

Richmond Ford

Vending Solution Saves \$110,000+, Months of Time



Richmond Ford is a large auto dealership with 35 bays in its service department. It sells and services everything from heavy trucks to small cars, with a parts department that holds nearly \$1 million in inventory.

The Challenge

The Richmond Ford parts department was wasting huge amounts of time handing out small items like brake cleaner, gloves and razor blades to employees from other departments.

"I was paying my parts people to hand out trinkets," said Roland Chartier, parts director.

When service technicians needed something simple like a roll of electrical tape, they would lose 15 minutes standing in line at the parts desk each day. Multiplied by 30 technicians and an effective hourly rate of \$93, this arrangement cost Richmond Ford tens of thousands of dollars each year in wasted labor time. The time away from their work stations was limiting productivity.

A lack of accountability was a problem, too. When a technician asked for a few dozen cans of brake cleaner (\$3.50/each), or several boxes of gloves (\$12/each), the parts department would give it to him without much scrutiny.

"This place was devouring brake cleaner and gloves," Chartier said.

However, when Richmond Ford began using the MTS Xpress inventory management system from Myers Tire Supply®, things changed.

The MTS Xpress Solution

Richmond Ford installed two automated dispensing devices from Myers Tire Supply, a national distributor of tire, wheel and automotive service supplies and solutions, and its partner, Apex Supply Chain Technologies®. The EDGE™ 5000 has a helical dispenser to control access and improve accountability for items such as razor blades, batteries, cutoff wheels, safety glasses, tire lube and valve stems. The AXCESS™ 6012 is a 12-door locker holding items including cans of brake cleaner, grease, lubricants and gloves.

Each employee uses a personal code for access, and Apex Trajectory Cloud™ platform tracks and reports on who uses what, when and where.

More than \$110,000 Saved on Wages Alone

Richmond Ford realized immediate improvements.

Technicians are now completing transactions in a few minutes with the MTS Xpress instead of 15 at the parts department, which, when projected over an entire year, works out to more than \$110,000 in wage savings alone.



Thanks to automated replenishment alerts, stock-outs have been eliminated.

The technicians, who earn a flat rate for every job completed, also realized that they could earn more with the new system. If they needed a roll of electrical tape in the middle of a job, they could now get the tape from MTS Xpress and fix the car in the same time that it used to take just to wait in line at the parts department. Technicians are getting back to work sooner, finishing jobs faster and increasing the department's productivity. That translates into an extra 1,200 hours of capacity for Richmond Ford and its technicians to repair cars each year.

Chartier says the system saves a parts manager such as himself 6-10 hours a week that he needed to call vendors, shop prices and check vendors' stock levels. With MTS Xpress devices now in the building, he cut the number of vendors he deals with from five to just one – Myers Tire Supply.

"With that system sending orders to Myers, I don't even think about shop supplies anymore," Chartier said. "That is one big task off my plate that makes my job much easier."

Accountability and Stocking Levels

"These devices bring accountability into the system that we didn't have before," Chartier said. "When a technician checks out more brake cleaner or gloves than they should need, now we're going to notice it in the cloud-based reporting and ask about it – and they know that. So consumption has dropped."

The dealership as a whole is saving \$1,500-2,000 each month just on lower consumption of shop supplies. The service department cut costs by one-third, as invoices from the parts department dropped by about \$1,200 each month, or more than \$14,000 per year.

Richmond Ford is using at least 120 fewer cans of brake cleaner each month, and twelve fewer boxes of gloves. In those two categories alone, it is saving \$6,000 per year.

The Trajectory Cloud™ platform also monitors stocking levels so they can be optimized. When an MTS Xpress device runs low on an item, Myers is alerted to restock it. The comprehensive MTS Xpress solution includes automated processing and delivery of resupply orders.

"We never run out of stock," Chartier said.

That means productivity never slows because a technician is waiting on a part. And Richmond Ford avoids paying for overstocked parts and supplies, too.



Techs now get their own supplies in less than a minute, saving Richmond Ford more than \$110,000 in wages. They've also reduced supplies spend by roughly \$14,000 annually.

Benefitting Every Department

The benefits go beyond parts and service. Other departments also have access. Wash bay workers who need a razor blade to remove windshield stickers and the finance manager who needs a new battery for his computer mouse can now use MTS Xpress instead of depending on the parts counter. As a result, Richmond Ford's entire operation has become more efficient.

Gain Control and Visibility of Your Supplies

To learn more about the full line of automated dispensing solutions from Apex Supply Chain Technologies®, visit ApexSupplyChain.com, email us at info@apexsupplychain.com or call 1.800.229.7912

