

Vendor Managed Inventory Program Contributes More to Business Success than Stock on Shelves

How Austin Hardware's ABLE II™ VMI program solidified a partnership with leading emergency vehicle manufacturer.

Another VMI success story involves a leading emergency vehicle manufacturer. The company manufactures Type I, II, and III ambulances as well as medium-duty emergency vehicles. They are one of the largest ambulance manufacturers in North America, producing approximately 1,500 vehicles per year.

The company builds custom vehicles meaning one truck build can vary greatly from the next. Subsequently, this requires a wide variety, and a large volume of component hardware to be in stock from a long list of vendors.

Goals

Despite decades of service to this customer, it took several years for them to reach the point they were willing to launch their VMI program with Austin. But as their business was changing, they recognized additional vendor support would be required.

Customer goals for a VMI program were to:

- [Consolidate vendors](#)
- Create physical space in their manufacturing plant
- Help them better embrace lean principles
- [Aid with inventory management](#)
- Eliminate emergencies



Innovation and Customization are Critical

VMI, for many years, had been a staple of the fastener supply business because of the commoditized nature of the product. Austin Hardware® was the first to present to this customer a VMI program that could incorporate component hardware along with fasteners.

Once given the go-ahead, the program took several months to implement. What the program did for the customer was well worth the time invested.



- The program not only consolidated many vendors, but product lines as well
- Our near-site warehousing created the physical space they need at their manufacturing facilities
- We also introduced to them the concept of [quarterly inventory reviews which are packed with KPI's](#) allowing them to keep control of the important decisions while alleviating them from managing the day-to-day non-essential-to-truck-building responsibilities

But it was Austin's willingness to customize completely and to make long-term investments in the program before any revenue developed that was paramount.

Examples include:

- Austin's lease from the customer of a near-site building where the inventory is held.
- Embedding Austin resources at the customer's location. A full-time Austin employee who manages the program and physically delivers the parts daily to specific manufacturing locations.

Exceeding Expectations

The partnership in and of itself was a benefit the customer did not expect and is the reason the VMI program has exceeded expectations. As a partner who engages in customer problems and invests time and resources into helping solve them, continuously adapts, reinvents, engineers, and brings solutions, they've leveraged the relationship into much more than one of supplier/customer.

Austin Hardware's ability to be there immediately with needed products, and to help solve problems has proven invaluable to our customer. They see Austin as one of their top vendors and a [valued partner](#). They believe the VMI program has aided their success beyond merely stocking their shelves.

[Click Here](#) to find out more about Austin Hardware®, and our Able II™ Vendor Managed Inventory services