

# **REDUCE INVENTORY CONSUMPTION:**

## **Getting Glove Consumption Under Control**

### **AIR CONDITIONER MANUFACTURER**

#### **CHALLENGE**

How could a leading air conditioner manufacturing company control PPE/safety supply costs - and do it cost-effectively? Employees had long queue times at the tool crib. And so employees began hoarding gloves in personal lockers or at their work centers. This was causing spiked demand, shortages and, in some cases, work stoppages for safety reasons. Additionally, employees had long travel times from their work center to glove supply and back.

#### **SOLUTION**

They worked with **Xnovation** and **Logimatiq** Systems to implement inventory control software and dispensing systems. The company installed over 15 **Logimatiq** dispensing machines throughout the plant for 100% secure access-controlled availability to the gloves, around the clock, and the systems are automatically replenished.

#### **RESULT**

**Logimatiq** vending systems provided significant cost savings over the years. The hard cost savings are nothing compared to the soft cost savings of the implementation of **Logimatiq** at the Corporation.

- By decentralizing the glove supply, employees are away from their work centers for less time.
- As confidence in the system increased, hoarding was no longer necessary.
- Reduced glove usage by up to 70%.
- Increased efficiency with automated reorder reports.
- Trane is now saving approximately \$72,000 per year.

**Now saving approximately \$72k per year**

# Reducing the Spend on Valves and Fitting

## PETROCHEMICAL PLANT

### CHALLENGE

A major petrochemical plant on Ship Channel was buying far more small valves and fittings than they thought were necessary for the work that was being performed. They attempted to curtail usage by placing new locks on the cabinets and issuing keys to only the craftsman who should be utilizing the material. But after 12 months, the usage was still significantly above what was thought to be appropriate.

With the tight economy, reducing expenses became critical, but access to the items needed to maintain the operating unit was also important. The goal was to assure availability and also create accountability. The company wanted to reduce inventories and, most importantly, reduce the monthly spends on these types of items.

### SOLUTION

The **Logimatiq** system was selected to provide security for the materials, as well as to give employees access through their existing proximity badges. With the range of bin sizes, a large variety of items can be stocked in the machine, making it a more useful tool. The tool room can be managed with the same software that runs the **Logimatiq**, saving the plant from purchasing a separate tool room software package.

### RESULT

- The usage is now in line with the work being performed.
- The monthly spend has been reduced by 40%, and the value of the material on hand has been reduced by approximately 50%.
- The company is realizing a 5:1 payback on their 3-year capital lease payment.
- A large number of bins has allowed them to manage other items, providing additional savings.
- Management has also benefited from reports that detail usage by work-order and cost-center.

**Logimatiq cuts monthly spend by 40%**

# **STOP SEARCHING FOR TOOLS:**

## **Time is Money When We Can't Find the Required Tools**

**INTERNATIONAL AIRLINE COMPANY**

### **CHALLENGE**

In airline maintenance, it's critical to be sure no tools are left on an aircraft when it's released back into service. (It's not just a cost-savings issue - tools left on an airplane where they don't belong are a huge safety hazards for the industry.) The airline needed a way to keep track of every tool issued for work on a particular aircraft. In fact, an airplane couldn't be released back into service until every tool was accounted for.

### **SOLUTION**

This airline's **Logimatiq** system now includes numerous **Logimatiq** carousel systems and extensive custom locker arrays to issue and return tools and gauges for a specific job/airplane. A real-time interface with SAP identifies the particular aircraft and will not release the aircraft until all tools have been returned to the **Logimatiq** system.

The airline has decided to add **Logimatiq** Lockers with calibration control to all of their maintenance departments, as well as an RFID portal for controlling large high- value test equipment for the aircraft.

### **RESULT**

- Foreign Objects and Debris (FOD) has been virtually eliminated.
- Tool and inventory usage reduced by 30-40%.
- Shrinkage has been alleviated, especially during off-hours shifts.
- No longer using replacement or non-certified tooling on maintenance work.
- Purchasing efficiency has increased with the automated reorder reports from the **Logimatiq** system.
- Written records track tooling used for different jobs as an audit trail for the CAA/FAA.

**Eliminated FOD, reduced tool and inventory usage by 30-40**

# Stop Wasting Time Visiting and Waiting at the Tool Crib

## PRODUCTION SHOP

### CHALLENGE

The plant manager of a medium-sized production facility wanted to keep his operators working. He saw his employees waiting in the tool crib line for 10-15 minutes, at least 2 to 3 times a day. Stock-outs meant too much CNC machine downtime.

