



Inventory Management Tips To Boost Productivity And Profit

by Lawson Products



Starting the New Year by taking stock of what you have is good advice. **Lawson Products, Inc.** a distributor of products and services to the MRO marketplace says companies can take stock too, finding big value in small items.

Lawson – No. 37 on *Industrial Distribution's* 2015 Big 50 List – is helping companies realize the value in their MRO consumables and become more productive and profitable by focusing on the little things – literally – managing thousands of items that organizations use every day in maintenance, repair and operations. Fittings and fasteners, chemicals and cutting tools can have a big impact on a company's financials.

“Although optimism among U.S. business leaders has risen, companies are feeling increased pressure on profits,” says Michael DeCata, president and chief executive officer, Lawson Products. “We show them where to create efficiencies and increase productivity by anticipating product demand and ensuring items are at hand when needed. It pays to sweat the small stuff. We do that for our customers, so they don't have to.”

Lawson offers the following tips to help any size organization be more efficient and productive:

Avoid the trap of under or over stocking key items. Capture the unique needs of your operation and identify the right mix and levels of product. Look to customized assortments and kits to improve small parts inventory control.

Determine if a DIY solution makes sense. Lawson customer Advanced Technology Services, Inc. (ATS) sourced custom hoses because they didn't have the product, equipment or knowledge to make them in-house. A do-it-yourself approach with a stocking program, including hoses, fittings and hose-making equipment, and in-shop training to ensure safe operations resulted in annual savings of nearly \$50,000.

If your mechanics are specifying a product, find out why. If one item holds up better than another, they'd know. When you have the choice of good-better-best, ask the people who use the item most. A durable, highly-engineered product may have the lower overall cost.

Improve your forecast accuracy. Better visibility into your inventory means knowing what is where at all times. Managing stockouts with unplanned trips to off-site stores or relying on overnight delivery is not only a productivity killer, it consumes profit.

Account for every item used in the job. Don't relegate shop supplies to an undefined expense. You account for a battery charger or a shop light, so why wouldn't you include sandpaper, adhesive, and other disposables? A good Vendor Managed Inventory partner will provide reports documenting your spend by product category.

Apply Lean design principles for process improvement. Focus on space utilization by observing traffic in a technical or supply area for a period of time. How many extra steps are taken from the door to a primary set up across the room? What's the average time spent looking for parts or the frustration level in having to dig through unsorted drawers? Even small configuration modifications can reduce wasted time and effort, improving operating performance and working conditions.

Founded in 1952, Lawson Products is an industrial distributor of approximately 300,000 maintenance and repair products. Lawson Products serves the industrial, commercial, institutional and government maintenance, repair and operations (MRO) market. The Company ships products to customers in all 50 states, Puerto Rico, Canada, Mexico and the Caribbean from five strategically located distribution centers in North America. Under its Kent Automotive brand, the Company supplies products to collision and mechanical repair shops as well as automotive OEMs. For additional information, visit www.lawsonproducts.com or www.kent-automotive.com.

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