

## [SupplyPro has Rapid Growth in the IMM Market](#)

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The Intelligent Materials Management (IMM) market space represents a set of applications for access control, tracking and management of MRO materials and tools among technicians, engineers and production workers. With IMM, the right person gets access to needed materials when they need them and, for those that are re-used, ensure their return. For MRO materials, the benefits include reduced spend, an automated replenishment process and improved inventory management. For tools – particularly specialized items, everyone knows where they are or who has them. Tools are no longer missing; allowing for reduced expense for tools, less wasted labor searching for a needed tool, and ensured tool maintenance.

- *Intelligent* means the system tracks usage and cost accounting information with alerts when exceptions occur. Also, information is available “on demand” or “on schedule.”
- *Materials* include consumables and tools used by maintenance and production.
- *Management* includes automated business rules, visibility and reports needed to better allocate resources and improve operational performance.

**SupplyPro** offers a solution for the IMM market that is a combination of hardware (automated storage cabinets) and hosted software (via the internet). The operator swipes their badge through a reader on the cabinet (which could be a drawer, locker or dispensing machine), selects the appropriate part number, and the part is issued or returned.

The software monitors current inventory, the min/max and can re-order MRO materials automatically when needed according to flexible business rules. The system can be configured to ask for any appropriate allocation information - work order, department, job number, cost center, etc. - allowing for activity based cost accounting, i.e. more accurate costing to better assess profitability of specific products.

For tools, the system knows who has it and when it should be returned. When it is late, alerts are sent. If someone wants a tool that is in use, the person can inquire when it will be available and assess if they need to move to another work order. If the tool requires maintenance or calibration, it can be locked down and notification can be sent to the appropriate party(s).

In those instances where control was in a central crib, SupplyPro allows for distribution of access and control to the point of use. With the automated access control, the cabinets do not need to be in a central location with people to monitor item usage. Cabinets are geographically distributed to their point-of-use which minimizes traveling by production workers to the central crib.

Since the software application is hosted and accessible via the internet, any authorized person – including, the supplier of the materials, the users and supervisors - can access reports and be sent alerts. This allows for improvements in Vendor Managed Inventory (VMI) by providing control of usage without a human present. SOX requires documentation of VMI inventory for it to be included in the supplier's financial report, and SupplyPro fills this need.

Increasing globalization and competitive pressures are driving companies to examine every facet of their business for reducing costs and improving labor utilization. SupplyPro's solution in the IMM market provides improved controls for managing costs related to MRO materials and tools. The Pareto principle (i.e. the 80-20 rule and the law of the vital few) applies. What is expensive to manage or critical to production? The answer ranges among expensive materials, specialized tools, and even keys for a bulk storage room or vehicle.

SupplyPro provides management and information where, often, there has been no control or visibility. There is “low hanging fruit” here and their customers often report payback periods of 2 to 9 months. Their business grew 40 percent 2006 to 2007 and this rate has extended into 2008 despite the soft economy (or maybe because of it).