

Mossberg SMART INVENTORY



Large Kitchen and Bath Manufacturer Sees Benefit in Inventory Management

The Challenge.

Mossberg & Company was presented with a Request For Quotation (RFQ) containing 650 SKUs of retail and product labels from a Major Kitchen and Bath Manufacturer. The retail labels require high quality print with photographs of the product and details of the product contained inside the package. Product labels are placed directly on the products themselves during the manufacturing process. These labels contain instructions or cautions about the products and their use. Content accuracy as well as substrate and adhesive specifications are critical.

The Solution.

The RFQ provided the Estimated Annual Usage (EAU) for each label, the specifications detailing stock, ink colors, die-cutting requirements, and who final product should be supplied to. Mossberg & Company quoted the program based on a ninety day supply-on-hand in agreement with the manufacturer's supply chain team. With the Mossberg SMART Inventory program, products are produced for a

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ninety day supply and entered into inventory. Orders come in from the manufacturing facilities and invoices are created once the product is shipped to the plants. The company is committed to using the inventory in ninety days. If there are art or copy changes before the product is depleted, the company purchases the balance of the obsolete inventory. We work very closely with our client to set up automatic re-order points for the parts in inventory and we review the forecasts for new or replacement labels regularly to minimize obsolete inventory and to ensure that we have enough inventory on-hand to satisfy future production needs at plant level.

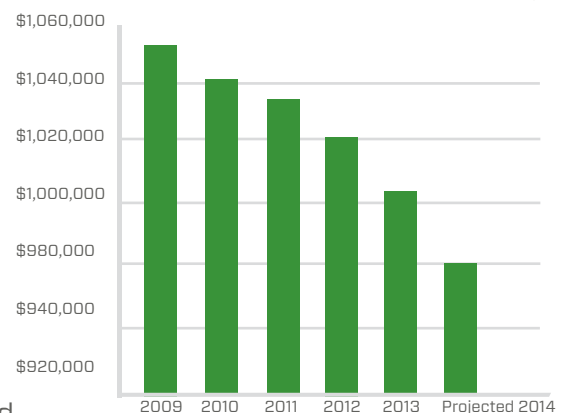
The Result.

Since the onset of the program 4 years ago, we now have the luxury of historical data on all parts. Mossberg now compares the EAU to the Actual Annual Usage (AAU). This data has allowed us to make refined recommendations on run quantities and therefore refined pricing based on higher run lengths for some of the labels and lower on others. AAU information is provided back to the manufacturer so they can improve their database and future forecasting. We conduct bi-weekly meetings regarding art and copy changes to minimize obsolescence.

Our fulfillment team and inventory system have allowed for many same-day shipments of product needed at the manufacturing sites. We retain a preferred vendor status with the plants based on our performance for on-time deliveries and quality of the products supplied.

By reducing the number of obsolete SKUs in inventory and providing accurate information to our customer regarding low and high demand items we have been able to reduce the total number of SKUs in inventory to a total of 403. This represents a 38% reduction. Management of the supply chain for labels has resulted in a 1-3% reduction in production costs each year and an overall 8% reduction in year over year total spend in 2013. This process has truly become a win-win for all involved!

Savings With Mossberg SMART Inventory



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