

Solution

In partnership with the engineering team, IESA quickly identified the critical items currently out of stock and their value. This data was then analysed by the on-site engineering management team, and the true stock value of goods to be purchased was established. In parallel with this, IESA carried out a safety stock analysis on all current stock and brought the newly approved stock purchases in line to achieve a base level foundation of stores inventory.

All items identified and authorised were purchased as stock to fulfil the new safety level targets. The stock was located in newly organised stores to improve clarity and ensure ongoing compliance with good stock management.

To assist in the transition to new working practices and support the initial working capital requirements, IESA implemented a working capital reduction programme, whereby IESA took ownership of consignment stock of fast moving products.

Control and compliance of this stock was achieved by introducing IESA's warehouse and inventory system - IESA online - enabling the increase in control procedures, resulting in greater clarity and visibility of authorised purchases and stock movements.

Benefits

- VMI and automated consignment ownership of fast moving stock delivered an initial working capital benefit to the client of approximately 25%.
 - Safety Stock Level implementation has virtually eliminated 'stock out' situations when IESA process compliance is followed.
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- Increasing both the automation and centralization of purchasing through IESA's specialist procurement team, has resulted in an annual site labour benefit of £10,000.