

Fortune 500 Manufacturer Leverages Supplier Managed Inventory Program to Drive Cost Savings and Faster Time to Market.

THE SITUATION: A Fortune 500 Manufacturer wanted to consistently meet market demand for several product lines, while minimizing their finished goods inventory without having to continually place orders for more labels.

- Orders require quick lead times – as fast as next day delivery!
- Labels were ordered in small quantities on a weekly basis.
- Cost is high for a 4-6 color setup on the press.
- Lead times for this profile of labels run 4-6 days.
- Customer was not able to take advantage of economies of scale due to small order quantities.

THE SOLUTION: Advanced Web implemented a Supplier Managed Inventory (SMI) program in order to efficiently print, store and deliver the customer's labels on an as-needed basis.

- The SMI program allowed Advanced Web to run larger quantities and store additional label inventory for next day shipments.
- Larger quantities resulted in far less cost towards setting up the press.
- The minimum finished goods inventory also helped to reduce waste acquired from obsolescence – thus adhering to the customer's Lean Manufacturing initiatives.

THE RESULT: The customer has enjoyed the ease of using Advanced Web's SMI program, and has achieved remarkable cost savings throughout the past two years.

THE BOTTOM LINE:

- Customer has received over 450 million labels from this program.
- Customer has seen cost savings of 10% per year for the last two years.
- Total savings have been close to 25% since inception of the program.
- Advanced Web has offered just-in-time delivery service.
- Customer is continually working with Advanced Web on a quarterly basis to add new items to the SMI program.