



## Leading Provider of Printing and Packaging Products

### CASE STUDY

#### CHALLENGE: Get better control of their packaging logistics.

Our client is a leading printing and packaging company servicing multiple and diverse industries. The demands of their clients are complex and changing on a daily basis. As a result, this unionized plant was in the habit of making production scheduling changes on a daily basis. This put a strain on the materials group as well as operations. Additionally, these changes contributed to cost overruns and additional expenses. The Sales group would call in daily to change the due date of their customer's orders and the philosophy of the company was to "service the customer at all cost".

Through this business philosophy, customers' orders were not being completed on time, the warehouse was filled with excess packaging and our client had no choice but to start using outside warehousing. This change contributed to the inefficiency of the operation because of the difficulty and lack of systems to track inventory. This situation caused obsolete packaging as well as shop shrinkage and line down time. Packaging purchases were being duplicated because of lack of visibility and communication. Production was pulling packaging material from the warehouse and not recording the usage. They had to increase head count just to help find and count packaging. Communication from scheduling to the materials group was always after the schedule change instead of during the decision process. This created unnecessary expediting expenses for packaging as well as moving finished goods back and forth from outside warehousing. Communication from engineering, or lack there of, was creating problems; changes in the bill of materials were being made and not communicated to the groups. There was no written process for engineering changes. This caused the materials group to purchase packaging material that had become obsolete. This would only be discovered when they began the next production run. They needed a solution to get control of their packaging logistics and be predictable and consistent in their performance.

#### SOLUTION: IMPACTE™ INVENTORY.

Management wanted to reduce the cost of space, expediting, obsolescence, capital, head count and purchasing time. They needed a solution to get control of their packaging logistics and to be predictable and consistent in their performance. They tried to hire a manager to head the project, but were unsuccessful. They decided to seek help from someone who could "hit the ground running" to help them fix the problem. They needed to get better control of inventory. They

"The Impacte™ activity-based management solution helped us gain control of our packaging process and allowed us to operate at the highest level of efficiencies day in and day out."

wanted help, a company they could partner with, someone with a proven system to ensure material would be available when needed, no matter what the challenge was.

Impacte was hired to audit and perform a baseline survey of the packaging process. After the three-day audit, Impacte presented an activity based inventory solution that would solve the core challenges the client was having. The Impacte System provided the real time information needs of scheduling and engineering. By identifying the root cause of the problem, establishing and implementing the processes and providing the necessary communication across business functions, the Impacte Inventory solution helped our client gain control of their packaging process.

In addition, putting Impacte personnel in our client's facility was instrumental in providing process control and allowed the department to operate at its highest level of efficiency day in and day out. Impacte attended the production meetings and providing real time information to the materials group enabled our client to adjust to the changing needs of their customers. This reduced stock-outs and line downtime.

### **T H E R E S U L T S: Increased efficiency and gained control of their operation.**

After a 90 day review, our client was not only pleased with the progress, but was surprised to learn that the Impacte Inventory solution substantially reduced the total acquisition cost of their packaging. The goal of this leading printing company was not so much to reduce cost, as much as they were interested in becoming more efficient and gaining control of their operation. Impacte met the challenge to help them better serve their customers and concentrate on ways to reduce production time and make a better product. The resources and experience of Impacte enabled our client to recognize other cost savings initiatives. The Impacte Inventory solution is proactive and is set up for continuous improvement.

#### *Result Highlights:*

1. Reduction of space 6:1 ratio
2. Reduction of obsolete material
3. Re-engineering of packaging
4. Real time reporting (Daily)
5. Maintenance of bill of materials
6. Responsibility of tracking engineering changes
7. Reduction of management time
8. Reduction of head count.
9. Reduction of capital
10. Billing on usage
11. Recycling program

### **I M P A C T E™: A new way to achieve excellence in inventory management.**

We help our clients simplify the complexities of running their inventory departments through our breakthrough activity-based management solution. The Impacte Inventory solution provides more control and predictability over inventory management. It reduces overall costs, increases profit margins, creates a smoother, better running environment, and produces the most efficient and cost effective inventory solution for manufacturing. Moreover, we are on-site every step of the way, executing our in-plant solutions to ensure your success. That's the Impacte promise.

For more information call  
1-877-788-0008 or visit  
[impacteinc.com](http://impacteinc.com)

Driving profitability through process and execution.

