

WHEN A PRODUCTION LINE COMES TO A GRINDING HALT, DOWNTIME CAN MEAN DISASTER

Manufacturing is a \$2.5 trillion industry in the United States. For every dollar of domestic manufacturing, another \$3.60 of economic activity is generated elsewhere in the economy. When manufacturing stalls, the downward impact on other industries can be far reaching.

THE CAUSE OF MANUFACTURING DISRUPTIONS

Manufacturing downtime can be a result of many things, including equipment malfunction, human error, and employee turnover. However, the most devastating disruptions come from inventory stockouts. They are devastating because they are avoidable.

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. It is often the indirect materials that are uncontrolled and the cause of an unplanned disruption.

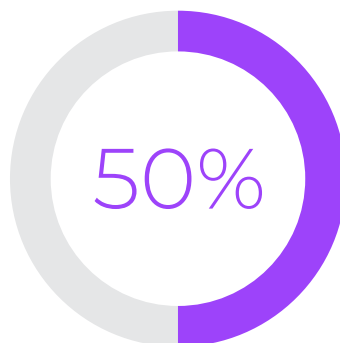
Indirect materials are those items that are used in the manufacturing process, but are not actually a component of the end product. These include gloves, tools, tape, and personal protective equipment — products that fall under the category of MRO (maintenance, repair & operations).

In modern manufacturing environments, strategies to minimize machine-caused downtime focus on prescriptive and predictive maintenance and repair. Even when these

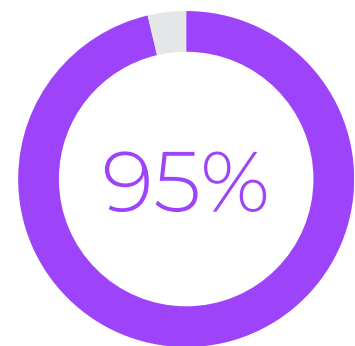
strategies are successfully implemented using advanced technologies like AI, IoT, and sensors, time is lost locating tools and procuring the parts needed for each operation. Delays in obtaining tools and parts can often be caused not only by the time required to retrieve them, but also the technical 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.

When it comes to unplanned downtime, the root cause is often in the minutiae: the spare part that isn't stocked, the tool that is out of place, or the safety item that violates a labor agreement. Any one of these things can bring production to a standstill. The impact of not having inventory on hand is dramatic. Statistically, facilities with manual inventory control operate with machine utilization rates of less than 50%, compared to 95% utilization when automated inventory management systems are in place.

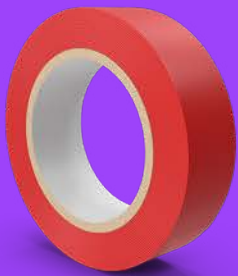
Machine utilization rates nearly double when automated inventory management systems are in place.



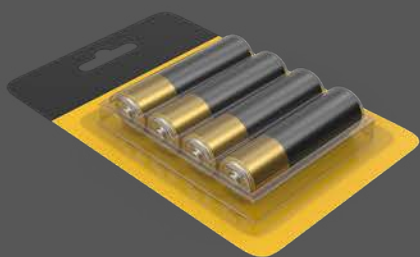
MANUAL



AUTOMATED



UNCONTROLLED INDIRECT MATERIALS THAT FALL UNDER THE CATEGORY OF MRO (MAINTENANCE, REPAIR, AND OPERATIONS) LIKE GLOVES, TOOLS, TAPE, AND PERSONAL PROTECTIVE EQUIPMENT ARE OFTEN THE CAUSE OF UNPLANNED DISRUPTIONS.



THE FINANCIAL IMPACT OF MANUFACTURING DISRUPTIONS

The financial impact of disrupting production can be enormous, but it goes beyond numbers on the balance sheet. When production stops, it delays product delivery and negatively impacts customer relationships. Customer loyalty 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. These challenges, however, also create new opportunities, as manufacturers look for ways to circumvent market dynamics that are out of their control. By implementing new technologies and processes into their workflows, manufacturers are finding ways to improve both throughput and reliability, to meet their customers' expectations and maintain customer loyalty.



