



## CASE STUDY

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Category: Integrated Supply

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Product: VMI

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Industry: Foundry

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**\$20,590 Cost Savings**

### ▶ PROBLEM

The piping racks were not in a logical order, poorly maintained with frequent stockouts, and at a premium price for the customer. The customer did not have time to manage the supplier.

### ▶ SOLUTION

One of the long-term benefits of the Integrated Supply Solution is that the analyzing of the MRO spend does not stop at implementation. Martin heard the complaints of the maintenance personnel and looked into the piping rack. The customer had their bolt supplier managing their piping, which is why the service was low and the price was high. A new supplier was brought in under Martin's management and the racks were cleaned, organized, and a plan was put in place to increase availability and lower cost.

### ▶ RESULTS

Once implementation was completed the racks were neatly labeled, making it easy to find the parts that were needed. The racks are inventoried weekly, which resulted in a significant reduction of stockouts. With the right supplier in place Martin was able to provide a cost savings of **134%** per order, and the savings totaled **\$20,590** in the first year.

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