SMART TECHNOLOGY REVOLUTIONIZES INVENTORY CONTROL FOR EVEN THE SMALLEST DISTRIBUTORS

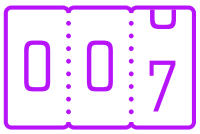
SupplyPro's UStockit platform makes the impossible possible with the introduction of the UStockit Inventory Shelf Tag. Every shelf, storeroom, or warehouse can become a virtual vending machine with the push of a button.

UStockit™

Powered by SupplyPro

INTRODUCTION

We're living in an era of smart tech. We have smart homes, where the lights and thermostat can be controlled through smart phones. We can access smart cameras and see who is on our front porches when we're not home. Our smart refrigerators can tell us when we're running low on food, while our smart cars let us know when we need to change our oil or fill the tires with air. "Smart" is a way of life, and it's natural to expect smart automation at work — especially when it comes to tasks like inventory control.



Customers want real-time, on-demand access to inventory counts

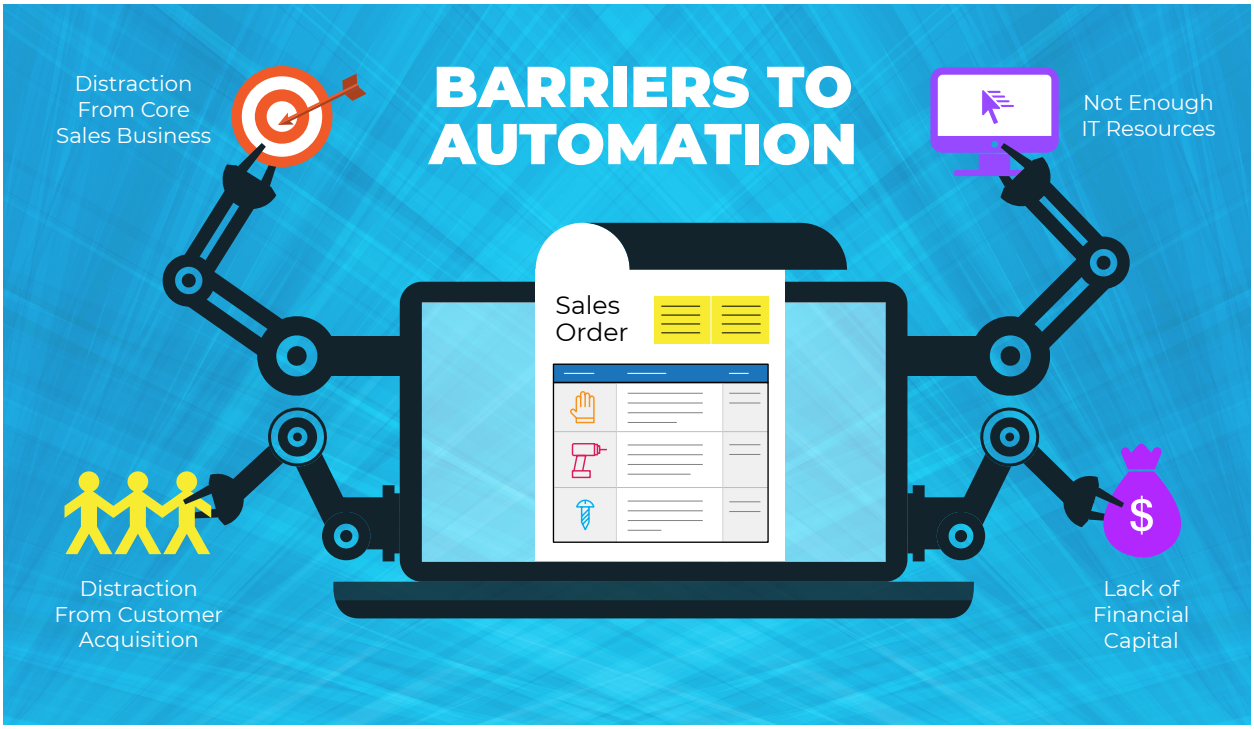
Industrial distributors want to sell products. Across the board, they are challenged to maximize their sales to meet profitability objectives. However, their customers are demanding smart solutions. Customers want real-time, on-demand access to inventory counts. They want easy check in and check out of commodities via a quick scan. They want to reduce the human error and resource drain of manual inventory counts. And they want access to data that tells them the precise amount of product they should have on-hand at any time.

The problem is that automated industrial vending and warehouse management is expensive. Mid-size industrial distributors and their customers often don't have the resources to make automated inventory solutions a viable option.

KEY CHALLENGES FOR MID-SIZE INDUSTRIAL DISTRIBUTORS

Medium-size distributors can lose sales to the bigger players in their industry. When it comes to offering automated inventory capabilities, there are barriers to entry due to cost, expertise, and lack of resources.

