



## GLASS MAKER SAVES \$1 MILLION ANNUALLY

### GLASS MANUFACTURER

UNITED STATES



**industry**

**MANUFACTURING – GLASSWARE PRODUCTS**

**applications**

**WORK-IN-PROCESS • SHIPPING/RECEIVING**

**situation**

This customer is a leading manufacturer of glassware products (e.g. test tubes) for laboratories. The customer employs approximately 200 people.

**critical issue**

There were three critical issues at this site: two relating to manufacturing, the third relating to shipping. First, production managers often had difficulty meeting monthly production goals and were forced to make last-minute adjustments near the end of the month to satisfy product demand. Secondly, the company's manufacturing plans allowed for the loss of a certain amount of scrap material during each month's production, but the site was consistently exceeding the scrap allowance and therefore losing money. Finally and most importantly, the company had major problems with shipping accuracy. They wrote-off approximately \$15,000 per month due to mis-shipments, which consisted of three common errors: 1) product not included in shipment to the customer; 2) shipment of the wrong items; or 3) manufacturer shipped too much of the correct item to its customer. In every instance, the manufacturer had to absorb costs associated with extra freight charges (with no accounting for extra labor involved in investigating and resolving these customer claims).

**reasons**

In the production area, the company was using an antiquated paper-based batch processing system that could not calculate their scrap rate, the amount of labor hours spent per job, or how closely they were meeting production goals. In the shipping area, employees would visually check and manually record products on the shipping pallets prior to loading on tractor trailers, and these hand-written documents were manually keyed into the company's database. Both the hand-written notes and manual data entry were rife with errors.

**vision & capabilities**

The site's production team wanted a bar code system in which workers would scan work orders at each manufacturing operation, thus providing management with step-by-step information to track labor hours per job, scrap, and finished products. In the shipping area, the customer wanted workers to be able to scan a bar code label on each box while packing a pallet. In both production and shipping, management wanted this information to be updated on a regular basis and be made available in real time.

**intermec solution**

The customer purchased 45 units of Intermec's 9560 Industrial Transaction Managers, which are mounted at various stations for tracking work-in-process. In conjunction with the mounted units, the customer uses twenty 9440 TRAKKER® Hand Held Terminals with the MODEL 1545 Laser Scanner for tracking work-in-process. In the shipping area, there are ten units of the 9445 TRAKKER® Hand Held Terminal with built-in laser scanners. The site also has eight MODEL 3400 and 14 MODEL 4400 bar code printers.

**benefits**

Management learned that production workers in the past often had been double and triple counting the same scrapped material, which explained why they were failing to meet their scrap goals. Secondly, production managers are now able to track all jobs and total production at any given point in time, thereby eliminating hectic rushed orders at the end of the month. Finally, monthly shipping claims have been reduced by an average of \$6,000 per month. The customer spent \$1 million on the new automated data collection project, and anticipates recouping the investment within one year.