### SOLUTION

The shop manager had 2 **Logimatiq** dispensing machines installed for point-of-use, to dispense tools near operator's cells.

### RESULT

- The plant has recovered about 30 minutes per employee per day in productive time.
- Tool usage has decreased from \$400,000 the previous year to an annual projection of \$280,000 - \$300,000 - while business is increasing at about 10% per year.
- CNC machine downtime and stock-outs are a thing of the past.
- Tool crib attendant now performs higher-value tasks, since he no longer has to keep issuing the same items all day.
- Purchasing is more efficient, due to automatic reporting. And reordering has been streamlined.

**Saved over \$100k while increasing productivity and revenues.**

# CUT SPENDING:

## Reduce Usage of New Machine Tools, Increase Use of Regrinds

### MOTOR VEHICLE PARTS MANUFACTURER

#### CHALLENGE

A manufacturer of motor vehicle parts and accessories, was suffering from a lack of inventory control. Although regrinds of tools were available in stock, new cutting tools were being used first -- and at a rapid rate. Since tooling costs were reaching nearly \$6,000 per day, a solution was needed.

#### SOLUTION

They partnered with **Xnnovation** (a provider of inventory control systems, software and tools for industry) to solve the problem of inventory costs and consumption. Using **Logimatiq** software and point-of-use dispensing machines, a new system was developed to utilize a regrinds and control access to new tooling.

**Xnnovation** provided **Logimatiq** machines to dispense tools with a "forced reference" program that dispenses regrinds before new tools. Remote Dispensing Stations were also used to dispense regrinds before the new tools. The complete dispensing system also included **Logimatiq** Lockers and the **Logimatiq** Data Entry Terminals.

#### RESULT

- Savings of \$700,000 in new tool spend during first four months - with a reduction of 70% per day.
- Reduced consumption and inventory costs.
- Streamlined purchasing process with automated purchasing, which resolved stock-out and obsolescence issues.
- Reporting is available on usage, to highlight spikes and excesses.
- Tracking of all scrapped tools, with reports on the number of times each tool is reground.

**Saves \$700k in first six months of using Logimatiq inventory management**

# Reduce Loss of Precision Gauges and Calibration Equipment

**DEFENSE CONTRACTOR**

## **CHALLENGE**

A mid-sized defense manufacturing company was losing from \$6,000-\$10,000 a month in precision measuring tools from an honor-based gauge lab. They needed to cut the loss of gauges immediately while maintaining the availability of the tools to the workforce to ensure quality control on the plant floor. They also wanted to increase the visibility of gauges on the floor, to improve the ability to maintain good gauge calibration recall procedures. The current system provided a calibration recall procedure but couldn't give the system administrator "The Location of the Gauges". Management knew it could solve the problem by manning the gauge lab on all three shifts. Unfortunately, corporate wouldn't allow any additional headcount.

## **SOLUTION**

The addition of **Logimatiq** Lockers provides 100% accountability of not only who takes or returns a gauge, but also what department and work center the employee is from. With **Logimatiq** Lockers, the company now tracks the job and part number the employee is working on. Additionally, the gauge calibration software notifies in real time any gauge that falls out of calibration. If the gauge is in a locker, that locker door will not open. If the gauge is on the floor, the system administrator is instructed as to who has it and where it is.

## **RESULT**

Management reported that **Logimatiq** Lockers improved overall quality control and through the elimination of gauge losses, the system paid for itself in 60 days.

**Logimatiq system pays for itself in 60 days**

# **ELIMINATE STOCK-OUTS AND DOWNTIME:**

## **Keep Crucial Inventory on Hand & Business Running**

### **AEROSPACE COMPANY**

#### **CHALLENGE**

The Satellite Division of a large aerospace company had experienced 7 shutdowns in the previous 12 months - downtime the company could not afford.

#### **SOLUTION**

House the division's tool inventory in a **Logimatiq** Remote Dispensing Station, provided through a Distributor Placement Program. The RDS sends an automatic purchase order notice to the distributor whenever any item stocked in any **Logimatiq** machine is running low. The distributor then restocks the machine before any stock-outs can occur, and the distributor provides the **Logimatiq** dispensing machines to the aerospace company.

