



CASE STUDY

Category: Integrated Supply

Product: VMI

Industry: Foundry

\$30,466 Cost Savings

► PROBLEM

The customer used drums for scrap material, but struggled to keep the right amount on hand, which caused major issues with production. On top of that they were paying a premium price.

► SOLUTION

The customer approached Martin Integrated Supply to handle their drums. Even though this is clearly outside the stockroom, MPS was trusted to get the job done right. MPS looked at where the drums were used and spoke to the workers who used them daily to identify the right amount to order.

Martin also opened the drums up for bid, having multiple companies quote the sale, delivery, and pickup of the drums. A company was selected and a blanket PO was issued with 50 drums delivered every two weeks.

► RESULTS

With the right type of PO in place for the right quantity, stock-outs of the drums have disappeared. The machine shop has a process set for requesting extra if they know that they will need it, but after 8 months the supply has remained steady. On top of the process improvement, MPS is able to sell them with a \$22/drum savings, resulting in a yearly savings of **\$30,466** in total cost savings.

We help companies operate better