

Advanced Tool Management System Saves Manufacturer \$210,175

SITUATION

A manufacturer of custom-engineered plastic products and metal tooling solutions had a major problem with tools being stored in multiple locations without a digital management solution. New operators struggled with finding tools and parts needed for assemblies. This would lead to overstocking due to a lack of visibility. Team members were spending more time looking for the correct tool, which means they were being less productive and efficient.

SOLUTION

Martin Supply assumed responsibility for all tooling, except for quick grind, and designed a comprehensive tool management solution. This included creating custom kits to match customer tool locations and linking all tools and components for assembly. The new system provided total visibility into tool locations and usage, and operators gained an intuitive system to dispense tools based on machine location. This also allowed managers to gain a better understanding of how tools were being used.

OUTCOME

The implementation of advanced vending systems led to significant improvements in the manufacturing process. The company saved around 120 minutes per day over 260 days, resulting in an estimated total savings of \$208,000, given an hourly rate of \$400. The initiative also reduced inventory costs by an estimated \$30,000. With the cost of capital at 7.25%, this resulted in annual savings of \$2,175, bringing the total savings to \$210,175.

Additionally,

- Customers experienced a **substantial reduction in the time spent searching for tools**, leading to more efficient use of working hours.
- Proper inventory levels were maintained, **preventing overstocking and shortages**.
- **Increased usage accountability** achieved through detailed tracking and reporting.
- System provided **comprehensive trend reporting**, aiding in analysis and decision-making.
- Management of tool changes became more streamlined, **reducing downtime and increasing overall responsiveness**.
- **Significant boost in productivity** and more efficient management of operations.