Consolidated Mailing Services Inventory Management

A DES Lean success story – 4/1/2016

The Problem in Simple Terms

- It takes too long to conduct weekly inventory.

Observe and Measure the Current State

- It takes 16 hours to complete the weekly inventory process.
- 325 stocking location adjustments are required during the inventory process.

Problem Statement

- Currently the weekly inventory process takes 16 hours compared to our target of 8 hours which we want to reach by February 1st.

Root Causes

- Many people are putting inventory away.
- Some people aren't familiar with the items and stocking locations.
- The inventory system doesn't subtract inventory properly for select feed jobs.
- The report format for recording inventory counts is cumbersome.

Countermeasures

- Create standard operating procedures for inventory process.
- Limit those responsible for issuing and returning inventory to expeditors and supervisors.
- Work with WaTech to improve report format for recording inventory counts.
- Work with WaTech to develop system enhancement for subtracting correct inventory quantities for select feed jobs.
- Remove unnecessary items from inventory area.
- Discontinue process of operators issuing and returning their own inventory.
- Implement cleanliness standards for inventory area, to be maintained by supervisors and expeditors.

Results

- Reduced the time required for the inventory process from 16 hours to 5 hours (69%).
- Reduced the number of stocking location adjustments from 325 to 75 (77%).
- Reduced the number of jobs produced with the wrong materials from 18 to 4 per year (78%).

Lessons Learned

- IT systems need to be updated as processes change.
- Efficiency and quality increase when staff can focus on core duties.

Recommendations for Continuous Improvement

- Work with WaTech to pursue migration to .NET for outgoing mail management system. Optimize and simplify system where possible.

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Lean Methods Used: Value Stream Mapping, Standard Work, 5S, Scientific Problem Solving.