opportunities
- **Total Cost Savings with Field: \$50,000**

FIELD SERVICE PROVIDED

- Last piece inspection on all parts
- Gap analysis – Plan for every part
- Management of supply chain
- VMI Program Implementation
- Guaranteed seamless transition



More than parts, Field is a full-service, data-driven, on-demand engineering partner with a unique technical approach to inventory management of, and supply chain solutions for, fasteners and other Class "C" items—contractually guaranteeing to lower your total cost of fastening.