

CASE STUDY

Eliminate the Requisition / Procurement Process

Reduce Hoarding and Waste

Maintain / Improve Organization

Reduce Overall Costs

“With the successful implementation of the WIN Advantage Inventory Management System we were able to eliminate redundancies associated with the planning, purchasing, receiving, and internal distribution of low value (but large number of) class ‘C’ small parts”
Reduce Overall Costs

“Lubker Distribution helped us organize and more effectively use the talents of our employees to achieve increased production while maintaining, and often reducing operational expenses”
Lubker Distribution WIN Advantage Inventory Systems help companies:

“Our business success depends on our ability to provide quality finished goods on time and at a profit. The Lubker Distribution WIN Advantage Inventory System helps us achieve both objectives by eliminating our internal small parts distribution processes (saving processing costs) and by engineering a delivery system that guarantees parts availability when and where they are needed. (Dion W., RUSA LLC)

Introduction

RUSA LLC, a preeminent manufacturer of steel electrical enclosures servicing the construction and heavy machinery manufacturing sector, has experienced significant growth since its inception. RUSA LLC employees over 150 highly skilled, full time employees who all share a commitment to deliver the highest quality products to its customers ensuring ongoing customer satisfaction. As part of their continued commitment to their valued customers, RUSA LLC began an initiative to eliminate wasted processes that did not directly support and benefit the manufacturing process. This LEAN approach was best stated by a senior management member, “We are focused and committed to producing the industry’s best products. Our adopted culture encourages our employees to eliminate processes that are either redundant or that do not specifically support finished goods manufacturing”.

The Challenge

RUSA LLC sought to remain competitive in an industry where cost containment and operational efficiency are critical to success. The management team’s effort concentrated on gained production process efficiencies while reducing operational costs. The critical areas outlined included;

- **Increase Productivity** – Increase the productivity of the production staff by reallocating some of the resources that were previously assigned to the part requisition and internal assembly line distribution processes to alternate, critical assembly positions.
- **Streamline the requisition / Procurement Process** – Eliminate daily procurement in both requisitioning and ordering of small parts.
- **Reduce Hoarding and Waste** – Due to inefficiencies and frequent stock outages, many ‘employee specific use’ inventories were created by production personnel to compensate, which drove up (unrealistic) consumption costs and created excessive inventory.

“The WIN Advantage Inventory Management System had an immediate impact on our operational efficiencies.

We were able to eliminate 90%

of the labor used with the old consignment process.”



Increase Productivity
“With the successful implementation of the WIN Advantage System, we were able to completely change the way we procure and distribute small parts. In fact, we were able to eliminate the entire procurement and distribution processes (for the selected items) within our facility, freeing multiple members of our employee team for re-assignment to more productive and profitable position tasks”

“The Lubker Distribution WIN System helped us with efficient, effortless replenishment of our class ‘C’ small parts. Hundreds of part numbers dropped from our MRP upon implementation of the WIN Advantage Inventory Management System”

- **Maintain Organization Objectives** – Although past objectives maintained organization (consignment processes were previously deployed), the processes required custom internal system design and keen attention to internal distribution discipline. Allocation of workforce was exceedingly cumbersome.
- **Overall Cost Savings** – RUSA LLC operates in a very competitive market and their ability to maintain and reduce operating cost was critical for their continued success.

The Solution

RUSA LLC contacted Lubker Distribution for consultation and ultimately a processing proposal aimed at eliminating their requisition, procurement, and internal distribution (non-value added) practices. Following the engagement process, Lubker Distribution was selected to implement the project based on their experience with;

- **Distribution Point of Use Design** – Lubker Distribution’s WIN (When It’s Needed) implementation process includes detailed facility racking and bin placement schematics. Additional information provided includes individual part number stocking parameters (based on part weight / usage), unique bin sizing, layout design, and custom bar code labeling specific to each usage point final assembly stocking area.
- **Timely and Efficient Implementation** – Lubker Distribution provides and assembles the racking units, labels and places all included bins, and performs the first fill process complete generally (and depending on the number and complexity of parts to be included) within four weeks of the approval to proceed.
- **On-going Requisition and Maintenance** – Automated bar code requisition (of bins exhibiting a ‘low’ stock condition) and bin periodic review and preventive maintenance performed by trained Lubker Distribution associates. Visits tailored to meet the customer demand, whether the need is daily or weekly.
- **Consolidated Invoicing and Reporting** – Invoicing and reports standard, whether consolidated and dated or processed at time of product delivery. Custom reports detail usage per work station, per any given time period.

Ultimately RUSA LLC felt that the WIN System, Coupled with all of the service offerings, was the best combination to achieve their objectives. RUSA LLC could re-allocate office and manufacturing resources, positioning them to better impact their core competencies, the production of quality, competitively priced electrical enclosures.

The Result

Increased Productivity – Prior to the implementations of the WIN Advantage Inventory Management System, RUSA LLC’s production personnel were responsible to maintain ‘caged’ inventory, requisition product, record receipts / issues, and physically distribute product to point of use manufacturing cells.

The WIN System implementation allowed RUSA LLC to effectively reallocate resources from previously designated requisition and distribution tasks to core competence manufacturing tasks.



Lubker Distribution WIN Advantage Inventory Systems help companies: "The WIN Advantage Inventory Management System had an immediate impact on our operational efficiencies.

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The WIN Advantage System eliminated the need for 'private' stock piles and made available the right product at the right time at the right manufacturing point of use area".

The Virtual Cage cost analysis tool confirmed our belief that the system was significantly driving costs from our operations. It is critical to our organizations continuous improvement processes to have the ability to measure success, and especially with so many critical cost areas being impacted".

- **Reduced Hoarding and Waste** – The successful implementation of the WIN Advantage System created automated refill 'work cells' located at point of manufacture sights located throughout the manufacturing facility. The consistent availability of products within the production areas helped employees make a successful and seamless transition from personal 'private' inventories to shared stocking cell areas.
"In the past, employees maintained private and secretive inventories of small part production parts to ensure that a sufficient supply was available when needed. This practice inflated inventory costs and created inaccuracies when accounting stock levels. The WIN Advantage System eliminated the need for 'private' stock piles and made available the right product at the right time at the right manufacturing point of use area".
- **Maintain Organization Objectives** – Organization has always been a cornerstone objective at RUSA LLC, so maintaining a system that mirrored objectives yet reduced cost and work load was paramount. The WIN Advantage System proposal presented the physical layout details surrounding the rack and bin creation, then implemented a system that yielded zero waste while promoting ultimate organization. Bins are sized and color coded to emphasize usage patterns and critical components. There is not corrugated or other waste by-product remaining at the stocking locations following Lubker Distribution professional point of use delivery.
- **Overall Cost Savings** – The WIN Advantage Inventory Management System produced immediate documented cost savings in the areas of, among others, reduced inventory, decreased employee involvement, eliminated stock-outs, inbound standard and expedited freight, and improved invoicing practices.
"The WIN Advantage cost analysis tool confirmed our belief that the system was significantly driving costs from our operations. It is critical to our organizations continuous improvement processes to have the ability to measure success, and especially with so many critical cost areas being impacted".

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For more information

For additional information on how Lubker Distribution's WIN Advantage Inventory Management System helped RUSA LLC achieve substantial cost savings and to learn how your company can achieve similar results, contact Lubker Distribution at 866-822-7758 or visit our web site at

www.lubkerdist.com

