

WHITE PAPER

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Improving the Inventory Management Process

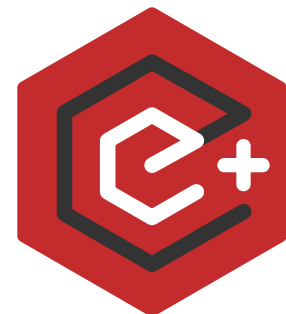


Tina Gabrielson
ePlus Program Manager
Ellsworth Adhesives

Manufacturing has been modernized by process efficiencies and innovative production techniques. OEMs are making products in a business environment much different than one from a decade or even five years ago. Since product assembly processes are continuously improving, shouldn't the way supplies and inventories are managed improve as well? A passive or mismanaged approach to inventory can lead to costly issues for manufacturers of any size.

Reactive Inventory Management

One common story for example, inventory is acquired by a purchasing agent when an employee arrives at their desk with an empty tube, pail or bottle of adhesive stating, "We are completely out of this." At this time the agent calls their vendor to place a new order for that item. Two days later, another employee comes in with a different adhesive tube, pail, bottle, etc. saying the entire stock has expired and cannot be used. The agent calls the same vendor to place an additional order, asking for both orders to be rushed because manufacturing is at a slower pace because these two items are not available. This type of reactive, "place and chase" approach to inventory management can lead to excessive overheads, multiple spreadsheets and sign-out logs, multiple orders, expediting costs, and time-consuming searches in the stock shelves.



ePlus
INVENTORY SOLUTIONS

A few companies Ellsworth Adhesives works with partners brought issues similar to the above examples similar issues to their attention of their Engineering Sales Representative's (ESR's) attention, asking if there was a way to have a simpler, automated system for acquiring and tracking the adhesives and specialty chemicals they order on a regular basis. At the time, Ellsworth Adhesives did have an inventory management system in place, but it wasn't extensive enough to handle the large quantities and variety of products these companies were ordering regularly. Seeing a need for something better, faster, and more versatile, Ellsworth Adhesives decided to start from scratch with a new system, developing an inventory management solution that can meet multiple manufacturers' needs. Thus, ePlus.

Active Inventory Management with ePlus

ePlus is a web-based inventory management program for adhesives, specialty chemicals, tapes, consumables, and other similar products provided by Ellsworth Adhesives. It has multiple components that can be customized to fit each customer's needs including comprehensive product tracking, multiple reporting options,



A screenshot of ePlus' inventory page.

and automated procurement. Since ePlus is web-based, there isn't any software installation or upgrades to purchase, but an internet connection is required.

"Shelf-life management and inventory visibility are probably the biggest advantages when using ePlus," said Ellsworth Adhesives ePlus Inventory Solutions Manager Tina Gabrielson. "Our clients can keep track of important information like expiration dates and lot numbers, make sure supplies are used with a first-in, first-out practice, and avoid having to scrap material."



An ePlus scanner and labeled products.



ePlus works with large and small inventory items.

The ePlus program offers a variety of inventory management tools and services, including:

- **Pull Tag/Scanner:** A simple labeling system allowing users to scan immediately or at the end of the day. Perfect for all product sizes.
- **RFID Cabinet:** Great for point-of use with the ability to grab one or more items at a time, including badge access capability.
- **RFID Room:** A walk-in option that works well with large, flammable, or refrigerated products.
- **Field Inventory Specialist (FIS):** A personal stock liaison educated in ePlus software and equipment that can be deployed to work with any solution at your stocking location.

ePlus Benefits

Since ePlus can give its clients a closer look into the timing and amount used of each product, minimum and maximum stock levels can be changed easily as demand fluctuates. Once stock hits a minimum level, ePlus will automatically place an order to Ellsworth Adhesives replenishing the inventory back to its maximum level. This reduces stock outages and manufacturing downtimes or slowdowns due to insufficient stock. Time spent manually counting inventory, placing purchase orders, and the administration costs of maintaining inventory levels are also decreased.

A few other benefits to using the ePlus program include:

- International adaptability
- Compatibility with Structured Query Language (SQL)-based systems such as SAN, Baan, and Oracle
- The ability to transfer product from location to location
- Electronic storage and maintenance of Safety Data Sheets, Technical Data Sheets, and Manufacturing Certificates for quality assurance requirements

Currently, Ellsworth Adhesives' ePlus client base includes companies that use the system within their multiple locations throughout the US, Canada, and Mexico. One of the users is Plexus Corporation, a company that provides electronic manufacturing services to companies in industries such as networking and communications, healthcare, defense, and aerospace industries.



RFID Cabinet



RFID Gateway

For companies that are interested in implementing ePlus, depending on the customization, number of products, extra storage options like vending machines, and number of locations, it usually takes only a couple of weeks to get up and running. Ellsworth Adhesives offers remote support through onsite Field Inventory Specialists who can be deployed to assist in inventory management to make sure it's successful and help the customer become faster and more efficient.

"It seems our clients' processes are constantly changing and improving, so we feel ePlus needs to do the same," said Gabrielson. "We are constantly evaluating the ePlus system and its functionality and making process improvements to better optimize the user experience. We want to provide a top of the industry inventory management solution."

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