

VMI: Why it Makes Sense for our Manufacturing Plant

Part I of a Two Part Series

Making the Move: Cell Assembly to JIT

In 2008, HARDI North America was operating as a cell assembly organization where three to four employees worked on one unit at a time. The employees pulled the parts and built the sprayer unit in the assembly area. Recognizing an opportunity to streamline production and increase profits, the company determined that the most efficient and cost-effective process they could undertake was Just-In-Time manufacturing.

One of HARDI North America's challenges was obtaining parts in bulk quantities at the right price. They would get a majority of product from their parent company in Denmark, but they needed small, more frequent deliveries to match the JIT manufacturing concept. HARDI North America required quality fasteners at the right price with exceptional customer service.

Solutions Begin with Proven Distribution

Looking for a fastener distribution company that offered better pricing, better responsiveness to their needs and had a reputation as a solid company all around, Trinity was the answer. HARDI North America started with Trinity's general distribution services called Trinity Hardware Headquarters. HARDI quickly moved over 50 part numbers to bulk purchase logic. HARDI was now able to leverage Trinity's bulk purchase and storage capability. At the same time, lowering HARDI's releases to smaller quantities, increasing inventory turns on fasteners.

Other distribution companies that HARDI North America considered didn't offer added volume benefits. Trinity provided HARDI North America the benefits of bulk pricing without having to store excess inventory on site, as well, being able to order only what they needed.

Company: HARDI North America

Company Profile

- HARDI® North America is the leading manufacturer of Field Sprayers and sells its products in more than 120 countries
- **Headquarters:** Davenport, IA
- Facility size: 99,000 sq ft
- **# of employees:** Approx. 1,050 people worldwide
- **Contact:** Brian Moncrief, Supply Chain Manager at HARDI North America
- **Website:** <http://www.hardi-us.com/en-us/Home.aspx>

Overview

HARDI was founded 50 years ago in Denmark. In 2007, the company joined EXEL Industries (approx. EUR 450 million revenue, 2,600 employees) which is listed on the Paris Stock Exchange. A world leader in spraying technology, EXEL Industries is present in the three major spraying areas: Industry (spray guns and other application equipments for liquid, viscous or powder products), Consumer (hand-operated sprayers for gardening) and Agriculture (field, orchard and vineyard sprayers). HARDI North America opened operations in 1982 in Iowa.

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VMI cont...

Producing Products – Not Filling Bins

Looking for more efficiency in handling their inventory, Trinity provided yet another solution to HARDI North America: **Vendor Managed Inventory (VMI)**. “There are many benefits to VMI of fasteners, particularly not wasting time handling parts. My guys are here to produce product, not fill bins,” said Brian Moncrief, Supply Chain Manager of HARDI North America.

“Trinity gives us full bins, so my production staff is not spending time away from the line to fill bins, counting bulk items and handling storage.”

Increasing Production and Maximizing Resources

Based on the success of Trinity’s distribution program, it was a clear choice for HARDI North America to consider Trinity’s managed inventory program. HARDI North America’s goal was to be in full Kanban mode by the end of this year, 2010.

What HARDI North America fully expects to see from Trinity’s inventory management program is a production increase. “Increasing our production not only positively affects our bottom line,” said Moncrief, “but it also allows us additional flexibility with our resources. It could mean only having to hire one person versus two to get the same job done.”

Flow of Information and Parts is Key in Selecting VMI Vendor

When selecting an inventory management partner for HARDI North America, many considerations were taken into account to select the right vendor:

- Do they have sufficient stock for start-up?
- Will a good flow of information be maintained between companies?
- Will both parties understand the forecast?
- Have we clearly identified all of our requirements in advance?

“**How Trinity handles the flow of information and the flow of parts is far superior to other companies we looked into.**

They have excellent engineering and purchasing resources and we are confident they are going to do a good job. It really was an easy choice for us.”

- Brian Moncrief, Supply Chain Manager

Stay tuned in early 2011 for Part II of this case study. To learn more about Trinity’s supply chain solutions **visit:** www.TrinitySCS.com

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