



SUMMARY

Customer

Manufacturer of passenger boarding bridges

Challenge

Gain better control of their inventory

Solution

READY!SM Material Management Services

READY!SM Scan

Results

- Saved roughly \$125,000 out of \$750,000 of business project cost
- Reduced purchase orders by 75 percent and reduced returns by 50 percent



Anixter conducted a quarterly business review after implementing its READY! Scan service and found that it saved the company roughly \$125,000 on a \$750,000 project.

Customer Challenge

This global industrial company is one of the leading manufacturers of passenger boarding bridges in the world. With more than 3,000 units installed in airports around the world, the manufacturer also offers a wide range of related products and services. Starting with the chassis and building everything including the roof, floor, control panels and wiring, the company does all the welding and metal work in its manufacturing facility.

To address its concerns and streamline its operations and inventory management, the facility implemented various lean manufacturing processes, but without firm control of its inventory, those strategies were not paying off.

Anixter had a previous relationship supplying wire and cable to the company. When there was a change in operations management, the new director of operations wanted to reduce the company's \$6 million inventory and not consolidate the supplier base. With a manufacturing process that had numerous inefficiencies, the inventory reduction was part of a long-term strategy to improve its inventory operations. The new director and Anixter worked together to create a material management solution that maximized the company's lean manufacturing strategy, reduced overall material costs and improved material traceability.

Anixter Solution

The new director of operations was looking for an automated tracking mechanism to identify inventory usage and decrease owned inventory. Anixter worked with the director to create a consignment program that offered to reduce the company's purchase orders and consolidate invoicing into a monthly process. With the consignment program, the material is held in a local Anixter distribution facility and the company is only billed when the material is received in their facility. The inventory included wire and cable such as large multiconductor cable, four- and three-conductor cable, and control and industrial cable.

After establishing a consignment program that held the material off site and delivered it only when needed, Anixter implemented its READY!SM Scan service at the company's production facility. As part of its READY!SM Material Management Services, Anixter's READY! Scan service automates the on-site replenishment and inventory management program by using bar-code labels and hand-held scanners. Over the course of three weeks, Anixter put material where it needed to be, labeled the appropriate bins, set up a scanning system and trained a person to scan the material at the stocking location in the product facility.

CASE STUDY

OEM GAINS INVENTORY CONTROL WITH ANIXTER'S READY! SCAN SOLUTION



Then, an Anixter associate delivers material to a caged area and scans the bar codes on the bins that need to be replenished. This information is automatically sent to Anixter's network to create a list of materials for the next replenishment cycle. Anixter carries 45 days of inventory at its local distribution facility with an effective 150 days of inventory at Anixter's warehouse.

Project Results

Anixter conducted a quarterly business review after it implemented its READY! Scan service and found that it saved the company roughly \$125,000 on a \$750,000 project. Through the use of READY! Scan, Anixter was able to double the number of line items handled, reduce the number of purchase orders by 75 percent and reduce returns by 50 percent.

One of the first benefits of READY! Scan was freeing up hundreds of dollars in cash flow. By using a single-vendor management system, the company received maximum supplier flexibility. This flexibility allowed for the company to more than double the number of products ordered through Anixter from 1.4 lines per order to 10.3 lines per order. This helped to delay the cost of ownership for the manufacturer.

The director of operation's goal was to have the company become more lean and to identify specific cost savings. Anixter was able to help achieve this goal. By taking out more than \$300,000 in inventory, the company was able to transition its focus from tactical activities to a process of efficiency. This meant the manufacturer could focus on its core competencies and not worry about locating parts and pieces. Through READY! Scan and Anixter's consignment service, inventory traceability and visibility were greatly improved. Better tracking of products was maintained by limiting access to materials to authorized personnel only.

Anixter is furthering its commitment to the company by looking at other cost-reduction processes and identifying areas to add value through ongoing quarterly business reviews. Anixter is working with the company on kitting and other supply chain issues. The company now has a lean manufacturing environment and is focused on designing, developing and delivering high-quality passenger boarding bridges for the aviation industry.



READY!SM Material Management Services by Anixter leverage our

distribution and Supply Chain Services to help our customers optimize a just-in-time material management program in their production facility. Our replenishment solutions lower the total cost of ownership, improve productivity and scale to meet production demands.

This project also called for:



READY!SM Scan automates the on-site replenishment and inventory management program by using bar-code labels and hand-held scanners.

OVER
8,300
employees

OVER
100,000
customers

MORE THAN
450,000
products

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