



BIF Presentation

BEMA Annual Meeting - June 18, 2010
Wild Dunes Resort, Charleston, South Carolina

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Inventory & Warranties

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Problem Statement

- Bakery engineers strive to procure a spare part for every need, leading to:
 - Warranties are void when needed – after 1 yr.
 - Obsolete spare parts because effective preventive maintenance programs are designed to prevent unplanned events
 - Inventory readiness of aged inventory
 - Managing min/max and reorder points
 - Proper & timely identification of spare parts

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Possible Solutions

- What are some ideas:
 - VMI or Vender Managed Inventory
 - 3rd Party Store Rooms
 - Accept more risk of down time
 - Spare for everything & accept current model
 - Think outside the box & develop new solutions

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Beyond the Box

- Vendors own stock - Consignment
- Purchase takes place upon usage
- Warranty begins at invoicing
- Inventory levels tracked real-time using RFID
- Vendors gain useful data patterns & visibility
- Bakers get 1 year warranty on all purchases

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- ***Forward Work - Managing Inventory***
 - Equipment Revisions/Design Changes
 - Effective Notification
 - How do we control or eliminate obsolete Inventory
 - Return for credit
 - Is there a renewed warrant
 - Rebuilds/Vendor Service Calls
 - How do we protect the facility from inventory depletion
 - How do we minimize the risk of extended downtime
 - Third Party OEM's (Controls, Motors, Etc.)
 - Who should manage them
 - What will take to get them on board

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Open Discussion

- Vendors & Bakers
 - Thoughts
 - Concerns
 - Path forward
 - Next Steps

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