

Scm Pulse Picks Up Datacraft Solutionsâ€™™ Digital Kanban Feature

According to Cutler, "Distributors must continually innovate to maximize productivity and reduce total costs. Initiatives of process improvement and waste reduction can result in cost-saving efficiency. Productivity is output, efficiency and production. Waste is identified in many ways, yet ultimately it is any activity that requires allocated resources but adds no value from the customer's perspective. Some activities, while not directly adding value to a product or process (such as time spent on equipment maintenance or an accounting function) are necessary and must be perpetuated. But non-value-added activities must be constantly reevaluated and, if necessary, identified as waste and eliminated."

For example, many distributors still maintain inventories of a million plus items. Even with extensive networks of distribution centers to ensure prompt and reliable deliveries to their customers, their success is still not guaranteed. Despite long-standing relationships with thousands of manufacturers, many distributors lack an integrated approach. This costs customers time and money.

Purchasing organizations wrongly assume that "just-in-case" inventories are less costly than the cost of downtime or lost production. Preparing for an emergency or downtime situation usually creates inventories of items never used. Your lean procurement activities must be directly related to production, otherwise they become waste themselves. Many organizations implement lean strategic sourcing initiatives, yet still find that nearly half their purchases are spot buys or unplanned.

A key component to a lean initiative is the use of Kanban, the "pull" method of keeping production lines suitably stocked with inventory that's available when needed and in the correct quantity. Kanban is the signal needed for inventory replenishment, and as a product is consumed, an order for the utilized inventory is automatically placed. Digital kanban is the leanest methodology for a demand-driven supply chain.

Supplier consolidation can lower costs and improve productivity, but only if there is a complete understanding of the customer's needs and goods. According to Stephen Parker, CEO of North Carolina-based Datacraft Solutions, "The reduction of waste associated with rarely used items in inventory allows distributors to focus on core competencies. No time should be wasted sourcing and procuring infrequently used items. Digital Kanban re-orders, based only on actual consumption, are electronically communicated during each phase of replenishment."

Lean procurement today requires digital Kanban because it is ultimately a demand-driven, lean optimization tool that allows for both flexibility and responsiveness, thereby eliminating waste, increasing productivity, and holding to the cardinal rule of continued process improvement.

Datacraft Solutions (www.datacraftsolutions.com) delivers a revolutionary digital kanban process of automation solutions to lean manufacturers through a secure Internet gateway, eliminating the need to install and maintain a complex IT infrastructure. The company has experienced significant growth in the past twelve months by eliminating complicated, expensive, time-intensive software implementations as well as extensive training regiments and the need for internal support. The Datacraft Solutions' demand driven supply chain digital kanban lean system allows customers access and fully utilize powerful lean benefits immediately for a low, predictable monthly fee. Services are scalable so manufacturers and distributors can design an a

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