



---

## Fastener Management the EFI Way

Electronic Fasteners makes a serious and significant commitment to our fastener management customers. We maintain a complete, separate department to administer fastener management programs. Our Fastener Management Department has its own clerical personnel, and its manager is a member of our Senior Management Committee.

The department operates its own fleet of delivery vehicles, and more importantly, it has its own staff of Fastener Management Specialists. The Specialists “take ownership” of the physical implementation of their assigned fastener management programs. Not only do they make the deliveries and scan in new orders, they keep their customers’ bins organized, and the stocking areas clean and neat.

So when you have a Fastener Management Program from EFI, you not only have an Inside Sales Representative and an Outside Sales Representative making sure that you’re a satisfied customer, you also have a Fastener Management Specialist and a separate, focused, clerical and administrative staff working to make your program run smoothly and efficiently.

---

## Getting Started

To set up a Fastener Management Program, we’ll need a list of the fastener items you use, with both your part numbers and descriptions. If you’re not sure of the correct nomenclature of a fastener, we’ll identify it for you from a sample.

We’ll also need to know your annual usage of each item. While it is not uncommon for this data to be hard to come by -- a function of the large number of different fastener items and the relatively low dollar value they represent -- the more accurate your usage figures are, the more cost-effective and efficient your Fastener Management Program will be.

In addition, we’ll need to know the number of stocking locations required at your facility, together with their names (internal addresses); and which fastener items are to be stocked at each location.

Lastly, we’ll need some information about the patterns of usage you expect for each item. The more uneven your usage of an item is, the greater the risk that a production spike could cause an outage -- something that has to be considered when setting bin quantities. Once we have this information, we can recommend logical bag and bin quantities. And that brings up an issue we consider extremely important.

---

## Fastener Inventory Control

In no case does EFI merely “fill up your bins”. We recommend bag and bin quantities intended to give you enough pieces of an item in stock to ensure you won’t run out, while not investing more in inventory than you need to. And of course we discuss our recommendations with you. For example, you may have a perfectly good reason why, in your shop, fewer bags of more pieces per bag make more sense than our recommendation. But once you and we have agreed on bag and bin quantities for an item, we never vary from these quantities without authorization. You retain control of your fastener inventory levels.

Once your fastener management program is up and running, we will also recommend changes to bag or bin quantities. Our Fastener Management Department employs usage tracking software to monitor the appropriateness of bin stocking levels. If the quarterly analysis shows that your usage of an item has gone up or down, we may recommend that the bin quantity be increased or decreased. And if you work from regularly-generated forecasts (and if they can be broken down to individual component level), you may wish to furnish a copy of them to EFI. Used in concert with our own usage tracking software, your forecasts can help fine-tune our recommendations for Standard Bin Quantity changes. Either way, however, they will be recommendations. We will not effect a change of quantities without your authorization.

However, it’s very easy for you to make changes. If you know that your usage of an item is going to go up or down, your designated contact person merely contacts our Fastener Management Department to increase or decrease the bin quantity. But again, after we make that change for you, we will not deviate from that new quantity without your authorization.

---

## Delivery and Surveillance

When a new Fastener Management Program is physically installed, the first task is to configure and label the bins, and stock them with your pre-existing inventory. Immediately upon completion of this task, the Fastener Management Specialist surveys your bins and scans in an order for any items which are understocked. These items will be delivered the following week.

When the Specialist makes his delivery-and-surveillance visit that following week, he first stocks the delivered items in their proper bins. Then he neatens up the bins and the general bin area, and makes his notes on the status of the stocking location. He then surveys the bins again, scanning in a new order. This routine is then repeated weekly.

In addition, if at any time the Specialist spots anything of concern, he will immediately bring it to the attention of the customer’s designated contact. For example, if the Specialist finds a bin completely empty, he will always make an immediate recommendation that the bin quantity be increased.

---

## Stocking Systems

Whichever stocking system is used, EFI bin labeling always provides your part number and revision level, EFI's part number, a human-readable description of the item, the bin quantity, the number of bags and pieces per bag which make up the bin quantity (e.g., "2@250" would indicate that 2 bags of 250 pieces per bag made up a 500-piece bin quantity), and of course the bar codes we use to scan replenishment orders.

---

## The Multi-Bag System

Virtually all of EFI's Fastener Management customers have found that a multi-bag system best meets their needs.

