

Munters: A Global OEM's Approach to Process Savings



Manually scanning and entering orders cost roughly 3½ hours of lost labor each day – that's 728 hours a year.

Today's lean-focused OEMs are always on the lookout for ways to eliminate waste and optimize productivity. Many use the 5S method of workplace organization with its mantra, "A place for everything, and everything in its place."

For Munters, a global manufacturer of air treatment and climate control solutions, this focus on Lean and 5S is a daily practice. Its Amesbury, Massachusetts plant manufactures massive air treatment units for some of the world's largest and most demanding customers. Meeting their deadlines can have significant financial implications, so it's crucial that supplies for each project are always in the right place, at the right time.



Kevin Spearman,
Materials Analyst Supervisor,
Global Operations

“We Metric Everything”

One of Munters’ core values is, “There is always a better way.” To Kevin Spearman, Materials Analyst Supervisor, Global Operations, that means, “We metric everything. With global competition for every job, there’s no room for complacency.”

Finding a Better Bin System

One process that Spearman wanted to improve through the 5S method was how the company managed its OEM electrical inventory. Production workers were required to scan low bins on a daily basis, which meant they had to walk to a cabinet, pick up a scanner, walk back to their station, scan the bin’s bar code, then make another round trip to return the scanner. At that point, a supervisor would have to enter those orders into the ERP system. This cost the company roughly 3½ hours of lost labor each day – that’s 728 hours a year.



Problem

Munters’ old bin system required manual scanning and cost hours of labor each day.



Solution

WESCO implemented the ACTYLUS™ Smart Bin System to eliminate manual scanning and stock-outs and recover valuable floor space.



Result

Munters recaptured 700+ employee hours/year and saved nearly \$44K in labor costs.

This process often led to over-ordering, since production workers were more focused on preventing costly stock-outs, not inventory carrying costs. This resulted in a significant amount of safety/reserve stock, excessive inventory costs and the need for extra storage space.

Spearman turned to his WESCO Distribution® rep, Jim Cavanaugh, to find a better way Spearman had seen other automated bin systems, but none quite fit Munters’ needs. Then Cavanaugh took

the challenge to WESCO’s Supply Chain Solutions team, whose specialists had recently learned about the ACTYLUS™ Smart Bin System from Apex.

These cloud-based devices constantly monitor bin levels and send replenishment orders directly to WESCO’s ERP system. Spearman decided to give them a try and track his results. A short time later, WESCO had implemented 10 ACTYLUS units to automate supply replenishment orders for Munters’ production lines and panel assembly area.

101,000 Fewer Steps, and No More Scanning

Immediately, Spearman began seeing the results. The first obvious win was a reduction in wasted steps. Since the units are located near the point of use, employees can now pick up supplies in seconds. And ACTYLUS eliminates barcode scanning and all those wasted steps, providing even more productivity gains.

In total, Munters employees will save more than 101,000 steps a year – that’s 700 employee hours that can be channeled back into production. And since supervisors no longer manually enter orders into the ERP, they can now turn their focus to more productive tasks.

Putting Newfound Floor Space to Work

Munters has made valuable gains in its 5S program to eliminate waste. Because the ACTYLUS automated replenishment system ensures accurate orders, Spearman knows every item will be where employees need it, right when they need it. As a result, they’ve been able to cut back on reserve supplies, lower inventory costs, and consolidate bins to free floor space.

In all, Munters gained 108 square feet of productive floor space by reducing reserve stock. Spearman quickly put it to use by adding an extra manning table in the panel assembly area. This provides flexibility to add staff when Munters needs to respond to spikes in customer orders.

Strengthening the Partnership

With real-time visibility into supply levels, WESCO can now help Munters achieve the Lean cost savings and efficiency it needs to compete in the global marketplace. WESCO has also been able to reduce delivery runs from five days a week to four – a 20% savings in the account's operational costs.

According to Cavanaugh, "ACTYLUS was a win-win all around. Now Munters folks don't have to scan bins, and we can reduce our delivery days." This also helped WESCO reinforce its already-strong relationship with Munters and keep competitors at bay.

Spearman adds, "ACTYLUS wasn't just a great fit for our 5S program, we also saw ROI in 2½ months. That means automated replenishment of floor stock will be the cornerstone of our future." In fact, Munters is looking at implementing ACTYLUS in other North American manufacturing facilities, a sure sign that the Munters/WESCO partnership will continue to grow.

"We saw ROI on ACTYLUS in 2½ months."

– Kevin Spearman



ACTYLUS Smart Bin Systems located closer to the point of use will save more than 101,000 steps per year.

To learn more about the ACTYLUS Smart Bin System from Apex Supply Chain Technologies®, visit ApexSupplyChain.com/Actylus, email us at info@apexsupplychain.com or call 1.800.229.7912.

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**SMARTER
SPACES**

apex
Supply Chain
Technologies

How Munters Achieved Significant Labor and Productivity Savings

60%
SAVINGS
In Bin Rack Footprint



Reducing Inventory Reduces Bin Rack Footprint

| | | | |
|-------------------------------|---------------------------|--------------------------|---------------------------------|
| Square Footage Savings | Before ACTYLUS | After ACTYLUS | 108 Square Feet Saved |
| | 180 Square Feet | 72 Square Feet | |

Point of Work Bins Reduce Wasted Steps

| | | | | | |
|----------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------------------|
| Steps Savings | Lines A/B | Panel Department | Line C | Line D | = 101,290 Steps Saved Per Year |
| | 33,280 Steps Saved | 43,680 Steps Saved | 12,480 Steps Saved | 12,480 Steps Saved | |

Fewer Wasted Steps Recovers Employee Hours

| | | | | | |
|----------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------------------|
| Hours Savings | Lines A/B | Panel Department | Line C | Line D | = 728 Hours Saved Per Year |
| | 208 Hours/Year | 208 Hours/Year | 156 Hours/Year | 156 Hours/Year | |

ACTYLUS Smart Bin Solution Provides Significant Savings

| | | | |
|---------------------------|---------------------|----------------------------------|--------------------------------------------|
| Labor Cost Savings | 728 Hours | x \$60/hr Fully Loaded | = \$43,860 Cost Savings Per Year |
| | | | |

To learn more about the ACTYLUS Smart Bin System from Apex Supply Chain Technologies, visit ApexSupplyChain.com/Actylus, email us at info@apexsupplychain.com, or call 1.800.229.7912.

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