AUTOMATED REPLENISHMENT SPOTLIGHT

SPECIALTY BOLT & SCREW MAKES SMART BINS PART OF BUSINESS GROWTH STRATEGY



BEFORE



AFTER installing ACTYLUS Smart Bins, right, the flatbread manufacturer can hold more SKUs in a smaller footprint. Interior LED lighting ensures item selection is fast and accurate. Separate bin status lights change from white to red when pre-set limits are reached to notify workers of each bin's inventory status.

> **We couldn't simply do more of the same. (We knew) if we didn't change our mindset and do things differently, we would not grow.**
>
> — Keith Underwood, VP of Business Development

Distributors must continually meet their customers' changing needs to stay ahead of the competition. And while technology can help them with this never-ending task, some distributors are unsure about the best place to begin.

From selecting the best technology and getting a fast return on their investment, to choosing the right technology partners and getting employee buy-in – change can be a daunting process.

Before deciding on which technology is needed, Specialty Bolt & Screw (SBS) focuses on building business. In developing its growth strategy, the distributor realized it could expand by automating inventory replenishment using the ACTYLUS™ Smart Bin solution from Apex Supply Chain Technologies®.

Automating Inventory Replenishment Expands Opportunities

To differentiate itself, SBS integrates with customer systems to manage the entire supply chain for them. The company also uses Lean business practices to eliminate waste, increase efficiency and stay focused on value-add activities.

"This is a big shift from the typical distributor with SKUs on a shelf, waiting for a customer to buy them," said Keith Underwood, vice president of business development at Specialty Bolt & Screw.



SBS realized three new types of business growth/support were possible with ACTYLUS:

- Customers outside their serviceable geographical radius.
- Customers with inconsistent usage, such as contract manufacturers who typically don't make the same part more than once.
- Customers creating high dollar parts who tend to purchase lower at volumes.

> "You can't expect your customer to change if your company doesn't change."
>
> — Keith Underwood

Underwood knew from experience SBS would have to do something different to make these opportunities mutually beneficial.

"We couldn't simply do more of the same," says Underwood. "If we didn't change our mindset and do things differently, we would not grow."

Get Internal Support Before Selecting New Technology

Before a new technology is even identified, SBS makes sure it first has internal support.

"You can't expect your customer to change if your company doesn't change," says Underwood. "So, it's critical that executive leadership prioritizes this investment. This ensures company-wide support as you disrupt things – changing processes and integrating a new technology."

SBS takes a systematic approach to identifying technology aimed at helping the distributor fulfill its growth strategy. In addition to addressing customer needs, SBS looks for simple and non-intrusive technology that can easily be integrated into systems like ERP.

SBS chose ACTYLUS from Apex to automate inventory replenishment. ACTYLUS eliminates the need for manual counting and sends automated alerts and reorder notifications to SBS when a bin's preset limits are detected. This remote monitoring of inventory levels eliminates the need for bin checks. This benefit alone helped SBS expand its sales and service reach without investing in new locations to service accounts.

Testing New Technology is Critical

SBS tested the ACTYLUS solution at a flatbread machinery manufacturer based in Los Angeles, California. Prior to ACTYLUS, servicing this customer required travel, bin checks and replenishing inventory approximately 12 hours every week.

ACTYLUS was also chosen to help streamline inventory procurement paperwork down to a single, monthly purchase order

The Apex Trajectory Cloud™, a secure enterprise technology platform, made this possible by consolidating smart bin data in real time to give SBS and their customer 24/7 visibility into inventory levels – automatically sending reorder information to SBS's ERP system. Stock level alerts and reordering rules are checked and can be managed online anytime and anywhere from a mobile device. This ensures stock out prevention.

Easy Integration of ACTYLUS Leads to Fast ROI

It took two SBS employees one day to set up ACTYLUS and set each bin's limits.

"It did not require a lot of time or resources to get the ACTYLUS solution up and running," says Underwood. "It was online immediately."

> **ACTYLUS was online immediately. It did not require a lot of time or resources to get it up and running.**
>
> — Keith Underwood

