



The ability to track material levels accurately has reduced costs and improved efficiency at raw bulk material manufacturer.

LevelMonitor Solves Inventory Concerns

Challenge

A manufacturer of raw bulk material for the food industry in the Netherlands has extensive vertical integration, with operations dedicated to provision of materials, tooling and transportation services to their customer's plants. The manufacturing facilities are primarily located throughout the Netherlands, with operations in the Benelux and Germany. They deliver customers on just in time bases to meet production demands, so it is essential to maintain stock levels in the silos. Previously, the silos were only equipped with point level switches that activated external lights to signal low inventory.

Customer staff monitored levels and reported daily to logistics and/or purchasing. This system was not very accurate, so levels were kept unnecessarily high to avoid running empty. Over fills and under fills were common. Emergency deliveries were costly for supplier and customers in terms of overtime and scheduling conflicts. The point level alarms were unreliable, so a maintenance technician often climbed the silos to verify levels before ordering.

This process was time consuming and risky. The need for constant monitoring kept personnel tied to the site. When the system failed (about ten times per year) and inventory ran out, the process interruption costs thousands of Euros.

In 2002, the plant manager and the manager logistics, sought ways to improve the system and automate inventory control.

Solution

They installed an ultrasonic level sensor at top of each silo, connected to an advanced signal transmitter. For remote inventory monitoring and control, LevelMonitor collects the level data and stores it in their database. Customers and logistics managers can log into the LevelMonitor web site anytime, from anywhere they have internet access, to view inventory levels. LevelMonitor.com automatically notifies logistics through a SMS and/or E-mail when inventory levels hit a designated fill point. Logistics can determine exactly how much inventory is required, eliminating under fills or over fills. The on-line 90-day inventory history allows for trending analysis of usage patterns and for inventory forecasting.

Benefits

The supplier now has a reliable, easy-to-maintain measurement system that tracks material levels accurately. "The automated system gives us better overall process control and eliminates the cost of manual measurement and inspections. This saves time and enhances safety".

The daily benefits of remote inventory control were immediately apparent for supplier's sales and logistics. "Apart from efficiency improvement and cost reduction, due to the reliability of the system, now we can take responsibility for the storage levels at our customers plants, because we are able to provide this value added inventory management service".

In return for this service, customers committed to a long-term delivery contract.

Logistics monitoring inventories directly and manages deliveries to optimise their loads and shipping schedules.

Accurate, timely information has eliminated emergency fill up and process interruptions due to material shortages.

This has given logistics inventory control and it is working very well for them.