

# NMG Aerospace streamlines inventory, slashes costs by well over \$100,000



## OVERVIEW:

### NMG Aerospace

Privately held NMG Aerospace (formerly National Machine Company) provides world-class engineering, manufacturing and logistic solutions for global leaders primarily in the aerospace and industrial markets. Their businesses combine innovative engineering solutions, a global supply chain, lean manufacturing and creative logistic services to deliver integrated solutions to clients around the world.

**Application:** Inventory management for a range of metalworking applications

**Locations:** Stow, OH, with operations in Tempe, AZ, and Colorado Springs, CO

## CHALLENGE:

**Cut operating and inventory costs in a competitive market**

This means finding ways to do more in fewer hours.

## SOLUTION:

**Implement MSC ControlPoint™ Inventory Management solution to allow ongoing improvements and savings**

MSC's expertise helps optimize savings.

## RESULTS:

**Slashed unused inventory costs by 99%, often with tens of thousands in quarterly cost improvements**

Inventory on hand is minimized with 24-hour tool restocking.

**“MSC enables us to focus on our products and on the specific needs of our customers. We trust MSC; we recognize them as the experts for cutting tools and supplies, for abrasives and fluids, for just about everything related to the production of our parts. They save us money with each and every thing they do.”**

**Joe Pentasuglio**, General Manager, Machined Products Division

### CHALLENGE

NMG Aerospace (formerly National Machine Company) is a Tier II supplier to aircraft systems companies that work directly with global airframers/OEMs. In Ohio, they design, manufacture, weld, assemble and test engineered and machined products.

“We continually must find ways to do what we do with fewer people, and in fewer hours,” says Mike Piglia, NMG Aerospace CEO. “To stay globally competitive, we absolutely have to take cost out of our operations each year.”

“We took all of our spend and broke it into various areas: electronics, machining, MRO supplies and so on,” says Jesse Dolan, Vice President of Supply Chain. “We then set out to find the best long-term partners within each defined area. Who could supply us at the lowest cost? Who provided best delivery terms? Who used the latest technology? Who best backed what they were selling?”

### SOLUTION

Very quickly, one supplier emerged: MSC Industrial Supply Co. The reason was MSC’s broad product line, always in stock and available for overnight delivery, combined with its track record of not simply selling a “product” but of providing metalworking and inventory management expertise, and of being able to deliver as promised—with clearly identified measurement metrics.

“For example, we needed better tool organization and accountability,” explains Dolan. “MSC’s vending units were a great answer, but it was the company’s willingness to appoint one point of contact to manage our remote vending units that sold us.”

Today, NMG Aerospace relies on MSC to manage 3,500 items via MSC’s ControlPoint Inventory Management solution consisting of 21 vending units and Vendor Managed Inventory (VMI) service. With VMI, MSC provides an inventory management specialist to monitor, order and manage inventory for NMG Aerospace. All of this is supported by detailed system reports that show who took what items for which jobs—that added insight gives tremendous visibility and value.

### RESULTS

Before MSC, NMG Aerospace struggled with excess tool inventory and cost. It carried almost \$130,000 worth of slow-moving and obsolete tooling and MRO. Within one quarter, MSC helped cut that figure to about \$1,000—a 99 percent reduction in unneeded inventory. Now, with NMG Aerospace’s point-of-use vending system, when an item is taken from a unit, it’s replaced within 24 hours.

In addition, MSC generates regular cost-savings reports, with hard data showing actual savings. In a recent quarterly review, NMG Aerospace realized \$43,736 in process improvements and \$35,628 in freight savings.

“MSC enables us to focus on our products and on the specific needs of our customers. We trust MSC; we recognize them as the experts for cutting tools and supplies, for abrasives and fluids, for just about everything related to the production of our parts,” says Joe Pentasuglio, NMG Aerospace’s general manager for its Machined Products Division. “In short, they save us money with each and every thing they do.”

### SUCCESS FACTORS

**Build Meaningful Partnerships:** Your inventory management is not just about great prices on tooling; it’s also about your visibility and control over that tooling. Work with a partner who can give you continuous visibility of what you have, where you have it and how fast it’s moving.

**Tap Your Partner’s Expertise:** The best distributors not only will supply your tooling and MRO, but they will bring seasoned experts to your shop to help ensure you are using the right tooling for the right jobs, and will bring you ideas for streamlining and improving processes—helping you save big dollars through improved productivity.