



Fastener Organization to Support the Factory of the Future



Company Name:

Philips

The Problem:

Philips needs to determine the additional components to be used for VMI through Endriese and re-organize their current fasteners to reduce travel distance

The Solution:

Philips will have a lettering system for organization of the fasteners and dispose of 95 parts and turn 120 into fasteners VMI.

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Background

Philips company holds 12,000 Sku's (barcodes) in their inventory, 350 of these Sku's are fasteners. Some of the inventory is considered vendor-managed inventory (VMI) – it scans the bins code, a computer automatically recognizes when the parts need to be replenished and puts an order in. Phillips manages the other inventory in house and places orders as needed. Philips is currently in the process of deciding which is better for inventory. If products have a usage of less than a year and/or lead time of 14 days, they could be eliminated.

The Problem

Philip's currently has over 800 VMI parts and 350 purchased parts, all of which are unorganized. Time is being wasted everyday searching for parts and money is being lost. Purchased parts with zero annual use are taking up valuable space on racks. Bins are being filled to max capacity causing parts to fall to the floor and become scrap.

The Solution

Create a shelf location system in which each shelf level is a . Each shelf location can hold up to five different fasteners and as little as one. Two different labeling systems will be used for VMI and purchased parts. Every VMI and purchased part is assigned a certain shelf location according to the size of the bin. Move both inventory sections as close to the production lines as possible to minimize travel time. Fill lines will be added to bins to prevent the overflow of parts.