

Inventory Management Systems Play an Essential Role Now and Into the Future

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⊕ Summary



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Introduction

As the economy reopens and demand for manufactured products returns to normal, it has become challenging to manage inventory of the parts needed for production. While no one product or service can solve all of these problems, inventory management systems have become an increasingly useful tool for managing labor and supply chain issues. This article reviews the current situation and how one new automated inventory management system can help alleviate some of the pain of C-Class inventory management.

Labor market and supply chain issues impact manufacturers

It's no secret that companies across business segments are struggling to manage supply chain issues brought on by the pandemic, weather and shipping shortages while also attracting and retaining reliable workers. At the onset of the pandemic, the manufacturing supply chain was severely disrupted due to an unexpected increase in demand for products like hand sanitizer and toilet paper and later for outdoor living items like gardening equipment and fire pits as pandemic relief packages and warmer weather rolled in. The increased demand for these niche products caused shortages in the raw materials and components needed to make them. And that had a trickle-down effect on supply chains across industry sectors.

Then a harsh February freeze in Texas, followed by a six-day blockage of the Suez Canal in March of 2021, wreaked havoc on supply chains, and manufacturers are still feeling the effects.

A nationwide labor shortage is compounding these issues for manufacturers. There were more job openings in the U.S. this spring than before the pandemic hit in March 2020 and fewer people in the labor force, according to the Labor Department and private recruiting sites. The National Association of Manufacturers' most recent outlook survey identifies attracting and retaining a quality workforce as one of the top challenges facing the industry today. Manufacturing and logistics are among the sectors with the most rapidly rising job openings in the past year, according to the Wall Street Journal. Yet, employers in sectors like manufacturing are struggling to find workers as people opt for jobs that offer remote work options or employment opportunities closer to home.

The United States' aging work force in the manufacturing industry is also posing problems. Nearly one-quarter of the US manufacturing workforce is 55 or older. As those employees prepare to retire, manufacturers struggle to attract younger workers to replace them.

Together, these supply chain and workforce issues increase the challenges facing manufacturers.

The inventory management system—A helpful tool for today and tomorrow

Manufacturers can better combat the current labor and supply chain situation by investing in either a semi-automated or fully automated inventory management system. When skilled employees are not devoting time to managing inventory, they can focus on tasks that directly generate profit. Instead, the inventory management system can track inventory levels to help manufacturers prevent accidental outages.

Using semi-automated inventory management systems, warehouse workers typically scan parts barcodes, enter the replenishment quantity, and send the order to purchasing. These systems save time by reducing purchasing and planning activities as well as right sizing the inventory. Fully automated inventory management solutions take this one step further by eliminating the need to manually scan inventory and manage purchase orders (POs). This enables manufacturers to focus their limited warehousing and purchasing teams on other critical activities while the inventory management system handles the tasks of counting inventory and placing replenishment orders.

Trelleborg's IntelliStok automated inventory management system is one such solution, launched earlier this year. IntelliStok units fit existing bins without requiring modification, enabling manufacturers to utilize automation to manage their parts inventory, while dealing with a reduced workforce and supply chain issues.

Once installed, IntelliStok completely automates the ordering process by utilizing sensors to perform regular inventory checks and submit replenishment orders directly to Trelleborg. This eliminates the need for warehouse personnel to manually check and scan inventory and also reduces the burden on purchasing personnel by creating and submitting POs for them and eliminating the need to manually review and confirm order acknowledgements. The system's intuitive, web-based customer portal dashboard also provides real-time inventory tracking, enabling manufacturers to right-size their inventory, lowering the capital tied up in stock while preventing shortages and overstock situations.

In today's environment, the touch-free IntelliStok improves employee safety and delivers further efficiency by eliminating the hand-held scanner required by similar systems. In a COVID-sensitive world, eliminating the scanner reduces the opportunity to spread germs and the need to sanitize between uses.

Conclusion

Although inventory management systems cannot solve the issues related to shipping, they can help manufacturers across all industries relieve the burden of counting inventory and placing replenishment orders, enabling staff to focus on the tasks that affect the bottom line. With labor in short supply, this is a needed and welcome solution for manufacturers struggling to manage day-to-day operations.

About The Author

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