

# WHEN STATUS QUO ISN'T AN OPTION

**How one manufacturer rethought their inventory management – and saw huge results.**

## **XCOM,\* a leading manufacturer of consumer products, had a big fastener problem.**

They had re-upped on a three-year contract with their previous vendor for inventory management, with promises from the vendor to improve the solution. The problem? It never happened. Three years later their fastener solution was still status quo – not bad, not great – and could be summed up as “set it and forget it.” But for this growing company, status quo wasn't an option.

XCOM needed a vendor that was proactive, flexible, and powerful enough to handle multiple U.S. production facilities that were continually improving their own processes. They couldn't rely on a supplier that would become complacent or take the business for granted once a program was in place. Plus, their market is a highly competitive one, so a sense of urgency and a solutions mindset from their inventory solutions vendor was imperative. Read on for a timeline of how this fastener situation unfolded, and how one distributor provided a tailored solution for success.

## **120 DAYS AWAY** **Exploring Possibilities**

XCOM was openly considering a new vendor at this point. But their big question was one that many manufacturers are faced with: who could they work with that would go beyond the obvious? They had been disappointed before, so needed to get assurance that they wouldn't just get a vendor, they would get a partner that would be proactive and continue to invest in the business even after getting the contract.

Of several suppliers they spoke to, Würth Industry North America was one they actively pursued. They were the only supplier with the full set of resources to accomplish everything XCOM wanted. Their size and amount of locations made them a supply chain powerhouse. Their company structure and customer-focused culture – they are privately-held, and actively invest back into the business – makes them a financially safe and secure choice. And, their people are known in the industry for both their expertise, passion, and support for their customers.

But beyond their inherent strengths, Würth had an initial value proposition that was compelling and proactive from the beginning. Before offering any type of solution, their team toured XCOM's facilities, analyzed what a full solution and transition would entail, and spoke in detail with leadership from all functional areas to get a real sense of how fasteners affected their entire organization from top to bottom.

Perhaps best of all, they had a concrete long-term plan for continuous improvement of the company's processes.

Würth was awarded the business, and set to work immediately. In fact, the Würth team showed up at XCOM's offices the day after getting the contract to personally kick things off and set the tone for a long, close working relationship.



*\*XCOM is a fictitious name, for the anonymity of the real client.*



BEFORE



AFTER

“Our number one goal is to go ‘beyond the obvious’ to provide real value.”

– Todd Aronson

Director of National Accounts  
Würth Industries North America

## 90 DAYS AWAY

### Plans for Future Greatness

XCOM had several opportunities to revamp and improve their current inventory management, while making sure they were poised for growth. They knew their current inventory and program layout was taking up too much space and needed to be streamlined to maximize efficiency on the floor. Looking at their processes, they knew they needed enhanced visibility into their day-to-day operations when it came to fasteners. Their invoicing was inaccurate, so they needed to transition to paperless, real-time invoicing and receiving. And, they wanted to have an established, proactive plan for future line changes they knew were coming up.

Würth’s entire team came in right away, to discuss not just high-level planning, but specifics of who would be working with who, and how specifics of the plan would get implemented. It was a full-court press and XCOM felt it right away – giving them even more confidence in the relationship. Once they had met, done a complete analysis, and full review of existing operations, Würth developed a plan.

#### WÜRTH WOULD MANAGE EVERY ASPECT OF INVENTORY

- DELIVERY
- SCANNING
- BIN COLLECTION
- ORDER PLACEMENT

Looking through the facilities, Würth determined they could save 30-40% of XCOM’s space immediately with proprietary Würth racks and bins. Everyone who touches any part would get better visibility and control through Würth’s online systems. And, they would immediately receive a fastener solution tailored to each area in every facility. But perhaps best of all, Würth had developed a long-range plan that would continue to improve the company’s processes and capabilities.

## CONSTANT COMMUNICATION

### Preparation is Key

The transition was going well, but they wanted to know that the transition would be a smooth one. After all, when it comes to the fasteners they rely on every day, there’s no room for error – even a single missing part would hold up the line for far too long. Transitions are always difficult, but with the fasteners they rely on daily, the transition plan was critical.

Again, XCOM was impressed by the all-hands-on-deck approach of the Würth team. A transition team was created that included management from both Würth and XCOM. Key milestones were identified that they needed to hit together and a tight communication plan was set in place to ensure timelines were met and joint sign off was given before executing on their plan.

But Würth made it clear that they, Würth, would be the primary drivers of the implementation process – from analysis of all plants, getting samples, to mapping out parts and reviewing quality processes. And Würth’s deep experience in supply chain management, extensive distribution network, and vast inventory meant the nuts and bolts of inventory management would always be taken care of. Meaning XCOM would not need to worry about the transition, and could focus on their operations.

## THE BIG DAY

### Running a Well-Oiled Machine

On-site implementation would take a total of three days over a weekend and ran with nearly zero hiccups. Würth rolled in with their signature racks and proprietary bins in every facility throughout the U.S. The online solution went live and employees were brought up to speed with the new systems. After just 72 hours, XCOM had a new vendor in place, and had come through the toughest part of the transition without a hitch.

## 6 MONTHS AFTER

### Going the Distance

XCOM was up and running, and the results were already clear - they had excellent visibility, accurate invoicing, and were running a more efficient operation. From there, Würth dove into longer-term projects, starting with a complete audit of their BoM. Because XCOM was growing their operations and coming out with new products, Würth did a full work-up for all new lines - analyzing commonality, velocity, and ergonomics, then using a combination of pantry, work area, and POU staging for an efficient solution. Plus, they added specific value through other services like assisting with tear-downs and line locks.



**BOTTOM  
LINE RESULTS**  
OVER \$1 MILLION  
SAVED ON A  
SIGNIFICANT SPEND

## 2 YEARS AFTER

### Collaboration and Improvement Built into DNA

A full two years after transitioning to a new partner, XCOM has a different outlook on what it takes to build an optimal fastener solution. Advanced planning and "going beyond the obvious" to look for strategic ways to improve management of fasteners are, of course, crucial.

But more than that, XCOM has a new appreciation for what they now see as the most important difference - people. Würth's proactive, high-touch approach has made all the difference. And now, close collaboration and constant communication with their solutions provider is built into their DNA, so that wherever the future takes them, they'll have the custom solution to be ready for it.

## WÜRTH - Supply Chain Solutions with a Personal Touch

Würth - founded in 1945 - is still a privately-held, family-owned business just like it was in the beginning. But now, as an international distributor, wields global purchasing power and is invested in an ever-expanding network of distribution centers and offices. Its numerous locations allow for true, local support for manufacturers all over the United States. So every interaction comes with strength and stability, while customers get the feeling of working with a small shop down the street.

Würth's true differentiation, though, comes from its solutions mindset. "Our number one goal is to go 'beyond the obvious' to provide real value," says Todd Aronson, Director of National Accounts at Würth Industries North America. "From the moment we begin talking with you, we're looking to understand your business and see how a unique fastener solution can impact your entire organization." ■



FOR US,  
IT'S PERSONAL



-  Local presence throughout the U.S.
-  Tailored supply-chain solutions for your organization.
-  Proactive, collaborative employee culture.

Call today to speak to a Würth representative.

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