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The open door

Thanks to RFID technology, Bassett Industrial Supply helped one major customer open the door to better cost and inventory control.

Manufacturers need supplies at their fingertips 24 hours a day. They also require a cost accounting solution to properly budget material costs. Although many manufacturers track plant spending, it's often challenging to capture the true cost of usage down to specific department or employee.

Portland, Ore.-based Bassett Industrial Supply understood these challenges when it searched for a relatively low-cost solution that could provide the people, systems and supplies that one major customer demanded. Bassett was one of hundreds of suppliers to a company that produces specialty metals and chemicals used in energy production, chemical and mineral processing, aerospace, medical research and consumer products industries.

The distributor operated a bread man route to supply the customer's multi-acre plant with band saw blades.

"We identified the fact that there was a distinct difference in saw usage between operators and shifts and saws," says Bassett vice president John Lottis.

The success of that program prompted Bassett to recommend setting up a similar inventory tracking system for cutting tool inserts used throughout the facility. This time, Bassett installed a vending machine connected to CM Online, an inventory management program from CribMaster. The hosted solution eliminates software requirements at the local level because all data is stored on remote CribMaster servers and accessed via the Internet.

"It reduced their purchasing acquisition costs dramatically because we were able to bring product into the plant on a consignment basis, place it onsite and then send them biweekly billings after the fact," says Lottis. "Because they didn't need to issue requisitions through the normal purchasing process, their handling and acquisition processes were much more streamlined."



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The system eliminated manual processes and administrative efforts such as purchase order entry, receiving, and in-plant deliveries of drills, inserts and other cutting tools.

With these time-tested models in place for streamlining the acquisition process, Bassett convinced its customer to expand the effort to other satellite storerooms scattered throughout the facility. The next step required revamping a storeroom that held batteries, gloves, fasteners and hundreds of other indirect materials.

The storeroom was typically staffed just eight hours a day. When an attendant was on duty, he kept a record of supplies being checked out, but there was no reporting mechanism in place to report activity to plant management. If the storeroom attendant was off duty, a supervisor allowed plant employees inside to retrieve supplies. The process was less than ideal. For example, if the door was left unlocked, employees had free access to virtually anything inside. Supervisors also had no way to accurately compare consumption data between employees, machines or departments.

The RFID solution

Bassett's solution was to install the Accu-Port, WinWare's radio frequency identification (RFID) portal system, at the storeroom entrance. Employees enter the storeroom by passing through the portal, grab their supplies and return to work. The system recognizes the employee from an RFID tag affixed to their badge or hardhat.

"It streamlines the procurement process so much that they've given certain supervisors the authority to buy without issuing a purchase order. We're on a blanket contract," says Lottis.

Having access controls and a locked door, which automatically opens if the employee has permission to enter, provides the facility with a secure tool crib, but also gives the company tracking and auto-purchasing capabilities. RFID tags affixed to inventory in the tool crib enable the system to automatically identify material moved in or out of the storeroom.

"Before, the department head had no way of allocating all of the product going in or out," says Lottis. "He didn't have any way of spreading it over all of his different cost centers. When we put in the Accu-Port, it gave that storeroom accessibility 24/7."

Prior to implementing the RFID system, Bassett couldn't accurately capture which departments pulled specific items from

the cribs. WinWare's CribMaster software assigns expenditures to one of 27 plant departments.

Before installing the Accu-Port, Bassett purchased 5,000 reprogrammable RFID tags and attached them to Tyvek labels to identify every item in the crib. The initial "bag-n-tag" process took two days to complete. Small items are kept in plastic bags, boxes or bins. When employees leave the storeroom, they remove the RFID tags and place them at a recycling station to be reprogrammed and used again.

The effort generated immediate positive results. Employees now check out items such as gloves by the pair instead of by the dozen. Another major cost reduction came from durable tools such as grinders and drills. Bassett can see how many times a tool has been repaired, which makes it easy to determine when it would be cheaper to replace a tool rather than fix it again.

Since instituting the inventory control system, Bassett has installed four Accu-Port units throughout the plant and business with this customer has more than doubled.

Thanks to RFID technology, Bassett went from being a small supplier of a few products in a handful of departments at a global manufacturer's site to having corporate-wide visibility. Lottis believes the system has enhanced Bassett's credibility and expertise.

"Without automation, this would have been impossible," he says.

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