

# CASE STUDY



## Inventory Tracking Solution

### *Increased Cycle Count Accuracy for Large Packaging Center*

#### *In Brief*

##### COMPANY:

Gould Paper of Florida, Inc.

##### CHALLENGE:

Avoid inventory losses through tracking product from arrival to manufacturing to shipping.

##### SOLUTION:

- Locator Plus Software from eTeklogics
- MC55 mobile computer from Motorola
- Item and Location barcode labels



Gould Paper of Florida Inc, located in Tampa, Florida is a sales branch of Stephen Gould Corporate specializing in wholesale, industrial and personal service paper. They have been in business for over 80 years with 20 million in annual sales.

The challenge: Back in 2004 when eTeklogics, LLC initially met with Gould's warehouse manager they were using a paper-based inventory system. Gould had mastered the manufacturing and quality control process of producing best of breed products. This significantly increased demand, resulting in an increase of pressure on the inventory process. Manual inventory cycle counts produced poor and inaccurate results. Little or no lead-time was available when reordering from vendors and unfulfilled orders caused customer service issues. They were struggling to keep pace with growing business demands, hence; they wanted to automate inventory tracking.

The solution: Installation of Locator Plus Software and the use of mobile computers to increase inventory efficiency and accuracy. In order for Gould to utilize LP's *REAL-TIME* functionality the warehouse needed WiFi coverage. This allows the mobile computers to have access to the server and for transactions to be performed in *REAL-TIME*. To implement WiFi throughout the 40,000sq ft warehouse, one wireless router and one access point connected via CAT-5 cable was required.

In order to get the *REAL-TIME* information that would ultimately give Gould the ROI they were expecting, it required their inventory to be tracked from the receiving dock, through the manufacturing process, and to the shipping dock. LocatorPlus accomplishes this as follows.

**Receiving:** Receiving function allowed them to quickly unload trucks and move raw material inventory directly to an available stocking location. When available, they scan the vendors barcode, which cross references to a Gould part number, enter the quantity and scan the location. If the inventory is not barcoded, a label is printed.



**Putaway:** The Receiving function recommends a putaway location based on rack type, prime designation and other pre-configured parameters. The Move function is also used when staging for assembly and for inner-warehouse movement.

**Picking:** The same receiving process used for raw materials is also used for “finished goods”. The system recognizes a kit and its components are automatically back-flushed out of their “Prime Location” and the finished good is received into inventory. This saves valuable time by not requiring the pick and issues of components.

**Shipping:** Gould did not require LocatorPlus picking functions, and chose to issue product directly from inventory to the truck. They simply scan the order, item, a quantity and a packing list is printed and product is issued from inventory.



**Physical Inventory:** Gould used to spend complete weekends with 4 workers to take physical inventory. Even with all that time spent accuracy was low. Now one worker can take a complete physical and make any adjustments in a couple of hours using the LP inventory function on the mobile computer with **near 100%** accuracy.

**Reporting:** When orders come in, a sales associate can easily determine the minimum number or finished goods that can be created. eTeklogics produced reports showing the minimum and maximum “potential” kits that could be created using components on-hand. Now with an accurate on-hand inventory and LP’s reorder process they could keep inventory at a minimum while having the stock to satisfy the demands of their customers.

**Networking:** Offices for Gould’s Packaging center warehouse are located in a separate building across the street making reordering a chore. With LP’s optional Net-link software module, the reorder clerk’s PC can access the warehouse server through a VPN connection and reorders can be conducted without ever leaving the sales office. When drivers are on the road making customer deliveries they are clearly outside the warehouse’s WiFi range. For these times the PDA automatically enters batch mode. All transactions made outside of the WiFi network are recorded in the system memory. Upon their return, the data is automatically uploaded to the host system.

**Installation:** The following list shows the basic steps taken to implement the Locator Plus system. Implementation occurred over two business days and was put into production on the third.



- Installed/configured wireless router and access points
- Installed LP Software and configured custom features
- Imported items and locations from spreadsheet
- Tested mobile computers (Mobile computers were delivered installed and configured.) Verified and labeled locations (Using LP’s built in label printing program, all location labels were printed prior to the install.)

<i>Initial Costs</i>		
Software	\$5,415	Initial License
Consulting	\$1,625	Initial Consulting
Hardware	\$2,915	Industrial hardware
Extended 1 year Support	\$770	Unlimited help desk
<i>Ongoing costs</i>		
Software	\$975	18% annual maintenance
<b>Total costs</b>	<b>\$11,700</b>	