#### **RESULT**

- The plant has completely eliminated shutdowns in the 40 months since
- Tool usage and expenses for items in the **Logimatiq** Remote Dispensing Stations (RDS) have dropped from \$40,000 to \$32,000 per month - a savings of \$96,000 a year!
- The company is also saving over \$81,000 each year by no longer issuing over 40 purchase orders each month (at a cost of \$170 each) for items now supplied by the **Logimatiq** system. One blanket order with pre-negotiated pricing and terms from the distributor covers everything.
- Receiving costs have been eliminated since the distributor now stocks the Remote Dispensing Stations.
- Obsolete tool costs for items provided by the distributor (previously at about 10%) have been eliminated.
- Operators no longer walk 50 yards to the tool crib since tools are dispensed at their cell.
- Supervisors during the 2nd and 3rd shifts no longer have to spend their time issuing tools.
- Accounting personnel no longer have to manually assign costs to the correct job and department number, as this information is now provided by the distributor.

**Saved over \$170k and eliminated shutdowns with Logimatiq**

# With Uncontrolled Usage, Our Machines are Down 4-5 Times a Week

## NATIONAL MEDICAL MANUFACTURER

### CHALLENGE

A large medical and surgical components manufacturing company just couldn't get a handle on their tool usage. The company calculated it was costing them at least \$80,000 a year from their repeated shutdowns.

### SOLUTION

Stock the company's tools in 5 **Logimatiq** Remote Dispensing Stations, provided through the Distributor Placement Program. The Remote Dispensing Stations send an automatic purchase order notice to the distributor whenever any item stocked in any **Logimatiq** machine is running low. The distributor then restocks the machine before any stock-outs can happen. And the distributor provides the **Logimatiq** dispensing machines at no cost to the medical manufacturing company.

Additionally, the company has recently added complete **Logimatiq** Control Software from **Logimatiq** to their existing Dispensing System

### RESULT

- Shutdowns have been eliminated, saving at least \$80,000 a year.
- Monthly tool usage has been reduced from \$50,000 to \$37,500 - saving another \$150,000!
- Purchasing costs have been reduced by \$32,000, using one blanket order for pre-negotiated pricing and terms from the distributor. The company previously issued 18-30 purchase orders a month (at a cost of \$110 each). They've recently added to their savings, by reducing their purchasing staff.
- Eliminated receiving costs, since the distributor is now stocking the Remote Dispensing Stations.
- Eliminated obsolete tool costs, previously running at 2-3%.

**Saved over \$260k, eliminated shutdowns**



# ACCESSIBLE TOOLS AND SUPPLIES 24-7 WITHOUT ADDING TO STAFF:

## Decrease Tool Crib Budget Without Consequences to Production

VALVE MANUFACTURER

### CHALLENGE

A high-end drag valve manufacturer, faced with increasing competition from overseas, required all departments to cut their budget by 15%. How could the tool crib accomplish that without having a negative impact on the production department? How could they guarantee that the correct tool would be used on each and every job to reduce scrap on their very expensive parts?

### SOLUTION

The company evaluated their tools and items and found that 20% of the items drove 80% of the transactions at the tool crib window. Three **Logimatiq** point-of-use dispensing machines were added, for complete locked-down control of these fast-moving round tools and inserts. With over 1,300 employees in production, the **Logimatiq** systems are issuing over 18,000 items per month and **Xnnovation** is managing over 1,600 SKUs with **Logimatiq** software. The company can access automatic reports on usage, and usage is easily controlled by item and employee.

### RESULT

With **Logimatiq** Software and dispensing machines, employees have limited access to items per job. Users simply input their job number and are restricted to only approved items and tools.

- Tool usage was reduced by 30%.
- The company achieved a 10% reduction in scrapped parts by incorporating the **Logimatiq** job access control module.

**Reduced tool usage 30%**

# Leads to Cost-Effective Automation of Tool Crib

## MANUFACTURING PLANT

### CHALLENGE

A mid-sized manufacturing company had a significant problem with inaccurate inventory levels on hundreds of items. Inaccurate counts created shortages and work stoppages on the production line. The tool crib was manned on the day shift but was open on the second and third shifts. Records of items removed from when the crib was unmanned were inaccurate. During a Meeting, the company concluded that automating their tool crib could free up precious resources while reducing inefficiencies related to the tool crib. The challenge was to accomplish this with a minimum amount of cost and labor.

### SOLUTION

**Logimatiq** carousel system was installed to replace the manned tool crib. **Logimatiq** provides secure access to over 1500 different SKUs in less than 10 seconds - with 100% accountability. The touch screen user interface lets the users search for products they need by item code, description or class. And, when that isn't enough information, workers can also see a digital picture of the item before they dispense it.