First, it's hard for a mid-size distributor to raise the financial capital to provide their customers with automation. Customers expect industrial vending machines to be installed for free, and it generally requires at least a $50k annual spend to make that type of investment feasible. Second, automated inventory solutions come with sophisticated software that requires administrative support, training for salespeople, customer implementation, operational management, and ongoing maintenance — all of which requires hefty technical resources, which mid-size distributors generally don't have. Finally, designing, commissioning, installing, and supporting vending solutions takes mid-size distributors away from their core business of selling commodities and acquiring new customers.



For many industrial distributors, this meant that automated inventory solutions just weren't an option. Their customers just had to deal with manual inventory methods — or increase their spend enough to work with bigger distributors.

CHALLENGES IN INVENTORY CONTROL AND WAREHOUSE MANAGEMENT

Challenges have always existed in industrial markets when it comes to inventory control and management, although the challenges change as the market dynamics change. One of the biggest shifts is being driven by the wave of Baby Boomers retiring. Since 2020, more than 30 million Baby Boomers have retired, making Millennials the largest generational group in the workforce, followed closely by Gen Xers. This means the decision makers and leaders in the workforce are turning over, bringing new and different expectations.

For example, purchasing and procurement specialists increasingly want transparent pricing and self-serve online capabilities. They demand minimal disruption, and don't want to be bothered by face-to-face meetings with salespeople. Industrial distributors are looking to move away from manual counting. They want an automated system to tell them what's in stock, how it's being used, and who is using it. Restocking must enter the 21st century and leverage smart technology.

Millenials and Gen Xers are bringing new expectations to the workforce

It's not surprising that the demand for automated capabilities is increasing. An efficient warehouse operation is essential for the continuation of a business. Traditional inventory control is a manual effort, where a few times a year, employees stop what they were doing and spend days conducting physical counts. Making their way up the aisles and through the warehouse, they count what was on the shelf at that moment. The task is daunting — especially for smaller organizations.

Even today, more than 46% of small and medium enterprises still operate a manually enabled warehouse management and inventory tracking system. This leads to a wide range of errors and inefficiencies centered around order receiving, picking, labeling, packing, and shipping — all responsibilities that

are human-resource-intensive. With more human requirements comes higher costs associated with labor resources. In fact, as much as 70% of warehouse costs are attributable to labor.

Manual warehouse and inventory management has a comparatively low accuracy rate of 60%, which can lead to budget overruns, increased overhead expenses, and a negative impact on customer and partner relationships.

This is largely something the industry has just accepted. Small- to medium-size distributors thought there was no viable solution, and they just had to deal with the associated issues of manual warehouse and inventory management.

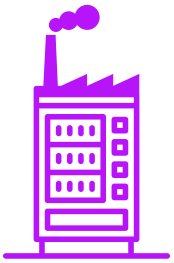
Until now.

FROM COUNTING BINS TO AUTOMATION — INNOVATION IS CHANGING HOW WE MANAGE INVENTORY

Electronic shelf labels are widely used in retail. They display pricing information on a screen, and, when networked locally, can be updated in real-time as necessary. The technology gave major players like Best Buy

Electronic shelf labels are a common sight in retail businesses

and Target the ability to price merchandise consistently across geographic locations. The electronic shelf label market is significant. Valued at $799.1 M in 2020, it is expected to grow to $3.343B by 2026 — a compound annual growth rate of 21.19% over the five-year forecast period of 2021-2026. That technology is big, it's proven, and it's here to stay.



UStockit turns your entire warehouse into a vending machine

SupplyPro looked at this technology and had an Aha! moment. What if, instead of displaying pricing, electronic shelf labels displayed an inventory count? And what if it was combined with powerful software and a scanner? SupplyPro could effectively turn an entire warehouse or storage facility into an enormous vending machine. This idea became the basis of UStockit.

SMART TECHNOLOGIES CREATE SMART DISTRIBUTORS

From the perspective of distributors who are managing the inventory of their customers, new technology comes with higher risk. It increases complexity, forces distributors into expensive vending, reveals performance shortcomings, and reduces margin. But on the other side of that argument, new technology increases customer loyalty and provides high levels of data and insight to reduce issues like stock outs, theft, and inaccuracy. Additionally, it increases distributor productivity and lowers labor costs.

SupplyPro's new UStockIt platform helps distributors maximize business growth by offering a system that provides their customers with the efficiency of an automated system without the investment of a full-scale industrial vending program.

Taking advantage of the same proven technology as electronic shelf labels, SupplyPro created the patented UStockit Inventory Shelf Tag (IST). The concept is simple, but highly effective. Using low-energy Bluetooth

technology, ISTs communicate with a wireless gateway. The gateway sends the data to the UStockIt cloud software, and a handheld scanner delivers up-to-date information via the UStockit intelligent software. Any handheld scanner with the ability to read bar codes can be used.

Accessible through a browser or mobile app via Google Play, UStockit intelligent software is reliable, flexible, scalable, and user friendly. UStockit's software leverages the same architecture as SupplyPro's industry-leading inventory control software. The entire system — UStockit Inventory Shelf Tags, UStockit intelligent software, a gateway, and a handheld scanner — is extremely efficient. It supports range, speed, battery life, and reliability — all of which are essential in an automated inventory platform.

