



DIAMOND FASTENERS SUCCESS STORY

Company Reduces Production Delays And Inventory Management Costs



THE CLIENT

This firm designs, engineers and manufactures shock and vibration isolation systems. They produce a wide range of highly-refined products for diverse military and private enterprise applications. The company has a first-class reputation for knowledge and experience within their industry, and they take pride in using only top-grade, USA-made materials. It's essential that their production processes support their reputation for client commitment, timeliness and quality.



THE PROBLEM

Locating and pulling items from inventory was an unwieldy process that required many touches on the part of mechanics and generated a vast amount of paperwork for the accounting department. The lack of visibility and complicated approach to inventory management meant that the client was always on the verge of running out of items as and when they were needed on the production floor.



THE ASSESSMENT

Diamond determined that inventory outages shut down the production line and cost the company dearly in terms of wasted time and labor. This in turn jeopardized valuable customer relationships. The lack of advance planning based on projected need caused unreliable inventory availability. The company's cost of goods was high, and increasing, due to last-minute and extremely frequent ordering. Moreover, the firm wasted time and fuel every time they sent a driver to pick up emergency parts.



THE DIAMOND FASTENERS SOLUTION

Our client was an existing Diamond Fasteners customer and purchased both military and commercial items from us. As a result Diamond Fasteners was very familiar with the client's processes and understood how they could benefit from a custom-tailored bin stock inventory management solution.

The experts at Diamond Fasteners recommended a system with new bins, barcoded labels and a reorganized warehouse set-up. All items needed for assembly of main product lines would be stocked by Diamond, ready for immediate picking and delivery. Diamond would purchase existing inventory, repackage items to match the new system, then issue a credit note for client buy-back.

This transition plan would avoid wasted inventory and Diamond would be responsible for monitoring and replenishing inventory as needed, visiting the client weekly and using a handheld scanner to accurately record inventory levels. With the new bin stock program in place, the client could look forward to lowering their total cost of ownership yet achieve a stronger ROI.



Client Reduces Production Delays and Inventory Management Costs

THE RESULTS

REDUCED PRODUCTION DELAYS

After a year working with the bin stock system implemented by Diamond Fasteners, our client has experienced no production delays due to inventory outage. Stock replenishment is necessary only two to four times a month.

Reliable, streamlined processes for both the production floor and back office are generating multiple savings. Less frequent purchase order timing has reduced pricing. Personnel can focus on high-value priorities rather than time-consuming, non-revenue-producing tasks. Time and money are no longer wasted on excessive driver errands to cover emergencies.

A SIGNIFICANT REDUCTION IN INVENTORY MANAGEMENT COSTS

Our client saw a 30% decrease in invoices with a 56% increase in line items shipped. Over the course of two years our client consumed items from the bin stock program from over 91 invoices which accounted for 125 lines processed. Upon evaluation of the shipments against the Bin stock program, Diamond has processed 195 lines over 62 invoices since the beginning of this year, thus reducing costs of doing business as well as decreasing the frequency of audits to bi-weekly.

A TRUE PARTNERSHIP ALLOWS FOR BETTER SERVICE TO CUSTOMERS

As a result of the consulting services provided, Diamond and the client have established a true partnership which in turn allows the client to provide better service to their customers.

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