

# Vending Emerges as a LEAN Solution

Manufacturers are struggling to get better control of all production-related costs, including MRO and inventory management processes. But many manufacturing plants aren't large enough or have the resources to implement Six Sigma or LEAN methodologies to improve quality, business and manufacturing processes. That's creating opportunities for innovative distributors leveraging the latest Internet-based vending technology.

Regardless of customer size, these initiatives are giving distributors an opportunity to help customers reduce waste, reduce cost, improve processes and productivity. Leading-edge distributors are offering the latest Internet-based vending technology from Apex Industrial Technologies as a key component of value-added programs to help LEAN-thinking customers achieve the following goals:

1. Reduce MRO costs through improved usage and tracking data
2. Increase program efficiency through tighter billing, re-order and reporting process
3. Improve worker productivity through best-practice point-of-work solutions
4. Do more with less by outsourcing inventory management to knowledgeable vendors

## Improved Usage & Tracking Metrics

Whether tool cribs are attended or not, Internet-based self-service vending machines can produce dramatic results through automated tracking – reduced spend, no overstock, no stockouts, no hoarding, and identification of overuse. Apex browser-based software can automatically supply the customer with regularly scheduled reports or enable real-time data views. It details the date and time each item was dispensed, by which employee, along with a description and cost of each part vended and where the item was used (job number, cost center, work order, etc). It even includes how many of an item is included in a multi-item package. The customer can check usage, inventory levels or restocking requirements any time from any browser.

When the economy slowed down, Precision Manufacturing and Engineering Company, Greencastle, Pennsylvania, a precision job shop with 20 employees, was forced to eliminate some jobs, including that of its tool crib attendant. With unattended self-service, there was no record kept of items taken from the crib. This led to frequent stockouts. There were times when the lack of a simple drill bit or other mission-critical item stopped production. Once PME installed an Apex EDGE 5000 vending machine, it eliminated stockouts and cost-effectively gave the company control over its consumables.

## Streamlined MRO Processes & Costs

Apex's vending units are powered by Internet-hosted software, so customers don't have to install or manage software. There is no PC, hard drive or MS Windows operating system. This not only reduces the system's initial cost, but dramatically lowers support requirements and costs as well. Managers can set controls that limit what each employee can access over a set time period from any Internet browser. Because of the ease of installation, use and affordability, additional vending machines can be quickly added to meet production demands.

By introducing control and accountability for tool and MRO supply usage, consumption is reduced by as much as 30%. Reordering is automated and inventories are reduced dramatically.

## Higher Worker Productivity

"Walking and talking" trips to tool cribs plant productivity. Internet-based vending machines can supplement tool cribs in large plants by putting high-demand items close to the point of work. In small shops, Internet-based vending ensures workers have what they need – no stockouts or emergency sourcing due to better tracking and accountability.

Idaho Steel saved an estimated 1,200 man-hours and \$67,000 in one year in a 30-employee plant! A distributor won the business at this manufacturer of food processing machinery by offering a vending solution that eliminated a 400- to 500-foot walk to the tool crib to get an insert, disc, or other cutting or grinding tool.

## Improved Inventory Management

DAs manufacturing plants ramp up production, tool crib managers are often overburdened. Or tool cribs are often open only part-time to control costs. Vending gives customers and their distributors the tools to manage inventory smarter.

One Fortune 500 manufacturer with 1,000 workers on a 40-acre site only kept its tool cribs open for two shifts per day, when it installed an industrial vending machine through its distributor's recommendations. Result: Workers gained 24/7 access to critical "after-hour" items identified-safety glasses, gloves and other PPE. Tool crib managers focused on higher-level tasks that further streamlined inventory management. A second vending machine was added within three months, with discussion of additional installations.

## Distributor-Customer Case Studies – Win-Win Vending Stories

Get the full story on the case studies mentioned here and many others that show how distributors have successfully used the latest vending technology to win customers, gain additional business and create cost-saving solutions that put them ahead of the competition:

[ApexSupplyChain.com/about-us/resources/](http://ApexSupplyChain.com/about-us/resources/)

## How Apex Changed the Game

Apex has changed the vending financial model for distributors and their customers through its innovative technology and buy/subscription programs. The cost of this new technology is much lower than earlier generations. It is easier to implement and easier for your customers to use. The software is hosted. All users need is an open connection to the Internet. No software is installed on site. That makes it easy for the IT departments of distributors and their customers to say "yes"... because there is nothing for them to install or support.

Apex goes even further by supporting the distributor's marketing efforts as well. Proven distributor programs help you design a clear and

compelling business proposition that your sales force can clearly communicate in the marketplace as a critical differentiator. We will help you learn and adopt best practices and offer structures. We'll help you build flexible programs that customers understand will help their bottom line while helping yours – a key in today's new economy. We will help you protect your accounts and gain profitable new customers.

## Learn More About New Service and Offer Models

To learn more about the full line of automated dispensing solutions from Apex Supply Chain Technologies, visit [www.apexsupplychain.com](http://www.apexsupplychain.com), email us at [info@apexsupplychain.com](mailto:info@apexsupplychain.com) or call 1.800.229.7912.



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