

Accurate Gauge Gains a Strategic Business Advantage from MSC ControlPoint Inventory Management



OVERVIEW:

Accurate Gauge & MFG, Inc.

Family held since it was founded in 1966, Accurate Gauge is one of the premier manufacturers of carrier housings for the Class 5-7 and Class 8 heavy-duty truck market. The company supports daily production requirements for the major truck axle suppliers in North America, which include Meritor, Daimler, Volvo/Mack and Dana, and even supplies product across the country to Mexico.

Application: Inventory management (IM) and metalworking support for manufacture of carrier housings for Class 5-7 and Class 8 heavy truck market.

Location: Rochester Hills, suburban Detroit, MI

Facility Size: 150,000 sq. ft. in three facilities

Employees: 169

CHALLENGE:

Be a quality leader in a quality industry

Improve productivity – but deliver the highest quality demanded by customers

SOLUTION:

MSC ControlPoint solutions deliver a competitive edge

Leadership quality control, as well as production efficiencies, drive business.

RESULTS:

\$500K productivity savings and support for 20% business growth

Success is attributed to a powerful MSC-Accurate Gauge collaboration.

“In addition to our 50% reduction in tooling inventory, we have a consistent running rate of 3% or less spent on perishable tooling – when many shops are happy if they can run at 5%. This is a tremendous advantage.”

Darrin Soukup, Manufacturing Engineer, Accurate Gauge & MFG

CHALLENGE

From a 2,000-sq.-ft. shop in downtown Detroit in 1966, Accurate Gauge has grown to be a leading precision manufacturer of carrier housings for the heavy-duty truck market — and today it is that reputation for precision and quality that drives their success.

Of course, the focus on building efficiency and quality has been an ongoing effort. When the company started looking at vending solutions, they were interested in the traditional benefits of reducing inventory carrying costs, tooling/MRO waste and tooling consumption.

SOLUTION

Accurate Gauge liked the reporting and quality control opportunities offered by MSC, and in April 2006 the company selected MSC to install its first vending solutions — three Drawer units and three Cabinets — on a trial basis.

Even at that early stage, Accurate Gauge experienced a tooling inventory reduction of roughly 50%, and continued to aggressively implement IM programs. Today, between the Drawers, Carousel and Cabinets, the company has more than 20 units in place or scheduled for installation across three locations, as well as a new VMI (Vendor Managed Inventory) program for coolant, safety and maintenance products.

MSC's vending machines provide both visibility and traceability to all items used by Accurate Gauge and help them prepare for the forthcoming week by keeping all the links in their supply chain up to date. Every Sunday night after midnight, stock reports are shared with key manufacturers to ensure they review first thing Monday morning. As a result, Accurate Gauge doesn't worry about stock outages. Additionally, MSC invoices are matched to the vending report as a second confirmation as to their accuracy.

“While the vending solutions save money on tooling, they also save money as a result of automated tool tracking and reordering, cutting time spent on procurement in half,” says Darrin Soukup, Accurate Gauge Manufacturing Engineer.

RESULTS

“In addition to our 50% reduction in tooling inventory,” says Soukup, “we have a consistent running rate of 3% or less spent on perishable tooling — when many shops are happy if they can run at 5%. This is a tremendous advantage.”

But IM savings in traditional costs are only a part of the story. For example, in one application MSC's metalworking specialists saw an opportunity to replace a particular 21.5mm drill for one with a different coating and geometry. The new drill tripled throughput, and allowed Accurate Gauge to avoid adding a new machine and production line to meet growing customer demand. Soukup estimates this change alone saved \$500,000 annually.

Another example: Accurate Gauge projects overall revenue growth of 20% this year with a new program launch, and Soukup credits his MSC IM solution for helping to win that business.

“One of the IM benefits our customers like is the ability to support our quality control process by detecting tool failures when replacing critical tooling. When a critical tool fails and a new tool is withdrawn from vending, it triggers an alert via automated reporting which is then emailed both to Engineering and Quality. After the report is read, either Quality or Engineering go out on the floor to look at the failure. They check the product machined when the tool failure occurred and then, working backwards, track the clean point prior to the failure. The process ensures that nonconforming product is contained and will not escape to the customer.”

SUCCESS FACTORS

Commit to the Journey: Building efficiency, productivity and quality are a journey; you can't get to a desired endpoint all at once. Look for the suppliers who will be true partners in helping you along the continuous improvement path to optimum efficiency and performance.

Consider All the Opportunities Before You: Darrin Soukup has not only saved money, but also generated significant new income by leveraging IM as a competitive quality control tool as well as an efficiency tool. Look at all the ways you can benefit from comprehensive inventory management and reporting.