

MSC Controlpoint™ saves Yancey Bros. nearly \$250K per year



OVERVIEW:

Yancey Bros. Co.

Yancey Bros. Co., which just celebrated its 100th anniversary, is the nation's oldest Caterpillar dealer. They serve customers across Georgia in the construction, road building, mining, aggregates and agricultural industries with quality products, parts and service, with more than 90 mechanics in the Austell, Georgia, earthmoving, machine and hydraulic repair shops.

Application: Managing tooling and MRO for breaking down, repairing and fully rebuilding a wide range of heavy CAT equipment.

Locations: 26 locations with headquarters in Austell, GA

CHALLENGE:

Replace a piecemeal approach with a comprehensive system to manage inventory and achieve greater cost savings

Internal inventory management took too much time and effort, and didn't result in significant savings.

SOLUTION:

MSC pilot scanning and vending program leads to comprehensive ControlPoint™ inventory management solution

Pilot program allows full inventory visibility and streamlined reordering; Yancey implements expanded solution.

RESULTS:

Pilot program cuts \$65,000 in tooling and MRO costs; \$250,000 annualized with program expansion

Program is expanding from main shop to multiple locations.

“We set up our vending systems to automatically order stock as needed. I don’t have to worry about anything running out. When something gets down to its minimum, I know it is here the next day.”

Mike Moulder, Yancey Bros. Atlanta Service Supervisor

CHALLENGE

Yancey Bros. is the authorized repair provider for Caterpillar in the state of Georgia and, for nearly 30 years, MSC has provided Yancey with a wide range of MRO supplies, tooling, and hand and power tools for their maintenance and repair operations.

But after a period of buying their tooling online and managing their own vending cabinet, Yancey realized that a piecemeal approach to inventory management takes way too much time and effort, without delivering the desired savings.

Several years ago, the company started working with MSC on inventory management solutions to further drive cost savings and boost productivity.

SOLUTION

Today Yancey Bros. is cutting costs with MSC in several ways. When it comes to tools and MRO, Yancey has moved into brands like Jupiter[®] for pneumatic impact wrenches that cost them less yet reduce the time on task by 75%; Hertel[™] tooling including drills, taps and dies; and consumables including a number of PRO-SAFE[®] products like nitrile gloves and PRO-SOURCE[™] janitorial products.

But the savings in product costs are now multiplied with savings in inventory management, as well.

Yancey leverages MSC’s ControlPoint[™] Vendor Managed Inventory (VMI) service in which MSC manages ordering and stocking; and four MSC ControlPoint[™] vending units (a Drawer, Carousel, Cabinet and Locker). Yancey is also adding another Drawer and Cabinet unit to another area of the facility.

“We set up our MSC vending units to automatically order stock as needed,” says Mike Moulder, Atlanta Service Supervisor. “I don’t have to worry about anything running out. When something gets down to its minimum, I know it is here the next day.”

RESULTS

With state-of-the-art inventory management, Yancey Bros. now has greater visibility into where and how tooling is used, and they’ve been able to reduce consumption as well as to reduce stock.

For example, the company previously was unable to attribute tooling costs to each of its cost centers. Costs are now properly assigned through MSC’s ControlPoint[™] Inventory Management Software. In addition, tool and MRO ordering costs are reduced, tooling is available 24/7, and stock outs and downtime are eliminated.

Savings in the first-year pilot with CMI, VMI and only one of the vending systems in place was \$64,154.

Now, the savings just in mechanics’ time spent looking for tools is estimated at \$67,500 per year. The switch to higher-quality PRO-SAFE 8-mil nitrile gloves has cut glove cost 20% in reduced consumption, since the previous 5-mil gloves used to tear and required re-gloving.

In all, total solution savings today is estimated at \$250,000 per year.

“The savings we’re getting is really amazing,” Moulder says, “but the biggest thing is the relationship between Yancey and MSC. We have a strong, longstanding relationship and we benefit from the knowledge and great service MSC provides to us.”

SUCCESS FACTORS

Test the Waters to Build Experience: Achieving a showcase implementation of inventory management solutions can be done in a single major push, or it can be done in stages. Depending on your current state, you might want to start smaller, build experience, and grow into the “right-sized” implementation for your shop.

Integrate Programs for Best Results: Ultimately, for the best efficiencies and savings, don’t take a piecemeal approach to procurement and inventory management. You need to integrate your efforts, employing a combination of solutions that roll up under one reporting system to maximize your visibility and results.