CASE STUDY SMART, EFFICIENT NDUS



OVERVIEW

A billion-dollar company who leads the market in branding solutions and memorialization products needed to understand its current spend and usage for indirect products in order to establish a baseline for additional cost-savings programs. The company signed a two-year contract to conduct inventory management analysis, employee efficiency and usage requirements through activities called "crib crawls" in its top seven North American locations.

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APPROACH

Using the Grainger KeepStock Secure® vending solution, Grainger reps conducted a storeroom analysis to make recommendations for greater efficiency and tracking of material spend. Comparing year over year (YOY), vending supplies showed a very modest decline.



How accurate is the consumption levels prior to the install?

Are there controls for individuals utilizing the industrial vending machines?

Are the machines conveniently located?

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What products have a longer usage life than others previously utilized?

What products were displaced by alternate products?

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There are so many variables built into this equation. Comparing products from one year to the next works well in a static and stable environment, however MRO is not that environment. Some of these variables include:

Are there ways to buy the products outside of the industrial vending machines?

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Did production increase or decrease?



Did more users access the machines than the prior year? Who has access to get inside the machine?

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KEY OBSERVATIONS & FINDINGS

When the customer's estimated original consumption reports were calculated into the equation, the actual savings, compared to what the customer assumed they purchased, produced a 42% decrease in MRO product consumption levels. The value of establishing an actual baseline is essential in initiating real consumption changes. Now, a company can start a consolidation effort with quantifiable results.

RECOMMENDATIONS & IMPACT

While many companies are reaching out to their key suppliers for documented cost savings, they have not established an accurate baseline of usage and product consolidation that will enable them to have a consistent measurement for year-over-year savings. Using the Grainger KeepStock Secure® solution is essential to help you know what items are coming in and going out so you can easily track your inventory management and measure purchasing accuracy.

Grainger KeepStock Secure® works best for high-use, point-of-work items that need to be kept in stock and monitored to prevent inefficiencies. KeepStock Secure® is best suited to high-use products and personal protective equipment, ensuring that your team has easy access to exactly what they need. When you need to guarantee that your team can save time and effort getting to their most common items, Grainger KeepStock Secure® offers ease of mind and an effective solution to rapidly consumed inventory.

Grainger KeepStock Secure® solution is subject to customer eligibility established by an onsite assessment conducted by Grainger's Consulting Services group, mutual agreement on frequency of use of Grainger personnel resources and other agreements.

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