

7 Ways to Reduce Cost by smart inventory management

1. Using automated Vendor Managed Inventory, A point-of-use industrial vending system, that gives you 24/7 secure access to your indirect manufacturing, processing, MRO and PPE items.
A way to have your industrial supply distributor save you money by managing your indirect inventory
2. Reduce Consumption – Stop Waste, Fraud, Theft and Abuse
 - 24/7 Controlled Access
 - Accountability – Track usage by department, workcell, job, employee
 - Point-of –use “pull” system dispensed in the correct package quantity
3. Reduce Inventory Carrying Costs
 - Promotes supplier-consigned inventory - 80% of automated dispensing machines have consigned inventory from the supplier.
 - Move to demand-based ordering. Case studies show that demand-based ordering with a point-of-use dispensing system allows on average about 20% less inventory on hand than standard min/max based purchasing

Demand-Based Inventory Management Software allows most users to cut inventory up to 20%
4. Cut Spend on New Tools – Force use of Reconditioned Items
 - Issue reconditioned items first, before allowing access to new items
 - Get familiar with the re-marketed products market – a great service available out there from www.seguedirect.com
 - Rent testing equipment from www.peribanu.com
5. Reduce Obsolete Inventory, Most shops see obsolescence reduced by 50% after implementing industrial vending
 - Increased visibility of slow and dead inventory- use online surplus inventory
 - With AVMI contract – your Industrial supply vendor can more easily dispose of unused inventory
 - Dispense older inventory first – use online marketplace to turn inventory into money savings - www.peribanu.com
6. Reduce and Eliminate Stock-Outs
 - Cut Spend on unnecessary overnight shipments
 - Cut spend on carrying duplicate tools and supplies
7. Reduce or Eliminate Purchase Orders, Average time/personnel cost of a purchase order is \$150
 - Items can be automatically reordered when they fall below preset levels
 - Consolidated monthly invoicing with AVMI

- Substantially reduced paperwork for purchasing department