### RESULT

- The new system virtually eliminated stock-outs and work stoppages.
- It also reduced the time workers spent hunting for tools.
- These savings, coupled with the elimination of the manned crib, resulted in a 6-month payback on the system.

**Automated tool crib can manage inventory 24/7  
and pays for itself in 6 months**

# TAKE CONTROL OF YOUR INVENTORY

## Automate Reorder Process on a Small Budget, with High Returns

### SMALL MACHINE SHOP

#### CHALLENGE

The production manager at a small west coast machine shop was overwhelmed with the task of ordering supplies for his staff. Rapid growth over the years created an environment where staff just grabbed whatever they needed. With no inventory control system in place, there was no accountability or tracking on what was being used. This caused the production manager to have to perform a physical inventory on the supplies almost every night to avoid costly stock-outs. Due to the fast-paced environment, he was rarely able to start until after hours. Any shortages he found at night could not be communicated to his suppliers until the next day, which led to more headaches. He knew he needed a real tool crib and an automated reordering system. But how do you implement that with little to no budget and no staff?

#### SOLUTION

The web-enabled **Logimatiq** machine was the low-cost solution the production manager was looking for. The simple system setup and low cost provides a 100% secure inventory control and reordering system, which the manager could access from work or home.

#### RESULT

- The production manager can now review reports on consumption, job costing, and lead times from vendors, and these reports can be accessed anywhere he has an internet connection.
- The touch screen-based interface allows his users to search by item, description or classification, and displays pictures of the items and notes their own use. This has been key to the system's success, as some members of his staff are unfamiliar with item codes.
- Stock-outs, late nights, and delayed ordering of tools have become a thing of the past.
- Management believes the system paid for itself in approximately 12 months.

**Low-cost Logimatiq delivers secure inventory control and automated reordering**

# Reduce Spend, Improve Accounting and Increase Productivity

## PUBLIC POWER DISTRICT

### CHALLENGE

PPD needed to reduce the total spend on inventory -- but keep items easily accessible 24/7. They also needed to track items issued by department and employee to help with department billing.

### SOLUTION

**Logimatiq**'s automated point-of-use dispensing machine **Logimatiq** was positioned on the line dock that services more than 20 trucks for construction and maintenance projects.

Phase 2 will include both **Logimatiq** Dispenser and **Logimatiq** Lockers at their coal generation plant. This will help with the management of tools, test kits and gauges. The new system will allow PPD to bill outside contractors for items they use.

"I think the thing to note is that the **Logimatiq** is sitting on our line dock and is not in a protected area. Although the docks are heated for winter, the doors are still open and shut a lot and the temperatures can get a little chilly here in Nebraska. Also, we have a lot of dust on the docks. The conditions have not caused any operation problems with the machine to date." – Mike, PPD

### RESULT

- Reduced spend by about 15% on 120 PPE, first aid items, and tools.
- Significant savings in overtime.
- Vending system now provides 24/7 access and tracking.
- Forces capture of departmental data before dispensing items.
- Reduced time needed to issue material from storeroom - no more lines.
- FTE reduction of 1 person in a storeroom.
- Eliminates stock-outs with daily review of replenishment reports.

**Reduced Inventory Spend by 15%, Decreased Overtime  
and Provided Accurate Tracking**

# Significant Growth Led to Overspending and Waste

## TOOL & DIE COMPANY

### CHALLENGE

Tool & Die was established in 1989, and in the past 20 years, the company had experienced significant growth. Expanding to more than 65 workers, the company suffered from a lack of inventory control. "We would order a tool because we thought we were all out, but would discover later that there was a full box tucked away on a shelf," said D. .... Purchasing Agent.

### SOLUTION

**Xnovation** worked with the company to install a **Logimatiq** to provide access to 1,000 items in less than 10 seconds. The **Logimatiq** automatically dispenses a wide variety of tools and supplies, while providing automatic tracking, inventory adjustment, and reordering. The **Logimatiq** can run as a stand-alone unit or become part of a larger automated tool crib system.

"We worked with **Xnovation** to create a real-time interface between **TTC'** software. The result is a system that provides control of waste and inventory levels, reducing costs of overall consumption by 20%.

### RESULT

- Savings in inventory costs of \$40,000.
- Reduced overall consumption by 20%.
- Eradicated stock-outs through automatic electronic reordering.
- Eliminated production downtime.
- Savings of \$150 per purchase order.

**Saved \$40,000 in inventory costs and overall consumption by 20%**