INVENTORY SHELF TAGS — THE KEY TO TRACKING REAL-TIME CHANGES IN INVENTORY

UStockit's inventory shelf tags can be installed in storerooms, cribs, and warehouses to automatically track real-time changes in inventory. It is a low-cost-per-SKU inventory management solution that converts standard racks into smart shelves. The platform essentially converts the entire warehouse into a highly efficient vending machine.

The UStockit inventory shelf tag is easy to install with magnetic or adhesive attachment options. After the Ethernet-enabled gateway is mounted, it is configured via the UStockit intelligent software. If there are any problems, SupplyPro's customer support team is on-call and ready to help.

UStockit Inventory Shelf Tag

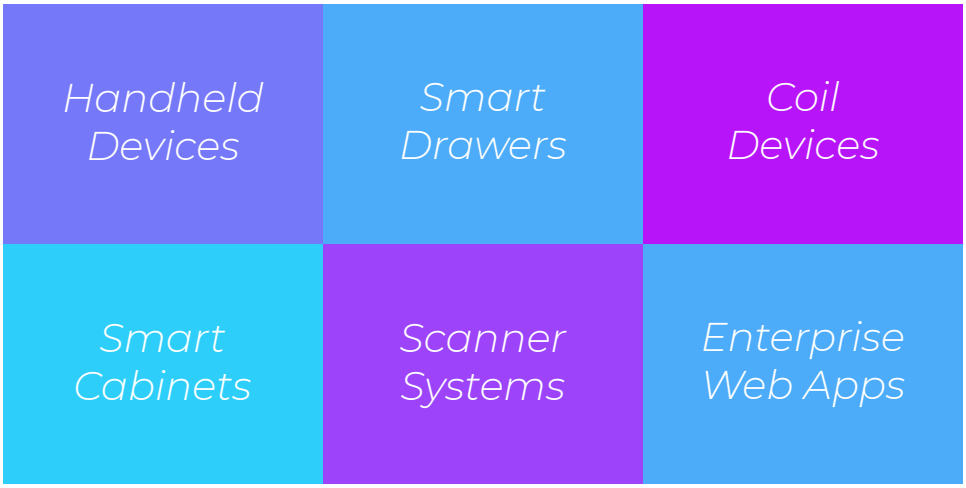
UStockit offers a cloud-based inventory system that automates ordering, tracks real-time inventory levels, and provides replenishment alters. Additionally, the UStockit inventory shelf tag displays key information like product name, part number, stock location, and current quantity. An Android-based smartphone allows product information to be changed or updated wirelessly.

DELIVERING INVENTORY DATA AND INSIGHTS EXACTLY WHEN AND WHERE IT'S NEEDED

UStockit's inventory shelf tag (IST) interface is simple. Users press the "T" (for take) button when removing an item from the shelf, and the "R" (for return) button when an item is added back into location.

The IST interface will display the adjusted quantity, and it will communicate the change through the gateway to the cloud, where the event will be recorded and inventory updated.

In addition to inventory shelf tags, UStockit can also track inventory changes with many other connected devices:



PREDICTIVE MODELS DELIVER RELIABLE INSIGHTS

UStockit uses 10 unique predictive models to automate and streamline inventory management in a number of ways. For example, UStockit has replaced the inventory check timeline from once a week to as needed in real-time. There is no longer a need for a scheduled physical count of

inventory. A change in current inventory triggers an evaluation of the current inventory, which is used to determine whether inventory replenishment is required. Additionally, UStockit determines what inventory within the storage facility needs to be replenished, whether there is excess stock at another location, or if re-allocation is permitted. When inventory needs to be purchased, the system can also identify approved vendors, create purchase orders, send the purchase order to the distributors, and issue payment. The system tracks every pathway to completion, along with conditional options along the way.

Smart technology based on smart design

Smart technology is based on smart design.

CONCLUSION

While distributors are striving to increase their sales and improve productivity, their customers are looking for ways to reduce inventory and make inventory management more efficient. Challenges abound — from lags in the supply chain, to costly warehouse inefficiencies that emerge from manual inventory management. However, new automated technologies are making inventory control easier and more accurate for the end users, and providing distributors the data and insights to keep the right amount of inventory in stock and always available when needed. SupplyPro's UStockit platform is a fully customizable, DIY inventory management program consisting of four elements, including digital inventory shelf tags, a handheld scanner or Android phone, intelligent software, and a shelf tag system gateway. Surprising simple, yet powerful and effective, UStockit helps distributors maximize growth by providing the automated capabilities and efficiencies that end users are demanding. UStockit delivers a vending solution that helps even the mid-size distributors compete to win big business.

JOIN THE BETA

The UStockit Inventory Shelf Tag product is currently undergoing beta testing and is accepting additional candidates to participate in the beta testing program. For more information or to become a beta tester, go to www.ustockit.com/beta or contact Sales@supplypro.com or 858-587-6400.

UStockit™

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The Inventory Shelf Tag is patent pending. The information, features, and services in this document are subject to change without notice.

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