



The Sound of Silence

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The manufacturing sector has a large footprint in the U.S. economy despite the current supply chain issues. When the manufacturing stalls it drags down related industries. For every dollar of domestic manufacturing, another \$3.60 of economic activity is generated elsewhere in the economy. Manufacturing accounts for 11% of the U.S. GDP producing \$2.5 trillion worth of products.

When a production line comes to a grinding halt, silence often screams disaster. The engine driving manufacturing is based on efficient operations to keep the manufacturing machine running. Unplanned downtime costs manufacturers millions of dollars with a reported 59% increase in the last 24 months. At a major auto manufacturer, a disruption to the assembly line costs over \$5,000 per second – a digital counter prominently displays the cost of downtime to the penny on the manufacturing floor.

The Cause of Manufacturing Disruptions

The most obvious disruptions come from inventory stockouts. However, an optimized supply chain helps avoid running out of critical direct materials and inventory items, but that's not what usually cripples production unexpectedly. The mission critical materials are often well managed with high level resources and advanced systems, but it's often the indirect materials that are uncontrolled and the cause of an unplanned disruption.

The saying, "it's the little things that count" has never been truer when it comes to manufacturing disruptions; the maintenance part that isn't stocked, the tool that's missing or the safety item that violates a labor agreement – any of these scenarios, among others, can bring production to a standstill. The impact of not having inventory on hand is dramatic: facilities with manual systems operate with machine utilization rates of less than 50% compared to 95% utilization when they implement automated inventory management systems.

In modern manufacturing environments, strategies to minimize machine-caused downtime focus on prescriptive and predictive maintenance and repair (MRO – maintenance, repair, operations). Even when these strategies are successfully implemented using advanced technologies like AI, IoT and sensors, time is lost locating tools and procuring the parts needed for each operation. Delays in obtaining tools and parts can often be caused not only by the time required to retrieve them but the technical specification of what's needed and their availability. A global distributor estimated that in many manufacturing operations, about 20% of an operator's time is spent on searching for tools and... around 15% of jobs fall behind schedule due to missing equipment.

The financial impact of disrupting production can be enormous, but it goes beyond direct dollars and cents. When production stops, it delays product delivery and negatively impacts customer relationships. Customer loyalty is a hard-earned asset of every company that disintegrates quickly when product disruptions occur. In the industrial market, when one supplier doesn't meet its delivery commitment, it can have a domino effect negatively impacting a series of manufacturers. The reality of current supply chain shortages is driving up prices and contributing to rising inflation. Reliable product delivery is a critical element of customer satisfaction and a manufacturers brand. Brand equity is an extremely valuable company asset that is expensive to develop and easy to destroy.

Inventory management is becoming even more critical to success as organizations transition out of the pandemic and look for opportunities to increase their competitive edge and profitability. Today's supply chain challenges demand innovative new approaches. Inventory control of even the smallest items can deliver big benefits when it comes to avoiding a costly production disruption, not to mention emergency spot buys. SupplyPro is developing new products with lower price points and more flexible customization options. In response to business requirements of the smaller customer and changing expectations, SupplyPro launched the new subscription based UStockit platform that includes low cost-of-entry, innovative inventory control solutions.

“We are breaking down financial, implementation and resource barriers to enable even the smaller customers access to smart, cloud-based solutions that manage inventories and help avoid stockouts” said Floyd Miller, CEO, SupplyPro. “UStockit's subscription model and the launch of the UStockit Inventory Shelf Tag™ will be game changers in terms of implementation and cost. And we will have more exciting announcements before year end.”

While the world reels from the turmoil of supply disruption, many manufacturers are turning to inventory management for help during these uncertain times. Automating inventory management can take pressure off labor shortages. Utilizing the rich inventory management data to connect the shop floor to the top floor allows decision makers to harness information to reduce uncertainty. Inventory represents one of the largest expenses for many

small and medium sized manufacturers. Clear visibility into transactions impact the entire process of ordering, storing, and using inventory is essential to companies' success.

The Sound of Success

Successful companies are deploying smart technologies including inventory management solutions that prevent stockouts by automating parts dispensing and re-ordering, organizing components and parts into logical groups, tracking and reporting on assets including managing compliance, and delivering real-time insight into availability, consumption, usage, and the financial drivers of profitability.

**The Cost of Shutting Down Production Can Be Enormous.
The Cost of Losing a Customer Can Be Catastrophic.**

About UStockit

UStockit, powered by SupplyPro, is an all-new subscription service platform that brings together SupplyPro's proven hardware and software, revolutionary inventory management products and exciting new low-cost solutions. The UStockit subscription includes expert system setup and experienced management services, 24/7 SupplyPro customer support, an unprecedented hardware warranty and SupplyPro's industry leading intelligent inventory control software (UStockit Web, UStockit Device and UStockit Mobile) into a flexible low-cost monthly subscription. And when the subscription period is over, so is any responsibility for warehousing hardware or updating outdated technology. For more information visit:

www.supplypro.com/Content/pdfs/UStockit_AboutUs.pdf

About SupplyPro

Headquartered in San Diego, California, SupplyPro is the leading provider of automated inventory management technologies, with a device-driven cloud-based ecosystem that seamlessly meshes with most internal ERP systems and distributor delivery solutions. More than 1.8 million monthly users, from manufacturing to aerospace and high-tech fabrication, rely on the SupplyPro platform to increase efficiencies, profitability, and competitiveness.

For more information visit: <http://supplypro.com/>

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