AND THE ULTIMATE BOTTOM LINE

INVENTORY MANAGEMENT REDUCES DOWNTIME AND HELPS MANUFACTURERS MEET BUSINESS GOALS

Inventory management is becoming even more critical to success as organizations 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.

While the world continues to feel the impact of supply disruption, many manufacturers are turning to inventory management for help. Automating inventory management can take pressure off labor shortages, make the process

of repairing equipment faster and more efficient, and even reduce human error through more organized and streamlined MRO asset management.

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 and is essential to manufacturer success.



AUTOMATION MADE ACCESSIBLE FOR MANUFACTURERS OF ALL SIZES

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.

Automated inventory solutions present challenges for lower-spend accounts. The financial spend required to make automation feasible has traditionally been beyond the reach of medium-sized accounts. However, by implementing cloud-based technology offered via a subscription platform, SupplyPro makes inventory control solutions accessible for manufacturers of all sizes.



USTOCKIT CLOUD-BASED INTELLIGENT SOFTWARE

- Automated ordering
- Accurate inventory level management
- Replenishment alerts
- Accessible via web or mobile app

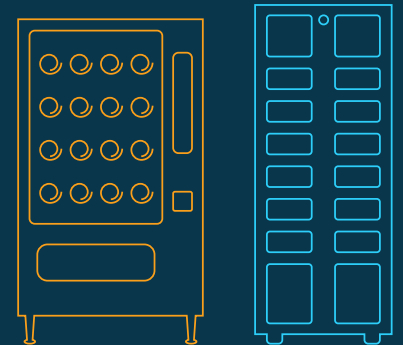


USTOCKIT INVENTORY SHELF TAGS

Uses a scannable barcode to send data through a gateway to the UStockit Intelligent Software.



CURRENTLY IN BETA



AFFORDABLE SUBSCRIPTION MODEL

Low, monthly subscription pricing (as low as \$250/mo) to manage PPE, MRO (tools, welding supplies) or other industrial items.



AGILITY ENSURES SUCCESS

The most successful manufacturing companies are those who have embraced agility. They are deploying smart technologies like 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.

With automated solutions like UStockit, manufacturers leverage automatic order replenishment, intelligent insights, and simplified oversight — all of which translates into lowered cost of managing assets and increased profitability.

DON'T LET YOUR SUCCESS COME TO A GRINDING HALT

CALL USTOCKIT SALES

 858.587.6400

 mrivard@supplypro.com

 www.ustockit.com



ABOUT SUPPLYPRO, INC.

Headquartered in San Diego, California, SupplyPro provides the leading end-to-end inventory management platform, leveraging the most advanced big data analytics techniques to dramatically transform the industrial distribution and manufacturing industries. The SupplyPro platform combines the power and flexibility of cloud and mobile solutions with the industry's first modular, IoT-enabled smart inventory control system.

More than 1.5 million monthly users, from manufacturing environments to aircraft hangars and high-tech cleanrooms, rely on the SupplyPro platform to increase efficiencies, profitability, and competitiveness. SupplyPro has collected and analyzed inventory data from over a trillion transactions for more than two decades, giving the company the ability to deliver business intelligence and insights for inventory management that no one else can. For more information visit: <http://supplypro.com>.

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.

The logo for SupplyPro, featuring the word "SUPPLYPRO" in white, bold, uppercase letters on a black background, with a registered trademark symbol (®) to the right.

www.supplypro.com | info@supplypro.com | (513) 554-8037

Copyright © 2023 SupplyPro, Inc. All rights reserved. SupplyPro and UStockit, are registered trademarks of SupplyPro, Inc. The Inventory Shelf Tag is patent pending. The information, features, and services in this document are subject to change without notice.

067-07000-22