In this system, there is a Standard Bin Quantity for each item, expressed as a specific number of bags, each containing a specific number of pieces. On each weekly delivery-and-surveillance visit, the Fastener Management Specialist checks the number of full bags of each item. If there are fewer full bags than there are supposed to be, he scans in an order for as many bags are needed to replenish the bin.

For example, the Standard Bin Quantity of a particular item might be 450 pieces, expressed as 3 bags of 150 pieces per bag. On his next delivery-and-surveillance visit, the Specialist might find only 1 full bag and 1 half-full bag in that bin. He therefore would scan in an order for 2 bags to bring the bin quantity back to 3 full bags. By the time the Specialist returns the following week with the 2 bags, the half-full bag may have been depleted further, and be only one-quarter full. After the Specialist stocks the bin with the 2 bags he just brought, therefore, the bin would have 4 bags in it -- 3 full bags and 1 bag that's only one-quarter full. Note that because the Specialist is looking for, and delivering, full bags, bin sizes must always be large enough to accommodate one open, partially-depleted bag in addition to the number of bags which make up the Standard Bin Quantity.

The multi-bag system helps control quantities disbursed from a stocking location to a production workstation, minimizes bag weight and size, and allows flexibility in increasing or decreasing delivery quantities (you can change the number of pieces per bag, or the number of bags).

---

## The Min/Max Bag System

Very occasionally, a manufacturer has difficulty establishing or maintaining a "use up the open bag first" protocol. In this situation, a min/max bag system may help.

The “max” bag contains 60-80% of the Standard Bin Quantity, and the “min” bag contains the balance. The “max” bag is always opened first. During delivery-and-surveillance visits, the Fastener Management Specialist scans an order for both bags whenever he finds only an open “min” bag in the bin. The following week, the Specialist delivers both bags of that item, stocks them in the proper bin, straightens up the bins and neatens up the surrounding area, and surveys again for open “min” bags. Note that since it is perfectly possible that the open “min” bag may not be fully depleted by the following week’s delivery, the bin must be large enough to accommodate 1 additional “min” bag in addition to the “max” and “min” bags which make up the Standard Bin Quantity.

The only possible advantage to a min/max bag system is that it may conceivably be easier to maintain a “use up the big bag first” protocol than a “use up the open bag first” protocol.

---

## The Kanban System

In this system, each bag contains a copy of the bin label. When the manufacturer’s personnel open a bag, they remove the label copy and place it in an “order box” located convenient to the bin area. During the weekly delivery-and-surveillance visit, the Fastener Management Specialist delivers and stocks orders from the previous week, and neatens up the bins and stocking area. However, instead of scanning in a new order from the bin labels, the Specialist then removes the labels which have accumulated in the order box, and scans them to create an order for replenishment on the next visit. On that next visit, he/she replenishes the bins for which orders had been taken, and again picks up labels which have accumulated in the order box.

While the Kanban system allows very “hands-on” local control of replenishment, it has one considerable disadvantage: if the manufacturer’s personnel forget to put the bag label into the order box, the Fastener Management Specialist can’t pick it up for scanning, no replenishment order will be entered, and the item won’t be available the next time some are needed for production.

---

## Special Situations

In our 40-year experience with Fastener Management Programs, these three stocking systems have accommodated virtually any manufacturing environment. The multi-bag system is especially flexible and adaptable. However, EFI has excellent systems capability, and if multi-bag, min/max or Kanban won’t work for you, we’ll do our best to devise a system that will.

---

## Fastener Management Support

No matter how carefully the parameters of a Fastener Management Program are selected, sudden spikes in production can create an unanticipated fastener need. Should such a need occur, no fastener company is better prepared to back up your production lines than EFI:

- If you have a fastener on a Fastener Management Program, we stock it. Even if we haven't a single other customer who buys that item. Your fastener inventory is backed up by ours.
- Our Fastener Management Department maintains a full-time emergency delivery driver. If an item's Standard Bin Quantity proves insufficient to accommodate a sudden spike in production activity, we'll have him on his way to you.
- Our purchasing power gets us the very best possible service from manufacturers of both standard and custom products. If your spike blows through all of your inventory and all of ours (what a terrific problem!), we can call in a lot of favors to get more in fast.
- We're always ready and willing to make a special effort during production emergencies, with extra expediting, custom packaging or emergency deliveries—whatever it takes to keep your production lines up and working.

