Achieving Greater Inventory Accuracy and Control with Epicor

Company Facts
- Location: Jeffersontown, KY
- Industry: Custom Storage Solutions
- Number of Locations: 1
- Web site: www.rev-a-shelf.com

REV·A·SHELF®

Success Highlights

Challenges and Opportunities
- Rev-A-Shelf implemented a comprehensive "Lean Manufacturing" initiative throughout the corporation, which required the company to integrate in order to achieve real-time visibility of inventory and finished goods

Epicor Solution and Services
- Epicor ERP

Why Epicor?
- Strong functionality
- Embedded WMS and ERP
- Low total cost of ownership
- In-house technology expertise

Benefits
- Achieved a near perfect year-end physical inventory count on $8 million worth of inventory
- Cut inventory count time from four days to six and a half hours
- Increased productivity by 25% due to more efficient picking and less time wasted searching for material
- Daily shipments increased from 75 skids per day to more than 250 skids per day
- Inventory turns are up from two times each year to 8

"With our plans for future growth, we need to have the right partner. We feel very comfortable that Epicor is that right partner and we are on the right track to meet our goals together."

David Noe, GM and vice president of sales and marketing, Rev-A-Shelf

As a leading manufacturer of custom storage organization products, Rev-A-Shelf offers both the professional and the homeowner the finest storage solutions available today. The product line consists of wood, polymer, wire, and stainless steel components, manufactured and marketed globally to kitchen dealers, cabinet shops, and large OEM cabinet manufacturers, hardware distributors, and retail home centers. Rev-A-Shelf, a family-owned business since 1978, began with a product line consisting of metal and polymer Lazy Susan components. Today, they are the leading market innovators of quality, functional residential cabinet storage and organizational products.

Rev-A-Shelf implemented a comprehensive "Lean Manufacturing" initiative throughout the corporation, which required the company to integrate in order to achieve real-time visibility of inventory and finished goods. "With the implementation of lean manufacturing, we needed to ensure real-time visibility," said Michael Rodgers, information systems manager at Rev-A-Shelf. "Now all information we get on inventory is in real-time. That makes a huge difference. If something is moved, it's shown and accounted for," added Rodgers. Operating with "lean" manufacturing means you have to make changes to production and material flow frequently. With Epicor, Rev-A-Shelf has the information they need to make those changes.

EPICOR®

"We chose Epicor for several reasons. Epicor provides strong functionality. It is a one-stop-shop with embedded WMS and ERP, and a low total cost of ownership," said Rick Moreschi, corporate IT manager for Rev-A-Shelf. "In-house expertise on technology played a big role as well. Finally, we already had a relationship with Epicor and its employees. They knew us and our specific needs."

"The assistance we have gotten from Epicor has been an enormous help in supporting growth," said Don Bramer, production manager for Rev-A-Shelf. "We have grown tremendously and it is going to continue."

Becoming Lean

For Rev-A-Shelf to become "lean" they had to make some changes in operations. After implementation, the company moved from a "build-to-stock" to a "build-to-order" philosophy. With build-to-order in place, they set a company goal of shipping OEM/retail customer orders in three business days and distributor orders in four business days.

While the three buildings Rev-A-Shelf occupies are close in proximity, they are separated by city streets. Geographic constraints required that material be shipped from another warehouse just-in-time (JIT) for manufacturing, then finishing the manufactured goods in time to meet the shipping schedules.

One hurdle was identifying demand against the available inventory by matching bills of materials (BOMs) for all open orders against current raw material inventory. However, the biggest challenge was doing all of this with a paper-based inventory system. "We used to do everything in the warehouse by paper; we then followed up by manually inputting the data into our systems each night," said Rodgers. "As a result, we had errors and inventory problems. We also spent a lot of time on cycle counts, and sending people out to locate product." The paper system offered no real-time management of inventory activities. Now with Epicor, Rev-A-Shelf conducts daily cycle counts so errors can be found and corrected immediately. Resolving inventory discrepancies on-the-spot improves accuracy and helps to alleviate lengthy and costly year-end physical inventory counts. As such, Rev-A-Shelf has cut its inventory count time from four days to six and a half hours.

With the move to "Lean Manufacturing," integration has become critical for inventory accuracy and productivity. Since implementing Epicor, productivity is up 25% because picking is more efficient and less time is wasted searching for material. "With the Epicor system we have put in place, we now have excellent control over where product is," said Rodgers. "Rev-A-Shelf surpassed its shipping goals and now ships orders in two days." Accordingly, daily shipments have increased from 75 skids per day to more than 250 skids per day.

Keeping Lean

Epicor is now used by everyone to access the information they need to keep Rev-A-Shelf running "lean." Using a wireless network scanning system, personnel perform a variety of inventory transactions updating the system in real-time. At computer work stations, users examine requirements and schedule work orders, report production and print labels, allocate inventory to sales and work orders, and pack out orders and printing lists.

Crystal Reports and automated e-mails keep users informed of inventory and manufacturing status. Effectively leveraging the real-time ERP data tracked through Epicor, kanban replenishment, now automated, is sending inventory alerts to a handful of suppliers.

The result: "Productivity has increased in every work cell, and has reduced the warehouse space in the building by one half," said Rodgers.

Clear View Creates Success

Real-time data forms the foundation that is essential for Rev-A-Shelf enabling it to operate as a successful "lean" manufacturer. Further benefits of the Epicor solution are seen in immediate internal performance reporting with goal tracking throughout the day. The ability to manage materials, geographically separated, is now available at time of demand.

Through real integration with Epicor, Rev-A-Shelf has gained a competitive advantage, and as they continue to grow, they will be able to keep that advantage. "With our plans for future growth, we need to have the right partner. We feel very comfortable that Epicor is that right partner and we are on the right track to meet our goals together," said David Noe, GM and vice president of sales and marketing for Rev-A-Shelf.

Rapid Return on Investment

Since implementing "lean" initiatives with Epicor, Rev-A-Shelf has seen a rapid return on investment. Epicor has enabled Rev-A-Shelf to run more efficient inventory management processes, enabling improved accuracy, visibility and control over all inventory items. Using Epicor's WMS application to track all inventory transactions in real-time, Rev-A-Shelf has achieved a near perfect year-end physical inventory count, improving significantly from an 8%-12% variance to a less than one-percent variance on $8 million worth of inventory.
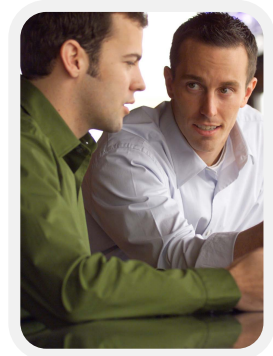
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