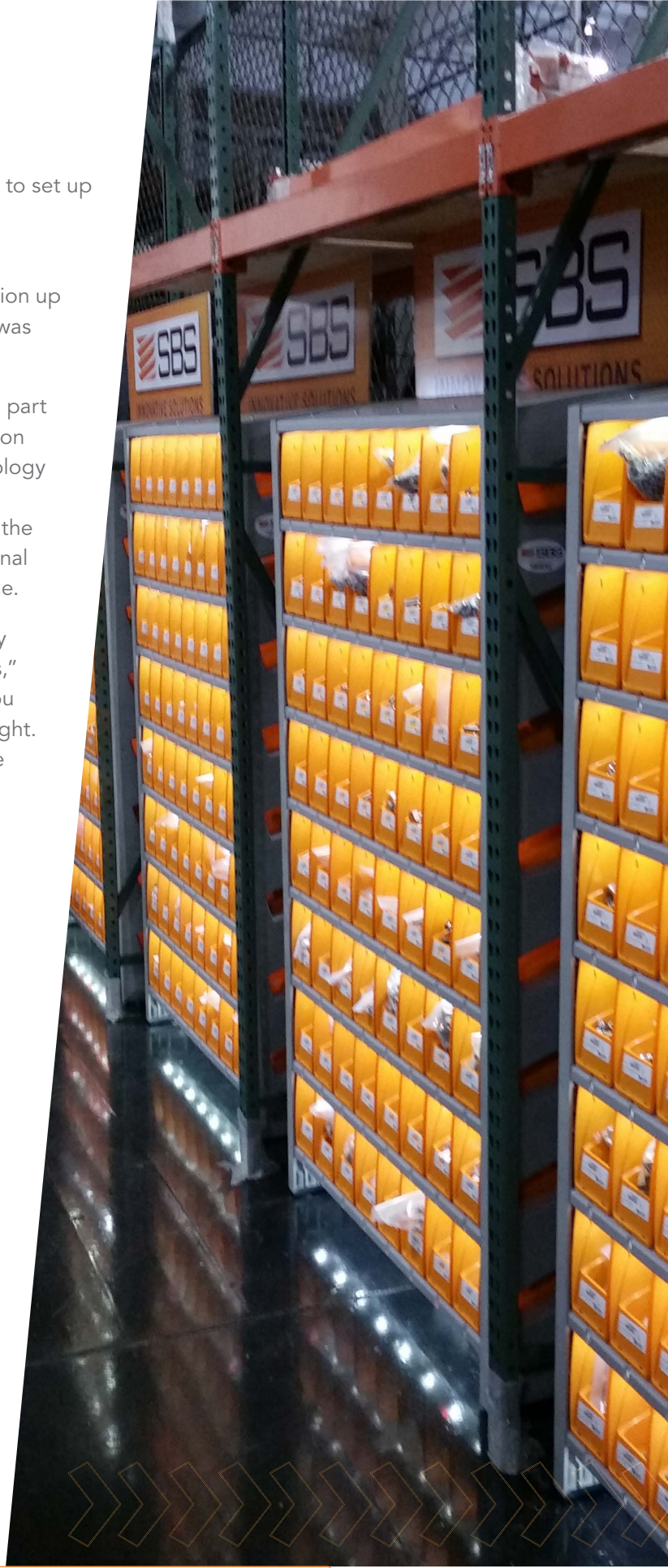
ROI was also reached quickly due in part to how SBS finances the Apex solution through the Apex Complete Technology Subscription™ (ACTS). ACTS is a subscription program, which makes the investment in ACTYLUS an operational expenditure rather than a capital one.

"Investing capital funds can be risky and often requires a longer process," said Underwood. "ACTS ensures you don't have to buy the solution outright. SBS also created a calculator for the sales team to help them provide the ACTYLUS solution. It considers monthly sales and cost per unit, identifying the target volume required to be profitable."

SBS Building on ACTYLUS Impact to Continue Growth

Based on the positive results with this customer, SBS is already implementing ACTYLUS at three other customer locations. One implementation is based in their Finland location, showing how SBS is expanding real-time, remote management tools not just nationally, but globally.

"By enabling remote site monitoring, ACTYLUS removes the geographical limitations of VMI programs," says Underwood. "We simply figure lead time into the replenishment process. This allows SBS to ship





Real-Time Inventory Status: ACTYLUS eliminates the need for manual counting and uses a cloud-based analytics platform to provide 24/7 visibility into inventory levels.

from one of our warehouses and ensure there are no stock-outs.

This level of efficiency is helping us serve customers with high variability and to manage high-dollar parts – regardless of where the customer may be located."

This level of efficiency is helping us serve customers with high variability and to manage high-dollar parts – regardless of where the customer may be located."

— Keith Underwood

As SBS begins targeting business in Asia, Europe and Canada, the distributor knows exactly how to proceed. With its supply chain focus and new technology, SBS has a formula sure to set them apart for further success.

To learn more about the ACTYLUS Smart Bin System from Apex Supply Chain Technologies, visit ApexSupplyChain.com/Actylus, email us at info@apexsupplychain.com or call 1.800.229.7912.

Making Spaces Smart®

Apex Supply Chain Technologies

Apex Supply Chain Technologies | 4393 Digital Way | Mason, OH 45040 | USA

NRR-1066 SBS | ISS 11/17

© 2017 Apex Industrial Technologies LLC. All rights reserved. Apex Supply Chain Technologies and its mark, and Making Spaces Smart are registered trademarks, and Trajectory Cloud, ACTS and ACTYLUS are trademarks of Apex Industrial Technologies LLC.