

"We use the Inventory Management and Measurement (**InvM<sup>2</sup>**) module of SCP to manage the inventory strategy and reports of a \$350MM purchasing operation, and manage over \$11MM in purchased inventory. Since purchasing and implementing the software, we have reduced inventory by over 55% and, at the same time, reduced downtime by over 64% and expedited freight by 50%. **InvM<sup>2</sup>** has been a huge help in allowing me to model inventory and manage exceptions."

*Richard Dix, Materials Manager, Maytag Laundry Products*

## Maytag inventory turns nearly double

Maytag chose very aggressive goals for its production organization year over year. These targets include: 6% reduction in production costs; 20% increase in inventory turns; Service Call Rates decline in double digits (a quality assurance factor); 95%+ schedule adherence; and, 99%+ Takt Time\*.

Materials Manager, Richard Dix, needed to find a solution that would allow his group to meet their objectives. He turned to JMS. The Inventory Management and Measurement module not only augmented Maytag's ability to meet their targets, but according to Mr. Dix, learning to use the solution constituted a course in materials management. As most of the planners had very little formal training in this field, this was their first real exposure to materials theory.

### Why the InvM<sup>2</sup> module from Jada Management Systems?

The Inventory Management and Measurement module is easy-to-understand, does not allow for data corruption, is user friendly, and allows novice users to write reports without having to understand query writing. What-if analysis is easily handled, and the solution supports lean thinking by not reinforcing the old MRP push culture.

### What makes JMS different from other solution vendors for Maytag?

- Always willing to change and available to meet customers' needs.
- Fastest ROI: Return on investment has varied from 2 months to just short of 12 months.
- Allows for variable modes of input so you do not have to force your customers/partners to only use a specified format
- Incredibly flexible. JMS is flexible and responsive to changing business requirements.
- Very little/no IT support required to implement or support.



#### Challenges:

- Extreme material related line downtime
- High airfreight bills due to expedites
- Pressure to reduce production costs

#### Solutions:

- Optimize inventory turns
- Synchronize support ops to Takt Time\* through improved communication
- Pull systems instead of inventory buffers

#### Results (Year 2000 v. 2002):

- Reduced material related downtime from 260 hours to 12.5
- Cut air freight from \$500 MM to \$160 MM
- From Fall of '01 to July '03, turns improved from 26 to just shy of 50

Recently named one of America's Most Admired companies, **Maytag Corporation** is a \$4.7 billion home and commercial appliance company, headquartered in Newton, Iowa. With approximately 20,000 employees worldwide, Maytag is committed to growth through innovation and backed by well-known premium brand products.

\* the rate or time that a completed product is finished. If you have a Takt Time of two minutes that means every two minutes a complete product, assembly or machine is produced off the line