CompuCRIB™
Inventory Management System

MRO Cost Reduction Model

CompuCrib will reduce the non-value added costs of managing your MRO inventory while providing more management control than you ever had before. Non-value cost reductions come from six main areas.

Labor Costs - Reduce the need for storeroom labor - Cut non-value added payroll costs by eliminating the need for one or more storeroom attendants. With CompuCRIB, authorized plant maintenance personnel have direct access to the parts they need via password security. Save 16-20 hours per week for each storeroom employee.

Inventory Mgt - Lowering inventory levels without causing Stock Outs. Inventory levels can drop 10% to 25%. CompuCRIB also reduces the number of emergency out of stock orders using a true Gordon Graham Analysis to determine optimum min\max levels.

Reduce Purchasing and Receiving Costs - CompuCRIB automatically generates purchase orders for replenishmet parts and transmits them through fax, email or EDI. Shipments are automatically received using barcode scanners to update inventory levels. Save 6-10 hours per week for each purchasing and receiving employee.

Lost Inventory Control - Inventory Locator to find your missing inventory. Lost inventory can be reduced by as much as 80% by using CompuCRIB.

Convert to Consignment Inventory - Pay for parts when you use them not when you stock them. With CompuCRIB controls, installed suppliers who can access inventory data remotely are willing to stock inventory on consignment then invoice for material as it is used. 10% to 30% of inventory will usually be converted to consignment.

Floor Space Saving - Store up to 25 times more product per square foot than conventional shelving freeing up floor space for more value added uses. Save $14 to $16 per sq.ft. annually including depreciation, utilities, insurance and maintenance.

Each customer is different and may see more or less savings based on thelr current processes. Below is a formula that will help you to determine your cost saving based on the standard savings discussed above.

Example

An average company with 2 purchasing agents saving 16 hours per week, 1 receiver saving 8 hours per week, 3 crib attendants saving 40 hours per week, $1,500,000 in inventory and is losing $50,000 in tools annually could save over $210,000 in non-value added costs and reduce inventory levels by $300,000 using consignment and inventory management.

Labor Costs

Number of man hours saved per year in Storeroom
Number of man hours saved per year in Purchasing
Number of man hours saved per year in Receiving
Total man hours saved
Cost per hour ($50.00 average)

Labor Cost Reduction (man hours times cost per hour)

Lost Inventory Control

Dollar amount of lost inventory each year
Savings Percentage (est. 80%)

X .80

Lost Inventory Savings (lost tools times savings percentage)

Floor Space

Total square feet of floor space saved
Average annual cost per foot (est. $14 to $16 per square ft.)

Floor Space Annual Savings (sq.ft. saved times cost per ft.)

Inventory Management

Average dollar amount of inventory on hand
Reduction of inventory using Gordon Graham Model (10% to 25%)

Savings due to reduction in inventory

Consignment Inventory

Average dollar amount of inventory on hand
Reduction of inventory by converting to consignment (10% to 30%)

Savings due to reduction in inventory

Total Annual Cost Savings (Labor savings + Lost Inventory Savings + Floor Space Savings)

Reduction of Inventory Levels (Inventory Management Savings + Consignment Savings)

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