



Summary

Industry:	Other
Application:	Line side vendor managed inventory for Piston Compressor Manufacturer
Actual Saving:	£n/a
Payback Period:	n/a



Seals Inventory Improvements

Vendor managed inventory for Seals

ISSUE

One of the worlds leading manufacturers of compressed air and gas systems' product range includes rotary screw, oil-free, vane, piston, and portable compressors.

The problem arose when the customer contacted an existing supplier who supplied the majority of their seals. This company was asked to add an additional production line side bin system which was refused, because of logistics as the company was located in the West Midlands. The customer then decided to contact other potential seal suppliers to tender for this supply.

SOLUTION

After discussions with the customers' purchasing team, ERIKS Sealing Technology decided to carry out a complete inventory survey of existing locations and the new, proposed location with a view to supply. This mammoth task included identifying 480 items spread across six locations.

ERIKS was selected, to implement a 2 bin fill system for a contractual supply agreement of a period of two years, after intense negotiations. The customer chose ERIKS because of its ability to provide a local service from a national company by supplying through their local service centre and because it was able to offer a vendor managed inventory system with cost savings over the customer's current supplier. In addition ERIKS is able to reduce the customers existing suppliers in other products and services like Bearings and Power Transmission.

ERIKS implementation started with the installation of racking for the two bin system throughout the 6 line side areas, consisting of 300 item locations in total. Next, a two bag system for 180 item locations for the after-market department was installed. The first phase of the vendor managed inventory was totally operational within the 5 days time allocated. The second phase started with ERIKS looking into supplier consolidation of all seal suppliers to the customer. ERIKS have also identified the customer's after-market seal kits and it has been agreed that ERIKS will supply these ready, made up for the customer to dispatch to their customers.

OTHER BENEFITS

- Line Side Vendor managed inventory and supplier reduction have resulted in improved supplier management and cost savings

FURTHER COMMENTS...

ERIKS Sealing Technology Know-How will also be looking at individual items and their application suitability, with a view to improve the customers efficiency.

MORE INFORMATION

ERIKS Industrial Services

Amber Way, Halesowen,
West Midlands B62 8WG

Tel: 0845 006 6000

Web: www.eriks.co.uk

know-how makes the difference

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